



December 17, 2024

Senate Judiciary Committee
224 Dirksen Senate Office Building
Washington, DC 20510

Re: America's High-Stakes Bet on Legalized Sports Gambling

Introduction –

I am grateful to Chair Richard Durbin, Ranking Member Lindsey Graham, and the distinguished members of the Senate Judiciary Committee for the opportunity to offer testimony regarding the public health crisis created by the unprecedented expansion of online sports gambling in the United States. I consider this moment a high honor and privilege and share my comments with much thought, preparation, research, and experience. It is my sincere hope this is the start of public dialogue and debate which will result in the Congress of the United States of America enacting much-needed legislation to bring comprehensive public health reform and regulation to the sports gambling industry.

I hold a master's degree in professional clinical counseling from La Salle University, a doctorate in Law and Public Policy from Northeastern University, and a juris doctorate from Temple University School of Law,

Professionally, I serve dual roles as Director of Gambling Policy with the Public Health Advocacy Institute (PHAI) at Northeastern University School of Law and as an internationally certified gambling addiction counselor. This permits me to clinically treat patients and families suffering with gambling addiction while simultaneously serving as a researcher and policy advocate working for public health reform.

Simply put, prevention of harm is the best form of treatment. I consider myself duty bound to utilize the totality of my professional training and personal experience to help lead the movement for public health reform with the goal of preventing gambling addiction and gambling-related harm.

In addition to being a gambling addiction therapist and Director of Gambling Policy with PHAI, I am also a gambling addict in recovery. I made my last bet on April 27, 2014, and on that same night, I nearly took my own life in a suicide attempt. With gambling addiction, the risk of suicide is omnipresent. Research shows that one in every two people suffering with gambling addiction will contemplate suicide and one in five will make an attempt.¹

In the grips of my gambling addiction, I devastatingly hurt many people who had loved and trusted me. This included clients, friends, my children, and the people who were closest to me. Personal carnage related to gambling addiction destroys the most trusted and intimate relationships, sometimes beyond repair.

Gambling addiction took my mind, soul, body, and conscience. It left me broken, battered, and homeless. I was unrecognizable to myself. The only thing I had left was my name.

On February 15, 2015, I stood in a courtroom in Philadelphia, Pennsylvania. This was a court where I practiced law for more than two decades and where my father had practiced for more than half a century. In the presence of the court, the clients I had betrayed, and my children, I pled guilty to financial crimes committed in the throes of my gambling addiction. On that day, I pledged, under oath to the court, that if I could get well and find recovery, I would give back by doing everything in my power to prevent others from suffering harm related to gambling addiction.

I come before this distinguished Senate Judiciary Committee filled with a deep sense of gratitude, respect, and purpose. This is another step in an ongoing journey to prevent people and families from suffering harm related to gambling addiction. The mission has never been more important as we are presently witnessing the early years of a fast-building public health crisis related to online gambling. Lives and families are in the balance and the time is now for Congress to exercise its lawful authority to regulate the online sports gambling industry.

Let me be clear from the start. I am not opposed to sports gambling. In fact, I support the properly regulated legalization of sports gambling. However, I am vehemently opposed to and deeply concerned about what has transpired in just six years since the United States Supreme Court struck down the Professional and Amateur Sports Protection Act (“PASPA”).² This is not the sports gambling that existed at the time that case was decided. What has been launched on the American people is a newly created and AI-generated online gambling business model which delivers a fundamentally different, defectively designed, and inherently dangerous gambling product to every phone, tablet, computer, and television.

The gambling industry has expanded beyond a single industry to become the gambling establishment comprised of once unthinkable business partnerships including gambling companies; sports leagues, teams, owners, and athletes; the world’s largest media and

¹ Wardle, H., Reith, G., Langham, E., & Rogers, R. D. (2019). Gambling and public health: we need policy action to prevent harm. *British Medical Journal*, 365.

