

The Battle for the Soul of Sport

Testimony of Dr Declan Hill

Author of 'The Fix: Soccer and Organized Crime'

Ladies and Gentlemen, there has always been fixing and corruption in sport. You can go to the site of the ancient Olympics, built in 776 B.C. Outside that stadium were a whole collection of statues and shrines to the Gods. They were built with the fines levied on athletes and coaches who were caught cheating or fixing at the games. So corruption has had a long history in sport, back at least two-thousand eight-hundred years and that type of corruption will be with us for as long we continue to hold competitive sports. It is simply a part of human nature.

However, we of this generation - are facing something almost entirely new. It is a new form of match-fixing as if someone has taken fixing and injected it with steroids. It is an utterly modern phenomenon and it will destroy sport as we know them. People speak about other issues in sports - youth in sports, disabilities, fair access, etc - but this new form of corruption will, like a Tsunami, sweep aside all these other issues in sports and leave our sports dead and destroyed.

Those are big words and even bigger claims, and many of you may be reading this thinking, '*Who is this man and how can he make such wild allegations?*' It is all sounds so extraordinary to an Australian, so I am going to spend the rest of this testimony morning going through the *facts* which lead me to make those claims. Many of these facts may be unknown to you, they will seem absolutely unbelievable to Australian ears, but I want to assure you that they are all absolutely true and that we are facing a very, very serious threat to all forms of Australian sports today.

I am an investigative journalist and my work has had the good fortune to win a number of national and international awards. The research for the book was done over five years and featured interviews with over two-hundred and twenty people inside the sports world – players, referees, coaches, sports officials, policemen, prosecutors, bookmakers, professional gamblers and, most importantly, the fixers themselves. I spoke with match-fixers around the world about their means and methods. A group of Asian fixers brought me into meetings between them and coaches and players when they helped fix matches at the World Cup in Germany in 2006. During these meetings I wore a secret recording devices. However, it was not only this type of research that is the basis for my findings. It is only based on my doctoral thesis at the University of Oxford. To gain my degree I compiled and then analysed a whole range of statistical databases on fixed matches vs. non-fixed matches and players who were approached to fix games who either accepted or did not accept. So I speak this morning, partly as an investigator, partly as an academic.

If we take the entire sports gambling world at 100%, most of the forms that we are familiar with are relatively small. Las Vegas, for example, only has a small share of the total market, so let us add in the illegal sports gambling market of North America. This market is run by the LCN, or La Cosa Nostra, American organized crime. Let us add in the offshore gambling sites in Costa Rica and the Caribbean. Actually, let us also add in the big British gambling companies like Ladbrokes, William Hill and Betfair. We will even throw in the European sports national lotteries, run mostly by governments, that are comparative midgets in terms of sports gambling, but the only way of legally gambling on sports in many European countries. Combine all of those vastly different organizations and all their billions of Euro that they make in gross turn-over. Combine all of them into large pot and you only have 30-40% of the total world sports gambling market.

The rest is the Asian market. It is huge. It dwarfs the European and North American markets. And most of it is illegal, run by the equivalent of Al Capone. This is a vast, powerful market. Because much of it is illegal it is difficult to give an accurate estimate of its total size, but the American journal *Foreign Policy* tried to do that in 2006 when it estimated the total size of the Asian gambling market at \$450 billion, for comparison, the size of the entire Asian pharmaceutical industry is roughly \$100 billion.

What has happened is that this vast, illegal gambling market has corrupted sport across the continent of Asia. I do not want to exaggerate. There are a few Asian sports leagues which are corruption-free. I think Japanese soccer is one, but it is an exception. The fixing in Japanese Sumo wrestling is so bad and so ritualized that it has even been featured in an academic article by the American economists Levitt and Duggan. The Taiwanese baseball league has had so many scandals linked to gambling match-fixing it has now been reduced to only four teams. Much of Asian sport is drenched in corruption. There is so much corruption in sport there, that to an outsider the stories just seem extraordinary, but here are a few examples:

The Chinese soccer league is a national disgrace. Those are the words of Chinese Premier Hu Jintao, who declared in the fall of 2009, that there was so much match-fixing and corruption in their soccer league that it embarrassed China. We see the same circumstances in the soccer leagues across the region: Vietnam, Hong Kong, Indonesia, Cambodia, Laos, Thailand, Malaysia and Singapore have all faced similar scandals in their own leagues. In Malaysia, the corruption was so bad that a cabinet minister there estimated that seventy percent of the matches in their leagues were corrupted. Seventy percent! That means it was more usual for spectators to watch a corrupted match than a regularly played game. When there was an attempt to clean-up their joint, and very, very corrupt, Singaporean-Malaysian soccer league, the two countries came close to a diplomatic rift. The Malaysians claimed that the league was so corrupt because of the gamblers in Singapore were fixing a lot of the games; the Singaporeans said that the league was so corrupt because the criminals in Malaysia were fixing a lot of the games. Neither could agree so the league was disbanded because of the corruption.

The list of corruption stories in Asian sports goes on and on. The President of the Indonesian Football Association, the same people who recently tried an unsuccessful bid for the 2022 World Cup, was not just accused of corruption, he was not just charged with corruption, he was not just tried for corruption, but he was convicted and sentenced to 30-months in jail for corruption. However, at no point in that entire process did he ever resign or suspend himself from his post. In fact, he even continued to serve as President of the Indonesian FA and carried out its work from his prison cell. When he got out of prison he went on as the head of the Indonesian FA.

