

Match Fixing and Organized Crime: Asian-European-Networks?

Abstract

Match Fixing has become a serious problem all over the world that causes high financial losses for associations, players, bet providers and individual players. The following article points out some cases of Match Fixing, discusses connections to organized crime systems, showing the connections between Asia and Europe. Possible solutions to cope with Match Fixing in the future are presented.

Football at Risk

Is football at risk through match fixing? If so, why should we protect those gamblers and bettors? These two questions shall guide us through the following article, showing that match fixing is a problem all over the world. The integrity of football and other sports is at risk, as FIFA Director of Security, Mutschke pointed out: “The values of fair play, respect, discipline and honesty are under threat. ... If we look at those perpetrating it, we’re definitely talking about criminals - you might even say organized criminality” (Mutschke, 2012). Match fixing is in the words of Emine Bozkur (2012), Member of European Parliament, “a form of crime with high revenues and excessively low sentences and detection rates, and thus used as a tool by criminal organizations to make and launder money from criminal activities such as human and drug trafficking”. And finally Ronald K. Noble (2012), former INTERPOL Secretary General, said: “As a result of transnational organized crime’s global reach, of the huge profits associated with illegal gambling, of the vulnerability of players and of the Internet, which has made gambling on matches anywhere in the world extremely easy and accessible, we are seeing more and more cases of match fixing and suspicious results”. Organized crime is using gambling and betting to earn and to launder money, which is not traceable and can be used in the worldwide market of illegal (and semi-legal) drugs, weapons, and smuggling of human beings.

The background of Noble’s statement was the fact that nearly 300 people have been arrested in police operations ahead of and throughout the European championships in 2012, targeting illegal football gambling networks across Asia. Law enforcement officers carried out more than 200 raids on illegal gambling dens, estimated to have handled around USD 85 million worth of bets. The so-called “Operation SOGA IV” – short for soccer gambling – was the fourth action of its kind and the operation has “underlined the results which can be achieved through national and international police cooperation in breaking up illegal gambling dens and the criminal networks behind them” (Yau,

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2012). In 2014, the INTERPOL-coordinated operation targeting illegal football gambling networks across Asia during the FIFA World Cup has resulted in more than 1,400 arrests and the seizure of almost USD 12 million. During the six-week operation, law enforcement officers from China, Hong Kong (China), Macao (China), Malaysia, Singapore and Vietnam carried out more than 1,000 raids on illegal gambling dens – many controlled by organized crime gangs – estimated to have handled around USD 2.2 billion worth of bets, the majority through illicit websites. To date, the combined five SOGA operations have resulted in more than 8,400 arrests, the seizure of almost USD 40 million in cash and the closure of some 3,400 illegal gambling dens, which handled almost USD 5.7 billion worth of bets.²

Illegal betting, which drives match fixing, encompasses a market that is said to be in the range of hundreds of billions of Euros per year – the revenue of a company such as Coca-Cola. To quote Mr. Noble (2013) again: “Criminal organizations benefit from match-fixing both in the profits it promises and in its ability to launder their ill-gotten gains from other criminal activities. Match-fixing is clearly a many-headed dragon that we must slay with a coordinated national and international effort”.

INTERPOL and FIFA entered into a joint initiative in May 2011, with FIFA pledging to contribute EUR 20 million over 10 years to INTERPOL’s Integrity in Sport program. The first phase of the program (2011 – 2014) focused on raising awareness of the issue. The second phase from 2014 onwards focused on capacity building with targeted training courses delivered to participants in all regions of the world. In June 2015, following investigations into corruption against football’s governing body, INTERPOL announced its decision to suspend the agreement which included a freeze on the use of financial contributions from FIFA. In November 2015, the following information appeared on the INTERPOL website: “As of June 2015, a total of EUR 11 million had been contributed by FIFA: EUR 4 million per year for the first two years and EUR 1.5 million every subsequent year. In July 2015 INTERPOL terminated the agreement with FIFA and returned the EUR 2.9 million which remained unspent from the donation”.³ But what about the missing EUR 6 million (EUR 20 million minus EUR 11 million minus EUR 2.9 million)? Or have only EUR 8 million (EUR 11 million minus 2.9 million) been spent?

Corruption and the manipulation of sport results jeopardize not only the ethical value and structures of sport; once the sport is ethically devaluated and the trust into sports is lost, the sources of finance will collapse. If we close our eyes to this issue, there will be more rigged matches in future. Eventually the credibility of results will be called into question and finally the entire credibility of sport will vanish. It should be in the very own interest of the clubs, organizations and associations to fight match fixing by all possible means.

