



## SEMINAR “PRECRIMBET - GREECE”

**Date:** 15 December 2016

**Place:** Athens (Greece)

**Participants:** cf. appendix

### 1. Main issues raised during the seminar

#### Illegal betting:

- The size of the illegal betting market in Greece seems to be difficult to assess. In Greece, a blacklist of illegal betting operators is published by the Hellenic Gaming Commission and is frequently updated. Today, many problems come from “Internet Cafés. Also, Bitcoins and the Darknet are two new threats which are being addressed by the Cyber Crime Unit of the Greek police.
- According to participants, illegal betting issues still have to be improved both at national and international level. Several stakeholders advocate for a national strategy (especially since Greece has recently signed the Budapest Convention on cybercrime), including an advertising campaign to discourage punters to bet on illegal websites.

#### Money laundering:

- The money laundering risk in Greece is considered by the participants as higher for retail than for online. Nevertheless, some participants taking part in European expert groups claim that the biggest international risks come from the Internet and the bigger amounts of money it conveys. Due to proven links between money laundering and terrorism funding, several participants estimated that the implementation of the 4<sup>th</sup> EU AML directive should include new requirements for the gambling sector (especially regarding identification of consumers and restrictions on means of payments).
- For Greek public authorities, betting operators should be compliant with the 4<sup>th</sup> EU AML Directive. As far as retail betting is concerned, there are specific limits: (winnings between 200€ and 800€ (1500 € as long as capital controls are in force) are identified if the player files for a winning certificate. Winnings above 800€ (1500 € as long as capital controls are in force) are identified even if the player hasn’t filed for a winning certificate.

- Nevertheless, in Greece, betting operators have, at this time, not been sanctioned for being uncompliant with AML measures. Yet, after issuing a new Regulatory Framework, AML audits are planned for the near future.
- According to a participant, the transitory regime for online betting (24 “temporary licenses” have been issued in 2011) poses specific money laundering risks.

#### Manipulation of sports competitions:

- The manipulation of sports competitions risk in Greece is considered by the participants as high.
- A major on-going trial has opened in October 2016 and concerns 41 allegedly fixed games and 84 individuals (club officers, players, referees, national football federation officials).
- Several participants, including prosecutors, indicate that the legal framework is adequate: four articles on the penal code can be used to prosecute match-fixing. The difficulty remains to find evidence. Many UEFA notifications and reports cannot be properly investigated without identification of punters, who bet usually from abroad. It has to be noticed that, in most of the cases, betting operators are unable to provide any information regarding the UEFA notifications. Moreover, it is quite impossible to sentence an athlete for misbehaviour or human error, at least in front of a criminal Court (and this even if unfair behaviour can be punished through the Law).
- The Greek police has developed knowledge and capacity to investigate match-fixing, and decided to make it a priority. A public Sports Prosecutor is firstly in charge of sport violence but now also of match-fixing, illegal betting and corruption in sport (football). However, several participants underlined the need to have more experts on match-fixing and betting to work alongside prosecutors.
- Several participants think that the autonomy of sport has to be adapted to public order risks. It is for instance important to control sport organizations. Education and information sessions for sport actors should also be developed, including fair-play rewards.

#### National platform (Sport integrity):

- At the moment, Greece has not set up its national platform in order to protect sport integrity. Greece has first to determine a leading public authority which could lead this platform.

#### Sports betting regulation:

- Originally, the country adopted a system of monopoly for sports betting, awarded to OPAP. Nevertheless, in December 2011, the Greek Ministry of Finance determined that certain online gambling operators could apply for an interim license. These interim licensed operators were bound by a number of conditions and have to pay a tax (30% of GGR + 10% on customers’ winnings, re-evaluated to 35% of GGR). In 2012, temporary/interim online licences have therefore been granted to 24 betting companies. This still creates a quite complex situation, because nobody knows if these licences would be confirmed or not, and because these companies cannot be audited in proper manner due to lack of access to their servers data.

- The Hellenic Gaming Commission (HGC), an independent public authority in charge of regulation, supervision and control of the market, indicates that most of the online operators with a temporary licence now pay the betting taxes.
- The HGC advocates for betting restrictions (competitions and types of bets) based on a risk approach. Today, the Professional Sports Committee selects football clubs that could be excluded from the OPAP supply. This procedure could be improved in the future.
- The HGC is also in charge of the regulation of the electronic entertainment sector. A participant claims that e-sport could raise both some money-laundering and manipulations risks in the future.

