NCADD-MD - 2024 SB 878 FAV - Problem Gambling Fund

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Position: FAV



Senate Budget & Tax Committee February 28, 2024

Senate Bill 878 Gaming – Problem Gambling – Prevalence Study and Fund Revenue Support

NCADD-Maryland supports Senate Bill 878. When the State of Maryland expanded legalized gaming to video lottery terminals and casino tables, the General Assembly saw fit to ensure a funding stream to address the problems that accompany gambling. A fee was assessed for slot machines. A fee was also assessed for casino table games. But we neglected to add an *effective* funding stream with the expansion into sports and fantasy wagering.

This has resulted in an expansion of gambling without the accompanying resources to address the problems. The latest gambling prevalence study conducted in Maryland in 2022 showed that 90.4% of Marylanders reported that they had ever gambled, up from 87% in 2017. There is little doubt that the incidence of problem gambling will continue to grow as we make it easier for people gamble in many different ways. While this prevalence study reports that 4% of Marylanders met the criteria for disordered gambling, the percentage of disordered gamblers who participated in sports betting was higher compared to other forms of gambling: traditional fantasy sports=12.2%; daily fantasy sports=15.6%; online=20.8%.

When the General Assembly legalized sports wagering in Maryland, it specified that any funds that were not claimed 182 days after the wager is won would go to the Problem Gambling Fund (PGF). However, with more than 90% of people placing their sports bets online, there are no unclaimed prizes. Unlike lottery tickets where a winner has to go to retailer to claim their prize, the payout when a person places a bet online goes directly into the account the player established with the sportsbook operator. Again, unlike a small portion of lottery winnings, online prizes never go unclaimed. There are zero dollars in unclaimed funds for the vast majority of sports wagering in Maryland.

In addition to directing 1% of sports and fantasy wagering revenue to the PGF, House Bill 1029 requires 1% of lottery revenue also be director to the PGF. Over \$651 million generated from the lottery goes to the General Fund. We estimate that this bill would direct more than \$8 million to the PGF. This money could be used to employ more Certified Peer Recovery Specialists who are crucial to the outreach and support to people experiencing problems. The funds could also be used to expand public awareness and prevention campaigns, research, and treatment.

As gambling becomes easier to access, especially through mobile technology, more people will need support to address the many problems that accompany it. We urge a favorable report on Senate Bill 878.

iGaming study testimony SB 878.pdfUploaded by: Mark Stewart Position: FAV

Testimony of The Cordish Companies and Live! Casino Hotel Maryland Presented by Mark Stewart, General Counsel In <u>SUPPORT</u> of SB 878

Budget and Tax Committee Hearing February 28, 2024

On behalf of The Cordish Companies and Live! Casino Hotel Maryland, I respectfully submit this written testimony **in support** of SB 878, which calls upon additional forms of gambling authorized by the State (the Lottery, sports betting and fantasy sports) to contribute their share to efforts combatting problem gambling. Even more importantly, SB 878 recognizes the vital need for a comprehensive prevalence study dedicated specifically to mobile gambling in Maryland.

Early in the days of casino gaming in Maryland, the General Assembly showed great foresight in forming the Maryland Alliance for Responsible Gaming (MARG). Through MARG, the Senate, the House of Delegates, the Department of Health, all the State's casinos and other stakeholders have worked collaboratively and consistently to combat problem gambling. Regulations and procedures were put in place to require safeguards against problem and underage gambling at in-person casinos, including prohibitions on gambling with credit cards, prohibitions on gambling while drunk or under the influence, strict ID checking protocols, and more.

Maryland only has one year of mobile sports betting under its belt. While the Maryland Center of Excellence has reported that it is already seeing major increases in call volumes and problems among young people, the Center has explained that the State does not yet have the data to know the full scope of the problem that may be facing Marylanders. It takes time for problem gambling behavior to manifest itself, people to accept that they have a problem and, ultimately, to seek help from the Center or a 1-800 Helpline. SB 878 (and HB 1029) rightly calls for a comprehensive mobile gambling prevalence study based upon multiple years' worth of data to be completed by July 1, 2029. Until that study is completed and its results understood, the State should slow down and hit the pause button on any consideration of additional online

gambling expansion – whether in the form of iGaming or iLottery, where slot machines, casino games and slot-like Lottery games are added to everyone's smartphone.

We support public policy being based on strong data analysis and urge the Committee to favorably report out SB 878. Thank you.

SB 878 Maryland Center of Excellence on Problem Ga Uploaded by: Mary Drexler

Position: FAV



Mary Drexler, MSW Director of Operations

Maryland Center of Excellence on Problem Gambling

250 W. Pratt Street, Suite #1050 Baltimore, MD 21201 667-214-2121

mdrexler@som.umaryland.edu www.MdProblemGambling.com HELPLINE 1-800-GAMBLER

February 28, 2024

Senate Budget and Taxation Committee 3 West Miller Senate Office Building Annapolis, Maryland 21401

RE: SB 878 – Gaming – Problem Gambling – Prevalence Study and Fund Revenue

Dear Chair Guzzone:

This letter is in strong support of SB 878 – Gaming – Problem Gambling – Prevalence Study and Fund Revenue. This bill requires the Maryland Department of Health to conduct prevalence studies concerning problem and pathological mobile gambling and distributes a portion of proceeds from fantasy competitions, sports wagering, and the Lottery to the Problem Gambling Fund.

The Maryland Center of Excellence on Problem Gambling (the Center) is fully funded by the Problem Gambling Fund (PGF) to promote healthy and informed choices regarding gambling and problem gambling through public awareness, training and education, prevention, technical assistance to the behavioral health care system, peer recovery support, research, and public policy. The Center, which began operation on July 1, 2012, was created in response to legislation in 2008 that expanded legal gambling opportunities in the State. In recognition that problem gambling is an addiction just like substance use disorder, and access to 24/7 casino gambling will inevitably cause a subset of Marylanders to suffer from this addiction, the PGF was established to provide support for problem gambling treatment, prevention, public awareness, helpline services, and research.

The money the Center receives from the funding streams this bill creates will go towards activities such as:

- More robust counter-marketing campaigns to combat the billions of dollars the industry spends on advertising each year.
- More support for the more than 600 people across the state looking for help at any given time.
- Increased training opportunities to bring more providers into Maryland's no-cost treatment network.



 Public awareness campaigns to targeted special populations such as veterans, especially those with PTSD who experience a 60% higher rate of gambling addiction than the general population.ⁱ

In creating the PGF in 2008, the General Assembly has already recognized that dedicated problem gambling funding is necessary when increasing gambling access. The Center now comes to you to continue this trend by providing meaningful funding for the full portfolio of legalized gambling in the state so that all of the programs funded by the PGF can continue to meet the expanding needs of Marylanders. The Maryland Center of Excellence on Problem Gambling urges a favorable report on SB 878. If you would like more information, please contact Mary Drexler at mdrexler@som.umaryland.edu or (860) 798-9086.

Sincerely,

Mary Drexler, MSW Director of Operations

Maryland Center of Excellence on Problem Gambling

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https://www.kpbs.org/news/military/2020/02/25/va-doubles-down-treatment-gambling-addiction

CGR - RG - SB 878 Prob Gaming (B&T 2024-2-28).pdf Uploaded by: Rob Garagiola

Position: FAV



Testimony in Favor of

Gaming – Problem Gambling – Prevalence Study and Fund Revenue SB 878

Before the Senate Budget & Taxation Committee February 28, 2024

In addition to oral testimony in favor of SB 878, please see the following:

- "Boom in Youth Gambling in Mass. Fueled by Online Sports Betting Apps

 A Growing Number of Young People Are Showing Up at Mental Health
 Clinics and Gamblers Anonymous Meetings," Serres, Chris, Boston Globe,
 February 11, 2024 (6 pages).
- 2. "We're Killing the Youth in America: Calls Grow for Crackdown on US Gambling Worries that Gambling Addiction Has Spiked in the US as Legal Sports Betting Booms Have Led to Calls for Increased Regulation," Jones, Callum, The Guardian, December 1, 2023 (6 pages).
- 3. "Gaming Officials Raise Concerns of Gambling Addictions Among Young People," Klinedinst, Matt, Fox43.com, February 8, 2024 (2 pages).
- 4. "Sports Gambling Addiction Is Up in Ohio Since Legalization; Nonprofit Focuses on Those Who Need Help," Pitman, Michael, Journal-News, February 9, 2024 (4 pages).
- 5. "Britain Opened the Door to Online Gambling. Now It's Living with the Consequences," Finch, Gavin, et. al., Bloomberg, December 1, 2022 (6 pages).