² *Murphy v. National Collegiate Athletic Association*. 138 S. Ct. 1461 (2018).

technology companies; social media; the AI industry; and state governments themselves.³ All are acting in concert to deliver online gambling at light speed and ensure that access to sports gambling action never stops. This new and AI-fueled business model will inexorably result in increased gambling addiction and gambling-related harm.

The chasing of action and/or losses is part of the diagnostic criteria for gambling addiction.⁴ Chasing action is also the symptom most closely related to suffering harm. Chasing action is something I see every day when meeting with clients and families suffering the most dire and devastating effects of gambling and gambling addiction. The effects I see every day in my clinical work as a therapist include financial ruin, desperation, suicidal ideation, depression, anxiety, career loss, divorce/separation, criminal behavior, homelessness, cooccurring alcohol and drug disorders, and deep despair.

With online sports gambling, delivering constant action for users to chase is an inherent part of the gambling industry business model. It is exactly what online sports gambling is designed to deliver, and it is, tragically, ruining the lives of many people and countless families.

Obviously, sports gambling is a business created to provide revenue to the many stakeholders in the gambling establishment. Sports gambling is, therefore, intentionally designed to maximize profits and this is most readily achieved by increasing the speed of gambling action.

As a matter of mathematical certainty, the faster that people gamble, the more money they will lose and the greater the harm they experience. In this new paradigm of online sports gambling, the business model and product are designed to increase the speed of gambling, thus maximizing losses by the public and delivering more revenue to the gambling industry and its various establishment partners. Businesses making money is not the problem. The problem is that this industry is leveraging its products' addictive properties in a manner that goes well beyond providing entertainment to users. The design and technology involved rob many users of their agency and the resulting addiction causes much foreseeable harm that can be prevented by erecting reasonable regulatory guardrails.

The SAFE Bet Act introduced in September by Senator Richard Blumenthal and Congressman Paul Tonko will go a long way toward preventing gambling addiction and gambling-related harm. The SAFE Bet Act, and other measures available to Congress, will bring a comprehensive public health approach to federal regulation of the online gambling industry. In so doing, Congress will save lives and protect families while also permitting the online sports gambling industry to flourish as a for-profit form of entertainment.

³ Orford, J. (2017). *The Gambling Establishment and the Exercise of Power: A Commentary on Hancock and Smith*. *International Journal of Mental Health and Addiction*, 15(6), 1193-1196. <https://doi.org/10.1007/s11469-017-9781-8>.

⁴ Rennert, L., Denis, C., Peer, K., Lynch, K. G., Gelernter, J., & Kranzler, H. R. (2014). *DSM-5 gambling disorder: Prevalence and characteristics in a substance use disorder sample*. *Experimental and Clinical Psychopharmacology*, 22(1), 50-56. <https://doi.org/10.1037/a0034518>.

The Call for Federal Regulation –

On May 24, 2018, the United States Supreme Court struck down the Professional and Amateur Sports Protection Act. This cleared the way for states to legalize online sports gambling. In fewer than six years, thirty-eight states and the District of Columbia have done so, and seven states also have legalized online casino gambling.

However, The *Murphy* Court specifically noted that Congress retains the legal authority to regulate online sports gambling:

The legalization of sports gambling is a controversial subject. Supporters argue that legalization will produce revenue for the States and critically weaken illegal sports betting operations, which are often run by organized crime. Opponents contend that legalizing sports gambling will hook the young on gambling, encourage people of modest means to squander their savings and earnings, and corrupt professional and college sports. **The legalization of sports gambling requires an important policy choice, but the choice is not ours to make. Congress can regulate sports gambling directly, but if it elects not to do so, each State is free to act on its own** (*Murphy v NCAA*, 2018) (emphasis added).

Medical science has recognized for more than twelve (12) years that commercial gambling involves a highly addictive product, and that gambling disorder is an addiction similar in nature to heroin, opioids, tobacco, alcohol, and cocaine (DSM-5, 2013). With every other addictive product or substance, the federal government regulates the advertising, promotion, distribution, and consumption of the product. This is to prevent harm and protect public health.

