

# ESSA Q2 2015 INTEGRITY REPORT





## EDITORIAL



A number of scandals have sadly dominated sport since the publication of our first quarterly integrity report in April. These specifically relate to match-fixing, most notably in Italy and Spain, and also wider corruption in sport with the revelations of alleged high-profile corrupt practices at senior

levels in world football's governing body, FIFA.

The two issues are, in a broad sense, linked and good governance practices in sport are an important barometer of its overall integrity level. Members of the European Parliament have acknowledged this in their recently approved joint motion for a resolution following the FIFA scandal, and have underlined the need for all international sports organisations to have transparent, accountable and democratic structures in place.

In particular, MEPs stressed that: "corruption and money laundering are intrinsically linked and a large number of Member States have been affected by match-fixing and other financial crimes often related to criminal organisations operating on an international scale." The Parliamentary motion was welcomed by ESSA, which represents many of the world's largest regulated betting operators and who, along with consumers, are the potential victims of sports fraud such as match-fixing.

In this issue Marc Tarabella, a Member of the European Parliament and the co-chair of the newly established European Parliament's Intergroup on Sport, outlines the role of that group, its interest in betting and match-fixing issues and his opinions in that area.

The second article is by Eric Konings, Sports Betting Integrity Officer at Unibet. He examines the way in which bookmakers determine betting odds and how they are able to use that information to monitor irregular or suspicious betting patterns.

I thank them both for their valuable contributions, which I am sure you will find interesting reading.

I am also pleased to announce that ESSA and other stakeholders recently partnered with the Council of Europe in submitting a joint proposal to undertake a project to tackle match-fixing, which has won funding from the European Commission. We are looking forward to working with the Council and other stakeholders in delivering a practical and effective programme.

**Mike O'Kane**  
**ESSA Chairman**

## ESSA'S INTEGRITY FIGURES FOR Q2 2015

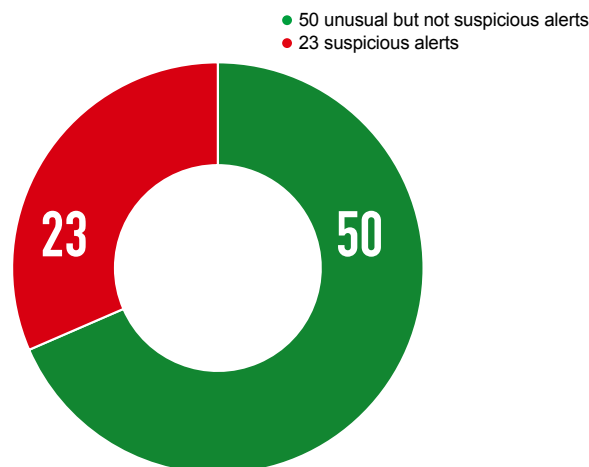
During the second quarter of 2015, ESSA members raised 73 alerts of which, after detailed examination, 23 were found to be suspicious and were reported to the relevant regulatory body for further investigation. Tennis constituted the highest number of suspicious alerts (83%) sent to regulatory bodies; this continues a trend identified in Q1. During this period, ESSA also extended its integrity network of regulated betting operators with the inclusion of Betway as its 19th member.

ESSA continues to play a key role as the regulated betting sector's representative body at national and international match-fixing policy forums and holds positions on working groups at the European Commission, Council of Europe and the International Olympic Committee (IOC). It represents many of the world's biggest regulated sports betting operators, serving over 40 million consumers in the EU alone, and is continually reassessing and improving its reporting and early warning systems.

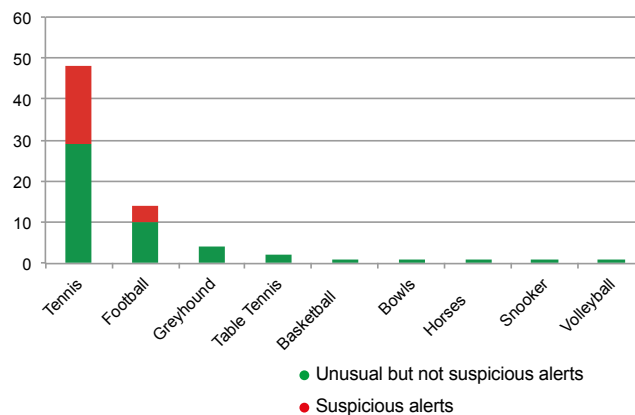
ESSA's members work together using risk assessment and security protocols to identify suspicious betting patterns and have access to an unrivalled body of data which it provides to sporting bodies and regulatory authorities. That includes essential transactional data on who is betting on what, where and when. Every year, our members invest over D50m in compliance and internal security systems to combat fraud, as well as funding other initiatives such as player education programmes.

A betting pattern is deemed unusual or suspicious when it involves unexpected activity with atypical bet sizes or volumes that continue – even after significant price corrections have been made in order to deter such activity in the market. A betting pattern is only confirmed as suspicious after ESSA has made detailed enquiries with all of its members to eliminate any prospect that the unusual patterns could be for legitimate reasons, such as pricing the market incorrectly.