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Boom in youth gambling in Mass. fueled by online sports betting apps

A growing number of young people are showing up at mental health clinics and Gamblers Anonymous meetings

By Chris Serres Globe Staff, Updated February 11, 2024, 12:01 a.m.

Marlene Warner suspected something was wrong when she spotted several mysterious money transfers on her teenage son's bank account.

The amounts were relatively small — just \$50 each — but they were more than she thought her 18-year-old son could afford as a student with a part-time job at a YMCA.

When asked about the transfers, the teenager admitted he and several of his friends from the Boston area had been pooling money to make online sport bets in New Hampshire, where it's legal for those 18 or older to gamble online, even if they live in another state.



Marlene

Warner, CEO of the Massachusetts Council on Gaming and Health, recently discovered that her 18-year-

old son had been pooling money with friends to place sports bets online in New Hampshire.JOHN TLUMACKI/GLOBE STAFF

"I was horrified," said Warner, who lives in Salem and is chief executive of the <u>Massachusetts Council on Gaming and Health</u>, a nonprofit that helps people with gambling problems and advocates for protections. "If my own son is gambling, and he knows the risks, then how many other young folks are accessing these sites?"

Placing a bet on sports has never been easier, faster and more alluring, and a flood of <u>celebrity endorsements</u> has even made it appear glamorous. But from Boston to Springfield, treatment clinics are experiencing an influx of young people — some as young as 14 — seeking help for gambling problems. And in a troubling new trend, college students are showing up at Gamblers Anonymous meetings across the state, sometimes accompanied by their parents, say leaders of the fellowship group.

"We are creating the conditions of a future public health crisis, in the same way that the Sacklers did with OxyContin," said Cara Ferguson, prevention coordinator at High Point Treatment Center in Brockton, which provides <u>outpatient counseling</u> for gambling addictions.

Online sports betting has exploded in Massachusetts since the state legalized the practice a little over a year ago, and now families and mental health therapists are scrambling to protect those most vulnerable to the mobile betting apps: adolescents and teenagers.

It is illegal for anyone under 21 in Massachusetts to gamble online on sports, and operators DraftKings, FanDuel, and BetMGM have introduced safeguards designed to deter underage bettors from accessing the platforms. Those include some of the same tools used by financial institutions to verify identity, such as two-factor authentication, verification of a user's location, and a Social Security number.

Yet there is growing evidence that tech-savvy youths are finding ways to circumvent the security measures, and engage in a highly addictive form of rapid-fire betting on mobile apps. Increasingly, they are lying about their age or using their parents' or older friends' accounts to make bets on everything from their hometown college team to the number of touchdowns their favorite quarterback will throw on Sunday, according to gaming researchers, addiction therapists, and <u>Gamblers Anonymous</u> volunteers.

The trend worries officials with the state Office of Problem Gambling Services, which is rolling out several new gambling education campaigns targeted at young people. Starting this summer, the office will recruit scores of young people for a <u>Youth Leaders Project</u> to raise awareness about the risks of gambling. Student leaders who participate in the project can receive \$5,000 college scholarships.

Still, gaming researchers and public health advocates say state regulators have not kept pace with the rapid growth and technological sophistication of online gaming platforms, which are inundating the sports airwaves with ads. An estimated \$1.8 billion was spent to

advertise online gambling last year across the country, up nearly 70 percent in one year, according to media consulting firm BIA Advisory Services.

Since mobile sports betting launched in Massachusetts last March, gamblers have wagered <u>about \$4.8 billion</u>, much of it fueled by the surging popularity of so-called <u>prop betting</u>. These are wagers not tied to the final score or outcome, but are related to hundreds of specific events or accomplishments within a game. For the Super Bowl this Sunday, bettors will be able to place online bets on everything from which team will score first to how many touchdowns will be scored by halftime. FanDuel Canada is even <u>taking online bets</u> on whether the Kansas City Chiefs' Travis Kelce will propose to Taylor Swift during the game.

"A lot of problem gamblers make their first bet on the Super Bowl, and this year we have all the added hype of Taylor and Travis," said Lia Nower, a professor and director of the <u>Center for Gambling Studies</u> at Rutgers University in New Brunswick, N.J. "A lot of `Swifties' are young adolescents, and it's going to be easier than ever for them to place a bet down."

PROBLEM GAMBLING: WHERE TO GO FOR HELP

MA Problem Gambling Helpline

If you or a loved one is having problems with gambling and needs support, you can call the MA Problem Gambling Helpline at 1-800-327-5050 or visit https://gamblinghelplinema.org/ to speak with a trained specialist. The free helpline is available 24/7 and available in multiple languages.

Gambiers Anonymous

If you are looking for guidance from people who have experienced gambling problems, the group Gamblers Anonymous has in-person and online meetings. The hotline for people in New England is (888) 830-2271 and a list of meetings is accessible by visiting http://newenglandga.com.

The Supreme Court in 2018 paved the way for the expansion of sports wagering when it <u>struck down</u> a 1992 federal law that effectively banned the practice in most states. Since then, sports betting has been legalized in 33 states and the District of Columbia.

The growth of prop betting particularly worries addiction treatment experts and youth mental health counselors, who say the rapid-play format is highly addictive to the developing brains of adolescents. The prefrontal cortex, the part of the brain associated with reasoning and impulse control, is not fully developed until a person reaches their late 20s, health researchers have found.

"Kids are being marketed an addictive product long before their brains are capable of understanding the risks, and that's a recipe for disaster," said Harry Levant, who previously had a gambling problem and is now a therapist near Philadelphia.

Jennifer Aguiar, chief compliance officer at Boston-based DraftKings, the largest online sportsbook in Massachusetts, said customers are required to verify their identity and age when opening an account. DraftKings also takes steps to prevent account sharing, she added, by requiring customers to complete a two-factor authentication process when logging in from unrecognized devices. The company also uses geolocation technology to

verify a customer's location, and technology that can detect "behavioral changes or activity indicative of a third party attempting to access or operate an account," she added.

"In most cases when we identify someone who is underage that has used our platform it is because they have gained access through an adult family member or friend's account," Aguiar said in a written response to questions.

Youth gambling was a concern long before the advent of online sports betting. Every two years, the state surveys thousands of middle and high school students to gauge their levels of risky behaviors. Over the past decade, the <u>behavioral health surveys</u> have consistently shown that 40 to 50 percent of Massachusetts students engage in some form of gambling, such as playing the lottery or participating in fantasy sports.



FanDuel,

DraftKings and other online gambling apps are displayed on a phone.JEFF CHIU/ASSOCIATED PRESS

Still, <u>a national survey</u> released Monday highlighted the pervasiveness of online sports betting, particularly among young men. Nearly 40 percent of American men age 18 to 49 have at least one account with online sports betting services. Of those who place bets online, 38 percent said they gambled more than they should have and 18 percent bet money meant for financial obligations — common <u>signs of compulsive gambling</u>, according to the survey by Siena College and St. Bonaventure University.

