

**Presentation of Attorney Matthew Litt,
a national litigator for victims of online sports betting operators,
and Les Bernal, National Director, Stop Predatory Gambling**

Minnesota Senate Finance Committee

Informational Hearing on the Economic, Health, and Social Harms
Resulting From Online Sports Betting

January 8, 2025

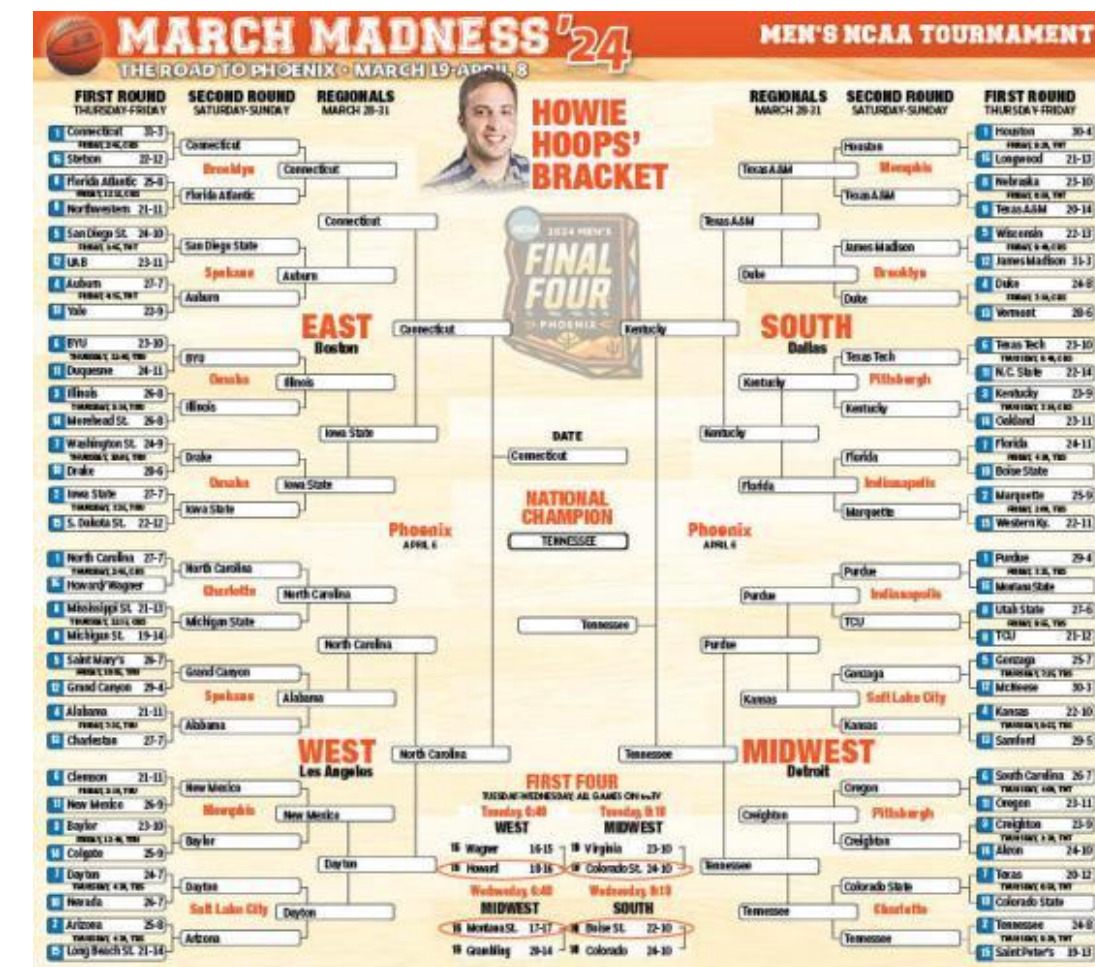
AGENDA

- 1) Define “Predatory Gambling”**
- 2) The “We’ll Prevent ‘Illegal’ Gambling”/“They’re Already Doing It” Ruse**
- 3) The Facts About “VIP Programs,” the Lifeblood of Online Gambling Profits, and “Responsible Gambling” PR Campaigns**
- 4) The Deceptive Tactics of Gambling Operators to Minimize the Perception of Danger**
- 5) The Lack of Legal Accountability for the Harms That Gambling Operators Cause**
- 6) Third Party Harm Brought About By Online Gambling Operators**
- 7) The Metastasizing Epidemic of Gambling Addiction Among Young Adults and Teens**
- 8) What “Regulated Gambling” Really Looks Like in Minnesota and Across the US**
- 9) “How Can We Put the Toothpaste Back Into the Tube?”**

