

"Match fixing and fraud in sport: putting the pieces together"

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*"Match fixing might seem a minor issue, but is a serious problem in Europe. It is a form of crime with high revenues and excessively low sentences and detection rates, and thus used as a tool by criminal organisations to make and launder money from criminal activities such as human and drug trafficking. A comprehensive approach is needed with the cooperation of sports organisations, betting operators, justice and law enforcement agencies, European institutions, and public authorities. We must act now, before the integrity of sport is ruined." **Emine Bozkurt***

By Emine Bozkurt

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1. Introduction

The past year seems to be the year where sport, and especially football as Europe's most important sideshow, revealed to be severely contaminated by malpractices and the involvement of organised crime operating on an international scale. Numerous match fixing cases have been brought to light throughout Europe. The Leagues in a vast majority of EU Member States and (potential) candidate countries seem to be tainted, and very few of them are being spared from large scandals in the sports world.

We are currently witnessing the events in Italy emanating from the "Last Bet" investigation which has looked into Italy's A and B Leagues with over 50 arrests for alleged match fixing for gambling purposes. But not just Southern European states are the scene of match fixing and fraud in sports.

Matches have been rigged among others in Belgium (Ye case), Germany and Switzerland (the Hoyzer and Bochum case) and Finland (Tampere case). In Turkey a massive sports fraud network has been revealed recently in the Super League and First League with the involvement of 16 professional football clubs and accusations against more than 90 persons. These are the cases that have been investigated and we know of. The question that remains is: "Are we only beginning to see the tip of the iceberg?"

2. Causes and threats

Criminal organisations have effectively made use of globalisation and the rise of the internet. They are increasingly using online sports betting as a tool for making and laundering money around the globe. Since websites providing sports betting can be located anywhere in the world, criminals shop for countries where there is the least oversight and control from public authorities for their criminal operations. Hence, the recent development of online sports betting has proved to be a massive threat to the integrity of sport.

Additionally sports fraud is extremely interesting for organised crime due to its relatively high revenues and low sentences. However only certain EU Member States have a definition of fraud and match fixing in criminal law, which makes it possible for criminals to get away with minimum sentences in a majority of the EU Member States.¹

In order to make and launder money, criminals manipulate matches to ensure the preferable outcome and safeguard their laundered money and profits. However, not all rigging of matches is done by criminal organisations. Matches can be rigged by players themselves, coaches, referees, surrounding staff such as doctors and technicians, but also by licensed operators, clubs and football federations. Already in 2008 has the involvement of Asian organised crime in illegal sports gambling (with a focus on football)² been marked by Interpol as a major reason for concern³.

It has become clear that criminal organisations have deeply penetrated the football establishment. Strong ties have been detected between the football establishment and criminal organisations especially in Eastern Europe and the Balkans. In countries such as Russia, Ukraine, Bulgaria and Serbia criminals have infiltrated in the clubs and federations and are operating from within, while using the clubs as covers for a multitude of criminal activities⁴. In these and many other countries such as Germany,

Italy, and Turkey, criminals have influenced players and referees to fix outcomes of matches by convincing, bribing and threatening them.

If the uncertainty of the outcome of any match is tampered with in such a manner that the relevant match, club, federation or competition becomes implausible, the sport will lose its credibility.

3. Facts and figures

According to statistics from H2 Gambling Capital the global online sports betting market has grown considerably in the past years **from 16.3 billion Euros in 2004 to an estimated 50.7 billion Euros in 2012⁵**. Due to the rise of the internet and globalisation in general, consumers have been able to place their bets on matches across the world and have been doing so increasingly.

Sports betting consumers across the world are placing bets to the equivalent of billions of Euros on matches that are mainly played in Europe. Criminal organisations have become aware of this fact and have ensured their presence in sports establishments across Europe.

