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**Submitted Written Testimony of  
FanDuel, Inc. & DraftKings Inc.  
Before the Ohio Senate  
General Government & Agency Review Subcommittee**

**November 18, 2020**

As leading innovators in sports entertainment technology, offering successful online sports wagering products, DraftKings Inc. (“DraftKings”) and FanDuel, Inc. (“FanDuel”) appreciate the opportunity to submit testimony in support of SB 111, as amended in the October 30 “-17” draft, to legalize and regulate mobile sports wagering in Ohio. While our two companies are fierce competitors in the marketplace, we are aligned in working to create competitive, successful and safe sports wagering markets.

Since the repeal of the Professional and Amateur Sports Protection Act of 1992 in 2018, twenty-one states and Washington, D.C. have authorized some form of sports betting, including neighboring states Indiana, Michigan, Pennsylvania and West Virginia. DraftKings and FanDuel have been at the leading edge of these new sports betting markets.

There is already a market for those who want to bet on sports in Ohio - a market of illegal websites and mobile apps that has thrived for years and is available to any Ohioan that performs a simple online search for “sports betting in Ohio.” These illegal betting operators are not regulated, are not taxed, and they offer no consumer protections.

In contrast to the thriving illegal market, regulated operators use “know your customer” technology to ensure underage individuals are not able to create an account, deposit, or wager through our websites or mobile apps. Each customer’s identification is verified through proven processes and only upon successful verification is the customer able to create an account. Additionally, regulated operators encourage responsible engagement by providing safeguards that allow customers to set their own deposit and play limits and to self-exclude from participation should they choose. By monitoring wagers placed by players, regulated operators can identify and flag potentially problematic betting behavior quickly and accurately.

The single most effective way to defeat the illegal market and protect consumers is to create a competitive, legal mobile sports betting framework in Ohio. The -17 amendment to SB 111 creates an appropriate regulated environment for online legal sports wagering while providing for consumer protection, protecting against underage wagering, and encouraging responsible play.



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While in full support of the -17 version of the bill, we would like to submit additional language changes to the sponsors that, based on our experience operating mobile sportsbooks in multiple other regulated jurisdictions, we believe would strengthen the bill:

- Clarify the ability of a sports gaming agent to offer multiple online skins - Healthy competition amongst the best products is the strongest driver of a thriving sports betting market. Operators that strive to offer consumers more choice, variety, and better pricing across their products keep users engaged. We believe that our products offer a great user experience, but we also recognize that multiple operators offering an array of products and promotions grow the overall market. We also believe that competition and the convenience of mobile betting are necessary elements of providing an attractive alternative to the illegal sports betting market.
- Broaden the definition of “sporting event” to allow for innovation - Successful sports betting markets allow for expansive betting menus to appeal to all types of bettors, and grant permission for operators to accept bets on new sports, leagues, or types of wagers once properly vetted by the regulator. In particular, Section 3775.01(G)(1) of the -17 draft of Senate Bill 111 outlines the types of events, when authorized by the Ohio Casino Control Commission (OCCC), on which wagers can be placed, and we suggest this language be broadened to allow for wagering on (1) esports and (2) amateur sporting events where approved by the OCCC. We would also request the definition remove the term “for sports gaming” in relation to “other special events” the OCCC can authorize in order to allow betting on events such as awards shows if within parameters set by the OCCC. Broadening this definition but still requiring regulatory approval to offer wagering on these events will provide the OCCC flexibility and allow operators to innovate and compete with the illegal market which faces no restrictions on the types of wagers accepted or which sporting events wagered on which wagers may be offered. Further, the -17 draft of Senate Bill 111 already contains provisions setting prohibitions for wagering on certain events, including those conducted or sponsored by a primary or secondary school, which would still be prohibited with this change.
- Allow flexibility for the in-state placement of servers used to accept wagers – As is standard in other sports wagering jurisdictions, operators in Ohio should be authorized to place servers used to accept wagers for online sports pools anywhere in the state that offers adequate physical and network security. This approach is consistent with federal law and how other states have addressed server requirements for sports wagering. Allowing sports gaming agents and management services providers to utilize vendors that specialize in hosting servers helps ensure the integrity and security, both physical and cyber, of sports gaming in Ohio, while



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avoiding undue cost that could slow the launch of sports gaming, like renovations that could be required to develop the proper infrastructure required to host a server within a racetrack or casino. Specifically, this would require minor changes to Sections 3775.01(E) and 3775.10(C) of the -17 draft.

We thank Senators Eklund and O'Brien for their dedicated work over the last two years to shape the -17 substitute to SB 111 and look forward to working with the sponsors on the legislation. We respectfully encourage the Committee's favorable review.