



European Lotteries and Amateur Sports Beneficiaries: The Urgent Need for a Global Approach to Defending the Integrity of Sports

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The sports-betting market has been growing at an accelerated rate, especially since the advent of the internet and all the possibilities it offers (i.e. betting from anywhere, 24 hours/day and 7 days/week; possibility of cross-border services/plays; etc.). Betting operators never stop the innovation of new types of bets, with live and in-play betting, spread-betting, and more sophisticated betting exchanges to handle it all. Combined with the fact that players can now bet on sport competitions all across world, this has created a fertile ground for an increase and diversification of fraudulent practices. The growth and increased complexity of the sports-betting industry has created considerable risk of fixing and corruption.

Prior to the innovations in betting venues, media, and exchanges, sports-betting was almost exclusively about a simple bet on the final outcome of a game or match. Unlocking the ability to place bets at any time during an event has created new ways to manipulate results and the outcome of the bets. Private betting operators are multiplying their offers and increasing pay-out ratios in order to attract more customers whilst reducing their monitoring and surveillance system. By making it difficult to impossible for the single jurisdiction to guard against internet-enabled corruption, the globalization of the gambling market further complicates the challenge of implementing an anti-corruption monitoring and surveillance regime. Transnational solutions and cooperation are essential. Lotteries and other legal gambling and betting operators, regulators, and international sport federations and bodies need to establish a strong triangular cooperation, set up educational programs, im-

prove monitoring systems, define conflict of interest rules regarding sponsoring, and decide about the need for independent audits of all activities of betting operators. Finally a regulatory framework must be established to define the necessary financial contribution to be made by the betting operators to enhance grass-root support and protect the integrity of sport. Ultimately a European, or global, regulatory and enforcement body with the authority to take all necessary measures to fight corruption and defend the integrity of sport is the only solution.

There are at least two major European political institutions that are giving more attention to these issues. The Council of Europe (consisting of 47 member states) has always been very active in protecting the integrity of sports. Indeed, several initiatives in the sector of sport came directly from the Council. Most recently, on 21 April 2011, the Council discussed a draft of the Enlarged Partial Agreement on Sport which provides for recommendations to Member States regarding the promotion of sport integrity and ways to fight against the manipulation of results, like match fixing. As usual, Lotteries are here fighting against private betting operators who try to minimize the problem, insisting that sport betting does not have those problems and that it does not create the potential for crime and corruption in the sport sector. The reality, as recognised by all major international sport bodies like the IOC and FIFA, is that corruption in sports is in fact a problem that probably exceeds that of doping.

Protecting the integrity of sport has also become a high priority for the European Union (bringing together 27 member states). According to the European Court of Justice (ECJ), the decisions

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and actions to protect the integrity of the sport sector falls under the EU rules. The lack of a clear and sustainable framework for all sports and sports-betting operators has caused these EU institutions to make recommendations and create guidelines in order to clarify the situation. Discussions on the possible regulation of sport at the EU level really started with the adoption of the White Paper on Sport and the Pierre de Coubertin action plan of July 2007. The White paper provided for different actions to be taken in terms of societal role, organisation, and the economic dimension of sport. Article 165 TFEU affirms the role of the EU in the creation of the rules and mechanisms to enforce the rules that protect the integrity of sports. In order to achieve these objectives, the Treaty calls for a strong cooperative approach between the EU and the Member States, as well as between all the different sporting organisations and/or federations. After the insertion of Article 165 in the text of the Treaty, the EU has stepped-up the number and impact of initiatives: the EU Commission communiqué of the 18 January 2011 on the Development of a European dimension in Sport; the draft Resolution of the Council of Ministers of 2 March 2011 on a European Union Work Plan for Sport; the Hungarian Presidency's note on the "Sport-related aspects of on-line betting" adopted by the Council on 20 May 2011; the EU Sport Programme for 2014-2020 which is being prepared by the EU Commission, etc.

The EU actions regarding the sport sector are still expanding in order to promote, control and secure the integrity of sport in the EU. In the framework of the EU debate on online gambling, for instance, the EU Commission organised an expert working group on the question of the integrity of sport. And credit belongs to both European Lotteries (EL) and the World lottery Association (WLA) for advocating for a strong and global answer to this problem. European Lotteries again advocated for global action to protect the integrity of sport. Earlier, the World Lottery Association President discussed the matter in a face-to-face meeting with the President of the International Olympic Committee, while both EL and the WLA signed an agreement with SportAccord, a world body bringing together all important sport federations, to establish an educational program. The integrity of sport is fundamental for society and the future of sport at all levels, and will be a focus of the upcoming EL Congress in Helsinki.

In Europe, the amateur sport model is largely based upon grass-root support and the participation of large numbers of volunteers. Today, Lotteries in the EU are the largest, and sole, sustainable contributors to the grass-root sport, by more than 2 Billion Euros a year. The model has made it possible to provide millions of people with access to sport and its healthy social environment. That is why defending the cause of Lotteries is so vital to the survival of the amateur sport sector in Europe; and protecting the integrity of sports is so vital to the long-term survival sports in our society. ♦



Public Gaming Research Institute is pleased to announce the winners of the 2011 Lottery Product of the Year. The award was made at the SMART-Tech 2011 Conference held at the Helmsley Park Lane Hotel in New York City on March 24, 2011. The conference was attended by industry professionals from almost every lottery jurisdiction in the U.S. as well as many from Canada and Europe.

The PGRI Lottery Product of the Year Award has acquired a status that is important to lottery operators from all around the world. Conceived as a way to recognize the most innovative products and concepts impacting lottery performance and results, the Award has evolved into a reference guide for lottery operators to quickly discern the most reputable and accomplished commercial suppliers in each product category. Congratulations go to the 2011 winners for creating products that meet those high standards and for winning the 2011 Lottery Product of the Year Award. For more information on the Lottery Product of the Year Award, see www.PublicGaming.com. The Video-recorded presentations can be viewed at our conference website www.PGRItalks.com.

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