With gambling, sadly, the exact opposite is occurring. The gambling industry business model is designed to deliver constant and non-stop gambling action on every phone, tablet, and computer. With the use of cutting-edge technology involving incredible computing power and artificial intelligence, the gambling industry has turned every micro moment in each game or sporting event into more and more gambling action. Every game provides hundreds if not thousands of gambling opportunities created by this technology in real time.

In aggressively marketing and promoting sports gambling through broadcast advertising, internet ads, social media, in-app notifications, and steering viewers toward certain gambling products during the broadcast of games, our relationship with sports has shifted to a relationship with gambling. Equally dangerous is the gambling industry use of “VIP hosts” where the gambling companies target and reward people for increasing their gambling action. VIP hosts use a wide array of incentives and induce people to keep gambling. These often include tickets, gifts, trips, cash bonuses, restaurant meals and more. This is akin to a drug dealer rewarding the best “customers” to make certain they never stop needing or wanting action. VIP hosts presently operate without any federal scrutiny and this gambling industry tactic warrants its own Senate hearing.

The gambling industry and its sports partners have taken sports away from children, families, and the American public. Gambling takes place on every micro-event within sporting events, from the speed of the next baseball pitch to every football snap, basketball shot, tennis serve, and even ping pong points from Russia and Eastern Europe. Live sports for gambling happen around the globe and around the clock so that the action never stops. Sports has become the equivalent of a non-stop slot machine.

How did we get here and why is it essential that Congress act to regulate gambling as an issue of public health?

There are two answers to this question.

First, online sports gambling is a fundamentally different and more dangerous gambling product than anyone could have anticipated. In May 2018, when the Supreme Court decided *Murphy v NCAA* no one could have foreseen what online sports gambling would quickly become.

On June 14, 2018, Governor Phil Murphy made the first post-*Murphy* bet. He placed \$20 on the New Jersey Devils to win the 2019 Stanley Cup. This was a bet that would take 11 months to decide.

Now, just 6 years later, online sports gambling brings action every 11 seconds, or faster. With the use of AI, online sports gambling action takes place at light speed, and this goes on nearly 24 hours a day, every day. The human brain is not built to handle such stimulation from the rapid consumption of a known addictive product. This is particularly problematic with younger adults as the risk/reward system of the brain is not fully developed until age 26.⁵

Recently, DraftKings purchased a leading AI gambling company (Simple Bet) and proudly proclaimed ownership of technology designed to target gamblers with customized AI-driven gambling products based on each customer's unique gambling habits and proclivities to "unlock a faster and more frictionless experience."⁶ This is more like a dystopian science fiction story than recreational sports gambling. It certainly was not what the Majority in *Murphy* or anyone had in mind when the case was decided on Tenth Amendment principles.

The second answer to how we arrived at this dangerous juncture with online sports gambling is the old adage, *follow the money*.

The sports leagues, teams, owners, and players have entered into previously unthinkable partnerships with the gambling industry. They sell their real-time data statistics to the gambling industry for billions of dollars. This takes place with every sport from baseball, football, and basketball to soccer, tennis, golf, hockey, auto racing and more.

⁵ Arain M, Haque M, Johal L, Mathur P, Nel W, Rais A, Sandhu R, Sharma S. *Maturation of the adolescent brain*. Neuropsychiatr Dis Treat. 2013;9:449-61. doi: 10.2147/NDT.S39776. Epub 2013 Apr 3. PMID: 23579318; PMCID: PMC3621648.

⁶ See <https://www.draftkings.com/draftkings-reaches-agreement-to-acquire-simplebet-to-further-enhance-live-betting-offering>

The gambling companies then turn these statistics into constant gambling action. Micro bets, same game parlays, player props, profit boosts, rapidly changing in-game odds and point spreads, and much more. These are AI-driven gambling products which target people with the most addictive forms of gambling action. Meanwhile, the gambling industry admonishes the public to “bet responsibly” and calls this industry driven hypocritical approach, the “responsible gaming” (RG) model.

