

Topics for an Academic Agenda: The Prevention of Match Fixing in Brazil

Leticia Godinho and Cassio Barbosa

Abstract The recommendation of match fixing prevention strategies presumes a thoughtful understanding of the actors involved and the dynamics of the events and also of the specific functioning of the legal and sports institutions of each local context. In this chapter we consider the development of an academic agenda about match fixing in Brazil by discussing the Brazilian institutional architecture and its capacity to fight and prevent match fixing, including ordinary Justice System and Sports Justice institutions. To illustrate it, we explore three famous examples of match fixing events occurred in Brazilian soccer and the official reactions. The main goal of the chapter is to bring about policy recommendations at the light of the existing literature findings, in relation to Brazilian context and its institutional debilities. By doing this, we intend to identify a possible field of studies that could be carried out by Brazilian academe and deficient areas that should receive intellectual investment.

Introduction

The most accepted and simplest definition of *Match Fixing* proposes it to be a practice that *alters the natural progression of the result of a match*. In this sense, we can argue that preventing match fixing practices is of interest to clubs, to teams, to players, to supporters, once it refers to the viability of sports competitions.

L. Godinho (✉)

Joao Pinheiro Foundation,

Av Cel José Dias Bicalho, 444 – ap. 301, Belo Horizonte 31275-050, Brazil

e-mail: leticia.godinho@fjp.mg.gov.br

C. Barbosa

Federal University of Minas Gerais,

Av. Bias Fortes, 1603 – apto 1301, Belo Horizonte 30170-012, Brazil

However, in terms of public security, we can also state that preventing match fixing is important once it is a practice linked to other forms of corruption and criminal behaviors, such as money laundering, drug trafficking and prostitution. Its connections to illegal arms and human trafficking markets have been also attested by investigations conducted in the recent years. These investigations, especially the ones led by international organisms as Interpol and Europol, have shown that the match fixing market represents today the largest earnings of the Asian syndicates and criminal organizations.¹

The Interpol coordinated task forces operations in the year 2011 resulted in the apprehension of more than 1 billion dollars and more than 300 arrests. The 2011–2013s Joint Investigation Team (JIT) (Operation VETO), coordinated by European Police – Europol – and five European federal governments, organized multiple police inquiries resulting in 425 match officials, club officials, players and criminals suspected of being involved in attempts to fix more than 380 professional football matches. These activities were estimated to include over €10 millions in betting profits and corrupt payments to those implicated in very complex organized crime operations.

Although the focus of the most important current investigations is Europe, this is a worldwide spread practice in the field of sports. In Brazil, repercussions of known match fixing events occur mostly in soccer, due to the popularity of this sports modality in the country. Nonetheless, researchers also identify some indication of match fixing occurrence in all kinds of sports modalities practiced in Brazil.

The difficulties involved in match fixing investigation, reaction and prevention in Brazil face factors that are common to all other countries but also some specific ones. In what concerns the common factors, dealing with match fixing against the existence of clandestine structures and its connections to other legal and illegal markets and an international sphere of functioning which, supposedly, brings together different cultures of enforcement and faces cultural barriers, among others. When it comes to the specific factors, there are some very ambiguously oriented institutions in the field of Sports Justice, which are not adequately equipped to handle the matter and be sensitive enough to pay attention to it. In addition, there is not enough available data to engender deep investigations, whether it is in the academic or the criminal justice fields. The production of data is the first step to start curbing the problem; it can serve to catalyze academic investigations but also to create a political and legal agenda that highlights the importance of this theme for the institutions able to react and prevent.

Creating match fixing prevention strategies presumes knowing the actors involved and the dynamics of the events. The dynamic related to each specific actor involved will engender specific prevention strategies. For instance, we could think about strategies that work for players, but that will not be adequate for referees. The same is true in what concerns the bookies, gamblers, club managers and the general

¹ The International Police Organization – Interpol – indicates that the illegal betting market in Asia alone is worth up to 500 billion dollars.

public or sports' supporters. Thus, the development of an academic agenda about match fixing in Brazil must grasp what the general literature has already investigated so far and map out studies that are able to understand the dynamic of match fixing and its different actors in Brazil.

On the other hand, the development of an academic agenda in Brazil concerning match fixing must be able to include the specific functioning of the institutions that are present in the country and their ability to deal with this phenomena. The creation of such an agenda within the Brazilian academe certainly contributes to the betterment of the existing institutions and the development of new ones which might seem necessary. In essence, an academic research agenda has the important role of thrusting forward the debates and its own insertion within the political and judicial systems.

This chapter is divided into three sections. In the first section, we present a Brazilian panorama on match fixing and local institutional possibilities of fighting it. We briefly present the existing institutional architecture in Brazil, which could be related to fighting and prevention of match fixing. Subsequently, we explore the famous examples of match fixing events occurred in Brazilian soccer and the institutional "reactions" to them, as a way to illustrate its capacity to intervene.

In the second section, we present a review of the literature related to match fixing. The main purpose of this section is to briefly review some possibilities of research and policy oriented analysis of the still incipient academic activity in this area. Here, we also analyze the different focus of the existing studies.

We examine the policy recommendations for match fixing prevention presented in the literature at the light of Brazilian context and institutional debilities in the final section. By doing this, we intend to identify a possible field of studies that could be carried out by Brazilian academe as a way to contribute to match fixing prevention and by identifying deficient areas that should receive intellectual investment. For example, by better identifying and diagnosing its dynamics in Brazil and identifying the existing *lacunae* in institutional and legal architecture. By analyzing match fixing context in Brazil, the academic can assist the proposal of adequate means to fight it and be helpful in creating a public agenda on the theme.