In a break with the past, more teenagers and people in their early 20s are showing up at Gamblers Anonymous meetings. The <u>New England chapter</u> holds about two dozen inperson meetings a week at churches, synagogues, and community halls across the region.

Attendance at some meetings in Massachusetts has doubled since the state legalized online sports betting, volunteers with the group said.

"The big thing we're seeing is that compulsive sports gamblers keep getting younger and younger," said Ed, a volunteer coordinator for Gamblers Anonymous who asked not to use his last name.

THINK YOU MIGHT HAVE A GAMBLING PROBLEM?

The following are some common signs and symptoms of compulsive gambling:

- 1. Gambling to escape problems or relieve feelings of helplessness, guilt, anxiety or depression.
- 2. Need to gamble with increasing amounts of money to get the same thrill.
- 3. Lying to family or friends to hide the extent of gambling.
- 4. Trying to get back lost money by gambling more, known as "chasing losses."
- 5. Feel restless or irritable when attempting to cut down or stop gambling.
- 6. Jeopardized or lost a significant relationship, job, or career opportunity because of gambling.
- 7. Have persistent thoughts of reliving past gambling experiences.
- 8. Ask others to bail you out of financial trouble because you gambled money away.
- 9. Made repeated unsuccessful efforts to cut back or stop gambling.

SOURCES: Massachusetts Department of Public Health, MA Problem Gambling Helpline, Mayo Clinic

One is Matthew, who is 26 and grew up in a suburb west of Boston. He said his descent into compulsive sports gambling began innocently enough.

It started last year when he saw that an online sports betting platform was promoting "risk-free" bets of up to \$500 on its mobile app. It was near the end of the NCAA "March Madness" basketball tournament, and Matthew placed \$20 on Florida Atlantic University beating San Diego State University in the semifinals. To his dismay, San Diego State <u>clawed back</u> from a 14-point deficit to win on a buzzer-beater.

Determined to recoup the loss, Matthew immediately scoured the app for more betting opportunities. Within weeks, he was wagering \$1,000 on whether the next pitch at a Red Sox game would be a ball or a strike. He was prop betting on his smartphone 30 to 50 times a day, even while taking a shower in the morning or while driving to work. He recalls desperately checking a \$9,000 bet on a Red Sox game while people at his customer service job were trying to get his attention.

"Anytime you're chasing losses you don't have a clear sense of consciousness," said Matthew, who declined to share his full name due to concerns that it would jeopardize his work prospects. "It's the most alone feeling in the world . . . all your pain is invisible to the outside world."

Matthew said it wasn't until he lost nearly \$70,000 in three months of online betting that he decided to attend a Gamblers Anonymous meeting. It was there that he met several older men with gambling addictions who described losses even more devastating than his — including shattered families, ruptured friendships, lost jobs, and foreclosed homes, he said.

"That [meeting] scared me straight," said Matthew, who stopped making online bets last May. "I realized there were people out there who had it even worse than me, and that was my future if I didn't stop."

Christopher Brice, 19, a recent high school graduate from Brockton, traced the interest in online betting among his classmates to the early isolating days of the pandemic, when many turned to video games and to messaging platforms like Discord for entertainment.

Many games, he said, offer virtual rewards that can be bought with real money — resembling the quick-strike nature of prop betting. Older, professional gamers would post tips in gaming chat rooms about bypassing security measures on sports betting sites, he recalled.

"The betting provided the opportunity for freedom — an escape from boredom," said Brice, an aspiring photographer. "And for some, it offered the hope of a high payout."

Warner said she had a "long conversation" with her son after discovering his online wagers, though she remains worried by the relentless barrage of sports gambling ads and celebrity endorsements. A growing number of athletes adolescents admire — including Los Angeles Lakers <u>star LeBron James</u> and skateboarding legend Tony Hawk — have signed promotional deals with sports betting operators. Unlike with tobacco or alcohol, she noted, there are no national standards for sports betting advertising.

"When you have larger-than-life people lending their names to sports betting," she said, "then it's not a shocker that our kids might be gambling."

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The big bet Gambling

'We're killing the youth of America': calls grow for crackdown on US gambling

Worries that gambling addiction has spiked in the US as legal sports betting booms have led to calls for increased regulation



Gambling helplines are reporting record levels of calls. Illustration: Guardian Design/Getty Images

Callum Jones in New York

Fri 1 Dec 2023 06.00 EST

The United States is heading into a "quagmire, if not crisis" of gambling addiction among young people, according to counselors and clinicians - prompting calls for a regulatory crackdown.

Treatment clinics are grappling with an influx of patients in their teens and early 20s and helplines are reporting record levels of calls.

"There's a lot of kids that are gambling," said Felicia Grondin, executive director of the Council on Compulsive Gambling of New Jersey.

Ironically, New Jersey was the state that led the charge for the legalization of sports betting and, in 2018, successfully convinced the supreme court to overturn a decades-old federal law that prohibited the state from legalizing sports betting.

Requests for support through New Jersey's helpline more than doubled over the ensuing years, as the legal market ballooned. Hundreds of calls from concerned relatives each year have heightened fears in the state that problem gambling is sweeping through a new generation. It is not unique.

"Calls to gambling helplines in most states in America are up, by sheer numbers," said Timothy Fong, co-director of the gambling studies program at UCLA. "More and more younger clients" - aged 25 and under - are seeking treatment, he added.

Arnie Wexler, a counselor, has not seen anything like this before. "We're killing the youth of America. It's gotten crazy. Nobody cares," he said.

Gambling gets younger

Placing a bet in the US has never been easier. Access to legal gambling, once confined to casinos and racetracks, now sits in millions of pockets across the country. Smartphones "made all avenues available to all people", said Brad Ruderman, of the Beit T'Shuvah treatment center in Los Angeles, California. "This is the first generation where this is normal."

While you are required to be 21 to bet on sports in most states in which it is legal, or 18 to take part in fantasy contests in much of the US, underage activity is a cause of mounting unease. When Keith Whyte, executive director at the National Council on Problem Gambling, asked a room of 40 17-year-old boys in Virginia earlier this year how many had a sports betting app on their phone, 36 hands rose.

11 The US is now headed into more of a gambling addiction quagmire, if not crisis

Gambling is "getting to be a younger activity", Ruderman observed. As brains do not typically finish developing until people reach their mid-20s, those placing bets before this point cannot fully process the associated risks, he said. "They're very susceptible to dopamine, endorphin rushes."

The Algamus treatment facility in Goodyear, Arizona, has seen a "very significant increase" in patients under 30 who ran into trouble wagering on sports. "It's picking up steam as more states legalize," Rick Benson, its founder, said.

Three decades ago, when Benson was betting, it was only possible between certain hours. The last race of each day was his final opportunity to place a wager at the track before the next afternoon. Today, it's available around the clock

The US is "headed into more of a gambling addiction quagmire, if not crisis", in Benson's view. "I think there's no doubt about it."

Shekhar Saxena, former director of the World Health Organization's mental health unit, said younger people are more likely to indulge in gambling - and operators across the world lean on a mix of both peer and commercial pressure to attract them.

"We know that young people like to experiment more," he said. "We also know that young people are much more in touch with, and influenced by, their peers. And we also know that [...] because of their development stage, their resilience, and the possibility to control their behavior, is a little bit less."

Asking for help

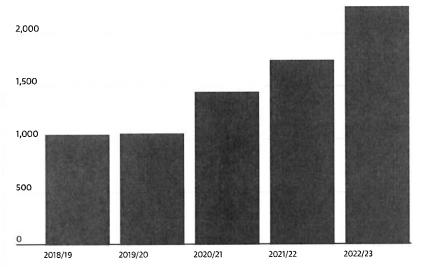
The 2018 supreme court ruling changed the game for gambling across the US, leaving it to states to decide whether to legalize sports betting. New Jersey - which had spent six years fighting for this right - did so weeks later.