1) WHAT PREDATORY GAMBLING IS NOT



The Friday Night Poker Game



March Madness Brackets

CINCINNATI BENGALS

	2	7	3	8	1	0	9	5	6	4
7	Nicholas Reyes	Roger Hassler	Kim Benson	Christine Dern	Pam Horrak	Jill Renee Hill	Kim Bereon	John Boosinger	Terry Hawke	Denise Dunlap
0	Kim Bereon	Sarah Masica	Lisa Bitto	Stephanie Veres	Tiffany Wingate	Michael Kowaleski	Kelly Nuttall	Jason Bates	Kristine Korber	Larry Stenger
8	David Masica	Lisa Bitto	Sharon Chambers	Stephanie Veres	Joelle Slimmer	Kristine Korber	Craig Holland	Cynthia Robinson	Alicia Garcia	Jack Egan
3	Kristine Korber	Wendy Oberholzer	Anna Masica	Ro Reed	Dennis Angerstein	Angela Giarikas	Dave Lekan	Janet Laneve	Rob Andrews	Janet Laneve
4	Denise Klag	Renee Heinle	Jennifer Ham	Hallie Buhler	Emily Lopez	Ameera Hoshaw	Larry Stenger	Brian Brobst	Al Stasek	Rosemarie Brothell
5	Janette Cincurak	Gail Lapp	Alex Ciphers	Lisa Bitto	Al Stasek	Christopher Corino	Joanne Podojil	Janet Lavene	Rob Andrews	Mike Schmidt
1	Hallie Buhler	Marge Sandin	Janie Devito	Kurt Rosenwald	Kristine Korber	Chuck Andrie	Tiffany Wingate	Maraje Sandin	Joelle Slimmer	Dave Lekan
6	Joelle Slimmer	Abby Winebrenner	Lisa Bitto	Cathy Demusz	Joanne Podojil	Ken Schlick	Al Stasek	Michael Kowaleski	Jack Egan	Christine Dern
9	Peggy Kolarik	Dave Lekan	Kelly Nuttall	Amy Flanagan	Donna Blankenship	Amanda Daily	Carol Hull	Donna Blankenship	Laura Goy	Diane Ginley
2	Mackenzie Powers	Joelle Slimmer	Mackenzie Powers	Michelle Young	Donna Blankenship	Ken Schlick	Phil Masica	Mike Schmidt	Stephanie Veres	Amy Hoes

RAMS

Buying a Square in the Super Bowl Office Pool



A Friendly Wager on the Golf Course With the Guys

BINGO BINGO BINGO

You are welcome to Divine Saviour Bingo Nights. Doors open at 4pm. Over \$4000 in cash prizes. PLAY GAMES AND EARN REWARDS

@ DIVINE SAVIOUR PARISH HALL

Every Friday 6:30pm - Welcome!

