

## **International fraud with match manipulation, results of a Hungarian investigation.**

2009 is a memorable year of the European football history.

In November 2009, news broke of the biggest match-fixing scandal in Europe. With the support of Union of European Football Associations, investigators working for the public prosecutor's office in the German city of Bochum identified 200 matches in 9 European countries where manipulation was conjectured have taken place.

What were the first suspicious data?

Football matches play all-over the world, the target of the fraud were those people who received money for the given football match result in Sports Betting Offices in favor of them.

The offenders were from different European and Asian countries.

They were the members of an international criminal organization and kept the matches under strict control.

The accusation of the Hungarian Football Federation was based on the results of the German investigation.

In Hungary the investigation started in December 2009, which was conducted by the Central Investigative Chief Prosecutor' Office.

### **The structure of the Hungarian criminal organization.**

The organization worked as a syndicate, the chief was in Asia, in Singapore.

Organizers, former or active first class football players were the direct partners of the syndicate leader.

The members were responsible for specific regions (Croatian, Slovene, Slovak, Hungarian, Bulgarian, Finnish, Asian, Africa region), has been carried out and their assistants were connected to them by the referee groups. All members of the syndicate had got their own „employees” for taking money. They dealt with cash only.

### **Manipulation methods and techniques**

The criminal organization for manipulating matches used different manipulation techniques.

The main method was the undue advantage or the promise of it for the players, coaches, referees and they took them into the manipulation.

The next one is the company for manipulation which has got own referees. They were sent to several pre-selected matches and made decisions in favour of the company.

The third one is the members of the criminal organization as managers tried to contract with famous football teams and convey football players who were willing to be manipulated.

During matches the method of communication between the manipulators and players or referees was so important, e.g. head-set or mobile phone.

The criminal organization was established, the betting offices were offered a list of football matches with certain outcome.

The match results were associated with the referees, players and coaches who had the willingness to

With the pre-arranged results of the rigged matches they expected a significant unlawful profit.

The head of the syndicate determined the football matches at the sports betting providers all around the world. After he chose the match he gave a direct instruction for the sports betting providers to pick up the matches where he could see the real possibility of the manipulating results.

They bet on the results of these matches at different, legal or illegal Betting Offices.

The Hungarian regional operators were responsible for organizing of the manipulation, such as the selection of referees or players who have cooperated with the manipulators.

They have consented to pay the travel and hotel costs required in the match venue to commit a crime, and they paid off the involved players and/or referees.

The regional leader was required to report to the head of the syndicate of the completed task.

The head of the syndicate then with the help of mostly Asian betting agents gambled for the rigged game with thousands of euros.

The criminal organization used the Asian bookmakers, because they could bet larger amount than in Europe.

On the other hand anonymity is ensured, because the bookmaker betting agents' data files have been added, so the identity of the head of the syndicate remained unknown.

The bet amount was higher when the results were more specific.

For example, when the goal was reached after the 75. minutes of the game.

The syndicate spent about 40.000-85.000 Euros on the manipulation of one match, included the players' and the referees' unlawful advantage and the amount of the sports betting.

The biggest betting amount was € 2 million in May 2011, in the 1st class league in Italy.

With one successful manipulation the criminal organization caused a loss of 400.000-600.000 Euros to the effected Betting Offices.

In case when the outcome turned as they had planned, then all members of the syndicate received an equal share from the profit.

If a bet has not been gainful they all made up for losses.

### **Joint Investigation Team (JIT)**

One and a half years after the initiation of the investigation, it became clear that against the betting scams only international collaboration can be successful.

The countries concerned should coordinate investigations to ensure the direct exchange of their information between the law enforcement agencies or prosecuting authorities.

Since 29 May 2000 the Member States of the European Union can cooperate based on Convention on mutual assistance in criminal matters between the Member States.

The Convention gives the opportunity to the authorities of the Member States for joint investigation and close cooperation.

In the middle of 2011, the Hungarian public prosecution service concluded a cooperation with Finland and Germany, later Austria and Slovenia joined. The JIT was set up because number of Member States are conducting investigations into criminal offences in which the circumstances of the case necessitate coordinated, concerted action in the Member States involved.

What was the purpose of the joint investigation team which included five Member States?

- the criminal network discovery,
- the identify the members of the criminal organization,
- collection of information and the exchange of information on the manipulated match,
- exploration of illegal acquisition of property.

The work of the joint investigation team was supported by Europol, especially with the secure communication tools.

The participants of JIT can investigate only on the territory of their own State, but at the same time they can execute the investigative acts, for example, may be raided, or issue of search warrant.

And so it was in this investigation.

The coordination was essential to Europol, the European Union's law enforcement agency, it helped with operational and strategic analyses of the joint investigation team, which worked effectively for a year.

The phone calls intercepted by the investigators provide an insight into fixers' strategies.

To rig a match, at least 3 players team should be bribed.

The Hungarian prosecutors knew the ID information of the head of syndicate from their Finnish colleagues .

The investigators had to justify that criminals committed organized crime.

According to the Hungarian Penal Code the criminal organization shall mean when a group of 3 or more persons collaborate to deliberately engage in an organized fashion in criminal acts, which are punishable with 5 years of imprisonment or more.

Against the Singaporean leader International and European arrest warrant has been issued, but could not capture yet.

Based on the Hungarian criminal procedural law in his absence, he had been charged against him.

The Court has right to make a decision in his absence too.

However, if later, the accused appeal against it, in this case the Court shall resume the proceedings again.

The investigation has been effective.

In 2013 the Hungarian Public Prosecution Office charged with fraud and bribery against 45 accused in 32 rigged match.

What is the essence of fraud relating to the Betting Offices?

When setting the odds the Betting Offices wrongly believed that the outcome of those games they bet on depends exclusively or especially on luck, and that the matches they offer the possibility to bet on are not manipulated.

The criminal organization however eliminated the luck factor and made substantial bets on the manipulated results, thereby damaging the Betting Office.

Based on the Hungarian regulations it makes no difference whether the Betting Office functioned legally or illegally, in both cases it can be the injured party of the fraud.

In Hungarian Penal Code bribery is one of the crimes against public justice.

In this case it was proved, that accused gave or promised to employees of economic operator to breach their duties.

Bribery is punishable by imprisonment for up to 3 years.

The Court sentenced imprisonment on probation, banned them from participation on the matches as players, referees, and confiscated their money.

Hungarian Penal Code makes obligatory applied the civil forfeiture.

It shall be subject to civil forfeiture any financial gain resulting or advantage from criminal activities or obtained by an offender in connection with crimes committed in affiliation with organized crime.

## **Conclusions based on Hungarian experiences**

The law enforcement authorities must proceed against gambling as strictly as possible.

The courts must set deterrent by the punishment they impose.

The property illegally gained must be confiscated with all possible measures.

The players must be prohibited to take part in any further official football activity with definitive effect.

Regular informant trainings should be organized for the young football players dealing with such cases.

Clear, specific and strictly sanctioned rules shall be adopted regarding to the procedure the players shall follow in case they are asked to participate in the manipulation of a football match.