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Illegal Betting on Everything Everywhere all at Once in 2025

By Martin Purbrick, Chairperson, IFHA Council on Anti-illegal Betting and Related Crime.

Up to November 2024, the online cryptocurrency based prediction platform Polymarket received a total volume of US\$3,686,335,059 on the outcome of the US presidential election. Polymarket carries a wide range of markets, allowing clients to predict the outcome of events including the NBA champion, the UK Premier League winner, the La Liga winner, the Super Bowl champion, the future price of crypto Bitcoin, Ethereum, and Dogecoin, whether Vladimir Putin will continue as president of Russia, as well as sensationalist entertainment bets.¹ Consumers can essentially place bets on almost everything, everywhere, all at once.

Polymarket is an example of the rapid changes in technology that are enabling expanded consumer choices for betting and gambling. Key technology changes relate to data supply, peer-to-peer platforms, and crypto.

Access to huge amounts of data on sports, politics, entertainment, financial markets, etc, is allowing consumers to bet on everything.

Peer-to-peer platforms are facilitating consumers to bet against each other, not only against a fixed odds betting operator, allowing betting on an outcome against other people everywhere.

The increasing use of crypto is facilitating consumers to avoid the traditional banking and payments systems when betting, driving the immediacy of betting for transactions all at once.

The absence of regulation in these fast-changing areas is an effective absence of legality for many of the operators. The approach being taken by online betting operators is to avoid consumers (for example by voluntary geo-blocking) in jurisdictions where the authorities are more likely to pursue enforcement action (especially the US), but to open their platforms to consumers around the world on the basis that they will not be prosecuted in most jurisdictions. Gambling regulators are showing little sign of understanding how to manage this situation.

The outcome is illegal betting on everything, everywhere, all at once, and 2025 will be a year when illegal betting markets globalise even further. There are, however, effective actions for government policy makers, regulators, and other stakeholders to consider, and these are more essential to prevent online illegal betting (and “predictive markets”) becoming the new normal for consumers everywhere.

Betting on everything

Consumers have increasing access to huge amounts of data on sports, politics, entertainment, financial markets, etc, that allows them to bet on everything. This is reflected in the growth of online gambling, which reportedly doubled in size from 2020 to the end of 2023.²

The growth of online illegal betting should be considered in relation to the huge growth in interest in sports, also in the number of people viewing sports digitally, and consequently of people interested in betting on sports. For example, PwC estimates that in the USA the number of viewers who stream a sports event at least once a month is projected to rise to over 90 million by 2025, an increase of over 30 million from the number of viewers in 2021.³

The spectacular increase in consumer interest in viewing sports and then betting on them has been illustrated in recent years with the expansion of betting markets in South America, particularly Argentina and Brazil, and North America, and especially the US after legalisation of sports betting in most states from 2018.

The growth of consumer interest in sports and betting on them has been fed by the easier access to huge amounts of sports and betting data. This was described by the ARF Council (now the IFHA Council) in a report in 2022, which stated that “Dominated by a handful of providers, sports betting data is a multi-billion dollar (and growing) industry – but the vast increase in the quality, quantity and distribution of sports data has provided a new dimension to the growth of both legal and illegal betting markets, which in turn has led to increased threats to the integrity of horse racing and other sports.”⁴ The Council report explained that as sports viewing, entertainment, and betting increasingly converge, sports entertainment includes marketing to betting customers, as well as sports content development to attract and retain fans.

The growth of interest in online betting has been accompanied by an expansion of interest in betting on other subjects. Bookmakers have shown in the past several decades that just by showing a live televised broadcast of any sports event and posting betting prices on the event, a market can be created on any sport. Now the new generation of predictive platforms are showing that by posting a prediction on the binary outcome of any other type of event (political, entertainment, social, economic, etc) they can create a market on everything.

Polymarket is not alone in this creation of new betting markets. Kalshi (<https://kalshi.com/events>), which is a regulated exchange for consumers to trade on real world events, has categories for economics, politics, culture, companies, crypto, financials, tech & science, climate, health, world, and transportation.

Investment platform Robinhood introduced event contracts on the outcome of the US election, and their CEO has said that prediction markets are here to stay. The CEO of Robinhood also said in December 2024 that the firm was looking into expanding into sports betting in some way. The CEO of sports betting operator Draftkings has also mentioned that prediction markets are generating

high consumer interest, but that there are regulatory complexities.⁵ More sports betting companies are likely to move towards prediction markets, or risk losing consumers to alternative platforms. Because of the regulatory complexity, growth is likely to be led by offshore online operators, and hence the illegal market is likely to thrive on this new business.

Betting everywhere against everyone

Peer-to-peer platforms that facilitate consumers to bet against each other by predicting binary outcomes of events are not new in the betting world. Betfair was founded in 2000 as a betting exchange, one of the first platforms to provide markets for customers to essentially bet against each other by ‘backing’ (a winning outcome) or ‘laying’ (a losing outcome). The Betfair betting exchange created substantial markets on horse racing, but the ability for customers to ‘lay’ a horse to lose a race has caused continued integrity concerns as this presents greater opportunities for race fixing. Betting exchanges are also popular with many consumers whose bets are refused by bookmakers who limit their risk, and in 2004 the Matchbook betting exchange was created with a focus on professional and more sophisticated sports betting customers.

