

# MODERN DAY INTEGRITY BET MONITORING AND BETTING ANALYSIS CONDUCTED BY HORSERACING AND SPORTS REGULATORS



By Tom Chignell,  
International Federation of Horseracing Authorities  
Council on Anti-Illegal Betting and Related Crime



# Table of Contents

1	EXECUTIVE SUMMARY
3	INTRODUCTION
7	RISK ASSESSMENT
9	A MODERN APPROACH TO BET MONITORING
12	BETTING INTELLIGENCE, PARTNERSHIPS AND INVESTIGATIONS
14	THE PLACEMENT OF BETTING ANALYSIS IN REGULATORY BODIES AND ITS ROLE IN SUPPORTING INVESTIGATIONS
16	TECHNICAL EXPERTISE AND VALUE FOR MONEY
18	SPORTS DATA COMPANIES
20	SUMMARY
23	ABOUT THE IFHA COUNCIL ON ANTI-ILLEGAL BETTING AND RELATED CRIME

---

# EXECUTIVE SUMMARY

---

- By establishing an in-house betting analysis capability, sports regulators (governing bodies, racing clubs and racing authorities) gain the capacity to generate intelligence, establish networks and connections and investigate incidents of betting-related corruption. They also have the right expertise on hand to prosecute betting breaches of the sport's rules.
- Major sports regulators that entirely rely on outsourcing bet monitoring deprive themselves of crucial intelligence and a comprehensive understanding of key threats, risking damage to the sport's reputation and confidence in the regulator's capabilities.
- Technological progress presents sports regulators with a real opportunity to greatly enhance their capabilities in monitoring and identifying suspicious betting activities across both legal and illegal betting markets.
- Cloud computing and user-friendly programming languages, have significantly reduced administrative and IT costs, making the development of in-house bet monitoring models more accessible for sports regulators.
- By leveraging technology, integrity teams can efficiently analyse vast amounts of betting data, increase market coverage and free up betting analysts.
- Recent technological advances such as conversational artificial intelligence (AI) can support these processes.
- Conducting a risk assessment of the betting operators and bet types enables sports regulators to gain insights and prioritise core betting integrity threats.
- Failing to understand core betting integrity threats puts the reputation of the sport at risk and neglects the essential task of safeguarding the sport's events, participants and stakeholders.
- Sports regulators are in a unique position to build valuable betting intelligence.
- Intelligence gathered by the sport is critical. Bet monitoring needs to go beyond low-hanging fruit and identify more than just the extreme suspicious betting cases which tend to be the majority of cases flagged through automated monitoring systems.
- The intelligence gathered from in-house betting analysis allows sports regulators to take proactive action in real time, establishing a strong deterrent against betting corruption.

- By acting upon betting intelligence, regulators create an environment where individuals tempted by such corruption are deterred by the fear of being caught, contributing to fair and clean sporting events.
- Sports regulators can control their data by introducing strict contractual conditions requiring the data companies to sell data only to betting operators who agree to enter into a data-sharing agreement to support sports integrity-related inquiries and investigations.
- Government policy makers and gambling regulators should seek a commercially reasonable and stable betting duty rate that provides a balance between channelling gambling demand to the legal betting sector and allowing licensed betting operators to compete effectively with the illegal market.

# INTRODUCTION

---

A jockey gives a horse a poor ride and it finishes unplaced. A footballer gets sent off for verbally abusing the referee. Are these two incidents a genuine part of a race or match or are the actions by the jockey or footballer predetermined to ensure bets placed on the event become profitable? Racing and sports face a serious threat from betting corruption. This threat is particularly severe in the illegal market where customer-level information is not shared with racing and sports regulators.

The purpose of this report is to explain why having betting analysis capabilities is a fundamental and crucial function of any racing or sports regulator (governing body, racing club or racing authority). The report provides concrete and pragmatic examples of the key principles of developing and implementing an efficient betting analysis function. These examples demonstrate how such a function can effectively address and mitigate betting integrity threats to racing or other sports, while enhancing the regulator's overall analytical capabilities and delivering real overall value to the regulator.