Due to the complex and multifaceted nature of match fixing, it is not possible to detect all matches that have been fixed in all sports. However when looking into football, a large number of Member States and Candidate Countries are affected by match fixing scandals:

EU Member States		Candidate Countries
1. Austria	11. Hungary	1. Croatia
2. Belgium	12. Italy	2. Macedonia
3. Bulgaria	13. Latvia	3. Serbia
4. Cyprus	14. Malta	4. Turkey
5. Czech Republic	15. Poland	
6. Estonia	16. Portugal	
7. Finland	17. Slovenia	
8. France	18. Spain	
9. Germany	19. UK	
10. Greece		

As can be seen in the table above, the vast majority - **19 out of 27 Member States and 4 Candidate Countries** - has been affected by match fixing and official cases have taken place or are ongoing. The remaining 8 Member States do not have any official cases regarding match fixing. The question is whether there is no match fixing present in those Member States, or whether it has just not yet been detected?

4. State of play

The fact that a large number of Member States has been affected by match fixing, has resulted in the identification of match fixing as a reason for concern relating to organised crime and a major source of risk for the sports establishment in practically all EU Member States.

Many initiatives from the sports establishment, betting operators, Member States and EU are being taken in order to combat match fixing. To mention some of them:

- UEFA has appointed 53 integrity officers functioning within the national associations, has put into place a system for monitoring gambling patterns, and is working with informants in the field. Also UEFA is setting up a Memorandum of Understanding with the European Lotteries regarding the integrity of sport;
- FIFA has the Early Warning System for monitoring gambling patterns and has set up a bilateral cooperation with Interpol;
- Certain EU Member States have included sports fraud in criminal laws (such as Italy and Portugal), others have included it into sports laws (Greece and Poland), while again in other Member States it is not considered a criminal offence⁶;
- Androulla Vassiliou, European Commissioner on Sport has set up a "Good Governance" expert group to provide input regarding match fixing for the EU work plan for sport;
- Michel Barnier, European Commissioner for internal market and services, has announced the publication of an action plan this September to discuss "How to regulate betting and gambling in Europe", which will identify ensuring the integrity of sport as a priority; and the list continues.

The most recent initiative in the pipeline is the convention on match fixing by the Council of Europe. Through EPAS, the Enlarged Partial Agreement on Sport - the EU and individual Member States are taking part in the setting up of this convention.

Considering the sprawl of initiatives that are being taken on combating match fixing, it can be concluded that there is much interest from many diverging parties. However, while individual organisations and Member States are taking a range of different initiatives, a comprehensive approach is lacking. Above all, leadership from the EU on taking the lead in creating the much needed comprehensive approach is lacking.

5. Conclusion

While the sports establishment has set off the alarm bells for match fixing in European sport, few concrete steps from the EU and Member States have been taken to support sports organisations in combating organised crime that is polluting sport in Europe. The Member States that have been heavily affected by national match fixing scandals have included definitions in criminal law, while other Member States are turning a blind eye to the problem.

As Europe is specifically affected by match fixing, a European approach is necessary. The Council of Europe is working hard in order to set up a convention, but does not have the power to initiate laws or to put sanctions into place. While perhaps some Member States or sports organisations would prefer a less compulsory form of cooperation, in order to combat match fixing in European sport strong co-operational ties and clear decision making structures are necessary. The Council of Europe convention is an excellent initiative, however direct coordination for EU Member States should come from the EU.

The EU must take the lead now and create an approach which takes into account the specific risks for the Member States, while operating as focal point for the coordination between stakeholders. The EU must also make sure that the wide

variety of initiatives that are being taken are complementing instead of duplicating each other.

However, the EU can not do this alone. All main stakeholders - sports organisations, betting operators, justice and law enforcement agencies, European institutions, and public authorities - play a key part in making a comprehensive approach that works. It is the only way match fixing in Europe can be dealt with effectively.

6. Recommendations to stakeholders

Criminal organisations operate on a large international scale and have connections across the globe. It would be a mistake to think that a single institution, country or organisation would be able to tackle match fixing alone. All main stakeholders individually need to take their responsibility and create a comprehensive approach through complementing each others activities in combating match fixing in sport.

- Sports organisations

The autonomy of sports organisations should not be a reason for public authorities to not take action against match fixing, since it is an offence against public order. However, sports organisations are the "closest to the fire" and have a responsibility to keep their branch of operations - sport - clean. This has been done by sports organisations for as long as the problem of match fixing was controllable. Now criminal organisations have infiltrated the sports establishment and are increasingly using online sports betting for their operations, the scope has widened and sports organisations need support from public authorities in the fight against match fixing.