Bingo Nights at the Local Catholic Parish

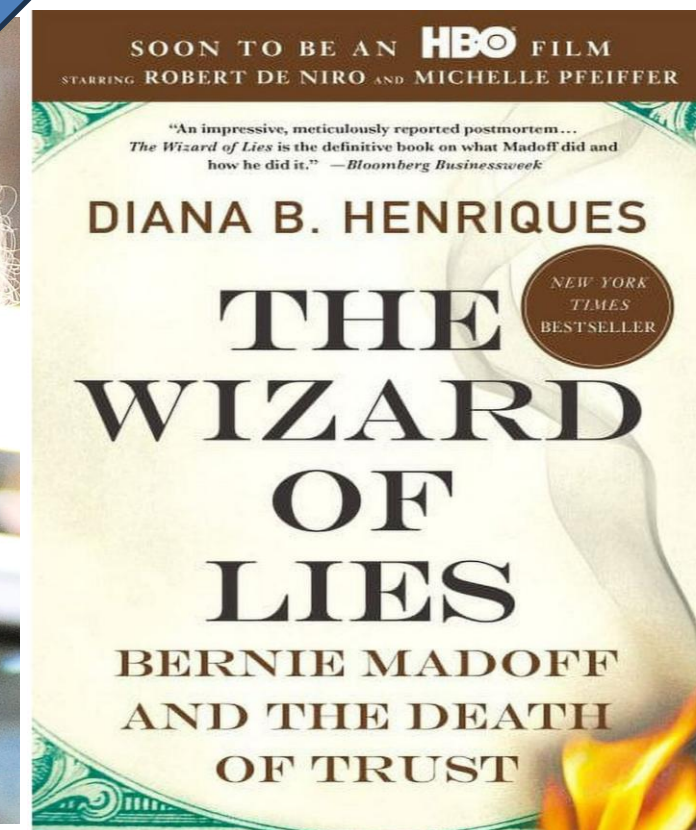
WHAT PREDATORY GAMBLING IS

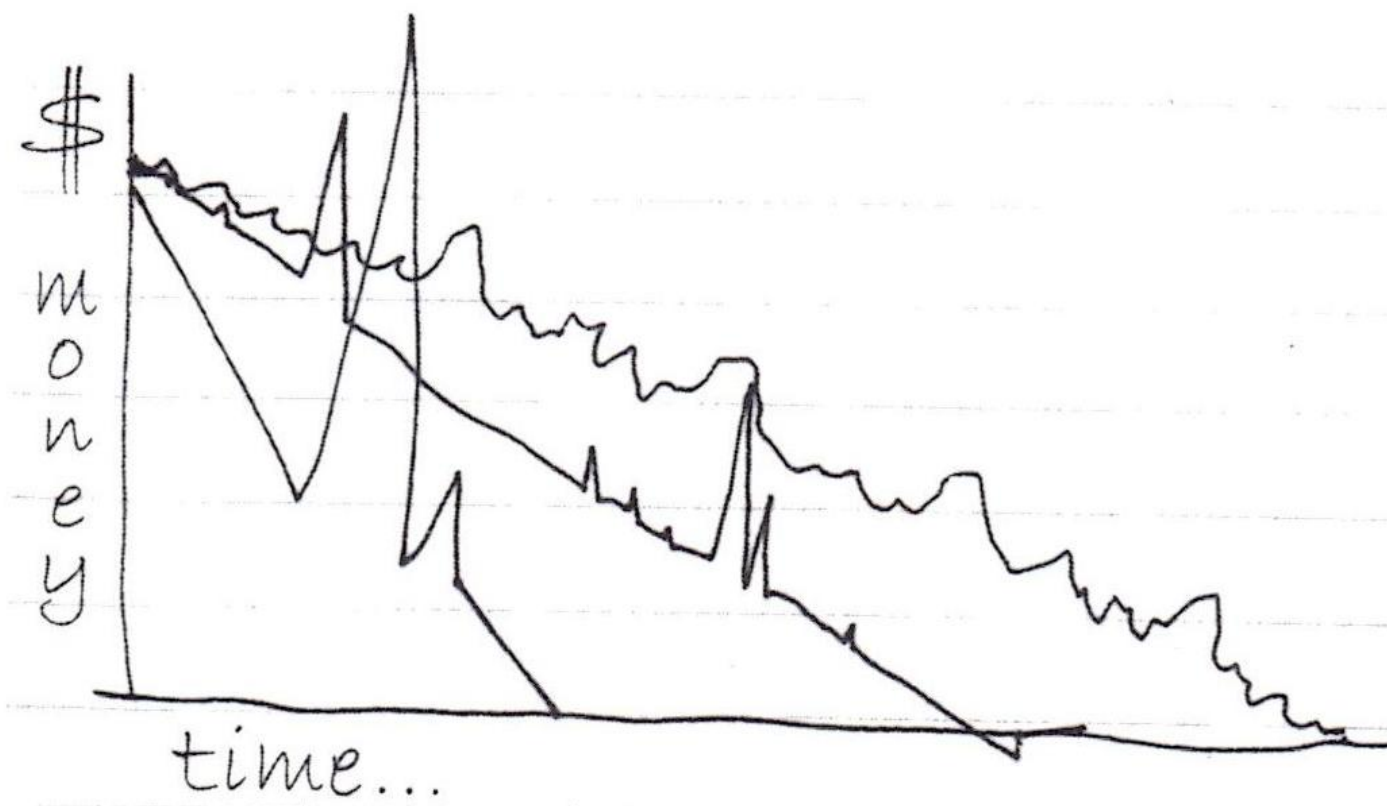


Predatory gambling is when powerful corporate gambling interests partner with state governments to use *commercialized* gambling to exploit and defraud citizens and their communities.

