



House Committee on Business and Labor  
Oregon State Capitol  
900 Court St. NE  
Salem, OR 97301

March 28, 2017

Chair Holvey and Honorable Committee Members,

On behalf of Lane County Government, I wish to provide testimony regarding House Bill 2549, which would authorize Oregon State Lottery Commission to issue registrations to fantasy contest operators to “organize or offer fantasy contests.”

I have been a problem gambling prevention coordinator with Lane County Public Health for 15 years, since January 2002. I am a member of the Board of Directors of the National Council on Problem Gambling (NCPG) and am also an instructor with the University of Oregon and have specialized in problem gambling coursework since 2009.

The NCPG and Lane County Government are neutral on legalized forms of gambling. While the NCPG believes the vast majority of DFS players are at little or no risk for addiction, the Council has serious concerns about addiction among others.

Approximately 2.3 percent of Oregon adults have gambling problems (Moore, 2006). These 80,000-plus Oregonians have several affected others. Consequences of gambling problems include debt of over \$23,000 per problem gambler in Oregon treatment (Moore, 2016), loss/disruption of relationships and jobs, depression and suicidal ideation, as well as connection with other addictions and mental health issues. Additionally, youth are far more likely to play electronic games, which is a key consideration of this bill. Research on the effects of DFS is limited, in large part due to the recency with which DFS play has exploded. Research of online gambling shows that young males in particular not only more likely to gamble in general, but also more likely to engage in gambling online. My experience as a college educator is that young adults who used to play online poker and other casino games have in large part to DFS play.

In 2006, when fantasy sports were protected in the Unlawful Internet Gambling Enforcement Act, it was impossible to predict the explosion of online daily fantasy sports and what these contests would mean in terms of speed of play, amount of prizes and entry fees, and sheer number of contests offered in various sports each day. The fact

that fantasy golf and fantasy esports are offered articulates this variety. Regarding risk factors for problem gambling, these various characteristics of DFS become critical, as speed of play, easy access, potential winnings, and isolation are all risk factors for problem gambling. One can see the critical connections between these risk factors and daily fantasy sports characteristics.

Despite some measures to protect consumers in this bill, it is our position that there are several areas which do not go far enough to protect consumers in general, in addition to protecting vulnerable populations, such as youth, those recovering from, or with current, gambling problems. If passed, this bill should include more specific measures to prohibiting play by minors (we recommend 21 years of age in alignment with the legal age to play Oregon Video Lottery and most casinos), ensuring truthful advertising, and an increase in transparency. Regulations, such as those in effect in Massachusetts, also require protection of players' deposits and robust data and security measures, address problem gamblers, and require changes to games to provide a more level playing field for all consumers.

We respectfully submit that the Committee, if chooses to move forward with the bill, adopt several measures as put forth by the National Council on Problem Gambling. These guidelines are included as exhibits in this testimony are the National Council on Problem Gambling Fantasy Sports Consumer Protection Guidelines and CARE Responsible Play Amendments for Fantasy Sports Legislation ("CARE" stands for Consumer protection; Age & identity verification; Responsible play guidelines; and Exclusion procedures). A key DFS law in place that meets these guidelines is in effect in the Commonwealth of Massachusetts; information on their state DFS law can be found at: <http://www.mass.gov/ago/consumer-resources/consumer-information/dfs/>.

Thank you for the opportunity to provide testimony to the Committee. Please feel free to contact me if you have any questions, or if I can be of any assistance to the Committee regarding this legislation.

Respectfully,



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References:

Moore, T. (2016). *Oregon gambling treatment programs evaluation update 2016*. Salem, OR: Oregon Health Authority, Health Systems Division, Problem Gambling Services

Moore, T. (2006). *The prevalence of disordered gambling among adults in Oregon: a replication study*. Portland, OR: Oregon Gambling Addiction Treatment Foundation.

## EXHIBITS



**National Council on Problem Gambling**  
**Fantasy Sports Consumer Protection Guidelines**

**Adopted by the NCPG Board of Directors December 4, 2015**

**OVERVIEW:**

Fantasy Sports contests, and particularly Daily Fantasy Sports contests, that involve entry fees and the award of cash prizes (referred to herein as ‘game-play’) require a set of consumer protection guidelines. The development and implementation of these guidelines should be a collaborative effort endorsed by all stakeholders of internet-based Fantasy Sports contests, including operators, investors, professional sports teams and leagues, regulators, consumer protection advocates, contest customers and the public.

The framework outlined below is a work-in-progress intended to assist stakeholders in developing guidelines and are subject to specific regulatory requirements that may be implemented specifically for Fantasy Sports contests.

**POLICY GUIDELINES:**

The acknowledged policy of all stakeholders should demonstrate a clear commitment to responsible game-play. Fantasy Sports contest operators should identify expectations for corporate behavior and specify the roles and responsibilities of staff and customers.

Corporate strategy for responsible Fantasy Sports contests should include measures that provide a responsible game-play environment with defined goals and a clear plan of action.

