

Sport Integrity – Racing as the Frontrunner

Speaker:

Patrick Jay

Director of Trading, The Hong Kong Jockey Club



香港賽馬會
The Hong Kong Jockey Club

Plenary Session 8: Sports Integrity – Racing as the frontrunner

Global Illegal Betting, the Gambling Markets of Asia, Football Corruption and Match Fixing

Patrick Jay
Director of Trading,
The Hong Kong Jockey Club
8 May, 2014










Global Football Integrity - 10 Standout Issues

- Fundamental misunderstanding of sports betting markets
- Influence of Asian gamblers and organised crime syndicates
- Acknowledging the full extent of the problem
- Difference between match-fixing and spot-fixing
- Football trying to run before it can walk
- Age of participants who fix
- Role of agents who fix
- Sponsors have to speak out
- Importance of whistle blowing mechanisms
- Match-fixing and criminal laws



Massive and Growing Betting Turnover in Asia

Published Racing, Sports and Lottery Sales in Asia (2009-2013)

	US\$ M	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
 China*		20,136	25,965	35,568	42,103	50,835
 Japan		43,527	46,707	46,592	47,224	49,372
 Hong Kong		14,802	16,142	16,545	18,201	20,664
 Singapore		4,602	5,567	7,345	7,651	7,815
 South Korea*		3,707	3,804	4,260	5,661	6,113
 Taiwan*		2,689	3,249	3,416	4,282	4,913
 Macau		884	1,130	1,096	1,260	1,193
Total:		90,347	102,563	114,823	126,382	140,905

* Without racing

Data source:

HK – HKJC Annual report, China, Japan, Korea, Taiwan(Lottery) – La fleur's World Lottery Almanac, Taiwan(Sports Lottery) – Data from TSLC, Macau – Year book of statistics & Macao Economic Bulletin (2004-2011) Estimation (2012), Singapore - La Fleur's World Lottery Almanac (2004-2010) Estimation (2011-2012). Some 2013 figures from unofficial sources.



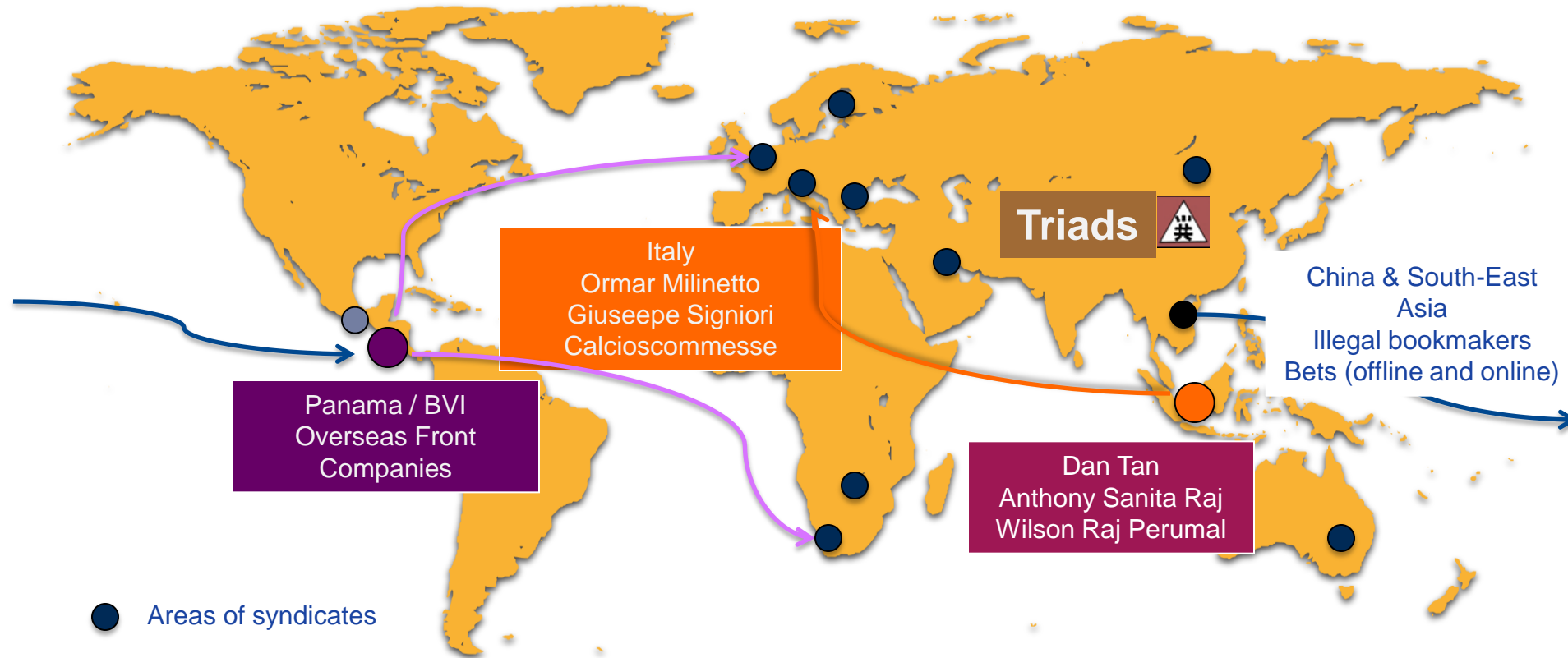
Software Arms Race + Rapid Economic Development + Sports Development

