



Sports Gambling: Wagering Integrity

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Sports Gambling Terms

Book – Establishment that accepts bets on the outcome of sporting events.

Handle – Total amount of bets taken

Hold – Percentage the house wins

In-play wagering - Opportunity to place bets during a sporting event

Proposition Wager – Wager on the occurrence or non-occurrence of an event or statistical result not directly affecting the final result

Sports Gambling Terms

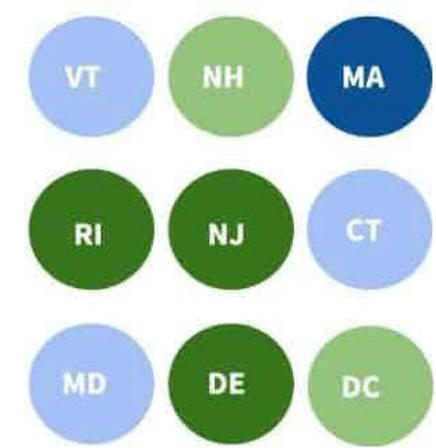
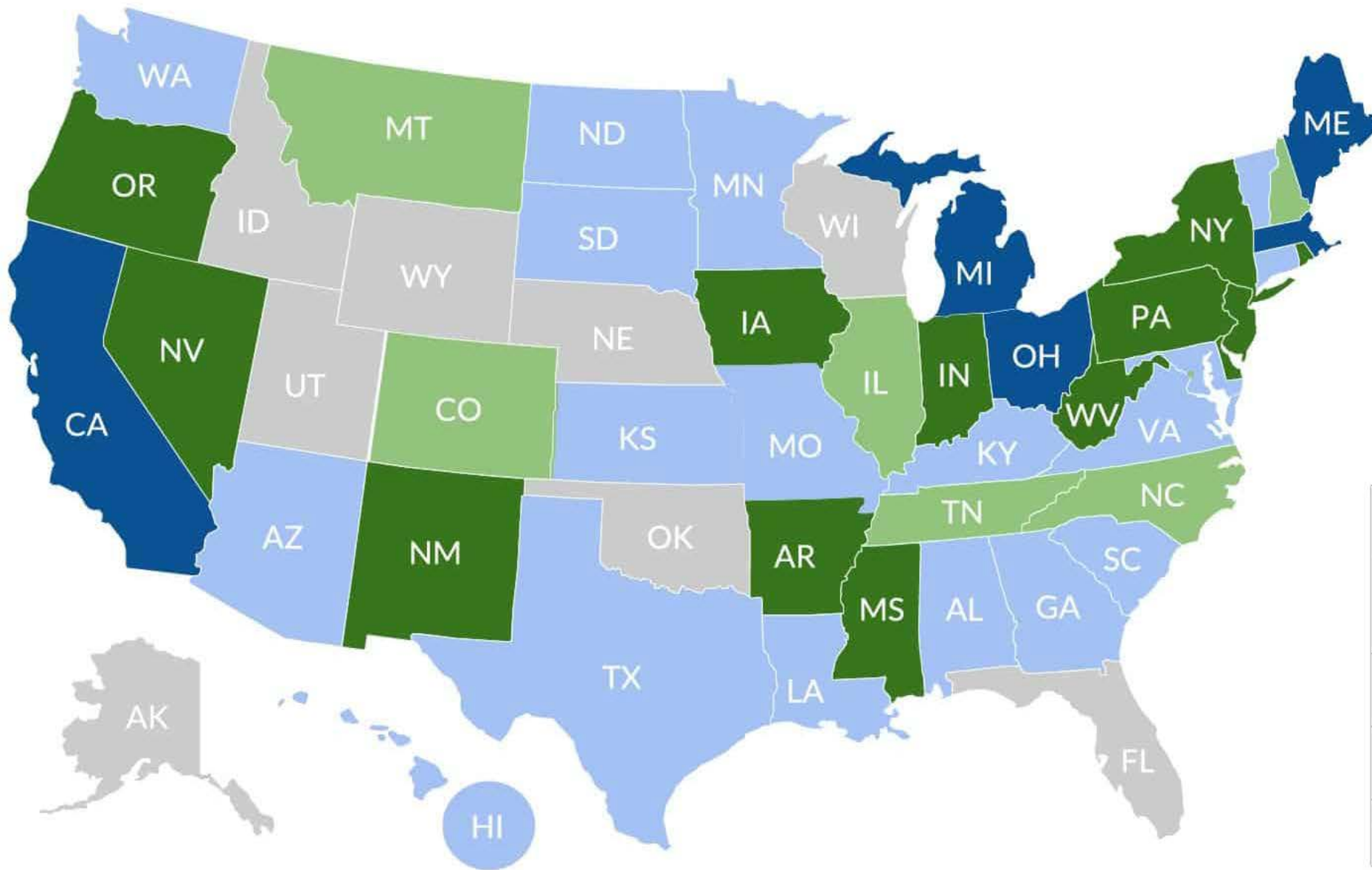
Esports - Multiplayer video games played competitively for in-person and online spectators

