



Archived at the Flinders Academic Commons:

<http://dspace.flinders.edu.au/dspace/>

‘This is the full peer reviewed Version of Record of the following article: Adam Masters and Adam Graycar (2015) “Corruption in sport – a new field for public policy” United Nations Office on Drugs and Crime Symposium of the Anti - Corruption Academic (ACAD) Initiative Moscow, 30-31 October 2015, pp 56-68,

which has been published in final form at

<http://www.track.unodc.org/Education/Pages/ACAD.aspx>

Made available with permission of the publisher.



UNODC

United Nations Office on Drugs and Crime

SYMPOSIUM

of the Anti - Corruption Academic (ACAD) Initiative

Moscow, 30-31 October 2015

Compendium

of the papers submitted by the participants

**Vienna
2015**

CORRUPTION IN SPORT – A NEW FIELD FOR PUBLIC POLICY

By Adam Masters

By Adam Graycar

Introduction

Corruption in sport is evolving into a global public policy issue. Barely a day goes by without media reports of corruption in one sport or another. A recent and disturbing case has been the exposure of the ‘live-baiting’ practice in greyhound racing in Australia. Live baiting involves the use of live rabbits strapped to the mechanical lures, the dogs chasing them down and tearing them apart. In Australia live-baiting has extended beyond the traditional use of rabbits to include possums and piglets (Meldrum-Hanna, 2015). This has led to the suspension of several dog trainers in three Australian states and a series of government inquiries in Queensland (MacSporran, 2015), New South Wales (Special Commission of Inquiry into the Greyhound Racing Industry in New South Wales, 2015) and Victoria (Perna, 2015). On the international stage, the importance of sport corruption as a global issue is also evident in the choice made by Transparency International (TI) to focus its 2015 *Global Corruption Report* on sport. Sport thus joins a pantheon of fields¹ in which corruption is recognised as problematic on a global scale.

The history of sporting corruption is longer than most people realise. The golden era of corruption free sport never existed. Doping can be traced back to the ancient Olympics, when ‘athletes drank various herbal teas and oils and used mushrooms to enhance performance’ (Martin de Sanctis, 2014, p.10) – a practice reintroduced with the modern Olympiad in the late nineteenth century, albeit with new pharmacological products (Martin de Sanctis, 2014, p.10). In Australia, race and match-fixing also have long lineages. According to the journalists Rothfield and Adams (2014), the arrival of individual ships in the first fleet that brought convicts from Britain to colonise New South Wales was the subject of heavy wagering. One captain sailed 1,000 nautical miles out of his way and dragged its anchor in the sea to rig the result of this unofficial race (p.vii).

¹ Since its inaugural edition in 2001, TI’s *Global Corruption Reports* have focused on corruption in the fields of access to information (2003); politics (2004); construction and post conflict reconstruction (2005); health (2006); judicial systems (2007); water (2008); the private sector (2009); climate change (2011); and education(2013).

*The Australian National University

**Flinders University

Defining Corruption in Sport

Much of the focus on anti-corruption has aimed at the corruption of public officials. However, in cases such as the scandal surrounding the allocation of host rights for the 2018 and 2022 *Fédération Internationale de Football Association* (FIFA) World Cup, the traditional notion of bribery has been turned on its head. No longer can corruption be viewed simply as private citizens corrupting public officials for private gain – to win the host rights for major sporting events allegedly required *public* officials to use *public* funds to corrupt the decision-making processes in private organisations. Therefore, a broad definition of corruption in sport is required to capture the multitude of variances in deviant behaviour:

Corruption in sport equates to *the deviation from public expectations that sport will be played and administered in an honest manner*. Within this definition, playing sport encompasses both athlete preparation and actual competition. The term ‘administered’ includes multiple levels of sports administration—individual athletes, teams, clubs, leagues, competitions, national associations, public officials and international organisations—from public and private spheres. It also includes the making and implementation of sport rules and by-laws. Further, administration incorporates all levels of refereeing or adjudication associated with sport—on and off field refereeing, tribunals, panels, courts and the like. Honesty includes the discrete handling of information related to an athlete or team and not taking advantage of that knowledge (i.e. misusing insider information for gambling). Finally ‘public’ equates to fans and non-fans alike – including (and in many cases, especially) those engaged in legal and illegal gambling (Masters, 2015).

