

Regulated Sports Betting Protects Game Integrity



TRANSPARENCY + MONITORING + DETECTION = FAIR PLAY

Sports betting's success requires absolute confidence in the integrity of competition. Fans will only bet on sports if they trust the games are fair. That's why licensed operators have a vital interest in protecting the integrity of sports.

When reports surface that players or coaches are participating in sports betting against league rules or illegally, media frequently blames such activity on the spread of legal sports wagering. But these investigations – and the headlines they generate – are made possible *because* sports betting is legal, transparent and regulated. Early detection and high-profile reporting of suspicious activity is a sign that the guardrails of the legal marketplace are playing their intended role.

ROBUST REGULATION: THE FIRST LINE OF DEFENSE AGAINST ILLEGAL ACTIVITY

Rigorous state regulation requires legal sportsbooks to collect and share betting data with regulators, sports leagues and sports integrity monitors. Transparency is further promoted through federal oversight that requires sportsbooks to comply with stringent anti-money laundering law.

- Know-Your-Customer measures, which are triggered when customers open accounts, place bets above certain thresholds, or exhibit suspicious betting behavior, require that customers share a form of official identification. Operators may also require a customer's full or partial Social Security number, address, occupation, employer, bank account information and more.
- Additional federal anti-money laundering laws requiring suspicious betting activity be reported to the U.S. Treasury Department.

In the illegal market – dominated by offshore betting websites and organized crime – there is no regulatory oversight and no protections for game integrity. That's why suspicious betting with illegal operators can go undetected and unreported for years.

- NBA referee Tim Donaghy bet on games with illegal bookmakers – including games he refereed – for four seasons before the NBA was tipped off by the FBI.
- MLB star Shohei Ohtani's interpreter reportedly racked up \$40.7 million in illegal gambling losses over three years before the activity became public.

Legalizing sports betting has delivered the single greatest blow against the illegal market. **As legal sports betting has grown, the illegal market has shrunk dramatically – from \$150 billion pre-legalization to around \$64 billion today.**

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MONITORING: IDENTIFYING SUSPICIOUS BETTING

Legal sportsbook operators partner with sports leagues and independent game integrity monitors to identify suspicious betting behavior and flag it for regulators and law enforcement authorities. This joint effort includes specific actions to safeguard the fairness of games and protect the integrity of sports.

- **DEPLOYING SOPHISTICATED TECHNOLOGY:** Using data analytics, algorithms and AI, legal sportsbooks monitor billions of data points and millions of betting transactions worldwide, flagging unusual patterns that may indicate suspicious activity.
- **INVESTING IN TRAINING AND EDUCATION:** Legal operators equip sportsbook staff to recognize and report signs of suspicious betting behavior, while also partnering with leagues to ensure players, coaches, employees and officials are rigorously following each league's strict betting policies and restrictions to protect game integrity.
- **SHARING DATA AND INFORMATION:** Legal sportsbooks work with stakeholders across the sports betting ecosystem – including leagues, state regulators and third-party integrity monitors – to provide 360-degree transparency into betting patterns, line movements and other events that may signal illegal gambling.

DETECTION: ROOTING OUT AND BLOCKING THREATS TO GAME INTEGRITY

Since sports betting's legalization, operators, leagues, regulators and integrity monitors have leveraged these surveillance activities to quickly identify potential game-manipulating irregularities and to alert regulators and law enforcement to take action to protect game integrity.

- **IN MARCH 2024**, the NBA launched an investigation into Jontay Porter after DraftKings **alerted the league** to suspicious wagers made in connection with Porter's playing time and performance. DraftKings voided a large wager on Porter and the NBA banned Porter from the league for what Commission Adam Silver called the "cardinal sin" of betting on the league's games and sharing inside information.
- **IN 2023**, University of Alabama men's baseball coach Brad Bohannon allegedly passed along inside information about an upcoming game to a bettor who attempted to place a \$100,000 wager. BetMGM staff **immediately flagged** the activity as suspicious and integrity monitors raised concerns, alerting the state gaming commission and the Southeastern Conference (SEC). This led to Bohannon's firing and a halt on wagering on Alabama baseball games.
- **LEADING UP TO A 2022 UFC FIGHT**, sportsbooks **identified** unusual betting activity. The operators contacted an integrity monitoring firm, which analyzed the data and reported its findings to gaming regulators and other sportsbooks three hours before the fight, leading to an investigation into the bout.

THE BOTTOM LINE

Bringing sports betting out of the shadows and into a transparent, regulated marketplace deters attempts to undermine the integrity of games. That's what makes the regulated market's strong commitment to fair play so critical – as well as its ability to bring illegal activity to light.

Keeping sports betting legal, open and transparent – where betting patterns can be monitored and suspicious activity can be detected – is the best way to safeguard the integrity of the sports we all love.