

# Sport Integrity – Racing as the Frontrunner

Speaker:

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*Head of Chamber, 5RB*

# SPORT INTEGRITY

## Racing as the front runner

*Corruption and betting:  
some British perspectives*



# The bigger picture

*“Potentially the greatest absolute rewards to successful fix will be found in the most liquid markets and here the risks of detection will also be lower since high bets will be commonplace. Of the sports on which this Report focuses, liquidity is typically highest for football, cricket and tennis. ”*

“Risks to the Integrity of Sport from betting corruption”, Salford University Centre for the Study of Gambling, a Report to the CCPR (April 2008)



# Regulation of British horseracing

1750 – 2006

**The Jockey Club  
Royal Charter  
(1856)**

2006-7

**Horseracing  
Regulatory  
Authority**

2007 – date





# Corruption in British racing

- 2002: BBC *Panorama* alleges racing “institutionally corrupt” & incapable of tackling betting-related corruption
- 2003: In-depth review refutes the allegation but reveals individuals prepared to pay corrupt jockeys and trainers
- New methods create new threats



# 2003: betting exchanges


English - UK

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Newc 19th Oct - 13:40 7f Mdn Stks

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101.4%
93.1%

Total selections: (12)		GBP	Back	Lay		
Platinum Princess	5.1 £8	5.3 £41	5.4 £8	5.6 £26	5.7 £12	5.9 £25
Lunar River	4.9 £5	5 £123	5.1 £8	5.2 £8	5.3 £85	5.7 £16
Hazelhurst	5.9 £14	6 £108	6.2 £136	6.4 £7	6.6 £7	6.8 £26
Virginia Rose	8 £37	8.2 £26	8.4 £19	9 £19	9.8 £38	10 £12
Entranced	12 £26	12.5 £18	13 £6	14 £4	15 £2	16 £8
Lucidity Light	10 £12	11 £23	12 £25	13.5 £29	15 £2	18 £50
Dancing Guest	15.5 £2	16 £12	17.5 £2	18.5 £23	28 £2	29 £2
Lollas Spirit	12.5 £2	19 £24	22 £6	34 £9	36 £2	65 £4
Sunderland Echo	28 £5	30 £2	32 £8	42 £10	50 £3	55 £2
Considerthelilies	34 £5	36 £2	40 £9	60 £5	70 £2	80 £7
Coronation Flight	50 £4	55 £10	60 £3	95 £3	100 £2	120 £2
Cate Washington	29 £7	55 £2	60 £6	80 £4	85 £5	150 £7



# The basic methodology

1

\$ \$ \$ \$ \$

Find out a  
dishonest  
jockey/  
trainer's price

2

Get inside  
information  
on a horse's  
prospects

3

Use a betting  
exchange to  
bet the horse  
will not win/  
be placed



# The regulator's response

**Corruption crackdown – the jockeys' roll of shame**

HRA 'gathering information' about alleged scam

Trainers express sympathy – but back HRA's bid to root out corruption

Work-rider facing inquiry after laying yard's horses

Necessary to end the 'romance' of cheating

No place for rule breakers to hide

**Corruption charges continue**

More jockeys are facing race-fix probe



# Bradley – the first case

- Based on Bradley's own words
  - His evidence at Southampton Crown Court 2001
  - His autobiography, 'Wayward Lad'
- Supported by evidence of City tailor, Chris Coleman
- Found in breach (2002), finding upheld (2003)
- Court challenges fail (2004, 2005)



# British racing 'prosecutions' 2005-2008

13 Jockeys

2 trainers

25 bettors/others

**40**  
**individuals**



# Building and presenting a case

- Rules
- Leads
- Evidence
- Analysis
- The case before the Panel



# Rules

- Clarity
- Practicality
- Support
  - Misuse of inside information
  - Supply without reward