Brazilian Institutions and Their Capability to Intervene

In this section, we present a brief landscape of Brazil institutional possibilities for dealing with match fixing. To show this, we shortly present the institutional architecture in Brazil that could be related to fighting and prevention of match fixing – Sports Justice and other Brazilian institutions of the criminal justice system. We also explore three known match fixing events that occurred in Brazilian soccer and the institutional "reactions" to them, as a way to illustrate its capacity to intervene.

There are two lines of interpretation when it comes the institutional-legal matters related to match fixing. The first states that specific laws or institutions are not necessary, because the ones designed to fight general corruption are sufficient. This position is held, for example, by the United Nations, more specifically, its Office on

Drugs and Crime (UNDOC). The second affirms that specific institutions or laws against match fixing give the problem visibility and make fighting the problem a central issue. Interpol defends this argument, stating that special legislation not only helps to detect and investigate this type of criminal activity but also gives some attention to the subject.

In Brazil there are no specific institutions directed at fighting and preventing match fixing, but there are institutions with more general attributes that could handle the task. In this chapter, we will discuss two sets of institutions: the first, institutions related to Sports Justice; the second, the several laws and actors related to fighting corruption in general.

The Sports Justice and Other Institutions Charged with Fighting Sports Corruption

The first reference to Sports Justice in Brazil was made during the military dictatorship, in 1975, with Law 6.251, which brought about general rules concerning sports. One of its articles stated that the control over sports and justice were the purview of the National Council for Sports, which was responsible for the regulation and organization of sports in the country. At the end of the dictatorship there was a pull to concede more autonomy to sports bodies, resulting in article 217 of the Federal Constitution of 1988. Article 217 says that it is the State's duty to advance formal and informal sport activities, as a citizen's right (*caput*). It also affirms that the Judicial Branch will only handle actions concerning sports matters and competitions after all the instances of Sports Justice, regulated in the first item of the law (§ 1°), have dealt with it. Furthermore, according to the Federal Constitution, Sports Justice has the competence for "prosecution and trial of disciplinary and sports competitions offenses" (art. 217 § 1°); other subjects, such as labor contracting disputes, are under the purview of the ordinary justice system. Sports Justice is also regulated by Federal Law, 8.672, from 1993, known as "Zico's Law", Federal Law 9.615, from 1998, known as "Pelé's Law", Federal Law 9.981/2000 and Federal Law 10.671/2003, the "Supporters Statute".

Articles 33 through 38 of Federal Law 8.672/1993, establish that the Sports Justice would be legally bound to the Confederations or Federations of each modality of sport, each with their own Sports Justice Court. The National Council for Sports, mentioned above, was closed, with the intention being to open the way for private leadership in the sports' field. The articles also create the structure of Sports Justice, with a two-level hierarchy, the Disciplinary Commissions, which rule the initial actions and the Sports Justice Courts, which rule the appeals.

Law 9.981, from 2000, ruled on the function of the Sports Justice Superior Court (STJD, in Portuguese), giving it purview over national and interstate competitions and also the appeals of disputes from the Sports Justice Courts (TJDs, in Portuguese). In 2003, the Supporter's Statute (Law 10.671/2003) brought about some changes to

sports justice (articles 34 through 36) which, in essence, had the goal of giving more visibility to their actions:

Art. 34. It is a right of the supporter that the Sports Justice bodies, when exercising their functions, attend to the principles of impersonality, morality, celerity, publicity and independence.

Art. 35. The decisions made by the Sports Justice bodies must be, under all circumstances, justified and have the same transparency as the decisions of the federal courts.

§ 1º There is no secrecy when it comes to the cases before the Sports Justice.

§ 2º The decisions regarding the most prominent cases will be made available in the site mentioned in item § 1º of article 5th.

Art. 36. Decisions that do not follow articles 34 and 35 will be null and void.

The institutional architecture of Sports Justice was finally established as follows. There is a Sports Justice Superior Court (*Superior Tribunal de Justiça Desportiva*, in Portuguese) with competence to rule on national and interstate competitions. Below it are the Sports Justice Courts (*Tribunais de Justiça Desportiva*, in Portuguese), with competence to rule on state competitions. There is one Sports Justice Court for each state sport's federation. The Disciplinary Commissions (*Comissões Disciplinares*, in Portuguese) are named by the STCs and are Regional Disciplinary Commissions and will be as many as needed for the original proceedings of the infractions.

Sports Justice is not attached to the “common” justice system and, because of that reason, there's a large dispute in the Brazilian legal academic field on its quality. One line of interpretation argues that Sports Justice is a private institution and, because of that, it is no more than an Arbitrage Court. Authors opposing to this interpretation say that the Sports Justice was constitutionally created to resolve conflicts in the sports' field and, being the object of public interest, cannot be considered “private justice” or a mere arbitrage instance. Among those who hold this argument, one line of interpretation states that it has a “semi-litigious” function, other that it has an administrative function only. The argument which states that Sports Justice has an actual judicial function has less supporters.

Be that as it may, amongst the rules that regulate the Sports Justice functioning, there is no clarity on what “disciplinary and competition offenses” mean, even though it is its sole function as determined by the Constitution. Additionally, the functioning of the Sports Justice in Brazil is poorly regulated. In practice, there is not one instance of public control over the actions of the Sports Justice.