"We've seen a dramatic increase since sports gambling was legalized," said Grondin, who leads its compulsive gambling council. There have been

consequences. Traffic to its helpline is "just growing and growing", she said.

New Jersey gambling helpline traffic doubled in four years

Help requests (via phone, text and chat) per year



Guardian graphic | Source: Council on Compulsive Gambling of New Jersey

"Youth gambling is definitely on the rise," added Grondin. "We're getting more and more calls associated with that."

In 2018, 11.5% of people who contacted New Jersey's gambling support service and disclosed an age provided one under 25. During the first 10 months of 2023, this bracket accounted for 19.6% of calls, texts or chat messages in which an age was disclosed.

As it became more troubled about the prevalence of gambling issues among young people, the council recently launched a preventive schools program designed to reduce risks among children.

Fong, at UCLA, described a clear surge in problem gambling cases, but added another reason for more young people calling helplines and seeking treatment: that this generation is "more likely to reach out" on such issues than its predecessors. "There's greater acceptance of gambling, there's greater acceptance of treatment for gambling, there's more acceptance of asking for help," he said.

States urged to take action

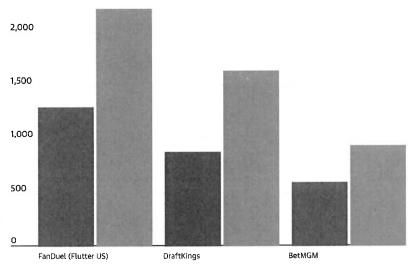
Lobbyists fighting for each state to legalize online sports betting put one fact at the heart of many of their campaigns: it's happening anyway. Tens of billions of dollars are already being wagered illegally each year, they claim.

But with digital sportsbooks now live and legal in more than two dozen states, the authorized market is far more visible – and its leading operators are thriving. Americans wagered a record \$93.2bn on legal sportsbooks last year, according to the industry, which says that cash-strapped states received some \$13.5bn in taxes from the wider sector, including land-based sites like casinos, as a result.

Top US gambling operators' revenues spike

Reported sales during first half of the year (\$m)

2022 2023



Guardian graphic | Source: stock market filings

Concern over problem gambling levels, and the age of those affected, has raised questions about whether legal sports betting platforms are sufficiently regulated. Oversight varies from one state to the next.

"The states need to look at this issue," argued Wexler, who said he takes about 20 calls each week, mostly from worried relatives. "A couple of years from now gambling is going to overtake alcohol and drugs."

Grondin pointed to the UK, which she said had "addressed a lot of the issues from a regulatory perspective", adding: "I think we need to follow [its] lead to a certain degree, because we need to bring those restrictions here."

The US should introduce limits on gambling advertising, Gondin suggested, as well as warning labels on gambling platforms. Advertising by the sector has been curtailed in the UK, although campaigners have argued the curbs are not stringent enough.

Saxena, now professor of the practice of global mental health at Harvard, believes operators worldwide should face tougher rules. "What is not understandable, or at least not acceptable, is that they are working in a way to exploit people's vulnerabilities to make them consume more," he said. "Products are more geared towards young people."

Gambling is often deemed a matter of personal responsibility, with customers choosing how often – and how much – they wager. This is true "in theory", Saxena said. "But the balance of power here is so much in the hands of commercial entities that they can seduce people into indulging more into that. And they don't stop."

Alcohol, which can have serious public health implications, is not regulated like wheat or oil, Saxena noted. "Same thing should be true for gambling."

Industry cautions against 'over-regulation'

The American Gaming Association (AGA), which represents gambling operators, said its industry was "one of the most highly regulated" in the US. "Let's be clear: legal online gaming products are for adults and the vast majority of bettors enjoy gambling as entertainment,"said Cait DeBaun, the AGA's vice-president for strategic communications and responsibility.

Gambling companies "work with regulators to prioritize responsible play and raise standards", DeBaun added, "as we all learn how consumers are engaging in this nascent offering.



Photograph: audioundwerbung/Getty Images/iStockphoto

"As our industry has grown, so has attention and money for problem gambling support services," she said, noting that states have used the taxes from legalized gambling to fund such assistance. "The same cannot be said for the vast illegal, offshore gambling market that preys on the vulnerable and underaged, offers no consumer protections and pays no taxes."

Bill Miller, the AGA's president and CEO, has previously welcomed media coverage of problem gambling. Increased helpline traffic is "not the full story", he wrote in USA Today in June, citing suggestions that more calls could be the result of greater awareness of the help that is available.

The Fantasy Sports & Gaming Association, which represents operators of fantasy sports and sports betting operators, said the sector was already "highly regulated". In a statement, it noted that platforms have features like player self-exclusion, time-outs and deposit limits to help encourage "responsible" activity.

Brandon Loeschner, the group's chair, said more research on the scale and cause of problem gambling - and the impact of industry initiatives to mitigate it - was required "to see what is working before we over-regulate".

More must be done to help build understanding of treatments for people diagnosed with gambling addictions "since 75% of those diagnosed also had co-occurring alcohol use disorder", Loeschner added, citing a study conducted between 2011 and 2013 by academics at the University at Buffalo.

The search for solutions

Whatever the cause and effect, indications that gambling problems are on the rise have left states across the US scrambling for solutions.

When legal sports betting arrived in Ohio in January, officials were braced for gambling issues to rise. Before its first legal casinos opened their doors in 2012, research commissioned by the state found 0.4% of its people were problem gamblers, and 5.3% were at risk of developing issues; a decade later, the same survey identified a problem gambling rate of 2.8%, with 17% of the population at risk.

"We knew that with expansion comes an increased risk," said Amanda Blackford, director of operations and problem gambling services at the Ohio casino control commission. "We suspect that, with legalized sports betting, the at-risk category and disorder category will continue to grow."

Early signs suggest this suspicion is accurate. Total call traffic to Ohio's problem gambling helpline was up 38% in October when compared with the same month in 2022. There has also been an uptick in calls to the service from people in their teens and 20s.

"The goal is always to combat that problem," said Blackford. "But we know, looking at history, that it will always exist. So I think, always, the goal is to help anyone that we can - regardless of who you are, regardless of where you live, what your what your background demographic is."

Time Out Ohio, a state program offering problem gamblers the chance to ban themselves from casinos and racetracks, recently struck a deal with Gamban, a British app that blocks gambling websites, to extend its service across online platforms.

Ohio is the first state to strike such a partnership, and offer free access to the app. "If we are, as a state, going to be benefiting" from gambling's expansion by collecting taxes from the industry, Blackford said, it is important to make sure "that we can do so in the safest manner possible for those that we serve".

In the US, call the National Council on Problem Gambling at 800-GAMBLER or text 800GAM. In the UK, support for problem gambling can be found via the NHS National Problem Gambling Clinic on 020 7381 7722, or GamCare on 0808 8020 133. In Australia, Gambling Help Online is available on 1800 858 858 and the National Debt Helpline is at 1800 007 007

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LOCAL NEW

Gaming officials raise concerns of gambling addictions among young people

According to the Council on Compulsive Gambling, just under 10% of callers to the problem gambling hotline were between 18-24 years old.



Author: Matt Klinedinst Published: 4:09 PM EST February 8, 2024 Updated: 4:09 PM EST February 8, 2024



 $\label{eq:YORK} \textbf{Pa.} - \textbf{Ahead of Super Bowl Sunday, gaming officials are raising concerns about an increase in gambling addictions among young people.}$

According to the Council on Compulsive Gambling of Pennsylvania—2,693 people called the state's problem gambling hotline in 2023. Of that, 268 of those callers were between 18-24 years old. Eleven children between 13-17 years old also called the hotline.

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"The younger that someone starts with an activity, the higher we see rates of problems develop," said Josh Ercole, the executive director of the CCGP. "That's obviously a concern because, a lot of times, that's going to pave the way for their next formative years, and it could be spent in a problematic fashion."

