



Nevada's Experience with Legal Sports Wagering

CWAG Meeting
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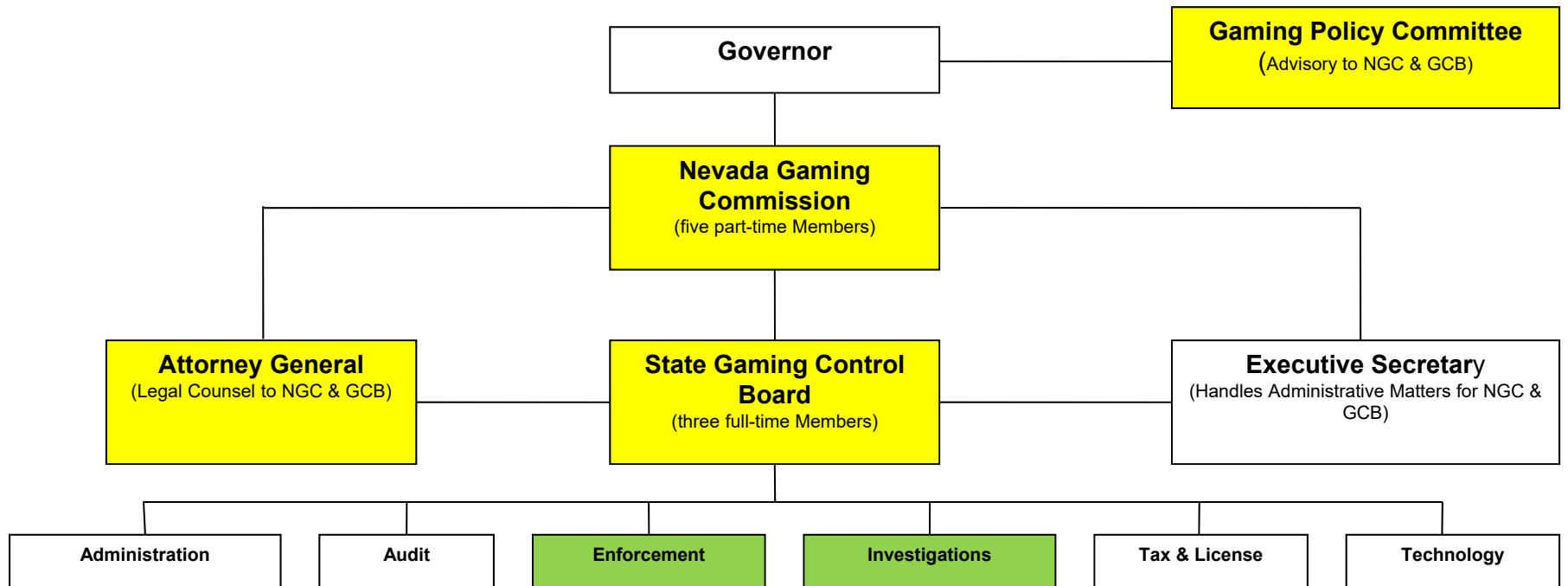
Outline

- Overview—Sports Betting in Nevada
 - Regulation
 - Law Enforcement
 - Sports Integrity Initiatives/Sports Bribery
- Challenges Ahead

Overview

- Closing in on \$5 billion a year in sports wagering handle
- Almost 200 sports betting locations in Nevada
- Constantly evolving: mobile wagering, account wagering, wagering on virtual events, entity wagering, wagering on Olympics and non-athletic events...

Regulation



NV Gaming Control Board Enforcement Division

- Staffing Level: Approx. 120 (90 Peace Officers/30 Admin)
- Enforcement Division's primary responsibilities: Regulation, Law Enforcement and Dispute Arbitration
- Enforcement's Sports Betting related duties:
 - Investigate regulatory/criminal matters
 - Arbitrate disputes
 - Review/approve sportsbook rules
 - Review "other event" betting requests
 - Various other administrative approvals (parlays, house rules, surveillance, etc.)
 - Intelligence gathering, analyzing and sharing
 - Conduct background investigations of gaming employees

Some Significant Sports Betting Related Developments

- Turf Clubs (1949)
- Sports Books (1975)
- Intrastate Account Wagering (2005)
- Communications Device Prohibition repealed (2008)
- Kiosk and Mobile Wagering
- In-game Wagering (2009)

Relatively Recent Changes

- Expansion of approved sports wagering
 - Reg 22.120 “other events” – Heisman, Super Bowl MVP, WSOP, Horse of the Year, Cy Young, etc.
 - Olympic Wagering – Prohibited in 2001 (as a non-collegiate amateur sporting event) and expressly permitted in 2015.
 - Virtual Event Wagering
- DFS Themed Parlay and Pari-mutuel Wagering
- Entity Wagering
- Global Risk Management
- Gaming Policy Committee
 - eSports (Athletic Event?)
 - DFS (create an exclusive categorization and approval process?)