Geo-fence - Virtual geographic boundary, defined by GPS or RFID technology, that enables software to trigger a response when a mobile device enters or leaves a particular area

Kiosk – Self-service electronic device that facilitates wagering

Money Laundering – transferring illegally obtained money through a legitimate account or business so that the original illegal source cannot be traced.





Green	Live Legal Single Game Sports Betting (13 states)
Lt. Green	Authorized Sports Betting, but Not Yet Operational (6 states + DC)
Blue	Active 2019 Sports Betting Legislation/Ballot (5 states)
Lt. Blue	Dead Sports Betting Legislation in 2019 (19 states)
Gray	No Sports Betting Bills in 2019 (8 states)



Sport Gambling is Mainstream



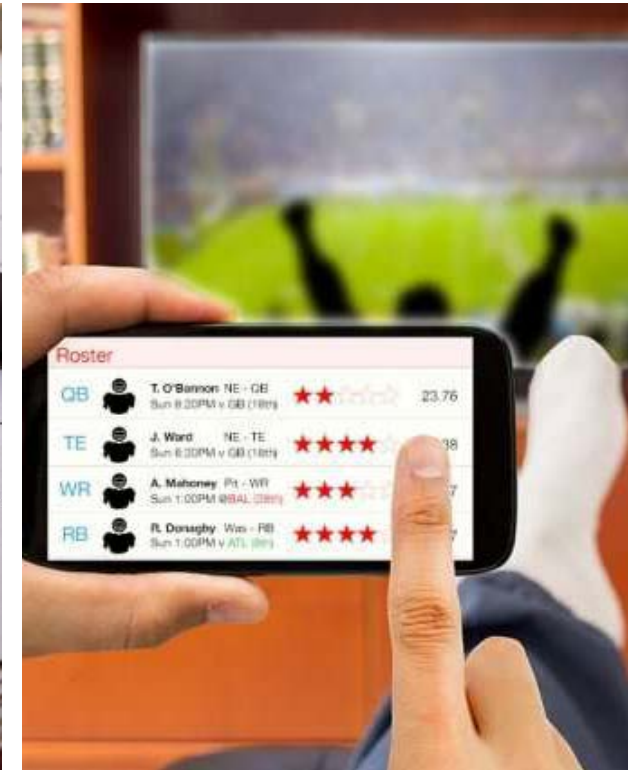
Sports Radio/TV



March Madness



Office Pools



Fantasy Sports

Black Market in Washington

Illegal in-state bookies

Bookie using a website managed
by offshore illegal book

Bookie running own numbers and
book

Offshore sportsbooks



Types of Bookies

INDEPENDENT BOOKIES

Illegally operate within:

Card rooms

Tribal casinos

Sports bars

Craigslist

ORGANIZED BOOKIES

Organized crime orgs.