When gambling is being run *as a business*, it creates a *predatory and adversarial relationship* between the gambling operator and the gambler. They are trying to take you down!

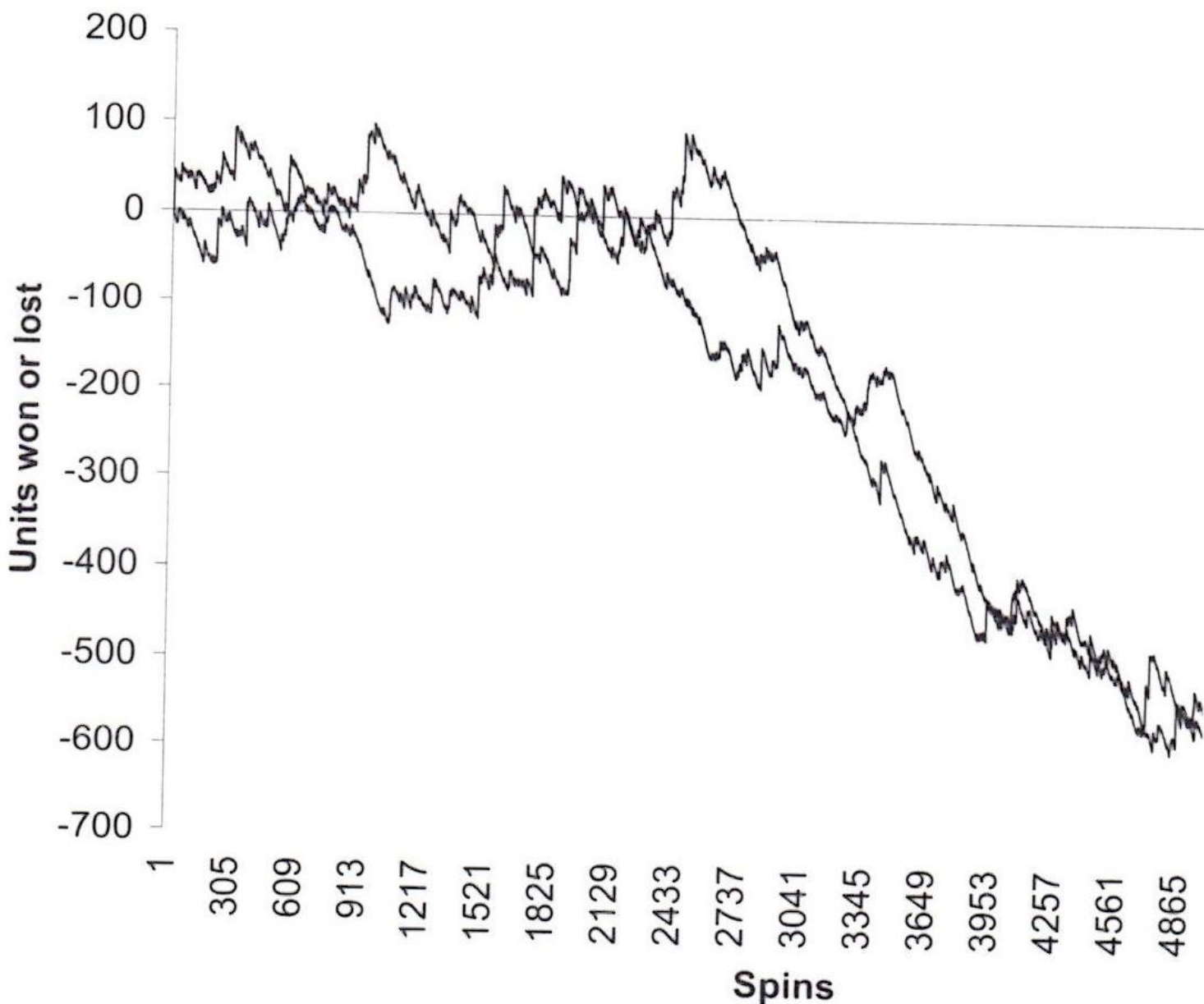
Why Predatory Gambling Is “The Big Con” A Known Dangerous and Addictive Product + a Fraudulent and Manipulative Financial Scheme





