



CK Consulting



KCOOS

PRECRIMBET

BETMONITALERT

ANTI MATCH-FIXING
FORMULA

Projects on “co-operation between public and private actors to identify sports betting risks” financed by the European Union and on “the fight against sports manipulations” co-financed by the European Union and the Council of Europe¹

Final event

15-16 June 2017
Council of Europe, Agora Building
Avenue de l'Europe, Strasbourg
Meeting Room G03

With the support of the European Commission and the Council of Europe

KEY POINTS OF CONVERGENCE

¹ The version published on the KCOOS website www.coe.int/sport/kcoos shall be considered as the certified original

The results of the four pilot projects, co-funded by the European Commission (Directorate General for Migration and Home Affairs):

- ANTI-MATCH FIXING FORMULA, co-ordinated by the Presidency of the Italian Council of Ministers;
- BETMONITALERT (Study of monitoring and alert systems linked to sports bets), co-ordinated by CK Consulting;
- KCOOS 'Keep Crime Out of Sport', co-financed and co-ordinated by the Council of Europe;
- PRECRIMBET (Prevention of Criminal risks linked to sports bets), co-ordinated by IRIS;

which were successfully implemented in the framework of the call for applications 'Co-operation between public and private actors in identifying sports betting risks' (and fighting the manipulation of sports competitions) are fully complementary, with special reference to established synergies between their qualified assessments and their tailored actions.

The following common findings significantly contribute to a higher understanding of the situation concerning the level of risks weighing on the integrity of sports competitions, related or not to sports betting:

1. The continuous development of sports corruption and the manipulation of sports competitions in particular, is a major concern which must become a priority in the fight against crime at European level. According to the latest Europol SOCTA² report, "betting and money laundering-related sports corruption is now one of the main illegal activities of criminal groups within the European Union and considered as a threat against Europe". These criminal groups are fast developing at a global level. They have significant resources at their disposal and are able to easily bypass the measures currently in place by public and private stakeholders, notably by using possibilities available by the latest information and communication technology.
2. Public authorities already combating organized crime in all its forms should, as soon as possible, connect these ongoing policies and actions to specific and tailored responses to the manipulation of sports competitions. The fight against the manipulation of sports competitions in general (including organized crime infiltration into the sports sector) is still too often national or bi-national, insufficiently co-ordinated on the transnational plan and suffers from limited human and financial resources as a consequence of the lack of full awareness of the magnitude of the risks it represents to society. In particular, the co-operation between all national stakeholders³, private (betting operators, the sport movement, etc.) and public (LEA, judiciary, betting regulatory authorities, public authorities in charge of sport and those in charge of financial crimes, organised crime and corruption), is too often still not fully enforced.
3. The scale of the manipulation of sports competitions remains difficult to quantify. Although this is not a new phenomenon, the development of sports betting facilitated by new technology has

² SOCTA, Serious and Organised Crime Threat Assessment, Europol, European Police Office, 2017

³ Convention on the Manipulation of Sports Competitions CETS 215 Art.12

catapulted the prospects for illicit economic gain and has propelled the related visibility of this phenomenon. Sport itself is considered as a huge business by organized crime groups.

4. The sports movement, particularly athletes themselves but also referees and sport management, is primarily targeted in the manipulation of sports competitions and the risks are increased when insufficient governance mechanisms are in place. Notable risk-enhancers include : non-transparency and absence of rules linked to ownership, for example; the relative absence of control by public authorities of sports associations⁴ ; the financial insecurity of many stakeholders in the sport movement, in particular, clubs and the vulnerability of athletes⁵; unethical conduct⁶ ; often insufficient protection of potential whistleblowers; the absence of priority given to the link between organized crime groups and the sport movement⁷, notably athletes, management and administration.
5. Sport betting has become a significant tool to manipulate sports competitions and the betting market should thus be better supervised by regulations and mechanisms. As soon as an offer is illegal, in the meaning of the Council of Europe Convention on the manipulation of sports competitions⁸, it should be countered. A stronger attention should be dedicated to fighting illegal betting operators.
6. A high amount of evidence illustrates that sports betting risks linked to social and public order have seen an increase in recent years. A number of reasons explain this phenomenon: the expansion of bets offered in parallel to the development of the Internet, which has allowed weekly betting on tens of thousands of events, before or during competitions; access by the public to betting operators situated in jurisdictions which don't sufficiently verify whether betting operators fulfill their obligations; the development of an illegal offer where the operator proposes bets without the authorization of the consumer's jurisdiction; the appearance of different forms of criminality exploiting sports betting, notably on a transnational level, in order to launder capital obtained illegally⁹ and to increase their profits via the manipulations of sports competition.;
7. The entry into force of the Convention of the Council of Europe on the manipulation of sports competitions¹⁰, which is the only international legal instrument of reference to sustain current efforts to co-ordinate the fight against this phenomenon, nationally and via transnational co-operation should be supported actively by all stakeholders. In this prospect, it is necessary that the European Union finds a way as soon as possible for its Member States to ratify the Convention with their legal obligations intact and thus responding favourably to a large majority's will, in order to move forward together in the fight against this phenomenon. Public authorities, for their part, should study the feasibility of starting the ratification process of the Macolin Convention, in order to be prepared to ratify as soon as the green light is given by the European Union.

