

# ESSA Q2 2016 INTEGRITY REPORT





## EDITORIAL



It appears that not a week can go by without some new scandal in sport hitting the headlines. Whilst it clearly still faces many challenges, sport continues to play an important part in our daily lives. That can be most readily seen in the recent culmination of Euro 2016 and Wimbledon tennis tournaments and the anticipation of the Rio Games.

However, fundamental issues around governance and financial accountability in the sector cannot just be brushed under the carpet. Policymakers around the world have made it clear that reform is needed and the sector must react to maintain its privileged position or face the imposition of far-reaching change.

The Council of Europe Convention on the Manipulation of Sports Competitions continues to be presented as a central part of any solution and ESSA, having helped to develop the Convention, endorses that opinion. Working together has been at the core of ESSA's approach to tackling betting related match-fixing and it is a key component of the Convention. The transfer of information between sports, regulators and betting operators is a crucial part of the puzzle facing us all.

I am therefore very pleased that since our last quarterly report we have struck integrity information sharing deals with the French and Lithuanian gambling regulators, to add to our exiting partnerships in that area. We have also seen two new major regulated betting operators join ESSA this year, with a third to be announced very soon, significantly widening our global alert and reporting system.

That system identified 41 cases of suspicious betting during the second quarter of the year, with tennis again dominating those figures. Tennis has dominated our integrity figures for some time now and, as part of our desire to do all we can to stamp out this illicit activity, we are embarking on a trial integrity partnership with Sportradar specifically focused on tennis.

With Sportradar's odds monitoring system following over 450 betting operators and ESSA members' wealth of transactional data we aim to produce a comprehensive market overview and alert system. It is an arrangement that will benefit both parties, not to mention the tennis authorities, and give us access to additional tools in the fight against corruption.

With that in mind, I am delighted that the Tennis Integrity Unit (TIU) has provided an article in this edition of our quarterly report which outlines some of the improvements that the sport is seeking to implement as part of a stated desire to be more open and transparent. Central to that is a comprehensive review of the sport's approach and ability to protect the integrity of its events.

It is quite right that the tennis authorities seek to conduct a thorough investigation of its integrity procedures. We must, quite reasonably, give the sport some breathing space to identify and implement any necessary changes, but changes are clearly needed and the sooner the better for us all. In the meantime, ESSA will continue to support the sport in this important endeavour, which will hopefully soon result in the delivery of a best practice model that others will follow.

**Mike O'Kane**  
ESSA Chairman

## ESSA's integrity figures for Q2 2016

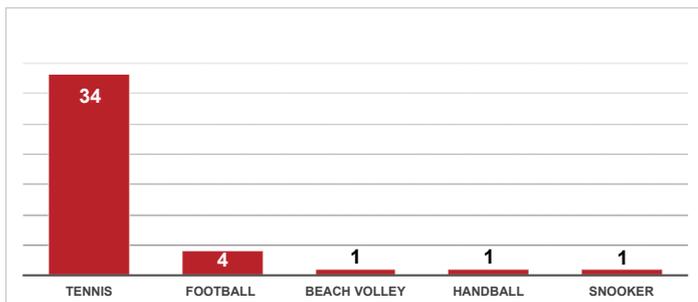
In the second quarter of 2016 ESSA and its members reported 41 cases of suspicious betting patterns to the relevant sporting and regulatory authorities for further investigation. That involved 34 cases identified in tennis, four in football and one each in handball, snooker and beach volleyball. From a geographical perspective, there were 24 cases in Europe, five each in Asia and Africa, three each in North America and South America, and one case with no specific country of origin.

A betting pattern is deemed unusual or suspicious when it involves unexpected activity with atypical bet sizes or volumes that continue – even after significant price corrections have been made in order to deter such activity in the market. A betting pattern is only confirmed as suspicious after ESSA has made detailed enquiries with all of its members to eliminate any prospect that the unusual patterns could be for legitimate reasons, such as pricing the market incorrectly.

ESSA continues to play a key role as the regulated betting sector's representative body at national and international match-fixing policy forums and holds positions on working groups at the European Commission, Council of Europe and the International Olympic Committee (IOC). It represents many of the world's biggest regulated sports betting operators, serving over 40 million consumers in the EU alone, and is continually reassessing and improving its alert and reporting systems.

ESSA's members work together using risk assessment and security protocols to identify suspicious betting patterns and have access to an unrivalled body of data which it provides to sporting bodies and regulatory authorities. That includes essential transactional data on who is betting on what, where and when. Every year, our members invest over €50m in compliance and internal security systems to combat fraud, as well as funding other initiatives such as player education programmes.

