



**Four Facts Why You Should OPPOSE Commercialized Internet
Sports Gambling for the 2022 Session
July 27, 2022**

Dear Members of the Conference Committee on Proposed Bills to Authorize Sports Gambling:

Based on the recent experiences that we have seen in other states, we are writing to strongly urge you to oppose all legislation for the 2022 session which would authorize commercialized internet sports gambling in Massachusetts. Here are four facts, based on the recent experiences of other states, to oppose the current legislation:

SUMMARY

- 1) Internet sports gambling has led to gambling operators unleashing a hurricane of gambling advertising upon the daily lives of state residents, especially young people. Bombarding kids with gambling ads has normalized and desensitized them to the dangers of commercialized gambling, causing many to become addicted to gambling and countless others to become more likely to develop a gambling problem later in life because they have been led to believe commercialized gambling is a harmless activity.**
- 2) The experience of other states has shown illegal gambling *increases* after authorizing commercialized online sports gambling.**
- 3) We have seen in other states what big gambling companies really want is NOT commercialized internet sports gambling but online casino gambling, opening the door for gambling operators to put online slot machines and similar extreme forms of gambling on internet-connected devices and laptops in every bedroom, office, schoolhouse, and smartphone in the state.**

- 4) Gambling lobbyists and some public officials touted commercialized gambling, including this recent lobbying campaign for online sports gambling, as a way to raise tax revenue but history has shown repeatedly that this argument is either overstated or wrong.**

The Four Reasons in More Detail

- 1) Internet sports gambling has led to gambling operators unleashing a hurricane of gambling advertising upon the daily lives of state residents, especially young people. Bombarding kids with gambling ads has normalized and desensitized them to the dangers of commercialized gambling, causing many to become addicted to gambling and countless others to become more likely to develop a gambling problem later in life because they have been led to believe commercialized gambling is a harmless activity.**

The experience of other states has clearly demonstrated that online sports gambling and massive gambling advertising campaigns are inextricably linked. That's because what lures people to betting is the relentless gambling advertising on television, social media, radio, and streaming platforms. A vote for internet sports gambling is a vote to drown Massachusetts families in a flood of gambling advertising.

In states like Pennsylvania that have allowed online sports gambling, gambling advertising is literally everywhere. The 5:30 PM news sportscast in Philadelphia is sponsored by an online sports gambling company and the image of the sportscaster on the screen is fully engulfed by a gambling company's advertising, along with a QR code to take you to the gambling company's website. The Philadelphia Eagles football stadium has giant QR codes for gambling companies on the video scoreboards directing fans to continually place bets during every moment of the game. **During the Martin Luther King holiday in 2022, while hundreds of thousands of young school children are home from school, the NBA**

broadcasted basketball games *in the middle of the day* that included more than 50 gambling ads.

This dangerous form of online gambling, in combination with the deceptive marketing by gambling companies and the pro sports leagues, has inflicted serious harm upon citizens in these states, including unleashing an epidemic of child gambling. The National Council of Problem Gambling- *an organization that receives almost all of its funding from the gambling industry-* **acknowledged that between 60% and 80% of high school students report having gambled for money in the past year even though the legal age for gambling ranges from 18 to 21 depending on the state.**¹

Another bellwether we have seen from other states spotlighting the dangerousness of online gambling is the massive increase of calls into the state gambling addiction hotlines after online gambling has been introduced:

- In the year since Michigan legalized online casino gambling and sports betting, some 4,400 calls poured into the state’s problem gambling hotline. **That’s nearly triple the calls received in 2020, before online betting was legal.**²
- Since launching online sports betting in Tennessee, **there was a whopping 847% increase in gambling addiction calls between January 2020 and January 2021.**³
- Calls to Connecticut’s problem-gambling hotline **more than tripled over the first six months** after the state launched a series of sportsbooks and online gambling platforms.⁴

¹ “As Sports Betting Grows, States Tackle Teenage Problem Gambling,” Pew Trusts *Stateline*, July 12, 2022. <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2022/07/12/as-sports-betting-grows-states-tackle-teenage-problem-gambling>

² “Calls to the Michigan gambling problem helpline nearly tripled last year,” *Michigan National Public Radio*, February 25, 2022. <https://www.michiganradio.org/2022-02-25/calls-to-the-michigan-gambling-problem-helpline-nearly-tripled-last-year>