This definition purposely excludes concepts of fairness in sport – as results are often perceived as unfair by fans. Based on ‘public expectations’, it provides a foundation for the development of appropriate public policy for preventing corruption in sport.

Global Trends

Returning briefly to doping, over the past century, four trends in society and sport explain the growth in the abuse of drugs by athletes. These are the (1) professionalization (or de-amateurisation) of sport and the pursuit of winning over amicable participation; (2) politicisation as exemplified by the drug abuse prevalent in international sporting competition during the Cold War as either side attempted to prove themselves culturally superior to the other; (3) commercialisation, in particular following the communication revolution that

enabled broader societal access through radio, television and the internet; and (4) medicalisation with the development since the 1960s of sports medicine, often used as a cover for doping (Paoli & Donati, 2013, p.2). Three of these trends – professionalization, politicisation and commercialisation – are arguably also drivers of most other types of corruption in sport. Furthermore, these three trends illustrate how sport relates and interacts within the three broad sectors of a community – civil society, business and government. Understanding the nexus of sport within the community provides a frame to help identify where policy intervention may be necessary.

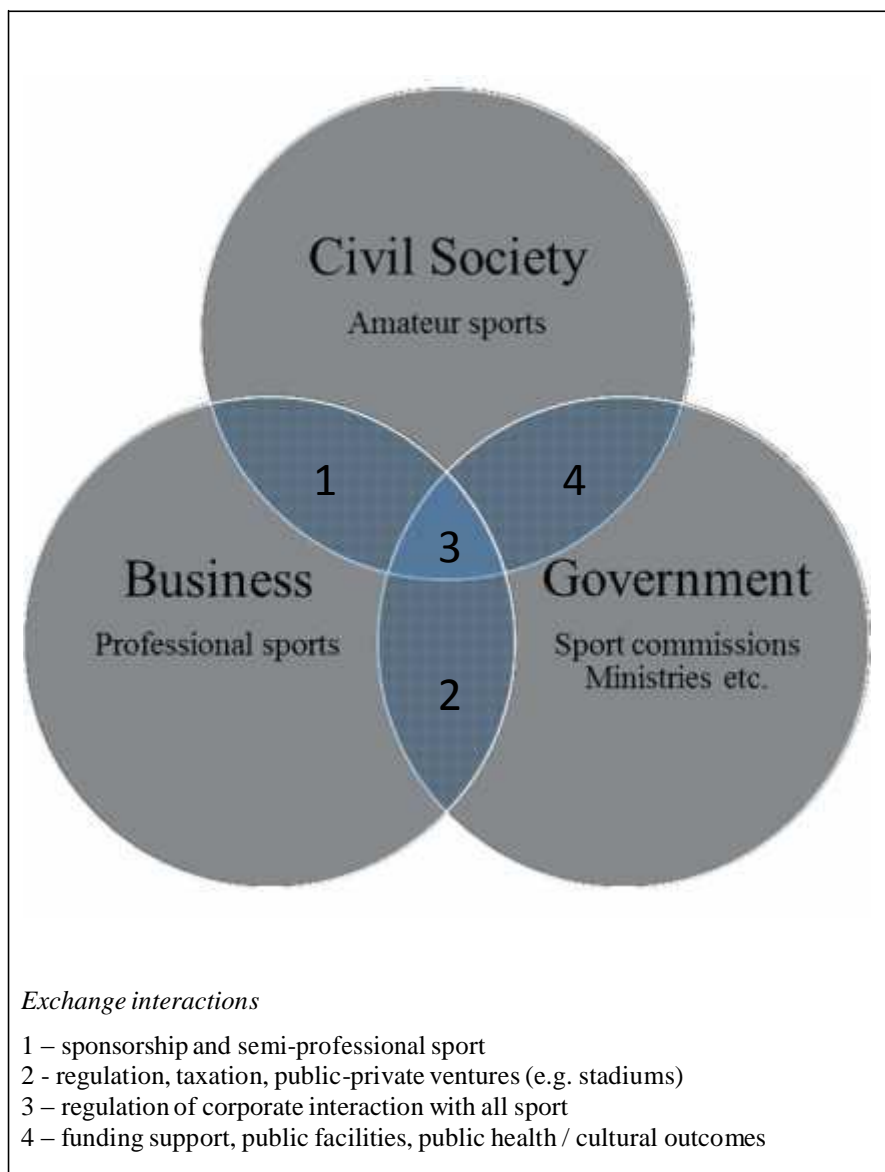


Figure 1: The sporting nexus in society

Source: developed by authors.

Civil Society is the home of amateur sport. Sector 1 of Figure 1 represents the many interactions between business and amateur sport. For example, local business or even

transnational corporations will sponsor amateur sporting clubs as part of their corporate social responsibility (Frederick, 2006), which is not an entirely philanthropic exercise as marketing rights are typically exchanged for this support. Other arms of civil society have a stake in sporting integrity. Transparency International operates in Sector 3, lobbying both business and government to take measures to improve the integrity of sport (TI, 2014). Sector 4 represents the space where civil society and government interacts. This may be government funding of sport to achieve public goods such as community engagement (Long, 2005), public health or crime reduction (Cameron & MacDougall, 2000).

In Figure 1, business is represented by professional sports. This can also be described as the sport market, estimated to be worth US\$141 billion in 2015, including sponsorship, gate revenue, media rights and marketing (PWC, 2011). Business will often seek to engage in public-private partnerships with government and civil society (Sectors 2 and 3). These are often required to achieve major outcomes such as the construction or redevelopment of stadiums or other costly sporting infrastructure (Jennings, 1996; Long, 2005), or staging significant events such as the Olympics.