+

**Licensed Betting Monopolies with Low Payout Rates + Limited Product
Range (55 v 2) + No Credit + No Rebates**

**= A Global Trade of Colossal Illegal and Unauthorised
Football Gambling**

Football Match Fixing Fits Snugly into this Global Trade



Dan Tan sends his accomplices Choo and Pho to Italy to convey bribes

Match-fixing profits transferred to a dummy company in Panama

The dummy company distributes the money to all members of the betting syndicate all around the world

This is a Football Match Crime Scene

- Odds and odds changes are not logical and make little sense to any reasonable scenario.
- Once Asian bookmakers have received suspicious bets, odds often left very short, which is unusual practice.
- Stake limits lowered - which likely remain higher for agents on phone.
- Counterintuitive odds changes. e.g. odds shorten to win 1st half, but remain the same to win the match.



Match Time



Betting Market



Odds



Stake Limit

47 min

Over 1.50 Goals

1.90

\$5,000

49 min

Over 1.50 Goals

1.60

\$500

51 min

Over 1.50 Goals

1.20

\$250

53 min

Over 1.50 Goals

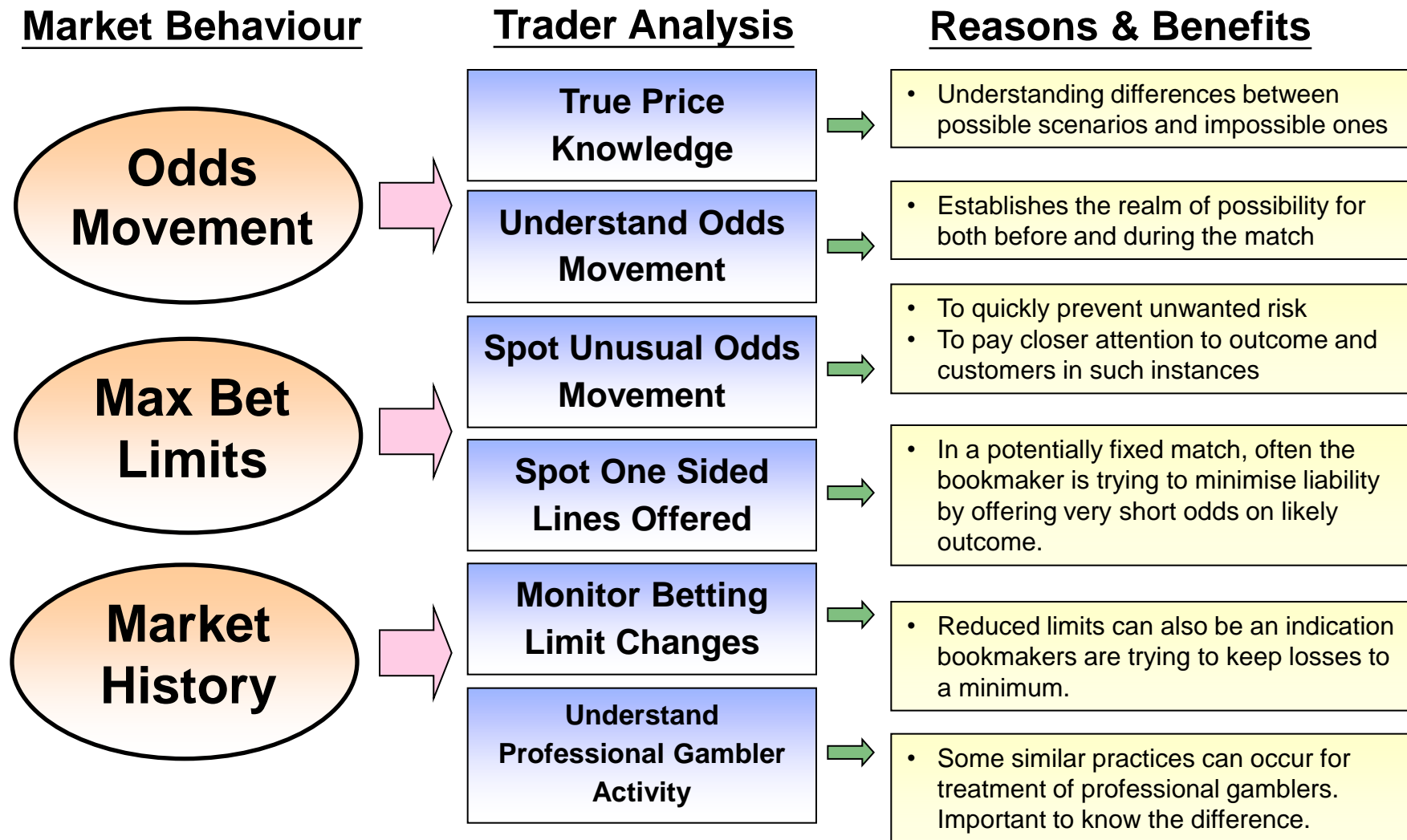
1.15

\$100

What should the legitimate operators do to protect themselves from these significant financial and reputational threats?



HKJC - Very Strict Risk Management Framework



Nonetheless... Football has a Major Issue

- “The work of the police in Europe on match fixing in football is the latest example of how deeply **international organised crime has taken a grip on international sport** but Governments cannot rely upon national laws only to defeat the illegal betting market.”
- Sport is now under unprecedented attack from criminals and opportunists who conspire to manipulate the results of competitions around the world to fraudulently win the tens and hundreds of millions that is gambled on sport around the world every day, with the vast majority of this money being invested into the **betting markets of South East Asia**.
- It is because of this growth in international betting on sport that criminals have aggressively moved into manipulating sports, especially match fixing in football.
- Match fixing and illegal betting is a clear and present danger to
 - 1) Football and players, officials etc.
 - 2) Football Fans
 - 3) Football Sponsors
 - 4) Bookmakers – financial and reputational
 - 4) Bookmakers – customers etc.
- In January 2013, match fixing was described by the UEFA President as “the **biggest danger** to the future of football.”
- Enforcement action by the authorities should be complimented by a mutually supportive legal framework and legal betting market that can provide betting products that are **sufficiently competitive** to undermine the illegal betting market.
- **Geo political chessboard of organised crime – we must protect our square**



Thank You !