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**“Post-PASPA: An Examination of Sports Betting in America”**

U.S. House of Representatives  
Committee on the Judiciary  
Subcommittee on Crime, Terrorism, Homeland Security and Investigations  
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Chairman Sensenbrenner, Ranking Member Jackson-Lee and Members of the Committee, thank you for the opportunity to testify on sports betting in America in the wake of the Supreme Court’s ruling on the Professional and Amateur Sports Protection Act – or PASPA.

While we respect the Court’s ruling, it ushered in a new world. The absence of a clear and enforceable set of legal standards for sports betting threatens the integrity of our nation’s professional and amateur sporting contests – something Congress has sought to protect for more than 50 years. In delivering the majority opinion of the court, Justice Alito wrote that "Congress can regulate sports gambling directly, but if it elects not to do so, each State is free to act on its own." To protect consumers and the integrity of our games in a post-PASPA environment, we urge Congress to immediately act to create new statutory and regulatory standards for legalized sports betting in the United States.

Historically, the federal government has left authorization and regulation of non-sports gambling to the States. In the case of sports betting, however, because of the substantial public interest in combating threats to the integrity of sporting contests, the federal government has long maintained a distinction between sports betting and other forms of gambling. NBA Hall-of-Famer and former United States Senator Bill Bradley, one of PASPA’s four original authors, said this during a 1992 floor debate on the bill:

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*I am sensitive to arguments in favor of deferring to the States, and I believe that the Federal Government should be careful to preempt state authority only when an issue is of national importance. But, based on what I know about the dangers of sports betting, I contend that its dangers are of national importance. Such dangers and the interstate effects of sports betting justify this Federal action.*

For decades, the National Football League has collaborated with federal policymakers to protect the integrity of American athletics. PASPA, which the NFL worked to enact and vigorously defended at every level of our judicial system, was a central pillar of the federal government's system of laws – including the Wire Act (1961), the Travel Act (1961), the Interstate Transportation of Paraphernalia Act (1961), the Sports Bribery Act (1964), the Illegal Gambling and Business Act (1970), federal barriers to state-sanctioned sports lotteries (1974), and the Unlawful Internet Gambling Enforcement Act (2006)<sup>1</sup> – designed to protect game integrity and to uphold public confidence in amateur and professional sporting contests. Findings in the original House version of PASPA (H.R. 74) further warned of the dangers of sports betting, stating that:

*Sports gambling conducted pursuant to State law threatens the integrity and character of, and public confidence in, professional and amateur sports, instills inappropriate values in the Nation's youth, misappropriates the goodwill and popularity of professional and amateur sports organizations, and dilutes and tarnishes the service marks of such organizations.*

Those findings are as valid today as they were in the 1990s and should guide federal policy as state governments line up to legalize and promote sports betting. There is no greater priority for Commissioner Goodell, NFL owners and NFL players than protecting the integrity of our sport. NFL fans, players and coaches deserve to know that we are doing everything possible to ensure no improper influences affect how the game is played on the field.

For our part, we recently trained nearly 10,000 individuals associated with the NFL on our long-standing gambling policies for personnel. This includes players, coaches, game officials, medical staff, and game day personnel, and team and league staff members. The training reinforces that everyone associated with the NFL is a steward of game integrity and must uphold high ethical standards. Through this training, we remind everyone that NFL policies require us to take all measures to prevent improper influences on the game, such as protecting non-public information about player status and game plans, and to avoid even the appearance of an impropriety by not engaging in otherwise legal gambling-related activities and associations.

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<sup>1</sup> The Unlawful Internet Gambling Enforcement Act (UIGEA) arose from concerns about sports betting on the Internet and the inability of state attorneys general to enforce state gambling laws.

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Without continued federal guidance and oversight, however, we are very concerned that sports leagues and state governments alone will not be able to fully protect the integrity of sporting contests and guard against the harms Congress has long recognized as being associated with sports betting. As Congress understood when it enacted PASPA, issues generated by sports betting cannot be confined within state lines. Since then, the arrival of the Internet has significantly compounded these issues. Sports betting remains an interstate question requiring a federal response. For all of these reasons, the National Football League is calling upon Congress to establish core standards for state regulators that will: 1) ensure a legal, regulated sports betting framework with substantial safeguards for consumers; 2) provide adequate monitoring and enforcement tools for federal and state law enforcement to protect NFL fans and penalize bad actors here at home and abroad; and 3) protect league content and intellectual property.