“Isn’t Commercialized Gambling Like Any Other Business?”

What does “The House Always Wins” Really Mean?



Source: *Addiction By Design*, By NYU Professor Dr. Natasha Schull, Pg. 112



“You Pay Even If You Don’t Play” - The majority of citizens don’t gamble and they end up paying higher taxes for less services and worse state budget problems over the long term, footing the bill for the inevitable budget deficits commercialized gambling leaves behind.



**THE NELSON A.
ROCKEFELLER
INSTITUTE
OF GOVERNMENT**



T H E B L I N K E N R E P O R T

State Revenues From Gambling

**Short-Term Relief, Long-Term
Disappointment**

Lucy Dadayan

2) The “We’ll Prevent ‘Illegal’ Gambling”/“They’re Already Doing It” Ruse

- *The New York Times’s* series on the spread of online sports gambling in November 2022 revealed the American Gambling Association, the national trade lobby for the industry, orchestrated the “illegal gambling” PR campaign to create a fake sense of momentum for sports gambling.
- The American Gambling Association wrote a 2022 letter to US AG Merrick Garland *on the growing problem of illegal online gambling* stating:
 - ✓ “Internet searches for illegal betting sites increased by 38% last year, faster than the rate of searches for legal betting sites.”
 - ✓ “A vast illegal sports betting market continues to exist through offshore websites, which have established well-known brands—such as Bovada, MyBookie and BetOnline—that operate with a high degree of visibility and are readily accessible to every American with a smart phone or Internet connection. These illegal sites also enjoy many competitive advantages that allow them to offer better odds and promotions...”
 - ✓ “ 52 percent continue to utilize illegal bookmakers.”
 - ✓ “Searches for offshore brands represented a majority of all sportsbook searches.”
- According to a study commissioned by the Massachusetts Gambling Commission, citizens who use illegal sport books in Massachusetts jumped from 4 percent in 2022 to 18 percent in 2023, *after sports betting was legalized*.

Sources: American Gambling Association Letter to US Attorney General Merrick Garland, April 13, 2022: https://www.americangaming.org/wp-content/uploads/2022/04/AGA_DoJIIllegalGambling-4.13.22.pdf

“Addiction in mind, Mass Gambling officials mull stricter advertising regulations,” *Commonwealth Magazine*, June 24, 2024 <https://commonwealthbeacon.org/gambling/addiction-in-mind-mass-gaming-officials-mull-stricter-advertising-regulations/>

3) The Facts About “VIP Programs,” the Lifeblood of Online Gambling Profits, and “Responsible Gambling” PR Campaigns

[df](#)

Creating the *Appearance* That the Public is Protected: Gambling Industry-Funded “Responsible Gambling” PR Campaigns

*****What percent of gambling profits comes from people who follow “responsible gambling codes of conduct”?**

- 75% of the players follow “responsible gambling codes of conduct” but contribute a mere 4% of gambling profits.
- “They only bring in 4% of our revenues, the responsible gamblers, If responsible gambling were successful then the industry would probably shut down for lack of income.”