As well as the roles described above, government also has a regulatory function over sport. This is often a 'light touch' approach as over regulation may render amateur sporting competitions unfeasible. For example, the drug testing regimen for professional sport can be imposed on multi-million or multi-billion dollar professional leagues, whereas requiring it of a local competition would create an unnecessary cost for little gain in an area where the risk is low.

TASP

Corruption in sport is complex and any analysis requires a systematic approach. Graycar (2015) has developed an analytical tool, which takes the corrupt event as the unit of analysis. The tool identifies four dispositions for each event – the *Type* of corrupt behaviour, what *Activity* has been corrupted, the *Sector* in which a corrupt event occurs and the *Place* it occurs. Application of TASP (Type, Activity, Sector, Place) to corruption in any field – in this case sport – enables the analyst to focus on specific aspects of the problem. Table 1 expands Graycar's original TASP by the addition of sport-related references in the bullet points.

Table 1
Corruption typology: Corrupt behaviours in four dispositions for sport

Disposition	Description
Type/s	<p>Bribery, Extortion, Misappropriation, Self-dealing, Conflict of interest, Abuse of discretion, Patronage, Nepotism, Cronyism, Trading in influence, Pay to play, etc.</p> <ul style="list-style-type: none"> • match-fixing – betting related • match-fixing – non-betting related • doping – to improve performance • insider information – for gambling purposes • ring-ins – the surreptitious substitution of better athletes, animals or teams • nobbling – doping or physical interference to hamper performance • salary cap abuses – corruption by clubs • scalping – a form of extortion • tanking – giving up a match, losing intentionally or not competing, often to rig end of season results for promotion or relegation • host rights bribery to secure prestigious events
Activity/ies	<p>Appointing personnel, Buying things (procurement), Delivery of programmes or services, Making things (construction / manufacturing), Controlling activities (licencing / regulation / issuing of permits), Administering (e.g. justice), etc.</p> <ul style="list-style-type: none"> • participation in sport (athletes) • fan behaviour (e.g. lasers used to blind on-field players) • refereeing on-field • referee behaviour and administration off-field • venue maintenance including field or ground preparation • sports medicine • team administration • club administration • league administration • sports policy – agenda setting
Sector/s	<p>Local government, Construction, Health, Tax administration, Environment and water, Forestry, Customs and immigration, Welfare systems, Agriculture, Urban Planning, Legal systems, etc.</p> <p>Divisible by sport and distinguishable between professional and amateur</p> <ul style="list-style-type: none"> • football • baseball • rugby • cricket • boxing • billiards etc.
Place/s	<p>Countries, Regions, Localities, Cities / Towns, Organisations, Workplaces, etc.</p> <ul style="list-style-type: none"> • on-field • off-field • training

