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November 5, 2012

Senate Committee on Legal and Constitutional Affairs
The Senate of Canada
Ottawa, ON K1A 0A4

By fax - (613) 947-2104

Honourable Senators,

I am writing you regarding Bill C-290, which I support, and more specifically with respect to the reported testimony of Paul Beeston and Major League Baseball (MLB). Mr. Beeston is simply wrong when he says that legalizing single-event sports gambling will compromise the integrity of professional sports. In fact, it will help accomplish exactly the opposite - that is, help maintain the integrity of sports.

I base this on my 34-year career with the Ontario Provincial Police, much of it specific to the investigation of illegal gambling, including illegal bookmaking activities. I served in the Intelligence Branch - Joint Forces Operations, the Intelligence Branch - Organized Crime Section, the Anti-Rackets Branch, the Gaming Section, and with the Ontario Gaming Control Commission.

I led numerous investigations on illegal gambling activities and performed undercover operations involving major illegal gambling, and have lectured at the Canadian Police College on illegal gambling and to FINTRAC on money laundering. I have advised provincial governments across Canada on multiple issues regarding both legal and illegal gambling, including a major role in creating the Ontario Gaming Control Act and Regulations. I have provided expert witness testimony and advice to crown attorneys on numerous occasions, and training to both crown agencies and private sector employees.

Honours I have received include commendations from the Governments of Ontario and Canada, and a commendation from the Federal Bureau of Investigation regarding my investigations of organized crime. I retired in 2003 with the rank of Detective Staff Sergeant and continue to provide consulting services to law enforcement, governments and their agencies, and the private sector.

During this more than 40-year career I have come to understand a number of facts regarding gambling in general and sports gambling in particular.

- Betting is widespread throughout all stratas of our society.
- Organized crime, through their surrogate bookmakers, provides a service to the public that they can't get legitimately.
- The public believes that bookies are providing a service, and do not consider themselves or the bookies to be partaking in criminal activity.
- Illegal bookmaking is a main source of organized crime revenue for two reasons:
 - o So many people want to and do bet on sports; and
 - o There is a very low risk of being apprehended, and if they are caught, punishment is low.
- Illegal gaming backed by organized crime leads to other crimes, such as extortion, loan-sharking, assaults, frauds and homicides.

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- If a legal alternate is made available (e.g. casinos, VLT's, lottery), the overwhelming majority of bettors will patronize the legalized option.
- The establishment of legalized gaming significantly diminishes illegal activity and consequent revenues to organized crime.

Specific to the testimony of Mr. Beeston and MLB, they would be right if there was currently no betting on sports – but we all know that this is not the case. Billions of dollars are bet worldwide on sports each and every day of the year, much of it legally in Great Britain, Europe, Australia and online regulated gaming sites, and most of it illegally in North America, with the exception of Nevada.

Mr. Beeston was correct when he stated that criminal elements have in the past attempted and continue to attempt to fix the outcome of games. What both Mr. Beeston and MLB fail to either understand, or more likely, concede, is that bringing the betting above ground, as has been done in Great Britain, Europe, Australia and regulated online gaming sites, brings to light unusual and questionable betting patterns, or even single bets, that can be and are investigated.


This is how much of the match fixing that has been reported in the media over the last few years has been detected. I am of the firm opinion that it would not have been detected otherwise.

I would ask what better way is there to detect attempts to profit from fixing outcomes of games than being able to actually see who is betting how much and on what results. Such information would certainly be of interest to and used by FINTRAC to aid in its mandate of deterring money laundering and the financing of terrorist activities.

Further, I would ask Mr. Beeston what exactly he hopes to accomplish by not giving the millions of Canadians who bet on sports a safe and secure environment to do so. I would also ask him why he is willing to cede billions of dollars to criminals to fund their illegal endeavours, and allow further billions to leave the country to go to offshore online operators. Wouldn't the revenues from this be better-spent supporting programs like health care and education, and creating additional jobs in the legal gaming industry?

I would be pleased to provide you with further information or answer any questions you may have.

Respectfully submitted,



Joe Fotia
Director