On the other hand, many of those, who bet, are pathological gamblers, causing financial losses for the society. For example, the number of “problem gamblers” or “addicted gamblers”⁴ in Germany is estimated at 300.000, and the social costs of gambling in Germany are calculated at 60 Billion Dollars per year – to be paid by taxpayers.

² <http://www.interpol.int/News-and-media/News/2014/N2014-133> (01.09.2015)

³ <http://www.interpol.int/Crime-areas/Integrity-in-Sport/Integrity-in-sport> (01.09.2015)

⁴ Pathological gambling is associated with both social and family costs. For the new DSM 5.0, pathological gambling is being considered as an Addictive Disorder. This reflects the increasing and consistent evidence that some behaviors, such as gambling, activate the brain reward system with effects similar

Investigating cases of match fixing

In November 2009, after a year of telephone tapping, 50 people were arrested and charged with corrupting over 320 football matches in 10 European countries. Ante Sapina (details see below), one of those who had been arrested, placed bets of about €1 million per month, and sought to corrupt an average of one match per week. During the proceedings in Bochum, Germany, connections to actors in Asia were discussed intensively, and criminal investigations led to many European and Asian countries. The “point of origin” or the “sales point” of these activities are located not in Europe, but mainly in Asia, where illegally connected as well as legally connected actors exist. It was shown, that a worldwide connection of the actors had close relations to organized crime structures in Asia.

Investigations in the field of match fixing are very difficult and time-consuming due to these structures and different legal systems, different law enforcement cultures, and language problems. A good example of such language problems is the Lim-Bee-Wah-case, in which the German investigators did not know what language Lim spoke (it was either Kookien or Hakka) (Hill, 2008, p. 186). Furthermore, the cooperation within European Union’s 27 states is difficult and lengthy: During one fixed match, more than 50 suspects in 10 states were involved in different criminal activities. A coordination of all law enforcement activities in these 10 states within due time is just impossible. The different criminal liability for match fixing and betting with e.g. different acceptance of benefit, granting of an undue advantage, betting fraud, organized economic crime, and the formation of a criminal association – all these illegal activities have different regulations in different countries. Finally, it is extremely difficult to get the necessary evidence for the bets, especially in Asia.

Prosecuting a match fixing case demands a high level of knowledge of the mode of operation of the fixers and of betting rules. Match Fixing suspects act undercover, similar to drug smugglers. They use different cell phones to contact other suspects, they operate in countries all over the world and they have enormous sums of money to buy players and to place their bets. Chart 1 shows an example from the Bochum case and the special task force of the police, called “Flankengott” (“crosser”).

(Chart goes about here)

On the one hand, the people who support the main suspects are the players, observers and money couriers, the betters of small amounts of money and the so-called runners, who look out in the local betting stores for the most lucrative odds. One level higher, the ambient first-line management suspects are in charge. They make contacts with the sportsmen and are the fixers for closing the betting deals. The level of command describes the criminals, who have the ability to place bets amounting 100.000 Euro and higher with the help of Asian bookies. For this purpose, the suspects in the Bochum case were dealing with a betting agent in London, who placed the bets in Manila and Singapore.

The chart shows that the safeguard of evidence is one of the most work-intensive criminalistics investigations. When police suspect that a match has been or will be fixed,

to those of drugs of abuse and that gambling disorder symptoms resemble substance use disorders to a certain extent, see <http://www.psychiatry.org/practice/dsm/dsm5>.

they have to start wiretapping and observing the suspects. People will start to collect money to place their bets on the best odds. Only the suspects on the level of command have the ability to bet on single games. All the other ones have to play mixed bets. The bets shown in the chart are only bets on soccer matches in the German youth first division and adult fourth division. While the German betting offices take mixed bets at an amount of 200 Euro, the Asian ones take the single bets at a high of over 200,000 Euro. The purpose of the investigation is to analyse the money flow. Some of the smaller bets are paid in cash; the higher ones are paid via foreign bank accounts. To acquire information of the bank account, the suspects have to be wire-taped or have to be interrogated later. In some cases, account records have been found in house searches. To successfully conduct the investigation, one needs the help of betting experts, well skilled police officers and clear penal law regulations.

Because of the suspects' international lifestyle, rogatory letters have to be sent to other prosecutors worldwide. In the „Flankengott case“ such letters had been sent to Hong Kong, Singapore, Russia, Great Britain, Canada and other European countries. Police departments of gambling crime working on the match fixing cases, mostly – like in the “Flankengott case” – were police departments for organised crime.

