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The Unseen Negative Economic Cost of Illegal Betting

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Introduction

Growing attention to illegal betting markets over the past decade has deepened stakeholder understanding of the scale of the problem but there remains limited understanding of the negative economic and social impact that illegal betting causes. This article provides additional evidence supporting the claim that the true costs of illegal betting are much higher than simply the total amount wagered illegally per year.

This article will examine three major costs caused by illegal betting: the gambling-related harm that it causes, the organized criminal activity that it fosters, and other negative economic impacts that it imposes.

The true economic costs of illegal betting are more than a magnitude greater than the direct financial loss of illegal wagers. Quantifying and combining these impacts presents a holistic, if informal, assessment of this true cost. Understanding and improving upon these estimated impacts is a vital step toward more informed policymaking and better interventions to mitigate the overall negative consequences of illegal betting.

The toll of illegal betting-induced gambling harm

An assessment of any-risk¹ and problematic gambling shows that globally, 440 million adults are at risk from gambling, of which 71.7 million people are classified as problem gamblers.² Two studies available in the public domain added further evidence to support this analysis as they were able to apportion the cause of gambling harm between illegal and legal betting markets. The first was a 2016 Hong Kong study³ and the second was a 2024 Israeli study.⁴

Both studies examined gambling harm firstly by assessing whether a customer bet legally, or illegally, and then analyzed those customers against gambling harm⁵ indicators. In both cases, illegal betting channels were four to seven times more likely to induce gambling harm in customers than legal channels

The 2024 Israeli study showed that 23.1% of moderate-risk and problem gambling can be apportioned to legal betting, with the remaining 76.9% being attributed to illegal betting channels. The 2016 Hong Kong study showed similar figures, with 34.8% of moderate-risk and problem gambling issues being credited to legal betting channels, with the remaining 65.2% being ascribed to illegal betting.

These percentages can be used as benchmarks to apportion legal and illegal betting gambling harm globally as shown in Figure 1 below:⁶

Region	Any Gambling (millions of people)	Any Risk Gambling (millions of people)	Problematic Gambling (millions of people)	Any risk & problematic gambling caused by Illegal betting (millions of people)		
				Low	High	Mean
Australasia	13.7	1.5	0.1	1.0	1.2	1.1
Pacific Island states	3.4	0.8	0.1	0.5	0.6	0.5
Central Asia	21.6	4.8	0.7	3.1	3.7	3.4
East and southeast Asia	791.6	93.8	23.7	61.2	72.1	66.7
South Asia	582.4	130.3	17.9	84.9	100.2	92.5
Eastern Europe	87.8	12.7	2.8	8.3	9.8	9.0
Western Europe	138.9	20.1	3.6	13.1	15.5	14.3
Middle East	78.1	17.8	2.4	11.6	13.7	12.6
Africa	339.8	80.3	11.2	52.4	61.8	57.1
Caribbean	12.5	2.8	0.4	1.8	2.1	2.0
Latin America	130.1	41.5	4.8	27.1	31.9	29.5
North America	147.2	33.2	3.9	21.6	25.5	23.6
Global	2,347.1	439.6	71.7	286.6	338.0	312.3

Figure 1; Global any-risk and problem gambling impact by region, 2024

The last three columns in Figure 1 show that of the 440 million people globally at risk from gambling, between 286 million and 338 million are at risk due to the availability of illegal betting products, with the mean being 312 million people – approximately 70% of the global estimated number of gamblers suffering from any type of gambling harm.

A similar methodology can be applied when quantifying illegal betting-induced gambling harm by cost. An April 2025 study⁷ of the cost of gambling harm across 26 jurisdictions revealed a large disparity of gambling harm costs, as well as methods of measurement, although median and mean calculations partially equalled out these disparities, indicating that the mean annual cost of gambling harm is USD3,979 and the median cost, USD449. A multiplication of these annual costs by the mean number of people impacted by illegal betting-induced gambling harm as shown in Figure 2 reveals the assessed global cost of illegal betting-caused gambling harm:⁸

