



**Testimony of
The National Football League**

**Illinois House Joint Hearing
Gaming Subcommittee; Sales and Other Taxes Subcommittee
Subject Matter: Senate Bill 7 (Gaming- Various)
October 17, 2018
12:00pm**

Chairman Rita and members of the Joint Subcommittee, **the National Football League (“NFL”) and its member clubs, including the Chicago Bears**, thank you for the opportunity to testify on Senate Bill 7 and the future of sports betting in Illinois.

As you know, on May 14, 2018, the Supreme Court of the United States struck down the Professional and Amateur Sports Protection Act of 1992 (PASPA). While we respect the Court's ruling, the absence of a clear and enforceable legal standard for sports betting threatens the integrity of our nation's professional and amateur sporting contests.

There is no greater priority for the NFL than protecting the integrity of our sport. Fans, players and coaches deserve to know that we are doing everything possible to ensure no improper influences affect how the game is played on the field. To protect the integrity of NFL games in a post-PASPA environment, there are **four core standards** for sports betting that we would ask this joint subcommittee and the Illinois General Assembly to consider:

1. A legal, regulated sports betting environment with substantial consumer protections;
2. Protection of our **content and intellectual property**, including from those who attempt to steal or misuse it;
3. **Fan access to official, reliable league data**; and
4. Adequate resources, monitoring and **enforcement tools necessary for law enforcement** to protect our fans by eliminating the illegal sports betting marketplace and penalizing bad actors here at home and abroad.

State legislators and regulators have an important role to play in ensuring that our nation's professional and amateur sports are free from corruption and that public confidence in our games remain intact. In this post-PASPA environment, one of the most important aspects of protecting the integrity of our games and **creating integrity in the new marketplace is the existence of a strong state regulatory body, such as the Illinois Gaming Board**. Because of the significant potential impact of widespread, legalized sports betting on the integrity of our games, we are hopeful that state elected officials will consider the following additional, enforceable policy changes to regulate sports betting in Illinois.

PROTECTING THE INTEGRITY OF SPORTING CONTESTS

- **Prohibit Insider and Other High-Risk Sports Betting.** One of the areas of significant risk to the integrity of our games is the use of **insider information** for betting purposes. We would encourage the legislature and Gaming Board to ultimately clarify this prohibition by including provisions expressly prohibiting operators from accepting sports wagers from an athlete, coach, referee, or employee of an amateur or professional sports organization (including unions associated with such organizations), or any family members thereof acting on their behalf, on such organization's sport. As part of this effort, we believe it is imperative that Illinois sports pool operators enact **robust customer verification procedures**, requiring multiple levels of identification. We would further encourage the Gaming Board or whoever is deemed the regulatory body to oversee sports betting to utilize its statutory authority to exclude persons from wagering convicted of a state or federal crime relating to sports wagering, as well as to limit the acceptance of wagers to natural persons (as opposed to corporations or other entities, which could more easily obscure the identities of those involved).

Agreeable – don't have this now in black market!

- **Enforce Age Limits on Sports Betting.** We strongly support a prohibition on sports wagering for persons under 21 years of age. We would urge the Illinois General Assembly to oppose efforts to reduce the 21-year-old age requirement in any legislation.

Agreeable – don't have this now in black market!

- **Preclude Risky Betting Fixtures.** A prominent trend in sports betting, both legal and illegal, are wagers on **individual events or actions that occur during games**. Examples might range from the number of passing yards by a quarterback in a football game or the number of points or rebounds by a team during a quarter of a basketball game, to the number of "throw-ins" in a soccer match or even how many flags a referee might throw in a contest. **These types of bets are significantly more susceptible to match-fixing**

efforts, and are therefore a source of concern to sports leagues, individual teams, and the athletes who compete.