The increase in problem youth gambling comes alongside the rise of social sportsbooks and casinos. Social sportsbooks are online gambling sites that aren't regulated by state gaming commissions.

Liz Lanza, the director of the Office of Compulsive and Problem Gambling at the Pa. Gaming Control Board, said these sites may not have the same guardrails to protect their users.

"The Pennsylvania Gaming Control Board requires our licensees to display a pop-up at least once an hour that shares how much the individual has wagered and how much time they have been wagering," said Lanza. "Unregulated sites aren't required to have that reality check because they aren't regulated."

Lanza added that the Pa. Gaming Control Board displays a logo on all legal and regulated betting sites, while social betting sites do not.

She said it's important for parents to educate their kids about gambling and the risks of addiction.

"It shouldn't be something that's brought up when somebody turns 18 or 21," said Lanza. "It's something that people should be speaking to children about."

Anyone who has a gambling problem is encouraged to text or call 1-800-Gambler.

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Sports gambling addiction is up in Ohio since legalization; nonprofit focuses on those who need help

1 in 4 will bet on Super Bowl LVIII being played at Allegiant Stadium in Las Vegas.



Caption

Credit: John Locher

NEWS
By Michael D. Pitman
Updated Feb 9, 2024

Ohio has become a big sports betting state since it became legal a year ago, and Hamilton's Envision Partnerships is trying to help people gamble responsibly.

With <u>the Super Bowl</u> set for Sunday, one in four American adults (about 68 million people) will place a bet on the big game, crushing last year's record year by 35%, <u>the Associated Press reported</u>. It's the biggest sports betting day of the year and that highlights a two-fold problem happening simultaneously when it comes to problem gambling, said <u>Envision Partnerships</u> Chief Operating Officer Kristina Latta-Landefeld.

"Obviously, there's an increase in access and availability of gambling because of online gambling and sports betting; there's just a lot more ways for people can gamble so a lot more people are gambling. The other thing it coincides with is that the help that should be available is not really available," she said.

Latta-Landefeld said treatment is not as available as it should be as gambling, which is considered a silent addiction. It's oftentimes not recognized until someone puts themself, and many times their family, at serious financial risk.

"It's something that can be hidden a little bit more as it's a behavioral addiction as opposed to a physiological addiction," she said. "People tend to seek out help later, into the problem, as opposed if you relate it to a substance use disorder."

This is also a chicken-and-the-egg problem because unless someone is asking for help, mental health providers often say there's not a need because people aren't asking for it, Latta-Landefeld said. And not asking for help, she said, *is* a sign of a gambling problem. That's one reason why Envision Partnerships hosted the Problem Gambling Coalition of Southwest Ohio, which is based out of the University of Cincinnati, last month.

According to Axios, which analyzed state gaming figures, Ohioans bet a collective \$7.7 billion in 2023 with sportsbooks pulling in more than \$900 million in revenues, which far exceeds the projections outlined in the bill that allowed sports betting in Ohio to begin on Jan. 1, 2023. It projected the impact could generate as much as \$24 million a year for Ohio. Steve Bittenbender, who serves as an analyst and writer with BetOhio.com, a news site and affiliate covering the sports-betting industry, told this new agency in December, Ohio "almost surpassed that in January (2023)."

There are 38 states (and Washington, D.C.) with legal sports betting, and 26 states allow online sports betting.

Nationwide, it's estimated that 2 million adults (which is about 1%) are considered to have a severe gambling problem in a given year. Another 4 million to 6 million would classify they have either a mild or moderate gambling problem, according to the National Council on Problem Gambling.

"It's always been an issue," said Problem Gambling Network of Ohio Associate Director Michael Buzzelli of gambling in the Buckeye State. "Ohio's had great services for individuals impacted by gambling for a number of years. A lot of those started in 2010 when we legalized casino gambling, but certainly the rates of problem gambling have risen over the past year due to sports gambling and the proliferation of marketing, the bombardment of marketing. With all that, more people are gambling and you're seeing more and more problems associated with it."

And agencies promoting addiction services for problem gambling, also known as gambling disorder, aren't anti-gambling but Buzzelli said, "We're all in this together to make sure gambling is safe, fun and responsible for those who choose to do it, but there's also available resources for those who are impacted by it."

Problem gambling rates have tripled over the past several years, he said. In 2017, that rate was at 0.9%, but that number is 2.8% of the adult population in Ohio. That's 255,000 people, he said. And the impacts of problem gambling aren't just to that quarter-of-a-million Ohioans. It's compounded as Buzzelli said a person with a gambling disorder <u>negatively impacts eight to 10 people</u>, from spouses and children to friends and co-workers.

"The financial component makes it so big that there are many drastic consequences to the family, the community. You're talking about the loss of a job, emptying the college fund, losing houses and cars," he said. "The reach of the consequences really is a web around the life of the person who has the addiction."



Credit: AP

The Problem Gambling helpline has seen an increase in calls. For years, they'd receive 400 to 500 calls a month, and now they're seeing twice that number. "If you have 1,000 people calling the Problem Gambling helpline every month, that is an indicator that people are really struggling," he said.

Latta-Landenfeld said most of those hotline calls are from 18-to-21-year-olds, who are people who are not legally allowed to gamble.

<u>ResponsibleGambling.org</u> reports that people between 18 and 24 are at a high risk of developing gambling problems.

"At this age, the brain is still developing, and emotion and logic aren't fully formed. This means that decision-making ability hasn't yet matured, making young adults more likely to take risks or act impulsively," according to the organization.

Problem Gambling Coalition of Southwest Ohio Chair Rachel Johnson said as gambling has evolved into more entertainment, access has evolved and expanded, and education and prevention have become key, she said on Cincinnati Edition on WVXU. "Think before you bet" is not just a mantra, but practical advice.



"That's the crux of a lot of treatment is working on trying to help that individual person and put a space between the bet and take a step back," she said. "It's really about awareness and educating our community."

Buzzelli said there needs to be more involvement with county mental health and addiction boards and addiction agencies but they don't have a lot of services for gambling disorder.

"We need to make sure that if gambling is going to be so available and so accessible, we need to make sure services are just as available and just as accessible," he said.

He also said he'd like to see more colleges and universities be as involved as at U.C. has been with its problem gambling coalition.

"There needs to be programs on campuses, just like there are for drugs and alcohol, just like there are for suicide prevention" he said. "Problem gambling has to be raised to that level because a lot of these students are doing it, and we got to make sure there are resources there on campus."

Gambling addiction help

Anyone in need of assistance with a gambling addiction or gambling disorder can call Ohio's helpline at 800-589-9966. There are also online resources, including at pgnohio.org or ohio.gov/responsible-gambling

Bloomberg



Illustration: Liam Cobb

Britain Opened the Door to Online Gambling. Now It's Living With the Consequences

Six years ago, a gambling executive sounded the alarm about smartphone casinos. But in the years since, the industry has boomed — as has its lobbying of UK lawmakers.

Story by Gavin Finch, Harry Wilson and Ann Choi Graphics by Sam Dodge December 1, 2022 at 12:00 AM EST, Updated on December 5, 2022 at 3:00 PM EST

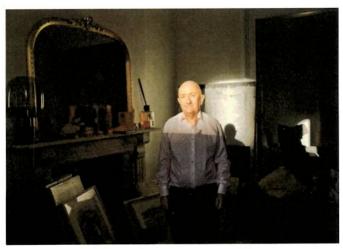
On an August morning in 2016, Stewart Kenny, the co-founder of Paddy Power, was struggling to keep his emotions in check as he took his seat around the firm's board table at its Dublin headquarters. The company he helped set up 28 years earlier had recently finalized a £7 billion (\$8.4 billion) merger, making it one of the world's biggest gambling companies.