Follow the money. The gambling industry is paying its sports and media partners billions of dollars to obtain statistics, advertise, create, and distribute online gambling products. Unlike any other business in this country, no tangible products are sold or distributed. The gambling industry is not selling any widgets on the market. The only way for the gambling industry to recoup its massive spending and generate revenue is to induce the public to chase faster and faster gambling action and lose more money more quickly than ever before. There is no dispute that keeping people in action is, fundamentally, the gambling industry business model.

Chasing action is also the clearest symptom of gambling addiction and gambling-related harm. Thus, the industry’s business model is designed to cause harm by prompting the public to engage in constant action with ever more risky gambling activities.

Gambling disorder is a known addiction and increased engagement in gambling magnifies the risk for creating and sustaining this addiction. Increased reports of gambling-related harm occur as each state legalizes online gambling. For example, calls to the problem gambling hotline in Massachusetts increased by more than 120% in the first year following the launch of online sports gambling. In New Jersey, since 2018, the year the state legalized sports betting, the Council on Compulsive Gambling of New Jersey has seen a 277% increase in calls to its 800-GAMBLER helplines.⁷

Meanwhile, the gambling industry contends that less than one percent of gamblers are suffering from a gambling addiction and less than five percent are at-risk for problem gambling. In fact, The President of the American Gaming Association (“AGA”) recently told CBS’ 60-Minutes that the gambling industry rejects the notion that online gambling is addictive:

“ . . . I don't believe that there is an addiction to mobile betting any more than there is an addiction to utilization of your phone for any other reason,”⁸

Notwithstanding the reticence of the AGA to recognize the science related to gambling addiction, there is a burgeoning international movement to consider the unprecedented expansion of the online sports gambling industry as a significant threat to public health. A copy of last month’s *The Lancet Public Health Commission on Gambling* is attached and incorporated by reference.⁹ This commission report was prepared by the leading gambling and public health researchers in the world and serves as a groundbreaking and urgent call for

⁷ See, e.g., <https://www.nbcnews.com/health/mental-health/gambling-addiction-hotline-calls-online-sports-betting-rcna145539>

⁸ See <https://www.cbsnews.com/news/young-gamblers-sports-betting-addiction-60-minutes/>

⁹ Wardle, Heather, et al. *The Lancet Public Health Commission on gambling*. *The Lancet Public Health* 9.11 (2024): e950-e994.

reform. This effort is supported by recent World Health Organization initiative calling for international public health standards for the screening of gambling disorder.

While a public health response to the prevention of gambling disorder and gambling-related harm is gaining momentum internationally, the approach is vehemently opposed by the gambling industry in the United States. This bears striking similarities to the conduct of the tobacco industry in the 1960's. Northeastern University Distinguished Professor of Law, Richard Daynard, Founder and President of PHAI helped to lead the fight against Big Tobacco and he notes the gambling industry is now following that same playbook by attempting to deny addiction and shift the blame and onus to the public with the same sort of rhetoric used by the tobacco and alcohol industries to deflect any corporate accountability in favor of personal responsibility.¹⁰

Online sports gambling has rapidly become a normalized and socially acceptable activity. The convergence of gambling advertising, sports gambling partnerships, celebrity endorsements, media relationships, and recently emerging role of artificial intelligence has dramatically altered how the gambling industry delivers, and the public consumes, increasingly complex gambling products. New products that, unfortunately, create increased risks for addiction and harm.

Advances in technology have resulted in gambling companies delivering online gambling to the public on virtually every conceivable mobile electronic device. Sports are now seen as directly connected to or as an extension of the gambling industry. Online gambling and AI-driven micro-betting remove many of the barriers to how people experience gambling resulting in opportunities for non-stop action, and with it, a non-stop dopamine response, without time or space limitations.

Yet, gambling disorder is an addiction just like addictions to heroin, opioids, tobacco, cocaine, and alcohol. Thus, we are witnessing a dangerous phenomenon where state governments partner with the gambling industry with the promise of increasing tax revenue derived from the public consumption of a known addictive product. The relationship between state governments and the gambling industry continues to expand.