Online, offshore sportsbooks:

Bovada, My Bookie and more

Common Complaints to WSGC

Anonymous complaint: likely a gambler w/ large debt

Communicates w/ bookie via phone/text

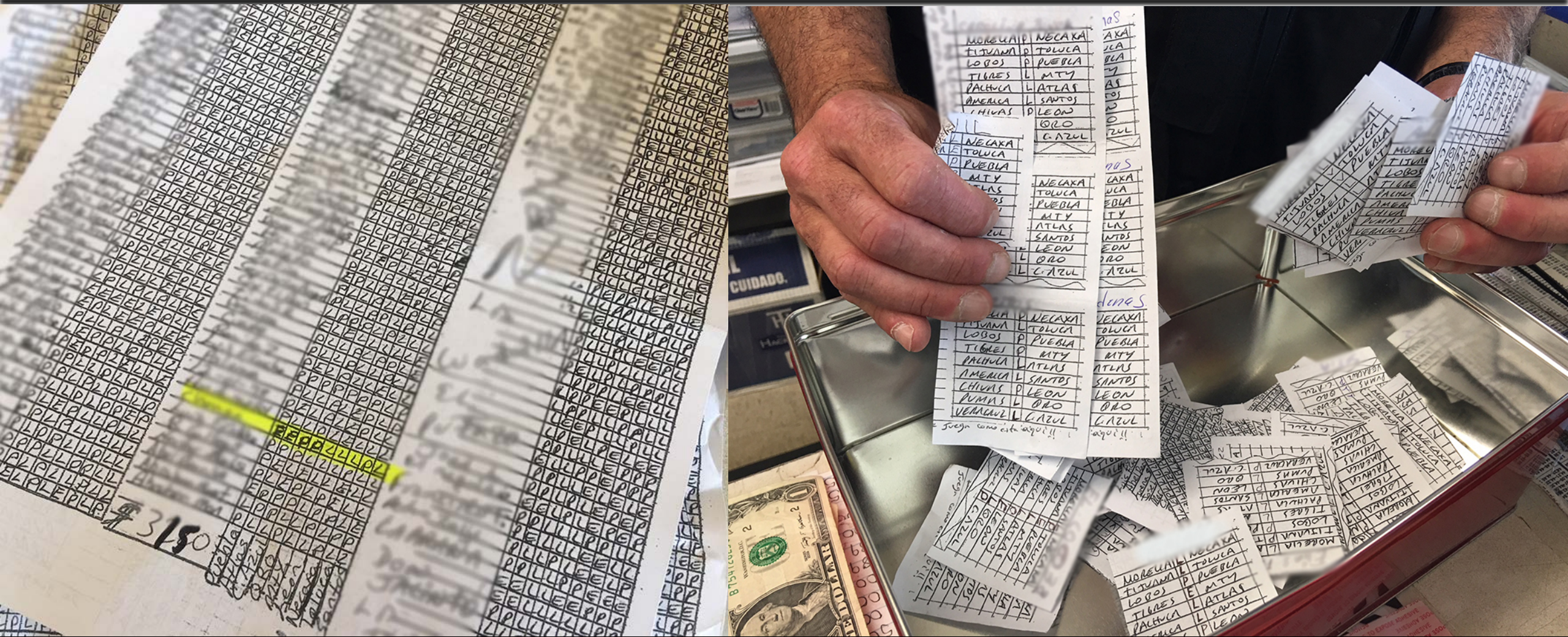
Usually sent to online 3rd party website

Create account

Transactions using PayPal, etc.



