

Aussie probes US sports bet trends



An Australian ex-patriot and self-proclaimed “forensic economist” based in the United States has identified what he believes is the incidence of points shaving in five per cent of all American College basketball competition results with large spreads.

Justin Wolfers, Assistant Professor of Business and Public Policy The Wharton School, University of Pennsylvania, reached the conclusion in his recently-released research paper entitled “Point Shaving: Corruption in NCAA Basketball”.

While the National Collegiate Athletic Association does not acknowledge that a widespread problem exists, Wolfers (pictured) told *The SportsVine* “... to

be honest the results just really stood out”.

“In terms of the research process, I started by simply asking myself what footprints might be left behind in the data if points shaving was widespread and lo and behold, those footprints appear to be there,” Wolfers said.

“Aggregate data analysis of this type can never quite tell you if a particular team is cheating in a particular case, but it can point to generalized tendencies for game outcomes to look different in particular ways that might look like point shaving.”

Wolfers said point shaving is expected to be most prevalent when one team is strongly favored, obviously because it creates a potential “win-win” situation - the gambler can win his bet, and the player can still win the game – as long as he wins the game, but “shaves” so that he wins by less than the point spread.

“As such, the question is whether the distribution of game outcomes looks different for strong favorites than for weak favorites (or underdogs). The outcomes definitely are different. Too often we see a strong favorite barely lose to the spread, and we see them barely beat the spread too rarely,” Wolfers said.

“Interestingly, they win the game just as often as you might have otherwise expected. And it isn’t that these strong favorites just take it easy and fail to “blow out” their opponents too often. That is to say, strong favorites win by, say, 20 points about as often as you might expect.

“But when the team is a 12 point favorite, they win by 12-18 too rarely, and win by 6-12 too often. Similarly, when they are 18 point favorites, they win by 18-24 too rarely, but 12-18 too often.

“Taking all of these results together suggests that around five per cent of games involving strong favorites are point-shaving, which amounts to around 500 games over the 44,000 games I examined over the past 16 years.”

Wolfers said the potential for corruption is greater in individual sports “when the only person you have to bribe – yourself - is even greater”. “But we are fortunate that in many individual sports, such as tennis or golf, the stakes involved in winning are so large that it just doesn’t make sense to purposely lose so that your bets win,” Wolfers said. “That said, jockeys are obviously individual sportsmen, and we hear no shortage of rumors about jockeys not trying in particular races.”

Asked if he believed “spread” betting ought be banned, Wolfers replied: “The real problem in the NCAA basketball case is that the incentives of gamblers and of athletes are so poorly aligned (or the incentives for corruption are so great). The main reasons for this are that the players are effectively amateurs, and so don’t stand to lose much if caught point shaving, and also that by allowing point-spread betting, this provides the opportunity for the win-win where the player can get what he wants (winning the game), while also earning a few extra dollars”.

continued page 5



AUSTRALIA

March 16, 2006 Vol 8
Issue 09

CONTENTS

News

Officials ink sports education agreement with China .. 2
Community views on Perry Lakes program initiated .. 2
Russell Ingall the face of Australian Futures Trading .. 3
Tiwi Islands art on display and it's good for football .. 3
Singaporeans hail new NBL outfit .. 3
SA Umpire Academy acknowledged .. 4
Wodonga welcomes Jamaican team .. 4

Clubs & Teams

Eagles, WA Netball in historic union .. 6

World News

Louisville lands Ryder Cup for 2008 .. 6
UNC Charlotte plans sports program .. 6

The Voice Box

First the tram, now the golden goose .. 7

Vine Clippings

.. 7-9

Opportunity of the Week

New Indoor Stadium planned (WA) .. 9

Player of the Week

Brian Travers
International Sports Tours
Managing Director .. 10

Australian finds US bet irregularities

from page 1

"My conjecture is that if we were only allowed to bet on which team won the game, it would be a lot harder to persuade a player to throw the game, while point-spread betting means that we only have to persuade them to win by a smaller amount, so I think that spread betting is ripe for corruption," Wolfers said.

"So too is betting on games where neither team cares about who wins (think about the cricketing scandals here): if the players don't care about the outcome (as in pre-season games), and the gamblers do, then corruption is likely to occur."

Wolfers, a passionate supporter of reigning AFL premier Sydney Swans, was originally schooled at James Ruse High in Carlingford, then Sydney University. During that time Wolfers also worked for various bookmakers, "so my current research is a natural outgrowth of those experiences".

In 1997 Wolfers left Australia for the United States, completing his PhD at Harvard, then forging associations with Stanford and Wharton.

To read Wolfers' research paper, go to <http://bpp.wharton.upenn.edu/jwolfers/index.shtml>

Tony De Bolfo

Community program views initiated

from page 2

"Redevelopment of the Perry Lakes stadium site and its dilapidated sporting facilities is a very significant project for Western Australia, and we will make sure we get a good idea of the range of expectations for the project," Minister MacTiernan said.

Under the legislation, the Minister is responsible for overseeing development of the site, and the Minister for Sport and Recreation will be responsible for building replacement sporting facilities on AK Reserve and adjacent land.

Once the sporting groups are relocated, LandCorp will undertake residential development on the current Perry Lakes stadium site.

Minister MacTiernan said the passing of the Perry Lakes Redevelopment Act late last year affords it the opportunity to establish modern sporting facilities for the state "and we want the community to be part of that decision-making process".

"However, we also want the community to understand the specific set of guidelines which we need to work within as part of the project," Minister MacTiernan said.

"We are seeking input both on the provision of new sporting facilities at AK Reserve and adjacent land, and the redevelopment of the current Perry Lakes stadium site into residential land."

Sport and Recreation Minister John Kobelke said the new sporting facilities would provide:

- A tailored athletics stadium with a 2000-seat grandstand and grassed banking for up to 10,000 spectators, office accommodation for AthleticA and the capacity to stage state and national level events;
- A basketball facility with eight courts and office space for local clubs and Basketball WA; and
- Rugby playing facilities with a grandstand, office accommodation for Rugby WA and training facilities for the Western Force.

Minister Kobelke said when completed, the three new projects would add to existing facilities at Challenge Stadium and McGillivray Oval, creating a world-class sporting precinct.

Funding for the project would be generated by the redevelopment of the current Perry Lakes stadium site into a residential housing estate.

The State Government will provide further funding to ensure the replacement athletics stadium is a state level facility.

The new sporting facilities will be completed in 2008 with the residential development starting later the same year.

Minister MacTiernan stressed that the random survey was only one step in the community consultation process and people interested in the redevelopment would have many further opportunities to provide input into the redevelopment planning as it progressed.

"This is just the first step in the community consultation process – everyone who wants to have their view heard will have that opportunity as this exciting project gains momentum," Minister MacTiernan said.

Singaporians hail new NBL outfit

from page 3

SSC chief executive Oon Jin Teik said the council had a five-year commitment, but would not say what it was worth. Sources suggested \$800,000 a year, with a reduced rental at the indoor stadium, which will house the team and its offices.

The 11,000-seat stadium is part of a 40-hectare area that is to be developed as Singapore's Sports Hub by 2011.

In return the new team, possibly to be called the Lions, will help develop the sport in Singapore so that, eventually, Singaporeans are good enough to play in it. For now, any Asian players will be regarded as imports, as Americans are.

Sixteen of the team's annual 33 NBL league matches will be staged in Singapore.

Australian officials will jet into Singapore next week to confirm the team line-up.