List (by origin) of companies of the interim regime, temporarily providing legally their services in the Greek territory:

1. PERSONAL EXCHANGE INTERNATIONAL LIMITED – Malta
2. DIAMOND LINK LIMITED – Malta
3. LUCKY STREAM LIMITED – Malta
4. SILVER LINK LIMITED – Malta - Inert
5. GLB GmbH - Austria
6. ONLINE AMUSEMENT SOLUTIONS N.V. – Curacao - Inert
7. ONLINE AMUSEMENT SOLUTIONS LIMITED - Malta
8. GAMBLING MALTA LIMITED – Malta
9. REBELS GAMING LIMITED – Malta
10. SPORTING ODDS LIMITED – UK
11. KING MAKER LIMITED – Malta (has lost its licence by Malta Authority)
12. PADDY POWER BETFAIR PUBLIC LIMITED COMPANY (PLC) - Malta
13. B2B GAMING SERVICES (MALTA) LIMITED - (Malta)
14. CASHPOINT MALTA LIMITED – Malta (inert)
15. AS IMG KASIINOD – Estonia
16. MAGIC SERVICES LIMITED – Malta
17. ELDORADO SPORTWETTEN GmbH – Austria – Leibnitz (blacklisted)
18. STS SPORTWETTEN GESELLSCHAFT m.b.h – Austria (inert)
19. YEZ GAMING LIMITED – Malta (blacklisted)
20. DOMS HOLDINGS UK LIMITED – Malta (inert)
21. LOGFLEX LIMITED - UK
22. DOMS CARS UK LIMITED – UK (inert)
23. LOVE 2 CELEBRATE LIMITED - UK
24. MERIDIAN GAMING LIMITED - Malta

## 2. Summary

NATURE	COMMENTS
<b>Part of illegal betting market</b>	- ND
<b>Measures against illegal betting</b>	- Existing (Black list of online operators, restricted access to illegal betting operators through ISP blocking, cooperation with the Bank of Greece, cooperation with search engines like Google, etc.)
<b>Acceptance of the definition of illegal betting (CoE Convention)</b>	- Yes
<b>Possibility to get an agreement for operators with more than 50% of their global GGR remaining illegal</b>	- Yes (some of the companies with a <b>temporary</b> license operate mostly illegally) - Such issues will be discussed at the framework setting of the full license procedure
<b>Level of money laundering risks regarding sports betting (perception)</b>	- Retail: Average to quite high (Buying of winning tickets, purchase of points of sales, etc.) - Online: Quite low
<b>Measures against money laundering</b>	- Obligations for betting operators to comply with ML procedures: Yes (They have to produce a report every 6 months) - Sanctions to betting operators not compliant with AML procedures: No - Restrictions regarding anonymous means of payment: The new law (in effect since March 2017) , bans all anonymous means of payment from betting and gambling services.
<b>Sports betting operators to implement measures of the 4<sup>th</sup> EU Directive against ML</b>	- Yes
<b>Level of manipulations of sports competitions risks</b>	- High (Several cases pending – Around 150 notifications from UEFA per year)
<b>Measures against manipulations of sports competitions risks</b>	- Law 2725/1999 – Art. 132 (Dedicated offence for match fixing – Greek Sports Code - Allows use of investigative techniques, including monitoring of telephone calls) - Obligations for betting operators to comply with sport integrity procedures: No
<b>Betting Contribution to protect sport integrity</b>	- No
<b>Obligations for sports organizations to set up awareness programmes regarding manipulations</b>	- No
<b>Signature / Ratification (Convention against manipulation)</b>	- Signature: Yes - Ratification: No
<b>Existence of national platform against manipulation of sports competitions</b>	- No (three ministries potentially involved: Finance, Sport, Home affairs)
<b>Automatic monitoring (of the betting market) system</b>	- No
<b>Standard of alert</b>	- No
<b>Measures against conflicts of interests</b>	- Prohibition to bet on their own competitions for sport actors: Yes (for professional football players) - Prohibition to bet on their own sport for sport actors: No

	<ul style="list-style-type: none"> <li>- Prohibition for sport actors to disclose inside information for betting purposes: Yes (Disciplinary Code of Football Federation, article 17 par. 2,c)</li> <li>- Prohibition to bet with their own company for betting employees: Sometimes (through working contracts)</li> <li>- Prohibition to bet for betting employees: No</li> <li>- Prohibition for betting operators to control sports organisations and to offer bets on the concerned competitions: No</li> <li>- Prohibition to use some inside information for betting purposes for betting employees (including scouts / court siders working for information providers): No</li> </ul>
<b>Cooperation with other betting regulatory authorities (illegal betting, manipulations, etc.)</b>	<ul style="list-style-type: none"> <li>- Bilateral: Not at the moment</li> </ul>
<b>Cooperation with other law enforcement authorities</b>	<ul style="list-style-type: none"> <li>- Europol, Interpol (including Interpol's match-fixing task force),</li> <li>- Participation to SOGA VI (EURO 2016) on illegal betting and match fixing (in Greece: 44 arrests and 42,000 € seized)</li> </ul>
<b>Betting restrictions</b>	<ul style="list-style-type: none"> <li>- Yes (The Professional Sports Committee defines if some professional teams cannot be offered to customers for betting purposes, according to evidence or even suspicions) but quite rarely used</li> </ul>
<b>Due diligence regarding betting operators' shareholders</b>	<ul style="list-style-type: none"> <li>- Existing but not really strongly developed</li> </ul>
<b>Possibility for betting regulatory authority to access individual betting accounts and transactions</b>	<ul style="list-style-type: none"> <li>- No (especially not for 23 temporary licences – Only possibilities to control OPAP, the land-based monopoly)</li> </ul>
<b>Limitation of pay out rates</b>	<ul style="list-style-type: none"> <li>- No (but limited due to betting taxes: 35% of GGR)</li> </ul>
<b>Limitation of betting licenses (justified by public order reasons)</b>	<ul style="list-style-type: none"> <li>- Retail: Yes (Monopoly)</li> <li>- Online: Yes (at the moment, 24 operators received a <b>temporary</b> licence. Two of them didn't meet the necessary criteria/prerequisites and their sites were enlisted in the HGC's Blacklist)</li> </ul>

