

Illegal Threats in Major Sporting Events – Vulnerable Sectors in the field of Match Fixing

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Overview

1. What are the „Threats“?
2. Who *is* responsible?
3. Who *should* be responsible?
4. A case study: Ante Sapina
5. Consequences

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1. What are the „Threats“?

Gambling, Betting, and more

FIFA: *“While the sports industry itself generates around \$300 billion a year, sports betting has an estimated annual worth of between \$350 and 400 billion. With 50% of bets placed on the grey and black markets, official figures are impossible to come by”.*

Sorbonne-ICSS (December 2014): *“the amounts of bets (legal and illegal) are estimated at between 200 and 500 billion Euros; with more than 80% of illegal bets; the money laundered by organised crime through sporting bets is estimated at between 100 and 140 billion Dollars per year.”*

The Betting Market. Some Facts.

Sport? Game? Fun? Organised Crime!

- **Sports betting is the largest and fastest growing segment within the online gambling sector (40% mobile, increasing)**
- In focus: Football championships (World, Europe), Olympic Games, matches 3. League U21-teams or in Irland with 5 spektators; 5th English League: a single website with one Million Euro in bets.
- **Football: worldwide about 50% of all bets**
- **Champions-League-Final 2013: 800 Mio Euro in bets!**
- A single match in English Premier League: average 40 Million Euro.
- 15.000 Online-bidder, most of them illegal and run by national or international Organised Crime or Mafia-Organizations
- **110 Billion Euro went from illegal businesses into sport bets**

Examples of match fixing (most recent ones)

- **2012: 15 countries, 425 players**, referees, officials and criminals involved in the manipulation of **380 match manipulations**.
- **Nov. 2014: France**. Police took four Marseille officials into custody, while nine others were arrested; investigation into alleged match fixing.
- **2014: Italy**. A team scored eight OWN goals in the last 10 minutes of a regional cup match.
- **2014: Austria**. Three ex-players and seven other unidentified persons attempted to manipulate 18 national league games with bets of up to €300,000 per match in the first and second divisions, offering other players €7000 to €40,000 to help manipulate games.
- **Since 2010: UNO, EU, INTERPOL, OK, FIFA and UEFA try to act against the illegal betting bussiness**
- **FIFA paid 20 Mio. \$ to Interpol in 2012**



Individual and Societal Loos

- Financial **loss of gambling per year**: € 5 Billion in Germany (€ 16.000.- per gambler), € 11 Billion in Italy (2006!)
- **Debt**: 73 % of all pathological gamblers, compared to 55 % of cocaine addicts and 29 % of alcohol addicts
- **Social costs of gambling in Germany**: Over 50 Billion Euros per year
- **Gambling = Social problem for our societies!**
- *Those who are suffer: families, children, health care and social welfare systems...*
- *Those who make profit: legal and illegal gambling industry*

2. Who is responsible? FIFA?

2006

Lord Triesman, the former chairman of the English Football Association, described FIFA as an **organization that "behaves like a mafia family", highlighting the association's "decades-long traditions of bribes, bungs and corruption."**

2010

In the light of fresh allegations of bribery and corruption and opaque action by FIFA in late 2010, many people remain highly critical of FIFA, with calling directly for an **alternative to FIFA**. FIFA had failed to investigate bribes.

Is there a list of 175 bribes paid for FIFA, totaling about \$100 million?

Fact is, that FIFA requires World Cup host bidding nations to agree to implement special laws for the World Cup, including **blanket tax exemption for FIFA and sponsors, and limitation of workers' rights.**

Championship South Africa 2010.

FIFA for the Good of Whom?

- The initial cost estimate was calculated at **167 Mio. Euro.**
- The **real cost** for South Africa was **4 Billion (!) Euro.**
- **The consultancy Grand Thornton calculates a loss of 2 Billion Euro.**
- To run the stadiums in the future, 40 Mio Euro are needed - per year.
- FIFA made around 2.2 Billion Euro.
- The vast sums of money would have been better spent on schools or other development projects. People from poor locations and the rural areas didn't benefit at all. There is an loss of hundreds and thousands of jobs.

Source: Eddie Cottle, Mauricio Rombaldi: Lessons from South Africa's FIFAWorld Cup, Brazil and its Legacy for Labour (2013) http://www.global-labour-university.org/fileadmin/Summer_School_2014/EddieCottleCETIMbook2013FINAL.pdf)

FIFA 2011-14

"Fifa is a big museum. They are dinosaurs who do not want to relinquish power. It's always going to be the same." Diego Maradona

- IOC had started inquiry proceedings against FIFA honorary president João Havelange into claims of bribery. **Are greed, corruption, nonfeasance and malfeasance are endemic to FIFA leadership?**
- **Should FIFA be abolished for the good of the game?**
- FIFA is in charge **of both monitoring corruption in soccer matches, and marketing and selling the sport.** Are two separate organizational bodies needed?
- FIFA's choice to award the **2018 World Cup to Russia and the 2022 World Cup to Qatar**, has been widely criticized. A whistleblower claims that FIFA executive committee members were paid \$1.5 million to vote for Qatar.
- Four long-standing FIFA executive committee members were accused to be engaged in **"improper and unethical" conduct** in the 2018 bidding.
- **Several of FIFA's partners and sponsors have raised concerns about the allegations of corruption, including Coca-Cola, Adidas, Emirates and Visa and Sony.** Sony terminated FIFA sponsorship by Dec. 1, 2014.

