



October 16, 2016

Governor Brian Sandoval  
Chair, Nevada Gaming Policy Committee  
State Capitol  
101 North Carson Street  
Carson City, NV 89701

Dear Governor Sandoval and Members of the Committee:

As the committee examines Daily Fantasy Sports issues and reviews legislative proposals the National Council on Problem Gambling urges you to ensure that appropriate consumer protection measures are included in any legislation or regulation. In 2014, the National Council released our Fantasy Sports Consumer Protection Guidelines that would be appropriate as a basis for regulation. Late last year we promulgated our CARE Responsible Play amendments for Fantasy Sports Legislation. CARE stands for Consumer protection; Age & identity verification; Rule making authority; and Evaluation. The CARE Responsible Play Amendments provide the statutory basis for more extensive consumer protection policies that would then be established by the Nevada Gaming Commission. Several of the major DFS operators, including Draft Day, Draft Kings and FanDuel have incorporated the majority of these Guidelines into their website operations. NCPG also strongly suggests a portion of public revenue from any DFS taxes or fees be allocated to problem gambling services and enforcement of the responsible play provisions.

One reason consumer protection is important is the potential for compulsive behavior among DFS players. Our concerns are based on player demographics, game characteristics, research, recovery groups and first-person accounts. Fantasy sports players are frequently described as predominantly young, male, sports enthusiasts who are likely to gamble. Each of these groups is known to be at higher risk for gambling addiction. Characteristics of fantasy sports games associated with higher risk for addiction are high frequency of contests, large number of entries per contest, high entry fees, larger and more frequent payouts.

The published studies to date show that daily fantasy sports players are more likely to have gambling problems than non-players. A 2012 study of 23,000 college student athletes (when DFS was in its infancy) reported that those who played fantasy sports had a significantly higher prevalence of gambling problems. Male student athletes who had gambling problems were

also much more likely to play fantasy sports for money.<sup>1</sup> More recently a study of 1,556 college students found males who played fantasy sports for money, and females who played fantasy sports for money or not, were more likely to experience gambling-related problems.<sup>2</sup> A study published in July 2015 of 692 college students found that participation in fantasy sports was strongly correlated with past year gambling and with gambling problems among students and student athletes.<sup>3</sup>

Gamblers Anonymous, the self-help fellowship for problem gamblers, has added fantasy sports to the list of activities it defines as gambling and urges individuals in recovery to avoid due to the risk of triggering a gambling addiction. In addition, actual cases of severe gambling problems stemming from daily fantasy participation have been documented by gambling counselors and reported in national media.

Therefore, the National Council on Problem Gambling has been working to develop responsible play programs based on our Fantasy Sports Consumer Protection Guidelines and the subsequent CARE responsible play legislation. These voluntary national guidelines provide legislators, regulators, operators, players and the public with clear and common-sense guidance. A voluntary national standard like ours allows vendors and operators to build products and services that can be used in any jurisdiction, reducing compliance costs and ensuring customers receive similar messages and services regardless of jurisdiction. As mentioned above, several DFS companies have already voluntarily built or upgraded their websites to meet these Guidelines.

It is clear that while the vast majority of DFS play is at low-risk for gambling problems some DFS play is high-risk and does lead to negative consequences. We therefore encourage all stakeholders to come to the table to develop practical steps to minimize harm which allows everyone to maximize benefits.

The mission of the National Council on Problem Gambling 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. We work closely on gaming policy issues with our 33 State Affiliate chapters, including the Nevada Council on Problem Gambling.

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<sup>1</sup> Marchica, L. & Derevensky, J. (in press). Fantasy sports: A growing concern among college student-athletes. *International Journal of Mental Health & Addiction*

<sup>2</sup> Martin, R. & Nelson, S. Fantasy Sports, Real Problems, *Addictive Behaviors* (2014)

<sup>3</sup> Martin, R., Nelson, S., Gallucci, A. Game On: Past Year Gambling, Gambling-Related Problems, and Fantasy Sports Gambling Among College Athletes and Non-athletes. *Journal of Gambling Studies* (2015)

The National Council on Problem Gambling and its State Affiliates are neither for nor against legalized gambling. We do not take a position on whether fantasy sports contests are, or should be, legal. However, if Nevada is going to regulate DFS we urge you to make sure consumers receive the kinds of protections outlined in our Fantasy Sports Consumer Protection Guidelines. Please feel free to contact me or Nevada Council Executive Director Carol O'Hare with any questions or comments.

Sincerely,

A handwritten signature in black ink on a light yellow background. The signature is cursive and appears to read "Keith Whyte".

Keith S. Whyte, Executive Director

Cc: Gaming Policy Committee Members  
Carol O'Hare, Nevada Council on Problem Gambling  
Encl: CARE Responsible Play Amendments

# NCPG CARE Responsible Play Amendments

As of March 2016

## CONSUMER PROTECTION

- a. Provide access to information on responsible play and where to seek assistance for compulsive behavior;
- b. Offer access to the fantasy contest player's play history and account details;
- c. Not misrepresent the frequency or extent of winning or target excluded players or minors in their advertising.

## AGE & IDENTITY VERIFICATION

- a. Verify that contest participants are 18 years of age or older through the use of a commercially available database or aggregate of databases that is regularly used for the purpose of age and identity verification and authentication.

## RULE MAKING AUTHORITY

- a. The [regulator] shall adopt regulations to protect consumers who play fantasy sports contests. Such regulations shall include but are not limited to responsible play protections.

## EVALUATION

- a. Within one year of the date of enactment the [regulator] shall commission a report assessing potential or actual compulsive behavior among fantasy sports players, in conjunction with experts in compulsive behavior and fantasy sports operators.