

Match-fixing: Issues and policy responses

SUMMARY

As sport has grown increasingly popular worldwide, it has become a greater target for individuals and groups of people wishing to take advantage of its lucrative aspects. A conservative Interpol estimate for the period 1 June 2012 to 31 May 2013 indicates that match-fixing – i.e. the manipulation of results of sporting contests, or elements within a game – has been reported in over 70 countries across six continents, for football alone. Globalisation has further aggravated the phenomenon, with transnational criminal organisations taking advantage of changes in regulations, and flaws in legal and judicial systems.

Various sports have been affected by match-fixing, even though most cases occur in cricket, football, and tennis. Contests are not always rigged by individual players or referees; some cases involve coaches, club managers, and more unexpectedly, maintenance staff. Match-fixing is often linked to gambling, with criminal networks exploiting unregulated gambling markets, notably in Asia.

In the EU, the Framework Decisions on combatting corruption and the fight against organised crime underpin the operational work carried out by Europol and Eurojust. However, their provisions are still insufficiently well enacted by EU countries. The impact of international legal instruments, such as the United Nations and Council of Europe conventions, is also limited, since their provisions are not mandatory.

In this context, the International Olympic Committee, due to its political, social and sporting authority, appears as a key factor in the continuing fight against manipulation in sport.



In this briefing:

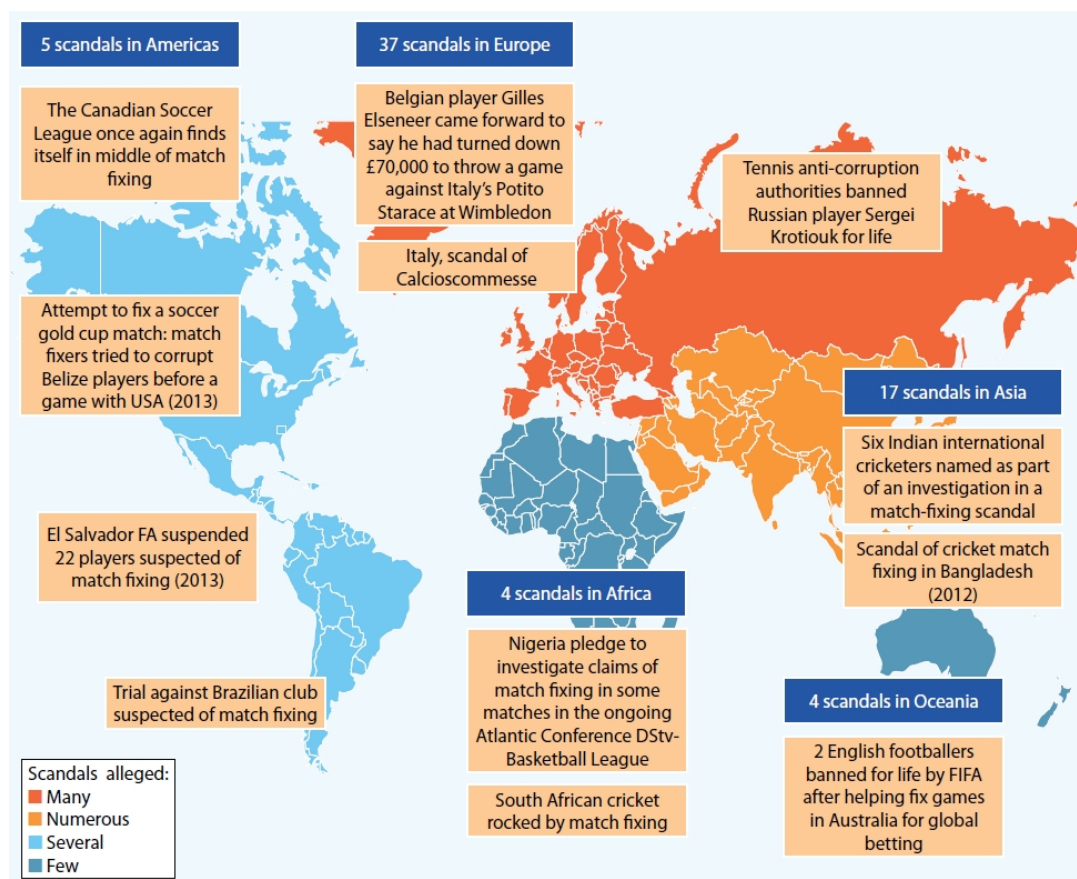
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Background