FIFA 2013/14

The investigatory chamber of the FIFA Ethics Committee has conducted an **investigation**, led by chairman **Michael J. Garcia**, into the bidding process for the awarding of the 2018 and 2022 FIFA World Cups™.

The resulting report was delivered to the chairman of the adjudicatory chamber of the FIFA Ethics Committee, **Hans-Joachim Eckert**, in September, since when repeated demands have been made for the report to be published.

BUT: Publishing the report in full would actually put the FIFA in a very difficult situation legally due to **respect the personal rights of the people mentioned in the report and interviewed for the report.**

Solutions:

Investigation by Interpol?

(Really!) Independent commission (like the one in UK on corruption) and as a permanent body?

The Telegraph

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Fifa corruption: Criminal probe may be launched in UK

Exclusive: Serious Fraud Office will seek evidence held by the Swiss Attorney General and the FBI to determine whether to open an investigation

Reinhard Rauball: *"In contrast to others who just do it via the media, I rang up Mr Blatter personally recently and asked him to resign. **But the decision by the Fifa executive committee in favour of Qatar is not made by Mr Blatter alone - 22 people are entitled to vote.**"* Rauball also warned that **Uefa could quit Fifa** if Garcia's report into the bidding processes for the 2018 and 2022 World Cups was not published in full.

Fifa president Sepp Blatter told to resign by head of German football league over Qatar World Cup furore

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Legal Problems of Match Fixing

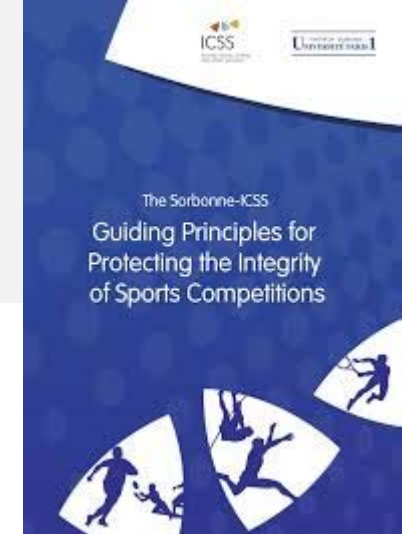
- What is the object of „legal protection“ (Rechtsgut)?
- Who is the „aggrieved party“?
- What is the **loss/damage/harm** and how should it **be** calculated?

The KEA-Study

- ... illustrates how corruption and **match-fixing** is covered in national criminal law in **Europe**.
- Survey with national ministries in the 27 Member States, sporting organizations and betting operators
- European **legal landscape is not uniform**: whilst some countries focus on general offences of corruption or fraud, others have implemented **specific sport offences** to cope with match-fixing -contained either in their criminal codes, sports laws or special criminal laws (**Italy**, Malta, Portugal).
- **These provisions differ greatly in regards to the act to be criminalized as well as the scope, objective and subjective elements of the offences or the relevant sanctions.**
- “Match-fixing in sport. A mapping of criminal law provisions in EU 27”. KEA March 2012.
http://ec.europa.eu/sport/news/documents/study-sports-fraud-final-version_en.pdf (Aug. 23, 2012)

Criminal Code (Cheating at Gambling) Amendment Bill 2013

ACT Match-Fixing laws



Do we need laws to protect the „integrity of sports“? Or do we need „tools“?



Tools to be adopted depending on the level of risk to which sports institutions are exposed