Racing and sports regulators are entrusted with the responsibility of establishing and implementing a robust framework to proactively prevent and detect malpractice within their sports. The approach detailed in this report is specifically designed to tackle issues such as betting corruption, and the misuse of inside information for betting purposes, through effective betting integrity processes.

There are significant advantages to the approach adopted by prominent racing regulators which conduct their own in-house betting analysis, rather than fully outsourcing this function to a data company or third party. In-house analysis offers substantial benefits to regulators, including the ability to develop comprehensive intelligence within the sport, gain a deep understanding of the threats, and also crucially maintain that corporate knowledge. This enables effective risk management and resource allocation. Conversely, major sports that entirely rely on outsourcing and alerts may deprive themselves of crucial intelligence and a comprehensive understanding of key threats, risking damage to the sport's reputation and confidence in the regulator's capabilities.

Sports integrity teams have often prioritised allocating a significant portion of their resources to investigative personnel, sometimes neglecting the essential skill set needed to understand and analyse the extensive volume of betting intelligence associated with their sporting events. By establishing an in-house betting analysis capability, sports regulators gain the capacity to generate intelligence, establish networks and connections, investigate incidents of betting-related corruption, and prosecute breaches of the sport's rules. If all betting integrity analysis is outsourced, sports lose these benefits, as well as their integrity knowledge as it sits with another party.

While the need for regulators to invest in betting integrity is emphasised, the report acknowledges the challenges faced by smaller regulators with limited funding and resources. Nonetheless, it is important to highlight that technological advancements, such as cloud computing and user-friendly programming languages, have significantly reduced administrative and IT costs, making it more accessible for regulators to develop in-house bet monitoring models. The speed at which these models can be developed and deployed can be remarkably quick. This ongoing technological progress presents regulators with a real opportunity to greatly enhance their capabilities in monitoring and identifying suspicious betting activities across both legal and illegal betting markets.

## **Bet Monitoring and Betting Analysis: Why It Matters to Racing and Sports**

Legal and illegal betting markets have grown and are growing at a rapid rate. Analysis by the Asian Racing Federation (ARF) identified that in 2020/21 there were 39.75 billion total visits to betting websites, an increase of 37% compared with the previous year.<sup>1</sup> In 2021, the UN Office on Drugs and Crime estimated that up to USD1.7 trillion is wagered on illegal betting markets each year.<sup>2</sup> The expansion of betting markets carries with it a heightened risk to the integrity of racing and sports, making financial incentives for race or match fixing potentially even more lucrative.

Instances such as stopping a horse from winning, or intentionally receiving a red card in football with the aim of profiting from betting, serve as genuine integrity threats. These examples demonstrate how the manipulation of events can be directly connected to betting activities.

The landscape of betting on racing and sports continues to evolve, with the nature of betting integrity threats evolving alongside it. Over the past two decades, there has been a significant growth in internet gambling. Illegal betting through online platforms has also experienced rapid growth, presenting new challenges to be addressed.

Lay betting is a type of bet placed on a betting exchange on an outcome not to happen, e.g. a horse, team or player not to win. Lay betting and the ease of profiting off negative information, such as horses not winning or being placed, pose a significant and persistent integrity threat. This threat is particularly pronounced when carried out through illegal or under-regulated operators, where the betting audit trail is usually non-existent, or at best, far less transparent compared with well-regulated markets. For example, if a jockey were to establish a corrupt relationship with a gambler and conspire to prevent a horse from winning, lay bets (bets placed on the horse not to win) could be placed with an illegal market operator, knowing that these bets would not be reported to the regulator by that operator.

---

<sup>1</sup> Asian Racing Federation Council on Anti-illegal Betting and Related Financial Crime, The State of Illegal Betting Report, May 2022. <https://www.asianracing.org/publications/the-state-of-illegal-betting>. Accessed 3 May 2024.

<sup>2</sup> United Nations, Illegal bets add up to 1.7 trillion dollars each year: new UN report. 9 December 2021, <https://news.un.org/>. Accessed 3 May 2024.

Image 1 illustrates a striking example of substantial bets offered with an illegal operator. The image shows bet requests displayed on a large illegal betting exchange. Specifically, it displays significant lay offers, made by customers who wish to bet on a horse to lose and are offering highly favourable odds compared with the legal market. Additionally, the size of the lay offers is capped at 999,999, which in this instance falls just short of a quarter of a million USD equivalent. This lay offer has a potential liability larger than USD 600,000.