Region	Median 2023 gambling harm (USD billions)	Mean 2023 gambling harm (USD billions)
Australasia	0.5	4.3
Pacific Island states	0.2	2.2
Central Asia	1.5	13.6
East and southeast Asia	29.9	265.3
South Asia	41.6	368.3
Eastern Europe	4.1	36.0
Western Europe	6.4	56.9
Middle East	5.7	50.2
Africa	25.6	227.1
Caribbean	0.9	7.9
Latin America	13.2	117.4
North America	10.6	93.9
Global	140.2	1243.0

Figure 2: Illegal betting apportioned Gambling harm cost in 2023 USD

Figure 2 shows that illegal betting-induced gambling harm costs range from between USD140 billion to USD1.24 trillion dollars annually, a sizable addition to the direct

cost of annual illegal betting losses of between USD 500 billion to 1.7 trillion estimated by the UNODC.⁹

The economic cost of illegal betting within organized criminal activity

There is a long history of organized criminal groups including illegal betting within their wider commercial portfolios. This inclusion is driven by several factors including illegal betting's high profitability, comparative ease-of-operation, low likelihood of detection, low punishment thresholds if caught, and easy scalability due to the transnational nature of online illegal betting.

There is very limited literature in the public domain to quantify the economic impact of organised crime operating illegal betting. Given this, an informal approach, examining the scale in which organized criminal groups utilise illegal betting within their portfolios, and calculating this as a portion of overall annual amounts lost to illegal betting was adopted.

Scale of illegal betting adoption within organized criminal groups

A 2015 paper published in the Australian & New Zealand Journal of Criminology¹⁰ provided an indication of the portion of organized criminal groups that were active in illegal betting, citing an earlier 2006 study of 14 organized criminal groups, of which seven were involved in illegal betting operations. A 2011 book¹¹ which analyses the financial portfolios of 74 organized criminal groups noted that 26 of them (35%) incorporated illegal betting as one of their main sources of revenue.

These indications that illegal betting is a core revenue generator of approximately 35-50% of organised criminal syndicates globally can be corroborated by a 2011 Transcrime report,¹² which stated that the portion of organized criminal involvement in Italy's illegal betting industry comprised 69% of the total. This analysis can be rounded out by anecdotal evidence collected from Hong Kong media articles between 2011 and H1 2019, which showed that organized criminal elements were involved in 44% of all illegal betting-related stories over that period of time.¹³

The mean percentage of organized criminal involvement in illegal betting operations equates to 51%, which applied to the UNODC total assessed amount lost to illegal betting annually (up to USD1.7 trillion), equates to organized criminal turnover of between USD 255 billion to USD 867 billion each year. This is only an indicative range although it (more realistically) supports the claim that organised crime groups use illegal betting (and other gambling) as a core revenue generator and are turning over many hundreds of billions of dollars annually. The extent of organised criminal involvement in illegal betting does not add to the total amount lost to illegal betting, but as proceeds of crime that are utilised to fund other criminal enterprises by these organised crime groups which incur additional negative social and economic costs, which require further analysis outside the scope of this article to quantify.

The employment cost of illegal betting

Illegal betting also generates additional employment costs, split between the opportunity cost of those that work in illegal betting versus legal employment elsewhere, as well as the threat that illegal betting poses to those that work legally in related sports and sports-betting industries.

It is worth pointing out that the human scale of illegal betting syndicates is typically larger than initially envisioned. Evidence of normal illegal betting syndicate sizes is difficult to come by but there is anecdotal evidence from an official public source in Hong Kong.¹⁴ This outlines illegal betting syndicate arrests, where in one instance, upwards of 60 individuals were arrested, with five being described as ‘core’ members of the syndicate, 25 of them being illegal betting agents or ‘middlemen’ and the remaining 32 individuals being the holder of bank accounts which facilitated illegal betting fund movements.

Given that illegal betting agents typically handle anywhere from up to 100 customers, that there are thousands of these syndicates globally, that the above instance could represent only a partial footprint of that syndicate, and that such syndicates require ancillary services (for example, IT), illegal betting employs a larger number of people than is commonly perceived.