⁴ For example, ownership of professional clubs

⁵ For example, unpaid/irregularly paid salaries,

⁶ For example, sports stakeholders who bet on their own competitions

⁷ For example, threat of harm, violence and coercion from organised crime groups

⁸ "illegal sports betting" means any sports betting activity whose type or operator is not allowed under the applicable law of the jurisdiction where the consumer is located (CETS 215 Art.3.(5)a);

⁹ CETS 215 Art. 16

¹⁰ [CETS 215](#)

8. The ratification of the Convention and allowing it to enter into force will provide each country with strengthened legal legitimacy and a real, common basis from which to start and / or develop international co-operation, sanctioning sports manipulations, putting in place national legislative measures to fight sports manipulations and crime involving sport and so on.
9. There is increased support for the « Macolin Roadmap »¹¹ by the main international actors as a key contribution towards the ratification of the Council of Europe Convention on the Manipulation of Sports Competitions (CETS 215), the acceleration of the establishment of the national platforms¹² and a mechanism for consolidating available expertise and resources in order to foster transnational co-operation.
10. Taking into consideration their respective conclusions, the four projects encourage public authorities and private stakeholders to consider the following actions:
 - a. To ensure the involvement of all relevant public and private stakeholders in coordinated actions related to all sports manipulations, mainly via the national platforms, including sub-sectors of stakeholders (such as athletes unions and all main federations within the sport movement, law enforcement agencies and prosecutors, etc.);
 - b. To increase the control and monitoring of sports betting activities, in particular by making betting operators compliant to the 4th Anti –Money Laundering European Directive (EU Directive 2015/849 of 20 May 2015) and to the Council of Europe Convention on Laundering, Search, Seizure and Confiscation (CETS 198). Particular attention is advised to be paid to bettors’ identity and the risks linked to internet, where sophisticated fraud techniques (for example via the Darknet) and methods of anonymous payments are developing quickly;
 - c. To fight, in a coordinated and voluntary manner, against illegal betting activity and to reduce « grey zones », notably by proposing particular vigilance on the part of sports betting regulators vis-a-vis betting operators, for whom the share of illegal activity would exceed an acceptable threshold (to be determined);
 - d. To strengthen the co-operation between betting regulatory authorities, law enforcement agencies, betting operators and the sport movement at a national operational level, notably in view of identifying suspicious betting activities, rumors, etc., in order for all relevant stakeholders to be aware and to identify possible links to other criminal areas;
 - e. To determine risky bets (competitions and types of bets) and insider offences (production and communication of data related to unauthorised bets) in co-operation with the sports movement which may, depending on the jurisdiction, be subject to restrictions;
 - f. To ensure that betting regulatory authorities, have access¹³, if possible in real time, to the data in the possession of betting operators within their jurisdiction, in order to be able to detect *irregular sports betting activities*¹⁴;
 - g. To subject betting operators to establishing a risk assessment tool linked to the manipulation of sports competitions, in function of the standard of alerts and a predetermined procedure;
 - h. To develop a stronger co-operation between law enforcement agencies, betting regulatory authorities and the sport movement with regard to suspicious activities that may be received

¹¹ An output of the international conference on the fight against sports manipulations (Strasbourg 20-21 September 2016)

¹² CETS 215 Art. 13

¹³ For example, consider including this in the licence

¹⁴ “irregular sports betting” shall mean any sports betting activity inconsistent with usual or anticipated patterns of the market in question or related to betting on a sports competition whose course has unusual characteristics (Definition of the Council of Europe convention on the manipulation of sports competitions – Article 3.5(b)).

(sports betting¹⁵ and non-betting-related) from entities and persons, guaranteeing protection of those individuals that report and ensuring that betting regulatory authorities and betting operators will be able to share information with law enforcement authorities in case of suspicions of any crimes being committed;

- i. To ensure that all relevant ministries are sufficiently informed of the gravity of the phenomenon and its links to criminal offences and thus raise awareness of the priority to sign, ratify and implement the Convention;
- j. To actively participate in ongoing work, reports, studies and exchanges, via the various networks being established and thanks to contacts made in the projects terms, in order to increase knowledge of other good examples, possible solutions and good practices.

11. The efforts of the European Commission towards the integrity of sports competitions (and of sports betting) and its willingness to co-operate with organisations involved in this objective, including the Council of Europe, are saluted. The collective awareness reached through the four projects should allow for an optimization in the future of intervention tools which will be put in place by the European Union, the Council of Europe and other partners.

¹⁵ “suspicious sports betting” shall mean any sports betting activity which, according to reliable and consistent evidence, appears to be linked to a manipulation of the sports competition on which it is offered (Definition of the Council of Europe convention on the manipulation of sports competitions – Article 3.5(c)).