

Legislature urged to settle legality of fantasy sports betting

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BY **STATE HOUSE NEWS SERVICE** |

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Stop Predatory Gambling National Dir. Les Bernal testifies before public hearing on Attorney General Maura Healey's fantasy sports regulations. (State House News Service photo/ Antonio Caban)

BOSTON — There is “some urgency” for the Legislature to weigh in on the legality and regulation of daily fantasy sports and online gaming, the Massachusetts Gaming Commission concluded in a white paper on the relatively-new form of sports wagering.

“Right now, it appears to us that the law concerning (daily fantasy sports) DFS is at best unsettled, and that there is a possibility that DFS could be considered illegal, even though the Attorney General has seen fit to move directly to the issues that really matter — consumer protection regulations that will permit the pleasure of DFS play, while protecting against its possible downsides,” Gaming Commission Chairman Stephen Crosby wrote in an introduction of the paper.

Crosby continued, “Until this legal uncertainty is resolved — which can only be done by the Legislature — the citizens of Massachusetts, DFS players, and DFS companies alike (including one of the leaders, DraftKings, which is located in Boston), will find their activities risky, and the DFS future utterly uncertain.”

Since daily fantasy sports erupted into the public consciousness at the beginning of the NFL football season, legislative leaders have agreed that the industry ought to be regulated, but no specific legislative proposals have yet been brought forward.

Attorney General Maura Healey has proposed consumer protection regulations for the fantasy sports world, including a prohibition on players under the age of 21 and a ban on fantasy games based on college or amateur athletics. Healey's proposed regulations will be the subject of a public hearing Tuesday morning.

Gambling opponents are bashing Healey's proposal, saying the rules would "represent the biggest expansion of gambling in Massachusetts history, forcing online gambling into every bedroom, living room and smart phone in the state."

In a letter to Healey, who made her opposition to casinos a platform in her 2014 campaign, Stop Predatory Lending National Director Les Bernal wrote, "The fact that regulations such as these are even being proposed by your office, instead of taking decisive action to shut down these white collar offenders of the state's gambling laws, gives an appearance of the same kind of two-tiered justice we have seen at the federal level toward the well-heeled. You and your team are better than the approach you have taken on this issue. As more facts come in, I hope you will revisit your strategy."

Bernal referenced a New York Times Magazine article that highlighted a practice called "bumhunting," or seeking out and exploiting inexperienced players and said the industry can't be trusted to ensure that the practice ceases.

In November, Healey said her review of daily fantasy sports games uncovered "a number of significant concerns" and announced proposed regulations, including a ban on players under the age of 21. The regulations also ban fantasy games based on college sports, advertising for fantasy games at high school and college campuses, and accepting total deposits of more than \$1,000 a month from most players.

Briefing reporters in Boston, Healey described the regulations as the first of their kind and said they are intended to protect consumers who are selecting athletes and placing wagers with the hopes of winning jackpots by outscoring other fantasy sports participants.

The Gaming Commission's report, which comes after more than a month of research and a day-long public forum on the topic, suggests that the real question for the Legislature is not whether DFS is legal, but rather, "Do we want DFS to be legal, and if so, under what conditions?"

Among possible options presented by the Gaming Commission for the Legislature's consideration is the establishment of a single Internet gaming regulatory body to address questions of regulation for DFS and any other form of Internet-based gaming that may be developed.

"The regulatory body's jurisdiction would be broad enough to invest it with the power to look at all Internet gaming activity, determine whether any form of regulation of that activity is necessary and, if it is, create 'right-sized' regulations to deal with it," the commission's paper said.

The paper said a new regulatory body would be able to "keep itself abreast of developments in the Internet gaming industry and develop a body of expertise allowing it to decide quickly the kinds of dangers the new activity posed or presented".

Though no legislative approaches have yet been proposed, Senate President Stanley Rosenberg on Monday said Sen. Eileen Donoghue, of Lowell, and others have been studying the issue and how other states are grappling with the DFS world.

"They'll be coming out with some ideas and opinions further down the road," Rosenberg said. "So there's homework being done, more to be said."

To read the Gaming Commission's full report, go to <http://massgaming.com/wp-content/uploads/MGC-White-Paper-on-Daily-Fantasy-Sports-1-11-16.pdf> Written by Colin A. Young and Michael Norton - See more at: <http://newbostonpost.com/2016/01/12/legislature-urged-to-settle-legality-of-fantasy-sports-betting/#sthash.4V8itKUK.dpuf>