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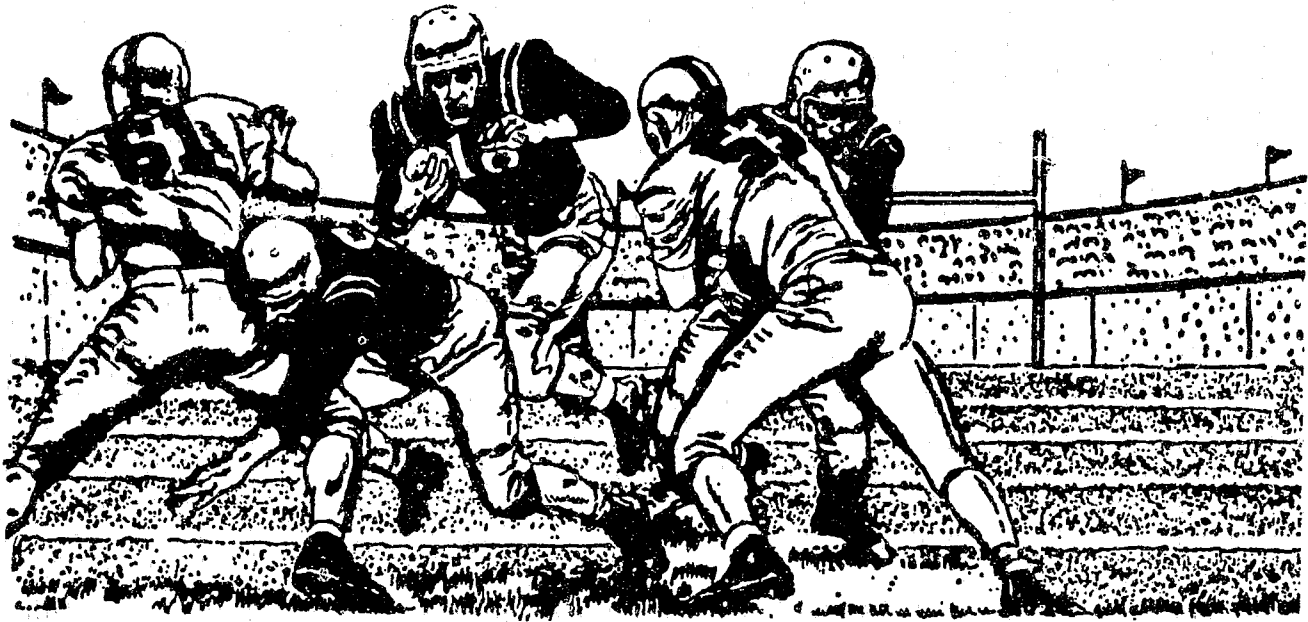
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# Sports Bookmaking Operations

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**B**ookmaking is a truly unique but also greatly misconceived operation, mainly because of attempts to make it easy for the layman to comprehend. This can be done to some degree; yet a procedure as highly complex and involved as bookmaking cannot be oversimplified. In an attempt to have an understanding of this operation, it is necessary to have some knowledge of the intricacies of sports line development and management.\* However, what must be understood is that a bookmaker's main aim is to make money, and all of his bets are in the furtherance of this aim, although for different purposes and to achieve different results. The types of wagering a bookmaker may use in trying to make a profit are discussed below.

\*See "Sports Wagering and the 'Line,'" *FBI Law Enforcement Bulletin*, Vol. 46, No. 11, November 1977, pp. 3-8.



**“[W]hat must be understood is that a bookmaker’s main aim is to make money, and all of his bets are in the furtherance of this aim, although for different purposes and to achieve different results.”**

“Layoff” is commonly believed to be a bookmaker’s sole method of wagering. Roughly defined, it is any bet made by one bookmaker with another in an effort to achieve what the bookmaker feels is a desirable balance or ratio of wagering. This should be distinguished from the overly restrictive definition that layoff is merely to achieve an absolute even ratio of wagering. To illustrate the classic (and usually oversimplified) type of layoff: If, at game time, the bookmaker finds that he has \$800 in wagers received on Team A and \$600 wagered on Team B, he could then lay off by wagering \$200 on Team A with another bookmaker and be assured of a net profit of \$60, regardless of which team wins. However, this procedure involves several problems. First, the bookmaker must time his layoff so that he does not receive any bets on the game after his layoff, an extremely difficult move. Or suppose he receives a call from one of his good customers after making the above layoff and the customer wants to bet Team B for \$500. He has already laid off \$200 for Team A! What does he do? Does he refuse the bet and risk losing a customer? Does he take the bet and hurriedly try to lay off by betting on the other side? He might, but this reversal may be unacceptable to another bookmaker or may be too late. His last alternative is merely to keep the bet and hope for the best.

