

# Rupert Bolingbroke

## Head of Trading, Hong Kong Jockey Club

*Who bets with the Asian illegal operators?*



GALLOPING AHEAD GLOBALLY



香港賽馬會

The Hong Kong Jockey Club

同心 同步 同進 RIDING HIGH TOGETHER



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[www.arcindia2016.com](http://www.arcindia2016.com)

There are at least **2500** illegal bookmaking websites in Asia,  
of which 20-30 are major websites.



# Why are there so many?

Legal —  
Illegal —

More competitive pricing than legal operators: 10-15% better

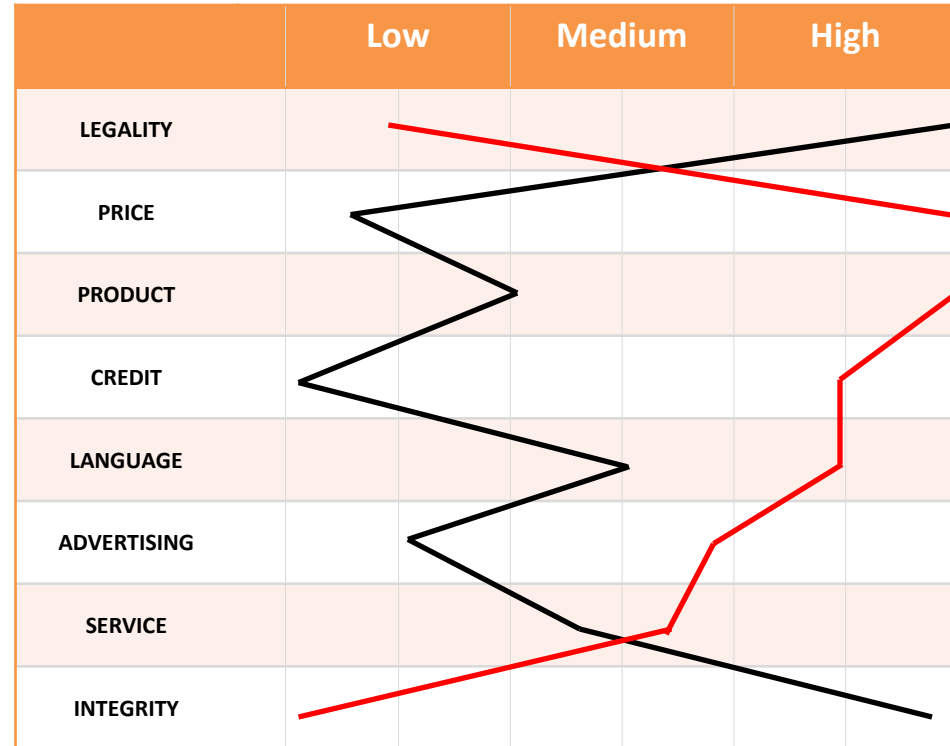
Easy availability of credits & rebates that expands market size

Wider/deeper betting product ranges

Advanced usage of technology – Banning of access to remote gaming site often does not work

Very “irresponsible” marketing and CRM

Widespread use of unregulated 3rd-party online payment service providers



# Citibet website

CITibet

English



ASIA'S LEADING BETTING EXCHANGE  
Bet for or against an outcome with better odds and bigger wins.

Username

Password

Validation Code

Login






\*English  
Chinese  
Japanese  
languages

Horse Racing Asia's Leading Betting Exchange Spread Betting FAN TAN Exchange

Upcoming Races

Live Market Prices

Time zone(GMT+8)

 Sonoda / Japan	10:10	Race 1	C3 (2) 4 yro+ - 1400m - Dirt - Stakes Yen270,000
 Wanganui / NZ(Horse)	09:30	Race 4	PAUL BELSHAM RACING MDN 3YO - 1200m - Turf...
 Seymour / AU(Horse)	10:10	Race 1	ONLY A LITTLE BIT OVER MDN - 1209m - Turf - S...
 Vaal / South Africa	18:55	Race 1	MAIDEN JUVENILE PLATE WELCOME TO THE VAA...
 Longchamp / FR(Horse)	18:45	Race 1	PRIX DES NOUVEAUTES Flat racing 2 yro Course...

Need some help?

Call our helpline for all the help and advice you need.

Our friendly support team are here for you.