Source: Natasha Dow Schull, PhD, *Addiction By Design, Machine Gambling in Las Vegas*, Pg. 267 (2012), available at <http://press.princeton.edu/titles/9156.html>

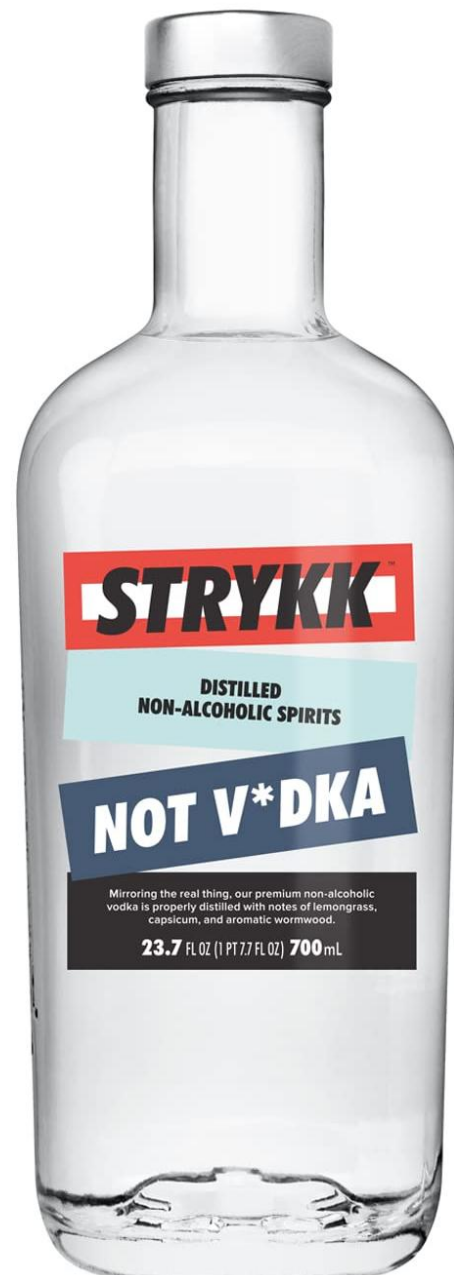
Minnesota’s current policy approach to commercialized gambling

There's a large market for non-alcoholic beer, wine, and spirits. You'd think there'd be a gap in the market for a gambling operator whose primary focus is "responsible gambling" but there isn't a single one. Why? Because it's not financially viable.

Kentucky 74+
Non-Alcoholic
Bourbon Whiskey



Strykk
Non-Alcoholic Vodka



Thomson & Scott Rose
Non-Alcoholic Wine



Guinness Zero
Non-Alcohol



Heineken Zero
Non-Alcohol



**4) The Deceptive Tactics of Gambling Operators
to Minimize the Perception of Danger**

5) The Lack of Legal Accountability for the Harms That Gambling Operators Cause

6) Third Party Harm Brought About By Online Gambling Operators

- [df](#)

7) The Metastasizing Epidemic of Gambling Addiction Among Young Adults and Teens



A 1985 Topps rookie baseball card of sports legend Kirby Puckett, one of the best pro athletes in the history of Minnesota

- Kids to collect sports cards growing up as fans of their favorite athletes and local teams. Now kids are gambling. The high frequency of marketing by gambling operators has normalized gambling for kids, leading them to believe gambling was central to playing and watching sports.
- Exposing kids to gambling ads normalizes and desensitizes them to the dangers of gambling and makes them more likely to develop problems later in life. They grow up mistakenly thinking this is a harmless activity. The younger children start gambling, the more likely it is they will become habitual and addicted gamblers.
- **Teens and people in their early- to mid-20s are now the “number one demographic” calling gambling helplines.**

Source: “Teens Are Developing ‘Severe Gambling Problems’ as Online Betting Surges: An increasing amount of evidence suggests that young adults and even minors are easily able to bet online despite a variety of industry safeguards.” *Vice* Oct. 11, 2023. <https://www.vice.com/en/article/4a37mp/teens-are-developing-severe-gambling-problems-as-online-betting-surges>

8) What “Regulated Gambling” Really Looks Like in Minnesota and Across the US

- [df](#)

One of these ads resulted in powerful and decisive action by state Attorneys General in the name of protecting America's young people.

Celebrate the holidays
with a pack of Camels.




Illustration of five anthropomorphic camels dressed in winter clothing, standing in a snowy landscape. One camel is reading a book titled "Smoother".

SURGEON GENERAL'S WARNING: Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.