# Leads

Betting exchanges

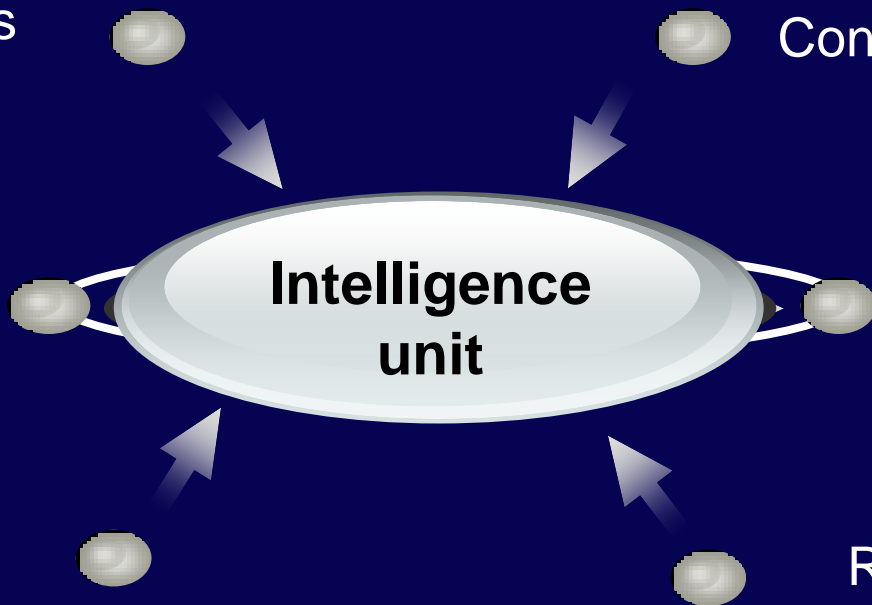
Confidential sources

BHA staff

Racecourse staff

Racing public

Racing professionals





# Sources of evidence - external

- Betting organisations
  - Voluntary
  - MOUs
  - Licence Condition 15
- Licensed Participants
  - Rules
- Non-licensed persons – via Court
  - *Norwich Pharmacal*



# Betting Organisations

- Chiefly from Betfair including:
  - Full Account Histories;
  - IP Addresses and Cookie IDs;
  - Call recordings;
- Also some evidence from other bookmakers.





# Licensed Participants

- Licenced persons' duty to assist
- Questioned with warnings
- Interviews recorded and transcribed



## Non-licensed persons: *Norwich Pharmacal*

*“... if through no fault of his own a person gets mixed up in the tortious acts of others so as to facilitate their wrong-doing he may incur no personal liability but he comes under a duty to assist the person who has been wronged by giving him full information and disclosing the identity of the wrongdoers ...”*

[1974] AC 133, 175 *per* Lord Reid



## Information available: phone Co's

- Subscriber i/d's
- incoming/outgoing calls
- SMS/MMS messages
- data communications
- cell site analysis.



# Analysis

- Betting
- Association
- Timelines







## Case study #1: Gary Carter, Sept 05



In which we meet an old friend ...



## Gary Carter (contd)



and the *Norwich* case is used. Without that ...