Hs	Win	Plc	%	Limit
3	460473	460473	78	300/100
3	999999	0	78	300/0

Figure 1, Example of a 999,999 lay bet offer made on a horse in a Hong Kong race. The large size is not uncommon.

Betting corruption is a tangible threat across sports, as evidenced by the International Tennis Integrity Agency website which details regular sanctions and suspensions imposed on those involved in tennis corruption, underscoring the real and ongoing battle to safeguard the sport's integrity.

A purposely dropped service game in a tennis match or pre-determined poor bowling over in a cricket match can make bets placed upon inside information highly profitable through placing bets at specific times, without the need for the entire event to be fixed.

Inside information holds immense value in sports as it enables individuals who have it to profit from betting using the information. Inside information can be described as any information not available in the public domain that could be used for betting purposes. For instance, a Premier League team physiotherapist may have knowledge that a star player will not be fit for an upcoming match, which is likely to lead to a substantial shift in the odds. Similarly, an assistant racehorse trainer may be aware of a horse's interrupted preparation in the lead-up to a race, providing advantageous information for betting purposes.

Racing and other sports regulators bear the responsibility of developing robust infrastructures designed to proactively prevent and detect malpractice, including betting corruption and the misuse of inside information within their sports.

The identification and analysis of irregular or suspicious betting activity is fundamental to the detection and combating of manipulated racing or sports events, as well as addressing corruption and the misuse of inside information for betting purposes. Knowledge of irregular betting patterns can help uncover incidents within a race or match that might have otherwise gone unnoticed. It provides the red flag, signalling the presence of unusual activity that warrants further scrutiny and investigation.

The intelligence gathered from in-house bet monitoring and from building information sharing-relationships with key stakeholders helps regulators take action to create a strong deterrent to those who are considering manipulating an event.

### **What is meant by Bet Monitoring and Betting Analysis?**

Betting analysis encompasses several key components:

- **Bet monitoring:** This involves monitoring both legal and illegal betting markets for any irregular or suspicious betting activity that may have an impact on the integrity of a race or a match. This can include significant changes in odds or irregularly high betting volumes. This analysis can be performed through manual monitoring or automated systems, through the analysis of betting records obtained from betting operators.
- **Transactional analysis in bet monitoring:** This entails examining individual betting transactions for any unusual or suspicious patterns.
- **Integration of intelligence:** A crucial aspect of betting analysis is connecting different pieces of betting-related intelligence to form a comprehensive assessment of what has transpired. This includes linking the gathered information with other intelligence held by the sport.
- **Adaptation to new threats:** It is essential for regulators to innovate, update and adapt betting analytical processes to incorporate new threats emerging in betting markets. New technology can make it a relatively simple process for skilled analysts to incorporate new markets and data sets into existing analysis.



# RISK ASSESSMENT

---

Conducting an in-depth risk assessment is a very useful practice for any regulator, regardless of available resources. Failing to understand the betting integrity threat puts the reputation of the sport at risk and neglects the essential task of safeguarding the sport's events, participants and stakeholders.

Risk assessments of the betting operators and bet types enables regulators to gain insight and prioritise core betting integrity threats. It is worth noting that the significance of individual betting operators within the market can vary considerably across different sports and racing jurisdictions. Additionally, the nature of threats may differ, making it necessary to tailor the approach to each specific sport. While betting markets are increasingly global, the mass public betting markets for racing can remain unique and localised to their own jurisdictions.

When conducting a risk assessment, integrity teams can take into account the following factors:

- **Betting operators involved:** The market should be researched to identify the key operators who offer betting on their specific racing or sport. This includes determining the operators with the highest turnover, market share and willingness to stand large liabilities.
- **Legal and illegal operators:** Differentiation should be made between legal and illegal operators within the betting market. A clear understanding of both types is essential for assessing potential integrity risks, and how relevant integrity information can be obtained. Building relationships with legal operators is explored in Chapter Five.
- **Focus on high-risk operators:** Particular attention should be paid to operators that pose the greatest integrity threat. This may involve considering factors such as the markets they offer, their market influence and the location of their licence (if they have one).