### **3. Recommendations**

<b>NATURE</b>	<b>LEVEL OF RISK (1 = lowest to 5 = highest)</b>
Set up a national strategy regarding illegal betting, including an advertising campaign to discourage punters to bet on illegal websites	<b>4</b>
Adopt a clear legal framework (definition) on illegal betting, in concordance with the Council of Europe convention (against the manipulation of sports competitions) definition	<b>4</b>
Limit betting agreements, including for <b>temporary licenses</b> , to operators with at least X% of their Gross Gaming Revenue being legal (We would suggest 70%). Adapt the number of licenses to the criminal risks within the country (in order to be able to control betting operators' obligations)	<b>4</b>
Enhance due diligence procedures for betting operators' shareholders and consider awarding some agreements to individual managing Directors.	<b>4</b>

Vet the ownership and leaders of betting operators (including subsidiaries), notably in order to identify potential criminal connections.	
Set up a national platform regarding manipulation of sports competitions, as mentioned in the Council of Europe convention	<b>4</b>
Implementation of a prohibition to bet on their <u>own sport</u> for sport actors	<b>3</b>
Implementation of an inside information offence for betting employees (including information providers, scouts, court siders, etc.)	<b>3</b>
Development of a "risk matrix" to objective betting restrictions (on competitions and types of bets), possibly in cooperation with other countries	<b>3</b>
Limit betting agreements to operators with at least X% of their Gross Gaming Revenue being legal (We would suggest 70%)	<b>3</b>
Enhance AML procedures for retail sports betting business (better control of points of sales purchase)	<b>3</b>
Sanction betting operators not compliant with AML or sport integrity procedures	<b>3</b>
Obligation for sports organizers to implement some awareness programmes on manipulations of sports competitions and betting	<b>3</b>
Consider due diligence procedures regarding links between professional sport clubs shareholders and betting operators (licensed or not in Greece)	<b>3</b>
Require all transactions by licensed operators to be recorded with the betting regulatory authority, in order to create parallel controls at operator and regulator levels.	<b>3</b>
Implementation of a (global) prohibition to bet for betting operators' employees	<b>2</b>

# APPENDIX

## LIST OF PARTICIPANTS

Antoniou Themistokles-Ioannis  
Bank of Greece

Bakopoulou Roumpini  
Hellenic Gaming Commission (HGC)

Nikolaos Balaskas  
Hellenic FIU

Christofidis Ioannis  
HGC

Daskalopoulos Stamatios  
Public Prosecutor

Dioti Niki  
HGC

Vardikou Spyridoula  
HGC

Giannakopoulou Melina  
Professional Sports Committee (Secretary)

Christian Kalb  
IRIS

Kaloudis Georgios  
Sports General Secretariat

Kapsalaki Evdoxia  
HGC

Karagrigoriou Evangelos  
HGC

Karakasis Dionisis  
Sports General Secretariat

Panagopoulos Ionnis  
Sports Public Prosecutor

Papadopoulos Dimitrios

HGC

Papakostas Dimitrios  
Hellenic FIU

Reggas Lymperis  
HGC

Tsagkaraki Lida  
HGC

Pim Verschuuren  
IRIS

Xynogalou Sofia  
HGC

Zois Georgios  
Professional Sports Committee (Deputy Premier)

HGC Chairman

Police Major General  
Financial Police

Police Captain  
Financial Police

Police Second Lieutenant  
Financial Police

Police Major General  
Cyber Crime Unit

Police Colonel  
Cyber Crime Unit

Police Lieutenant Colonel  
Cyber Crime Unit

Police Major  
Cyber Crime Unit

Police Captain  
Cyber Crime Unit

Police Major  
Police Headquarters

Police Captain  
Combatting Organized Crime Unit

Police Captain  
Combatting Organized Crime Unit