Office of the Commissioner MAJOR LEAGUE BASEBALL



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Chairman Brandon Beach Georgia Senate Study Committee on Gaming and Pari-mutuel Wagering on Horse Racing and Growing Georgia's Equine Industry

October 8, 2019

Chairman Beach and Members of the Committee:

The majority of my work at Major League Baseball focuses on investigating and combating threats to the integrity of the game posed by sports betting. I appreciate the opportunity to share Major League Baseball's views on the many important regulations and consumer protections that are essential to a legal sports betting framework. We look forward to working with the committee and stakeholders to create legislation that will make Georgia a leader in responsible and effective sports betting regulation.

Major League Baseball has an obligation to our fans and our sport to ensure any sports betting law does not damage our game. To manage the significant integrity risks posed by legalized sports betting, states must enact comprehensive regulations requiring airtight coordination and partnership between the state, operators and the sports leagues to closely monitor wagers and enforce regulations to prevent potential manipulation. I am going to detail some of the areas of concern, and how they can be comprehensively addressed through policy.

Our ability to protect our sport from undue influence and manipulation is only as good as the quality of information we receive. One of the primary benefits of a regulated sports betting industry would be increased transparency into what is currently a black box – the betting data in the illegal market. This would provide access to billions of points of data, which could be aggregated, analyzed, and acted upon in real time to protect games from outside influences. To ensure this data is available to be put to proper use, operators should be required to quickly share data with sports leagues, cooperate with league investigations, and report abnormal betting activity.

Certain types of betting pose greater integrity risks than others. For example, bets on the outcome of a single, controllable act - a bet on who commits the first foul in a basketball game or if the first pitch of an inning is a ball or a strike – are more susceptible to outside influence. The sports leagues know what types of betting impose the greatest integrity risks; therefore, we must be able to work with regulators to opt out of the forms of betting that are problematic.

It is also critical that sports betting operators rely on verified, uniform sources of statistics and data. Sports betting has evolved far beyond simple wagers on the final score of a contest.

Today, in-game bets – on anything from the number of runs scored in an inning to the result of a specific at-bat – are the fastest-growing form of sports wagers. Imagine some operators marking a batted ball as a hit and others scoring it as an error, followed by a cascading series of bets reliant on that original subjective outcome. The possibilities for real or perceived manipulation are innumerable and would undermine the public trust in sports betting, and the sports themselves. The only way to ensure uniformity, fairness and accuracy of outcomes is to require – by statute – that all sports betting operators use the official and indisputable data and statistics provided by sports leagues like Major League Baseball for scoring any in-game or similarly complex "tier two" bets. We believe any proposal considered by the committee must contain this essential provision.

Major League Baseball also supports additional consumer protections, which include age restrictions, reasonable advertising restrictions such as prohibitions against advertising geared towards minors, and self-exclusion programs for problem gamblers.

Lastly, sports betting must be mobile. Without legal online products, the illegal market will remain nearly as strong as it is today, as many consumers will simply continue to place their bets instantly, and illegally, on their phones as opposed to traveling to a brick-and-mortar location. Legal sports betting must be a modern product, which means mobile options, otherwise it will completely defeat a fundamental purpose of legalization.

We look forward to working with the committee members and stakeholders to perfect a bill that will make Georgia a leading example of responsible sports betting regulation in the country.