The popularity of betting exchanges on racing and other sports led to the growth of illegal betting exchange Citibet in Asia. As the Head of Research of the Council wrote in May 2024, “Citibet is by far the largest and most liquid unregulated illegal betting exchange market for horse racing in the world, with this huge liquidity allowing illegal bookmakers to hedge their risk by laying off liabilities.”⁶

Illegal betting exchange Citibet has had a major impact on diverting consumers away from the legal market, with the Council estimating that Citibet turnover is comparable in some jurisdictions to the legal market, such as in Hong Kong where it has been estimated to turn over a comparable amount in betting volume to the Hong Kong Jockey Club. Betfair, Matchbook and Citibet have shown that there are large numbers of consumers who like the peer-to-peer betting system for sports, and this approach is widening with prediction markets.

These prediction markets are now turning to sports. Creating these markets is even easier than creating a traditional sports betting platform, which have become ubiquitous around the world with start-up costs for a betting engine and website design as little as around US\$25,000 and monthly costs for data feeds of a few thousand dollars per month and payment processing as little as around between one and five percent of transactions.⁷

Polymarket is a peer-to-peer marketplace where prices of predictive events are set by the market, so the platform is neutral on the outcome of events and does not stand to benefit from the outcome of any market or usage of any trader. The platform claims that “Unlike bookmakers or wagering operations, Polymarket does not charge deposit/withdrawal fees, or any type of trading fees.”⁸

Nevertheless, Polymarket looks a lot like a betting platform calling itself a prediction market. The legal basis to operate such a platform varies in different jurisdictions. In January 2022, the US

Commodity Futures Trading Commission (CFTC) issued an order requiring Polymarket to pay a \$1.4 million civil monetary penalty, facilitate the resolution (i.e. wind down) of all markets displayed on Polymarket.com that do not comply with the Commodity Exchange Act (CEA) and applicable CFTC regulations, and cease and desist from violating the CEA and CFTC regulations.⁹

The CFTC considered the platform to be a derivatives market and that it had been operating an illegal facility for event-based binary options online trading contracts, known as “event markets.” Polymarket called this offering the public the opportunity to “bet on your beliefs” by buying and selling binary options contracts related to an event taking place in the future that are susceptible to a “yes” or “no” resolution.

There are reports that Polymarket has hosted “wash trading”, which is a form of market manipulation where the same financial instrument is repeatedly bought and sold by the same investor or group of investors in order to create misleading activity in the market, such as inflated trading volume. The purpose of “wash trading” is to mislead investors about the real demand for an asset, or a prediction or a bet, so that consumers gravitate to that position in the market.¹⁰

Polymarket seems very similar to a betting exchange, which the UK Gambling Commission defines as “a platform or service designed to facilitate the making or acceptance of bets between others.”¹¹ The French authorities seem to agree, and on November 2024, the Autorite Nationale Des Jeux (ANJ), the national gambling regulator in France, announced that the services offered on Polymarket “could be considered as unauthorised gambling and games of chance”, and that the publisher of the platform based in Panama had agreed to geo-blocking, thus preventing any gambling on Polymarket from France.¹²

In January, the Singapore Gambling Regulatory Authority reportedly issued an order ordering local internet service providers to block access to the platform.¹³ This follows Taiwan, where in December 2024 the police arrested 17 people for betting on the outcome of the presidential election online. Polymarket users could buy either “yes” or “no” bets on the question: “Taiwan Presidential Election: Who will win?”¹⁴

Betting all at once

The increasing use of crypto is facilitating consumers to engage in betting and avoid the traditional banking and payments systems, driving the immediacy of betting for transactions all at once. There are serious implications for financial crime and money laundering from this development.

In a report in May 2021, the Head of Research of the Council warned that the growth of cryptocurrency use “is a threat to legal betting because of the intrinsic features of many cryptocurrencies, such as: facilitating avoidance of anti-money laundering (AML) and know-your-customer (KYC) procedures by betting operators; circumvention by operators of international betting regulatory and licensing requirements; and instantaneous and anonymous cross-border transactions from bettors and operators.”¹⁵

Prediction markets are intrinsically linked to crypto use, and a key attraction of Polymarket is the use of crypto payments. Polymarket operates on Polygon, a proof-of-stake layer two blockchain built on Ethereum, and all transactions are denominated in USDC, a stablecoin that claims to be pegged at 1:1 to the US Dollar and backed by dollars and assets. In theory this means that betting in USDC allows stable trading without volatile movements in the price of the currency being invested in predictions (or bets). However, the USDC price does move within a range (from a low of \$0.89 in 2019 to a high of \$1.19 in 2021) and future volatility caused by speculators attacking the price cannot be ruled out.

The attraction of using crypto for trading on predictive platforms is reflected in the growth in online betting. In February 2024, the Council Head of Research reported that the number of illegal betting websites accepting cryptocurrencies had increased by 26% since 2020. The most popular crypto being used for betting websites were Bitcoin, Ethereum, and Tether (USDT). As the report from the Council pointed out, “For the illegal bookmaker, cryptocurrency makes life considerably simpler as they do not have to explain to traditional banks or other authorities where and for what purpose fiat currency deposits are being transferred to their accounts. Cryptocurrency exchanges and blockchains popular with illegal actors do not ask any such questions.”¹⁶

There has already been a real-world impact on sports from crypto betting. Online sports betting, casino operator and crypto exchange BC Game signed a two-year contract to sponsor English Premier League football club Leicester City from July 2024. However, in November 2024 BC Game was declared bankrupt in Curacao, where the operator is licensed.¹⁷