In the risk assessment process, it is important to identify the specific markets being offered, as they can indicate different levels of integrity risk. Some considerations for horse racing include:

- **"Lay to lose" betting on betting exchanges:** This type of betting carries a higher integrity risk compared with "back to win" betting. Monitoring and analysing lay betting activity is crucial if there are high levels of turnover bet on a betting exchange.

- Match betting: This market involves prices on just two specific horses in a race and excludes the finishing position of other horses. It poses a high integrity risk and should be closely monitored.
- Fixed odds betting on an event not to happen: This market, such as betting on a horse not to win, carries a high integrity risk. Knowledge of such markets and which operators offer them is important.
- Spread betting markets: These markets, where a sell trade on underperformance can generate profits from horses not winning or being placed, present a high integrity risk from deliberate underperformance and require close scrutiny.
- Regular betting products: Traditional betting products like Win, Place, Forecast and Quinella, should also be considered. While they may carry a lower inherent risk, monitoring them is still important due to large amounts of betting turnover they attract.
- Other factors: Intelligence should be sought about the size of any localised illegal market, betting commission agents and potentially small-scale 'white label' operations betting without a licence.

By identifying and assessing various market types, integrity teams can prioritise their monitoring efforts most effectively. Such focused and targeted measures will help identify suspicious betting by directing attention on monitoring higher-risk markets.

# A MODERN APPROACH TO BET MONITORING

---

Racing stewards and sports integrity teams should be vigilant about suspicious betting on race or match days. This awareness will enable them to take proactive measures before, or even during, an event to ensure that it remains free from manipulation and betting corruption.

The purpose of the bet monitoring process is to detect, flag, and appropriately address suspicious betting activities. This involves capturing relevant betting data, processing and assessing it, and taking necessary actions. In the context of horseracing, real-time assessment of betting information allows for prompt communication to the racing stewards, alerting them to any suspicious betting patterns. This enables the racing stewards to take proactive measures on race day. These actions may involve disruption tactics, such as speaking to jockeys or trainers, or conducting further investigations to ensure the integrity of the race.

The advancement of new technology presents significant opportunities for enhancing betting analysis processes. By leveraging these technological advancements, regulators can gain a better understanding of the betting market and effectively flag suspicious betting activity. One key advantage brought by cloud computing is the ability to process and analyse larger volumes of data, linking it to relevant sports information such as jockey or player data, as well as results information. This integration of data sets allows for a more comprehensive assessment of betting patterns and potential integrity concerns.

Integrity teams that have modernised their bet monitoring processes aim to strike an effective balance between automated monitoring of bets and manual assessment by betting analysts. Finding this balance brings several benefits. Increased automation allows for monitoring a larger number of markets, processing more data, and achieving greater market coverage.

Moreover, this automated approach is often less resource-intensive in terms of human involvement. By leveraging technology and automation, integrity teams can efficiently analyse vast amounts of betting data, freeing up betting analysts. However, it is important to note that while automation offers numerous advantages, the expertise of betting analysts remains crucial. Manual assessment by these analysts adds a valuable layer of human insight and contextual understanding to individual betting incidents and emerging trends.

By striking the right balance between automated monitoring and manual assessment, integrity teams can harness the benefits of increased automation while leveraging the expertise of betting analysts, ultimately enhancing their ability to detect and address suspicious betting activity effectively.

To effectively handle and act upon suspicious betting, the following fundamental steps in bet monitoring can be employed:

1. **Access:** Obtain large quantities of available betting data, such as through application programming interfaces (APIs), to ensure comprehensive coverage. An API allows for computer programs to communicate with each other.
2. **Processing:** Automate the processing of the data to extract meaningful information and patterns that are relevant to the monitoring model.
3. **Alerts:** Set up automated alert systems that can promptly flag individual incidents or emerging trends in real time, drawing attention to potential integrity concerns.
4. **Manual Assessment:** Make good use of betting analysts, who play a crucial role in providing valuable insights by manually assessing the alerts and visuals, and updating the processes.
5. **Action:** Take appropriate actions once the information has been assessed, such as implementing disruption measures, launching investigations, or further developing the gathered intelligence.