In addition to such national investigations, Interpol started – as already mentioned above - international investigations, called “Operation SOGA”. To date, there have been five of such investigations (2015). SOGA V was a joint effort between law enforcement from China, Hong Kong, Macau, Malaysia, Singapore and Vietnam, coordinated by INTERPOL. The seizure of \$12 million⁵ are nothing compared to the USD 2.2 billion in illicit bets made during 2014 FIFA World Cup.⁶

Such crackdowns do have a long-term impact on illegal soccer gambling. In fact, illegal soccer gambling is closely related to match fixing. In the last few years, there is a wave of match fixing scandals occurring in Asian football. A match fixing scandal in the Chinese Football League B in 2001, also a series of match fixing involving five football teams, is an example of match fixing in the history of Chinese professional football leagues.⁷ Although the China Football Association (CFA) has punished the five football teams, an investigation further into the matter has not been carried out. After this, illegal gambling and match fixing has often happened in Chinese professional football leagues and caused serious discontent of fans and the public. At the end of 2009, the Ministry of Public Security in China has assigned the Public Security Bureau in Liaoning Province to set up a special team, which began to investigate illegal gambling, match fixing and corruption in football leagues. According to the findings of the special team, the Chinese Football Association handed down its harshest punishment to date in 2010. A few football teams were downgraded to lower-level leagues and coaches and players involved have been banned permanently in Chinese football. In addition, some top officials of the CFA, managers of some clubs and several players were arrested. Three CFA officials were sentenced to ten years in prison for bribery and alleged match fixing. Five other former National team players were sentenced to five years in prison. Additionally, some referees also have been sentenced.

Match fixing has also occurred in South Korea. The illegal gambling 2011 in the K-League, South Korea's top professional football leagues, involved at least 10 players,

⁵ Spapens 2014, p. 415.

⁶ <http://www.interpol.int/News-and-media/News/2014/N2014-133>

⁷ https://en.wikipedia.org/wiki/2001_China_Jia_B_League_Match_Fixing

which have accepted to lose a match. The inception of this scandal was the alleged suicide of one player in a hotel room. After that, prosecutors arrested two brokers and investigated against ten players. In mid-2011, the Changwon division of the Supreme Prosecutors' Office announced an investigation result of match fixing and sentenced 39 retired and current footballers to imprisonment, and fines of 5 million won. Some are serving a sentence of up 7 years in jail.

Germany: Safe haven for Asian Organized Crime?

Illegal betting on football is a worldwide phenomenon, no country is immune to it, because it is about money – to earn money and to launder money. There is a huge demand for betting in Europe and in Asia, where betting and gambling is deeply ingrained in the culture and is an accepted form of social interaction. It is said in China “a little gambling is good for the health, but too much can drive you mad”⁸. To quote Hill: “*There are matches played by Scottish teenagers watched by about 20 people and three dogs. But in the crowd will be one or two Chinese – like Zing and Xi – who relay information back to the vast illegal gambling markets of Beijing, Bangkok or Batam*” (Hill, 2008a). In the multi-billion pound sports betting market, only 30–40 per cent is in the legal market, the rest is in the, mostly illegal, Asian gambling markets.

The *fifth World Sport Ministers Conference* (MINEPS V in Germany) addressed the fight against match fixing as a key topic, and together with illegal betting, as well as doping and corruption in sport it is mentioned in the final “Declaration of Berlin”⁹. In this declaration, the Ministers pointed out that the Sport Movement alone could not successfully prevent and fight the manipulation of sport competitions, particularly when corruption and transnational organized crime are involved. They also saw the integrity of sport threatened by the manipulation of sport competitions and corrupt practices at local, regional, national and international levels. For the Ministers, the manipulation of sport competitions combined with betting offers large-scale business opportunities and potential revenues for transnational organized crime and so they expressed their concerns, that the rapid growth of unregulated sport betting, especially through the Internet, and insufficiently regulated betting markets attract transnational organized crime.

The ministers also appealed to UNESCO Member States to commit to giving due importance and funding for investigations of criminal activities taking place in the field of sport and to ensure adequate operational capacity to fight the manipulation of sport competitions in law enforcement and juridical authorities. The states should consider the introduction of criminal sanctions, which would act as a deterrent against the manipulation of sport competitions and against doping in sport. They also should develop national and international cooperation between the law enforcement authorities and betting regulators in the fight against manipulation of sport competitions (e.g. mutual

⁸ <http://www.betsir.com/gambling-asian-culture.html> . The Chinese culture is uniquely steeped in gambling, with its history including the oldest recorded accounts of gambling worldwide more than 3000 years ago. In modern China, social gambling is a common and accepted form of entertainment and celebration. See also Godot, D. (2013), Loo, J.M.Y., Raylu, N., & Oei, T.P.S. (2008) and Raylu, N. & Oei, T.P. (2004).