Also a part of the set of institutions put in place to regulate sports in Brazil is the Sports Arbitrage Court, created by article 51 of the “Pelé's Law” (Federal Law 9.615/1998), established in 2005 with a mediating quality (Arbitrage Court) and kept by the Brazilian Olympic Committee (*Comitê Olímpico Brasileiro*, in Portuguese). However, the COB is not a part of the Sports Justice or bound by it. This instrument was created to fulfill the recommendations of the International Olympic Committee with the goal of impeding interventions by the Brazilian government, meaning the Sports Justice and the ordinary justice, in the National Sports Committees.

The Court has competence to judge on matters related to the Olympics, the Pan-American games, the South-American games and any other sports competitions of equal nature. It also judges conflicts between the National Bodies and affiliated Federations, club managers, athletes, and trainers with the Brazilian Olympic Committee. It can also judge on conflicts between the mentioned bodies with third parties with which they may have established contractual relationships or are bounded together by legal dispositions.

Thus, International Olympic Committee and Brazilian Olympic Committee create institutions and rules that clearly come in conflict with the nationally instituted system – regardless of the nature of the Brazilian sports justice. International Olympic Committee’s stance on turning to the Arbitrage Court is in clash with Brazilian law and the notion of soccer as a public interest.

On the other hand, Brazil has already a legal framework for fighting corruption, broadly speaking. The Brazilian institutions held responsible for investigating and fighting corruption are: the Federal Police, the Ministry of Justice, the Central Bank and the Secretariat of the Federal Revenue of Brazil, as institutions from the Executive Branch; the Federal Court of Accounts of Brazil and the National Council of Justice as institutions from the Judicial Branch; and the Federal Public Ministry, as an autonomous institution.

As for the Justice System, which involves a diverse set of institutions, it leans on an important variety of laws.² A compilation of the main laws that fight corruption include: firstly, the Brazilian Federal Constitution, which regulates corruption in the Public Administration (mainly in its articles 37, 317 and 333, among others); secondly, Federal Law 7.492/1986, which defines and establishes procedures regarding crimes against the National Financial System; thirdly, the Federal Law 9.612/1998, which deals with what is known as “money laundering”. Also, the Federal Law 9.034/1995 is cast to establish the operational resources to prevent and fight actions held by criminal organizations – which sets the basic procedures and rules for accessing data, documents and tax information, banking, financial and electoral; environmental interception of electromagnetic signals, optical or acoustic, its recording and analysis – under judicial authorization, as well as infiltration by police or intelligence in research tasks, under judicial authorization. Finally, the International Conventions Brazil has signed, from which should be mentioned the United Nations Convention Against Corruption (signature ratified in 2005) and the Inter-American Convention Against Corruption (signature ratified in 2002).

It is out of the scope of this chapter to debate the adequacy of this legislation to cope with corruption in a broader sense. Nonetheless, in the following section, we will attempt to considerate its capacity to intervene over match fixing by showing how the above related institutions worked on actual cases of football match fixing, which were held as standpoints in its history.

² Brazilian law broadly define corruption as a kind of fraud – a malpractice in the criminal, civil or procedural field, by deception or bad faith, with the goal of prejudicing the state or third parties or to flee the performance of an obligation.

Three Cases: The “whiter” the Collar the More Ineffective the Justice Institutions?

The cases briefly summarized in this section are to serve as an example of three important occurrences or alleged occurrences of match fixing in Brazilian soccer, which is considered the most important or popular sport in the country. Because of that, those are the main cases, amongst a few, that have found publicity in the media and, probably for that sole reason, were investigated in the least. The institutional reactions were, however, very different in each case. The explanatory hypothesis we would like to present, at the end of the section, looks to relate these institutional reactions to the different political and economic interests involved in each case.

– The Ivens Mendes Case (1997)

The so called Ivens Mendes Case occurred in year 1997, and involved an official from the Brazilian Soccer Confederation (Confederação Brasileira de Futebol – CBF) and two team managers. In that year, a major Brazilian television network broadcasted a recording of a telephone conversation of an alleged negotiation of results of matches from the Brazilian Nation League. Ivens Mendes, the President of the National Arbitrage Commission, the agency in charge of appointing the referees for soccer competitions organized by CBF, had promised to favor some of the teams in the competition, in exchange for money to finance his campaign for the Brazilian National Congress.

The Commission for Education, Culture and Sports of the Federal Chamber of Deputies created a Special Sub-commission to investigate the complaint. There were eight public hearings, but the Sub-commission never heard from Ivens Mendes, who refused to appear. The hearings were never officially concluded and there was no final report, only a very generic protocol that was never voted upon by the congress people.

In the Ordinary Justice system the claim did not go forward, since the only evidence of a crime were clandestine recordings, which were considered inadmissible. In the Sports Justice, the case appeared before the Supreme Court of Sports Justice, which banned Ivens Mendes from football for life. The two other team managers involved, Mário Celso Petraglia (Atlético/PR) and Alberto Dualib (Corinthians) were barred from representing their teams before the Brazilian Soccer Confederation, but the decision did not affect their participations on the boards. Atlético/PR started the Brazilian Championship of 1997 with five negative points as punishment for Mr. Petraglia actions. The demotion of the teams Fluminense and Bragantino to Series B was revoked.