While forms of gambling activities may vary greatly, the single biggest growth area is online sports gambling with the compound annual growth rate expected to remain near or exceed 12% for the foreseeable future.¹¹ It is estimated that in 2028 people in the United States will lose \$1 trillion to the gambling industry.¹² Online gambling is also among the most addictive

¹⁰ See <https://www.prnewswire.com/news-releases/public-health-advocacy-institute-phai-calls-for-overhaul-of-responsible-gambling-model-302201055.html>

¹¹ Nathan Reiff, *DraftKings vs. DoubleDown: Growth in the Online Gambling Boom*. MarketBeat (September 12, 2024) <https://www.marketbeat.com/stock-ideas/draftkings-vs-doubledown-growth-in-the-online-gambling-boom/>

¹² Chris Benson, *U.S. online gambling losses to surpass \$1 trillion by 2028, group says*. UPI (December 11, 2024). https://www.upi.com/Top_News/US/2024/12/11/US-WHO-Campaign-for-Fairer-Gambling-online-loss-addiction/9601733943145/

forms of gambling because it delivers rapid speed of play and constant gambling action which correlate with significant risk of suffering gambling addiction and gambling-related harm.

Gambling-related harm is a public health phenomenon which occurs in conjunction with and independently from a diagnosed gambling disorder.¹³ People engaged in gambling may experience a range of harm to their physical and/or mental health and this often occurs prior to a gambling disorder diagnosis. People who gamble may struggle with financial difficulties; dysfunctional relationships; mental health concerns; psychological or emotional distress; job loss; physical ailments, and/or criminal conduct. There must be national interest in a public health response at the federal level focusing on preventing such harm before it occurs.

The gambling industry is a for-profit business. Its companies have a fiduciary obligation to shareholders and investors to maximize revenue and profits. The industry's business model is built, in part, on delivering as large a constant stream of gambling action as it can. This constant access to action, while profitable for the gambling industry, also increases the potential for public harm. The more rapidly that people engage with a known addictive product, the greater the potential is for harm to occur. Under most circumstances, it would be the duty of state governments to enforce regulations designed to restrict the distribution of a known addictive product. Such is not presently the situation with commercialized gambling where states are profit partners and regulators may well be underinformed when it comes to how products and which products are being delivered to consumers in 2024 and beyond.

Over the last six years, thirty-eight states and the District of Columbia have legalized sports gambling, and seven states have authorized online casino gambling. During this same period of gambling expansion, little, if any, attention has focused on the potential impact on population health.

A high percentage of calls to gambling helplines are coming from younger adults fixated on the fast-paced action of in-game micro sports betting. As recently stated by Felicia Grondin, the executive director of the Council On Compulsive Gambling of New Jersey, "People don't really have the time to collect their thoughts to say, 'Do I really need to place this wager?' They get involved in the game. There's a dopamine rush, they're excited and before you know it, they're tens of thousands of dollars in debt . . ."¹⁴

This Senate Judiciary Committee hearing is another step toward recognizing that online sports gambling must be regulated by the federal government and treated as an urgent issue of public health. Unfortunately, it is advocated by the gambling industry and its establishment partners, including many policy makers and elected officials at the state level, that federal regulation of the gambling industry is neither warranted nor necessary. This presently includes the National Coalition of State Legislators from Gambling States which openly contends that Congress and the federal government should not regulate gambling.

¹³ Langham E, Thorne H, Browne M, Donaldson P, Rose J, Rockloff M. *Understanding gambling related harm: a proposed definition, conceptual framework, and taxonomy of harms*. BMC Public Health. 2016 Jan 27;16:80. doi: 10.1186/s12889-016-2747-0. PMID: 26818137; PMCID: PMC4728872.