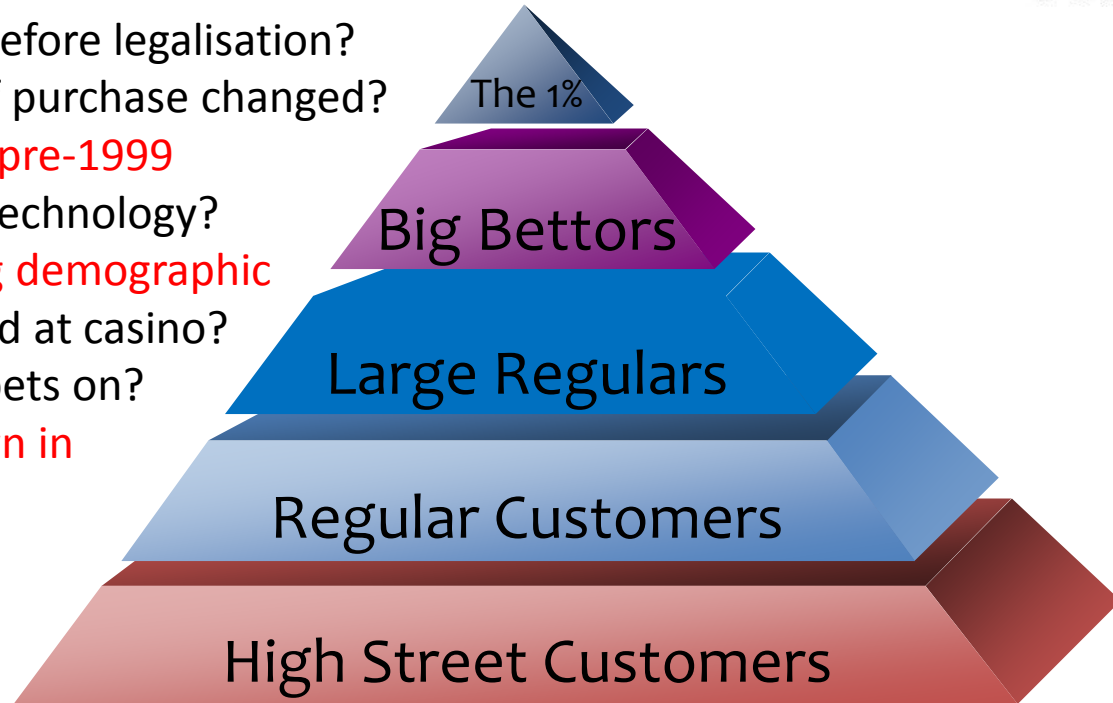
+639052209421  
+639277963230

\*Bets on  
horse racing  
in most  
countries

\*Customer  
support  
numbers in  
Philippines

# Acquisition and Retention

- Was customer acquired before legalisation?
- Has customer's criteria of purchase changed?
- = Huge existing client list pre-1999
- Does customer use new technology?
- = High adoption by young demographic
- Can customer be recruited at casino?
- Can customer easily get bets on?
- = Biggest customers drawn in



# Targeting Youth Gamblers

## Gambling apps use tokens in lieu of money

- Apps can be downloaded for free, but players need to buy tokens to play. These tokens can then be exchanged for gifts or cash coupons.
- To shirk legal obligations, these apps typically ask the players to answer simple questions before they can receive such gifts, meaning that the app effectively avoids gambling laws.

**Multiple reports of students addicted to gambling apps and using parents' phone account to buy tokens.**

**(Oriental Daily, January 2010 and August 2012)**

Slogan: Free lucky draw, once a day



## Games of chance?

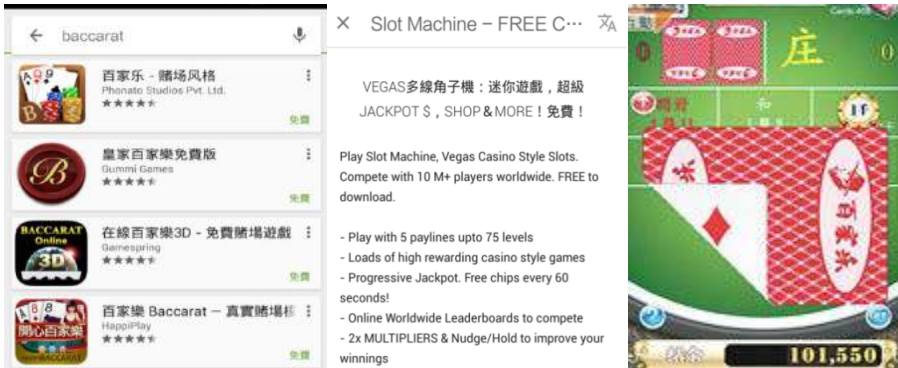
Players have a limited number of free lucky draws to receive various fantasy football player cards in order to compete online.