Recommendations to sports organisations:

1. Reach an agreement with main stakeholders on the division of responsibilities and the improvement of cooperation for safeguarding the integrity of sport;
2. Adopt a zero tolerance policy on corruption internally and externally, to prevent members of the sports organisation to be liable for external pressure;
3. Create a system to thoroughly scrutinise subcontracting companies for organising matches before granting them licences, in order to prevent suspicious "friendly" matches organised for the single purpose of gambling related activities;
4. Set up a Code of Conduct for all staff (players, coaches, referees, medical and technical) which stipulates the dangers of match fixing, the accompanying sanctions for involvement in match fixing, and includes a ban with accompanying sanctions for gambling on own matches. Also include in the Code of Conduct an obligation to report awareness of match fixing with an adequate whistleblower protection mechanism;
5. Start up a comprehensive prevention programme with clear obligations for clubs, leagues and federations, and set up a match fixing disciplinary body.

- Betting operators and associations

Memoranda of Understanding have been signed between betting operator associations and sports organisations; however it seems as if these efforts are not yet enough to share information swiftly between betting organisations, sports

organisations and public authorities. Much of the online betting by criminal organisations is done live during matches, which makes the detection more difficult and the time to respond and share information between stakeholders much shorter.

Recommendations to betting operators and associations:

1. Establish a binding agreement between betting operators and sports organisations to share the responsibility of monitoring matches and cooperate on combating fraud in sports;
2. Create a standard procedure for contacting sports organisations and public authorities during the detection of irregular betting patterns and bringing the response time for establishing contact to a minimum. Afterwards the betting patterns can be forwarded to public authorities as evidence;
3. Create cooperation agreements with betting operators in third countries (especially Asia) for faster detection of irregular betting patterns.

- EU Member States and European Commission

Member States need to become aware of the fact that match fixing is not merely an issue related to sport. Match fixing is an act that is mainly connected to criminal activities such as money laundering, human and drug trafficking, extortion, and intimidation, and thus is serious enough to be acknowledged as a crime. Even more so, it is an act that transcends national borders and therefore needs to be dealt with on an international scale. Hence, international coordination from EU level is necessary to be able to streamline the efforts of the stakeholders.

Recommendations to EU Member States

1. Include a harmonised definition of match fixing in criminal law and create a legal instrument as tool for combating match fixing. Stipulate sanctions relating to match fixing including fines and confiscation;
2. Create a specialised unit for combating match fixing within law enforcement as a hub for communication and cooperation with the main stakeholders, further investigation, and referral to prosecution;
3. Oblige gambling operators to provide information on irregular gambling patterns to the specialised unit for combating match fixing and sports organisations;
4. Enhance law enforcement cooperation through Joint Investigation Teams and enhance cooperation of prosecution;
5. Create measures against illegal betting websites and create measures against anonymous betting;

Recommendations to the European Commission

1. Take the lead in the fight against match fixing by providing a platform for discussion, exchange of information, and best practices; and coordinate the efforts of the main stakeholders (sports organisations, betting operators, justice and law enforcement agencies, European institutions, and public authorities) in the fight against match fixing;

2. Address match fixing on European level through coordinating the efforts of EU Member States to include a definition of match fixing in criminal law;
3. Communicate and establish cooperation with third countries on combating gambling related match fixing.

Annex 1: Match fixing in sport: Mapping of criminal law provisions in EU 27, KEA European Affairs, March 2012

Annex 2: Match fixing in sport: Jurisprudence (2000 - 2010), KEA European Affairs, March 2012

¹ KEA European Affairs, Match fixing in sport: a mapping of criminal law provisions in EU 27 (March 2012), Annex 2 Offences and Penalties.

² European Parliament Policy Department Citizen's Rights and Constitutional Affairs, Asian organised crime in the European Union (2011) p. 11.

³ Noble, Ronald K., Global Conference on Asian Organized Crime (January 2008)

⁴ Institut de relations internationales et stratégiques, Sports betting and corruption: How to preserve the integrity of sport, (February 2012) p. 14 Analysis of the players and methods of corruption in sport.

⁵ Remote Gambling Association, Sports Betting: Legal, Commercial and Integrity Issues (August 2009) p. 9 Source H2 Gambling Capital.