Worth an [estimated](#) US\$145 billion in 2015, the sports industry continues to offer substantial opportunities for revenue generation on a global scale. Arguably, what makes sport so special (and lucrative) is its [unpredictability](#). However, as sport has grown increasingly popular with a truly global audience in recent years, it appears to have become a greater target for individuals and groups of people wanting to take advantage of its lucrative aspects.

Despite having been [identified](#) as an issue as far back as the Olympic Games in ancient Greece in 388 BC, experts [argue](#) that match-fixing (i.e. the manipulation of results of sporting contests, or elements within a game, match or race) – along with doping, hooliganism and racism – is one of the most serious problems facing sport in the 21st century. A conservative Interpol estimate for the period 1 June 2012 to 31 May 2013 [indicates](#) that match-fixing has been reported in over 70 countries across six continents, for football alone. Globalisation has further aggravated the phenomenon, with transnational criminal organisations taking advantage of changes in regulations, flaws in legal and judicial systems, the opening-up of borders and the growth of free trade. Revelations about the [ramifications](#) of the 'Kelong Kings', a criminal syndicate from Singapore, highlighted the global nature of the problem, prompting the then Interpol Secretary-General, Ronald K. Noble, to [comment](#) that it requires a 'global and holistic' response. In 2014, this led UEFA, the governing body of European football, and Europol, the EU's law-enforcement agency, to [pool](#) efforts in fighting match-fixing practices.

Figure 1 – Global Distribution of Reported Cases of Manipulation of Sports Competitions 2012-2014



Source: Sorbonne-ICSS, [Fight against the manipulation of sports competitions](#), 2014.

An attempt at a definition

There is no agreed definition for match-fixing. Rather, while some authors emphasise the link to betting activities, others adopt a broader approach. However, all agree on the notion of manipulation. The definition [provided](#) by the Australian Sports Minister is the most exhaustive to date. It describes match-fixing as 'the manipulation of an outcome or contingency by competitors, teams, sports agents, support staff, referees and officials and venue staff. Such conduct includes:

- the deliberate fixing of the result of a contest, or of an occurrence within the contest, or of a points spread;
- deliberate underperformance;
- withdrawal (tanking);¹
- an official's deliberate misapplication of the rules of the contest;
- interference with the play or playing surfaces by venue staff; and
- abuse of insider information to support a bet placed by any of the above or placed by a gambler who has recruited such people to manipulate an outcome or contingency.'

There are basically two types of match-fixing: **betting-related match-fixing** (with the primary aim of achieving an economic gain) and **sports-related match-fixing** (motivated essentially by the desire to qualify for a competition).

There has been greater focus on the former, mainly due to the substantial sums involved. Interpol [suggests](#) that sports-related betting attracts US\$1 trillion a year, with nearly three quarters of that sum gambled on football. A case in point for the latter is the 'end-of-season-phenomenon', when deals are [made](#) to avoid relegation to a lower division. While economic benefits are not necessarily the primary objective in this case, at a later stage, maintaining a position in a higher division may have substantial financial consequences in terms of television rights or sponsorship contracts, for example. Also, club executives have wider obligations, particularly in terms of the financial profitability of their teams.

Even though certain sports seem particularly affected by match-fixing (notably [cricket](#), [football](#), and [tennis](#)), cases also exist in [badminton](#), [boxing](#), [basketball](#), [handball](#), [horse racing](#), [snooker](#), [sumo](#), and [volleyball](#). Statistical analysis (2011) [reviewing](#) 2 089 cases of corruption in sport for the period 2000-2010, shows that 53% of match-fixing cases occurred in Europe, with the majority of these cases (70%) concerning football.