If players want to draw more times (to get desired players), they need to pay to do so.

**A university student spent HKD6,000 in order to obtain a fantasy football player card whose draw was worth a reported HKD1,400**

**(Hong Kong Economic Times, March 2014)**

Source: <http://www.hket.com/eti/article/a99fca6e-b040-49e8-bae1-4f8d43aad7b7-685500>  
[http://orientaldaily.on.cc/cnt/news/20120813/00176\\_095.html](http://orientaldaily.on.cc/cnt/news/20120813/00176_095.html)  
[http://orientaldaily.on.cc/cnt/news/20100120/00176\\_099.html](http://orientaldaily.on.cc/cnt/news/20100120/00176_099.html)  
[http://www.singpao.com/xw/ht/201408/t20140820\\_523675.html](http://www.singpao.com/xw/ht/201408/t20140820_523675.html)



# Cost to Legal operators

- Guangdong/Taiwan operation busted in 2015 had 500,000 lottery customers
- HKJC estimates HK\$12bn is lost to illegal operators by HK citizens

## Questionable betting exchanges are profiting off Hong Kong racing's clean record

Hong Kong racing is seen as the cleanest in the world but there lurks a parallel world of betting where brokers and punters ride shotgun on the city's billion-dollar industry and reap the financial benefits

Michael Cox  
michael.cox@scmp.com



Richard Gibson-trained Wintull Patrol (No. 12, ridden by Derek Leung Ka-chun) lands one of the biggest plunges seen this year, smashed from HK\$210 to HK\$51 and lighting up the Sha Tin betting board in the background. The brown lamp indicates a price drop of more than 50 per cent.

It's three minutes before a race at Sha Tin and bets are flying thick and fast through cyberspace. Tens of millions of dollars appear to change hands as punters furiously trade money on individual horses - like commodities on a futures exchange.

This isn't the Hong Kong Jockey Club's massive totalisator pools though - the bets are being traded on leviathan betting site CITibet, thought to be the biggest player in a murky collective of offshore operators betting on Hong Kong's racing.

In the past decade, Asia's underground bookmakers have made a seamless transition from dingy parlours and backstreet casinos to the internet. On CITibet, horses can be bet to lose, accounts and lines of credit are easily obtained and cash payments are suspected to be made through the notorious VIP rooms of Macau casinos.

## 粵破網賭巨案 月投注4千億

### 參賭會員55萬 逾千犯罪嫌疑人落網

香港文匯報訊(記者 黎敏輝 廣州報道)記者昨日從廣東省公安廳獲悉,近日,該省破獲一起特大網絡彩票賭博案,共抓獲以莊家為主的犯罪嫌疑人員1,071人,凍結賭資3.3億元(人民幣,下同)。據警方調查統計,該團伙發展的65萬參賭會員,月平均投注約10億,每月抽投注額高達幾千人的4,000多億元,這相當於廣州2014年GDP總量的四分之一。由於賭注較大,僅在2014年12月一個月內,參賭會員就輸掉了150億元。

這起系列案中,以潮汕籍人員為主的犯罪團伙,在境外設立網絡賭博,境內設投注平台,以「廣東快樂十分」、「北京快車」等合法賭博以及香港「六合彩」作為賭博開獎依據,並私設投注,吸引國內彩民及企業主為會員瘋狂投注。據了解,該案為建國以來內地已破獲的最大網絡彩票賭博案件。

#### 自認追債頻發引關注

廣東省公安廳網安專家介紹,由於地緣關係,該地區民開最早進行香港六合彩賭博,並形成了與香港本土有的玩法。自2010年以來,粵東地區一特大網絡賭博業快對到國內高層彩民「神中彩」進行詐騙賭博。參賭人員數萬龐大。警方多次組織專項行動,但由於莊家屢屢換手法,並將網站服務設在境外,多次逃離打擊。由於高頻彩票每天開獎84期,能在短時間內聚集大量參賭資金。廣東警方介