Paddy Power had led the transformation of the betting industry from one of drab shops that smelled of stale cigarette smoke into a digital wonderland where anyone with a smartphone could access a maze of blackjack tables, flashing slot machines, and virtual horse races. All the would-be bettors, or punters, across Britain now had a casino in their pocket, and with a flick of the finger they could win — or, more likely, lose — thousands of pounds on a single spin of a virtual roulette wheel. That year, the total amount lost in the UK online casino market was £2.66 billion.

But Kenny wasn't celebrating, he was having sleepless nights. At 64, he was ashamed of his complicity in popularizing online games, which he believed were responsible for a surge in gambling addiction and hundreds of suicides. After the usual business of the board was done, Kenny cleared his throat and,

fighting back tears, said he was quitting in disgust from the firm because of its collective failure to curb an epidemic of gambling addiction.

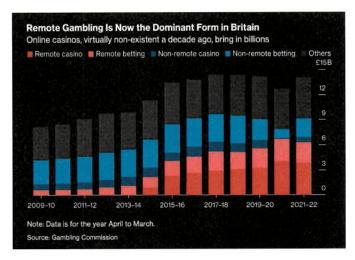
"It is the biggest issue facing us and we seem to be like the frog in the boiling water," Kenny said. As he read from a statement he'd spent weeks preparing, some of his fellow directors looked increasingly uncomfortable. Kenny said his position on the board had become untenable when, earlier that summer, senior managers shelved a safer gambling campaign it was running in Australia because it had proved too effective and was costing them money. He finished his speech, and later that afternoon he walked out of the building for the last time, never to work in the industry again.



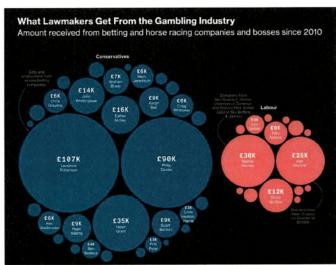
Stewart Kenny, co-founder of Paddy Power, in his Dublin home. Photographer: Ellius Grace/Bloomberg

Six years later, online casino gambling has cemented its dominance — especially in one of Paddy Power's core markets, the United Kingdom, where it has mushroomed by 47% since his resignation and where gambling addiction clinics are reporting a surge in people seeking treatment.

Britain is the world's biggest regulated online gambling market, and one of the most liberalized. UK authorities largely outsource consumer protection to the addicts, who are expected to self-exclude from gambling websites if they develop a problem. They do that via a platform called Gamstop, set up and funded by the gambling industry in 2018. Leaving aside that addicts rarely make the best decisions, Gamstop is flawed. While in theory, anyone who self excludes from one site is barred from all UK online gambling businesses, it's relatively easy to get around. Hundreds of websites offer tips on how to do it, which include changing minor personal details or registering to bet under someone else's name. Yet when the UK's regulator looked into how the system could be improved, it delegated the process to industry lobbyists, who went with Gamstop. A spokesperson for Gamstop said it has always acknowledged that "no system can ever be 100% infallible."



Successive UK governments have done little to tighten the rules in the last decade, as an ever-increasing number of politicians have developed closer ties to the industry. Many lawmakers who have spoken out against increased regulation have also accepted thousands of pounds in hospitality from gambling companies, and regularly receive free tickets to top-flight sporting events, as well as lucrative speaking gigs and even second jobs, according to a Bloomberg News analysis of lawmakers' financial disclosures. The government announced a review of gambling legislation in 2019, but has delayed publishing its findings at least four times. This summer, after intensive lobbying, officials in Boris Johnson's administration watered down or removed several measures originally contained in the review, according to people familiar with the situation.



Note: Data for current Conservative and Labour lawmakers only; includes gifts, donations and employment. *Goulden says that he is "no longer involved in the gambling industry" and has "no interest at all" in it. He made two £10,000 donations to Reeves after his retirement from Gamesys in October 2021. "I am a huge supporter of the current Labour Party and Rachel Reeves," he said. Source: Bloomberg analysis of parliamentary records

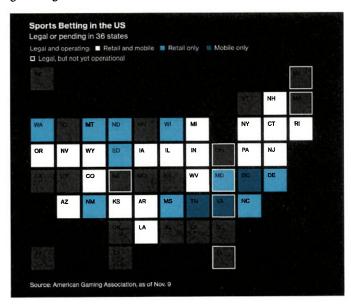
For four of the past five years, British punters have lost more than £14 billion on online casino games, sports betting and other forms of gambling. Fully 60% of the industry's profits come from only 5% of its customers, according to a House of Lords' report. As many as 138,000 people in England are classified by British regulators as problem gamblers, as well as 36,000 children aged

11-16, UK government statistics show. About 400 suicides — or around 8% of all suicides — in England are estimated to be linked to gambling each year, while it disrupts the lives of many more through broken marriages, bankruptcy, homelessness, and crime. During Covid, about 20% of higher-risk gamblers increased the time they spent gaming.

The explosion in online gaming in the UK can be traced to the Gambling Act of 2005. Gambling firms were allowed to advertise sports betting, online casinos and poker on TV and radio for the first time, and until 2014 remote operators selling to British customers weren't even required to hold a UK license. The law predated the technological revolution that was the smartphone. Betting firms have been exploiting that blind spot ever since, developing aggressive habit-forming games tailor-made for obsessive gambling, and cashing in while a significant subsection of their customers racked up huge losses, according to interviews with dozens of current and former employees, reformed addicts, lawmakers, consumer advocates, and academics. Firms including Bet365 Group Ltd., Ladbrokes and Paddy Power then enrolled their biggest losers into so-called VIP schemes and showered them with gifts that typically included free bets, cash deposits, tickets to sports games, flights to Las Vegas, and other inducements to keep them hooked, the reformed addicts and current and former employees said.

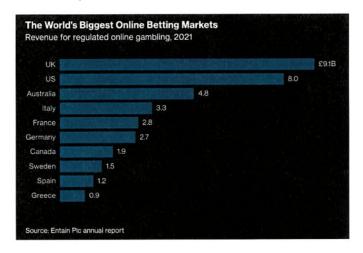
A spokesperson for Entain Plc, the owner of Ladbrokes, said the company shut its VIP scheme in August 2020, though it still provided account managers to a small number of higher spending customers. A spokesperson for Bet365 declined to comment on their VIP scheme. A spokesperson for Flutter Entertainment Plc, the parent company of Paddy Power, said the firm had also closed its VIP scheme, and reduced the revenue coming from its highest spending customers by 55%.

The Flutter spokesperson said the firm had "invested significant-ly" in its safer gambling capabilities in recent years, which had cost it about £150 million in lost yearly revenue. "We recognize that the sector has not always got it right in the past, but we are proud of the role we are taking to lead the industry around safer gambling," she added.



Sitting at a bar in an upscale Dublin neighborhood this fall, Kenny, a soft-spoken Irishman with a shiny bald pate and mischievous smile, says the industry is still in denial. He likens UK gambling operators to the US pharmaceutical companies that continued pushing synthetic opioids long after the devastating public health consequences had become obvious.

As the majority of US states liberalize their gambling laws, Kenny says he "is certain America is heading down the same path." Flutter now makes more money from the US than it does from any other market, racking up a 114% year-on-year growth, according to its latest financial results. Smartphone betting apps such as DraftKings and FanDuel have rapidly grown into companies with more than \$1 billion in revenue. In states where it's legal, they pitch online casino games to sports bettors by offering them free spins. Kenny believes this is particularly dangerous. "It's like a young kid going into a pub for a shandy for their first drink and the barman gives them a free triple brandy," he says.



The UK's relaxed approach to the dangers of gambling helped transform it into one of the world's biggest regulated betting markets — and an object lesson in the dangers confronting the US as it emerges as the industry's new frontier.