⁶ KEA European Affairs, Match fixing in sport: a mapping of criminal law provisions in EU 27 (March 2012), Annex 2 Offences and Penalties.

Match fixing in sport: a mapping of criminal law provisions in EU 27
KEA European Affairs, March 2012

Country	Provisions	Provisions: Articles	Penalty: Fine	Penalty: Imprisonment
Austria	Austrian Criminal Code	146, 147	146: Up to 360 daily rates	146: Up to six months 147: Up to three years; If damage is up to €50 000 – One up to ten years
Belgium	Code Penal	504bis	504 (1): €100 to €10 000 504 (2): €100 to €50 000	504 (1): Six months to two years 504 (2): Six months to three years
Bulgaria	Criminal Code	307b, c, d, e, f	307b: €511.30 to €5113 307c: €2556 to €7699 307c (3): Up to €2556 307d (1): €5113 to €10 225 307d (2): €7669 to €15 338	307b: One to six year 307c: One to six years 307c (3): Up to three years 307d (1): two to eight years 307d (2): three to ten years
Cyprus	Cyprus Sport Organisation Law	24	24 (1): Up to €1708 24 (2): Up to €2562 24 (6): Up to €170	24 (1): Up to two years 24 (2): Up to three years
Czech Republic	Criminal Code	209, 331 - 334		209 (1-5): Up to ten years 331 (1-4): Up to twelve years 332 (1-2): Up to six years 333 (1-2): Up to three years
Denmark	Danish Criminal Code	279, 285, 286,		285 (1): Up to one year and six months 286 (2): Up to eight years
Estonia	Criminal Code	209	209 (1-3): Amount not specified	209 (1-3): Up to five years
Finland	Criminal Code of Finland	30.7, 30.8, 30.13, 36.1, 36.2	30.7: Amount not specified 30.8: Amount not specified 36.1: Amount not specified	30.7: Two years 30.8: Two years 36.1: Two years 36.2: Four months to four years
France	Code Penal	445	445: Up to €75 000	445: Up to five years
Germany	Criminal Code	263	263 (1): Amount not specified	263 (1): Up to five years 263 (2): Six months to ten years 263 (3): One to ten years
Greece	Law 2725	132	132 (1): €2934 - € 5869 132 (2): €2934 132 (3): €5869	132 (1): Three months 132 (2): Three months 132 (3): Six months
Hungary	Hungarian Criminal Code	318	318 (2): Amount not specified	318 (2): Up to two years 318 (4): Up to three years

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				318 (5): One to five years 318 (6): Two to eight years 318 (7): five to ten years
Ireland	Criminal Justice	50	50.6: Amount not specified	50.6: Up to five years
Italy	Criminal Code	401.1, 401.3	401.1 (1-2): €258 - €1032 401.1 (3): €2582 - €25 822	401.1 (1-2): One month to one year 401.1 (3): Three months to two years
Latvia	Criminal Code	117	117 (1): Up to 60 times minimum monthly wage 117 (2): Up to 100 times minimum monthly wage 117 (3): Up to 150 times minimum monthly wage	117 (1): Up to three years 117 (2): Up to six years 117 (3): Five to thirteen years
Lithuania	Criminal Code	182	182 (1): Amount not specified 182 (3): Amount not specified	182 (1): Three years 182 (2): Up to eight years
Luxembourg	Criminal Code	310	310: €251 to €30 000	310: One month to five years
Malta	Prevention of Corruption Act	263.3, 263.9	263.9 (1a): €465 - €2329 263.9 (1b): €232 - €1164	263.9 (1a): Four months to two years 263.9 (1b): Up to three months
Netherlands	Criminal Code	236	326: Up to €67 000	326: Up to four years
Poland	Act on Sport	46, 47, 48, 49	46 (3): Amount not specified 48 (3): Amount not specified	46 (1-2): Six months to eight years 46 (3): Up to two years 46 (4): One year to ten years 47: Three months to five years 48 (1-2): Six months to eight years 48 (3): Up to two years
Portugal	Criminal Code	2.8, 2.9, 2.10, 2.11, 2.12	2.9: Amount not specified 2.10: Amount not specified 2.11: Amount not specified	2.8: One to five years 2.9: Up to three years 2.10: Up to three years 2.11: One to five years
Romania	Criminal Code	254, 255, 256, 257, 147, 6, 61		254: Three to twelve years 255: Six months to five years 256: Six months to five years 257: Two to ten years 6: Two to ten years
Slovakia	Criminal Code	221, 328, 332, 336, 375		221: Two years 328: Two to five years 332: Up to three years 336: Up to two years