There is no shortage of offshore hubs willing to provide “licences” to online betting operators that take bets from anyone, anywhere in the world with no regard to local gambling licences. As the Council pointed out in August 2024, “Offshore international gambling and betting licensing hubs are jurisdictions that have established regulatory frameworks to attract online gambling and betting operators by offering licences. These hubs often provide favourable conditions such as lower taxes (i.e. no tax paid in the jurisdiction where the point of sale takes place), streamlined regulations (i.e. under-regulated), and legal stability (i.e. no legal scrutiny). The number of these hubs is growing, and consequently so is the problem of illegal betting being camouflaged by pseudo-licenses.”¹⁸

The growing number of offshore betting and gambling “pseudo licensing” hubs offer a semblance of legal legitimacy for betting and gambling operators that are targeting consumers in jurisdictions where they usually do not have a licence. Prediction markets are a natural business opportunity for the illegal betting operators based in these hubs.

Conclusions

The illegal betting situation is worsened as many gambling regulators have not shown an understanding of the fast-changing nature of online betting and gambling markets, and have remained more focussed on over-regulation of legal licensed operators which has had the consequence in some jurisdictions of spurring the growth of illegal betting markets as consumers turn away from tighter regulatory conditions. Gambling regulators need to pay far more attention to illegal betting markets and balance their responsibilities to protect consumers from the far higher risk of gambling harm caused by illegal betting.

Enforcement actions against illegal betting operators must be sustained. Gambling regulators, telecoms regulators, banking regulators and law enforcement agencies must have a coordinated approach to taking action against illegal betting and gambling operators in their jurisdictions. If they do not then the growth of related financial crime is a certain outcome.

Blacklisting and blocking domains of betting and gambling websites (and prediction markets) not licensed locally should be a routine set of actions in every jurisdiction. This is essential so that consumers can see that certain websites are not legal, which causes most reasonable people to pause. Illegal operators can overcome blocking by using huge numbers of mirror websites or simply changing IP addresses quickly, but the technology exists for regulators to block more effectively.

As we start the near year of 2025, a reflection of the state of illegal betting is necessary to consider the holistic global situation. Despite growing awareness of the wide negative impact of illegal betting, the problem continues to grow. Consumers can place bets on almost everything, everywhere, all at once. Effective enforcement action is more important than ever.

¹ Polymarket, Markets (<https://polymarket.com/markets>)

² H2 Gambling Capital, Global Gambling Industry Generates \$536bn in 2023 with H2 Expecting 7% Growth Expected in 2024, 5 January 2024 (<https://h2gc.com/news/general/global-gambling-industry-generates-536bn-in-2023-with-7-growth-expected-in-2024>)

³ PWC, Streaming the game: How the rise of digital platforms is changing sports consumption (<https://www.pwc.com/us/en/industries/tmt/library/sports-streaming-platforms.html#:~:text=The%20rise%20of%20streaming%20services,from%2057%20million%20in%202021>)

⁴ ARF Council on Anti-Illegal Betting & Related Financial Crime, Data from Racing and Other Sports: Fuel for Illegal Betting, October 2022 (<https://www.ifhaonline.org/AibResources/Bulletins/October%202022%20Bulletin.pdf>)

⁵ Bettors Insider, DraftKings Eyes Election Prediction Markets After 2024 Polls Spark Betting Interest, 15 November 2024 (<https://www.bettorsinsider.com/news/2024/11/15/draftkings-eyes-election-prediction-markets-after-2024-polls-spark-betting-interest>)

⁶ ARF Council, Franchise Wars – How Citibet and Asia’s Other Biggest Bookmakers have ‘McDonaldised’ Illegal Betting, May 2024 (<https://www.ifhaonline.org/AibResources/Bulletins/May%202024%20Bulletin.pdf>)

⁷ Orion Infosolutions, How Much Does It Cost to Build a Sports Betting Website?, 30 November 2024 (<https://www.orioninfosolutions.com/blog/how-much-does-it-cost-to-build-a-sports-betting-website#:~:text=Design%20and%20User%20Experience%20Costs&text=The%20cost%20of%20design%20and,range%20from%20%2410%2C000%20to%20%24100%2C000>)

⁸ Polymarket, FAQs (<https://learn.polymarket.com/docs/guides/FAQ/is-polymarket-the-house/>)

⁹ Commodity Futures Trading Commission, CFTC Orders Event-Based Binary Options Markets Operator to Pay \$1.4 Million Penalty, 3 January 2022 (<https://www.cftc.gov/PressRoom/PressReleases/8478-22>)

¹⁰ Forbes, Polymarket’s \$3.2 Billion Election Bet Shows Web3 Potential, 5 November 2024 (<https://www.forbes.com/sites/digital-assets/2024/11/05/polymarkets-32-billion-election-bet-shows-web3-potential/>)

¹¹ Gambling Commission, Definition of terms (<https://www.gamblingcommission.gov.uk/about-us/guide/page/definitions-of-terms>)

¹² Autorité Nationale Des Jeux, Suite à l’intervention de l’ANJ, le site POLYMARKET ne propose plus ses services sur le territoire français, 29 November 2024 (<https://anj.fr/suite-lintervention-de-lanj-le-site-polymarket-ne-propose-plus-ses-services-sur-le-territoire>)

