



December 9, 2022

The Honorable Richard Blumenthal United States Senate Washington, DC

Dear Senator Blumenthal,

Thank you for your letter dated November 25, 2022, regarding sports betting.

Since 2018, when the Supreme Court overturned the Professional and Amateur Sports Protection Act (PASPA), states have acted to legalize and regulate sports betting, recognizing both its consumer protections and economic benefits. Sports betting is currently legal in 36 states and the District of Columbia, and has generated \$2.1 billion in tax revenue for states while providing a regulated channel for Americans to wager safely. Since launching in September 2021, sports betting has already added more than \$14 million in revenue to Connecticut and provided an economic boost to tribal communities.

While each state operates sports betting according to their own laws and regulations, there are important protections provided across all jurisdictions: age verification, sports integrity, secure financial transactions, anti-money laundering provisions and responsible gaming tools. Consumer education through marketing and advertising is critically important to drawing consumers away from the pervasive illegal market that provides no protections whatsoever. However, with this greater visibility, the American Gaming Association (AGA) and our members recognize there is also an increased responsibility to market sports betting responsibly.

To ensure consistency and high standards across the legal market, the AGA proactively developed the Responsible Code for Sports Betting Marketing (the Code) in 2019 before the majority of states had legalized. While most states, including Connecticut, provide regulatory restrictions on sports betting advertisements and marketing, the Code provides additional guidance that ensures content is made for and reaches adult audiences; includes core responsible gaming messaging and helpline resources; does not guarantee financial success; and more. It sets marketing standards in three areas: respecting the legal age for sports wagering, supporting responsible gaming, and controlling digital media and websites.

In developing the Code, we looked to mature self-regulatory advertising models to ensure ours incorporated best practices and would encourage stakeholders across the sports betting ecosystem to abide by its tenets. We established the independent Code Compliance Review Board (CCRB) to provide oversight as well as a process by which any individual can <u>submit a complaint</u> on questionable marketing. The independent and transparent nature of this process allows for both the company in question and the complainant to participate, as well as additional review from the independent CCRB as needed. We also anticipate the Code will continue to evolve as the legal sports betting market matures.

Today, the Code guides marketing and advertising campaigns by sports betting operators and is looked to by policymakers and regulators across the country. I am grateful that you share AGA's commitment to promoting responsible industry practices and appreciate you bringing potential violations of AGA's Code to our attention. I am pleased to offer the enclosed responses to the questions posed in your letter and look forward to continuing to engage you and your staff on this matter. We would welcome the opportunity to further brief you regarding the high standards our members uphold as well as the significant public policy threats presented by illegal sportsbook operators.

Sincerely,

William C. Miller, Jr.

Wx CMin L





#### **AGA Responses to Senator Blumenthal**

#### 1. What is AGA doing to ensure member compliance with the Responsible Marketing Code for Sports Wagering?

AGA membership created the Responsible Marketing Code for Sports Wagering and they are committed to its principles and enforcement. Every member agrees to abide by the tenets of this code as a condition of membership. To help provide our members with the tools they need to execute the code, the AGA offers its members and their employees involved in the advertising or marketing of sports wagering services regular training on code compliance. In addition to the trainings offered by the AGA, our members also provide their own trainings to employees including periodic refreshers and updates to all individuals involved in the advertising or marketing of sports betting.

AGA member commitments under the Code also apply to advertising agencies, media buyers and other third parties involved in the member's advertising or marketing.

Using the Code to guide marketing and advertising activity, AGA members create internal review processes to evaluate promotional campaigns for Code compliance.

## 2. What efforts, if any, is AGA undertaking to persuade non-AGA industry members to comply with the Responsible Marketing Code for Sports Wagering?

The AGA and its members established the Code to create foundational and universal commitments for all responsible sports betting operators. The core tenets are applicable to everyone that clears the high threshold for licensure in gaming markets across the United States, including non-members.

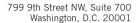
As the recognized industry baseline, the Code has been used to inform operations in new sports betting markets. In some markets, like Arizona, the core tenets of the Code are embedded in sports betting regulation, establishing adherence to them as a requirement. As such, every company is subject to the transparent self-regulatory process that can be engaged by anyone at any time, regardless of AGA membership.

The AGA regularly shares resources and information to help inform the sports betting landscape and all of its stakeholders. The Code and other industry commitments to extend responsible gaming and consumer education are central to industry and association activities and communication throughout the year, including during Responsible Gaming Education Month (RGEM). Throughout the month of September, the AGA promotes our industry's extensive responsible gaming commitments – including the Responsible Marketing Code for Sports Wagering – through our owned communication assets, in trade, regional and national media, and at industry events where all stakeholders, including regulators and lawmakers, share these important messages. We appreciate your support of our Code and bringing attention to the need for all involved in the sports betting ecosystem to adhere to its requirements.

#### 3. Please detail any communications between AGA and Caesars regarding Caesars' partnership with Michigan State University and Louisiana State University.

Caesars Entertainment has not been a member of the AGA since 2020, and there has been no communication between our organizations regarding these partnerships.

4. Please detail any communications between AGA and PointsBet regarding PointsBet's partnership with the University of Colorado Boulder.





MAIN LINE 202.552.2675 FAX 202.552.2676 AmericanGaming.org

PointsBet is not a member of the AGA and there has been no communication between our organizations regarding this partnership.

## 5. Has any AGA member promoted or advertised sports wagering on university or college campuses or in university- or college-owned news assets?

To our knowledge, AGA members do not promote or advertise sports wagering on university or college campuses or in university or college-owned news assets. This is in direct violation of the AGA's Responsible Marketing Code for Sports Wagering which states, "Sports wagering should not be promoted or advertised in college or university-owned news assets (e.g., school newspapers, radio or television broadcasts, etc.) or advertised on college or university campuses."

# 6. Does AGA take any disciplinary or other remedial action when members violate the Responsible Marketing Code for Sports Wagering?

The Code enforcement process was intentionally designed to be independent to avoid any conflict that could arise from the AGA serving as the arbiter of complaints. Mirrored after well-established self-regulatory codes of conduct, the AGA facilitates a defined process whereby complaints are shared with companies accused of being in violation. That company has the opportunity to respond, and if that response is deemed inadequate by the complainant, it can be elevated for further review by the Code Compliance Review Board. After a thorough review process, if the Board deems that there was a violation of the Code, the company will be notified in writing and is expected to promptly withdraw or revise the advertising and promotional material and/or placement at issue. The advertising in question, complaint, response and decision are made publicly available on AGA's website following the conclusion of the process. This disclosure is intended to hold operators responsible for their actions through the court of public opinion.

It is important to note that affiliation with the AGA also requires that members sign and adhere to a Member Code of Conduct as well as a <u>Responsible Gaming Code of Conduct</u>. Failure to fulfil the requirements and commitments therein could result in termination of membership.