



## **SAFEGUARDING SPORTS INTEGRITY**

Senate Standing Committee on Racing, Gaming and Wagering  
to discuss the potential of sports betting in New York State

Chair: Senator John J. Bonacic

Tuesday, 23 January 2018



innovation  
intelligence  
integrity

## Who is Genius Sports?

Genius Sports is a global leader in sports technology and data services. The company specializes in providing its customers with software for the collection, distribution and protection of official sports data.

Through its Integrity Services, Genius Sports partners with sports to help protect their competitions from the threat of match-fixing and betting-related corruption. Some of the largest leagues and federations in world sport rely on Genius Sports' technology, education and consultancy services to safeguard their integrity of their events:



Genius Sports' Integrity Services exist at the intersection between the sports and regulated sports wagering sectors. With over ten years' experience in helping sports leagues prevent corruption, we have become the go-to guys for regulators, governments and law enforcement agencies around the world.

In May 2016, our CEO Mark Locke (**right**) testified in front of the **U.S. House of Representatives Subcommittee on Commerce, Manufacturing and Trade (CMT)** at a hearing entitled **"Daily Fantasy Sports: Issues and Perspectives**, analysing how big data and Genius Sports integrity technology helps prevent match-fixing.



We have conducted anti-corruption seminars with senior members of US Law Enforcement including the FBI, ICE International, Interpol DC, the National Association of Sheriffs and the National District Attorneys Association. Our integrity experts have helped to educate law enforcement on how to prevent betting-related corruption and the vital role that regulated betting markets play in safeguarding the integrity of sports.

## What is match-fixing?

Match-fixing and betting-related corruption are the manipulation of events by participant(s) in a sport to ensure a specific outcome in a particular game or event. This can be anything from manipulating the final score, winning margin or individual decisions from officials.

Match-fixing and betting-related corruption are done to gain a competitive advantage and/or financial gain.

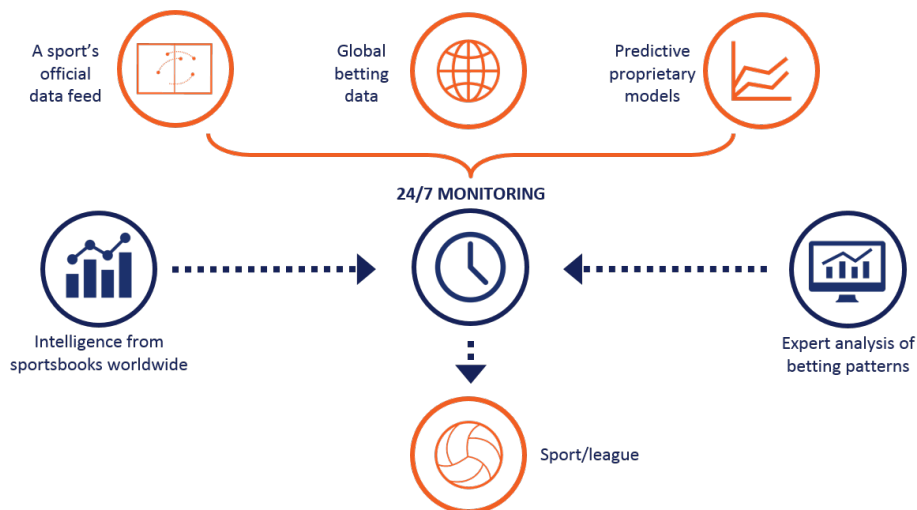
## Why does sports integrity matter?

The global popularity of sport is entirely dependent on one factor: **integrity**. The transparency and fairness of competitions underpin sport’s universal appeal. Threats to the integrity of sports can cause irreparable harm to public confidence and undermine fan engagement. As we have seen in the past, if sports lose the trust of their fans then there can be substantial financial consequences in terms of lost revenue such as sponsorship and licensing deals in the first instance.

## How do our Integrity Services work?

### Bet monitoring technology:

- **Technology** - We monitor real-time odds movements across global betting markets with bespoke predictive models and proprietary algorithms.
- **Intelligence gathering** - Our intelligence system gathers betting data from hundreds of sportsbooks simultaneously.
- **Analytics** - Our sports integrity analysts identify, investigate and report irregular betting to the sports authorities directly.