These individuals are at risk because they lack any type of legal protection and other benefits which those employed legally enjoy. They typically also get paid less than their legal counterparts, and in some instances, possibly below the minimum wage levels set in that jurisdiction. Given the illegal nature of their work, employees also face the threat of unpaid wages, abuse and violence, are more likely to work in unsafe environments, and have no legal recourse if any of these occur.

Again, estimating the global opportunity cost of illegal betting-caused illegal employment is difficult to ascertain due to the different definitions of illegal employment by jurisdiction, as well as divergent employment measurement methodologies. There is also a tendency in publicly-available literature to conflate illegal employment with illegal immigration, a politically relevant topic currently, which obfuscates any estimation attempts.

However, a 2024 International Labour Organization report¹⁵ provides a ballpark figure for illegal profits from forced labour of USD 236 billion. While not all those who are involved in illegal betting have been forced into it, coercion (typically debt-related) features heavily in the recruitment of lower-level illegal betting agents and staff, so this figure is a good springboard.

Close to three-quarters of this figure is accounted for by forced commercial sexual exploitation, meaning that forced labour of a non-sexual nature costs an annual USD 63 billion globally. If it is assumed that illegal betting forced labour accounts for half of all illegal betting employment, and that illegal betting itself account for 10% of this market, then the global forced-labour illegal betting cost is USD 3.15 billion, with additional employment costs including those involved in the industry voluntarily.

The negative employment impact of illegal betting doesn't just impose societal costs for those who work in the business – they also threaten the gainful employment of those who work legitimately in horse racing and other sports. An Asian Racing Federation economic impact assessment¹⁶ highlighted that across the Asia Pacific region, the gross-value-add generated by thoroughbred racing was USD 26.9billion, employed over half a million people and generated USD 14.5 billion in household incomes for those employed in the industry. Similar studies in the UK¹⁷ and the US,¹⁸ as well as in Hong Kong, all show the large value-proposition that legal channels bring to the economies and societies that they operate within. Such gainful employment is threatened by illegal betting, which pay nothing back to the societies in which they exist.

The economic cost of lost betting taxes

Illegal betting leads to huge losses in tax revenue, cutting billions from what should go to public funds. In Australia, the illegal gambling market is estimated to cost nearly USD3 billion in lost taxes and racing fees over just five years.¹⁹ The United States faces annual tax losses exceeding USD13 billion due to illegal betting.²⁰ In India, unregulated gambling deprives the country of an estimated USD100 billion in taxes every year²¹ and in Hong Kong, authorities estimate that illegal betting means missing out on a significant portion of the government's annual budget that otherwise comes from legitimate gambling taxes.²²

Tax losses from illegal betting reduce funding for key public welfare and safety programs. When governments lose this revenue, less is available for maintaining sports integrity, supporting harm prevention, and financing law enforcement agencies. For example, in Australia, racing and sports bodies could lose over USD1.6 billion in product fees to illegal offshore markets, limiting their ability to develop and protect the industry.²³

Legal betting operators are also placed at a disadvantage because they bear the cost of taxes and compliance, while illegal operators face none of these obligations. This uneven playing field drives consumers toward black market products which are always more attractive than legal betting products. In the UK, analysts warn that proposed tax hikes could push billions in consumer spending to unregulated betting sites, threatening jobs and further diminishing the government's tax base.^{24 25} Similar issues occur across Asia, where a largely unregulated and transnational illegal betting market results in significant financial and social harm.²⁶

A simple top-down estimation was adopted to quantify the direct global tax revenues lost to illegal betting by taking the mean rate of gambling duty charged on online sports betting products across 19 countries. This mean rate of 21.38% is then multiplied by the previously stated range estimated to be wagered annually via illegal bets, to arrive at estimated global tax loss range due to illegal betting.

The mean gambling duty rate across 19 countries comprised France, the United Kingdom, Brazil, Germany, the Netherlands, Armenia, Belgium, Portugal, South Korea, Spain, Italy, Singapore, Australia, New Zealand, Canada, South Africa, Chile, Czech Republic and Hong Kong. Hong Kong had the highest rate of gambling duty at a blended rate of 62%²⁷ while Armenia had the lowest at just 0.2%.²⁸ Again, this estimate is assessed to be conservative as it does not consider the indirect as well as induced costs mentioned above in this section.

