

Murphy v. NCAA: Possible Outcomes

- 1 The Court Reverses The Third Circuit By Holding PASPA Unconstitutional
- 2 The Court Affirms The Third Circuit's Ruling, And PASPA
- 3 The Court Partially Strikes Down The Third Circuit's Ruling, And PASPA



State Stakeholders Summit April 24, 2018



Regulation of Legalized Sports Betting and Future Considerations
Moderated Panel. Moderator: Tim Murphy, former deputy director of the FBI and Chair of the American Sports Betting Coalition. Panelists: AG Burnett, former Chair of Nevada Gaming Control Board; Ronnie Jones, Chair of the Louisiana Gaming Control Board.



Goals of A Legal Sports Betting Market



PRINCIPLES TO SUCCESSFULLY GOVERN SPORTS BETTING AND PROTECT CONSUMERS

As states and tribes prepare to introduce legal, regulated sports betting, the industry must seize the opportunity to drive legislation that effectively regulates betting and safeguards bettors.

Tax Rate

GOAL: Shut down the illegal sports betting market and generate state and tribal revenue.

PROPOSAL: Charge a 6.75% tax, or a tribal revenue share, on sports betting GGR, and charges no "league fees" or handle tax.

RATIONALE: Leading economists agree this rate would allow for significant state and tribal revenue generation, and also create business conditions necessary for a low-margin product like sports betting.

Collegiate & In-State Events

GOAL: Protect the integrity of games, especially those most susceptible to manipulation and fraud.

PROPOSAL: Allow betting on collegiate, minor league and in-state events, without league veto power.

RATIONALE: Betting on contests featuring unpaid or low-paid athletes is the most susceptible to fraud and the most critical to monitor, and can only be monitored via a transparent, collaborative, legal market.

Intrastate Mobile & Online Betting

GOAL: Shut down the illegal sports betting market and provide consumers with a competitive product.

PROPOSAL: Allow sports betting licensees and tribal operators to offer intrastate betting on a mobile device or website.

RATIONALE: The illegal market will continue to thrive if consumers can't access a competitive, business-friendly product.

Integrity Monitoring

GOAL: Protect the integrity of games by monitoring for, and eliminating, betting fraud.

PROPOSAL: Create a national repository that gaming companies can contribute anonymized sports betting data to.

RATIONALE: A proactive, transparent approach to ensuring anonymous betting information is shared between operators, leagues, regulators and law enforcement is critical to eliminating fraud and other criminal activity.

Responsible Gaming

GOAL: Prevent compulsive gambling, ensure patrons bet responsibly, and communicate with those who need help.

PROPOSAL: Communicate legal betting age and offer limit-setting.

RATIONALE: Consistent implementation and communication of best-in-class practices (responsible advertising, legal gaming age, limit-setting programs, etc.) will foster responsible play.

Gaming Industry and League Policy Objectives



League Proposals: Possible Solutions

- 1** **League Proposal:** Customer information sharing
Possible Solution: National suspicious betting activity repository, ESSA
- 2** **League Proposal:** League limitations on bets
Possible Solution: Request for denial
- 3** **League Proposal:** Official statistical and odds data
Possible Solution: Commercial contracts



Clearly define who must be licensed

Enhance resources/incentives to combat the illegal market

Establish a shared system to ensure integrity



Suspicious Activity Monitoring Database (SAMD)



Merits of SAMD (an ESSA-like model)

1. Databases can help stop corruption, match-fixing, and enhance sports integrity
2. The number of stakeholders could grow exponentially. A single communication mechanism used by all stakeholders will efficiently unify communication and support shared goals for:
 - Sportsbook operators
 - Gaming operators that may lease space to sports books
 - State regulators
 - Sports leagues
 - Law Enforcement
3. A SAMD can receive sports-integrity related narrative data (not betting volumes) from sports book operators and help:
 - Collect data on and analyze suspected instances of suspicious activity
 - Report confirmed suspicious activity immediately to stakeholders
 - Empower regulators to pursue their own investigations.



Memoranda Of Understanding

1. MOU could facilitate confidential communication of anonymized, non-numeric data and integrity issues between SAMD and:
 - State regulators
 - Sports betting operators
 - Sports leagues
 - Law enforcement
2. Each party could have visibility and insight into what information will be shared and for what purpose.
3. Absent such an agreement, information sent to the SAMD:
 - May not be organized or analyzed correctly; or
 - May not be confidential between the parties; or
 - May not be shared in a cohesive fashion