In-person Wagering Still Exists



Benefits of a Regulated Market

CUSTOMER PROTECTIONS

Rescinding wagers

Securing betting

Secure payouts

Dispute resolution processes

REGULATORY PROTECTIONS

Geo-fencing

Criminal history and black/grey market tolerance

Who can run a book

Minimum internal controls

Surveillance of activities

AGENCY BENEFITS

WSGC can use resources more effectively

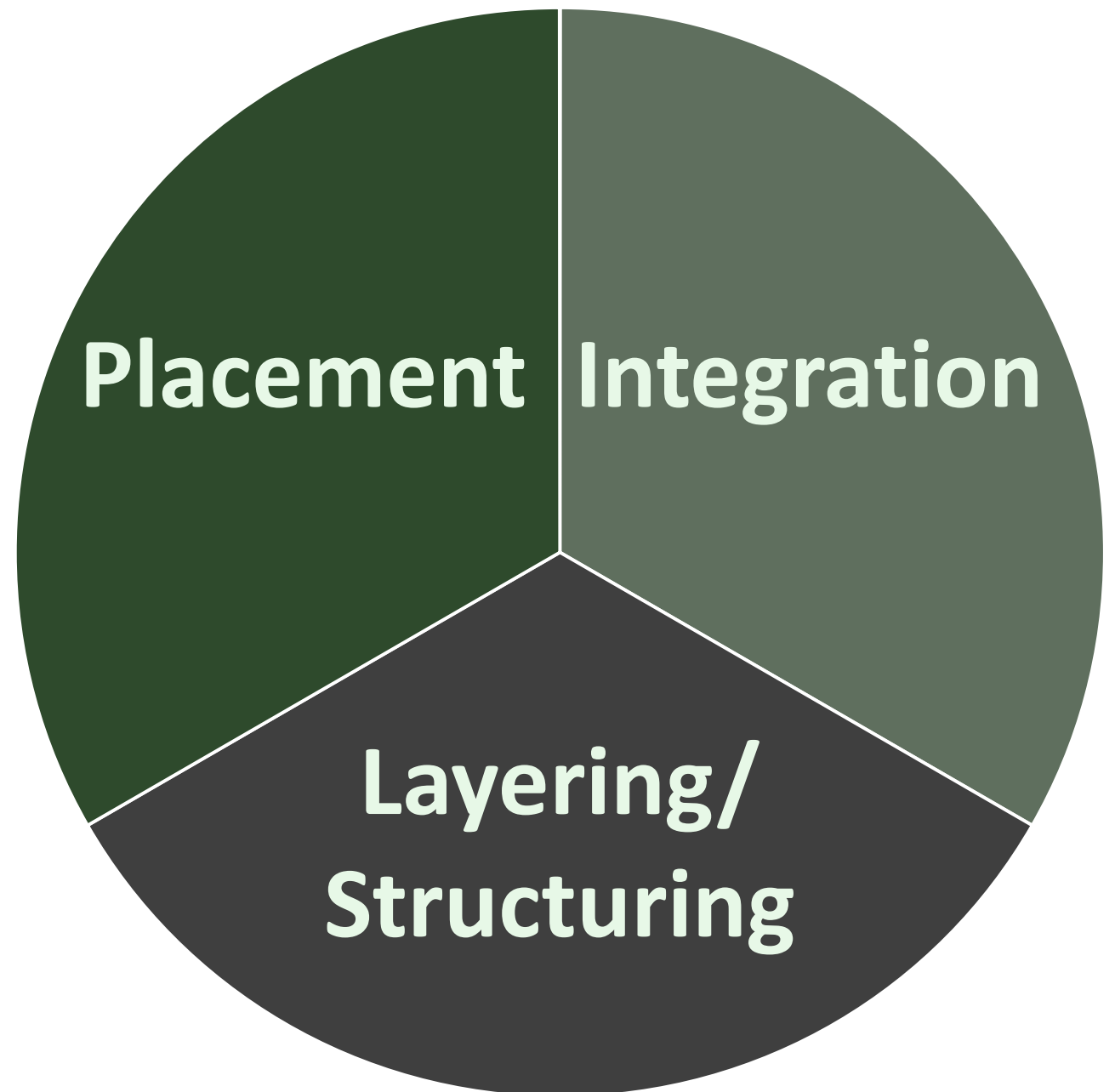
Target larger crime networks

Target illegal online black market

Focus more on organized crime and money laundering

Enhanced reporting

3 Elements of Money Laundering



Money Laundering Considerations

Strong anti-money laundering policies are CRITICAL

Reporting requirements

Suspicious activity reports

Operating requirements

Need access to data

FinCen warning of increased risk

Develop KYC programs for comprehensive vetting and full background screening

Enhanced due diligence on high amount accounts

Look for and stop/control proxy wagering



Problem Gambling Considerations

1

Dedicate new funding to prevent and treat sports gambling addiction

2

Require implementation of responsible gaming programs

3

Regulator(s) to enforce responsible gaming requirements

4

Invest in gambling addiction research and support evidence-based programs

5

Establish minimum age for sports gambling and fantasy sports

Policy suggestions

- 1 Strong Consumer Protection Policies and Safeguards
- 2 Strong Regulator-Industry Information Sharing Policies
- 3 Strong Money Laundering and Professional Gambling Statutes
- 4 Strong enforcement policies against black market
- 5 Strong problem gambling and responsible gaming policies



Questions?

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