¹³ Yahoo News, Singapore Blocks Polymarket, Following Taiwan and France, 13 January 2025 (https://www.yahoo.com/news/singapore-blocks-polymarket-following-taiwan-081646510.html?guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAAe9ulF0mjc3OjtZHZGEBuygwQXwa5J9dbMtgNm5_ReQPKXHPgpCKUa2b4Ay9xr10keLi5-q59avNIELzUc-o9qnX5ag8CbtVbVh8Fi7RjLMCEh-_rCY9ueJ7B-FEAQON1rsmXXu1kxubdEjTwa316DP6FJI49Fj7xTfmcJQ7wdz)

¹⁴ Taiwan News, 17 arrested for Taiwan election betting on crypto prediction market, 17 December 2024 (<https://www.taiwannews.com.tw/news/5061332>)

¹⁵ ARF Council on Anti-Illegal Betting & Related Financial Crime, A report of blockchain and cryptocurrencies in illegal betting, Quarterly Bulletin, May 2021 (https://assets-global.website-files.com/5f8e2bde2b2ef4841cd6639c/60b750b954bd92482b4d5fca_Blockchain%20and%20Cryptocurrencies%20in%20illegal%20betting_May%2021_Final.pdf)

¹⁶ ARF Council on Anti-Illegal Betting & Related Financial Crime, How Illegal Betting and Related Money Laundering Flourished Despite 'Crypto Winter', Quarterly Bulletin, February 2024 (<https://www.ifhaonline.org/AibResources/Bulletins/February%202024%20bulletin.pdf>)

¹⁷ BBC News, Leicester ease fears after sponsor bankruptcy reports, 21 November 2024 (<https://www.bbc.co.uk/sport/football/articles/cpdv3e5yj25o>)

¹⁸ IFHA Council on Anti-Illegal Betting & Related Crime, Offshore Betting and Gambling Licensing - The Pseudo Regulation of Betting, August 2024 (<https://www.ifhaonline.org/AibResources/Bulletins/August%202024%20Bulletin.pdf>)

Unintended consequences? Traffic Analysis Shows Significant Rise in UK Visits to Unlicensed Betting Websites Offering Racing

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Summary

This article examines growth of visitor traffic from UK consumers to betting websites which are not licensed in the UK in light of the announcement of Affordability Checks proposed in the Gambling Act Review White Paper published in April 2023.

Based on website traffic analysis of 10 UK Gambling Commission Licensed & Regulated betting operators (“legal segment”) and 22 offshore non-UK licensed operators (“unlicensed segment”) chosen because they offer betting on British horse racing, it is found that:

- a) Total visitor traffic from UK to selected unlicensed betting websites since August 2021 has grown by 131 per cent. Unique visitor traffic (i.e. counted by unique consumers) has grown in the same period by 522 per cent.
- b) Total visitor traffic from the UK to legal betting websites since August 2021 has grown by only 49 per cent. Unique visitor traffic (i.e. counted by unique consumers) has grown in the same period by only 25 per cent.
- c) Visitor traffic from the UK to unlicensed betting websites is growing far faster than traffic to legal betting websites.

In summary, traffic to from UK to unlicensed websites offering British horse racing has grown significantly, from an admittedly small base, and faster than the legal market.

Although no causation with regulatory announcements is shown, the finding that more UK consumers are visiting unlicensed betting platforms supports those in other external reports (based on different methodologies such as surveys) that UK unlicensed betting has been growing in recent years.

It should also be noted that the 22 offshore operators in the unlicensed segment do not represent the entirety (nor even the majority) of the unlicensed market visited by UK bettors, but were selected as understood to be popular with UK horse racing bettors. Findings are thus only indicative of trend, and should not be read as representing the scale of the *total* UK unlicensed betting market, which will be larger.

Background

In April 2023, the UK Gambling Commission proposed¹ the implementation of affordability checks as part of the Gambling Act Review, intending to prevent consumers from experiencing gambling-related harm by ensuring they do not spend beyond their means. Critics argued² that this would drive customers toward unlicensed operators. In February 2024, Parliamentary debate raised similar concerns³ over invasion of privacy, data security and driving consumers to the unlicensed market. In May 2024, the Gambling Commission announced a six-month pilot scheme, which would not affect consumers but only examine sources of data,⁴ viewed by some as a less intrusive approach.⁵