⁹ <http://www.mineps2013.de/fileadmin/Dokumente/pdf/MINEPS%20V%20-%20%20Declaration%20of%20Berlin%20%28Original%20English%20Final%29.pdf>

legal assistance, joint task forces), involving the Sport Movement and the betting operators. They also should explore the feasibility of creating a public prosecutor's office specialized in sport-related crimes.

In addition to the initiatives adopted by betting operators and sport organizations, EU Member States and European organizations have shown their commitment to fight against match fixing. In 2011/12, the Council of Europe adopted the Recommendation on promoting the integrity of sport against manipulation of results, the EU Council the Conclusions on combating match fixing, and the European Parliament the Resolution on the European Dimension of Sport.

Legal Problems

A study by KEA (2012) illustrates how corruption in sport, specifically match fixing, is covered in national criminal law. A survey with national ministries in the 27 Member States, sporting organizations and betting operators was carried out. The study shows, that the European legal landscape is not uniform; whilst some countries focus on general offences of corruption or fraud, others have implemented specific sport offences to cope with match-fixing - contained either in their criminal codes (Bulgaria, Spain), sports laws (Cyprus, Poland, Greece) or special criminal laws (Italy, Malta, Portugal). In the UK, betting related match-fixing episodes are punished under the offence of cheating at gambling. Overall, these provisions differ greatly as regards the act to be criminalized as well as the scope, objective and subjective elements of the offences or the relevant sanctions.

In the context of legal requirements to prosecute match fixing, a lawyer must ask what the object of „legal protection“ (Rechtsgut) is or might be. Who exactly is the aggrieved party? What is the loss/damage/harm and how should it be calculated? When must the fraud activity have taken place (e.g. no fraud, when the bet is done before the manipulation)? And was the manipulative activity objectively able to influence the chance to win? And so on. If we cannot answer these questions from our national legal point of view, we will get in trouble with law enforcement – as the recent case in Germany has shown. A relevant corpus of jurisprudence and scholarly publications around the issue of criminal law and match fixing exist in Germany, where several court decisions have applied the crime of fraud to betting related match-fixing events. Nevertheless, the situation is not satisfying. Fraud in Germany is punishable under section 263 of the German Criminal Code (Strafgesetzbuch, StGB). Section 263¹⁰ punishes anyone with the intention of obtaining for himself or a third person an unlawful material benefit and who damages the property of another (e.g. betting operator or betters) by causing or maintaining an error or by distorting or suppressing true facts with up to five years imprisonment or a fine. In particularly serious cases, the penalty is a prison sentence of up to ten years.

The key element of the crime of fraud is the so-called “patrimonial damage”. In one German case (the “Hoyzer case”, see below), the court developed a specific category of detriment, the “Quotenschaden”, which can be translated as a ‘detriment caused by

¹⁰ (1) Whoever, with the intent of obtaining for himself or a third person an unlawful material benefit, damages the assets of another, by provoking or affirming a mistake by pretending that false facts exist or by distorting or suppressing true facts, shall be punished with imprisonment for not more than five years or a fine. (2) An attempt shall be punishable.

a shift of odds' (Rotsch, 2009) and relates specifically to financial loss in sports betting. It is calculated as follows: $\text{Damage} = (\text{real payment} \textit{ minus} \textit{ real input}) \textit{ minus} (\textit{hypothetical payment} \textit{ minus} \textit{ hypothetical input})$. *Example*: real payment 100.000 minus real input 10.000 = 90.000 minus hypothetical payment 20.000.- minus hypothetical input 10.000 = damage/loss of 80.000. In similarity with the "Sapina case", it is necessary to consider whether there is damage to betting operators, regardless of whether manipulations have led to a defeat during the competition. What might matter is that the betting operators would not have concluded a betting contract if they knew that intentional manipulation would take place. It needs to be was proven that the perpetrator misled the betting organizers and the referee and players were both considered to be implicated in the offence and to have committed the fraud as part of a gang. In the "Sapina case", it was proven that the perpetrator misled the betting organizers and the referee and players were both considered to be implicated in the offence and to have committed the fraud as part of a gang.