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				375: Up to two years
Slovenia	Criminal Code of Slovenia	211, 294, 295	211 (5-6): Amount not specified	211 (1): Up to three years 211 (2): Up to one year 211 (3): One to eight years 211 (4): One to ten years 211 (5-6): Up to one year 294 (1): Three months to five years 294 (2): Six months to eight years 295: Up to one year
Spain	Criminal Code	286bis	286bis: Three times value of benefit or advantage	286bis: Six months to four years
Sweden	Swedish Criminal Code	17.7, 20.2, 10.5	17.7: Amount not specified 20.2: Amount not specified	17.7: Up to two years 20.2: Up to two years (up to six years under aggravating circumstances)
United Kingdom	Gambling Act	19.42	19.42: Amount not specified	19.42: Up to two years
	Criminal Law Act	45.1, 45.3	45.1: Amount not specified	45.1: Not specified
	Prevention of Corruption Act	34	34: Amount not specified	34: Up to seven years

Match fixing in sport: Jurisprudence (2000 - 2010)
KEA European Affairs, March 2012

Country	Jurisprudence	Penalty: Fine	Penalty: Imprisonment
Austria	Ongoing investigations		
Belgium	Ongoing investigations		
Czech Republic	Decision TDO 510/2007		8 to 14 months
Finland	The Pesäpalo (2001)	Fined	Conditional imprisonment three to five months
	The Nissinen case (2008)	Fined	One year and one month
	The Mitshuk case (2009)	Fined	Conditional imprisonment of four months
	The Wilson Raj Perumal case (2011).		Two years
Germany	Decision of 17 November 2005, the Berlin D. C.		Two years and five months
	Decision 12 KLS 35 Js 141/10 - 16/11 by the Bochum District Court to three defendants		Five years and six months; five years and six months; one year and six months
	Ongoing investigations		
Greece	Ongoing investigations		
Hungary	Ongoing investigations		
Ireland	Ongoing investigations		
Italy	Decision No. 12562 of 2010 by the Supreme Court of Appeal	Fine (€500) cancelled	Sentences (four months) cancelled
	Decision No. N 14692/11 by the Court of Naples		Up to five years and four months
	Ongoing investigations		
Malta	Il-Pulizija vs Claude John Mattocks (111/2009)	€500	Four months
	Il-Pulizija vs Emanuel Ancilleri (60/2009)	€2,000	Eighteen months
	Il-Pulizija vs Clyde Grech (527/2009), the Court Of Magistrates (AM)	€500	Four months
	Il-Pulizija (Angelo Gafa') vs Peter Joseph Hartshorne (205/2009)	€500	Four months
	Il-Pulizija Vs Gatt Andrea (1278/2008)	€500	One year
	Il-Pulizija Vs Lawrence Mizzi	€500	One year

Match fixing in sport: Jurisprudence (2000 - 2010)
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	(1279/2008)		
	Ongoing investigations		
Poland	Case of Polar Wrocław (2006)		Twelve months; fifteen months; eighteen months; twenty months
	Case of Arka Gdynia (2007)		Four years imprisonment
	Case of Korona Kielce (2008)	100.000 PLN; 30.000 PLN	3 years imprisonment; two years and six months
	Case of Górnik Polkowice (2010)		Twenty-seven people sentenced
	Case of KSZO Ostrowiec Świętokrzyski / Ceramika Opoczno / Stasiak Opoczno (2010)		Eight months to three years
	Case of Motor Lublin (2011)	30.000 PLN	Three years and six months
	Case of Zagłębie Lubin and Cracovia Kraków (2011)		One to two years
		Ongoing investigations	
Portugal	Ongoing investigations		
Romania	Ongoing investigations		
Slovenia	Ongoing investigations		
United Kingdom	Decision T2011739. Southwark Crown Court, 3/11/2011		Six months to two years
	Ongoing investigations		

Summary:

- Nine countries with criminal jurisprudence;
- Thirteen countries with ongoing investigations.