ULTRA LIGHTS: 6 mg. "tar", 0.5 mg. nicotine. LIGHTS HARD PACK: 9 mg. "tar", 0.6 mg. nicotine. LIGHTS: 9 mg. "tar", 0.7 mg. nicotine. LIGHTS 100's: 11 mg. "tar", 0.8 mg. nicotine. FILTERS: 15 mg. "tar", 1.0 mg. nicotine. FILTERS HARD PACK, FILTERS 100's: 17 mg. "tar", 1.0 mg. nicotine. REGULAR: 22 mg. "tar", 1.4 mg. nicotine av. per cigarette by FTC method.

\$2 MINNESOTA LOTTERY

FROSTY FUN



2ND CHANCE ON BACK

SCRATCH TO REVEAL CODE



WIN UP TO \$10,000!

Reveal a  symbol, win PRIZE shown for that symbol. Reveal a  symbol, win DOUBLE the PRIZE shown for that symbol. Reveal a  symbol, win \$50 instantly!

\$3

MINNESOTA LOTTERY

Peppermint CASH

PEPPERMINT NUMBERS



Target-style graphic with concentric circles and numbers:

- \$3** (Innermost circle): 36 (THSIX), 56 (FTYSIX)
- \$10** (Second circle): 10 (TEN), 13 (THTN), 32 (THTWO), 38 (THEGT), 52 (FTYTWO)
- \$100** (Third circle): 18 (EGTN), 21 (TUONE), 30 (THIRTY), 34 (THFOR), 38 (THEGT), 57 (FTYSEV)
- \$30,000** (Fourth circle): 8 (EIGHT), 11 (ELVN), 15 (FFTIN), 21 (TUONE), 27 (TWSEV), 33 (THTHR), 57 (FTYSEV)
- \$1,000** (Fifth circle): 4 (FOUR), 10 (TEN), 32 (THTWO), 38 (THEGT), 44 (FRFOR), 56 (FTYSIX)
- \$25** (Sixth circle): 7 (SEVEN), 26 (TUSIX), 41 (FRONE), 47 (FRSEV), 56 (FTYSIX)
- \$5** (Outermost circle): 13 (THTN), 52 (FTYTWO)

SEE BACK FOR PLAY INSTRUCTIONS.

Peppermint Scented!

WIN UP TO \$30,000!

