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Sad Suspicions About College Basketball

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THE downfall of the “Goodfellas” mafiosi started with the Lufthansa job at Kennedy Airport in New York. At the time, it was the largest cash robbery in history. “Lufthansa should have been our ultimate score,” Ray Liotta, playing the mobster Henry Hill, said in the movie. Instead, the movie gangsters called attention to themselves with flashy purchases like a hot-pink Cadillac and, as the police closed in, began killing each other.

But Henry Hill survived. Less than a week after the robbery in December 1978, he was sitting in the Boston Garden watching a basketball game that he later told federal investigators he had helped fix. He had paid off two Boston College players to beat Harvard by less than the 12-point spread. Boston College won, 86-83, and Mr. Hill won his \$15,000 bet.

This time next week, a few million Americans will be filling out office pool betting sheets for the coming N.C.A.A. tournament, and I don’t imagine that many of us will spend much time thinking about the sport’s grubby past.

College basketball is a big business today, and betting on it is not merely a sideline for mobsters. It is a national pastime.

One thing about the sport, however, has not really changed since Henry Hill’s day. Of all the major forms of betting — lotteries, poker, craps, slots, football — college basketball is almost certainly the easiest to fix.

It is played by young men who don’t usually have a lot of money. With just five players on the court, one person can determine the outcome. And the point-spread system, in which bets are based on the margin of victory rather than wins and losses, allows players to fix a game without losing it.

“There’s every reason to think this is as bad as it gets,” Justin Wolfers, an economist at the University of Pennsylvania, said.

Mr. Wolfers, a blond pony-tailed Australian, calls himself part of a new generation of forensic economists — researchers who sift through data to look for patterns of cheating that otherwise go unnoticed. The best-selling book “Freakonomics” by Stephen J. Dubner and Steven D. Levitt is based partly on this kind of work.

THE showpiece of forensic economics is research done a few years ago that suggested that mutual fund traders were regularly backdating their trades. Wall Street attacked the findings at first. But they stood up to scrutiny, and Eliot Spitzer, New York’s attorney general, used them to force reforms on the industry.

You can probably guess where this is going. Mr. Wolfers has collected the results of nearly every college basketball game over the last 16 years. In a surprisingly large number of them, it turns out that heavy favorites just miss covering the spread. He considered a number of other explanations, but he thinks there is only one that can explain the pattern. Point shaving appears to be occurring in about 5 percent of all games with large spreads.

Officials at the National Collegiate Athletic Association say they do not believe that the problem is nearly so large. Jay Kornegay, who oversees

An economist sees signs of point-shaving in the college sport.

the betting lines at the Las Vegas Hilton, told me that Mr. Wolfers’s conclusions sounded “ludicrous.” But I’m not so sure about that.

When Mr. Wolfers began his research, he started with a question: If there were really a lot of point shaving going on, what sort of tracks would it leave in the data?

In all likelihood, the cheating would be concentrated among heavily favored teams. Point spreads require gamblers to bet on whether the favored team will win by at least a certain margin. By agreeing to fall short of that, players can fix a game and still not risk losing it.

“It’s the favorites with the big spreads,” Kenny White, an influential Las Vegas oddsmaker, said, “that have the biggest advantage to be able to do something.”

Past scandals also suggest that is how it works. When Stevin Smith was fixing games at Arizona State in the 1990’s to erase some big gambling debts, he hit some big shots and helped his team win games. But he backed off just a little on defense to make sure his opponents covered the spread.

“I made myself feel better by always saying that I wasn’t making my team lose, just helping myself out of a bad situation,” Mr. Smith later wrote in *Sports Illustrated*.

This is precisely the pattern Mr. Wolfers believes that he has found. Smaller favorites — teams favored by 12 or fewer points — beat the spread almost exactly 50 percent of the time, showing how good those oddsmakers are at their jobs. But heavy favorites cover in only 47 percent of their games. There is little chance that the difference is due to randomness.

This is not persuasive by itself, because there are some obvious explanations besides point shaving. Heavy favorites may remove their best players at the end of the game, for instance, or simply slack off, not caring what their winning margin is.

But here’s Mr. Wolfers’s smoking gun: this slacking off seems to happen only when a game is decided by something close to the point spread. Heavy favorites actually blow away the spread just as often as everyone else. But they win by barely more than the spread a lot less often than slight favorites do.

There is a strange dearth of games in which 12-point favorites win by, say, 13 or 16 points. And there are a lot of games that they win by 11 points or slightly less. There is just no good explanation for this.

“You shouldn’t have what’s happening on the court reflecting what’s happening in Las Vegas,” Mr. Wolfers said. “And that’s exactly what’s happening.”

This isn’t proof, to be sure. Forensic economics rarely provides that. But when it fits with other evidence, it can make a pretty compelling case. College basketball has had a point-shaving scandal about once every decade. And in a recent N.C.A.A. poll, 1.5 percent of players admitted knowing of a teammate “who took money for playing poorly.”

So, by all means, the N.C.A.A. and the rest of us should enjoy these next few weeks. But when the tournament is over, the people who run college basketball may want to get in touch with Mr. Wolfers.

ONLINE: FORENSIC ECONOMICS

To see Justin Wolfers’s research and read more about forensic economics, go to nytimes.com/leonhardt.