



## RESOLUTION of the NCPG Board of Directors Regarding Fantasy Sports

Adopted October 8, 2015

Whereas, NCPG's mission is to lead state and national stakeholders in the development of comprehensive policy and programs for all those affected by problem gambling. Our purpose is to serve as the national advocate for programs and services to assist problem gamblers and their families with the vision to improve health and wellness by reducing the personal, social and economic costs of problem gambling. NCPG is neither for nor against legalized gambling.

Whereas, recent changes in fantasy sports contests have raised concerns about the addictive potential of fantasy sports. Fantasy sports are contests in which participants assemble imaginary teams comprised of real players from professional sports and compete based on the statistical performance of the real players. Traditional fantasy sports leagues are season-long, but recently contests have been offered that are as short as one day. Both free and fee-based contests are available and prizes have topped \$1 million. Partners and investors in companies offering fantasy sports contests include sports leagues, professional teams, and their owners, as well as large public and private companies. Of the estimated 55 million fantasy sports participants in 2015 approximately 16 million competed in daily fantasy contests.

Whereas, the Unlawful Internet Gaming Enforcement Act (UIGEA) provides a limited exemption for some fantasy sports contests, other Federal and state gambling laws may still apply. Several states consider fantasy sports to be illegal, others permit it but to date no state regulates fantasy sports. While there is skill involved in playing fantasy sports contests, the outcome includes chance due to highly-variable player performance in real-world situations. Fantasy sports contests that include an entry fee, chance and monetary prizes meet practical definitions of gambling.

Whereas, the demographics of fantasy sports participants—predominately young, male, skill-based sports enthusiasts—indicate they are at higher risk for gambling addiction. Fantasy sports players who become preoccupied, unable to stick to limits of time and money and therefore suffer harm to their emotional or financial health may meet gambling addiction criteria. Cases of severe gambling problems stemming from daily fantasy participation have been reported.

Whereas, traditional fantasy sports contests with small entry fees, long seasons and minimal prizes offer little risk of gambling problems. Contests that are much more frequent, have higher fees and generally offer larger and much more frequent payouts increase risk of gambling addiction.

Whereas, few fantasy sports operators provide customers with appropriate consumer protection features. The NCPG GRADE consumer protection guidelines provide a good model and include basic responsible gaming, age verification, data and player education provisions.

Therefore be it resolved;

- NCPG does not take a position on whether fantasy sports contests are, or should be, legal;
- NCPG believes fantasy sports contest participants are at high risk to, and do, develop gambling problems;
- NCPG calls on companies offering fantasy sports contests to develop gambling-related consumer protections using the NCPG GRADE guidelines as a foundation;
- NCPG urges partners and investors in companies offering fantasy sports contests to ensure that such fantasy sports operators provide these protections; and
- NCPG urges fantasy sports participants to understand playing fee-based fantasy sports may increase their risk of gambling addiction and to protect themselves accordingly.