



Prohibiting college sports betting is the wrong solution

Dr Laila Mintas, Bet.Works chair, on why prohibiting betting on college sports is driving bettors back to offshore bookies and what can be done to remedy the issue



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With 18 US states that have legalized sports betting so far, the market is developing quickly and transitioning quickly from a prior highly unregulated into a regulated sports betting market. States that are about to legalize sports betting must implement laws and regulations to make sure that the end-consumer, but also sports and athletes, are protected and legitimate bookmakers can operate reasonably.

One question that's often posed is whether betting on college games should be allowed or prohibited. Sometimes the argument is made that if people can bet on college games, this

would lead to an increased risk of match manipulations. Having worked in the sports betting integrity space for many years, I highly doubt that.

The sports world has seen many match fixing scandals. On a global level, almost every sport has been affected and no sport is immune against this threat. Organized crime syndicates approach athletes, for example, to lose games intentionally or to win just by a smaller points spread.



Athletes are perhaps offered a few thousand dollars in cash in order to fix the course or the outcome of the game. If they agree, the fixers then go ahead and place bets on those manipulated games and make significant winnings by financially damaging bookmakers. This intolerable attack on sports integrity harms the credibility of competitions and damages the reputation of the entire industry.

Is prohibiting sports betting on college games an alternative to tackling that problem and protecting young and naïve athletes? The short answer is 'no'. First of all, such prohibition would not be enforceable. If sports betting on college games were to be prohibited within the US, sports fans that wanted to place bets on those games and don't have a legal alternative to do so, will most likely continue to place their bets with offshore bookmakers as they did for decades before PASPA was repealed.

The black market

Approximately \$200bn was spent at that time by US citizens in the opaque **black markets**. With around a third of the US population having access to legal betting today, this amount might be lower now but offshore betting has definitely not been eradicated yet.

Furthermore, prohibiting sports betting on college games would just sweep the risk for athletes of being approached by criminals under the carpet instead of proactively dealing with that potential risk. Even if sports betting on college sports were not to be allowed in the US at all, bookmakers outside the US would still offer US games.

Tournaments such as March Madness create huge betting volumes and are offered in the offshore markets. The risk that criminals would try to influence those games would not get minimized at all. The opposite is the case. Generally speaking, match fixers prefer to bet on fixed games in less regulated, murky markets where no effective regulatory authority exists than in a transparently regulated market.

The often-heard myth that legal sports betting increases the likelihood of match fixing is therefore simply false. **Match-fixing** cases just get more visible in a regulated environment as proper mechanisms are in place.

As more US states legalize sports betting within their territories, many of them will likely look into existing legal markets to learn from the experiences had so far. One outstanding example for those key learnings is certainly New Jersey, which serves as a role model for good governance and common-sense in regulation.

However, the state law prohibits betting on "any collegiate sport or athletic event that takes place in New Jersey or a sport or athletic event in which any New Jersey college team participates regardless of where the event takes place."

While this prohibition is issued with good intention, it doesn't prevent match-fixing as those events will be offered offshore. Criminals might be approaching the athletes and placing bets on manipulated games offshore without any visibility to US regulators. Sports fans are forced to bet in those offshore markets as no legal alternative is offered and where no customer protection is in place.



The best weapon in the fight against match-fixing will be the education of the athletes about the potential risk of being approached by criminals and how they have to react in order to protect themselves. This will fall into the responsibility of the leagues and sports organizations.

There is a lot they can do, such as implementing a robust disciplinary framework including, for example, reporting obligations for athletes, establishing monitoring systems and creating a close cooperation with regulators and organizations such as SWIMA to exchange data and information.

The exchange of information and betting data would preferably happen within the different US states but also on a global level as certain manipulation patterns can only be identified if the shareholders have the entire picture and wagers on manipulated games often get split across a number of different bookmakers.

However, the action of fixing sporting events related to betting should also be an act defined by criminal law. As a reaction to many match-fixing scandals in Europe, many European states have implemented match-fixing as a separate criminal offense instead of trying to subsume it under existing laws.

There is a lot that needs to and can be done to protect college sports. Excluding college sports from legal betting is certainly no solution as it drives the betting volume into the offshore markets where no transparency exists, and no consumer protection or responsible gambling policies are in place. Since the repeal of PASPA, all major US leagues have embraced sports betting. The NFL was the last one that just decided recently to license its data to a data company to be used for sports betting. It needs to be seen what the National Collegiate Athletic Association's policy will be moving forward.



Dr Laila Mintas is the chairwoman of the advisory board for Bet.Works. She also acts as an advisor and consultant for the sports and betting industries and was previously deputy president of Sportradar US.

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