

ESIC

ESPORT INTEGRITY COALITION

Integrity in esports -

A presentation to the
GPC Nov 2016

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ESIC ESPORTS THREAT ASSESSMENT

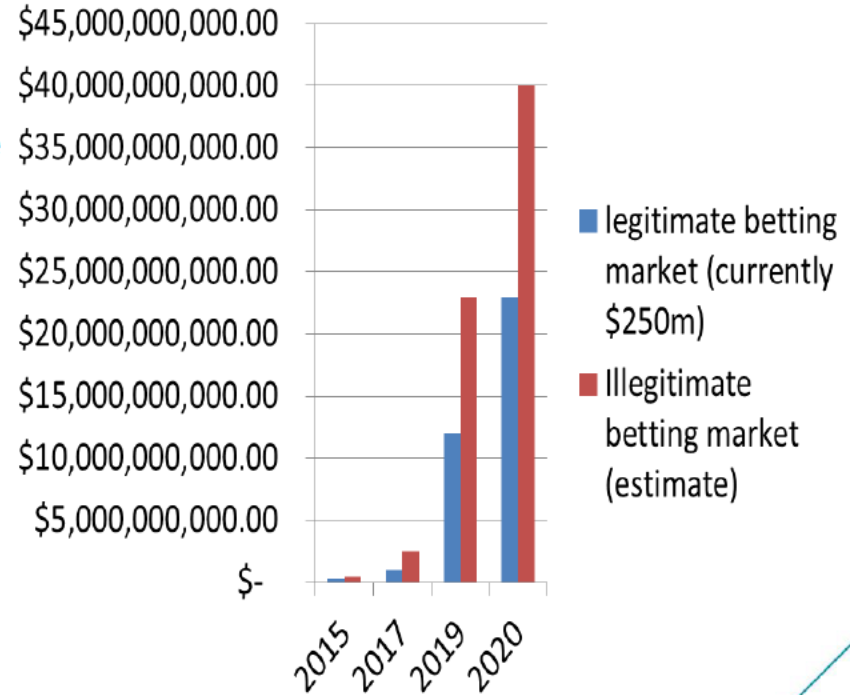
- The four most significant threats to esports integrity have been identified as...
 - Cheating to win using software cheats
 - Online attacks to slow or disable an opponent
 - Match-fixing
 - Doping
- The easy ability to cheat used frequently can destroy a game – the solution is in the publishers hands and, on the whole, is implemented swiftly, ruthlessly and effectively.
- The willingness to deliberately underperform – match or spot fixing to commit betting fraud – is poorly understood and only dealt with when exposed by third parties.

TWO KEY ISSUES

- Betting on esports events played around the world – online and LAN (live) Events
 - Are they safe from corruption?
 - How do we know?
- Hosting LAN Events in Nevada and allowing betting on those events
 - Are they safe from cheating and corruption?
 - How do you ensure that?

BETTING FRAUD

- Where there is a market there are people trying to manipulate it – the only question is whether they are succeeding or not...
- 92% of match-fixing is driven by betting fraud.



BETTING FRAUD CONTINUED

- Our participant demographic is perfect for gambling and corruption.
- A very high interest base in South East Asia, China & USA – the 3 biggest illegal gambling epicentres.

- As an industry, esports is highly vulnerable.
 - Games can survive match-fixing, but esports cannot...

RISK ANALYSIS OF GAMES TITLES

- Generally Moderate Risk
- Top market value of \$80k in 2015 – this will grow and become much more interesting to fixers.
- Only current game with no high risk category of match fixing is COD

eSports Games Chart

October 2015
© Jens Hilgers | BITKRAFT
www.observerward.com

All presented eSports Games have:
> Been on the market for at least 1 year
> A stable fan- and pro-player base and tournaments

- Ascending game/franchise
- Descending game/franchise

The games have to fulfill at least two of the three presented requirements to enter an eSports Game Tier:

	Requirement 1 Monthly Active Users	Requirement 2 Yearly Prize Pool	Requirement 3 Monthly Hours Streamed
Tier 1	> 8M	> \$5M	> 20M
Tier 2	> 1.5M	> \$1M	> 2M
Tier 3	> 500K	> \$100K	> 200K

Analysis based on data from leagues and tournaments, game publishers, streaming services, game-tool providers, industry research reports and more.



