

SPORTS BETTING CONSUMER PROTECTION

FILLING THE GAP IN THE INTEGRITY CHAIN

TIMELY MARKET NEED: INSIDER INFORMATION

During the 2023 NBA Draft, public outcry erupted after a media member associated with a Sportsbook influenced a betting market & the subsequent outcomes.


9AM DRAFT ORDER ODDS


The first two picks were labeled as nearly “sure things”.

1	Victor Wembanyama	-3000
2	Brandon Miller	-650
2	Scout Henderson	+200

12:28PM INFLUENCE/MANIPULATION

Public consumed “inside information” that Scoot will likely be selected second from a source inherently tied to a sportsbook.



Shams Charania  
@ShamsCharania · Follow

Sources: Scoot Henderson is gaining serious momentum at No. 2 with the Charlotte Hornets in tonight's NBA draft. Hornets have been torn over the last week between Henderson and Brandon Miller. Team has final meetings today to settle on decision.

 Last edited 12:28 PM · Jun 22, 2023 

Followers: 2.1M

Employer(s):

 FANDUEL
The Athletic

12:30PM ODDS FLIPPED

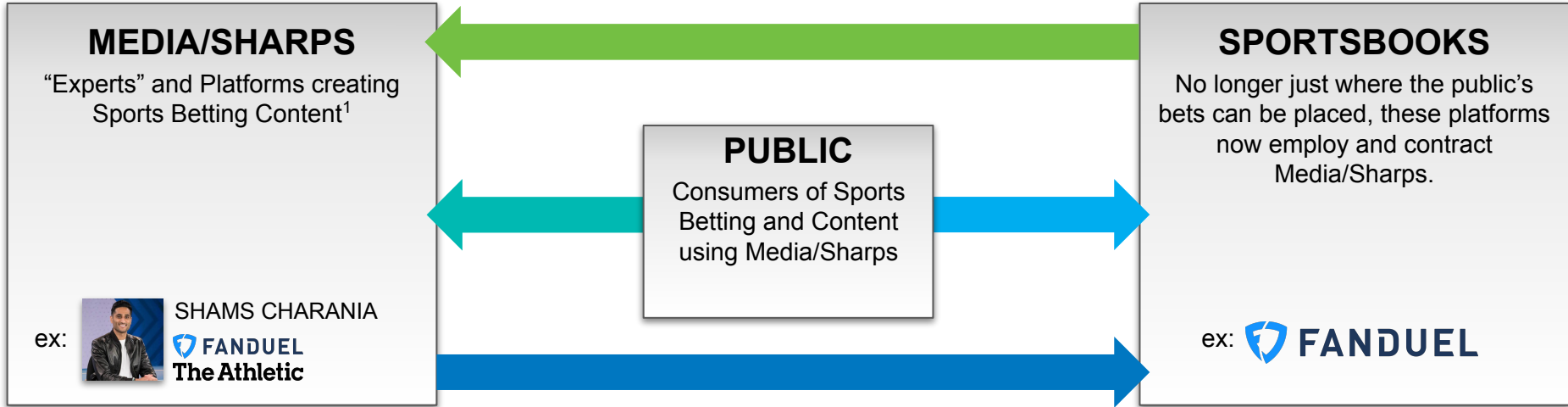
Sportsbooks made Scoot nearly a “sure thing” to go second.

1	Victor Wembanyama	-3000
2	Scout Henderson	-900
2	Brandon Miller	+480

TAKEAWAY When markets are influenced and manipulated, third party oversight becomes necessary to protect the consumer. With no regulatory enforcement platform in place, consumers pay the price. **“We will police ourselves” has not and will not work.**

HOW DID THIS HAPPEN?

When markets are influenced and manipulated, third party oversight to provide checks and balances becomes necessary to protect the consumer.



SPORTSBOOK PAYS MEDIA

for content, rights & user acquisition via CPA or revenue share on user losses.

PUBLIC PAYS MEDIA/SHARP

for content, inside information, opinions, predictions, etc. via subscriptions.

PUBLIC PAYS SPORTSBOOK

to place a bet & for content, inside information, opinions, predictions, etc.

MEDIA PAYS SPORTSBOOK

for user data and sends users to sportsbook for acquisition or revenue share payments.

¹ Predictions of sporting events outcomes in total or in part, including but not limited to, moneylines, against the spread, totals, futures, propositions (game and player), parlays, or otherwise. This could be created by in-house or affiliated content created by/for a sportsbook and could include free predictions, subscription/sold predictions, and/or affiliate or other partnership.

TIMELY MARKET NEED: MARKET MANIPULATION

When the Eagles (**PHI**) hosted the Titans (**TEN**) in the 2022 NFL season, betting behavior of **Sharps**/Influencers employed by a sportsbook was flagged as suspicious, uncovering coordinated market manipulation.

TUESDAY

Dollars flood in on **PHI**
Heavy risk exposure to sportsbook if **PHI** covers the spread.

