Betting on the Ball Game: International Perspectives on Integrity in US Sport, post Murphy v NCAA

University of Arizona Race Track Industry Program, Annual Global Symposium on Racing, Dec 3-5, 2018

Jack Anderson

Professor and Director of Sports Law Studies at the University of Melbourne

jack.anderson@unimelb.edu.au
March 13, 1986:
The day I was compromised....
"Oh no, Scobie hasn't had a bet since he stopped riding."
"I bet on the game of baseball and I bet on my team... I have to take a different look at someone betting against their own team ... that's throwing the game."
• Controlled unpredictability of sport

• Commercial stability of sport
Cheating in... sport
Gambling on sport

- 2017, US onshore regulated betting market (gross win revenue) $200m (same as Sweden) – global leader was UK at $3.05bn

- US to be global leader & reach c$5.0bn by 2023, (half generated by mobile).
Gambling on sport

- 2017 – illegal gambling sports wagering in US = $150-190bn in total (75% online, 25% NY & Calf);

- By 2030 half of US States to be participating in the sportsbetting market of c$7.6bn (gross win)
Betting Integrity: the basics

- Money to bet/lay;
- Someone who will accept your bet;
- Someone to effect the fix (demand and supply);
- Collect the winnings.
Fixing the Fix

• 600 athletes;
• 12% participated in a fixed event;
• 15% asked to fix a match within last year;
• 40%, club officials were most likely to instigate contact on match-fixing;
• A third said they would not report fixing, mainly due to lack of trust, confidentiality

Proper, ahem, Football
Tennis Integrity Review

• 3,200 professionals surveyed;
• 15% first hand knowledge of fixed event;
• Problems at non-elite level;
• Sale of betting data;
• Jurisdiction and powers of integrity unit;

• Lessons from horse racing?

Oliver Anderson
Typology/Taxonomy

- Inside information: privileged info, spot fixing;
- Player profiling: exploitation of problems and education;
- Third party influence: (grooming, consorting and image laundering);
- Racing, participants, animal welfare
Mazhar Majeed

Mervyn Westfield
Typology/Taxonomy

- Episodic games;

- Off-field technology (betting data) to on-field tanking (player data);

- Beyond the player;

Tim Donaghy
Aggravating Factors

- Regulatory environment – sport, poor governance;

- Regulatory environment – gambling, online & offshore;

- Domestic – gambling fixes as consumer fraud;

- International – transnational economic crime (money laundering)
UIGEA Act 2006

- In-play, exchanges;
- Liquidity issues;
- Cryptocurrencies;
- Offshore regulatory issues e.g., tax etc.

Global issue
• Amounts laundered through international financial system is the equivalent to 2.7% of global GDP or US$1.6 trillion yearly;

• “interception rate” for anti-money-laundering efforts is 0.2%
• Winnings of fixed matches = US$7.8bn or 6 times more than the total global trade in illegal small arms (SportAccord, 2013)

• Organised crime launders around US$114.5bn pa through sport (Sorbonne, 2014)
Lessons from the EU

- Patchwork quilt of regulation (cultural, moral and economic views of states);
- National platforms (UK, France);
- Australia

Council of Europe

CONVENTION ON THE MANIPULATION OF SPORTS COMPETITIONS

“...an intentional arrangement, act or omission aimed at an improper alteration of the result or the course of a sports competition...”
Solutions

- Education;
- Players, privacy
- Intelligence capacity;
- MoUs gambling industry;
- Analysis capacity;
- Enforcement, sporting;
- Enforcement, legal.

Network of state platforms
Murphy, Governor of New Jersey et al v NCAA et al (May 14, 2018)

a) Commodification of gambling;

b) Federalization of betting integrity in sport;

c) Gamblification of US sport;
HOW MUCH DO LEAGUES STAND TO GAIN FROM LEGAL SPORTS BETTING?

The four major leagues are projected to generate combined revenues of over $4.2 billion per year through TV advertising, sponsorship, data/product revenue, media rights, merchandise, and ticket sales—all as a result of a legal, regulated sports betting market.

$4.23B
Direct and Indirect Revenues Impact

- $596M Direct TV Advertising Revenue from Gaming Services
- $267M Direct Sponsorship Revenue from Gaming Services
- $89M Data and Video Revenue
- $3.28B Indirect Revenue from Media Rights, Sponsorships, Merchandise and Ticket Sales
Horse Racing

• Domestic: Informal, resource-saving information-sharing with other regulators within/out sports & state;

• International - UK, Australia;

• (Red) flag of convenience.
US Sports

- Hippodroming

- Arnold Rothstein, Black Sox 1919 and all that;

- The 1951 point-shaving scandal in college basketball;

- History of the Wire Act 1961

Don’t bet on your ballgame