It took recovering gambling addict George Cooper fewer than five minutes to set up an online betting account with Grand Ivy Casino during the first Covid 19 national lockdown, despite being registered with Gamstop since early 2019. Sitting in front of his computer in his parents' house in Ireland, Cooper used his middle name, a different phone number and email address, and one of his other bank cards to open the account.

The 38-year-old freelance journalist had opened his first online casino account in October 2016. He'd recently had a messy break up with his partner of seven years and felt isolated and alone. Gambling was a way of escaping the stress and avoiding difficult emotions, he says. Within days of playing that first slots game, Cooper was hooked and soon was losing hundreds of pounds a night. Over the next two and a half years he racked up losses of as much as £100,000, mostly playing online slot machines on more than 50 different casino sites including William Hill and Ladbrokes.

Back at home on his own in the leafy west London suburb of Ealing, Cooper would log in to games with names like Starburst, Gonzo's Quest and Book of the Dead. Totally absorbed, he would lose track of time as he pressed the spin button, and the multiple reels covered in brightly colored symbols began to spin wildly. Cooper would gamble feverishly for hours without moving from his couch, sometimes wagering £100 per spin and only stopping once he'd burned through nearly all his money. He once gambled, and lost, a month's wages in 20 seconds. If he hit a winning streak, he would gamble through the night, until his casino balance hit zero again and he stumbled to bed. Some days he would gamble for 12 hours straight, stopping only to go to the toilet or to eat.

Gambling companies have a duty of care toward their customers. But despite losing on average around £3,000 a month, Cooper says he only received one phone call from a gambling company checking that he was alright. None of the operators asked him if he could afford to lose that much, or checked the source of his wealth or income. But if he stopped gambling for longer than a couple of days — usually because he had lost nearly all his money and could barely scrape enough together to eat — then he would be bombarded with emails, text messages and phone calls offering him free bets, bonuses, and cash to return to their site.

"All it would take would be one email, offering you 50 free spins or something like that and you've fallen off the wagon in an instant," he says.

By January 2019, Cooper's mental health had deteriorated, he was exhausted, and his gambling was out of control. "I just thought, 'I can't do this anymore.' I was on the brink of it ruining my life. I knew the direction I was heading in, and it was a very, very dark place," he says. Cooper signed up to Gamstop later that month, and didn't visit another online casino for more than a year, until he opened the Grand Ivy Casino betting account.

Fortunately for Cooper, this time it didn't mark a relapse. He just wanted to test how effective Gamstop was, and he hasn't gambled since. But he says he found it deeply unnerving how easy it was to circumvent the system, because he knows how fragile his recovery is. "It was a real shock," he says. "My heart just sank. When you have an addiction like that, you need help. It was a knot in the stomach moment. I was devastated."

The Gamstop spokesperson said it had helped 330,000 people to self-exclude since 2018, and cited a survey showing that 82% of gamblers had reduced their betting since registering with it. Grand Ivy Casino did not respond to requests for comment sent via email and its website.

By 2021, the excesses of the gambling industry were front page news in the UK following a wave of suicides of young men with addiction issues. In parliament, former Conservative Party leader Iain Duncan Smith led a growing chorus of lawmakers calling for tighter restrictions. The Gambling Commission — considered by critics as more of an enabler than a regulator — responded to public and political pressure and started to crack down. That February, it clamped down on online slots by reducing spin speeds, having banned the use of credit cards to gamble a

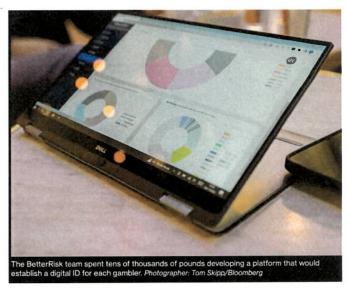
year earlier. From 2020 to 2021, it fined 15 firms a record £32.1 million for infractions that included poor to virtually non-existent "know-your-customer" procedures and a failure to identify problem gambling behavior. One case involved a customer who deposited more than £100,000 into his account and over seven days lost more than £65,000, despite the online casino knowing the client earned less than £20,000 a year.

That January, former JPMorgan Chase & Co. trader Simon Prest picked up a newspaper and read an article about the ravages of gambling addiction. He was shocked by the tales of suicide, financial ruin and family breakdown. He says he couldn't understand how this could happen so often without someone spotting it. To Prest, the gambling industry looked a lot like the world of finance did before the banking crisis of 2008: a David and Goliath battle between an under-funded regulator and a deep-pocketed, tech-savvy, and politically connected industry selling increasingly risky products at the expense of their customers. He messaged some former colleagues that this was a market ripe for an overhaul.



The idea that he and three fellow bankers hit upon was to build a system providing operators with a birds-eye view of their customers' betting across the entire market, alerting them to potentially problematic behavior. In subsequent meetings with officials from the Gambling Commission and its overseers in government at the Department for Digital, Culture, Media & Sport, Prest and his colleagues discovered that the regulator was looking for something similar: It had told operators that it wanted an industry-wide tool to track their customers' activity, known as a "single customer view." It seemed a perfect fit. But the regulator, on a shoe-string annual budget of about £20 million, handed the job of selecting the most effective solution to the industry lobby group, the Betting & Gaming Council. The BGC told Prest and his partners at the firm they set up, called BetterRisk, that it was running the tender process and would invite them to submit their proposal. Prest says it struck him as odd that he kept being referred to the lobbyists, but he didn't think much more of it at the time.

Over the next few months, they spent tens of thousands of pounds developing their platform, which would establish a digital ID for each gambler, making it easier to spot if an individual set up multiple accounts with different identities. After a customer's losses hit a certain level, it would trigger an affordability assessment that would give a red, amber, or green flag. There would also be a digital audit trail that the Gambling Commission could check. To a regulator reliant on a quarterly telephone survey to assess the state of the market, it would bring a real-time and detailed overview of what was going on in any ZIP code.



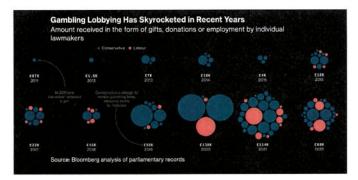
As they were applying the finishing touches earlier this year, though, the bankers received an email from the BGC: They would not even get to submit their proposal because the lobby group had picked Gamstop to help develop the new system. Ten months on, Prest is still extremely frustrated. He says it's wrong "the industry gets to be the gatekeeper controlling the scope, design, functionality and delivery timeline of a harm-prevention system which is to stop harm that they themselves are causing by their commercial activities."

Prest and his colleagues have repeatedly complained to the BGC, Gambling Commission, Department for Digital, Culture, Media & Sport, and industry executives that they hadn't had a chance to pitch their proposal, to no avail. Prest says he knew he would never get the industry onside after he met recently with the CEO of one of the world's biggest and most progressive gambling companies. He says the executive told him bluntly that his team's proposal was far too radical, and that there was zero appetite for it unless the regulator forced operators to adopt it, which wasn't going to happen.

A Gambling Commission spokesperson said that it would "assess whether the industry's response to the challenge has delivered the right outcomes." The spokesperson said the regulator was "not resourced to be able to commission and develop such technological systems ourselves." A Department for Digital, Culture, Media & Sport spokesperson said it was "not directly involved" in the decision. A BGC spokesperson said it would be "unusual" for the government not to engage with the industry. He added that

BetterRisk was one of 12 suppliers considered but "after a rigorous and fair selection process" the lobby group selected Gamstop because it has "a proven track record."

The gambling and horseracing industry has spent hundreds of thousands of pounds cultivating lawmakers of nearly every British political party, no matter who is in power. That lobbying has intensified since the end of 2019, when the ruling Conservative Party promised in its election manifesto a review of the 2005 Gambling Act.