Conclusion

The UNODC's USD 500 billion to 1.7 trillion estimation of the total amount of annual illegal wagers has, over the past seven to eight years, become a lynchpin of illegal betting market sizing estimations globally, providing a suitable and appropriate sense-of-scale to the global problem of illegal betting.

However, this problem is, in fact, much larger than this direct estimation of wagers lost to illegal betting. Looking to incorporate additional costs of illegal betting-induced gambling harm, subsequent organized criminal activity, relevant employment related costs as well as tax revenues lost had such illegal betting been channelled back to legal operators, as well as the authorities that regulate them, the true negative impact of illegal betting is shown in Figure 3:

Total annual global cost of illegal betting (in USDbn)		
	Low estimate	High estimate
Global amount wagered illegally per year	500	1700
+ lost taxable revenue	863	2063
+ employment related costs	877	2077
+ related organized criminal activity costs	1132	2944
+ related gambling harm costs	1914	3726
Total illegal betting costs	1914	3726

Figure 3: the true negative impact of illegal betting

Figure 3 illustrates that while the direct impact of illegal betting wagers comprises the lion's share of the total negative impact of illegal betting (46% of the total), related organized criminal involvement in illegal betting makes up a sizable portion (23%), closely followed by illegal betting induced gambling harm costs (21%) lost tax revenue (10%) and lastly, employment related costs (<1%).

Overall, these additional costs more than double the widely-accepted global illegal betting market sizing figure from the viewpoint of its negative societal impact to a projected cost of over USD 3.7 trillion annually.

And what this analysis excludes means that this estimation is highly conservative. As mentioned previously, it does not assess induced, and indirect, impacts which collectively could increase estimations by more than half again. It is also not comprehensive insofar as knock-on impacts (for example, of illegal betting-induced criminality) are not quantified.

While this study has provided insights uncovering the true cost of illegal betting, several questions remain unresolved, underscoring the need for further research into this field. It is hoped that researchers and practitioners alike will build upon these findings to advance our collective understanding of the true costs of illegal betting.

1 A term which describes how all gambling inherently involves risk because it means risking something of value on an event with an uncertain outcome, where there's a possibility of losing. The level of risk varies by activity, but even seemingly low-risk activities carry the potential for financial, emotional, and social harm.

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4 Sharma, A., Kumar, A., Nascimento, I. J. et al., 'Mental health and well-being during the COVID-19 pandemic: A systematic review', *Journal of Clinical Medicine*, vol. 13, no. 1, 2024, pp. 12–24. Available at: <https://pmc.ncbi.nlm.nih.gov/articles/PMC11020295/> [accessed 31 October 2025]

5 It should be noted that differing measures of gambling harm were used in these studies, although both used a 4=point scale starting with no-risk gambling and ending with the PGSI definition of problem gambling (points 2 and 3 being at low-risk and moderate-risk of gambling harm respectively)

6 Number of people at any-risk + problem gambling multiplied by the low (65.2%) and high (76.9%) estimates of legal/illegal causality of this gambling harm

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Breaking the Mold: How Betting Pattern Analysis Uncovered Australian Horse Racing Manipulation.

By Brent Fisher, General Manager of Investigations & Intelligence, Racing Victoria and Member, IFHA Council on Anti-Illegal Betting and Related Crime.

Introduction

The conclusion of a recent thoroughbred racing integrity investigation in Victoria, Australia, involving suspicions that jockeys supplied privileged information to a professional punter for financial gain and ultimately resulting in significant penalties being brought against those involved in the scheme lays bare the threat of fixing to the sport of horse racing but also outlines a number of typologies that Racing Victoria, the state's Racing Authority, utilised in order to identify and confirm the fix, and take action against bad actors.

This article highlights that, despite the many external threats, the greater threat to the integrity of racing may come from within the industry, as participants who are privy to valuable information find themselves in a position of power and influence, capable of manipulating the outcome of a race and/or regulated market. It also emphasizes the importance of pattern analysis in identifying those that attempt to manipulate sports outcomes for profit.