WEDNESDAY

Sharp A flags for suspicious activity in system by picking **TEN** +6;
Upon review other Sharps (**Sharp B** & **Sharp C**) also pick **TEN** +6.

THURSDAY

“Bet with...” and “Mortal Lock”/“Free Money”/“Guaranteed” used in promotions from **Sharps A, B, C** to bet on **TEN** +6.

FRIDAY

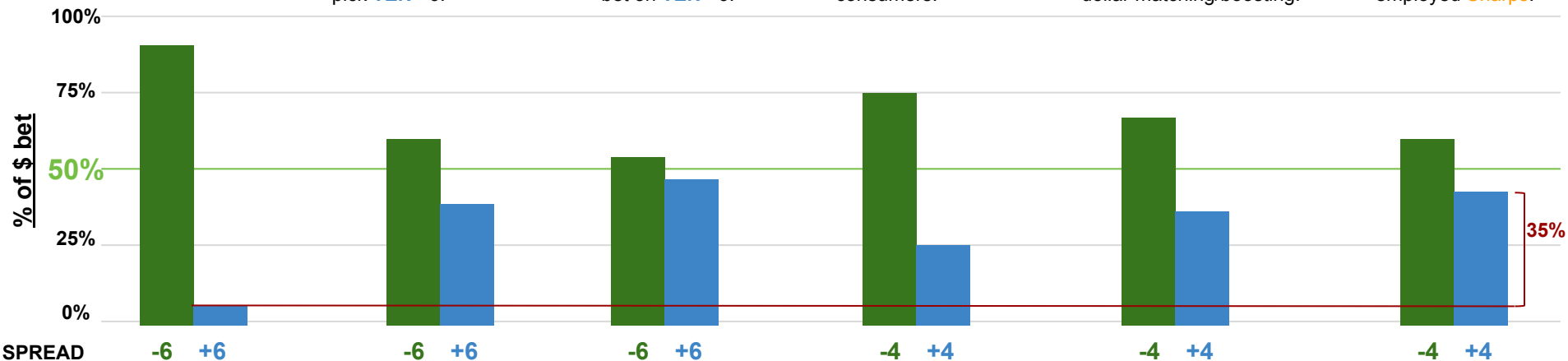
With the increase in dollars bet on **TEN** +6, the spread moves because **PHI** -4 is advantageous to consumers.

SATURDAY

The rest of the Sportsbook’s **Sharps** promote **TEN** +4 with similar “guarantee”, “bet with me” and special dollar matching/boosting.

SUNDAY

PHI covers, Sportsbook covers **35%** of their risk from the start of the week through the use of employed **Sharps**.

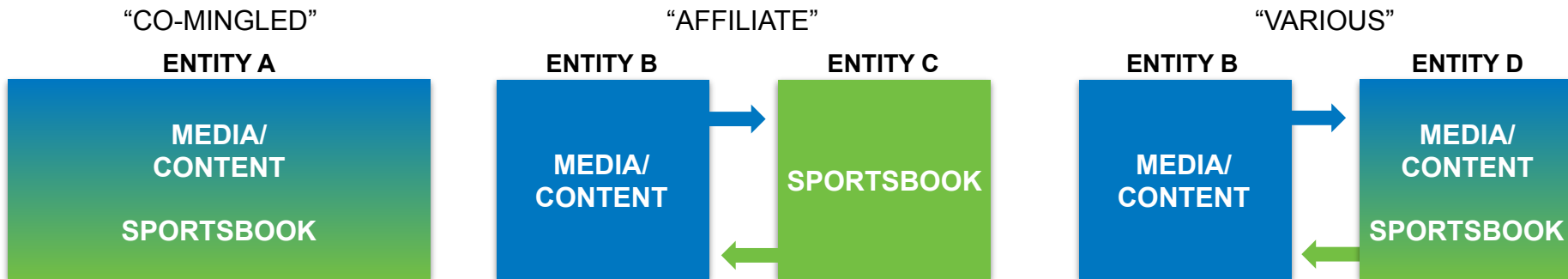


TAKEAWAY By having 50% of the dollars on either side of the bet, the sportsbook guarantees its return. Manipulation can exist because currently there is no regulatory policy to oversee this relationship. **It is not a “free market” if it can be manipulated.**

COVERAGE AREAS

Leveraging an experienced third party to validate and create transparency in the grey areas created through merging of industries, has positive long reaching effects.

SCENARIOS



COVERED “PERSONS”

“Sharps”: individuals or platforms who are financially incentivized to bring audience or engagement to a sportsbook through multiple channels by creating content. This could include but limited to, in-house content, affiliate (CPA or revenue sharing) content, social media influencers, media personalities, etc. This could also include those selling picks/predictions or actual handicappers that have relationships with sportsbooks.

“Insiders”: Individuals or platforms that have access to information that would affect betting markets. This could include but not limited to, trades, injuries, gameplans, etc.

“Traders” or **“Trading Floor”**: Individuals or platforms that set and adjust odds, offset risk, and generally oversee the oddsmaking and odds keeping functions. This could include but not limited to, in-house or outsourced trading functions.