The mathematics of match-fixing

Various researchers have tried to provide complex algorithms to explain match-fixing patterns. Some [claim](#) that the different perception and subsequent evaluation of the stake is what prompts match-fixing. Others [argue](#) that the rationale behind match-fixing resides in three variables: risk, reward, and liquidity. The 'fixers', be they players or officials, bear the risk of manipulating contests. Therefore, the reward must outweigh the risk, so that the operation remains financially attractive. However, liquidity differs due to the amounts traded per competition.

For instance, approximately US\$1 billion is traded on the European Champions League final in football. However, the [earnings](#) of top-division players are so high that match-fixing becomes impractical.

To the contrary, in some smaller contests involving less well-paid players, liquidity is still sufficient to make a profit. This type of competition is believed to be more susceptible to match-fixing. Football, tennis, and cricket betting markets have the [highest liquidity](#), even at low levels of competition. In football and cricket, referees are highly influential, but their modest salaries make them an obvious target for fixers. However, contests are not always rigged by individual players or [referees](#); some cases involve [coaches](#), [club managers](#), and more unexpectedly, [maintenance staff](#). In 1997, technicians extinguished stadium lights in order to freeze the scores of some English Premiership matches. On Asian betting sites, if the match is interrupted for technical reasons, the score at the moment of the interruption is considered to be the final score.

The relationship between sports betting and match-fixing

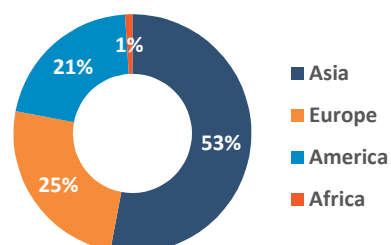
Match-fixing is often linked to gambling, with criminal networks exploiting unregulated gambling markets. Over the past ten years, sports-related betting has become a multi-billion dollar industry. The total amount of bets placed on the internet worldwide was [estimated](#) at US\$50.7 billion in 2012. Online betting is a global business whose regulation varies substantially across countries.

Providers are often [established](#) in countries which allow the organisation of gambling activities and/or do not regulate or supervise gambling. However, it is not easy to take legal action against providers who offer their services online and are established abroad. This, together with the opacity of the gambling market, has led practitioners to [qualify](#) the relationship between betting and sport as 'ambiguous'. While betting is a substantial source of revenue for sport, it has also been associated with attempts to manipulate the results of sporting competitions.

It is widely [accepted](#) that professional match-fixers predominantly use illegal Asian betting markets. Regulated bookmakers can, under certain conditions, [restrict](#) bets and stakes. In general, they require registration and identification of the player and can even close betting markets in case of (suspected) irregular betting activity. In contrast, the Asian bookmaking system is much looser. Bets are placed in the street, in betting shops, online, and by telephone, and are then forwarded through a hierarchical agent system. This allows the largest Asian bookmakers, operating in insufficiently regulated jurisdictions, such as the Philippines, to accumulate anonymous and unlimited bets, which makes it (almost) impossible to trace the origins of suspicious bets.²

It is repeatedly [suggested](#) that betting-related match-fixing is driven by high-level and increasingly sophisticated criminals, among which number Chinese Triads and mafia organisations from Singapore, Russia, Italy, Bosnia, and Croatia. Estimates by the International Football Association (FIFA), [indicate](#) that organised crime earns up to US\$15 billion a year by fixing matches, as a low-risk [alternative](#) to drugs, prostitution and human trafficking.

