

# INTEGRITY BET MONITORING & BETTING ANALYSIS

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One Club One Team One Vision



香港賽馬會

The Hong Kong Jockey Club

同心 同步 同進 RIDING HIGH TOGETHER

# The Betting Integrity Problem

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- 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 predetermined to ensure bets placed on the event become profitable.
- Racing and sports face a real threat from betting corruption.
- Particularly severe on the illegal market

# The Betting Integrity Problem

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Quick search on Google will identify a number of high-profile betting related charges made in recent years against jockeys.

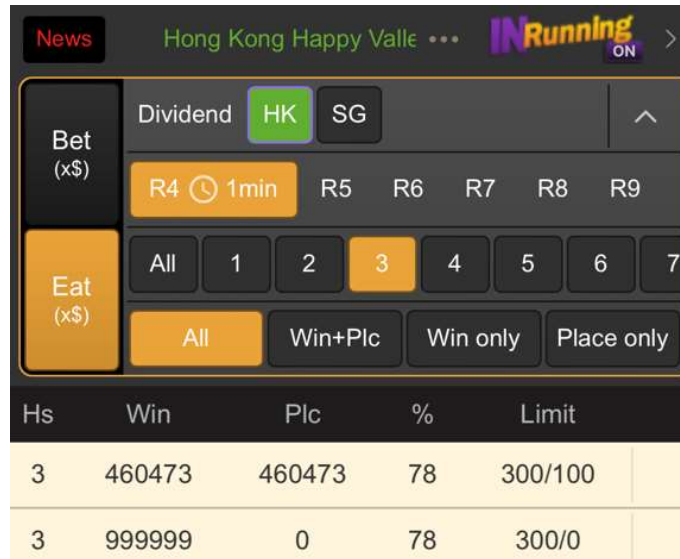
- About 50% of the cases involve jockeys riding in the races or charged for manipulating the event, i.e. willing to stop horses from winning.
- Manipulation of the race or inside information passed for betting purposes.

# Lay Betting and Betting Exchanges

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- Lay betting on exchanges & profiting off negative information
- Threat is increased when carried out through illegal or under-regulated operators.
- Betting audit trail is usually non-existent, less transparent compared to well-regulated markets.
- If a jockey were to establish a corrupt relationship with a gambler and conspire to prevent a horse from winning, lay bets could be placed with an illegal market operator, knowing that these bets would not be reported to the regulator by that operator.

# Threat of Illegal Betting Exchanges



- Lay offer has a potential liability larger than USD 600,000
- Common size on HK racing
- Not just exchanges - corruption can take place on all forms of betting.

# Racing Authorities and Sports Regulators

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Racing authorities responsible for developing robust infrastructures designed to prevent and detect malpractice including:

- Betting corruption
- The misuse of inside information for betting purposes
- Breaches of the rules of racing
- Conducted through effective betting integrity processes

# What is Bet Monitoring?

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The purpose is to support the integrity of racing by

- detecting, flagging & addressing suspicious betting activities.

This involves

- capturing relevant betting data, processing and assessing it, and taking necessary actions.

In horseracing,

- real-time assessment of betting information allows for prompt communication to the Racing Stewards, alerting them to any suspicious betting patterns.

# What is Bet Monitoring?

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- Monitoring both legal and illegal betting markets
- Can include significant changes in odds or irregularly high betting volumes.
- Can be performed through automated systems, manual monitoring, and through the analysis of betting records obtained from betting operators.
- Transactional analysis in bet monitoring: entails examining individual betting transactions for any unusual or suspicious patterns – including Tote betting.
- Integration of intelligence: 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.



# Totes, and Other Transactional Monitoring

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- Relationships with Totes are important
- Transactional monitoring is available in some jurisdictions to examine customer-level transactions of licensed and regulated betting operators
- Highly effective
- Provides Racing Authorities 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

# Benefit to Racing Authorities – Strengthening Integrity

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Bet Monitoring and betting analysis allows:

- the ability to develop comprehensive intelligence within the sport and gain a deep understanding of the threats
- gain the capacity to generate intelligence, establish networks and connections, investigate incidents of betting-related corruption, and can prosecute breaches of the sport's rules.

# Racing and Sports Which Do Not Have Betting Expertise

- Often rely on outsourcing and alerts
- Deprive themselves of intelligence and an understanding of key threats,
- Risking damage to the sport's reputation and confidence in the regulator's capabilities.

# The Integrity of Racing – If Confidence in the Sport Is Lost

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- Impact of confidence being lost. Question the competence of regulator.
- Horse racing and betting have a unique relationship with betting often making significant contribution to the funding of the sport such as prize money
- If people bet on an event and do feel they have had a fair run for their money then they may choose to spend their money somewhere else next time
- Confidence in the races is essential

# Modern Day Bet Monitoring

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Technological advancements have significantly reduced administrative and IT costs, making it more accessible for Racing Authorities and Sports to develop in-house bet monitoring models.

- An effective balance between automated monitoring of bets and manual assessment
- Increased automation allows for monitoring a larger number of markets, processing more data, and achieving greater market coverage.
- By striking the right balance between automated monitoring and manual assessment, allows for benefits of increased automation while leveraging the expertise of betting analysts
- Enhancing their ability to detect and address suspicious betting activity effectively.

# Modern Day Bet Monitoring

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

1. Access
  2. Processing
  3. Alerts
  4. Manual Assessment
  5. Action
- Need to go beyond low-hanging fruit and identify more than just the extremely suspicious betting cases
  - Betting analysts working alongside intelligence teams create the whole picture including bettor associations and networks, linked entities and maximize other potential sources of information.

# Solution for Racing Authorities

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- Developing in-house betting expertise and employing advanced models for analysing betting data will bolster the regulators' capabilities.
- Protect Racing from betting corruption and the use of inside information for betting purposes.
- Building Betting Intelligence
  - Increasing Betting Intelligence:
    - Streamlined Communication: direct information sharing with betting operators and gambling regulators.
    - Efficient Resource Deployment.
    - Corroborate other intelligence held within the integrity team and vice versa.
    - Focus on specific races or participants subject to existing integrity concerns - intelligence-led monitoring.

# Solution for Racing Authorities - Strengthening Integrity

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- Allows for direct action taken on race / match day:
  - 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.
- Investigation & Disciplinary Hearings:
  - New Investigations
  - Investigation Support
  - Presentation of Betting Evidence
- 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.