Cases Ante Sapina and Marijo Cvrtak (2011-2015)

One of the main actors in the most recent match fixing and corruption case in Germany, dealt by the Bochum Criminal Court since 2011, is *Ante Sapina*. To *Sapina*, called "*Don Ante*", a Berlin-based gambler, a five-star rating denoted a match in which he had bribed several players or even the referee to rig the outcome. He told the court in Bochum that he had sometimes staked hundreds of thousands of Euros on games like these in what officials call the biggest match-fixing scandal in the history of European soccer. The case involves at least 32 matches in Germany and 200 on the continent, including three matches of the Champions League. Three of the men implicated, described by the prosecutor as 'enemies of sport' where sentenced in April 2011 by the Bochum District Court for to up to 5 Years in prison for trying to fix matches and bribe players.¹¹ It is the outcome of a vast inquiry, which began - by accident - at the end of 2008. At the time, the police were investigating a prostitution and narcotics ring run by a transnational criminal organization based in Bochum (Germany). However, the investigators discovered that the criminals were also running a vast network instigating corruption in sport and rigging bets to launder the fruits of their activities. On 19 November 2009, after a year of telephone tapping, 50 people were arrested and charged with corrupting over 320 football matches in ten European countries. International and European Cup games were included in the investigation (Boniface et al., 2012).

Ante Sapina was born in 1976 born in Croatia and raised in Germany, as the youngest of three sons. His father died 1988, and the family moved to Berlin. *Ante* was good in mathematics in school, and with 14 years, he sent money to Ireland for sports betting (30 German Marks in each envelope). In 1999, he won 76.000 Euro at a betting machine in Berlin, directly invested 50.000 in the German Bundesliga Champion and won 100.000. Later he called this his „breakthrough“. He studied business economics at a university, but found his profession in bets. When he got in trouble with private bookies – he was too good for them - he got limits, some sports are blocked for him, so he went to the state-run Oddset, with the "worst odds in Europe" (*Sapina*). Consequently, he moves to the Asian market with better options. In 2004, he met the referee *Hoyzer* at Cafe King in Berlin, owned by his brother *Milan*. *Sapina* and *Hoyzer* became friends

¹¹ LG Bochum 12 KLS 35 Js 141/10 - 16/11.

and both agree on match fixing. *Sapina* is said to love football, he also met *Messi* during the 2006 championship. In August 2004, *Sapina* won 751.365 Euros in a match fixed by *Hoyzer*). *Hoyzer* and *Sapina* were sentenced¹², *Sapina* got two years and 11 months in prison, but he was released on probation after half of the time. He stayed in the milieu, betting again and fixing matches, now diagnosed as pathological gambler. *Sapina* is a Catholic, going to church whenever possible. People describe him as a very bright boy. As a youngster, he was looking for challenges. With bigger bets and (financial and societal) success, he got addicted (pathological gambling). The cultural and business environment of Cafe King fascinated him, and his private, personal success and appreciation by others influenced him, so that he was looking for higher aims, which he found in the Asian betting market. This is when he got in contact with and found appreciation by Organized Crime representatives. It is still unclear whether *Sapina* approached these people or vice versa, but it would make sense for OC representatives to use somebody like *Sapina* for their business. Finally, the police caught *Sapina* by coincidence. The police were not looking after him or investigating his activities, but they were phone tapping another person, and found him by chance. Overall, *Sapina* is not a typical member of organized crime structures, and perhaps this is the reason why he was caught and sentenced.

While prosecutors have described *Sapina* as a ringleader of a German-based conspiracy, Hill (2010) said he and the men who had been charged in the case were merely the “jetsam and the flotsam of a huge tide in global gambling”. In his view, the presence of vast amounts of money in illegal Asian betting pools, with gamblers eager to bet on any match, no matter how trivial, had made the European game increasingly susceptible to scandal. It is obvious, that there is a globalization of the gambling business. *Ante Sapina* had placed most of his bets in Asian gambling markets because legitimate bookmakers in Europe generally have restrictions on the size of wagers. “In the normal markets it is just not possible to make the kind of money you can win in Asia,” he said (Pfanner, 2011). While *Sapina* described himself as a habitual gambler since childhood, he brought forensic discipline to his operations, developing the star system to assess the effectiveness of a potential fix.

One of the followers of *Ante Sapina* was the Croatian citizen *Marijo Cvrtak*¹³, who was born in Nuernberg in Germany. He earned his money as a slot machine standee and owner of a betting office, when he began fixing matches a short time before the world championships started in Germany in 2006. When Croatia played Brasil in Berlin, he

