

The Facts of the Dispute

1. On the 29th of December, 2011, at 20:40 hours GMT, I placed a Back bet (Betfair ID# 17694701204) for Rick Santorum to win the Iowa Caucus in the Republican Primaries contest on the Betfair Betting Exchange.
2. The Iowa Caucuses were held on the 3rd of January, 2012.
3. On the morning of the 4th of January 2012, unofficial interim tallies were released by the Iowa Republican Party. Although these were written about in the media as “the result”¹, at no point did the Iowa Republican Party declare an official result.
4. On the 18th of January 2012, the Iowa Republican Party issued a statement² clarifying that the tallies issued on the 4th of January were not the official result and that a 14 day period was in place from the day of the Caucuses before an official result was declared.

This statement included the following statement,

Following the closest vote total in the history of the Iowa Caucuses, Republican Party of Iowa Chairman Matt Strawn today provided an update on the vote certification process, timeline for the public release of results, and the availability of certification documents for public inspection.

As noted during the announcement of the Caucus Night vote totals, Iowa GOP rules provide for a 14-day period by which each of Iowa's 99 counties are required to submit to a Form E document from each of the caucus precincts within the county. The Form E document is the official record of the presidential preference vote in each of Iowa's 1,774 precincts. The 14-day period sets close of business (5 p.m. CST), Wednesday, January 18 as the deadline for county Republican officials to submit the Form E documents.

The Iowa GOP will publicly release the certified vote totals of the 2012 Republican Caucuses at 8:15 a.m. (CST) on Thursday, January 19. The certified “Form E” precinct documents will then be made available for inspection by presidential campaign representatives at 9:00 a.m. (CST) at the Republican Party of Iowa Headquarters in

¹ For example, <http://edition.cnn.com/2012/01/03/politics/iowa-caucus/index.html>

² See <http://iowagop.org/iowagop/?p=678>

Des Moines. The certified "Form E" precinct documents will then be made available for inspection by members of the news media starting at 11:00 a.m. (CST).

5. On the 19th of January 2012, the Iowa Republican Party issued a statement declaring the official result³. This, the first declaration of results from the Iowa Republican Party, had Rick Santorum as the winner by 8 votes.
6. On the 20th of January 2012, at 19:56 GMT, I contacted Betfair with the following email.

Sirs,

Since the final tally from the Republican Party Caucus in Iowa now officially declares Rick Santorum to have received the most votes, I respectfully request that you proceed forthwith to settle my stake on this market appropriately and award me the winnings due.

I refer specifically to Bet ID 17694701204 placed on the 29th of December at 20:40.

Sincerely,

Peter Ould

7. On the 20th of January 2012, at 23:16 GMT, I received the following reply.

Dear Peter,

Thank you for your e-mail.

Having spoken with our Market Operations Team they have advised me that they are happy with the settlement of this market based on the following ruling:

Where the Market Information or Specific Sports Rules do not specify how and on what basis a market will be settled, markets will be settled on the official result of the relevant governing body regardless of any subsequent disqualification or amendment to the result (except if an amendment is announced within 24 hours of the initial settlement of the relevant market in order to correct an error in reporting the result).

Please do not hesitate to contact us if you have any further enquiries.

Kind regards

³ See <http://iowagop.org/iowagop/?p=682>

Relevant Regulations and Rules - Betfair

9. Betfair Rule 2.1⁴ states

Markets will be settled as set out in the Market Information and/or the Specific Sports Rules.

*Where the Market Information or Specific Sports Rules do not specify how and on what basis a market will be settled, **markets will be settled on the official result of the relevant governing body** regardless of any subsequent disqualification or amendment to the result (except if an amendment is announced within 24 hours of the initial settlement of the relevant market in order to correct an error in reporting the result).*

10. Betfair's Rule 2.1 unambiguously makes reference to the "official result of the relevant governing body". The "relevant governing body" for the Iowa Caucus is the Republican Party of Iowa.

Official Election Process – Iowa Republican Party

11. The Iowa Republican Party has laid out a simple explanation⁵ of how the Iowa Caucus works and how results are declared. The key points are below.

Every vote is counted. The caucus chair and secretary will count the votes in front of the caucus and a representative from each campaign is allowed to observe the counting of the votes. The results are recorded on an official form provided by the Republican Party of Iowa and are announced to the caucus.

A caucus reporter is chosen to report the results to the Republican Party of Iowa, accompanied by campaign representatives to verify the results reported to Iowa GOP officials.

RPI officials do not count results; they aggregate them from around the state and report them to the media. To ensure consistency in reporting, campaign representatives have the opportunity to be present with RPI officials as votes are reported to the public.

Within fourteen days of the caucus, certified results will be released for a complete breakdown of all caucus votes that were cast by precinct.

⁴ See <http://www.betfair.com/aboutUs/Rules.and.Regulations/>

⁵ See <http://iowagop.org/iowagop/?p=675>

12. Further clarification of the process was provided on the aforementioned publication on the 18th of January 2012⁶.

As noted during the announcement of the Caucus Night vote totals, Iowa GOP rules provide for a 14-day period by which each of Iowa's 99 counties are required to submit to a Form E document from each of the caucus precincts within the county. The Form E document is the official record of the presidential preference vote in each of Iowa's 1,774 precincts. The 14-day period sets close of business (5 p.m. CST), Wednesday, January 18 as the deadline for county Republican officials to submit the Form E documents.

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13. The process is therefore as follows:

- a) Caucuses are held and the Caucus Reporter in each precinct reports the initial results to the Republican Party of Iowa. These reports from the precincts **do not** constitute the "official result".
- b) Within fourteen days of the Caucus, precincts return a Form E document to the Republican Party of Iowa. This Form E document counts as the **official record** of the vote in the relevant precinct. The Form E documents are certified.
- c) Once the fourteen day period after the Caucus has elapsed, all the received and certified Form E documents are tallied and the aggregated results are announced. This is the **official result**.

14. Section 13 above is the understanding of the Iowa Republican Party Chair, Matt Strawn. On the 19th of January he said⁷,

"I think there was a misunderstanding regarding the certified results. One thing that is irrefutable is that in the 1,766 certified precincts that the [Iowa] Republican Party

⁶ See <http://iowagop.org/iowagop/?p=678>

⁷ See <http://politicalticker.blogs.cnn.com/2012/01/19/iowa-gop-chair-explains-adjusted-caucus-result/>

was able to certify and report, Rick Santorum was the winner of the certified precinct vote total by 34 votes."

Requested Adjudication

15. I request that IBAS rule that Betfair misinterpreted the initial reports of the precinct counts on the 4th and 5th of January as the official report, when in fact they were not official results.

16. The evidence above clearly indicates that the official rules of the Iowa Republican Party view the final declaration of certified precinct returns on Form E documents as the **official result**. Given that such a result cannot be issued before all the Form E documents have been received or 14 days have passed from the date of the Caucus (whichever occurs first) **an official result cannot have been declared on the 5th of January**. Betfair's rule 2.1 explicitly declares that **markets will be settled on the official result of the relevant governing body**.

17. On the basis of such adjudication as requested in section 15 above, Betfair should be instructed to honour all bets backing Rick Santorum to win **and** all bets laying Mitt Romney to lose on the Iowa Caucus market.