To ensure a legal, regulated sports betting framework that protects consumers and the integrity of American athletics, we recommend that federal legislation:

- **Establish Key Criteria for State Regulatory Entities.** In a post-PASPA environment, one of the most important aspects of protecting the integrity of sporting contests and creating integrity in the new sports betting marketplace is the existence of strong state regulatory bodies with clear, enforceable policies.
- **Enforce Age Limits on Sports Betting.** The National Football League strongly supports a prohibition on sports wagering for persons under 21 years of age. When PASPA was originally enacted, one of the main concerns Congress expressed was the impact of sports betting on our nation's youth. We believe 21 years of age or older should be the standard in all states that choose to legalize sports wagering and that, as a condition of state licensure, sports wagering operators must ensure that no person under 21 years of age participates in sports wagering.
- **Require Use of Official League Data.** Requiring the use of official league data is necessary to protect consumers and to ensure integrity in a legal, regulated sports betting marketplace. Betting outcomes are increasingly determined on granular details like yardage gained, or the number of sacks by a defense, or strikes by a pitcher in baseball. Therefore, an essential component of consumer protection is a requirement that the information used to settle these wagers is correct and timely, something that can only come from official data provided by the sports leagues themselves. Sports leagues already produce this data for broadcast and statistical purposes. Our data should be the standard in a legal, regulated market. For these reasons, requiring the use of official league data is vital to establishing and maintaining marketplace integrity, which is in the public interest.

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Use of official league data also protects consumers from fake matches or "ghost games" created by criminals or unscrupulous operators. In this scenario, a sports betting fixture is listed through one of the numerous companies that provide unofficial data to the bookmaking industry. But it is either a fake match (one that takes place but is played between two different teams than the ones listed) or a ghost game (one that does not take place at all). There are multiple recent examples of such incidents in lower level soccer leagues around the world. Similarly, we are concerned that NFL fans could find themselves betting on fake in-game proposition bets, bets that seem real but are in fact fraudulently designed to dupe unsophisticated bettors. Such scenarios could be eliminated by requiring sports betting operators to use authentic data provided by sports leagues.

- **Preclude Risky Betting Fixtures.** A prominent trend in sports betting, both legal and illegal, are wagers on individual events or actions that occur during games. Examples might range from the number of passing yards by a quarterback in a football game or the number of points or rebounds by a team during a quarter of a basketball game, to the number of "throw-ins" in a soccer match or even how many flags a referee might throw in a contest. These types of bets are significantly more susceptible to match-fixing efforts, and are therefore a source of concern to sports leagues, individual teams, and the athletes who compete.

To address concerns regarding risky betting fixtures, we encourage Congress to allow professional and amateur sports organizations to identify which types of bets simply pose too significant a risk to the integrity of sports and to work with regulators not to authorize them. Specifically, professional and amateur sports organizations should be able to restrict, limit, or exclude wagers that are not determined solely by the final score or outcome of the event, if the sports organization reasonably determines that such restriction would significantly decrease the risk to contest integrity. Examples of such wagers would include those based on performances of a single athlete or the actions of match officials and referees.

- **Prohibit Insider and High-Risk Sports Betting.** One of the areas of significant risk to the integrity of our games is the use of insider information for betting purposes. We would accordingly encourage federal standards that prohibit sports book operators from accepting sports wagers from an athlete, coach, referee, or employee of an amateur or professional sports organization (including unions associated with such organizations), or any family members thereof acting on their behalf, on such organization's sport. As part of this effort, it is imperative that sports book

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operators enact robust customer verification procedures, requiring multiple levels of identification.

- **Include Responsible Gambling Resources.** It is important for every state to establish and support services for problem and compulsive gamblers. Gambling addiction can most severely impact vulnerable populations such as the elderly and young people. In the aftermath of PASPA, making sure that responsible gambling resources are available takes on a renewed urgency.

