



100 Maryland Avenue NE, Room 310, Washington, DC 20002 (202) 567-6996

“A Picture Worth a Billion Dollars”

Why New Jersey State Government Should Not Back Facebook Casinos

The advertisement is a screenshot of a Facebook interface. At the top left, the "Slotomania" logo is displayed in a stylized, colorful font. Below the logo, three slot machine games are shown: "Farm Fortune" with farm-themed icons, "Cat Chef" with various cat and food icons, and "Slotomania" with a woman's face and other symbols. A cartoon woman with blonde hair, wearing a black dress, is positioned in the foreground, pointing towards the slot machines. At the bottom of the ad, there is a red button that says "Play Now" in yellow, with the text "Simple, Free & Exciting!" underneath it. Below the button, a blue arrow-shaped banner contains three numbered steps: "1 Click Play Now", "2 Allow App to your Facebook", and "3 Start Playing Slotomania Instantly!".

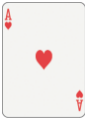
Play the best Vegas video slots on Facebook!

Play Now
Simple, Free & Exciting!

- 1 Click Play Now
- 2 Allow App to your Facebook
- 3 Start Playing Slotomania Instantly!

A screen shot of how casino operators use Facebook and cartoon images to market casino gambling to young people.

Fact Sheet Summary



- Public opinion polls show an overwhelming majority of New Jersey citizens don't want internet casino gambling legalized. They don't "Like" Facebook casinos.



- Legalizing Facebook casinos would have a devastating impact on New Jersey's children who are under 18 and deeply worsen the current epidemic of gambling addiction.



- Facebook casinos represent the biggest expansion of casino gambling in New Jersey history, opening an Atlantic City casino in every home, office, dorm room and smart phone in the state, 24 hours a day, 7 days a week, 365 days a year.



- Gambling investment analysts have shown the internet poker casino business model by itself is, in their own words, "clearly unsustainable" and the key to the future lies in moving into other forms of gambling, affirming why this current massive lobbying effort framed as a push for "online poker" is really about legalizing casinos on Facebook and the rest of the internet.



- It's well past time that N.J. state government's failed experiment with gambling stopped metastasizing so it may embrace a fairer, higher and more effective vision of the path to prosperity.

1) Public opinion polls show a strong majority of New Jersey citizens don't want internet casino gambling legalized. They don't "Like" Facebook casinos and very few citizens are even gambling on the internet.

- Recent statewide polls in New Jersey show 58% of the state's citizens oppose internet casinos.¹
- According to a *Wall Street Journal* report, only 1.8 million people played poker for money in the U.S. in 2010- that is only 1/2 of 1% of all Americans.² The reason for the massive lobbying push is gambling operators want to create hundreds of thousands of new in-state gamblers, largely from New Jersey's youth.

2) Legalizing Facebook casinos would have a devastating impact on New Jersey's children who are under 18 and deeply worsen the current epidemic of gambling addiction.

- No demographic is a bigger target for the casino operators lobbying for internet gambling than America's kids. In a very short time, social gaming has mushroomed into a multi-billion dollar industry. Zynga which accounts for 12 per cent of all Facebook's revenues due to its games such as Farmville, launched Zynga Slots in the UK in June 2012, while the world's biggest online gambling company, bwin.party, announced it launched its own social gaming operation.³ Zynga is one of the nation's most aggressive advocates for internet casinos.

- The Daily Mail reported that real money gambling is a major future strategy for Facebook as it looks to generate new revenue streams.⁴ Over the past year, Facebook has made Britain a testing ground for games that would let users gamble on virtual fruit machines, bingo, poker and roulette to prepare itself in case the U.S. legalized online casinos.⁵ Facebook takes around a 30% cut of all virtual credits sold.
- More than 20 million American kids under 18 actively use Facebook; 7.5 million of them are younger than 13 and more than 5 million are 10 and under, according to projections from Consumer Reports' 2011 State of the Net survey. ⁶ This despite Facebook's terms of service that require users to be at least 13 years old.
- Gambling operators like Zynga deliberately use cartoon characters to pitch their online slots directly at children. (Screen shots of Zynga slots on Facebook and the cartoon characters they use can be found at the back of this Fact Sheet.)
- There are hundreds of virtual slot machine and poker games on Facebook and other sites that are almost identical to adult gambling games. While these games are free to play at first, players are asked to spend their own money if they want to keep gambling or get the chance to increase jackpots. Kids are also incentivized with extra virtual winnings to tell their friends about the games, which have names such as DoubleDownCasino, JackpotJoy and Slotomania. The games frequently describe themselves in terms such as 'the most addictive game ever'.⁷
- It's well-established that the younger the children start gambling, the more likely it is they will become habitual gamblers and also problem gamblers.⁸ New Jersey's internet gambling bill sets up these kids to be problem gamblers as they go through life.
- It's patently untrue when proponents say "regulating" internet gambling would lessen the amount of addicted citizens. Land-based casinos- owned by most of the very same gambling operators lobbying for internet casinos – take as much as 60% of their profits from problem gamblers.⁹ With their long track record of exploiting problem gamblers as a major part of their business model, how can any credible person conclude giving these casino operators the exclusive right to run internet casinos would have a different result?
- Internet gambling is the most addictive form of gambling. Almost 1 out of 2 internet gamblers (42.7%) can be classified as problem gamblers, according to a report by prominent international gambling addiction researcher Dr. Robert Williams who presented at the National Council on Problem Gambling Conference in 2011.¹⁰
- While a limited number of tech-savvy parents use parental controls to block gambling sites, this does not prevent young people from gambling on Facebook because, along with similar social media sites, it would not get flagged.

