

essa

SPORTS BETTING INTEGRITY

FACTSHEET

WHAT IS ESSA: ESSA was set up by some of the leading sports betting operators in 2005 to monitor betting markets and to alert the relevant regulatory bodies of any suspicious cases. It currently represents many of the world's largest regulated betting companies with an estimated 40 million customers betting with its members. All ESSA members must be licensed and regulated making their operations subject to the control and enforcement of public law bodies such as gambling authorities.

MONITORING SYSTEM: A central tenet of ESSA's role is to protect the integrity of sport from betting-related match-fixing, notably by providing information to stakeholders regarding any suspicious betting activity taking place on regulated betting markets. To achieve this, ESSA has developed a reporting system, which is shared by its members, to notify each other of any instances of irregular betting patterns.

HOW IT WORKS: ESSA employs an alert system which assists its members to determine, quickly and efficiently, if any fraudulent activity or manipulation is taking place on any given sports event covered by any one of its members. It is based on a two tier system:

- Tier 1 is the Internal Control System (ICS) of the members themselves as required under their respective gambling licences and applicable law. This legal requirement obliges ESSA members to maintain strict safeguards on "who bets on what" and to maintain a record of all customer transactions producing a digital finger print and audit trail. It is based on know your customers (KYC) and know your transactions (KYT) processes and assists in the detection of suspicious betting activities and cooperation with public law bodies.
- Tier 2 is the ESSA alert system, which primarily works on the input provided by its members, notably alerts created by members concerning suspicious transactions detected by their own internal control systems.

Where details emerge that there may be potentially fraudulent activity taking place, e.g. because several members have confirmed an irregular pattern, ESSA will:

- i) the report that under the applicable information sharing agreement to the relevant sports governing body; and
- ii) encourage the member(s) concerned to make a report to the national regulatory authorities.

To this end ESSA has signed information sharing agreements major sports governing bodies such as the IOC and the Tennis Integrity Unit, as well as a number of national gambling regulatory authorities.

REMOVING BETTING MARKETS: ESSA's members must also ensure that they safeguard their customers and businesses from the threat of match-fixing. When irregular betting is identified, they may suspend or even remove that betting market. ESSA members will seek to restore a market as soon as it is safe to do so. Only in extreme cases will a betting market be taken down permanently.

IS IT EFFECTIVE: ESSA works closely with its members and other key stakeholders to exchange information related to potential match-fixing and to identify and punish those responsible. It has provided important data leading to sanctions against match-fixers. This has deterred corrupters from regulated markets. Fixers are known to be focusing on unregulated markets, which allow bets to be placed anonymously and without limits. Whereas, ESSA members and other regulated bookmakers restrict stakes and disclose client details to regulatory and law enforcement bodies.