



Recommended Practices in Sports Betting Compliance

**White Paper Prepared for LEAD1
Association Athletic Departments
by LEAD1 Association**

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Part I: Introduction

With big time sports on college campuses, and states now free to legalize sports wagering, our universities will now be faced with risks associated with sports gambling. After all, the sports betting scandals involving athletes in the United States during the past 25 years have all occurred at the college level. In fact, according to a 2016 NCAA survey of more than 22,000 college athletes found "nearly one-quarter of male athletes violated NCAA rules by gambling money on sports in the previous year."¹ A sports betting scandal at a university would be catastrophic. Therefore, it is critically important that LEAD1 athletic departments are aware of the risks associated with sports wagering such as prop betting (e.g. a bet made regarding the occurrence or non-occurrence during a game), student-athletes betting, off shore betting, and local campus bookies.²

In addition to developing strong policies with respect to internal messaging, education, and compliance, forming close relationships with applicable state gaming regulators (e.g. state lotteries and state lottery commissions) and gaming interests such as local gaming commissions, sports books, and casinos, all of which regulate wagering, would help mitigate the risks of legalized sports betting.³

Part II: Recommendations

1) Internal Messaging & Compliance

Continuing education for student-athletes and athletic department staff: Athletic directors and compliance staff should frequently communicate with student-athletes, athletic department staff, and non-athletic department staff who have responsibilities within or over the athletic department. These individuals, under NCAA rules, are not permitted to knowingly participate in sports wagering activities (e.g. placing, accepting, or soliciting wagers on a staff member's or student-athletes' own behalf or on behalf of others) concerning intercollegiate, amateur, or professional athletics competitions.⁴ It is, therefore, critically important for head and assistant athletic team coaches to reinforce university and NCAA rules that prohibit student-athlete involvement in sports wagering activities.⁵

In addition, athletic directors should address social media harassment directed toward student-athletes that may come from people who are trying to manipulate a sporting event by working with risk management companies that can help determine the severity of harassment.⁶

Team meetings, and athletic department compliance sessions could also help inform student-athletes and athletic department staff about particular state laws, circumstances that could lead to investigations, and potential new risks with respect to sports gambling.⁷ Recruiting outside sports wagering experts and law enforcement officers to speak to student-athletes and athletic department staff could also help them understand the ramifications of breaking the rules, as well as the multi-faceted processes that regularly identify and thwart offenders.⁸

Educating campus community: Because illegal sports gambling often occurs within campus communities, athletic departments should consider partnering with their respective Student-Affairs and Residential Life offices to inform campus residents about sports gambling rules within their particular state – athletic directors and their general counsels should also keep university administration informed.⁹

Overview letter to student-athlete parents: It is crucial that athletic directors and compliance staff keep student-athletes parents informed, for example, by sending a letter covering sports betting rules and providing warning about the possibility that people may contact them or their son or daughter directly in the future with respect to engaging in sports gambling.¹⁰

Student-athlete exit interviews and end-of-season surveys: Athletic directors and athletic department compliance staff should review student-athlete exit interviews and end-of-season surveys to determine student-athlete concerns and involvement regarding sports gambling on their campuses (i.e. have they gambled themselves?).¹¹

2) Outside Resources

Collaborating with universities in the same state: Collaborating with universities in the same state could lead to the development of standard practices and ensure coherent communication with state policymakers and gaming regulators.¹²

Utilizing gaming regulators and law enforcement: Working with gaming regulators, such as a local lottery commission, is critically important to enforcing gaming rules, monitoring unusual gaming activity, and educating gaming stakeholders.¹³ For example, some of the gaming regulators activities include conducting investigations (e.g. match-fixing and sports book investigations), and monitoring sports books to ensure compliance (i.e. in some states, like Nevada, sports books cannot knowingly accept wagers from college athletes or coaches – although this “knowingly” standard is weak because most student-athletes are generally unknown to the sports books).¹⁴

On a proactive level, gaming regulators can assist athletic departments in understanding laws and other gaming issues. Reactively, gaming regulators can address reported suspicious activity – licensed sports books are generally required to report suspicious transactions and share financial reports on gaming activities.¹⁵

Sharing of Information: Athletic directors and compliance staff should understand the type of information that a gaming regulator receives when there is suspicious betting activity that may be tied to their athletic program.¹⁶ Sports data companies also have a role in monitoring the performance of student-athletes and officials, and have relationships with licensed gaming interests to ensure the accuracy of information. For example, some sporting organizations use sports data integrity companies, such as Sportradar and Genius Sports, which watch over sporting events in real-time to search for suspicious betting activity. In addition, sports information providers have licensing requirements regarding the collection and sharing of information.¹⁷

Part III: Conclusion

In short, LEAD1 athletic departments should consider establishing and taking proactive measures focused on internal messaging, compliance, and effectively utilizing outside resources. Sports wagering, both its legal and illegal forms are here to stay, and therefore, universities must respond accordingly to protect student-athlete welfare and uphold the integrity of sport.

End Notes

1. David Porter, Easier gambling has sports worried about fighting the fix, Associated Press, (Sep. 17, 2018) <https://apnews.com/282d3c525edf45ddb8dd8ced73ee1c4>.
2. Telephone Interview with Karl Bennison, Chief of Enforcement, Nevada Gaming Control Board (Aug. 2018).
3. Telephone Interview with Doug Knuth, Director of Athletics, University of Nevada, Reno (Aug. 2018); Telephone Interview with Mike Hamrick, Director of Athletics, Marshall University, (Aug. 2018).
4. NCAA, 2018-19 NCAA DIVISION 1 MANUAL (2018), available at <https://www.ncaapublications.com/>.
5. Telephone Interview with Joe Brennan, Chief Executive Officer, SportAD (Aug. 2018).
6. Telephone Interview with Andrew Murray, Partner, Theseus (Aug. 2018).
7. Telephone Interview with Ross Bjork, Director of Athletics, University of Mississippi (Aug. 2018); Knuth, supra note 3.
8. Bjork, supra note 7; Hamrick, supra note 3.
9. Telephone Interview with Desiree Reed-Francois, Director of Athletics, University of Nevada, Las Vegas (Aug. 2018); Bjork, supra note 7.
10. Bjork, supra note 7.
11. Reed-Francois, supra note 9.
12. Bjork, supra note 7.
13. Reed-Francois, supra note 9.
14. Bennison, supra note 2.
15. Bennison, supra note 2.
16. Bjork, supra note 7; Reed-Francois, supra note 9.
17. Bennison, supra note 2.