

OPPOSABLE THUMBS —

# How do you deal with CS:GO gambling? Legitimize it

Faceit's ECS league partners with Genius Sports to provide data to regulated bookmakers.

MARK WALTON (UK) - 4/5/2017, 3:51 PM



Enlarge

Over the past year, the once underground phenomenon of betting on e-sports hit the mainstream. Valve —developer of the first-person shooter *Counter-Strike: Global Offensive*, one of the biggest games in e-sports—found itself on the receiving end of angry parents, [civil lawsuits](#), and [government intervention](#) that accused it of facilitating unregulated third-party gambling websites.

It didn't help that prominent *CS:GO* players and popular YouTubers Syndicate and TmarTn (who boast tens of millions of subscribers between them) were found to be actively creating videos that promoted the skin gambling website [CSGO Lotto](#)—a site the pair jointly owned. The problem hasn't been limited to *CS:GO* either, with Craig Douglas (aka NepentheZ on YouTube) pleading guilty to running an [unlicensed FIFA betting](#) website that the court found was "used by children."

When games like *League of Legends* attract viewerships as high as 14.7 million people—and when the prize pools for competitions now hit tens of millions of dollars—the rise of e-sports gambling was inevitable. The question is: how do you deal with it? While Valve succumbed to public pressure and began issuing cease and desist orders to *CS:GO* websites (most of which are still online today), the reality of the situation is that gambling sites, government-regulated or otherwise, will continue to run—there's simply too much money on the table.



**FURTHER READING**  
YouTubers under fire for promoting their own *CS:GO* gambling site in videos

One estimate puts the size of the *CS:GO* skin betting market—where virtual goods like cosmetic skins are used as a virtual currency to bet on the outcome of matches—as high as \$7 billion.

The solution—or at least part of the solution, if the ethical and moral questions around gambling as a whole are put aside—is a deeper relationship with the industry, not a weaker one. That's according to Faceit—owners of the Esports Championship Series (ECS), a 20-team-strong *CS:GO* league—and [Genius Sports](#), a sports data provider to the likes of the FA, the Premier League, and La Liga. In a surprise move, Faceit is following in the footsteps of traditional sports and partnering with Genius Sports to provide real-time match data to regulated bookmakers like SkyBet, Bet365, and Betfair.

## Deter, educate, legitimise

The aim, according to Faceit, isn't for the company to offer gambling services itself, but to provide accurate match and player data to bookmakers via Genius Sports in order to help regulate the market. For example, once Genius Sports are able to pull and organise data from the ECS league, it won't just provide it to bookmakers, it will also analyse it for irregularities. By comparing the results to betting activity, Genius Sports can in theory help point out irregularities that indicate match fixing has taken place. The presence of such monitoring may even be enough to deter match fixers from targeting the ECS in the first place.

Naturally, Genius Sports charges bookmakers for its services, but Faceit has much to gain too. Aside from Genius Sports' analysis potentially pointing out irregularities within the ECS, the partnership will be a boon to potential advertisers worried about the scandals that have rocked e-sports over the past year. With more advertisers comes more prize money, more teams, and in theory more viewers. Genius Sports will also run workshops for players and teams as part of the deal—as it already does for its partners in traditional sports—which will educate them on the rules, regulations, and ethics of gambling.

"The main thing is building up awareness," explained Genius Sports VP Sean Conroy to Ars. "Sometimes you have athletes that don't necessarily understand exactly what the rules and regulations are. They don't know about passing information to an outside person that's mining for information for an upcoming event. Once that person has acquired that information, they take it away, they place bets, and they come back and say 'here's your money, thanks for passing me all that information.' Suddenly the athlete realises they've been duped. That sort of thing is common in traditional sports, and the first line of defence is the players. Education and really understanding what they can and can't do is the number one thing."

Of course, even with the best of intentions and with the right data at their disposal, numerous sports are affected by match fixing. Just yesterday, Filippo Vito di Perro—the Italian manager of third division Spanish football club Eldense—was arrested for for [suspected match fixing](#) following a 12-0 defeat to Barcelona in La Liga—one of the leagues that Genius Sports works with. In 2014, an investigation by the [Mail on Sunday](#) revealed that footballers suspected of being involved in match-fixing regularly played at English clubs with the knowledge of the FA.

## The right thing to do

E-sports presents some unique challenges too, not least of which are the close relationships players have with fans, and thus potential fixers.

"In the wake of skin gambling, we monitored all the big websites and we saw liquidity there," explained Genius Sports' head of e-sports Moritz Maurer. "Something you see that wouldn't be possible in football or basketball is that you have a pro-player that's friends with someone on Steam that's a high-roller on CS:GO Lounge. That's the sort of connection that invites misconduct. Because skin gambling came out of nowhere to become a billion dollar industry, the structure isn't there, and the education level is very low."

Partnerships like Faceit's with Genius Sports won't change the skin gambling industry overnight, nor will it ultimately solve any of gambling's ethical or moral quandaries. But as e-sports continues its march towards mainstream acceptance with slots on TV networks like ESPN and growth outside of Twitch on YouTube, the need for tighter regulation becomes far greater. Faceit might be leading the charge in helping to legitimise e-sports, but other teams, players, and leagues will no doubt soon follow.

"If you're serious about your business, you take any threat to it seriously," says Faceit's chief strategy officer Kurt Pakendorf. "If you're serious about e-sports and you're serious about a league, you also take that seriously. And to make sure your e-sports league is successful, you have to make it appealing to the teams and the players and the brand and sponsorships and so on. For us, this is a step that's critical to what we're doing. It's a step that brings certainty to the business. If we talk to big endemic and non-endemic brands we are able to address this issue head-on. It's the right thing to do."



**FURTHER READING**  
Valve's own Dota 2 and *CS:GO* are much worse than third-party gambling sites

This post originated on [Ars Technica UK](#)