Figure 2 – Illegal Gross Gaming Revenues, % by continent, 2011



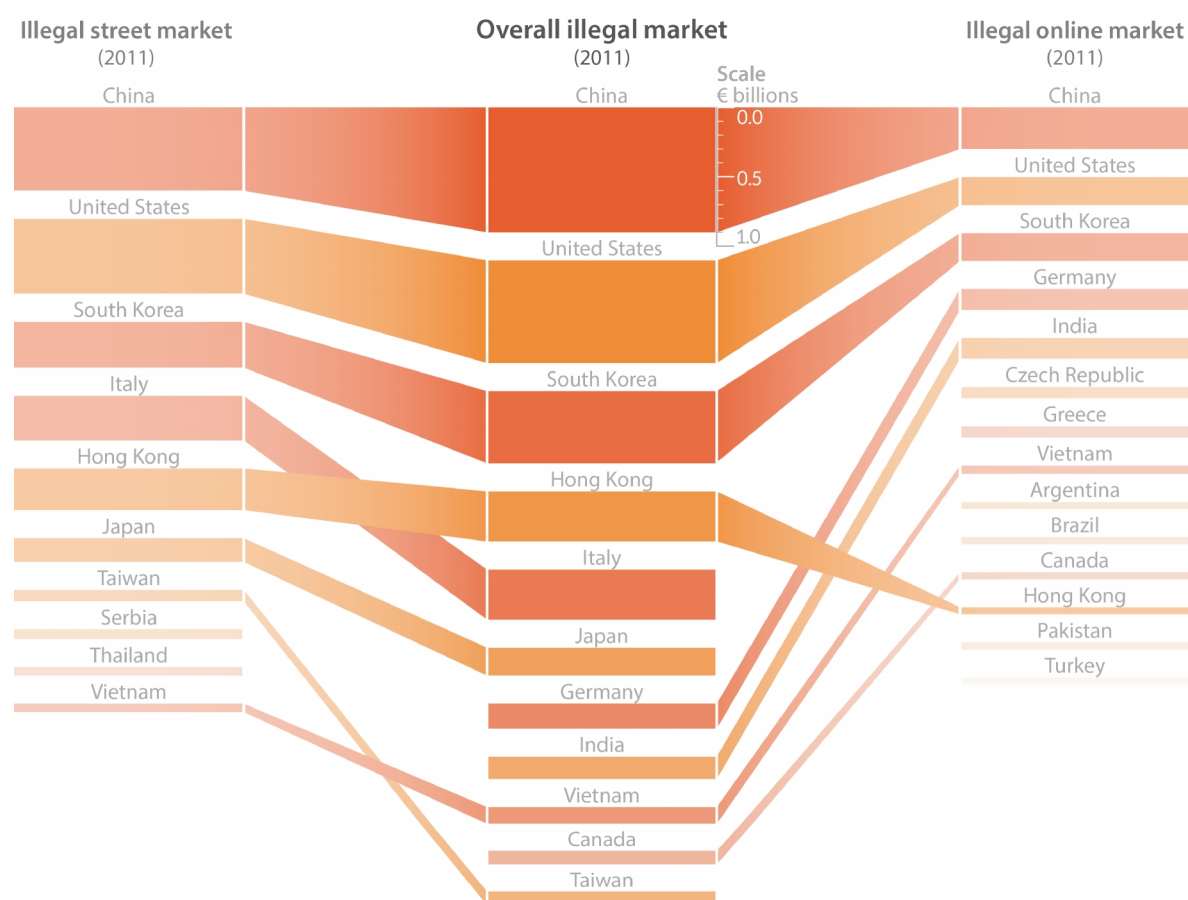
Data source: Sorbonne-ICSS, [Fight against the manipulation of sports competitions](#), 2014.

The substantial size of the illegal betting market³ in some Asian countries (notably China, South Korea, and Hong Kong) is notorious. Some 53% of global illegal revenues

are reaped in Asia (see Figure 2). Furthermore, Asia and America (including the USA) have large street betting markets, making up nearly three quarters of global illegal Gross Gaming Revenue (GGR),⁴ (see Figure 3).

However, it would be unfair to place all the blame on the illegal Asian betting markets. Some EU countries also harbour extensive illegal betting markets. In Germany, for example, the illegal market's GGR – estimated at €175 million (with a 90% rate of return) – is almost twice the size of the GGR of the legal market – estimated at €95 million (with a 54% rate of return). However, when comparing wager amounts, the illegal market (€1 750 million) is almost nine times larger than the legal market (€200 million).

Figure 3 – Illegal Gross Gaming Revenues by market, billion euros, 2011



Graphic by Christian Dietrich, EPRS.

Data source: Sorbonne-ICSS, [Fight against the manipulation of sports competitions](#), 2014.

