

WRITTEN STATEMENT OF

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and  
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Michigan Gaming and Gambling Bills  
Tuesday, October 29, 2019

Chair Iden and Members of the Committee:

On behalf of the National Council on Problem Gambling (NCPG) and the seven million plus Americans—including the estimated 171,000 citizens of Michigan - with gambling problems, we would like to make you all aware of several concerns that we have about the current gaming climate in Michigan.

The National Council on Problem Gambling (NCPG) was founded in 1972 and from the outset the Council established two principles that remain in effect today: that the organization would be the advocate for problem gamblers and their families, and that it would take no position for or against legalized gambling. This stance is encompassed today in our vision and mission statements and the work that we conduct every day.

Today I write for those who are at-risk for gambling problems, those who suffer from a gambling addiction, and for those in recovery who must remain anonymous. I speak for both young, old, men and women who will be harmed in the future from expanded gaming. NCPG bears witness to the devastating impacts of a gambling addiction on individuals and their families and to the effectiveness of services that provide help and hope for those who struggle.

NCPG resolves that:

1. We believe the decision to gamble is an individual choice that should be made on an informed basis, and that those who choose to gamble should be provided specific information on the financial and health risks of gambling, guidelines for responsible gambling, signs of addiction and resources for help.
2. We believe problem gambling is a national public health issue that negatively affects individuals, families, businesses and communities throughout the country. Programs to reduce the harm from gambling addiction have a positive impact on individuals, families, communities and society.
3. We believe that gambling problems encompass more than a clinical diagnosis of a gambling disorder. They can affect people whose gambling is just beginning to move beyond simple

recreation, those on the path to recovery, and many points in between. We further believe that problem gambling services must address all individuals at any point on this continuum.

4. We believe the most ethical and effective way to address problem gambling is through comprehensive prevention, education, treatment, enforcement, research, responsible gambling and recovery programs.

5. We believe problem gambling services must be available in every state, accessible to all in need and be affordable for problem gamblers and their families.

6. We believe Federal, state, tribal and local government have a responsibility to provide adequate funding for programs to mitigate the costs of gambling addiction.

7. We believe gambling operators, suppliers, and regulators play a critical role in successfully addressing problem gambling, including but not limited to adherence to responsible gambling standards, establishing partnerships with problem gambling organizations, and assisting with the funding of problem gambling-related problems.

8. We believe that our mission can only be accomplished through the collaborative action of a broad range of people and organizations, including government at all levels, the gambling industry, social service agencies, those in recovery, those who have been affected by the gambling of a loved one, the medical community, the financial industry, and the legal and judicial systems.

Problem gambling or gambling addiction is a **critical public health concern** and includes all gambling behavior patterns that compromise, disrupt or damage personal, family or vocational pursuits. The essential features are increasing preoccupation with gambling, a need to bet more money more frequently, restlessness or irritability when attempting to stop, "chasing" losses, and loss of control manifested by continuation of the gambling behavior in spite of mounting, serious, negative consequences. In extreme cases, problem gambling can result in financial ruin, legal problems, loss of career and family, or even suicide.

The estimated annual social cost to Michigan families and communities from gambling-related bankruptcy, divorce, crime and job loss is **\$133 million**, mainly in criminal justice and healthcare costs. Problem gamblers also have high rates of co-occurring substance abuse and mental health disorders, including smoking, alcohol use and abuse, drug use and abuse, depression, and suicidal behavior.

**We can never eliminate the disease of gambling addiction, but we can and must make better efforts to prevent and treat it.**

I would like to caution the members of this committee about a collision of **three trends** with expansion of sports betting:

1. vast increases in gaming advertising, especially exhortations to gamble during the game;
2. advances in technology, including mobile phone gambling,
3. and a virtually unlimited menu of betting opportunities far beyond game outcome or even player performance.

This amalgamation of advertising, access, and action is unprecedented in the United States, and indeed anywhere else in the world. As a result, Americans will experience an unprecedented blitz of marketing; urging them to bet instantly from their phone on every action by every player on every play in every game in every sport.