– The CPI (Parliamentary Commission of Investigation) on CBF-Nike Contract (2000)

A Parliamentary Commission of Investigation (CPI, in Portuguese) created to investigate the regularity of the contract between Brazilian Soccer Confederation (CBF, in Portuguese) and Nike was requested to convene in March 11th of 1999. A CPI is an investigation conducted by the Brazilian Parliament, with its own powers of investigation separate from the judicial authorities, with the goal to assess the claim

and, if it is necessary, direct it to the Public Ministry to charge civilly or criminally the parties involved.

The aforementioned CPI was created in October of 2000, 19 months after it was requested to convene. There was indeed a great resistance to its creation, including during its proceedings, and it was faced with several difficulties and obstacles of various types that impeded the smoothness of the investigation, including threats of being shut-down.

The object of the CPI investigation was the signing, in mid-1996, of a contract between CBF and the multinational company Nike. The contract regarded a sponsorship and support agreement, between Nike Europe B.V. and the Brazilian Football Confederation, negotiated by Traffic Communications Advisor. According to the contract, Nike became cosponsor with CBF, having use of the image of the Brazilian football team, as well as endorser and sole provider of sport gear for CBF. The suspicions regarding the contract came about mainly when it was alleged that this contract gave Nike ample powers over the national team and its performance during the World Cup of 1998, in France.

The reach of the company went as far as drafting, line-up, scheduling of events that cancelled training, choice of opponents, determining dates and places of the matches. The contract also made available to Nike not only the main Brazilian soccer team, but also the sub-17 and sub-20 teams, as well as the women's team. Thus, suspicions were raised that CBF had ceded control over the Brazilian team to Nike, including the agreement upon clauses that were deemed excessive concerning the predominance of Nike's interests over CBF's, with damaging results to Brazilian soccer. CBF's and Nike's contract was signed in 1996, with a 10-year span, amounting to 160 million U.S. dollars and 150 million U.S. dollars' worth of "sports marketing" to be done by Nike. It also included 10 million U.S. dollars in payment to Umbro, a fine for rescission of the contract, 5 million U.S. dollars of sports gear to be handed over to CBF and 1 million U.S. dollars for the provision of transport vehicles for CBF delegations anywhere in the world during the contract, amounting to 326 U.S. dollars. There was also a provision that established payment of 43 million U.S. dollars in the case of an extension of the contract for another 4 years, amounting to 369 U.S. dollars total, for a 14-year contract (Azevedo and Rebelo 2002).

An example of the excessiveness of the contract is the clause that made CBF draft eight players under an undefined criterion which could be defined by Nike. In another clause, CBF gave Nike the preference of choosing the opponents and the places for 50 amicable matches over 10 years. Also, CBF was not allowed to schedule any matches in the United States, Japan, Korea or any other European country if Nike had already scheduled matches in the same places in the same year.

The CPI report concluded that, in the light of Brazilian sports legislation, the contract was in conflict with the principles of the importance of educational sports results and principles of citizenship and physical and moral development; it also conflicted with the principle of sports jurisdiction and management (Pelé's Law). In other words, it was questioned "if and how the CBF-Nike contract subjugated sports outcome (in its broader sense) to capital interests and marketing principles" (Comissão Parlamentar de Inquérito 2001). From a formal and legal standpoint, the

contract had many other fundamental irregularities, such as being signed by a private entity of a foreign country in a location undisclosed by the signing parties. That would have resulted in an image of the Brazilian football team being associated with a foreign sports equipment company “implicating the commercial exploitation of the sentiment of a population” (Comissão Parlamentar de Inquérito 2001), as well as matters related to tax evasion. Finally, the third party involved, Traffic, more than just a middleman, became “holder of certain registered brands and other Property Rights belonging to CBF, which were of interest to Nike to obtain. (...) Traffic holds CBF’s legal rights. So (...) we cannot sign a contract with CBF, once we are interested in acquiring rights that belong to Traffic. Thus, it has to be a part of the contract”, admitted a Nike representative in a testimony given to the CPI (Comissão Parlamentar de Inquérito 2001).

When it comes to the claim of match fixing, it was about investigating if there was an alteration of the “natural outcome” of the sports results. That means, as stated previously, if and how the CBF-Nike contract subjugated the sports results to the interests of the company. That suspicion was raised specifically towards the final World Cup match of 1998 between Brazil and France. According to the CPI investigation, the star player, Ronaldo, had a seizure 7 h before the match, an event which involved millions of dollars. The medical crisis would have occurred exactly after lunchtime, when the team’s doctors had come in. Oddly, no tests were done, no medication prescribed. Three hours after feeling ill, the player was finally taken to a private French neurological clinic. The trainer decided to put Ronaldo in the line-up based on the exam results from the clinic’s doctors that did not veto the player’s participation in the match. According to the CPI report, the decision to have Ronaldo playing was made based on Nike’s interests – amongst them, the release of a new football boot during the match. The Technical Commission endangered the player’s health in order to adhere to the business needs involved (Comissão Parlamentar de Inquérito 2001).

The CPI lasted for 8 months and reached no practical conclusions at all – there was no inquiry by the Public Ministry to investigate the responsibilities of the parties involved. There was only one case opened by the Federal Police and the tax authorities to investigate contractual irregularities which are not resolved whatsoever.