## Suspicious alerts in Q2 2016



## How the ESSA system works

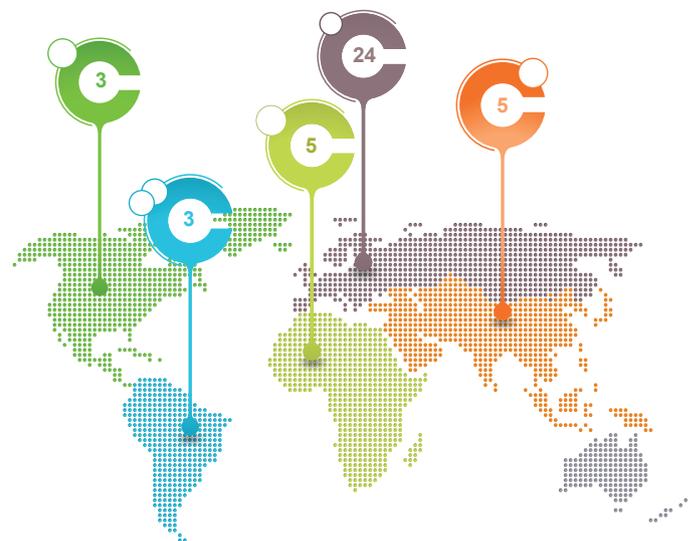
The ESSA alert system primarily works on the input provided by its members, notably alerts created by members relating to suspicious transactions detected by their own internal control systems.

If such an alert is issued, which occurs through ESSA's alert platform, members are required to respond quickly confirming whether or not similar trends have been seen elsewhere in their markets.

Where evidence emerges that there may be potentially fraudulent activity taking place, e.g. because several members have confirmed an irregular betting pattern, ESSA will:

1. report that information under the applicable Memorandum of Understanding (MoU) to the relevant sports governing body; and
2. advise the member(s) concerned to make a report to their own national regulatory authority.

## Suspicious alerts in Q2 2016 per continent



\* Plus one alert with no country of origin



**Tennis was one of the first sports to set up a permanent anti-corruption body when it established the Tennis Integrity Unit (TIU) in 2008. Based in**

**London and operationally independent of the governing bodies of the sport, it has a global brief to enforce a zero-tolerance policy on betting-related corruption.**

All professional players, officials and support staff are bound by a code of conduct (Tennis Anti-Corruption Program – TACP) that prohibits any involvement in betting on tennis, together with a wide range of related corruption offenses.

The TACP gives substantial powers to TIU investigators, including the ability to interview any person of interest and obtain, with consent, phones, tablets, lap tops and financial records. It allows an investigation to be opened at any time, in any part of the world, into any covered person. As an intelligence-led Unit, investigations follow where intelligence leads.

Where investigations result in prosecution, players and officials can face lifetime bans and punitive fines of up to US\$250,000. Since 2010, five players and two officials have received permanent playing or officiating bans. A further 14 have been disciplined following TIU investigations.

TIU is also charged with helping the sport to prevent corruption taking place and delivering an education program for players and officials.

In terms of prevention, a series of protocols have been adopted to make it as difficult as possible for would-be corruptors to access players and tournaments. This includes the global sharing of a

TIU-maintained list of individuals identified as being unsuitable to receive tournament credentials.

Player education is a critical function, especially for young people coming into the sport. All professionals – more than 23,000 to date – complete a compulsory online Tennis Integrity Protection Program (TIPP). This familiarises them with grooming techniques and the correct course of action to take if approached. A confidential email reporting line, monitored 24-7 by TIU officers, has proved to be a successful channel of communication. TIPP is supplemented by educational materials and presentations to players.

### **Working with the betting industry**

Working constructively with the regulated betting industry forms an important day-to-day part of TIU operations. In addition to ESSA and its members, TIU has Memorandums of Understanding with numerous regulators, licensees and betting operators around the world.

Match alert data received through these MoUs is a valuable resource that can flag-up a range of unusual and potentially suspicious behaviours and activity. Every alert received by the TIU is assessed and followed up as an indicator that something inappropriate may have happened.

The learning gained from dozens of tennis investigations shows there are many valid reasons, other than corrupt activity, that can explain unusual patterns, including:

- incorrect odds-setting
- player fitness, fatigue and form
- playing conditions
- personal circumstances

In all cases where alerts do suggest corrupt activity, the TIU will investigate and take appropriate action.

