

October 13, 2020

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Re: Sports Betting Legislation and Collegiate Sports in Massachusetts

Dear Honorable Members of the Legislature,

On behalf of the American Gaming Association (AGA), I write to respond to the letter submitted by the coalition of Massachusetts colleges and universities on collegiate sports wagering. We understand that colleges and universities have an interest in protecting collegiate athletes and game integrity. However, a statewide legislative ban on collegiate sports wagering will do more to endanger these athletes and games than anything else. As we have seen across the country, legalized, regulated wagering on college sports is the best way to promote transparency and game integrity.

AGA is the national trade association of the casino gaming industry, representing commercial and tribal casinos and their suppliers and vendors. In Massachusetts, the gaming industry supports over 2,450 jobs with an overall \$307 million economic impact, along with over \$4 billion invested in construction and development in the state. The gaming industry is a key economic driver, creating tax revenue and jobs for communities. This role is even more vital, as state and local governments strive to support strained budgets during the current economic uncertainty.

As legalized sports betting expands across the country, the gaming industry is committed to ensuring the integrity of the sporting events on which wagering is permitted. As part of this

commitment, AGA and its members have released Sports Betting Policy Principles (attached hereto) that outline the key strategies and objectives for a successful sports betting regulatory framework. Among these principles is the importance of giving consumers the betting options they demand—including betting on collegiate sporting events. Prohibiting wagers on certain events or propositions simply forces consumers to seek options in the illegal betting market.

Allowing legal, regulated wagering on collegiate events strengthens the integrity of games and protects bettors, competitions, and the athletes competing in them by enabling robust, transparent, and collaborative monitoring by regulators and law enforcement. Only in a legal, regulated market do regulators and law enforcement have insight into betting patterns and activity that can help them identify concerning trends that in turn help to uncover unlawful tampering with games and athletes.¹ No such protection exists in the illegal marketplace.

Further, AGA research on consumer betting patterns shows that Americans want to wager on college events through legal channels. In 2019, Americans planned to wager \$8.5 billion on that year’s NCAA men’s basketball tournament, with 1-in-5 adults placing a bet.² Moreover, we know that consumers want to use legal, regulated sports books, with 74 percent of bettors saying it is important to only bet through legal providers in a recent survey.³

At a time when lawmakers are looking for new sources of revenue to revive state budgets, constraining this burgeoning market will unnecessarily deprive Massachusetts of vital revenue opportunities. College sports are an essential part of this calculation: A recent study estimates that prohibiting wagering on college sports in Massachusetts would reduce potential state revenue by up to 25%.⁴ Importantly, banning wagers on college sports will also provide illegal operators a competitive advantage that will hinder the goal of bringing bets on professional sports into the legal marketplace. Customers who currently wager on both college and professional sports through illegal channels will be significantly less likely to migrate their betting activity to licensed sports book operators, if those operators are prevented from fulfilling bettors’ current expectations and demands.

¹ Even before *Murphy v. NCAA*, legal bookmakers in Las Vegas were working closely with law enforcement when they identified suspicious patterns in wagering on college sports, such as increased wagering volume and amounts on specific games. Such cooperation only increases with the growth of legalized sports betting. *See, e.g.*, Todd Dewey, *Las Vegas Bookmakers Know a Fix When They See One*, *Las Vegas Rev.-J.*, Sept. 8, 2017, <https://www.reviewjournal.com/sports/betting/las-vegas-bookmakers-know-a-fix-when-they-see-one/>.

² *See* 2019 March Madness Betting Estimates, Amer. Gaming Ass’n, Mar. 18, 2019, <https://www.americangaming.org/resources/2019-march-madness-betting-estimates/>.

³ *See* 2020 Survey of American Sports Bettors, Amer. Gaming Ass’n, July 21, 2020, <https://www.americangaming.org/resources/2020-survey-of-american-sports-bettors/>.

⁴ *See* Andy Rosen, *Mass. College Presidents to State Lawmakers: Don’t Allow Betting on Our Sports Teams*, *Boston Globe*, Sept. 11, 2020, <https://www.bostonglobe.com/2020/09/11/business/mass-college-presidents-state-lawmakers-dont-allow-betting-our-sports-teams/> (citing Eilers & Krejcik Gaming research). In fact, some research has found that wagering on college sports can make up half of the overall sports betting market in states “with a strong affinity for collegiate athletics.” Eilers & Krejcik, *Regulated Sports Betting in Indiana: Landscape, Analysis, and Recommendations*, at 66 (Oct. 2018), available at <https://bloximages.chicago2.vip.townnews.com/nwitimes.com/content/tncms/assets/v3/editorial/9/8b/98b74466-91c0-502c-a170-b1abdb115b28/5bcccedfdd1ef.pdf.pdf>.

We have already seen the success of the collegiate wagering market in many states across the country. Nevada, which has of course successfully operated sports betting for decades, allows wagering on collegiate sporting events. Since the Supreme Court struck down the federal ban on sports betting in *Murphy v. NCAA* in May 2018, 21 more states plus the District of Columbia have legalized sports betting and 18 of those jurisdictions have launched. Of the 23 jurisdictions with legal sports betting, every one allows some form of wagering on college athletics.⁵

A legislative ban on sports wagering is not an effective route to protecting game integrity. As our research shows, consumers want to engage with the games they love through legalized wagering, but a ban on such wagering will simply drive them to the illegal marketplace. With wagering driven underground, there will be no meaningful protections for athletes or games. However, legalized sports wagering ensures that regulators and law enforcement have ready access to data and information that will protect game integrity and athletes.

We encourage you to provide consumers the options they want and regulators and law enforcement the tools they need to best protect college sports and athletes, which means allowing legal, regulated wagering on college athletics.

Thank you for your time and consideration.

Sincerely,



Christopher Cylke
Senior Vice President, Government Relations

⁵ See Testimony of William J. Miller III, Pres. & CEO, Amer. Gaming Ass'n before the Senate Judiciary Comm., July 22, 2020, attached hereto.