



March 29, 2017

**OREGON COUNCIL**  
ON PROBLEM GAMBLING

The Honorable Paul Holvey, Chair  
House Committee on Business and Labor  
Oregon Legislative Assembly

RE: HB 2549

The Oregon Council on Problem Gambling, an affiliate of the National Council on Problem Gambling, strongly supports the notion that inclusion of Fantasy Sports as a contest of chance for the purpose of gambling and gaming laws in Oregon and that it be regulated.

The outcome of playing traditional fantasy sports contests includes chance due to highly-variable player performance in real-world situations throughout the season. Short-term fantasy sports contests are based on algorithms not associated with actual sports team outcomes and create additional elements of chance. Activities that include an entry fee, chance, and monetary prizes meet practical definitions of gambling.

The Council would like to see the incorporation of Consumer Protection Guidelines within this bill as delineated by the National Council on Problem Gambling (attached). These Guidelines include: staff training, informed decision making assistance for consumers, assistance for consumers who may be experiencing gambling problems, time outs, self-exclusion, responsible advertising, and web site features consistent with responsible gambling.

The Council was unclear as to the appropriateness of placing this responsibility within the Oregon State Lottery, as on the surface it did not appear to be a good fit. Nonetheless, the Council would defer to, and support, the Lottery's executive management insight into placement of this task with the Lottery.

Respectfully,

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Resolution of the Oregon Council on Problem Gambling  
Board of Directors  
Regarding Fantasy Sports

Approved January 28, 2016

Whereas, the purpose of the Oregon Council on Problem Gambling is to promote the health of Oregonians by supporting efforts to minimize gambling related harm. OCPG is neither for nor against legalized gambling.

Whereas, recent changes in fantasy sports contests have raised concerns about their addictive potential. Fantasy sports are contests in which participants assemble imaginary teams comprised of real players from professional sports and compete based on the statistical performance of the real players. Traditional fantasy sports leagues are season-long, but recently contests have been offered that are as short as one day. Both free and fee-based contests are available and prizes have topped \$1 million. Partners and investors in companies offering fantasy sports contests include sports leagues, professional teams, and their owners, as well as large public and private companies. Of the estimated 55 million fantasy sports participants in 2015 approximately 16 million competed in daily fantasy contests.

Whereas, the Unlawful Internet Gaming Enforcement Act (UIGEA) provides a limited exemption for some fantasy sports contests, other Federal and state gambling laws may still apply. Several states consider fantasy sports to be illegal, others permit it, but to date no state regulates fantasy sports for consumer safety and Oregon has not formally assessed the potential harm to Oregonians.

Whereas, the outcome of playing traditional fantasy sports contests includes chance due to highly-variable player performance in real-world situations. Short-term fantasy sports contests are based on algorithms not associated with actual sports team outcomes and create additional elements of chance. Activities that include an entry fee, chance, and monetary prizes meet practical definitions of gambling.

Therefore be it resolved;

- OCPG calls on companies offering fantasy sports contests to develop gambling-related consumer protections using the National Council on Problem Gambling GRADE guidelines as a foundation;
- OCPG urges partners and investors in companies offering fantasy sports contests to ensure that such fantasy sports operators provide these protections;
- OCPG urges fantasy sports participants to understand playing fee-based fantasy sports may increase their risk of gambling addiction and to protect themselves accordingly; and
- OCPG urges Council partners, stakeholders, and policy makers to assess the potential impact of fantasy sports contest on Oregonians.



**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 have the ability to receive live updates during game-play in their 'account balance' about money spent in 'completed buy-ins' and account balances in cash as well as the amount available (if any) of pending bonus. In addition 'pending buy-ins' should also be displayed for future contests/tournaments which have not yet locked (closed).

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.