Another problem arises in trying to maintain an absolute even ratio of bets. When a bookmaker is experiencing an imbalance on a certain

game, often the other bookies are finding the same imbalance, causing them to alter their line on the game. Thus the bookie, in order to lay off to another one, may be required to bet at an increased line. If he has bets at one line and lays off at as much as one point higher to another bookie, he runs the risk of losing both bets, generally referred to as being “middled.” In the previously mentioned situation, where the bookie had an imbalance on Team A of \$200, assume the bettors gave up  $6\frac{1}{2}$  points on Team A. The bookie lays off \$200 on Team A at  $-6\frac{1}{2}$ , but later receives a bet on Team B at  $+6\frac{1}{2}$  for \$500. Should the bookie be required to lay off on Team B at only  $+5\frac{1}{2}$  points, and if the final score showed Team A winning by only 6 points, he would then lose a net of \$990. (See fig. 1.) Therefore, laying off to achieve an even balance is often difficult or dangerous to accomplish.

Another type of layoff, termed an “anticipation layoff,” occurs when bookmakers have a good indication of how their customers will bet, especially on such favorites as the hometown team. Often, the bookie will lay off early in the week, perhaps before he has received any bets at all or has bets only on the other side of the game, because he believes he will be eventually overbalanced. By laying off early in the week, before the volume of betting on the home favorite has driven the line upward, he often times obtains the advantage of a better betting line. Even when the bookie is trying simply to reach an even bal-

ance of wagering, it is always to his advantage to make his bets at the best line available.

Bookmakers often lay off in an effort to achieve an *imbalance* or uneven ratio of betting, but a balance that the bookie desires. This occurs regularly when the bookie, for many reasons, may decide that a team will beat the point spread. Bookmakers form opinions on games through many sources. Many are excellent handicappers themselves, keeping detailed past performance records and thoroughly analyzing various factors affecting the games. Other book-

Figure 1

Bets

1. Team A (Incoming) $-6\frac{1}{2}$ points	\$800
2. Team B (Incoming) $+6\frac{1}{2}$ points	\$600
3. Team A (Outgoing Layoff) $-6\frac{1}{2}$ points	\$200 (Book now balanced)
4. Team B (Incoming) $+6\frac{1}{2}$ points	\$500
5. Team B (Outgoing Layoff) $+5\frac{1}{2}$ points	\$500 (Book now balanced)
Final Score: Team A—24	
Team B—18	
Team A wins by 6 points; results are:	
Bet 1. Bookmaker wins...	\$880
Bet 2. Bookmaker loses...	\$600
Bet 3. Bookmaker loses...	\$220
Bet 4. Bookmaker loses...	\$500
Bet 5. Bookmaker loses...	\$500
Net loss.....	\$990

makers rely heavily on published handicapping services or on private touting services. Still others have outstanding sources of information close to the teams involved, who may give very accurate tips on the games. All the computerized handicapping in the world may be "out the window" if the bookie can learn of some internal dispute on a team affecting certain players' morale. Moreover, bookies regularly put great reliance on the betting patterns of certain "smart" or "wise" bettors. A bookmaker will always take the bets of the "smart guy," even knowing the bettor

usually wins, for he then takes these bets, lays them off, and adds to the bets substantially, relying on the bettor's ability to pick correctly.

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In making an imbalanced layoff, it must be understood that the book-

maker is taking a risk or gamble, rather than sitting back to collect the vigorish or "juice" on an evenly balanced book. However, the bookie's gamble is a far more educated one than the gamble of a mere bettor. The bookmaker will mentally make a judgment on the games as to what he desires as a balance or ratio of betting. Sometimes, without any special knowledge of the games or variance of lines, he may merely lay off to reach an even balance. Other times, because of the above factors, he might decide to have a \$500 imbalance or risk; if he does not achieve his desired \$500 imbalance from incoming bets, he may then lay off to reach the ratio he desires. For example, suppose the bookie had \$1,000 on Team A, \$600 on Team B, but would like an imbalance of \$500 on Team A because he thinks Team B will "beat the spread." Suppose also he then gets a bet of \$400 on Team B, leaving him with a balanced book. He will then lay off (in effect) the entire \$400 on Team B plus another \$100 for a total of a \$500 layoff bet on Team B, creating the desired imbalance of \$500 on Team A. If Team B wins, he would collect \$1,100 from Team A bettors and \$500 on his layoff, and pay out \$1,000 to the winning Team B bettors for a net profit of \$600. Should Team A win, he would collect \$1,100 from Team B bettors, but pay out \$1,000 to Team A bettors and \$550 on the losing layoff, for a net loss of \$450 to the book. (See fig. 2.)

