Sports Gambling: Overview and Update

October 12, 2019 | 9:45 am – 11:15 am

Program Description

After the U.S. Supreme Court's *Murphy* ruling, legal sports betting has been the hot topic in several state legislatures. With the enactment of legal sports betting, what are the consequences for teams, athletes, and consumers in this quickly changing environment? Industry experts will provide an update on current legislation efforts, forthcoming legal battles, and best practices to maintain in-game integrity.

Lead Facilitators

Woodie Dixon, General Counsel and SVP of Business Affairs, Pac-12 Conference, San Francisco

Aalok Sharma, Associate, Stinson LLP, Minneapolis, MN

Speakers

- A.G. Burnett, Partner, McDonald Carano, Former Chairman of Nevada Gaming Control Board, Las Vegas, NV
- Matthew Holt, President, U.S. Integrity, Las Vegas, NV
- Jennifer Roberts, Associate Director, International Center of Gaming Regulation, Las Vegas, NV

Program Materials

1. Sports Gambling: Overview and Update
2019 Annual Conference Sponsors
October 11-13, 2019 | Las Vegas, NV

J.P. Morgan
J.P. Morgan Securities

Platinum Level

Gold Level
Cassels Brock Lawyers
msk
Dickinson Wright

Mandell Menkes LLC
Venable LLP
Wilson Sonsini Goodrich & Rosati Professional Corporation

Fox Rothschild LLP
Greenberg Traurig

Silver Level
Barnes & Thornburg LLP
Green & Hasson Janks

JAMS
rockwellgroup

Webinar Sponsor
Swanson, Martin & Bell, LLP
SPORTS GAMBLING: AN OVERVIEW AND UPDATE

Moderators: Woodie Dixon, General Counsel, PAC-12 Conference
Aalok Sharma, Attorney, Stinson LLP

Panelists: A.G. Burnett, Partner, McDonald Carano, LLP
Matthew Holt, President, U.S. Integrity
Jennifer Roberts, Associate Director, UNLV
Prior to 2018, sports betting was only legal in certain jurisdictions, including Nevada.

Offshore bookmaking American Gaming Association estimated $150 billion was wagered on sports every year.

In 2009, then Governor Chris Christie enacted a strategy to allow New Jersey casinos to accept sports wagers.
LEGALIZED SPORTS BETTING GOES NATIONWIDE

The Professional and Amateur Sports Protection Act (“PASPA”)

PASPA prohibited state and local governments from sponsoring, operating, advertising, promoting, licensing, or authorizing by law or compact ... a lottery, sweepstakes, or other betting, gambling, or wagering scheme based ... on competitive sporting events

“It is as if federal officers were installed in state legislative chambers and were armed with the authority to stop legislators from voting on any offending proposals. A more direct affront to state sovereignty is not easy to imagine.” – Justice Alito
STATES PASS SPORTS BETTING LAWS

[Map showing states with legal sports betting]
STATE LEVEL LAWS ON BET TYPES

TN: Prohibited wagers include “in-game proposition bets on the performance or non-performance of a team or individual participant during a collegiate sporting event.”

NJ: Wagering unlawful on “any collegiate sport or athletic event that takes place in New Jersey or a sport or athletic event in which any New Jersey college team participates regardless of where the event takes place.”

IL: Prohibits “[a] licensee . . . [from] accept[ing] a wager for a sports event involving an Illinois collegiate team.”
MOBILE WAGERING: STATE BY STATE

Mobile wagering allows bettors to place their bets remotely via cell phone.

What are the benefits of allowing mobile wagering?

In New Jersey, $8 out of every $10 is bet online.

States that currently allow mobile:
- Iowa, Nevada, West Virginia, Pennsylvania, Mississippi.
WHERE IS THE 50-STATE SOLUTION?

Complications to 50 State Solution

- Indian Gaming Regulatory Act.
- State-level gambling laws.
- Lobbying efforts aimed at slowing expansion.
- Integrity: create integrity across state lines; state-by-state does not provide best model to ensure integrity.
INTEGRITY IN THE SPORTS MARKET PLACE

Concerns regarding corruption:

2003, 2008 NCAA studies found that 1.5% of men’s basketball players and 1.6% of football players knew of a teammate who took money to play poorly.

Same studies found that 3.8% of men’s basketball players, 3.5% of football players, and 1.4% of all other student-athletes were contacted by outside sources to provide information.

- Chicago White Sox (1919)
- Boston College Basketball (1978)
- Tulane Basketball (1985)
- UNC Greensboro Basketball (2019)
PROTECTING THE GAME

How can teams/leagues protect the on the field product?
• Protect against corruption.
• Protect public trust in product.
• Protect casinos and bookmakers.
• Protect athletes.

Work with integrity partners, casinos, and law enforcement.
• Information sharing
• Know Your Customer (“KYC”)
OFFICIAL LEAGUE DATA MANDATES

Official Data

- What is “Official Data”, and Why It is Critical to Betting?
- Supplier of Official Data Feeds
  - Sportradar
  - Genius Sports
  - Opta
  - U.S. Integrity

STATES SEEK TO ENFORCE OFFICIAL DATA REQUIREMENT

“A licensee shall exclusively use official league data for purposes of live betting unless the licensee can demonstrate to the board that the governing body of a sport or sports league, organization, or association or other authorized entity cannot provide a feed of official league data for live betting in accordance with commercially reasonable standards.”
- Tennessee Sports Gaming Act, Tenn. Code. § 4-51-316
LEGAL COMPLICATIONS FOR DATA MANDATE

Does U.S. Copyright Law Protect Official Data?
• Depends on collection and distribution of data
  • *Nat’l Basketball Ass’n v. Motorola, Inc.*, 105 F.3d 841 (2d Cir. 1997)
  • *Morris Commc’n v. PGA Tour, Inc.*, 364 F.3d 1288 (11th Cir. 2004)

Can teams and leagues permissibly obtain data?
• Collective Bargaining Agreements
• Complications for Collegiate Athletes

Biometric Data
• FERPA/HIPPA