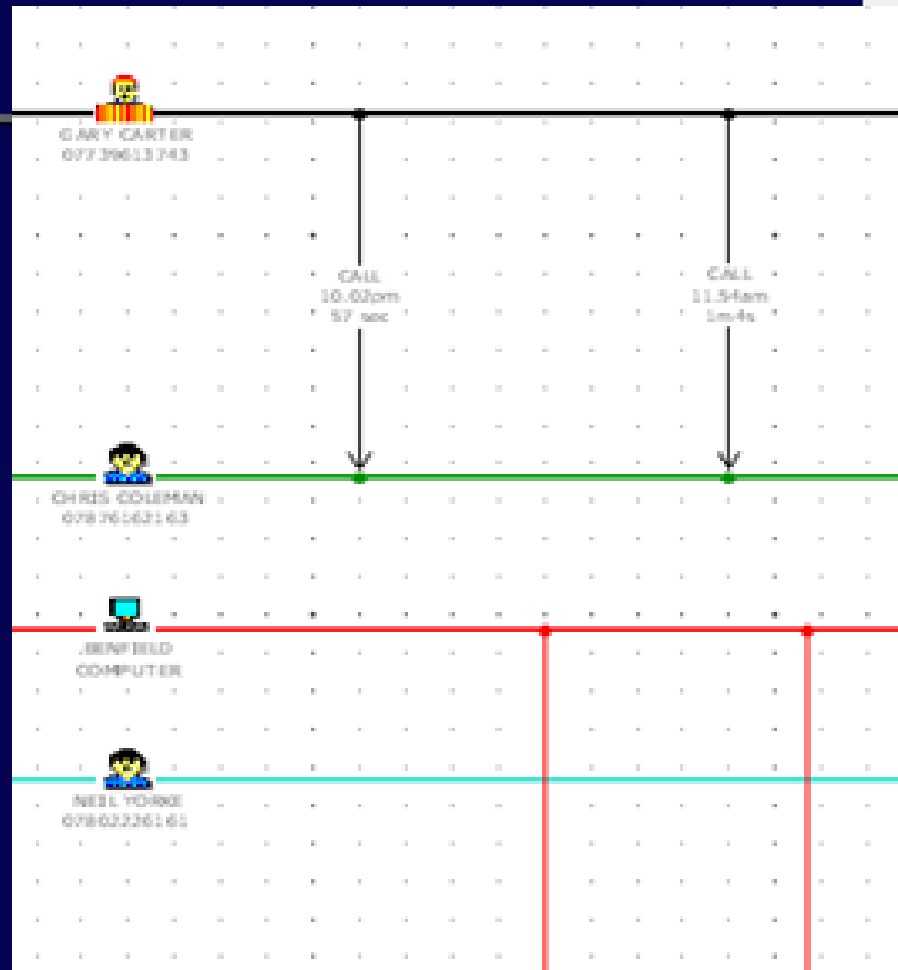
*“.. It would have been impossible. ...”*





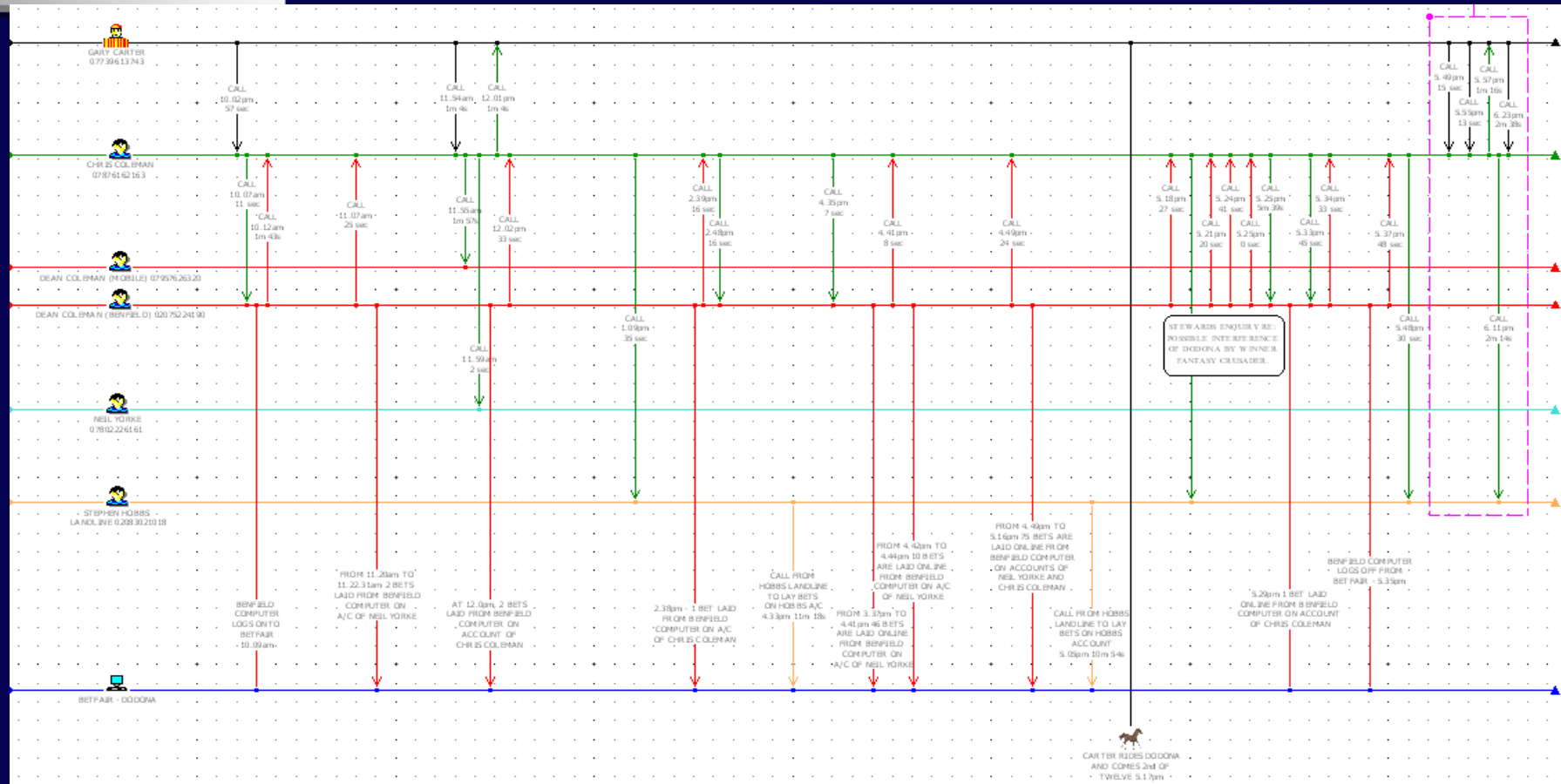
# Zooming in...