紹,部分企業主短時間內投注額在數百萬、千萬光級。

近年來,廣東省內因參與網絡彩票賭博引發的欠債自殺、暴力傷殘及公司產權員工失業等事件時有發生。這一現象也引起中央政法委和公安部的重視。廣東省公安廳廳長陳安,辦公室主任陳曉輝,2014年6月,廣東省公安廳廳長陳安召集全省21個地市警方部署統一收網工作。至今,共出動警力6,000人次,抓獲犯罪嫌疑人員1,056名,刑拘570人,凍結賭資3.3億元,查封車輛及制設備一大批。同年12月21日,專案組在泰國及台灣方面的配合下,分別針對汕頭、泰國工作點,台灣服務器所在地等重案部位開展地毯式收網,成功抓獲網站運營團隊犯罪嫌疑人員15人,其中在汕頭抓獲後某受聘熱心人員6名,在廣州、泰國分別抓獲犯罪人員2名和7名,繳獲賬號及電腦40餘台。2015年1月26日,專案組在廈門抓獲為整個賭博團伙提供服務託管網絡IDC服務商溫某光。至此,該系列案成功告破。



廣東省公安廳向記者展示的賭博業涉案工具,包括網絡硬幣和打印設備。

# If we can't catch them...

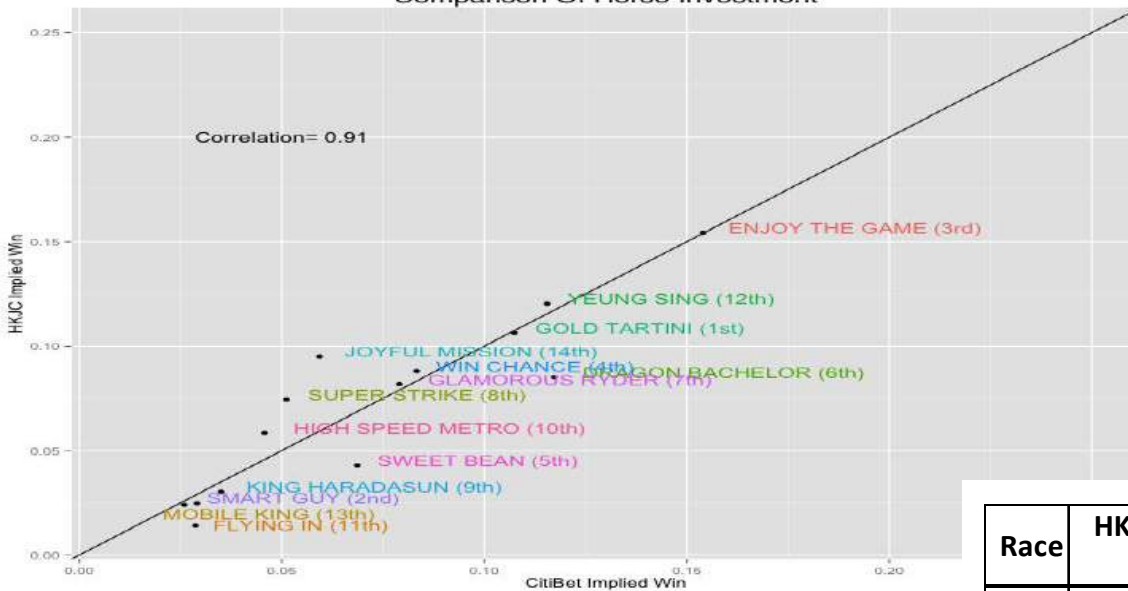
- Publicise illegality and criminality ✓
- Publicise penalties ✓
- Block websites and payments ✓
- Raise awareness with governments ✓
- Collect data to aid policy makers' understanding



Comparison Of Horse Investment



This data usually strengthens the case for legal offering



	Website	Unique HK Page Views Feb 2014 - Jan 2015
1	bet365.com	3,824,900
2	hg0088.com	707,520
3	www.williamhill.com	585,250
4	888poker.com	549,880
5	hg3088.com	536,860
6	888casino.com	491,050
7	28365365.com	381,440
8	www.unibet.com	334,000

