

Testimony of Keith Whyte

Executive Director, National Council on Problem Gambling Before the House Subcommittee on Crime, Terrorism, Homeland Security, and Investigations "Post-PASPA: An Examination of Sports Betting in America" September 27, 2018

Chairman Sensenbrenner, Ranking Member Jackson Lee and members of the Subcommittee,

On behalf of the National Council on Problem Gambling and two million Americans with gambling problems I would like to submit this testimony for the record. We speak for those who suffer from a gambling addiction and for those in recovery who must remain anonymous. We speak for those youth and adults who will be harmed in the future from expanded sports betting. We bear witness to the devastating impacts of a gambling addiction on individuals and their families and to the effectiveness of services that provide help and hope for those who struggle. We can never eliminate the disease of gambling addiction, but we can and must make better efforts to prevent and treat it.

We thank Minority Leader Schumer¹, Senator Hatch² and other members of Congress for their statements about the importance of consumer protections in any sports betting legislation. We thank the American Gaming Association³ and individual gambling operators for supporting responsible gambling. We thank the National Football League⁴, National Basketball Association⁵, and other leagues for their public backing for such measures. Indeed, as far as we know every single stakeholder has expressed their support. However, to date not a single bill that has passed or even been proposed includes all five of our responsible gambling principles. We call on every legislator, league, regulator, gambling operator and other interested parties to pledge to incorporate responsible gambling principles into their legislation, regulations and operations.

We believe the expansion of legalized sports gambling in the United States will likely increase gambling participation and problems unless the following steps are taken to minimize harm.

¹ "Protecting young people, and those suffering from gambling addiction." Statement of Senator Chuck Schumer, August 29, 2018

² "There is no question that sports betting, like other types of gambling and addictive behavior, has ruined far too many lives." Statement of Senator Orrin Hatch, August 23, 2018

³ "Promote responsible gaming and responsible advertising." Statement of AGA Senior Vice President Sara Slane, September 27, 2018

⁴"There must be substantial consumer protections;" statement of NFL Commissioner Roger Goodell, May 21, 2018

⁵ "These requirements would include...mechanisms to identify and exclude people with gambling problems; and education about responsible gaming." Adam Silver. *Legalize and Regulate Sports Betting*. New York Times, November 13, 2014

- 1. Dedicate at least one percent of revenue to prevent and treat gambling addiction.
- 2. Require sports betting operators to implement responsible gaming programs.
- 3. Assign a regulatory agency to enforce responsible gambling and other regulations.
- 4. Conduct surveys of the prevalence of gambling addiction prior to expansion and at regular periods thereafter to support evidence-based, data-driven responsive measures.
- 5. Establish a consistent minimum age for sports gambling and related fantasy games.

We are concerned about the collision of three trends—vast increases in gambling advertising, especially exhortations to gamble during the game; advances in technology including mobile phone gambling, and a virtually unlimited menu of betting opportunities far beyond game outcome or even player performance. This Frankenstein's monster of advertising, access and action is unprecedented in America, and indeed anywhere else in the world. As a result it is likely that most Americans will soon be bombarded by marketing urging them to bet instantly from their phone on every action by every player on every play in every game in every sport.

Everyone who profits from sports betting bears responsibility for gambling problems. Dedicating a portion of profits from gambling to mitigate gambling harm is an ethical imperative and an economic necessity. The only way to maximize benefits from sports betting is to minimize problem gambling harm. Sports betting should not be allowed in a state without public funding for problem gambling services. Yet 20% of states still do not have such funding.

Sports betting operators must be required to have responsible gaming programs. At a minimum they should include comprehensive employee training, self-exclusion, ability to set limits on time and money spent betting and specific requirements for the inclusion of help/prevention messages in external marketing. The operator must have a written plan with measurable objectives, and an annual report on the progress towards these goals must be provided to the regulator and available for public review. Compliance with the responsible gambling regulations and plan performance should be a condition of licensure and renewal. NCPG welcomes the AGA's expanded Code of Conduct in this area.

Players who wish to exclude themselves from sports betting should have options through either the operator an outside service recognized by NCPG or the regulatory agency. Family members should be able to request a gambler be banned through a process adjudicated by the regulator. Excluded players should receive information about available help services upon application; and subsequently should not receive any direct marketing or promotional offers to continue gambling. Regulators should hold harmless operators who make reasonable efforts to comply with exclusion requests; but should pursue actions against operators who fail to do so.