- Carter to Coleman 11:54, 1 m 4 s
- 'Benfield' computer lays Carter ride minutes later
- What's the link?





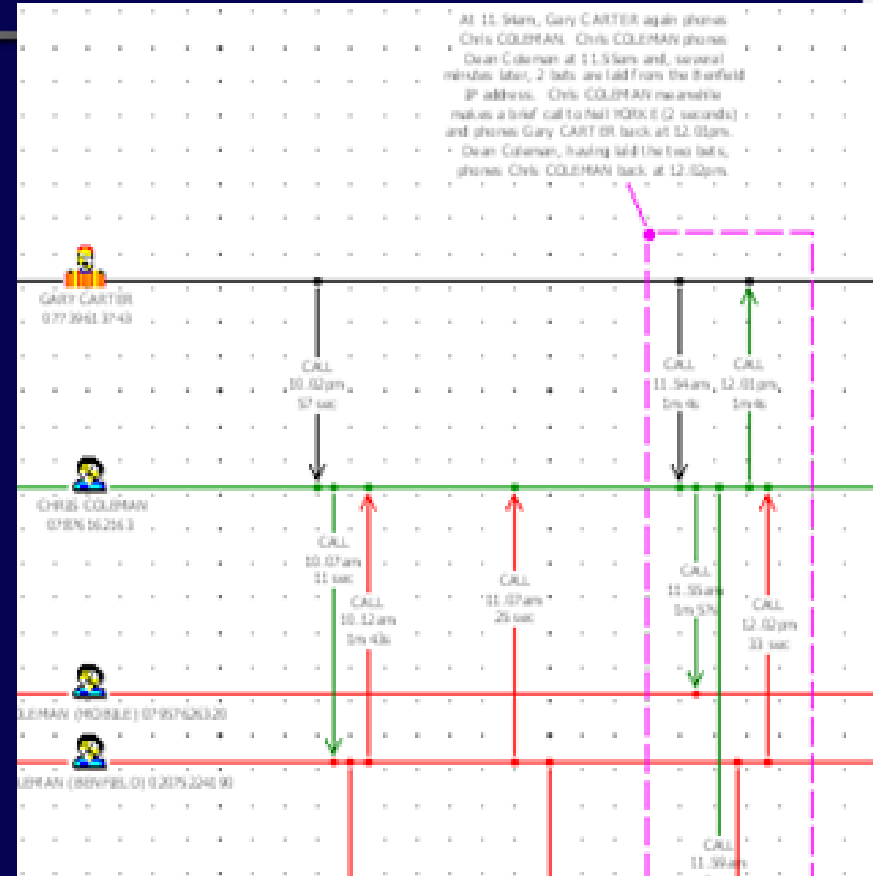
# + Norwich P: a busier picture ...