Race	HKJC W&P HK\$	Citibet W&P HK\$	% of Meet (HKJC)	% of Meet (CitiBet)
1	39,290,552	15,759,621	7.9%	4.7%
2	44,420,777	29,484,315	8.9%	8.7%
3	44,665,170	40,171,766	9.0%	11.9%
4	49,028,826	27,153,329	9.9%	8.1%
5	43,447,926	30,733,441	8.8%	9.1%
6	48,353,797	26,397,990	9.7%	7.8%
7	37,221,656	29,705,719	7.5%	8.8%
8	58,144,164	46,891,523	11.7%	13.9%
9	63,410,546	41,391,655	12.8%	12.3%
10	68,501,125	49,286,594	13.8%	14.6%
<b>Total</b>	<b>496,484,539</b>	<b>336,975,953</b>	<b>Correlation</b>	<b>0.788672</b>

# If we can't catch them...

- Publicise illegality and criminality ✓
- Publicise penalties ✓
- Block websites and payments ✓
- Raise awareness with governments ✓
- Collect data to aid policy makers' understanding ✓
- Inform public that illegal operators lack integrity, use match fixing for profitable gain
- Compete! ✓

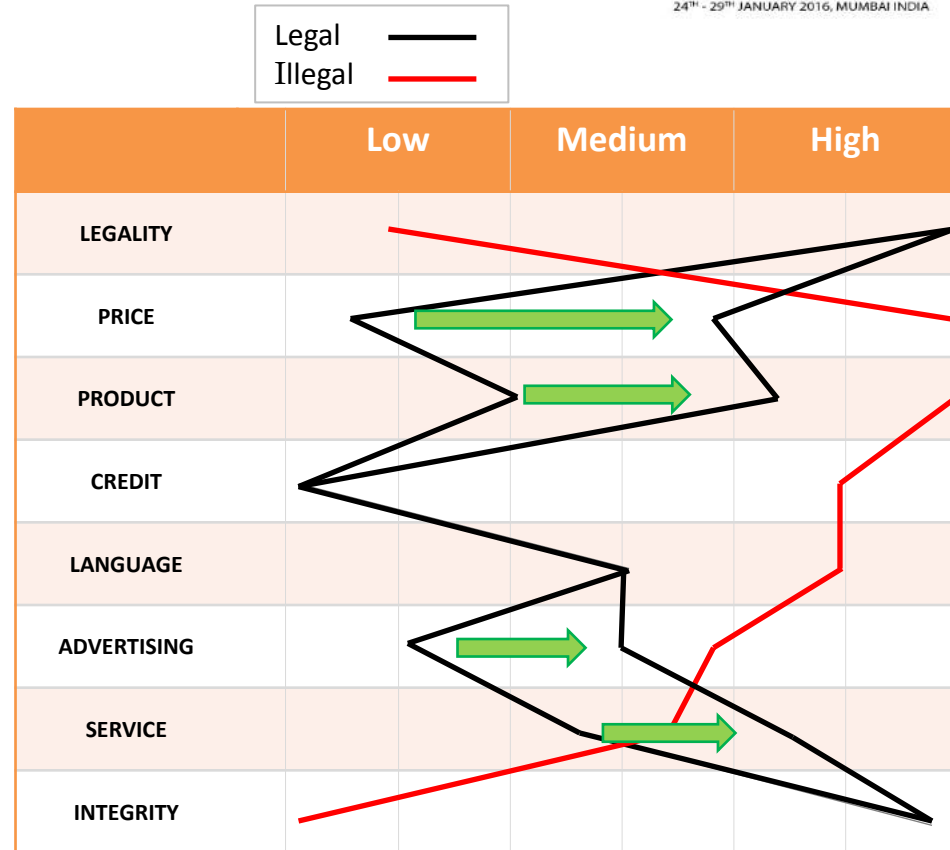
# What Can We Do Today?



- Launch digital platforms to improve service
- Ease of use, especially banking functions
- Compete on product
- Within boundaries of taxation, compete on price
- Extol the benefits of a viable legal alternative

# Better Legal Operators?

In conjunction with law enforcement, a better and more readily available product can lead the fightback against illegals.



Thank You



香港賽馬會

The Hong Kong Jockey Club

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