– Referee Edílson Pereira de Carvalho Case (2005):

The case that had soccer referee Edílson Pereira de Carvalho brought up on charges in the criminal justice system was also known in Brazil as the “Whistle Mafia”. The scheme for manipulation of soccer results was discovered by the attorneys from the Nucleus of Organized Crime Fighting of the Judicial System, along with the Federal Police Department. The investigation became public through a news article in the Brazilian weekly magazine “Veja”, in October 2005. A group of investigators “dealt” with referee Edílson Pereira de Carvalho, part of the FIFA roster, to ensure results that were betted on through websites. Another referee was discovered as a participant in the scheme, Paulo José Danelon.

According to the investigation done by the Public Ministry, all matches refereed by both men were corrupted. The long and detailed report from the main person being accused, Edílson Pereira de Carvalho, was the principal piece of evidence obtained.

Wiretaps were placed by the police, but only after he had already refereed 20 out of 26 matches from that year and Banelon, 14 out of 15 matches. The telephones that were tapped belonged to the bettors Nagib Fayad, leader of the Mafia, and one of his partners, Daniel Gimenes, as well as the two referees. The wiretaps pointed to frauds in the results of two matches and attempted fraud of another – the criminals had discussed previous matches. The recording also showed that Pereira de Carvalho offered to defraud three matches, but the Aebet website, which was used to place the higher bets of the Mafia, did not cash them, because they suspected a scheme. However, the leader of the Whistle Mafia kept his own betting establishments and said in a deposition that, if Aebet closed betting on Edílson's matches, it was always possible to find another website to take them. Fayad also said that Edílson himself placed bets, which means he sold the victory of a team to Fayad and then betted on the victory of the opposing team (Placar 2005).

In the Sports Justice the case resulted in the annulment of 11 matches refereed by Edílson Pereira de Carvalho; however, none of Paulo José Danelon's matches, in Series B, were annulled. Both were expelled from soccer and accused by the Public Ministry of larceny, conspiracy to commit a crime and fraudulent misrepresentation. Nonetheless, the penal action was suspended in 2007 by the São Paulo Justice Court which understood that the evidence did not show a crime of larceny. This decision closed the investigation of the conspiracy charge.

The three cases discussed about alleged occurrences of match fixing in Brazilian football show different institutional reactions, which seem to depend upon the political and economic interests involved. In the first case, which involved two team managers and the president of the National Arbitrage Commission resulted, simply, in the banishment of the parties from football, at least as team representatives before the CBF – however they were able to still hold administrative functions. There was no case and, therefore, no consequences in ordinary justice. Beyond that, this case underscores two important points. The practice of match fixing with the objective to finance a political campaign to the National Congress shines a light on a common occurrence in Brazil: the existence of political representatives who are, at the same time, team directors. Although this is not illegal or morally condemnable, it is indicative of a typical characteristic of corruption crimes: the attempt by the involved parties to engrain themselves in the political system, so that their “political commodities” can be traded in illegal and legal markets that surround their network.

The second case, the Nike-CBF contract, developed into a CPI that faced an ample amount of limitations and obstacles in order to move forward. Even having the media's publicity about a case that shook up Brazilian soccer, the results of the investigation led by the CPI did not lead to the opening of a judicial process, whether in the ordinary or in the Sports justice.

Finally, the case of selling results of Brazilian Championship matches by FIFA referee Edílson Pereira de Carvalho resulted in his expulsion from soccer and in the annulment of the matches he refereed by the Sports Justice. However, that decision was inconsistent given that the matches refereed by the other referee involved, also banned from soccer, were not annulled. It is important to note that, as in the other cases, ordinary Brazilian justice was no able to bring criminal charges, which shows, possibly, a significant level of institutional debility.

Thus, for the next section we have selected some academic studies on match fixing. Our goal is to shed some light on the possibilities for action by the academy in order to improve effectiveness of the institutions that exist to fight and prevent match fixing. The specificities of this action in the Brazilian context will be the subject of the final section of this chapter.

Academic Studies on Match Fixing

In this section, we identify some analytical possibilities presented by the still incipient academic studies in the field of match fixing. The section is not meant to comprise an extensive revision of the literature, but to draw attention to the diversity of potentials in this academic field. In the last section of the chapter, we come back to this literature to stress the possible policy contributions of the studies, after contextualizing the institutional situation of Brazil.

We should start this review by stating that there are not any empirical studies in Brazil on this theme; the existing literature is concentrated on legal exegetic issues. Thus, the literature is cast to interpret the legal norms related to sports' rights and Sports Justice, not having a critical stance when it comes to the institutions and legal norms about the subject. In the international literature, we can find studies with different focuses, be that the methodological tools used to analyze the match fixing events (statistics, documental, theoretical or qualitative approaches), the object of the study – studies have been conducted on the various agents of match fixing agents (players, referees, officials, bookies) or the dynamics concerned (the bribing dynamics, the betting, the bookmarket, etc.).

One particular kind of study in the academic field attempted to analyze match fixing from an economic perspective, using rational choice theory and public choice theory arguments. When analyzed in this way, match fixing is seen as a “market”, with the supposition that its intent and the choice of actions are based on the incentive structure that is offered, the risks and rewards that are presented. In this sense, Preston and Szmanski (2003: 617) identify three main motivations to fix a match:

- First, when one side wants to win and for this it is inclined to make side payments to persuade the other not to make an effort to win, or to persuade the referee to take favorable biased decisions;
- Second, the agent – being either players, referee or officials – are eager to gain financially from the result of the match;
- Third, a competitor needs to produce a particular kind of result in a match other than winning, because of the convenience of the result in the wider context of tournament.