³ “Addiction hotline sees concerning increase in calls for gambling, sports betting help,” *WBIR-NBC 10 TV News*, February 4, 2021. <https://www.wbir.com/article/sports/addiction-hotline-sees-concerning-increase-in-calls-for-gambling-sports-betting-help/51-6d7f4a25-6e1e-47f4-99c8-b86540599deb>

⁴ “Calls to CT’s problem gambling hotline up 203% since launch of online gambling,” *Connecticut Insider*, April 16, 2022. <https://www.ctinsider.com/news/article/Everybody-s-getting-burned-out-Calls-to-17084211.php>

2) The experience of other states has shown illegal gambling *increases* after authorizing commercialized online sports gambling.

The primary source of information for the size and scope of “illegal sports gambling” in the U.S. has been the American Gambling Association (AGA), the national lobbying organization for gambling operators *who have a vested financial interest in seeing commercialized gambling metastasize*.⁵ Over the past several years, the AGA orchestrated a multimillion-dollar public relations campaign to create the “illegal sports gambling” narrative to artificially create lobbying momentum in the absence of any grassroots citizen support.⁶ The amount of money supposedly bet illegally on sports gambling that proponents continually repeat is literally based upon a number pulled out of thin air.⁷ In addition, the bulk of the “illegal gambling” figures promoted by the AGA ***are based upon office pools like buying a Super Bowl square or selecting a March Madness basketball tournament bracket, social forms of gambling that are radically different than the dangerous forms of online gambling that gambling companies are marketing in states!***⁸

For most of our nation’s recent history, illegal sports gambling has been happening on the fringes of society. But there are a number of key reasons why *illegal gambling increases* when states sanction commercialized gambling. These include:

- Untaxed illegal operators can offer better odds and tax avoidance that legal operations cannot.

⁵ “The American Gaming Association suggests that \$4.6 billion will be wagered illegally on the Eagles versus Patriots match-up,” *Inc Magazine*, Jan. 30, 2018. <https://www.inc.com/darren-heitner/billions-will-once-again-be-illegally-wagered-on-super-bowl.html>

⁶ “How Geoff Freeman and the AGA led the gaming industry to the Supreme Court,” *CDC Gaming Reports*, December 3, 2017. <https://www.cdcgamingreports.com/commentaries/how-geoff-freeman-and-the-aga-led-the-gaming-industry-to-the-supreme-court/>

⁷ “Is Illegal Sports Betting a \$400 Billion Industry? NBA Commissioner Adam Silver says there's \$400 billion per year of illegal sports betting in the U.S. alone. Seriously?” *Slate*, Nov 21, 2014. <https://www.inc.com/slate/jordan-weissmann-is-illegal-sports-betting-a-400-billion-industry.html>

⁸ “How Geoff Freeman and the AGA led the gaming industry to the Supreme Court,” *CDC Gaming Reports*, December 3, 2017. <https://www.cdcgamingreports.com/commentaries/how-geoff-freeman-and-the-aga-led-the-gaming-industry-to-the-supreme-court/>

- Once gamblers start betting legally, they become less averse to gambling in unlicensed venues and websites.
- Law enforcement in gambling states view illegal gambling as a state revenue issue rather than a criminal activity, making enforcement less of a priority.
- Illegal operators offer credit to gamblers.

The rise in illegal gambling in states that have authorized online gambling is why in its recent letter to the US Department of Justice the AGA self-servingly decried “a vast illegal sports betting market continues to exist through offshore websites, which have established well-known brands—such as Bovada, MyBookie and BetOnline—that operate with a high degree of visibility and are readily accessible to every American with a smart phone or Internet connection.”⁹

3) We have seen in other states what big gambling companies really want is NOT commercialized internet sports gambling but online casino gambling, opening the door for gambling operators to put online slot machines and similar extreme forms of gambling on internet-connected devices and laptops in every bedroom, office, schoolhouse, and smartphone in the state.

Gambling operators themselves openly admit the end game here is NOT internet sports gambling but internet casino gambling.¹⁰ Online gambling operators make 80% of their revenues from internet casino gambling.¹¹ The sports gambling apps are what attracts people to sign up and then, over time, gambling companies market relentlessly to lure citizens over to the online casino gambling apps. The same is true for brick-and-mortar casinos: commercialized sports gambling brings people in the door but is not a significant source of gambling profits.