The first step involves accessing large quantities of betting data, which form the foundation for building a monitoring model. Betting analysts require access to information sourced from all different types of operators - legal, grey, and illegal. There are multiple ways to obtain betting data, including connecting directly to a betting operator's API or utilising a third-party API from a data-sourcing company. Well-regulated betting operators are unlikely to charge a sports regulator for connecting to an API, while purchasing a data feed from a specialised company involves a fee. Once the integrity team has conducted a risk assessment of the betting market, it can determine the specific data required.

Capturing substantial volumes of relevant betting data enables the integrity analyst to automate the data processing stage. The data is fed into an in-house developed model, which identifies potential irregularities or suspicious patterns. This flagged information is subsequently reviewed manually by betting analysts. Their role is to assess whether the betting activity can be explained without any concern, or if it exhibits irregular or suspicious characteristics, or if it necessitates further investigation.

Developing alerts in the model can begin by focusing on outliers and then working backwards. Betting analysts require alerts to notify them when unusual events occur, such as a significant lay offer made at an atypical time relative to the bet size or a substantial odds change that occurs only 1% of the time.

While the idea of model development and data processing may seem daunting, cloud computing has made it feasible to handle and store vast amounts of data at a relatively low cost. Additionally, user-friendly programming languages enable analysts to build and deploy models without extensive technical expertise. These advancements in technology facilitate the efficient processing of millions of data points, empowering analysts to monitor and identify suspicious betting activity most effectively.

Recent technological advances such as conversational artificial intelligence (AI) can also support these processes when asking questions of the data. For example a chat box could be applied to a monitoring model which can provide information to such questions as “identify all runners ridden by jockey A which drifted in the market and were slow to leave the starting stalls in the past six months”. Machine Learning (ML) also provides opportunities for identifying irregular patterns as part of betting integrity monitoring, especially when large data sets are available.

The use of transactional monitoring which is available in some jurisdictions to examine customer-level transactions of licensed and regulated betting operators, is highly effective. Transaction-level monitoring provides regulators with access to detailed transactional data (including time-stamped individual betting transactions) prior to a race, enabling enhanced analytical capabilities across the regulated betting market. The incorporation of such informative data sets, coupled with advanced technology like a user-friendly AI chat box for queries, provides opportunities to greatly enhance the effectiveness and efficiency of betting monitoring, particularly when monitoring live in-play events.

# BETTING INTELLIGENCE, PARTNERSHIPS AND INVESTIGATIONS

---

Sports regulators are in a unique position to build valuable betting intelligence. As the regulators of the sport they can obtain betting integrity information directly from licensed and regulated betting operators, as well as gambling regulators. This information is exceptionally valuable in building the betting intelligence picture as it includes customer information and transactional level bet details. To obtain this information and data from other sources, regulators can consider collaborating with the following key organisations and individuals:

- Licensed and regulated betting operators: Establishing communication channels and co-operative agreements with licensed and regulated betting operators is highly beneficial. Arranging meetings, particularly with the head trader, can facilitate increased information sharing and cooperation. An example of an effective relationship would mean the operator contacting the regulator, as well as the regulator making frequent enquiries to the operator.
- Gambling regulators: Collaborating with gambling regulators provides access to industry-wide oversight and regulatory knowledge. They can offer valuable support and data regarding betting transactions.
- Regulator's point of contact: Identifying the appropriate point of contact within the integrity team is important for receiving the reporting of suspicious activities, even during weekends. Betting analysts within the authority are ideal candidates as they can process and assess information in real-time and alert relevant persons.
- Industry professionals, licensed persons, and stakeholders: Utilising their expertise and knowledge can contribute to identifying and understanding potential integrity risks.
- Industry integrity organisations and betting data companies: Collaborating with betting integrity organisations and betting data companies can build betting intelligence. These entities can assist in building an overall betting picture of an incident.
- Professional bettors: Building relationships with bettors who adopt computer pricing models can be a valuable source of information. Their opinions can be particularly valuable when assessing odds movements, and they may also have other integrity concerns they are willing to share. Their expertise and financial interest in corruption-free events make them often willing to share information on integrity matters.