Bookmakers also engage in "mid-

Figure 2

Bets (Bookmaker desiring \$500 risk on Team B)	
1. Team A (Incoming) -----	\$1,000
2. Team B (Incoming) -----	\$600
3. Team B (Incoming) -----	\$400 (Book now balanced)
4. Team B (Outgoing layoff) -	\$500 (All of bet #3 and \$100 of bet #2)
Possibilities (if no ties)	
Team A wins:	
Bookmaker wins from losing Team B bettors-----	\$1,100
Bookmaker loses to winning Team A bettors-----	\$1,000
Bookmaker loses layoff bet on Team B-----	\$550
Bookmaker's loss-----	\$450
Team B wins:	
Bookmaker wins from losing Team A bettors-----	\$1,100
Bookmaker wins from layoff bet on Team B-----	\$500
Bookmaker loses to winning Team B bettors-----	\$1,000
Bookmaker's profit-----	\$600



dling” to make a profit. This involves taking advantage of the fact that two other bookies may have substantially different lines on a game. Thus, if he could wager on Team A at  $-14$  points and Team B at  $+17$  points and Team A won by 15 or 16 points, he would win both bets. Although bettors engage in this same type of middling, bookmakers may have easier access to other lines. For example, if the bookmaker bets \$1,000 each on Team A and Team B, the most he could lose is the \$100 vigorish on the losing bet. But, if the final score fell in the middle of the two lines, he would win both \$1,000 wagers. The risk of \$100 to make \$2,000 is one of the best gambles around. The main problem is to find these varying lines, which bookmakers try to avoid. Ideally, this might be done if one could wager, for instance, on the Dallas-Miami profes-

sional football game by betting on Dallas in Miami and on Miami in Dallas.

A bookmaker can also achieve middling by a combination of booking bets and laying off. Assume he had an imbalance of bets of \$1,000 on Team A at  $-9\frac{1}{2}$  points. If he could lay off on Team A with another bookmaker at  $8\frac{1}{2}$  points for \$1,000 (actually his entire Team A imbalance, leaving him with an evenly balanced book), he could get a middle, winning both amounts (\$2,100) if Team A won by 9 points, with no possibility of loss because his entire book is balanced.

As can be seen, a bookmaker's motives in laying off may be a combination of the above factors—achieving a desirable ratio, taking advantage of how he thinks the game will turn out, and middling.

### Organization

Compared to other forms of gambling, a bookmaking operation need not involve a detailed, structured organization. As indicated previously, line information and the availability of layoff are indispensable. Other than that, a bookmaker may function well completely alone.

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If the bookmaker does have an organization, the following types of persons may be associated.

Office workers—Since a good portion of sports bookmaking is accomplished by use of the telephone, he

often will have multiple telephone lines. In order to man the lines and to handle the frequently detailed recordkeeping, the bookie often hires one or more salaried office workers. The people working together in the office will generally perform the same duties: Answering telephones, disseminating line information, discussing account balances ("bottom figures"), accepting wagers, giving and receiving game scores, and making layoffs.

Street agents—This type of person may be called one of numerous titles: Street agent, agent, writer, runner, sub book, split book, half book, etc. The general idea is that this person has his own customers and usually functions on foot, although if he is

large enough he may have his own "office." Typical agents may be bartenders, barbers, factory workers, employees of large business offices, or pool hall operators and are often thought by their customers to be the actual bookmaker. The street agent is expected to take bets and to act as a conduit to relay the bets to the office. The most common remuneration for this service is for the office, on a periodic basis such as weekly, to compute the net profit or loss (usually a profit!) on the bets turned in by the agent and to give him a commission, commonly 25 percent of any profit. Occasionally, a volume agent may get a lesser commission on the gross wagers turned in (around 10 percent). Even more rarely, he may

merely be salaried.