Background

In August 2022, Racing Victoria (RV) commenced an investigation following an assessment undertaken by the RV Betting Intelligence Unit which suspected that a professional punter was obtaining financial benefit on licensed betting exchange Betfair Australia through the lay betting of horses involving either, or both, of two licensed jockeys competing in those races between April-August of that year.

It was subsequently ascertained that the professional punter had seven betting accounts in his name with various Wagering Service Providers (WSPs), as well as nine third-party betting accounts with WSPs under different names. The use of third-party betting accounts, often referred to as bowler accounts, is commonly adopted by professional punters to hide their identity from a WSP to avoid restrictions being placed on profitable betting accounts by these WSPs.

An analysis of these 16 betting accounts revealed that over the 15 months prior to the investigation period, the professional punter made a total profit of AUD965 from a total of 780 bets at 2.1% profit on turnover, with a mean lay bet size of AUD232.

The investigation

In contrast, from April 2022 onwards, the professional punter's betting habits changed dramatically and involved primarily targeting horses ridden by either jockey to not win the race, to not place in the race; or were head-to-head bets, where the punter bet on either of the jockeys to beat the other.¹ For example, between April and August 2022:

- The professional punter placed a total of 135 lay bets on horses ridden by either jockey, of which 133 were successful. In contrast, over the same period, the punter placed 278 lay bets on 34 other jockeys across other Victoria State thoroughbred races, with 72 of these bets being unsuccessful. It is unknown whether this additional betting tranche was an attempt to mask the suspicious betting patterns or whether this represented legitimate betting activity.
- The price the professional punter would offer when betting on a horse ridden by either jockey was 4.7 times larger than the average betting exchange price on that horse (i.e. if the mean betting offer for either jockey's horse on the betting exchange was AUD2.77, the professional punter would bet at AUD13.04).
- The professional punter's lay betting risk on either of the two jockeys, versus all other jockeys was different. In other words, the punter's mean lay betting amount on either jockey was AUD29,449 versus a mean lay betting amount on all other jockeys over the same period of just AUD2,919, a difference in risk appetite of more than 10 times.
- Over the five months in question, the professional punter bet 83% of his total investment betting on either jockey (for a total betting amount of AUD3.9m), winning a total of AUD363,894 on these bets. In contrast, on the punter's other bets, he lost a total of AUD25,814.
- Interestingly the professional punter's Head-to-Head betting record in relation to these two specific jockeys in question amounted to an 87% success rate (20 of the 23 Head-to-Head bets came in). The RV Betting Intelligence Unit calculated that the probability of achieving such a success rate by chance alone was 0.74% - vanishingly small and adding credence to the allegation that the punter was controlling these two jockeys.

First interview with the Punter (August 2022)

Following the conclusion of the betting analysis conducted by the RV Betting Intelligence Unit, the punter was formally interviewed by RV on 31 August 2022, where he was asked to respond to the suspicions about his betting patterns on the two jockeys, as well as his bowler account details.

The punter was vague in his answers to the Intelligence Unit, deliberately attempting to obfuscate the nature of his relationship with the two jockeys, providing some but not all his bowler account details, as well as attempting to hoodwink investigators on his propriety.

Interestingly following this interview, the punter never again layed a horse ridden by either jockey on Betfair, placing 52 bets for a loss of AUD23,879 between 1 September 2022 and 31 December 2022.

Second interview with the Punter (January 2023)

Following the seizure and subsequent examination of seized mobile devices relevant to the investigation – a mammoth task in itself focusing on analysing 1.7 terabytes of data, akin to 1700 copies of the Encyclopaedia Britannica – the professional punter was again interviewed on 16 January 2023, where he revealed the existence of further bowler accounts, and also told RV stewards that he had been approached by a fourth party (that being, neither of the two aforementioned jockeys, and from hereon in, referred to as “Person A”), who said that one of the jockeys had requested the punter to place bets on the jockey’s behalf, and asked the punter to obtain two spare mobile SIM cards for him so the punter and Person A could communicate.

Phone records and the role they played in the investigation

On Monday 17 June 2024, RV was successful in obtaining the phone records from two SIM cards which allowed the Intelligence Unit to start to piece together the missing pieces of this particular puzzle.