Tools	Level of risk			
	Highest level of risk	Fairly high level of risk	Moderate level of risk	Very low level of risk
Elected "Ethics/integrity" expert	Priority 1	Priority 2	Priority 3	Priority 3
Operational manager in charge of integrity	Priority 1	Priority 1	Priority 2	Priority 3
Unit dedicated to integrity	Priority 1	Priority 2 (one person at least)	Priority 3	Priority 3
Integrity "awareness" for directors	Priority 1	Priority 1	Priority 2	Priority 2
Integrity "awareness" for athletes and officials	Priority 1	Priority 1	Priority 2	Priority 2 (education)
Acquiring competencies with respect to sports bets	Priority 1	Priority 2	Priority 2	Priority 3
Acquiring knowledge concerning organised crime	Priority 1	Priority 2	Priority 3	Priority 3
Prohibiting participants from betting	Priority 1	Priority 1	Priority 1	Priority 2
Prohibiting the communication of sensitive information	Priority 1	Priority 1	Priority 2	Priority 2
Obligation to report any approach / corruption	Priority 1	Priority 1	Priority 1	Priority 1
Strong sanctions for cases of manipulation	Priority 1	Priority 1	Priority 1	Priority 1
Policy for choosing and monitoring referees	Priority 1	Priority 2	Priority 2	Priority 3
Controlling access to competitions and means of communication	Priority 1	Priority 2	Priority 3	Priority 3
Cooperating with the sports betting industry	Priority 1	Priority 2	Priority 3	Priority 3
Monitoring sports betting markets	Priority 2	Priority 2 (only major events)	Priority 3	Priority 3
Intelligence and internal investigations unit	Priority 1	Priority 3	Priority 3	Priority 3
Anonymous and confidential reporting mechanism	Priority 2	Priority 2	Priority 3	Priority 3



4. A case study: Ante Sapina

Germany (2008-2014 ff.)

- Case involved at least **32 matches in Germany and 200 in the continent, including three matches of the Champions League.**
- **Inquiry began - by accident - end of 2008 and is still ongoing.**
- Police were **investigating a prostitution and narcotics ring run by a transnational criminal organization based in Bochum**
- The investigators discovered that the criminals were also running a **vast network instigating corruption in sport and rigging bets to launder the fruits of their activities.**
- On 19 November 2009, after a year of telephone tapping, **20 people were arrested and charged with corrupting over 320 football matches in 10 European countries. Afterwards some 100 more were arrested.**

Criminological Background and Forensic Evidence

- Investigation **very difficult and time consuming** due to
 - **clandestine structures,**
 - very well (illegally and **legally**) connected actors,
 - different **legal structures,**
 - different **law enforcement cultures,**
 - **language problems.**

The Story of Ante Sapina

- August 2004: **Sapina won 751.365.- Euro in one fixed match**
- Sapina met **Messi** during the 2006 championship
- **„He loves football“**. But: **diagnosed as pathological gambler**
- Sapina were sentenced to **2 y 11m prison, released on probation after serving half the time**
- 2011: released from pre-trial custody because he was „cooperative“; **Sentenced to 5 ½ years**, sentence was abolished in Dec. 2012 by the German Federal Supreme Court
- **In May 2014, he was sentenced to 5 years imprisonment – but he appealed against the decision.**

Ante Sapina: Why?

- **Bright boy, excellent in mathematics**
- gambling, small bets, **looking for challenges as a boy**
- Bigger bets, **(financial) success**
- **Addiction** (pathological gambling)
- **Cultural and business environment** (Cafe King)
- **Private, personal success and appreciation**
- Looking for higher aims: Asian betting market
- **Contact with and appreciation by Organised Crime representatives**
- **Caught by coincidence: phone tapping of another person**

= Sapina is NOT a typical member of organized crime structures

Is this the reason, why he got caught and sentenced?

Recommendations (1)

1. Better **cooperation** between all stakeholders (law enforcement, sports federations, bookmakers/bookies, etc.)
2. **Exchange of Information** between law enforcement agencies in different countries, both on the **formal and informal** level
3. Better **knowledge about worldwide acting betting cartels** and **organized crime networks** and structures
4. **Monitoring systems** must be re-structured and an independent body must overview and evaluate their work; early detection is crucial; uniform procedure for handling suspicious cases
5. **Investigations** by using all tools incl. under cover agents on all levels and on all potential actors
6. **Ombudsmen** or independent commissions, where people can anonymously report suspicious activities or observations

Recommendations (2)

7. **Integrity delegates** in sports federations and betting providers / bookmakers for cooperation with law enforcement agencies
8. **Unification** (in Europe and worldwide) of laws, law enforcement activities, court decisions, data bases
9. **Standards** for legal and administrative cooperation
10. **Cooperation** with sports federations (UEFA, national organisations, not only football); they should inform police about suspicious matches;
11. **Licensing** of bookmakers should be combined with an agreement to provide information about suspicious matches, persons, clubs.
12. Regulatory authorities should agree on (European?) **standards to supervise and control the betting market** and bookmakers. Problem in Germany: No nation-wide agency possible like in France, Italy or GB due to the federal system (e.g. urban, communal regulatory agencies in cities)

5. Consequences and the Way Forward

1. **Betting fraud = organized crime**
2. **Fight against trivialization** and lack of awareness
3. **Really professional management of football associations** (independent people from “outside”) with **specified Unit within soccer associations**
4. **Increase public awareness and acceptability of investigations**
5. **Establishing of national regulatory authorities**
6. **Closer supranational cooperation between legal betting-companies, regulatory authorities, sport associations and law enforcement**

Thank you very much!