Michigan will be no exception. **The expansion of legalized sports gambling in Michigan will likely increase gambling participation and simultaneously increase problems.** The dangers of this trend of advertising, access, and action posed to Michiganders can be mitigated though, with a few measures:

1. Dedicate at least one percent of revenue to research, prevent, and treat gambling addiction.
2. Develop robust and enforceable responsible gaming programs for sports betting licensees and all gambling operators.
3. Conduct surveys of the prevalence of gambling addiction prior to expansion and at regular periods thereafter to assess problems.
4. Establish a consistent minimum age for gambling.

Everyone who profits from sports betting and expanded gambling bears responsibility for gambling problems. Dedicating a portion of profits from gambling to mitigate gambling harm is an ethical imperative and an economic necessity. **The only way to maximize benefits from sports betting is to minimize problem gambling.**

### **Research/Surveying**

When considering new and expanded gambling legislation, regulations, policy or programs, the regulator should consider the precautionary principle, that there is a social responsibility to protect the public from exposure to harm, when scientific investigation has found a plausible risk. Few jurisdictions have conducted adequate prevalence research pre- and post-gambling expansion. Maryland and Massachusetts have conducted baseline studies, and Massachusetts certainly has the most thorough research effort in place. The Expanded Gaming Act requires that the Commission establish an "annual research agenda" in order to understand the sociological and economic effects of expanded gaming in the Commonwealth. The Commission engaged a university research team to oversee, evaluate and perform a multi-year, multi-method, multi-disciplinary, multi-phase comprehensive research project. We believe Massachusetts is a model of excellence and highly recommend their approach.

It's crucial that Michigan fund research prior to the expansion of sports betting and periodic monitoring be conducted thereafter to support evidence-based, data-driven responsive measures. It's not about being first into the market, it's about doing this right. Take your time, study the market and best opportunities, and get the necessary information and baseline information on problem gambling.

### **Vulnerable Populations**

NCPG has additional concerns about the impact of sports betting on the health of athletes, as research indicates that athletes are more likely to be at risk for addictions. Preventing and treating gambling addiction among players protects their health and the integrity of the game. Therefore, leagues and teams should establish specific gambling addiction prevention and education programs for youth athletes prior to high school all the way through college and into professional sports. They should also ensure that athletes and personnel have a safe harbor to seek help for gambling related problems, and qualified personnel available to aid. Sporting organizations should provide mandatory educational briefings to players and team personnel on team/league policy regarding gambling and where to get help for gambling problems. They could also utilize their high-profile opportunities in the media to help send responsible gaming messages to their fans and the public at large.

The media should promote the National Problem Gambling Helpline (1- 800-522-4700) as a public service in every newspaper and media outlet which prints or publicizes betting lines or odds. We are pleased to report we are in discussions with ESPN around this issue and call on their competitors to follow their lead. We are also pleased to announce our Safer Sports Betting Initiative (SSBI). The initial SSBI goal is to raise awareness of potential gambling addiction-related problems and suggested responsible gambling solutions among states, leagues, gambling operators, and other stakeholders.

Sports betting legislation that allows internet, mobile and online gambling options may further increase risk factors for gambling addiction, but this technology also allows additional opportunities to enhance the responsible gaming features described above including setting limits and exclusion programs. Therefore, NCPG urges legislators and regulators to utilize NCPG's best practice Internet Responsible Gambling Standards (IRGS) as the basis for any internet or mobile gaming. Gaming vendors and operators are encouraged to pursue NCPG's Internet Compliance Assessment Program (iCAP) to receive an independent audit confirming they meet the IRG Standards. Not only will this make it easier for all stakeholders to have a consistent responsible gambling program across various jurisdictions, systems and license holders but most importantly it will provide those who gamble with continuity of protection.