From this perspective, Hosmer-Henner condemns match fixing, arguing that it

... reduces the interest of fans who cease believing that the games reflect actual, fair competition and instead believe that the games are staged contests like professional wrestling matches. Whether players throw games to ensure the other team wins or merely reduce effort to affect the game's final margin (point shaving), the viability of professional and amateur sports is jeopardized when the uncertainty of the game's outcome is completely or partially eliminated (Hosmer-Henner 2010: 33).

Preston and Szimanski, in a theoretical paper that looked to establish a “cheating in contests” theory by turning it into a mathematical model, posited three types of agents involved in match fixing, which are the bookmaker, the punters and the sports player, in this way defined:

The bookmaker is a local monopolist setting odds for a number of small punters. The bookmaker sets odds on the event that a certain sporting outcome occurs. Punters form beliefs about whether the game has been corrupted and choose whether to bet (Preston and Szimanski 2003: 621).

Also interested in developing a theoretical model of the criminal dynamics involved in match fixing, Hosmer-Henner recommends that to reduce game fixing, policymakers can affect four dimensions. The first, to be reduced, is the availability of betting opportunities; the other three, to be increased, are: the attached civil and criminal penalties; the probability of detection, the fines or salary forfeited (Hosmer-Henner 2010: 32). In the model considered, the threat of civil and criminal penalties and the fines and loss of salary, would act as deterrents to potential game-fixers (Hosmer-Henner 2010: 34). Hence, the author recommends a combination of public and private strategies: the public regulatory framework determines the level of civil and criminal penalties for offenders while the sports leagues determine the private penalties that apply to the athletes, coaches and referees (*idem*).

Preston and Szimanski (2003: 618) note that “design issues” can affect the structure of opportunities to fix the matches. Each sport has a way to define its competitions but some of them are structured in a way that can create incentives to match fixing. Subsequently, these eventual costs need to be scrutinized when thinking about the systems and set of rules of a league’s tournament.

When it comes to betting opportunities, there are authors who are against prohibiting them. Rebergiani (2009) and Hosmer-Henner (2010) develop a theoretical argument using an economic perspective. Although gambling is usually held responsible for a great part of the occurrence of match fixing, Hosmer-Henner argues that prohibiting sports betting is both ineffective and counterproductive. The argument is developed taking into consideration the case of the state of Nevada, US:

Gambling does create the incentives to fix games, but less than one percent of sports bets placed by Americans are wagered legally in Nevada. The remainder of bets are placed outside the regulated system, thus, potential game-fixers would not be prevented from betting upon the contests they rig. Worse, prohibiting sports betting in Nevada would eliminate the most effective method of detecting game fixing. Nevada sports books have been instrumental in uncovering game-fixing scandals when irregular betting patterns raised suspicions. Nevada sports books share a mutual interest with law enforcement and the sports leagues in combating game fixing because they are the financial victims of game-fixers. Yet despite the alignment of interest, Congress and the sports leagues have called for the abolition of Nevada’s sports books rather than formalizing mutually beneficial relationships with them (Hosmer-Henner 2010: 31).

Preventing match fixing would then also be important for the betting market, given that match fixing represents a threat to the financial viability of sports books. A fixed match “allows bettors with knowledge of the fix to wager without risk; every dollar these bettors win is a loss for the sports book” (Hosmer-Henner 2010: 32).

Moreover, the author maintains that the demand for sports wagering depends upon the perception among bettors that the contest is fair. It is hoped that bettors “migrate” from sport types or places to ones that offer uncorrupt games to bet upon. Thus, he concludes that both sport leagues and sport books have equal incentives to prevent match fixing.

Sports betting itself does not threaten the integrity of sports, it can exist as an independent activity that is completely separate from the games. Harm arises only when sports and gambling become entangled. Maintaining independence between sports and gambling is positive for both sides and can be accomplished through cooperation to eliminate game fixing (Hosmer-Henner 2010: 38).

The author recommends then to improve the understanding of how each other’s industry operates and to share information that is relevant to the integrity of sports betting: “Sports books can help prevent game fixing if they are viewed as allies to work with, not enemies to work against” (Hosmer-Henner 2010: 38). He exemplifies strategies that follow this idea: one of the commissioners of the NFL had a special telephone line by which informed gamblers and handicappers could call to report fixed games; the International Olympic Committee signed agreements with major betting companies to monitor irregular gambling and established a special unit to check for suspicious betting patterns in preparation for the 2008 Beijing Games (*idem*). The last also occurred in the preparation of 2012 London Olympic Games.

The empirical work of Scoppa (2008) dedicates itself to analyze one special agent of match fixing dynamics, the referee and its behavior in the Italian soccer league (“Series A”). The author used data for the 2003–2004 and 2004–2005 seasons of the Italian soccer league “Series A” and data on extra time assigned by the referee at the end of the match and controlling for factors which may influence it (players substitutions, yellow and red cards, penalty kicks, etc.). The existence of favoritism could be strongly detected in the study: the author concluded that football referees were not impartial between home and visiting teams and also between “big” teams and smaller teams.

The study showed that when home teams were losing in “close games”, referees tended to add significantly more extra time (around half a minute), giving the home team more chances of equalizing. The refereeing bias increased greatly when there was no running track in the stadium and the crowd was close to the pitch.