Practitioners [suggest](#) that, while betting-related match-fixing also occurs in regulated betting markets, management of integrity risks is easier if betting activities are kept within well-regulated, traceable channels. Worryingly, organised crime appears to be using sports betting to [launder](#) profits. Indeed, in the likely odds that the manipulated bet wins, the money is 'cleaned'. Some authors [suggest](#) that the profits from match-fixing are used to fund other criminal activities, considering the extensive connections between illegal Asian betting syndicates and mafia organisations in Europe.

How match-fixing kills sport

Match-fixing [erodes](#) sporting integrity and can seriously undermine sporting values and the trust fans place in their sport. Research [demonstrates](#) that deregulated expansion of sports betting in an environment pervaded by organised crime and corruption can be fatal for sport.

A case in point is Albania, where football was very popular in the early 1990s. With the end of the Albanian regime in the mid-1990s, the economic sector was liberalised, which, in turn allowed sports betting to grow. Criminal gangs began manipulating matches to the extent that they exhausted the credibility of the Albanian Football League. Disappointed fans deserted the stadiums. The Chinese, Malaysian and Singaporean Championships followed the same pattern.

The Chinese League has been hit by a succession of scandals in recent years, [leading](#) to the arrest of a number of referees and players, and several members of the Chinese Football Federation. Consequently, it lost its principal sponsor – Pirelli – and the national broadcaster refused to broadcast its matches. As a result, Asian fans turned instead to European competitions, perceived as cleaner and more unpredictable.

Over the past decade a number of monitoring systems have been put in place by betting industry bodies (such as the [European Sports Security Association](#) and the [Global Lottery Monitoring System](#)), sports organisations (for example FIFA's [Early Warning System](#), and the International Olympic Committee's [Integrity Betting Intelligence System](#)), commercial monitoring companies (such as [Sportradar](#)) and [gambling regulators](#).

Along with these systems, betting operators develop their own surveillance systems, to monitor the betting activities of their customers in search of unusual movements across the betting market. However, the effectiveness of these systems is limited to bets placed in regulated markets. Moreover, monitoring systems can only detect some types of irregular betting, while many continue to occur undetected.

The regulation of sporting bets in the EU

In 1994, the European Court of Justice [laid down](#) the principle according to which gambling and betting activities constitute a service. In practical terms, this means that the providers of such services are entitled to the right of establishment ([Article 49](#) TFEU) and the freedom to provide services (Article 56 TFEU).

However, restrictions to the freedom to provide services (and the freedom of establishment) can be justified, on the one hand as a derogation expressly provided for by [Article 51](#) TFEU (concerning activities connected with the exercise of official authority) and [Article 52](#) TFEU (concerning national measures providing for special treatment for foreign nationals and justified by reasons of public policy, public safety and public health), or on the other hand, by the [jurisprudence](#) of the Court of Justice for overriding reasons of general interest. In these cases, restriction by a state must be proportionate, consistent and systematic (non-discriminatory).

Interestingly, the Court's jurisprudence shows a certain tolerance for protectionist measures, breaking with the stance of the European Commission, which, in 2007, [asked](#) a number of EU countries 'to remove obstacles to the provision of sports betting services'.

Policy responses to match-fixing in the EU

EU competence and limitations

The Treaty on the Functioning of the EU ([Article 165](#)) tasks the Union with the promotion of 'fairness and openness in sporting competitions and cooperation between bodies responsible for sports', and the protection of 'the physical and moral integrity of sportsmen and sportswomen'. Tackling match-fixing is therefore at the core of EU competence in the sports field. However, in legal terms, Article 165 only allows for incentive measures and excludes any harmonisation of the laws and regulations of EU countries. The same is true for the new [Article 6](#), which added sport as a supporting competence of the EU, allowing the EU to act to support, coordinate or supplement the actions of the Member States in the field of sport.

Key legal texts in criminal legislation

It should be stressed that match-fixing cannot be penalised by way of criminal or administrative sanctions at EU level without a harmonisation instrument. The only such instrument in place is the [Framework Decision](#) on **combating corruption in the private sector** which, however, leaves EU countries free to set levels of sanctions and penalties. Member States are notably required to penalise active and passive corruption with a penalty of a maximum of one to three years of imprisonment. However, the two implementation reports produced so far ([2007](#) and [2011](#)) indicated that enactment in national legislative systems was poor. Several EU countries still have to transpose various provisions. Depending on progress, the Commission will [consider](#) proposing a directive to replace the Framework Decision.

