



Cyprus Sports Organisation



European Economic and Social Committee



Seminar on Sports Betting and Anti-Money Laundering

co-organised by the Council of Europe
and
the Cyprus Presidency of the European Union

Date:

11 December 2012
2:00 pm – 7:00 pm

Venue:

European Economic and Social Committee
Jacques Delors Building, room JDE63 (6th floor)
99 rue Belliard, 1040 Brussels, Belgium

Conclusions of the Seminar

prepared by the EPAS Secretariat

with the kind support of Mr Andreas Frank, Consultant

As a result of the proliferation of unregulated offshore operators the growth of sports betting provides increased opportunities for corrupt practices such as fraud, match-fixing, corruption, illicit betting cartels and money laundering.

Criminal organisations maximize their illegal profits by strategically infiltrating sport competitions for match-fixing operations. Illegal and irregular sports betting has become a multi-billion-dollar business which is sometimes infiltrated or controlled by organised crime.

The serious threat to the integrity of sports has to be seen in the context that crime has internationalized faster than law enforcement and international co-ordination of the regulatory requirements. Since crime has gone global, national responses, even those based on robust law enforcement, are inadequate as they displace the problem from one country to another.

Issues of national sovereignty have often impeded criminal investigations in the absence of active cooperation between law enforcement agencies of the jurisdictions involved. The fight against illegal and irregular sports betting stops too often at national borders.

The fight against organized crime is beyond the means of sports associations. The global nature of match-fixing, fraud, corruption and money-laundering through sports betting requires a global effort by law enforcement agencies to find adequate solutions to this threat.

Given the fact that organized crime is an economic force motivated by profits, it must be fought on economic grounds. Money laundering is the “Achilles heel” of criminal activities and organized crime and should be the focal point to fight irregular sports betting. Targeting the money-laundering aspect of criminal activities and depriving the criminals of their ill-gotten gains means hitting organised crime where it is most vulnerable.

Between the legal public (state controlled) and private gambling operators there is disagreement on how effectively the ML-thread can be controlled by the licensed online gambling operators. There is however agreement that a major threat to the integrity of sports comes from the huge amount of unregulated gambling sides which operate without license or from jurisdictions with lax or no supervision.

Because the internet is global, many of the online gambling operations do not fall under any particular jurisdiction. The significant risks such as fraud and money laundering to which European consumers are exposed and the thousands of unregulated gambling websites often from outside Europe with which they are confronted, was highlighted by the EU Green Paper on

Online Gambling in the Internal Market (COM(2011)128)). According to the paper out of 14,823 active gambling sites in the EU more than 85% operate without any licence.

To investigate and prosecute money laundering effectively, law enforcement agencies need the private sector's cooperation for prevention. Because the gambling sector has to report suspicious transactions it needs to allocate sufficient resources and manpower to meet the requirement. Therefore a multi-layered approach including all stakeholders as well as a consistent legislation globally (including the Asian nations) is urgently needed.

Illegal offers should be fought effectively. Any legal offer based on careful regulation from internationally agreed minimum standards and effective enforcement of the international anti money laundering regime, is the best way to properly police online sports betting, given the borderless nature of the Internet.

APPENDIX I

Seminar on Sports Betting and Anti-Money Laundering

*co-organised by the Council of Europe
and
the Cyprus Presidency of the European Union*

Brussels (Belgium)

11 December 2012, 2 pm - 7 pm

Fact sheet

Organisers

The Enlarged Partial Agreement on Sport (EPAS) of the Council of Europe and Cyprus Presidency of the Council of the EU (Sport), with the support of the European Economic and Social Committee.

Background

The Recommendation CM/Rec(2011)10 of the Committee of Ministers to member states on the promotion of the integrity of sport against manipulation of results, notably match-fixing (adopted by the Committee of Ministers on 28 September 2011 at the 1122nd meeting of the Ministers' Deputies), invited the EPAS, where appropriate, in co-operation with the competent units of the Secretariat General, to consider monitoring and/or follow-up activities of the present recommendation.

The Recommendation included some provisions relating the fight against Money Laundering (mostly paragraphs 14 and 19 of the attached Guidelines to the Recommendation).

EPAS wishes to facilitate an exchange of knowledge between experts in sport policies, the betting market and the fight against money laundering, to consider whether the field of sports betting activities should be investigated further as a risky sector with regards money laundering.

At a time when the Council of Europe is launching the negotiation of a possible Convention on the manipulation of sports results, which may encompass principles and measures regarding

betting regulations and cooperation with law enforcement authorities, an exchange of views with experts involved in money laundering will help to clarify the possible relevance of the betting sector to the fight against money laundering and the possible relevance of the FIUs in the detection, the prevention and the punishment of match-fixing.

Within the EU match-fixing is also an issue, which is addressed on multiple platforms. The recent EU Sports Forum approved the Nicosia Declaration on Match Fixing, a guidance document that will inspire future activities. On the formal side, the Council of the EU is preparing conclusions on match-fixing, which will address the necessary cooperation between authorities in charge of law-enforcement, betting regulation and sport.