Estimates regarding the size of the illegal sports betting market in the United States vary widely. It has long been a core argument advanced by gambling proponents that the regulation and legalization of sports betting will bring illegal activity “into the light” and end illegal sports betting. It is unclear whether the mere existence of a legal market will, on its own, minimize the illegal sports betting market because participants in the illegal market have become comfortable participating in such markets, may receive better odds from illegal bookmakers, and may be able to avoid paying taxes altogether. The elimination of illegal gambling, especially offshore betting operators, requires not simply a legal alternative, but robust, active monitoring and enforcement backed by significant civil and criminal penalties for violations. To provide adequate monitoring and enforcement tools for federal and state law enforcement, we recommend that federal legislation:

- **Require Operator Licensure and Auditing.** In a post-PASPA environment, it is imperative that sports betting operators be held to the highest standards. These standards should include robust licensing requirements that weed out any unscrupulous actors, strong record-keeping and auditing requirements to aid in criminal and civil investigations, and routine monitoring and reporting of abnormal betting activity. Sports betting operators should also have state-of-the-art cybersecurity systems in place to guard against hacking and data breaches.
- **Facilitate Ease of Information-sharing Between Sports Leagues, Operators and Law Enforcement.** To further promote contest integrity, we support creating a duty for state regulators and sports betting operators to provide real-time information relating to: a criminal or disciplinary proceeding commenced against the sports wagering operator; abnormal sports wagering activity; any pattern of abnormal sports wagering activity relating to the integrity of one or more sporting events; a potential breach of the internal rules or code of conduct relating to sports wagering of or sports regulatory organizations; suspicious or illegal sports wagering activity; and any other conduct that corrupts the betting outcome of one or more sporting events for purposes of financial gain, including match fixing. Consistent collaboration and information-

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sharing among sports leagues, state regulators, and state and federal law enforcement agencies will be vital to eliminating corruption, preventing money laundering, and addressing other forms of criminal enterprise.

- **Combat Domestic and International Money Laundering, Tax Evasion, and Corruption.** Organized crime has long used gambling to launder ill-gotten gains. In the 21<sup>st</sup> century, other transnational criminal and terrorist organizations have followed suit. The nexus between organized crime and sports betting has the potential to harm the integrity of sports. Law enforcement must have the ability to combat this criminality with federal laws that include robust anti-money laundering and tax evasion provisions specifically aimed at sports betting, particularly betting conducted by unlawful offshore operators.

While state regulators clearly have an important role to play in a post-PASPA environment, the federal government has primary authority regarding interstate commerce, interstate law enforcement, and international sanctions against corruption and money laundering. The federal government is uniquely able to ensure that the policy choices of individual states to allow or disallow sports betting within their borders are respected; and to facilitate crucial information-sharing between state and federal regulators, sports leagues, and international law enforcement agencies to help prevent the corruption seen in some parts of the world where sports betting is legal.

Finally, in a post-PASPA environment, it is critical for professional and amateur sports leagues that our content and intellectual property be protected. We would ask Congress to ensure that our marks, logos, and other intellectual property cannot be used without our consent. In addition to protecting consumers, official league data is also a critical component of protecting content and intellectual property. Sports leagues are like all other manufacturers, except that our product – our nationally and internationally broadcast games – is widely available for consumers to enjoy multiple times each week across a variety of traditional and digital platforms. Unfortunately, this also means that our product is widely available for unofficial data providers, “courtsiders” and unscrupulous entities to illegally obtain, copy, use and potentially abuse. Consumers that choose to place wagers should know that the data upon which they are placing such wagers is truly from the source (sports leagues or their licensees) and is, therefore, accurate, reliable, and legally obtained.

In closing, we know that Congress cannot go back in time to rewrite PASPA, but what Congress can do now is create a modern framework to regulate sports betting in a way that continues to protect consumers and the integrity of professional and amateur sporting contests. To be clear, the National Football League is not advocating for a sweeping expansion of federal

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law at the expense of state sovereignty. We are asking for core standards, as a crucial element of a federal and state partnership, to protect the integrity of our game and, by extension, the millions of fans who are your constituents. Nearly 30 years ago, then-Senator Bradley warned:

*If sports betting spreads, more and more fans will question every coaching decision and every official's call. All of this puts undue pressure on players, coaches, and officials. State-sponsored sports betting could change forever the relationship between the players and the game, and between the game and the fans. Sports would become the gamblers' game and not the fans game, and athletes would become roulette chips.*

The core standards I have outlined here today will protect the integrity of sporting contests. They will protect consumers, including guarding against underage or problem gambling. They will prevent the proliferation of sports betting into states that do not choose to offer it. Above all, they will deter a regulatory race to the bottom.

The long-standing commitment of Congress to protecting the integrity of American athletics is deeply rooted. You have been our essential partner in this cause, and we urge you to partner with us once again to pass federal legislation this year that reaffirms this enduring commitment.

Thank you again for this opportunity to share the National Football League's views on sports betting post PASPA. I ask that this full statement be included in the Committee's record.