The operator should have a clearly articulated commitment to advertising that does not mislead or target people with gambling problems or minors. Advertising should contain a responsible gaming message and/or the National Problem Gambling Helpline (1-800-522-4700) number. Advertising should not be placed before any audience where most of the audience is ordinarily expected to be below the legal age to participate in gambling activity.

Any legislation to legalize sports betting must designate a regulatory agency which should have a specific mandate to minimize gambling-related harm. When considering new and expanded gambling legislation, regulations, policy or programs, the regulator should consider the precautionary principle that there is a social responsibility to protect the public from exposure to harm, when scientific investigation has found a plausible risk.

Survey research should be conducted prior to the expansion of sports betting and periodic monitoring conducted thereafter to support evidence-based, data-driven responsive measures. In addition, deidentified data collected by regulated operators on gambling activity should be made publicly available through the regulatory agency to qualified researchers to help support mitigation efforts.

A minimum age to bet on sports and fantasy games should be determined and enforced. Operators should have an affirmative obligation to put in place technical and operational measures to prevent access by those who are underage, especially in online or mobile betting.

Sports betting legislation that allows internet, mobile and online gambling options may further increase risk factors for gambling addiction, but this technology also allows additional opportunities to enhance the responsible gaming features described above including setting limits and exclusion programs. Therefore NCPG urges legislators and regulators to utilize NCPG's best practice Internet Responsible Gambling Standards (IRGS) as the basis for any internet or mobile gaming. Gaming vendors and operators are encouraged to pursue NCPG's Internet Compliance Assessment Program (iCAP) to receive an independent audit confirming they meet the IRG Standards. Not only will this make it easier for all stakeholders to have a consistent responsible gambling program across various jurisdictions, systems and license holders but most importantly it will provide those who gamble with continuity of protection.

We know a limited amount of legal and a vast amount of illegal sports betting occurs across America. Expansion will likely increase availability and acceptability of sports gambling and thus increase participation, which may lead to more gambling problems. History shows that the expansion of gambling at the state level has not been uniformly accompanied by appropriate—or in some cases any—funds to prevent or treat gambling addiction. As a result current public problem gambling prevention and treatment services—especially for youth—are insufficient in most states and nonexistent in many.

NCPG has additional concerns about the impact of gambling on the health of athletes, as research indicates that athletes are more likely to be at risk for addictions. Preventing and treating gambling addiction among players protects their health and the integrity of the game. Therefore leagues and teams should establish specific gambling addiction prevention and education programs for youth athletes prior to high school all the way through college and into professional sports. They should also ensure that athletes and personnel have a safe harbor to seek help for gambling related problems, and qualified personnel available to provide assistance. Sporting organizations should provide mandatory educational briefings to players and team personnel on team/league policy regarding gambling and where to get help for gambling problems. They could also utilize their high-profile opportunities in the media to help send responsible gaming messages to their fans and the public at large.

The media should promote the National Problem Gambling Helpline (800-522-4700) as a public service in every newspaper and media outlet which prints or publicizes betting lines or odds. I'm pleased to report we are in discussions with ESPN around this issue and call on their competitors to follow their lead.

I'm also pleased to announce our Safer Sports Betting Initiative (SSBI). The initial SSBI goal is to raise awareness of potential gambling addiction-related problems and suggested responsible gambling solutions among states, leagues, gambling operators and other stakeholders over the next three months. The overall SSBI goal is that every sports betting bill includes responsible gambling principles.

The initial SSBI components are to conduct a National Survey of Gambling Attitudes and Gambling Experiences (NGAGE), which will provide statistically valid estimates of gambling participation and problems in every state with a special focus on sports betting. This unprecedented picture of gambling in the US will provide a baseline to measure impacts of expansion. We will benchmark current sports betting regulations and proposed legislation against our responsible gambling guidelines. We will also commission a review of the scientific literature on connections between gambling addiction and sports betting. NCPG will build a national grassroots effort and develop new awareness, prevention and responsible gambling programs for youth and groups such as college athletes, professional leagues and teams.

There will be a small but significant portion of gamblers who experience negative consequences as a result of sports betting. Together with all stakeholders who will profit from sports betting our challenge is to implement measures to reduce that harm as much as possible even as sports gambling expands across the nation.

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The National Council on Problem Gambling was founded in 1972 and is neutral on legalized gambling. We serve as the national advocate for programs and services to assist problem gamblers and their families. We improve health and wellness by leading state and national stakeholders in the development of comprehensive policy and programs to reduce the personal, social and economic costs of problem gambling. If you or someone you know has a gambling problem, call or text the National Problem Gambling Helpline at 1-800-522-4700 or visit www.ncpgambling.org/chat for confidential help.