- Social media: Monitoring social media platforms and specialised betting forums can provide valuable information on betting trends, rumours, or potential integrity breaches.
- Law enforcement: Identifying points of contact at relevant law enforcement organisations is valuable for collaboration and information sharing.

It is important to emphasise that establishing communication channels and points of contacts at key betting operators and regulators is an exceptionally cost-effective way for regulators with limited resources to receive intelligence on betting integrity threats to their sports.

# THE PLACEMENT OF BETTING ANALYSIS IN REGULATORY BODIES AND ITS ROLE IN SUPPORTING INVESTIGATIONS

---

Positioning the betting analysis function close to the intelligence team within a regulator encourages close collaboration between the teams which is very beneficial. The integration of betting information with non-betting intelligence, such as identifying high-risk participants or events, leveraging anti-doping information, and addressing concerns raised by participants or industry professionals, brings significant advantages.

Betting information can corroborate other intelligence held within the integrity team and vice versa. Also, non-betting intelligence can allow intelligence-led bet monitoring where a specific jockey, player or team that is subject of the intelligence is given additional scrutiny to identify whether the intelligence can be corroborated.

Automated bet monitoring without intelligence sources is not enough to capture those placing bets who are cheating by using anti-detection strategies. For example, those seeking to corrupt sports are likely to be aware that bets are monitored, and therefore will use strategies to avoid creating large ripples in the market that would trigger alerts. These anti-detection strategies include betting to smaller stakes, using large numbers of betting accounts, and betting with a wide range of betting operators at specific times. Betting account holders losing large amounts of money can also be recruited by persons to place corrupt bets through their accounts, as they are more likely to have higher bet limits (allowed to stake more money per bet) and will be less likely to raise suspicion.

Bet monitoring thus needs to go beyond low-hanging fruit and identify more than just the extremely suspicious betting cases which tend to be the majority of cases flagged through automated monitoring systems.

Betting analysts working alongside intelligence teams create the whole picture including bettor associations and networks, linked entities and other potential sources of information.

This is particularly important when identifying threats posed by the illegal market where individual betting transactions cannot be monitored and analysts do not receive suspicious betting reports from illegal operators.



When a sport has well-defined rules and regulations for betting and inside information, the presence of an investigative capability within a robust disciplinary framework enables the effective prosecution of betting-related cases.

The diagram below<sup>3</sup> illustrates how betting analysis can feed into an investigation process leading to a disciplinary hearing:



Figure 2. Role of Betting Analysis in Investigation Process

<sup>3</sup> ARF Council on Anti-Illegal Betting and Related Financial Crime, "Good Practices in Addressing Illegal Betting: A Handbook for Racing and Sports Organisations to Uphold Integrity", October 2020, <https://www.asianracing.org/aib/resources>.

# TECHNICAL EXPERTISE & VALUE FOR MONEY

---

Previously, there was a prevailing belief that bet monitoring demanded significant resources. With advancements in technology, the idea that significant resources are required for efficient bet monitoring is no longer applicable. Instead, the focus should be on hiring individuals who possess the necessary expertise and can significantly enhance the capabilities of the monitoring process, bringing real overall value to the sports regulator.

The following skill sets are essential for the successful implementation and continuous improvement of an effective bet monitoring operation:

- i) A comprehensive understanding of betting markets and betting integrity threats.
- ii) Proficiency in programming languages such as Python or R as well as statistics, such as a data scientist.

These skill sets enable the development and deployment of monitoring and analytical models.

Employing individuals possessing these skill sets offers several benefits:

Betting Integrity:

- Designing and implementing monitoring models and alerts that are tailored to specific sports or racing jurisdictions.
- Providing informed assessments and reports on betting activities.
- Enhancing communication and understanding of betting concerns and threats within the sport.
- Assisting in the investigation process by conducting interviews and preparing interview materials.
- Delivering expert reports during inquiries and disciplinary hearings.
- Collaborating with betting operators and regulators to gather and analyse relevant data.
- Integrating additional integrity-related data sets with betting analysis to identify trends, such as incorporating drug testing data with betting data.