¹⁴ See <https://www.njspotlightnews.org/2024/09/problem-gambling-surges-in-new-jersey-more-young-men-call-helpline-sports-betting/>

The gambling industry itself is strongly opposed to the federal government regulating gambling. The official position of the American Gaming Association is “The AGA firmly believes additional federal regulatory oversight of legal sports betting is unwarranted. States and tribal nations have proven to be effective regulators of gaming—including sports betting—and the more than 4,000 regulators nationwide have decades of experience overseeing gaming operations within their jurisdictions.”¹⁵

The AGA contends, without empirical evidence or data, that gambling addiction and gambling-related harm are de minimis problems in society. The industry publicly states that only 1% of the US gambling population shows addictive behavior regarding the wagers they place.¹⁶ This frames the gambling industry position that any mental health or financial struggles with gambling should be focused on issues of individual responsibility and not the addictive nature of gambling products. Thus, the gambling industry continues to follow the same “blame the customer” playbook authored by Big Tobacco and seeks to place the onus on individual users by advancing an industry-driven responsible gaming policy. This is intentionally and unethically intended to distract and mislead the federal government to deter it from regulating online sports gambling as an addictive product.

Historically, gambling disorder was treated as a problem of individual responsibility with emphasis placed on people already suffering from gambling-related harm. This model is supported by the gambling industry and is designed to focus on treating individuals diagnosed with gambling disorder while urging the public to exercise personal responsibility when gambling. At the core of this approach has been the gambling industry-sponsored narrative that harm is suffered by only a small percentage of “problem gamblers” and they should receive treatment funded by gambling industry revenue. This is the model used in every state that has introduced online gambling. It is the moral equivalent of permitting Big Tobacco free reign to do whatever it wants so long as it pays for chemotherapy and hospice.

This gambling industry-driven perspective is often called the “responsible gaming” (“RG”) model and rejects the concept that online sports gambling causes societal harm. The gambling industry wrongly contends that online sports gambling causes no net societal harm, and there is no need for a public health approach focused on preventing harm. Policy makers are then urged to eschew the notion that public harm must be prevented by regulating the distribution and marketing of gambling products. This again draws parallels to tobacco where for decades the industry denied that tobacco and nicotine are addictive and cause disease while simultaneously seeking to avoid any public health regulation.

As each state legalizes online sports gambling, the gambling industry urges state government policy makers to adopt and replicate existing RG model policies. This is gambling industry self-regulation and places the onus squarely on individuals to make responsible decisions regarding their use of an addictive product.

¹⁵ See <https://www.americangaming.org/policies/hot-issue-sports-betting/>

¹⁶ See <https://www.casino.org/news/american-gaming-association-90-percent-of-gamblers-play-responsibly/>

The RG model advanced by the industry is based on an incorrect theory that only a small percentage of people are suffering harm from gambling and gambling addiction and a tiny fraction of gambling revenue would be sufficient to pay for treatment of those who suffer harm. The RG approach to industry self-regulation has come under increased criticism for lacking empirical evidence. It is also roundly criticized for minimizing the scope of public harm by focusing only on people struggling with gambling addiction and failing to consider the pain, damage and harm inflicted on impacted others including family and friends of the persons suffering with gambling addiction.

Further, the RG approach has been proven ethically flawed because it was paid for and created by the gambling industry with the specific purpose of avoiding government regulation.¹⁷ The RG model is also an ethical failure from a public health perspective for failing to address and prevent harm before it occurs. With every other disease and condition the overwhelming emphasis is placed on prevention. With gambling addiction, the industry invokes the RG model and rejects calls for federal regulation designed to prevent harm by claiming that the gambling industry should be permitted to police and regulate itself.

The time has come for the federal government to reject the abject failure of the industry-driven RG approach and endorse the effort to regulate the online sports gambling industry as an urgent public health concern. One would like to think that the gambling industry and its establishment business partners would welcome efforts by the federal government to design and implement rules and regulations to protect the betting public. However, the mere mention of federal regulation causes a virulent reaction in opposition from the industry. This fact alone is, to borrow a gambling term, a “tell” and should suggest that Congress should become more actively involved.