Methodology and Limitations

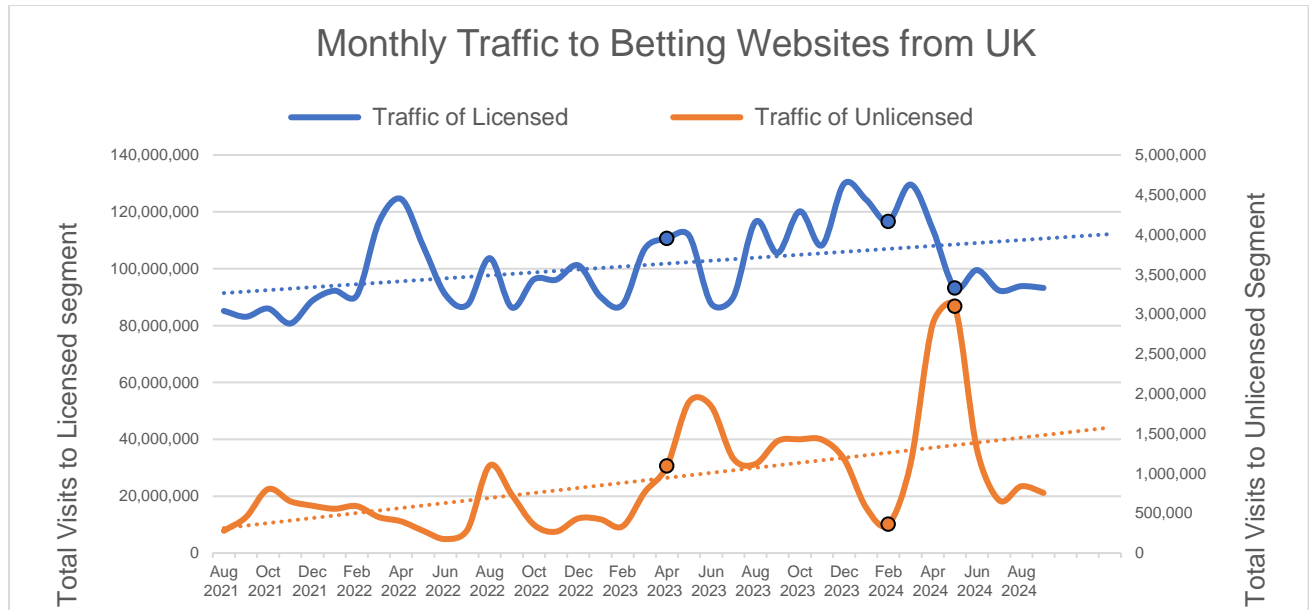
Website traffic from UK IP addresses to two groups of websites offering UK horse racing – 10 leading UK-licensed betting websites and 22 non-UK licensed websites – was analysed. Monthly data was collected from August 2021 to September 2024 using SimilarWeb, for both Total Visits and Unique Visitors (broadly speaking, unique visits refer to individual IP addresses and total visits are the sum of all visits, so that 10 visits from the same Unique Visitor would equal 10 Total Visits).

The 22 unlicensed websites examined represent only an unknown fraction of the total unlicensed market targeting UK consumers, and many unlicensed operators use numerous mirror sites, meaning that traffic numbers in this article under-estimate the true scale of total traffic to the entire universe of unlicensed operators. Additionally, some UK bettors may use VPNs, masking their location and further skewing data. The study also does not include unlicensed betting via apps / brokers or other unlicensed betting methods, so findings illustrate indicative trends but do not represent the *total* market of unlicensed betting activity in the UK.

The analysis does not show any causation between public policy announcements about gambling regulation and increases in website traffic because of the many confounding factors other than policy announcements that could affect demand.

Key Findings

The chart below shows monthly Total Visits⁶ to the legal segment (top line), contrasted with monthly Total Visits to the unlicensed segment (bottom line) from August 2021 to September 2024. A key observation from this chart is that while both legal and unlicensed segments fluctuate, the unlicensed segment is trending upwards at a faster rate than the legal segment.



It is noted that there was a spike in the unlicensed segment and a corresponding decline in the legal segment coinciding with the three months following the announcement of affordability checks (May-July 2023), however it is not possible to attribute causation. Similarly, although traffic in both segments appears to have levelled off in the months following the announcement by the Gambling Commission in May that its pilot scheme would be less comprehensive than initially proposed, no inference can be made.

The very large spike in the unlicensed segment around April 2024 is almost entirely attributed to one operator. On investigating potential reasons for this spike, it was observed that this operator receives large referral traffic from affiliate marketing sites which promote betting operators who accept customers even if they have signed up to the UK's GAMSTOP gambling self-exclusion scheme. For example, during February to July 2024, when traffic spiked, 16.75% of visits to this particular operator came from such a referral site.

In other words, a large portion of this traffic spike will be from bettors searching for websites which are not blocked under GAMSTOP. This underlines the fact that unlicensed betting operators often actively target the most vulnerable bettors, i.e. those who have voluntarily requested to be denied access to UK licensed betting operators.

As the table below shows, the net impact of these fluctuations is that as of October 2024, the traffic portion of the 22 unlicensed operators as a percentage of both segments' total traffic has almost doubled from 0.65%⁷ to 1.2%.⁸ Also, while both segments have grown compared to 2021, the increase in traffic to the unlicensed segment is much larger in percentage terms (131% vs 25% in terms of total monthly visits).⁹ There are now six times as many unique visitors on average to the unlicensed segment compared to 2021, which represents a 522% increase compared to 49% growth in the legal segment. In other words, the unlicensed segment has grown significantly on every metric, and has been growing faster than the legal market – albeit from a small base.

Table 1 - Average monthly metrics for Legal and Illegal segment

Metric	Aug-Dec 2021 (Avg/Month)	Jan-Dec 2022 (Avg/Month)	Jan-Dec 2023 (Avg/Month)	Jan-Sep 2024 (Avg/Month)	Jan-Sep 2024 vs Aug-Dec 2021 (Avg/Month)
Legal Unique Visitors	10,109,641	11,986,576	15,397,033	15,111,768	+49%
Unlicensed Unique Visitors	98,362	149,132	373,105	611,784	+522%
Legal Total Visits	84,762,199	99,469,848	105,414,963	106,294,001	+25%
Unlicensed Total Visits	555,917	469,639	1,175,028	1,286,779	+131%

Conclusion

The unlicensed segment examined – which is only an unknown portion of total unlicensed demand – has grown significantly and also grown faster than overall market growth, which supports findings from other studies and media reports^{10,11,12,13,14} since 2021 that unlicensed betting in UK has been growing.