And much more:

When regulators acquire the skill set of data modelling, it opens up opportunities to utilise those skills for the development and modelling of other integrity-related data sets, such as identification of stand-out trends from participant performance metrics. In horse racing, this can involve automating statistics with alerts on factors like horses and jockeys slow to leave the starting stalls, as well as conducting non-related statistical analysis, such as horse population modelling. The presence of this expertise within a regulatory body can greatly enhance the quality of the analysis undertaken and bring expert analysis to a sport, as well as adding the benefits of using new technology such as artificial intelligence and machine learning.

It is important to reiterate that some prominent sports regulators allocate an excessive amount of staff resources to employing investigators while severely neglecting investment in betting expertise. This sometimes-unbalanced approach is likely to overlook and neglect a substantial amount of valuable betting and performance intelligence that could otherwise be identified and acted upon through investing in expert betting analysts.

# SPORTS DATA COMPANIES

---

This section considers commercial sports betting monitoring organisations, often known as data companies, which are heavily relied upon by sports regulators who do not conduct in-house bet monitoring or analysis.

With its longstanding and deep-rooted association with bookmakers and betting, horse racing stands out as a sport well-equipped to address the challenges surrounding data in relation to betting. In fact, it can serve as a role model for other sports in terms of understanding and tackling integrity concerns that arise from sports data.

Regulators of horse racing and other sports should exercise control over their data and be mindful of their collaboration with data companies, taking into account their business nature and potential conflicts of interest. This includes being cautious of services provided by data companies that could facilitate betting through unlicensed operators. When entering into commercial agreements, it is crucial to establish clear guidelines for data management, as certain illegal and under-regulated betting operators depend on data suppliers to function. It should be noted that certain data companies have pursued a commercial approach focused on maximising profits by selling sports data to as many operators as possible.

The existence of conflicts between the commercial departments and integrity teams of sports regulators regarding the sale of data is widely recognised.

Horse racing and sports can control their data by introducing strict contractual conditions on data companies that require all third-party users of the data (from racing and other sports) to be licensed and well regulated.

Another term to be agreed with data companies is requiring these companies to sell data only to betting operators who agree to enter into a data-sharing agreement that supports the sports integrity-related inquiries and investigations.

As this report highlights, racing and sports regulators must develop the capability and capacity to understand both legal and illegal betting markets and not rely entirely upon the services of data companies to interpret how betting impacts integrity.

Data companies can have a significant role in providing bet monitoring services to sports regulators, particularly in sports with a wide array of betting markets, such as in-play micro markets, and to a lesser extent in racing. However, it is crucial for sports regulators to have the capability to interpret external commercial reporting. To achieve this, racing and other sports regulators need to have employees with a comprehensive understanding of betting markets and the ability to navigate the betting industry. This will enable the authority to collaborate effectively with the data companies. Ultimately, as described in this report, the goal for racing and other sports regulators should be to develop the capacity to conduct in-house bet monitoring and analysis, reducing their total dependence on contact from external data companies.

Data companies frequently conduct reviews and deliver information several days after an event has occurred, resulting in missed opportunities for timely actions on the day of the event. Moreover, they may adopt an overly cautious approach in sharing information with sports regulators, often reporting only highly suspicious situations. Consequently, it is vital for sports that rely on external monitoring services to work assertively with data companies and challenge them to provide prompt feedback and support, especially at an information-gathering stage when seeking to corroborate intelligence held by the sport.

# SUMMARY

---

Betting corruption has posed a longstanding threat to the integrity of the racing industry. To combat this threat, racing regulators have established modern and well-structured integrity teams, equipped with the necessary capabilities to investigate and prosecute cases related to betting integrity. However, corrupt actors are constantly seeking new ways to get one step ahead of detection. It is therefore crucial for racing and sports integrity teams to continue innovating and enhancing their intelligence to gain a comprehensive understanding of the evolving betting integrity threats to their sporting events.

Developing in-house betting expertise and employing advanced models for analysing betting data will substantially bolster the regulators' capabilities in addressing betting corruption and the improper use of inside information for betting purposes.