⁹ American Gambling Association letter to US Attorney General Merrick Garland, April 13, 2022.

https://www.americangaming.org/wp-content/uploads/2022/04/AGA_DoJIllegalGambling-4.13.22.pdf

¹⁰ “Morgan Stanley Predicts The State of Sports Betting and Online Casinos in 2025,” *Play Pennsylvania*, May 19, 2022.

<https://www.playpennsylvania.com/morgan-stanley-predicts-sports-betting-online-casinos-2025/>

¹¹ “With \$3.7 billion wagered, see which Michigan online sportsbooks, casinos profited most in 2021,” *Michigan Live*, January 27, 2022. <https://www.mlive.com/sports/2022/01/with-37-billion-wagered-see-which-michigan-online-sportsbooks-casinos-profited-most-in-2021.html>

4) Gambling lobbyists and some public officials touted commercialized gambling, including this recent lobbying campaign for online sports gambling, as a way to raise tax revenue but history has shown repeatedly that this argument is either overstated or wrong.

In its landmark national report, the Rockefeller Institute of Government at SUNY-Albany found that while states creating new revenue streams from commercialized gambling may see momentary bumps in tax income, **“the revenue returns deteriorate—and often quickly.”**¹²

Beyond its obvious status as a budgetary shell game, commercialized gambling incurs major social costs that end up being footed *by all taxpayers*. In addition to targeting and exploiting the financially desperate and cultivating addiction,^{13 14} commercialized gambling leads to increases in rates of personal bankruptcy and provides new avenues for crime and money laundering.^{15 16} Gambling operators don't pay for the harms they inflict upon families, businesses, and communities. *Taxpayers do. Your constituents do.*

All of the citizens who don't gamble also pay in another major way. Commercialized gambling lowers a state's standard of living because it represents a sterile transfer of money from millions of ordinary people's pockets into a small number of other people's pockets, producing nothing new and nothing of lasting value. **Its economic impact is similar to throwing your money on the street so someone else can pick it up – it redistributes wealth without creating it.** Because this nonproductive activity

¹² Lucy Dadayan, *State Revenues from Gambling: Short-Term Relief, Long-Term Disappointment*, The Nelson A. Rockefeller Institute of Government (2016), http://www.rockinst.org/pdf/government_finance/2016-04-12-Blinken_Report_Three.pdf

¹³ Cornell Univ. Professor David Just, “The big swindle: In lotteries, the poor are the biggest losers,” *CNN*, Dec. 18, 2013 <https://www.cnn.com/2013/12/18/opinion/lottery-poor-just-opinion/index.html>

¹⁴ John Rosengren, “How Casinos Enable Gambling Addicts,” *The Atlantic* (Dec. 2016) <https://www.theatlantic.com/magazine/archive/2016/12/losing-it-all/505814/>

¹⁵ *Social Costs of Problem Gambling*, Problem Gambling Research and Intervention Project, Georgia State University, <https://goo.gl/kgQv2>

¹⁶ Dr. Earl Grinols and Dr. David Mustard, *MIT Press, Review of Economics and Statistics*, Feb. 2006, <https://www.mitpressjournals.org/doi/abs/10.1162/rest.2006.88.1.28?journalCode=rest>

nevertheless uses up time and resources, we experience a reduced standard of living, a consequence that impacts all of us.

Thank you for your serious consideration of these facts. For further information, I invite you to please contact us by email mail@stoppredatorygambling.org or phone (202) 567-6996.

Thank you for your work.

Sincerely,



Les Bernal, National Director
Stop Predatory Gambling

About Stop Predatory Gambling

- Our members work to reveal the truth behind commercialized gambling operators to prevent more victims.
- A 501c3 non-profit based in Washington, DC, we are a national advocacy network of individuals and partner groups with members in all 50 states.
- We are one of the most diverse organizations in the United States, one in which citizens of all political stripes and life circumstances, from every corner of the country, work side-by-side.
- Our funding comes from the selfless giving of every member of our national board; individual donations from hundreds of concerned citizens as well as people with the lived experience of predatory gambling from across the entire United States; gifts from a few smaller foundations; and support from members belonging to every major faith group in the country. We don't accept funding from commercialized gambling interests.