Source: Masters (2015), modified from Graycar (2015); Graycar and Sidebottom (2012, p.386); Graycar and Prenzler (2013, p.11).

These lists are by way of example only and are not intended to be exhaustive. The example of live baiting in greyhound racing given at the opening of this paper demonstrates a form of

sport corruption we had not considered when originally compiling this table. Greyhound racing in Australia began in the 1860s as coursing – with the dogs running in a straight line chasing live animals. By the 1880s courses were enclosed and spectators were charged admission to watch the races and wager on them. The sport underwent a major change in the 1920s in the United States with the opening of oval racetracks and starting boxes – similar to horse racing tracks and mechanical lures (McEwan & Skandakumar, 2011, p.56). However, by the time the mechanical lures were introduced, the use of live animals for training was already embedded in the culture of the sport.

Animal cruelty in greyhound racing is corrupt because it distorts the honest administration of the sport. The problem for contemporary policy-makers is as follows. According to many trainer, a dog trained with live-baiting is more likely to chase a mechanical lure than one that hasn't. This belief is not supported by any scientific evidence (Perna, 2015, p.16). The practice is banned by the racing authorities and illegal under animal welfare legislation – the excuses offered does not make it any less corrupt. There is of course the catch 22 that underperformance by a greyhound usually results in its destruction. This then raises moral and ethical questions over the sport as a whole, which is addressed elsewhere (McEwan & Skandakumar, 2011). However, trainers arguing that live-baiting is a necessity to compete is as invalid an argument as that put forward by cyclists using drugs during the nineties.

A TASP analysis of live-baiting would be: *Type/s* – live baiting, animal cruelty; *Activity* – animal training; *Sector* – greyhound racing; *Place/s* – off-field, training, Victoria, New South Wales, Queensland. Note that the descriptors in the first three dispositions are not present in Table 1 above. It should be remembered live-baiting is not the only form of corruption associated with greyhound racing. Race-fixing, the doping or nobbling of dogs, ring-ins, manipulation of gambling markets (ICAC, 2000) and the influence of organised crime have all previously plagued the sport (For a collection of media reports and anecdotes see Rothfield & Adams, 2014).

Once broken down with TASP, a clearer direction for policy response emerges. *Place* identifies the jurisdiction with the responsibility to respond. In this case, the Australian states of Victoria, New South Wales and Queensland. *Sector* focuses where the attention should be, not sport overall, nor even animal racing, but specifically on dog racing, combined with the *Places* of off-field and training (which is also the *Activity*). Finally, *Type* identifies the deviance which is offensive to public values – in this case animal cruelty. It should be

remembered that values change from place to place and therefore responses must vary. What is considered cruel in one place may not be thought of as cruel in another.

Responsive Regulation to Control Corruption in Sport

In effect, what has recently occurred in Victoria, New South Wales and Queensland can be viewed as part of the process of responsive regulation. The concept of responsive regulation was articulated by John and Valerie Braithwaite along with their colleague Ian Ayres (Ayres & Braithwaite, 1992). Responsive regulation can shape behaviour and compliance. The essence of responsive regulation is ensuring that people know what is expected of them, and praising and encouraging them to make things happen correctly, and progressively introducing sanctions if codes are breached or processes flaunted. This differs from the economic approach, which uses deterrence to discourage some choices, and provides incentives to make other choices more attractive. Responsive regulation also differs from a law enforcement approach, it is built on knowledge and integrity, with back up measures – that may include law enforcement – to ensure compliance.