Possibly the best case that indicates the depth of corruption in Asian sport is the story of the South-East Asia Games of 2005. The South-East Asian Games are a kind of mini-Olympics of the region, with competitions in a range of athletics, team sports, etc. In November 2005, a few days before the tournament began the Vietnamese sports executive in charge of the team held a press conference. At the conference, the Vietnamese journalists expressed concern that their team was not particularly strong and would not win a lot of medals. “*Don’t worry,*” said the sports executive, “*It is all fixed.*” He then explained how many medals each national team would get and for which sports. Most of the Vietnamese press corps showed that independence of spirit that makes Communist regimes bastions of freethinking and democracy and did not report the story. However, one lonely AFP reporter at the press conference did write an article. It went out over the international wires where the Filipino journalists, who as a whole suffer from many problems but timidity is not one of them, splashed it all over their front pages. The Thai Prime Minister of the time Thaksin Shinawatra wearily responded when asked about these events at a press conference, that everyone knew that the SEA games were corrupt and they should think about abolishing the games. The Vietnamese government faced with a barrage of public embarrassment carefully reviewed the situation and realized what the problem was – the AFP reporter. So they pressured her to rescind her article. She apologized for ‘*causing national embarrassment*’ but did not withdraw the substance of her story.

At the end of the SEA Games in December 2005, two things happened. One, many Filipino journalists took great delight in pointing out that the medal tally of the games correlated exactly with the predictions of the Vietnamese sports executive. And two, eight Vietnamese soccer players were arrested for fixing matches with an international gambling ring.

Asian sports fans are not stupid. They know what is going on. They are not happy about all the corruption in their sports, in fact they are very angry. So what are they doing? They turning their allegiances to teams in other leagues where they think the contests are not corrupt. This is part of the reason why you cannot walk down a street in China and not see three people wearing Manchester United shirts. However, far more importantly the punters in that vast illegal Asian gambling league are switching their bets from the local soccer leagues, with all the corruption in them, to other leagues around the world, including the Australian. They are betting on all measures of matches from the big, prestigious Champions League all the way down to tiny games in second division Women’s Soccer in the Netherlands.

There are a number of companies organizing monitors who go to matches across the world. They send people to the sidelines of these games where they stand with their mobile phones or laptops reporting back to the illegal gambling market in Shanghai or Johor Bahru or Manila. Again, they are not just reporting on the big English Premier League, or La Liga or Serie A games. In July 2008, in Copenhagen, Denmark there was the annual Tivoli Cup. The Tivoli Cup is a youth tournament for teams across Denmark aged 11 to 19. It is a big tournament, but most matches are played in parks and watched by a couple of dozen people, mostly parents and that year some of the coaches for the teams found four Chinese gambling monitors reporting on the games back to the gambling market. To repeat, the illegal gambling market in Asia is so powerful that it is worthwhile to monitor games of Danish teenagers playing matches in the park.

This is why I get phone calls every few weeks from journalists in a whole range of different countries – Belgium, Finland, Germany, Switzerland, South Korea, Canada - all asking, essentially the same question, *“These are such small games in our smallest leagues, we don’t care about these games, why should someone come thousands of miles around the world to fix them?”*

What are the Asian fixers doing? They too are not stupid and they are trying to do to other leagues what they so successfully did in their own leagues – corrupt them. Now the fixers are going to different parts of the world and forming alliances with local criminals. It is an ideal marriage. The Asian criminals get access to the teams and players; the local criminals get access to the lucrative Asian gambling market.

We know that they have been fixing games in a range of different countries – across the world. Recently, the German organized crime squad in Bochum, announced that they suspected over two-hundred matches, ranging from Champions League matches to youth games across Europe may have been fixed.

The range of countries that have had fixing scandals in sports in recent years is a long one. Here is an incomplete list: Turkey, Greece, Belgium, Switzerland, Germany, Austria, Croatia, Slovakia, Czech Republic, Poland (where one cabinet minister, like his Malaysian counterpart, estimated that over 70% of the domestic football games had been fixed), Russia, Rumania, Bulgaria, Macedonia, Cyprus, Malta, Italy, Bosnia, Finland, Portugal, Spain, China, Malaysia, Singapore, Zimbabwe, Thailand, Vietnam, Indonesia, Ghana, Kenya, Argentina, Chile. I could go on, but I won’t. I am not here to single out one group or country and say they are worse than others. However, I do write this as a man who has risked his life to protect a sport that he loves. Five years ago when I spoke about these dangers many people do not believe me, *“It is not possible,”* they said, *“that so much corruption could come into our sports.”* Now many of those same people have passed from disbelief to resignation without going through combat. They say things like, *“It is not possible to do anything about all this corruption, and besides it is not the big teams or the big players.”* This is the attitude of the deliberately blind. It also avoids the question - What happens in five years? Star players do not emerge fully-grown from the ground. Many players on big teams in the big leagues come from the very teams and

leagues that have now been shown to be corrupt. So they are wrong. They were wrong to deny the problem five years ago. They are wrong to refuse to fight now to protect their sports and they are wrong to say, *'there is nothing we can do'*.

There is much that we can do. We can establish integrity units in each national sport association across Australia. We can help establish an International Anti-corruption Agency, funded in part by the gambling industry but separate from them, which can collect information and help launch investigations. An Anti-corruption Agency that would have the same purpose and structure as the World Anti-doping Agency. We can establish proper training and teaching of young players – as they come into the game they can learn the sad truth that if they sell games to these fixers, they become in effect their slaves. We can establish proper pensions and educational benefits for the players and referees. We can establish anti-corruption hotlines for players and referees to report corrupt approaches. There are literally dozens of easy, doable and effective ways of stopping the wide-scale corruption

It is, then, possible to protect Australian sport. It is actually very easy to protect Australian sport. It has become the vessel for many of our hopes and dreams in our societies, so we should clean up sport. There are many, many things that we can do to protect sport, so we can clean up sport. And for the sake of our young people and all those come after us, we must clean up sport.

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