¹² *Robert Hoyzer*, a German national-league referee was paid by *Sapina* to rig matches, *Sapina* and his brothers bet on. *Hoyzer* was convicted of fraud and sentenced to 29 months in prison. Later, the Federal Appeals Court rejected the prosecution's request to overturn *Hoyzer*'s convictions. Their main argument was based on the lack of a legal infrastructure for prosecuting match fixing. On 15 December 2006, the Federal Supreme Court ruled that fraud had taken place and refused to reduce the penalties fixed by the district court of Berlin due to the financial loss suffered by the Federation and the loss of public confidence in the fairness of the sport. The German Football Federation (DFB) introduced a lawsuit against *Hoyzer* requesting eight million Euros compensation for the damage caused to the whole of German football (Transparency International 2008), but ended up with 126.000 Euros only. *Hoyzer* described it as an ongoing process “that I wasn't aware of any more in the end. It affected me in a way that I stopped noticing things going on around me. I only hung out at this cafe, at some point it was like my second living room. I was around all the time. I was there eight days out of the week and was treated by them like a very special person” (Hill, 2008, p. 166). Finally, 2008 *Hoyzer* was released from prison due to „good conduct“. Since then, he has worked a representative for marketing and sponsoring for lower-league-clubs.

¹³ See Best 2013

met *Ante Sapina* for the first time. *Marijo Cvrtak* expanded his contacts to second and third division football players and declared himself as an agent. With *Sapina*'s money, he expanded his betting behavior to Singapore inhabitants who were best placed to take bets in an amount of hundreds of thousands of euros. Together with a Slovenian suspect, *Marijo Cvrtak* had contacts to the well-known *Tan Seet Eng* in Singapore, who was arrested there in 2013. These example shows clearly, that match fixing people are connected worldwide and benefit from each other's knowledge of the trade.

Case Lim Bee Wah (2007)

Another betting case in Germany ended with prison sentences for a Malay-Chinese national. Following the contestation of the sentence dating from August 31, 2007, the district tribunal (Landgericht) in Frankfurt/Main sentenced *Lim Bee Wah* to pay a fine.¹⁴ Investigations began after a tip-off from a second division African player who said he had been approached to throw games. The suspect, Mr. *Lim* was under surveillance for only two weeks, but during that time, he attempted to fix ten games. He won more than 2.3 million Euros in one match. The German court released him in the middle of the trial on a 30.000 Euro bail. As part of the deal, they gave casino chips worth 150.000 Euros back to him. He went to the casino, cashed in the chips, paid his lawyer and has not been seen since. *Lim* was sentenced in absentia to two years and five months in jail.

The German police, prosecutors or judges were, as Hill (2008, p. 187) put it, "purely and simply ignorant. ... they did not know what they did not know". And what did the German Football Association do? A police officer, quoted by Hill (2008, p. 186), said: "No one wants to know about this case. Everyone wants to believe in a clean game. So the German Football Association does not want to talk about this case". They wanted to keep the bad publicity away or at least to go away as soon as possible. Is this also the reason why the German Football League (DFL) provided material on corruption and match fixing to the clubs, referees and players in 2013 without any PR-support? They wanted to show (whomsoever) that they had done something in this respect, but they do not want the public to know – to avoid bad publicity and the rumor, that it might be necessary to undertake such activities. In fact, the Bochum police special investigators look (in the summer of 2013) at some dozens of matches in Germany, which are under suspicion for being fixed. The chief investigator, Friedhelm Althans, asked politicians in connection with the MINEPS V conference in Mai 2013 in Berlin for better laws to make their investigation easier. He also noted that worldwide cooperation between police is necessary and that besides the organized crime actors, operating from Singapore, the biggest threat for the integrity of football are syndicates in China and Russia. Both countries are not on the list of those 30 plus countries, who were involved in the investigations by the task force "Flankengott", which have been started with the "Sapina Case" in 2009. At the same time (in June 2013), the Austrian Police task force "Match fixing" announced that they are investigating against 15 potential cases in Austria over the last three years, two "well known" football activists included. As in Germany, the officials from the Austrian Football Association see "no substantive evidence" to start their own investigations.

¹⁴ LG Frankfurt/ Main, judgment from 4 February 2009, (5/17 KLs 6350 Js 246513/05 (31/06), BGH 04.02.2009 2 StR 165/08.

Match Fixing and Organized Crime

The German Federal Office of Criminal Investigation (Bundeskriminalamt, see BKA 2013) defines Organized Crime as the planned commission of criminal offences determined by the pursuit of profit and power which, individually or as a whole, are of considerable importance and involve more than two persons, each with his/her own assigned tasks, who collaborate for a prolonged or indefinite period of time by using commercial or business-like structures, by using force or other means of intimidation or by exerting influence on politics, the media, public administration, judicial authorities or the business sector. Whereas the first elements of this definition without any doubt apply to the most recent match fixing cases, the last element (influence on politics, the media, public administration, judicial authorities or the business sector) might be doubted.