Match alerts from partners in the sector have contributed to a number of successful TIU prosecutions, including those of Russian player Sergei Krotiouk and French official Morgan Lamri, who were banned for life in 2013 and 2014 respectively. Spanish player Guillermo Olaso was banned for five years (18 months suspended) in 2013, and in February this year, Thai player Jatuporn Nalamphun was suspended for 18 months and fined US\$5,000 for betting on tennis, and failing to co-operate with a TIU investigation. Information supplied by ESSA and the Licensing Authority in Gibraltar was instrumental in supporting the TIU investigation into the Nalamphun case.

Under the TACP, there is a presumption of innocence until an offence is proven. For investigative purposes, and to encourage witnesses to come forward with information and testify at Hearings, the TIU conducts all operational matters in confidence. That policy means it does not announce investigations or comment on match alerts or other speculation that is publicly reported.

Where players have been named by third parties in relation to match alerts, the result is often international media attention and unwarranted speculation that can tarnish reputations. While investigations can lead to prosecution, they also have an important role to play in protecting players from intrusion and reputational damage.

### **TIU match alert data published quarterly**

As part of a move towards greater transparency, the TIU is publishing headline details of all match alert data it receives on a quarterly basis, while maintaining the confidentiality of MoU agreements.

One of the objectives of this is to reassure stakeholders that the overwhelming majority of tennis is played fairly by people who respect and uphold the integrity of the sport.

For example, the 48 alerts reported to the TIU in the first quarter of 2016 should be seen in the context of the 24,110 matches played around the world in that period. Alerts therefore represent a tiny percentage of 0.2% for all matches, and even then are only an indication – not proof – of suspicious activity.

Alongside its relationships with betting operators, the TIU also has MoUs and working agreements with bodies such as the International Olympic Committee (TIU will be supporting the IOC at the Rio Olympics), Europol, and other international law enforcement agencies involved in tennis investigations.

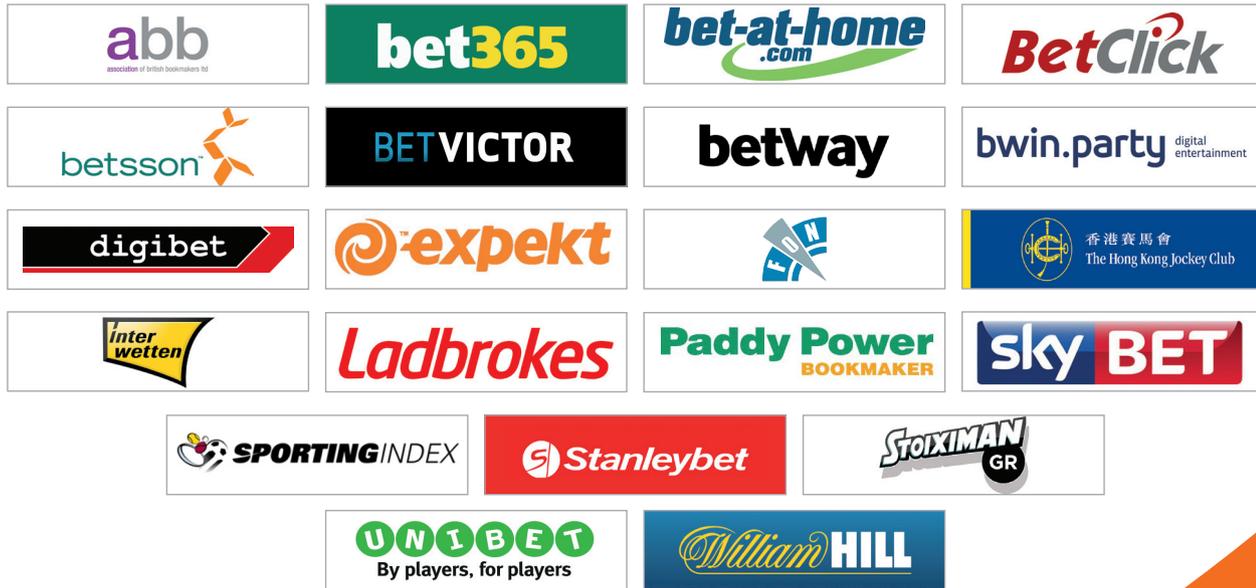
### **Independent Review Panel**

As a result of media allegations and critical reporting at the Australian Open in January this year, tennis set up an Independent Review Panel (IRP), led by Adam Lewis QC, to test the effectiveness of the sport's existing anti-corruption practices and procedures.

The full, thorough and comprehensive review is expected to take at least twelve months, with the publication of an Interim Report during that time. This will be followed by a consultation process that will allow a wide range of stakeholders to submit comments for consideration. The IRP will then publish a Final Report, which tennis has committed to fully accept and implement all of its recommendations.

**Mark Harrison**  
**TIU Head of Communications**

## OUR MEMBERS



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