*An overview of the key components that make up bet monitoring technology*

### Genius Sports offers a wide range of other services, including:

- **Education** – we conduct training seminars with players, coaches and officials to help them understand and prevent match-fixing
- **Audit & consultancy** – Ensuring sports have rigorous preventative measures in place to combat integrity threats
- **Reporting** – Help provide evidence for sports and law enforcement to facilitate investigations into corruption. Intelligence may include historic information on suspicious activity around a particular player or team.

Sports and regulators must be proactive in combatting match-fixing. However, developing these solutions and building accurate predictive models requires substantial work. Genius Sports’ Integrity Services are supported by a team of over 150 mathematicians as well as specialized analysts located in the UK, the U.S. and worldwide.

## What protection does legalized sports betting afford?

State regulators can include specific regulations to protect sporting integrity. In Great Britain, there a number of key provisions that help to combat match-fixing's threat including:

- All licensed sportsbooks are legally obliged to report any potentially suspicious betting activity to the Gambling Commission.
- Sportsbooks also have information sharing agreements with sports themselves.
- In the event of an investigation, sportsbooks are also required to share the personal information of its customers including names, addresses and credit card numbers.
- All information is reviewed by the Sports Betting Intelligence Unit, a specialized integrity unit to act as a conduit between sportsbooks, government, media and sports.

## Why mandate the use of official sports data?

The implementation of a licence condition that requires all betting operators to use official data to offer and settle betting on sport will alleviate a number of potential concerns and provides clear benefits for each relevant party:

### Benefits for the regulator/licensing body

- i) The regulator/licensing body can ensure that all of the key sports leagues are engaged with (and supportive of) the betting license process.
- ii) The regulator/licensing body can help safeguard the integrity of sport and improve consumer confidence in US sports and sports betting.
- iii) The regulator/licensing body can provide a legally compliant and sustainable mechanism that will enable sports leagues to benefit financially from the regulation of online sports betting.
- iv) Official data will not be made available to unlicensed betting operators. Fast, accurate and reliable official data provides a competitive advantage to licensed betting operators. As such, there is a commercial incentive for betting operators to adhere to regulations and licensing criteria.

### Benefits for sports leagues

- v) Sports leagues can require licensed betting operators to pay a fee for the supply of fast accurate and reliable official data. This ensures that sports leagues benefit financially from legal betting on their matches and competitions. These revenues can help to fund bet monitoring systems and educational tools that help to protect against the threats of match-fixing and betting-related corruption.
- vi) Sports leagues will have transparency and a degree of control over betting on their matches and competitions. For example, Sports leagues can prohibit betting on youth or amateur events by refusing to supply official data from those competitions.
- vii) Sports leagues can impose contractual obligations/restrictions on the supply of official data to licensed betting operators. These measures can include: (i) prohibitions on certain categories of bet that are easily manipulated; (ii) a requirement to report unusual or suspicious betting patterns; (iii) a prohibition on the acceptance of wagers placed by participants (athletes, officials, agents etc.)

### **Benefits for licensed betting operators**

- viii) Only licensed betting operators will have access to the fast, accurate and reliable official data that is necessary to offer a competitive betting product. Official data will not be made available to unlicensed betting operators. As such, the provision of official data provides a competitive advantage to those who adhere to formal licensing criteria.
- ix) Utilizing official data, licensed betting operators can offer innovative and highly competitive betting products, including a wide range of in-play markets.
- x) Greater cooperation and information exchange between licensed betting operators and sports can help protect the integrity of sports. Match-fixing and other corrupt practices create huge financial losses for betting operators.
- xi) A licensing regime supported by sports leagues provides certainty and stability in the sports betting market.

### **Benefits for consumers**

- xii) A licence condition that requires all betting to be offered and settled on the basis of official data ensures that consumers are better protected from betting fraud and other malpractice.
- xiii) Effective collaboration between sports leagues and licensed betting operators provides protection against match-fixing and give consumers greater confidence in the integrity of sport.

## **Addendum**

The Council of Europe's Macolin Convention defines match-fixing and betting-related corruption as:

***“Manipulation of sport competitions means an intentional arrangement, act or omission aimed at an improper alteration of the result or the course of a sport competition in order to remove all or part of the unpredictable nature of the aforementioned sport competition with a view to obtaining an undue advantage for oneself or for others.”***