The UK Government's Organized Crime Strategy defines Organized Crime as "individuals, normally working with others, with the capability to commit serious crime on a continuing basis, which includes elements of planning, control and coordination, and benefits those involved. ... Successful organized crime groups often consist of a durable core of key individuals. ... Collaboration is reinforced by shared experiences (such as prison), or recommendation from trusted individuals. Others are bonded by family or ethnic ties" (SOCA, 2013). Bearing this in mind, and looking at what we know from the worldwide structure of match fixing activities, the "durable core of key individuals" is still not known – and perhaps will never be known due to their very clandestine structure and violent habits.

The most recent Organized Crime Situation Report for the Federal Republic of Germany published by the BKA does not mention gambling or match fixing, but some of the regional police organizations have information on relations between parts of the well-known organized crime groups and gambling or betting (e.g. in context with legal gambling machines). Germany might be seen as a "safe haven" for internationally organized, but locally networked groups. We know that from the Italian Mafia: The mafia is expanding its influence on the economy and politics in Germany, as the BKA has shown. Nearly 250 members of the Italian Mafia are living in Germany (BKA, 2011).

In 2012, an EU-parliament special committee pointed out "criminal organizations ... are increasingly using online sports betting as a tool for making and laundering money around the globe. Since websites, providing sports betting can be located anywhere in the world, criminals shop for countries where there is the least oversight and control from public authorities for their criminal operations. ... the recent development of online sports betting has proved to be a massive threat to the integrity of sport. Additionally sports fraud is extremely interesting for organized crime due to its relatively high revenues and low sentences" (Bozkurt, 2012). Criminal organizations have – in the view of this committee - "deeply penetrated the football establishment". Strong ties exist between the football establishment and criminal organizations especially in Eastern Europe and the Balkans. In countries such as Russia, Ukraine, Bulgaria and Serbia criminals have infiltrated in the clubs and federations and are operating from within, while using the clubs as covers for a multitude of criminal activities. "Organized crime in sport" was the name of a hearing, which took place in the European Parliament in September 2012, organized by the Special Committee on organized crime, corruption and money laundering (Fajon/Bozkurt, 2012).

In fact, illegal gambling and match fixing is rife in Asia, often controlled by organized crime. With the development of the Internet and the expansion of illegal gambling to the Internet (especially in the last few years gambling with Smartphone Apps in China), the police had to face great challenges. The Organized crime groups engage in match fixing not only to obtain a gambling wager, but also to be involved in other criminal activities, for example, money laundering. In the past several years, more and more information on the activities of Asian criminal networks in match fixing in the European Soccer League has surfaced (Siegel-Rozenbli 2011). Europol identified a Singapore-based network, responsible for rigging several hundreds of football matches in European league from 2008 to 2011, with over € 8 million in betting profits (Global Initiative 2014). In 2013, Singaporean businessperson *Dan Tan*, the head of the "world's largest and most aggressive match-fixing syndicate" was arrested in Singapore.¹⁵ There also is evidence that many matches were manipulated by criminals groups in other Asian countries, mostly in China (Bossong 2014).

The United Nations Office on Drugs and Crime (UNODC 2013) warned about the political and economic impact of this development, not only because the implications of organized crime is not limited to one particular region and may have a global impact. The study found that crime groups dealing in fake goods, drugs, human trafficking and illicit wildlife trade earn nearly \$90 billion in East Asia and the Pacific. These regions have experienced rapid economic and social changes during the past few decades and faced the considerable regulation challenges these changes create for public authorities. A recent report of UNODC looks at the manner in which criminal enterprises have developed alongside legitimate commerce in recent years. It focuses on the mechanics of illicit trade in the fields of human trafficking and smuggling of migrants, illicit drugs, resources (wildlife, wood products) and pollution crime (e-waste, ozone-depleting substances), and products (counterfeit goods, fraudulent medicines). However, the report did not mention these structures at all, although close connections between these fields of organized crime and the fields of gambling and match fixing are well known, especially in connection with money laundering.