## 73 alerts raised, 23 reported to sports bodies



## Breakdown of Sports



Sport	Tennis	Football	Greyhound	Table Tennis	Basketball	Bowls	Horses	Snooker	Volleyball
<b>Total of alerts</b>	<b>48</b>	<b>14</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Unusual but not suspicious alerts</b>	<b>29</b>	<b>10</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Suspicious alerts</b>	<b>19</b>	<b>4</b>							

## The image of sport has become tarnished - this needs to change



**Marc Tarabella is Member of the European Parliament and co-chair of the newly established Intergroup on Sport. In this article, he outlines the role of the Intergroup and its interest in betting and match-fixing.**



Sport is an increasingly important social and economic force globally; it promotes good health; it brings people and societies together; it fosters cross-border understanding. Unfortunately, events such as the alleged corruption in FIFA and other adverse impacts such as doping and match-fixing have significantly damaged sport's image. That is why the European Parliament has established an Intergroup on Sport to examine these issues and find effective ways of ensuring that sport maintains its positive social role.

The Intergroup, which I co-chair along with Santiago Fisas Aixelà MEP, embraces more than 70 MEPs and meets regularly to debate key issues, often with experts in their fields. We intend hosting hearings examining in September the allocation of major sporting events such as the 2018 and 2022 World Cups before moving on to the impact of betting and match-fixing in early 2016.

At present, match-fixing is a big issue in football and tennis, but its impact is also spreading to other sports. **Initiatives such as ESSA have had a very positive impact, but more is needed.** The Intergroup will thus be examining various related issues such as the conditions under which bets are offered.

I firmly believe that, if we are to beat this curse, it is absolutely essential that all stakeholders cooperate fully and explore the best mechanisms to fight match-fixing and betting fraud. Such discussions should of course involve regulated betting operators, as well as sports federations and Member States.

This is a serious and, unfortunately, growing international issue, harming sport, betting operators and consumers alike, and this must be reflected in the legal framework of Member States; it should not just be left to sports federations to address. It is therefore vital that national legislators coordinate with each other and agree common sanctions; the European Commission can play an important role in promoting this.

The Council of Europe's match-fixing convention is a positive step in this regard, harmonizing sanctions and promoting other mitigating policies, such as player education, to prevent match-fixing. It is particularly important to educate athletes in this area, especially those playing in sports and divisions with lower wage levels that can makes them more vulnerable to the approaches of the match-fixers.

Ensuring the integrity of sport is fundamental to its future. It is not only about corruption and match-fixing, however; there is also doping, money laundering and so on. Unfortunately, some sports have ignored these issues and sport's image as a whole has been blackened as a result. As the European Parliament's resolution condemning the situation within FIFA shows, there is widespread support among MEPs for change across the sector. My colleagues and I on the Intergroup will be seeking to ensure that this happens.

**Marc Tarabella**  
MEP

## The art of the odds-making



**Eric Konings is a Sports Betting Integrity Officer at Unibet. His article provides an insight into the process of pricing betting markets and the importance of maintaining the integrity of sports events.**



Unibet, a listed company fully committed to safeguarding the integrity of sporting events, is a proud co-founder of ESSA.

**Over the last decade, ESSA has had an extremely positive impact in deterring match-fixing and fostering cooperation among stakeholders.** As an independent operator, Unibet has also established its own relationships with regulators and sports bodies; it has committed to and taken part in educational projects and integrity programmes.

These efforts are based on the central tenet that cooperation among stakeholders is key in the battle against match-fixing. However, whilst the threat of corruption needs to be taken very seriously, we should also remember that sports betting provides a lot of fun and enjoyment for the vast majority of consumers - and promotes sport at the same time. Indeed, the sports betting product offers an opportunity for sports fans to get even closer to the action, pitting their knowledge against ours.

Imagine, for example, a Wimbledon final between Novak Djokovic and Roger Federer. Both players are priced at 1.90; these odds reflect the probability of either player winning. In this case, the odds compiler estimates that their chances are equal (so 50/50). Applying an operator margin of, say 5%, he therefore comes up with prices of  $(95/50) = 1.90$  versus  $(95/50) = 1.90$ .

When placing a bet on this match, a customer is directly challenging the probability set by our odds compilers. A customer might think, based on his or her own tennis knowledge, that Djokovic should be the clear favourite and estimates the probability of the Serbian winning at 65%. In this case, applying the same operator margin, the odds according to the customer should be  $(95/65) = 1.46$ . All of a sudden, odds of 1.90 seem very attractive, offering value to that consumer.

But how does an operator decide on the probabilities? Knowledge is key! The market is priced using all of the information our odds compilers can obtain. Does Djokovic suffer from hay fever? Did Federer tweet about a lack of sleep? Did Djokovic recently break up with his coach? Previous encounters? Weather? It all matters and affects the odds; every piece of information, down to the tiniest detail, is relevant.

Our odds compilers live and breathe sport. They love fair and open competition and the challenge of setting markets. Whilst sport can be unpredictable, adding hugely to the excitement, match-fixing destroys sport's reputation and consumer confidence. That is why Unibet, along with our betting partners in ESSA, invests so much in maintaining the integrity of sporting events.

We want the consumer to be confident that he or she is playing head-to-head against the odds compiler. It is this challenge and element of skill that millions of consumers find so attractive. We must not forget that the vast majority of sporting events and sports are clean and that, combined with a passion for fair competition, betting offers consumers a unique and exciting experience that can help make sporting events memorable.

**Eric Konings**  
**Unibet**

## OUR MEMBERS



### CONTACT INFORMATION

Khalid Ali

Secretary General

[https://twitter.com/ESSA\\_Betting](https://twitter.com/ESSA_Betting)

[kaf@eu-ssa.org](mailto:kaf@eu-ssa.org) • [www.eu-ssa.org](http://www.eu-ssa.org)