The basic building block is a regulatory pyramid.

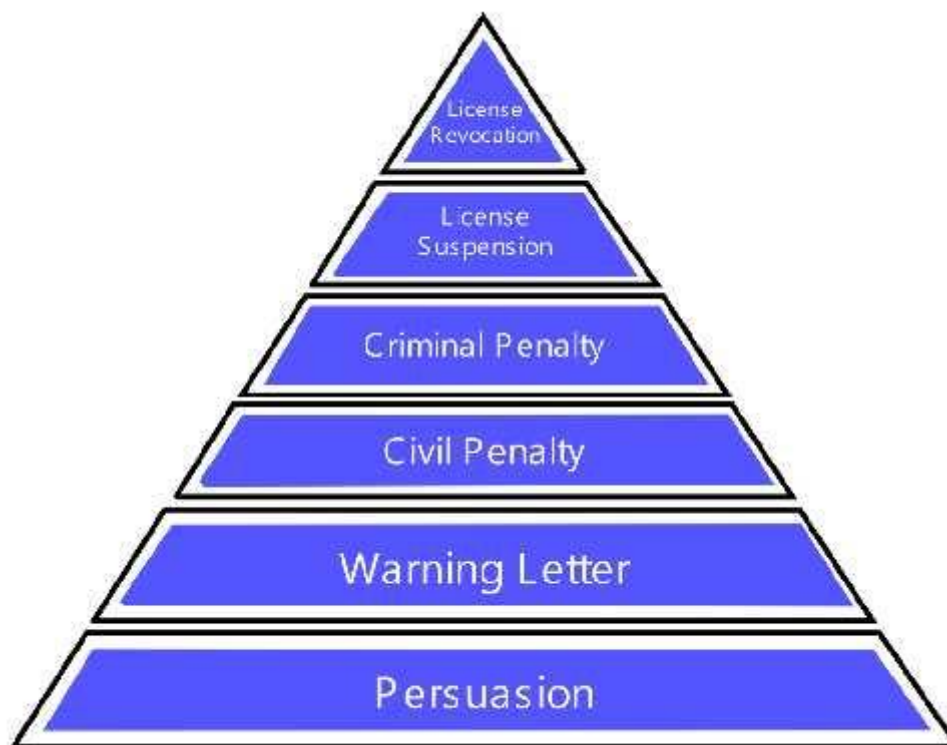


Figure 2: Example of a regulatory pyramid

Source: Update of Ayres and Braithwaite (1992, p.35)

Each step of the pyramid represents an escalation of sanction for non-compliance. However, it is also important to provide supports for compliance.

The logic of regulatory pyramids relies on the peak of the pyramid to activate these compliance principles. The peak of the pyramid represents the ultimate constraint on pursuing a course of action that is in breach of the rules. Providing it is a credible sanction those being regulated believe that the regulator can and will use this power, it serves a number of functions. In a societal sense, it signals the seriousness of a breach of rules. It reminds those being regulated of their obligations and of the course of action they should pursue, as agreed in the social compact at the base of the pyramid. Should social pressures fail, economic pressures come into play. It is costly to escalate to the top.

Braithwaite puts together pyramids of supports alongside the pyramids of sanctions as shown here in the supports and sanctions applied to the regulation of medicines.