# Zooming in . . .

- 11:56, CC to ...Dean Coleman
- Dean is at his work computer, laying Carter's ride





## Case study #2: *Red Lancer*, Dec 05

practice engaged in between CC and SK. The investigations which have led to this inquiry and the Gary Carter inquiry have exposed the activities of a gambling ring in connection with this race, on 20<sup>th</sup> October 2003, and 8 previous races between 1<sup>st</sup> August and 26<sup>th</sup> September 2003.

12. It was established in the Carter inquiry that in those 8 previous races, the last of which took place only 3 weeks before the RED LANCER race, the jockey Gary Carter was corrupted by CC, who bought inside information from him which CC, DC and NY then used to make successful lay bets on Carter's 8 rides. The Jockey Club's case is that very much the same occurred in relation to the Wolverhampton race on 20<sup>th</sup> October. CC, DC and NY were once again all involved in successful lay



## ***Red Lancer (2)***

Date and Time placed	Selection	Average Price	Lay Volume	Lay Liability	Profit
20/10/2003 14:46	Red Lancer	8.14	£2,102	£15,000	£2,102
20/10/2003 14:46	Red Lancer	8.09	£1,816	£12,881	£1,816
20/10/2003 14:46	Red Lancer	7.40	£1,839	£11,762	£1,838
20/10/2003 14:46	Red Lancer	8.69	£934	£7,178	£934
20/10/2003 14:46	Red Lancer	3.63	£3,871	£10,190	£3,871



## *Red Lancer (3)*





## Case study #3: “User 7” (Feb 07)

- 4 jockeys
- Ian Nicholl, ex-bookmaker
- 4 Betfair ‘front accounts’
- C £1m (HK\$12.6m) risked laying the 4 jockeys’ rides



## “User 7” (contd)

- Lay bets on 37 rides in 6 months
- Bets succeeded 35 times
- 5 were ‘non-triers’
- Bet profit £54K (c.HK\$680K)



# The Neville Review 2008

1.9 The 2003 Review was seminal and its implementation has had a great impact on the quality of intelligence gathering and investigation in horseracing, making the Security Department (now re-named Integrity Services and Licensing Department (IS&LD)) the recognized leader in the field of integrity in sport. The message that the BHA is

....

internally to the BHA and externally has been much enhanced. The IS&LD was described to the Review team by a number of agencies as 'a model for the effective investigation of corruption in sport'. The sport's reputation and standing has benefited considerably from this change and the investment behind it.



# Court challenges

- Before Neville: *Graham Bradley* (2004-5)
- A.N.: *Dean McKeown* (2009-10)



# The Gambling Commission

## Licensing Objectives:

- Preventing gambling from being a source of crime....being associated with crime...or being used to support crime;
- Ensuring that gambling is conducted in a fair and open way.



## Licence Condition 15.1 (2007)

*“Licensees who accept bets ... on the outcome of horse races or other sporting events ... must also provide the relevant sport governing body with any information the licensee suspects may ... relate to a breach of a rule applied by that sport governing body.”*



## Gambling Act 2005, s 30(1)

*“The Commission may provide information received by it in the exercise of its functions to any [sport governing body] listed in Schedule 6 ... for use in the exercise of the ... body's functions”*



## Gambling Act 2005, s 42

*“A person commits an offence if he (a) cheats at gambling, or (b) does anything for the purpose of enabling or assisting another person to cheat at gambling.”*



## Minister for Sport, 9 Oct 07

“Match fixing totally corrodes the integrity of sport, so a hard line on cheats is vital. That’s why we recently introduced new rules in the UK to tackle the problem, including a potential two year jail sentence for betting cheats.”