Two other texts complement the relevant criminal legislation. The [Framework Decision](#) on the **fight against organised crime** requires Member States to penalise this type of criminal activity with a term of imprisonment of two to five years. In addition, the [Directive](#) on the **prevention of the use of the financial system for money laundering and terrorist financing** contains specific provisions intended to improve detection measures. Among other things, it refers to the obligation to report illegal activities to the relevant authorities. However, the list of professionals bound by these provisions is too restrictive and does not include institutions organising sports betting activities.

Other instruments

The two EU agencies in charge of cross-border judicial and police cooperation – Europol and Eurojust – are also actively involved in the fight against match-fixing, mainly through the establishment of joint investigation teams. Europol's [mandate](#) extends to organised crime, terrorism and other forms of serious crime. However, it is primarily a support service and any operational action undertaken by Europol must be carried out in liaison and agreement with Member State authorities. The application of coercive measures continues to be exclusively a matter for national authorities. Eurojust is another institution with key relevance to the prosecution of sports corruption affecting two or more Member States. It strives to strengthen judicial cooperation in criminal

The European Parliament and match-fixing

The European Parliament fully acknowledges the seriousness of the concerns related to match-fixing and has given consideration to the issue in its various resolutions related to online gambling ([2009](#) and [2011](#)), match-fixing and corruption in sport ([2013](#)), and the high-level corruption cases in FIFA ([2015](#)). Parliament has notably highlighted that online gambling 'is not a market like any other because of the risks involved regarding consumer protection and the fight against organised crime'. It has repeatedly called on sports organisations to adopt a zero tolerance policy on corruption and to set a 'common definition of sport fraud and cheating'.

matters and promote the coordination of investigations and prosecutions between the competent authorities of EU countries.

Joint anti-corruption probe

A concrete example of European cooperation in criminal matters is an operation [conducted](#) between 2011 and 2013, by joint investigation teams from Europol, Eurojust, Interpol, and police units from 13 EU countries, and which resulted in the dismantling of a complex criminal network involved in widespread football match-fixing. It concerned over 380 professional football matches and 425 match and club officials, players, and criminals from over 15 countries. Betting profits generated by this wide-scale fixing operation amounted to more than €8 million, while corrupt payments to people involved in matches reached over €2 million.

In 2011, the European Commission [adopted](#) a set of measures to fight corruption. Integrity in sport and match-fixing were specifically addressed in a Communication on Sport ([2011](#)) and a Green Paper on Online Gambling ([2011](#)), followed by a Communication on a comprehensive European framework on online gambling ([2012](#)).

The [Preparatory action](#), 'European Partnership on Sports', launched in 2012, provided funding for projects focusing on the prevention of match-fixing through the education and information of relevant stakeholders, such as athletes, referees, match officials, and sports administrators. The Erasmus+ programme supports the fight against match fixing under its [Sport chapter](#).

International framework and instruments

United Nations

The main international instrument for tackling corruption is the United Nations (UN) [Convention against Corruption](#), also known as the 'Merida Convention'. It requires countries to establish criminal and other offences to cover a wide range of acts of corruption, both in its active and passive form. However, the relevant provisions are not mandatory, and signatories of the Convention are bound only to consider the establishment of the above-mentioned acts as criminal offences. Another instrument with a limited scope of action is the UN [Convention against Transnational Organised Crime](#), the direct application of which to match-fixing remains difficult. The Convention requires parties to establish corruption as a criminal offence but refers only to public corruption. Once again, signatories are free to establish other forms of corruption as criminal offences, but this is not mandatory.

Council of Europe

The anti-corruption legal instruments of the Council of Europe are mainly [developed](#) in the framework of the Group of States against Corruption (GRECO). The Group aims to identify deficiencies in national anti-corruption policies, prompting the necessary legislative, institutional and practical reforms.