This type of employee varies from: (1) The rather casual kind who may have only three or four friends for whom he turns in bets and who may not receive any direct compensation, but rather only such special considerations as extended credit, early line, etc.; (2) to the agent who turns in each and every bet from many customers as he receives it; or (3) the "agent" who is almost like a small bookmaker. This latter type (more properly called a sub book) may take numerous wagers over several days, then retain for himself any balancing wagers and turn in only the excess or imbalance of the bets. For example, assume a bartender takes a bet at one end of the bar on Dallas at -2 for





\$100 and gets the cash bet of \$110 (\$100+\$10 vigorish). He then walks to the other end of the bar and encounters another imbibor who likes the opponent and to prove his opinion wagers \$110 on Washington at +2. The agent bartender would be rather foolish, assuming the big bookie would not find out about it, to turn in these counterbalancing wagers. He might simply keep both bets and be assured of a \$10 profit, whichever team won. Thus, although he may still retain most of the characteristics of a street agent, he may in effect be booking some of the bets himself and in reality only laying off his excess. The line between this type of person—a street agent—and a small bookmaker may be very fine.

**Beards**—This person is usually a bettor or friend of a bookmaker who functions by placing the bets of a bookmaker with another, without divulging to the other bookmaker the true source of the bets. Frequently, the bookie has bets he wishes to make, but does not or cannot make them in his own name. This may be because

his credit or reputation may be so bad that some or all the local bookies will not take his bets. The bookie may also be trying to middle the other bookmakers and tactically may not wish the others to know it. Or he may have an excellent source of tips on games that he does not wish to divulge. As an example, he could place several large bets by a beard with another bookie, thereby driving the line upward. Later he could bet in his own name on the other side with the same bookie and get his middle, without having to bet with two bookmakers.

The beard usually gets no direct compensation, but has the advantage of knowing what a knowledgeable bookmaker is doing. If the beard knows the bookie is simply a shrewd bettor, he will add his own money to the bookie's when he beards the bet, thereby taking advantage of the "inside" information and making a larger bet than the bookie originally intended.

**Collectors and Pickup Men**—Depending on the size of the booking operation, the office may have separate collectors who meet periodically

with customers and/or street men to "settle up," and may serve to distribute line sheets to the bettors, so that the bettors and bookie will have the same sheet. As a very broad general rule, extreme force is not employed to collect debts. The bookmaker is essentially a salesman (of bets). To injure or severely threaten a customer may succeed in getting payment, but with the result of losing a big bettor plus good will. The real trick in collecting is to get payment and still keep the bettor hooked. Often collectors try not to settle up an account completely, but try to keep some balance owed to or by the bettor, so that he will keep on betting.

Many bookies settle with all accounts each week, usually on Mondays or Tuesdays at prearranged meeting places. Others settle up only when the debt between the bookie and the account reaches a certain figure, e.g. \$500. In other cases, especially a good, trusted account, he may settle only after the football or basketball season is over.

Although force is rather rare in effecting a settlement, debts often give

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rise to the “friendly loanshark.” If the bookie can shift the debtor to the shylock (with whom the bookie may have a working arrangement), he may get his money, keep the bettor’s good will, but leave the “rough stuff” to the loanshark and his exorbitant rates of interest.

#### **Electronic Devices**

Numerous types of equipment may be used by bookmakers to avoid detection. One type is the “blue box,” which enables the user to simulate a touch-tone signal and use toll-free 800 WATS telephone numbers. Used in

this manner, there is no charge for his call, and more important, no toll record of it.

Other devices function essentially as extension telephones, so that a telephone listed to one apartment may be actually in another as a sort of unauthorized extension telephone.

Another device is similar to call-forwarding equipment or off-premises telephones available through telephone companies, which allow for use of a telephone listed at one location although the user may be miles away and without means of tracing this use.

An involved piece of equipment may allow callers to call in and record their messages while the subscriber (bookie) is gone, and for the subscriber to call later into his telephone and have these messages played back to him.

A different type of device concerns the warning of the occupant that someone is approaching or entering the premises. Equipment for destroying papers, or water-soluble paper and flash paper, can then be used.

A full consideration of all the various devices and equipment is not within the purview of this article. However, suffice it to say, that it is of utmost importance when raiding suspected gambling premises to determine whether in fact the bookmaking operation is physically located within the premises and what warning devices or destructive equipment may be available. ®



**This “blue box” enables the user to simulate a touch-tone signal and use toll-free 800 WATS telephone numbers.**