Match Fixing and Organized Crime

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Match-fixing scandal(s) in Europe

• 380 games in Europe, including World Cup and European Championship qualifiers, have been deemed suspicious in February 2013 by Interpol,
• with 425 match and club officials and criminals involved from 15 different countries.
• One Champions League match is subject to ongoing judicial proceedings.

Financial Dimension

• Every year, between 300 and 500 billion of Euros are utilized in legal and illegal sport betting worldwide.
• the global online sports betting market has grown in the past years from 16.3 billion Euros in 2004 to 50.7 Billion Euros in 2012


Financial Loos

• up to 300.000 pathological gamblers in Germany
• Out of these: sport gambling 25.000
• Financial loss per year
  — approx. € 5 Billion (€ 16.000.- per gambler) in Germany, € 11 Billion in Italy 2006
• Sport gambling alone: approx. 500 Mio. Euro (Germany 2006)
• Debt: 73 % of all pathological gamblers, compared to 55 % of cocaine addicts and 29 % of alcohol addicts
• Social costs of gambling in Germany: 60 Billion Dollars per year

• Gambling = Social problem for our societies!
• Those who are suffer: families, children, health care and social welfare systems...
• Those who make profit: legal and illegal gambling industri
Internet Gambling

- The global remote and internet gaming industry is forecast to grow from about €7.5 billion in 2010 to €20.8 billion in 2010

Source: Study by the Swiss Institute of Comparative Law for the EU in 2006; http://ec.europa.eu/internal_market/services/docs/gambling/study1_en.pdf

Legal Problems of Match Fixing

- What is the object of „legal protection“ (Rechtsgut)?
- Who is the „aggrieved party“?
- What is the loss/damage/harm and how should it be calculated?

The KEA-Study

- ... illustrates how corruption and match-fixing is covered in national criminal law in Europe.
- Survey with national ministries in the 27 Member States, sporting organizations and betting operators
- 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, sports laws or special criminal laws (Italy, Malta, Portugal).
- These provisions differ greatly in regards to the act to be criminalized as well as the scope, objective and subjective elements of the offences or the relevant sanctions.

Trial, April 7, 2011 (from the minutes): The „Five Star “ System

“The SAMVO delegation has suggested to me a so-called star system. This meant that the degree of manipulation should be labeled with one to five stars. I should be the weakest manipulation and 5 a strong influence [..] The SAMVO people have then explained that I could bet at a 5 star game very much, because then they would be able to bet for themselves. For me this was a new situation. [...] In the future, we implemented it. I shared with SAMVO when I had a good game and at the beginning I also forgave star numbers. The interaction with the bookmakers worked well [...]”

This was denied by SAMVO.

Who is the crook? Or: The „frauded fraudster“

• One may doubt, whether in the Sapina case the bookie „SAMVO “, (where Sapina placed his bets) was really defrauded by him.
• Sapina claimed to did this together with SAMVO and that SAMVO joined these bets.
• Eric Ho and Frank Chang met Ante Sapina in 2008 and agreed on this system – which was used previously in other cases with other betters.

„Tip of the Iceberg“

Europe hit by ‘biggest-ever’ match-fitting scandal!

200 + games
50 raids
Euro 1 Mio. seized
200 people
32 players

Matches

“The biggest match-fixing scandal ever to hit Europe”.
Peter Limacher, a spokesman of UEFA

<table>
<thead>
<tr>
<th>Suspected Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
</tr>
<tr>
<td>Germany</td>
</tr>
<tr>
<td>Switzerland</td>
</tr>
<tr>
<td>International</td>
</tr>
<tr>
<td>Belgium</td>
</tr>
<tr>
<td>Croatia</td>
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<tr>
<td>Austria</td>
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<tr>
<td>Hungary</td>
</tr>
<tr>
<td>Bosnia</td>
</tr>
<tr>
<td>Slovenia</td>
</tr>
<tr>
<td>other European countries</td>
</tr>
<tr>
<td>Canada</td>
</tr>
<tr>
<td>other sports</td>
</tr>
<tr>
<td>other criminal acts</td>
</tr>
<tr>
<td>total</td>
</tr>
</tbody>
</table>

Source: http://www.guardian.co.uk/sport/2009/nov/20/uefa-match-fixing-germany

The following table is taken from a presentation of the head of proceedings of Taskforce „Flankengott“, regarding commercial fraud related to the manipulation of national and international football games in Belgrade, March 2012 (courtesy of F. Althans and police HQ Bochum)
Where is Italy?