**STAFF TRAINING**

Senior managers should be responsible for the development and implementation of responsible game-play policies and procedures. Such policies and procedures should include the requirement of regular reminders, which are documented, about responsible game-play to all Directors, managers and staff who develop contests, advertising and messaging, who interact with customers or who supervise staff who develop such contests, advertising and messaging or who interact with customers.

All staff who develop such contests or advertising or who interact with customers, including customer service agents, as well as administrative and corporate staff members, should be trained in responsible game-play at their hiring and attend retraining at least annually. These staff members should also be knowledgeable of the operator’s responsible game-play policies and procedures and taught skills and procedures specific to their position in order to respond to customer requests for responsible game-play information, and to reply accordingly if a customer discloses they may have a problem. Training should be documented and tested or reviewed annually with staff and evaluated by senior management.

## **INFORMED DECISION MAKING**

The operator's website should provide a variety of information and tools to assist customers in making informed decisions about their participation in Fantasy Sports contests, including information that could assist customers in determining risks, including, but not limited to, financial risks, as well as frequency and volume of participation. The responsible game-play information and tools should include, but not be limited to:

- Practical tips on how to determine and participate within time, frequency and financial limits
- Information on rules and anticipated payouts of specific contests
- Preventing participation by individuals under the age of 18 years of age (or the specific age for participation determined by state regulations)
- Tools that permit customers to set time, frequency and financial limits, timeouts and self-exclusion
- Risks associated with participating in Fantasy Sports contests, particularly contests that involve the risking of money
- Signs and symptoms of problems and addictions related to Fantasy Sports contest participation
- Self-exclusion
- Where to seek help if the customer develops a problem

Websites should include a hyperlink to at least one consumer protection advocate/organization and at least one agency/organization dedicated to helping people with addictions. Regular testing for functionality should be conducted for all website hyperlinks to ensure the functionality is in place.

Customers should have convenient access to their play history including money spent, games played, previous line-ups and prizes awarded and provide the customer with the ability to clearly track their spending, including the ability to download such information. Customers should have access to their account details including all deposits amounts, withdrawal amounts and bonus information including how much is left on any pending bonus and how much has been released to the customer.

Customers should be encouraged to set daily, weekly or monthly financial deposit limits online via settings on the website or via telephone or online chat with an operator's customer service agent. Customers should be permitted to lower their account deposit limits at any time.

The setting of account deposit limits and lowering account deposit limits should be able to take effect immediately. Customers should also be able to request increases in or removal of their account deposit limits, after a cooling-off period.

## **ASSISTING CUSTOMERS**

Clear policies should be in place for assessing and handling situations in which a customer indicates they are in distress or experiencing problems. Staff should be able to immediately freeze the account of customers under such circumstances.

Customer service agents should be knowledgeable about applicable helpline(s), setting account deposit limits, temporary and permanent self-exclusion, responsible game-play, rules and payout ratios, age limits and addiction resources and should be able to provide such information on request.

## **TIMEOUTS**

Customers should have the option of setting time limits (timeouts). Timeouts are instant stops in participation in game-play that are at least 1 hour but less than 30 consecutive days.

## **SELF-EXCLUSION**

Self-exclusion should be offered as a customer-initiated restriction on their ability to participate in game-play. It should be available on the website or via telephone or online chat with an operator's customer service agent.

Customers should be able to select the length of the self-exclusion. Self-exclusion, regardless of the length, should be irrevocable during the period specified. Self-exclusion should stay in effect until the customer completes a reinstatement process after the length selected.

Self-excluded customers should not receive direct marketing promotional materials.

Customers who self-exclude should, at the time of self-exclusion, receive information about available addiction resources (e.g., helpline number, counseling information, Gamblers Anonymous information).

Customers should, at the time of self-exclusion, receive clearly worded information that outlines the conditions of the self-exclusion. Customers should also receive the outline of the conditions of the self-exclusion by email following such request for self-exclusion, which includes:

- Length of self-exclusion
- The closure process for any accounts opened by the customer and restrictions on opening new accounts during the self-exclusion
- Requirements for reinstatement at the conclusion of the length selected for self-exclusion
- The manner in which reward points and remaining deposit account balances are handled
- Help access points should a problem exist

The customer's account should be closed or suspended during self-exclusion so that no account deposits or buy-ins can be made. Any new accounts detected following a customer's self-exclusion should be closed so that no account deposits or buy-ins can be made.

There should be a process in place for customers to request reinstatement at the conclusion of the length selected for self-exclusion. Information on reinstatement requests and responsible game-play tools should be provided to the customer along with addiction resources (e.g. tips on determining risks, as well as frequency and volume of participation and encouragement to use the website's responsible game-play features).

For the self-exclusion process, websites should put in place technical and operational measures to verify the identification of the customer. Such identification verification measures should include requiring the website to use a reputable independent third party that is commonly in the business of verifying an individual's personal identity information online.

Customers should be able to renew or extend their self-exclusion by contacting a customer service agent by email, telephone or chat. Customers who renew or extend their self-exclusion should, at the time of renewal or extension, receive information about addiction resources.