Although no direct causation can be made to recent regulatory developments and announcements in the UK, the apparent growth in demand for unlicensed betting options from UK bettors does echo findings elsewhere¹⁵ that over-regulating legal betting markets may drive consumers to unlicensed markets, which is the exact opposite effect intended by well-meaning regulators.

An effective balance must be struck between protecting consumers and allowing the legal market to channel betting demand away from unlicensed operators which do not benefit society through taxation, levies to sports, local employment, etc., nor have suitable responsible gambling safeguards in place.

¹ Gambling Commission Press release, 27 April 2023 (Source: <https://www.gamblingcommission.gov.uk/news/article/gambling-commission-publishes-gambling-act-review-advice>)

² Zak Thomas-Akoo, 'Labour peer Lipsey slams affordability checks', iGB, 19th October 2023 (Source: <https://igamingbusiness.com/legal-compliance/labour-peer-lipsey-slams-affordability-checks/>)

³ UK Parliament Financial Risk Checks for Gambling Volume 746: debated on Monday 26 February 2024 (Source: <https://hansard.parliament.uk/Commons/2024-02-26/debates/8860118F-57B3-428D-99CC-D719D3CDEEB4/FinancialRiskChecksForGambling>)

⁴ Helen Rhodes, UKGC, 28 August 2024 (Source: <https://www.gamblingcommission.gov.uk/blog/post/financial-risk-assessments-pilot-update>)

⁵ Elizabeth Dunn, Bird&Bird, "UK: Enhanced Financial Risk Assessments - A Commentary on the Upcoming Changes" (Source: <https://www.twobirds.com/en/insights/2024/uk/enhanced-financial-risk-assessments-a-commentary-on-the-upcoming-changes>)

⁶ Total visits to a website over a given period. Total Visits includes repeat visits from individuals (Unique Visits)

⁷ 0.65% = the total traffic to unlicensed website divided by the total licensed and unlicensed traffic from August 2021 to December 2021. Traffic data from earlier is not available due the inaccessibility of traffic data prior to that.

⁸ 1.20% = the total traffic to unlicensed website divided by the total licensed and unlicensed traffic from January 2024 to September 2024

⁹ 131% = the growth in average monthly traffic to unlicensed websites from August 2021 to December 2021 when compared to the period from January 2024 to September 2024; 25% = the growth in average monthly traffic to licensed websites for the same time frames; 522% = the growth in average monthly visitors to unlicensed websites for the same time frames; 49% = the growth in average monthly visitors to licensed websites for the same time frames

¹⁰ Nicole Macedo, 'Spending caps, product friction points and lack of choice driving black market warns Regulus report', iGaming Business, (25 September 2024), <https://igamingbusiness.com/legal-compliance/legal/black-market-regulus/>, accessed 12 November 2024.

¹¹ "Review of unlicensed online gambling in the UK", PwC study, 3 February 2021 (Source:

https://bettingandgamingcouncil.com/uploads/Downloads/PwC-Review-of-Unlicensed-Online-Gambling-in-the-UK_vFinal.pdf)

¹² "New Research Reveals Shocking Size of Black Market Gambling Across Europe", Betting & Gaming Council, 18 February 2022 (<https://bettingandgamingcouncil.com/news/new-research-reveals>)

¹³ "A warning for governments over illegal betting – and British racing must hope Rachel Reeves was listening", Racing Post, 14 October 2024 (Source: <https://www.racingpost.com/news/opinion/comment/a-warning-for-governments-over-illegal-betting-and-british-racing-must-hope-rachel-reeves-was-listening-aAfP3p4n5bt/>)

¹⁴ "Government assault on gambling freedom will drive punters to the black market", Daily Mail, 13 September 2023 (Source: <https://www.dailymail.co.uk/sport/racing/article-12512331/MARCUS-TOWNEND-Government-assault-gambling-freedom-drive-punters-black-market.html>)

¹⁵ Martin Purbrick, "Variable Betting Duty & the Impact on Turnover, Illegal Betting & Taxation Revenues", Asian Racing Federation report, 6 November 2023 (Source: <https://www.ifhaonline.org/default.asp?section=About%20IFHA&area=127>)

Game on: Inside Sport Integrity Australia's Efforts to Protect Sports from Competition Manipulation

By Jason Whybrow, Director, Sports Wagering and Competition Manipulation, Sport Integrity Australia and Member, IFHA Council on Anti-illegal Betting and Related Crime.

As a partner agency for many Council members and close collaborator on the integrity protection for sport, we appreciate the opportunity to outline some important Australian initiatives that may be useful in the work of anyone interested in protecting sport. This article introduces Sport Integrity Australia's establishment and background, and updates on a few key recent developments.

Sport Integrity Australia is a statutory Australian Government body established to coordinate a national response to the threats posed to the integrity of Australian sport through collaboration with sporting organisations, council members and industries.

Sport Integrity Australia's mission is to keep Australian sport safe and fair, at all levels, for all participants.

Background: The Need for a National Sport Integrity Body

At the international level, there has been a huge growth in sports wagering, particularly in Asia, in part due to the time zone, making wagering on Australian sports attractive. The compatibility of some Australian sports events with prime viewing time and the quality of the sporting products, including racing events, makes the associated markets favoured by customers in Asia, leaving sports vulnerable to corruption¹. This growth is, of course, in both legal and illegal markets.