Law Enforcement

- NRS 463.160 (licenses required-sports pool)
- NRS 465.086 (illegal bookmaking/facilitating/agents)
- NRS 465.092/093 (messenger betting related)

Sports Betting Related Criminal Activity

- GCB Agents are members of Federal Task forces
- Illegal Bookmaking Investigations (agency, assist/joint and TF)
 - Some activity Nevada based, but all usually connected with elements out-of-state or out-of-country
 - **International mob-connected ring linked to illegal World Cup betting at Caesars (July, 2014)**
 - Illegal Online Wagering
 - Agents of offshore books
- Know Your Customer (KYC) and Anti-money Laundering (AML) laws are critical for sports wagering integrity

Match-fixing

- GCB agents attend INTERPOL and other match-fixing training
- GCB investigates and assists other law enforcement agencies with sports integrity related investigations
- GCB has an MOU and meets with the IOC/Access to Integrity Betting Intelligence System (IBIS)
- Nevada licensed bookmakers file suspicious wagering reports, are an early warning system for betting and/or statistical irregularities and are a source for bettor and wagering information
- GCB works with sports governing bodies/league representatives on sports integrity matters
- GCB now regulates eSports wagering and is working with eSports wagering advocates to address mutual sports integrity concerns

Match-fixing

Report: Point-Shaving Inquiry at UNLV : College basketball: Newspaper says federal authorities examining relationship between players and convicted sports fixer Perry.

February 14, 1992 | DANNY ROBBINS and GENE WOJCIECHOWSKI | TIMES STAFF WRITERS



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LAS VEGAS — Federal authorities are investigating whether Nevada Las Vegas basketball players shaved points last season as a result of their dealings with convicted sports fixer Richard Perry, the Las Vegas Review-Journal reported Thursday.

The newspaper, quoting an unnamed federal law enforcement officer close to the case, said the inquiry covers the entire 1990-91 season, including UNLV's loss to Duke in the semifinals of the NCAA tournament at Indianapolis.

The Rebels, who entered the game undefeated and 9 1/2-point favorites in some betting lines, lost to the Blue Devils, 79-77. Several UNLV players had poor games or made mistakes at crucial times. Sports Illustrated reported that Tarkanian used a string of expletives after the game to describe the play of center George Ackles and star forward Augmon.

Match-fixing

Los Angeles Times

Arizona State Players Deny Point-Shaving

March 08, 1994 | From Associated Press



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Bill Frieder, Arizona State's basketball coach, said his players denied any involvement in point-shaving after the Nevada Gaming Control Board began an investigation of \$250,000 in bets by two young men on Saturday's Sun Devil-Washington game.

Arizona State had been favored to win its three previous games but had lost all three--by 68-56 at home to USC on Feb. 19, by 87-80 at Oregon on Feb. 24 and by 80-71 at home to Washington State Thursday. The Sun Devils had opened as 10-point favorites to beat Washington, but some sports books took the game off the board because of the heavy wagering on Washington. Arizona State missed its first 14 shots but won, 73-55, in Tempe.

"Some group of guys bet a lot of money on Washington, and we covered (the point spread)," Frieder said on Monday from Tempe, to which he returned after playing blackjack at the MGM Grand in Las Vegas on Sunday. "Do you think I'd be alive today if we had agreed to throw a game and then ran away with it?"

The Nevada Gaming Control Board was studying hours of surveillance tape of the two unidentified bettors. Cameras detected a third man, about 60, who stayed in the background and watched the other two place bets. The Phoenix Gazette quoted a Nevada gaming industry source who said bookies alerted the board early Saturday because the gamblers weren't regulars.