# R v Rodgers, Fallon & Others

# £15m

Jury told how Rodgers risked nearly that amount to win just £170,000

## Champion jockey Fallon 'rigged' races in £2.2 million betting fraud'

► Riders' texts said they would lose, court told

► Big-time gambler was alleged mastermind

## The case against Kieren Fallon

Other occasions, Rodgers



**8 weeks later ....**

“Fallon in the clear as £10m case collapses”

*The Guardian, 8 Dec 08*



# The public authorities

Neville ...

The Review Team recommends that the BHA adopts a strategic position of tackling integrity and cheating issues by dealing with its own regulated community. If serious matters emerge which are beyond their own powers to deal with or relate to other individuals, then the BHA should not investigate more widely but refer the matter on.



# The public authorities

Neville ...

Consequently, it is the **widespread view** of all of those the Review Team interviewed, not just that **the criminal justice system is an inefficient and inadequate means by which to seek to regulate horseracing**, but that the regulation of malpractice in horseracing can be better performed by the BHA than by external criminal prosecution agencies. This view is **shared by the Review Team**. This is no criticism of such agencies, as it is not their role to regulate



# Case study #4: The Krypton Four

News

Email + Share

July 21, 2009

## Horseracing inquiry ends with admissions

Category: News

### Krypton Four" penalised for inside information breaches

One jockey has admitted deliberate 'non-trying', and he and 3 others have admitted involvement in the use of inside information for gambling, at the end of an Inquiry by the British Horseracing Authority (BHA) into 12 races from 2004. Some of the races had featured in a high-profile Old Bailey trial in 2007, arising from the City of London Police's *Operation Krypton*.



## The Neville Review (2)

But: 16 recommendations .... Because

structures that have been successful in countering the threat of corruption. We believe that these measures are capable of enhancement to cover other potential threats to the integrity of racing through the emerging BHA Strategy.

The IS&LD recognizes the need for continual evolution and development. The main



# The work continues

- *'It's a Man's World'* (2011-2012)
- BHA v Heffernan (2013)
- BHA v Ahern (2013)



## Case study #5: 'Man's world'

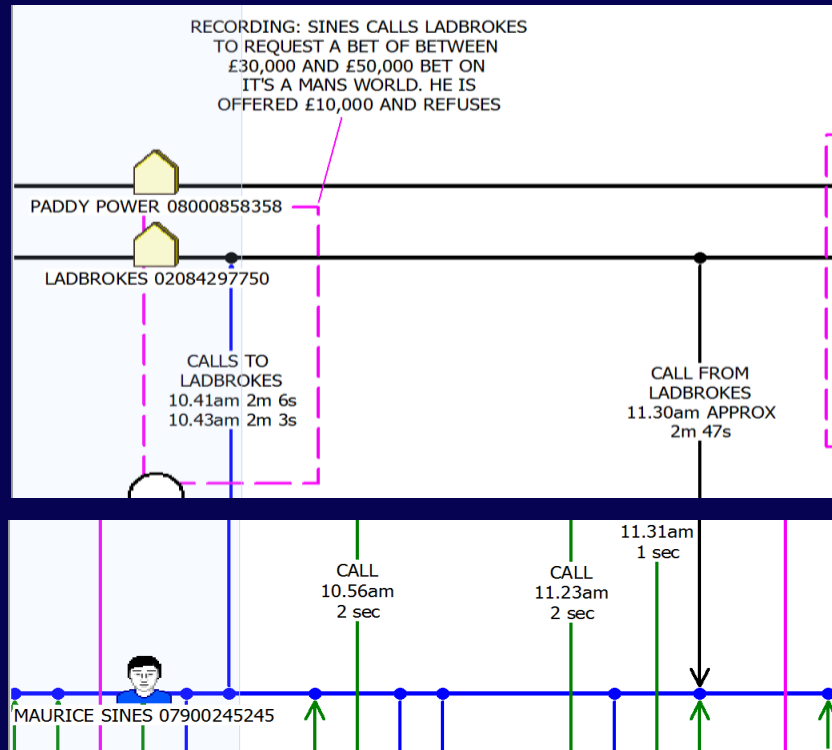
- *'It's a Man's World'* (2011-2012)
  - 10 races
  - 5 jockeys
  - 1 owner's representative
  - 4 principal bettors
  - 3 aiders



# Call recordings ...

*It's A Man's World* runs in the 2.45 ....