Chief among these was a Signal message found on the punter’s phone with the following message relating to Race 3 at Swan Hill on 7 August 2022, a screenshot of which was saved on the punter’s phone.

*Race 3 lay the 1 for 70/80.
Have 10K on mine to beat his H to H*

RV Stewards suspected that “Have 10K on mine to beat his H to H” specifically referred to Jockey 1 to beat Jockey 2 (on their respective horses) in Race 3 at Swan Hill and therefore, it was unlikely that this SMS was sent by Person A.

In accordance with the instructions of that communication, the professional punter layed horse No. 1 *American Russ* ridden by Jockey 2 for a total risk of AUD97,663 across two separate betting accounts winning a total profit of AUD9,340. This horse had a starting price of AUD8.00, however the professional punter was willing to offer up to a maximum price of AUD15.

The professional punter further placed a total of AUD8,734 on a head-to-head market for *Mr Scorefield* ridden by Jockey 1 to beat *American Russ* ridden by Jockey 2 for a profit of AUD9,363.23. In the actual race *Mr Scorefield* ran 3rd at AUD10 and *American Russ* ran 11th at AUD8.00. The margin between these two horses was over 13 lengths.

RV stewards strongly suspected that the message had been sent to the punter by Jockey 1 (a charge which Jockey 1 had previously denied, and which the punter had actively looked to mislead). To support this suspicion, RV stewards, using phone locations extracted from their respective SIM cards’ data, looked to match mobile phone locations with known positions of Jockey 1 which proved to be the final straw. Between

1 May and 15 August 2022, investigators were able to show that this particular SIM card and Jockey 1 were located in the same position on 24 different occasions whereas Person A was confirmed to have been at the Crown Casino.

The outcome

This was sufficient for RV stewards to charge the two jockeys, as well as the punter, with a variety of breaches of the Australian Rules of Racing. All three parties pled guilty to the charges brought against them as follows:

Jockey 1: two charges of corruption, dishonesty and misleading behaviour; five charges of jockey misconduct and one charge of conduct detrimental to the interests of racing; Penalty sought: 20 years disqualification; Final penalty: 13 years, 6 months disqualification;

Jockey 2: one charge of corruption, dishonesty and misleading behaviour, one charge of conduct detrimental to the interests of racing and one charge of failing to provide information in relation to corrupt conduct; Penalty sought: 15 years disqualification; Final penalty: 10 years disqualification;

Professional punter: Five charges of betting with or for a jockey. Penalty sought: warned off for 15 years; Final penalty: warned off for 10 years.

Conclusion

In the racing context, it is difficult to imagine conduct more damaging to the integrity and image of the sport than one, or more, of its own participants becoming involved in an elaborate scheme, whereby they provide 'insider information' to a professional punter and manufacture outcomes for profit.

This conduct strikes at the heart of the image and integrity of racing, which is further exacerbated by those involved using encrypted phone applications, and various SIM cards and mobile phones, in a deliberate attempt to avoid detection from regulators.

Such conduct has an enormous impact on confidence in the sport, and it is that confidence which is the lifeblood that sustains the livelihoods of so many participants in the racing industry. Through effective wagering monitoring by racing codes and sporting organisations, and appropriate regulation of wagering service providers, the industry and the public can have confidence that any such conduct is able to be detected and thoroughly investigated, resulting in heavy sanctions, where appropriate, to act as a deterrent.

From an operational standpoint, the wider investigation can be broken down into several key outcomes which collectively resulted in its ultimate success:

1. The use of betting pattern analysis to establish the basis for initial suspicions that relevant races were being fixed;

2. Consistent and close collaboration with the legal betting operator (in this case, Betfair Australia) to scrutinize the professional punter's betting records;
3. Having the legal authority to seize and examine mobile devices, from which the saved screenshot of one particular fix was derived;
4. Having the legal authority to seize and examine SIM card records, which ultimately confirmed that the fix emanated from Jockey 1;

And while these outcomes resulted in RV being confident that the case would stand up in court (or in this case, the Victoria Racing Tribunal), the Intelligence Unit's preparation for the Tribunal had to be meticulous, consisting of the review of a literal mountain of paperwork. The evidence brief was more than 3,800 pages, consisting of 41 witness statements, 35 interview transcripts, 59 analyses of bank statements and 25 analyses of wagering accounts and 24 SIM card location maps. Three independent experts (an independent bookmaker, a mobile device forensic expert and a voice recognition expert) and one RV betting analysis expert were tasked with explaining to the Tribunal the intricate details of betting patterns used to initially identify the fixes, the method of fixing, how they communicated with one another, and ultimately, where they were located, in order to achieve a successful conclusion to the case.