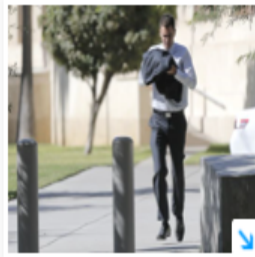
Jim Muldoon, assistant Pacific 10 Conference commissioner, said no investigation had begun but additional information is being sought.

Match-fixing

USA TODAY

October 21, 2016

Bookie in UTEP betting scandal pleads guilty



(Photo: MARK LAMBIE/EL PASO TIMES)

A former UTEP student pleaded guilty Friday to a charge stemming from an illegal bookmaking operation that took bets from three Miner men's basketball players, including an admission that he unsuccessfully attempted to recruit a player to fix a game.

Michael Karpus, 26, of [Tarzana, Calif.](#), pleaded guilty to one count of misprision of felony before U.S. Magistrate Anne Berton of El Paso. No one else has

been charged in connection with the gambling operation.

[University of Texas at El Paso](#) basketball players [McKenzie Moore](#), [Jalen Ragland](#) and [Justin Crosgile](#) were kicked off the team in January 2014 after coach [Tim Floyd](#) was made aware of allegations that they had been betting on sports.

Prosecutors said in court on Friday that Karpus unsuccessfully attempted to recruit an unidentified player into a point-shaving scheme, which is an attempt to fix the outcome of a game so that gamblers with inside knowledge can win large amounts of money.

As part of the scheme, Karpus told the player that he would take \$20,000 to \$30,000 to Las Vegas to bet on the games that he attempted to fix.

Match-fixing

- As a partner in combatting match-fixing, Nevada regulators aim to:
 - Be a good partner regardless of our role
 - Establish and maintain relationships with the sports integrity stakeholders
 - Work toward addressing sports integrity concerns early to prevent or minimize a scandal
 - Proficiently investigate or assist in investigating incidents
- Leagues educating their players, coaches and officials is paramount
- From league rule violations to criminal acts—all need to be appropriately addressed
- Work to address misconceptions:
 - Keeping bookmaking illegal helps the integrity of sport
 - Making sports wagering legal eliminates the illegal wagering

Sports Integrity Related Laws, Initiatives and Partnerships

- Sports Bribery related laws and regulations
 - NRS 207.290 (giving or accepting bribe to influence outcome of sporting event)
 - NRS 465.070(8) (influencing the outcome of a sporting event, contest, etc.)
 - NGC Regulations
- MOU with IOC/participation in their Integrity Betting Intelligence System (IBIS)
- Nevada licensees provide an early warning system and serve as a repository of data for betting and/or statistical irregularities
- GCB regularly meets/communicates with sports governing bodies and league representatives (e.g. NCAA and several major US and international professional leagues)

Headlines

Bookmakers don't expect restrictions if Raiders move to Las Vegas

January 29, 2016

Las Vegas sports books allow Heisman Trophy betting for first time

October 12, 2015 RGJ

International mob-connected ring linked to illegal World Cup betting at Caesars

July 14, 2014 RJ

NV books to offer Olympic betting

FEB 26, 2015 ESPN

Entity betting could be next big wave in Nevada wagering

May 12, 2016 RJ

Fantasy sports sites now need a license in Nevada

Oct 16, 2015 By Associated Press

The New Sports Book Frontier: Bets On Virtual Sporting Events

Mar 16, 2015 KNPR

17 Indicted in Bust of \$32 Million Online Gambling Ring

October 28, 2015 FRONTLINE

Challenges Ahead

- Unlicensed Sports Pools - jurisdictional issues and no real deterrent from player's perspective
- Investigating crimes involving interstate and international electronic financial transactions (including those involving virtual currency: bitcoin, skins, etc.)
- Sports integrity - assisting with or addressing a spectrum of concerns including league policy violations, gaming regulatory violations and criminal violations
- Trying to accommodate progressive industry proposals/desires, while thoroughly evaluating the risks and/or ensuring the required controls are in place

Regulatory Challenges Ahead

- Unlicensed Online Gaming – jurisdictional issues, nontraditional wagering instruments (bitcoin and skins) and no real deterrent from the player's perspective
- Accommodating progressive gaming industry proposals/desires, while thoroughly evaluating the risks and/or ensuring the required controls are in place
- Support best practices in combatting match-fixing
- Adjusting to change as necessary:
 - Professional sports teams based in Nevada
 - eSports wagering
 - Spread of legal sports wagering in other states

Questions

For detailed information on Nevada's experience with sports wagering, contact:

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