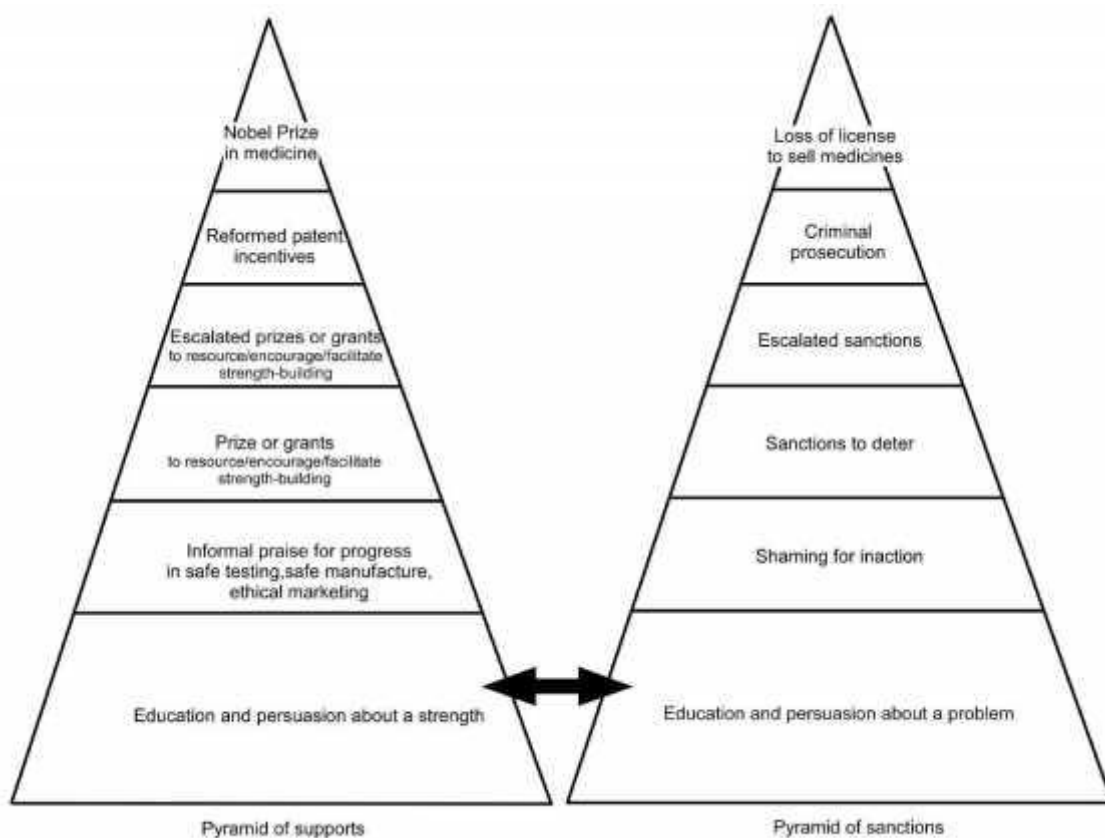


Figure 3: Pyramids of supports and sanctions in the regulation of medicines.

Source: Dukes, Braithwaite, and Moloney (2014) p. 289.

As sanctions and supports are unpacked, at the bottom of a pyramid stakeholders are educated and rewarded with reduced monitoring obligations if they comply. By the middle of the pyramid more intensive monitoring is brought in, as well as assistance with complying, and it is here that penalties are first introduced. At the top of the pyramid stakeholders are subject to the full force of the law. They are prosecuted, and their benefits withdrawn / licences revoked. This pyramid provides the model for understanding the policy response to the current crisis in greyhound racing.

Problems in greyhound racing are not new. Over recent years there have been a series of inquiries, usually followed by industry commitments to act to improve animal welfare, reduce the involvement of criminal elements and become more accountable (For details of recent inquiries, see McEwan & Skandakumar, 2011). The revelations in February 2015 on the investigative series *Four Corners: Making a Killing* (Meldrum-Hanna, 2015) pushed the regulatory response of governments up the pyramid. The documentary sits between the ‘education and persuasion about a problem’ level and ‘shaming for inaction’. Particularly as the practices of live-baiting and massive dog culling, including unwanted excess puppies, had proven game changers for public acceptance of greyhound racing in the United States. Greyhound racing is only legal in 11 American states, four of which have no active facilities (Grey2K USA, 2015).

However, the issue of public confidence in the future of the greyhound racing industry remains: how to prevent this from happening again and how to restore public trust. Punishing individuals does not do anything to correct the absence of institutional safeguards to prevent this from happening again. It is reasonable for people to think that if there was an opportunity before, it will still exist, and be attractive to someone in the future who thinks themselves clever enough not to get caught.