Combined with the increasing commercialisation of sport, the rapid growth in sports wagering, and revelations of ongoing manipulation of sports competitions and doping scandals, challenges prompted the Australian Government to develop a National Sport Plan to address the evolving threats to the integrity of sport.

The Wood Review

The Wood Review of Australia's Sports Integrity Arrangements was requested as part of the work being done by the Australian Government to develop the National Sport Plan. The [Report of the Review of Australia's Sports Integrity Arrangements](#) (Wood Review) was presented to the Australian Government in March 2018.

In line with its terms of reference, the Review examined key Australian and international threats to the integrity of sport. It made 52 recommendations across five key themes:

- A stronger response to match-fixing;
- Enhancing the regulation of sports wagering to improve the integrity outcomes;
- Enhancing Australia's anti-doping capability;

- The development of a National Sports Tribunal; and
- The development of a National Sports Integrity Commission.

Australian Government Response

On 12 February 2019, the Australian Government released its response to the Review - [Safeguarding the Integrity of Sport—the Government Response to the Wood Review](#). The Government supported the main recommendations of the Wood Review, including the establishment of Sport Integrity Australia. This commitment provided assurance to Australians that their sports will continue to be clean, fair, safe and inclusive.

Establishment of Sport Integrity Australia

The Australian Government established [Sport Integrity Australia](#) in July 2020 as a direct outcome of the Wood Review, and the official Australian Government response.² For the first time, Australian sport has a single agency to deal with threats facing the sector. The agency brought together the country's existing sport integrity capabilities, knowledge and expertise to coordinate and develop new threat responses, including prevention, detection, investigation and enforcement programs.

As part of the agency establishment, Sport Integrity Australia leads the Australian Government's response to [competition manipulation and sports wagering](#) issues affecting Australian sport. To achieve this we work with sports, the sports wagering industry, state and territory regulators and international counterparts to provide a clearer, more transparent, and consistent sports wagering regulatory framework.

Current Issues and Developments

As we approach five years on from the release of the Australian Government Response and four years since Sport Integrity Australia was established, we have made progress in our commitment to protecting the integrity of Australian sport for the benefit of the entire Australian community, notably in the sports wagering and competition manipulation sector. These include:

Criminal Offences for Sport Corruption

Efforts to manipulate sporting competitions tend to be cross-jurisdictional or multijurisdictional due to sporting competitions being national and international, and online wagering and telecommunications being borderless.

It is well understood that integrity threats to sport such as competition manipulation are able to prosper within illegal betting markets. It is vital to the health of our sporting ecosystems to establish rigorous and effective methods to circumvent these threats.

Sport Integrity Australia is leading the process to establish national match-fixing offences to encourage national consistency in relevant criminal provisions introduced by state and territory governments. The offences are being drafted to ensure:

- offence provisions have transnational application;
- match-fixing offences are linked to wagering outcomes, irrespective of whether said wager would have been otherwise lawful;
- provisions include offences for the use of inside information;
- offence provisions (including for sentencing) are calibrated to reflect the serious nature of the offending, such as to enliven the possibility of utilising telecommunication intercept powers; and
- be proportional to the level of criminality, considering the additional regulatory responses, such as the civil actions available to sport organisations.

The offences will be designed to capture:

- Corrupting a sporting event;
- Altering, destroying, or concealing corrupt conduct information;
- Use or communication of corrupt conduct information;
- Use or communication of inside information;
- Giving a bribe;
- Accepting a bribe; and
- Possession of corrupt conduct information

Ratification of the Macolin Convention

The Australian Government is in the process of ratifying the Council of Europe's Convention on the Manipulation of Sports Competitions (the Macolin Convention) to promote national and international cooperation between governments and organisations involved in sports and sports betting.

The Macolin Convention is a legal instrument and the only rule of international law to combat the manipulation of sports competitions. It aims to enhance cooperation between public authorities, sports organisations, betting operators and competition organisers to prevent, detect and sanction the manipulation of sports competitions. It proposes a common legal framework for an efficient international cooperation to respond to this global threat.

Ratification of the Macolin Convention will:

- Provide a constitutional head of power to Sport Integrity Australia to effectively regulate sport integrity elements of the gambling regulatory environment, through the development of the enhanced Australian sports wagering scheme; and
- Enhance domestic and international cooperation and coordination to better prevent, detect, and sanction national or transnational manipulation of national and international sports competitions.

To assist in meeting these aims SIA is progressing new criminal offences and developing a National Platform to meet the ratifications assessment.

National Platform for Information Sharing

Ratification of the Macolin Convention requires parties to fulfil certain functions and capability, one of which is the operation of a ‘National Platform’.

The National Platform serves as a central point to collect, analyse, and disseminate information relevant to the fight against manipulation of sports competitions. It will also help coordinate activities between relevant bodies such as wagering service providers, sporting organisations, law enforcement and regulators nationally and internationally.

Since 2017, the National Integrity of Sport Unit, and now Sport Integrity Australia, partnered with the Australian Criminal Intelligence Commission to act as Australia’s National Platform. This arrangement ended on 30 December 2024, so from 1 January 2025, Sport Integrity Australia assumed sole responsibility to act as Australia’s National Platform, fulfilling a key recommendation of the Wood Review.