To address concerns regarding risky betting fixtures, we encourage the Illinois General Assembly to **allow professional and amateur sports organizations to identify which types of bets simply pose too significant a risk to the integrity of sports and to work with regulators to eliminate them.** Specifically, professional and amateur sports organizations **should be able to restrict, limit, or exclude wagers that are not determined solely by the final score or outcome of the event, if the sports organization reasonably determines that such restriction would significantly decrease the risk to contest integrity.** Examples of such wagers would include those based on performances of a single athlete or the actions of match officials and referees.

DFS?! Support this!

- **Protect Consumers by Requiring the Use of Official Data.** Betting outcomes are increasingly determined on granular details like yardage gained, or the number of sacks by a defense, or strikes by a pitcher in baseball. Therefore, an essential component of consumer protection is a requirement that the **information used to settle these wagers is correct and timely, something that can only come from official data provided by the sports leagues themselves.** Sports leagues already produce this data for broadcast and statistical purposes. We believe our data should be the standard in a legal, regulated market.

Use of official league data also protects consumers from fake matches or “ghost games” created by criminals or unscrupulous operators. In this scenario, a sports betting fixture is listed through one of the numerous companies that provide unofficial data to the bookmaking industry. But it is either a fake match (one that takes place but is played between two different teams than the ones listed) or a ghost game (one that does not take place at all). There are multiple recent examples of such incidents in lower level soccer leagues around the world. Such scenarios could be eliminated by requiring sports betting operators to use authentic data provided by sports leagues.

CREATING INTEGRITY IN THE MARKETPLACE

- **Require Operator Licensure and Auditing.** In a post-PASPA environment, it is imperative that sports betting operators be held to the highest standards. These standards should include robust licensing requirements that weed out any unscrupulous actors, strong record-keeping and auditing requirements to aid in any necessary criminal and civil investigations, and routine monitoring and reporting of abnormal betting activity. As

the General Assembly considers additional provisions in this area, we would ask you to **consider that sports wagering operators cooperate with any investigation carried out** by an amateur or professional sports organization; and that operators report any abnormal betting activity, regardless of the aggregate amount.

- **Facilitate Ease of Information-sharing Between Sports Leagues, Operators and Law Enforcement.** To promote integrity in the new sports betting marketplace, we encourage the **duty for regulators and operators to provide amateur and professional sports organizations with real-time information** relating to: a criminal or disciplinary proceeding commenced against the sports wagering operator; abnormal sports wagering activity; any pattern of abnormal sports wagering activity relating to the integrity of one or more sporting events; a potential breach of the internal rules or code of conduct relating to sports wagering of or sports regulatory organizations; suspicious or illegal sports wagering activity; and any other conduct that corrupts the betting outcome of one or more sporting events for purposes of financial gain, including match fixing.
- **Provide Responsible Gaming Resources.** We believe any sports betting regulatory scheme should consider the possible ill-effects related to gambling. The laws and regulations should include requirements that licensees prominently display messages offering assistance to problem gamblers and that sports pool licensees and intermediaries maintain internal controls that, among other things, provide for the reporting of problem gamblers.
- **Eliminate the Illegal Sports Betting Market.** It is unclear whether the mere existence of a legal market will, on its own, minimize the illegal sports betting market because participants in the illegal market have become comfortable participating in such markets, may receive better odds from illegal bookmakers, and may be able to avoid paying taxes altogether. We believe the elimination of illegal gambling requires robust, active monitoring and enforcement backed by significant civil and criminal penalties for violations. Consistent collaboration and information-sharing among sports leagues, the regulatory body, and law enforcement agencies will be vital to help eliminate corruption, prevent money laundering, and address other forms of criminal enterprise. We support imposing criminal penalties for certain fraudulent acts with regards to placing sports wagers. We urge the consideration of additional enforcement provisions targeted toward every participant in the illegal sports betting market.

Restriction of in-game wagering will inhibit.

Thank you again for this opportunity to share the National Football League's views on sports betting. Please contact Jonathan Nabavi at (202) 971-9000 or Marvin Yates at (703) 684-

1110 with any questions. We ask that this full statement be included in the hearing and joint subcommittee's record.