A responsive regulation approach starts with a discussion of what has gone wrong here. It is an inclusive discussion. And there can be many of these discussions. In this case those caught live-baiting should be invited to small group meeting with others involved in greyhound racing to explain how this happened. Why they felt their actions were justified. How these would be constituted needs to be shaped by context – the discussion needs to focus on particular egregious and unfair acts of corruption, not the general problem. How is this fair? Who was hurt by this? What would have prevented this from happening? Not everyone will take part. The purpose is to have enough take part to reach a cultural consensus that this should never have happened and no-one wants it to happen again.

Responsive regulation is useful in this context because it involves listening to those most closely involved who know most about what is wrong with the system. They are given opportunity to see for themselves that their actions caused harm. Not everyone will, but some will. What happens with lecturing and top down control is a giant abrogation of responsibility. Those who are guilty claim it is all unfair and no-one has listened to their point of view, those who do the right thing are insulted by the inference that they are not trustworthy and new controls need to be introduced. Authority has no-one on their side. Out of these discussions will come suggestions for institutional measures for correction.

There can be a regulatory pyramid for what a racing organization will do to manage live-baiting; another for other forms of animal cruelty. Each specific problem needs a regulatory pyramid with discussion of the problem at the bottom, and then with increasing pressures to comply as one goes up the pyramid. Along with increasing pressures to comply – put on probation, or subject to regular review, there will be opportunities to declare inappropriate actions. So, if a problem is not declared, one can expect more intrusive intervention than if one declared it.

Currently, many sports are run with incentive to conceal unpleasanties, supposing they will be fixed by lower-level management. Sometimes they don't have the skills and problems fester. The idea of using responsive regulation is always to create pressure and give opportunity to declare and discuss opportunities of corruption before they happen and thereby steer everyone away from behaving corruptly. In effect it becomes too difficult and too costly to engage in corruption.

While discussions are taking place at the base of the pyramid to prevent further instances of corruption, there needs to be some action (apart from the prosecutions) to ensure the conversations are taken seriously. Internal random checks by senior executives, external oversight, internal codes of conduct, scrutiny of practices. But again, these must involve the entire sport and have the cooperation of the players (in this case trainers) and sports managers. If imposed, the reaction is to fend off the intrusion, to game play the demands rather than assume responsibility for making things right.

Two of the three inquiries into Australian greyhound racing triggered by *Making a Killing* have been completed. In Victoria, some trainers have been criminally prosecuted and lost their licences, providing illustrative examples of those who make it to the top of the sanction pyramid. However, in the Victorian case the rest of the industry is now subject to the recommendations of the Perna (2015) report. Recommendation two represents the escalated

sanctions on the industry as a whole: “That GRV [Greyhound Racing Victoria] introduce a regulatory framework for all premises and persons involved in the rearing, education, breaking in and training of Greyhounds” (Perna, 2015, p.104). This creates further sanctions to deter unwanted behaviour in the upper levels of the pyramid.

Another of Perna’s recommendations highlights some of the difficulties in expecting this sport to self-regulate. Recommendation eleven is “That the Local Rules, appropriate GRV policies and GRV processes are amended and/or introduced to ensure the mandatory reporting of prima facie criminal offences to the relevant law enforcement body such as Victoria Police and RSPCA Victoria” (Perna, 2015, p.109). This recommendation is premised on the lack of whistle blowing within the industry and a “wall of silence” Perna encountered during his inquiries. While whistle blowing is an appropriate response to corrupt practice in other sectors (for example, see Roberts, Brown, & Olsen, 2011 for their work in whistle blowing in the public sector), it has proven ineffective in this case, with only one of six hundred respondents to a survey by GRV citing live-baiting as an issue (Perna, 2015, p.12). The failure of effective whistle blowing strategies can be attributed to both the geographic dispersal of training facilities and individual trainers and the cultural wall of silence. The sport of greyhound racing is thus unlike an organisation or team sport where those with integrity have the opportunity to directly observe and positively influence those with less integrity. In short, self-regulation in this sporting market has failed and further public policy intervention is required to address the corruption in this particular jurisdiction.