### **Internet Responsible Gambling Standards (IRGS)**

The National Council on Problem Gambling has developed the Internet Responsible Gambling Standards to help guide discussions among all stakeholders on internet gambling and mobile gaming, including legislators, operators, regulators, advocates, and the public.

The standards contain specific recommendations in the areas of policy, staff training, informed decision-making, assisting players, self-exclusion, advertising and promotion, game and site features, and working with research.

NCPG reviewed current internet responsible gaming codes and regulations from around the world to guide the development of these standards. The final recommendations flow from our 40 years plus of experience in problem gambling issues, existing international codes, empirical evidence and feedback from experts in the field including operators, regulators, researchers, clinicians and advocates. We also considered Federal laws governing the online purchase of age-controlled products like alcohol and tobacco. The NCPG standards are ever evolving as internet and mobile gambling-related legislation, regulation and technology also continue to evolve. The graphical and interactive structure of the internet provides an opportunity to create informed consumers with access to a variety of information designed to encourage safe choices and discourage unsafe behavior.

It is strongly recommended that operators and regulators consult with experts in the problem gambling field during the development and implementation of internet and expanded gambling. NCPG believes the following requirements should be included in any gambling/gaming legislation. Please find these standards in Appendix A.

### **Daily Fantasy Sports**

NCPG has been working on Daily Fantasy Sports (DFS) issues since 2013. While we believe the vast majority of DFS players are at little or no risk for addiction, we have serious concerns about addiction among others.

We are working tirelessly to clearly and constructively articulate our concerns and provide positive and specific solutions through our proposed responsible play legislative language as well as consumer protection guidelines for legislators, operators, and regulators. Appendix B of this testimony contains those documents.

### **Conclusion**

We know illegal gambling including sports betting occurs across Michigan. Legalization will likely increase availability and acceptability of sports gambling and thus increase participation, which may lead to more gambling problems.

These recommendations, if implemented, will provide badly needed help to bolster the existing problem gambling safety net prior to the onset of expanded gaming. There will be a small but significant portion of gamblers who experience negative consequences as a result of sports betting. Together with all stakeholders who will profit from sports betting our challenge is to

implement measures to reduce that harm as much as possible even as sports gambling expands across the nation.

NCPG would like to thank the Chair for the opportunity to submit our remarks for the record and we would be happy to respond to any questions. I can be reached at:

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## APPENDIX A

### INTERNET RESPONSIBLE GAMBLING STANDARDS

Revised September 27, 2019

Gambling may have benefits but also has well documented negative consequences. Internet gambling is no exception. It is clear that some who gamble online will develop problems and that these problems are serious. The most ethical and cost-effective response to gambling addiction issues is a comprehensive public health strategy that includes prevention, education, treatment, enforcement, responsible gambling, research and recovery services. Responsible gambling standards are an important aspect of this approach. The National Council on Problem Gambling has developed these standards to help guide discussions among all stakeholders on internet gambling, including operators, regulators, advocates and the public.

In 2012 NCPG reviewed internet responsible gaming codes and regulations from around the world to guide the development of this standard. The Standards were revised in 2019. The final recommendations in this document come from our experience in problem gambling issues, empirical evidence, existing international codes and feedback from experts in the field including operators, vendors, regulators, researchers, clinicians and advocates. The NCPG standards are continually evolving, as internet gambling-related legislation, regulation and technology are rapidly being introduced. It is intended to apply across all platforms (including web, desktop, mobile, app and any other device that can be used for internet gambling).

It is strongly recommended that operators, vendors and regulators consult with experts in the problem and responsible gambling field during the development and implementation of internet gambling. Problem gambling, like other diseases of addiction, will likely never be eliminated, but we must make better efforts to mitigate the damage. A portion of all gambling revenue should be dedicated to reducing the social costs of gambling addiction. Organizations like NCPG provide services to prevent, treat and research gambling problems, as well as responsible gambling programs and policies such as IRGS.

Definitions: Problem gambling is a disorder characterized by preoccupation with wagering, chasing losses and losing control over the amount of time and money spent gambling.