3) Facebook casinos represent the biggest expansion of casino gambling in New Jersey history, opening an Atlantic City casino in every home, office, dorm room and smart phone in the state, 24 hours a day, 7 days a week, 365 days a year.

- Proponents have deceptively and dramatically understated the scope of the internet gambling bill. Internet poker casinos represent a very minor portion of the casino business, largely because the house collects a small part ("the rake") of each pot. For example, live poker in Nevada makes only a tiny piece of overall gambling revenue.¹¹ The major profits to be had are in online slots which make up 65%-80% of all gambling traffic. ¹²

4) Gambling investment analysts have shown the internet poker casino business model by itself is, in their own words, “clearly unsustainable” and the key to the future lies in moving into other forms of gambling, affirming why this current massive lobbying effort framed as a push for “online poker” is really about legalizing casinos on Facebook and the rest of the internet.

- A UBS Investment Report candidly described the internet gambling business in its analysis of PartyGaming, a internet casino operator which merged with another major online operator Bwin:

“Attracting poor players - the fish - to feed the good ones - the sharks - is the only way the online poker model works. With advertising restrictions growing globally, we believe that customer acquisition will become more difficult. Our models show a decline in the growth of new customers, leading to falling revenues and profits. Diversification remains key. We believe that diversification into other forms of gaming will help the group.”

We believe they conclusively demonstrate that finding new fish to feed to the sharks is the most important requirement for PartyGaming to succeed over the next few years. In other words, while the sharks generate most of the income, the real driver of growth lies in finding as many new fish as possible: without these fish, the model falls apart.

Effectively, this means that simple new customer acquisition is not an important measure: the only way the system can continue to grow is if new customer growth in a given year is higher than the growth seen in the previous year. This is clearly unsustainable in the long term, as it would ultimately require more people coming into the system than there are on the planet.”¹³

5) It is well past time that New Jersey state government’s failed experiment with gambling stopped metastasizing so the state may embrace a fairer, higher and more effective vision of the path to prosperity.

- Atlantic City is the prime example of how government’s policy of promoting gambling has been a major failure and a public rip off. For decades, casino operators and their political supporters have repeatedly lobbied for countless privileges and subsidies that gave most of them a fortune, all in the name of “saving Atlantic City.” Recent examples alone include the gutting of the Casino Control Commission and a \$261 million package of state tax incentives for the now-bankrupt Revel casino over 20 years. Now many of the very same people who promoted gimmicks like these declare “internet gambling will save Atlantic City.” Meanwhile, a real estate boom that has come to most other Jersey shore towns who pursued a different path skipped over Atlantic City; the state's middle class continues to shrink; and the state debt is almost \$30,000 per citizen.

The failure of state government’s internet gambling program is inevitable. It’s time government got out of the gambling business to pursue a vision of real opportunity and real prosperity for its citizens.

More screen shots of how gambling operators market Facebook casinos to kids:



facebook Search for people, places and things Leslie Bernal Find Friends Home

App Center
All Apps
Search for apps
Games
Action & Arcade
Adventure
Board Game
Card Game
Casino
Family
Puzzle
Simulation
Sports
Strategy
Trivia
Word Game
Entertainment
Facebook
Lifestyle
Music
News
Photos & Video
Sports
Travel & Local
Utilities
Requests
My Apps

Zynga Slots

★★★★☆

Games, Casino

Spin the reels to win coins and dash across a variety of different exciting and magical worlds. Join hot jackpots with your friends, then get lucky and grab the cash before they do!

Info

Publisher	Available On iPhone, iPad Android
Users	
220,000 people play this	

Send to Mobile

By clicking "Send to Mobile" above, this app will receive:

- Your basic info [?]

This app may post on your behalf, including status updates, photos and more.

Who can see posts this app makes for you on your Facebook timeline: [?]