Also following the 2006 “Series A” Italian soccer scandal, the study also tested whether favoritism emerged towards teams suspected of connections with referees, finding that these teams obtained favorable decisions – although when considered jointly the effects of favoritism towards home teams and towards suspected teams, he deduced that favoritism towards “big” teams was less pronounced than favoritism towards home teams. Nonetheless, the expected number of matches altered were 10.2. Attributing to the referee bias the goals scored after 3.62 min, the study was able to identify seven matches in the sample which could be considered as being altered because of refereeing bias: four games in 2003–2004 season and six games in the 2004–2005 season, leading to the conclusion that some teams were effectively helped and others were penalized.

Other works can be cast to exploring how the low wages of players can serve as factors that incentivize corruption. In the case of players, it is also worth noticing that, although a great amount of the focus is put on the referee or the athlete, these should be seen as the “weak” parts: beyond the monetary gains, to fix the match is frequently a condition practically imposed to evolve in the career.

The work of Boeri and Severgnini (2011) follows this direction. The article assumes that referees play a crucial role in match rigging because they provide a relatively high probability of successful fix as they retain considerable leverage in deciding over penalty and disciplinary tools, including adding extra time, and their co-operation in match fixing can be obtained at a lower cost than the co-operation of soccer players. So the study analyzes the assignment of the referees to the most important matches, as an important step in their career, and relates this choice to the performance of referees in previous matches and the evaluations they received in this context. The article finds that referees involved in match rigging were promoted to top games and that their evaluation was not negatively affected by their involvement in documented episodes of match fixing (Boeri and Severgnini 2011: 349–50).³

Theoretically, the decisions taken by the referees in each match are based on several factors related to both their ability and the experience and the characteristics of the match. The results of the studies indicate that intermediate referees (in comparison with “less degreed” and “top” referees) are in a crucial phase of their career; also that a higher grade for the referee increases the probability of being involved in Series A versus Series B, but has no effect on the selection for Griglia A games. However, the regressions’ results indicated that past involvement in fixed matches implied a higher probability of being chosen for Griglia A matches for referees at intermediate career levels, that is, precisely those who are waiting for promotion to an international standing (Boeri and Severgnini 2011: 352–357).

The involvement of referees and linesmen in match fixing could be penalized by official evaluations of their performance. Receiving a lower grade in these evaluations could imply a lower probability of being selected for First Division games. But further tests indicated that, on the contrary, involvement in fixed episodes did increase the likelihood of being selected in Grid A games and did not yield a negative official evaluation (Boeri and Severgnini 2011: 358). The author concludes that the results of the study indicated that career concerns may function as incentives to fix a match (such as financial bribes), which reduces substantially the monetary outlays involved in it (Boeri and Severgnini 2011: 358).

³The collected data included information on referees’ and linesmen’s personal characteristics and career paths; their decisions during each match was obtained from the websites and printed editions of Italian daily newspapers; referees’ and linesmen’s grades were collected from the official evaluations provided by the Italian Referee Association; the Team Performance Index, IVS, obtained by the Panini group; the list of the matches being rigged drawn from official judicial records (Boeri and Severgnini 2011: 350).

The recommendations of the study suggest the monitoring of the behavior of agents who are in a crucial phase of their career (Boeri and Severgnini 2011: 358), which could refer to referees as much as to athletes. In the case of soccer, the authors advise to create more transparency regarding the decisions on the allocation of referees to games, their promotion to an international standing and their official evaluations as means to reduce sports corruption (Boeri and Severgnini 2011: 358).

The Role of Academe in Formation of More Effective Policies in Brazil

In this final section, we try to draft some recommendations for match fixing prevention within the Brazilian context and institutional weaknesses. In the second section, we overviewed some empirical studies that could be replicated by Brazilian academe and that offer distinct possibilities of investment in this field.

The contributions of academic investigation to match fixing fighting and prevention are larger than can be imagined. One of the main reasons for the soaring difficulty of detection of this kind of offense is tied to the fact that analyzing the game replay for search of evidence is an infertile strategy. Due to the “subjectivity” of the performance of decisions and the virtual impossibility of determining if an athlete misacted on purpose, statistical expertise has been showing itself as the most successful detection technique currently involved in law enforcement cases (Hosmer-Henner 2010: 36). As an example, we can point to the sports books of Nevada, as indicated by Homer-Henner (*idem*) or the Sports Radar recent initiative,⁴ amongst others.

The empirical studies can expose the agents or dynamics involved in fixing matches in different kinds of sports. Based on the assumption that each dynamic has different aspects involved, they will demand the creation of specific prevention strategies, including identifying more vulnerable parts, usually players and referees. A survey conducted in 2000 showed an impoverishment of the Brazilian national football player; also that only 3.7 % of professionals players (765 of the 20,496) registered in CBF received more than US\$1400 per month (Folha de Sao Paulo 2000 in Azevedo and Rebelo 2002). A 2011 FifPro survey indicated that 12 % of the professional football athletes had already received proposals to fix the match and 23.6 % knew cases of match fixing inside his club, showing a high correlation with bad payments – 55 % of them were not paid or had their payment delayed (Van Meegen 2012).

That is a reason why it is important also to render support to qualitative research. This kind of studies can also identify deficient institutions or fragile dimensions that should receive more invested attention. By analyzing match fixing context in Brazil the academe can, more specifically, assist with the proposals of policy recommendations and adequate means to fight it but also be fundamental in creating a public

⁴<http://www.sportradar.com>

agenda on the theme. It is a consensus that other important constraints to the existence of adequate reactions to match fixing events are the still low priority of this theme in the justice system – law enforcement institutions in Brazil have no history of intervention in this area – and, consequently, there is an absence of economic and political resources specially directed for this task.