### **ADVERTISING AND PROMOTION**

The operator should have a clearly articulated commitment to responsible advertising. Advertisements should not misrepresent the frequency or extent of winning or target people with game-play problems or minors and should include information on where to seek help if customers develop a problem. Advertising and promotions should not be included on any website pages that are geared toward responsible game-play.

Operators should provide "unsubscribe" functionality for customers to opt out of future direct marketing and promotional email messages.

### **FANTASY SPORTS CONTESTS AND WEBSITE FEATURES**

Fantasy Sports contests should always display the entry fee, net wins, and deposit account balances as cash.

The website should not allow customers to engage in game-play automatically using an auto play feature. The website should avoid reinforcing myths, particularly related to frequency or extent of winning.

Operators should not allow scripting which is the automatic entry to the maximum financial limit of unique line-ups in a contest.

All potential new contests and site technology should be reviewed for possible impacts on problematic game-play, utilizing a risk assessment protocol.

Customers should receive responsible game-play information during registration, agree to the terms before starting game-play and receive this information by email following registration. Terms should be provided to customers upon registration, including information about bonuses, account deposits and

withdrawals and the disposition of customer funds. The self-exclusion list should be checked by the operator during the registration process to ensure that self-excluded customers are denied access.

Customers should be geolocated, to ensure that they are not attempting to participate from a restricted or excluded state, as part of registration process, when making account deposits and when entering a “Freeroll” contest or tournament.

Customers should not be allowed to have multiple accounts on the same website.

“Freeroll” contests should have the same payout as entry fee contests and tournaments. “Freeroll” contests and demonstration websites should have the same restrictions and requirements as entry fee contests including the prohibition of participation by underage individuals. “Freeroll” contest and demonstration websites should provide the same responsible game-play information as the entry fee contest websites.

The website should not utilize practices, messages or advertising to induce customers to continue participation when game-play is in session, when the customer attempts to end a game-play session, or when a customer wins or loses a contest or tournament. Communications with customers should not intentionally encourage customers to: (a) increase the amount of time spent or funds in deposit accounts beyond pre-determined limits, (b) participate continuously, (c) re-play winnings, and (d) chase losses.

Websites should put in place technical and operational measures to prevent access by those who are underage. The age verification process should be required as a part of registration and/or at the time of depositing funds and/or when entering a tournament (including any “freeroll” contest). Such age verification measures should include requiring the website to use a reputable independent third party that is commonly in the business of verifying an individual’s personal identity information online. The website policy should describe repercussions when an underage player is identified including immediate stoppage of participation, deposit account closure and confiscation of winnings.

Customers should not be able to obtain a line of credit from the website.

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## NCPG CARE Responsible Play Amendments for Fantasy Sports Legislation

The CARE Responsible Play Amendments provide a set of minimum consumer protection standards to be incorporated into all fantasy sports legislation. They are based on NCPG's Fantasy Sports Consumer Protection Guidelines. While language to provide funding for problem gambling services and enforcement of the responsible play provisions is important it is not included below due to the wide variations in state law in these areas. CARE stands for Consumer protection; Age & identity verification; Responsible play guidelines; and Exclusion procedures.

### CONSUMER PROTECTION

- a. link on the fantasy contest's website to information on problem gambling and where to seek assistance for problem gambling;
- b. offer access to the fantasy contest player's play history, including summary of time & money spent per session and overall, games played and previous line-ups and prizes awarded;
- c. Advertisements should not misrepresent the frequency or extent of winning or target people with game-play problems or minors
- d. offer access to account details including all deposit amounts, withdrawal amounts, bonus information including how much is left on any pending bonus and how much has been released to the fantasy contest player.

### AGE & IDENTIFY VERIFICATION

- a. Verify that contest participants are 18 years of age or older through the use of a commercially available database or aggregate of databases, consisting primarily of data from government sources, that is regularly used by government and businesses for the purpose of age and identity verification and authentication;

### RESPONSIBLE PLAY GUIDELINES

- a. Responsible play guidelines shall include, but are not limited to:
  1. Information on how individual games work
  2. Practical tips on how to keep spending within safe limits
  3. Limit setting, for both time and amount of money spent in the game.
  4. Warnings on the risks associated with excessive play, including signs of a potential gambling problem

5. Links to at least one organization dedicated to helping people with potential gambling problems.

#### EXCLUSION

a. Self-exclusion is a customer-initiated restriction on their ability to participate in game-play. Self-exclusions shall:

1. be made available on the fantasy contest's website or via telephone or online chat with a fantasy contest operator's customer service agent;
2. allow the fantasy contest player to select the length of the self-exclusion and be irrevocable during the period specified;
3. contain information about available problem gambling resources;
4. contain information regarding the closure process for any accounts opened by the fantasy contest player and restrictions on opening new accounts during the self-exclusion;
5. contain the requirements for reinstatement and the conclusion of the length selected for self-exclusion;
6. contain information regarding how reward points and remaining deposit account balances are handled.;

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