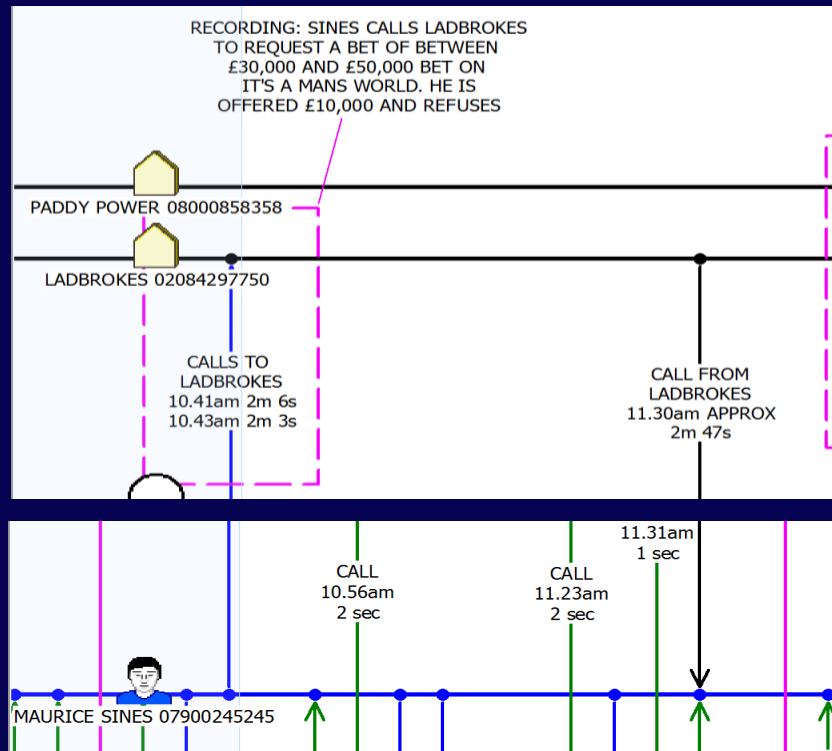
From 10.41 some  
calls are made...





# Call recordings ...

*11.30 comes, and Ladbrokes call back ...*





# Call recordings ...

A

MAURICE SINES: 50,000. 50,000.

LADBROKES OPERATOR: 50,000, okay. I'll ask for you. Just one second.

MAURICE SINES: Okay, mate. (A pause)

B

LADBROKES OPERATOR: Mr Sines?

MAURICE SINES: Yeah.

LADBROKES OPERATOR: They said you can have 10,000 on that.

C

MAURICE SINES: That's what I said. I don't want 10, I want 50.

LADBROKES OPERATOR: All right. They're prepared to lay 10. Do you want to take your 10,000 at 3/1?

D

MAURICE SINES: No. I need 50. So how about nearer the time?



## Case study #6: Heffernan & Chopra

NEWS

# Heffernan banned for 15 years

By Graham Green

ANDREW HEFFERNAN'S riding career lay in ruins last night after the 24-year-old received a 15-year ban as the central figure in the latest betting corruption conspiracy to cast a cloud over the sport.

It is the longest term of disqualification handed down to a jockey since new penalties were devised by the BHA.

The former UK-based rider was found guilty on four counts, including the stopping of three horses in the knowledge they had been laid to lose on exchanges and of accepting a bribe.

problems have been well documented since his admission to having lost up to £2 million, claimed he could not afford the £50,000 legal fees to defend himself. Like Wilson, he was excluded from the sport for ten years after both were found guilty of offering Heffernan a bribe and conspiracy. Copping was disqualified for three years on the conspiracy charge.

