

Crime and Corruption in Sport: A Study in Match Fixing

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Synopsis:

This paper seeks to highlight weaknesses in international sports organisations' governance structures which make them vulnerable to exploitation by criminal syndicates by way of match fixing.

Abstract:

This paper is premised on the following: a conspiracy to fix or otherwise manipulate the outcome of a sporting event for profitable purpose. That conspiracy is in turn predicated on the conspirators' capacity to: (a) ensure that the fix takes place as pre-determined; (b) manipulate the betting markets that surround the sporting event in question; and (c) collect their winnings undetected by either the betting industry's security systems or the attention of any national regulatory body or law enforcement agency.

This contribution focuses not on the mechanics of match fixing; rather on the sometimes under explained reason why match fixing has reportedly become increasingly attractive as of late to international crime syndicates. That reason relates to the fact that given the traditional liquidity of gambling markets, sports betting can, and has long been, an attractively accessible conduit for criminal syndicates to launder the proceeds of crime. Accordingly, the term "winnings", noted in part (c) of the above equation, takes on an altogether more nefarious meaning.

This paper's attempt to review the possible links between match fixing in sport, gambling-related "winnings" and money laundering is presented in three parts.

First, some context will be given to what is meant by money laundering, how it is currently policed internationally and, most importantly, how the growth of online gambling presents a unique set of vulnerabilities and opportunities to launder the proceeds of crime. The globalisation of organised crime, sports betting and transnational financial services now means that money laundering opportunities have moved well beyond a flutter on the horses at your local

racetrack or at the roulette table of your nearest casino. The growth of online gambling platforms means that at a click it is possible for the proceeds of crime in one jurisdiction to be placed on a betting market in another jurisdiction with the winnings drawn down and laundered in a third jurisdiction and thus the internationalisation of gambling-related money laundering threatens the integrity of sport globally.

Second, and using the seminal 2009 report “Money Laundering through the Football Sector” by the Financial Action Task Force (FATF, an inter-governmental body established in 1989 to promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system), this essay seeks to assess the vulnerabilities of international sport to match fixing, as motivated in part by the associated secondary criminality of tax evasion and transnational economic crime.

The aforementioned FAFT paper not only considered the manner in which sport may and is being used as a conduit for money laundering and associated criminality, it also included the concomitant issues of the trafficking of drugs (performance and image enhancing substances) and people (so called soccer slaves) and identified structural vulnerabilities within the governance of sport that may be exacerbating its susceptibility to such activities including: private equity investment in or sponsorship of clubs; third party ownership of the players’ economic rights; unregulated agents manipulating the transfer market; and tax evasion by way of the exploitation of players’ image.

The concluding part of this paper spins from problems to possible solutions. The underlying premise here is that heretofore there has been an insularity to the way that sports organisations and sports managers have both conceptualised and sought to address the match fixing threat and along the lines that if we (in sport) initiate player education programmes; establish integrity units; enforce codes of conduct and sanctions strictly; then our integrity or brand should be protected. This paper argues that, although such initiatives are important, the source and process of match fixing is beyond sport’s current capacity, and must be better located within the discourse of transnational economic crime.

Crucially, by properly describing the above vulnerabilities as being characteristic of the opportunism of transnational organised crime syndicates, this might also help explain at a national level how the integrity threat to sport is not just something that narrowly concerns the insularity or specificity of sport but is one that necessitates wider societal and governmental concern and resourcing.

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