The greater the exposure to online gambling, the higher the prevalence of harm suffered across the spectrum from non-gamblers to recreational gamblers to at-risk gamblers and problem gamblers. The public health approach to gambling focuses on the overall scope of gambling-related harm and is specifically designed to prevent gambling addiction harm before it occurs. There are, however, sizeable forces with economic incentives to maintain the dangerous status quo of the RG model and avoid federal regulation to set minimum standards to protect the public from the riskiest aspects of online sports gambling.

The economic infrastructure surrounding the online sports gambling industry has become a global network which includes gambling companies, government, professional and collegiate sports, media, technology, and industry-funded advocacy organizations. Some of these gambling industry relationships are rather transparent and obvious while others are not yet being discussed or considered.

The gambling industry initially estimated that in the United States, the four major sports leagues would receive a collective \$4.2 billion in additional revenue related to sports gambling; and media companies realize an additional \$596 million in revenue. The actual

¹⁷ Hancock, L., Smith, G. Replacing the Reno Model with a Robust Public Health Approach to “Responsible Gambling”: Hancock and Smith’s Response to Commentaries on Our Original Reno Model Critique. *Int J Ment Health Addiction* **15**, 1209–1220 (2017). <https://doi.org/10.1007/s11469-017-9836-x>.

numbers wildly exceed these estimates, but exact figures are unknown because of the lack of federal oversight. There now exists a seemingly endless chain of financial partnerships between gambling companies, sports leagues, and the media. These media relationships run the gamut from the largest international conglomerates to online affiliate sites and even social media “influencers.” The financial entanglements and relationships are a byzantine and mostly overlooked morass of potential conflicts which presently exist without an iota of federal scrutiny.

Even less understood and discussed is how state government and various advocacy organizations have become financial partners in the gambling establishment. In the rush to generate tax revenue from the online sports gambling industry, states have largely overlooked the public health implications connected to the rapid and unprecedented expansion of online sports gambling.

The gambling industry touts numbers proclaiming that it has “generated \$13.49 billion in direct gaming tax revenue paid to state and local governments, not including billions more paid in income, sales or other taxes”).¹⁸ Whether the various states and their political leaders overlooked, or failed to consider, the scope of public harm is consistent with the need for federal oversight to create minimum standards to protect the public.

As for the gambling industry “tell” with its vociferous rejection of calls for federal regulation, it is informative to note the official position of the American Gaming Association. The AGA and its business associates lobby aggressively against federal oversight and flatly reject the need to protect public health:

Today’s regulated sports wagering operators are contributing billions in state taxes across the U.S., protecting consumers from dangerous neighborhood bookies and illegal offshore websites, and working diligently with over 5,000 state and tribal regulators and other stakeholders to ensure a commitment to responsibility and positive play. Six years into legal sports betting, introducing heavy-handed federal prohibitions is a slap in the face to state legislatures and gaming regulators who have dedicated countless time and resources to developing thoughtful frameworks unique to their jurisdictions, and have continued to iterate as their marketplaces evolve.”¹⁹

Notwithstanding efforts by the AGA to protect its financial stranglehold on state regulation, the words of the *Murphy Court* endorsing the right of Congress to regulate online sports gambling serve as a call for the federal government to embrace the legal, ethical, and moral obligation to prioritize public health over gambling industry revenue. It is the duty of Congress and the federal government to act and protect the public health of all Americans because the evidence of a looming crisis is here.

¹⁸ American Gaming Association, *State of the States: 2023*. <https://www.americangaming.org/resources/state-of-the-states-2023/>

¹⁹ AGA Statement on the Introduction of the SAFE Bet Act (2024) <https://www.americangaming.org/new/aga-statement-on-proposed-safe-bet-act/>

The first waves of independent research examining the societal damage related to online sports gambling in the United States are just becoming available. In May 2023, the National Collegiate Athletic Association (“NCAA”) released an alarming study examining online sports gambling on college campuses.²⁰ The disturbing findings include:

- Sports wagering is pervasive among college students with 58% of 18 – 22-year-olds engaging in sports gambling.
- Sports Gambling is widespread on college campuses with 67% of students betting on sports. Students living on or near campus gamble at higher frequencies.
- Nearly 60% of students are likely to bet on sports after seeing a gambling advertisement.
- More than 60% of students engaged in gambling are betting on sports using the highly addictive “in game/micro bets”.
- Nearly 80% indicate that betting on sports makes it more likely they will watch the event on television or streaming.
- 60% of student gamblers believe they can and will make money betting on sports.