Ultimately, the investigation was defined by a multitude of different factors all coming into play for the fix to be identified and appropriate action taken, which is why racing regulators, betting companies and other stakeholders need to be continually invested in protecting sports integrity – a vitally-important economic, as well as cultural activity across Australia, and globally.

¹ <https://helpcentre.sportsbet.com.au/hc/en-us/articles/18424201735565-Head-To-Head-Bets-Basics#:~:text=Head%20to%20head%20betting%20refers,third%20market%2C%20being%20a%20draw.>

Betting Without Borders: Inside the Rise of a Global Crypto Bookmaker

By Tom Chignell, Consultant on Integrity Projects for The Hong Kong Jockey Club & Member, IFHA Council on Anti-Illegal Betting and Related Crime; and James Porteous, Senior Manager, Research, The Hong Kong Jockey Club & Member, IFHA Council on Anti-Illegal Betting and Related Crime.

Introduction

The IFHA Council on Anti-Illegal Betting & Related Crime has identified the surge of cryptocurrency-based bookmakers as a major threat to licensed, well-regulated operators and to racing as a whole. Indeed, its recent cryptocurrency report finds illegal online betting operators are adopting cryptocurrencies rapidly, with 43% now accepting crypto deposits.¹ This trend, driven by demand for privacy and fast transactions, is fuelling explosive growth in crypto-based betting.

Crypto's uptake is most pronounced in illegal betting markets, where regulatory gaps make it easier for operators to launder money and evade oversight, increasing risks for consumers and weakening existing anti-crime protections.

The crypto bookmaker

This article examines one such crypto bookmaker that processes more than USD9 million in daily sportsbook turnover, with 99% of wagers placed in jurisdictions where it holds no licence.

Across just 12 days of activity, analysis revealed hundreds of thousands of wagers averaging USD80 each, with individual bets reaching USD100,000. Operating in over a dozen languages and accepting 32 different currencies, including a wide variety of cryptocurrencies.

Crucially, it is almost certain that none of the revenue generated from its racing markets, estimated at nearly USD100,000 daily, benefits the sport through taxation, product fees, or levies. Instead, this vast, unregulated activity directly competes with licensed betting operators.

These findings draw on web traffic analysis covering millions of visits and open-source betting data, detailing wager size, currency, event, and timing across hundreds of thousands of bets.

License, website traffic and customer engagement analysis

The bookmaker operates under a so-called “offshore licence” issued by a pseudo-regulator specialising in cryptocurrency operators. Traffic data shows that between 2023 and 2024, 99% of visits originated from jurisdictions where the bookmaker was unlicensed, even under the most generous interpretation of its regulatory status.

Its top 10 traffic sources included India, Indonesia, the United States, Japan, and China, all markets where online betting is either criminalised or tightly restricted. The platform's multilingual availability (including Arabic, Chinese, Thai, Indonesian, and Vietnamese) demonstrates deliberate targeting of such jurisdictions. Customer service staff also direct users to mirror sites designed to bypass government website blocks.

The operator employs an aggressive, youth-focused marketing strategy built around social media influencers, live-streaming and sponsorship deals, and celebrity and sports endorsements. These tactics leverage social platforms to drive both customer acquisition and retention, aligning the brand with modern digital culture and popular entertainment.

Analysis of traffic and public data shows that online casino games generate almost twice the activity of sports betting. The sportsbook itself offers nearly fifty sports and eSports markets, with football, cricket, basketball, tennis, and baseball emerging as the most visited sports in 2024.

