



**Testimony of Les Bernal, National Director of Stop Predatory Gambling,
Opposing SB340: A Bill Authorizing Online Casino Gambling in Maryland
Maryland Senate Budget and Taxation Committee
January 29, 2025**

Dear Mr. Chairman and Committee Members:

I am testifying on behalf of our Maryland members of Stop Predatory Gambling, a national nonprofit organization with members in all 50 states whose mission is to reveal the truth behind commercialized gambling to advocate for those who have suffered harm, to prevent more victims, and to champion policy reforms that stop *predatory* gambling.

We are writing in strong opposition to SB340 that would allow online casino gambling in the state and urge you to vote NO.

There are several important and urgent facts why SB340 should be voted down. Our testimony focuses on four of those facts:

- 1) Maryland citizens are *already* losing more than \$5600 every minute to commercialized gambling being pushed by the state, causing *life-changing financial losses* for tens of thousands of your constituents.**
- 2) The amount of illegal gambling has increased since states introduced online gambling, *the opposite* of what gambling operators claimed would happen.**
- 3) “Responsible Gambling” campaigns funded by the gambling industry and Maryland state officials are a sham. Their primary purpose is merely to *give the appearance* that something is being done to protect the public from predatory and dangerous business practices.**
- 4) Science has shown us that online casino gambling is a known dangerous and addictive product *on the same level as heroin, cocaine, and opioids*.**

What is “Predatory Gambling?”

To be clear, we are *not* talking about *social gambling* like the Super Bowl office pool, March Madness brackets, Friday night poker games, or casual wagers on the golf course with friends.

Predatory gambling is when state governments partner with powerful corporate gambling interests to use *commercialized gambling - gambling being run as a business* - to exploit citizens and their communities. Unlike any other business, in commercialized gambling there is a *predatory and adversarial relationship* between the gambling operator and its customer, the gambler. *They are trying to take you down.*

Online gambling operators, their partners in government, and gambling industry lobbyists like to call it “regulated gaming.” But for the rest of us, the only term that accurately describes it is predatory gambling.

No form of commercialized gambling is more predatory and dangerous *than online casino gambling* which SB340 would permit, if passed.

The Facts:

- 1) Maryland citizens are *already* losing more than \$5600 every minute to commercialized gambling being pushed by the state, causing *life-changing financial losses* for tens of thousands of your constituents.**

There is no citizens grassroots movement for online casino gambling in Maryland. The people of Maryland are not demanding online casinos because they are *already losing massive sums of personal wealth* to commercialized gambling being pushed by the state.

To help you understand the amount of personal wealth being lost by citizens, Stop Predatory Gambling conducted a review of Annual Reports of the Maryland Lottery Commission from FY2011-FY2022.¹ Here is what we learned:

¹ Maryland Lottery Commission, 2024. <https://www.mdlottery.com/>

- **Maryland citizens lost \$3 billion to commercialized gambling pushed by state government in FY22** (personal wealth lost to the Maryland Lottery, the state’s brick-and-mortar casinos, and daily fantasy sports gambling in FY22 *combined*)
- **Marylanders are losing \$5600 of personal wealth every minute.**
- **Maryland citizens have lost more than \$23 billion of their personal wealth to commercialized gambling since the state’s casinos first opened in 2011.**
- If Maryland state officials don’t address the staggering amount of financial hardship already being experienced by the people of the state because of gambling, **citizens are on course to lose more than \$15 billion of their personal wealth to commercialized gambling over the next five years.**
- Allowing online casino gambling in Maryland *will dramatically increase* the staggering amount of these financial losses that citizens are suffering at the hands of state gambling operators.
- With the zeal of a teetotaler, most of the people who operate and invest in commercialized gambling such as online casino gambling, sports betting, regional casinos, and lotteries, along with the public officials who lobby to bring them in, **rarely, if ever, gamble themselves.** Yet these hypocrites cause life-changing financial losses for tens of thousands of Maryland citizens.²

² “The Hypocrite Hall of Fame,” January 2025. <https://www.stoppredatorygambling.org/meet-the-men-and-women-enshrined-as-members-of-the-hypocrite-hall-of-fame/>

2) The amount of illegal gambling *has increased* since states introduced online gambling, *the opposite* of what gambling operators claimed would happen.

Even though many states had already passed laws allowing online gambling after a lobbying blitz by the gambling industry, the American Gambling Association, the national trade lobby for the gambling industry, wrote a letter to U.S. Attorney General Merrick Garland in 2022 about *the exploding problem of illegal online gambling*. In the AGA's *own words*:

- “A vast illegal sports betting market continues to exist through offshore websites, which have established well-known brands—such as Bovada, MyBookie and BetOnline—that operate with a high degree of visibility and are readily accessible to every American with a smart phone or Internet connection. These illegal sites also enjoy many competitive advantages that allow them to offer better odds and promotions...”³
- “52 percent of gamblers continue to utilize illegal bookmakers.”⁴
- “Internet searches for illegal betting sites increased by 38% last year, faster than the rate of searches for legal betting sites.”⁵
- “Searches for offshore online gambling brands represented a majority of all sportsbook searches.”⁶