Task Force „Flankengott“

<table>
<thead>
<tr>
<th>Bets in Asia</th>
<th>Broker of bets</th>
<th>Level of command</th>
</tr>
</thead>
<tbody>
<tr>
<td>Players / Officials and referees</td>
<td>Money courier / bank accounts / observer</td>
<td>Bet receiver and runners</td>
</tr>
<tr>
<td>Ambient first-line management</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Agent</th>
<th>Location</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agent</td>
<td>Asia</td>
<td>Receiver</td>
</tr>
<tr>
<td>Agent</td>
<td>Europe</td>
<td>Accountant</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Agent</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agent</td>
<td>403,480,00 €</td>
<td>Payment</td>
</tr>
<tr>
<td>Agent</td>
<td>20 - 30 %</td>
<td>Commission</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Agent</th>
<th>Investigation</th>
<th>Wiretapping</th>
<th>with evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agent</td>
<td>13,853,684,88 €</td>
<td>10,028,118,49 €</td>
<td>8,116,346,84 €</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Agent</th>
<th>Payout</th>
<th>Corruption players / referees etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agent</td>
<td>15,448,756,88 €</td>
<td>1,756,400,00 €</td>
</tr>
</tbody>
</table>
Ante S.: Leader of the gang – or flotsam?

- Sapina the "Jetsam and the Flotsam of a Huge Tide in Global Gambling"? (D. Hill)
- Globalization of the gambling business
- Sapina had placed most of his bets in Asian gambling markets because legitimate bookmakers in Europe generally have restrictions on the size of wagers they will accept.
- "In the normal markets it is just not possible to make the kind of money you can win in Asia."

http://www.roughguides.com/uk/london/things-to-do/guides/online/transport/buses.htm#organizedcrime

Criminological Background and Forensic Evidence

- Investigation very difficult and time consuming due to
  - clandestine structures,
  - very well (illegally and legally) connected actors,
  - different legal structures,
  - different law enforcement cultures,
  - language problems (e.g. in the Lim-Bee-Wah-case, the investigators did not know what language Lim spoke (it was Kookien or Hakka)
- Germany a "safe haven" for internationally organized, but locally networked groups?
- The Italian Mafia is expanding its influence on the economy and politics in Germany, as the BKA in a recent report has shown.


Social Background?

- Class discrepancies and poverty are increasing in Europe
- Thatcherism: "Morality is personal", "poverty is not material but behavioral"
- In Britain in 2010, the richest 1,000 got 30 per cent richer in just one year, in Germany 10% of the population own 2/3 of the capital, 50% auf the population have less than 1 %.
- In GB under Labour party the number of sports and social clubs fell by 55 per cent - the number of betting shops rose by 39 per cent.


Ante Sapina, a personal profile

- 16.02.1976 born in Raško Polje (Croatia)
- raised in Duisburg, Germany.
- youngest of three sons, immigrants from Croatia
- Father died 1988, family moved to Berlin
- Ante was excellent in mathematics in school
- When he was 14 years of age, he sent money to Ireland for sports betting (30- German Marks each envelope)
- In 1999 he won 76.000.- Euro at a betting machine in Berlin, of which he invested 50.000 Euro in the German Bundesliga Champion 2000 – and won 100.000.-
- Later he called this his „breakthrough“.
- Studied business economics at a university, but found „his profession“ in bets
- Got in trouble with private bookies – he is too good for them. He is put on betting limits, certain sports are blocked for him, went to the state-run Oddset, with the „worst odds in Europe“ (Sapina).
- As a consequence, he moves to the Asian market with better options
The Story of Sapina

- 2004 he met the referee Hoyzer at Cafe King, owned by his brother Milan
- met Messi during the 2006 championship
- „He loves football”
- Sapina and Hoyzer become friends and agree on match fixing
- August 2004; Sapina won 751,365.- Euro (SC Paderborn vs. Hamburger SV, fixed by Hoyzer)
- Hoyzer and Sapina were sentenced, Sapina 2 y 11m prison, released on probation after serving half the time
- Sapina stays in the milieu, bets again, fixes matches
- diagnosed as pathological gambler
- His Porsche had the license plate „B-OG” for „Bog”, the Croatian word for god. Sapina is a Catholic, went to church whenever possible...