Organized crime groups have become increasingly sophisticated in laundering the proceeds of crime in legitimate businesses, by establishing front companies that are operating legal businesses and can be used to purchase property or hold financial assets. As the economist *Rajiv Biswas* pointed out in an interview in 2015: "Such large amounts of illegal earnings by organized crime groups, estimated to exceed 350 billion USD each year, give considerable power to organized crime to undermine the rule of law and good governance in Asia".¹⁶ Contrary to the UNODC, INTERPOL include not only drug trafficking and human smuggling, but also money laundering and illegal gambling in the list of "major activities of these criminal gangs" in Asia.¹⁷ INTERPOL also mentioned that there are many aspects of Asian organized crime that pose specific challenges to police – for example, the culture, language and structure of the crime groups. In August 2015, an INTERPOL-coordinated operation targeting illegal online gambling and financial fraud in Asia led to the arrest of some 48 individuals and the seizure of computers and other electronic evidence. As part of Operation Aces, which involved Cambodia, Korea, Philippines, Thailand and Vietnam, police in Thailand arrested 28 individuals of Chinese, Korean and Thai nationality accused of operating

¹⁵ <http://www.bbc.com/news/world-asia-24238681>

¹⁶ <http://www.dw.com/en/organized-crime-poses-major-threat-to-asia-pacific-nations/a-18283320>

¹⁷ <http://www.interpol.int/Crime-areas/Organized-crime/Asian-Organized-Crime>

multiple illegal gambling offices handling more than USD 10 million. Six additional individuals were arrested in Cambodia.¹⁸

As Asian organized crime has received little research attention from international scholars (Fijnaut 2014), the connection between match fixing, gambling, money laundering and organized crime structures is still waiting for research. As the study of East Asian organized crime requires scholars to understand the unique local culture (Wang 2015), this research needs to be done by or at least in close cooperation with the Asian criminological scientific community.

Consequences and Recommendations

Match fixing causes high financial losses for associations, players, bet providers and individual players. Clubs may end up with high debts after relegation or elimination of international competitions. The results can be job cuts on sides of professional players and coaches. Clubs may also go insolvent. But as citizens are losing trust in sports, as also athletes and functionaries, the fascination of matches and sporting events will disappear, and with that the possibility for clubs, players, and media, PR-companies, and sponsors to earn money. The money draws back from sports, which is shaken to the very foundations and suffers considerable image damage.

Monitoring systems are (at least at the moment) not effective because they deliver no facts or data, which can be used in investigations and trials. They have no evidentiary value, and they are suggested to be monitored by those criminal networks, or even tactically used by such networks for their own bets. Monitoring systems are a net with very large mesh, because Asian fixers do not bet with Betfair or English betting companies.

One solution could be to intensify training and education, as the German Soccer League (DFL) has recently been trying to do. The target groups for education should be law enforcement officers, athletes, club representatives, managers and referees. The program and the documents need to be specially tailored and should include the risks of gambling addiction. Examples from other sports may be used, such as from the U.S. National Collegiate Athletic Association. They have a former Mafia capo lecture their players about how the mob really works. We need more education or training for players on how to avoid criminals or the dangers of dealing with them. Players are educated on how to deal with the media – but not with the Mafia.

Better cooperation between all stakeholders (law enforcement, sports federations, bookmakers/bookies, etc.) could also be a solution, as the exchange of information between law enforcement agencies in different countries, both on the formal and informal level. Better knowledge about worldwide acting betting cartels and organized crime networks and structures is necessary, and investigations must use all tools including undercover agents on all levels and on all potential actors.

A worldwide licensing of bookmakers could be combined with an agreement to provide information about suspicious matches, persons, and clubs. Regulatory authorities

¹⁸ <http://www.interpol.int/News-and-media/News/2015/N2015-109>

should agree on standards to supervise and control the betting market and bookmakers. So far, in Germany no nation-wide agency is available such as in France, Italy or UK due to the federal system and urban, communal regulatory agencies in cities.

The Position Paper of the Federal Ministry of Interior in Germany for the 2013 World Sports Ministers Conference in Berlin takes a similar route.¹⁹ It asked for effective good governance policies and ethics codes help strengthen the autonomy of sport in relation to state authority, create a relationship based on trust and mutual respect and strengthen the integrity of sport. For the fight against corruption to be successful, an organizational culture based on integrity, fairness, transparency and equal treatment is needed. Democratic structures within the football associations are necessary with transparent, reliable and sound management of financial affairs. Only truly professional management of football associations with independent people from the “outside” can guarantee that, not the “old-boys-network”-structures, where positions are filled with those who served (in the literal meaning of the word) and behaved properly (in the view of the officials in charge) over years (like FIFA). The public awareness and acceptability of investigations must be increased.

Finally, national regulatory authorities should be established, and the supranational cooperation between betting-companies, regulatory authorities, sport associations and law enforcement agencies needs to be increased. Specified, independent units within soccer associations and professional security departments must protect and police the game. Football needs to be taken away from so-called “honorary officials” whose only qualification besides to rake in money is that they have none.

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¹⁹ http://www.mineps2013.de/fileadmin/Dokumente/pdf/MINEPS%20V_Media%20E%20Kit_eng.pdf.

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Chart 1: Example of a match fixing case in 2009