Its legal instruments include several conventions, guiding principles and recommendations. The [Criminal Law Convention on Corruption](#) is probably the most relevant text, even though its provisions are not mandatory. The Convention aims to coordinate the criminalisation of a large number of corrupt practices, among which number active and passive bribery in the private sector. Member countries are therefore required to provide effective, proportionate and dissuasive sanctions and measures, and to facilitate international cooperation in the investigation and prosecution of corruption offences. However, under the Convention, corruption qualifies as an offence only when it takes place in the framework of commercial activity,

thus failing to allow for the wide range of circumstances in which the manipulation of sports results can occur.

In 2012, the [Enlarged Partial Agreement on Sport](#) – an initiative consisting of 36 countries and 28 sports organisations, including UEFA – launched negotiations, in coordination with the EU, on a [Convention against the manipulation of sports results](#), notably match-fixing. The Convention was adopted in 2014 and is currently open for signature. Any state which took part in the elaboration of the enlarged partial agreement may join GRECO. Moreover, any state which becomes party to the Criminal or Civil Law Conventions on Corruption automatically accedes to GRECO. Currently, the Group comprises 49 member states.

International Olympic Committee

In April 2015, the International Olympic Committee (IOC) hosted the first edition of a regular International Forum for Sports Integrity, during which it [announced](#) the creation of a fund endowed with a budget of US\$10 million for the fight against illegal betting and related corruption. Some of the money will be allocated to a prevention programme set up with Interpol (see next section), with which the IOC signed a memorandum of understanding in January 2014.

A new reporting mechanism for potential cases of competition manipulation as well as other violations – [the Integrity and Compliance Hotline](#) – was also launched in 2015. The hotline is linked to the Integrity Betting Intelligence System and guarantees the anonymity of whistleblowers. The Committee is presently [developing](#) an e-learning integrity programme for athletes and officials, to be launched ahead of the Olympic Games in Rio de Janeiro in 2016. In addition, the Olympic Movement [Code on the Prevention of the Manipulation of Competitions](#) will be implemented for the first time in 2016. The Code is a regulatory framework defining the different kinds of violations, minimum standards of disciplinary procedures and the scope of sanctions.

Experts [argue](#) that the IOC remains the key factor in the continuing fight against sports manipulation, arguably due to its 'political, social and sporting clout'.

Will there be a World Anti Match-Fixing Agency?

A further element [discussed](#) internationally is the establishment of an independent organisation – along the lines of the World Anti-Doping Agency – to fight match-fixing on a global scale. Some commentators [believe](#) that funding is the main obstacle to the setting up of such a body. Others [fear](#) however that there is a danger of placing increased focus and financial resources on match-fixing, to the detriment of anti-doping work.

Interpol

Since the launch in 2011 of its Integrity in Sport programme – a global training, education and prevention initiative with a focus on match-fixing as well as irregular and illegal betting – the world's international police organisation has [delivered](#) training to more than 2 200 individuals from 196 countries. Activities are based on five core principles: partnerships, information exchange, coordination, prevention strategies and proactivity.

In 2011, Interpol signed a joint agreement with FIFA pledging to contribute €20 million over 10 years to the Agency's Integrity in Sport programme. However, this [attracted](#) criticism and fears of a possible conflict of interests. Following investigations into corruption against FIFA, Interpol decided to suspend the agreement and freeze the use of financial contributions. The remaining unspent €2.9 million was [returned](#) to FIFA.

Main references

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Endnotes

¹ Tanking is the act of giving up a match, losing intentionally, or not competing.

² Forrest D., Maennig W., 'The threat to sports and sports governance from betting-related corruption: causes and solutions', in Paul M. Heywood (ed.) *Routledge Handbook of Political Corruption*, Routledge, Abingdon, 2015.

³ Unless otherwise indicated all data on quantitative sports bets in this section are based on Sorbonne-ICSS, [Fight against the manipulation of sports competitions](#), November 2014, pp. 77-85.

⁴ Gross gaming revenue is calculated as the difference between the wagered amounts and the winnings paid out to gamblers.

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eprs@ep.europa.eu

<http://www.eprs.ep.parl.union.eu> (intranet)

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