In a spirit of cooperation, the Cyprus EU Presidency and the EPAS therefore united their efforts to organise an expert technical seminar on Sports Betting and Money Laundering.

Aims and objectives

1. Consider the mutual benefit and the relevance of cooperation between betting regulatory authorities and authorities in charge of Money Laundering.
2. Raise awareness of the current activities relating to the fight against money laundering among the different authorities, the sports movement and the betting operators.
3. Consider how the role of Money laundering authorities may be mentioned in the ongoing processes aiming at strengthening the prevention and the fight against the manipulation of sports results.

Programme elements and methodology

The programme will include presentations and discussions to learn about and share with sports betting operators, financial agencies and the authorities in charge of sport and law enforcement. An important element of the programme is also to provide an area for the participants to share their experiences and work with each other. For that purpose the team has planned interactive exchanges during the working sessions.

Outcomes

Bearing in mind the future work to be undertaken by the EPAS on these issues, the desired outcomes of the conference might include:

1. Consider the need for future activities (e.g. suggestions to EPAS, MONEYVAL, EU Institutions)
2. Consider the need for work and publications

Date and venue

11 December 2012, 2:00 pm – 7:00 pm

European Economic and Social Committee
Jacques Delors Building, room JDE63 (6th floor)
99, rue Belliard, 1040 Brussels, Belgium

Working languages

English and French

Preliminary Programme

11 December		
13:00	Registration of the participants Welcome coffee	
14:00	Opening of the seminar <ul style="list-style-type: none"> • Council of Europe • EU Presidency of the EU Council • The European Economic and Social Committee 	Torbjørn Frøysnes, Council of Europe Pambos Stylianou, Chairman of the Cyprus Sports Organisation Alfredo Correia, the EESC rapporteur of the opinion on European dimension in sports
14:20	Introduction <i>On-going international processes to address issues related to match-fixing and illegal betting</i>	Stanislas Frossard, EPAS
14:40	1. The risk of money laundering in the context of sports betting & match-fixing	Andreas Frank, Consultant
15:00	2. The risks, preventative measures and operational actions from the perspective of an international betting operator	David Norman, Money-laundering Reporting Officer (MLRO), a private betting industry representative with a previous law enforcement background
15:15	3. The risks, preventative measures and operational actions from the perspective of a national lottery	Thierry Pujol, La Française des Jeux
15:30	Coffee break	
16:00	4. Overview of the preventative measures by a regulatory authority of the betting market	Nick Tofiluk, Director of Regulation, The Gambling Commission
16:15	5. Assessment of the risks and experiences with sports betting from financial investigation units	Philippe de Koster, Vice-Chair of the Belgium FIU
16:30	6. The perspective of a service provider monitoring the sports betting market for sports organisations	Andreas Krannich, Sport Radar
16:45	Round table, on possible international initiatives, facilitated by Andreas Frank, Consultant	
	<ul style="list-style-type: none"> • Law enforcement • Money transfer companies • Money-laundering monitoring mechanism • Parliamentary Assembly of the 	Alessandro D'Addario, Europol Dr. Thaer Sabri – Chief Executive of the Electronic Money Association Livia Stoica, Deputy Executive Secretary to MONEYVAL Kent Härstedt, MP (Sweden)

	Council of Europe • Presidency of the Council of the EU	Pambos Stylianou, Chairman of the Cyprus Sports Organisation
17:45	Conclusions and closing of the Seminar	Ewa Markowicz, Chair of the EPAS Governing Board
18:00	Cocktail	
19:00	End	

Participants

Representatives of public authorities as well as sports organisations involved in the regulation of sports betting, the preventions of betting-related misbehaviours in sports competitions, law enforcement in the financial area, fight against money laundering, ...

- Officials from Sports Ministries
- Betting regulators
- Financial Investigation Units
- Money-laundering monitoring bodies
- Banking industry
- etc.

The seminar will bring together up to 40 participants from EU, Council of Europe or EPAS Countries.

Terms of participation

- Participation in the seminar is free of charge.
- At the end of the seminar, a cocktail will be offered by the Cyprus Presidency of the EU Council.
- Travel and accommodation costs are at the participants' own expense.

Visas

- Participants are responsible for checking visa requirements and making their own visa arrangements before departure.
- The Council of Europe will prepare official notes for the selected participants requiring a visa. Visa related expenses will need to be covered by the seminar participants.

Registration and participation

Interested individuals can register by filling in the registration form attached to the information package no later than 28 November 2012.

Participants will be selected by the organisers and based on the registration forms in order to ensure a diversity of experiences, origins and background. Selected participants will be notified by 4 December 2012.

Registration details will also be published on the EPAS website and distributed via EPAS Governing Board members and EPAS Consultative Committee members.

Information

Additional information on the programme of events can be found on the websites www.coe.int/epas and www.cso.org.cy.

Contact

For further information, please contact the EPAS secretariat in the Council of Europe:

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APPENDIX II

LIST OF PARTICIPANTS

Public authorities

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Mr Xavier BARDINA PAU
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ARMENIA

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CEO of Azeridmanservis LTD - state enterprise

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UNITED KINGDOM

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Head of International Sport, Major Sports Events and Anti-Doping

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