Sport Integrity Australia is responsible for the receipt, assessment and dissemination of data, information and intelligence relating to match-fixing, acting as a central hub for effective information sharing and collaboration between relevant stakeholders, so they can respond effectively. This includes information on irregular and suspicious bets placed on sports competitions, and, where appropriate, the issuing of alerts.

Through our role as the National Platform, Sport Integrity Australia aims to support sporting organisations, regulators, gambling operators, state and territory law enforcement agencies, in partnership with other key stakeholders to identify and respond to instances of competition manipulation and coordinate responses where we can.

Working with Australian partners

As mentioned by Council Chair Martin Purbrick, in the IFHA (then ARF) Council’s [February 2024 Bulletin](#),³ Australia requires stakeholders to perform relevant integrity functions which are legislated in a variety of ways in Australian jurisdictions. With the latest reforms, Sport Integrity

Australia will continue to enhance the response by assisting the various stakeholders with knowledge, intelligence, resourcing and support.

The Australian Government is considering its response to a number of gambling reform proposals and Sport Integrity Australia is working with partner agencies to embed integrity and specific wagering integrity implications in the response.

Australian sports and athletes form a key stakeholder group for Sport Integrity Australia in addressing illegal betting. Working in consultation with sport sector partners Sport Integrity Australia has developed the [National Integrity Framework](#) to deliver a best practice and consistent approach to protecting sport against integrity threats.

Sport Integrity Australia works closely with National Sporting Organisations (NSO) and National Sporting Organisations for People with Disability (NSOD), recognised by the Australian Sports Commission (ASC), to implement and embed the National Integrity Framework in their sports. This provides [resources](#) to sports at all levels to mitigate against corrupt wagering practices.

Education is also a vital tool to the safeguarding of sport integrity in Australia. Sport Integrity Australia proactively engages with all sports across the country to deliver relevant betting education to sports and athletes to provide further protections against illegal betting and competition manipulation.

Other stakeholders have responsibilities and powers in relation to online gambling that are evolving as well. The Australian Communications and Media Authority (ACMA) is responsible for the administration of the relevant legislation to enforce illegal gambling prohibitions – the Interactive Gambling Act 2001⁴. ACMA retains civil provisions for enforcing ISP blocking of illegal gambling provider websites, for example.

Connecting internationally

Sport Integrity Australia maintains strong international relationships to increase our understanding of risks, vulnerabilities and threats to Australian sport, while exploring opportunities for new collaboration. We seek to learn from our international colleagues and help build capacity in regions where it is needed to strengthen the global integrity framework and help build better environments for our Australian athletes competing overseas.

The global anti-doping framework overseen by the World Anti-Doping Agency (WADA) is mature and well connected. Our expertise in anti-doping has been recognised globally and our staff hold positions on a range of WADA expert groups and committees. However, there are few all-encompassing sports integrity agencies internationally, like Sport Integrity Australia, charged with coordinating the national approach to safe and fair sport on all fronts.

We use our close relationships with international partners including INTERPOL, EuroPol, the International Partnership Against Corruption in Sport, the United Nations Office on Drugs and

Crime, UNESCO and the Council of Europe to build our understanding of risks, vulnerabilities and threats to Australian sport, while exploring new collaborative opportunities aimed at continually strengthening the system.

Future Outlook

In 2023, industry research illustrated the potential cost and scope of the illegal offshore betting market in Australia. The research estimated that the illegal offshore betting market was valued at over \$1.1 billion dollars and that these activities were costing the Australian economy approximately \$1.3 billion in lost taxes and a further \$1.6 billion loss to racing and sports bodies.

These figures highlight the importance of continued and rigorous regulation within Australia and further demonstrate to members the need for the support of and engagement with their own respective National Platforms. These borderless and multi-jurisdictional crimes require a coordinated network to deter, disrupt and prevent these practices.

Sport Integrity Australia's commitment to safeguarding sport integrity is steadfast and evolving to adapt to the ever-changing threat landscape but this can only be done in collaboration and partnership. The agency has maintained a proactive approach to prevention, detection and deterrence of illicit activities through the signing of domestic and international Memorandums of Understanding, particularly with law enforcement, regulators and sport sector partners, building capabilities for information sharing.

Conclusion

The expansion of these networks and their capabilities are a vital tool to disrupting illicit activities. Sport Integrity Australia welcomes IFHA members sharing our resources and learnings among your sport contacts and networks. Sport Integrity Australia's tagline 'protecting sport together' is a call to action for all those with an interest in maintaining integrity, fairness and safety in sport for everyone at all levels.

¹Report of the Review of Australia's Sports Integrity Arrangements, 2018 (<https://www.sportintegrity.gov.au/sites/default/files/Report%20of%20the%20review%20of%20Australia%E2%80%99s%20Sports%20Integrity%20Arrangements.pdf>)

² Safeguarding the Integrity of Sport – the Government Response to the Wood Review, 11 February 2019 (<https://www.sportintegrity.gov.au/sites/default/files/Government%20Response%20to%20Wood%20Review.pdf>)

³ The model for Combatting Illegal Betting, Martin Purbrick, February 2024 (<https://www.ifhaonline.org/AibResources/Bulletins/February%202024%20bulletin.pdf>)

⁴ About the Interactive Gambling Act | ACMA (<https://www.acma.gov.au/about-interactive-gambling-act#:~:text=Act%20sets%20the%20rules%20for%20companies%20that%20offer.offer%20some%20online%20services%20to%20people%20in%20Australia.>)