There were also two important online gambling studies released in July 2024. The first is from researchers at UCLA Anderson School of Management and the University of Southern California and the other is from researchers at Northwestern University.²¹ ²²(By way of full disclosure, the undersigned has also completed a doctoral highly relevant research study at Northeastern University and the results will be shared with this Committee pending upcoming publication).

The UCLA/USC and Northwestern are separate and independent studies but reveal strikingly similar and alarming findings particularly in financially vulnerable communities and this includes a nearly 30% increase in bankruptcy filings in states with online sports gambling. The UCLA/USC researchers concluded:

The legalization of sports gambling decreased consumer financial health. These results seem to be particularly pronounced when states legalize online betting, suggesting that the ease of access to gambling increases the problems associated with it. Moreover, we find that young men, particularly those in low-income counties, are most affected.

²⁰ Key Findings at:

https://ncaaorg.s3.amazonaws.com/research/wagering/Apr2023NCAA_WageringKeyFindings.pdf

²¹ Hollenbeck, B., Larsen, P., & Proserpio, D. (2024). The financial consequences of legalized sports gambling. *Available at SSRN*.

²² Baker, S. R., Balthrop, J., Johnson, M. J., Kotter, J. D., & Pisciotta, K. (2024). *Gambling away stability: Sports betting's impact on vulnerable households* (No. w33108). National Bureau of Economic Research.

It must also be recognized that gambling addiction and gambling-related harm causes damages far in excess of just financial losses. There is a direct causal connection between gambling addiction and societal harms which include:

- Anxiety, Depression, Isolation
- Loss of Job/Career
- Cooccurring alcohol and drug disorders
- Family violence
- Homelessness
- Criminality
- Psychological distress
- Comorbidities with substance misuse
- Suicide

To the gambling industry or any of its sports and media business partners ready to label the public health movement as prohibition, they are entirely incorrect. The public health approach is not to ban gambling or abridge individual liberty. Rather, the public health movement is an effort to expose and replace the dangerously flawed RG system of industry self-regulation with a set of policies that will help to prevent most harm from happening in the first place. RG places the onus on the individual rather than regulating the addictive nature of online sports gambling and predatory conduct of the industry. This failure of the RG model must be replaced with a comprehensive public health response at the federal level, and, obviously, this must begin with Congressional action.

The SAFE Bet act is not prohibition. It is a measured public health reform. It is legislation based on empirical evidence and scientific data to prevent harm before it occurs and maintain the right of the public to safely enjoy online sports gambling. It is legislation to protect public health and preserve for the gambling industry the ability to pursue profits for its investors and shareholders.

As this hearing is not specifically focused on the SAFE Bet Act, I shall reserve further comments on the legislation for a future date and hearing. For now, suffice to say that the SAFE Bet Act protects public health and ensures that states adhere to minimum federal standards by addressing the following:

- Affordability checks
- Deposit limits
- Credit card deposits
- Restricting in-game betting
- Regulating the use of AI
- Restricting micro betting
- Banning proposition bets on college sports
- Advertising limits

- Requiring HHS analysis of public health implications of online sports gambling

These reforms are part of the international movement to replace the RG model of industry self-regulation with meaningful public health reform. The time has come for Congress to lead this effort because this direct and imminent threat to public health is unsustainable.

Respectfully,

A handwritten signature in cursive script that reads "Harry Levant". The signature is positioned to the left of a vertical dotted line that extends upwards from the text below.

Dr. Harry Levant, MA, PCC, ICGC-I
Director of Gambling Policy