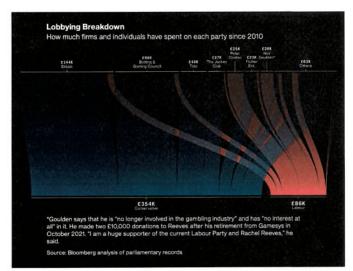
Since then, the sector has spent more than £300,000 on wages and entertainment for at least 37 UK lawmakers. On numerous occasions, they spoke in favor of the industry in parliamentary debates within weeks of being schmoozed in hospitality suites at sporting and social events, according to a Bloomberg News analysis.

"They always happen to be the best tickets for the best sporting events. It's easy to fall into the trap of assuming that there is no payback for these things, but they want you to be their voice in parliament," said Carolyn Harris, a UK lawmaker who is leading the campaign for tighter regulation of the industry. "Just because you have a racecourse in your constituency there is no need to defend the whole gambling world."

At a Westminster debate on gambling-related harm in March, pro-industry lawmakers took turns to warn the government that too much state intervention risked pushing ordinary citizens into the hands of black-market operators. One after another the parliamentarians — some representing districts around Stoke-on-Trent, where gambling giant Bet365 is located — stood up and lauded that firm's record on consumer protection, touting its role as a major employer in the region, and its financial contribution to the local community. One even described the multi-billionaire owner of Bet365, Denise Coates, as "admirable" for paying her "fair share of income tax." As lawmakers around the room sniggered at the spectacle, the Scottish National Party's Ronnie Cowan stood and offered a rare rebuke of his colleagues, mocking them for reading their "Bet365 briefing so beautifully."

The spokesperson for Bet365 declined to comment on the debate. In a statement, the company said the gambling review presented "an important opportunity to bring forward proportionate changes to the regulatory framework to drive down problem gambling while ensuring those customers that are able to enjoy a bet without harm can continue to do so."

The Conservatives' Laurence Robertson also attended the debate that day. He called on the government to adopt a "balanced approach" to regulation, repeating a phrase often used by the industry. The 64-year-old is one of the sector's most outspoken supporters in Parliament. In an October article for The House, parliament's official magazine, he downplayed the need for tighter regulation and labelled those pushing for tighter regulation "anti-gambling prohibitionists" who wanted to "spoil the fun for millions of people." In February, The Times newspaper reported that after the Gambling Act review was announced, Robertson wrote emails to then-gambling minister Nigel Huddleston urging him to ensure that "millions of people who enjoy harmless gambling can continue to do so."



All but one of the pro-industry speakers at the March debate had accepted hospitality from various gambling companies, including tickets to England international football matches, and concerts by Ed Sheeran and Adele. Robertson has received more than £100,000 from 11 different industry donors in the past 12 years, more than any other lawmaker, according to a Bloomberg News analysis of financial interest disclosures. His ties run even deeper than that: He is on the payroll of the Betting & Gaming Council. Since October 2020, he has been paid £2,000 a month by the industry lobbying firm for 10 hours work, or £200 an hour, to advise on "sport and safer gambling."

Robertson didn't respond to email and phone requests for comment. A BGC spokesperson declined to comment on the specifics of Robertson's work for the group.

Another one of those to receive tens of thousands of pounds in hospitality is Robertson's fellow Conservative Party lawmaker Philip Davies. Davies said his views on gambling were rooted in his upbringing as the son of a bookmaker mother. He added that he was also one of the industry's biggest critics and enjoyed a "robust exchange of views" with the companies when they hosted him at events.

"You won't find anyone more critical of the gambling industry than me," he said. "I think they are an absolute disgrace. They have the nerve to talk about the government putting restrictions on their business when they are happy to restrict peoples' stakes when anyone shows signs of winning. The hypocrisy is mind numbing."

Behind the scenes, gambling firms and their lobbyists meet with government officials on an almost weekly basis, according to documents obtained under Freedom of Information requests. In the 12 months to February, ministers and officials at the Department for Digital, Culture, Media & Sport met with representatives of the online gambling industry about 35 times, or around three times a month.

The lobbying paid off. In the last days of Johnson's premiership, key proposals in the draft gambling white paper were either changed or dropped altogether, according to four people with direct knowledge of the matter. One casualty was a pledge to ban gambling sponsors from advertising on the front of Premier League clubs' football shirts. Plans for a mandatory levy on betting firms to fund addiction research were also dropped. As the hours ticked down to Johnson's departure, the white paper was ready to be published and even made it onto the "grid," a spreadsheet used by Downing Street to schedule upcoming policy announcements, the people said. But at the last minute it was postponed for a fourth time, until Johnson's replacement was chosen. It is still pending. A government spokesperson didn't respond to a series of questions from Bloomberg News.

The Conservative's 12-year grip on power is weakening, with the opposition Labour Party opening up a double-digit lead in successive opinion polls for the first time in more than a decade. So, when the Labour leadership gathered to party during their annual conference in Liverpool in September, it was only natural that the industry lobby group would pick up the tab.

As the drinks flowed, Labour's shadow health secretary, Wes Streeting, took to a makeshift stage emblazoned with the BGC's logo and belted out a pop ballad from the late 1990s — the last time the party looked like a government in waiting, under Tony Blair. Labour leader Keir Starmer and other members of his shadow cabinet mingled with guests including the BGC's CEO, Michael Dugher, and other industry representatives. Dugher, a former Labour parliamentarian and party spokesperson when Gordon Brown was Prime Minister, was on first name terms with many of the revellers.

Labour's embrace of the gambling industry goes beyond one drinks event. The party's former deputy leader Tom Watson — once one of parliament's most outspoken campaigners for overhauling regulation of the sector and a close friend of Dugher's — took a job in 2020 as a paid adviser to Flutter. That same year, the co-founder of Bet365, Peter Coates, gave £25,000 to Starmer's campaign to become Labour's leader. Watson said he was working with Flutter on its safer gambling policies, and was proud of the firm's progress. "I truly believe Flutter now sets a global standard in this area," he added. The Labour Party didn't respond to email and phone requests for comment.

Back in Dublin, Kenny says he's not surprised at the way the industry has curried favor across the political spectrum. He spent years wining and dining government ministers.

These days he helps run a pressure group called Stop Gambling Harm, which campaigns for the reforms Kenny wished he'd done more to promote when he was still an insider. The group, set up with former Paddy Power chairman Fintan Drury and Ian Armitage, the firm's first institutional investor, is targeting UK lawmakers, pushing them to strengthen industry regulations. Drury and Armitage are no longer involved with Paddy Power.

Kenny says gambling companies will never do enough on their own to protect customers. So his group also lobbies institutional investors who hold shares in the sector, pressuring them to insist that executives better balance profit alongside reducing "profound social harm."

"Once upon a time it might have been a reasonable thing to say, 'Look, we stay within the law, and it's up to the government to regulate us," Kenny says. "But the world has moved on from that now. These companies have a social responsibility to their customers."

Clarifies Gambling Commission data cited in second paragraph, removing three year comparison that didn't include offshore betting firms

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Methodology

Members of the UK Parliament must report any financial gain, such as income earned outside of Parliament as well as donations and gifts, within 28 days. Bloomberg News compiled and analyzed those disclosures, called the Register of Members' Financial Interests, from 2010 to October 2022 to identify lawmakers who received payments or gifts from the gambling or horse racing industries.

While Parliament publishes the disclosures online fortnightly, Bloomberg used a programming-friendly version of the same records compiled by a research group called mySociety.org, to analyze disclosures over multiple years, after verifying that mySociety.org does not change the content of the original register.

Bloomberg reporters found 272 relevant disclosures submitted by 53 current lawmakers.

We applied a few rules to standardize the disclosures. When members received gifts or passes that had a range of values, we chose the maximum amount. For employment-related payments, we calculated an annual salary using details lawmakers reported. We excluded payments where specific amounts or length of employment could not be identified. We also excluded free cash bets parliamentarians receive from gambling companies when the proceeds were donated to charities.