The prosecutions followed a probe into nine races across Britain's four all-weather tracks between December 2010 and March 2011, in which Heffernan's beaten mounts were laid to lose on betting exchanges. There is no

rider is considering an appeal. Chopra's former agent Yogesh Joshee was disqualified for five years for his part in the conspiracy. The others banned are Heffernan's former girlfriend, Cheveley Park Stud employee Kelly Inglis, who was given four years; Douglas Shelley (eight years), a businessman who had previously sponsored Heffernan; Prav Shihgadia (three years), a friend of Joshee; and Paul Garner (and a half years), who was found to have placed lay bets on Alan McCabe's horses when an employee of the trainer.

Adam Brickell, BHA director of integrity, legal and risk, said: "The

# WARNED OFF!

## JOCKEY HEFFERNAN GETS 15-YEAR BAN



## SOCCER STAR CHOPRA'S 10-YEAR SUSPENSION





## Heffernan & Chopra (contd)

- 3 horses 'stopped'
- 1 jockey
- 8 others
- Some evidence from Gambling Commission
- Comms via gaming consoles



## Case study #7: Ahern *front-running*

### Panel

deliberately set a pace that was designed to hurt JUDGETHEMOMENT (USA)'s chances in the race was in breach of Rule (B)58.1 in the way described in Rule (B)59.2.

### Appeal Board

It is worth reciting the point, even if it be obvious, that the Panel's judgement that the Appellant had given JUDGETHEMOMENT (USA) a stopping ride was founded not solely upon inference, but upon a combination of –

- findings of fact derived from its viewing of the race videos and from other factors, including the sectional timing figures pinpointed in the evidence of Mr Chignell;
- its impression of the Appellant's evidence to do with the race, including his jockeyship generally and the circumstances and substance of the trainer's instructions; and
- the drawing of certain inferences flowing from the betting evidence and other related matters as



## Sources of evidence – internal – race reads





## Front running ...





**... is not inevitably a successful method.**





**It is a question of tactics and ... timing**





**It is a question of tactics and ... timing**





## Some issues ...

- Rules – when is conduct “corrupt”?
- Comms evidence
  - Kinds of evidence – absent compulsory powers
  - What if no records?
- Inferences



# The bigger picture – again

## Suspended jockey denies \$1m race-fixing charges

MAGDALENE CHOW

A suspended jockey and his girlfriend yesterday denied involvement in an alleged cross-border race-fixing scam in which a bush millionaire is said to have

Chin and his girlfriend, Denise Young Ka-yee, denied a conspiracy charge relating to another \$1m Tim race on January 27, 1996.

The pair allegedly plotted to win money.

Jockeys to fix race on January 27. The money was deposited into Young's bank account and Young supplied Chin with...

2/19/96 Post Local News P.7  
**Man pleads guilty to**

## Sha Tin race-fixing conspiracy

ICAC targets senior riders, apprentices and girlfriends in alleged \$2m racket

## Race-fixing raids net 13

ROSEMARY and FULLER

ICAC raided and closed 11 jockey clubs yesterday as it cracked down on alleged \$2-million race-fixing racket.

Leading jockey leader, Chin

THE JOCKEYS



THE APPRENTICES



## Probe moves to NSW

By EDEEN HARRINGTON

A PROSECUTOR in Sydney yesterday presented evidence to a magistrate that a racing fixer had been involved in a conspiracy to fix races in the Sydney area.

It is believed the racket involves a network of jockeys, trainers and bookmakers who are said to be involved in a conspiracy to fix races in the Sydney area.

## Stage set for criminal case

U.S. attorney

totalizer network that processes the sport's bets. Those guys, officials have said, have let pick six bets vulnerable to manipulation by the network.



# Football - Sunday Morning Post, 19.1.14





# The future

- Harmonisation
- Collaboration
- Globalisation

Mark Warby QC, 5RB, 5 Gray's Inn Square, London WC1

# Thank You !