Custom


By proceeding, you agree to Zynga Slots's Terms of Service and Privacy Policy

Visit App Page
Share
Block
Report a Problem

Chat

facebook Search for people, places and things Leslie Bernal Find Friends Home





Zynga Slots
8,983 likes · 557 talking about this

Like

Create Page

Now
November
Launched

Sponsored Create an Ad

Save 10% at Wayfair.com
wayfair.com

Great deals on Children's Desks and more! Click to apply your 10% off coupon.

Play to Win New 2013 Audi
Brand New 2013 Make: Audi Model: A6 Trim: 3.0T Premium Plus.

160 people like It'sMyChance.

Children's Place
sequin velvet blazer

1,367,146 people like The Children's Place.

Ancestry.com and you
wiz.ancestry.com
Sign up right now and we'll help you make discoveries about your history. Get started!

Online Grocery Shopping!
Peapod: Grocery Shop Online and Save - Try Peapod and get \$15 off your first order!
C.J. Bernal Beer likes Peapod Delivers.

Chat (8)

About

Photos

Official Forum

Get Support

Play Now!

Highlights

Zynga Slots
Yesterday

Happy Friday Slots Fans!

Be sure to head onto the App Store and download our latest update - with more improvements to help performance!

<http://zynga.tn/kc>

Like · Comment · Share

28 people like this.

View all 34 comments

Likes

Zynga Inc.
App Page

Like

Zynga Slots
Wednesday

Tiptoe over to the Ninja Nights machine for a chance at 1 MILLION coins! Use your ninja skills to spin and win!

5 Lucky players will win!!!
<http://zynga.tn/kc>



ad buddies online no
ould appear here.

ADD FRIENDS

Levelled up to level 20

Invite Them

Aziz needs the Four-
ver collectible

Invite Collectible

needs the Four-Leaf
ollectible

Invite Collectible



You already have 71 friends playing!

To start, we've given you

\$2,000

GO TO LOBBY

LEARN TO PLAY

¹Associated Press, May 14, 2012, http://www.nj.com/news/index.ssf/2012/05/nj_residents_oppose_legalizing.html

² *The Wall Street Journal*, April 18, 2011, <http://blogs.wsj.com/in-charge/2011/04/18/time-to-fold-em/>

³ *The Daily Mail UK*, July 15, 2012. "Facebook 'creating a generation of gambling addicts because of site's Las Vegas style games.'" <http://www.dailymail.co.uk/news/article-2174024/Facebook-creating-generation-gambling-addicts-sites-Las-Vegas-style-games.html>

⁴ *The Daily Mail UK*, July 15, 2012. "Facebook 'creating a generation of gambling addicts because of site's Las Vegas style games.'" <http://www.dailymail.co.uk/news/article-2174024/Facebook-creating-generation-gambling-addicts-sites-Las-Vegas-style-games.html>

⁵ *The Daily Mail UK*, December 5, 2011. "Fear over plan for Facebook 'casinos' that could lure children into online gambling" <http://www.dailymail.co.uk/news/article-2069361/Fear-plan-Facebook-casinos-lure-children-online-gambling.html#ixzz2EWYrjVnY>

⁶ *Consumer Reports*, May 10, 2011. "CR Survey: 7.5 Million Facebook Users are Under the Age of 13, Violating the Site's Terms." <http://pressroom.consumerreports.org/pressroom/2011/05/cr-survey-75-million-facebook-users-are-under-the-age-of-13-violating-the-sites-terms-.html>

⁷ "Cartoons and Fun With Friends: How Our Children Are Being Lured Into Gambling Online," *This Is Money*, Sarah Bridge, July 7, 2012. <http://www.thisismoney.co.uk/money/news/article-2170182/Cartoons-fun-friends-How-children-lured-gambling-online.html>

⁸ National Council on Problem Gambling, 2012. <http://www.ncpgambling.org/i4a/pages/index.cfm?pageid=3390#kidsteens>

⁹ Dr. Natasha Schull of The Massachusetts Institute of Technology, 2012. "Addiction By Design." Pg. 16 <http://press.princeton.edu/titles/9156.html>

¹⁰ "Problem gambling on the internet: implications for internet gambling policy in North America." *New Media & Society*, Vol. 9, No. 3, 520-542 (2007) Robert T. Wood University of Lethbridge, Canada; Robert J. Williams University of Lethbridge, Canada

¹¹ *Card Player*, December 3, 2012. <http://www.cardplayer.com/poker-news/14556-commercial-casinos-in-full-court-press-to-legalize-online-poker-during-lame-duck>

¹² "Why are online slots so popular?" *Casino City Times*, June 8, 2011. <http://www.casinocitytimes.com/news/article/why-are-online-slots-so-popular-197594>

¹³ UBS Investment Research Report on internet poker operator PartyGaming, 2006. <http://stoppredatorygambling.org/wp-content/uploads/2012/12/prty-ubs-9-19-06.pdf>