



TOP MESSAGES

Despite legal, regulated gaming's expansion, *illegal and unregulated gambling is still widely prevalent.*

Illegal and unregulated gambling *hurts consumers and exploits the vulnerable.*

Communities suffer because of illegal gambling which ducks tax obligations and often funds and perpetuates other criminal activity.

Americans want to *wager legally and will choose legal options when they're aware of them.*

Policymakers, law enforcement and businesses must work together to shut down illegal and unregulated gambling.

Despite gaming's expansion, illegal and unregulated gambling is still widely prevalent.

- Americans gamble an estimated \$511 billion each year with illegal and unregulated sportsbooks, iGaming websites and so-called "skill games."
- Illegal sports betting and casino websites are accessible to anyone with a smart phone or internet connection.
 - Legalization is putting a sizable dent in illegal sports betting market – taken 60% action since PASPA decision – but Americans still wagered \$64 billion with illegal sportsbooks and bookies in 2022.
 - Nearly half of Americans (48%) that played online slots or table games in the last year played with illegal online operators.
 - The illegal iGaming market—at \$338 billion—is nearly three times the size of the legal U.S. iGaming market.
- Illegal, unregulated machines look and act like regulated slot machines and are easily accessible at convenience stores and strip malls around the country.
 - There are more than 580,000 unregulated machines in the U.S. That means nearly 40% of all gaming machines nationwide are unlicensed.
- Illegal and unregulated gambling costs the legal industry \$44 billion in revenue. It would be unheard of in any other industry for nearly half of a market to be captured by illegal and unregulated operators.

Illegal and unregulated gambling hurts consumers and exploits the vulnerable.

- Illegal and unregulated gambling websites and machines provide zero consumer protections, no guarantee of fair play, and no recourse if an operator simply disappears with their money.
- Unregulated machines take advantage of customers. The operator's win percentage on unregulated gambling machines is more than three times higher than legal casino slot machines.
- The legal gaming industry invests hundreds of millions of dollars annually on responsible gaming programs and rigorously follows self-exclusion programs. Illegal operators don't spend a dime on RG and exploit people at risk for problem gambling.
- Whether online or in-store, illegal and unregulated operators lack adequate oversight, have no concerns about underage gambling, and do not employ age verification.



Communities suffer because of illegal and unregulated gambling.

- Illegal wagering robs state governments and the communities they serve of \$13.3 billion in tax revenue annually.
 - With \$13.5 billion in legal gaming tax revenue in 2022, states could double tax receipts from gaming by addressing the illegal market.
- Every dollar diverted by illegal and unregulated websites and machines is a dollar siphoned from activities that contribute taxes to support community priorities like education, public safety and responsible gaming efforts.
- Illegal gambling is not a victimless crime. Criminal enterprises rely on illegal gambling dollars to fund violent criminal activities, including drug dealing and human trafficking. This strains law enforcement resources and makes our communities less safe.
- While legitimate gaming companies reinvest millions of dollars back into their communities, illegal gambling dollars vanish into the shadows and feed criminal activity.

Americans want to wager legally and will choose legal options when they're aware of them.

- Online searches for illegal sportsbook operators are dramatically lower in states where sports betting is legal compared to states where sports betting is illegal.
 - For example, in California and Texas, nearly 80 percent of sportsbook brand searches in 2022 were for illegal operators, compared to 13% in Pennsylvania and 8% in New Jersey.
- Customers prefer legal operators and believe legalizing and regulating sport betting protects consumers.
 - In 2023, 70 percent of Super Bowl bettors surveyed said that betting with a legal operator was important to them, up five points from 2021.
 - 69% of sports bettors say it is important to only bet with a legal, regulated sportsbook.
- Unfortunately, illegal operators obscure what's legal and what's not, deploying slick marketing tactics and exploiting gaming's legalization.
 - This makes it hard for consumers to know if they are wagering legally—especially when media companies give offshore sites lift through editorial content and worse, paid promotions.
 - More than half of bettors who placed most of their bets with illegal sites thought they were betting mainly legally.

Policymakers, law enforcement and businesses must work together to shut down illegal and unregulated gambling.

- Federal, state and local law enforcement needs to get aggressive and go after bad actors.
 - Even without convictions of illegal operators, government action can go a long way toward educating the public and putting the ecosystem on notice that it's not okay to support the illegal market in any way.
- Policymakers need to strengthen laws and close loopholes that put consumers at risk.
- Businesses should remove illegal and unregulated machines from their properties.
- Media outlets must stop promoting odds and betting lines from illegal operators.
- Payment and transaction processors must block spending with illegal operators and technology providers should block access to illegal gambling platforms.