Despite these damning facts, gambling industry lobbyists and the state legislators who carry the online gambling bills continue to willfully mislead their colleagues and the public by claiming that allowing online gambling would reduce illegal gambling. Why do they continue to make these false claims? *According to The Sunday New York Times's* series on the national lobbying campaign to push online gambling, the American Gambling

³ American Gambling Association Letter to US Attorney General Merrick Garland, April 13, 2022: https://www.americangaming.org/wp-content/uploads/2022/04/AGA_DoJIllegalGambling-4.13.22.pdf

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

Association orchestrated the phony “they’re already doing it”/“we’ll reduce illegal gambling” narrative as a multimillion dollar public relations campaign to create a fake sense of momentum for online gambling.⁷

3) “Responsible Gambling” campaigns funded by the gambling industry and Maryland state officials are a sham. Their primary purpose is merely to *give the appearance* that something is being done to protect the public from predatory and dangerous business practices.

There are at least two fundamental questions that *every state legislator* who is serious about their job has a duty to ask. The first is *what percent of commercialized gambling profits is based upon citizens who have become addicted gamblers?* What you will learn is the gambling industry business model depends upon the addicted citizen:

- One of the most influential studies of online gambling in the world found that 86% of gross online gambling profits were extracted from 5% of gamblers.⁸
- In the brick-and-mortar casino business, it’s been reported there are “at least nine independent studies demonstrating that addicted gamblers generate up to 60% of total gambling revenues.”⁹

The second question every serious legislator needs to ask is *what percent of gambling profits comes from people who follow “responsible gambling codes of conduct?”* The reality is the percentage of gambling profits that comes from people who follow “responsible gambling codes of conduct” (i.e., the casual gambler) is *virtually irrelevant to their profits*. NYU Professor Natasha Schull reported in her nationally acclaimed book *Addiction By Design* that people who follow responsible gambling guidelines *made up 75% of the players but contribute a mere 4% of gambling profits*. “They only bring in 4% of our

⁷ “A Risky Wager: Key Findings From The Times’ Investigation of Sports Betting,” The Sunday New York Times, Nov, 20, 2022. Pg. 1. <https://www.nytimes.com/2022/11/20/business/sports-betting-investigation.html>

⁸ “Exploring Online Patterns of Play,” National Center for Social Research (UK), March 9, 2021. https://www.begambleaware.org/sites/default/files/2021-03/PoP_Interim%20Report_Short_Final.pdf

⁹ “How Casinos Enable Gambling Addicts,” The Atlantic, By John Rosengren, December 2016 <https://www.theatlantic.com/magazine/archive/2016/12/losing-it-all/505814/>

revenues, the responsible gamblers,” the author of the study said. "If responsible gambling were successful then the industry would probably shut down for lack of income."¹⁰

4) Science has shown us that online casino gambling is a known dangerous and addictive product *on the same level as heroin, cocaine, and opioids*.

Many state legislators are under the false impression that the extreme forms of commercialized gambling being pushed by state governments like Maryland’s are considered safe for citizens to frequently take part. But the science makes clear that these forms of gambling *are not safe* for frequent use by citizens.

Commercialized gambling is now recognized as an addiction ***on the same level as heroin, cocaine, and opioids*** in the American Psychiatric Association’s DSM-5, used by hospitals, health care professionals, and health insurance companies as the principal source for mental health diagnoses:

“In the DSM-5, gambling disorder has been placed in a new category on behavioral addictions. This reflects research findings showing that gambling disorder is similar to substance-related disorders in clinical expression, brain origin, comorbidity, physiology and treatment.”¹¹

Online casino gambling represents the most dangerous and predatory form of gambling being pushed by states *because it offers unlimited access and gambling action*. It’s the equivalent of opening a Las Vegas-style casino in every bedroom, dorm room, office, smart phone, and computer across the state, 24 hours a day. At the same time, the online casino operator uses the latest data tracking and marketing technologies *to induce* citizens to gamble relentlessly with tactics such as “free gambling wagers” and a barrage of text messages offering “bonus bets.”

¹⁰ Natasha Dow Schull, PhD, *Addiction By Design, Machine Gambling in Las Vegas*, Pg. 267 (2012), available at <http://press.princeton.edu/titles/9156.html>

¹¹ American Psychiatric Association, *Diagnostic and Statistical Manual of Mental Disorders (DSM-5)*, 2024 <https://www.psychiatry.org/patients-families/gambling-disorder/what-is-gambling-disorder>

“No Taxation Without Representation” is one of the core democratic principles of our nation’s founding. The time has come to add the principle of “No Taxation By Exploitation” right alongside it.

Thank you for your serious consideration of the facts presented in our testimony. If you need further information about this issue, I invite you and your staff to please contact me by email mail@stoppredatorygambling.org or phone (202) 567-6996.

Thank you for your work.

Sincerely,



Les Bernal, National Director
Stop Predatory Gambling

About Stop Predatory Gambling

Stop Predatory Gambling believes people are worth more than money. We are a national nonprofit organization with members of all political stripes in all 50 states whose mission is to reveal the truth behind commercialized gambling to advocate for those who have suffered harm, to prevent more victims, and to champion policy reforms that stop *predatory* gambling. We do not accept financial contributions from commercialized gambling interests.