Risk of corruption linked to betting markets and player earnings





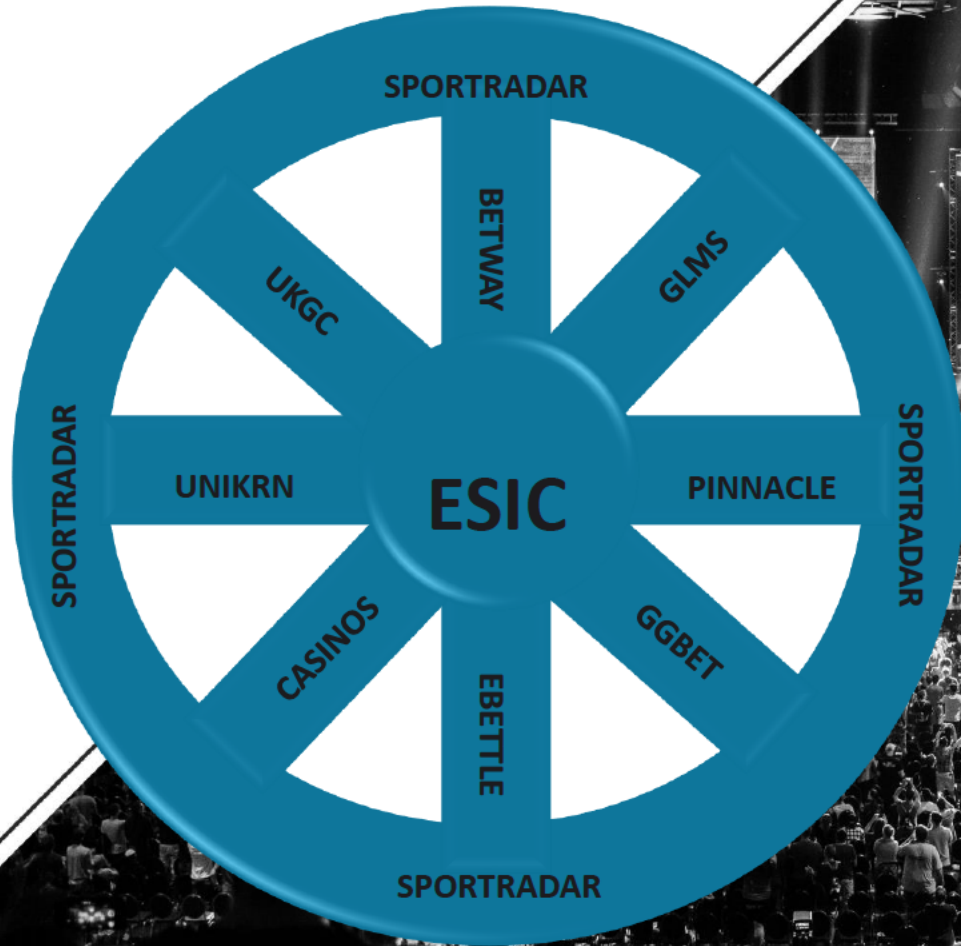
HOW TO MATCH-

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THE FIGHT AGAINST MATCH-FIXING

- How do you detect match-fixing and what do you do when you find it?
 - 3rd party exposure (law-enforcement/media/whistle-blowing)
 - Sportradar FDS & gambling industry alerts. 450 bookmakers – over 80 offering esports
- Proper regulations and procedures.
- Investigation
- Prosecution
- Deterrence – Commissioners Confidence
- Engagement with the licensed gambling industry



EDUCATION OF PARTICIPANTS

- The most effective deterrent to match-fixing is Participant education
- The 20/60/20 principle – risk analysis
- The education programme is multi-faceted and kicked off at IEM Katowice March 2016
- Online interactive tutorial – linked to registration for tournaments – due Jan 2017
- Confidential reporting hotline/email

OTHER MEASURES

- Security – Player and Match Officials Area
- Physical presence of anti-corruption officials at venues and hotels
- Intelligence database and analysis
- Liaison & cooperation with other anti-corruption units and law-enforcement
- Alerts to Participants
- Warnings off of known corruptors
- Agents/Managers registration system
- Lobby for legislative regulation of gambling
- Good database of participant information

The need for Regulation of LAN Events in Nevada?

- Currently, no industry or regulatory standards
- Prize money and expenses paid in full and on time?
- Anti-cheat measures implemented?
- Player security and anti-corruption measures?
- Should these be totally in the hands of the tournament organisers and promoters?
- The case for light touch regulation:
 - Independent objective minimum standards
 - Compliance checks
 - Best practice promotion
 - Participant, spectator and bettor safety



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WHAT IS ESIC?

- Not for profit members association
- Primarily aimed at combatting match-fixing and betting fraud in esports
- Coalition of concerned industry stakeholders most affected by match-fixing and most able to do something about it.
- Overseen by the Integrity Commissioner
- Provides the Programme on behalf of the members.
 - Principles and Code of Ethics for members
 - Code of Conduct for players (optional – with a view to standardisation)
 - Anti-Corruption Code for participants
 - Anti-Doping Code for players



THE ESIC
PROGRAM

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Anti-Corruption Code - Offences

- **Covers all “Participants”**
- Match or spot fixing – including attempting to do so or trying to get others to do so
- Betting on your own game or offering bets or encouraging betting
- Misuse of Inside Information
- Bribery of other Participants
- Failure to disclose large gifts
- Failure to disclose corrupt approaches
- Failure to disclose suspicions or knowledge of corrupt acts
- Failure to cooperate with or obstructing investigations or prosecutions

Anti-Corruption Code - Obligations

- Positive duty to report corrupt approaches or acts
 - report@esportsintegrity.com and +44 (0)7798 698201
- Positive obligation to cooperate with investigations and prosecutions

Anti-Corruption Code - Consequences

- Provisional Suspension
- Corruption: Ban for a minimum of 2 Events up to a lifetime
- Betting: 2 Event minimum up to 2 years maximum
- Misuse of Inside Information: no minimum up to 3 years maximum
- General Offences: no minimum up to 5 years maximum
- Loss of reputation
- Loss of job
- Loss of record/s
- Likely publisher ban

THANK



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