Conclusion

The UNCAC focuses on criminalisation (chapter III) and has sufficient scope to capture corrupt behaviours that have emerged in the sporting world. Article 21 of the UNCAC – *bribery in the private sector* – needs to be universally adopted to tackle transnational sporting corruption. However, this represents the top of the sanctions pyramid. The recent events in Australian greyhound racing have seen individuals criminally prosecuted and stripped of their licenses. If the industry proves incapable of lasting and effective reform it is entirely possible Australia will follow the example of many US states in removing state sanction for the industry. There are many places for ‘light touch’ public policy intervention using a responsive regulatory approach to circumvent sport from becoming corrupted to the point article 21 becomes the only solution.

We thank Alexandra McEwan at the Australian National University for her insights and suggestions.

References

- Special Commission of Inquiry into the Greyhound Racing Industry in New South Wales. (2015). Homepage Retrieved 8 October, 2015, from <http://www.greyhoundracinginquiry.justice.nsw.gov.au/>
- Ayres, I., & Braithwaite, J. (1992). *Responsive regulation: Transcending the deregulation debate*: Oxford University Press.
- Cameron, M., & MacDougall, C. J. (2000). Crime prevention through sport and physical activity. In A. Graycar (Ed.), *Trends and Issues in Crime and Criminal Justice* (Vol. 165). Canberra: Australian Institute of Criminology.
- Dukes, G., Braithwaite, J., & Moloney, J. P. (2014). *Pharmaceuticals, corporate crime and public health*. Cheltenham, UK: Edward Elgar.
- Frederick, W. C. (2006). *Corporation, Be Good! The Story of Corporate Social Responsibility*. Indianapolis: Dog Ear Publishing.
- Graycar, A. (2015). Corruption: Classification and analysis. [Article]. *Policy and Society*, 34(2), 87-96. doi: 10.1016/j.polsoc.2015.04.001
- Graycar, A., & Prenzler, T. (2013). *Understanding and preventing corruption*. Basingstoke: Palgrave MacMillan.
- Graycar, A., & Sidebottom, A. (2012). Corruption and Control: A Corruption Reduction Approach. *Journal of Financial Crime*, 19(4), 384-399.
- Grey2K USA. (2015). Take action: State by state Retrieved 8 October, 2015, from <http://www.grey2kusa.org/action/states.html>
- ICAC. (2000). The Greyhound Report: Investigation into aspects of the greyhound racing industry. In I. Moss (Ed.). Sydney: Independent Commission Against Corruption.
- Jennings, A. (1996). *The New Lords of the Rings : Olympic Corruption and how to Buy Gold Medals*. London: Pocket Books.
- Long, J. G. (2005). Full Count: The real cost of public funding for major league sports facilities. *Journal of Sports Economics*, 6(119-143). doi: 10.1177/1527002504264614
- MacSporran, A. (2015). Final Report. Brisbane: Queensland Greyhound Racing Industry Commission of Inquiry.
- Martin de Sanctis, F. (2014). *Football, Gambling, and Money Laundering: A Global Criminal Justice Perspective* Springer.
- Masters, A. (2015). Corruption in sport: From the playing field to the field of policy. *Policy and Society*, 34(2), 111-123. doi: 10.1016/j.polsoc.2015.04.002
- McEwan, A., & Skandakumar, K. (2011). The welfare of greyhounds in Australian racing: Has the industry run its course? *Australian Animal Protection Law Journal*, 6, 52-74.
- Meldrum-Hanna, C. (Writer). (2015). Four Corners: Making a Killing [Television], *Four Corners*. Australia: Australian Broadcasting Corporation.
- Paoli, L., & Donati, A. (2013). *The Sports Doping Market: Understanding Supply and Demand, and the Challenges of Their Control* New York: Springer