YOUR NUMBERS

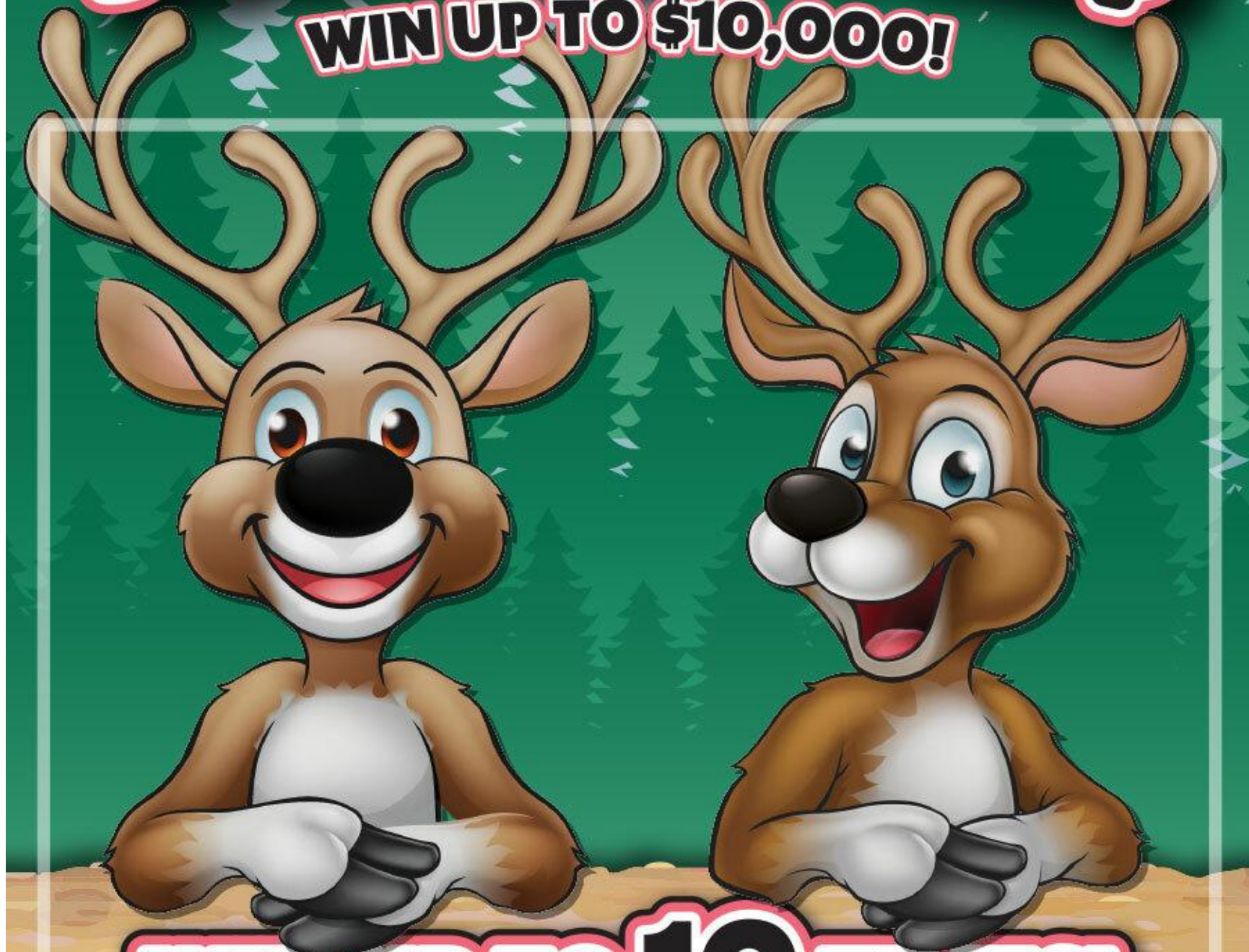


\$2

MINNESOTA LOTTERY

JUST 2 BUCKS

WIN UP TO \$10,000!



WIN UP TO 10 TIMES!

Scratch the 2 deer. Reveal a "\$" symbol, win prize shown for that symbol. Reveal an "L" symbol, win 5 TIMES the prize shown for that symbol! Reveal a "D" symbol, win \$20 instantly!

\$1

MINNESOTA LOTTERY

CHILLIN'



SCRATCH TO REVEAL CODE

Reveal a  symbol, win prize shown for that symbol.

Reveal a  symbol, win DOUBLE the prize shown for that symbol.

WIN UP TO \$5,000!



Minnesota Lottery \$50 Scratch Ticket

\$50 MINNESOTA LOTTERY

CASINO MILLIONS

SIX \$1,000,000 TOP PRIZES!
(Paid as an annuity. See back for details.)

GAME 1: Scratch the POKER CHIPS. Reveal a symbol, win \$50!

GAME 2: Scratch the MONEY STACKS. Reveal a symbol, win the prize shown for that symbol.

GAME 3: Scratch each ROLL. Reveal three (3) identical symbols in a ROLL, win the prize shown for that ROLL.

GAME 4: Scratch the CARDS. Reveal three like dollar amounts; win that amount.

ROLL 1 **PRIZE**

ROLL 2 **PRIZE**

ROLL 3 **PRIZE**

5x5 grid of playing cards: Row 1: Blue chip, Red chip, Green chip, Blue chip, Red chip; Row 2: Club, Diamond, Spade, Heart, Club; Row 3: Diamond, Spade, Heart, Club, Diamond; Row 4: Club, Diamond, Spade, Heart, Club; Row 5: Diamond, Spade, Heart, Club, Diamond

OVER \$50,000,000 IN TOTAL PRIZES!

GAME 5: Scratch entire play area. Match any of YOUR NUMBERS to any of the WINNING NUMBERS, win prize shown below that number. Reveal a symbol, WIN ALL 20 PRIZES!

EACH GAME PLAYS SEPARATELY.

9) “How can we put the toothpaste back into the tube?”