A summary of the benefits include:

## Building Betting Intelligence

- **Increasing Betting Intelligence:** Betting data modelling by analysts to identify suspicious trends can develop comprehensive betting intelligence within the sport and gain a deep understanding of the threats.
- **Streamlined Communication:** In-house betting expertise allows for direct information-sharing with betting operators and gambling regulators. This shortens the lines of communication, facilitating the reporting of suspicious betting and making inquiries to operators.
- **Efficient Resource Deployment:** With a clear understanding of the threats, investigative resources can be deployed where the integrity risk is highest.
- **Integration of Information:** Betting information can corroborate other intelligence held within the integrity team and vice versa. The integration of betting information with non-betting intelligence strengthens the regulator's capability to manage threats.
- **Intelligence-Led Monitoring:** The ability to focus on specific races, matches or participants subject to existing integrity concerns allows for intelligence-led monitoring.
- **Enhanced Understanding of Betting Markets:** The utilisation of in-house betting expertise and comprehensive data analysis enhances the regulator's overall understanding of betting markets.

#### Allowing for direct action taken on race / match day:

- Real-time bet monitoring facilitates the timely intervention and potential disruption of planned event manipulation. The combination of real-time data processing and in-house expert assessment enables prompt reporting of suspicious activity to racing stewards and match officials, ensuring swift action can be taken on the day of the race or match. This proactive approach helps to safeguard the integrity of the event and mitigate the impact of potential manipulations.

#### Facilitating Investigation & Disciplinary Hearings:

The bet monitoring and betting analysis processes provide:

- **New Investigations:** The monitoring and analysis of bets are likely to uncover suspicious activities, which can initiate new investigations into potential integrity breaches within the sport or event.
- **Investigation Support:** The findings from bet monitoring and analysis can provide valuable support to the investigation process. This includes preparing for interviews with relevant individuals involved in the suspicious betting activities.
- **Presentation of Betting Evidence:** The betting evidence gathered can be presented and utilised during disciplinary hearings.

#### Adding value through technology and expertise:

Advancements in technology have made it cost-effective to deploy and run analytical models, enabling regulators to coordinate bet monitoring and large-scale data processing in-house. This integration of in-house betting analysis significantly enhances the regulator's overall analytical capabilities, leading to improved integrity management.

By investing in expert analysts and leveraging in-house betting expertise, regulators can unlock valuable insights related to betting and performance intelligence. Neglecting such expertise would mean missing opportunities to identify and address integrity risks effectively. While a thorough understanding and experience of betting and betting integrity threats is a necessity, a data scientist well-versed in new technology can play a pivotal role in enhancing betting integrity processes and leveraging sports analytics, including the application of machine learning and artificial intelligence.

Regulators that solely rely on outsourcing and alerts will likely deprive themselves of crucial intelligence and a comprehensive understanding of key threats. Ultimately, this approach risks damaging the sport's reputation and eroding confidence in the regulator's capabilities. In contrast, the intelligence gathered from in-house betting analysis allows regulators to take proactive steps, establishing a strong deterrent against betting corruption. By acting upon betting intelligence, regulators create an environment where individuals tempted by such corruption are deterred by the fear of being caught, contributing to fair and clean sporting events.



# ABOUT THE IFHA COUNCIL ON ANTI-ILLEGAL BETTING AND RELATED CRIME

---

The IFHA Council on Anti-Illegal Betting and Related Crime is a think tank comprised of members from organisations engaged in horse racing and sports integrity, law enforcement, the United Nations Office on Drugs and Crime (UNODC), and academia. In October 2024 it succeeded the ARF Council on Anti-Illegal Betting and Related Financial Crime, which was established in 2017, thereby extending the focus worldwide through the global leader for the international sport of thoroughbred racing.

The purpose, objectives, and impact of the original ARF Council have become global, and as such have outgrown the original regional role. With a global impact and a global set of stakeholders, and by addressing global issues affecting racing and other sports relating to illegal betting and financial crime, the Council has moved under the auspices of the IFHA to become a global organisation.

The purpose of the IFHA Council is to foster and enhance international cooperation among horse racing operators, regulators, intergovernmental organisations, government agencies and NGOs in order to better combat the threat of illegal betting and other crime risks to the integrity of the sport of horse racing in particular, as well as sport in general.