Online sportsbook betting analysis

During 12 different days of analysis on days falling between 29 October and 12 December 2024, the platform recorded an average daily sportsbook turnover of more than USD9 million. The average bet size was approximately USD80, though half of all wagers were for less than USD5, reflecting a large recreational base. Around 36 percent of bets were accumulators, while high-value wagers exceeding USD100,000 were mainly placed on football in USDT, with notable activity also observed in eSports.

Football and cricket together accounted for more than half of all bets, with respective shares of 31 percent and 24 percent. eSports, basketball, and tennis also attracted substantial activity, representing 12, 10, and 9 percent of total bets respectively. Horseracing made up just one percent of the total.

By turnover, football and eSports dominated the market, jointly generating 56 percent of total volume. Tennis and basketball each contributed 12 percent, while cricket accounted for 8 percent. Betting behaviour varied considerably by sport: cricket showed high volumes but low stakes, with 24 percent of bets producing only 8 percent of turnover, whereas eSports saw fewer but significantly larger wagers. Within eSports, Counter-Strike alone represented half of all turnover.

During the study period, the bookmaker accepted a total of 32 currencies, the majority of which were cryptocurrencies. In terms of betting volume, the Indian Rupee accounted for 38 percent of all wagers, while Tether represented 21 percent, meaning that together they made up 59 percent of total bet count. When measured by turnover, however, Tether dominated with 51 percent, followed by Bitcoin at 15 percent and the Indian Rupee at 8 percent.

Bets made in Indian Rupee were of much smaller stake than average. The period of analysis partly coincided with the India-Australia cricket test series which may have increased the number of Indian Rupee and cricket bets. This is supported by the fact that 66 percent of Indian Rupee wagers were placed on cricket. Such a concentration of activity points to potential illegal betting originating in India, consistent with definitions under the Macolin Convention.

Although horseracing represented only a small portion of the operator's portfolio, bets were placed across 14 jurisdictions, including Australia, Japan, Hong Kong, the United Kingdom, Ireland, South Africa, and the United States. By turnover, Hong Kong, Japan, and Australia were the leading markets, each accounting for roughly a quarter of total racing turnover, followed by the United Kingdom at 14 percent.

Conclusion

This bookmaker exemplifies the rapid expansion of crypto-based betting and the serious challenges it poses to regulation, consumer protection, and sporting integrity.

Nearly all its business originates from unlicensed jurisdictions, where betting is illegal or strictly controlled. By using mirror sites and influencer marketing, it undermines national laws while exposing consumers to unregulated gambling environments.

The operator's success rests on bold marketing and technical innovation, but also on exploiting cryptocurrency's pseudo-anonymity and offshore structures to bypass financial controls and licensing requirements.

For horseracing, the implications are direct and damaging: the operator's estimated USD100,000 daily racing turnover offers no return to the sport through levies or fees, while its lack of cooperation with integrity bodies heightens risks of suspicious betting activity.

Cryptocurrencies are also increasingly facilitating money laundering and financial crime within betting markets, with an estimated USD31.5 billion laundered through crypto in 2022 alone.² Emerging cryptocurrency-focused privacy technologies such as mixing services, privacy coins, and cross-chain bridges create an environment where illicit financial flows flourish unchecked. This operator, like the 43% of illegal betting sites now accepting crypto, operates in a regulatory vacuum where traditional anti-money laundering controls and Know-Your-Customer requirements are easily circumvented.

For horseracing, the economic harm is severe. The operator's daily racing turnover offers no return to the sport through levies, product fees, or taxation, a trend observed globally where illegal betting deprives governments and sporting bodies of billions in revenue. The absence of responsible gambling measures leaves younger users, targeted through social media, vulnerable to gambling harm without protection.

1 International Federation of Horseracing Authorities, 'Unregulated and Unstoppable: Cryptocurrencies, Online Sports Betting & the Future of Financial Crime', IFHA Council, October 2025, available at https://www.ifhaonline.org/AibResources/Papers/Unregulated_and_unstoppable_cryptocurrencies_report_FINAL_.pdf, accessed 31 October 2025

2 Chainalysis, The 2024 Crypto Crime Report, Chainalysis, 2024. Available at: <https://go.chainalysis.com/crypto-crime-2024.html> [accessed 31 October 2025]