

Inside Information, Outside Bets: Preventing a Sports Gaming Scandal

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Sports gaming has grown considerably in recent years, with sportsbooks offering betting markets for events ranging from the Super Bowl to mid-major college baseball to international table tennis. This proliferation has led to increased engagement and interest, but it also has brought match-fixing and point shaving back to the fore.

In October 2025, 34 people, including Portland Trailblazers head coach Chauncey Billups and Miami Heat star Terry Rozier, were arrested in connection with alleged rigged sports betting and poker games. Rozier allegedly told others he was going to exit a game early, and the others charged should bet on his statistical “unders,” while Billups allegedly took part in a group that fixed illegal poker games.

These arrests were followed by another case, when, in January 2026, federal prosecutors charged 26 people in alleged college basketball and Chinese Basketball Association point-shaving schemes. The collegiate scheme, which allegedly involved millions of dollars illegally wagered on dozens of games over two seasons, targeted mid-major college games that receive less media attention and involved in-game player behavior and bribes offered to and collected by those players.

These arrests demonstrate that there are increased opportunities for criminality, abuse and exploitation of informational imbalances and that there is a need for more robust policies and practices to ensure integrity.

THEORIES OF CRIMINALITY

The NBA and NCAA sports betting arrests demonstrated the array of theories of criminality at prosecutors’ disposal, including wire fraud, money laundering, bribery, racketeering and related conspiracy charges.

Wire Fraud

Match-fixing and insider betting are frequently charged as wire fraud because the misconduct typically involves using interstate “wires” (sportsbooks’ apps and platforms, electronic fund transfers, text messages and related digital channels) to obtain money or property through deception—whether by manipulating competitive performance or exploiting material nonpublic information (e.g., injuries, lineup changes, minutes restrictions or strategic decisions). Conspiracy charges are often tacked on—as in the NCAA case—because prosecutors can proceed based on an alleged agreement and overt acts in furtherance of the scheme, even if a particular participant did not personally place a wager or transmit funds.

Money Laundering

Money-laundering charges may be brought where illicit wagering proceeds are routed through runners or intermediaries, moved across accounts, converted between payment methods or otherwise structured to conceal the source, ownership, or control of the funds to evade detection.

Bribery

Prosecutors have pursued bribery charges where, for example, bettors and their co-conspirators have offered, promised or provided funds to players in an effort to influence their performance and gain access to restricted information.

Racketeering

Prosecutors may also pursue racketeering charges because of the elaborate enterprises established for these schemes, including information sources, fixers, bettors and runners engaged in a pattern of coordinated conduct across contests. Racketeering charges materially expand exposure by treating the scheme as an organized operation rather than isolated misconduct, enabling broader investigative and forfeiture tools.

KEY VULNERABILITIES**Prop Betting**

Prop bets are wagers on specific events within games that are not tied to the final score. The most popular prop bets focus on individual player performances such as points scored or shots made. Given the unique ability of a player to control their statistics in a particular game, coordinating performance and prop betting are ripe for abuse and potential criminal activity.

College Athletes

Although college athletes now share revenue and can earn income from the sale of their name, image, and likeness rights (“NIL”), the majority of Division I student-athletes still are left out of the massive revenues generated by their performances. Accordingly, the opportunity for athletes to receive funds from co-conspirators based on the information they can provide—such as tips on another player’s injury—presents a tremendous vulnerability for abuse and conspiratorial activity.

Mid-Major and Low-Major Athletics

Within college athletics, mid-major and low-major athletic programs, and the athletes who compete in them, are even more vulnerable. Athletes at these schools are even less likely to be earning from NIL or revenue-sharing, and games in between teams in these smaller conferences receive less press attention. However, lines on the games are nonetheless available on mainstream sportsbooks, meaning that if players have information that the public does not have—as may be more likely given that many institutions do not release injury reports—then insider-focused betting on these games could be lucrative for both insiders and co-conspirators.

Information Imbalances

Athletes, coaches and support staff for professional and college teams are often privy to information not available to those outside their facilities. For example, Damon Jones, a former assistant coach for the Los Angeles Lakers, was charged in the 2025 NBA betting case for allegedly tipping off outside bettors that LeBron James was not going to play in a 2023 game before that information became public. It is conceivable that a bench player for a mid-major college team may know their team’s star will be out before the media, or a sportsbook, ever finds out and may pass along that information. That provision of material, non-public information (“MNPI”) is not unlike a similar scenario in public company information protection, but the ease with which it can be shared and acted on creates vulnerabilities for teams, leagues and universities.

RECOMMENDATIONS

- Universities, athletic departments, teams, and leagues are the ultimate controllers of insider information and must prevent information leaks through controls, training and reporting channels.
- These organizations should adopt public company-inspired MNPI safeguards to reduce leakage into betting markets and create defensible compliance infrastructure. These controls can include need-to-know access, clear classification of sensitive

information (injuries/availability/strategy), blackout windows, controlled distribution lists, monitoring and audit trails for key data, and disciplined external communications.

- Institutions should also implement mandatory, role-based training that squarely addresses prop-bet risk, prohibited conduct and reporting obligations, social-media and direct-message hygiene, information handling expectations, and real-world enforcement examples. This training should be mandatory for all players and staff, with regular refreshers required.
- It is critical that upon learning of a credible allegation, the institution take quick and deliberate action. Initial investigatory steps should include promptly preserving relevant evidence (devices, chats, access logs); activating legal/compliance oversight to assess privilege and regulatory obligations, triage scope and stakeholders (including sportsbook, integrity-monitoring and law enforcement touchpoints); and conducting targeted interviews and data reviews to stabilize facts before broader notifications or discipline.

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Please do not hesitate to contact us with any questions.



Helen V. Cantwell
Partner, New York
+1 212 909 6312
hcantwell@debevoise.com



John Gleeson
Partner, New York
+1 212 909 7281
jgleeson@debevoise.com



David A. O'Neil
Partner, Washington, D.C.
+1 202 383 8040
daoneil@debevoise.com



Tavius R. Clark
Associate, New York
+1 212 909 6161
trclark@debevoise.com



Jacob Hochberger
Associate, New York
+1 212 909 6295
jhochberger@debevoise.com



Alexandra McDevitt
Associate, New York
+1 212 909 6803
apmcdevitt@debevoise.com

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