These limitations have to deal with low levels or even no levels at all of transparency in the matter of sports, a dimension that gets deeper as more sports become an attractive economic market. The high commoditization of sports in the last years has increased the risks of match fixing and other forms of corruption. Transparency in the criteria of choosing match referees is only one aspect, as pointed out by Boeri and Severgnini (2011). However, for the Brazilian context we should also discuss the question of budgets of sports leagues and the public betting system, keeping in mind that they deal with public interest matters.

The entities that organize and control sports in Brazil – notably Brazilian Football Confederation (CBF) – have had several diagnoses by sports experts and academics of being non-transparent, non-responsive and not accountable. Added to it there is the fact that the performance of sports organizations are used for governmental or/and public institutions promotion, for example, state enterprises that sponsor sports leagues in Brazil. There is also, the already mentioned involvement, by sports managers in elected public offices, and the intervention of lobbyists and of interests groups that taint the law enforcement. Further, it is important to develop mechanisms to ensure that law enforcement is armed against the lobbies, as well as against the self-interested politicians who are also sports managers. Also that federal government incentives to the sports activities (including financial ones) occur in accordance with Brazilian sports legislation. These processes have to occur with transparency, which is not the general rule. Legal mechanisms could be created to constrain such organizations for the full disclosure of the information concerning the way they operate.

Other existing difficulties to ensure transparency in the Brazilian setting are: the increasing incidence of non-transparent sponsoring contracts between public agencies and sports associations or clubs and the increasing incidence of non-transparent transferences of athletes to European clubs, mainly Eastern ones. In this instance there is a need to implement mechanisms to ensure transparency and publicity of the contracts involving public entities is crucial. This could also be applied to the contracts of broadcasting rights of sports competitions played in Brazil. The creation of mechanisms for more equitable distribution of the image-rights of the clubs within the competition should be instituted, so that the access to such resources could provide greater competitiveness to championships and, at the same time, reduce the probability of occurrence of corruption in these negotiations.

With regard to the difficulties of controlling the public betting system in Brazil, it is worth noting the increase in receiving of the prizes and destination of its profits, given that there are several indications of malfunctioning and suspicions of results fixing and other irregularities associated with the procedures of public gambling system. This should cause the implementation of mechanisms to ensure an adequate

functioning of public betting systems and tools for the clubs to publish their financial statements so they can be able to enroll themselves in the Lottery system.

The current version of the sport, its links to the market and different moral values, introduced new features such as heterogeneous and exacerbated marketing practices. It also developed a new sphere of gentrification of practices, based on rules of marketing and buying power (Marques et al. 2009).

Ensuring sports integrity depends on the fact that sport competitions must not be determined by economic interests; individual actors, including sponsors and investors must not have too much influence on the associations, clubs and sport federations (Mineps V – Commission III Recommendations 2012). However, it also depends on building a sports integrity culture. In this sense, academe has a fundamental role in actively promoting the transmission of moral values related to the integrity-building dimension of sport itself. Not only tools directed at the education of the public against match fixing can be developed, but other educational strategies, such as those that construct “role models” for minors, can be designed by academe to build integrity in a broader sense.

References

- Boeri and Severgnini (2011). Match rigging and the career concerns of referees. *Labour Economics*, 18, pp. 349–359.
- Comissão Parlamentar de Inquérito (2001). *Relatório Final da CPI “destinada a investigar fatos envolvendo as associações brasileiras de futebol”*. Vols. I, II, III, IV and Anexes. Brasília, Senado Federal (in Portuguese).
- Carlos Azevedo e Aldo Rebelo (2002). A Corrupção no futebol brasileiro. *Motrivivência*, N. 17, pp. 1–18 (in Portuguese).
- Folha de S. Paulo (2000). *Dados da CBF revelam empobrecimento jogador nacional*. Edition of 02/29/2000. (in Portuguese).
- Hosmer-Henner, Adam (2010). Preventing Game Fixing : Sports Books as Information Markets. *Gaming Law Review and Economics*. Vol. 14, N. 1, pp. 31–38.
- Marques, Gutierrez, Montagner (2009). Novas configurações socioeconômicas do esporte contemporâneo. *Revista da Educação Física da UEM*. v. 20, n. 4, pp. 637–648 (in Portuguese).
- Mineps (2012). 5th International Conference of Ministers and Senior Officials Responsible for Physical Education and Sports. Commission III Recommendations on ‘Preserving the integrity of sport’.
- Placar (2005). *Dossiê do Apito: tudo sobre a máfia que anulou jogos do Brasileiro-2005*. Edition of 3/3/2011 (in Portuguese).
- Preston and Sznimanski (2003). Cheating in Contests. *Oxford Review of Economic Policy*, vol. 19. N. 4, pp. 612–624.
- Rebeggiani, Luca (2009). The Liga Portuguesa decision of the European Court of Justice – An Economist View. *Rivista di Diritto ed Economia dello Sporte*, vol.5, 3, pp. 111–122.
- Scoppa, Vincenzo (2008). Are subjective evaluations biased by social factors or connections? An econometric analysis of soccer referee decisions. *Empirical Economy* N. 35, pp. 123–140.
- Van Meegen (2012). Preventing Match Fixing: Contemporary Approach. *Global Academic Experts – Meeting for Integrity in Sports*.