Ante Sapina: Why?

- Bright boy, excellent in mathematics
- gambling, small bets, looking for challenges as a boy
- Bigger bets, (financial) success
- Addiction (pathological gambling)
- Cultural and business environment (Cafe King)
- Private, personal success and appreciation
- Looking for higher aims: Asian betting market
- Contact with and appreciation by Organised Crime representatives
- Caught by coincidence: phone tapping of another person

Is this the reason, why he got caught and sentenced?

Consequences and the Way Forward

- Match Fixing causes high financial losses (associations, players and bet providers, each individual player)
- Clubs may end up with high debts after relegation or elimination of international competitions
- Result: Job cuts on sides of professional players and coach; club insolvent
- Citizens lost trust in sports, but also athletes and functionaries
- Consequence: The “money” draws back from Sports??

Reasons for success?

- Smart, polite, trustworthy
- Able to „read“ other people, to find their very personal chink or weak points
- Knows how to deal with characters like Hoyzer on the one side and organized crime activists on the other side
- Was released after half sentence - very unusual in Germany. Why?
- Was released from pre-trial custody in 2011 because he was „cooperative”; case is still ongoing.
Monitoring systems

... are (at least at the moment) not effective because
- no facts or data, which can be used in investigations and trials, no evidentiary value,
- monitored by criminal networks,
- even tactically used by such networks (or by the organization itself) for own bets („Nachwetten“).
- ("a net with very large mesh"), because Asian fixers do not bet with Betfair or English betting companies

Recommendations (1)

1. Better cooperation between all stakeholders (law enforcement, sports federations, bookmakers/bookies, etc.)
2. Exchange of Information between law enforcement agencies in different countries, both on the formal and informal level
3. Better knowledge about worldwide acting betting cartels and organized crime networks and structures
4. Monitoring systems must be re-structured and an independent body must overview and evaluate their work; early detection is crucial; uniform procedure for handling suspicious cases
5. Investigations by using all tools incl. under cover agents on all levels and on all potential actors
6. Ombudsmen or independent commissions, where people can anonymously report suspicious activities or observations

Recommendations (2)

7. Unification (in Europe and worldwide) of laws, law enforcement activities, court decisions, data bases
8. Standards for legal and administrative cooperation
9. Cooperation with sports federations (UEFA, national organisations, not only football); they should inform police about suspicious matches;
10. Licensing of bookmakers should be combined with an agreement to provide information about suspicious matches, persons, clubs.
11. Regulatory authorities should agree on (European?) standards to supervise and control the betting market and bookmakers. Problem in Germany: No nation-wide agency possible like in France, Italy or GB due to the federal system (e.g. urban, communal regulatory agencies in cities)
12. Integrity delegates in sports federations and betting providers / bookmakers for cooperation with law enforcement agencies

Finally: The Way Forward

• Betting fraud = organized crime
• Fight against trivialization and lack of awareness
• Really professional management of football associations (independent people from “outside”)
• Public awareness and acceptability of investigations increased, misleading information by media and associations contradicted
• Legislation concerning fraud in the sport and betting business should be equalized between countries
• Establishing of national regulatory authorities
• Simplification of legal and administrative cooperation
• Closer supranational cooperation between betting-companies, regulatory authorities, sport associations and law enforcement agencies
• Specified Unit within soccer associations like UEFA, DFL, DFB, security departments to protect and police the game!
• re-structuring of investigation bodies
Perhaps an unexpected solution: More women as referees*, more women officials...

"...there is... a culture of supplying women to referees before the matches..."

(Hill p. 188)