Responsible gambling is policies and programs designed to prevent and reduce potential harms associated with gambling; they often incorporate a diverse range of initiatives designed to promote consumer protection, improve community and consumer awareness and education, and provide referrals to treatment and recovery resources.

## **POLICY**

**Policy commitment:** Corporate policy makes a clear commitment to responsible gambling and identifies expectations for corporate leadership. The policy should seek to ensure that the prevention of gambling-related harm is included in all strategic decisions.

**Strategy:** The operator has a responsible gambling strategy with defined goals and a clear plan of action.

**Evaluation and Reporting:** The strategy should be evaluated annually for progress and a report made publicly available.

**Support:** A portion of the organization's internet gambling revenue should be dedicated to reducing the social costs of gambling addiction.

## **STAFF TRAINING**

**Corporate policy:** A senior staff member is responsible for implementation of responsible gambling policies and procedures, and that person is listed on the website. There are regular reminders to all Directors, managers and staff about the organization's responsible gambling policies, and general updates on industry best practice.

**Training:** All staff should be trained every year on responsible gambling, including but not limited to, definitions of key terms, myths and facts and where to get help, with content updated as necessary. Customer-facing staff should have enhanced annual training in player protection and responsible gambling interventions. These staff members are taught skills and procedures specific to their position to respond to situations where a player is in distress. Staff knowledge of responsible gambling should be tested as part of the training. Training should be developed or evaluated by an unaffiliated third party with experience in gambling addiction and responsible gambling.

## SUPPORTING INFORMED DECISION MAKING BY PLAYERS

**Safer Gambling Information:** Players are provided with highly visible and readily accessible tools and information to help them make more informed decisions about their gambling. The information should be presented in a way that can be clearly understood by a player with a sixth grade reading level. The responsible gambling information includes, but is not limited to, player-focused information on:

1. Practical tips on how to keep gambling within safe limits
2. Common myths associated with the applicable games
3. How the site's individual games work, including randomness, house edge, odds of winning and payout ratios where applicable
4. Preventing access to a player's accounts by underage, unregistered, unauthorized or excluded players
5. How to use the site's responsible gambling tools and features
6. Risks associated with gambling
7. Signs of a potential gambling problem for themselves or their loved ones
8. How to access personal data on responsible gambling
9. Direct links to at least one organization dedicated to helping people with potential gambling problems. Regular testing for functionality occurs for all links to help services.

**Personal responsible gambling data:** Players have readily available access to their gambling history including amounts wagered, won and lost; time and money spent; games played; net wins/losses as well as session information. Players have access to their account details including all deposits, withdrawals, movement of funds between products, bonus information, restrictions such as exclusion events and limits, and net outcomes including total won or lost over a defined period. This information should be readily available across all platforms (including web, desktop, app).

Players can receive live updates during play about time and money spent and account balances in cash, not credits.

**Limit setting:** The site must allow players to set a variety of limits and should encourage and even incentivize the player to do so. These limits must be clearly signposted when a player joins the site. o Players have the option of setting daily, weekly or monthly limits on the size of deposits.

- Players have the option of setting a system-wide or a product-based limit on the amount of time or money spent.
- Players should have the ability to block themselves from particular games or game types.
- Players should be able to lower limits immediately. Players may request increases in or removal of their limits. After the period ends and a request for increase or removal is made, there will be an additional delay of at least 24 hours and the player must reconfirm their request for the limit to be changed.

Play is stopped when the limit is reached. Players may view the status of their limits on the account details page at any time either via web browser or mobile app.

**Time Out:** Players have the option of setting time limits (time-outs). Time-outs are defined as instant stops in play that are at least 12 hours but less than six months. Longer stops in play are available under the self-exclusion procedure. Players may still receive marketing materials during a timeout, unless they wish to exclude.

## **ASSISTING PLAYERS**

**Policies:** Clear policies are in place for assessing and handling situations where a player indicates they are in distress or experiencing problems. Operators should have policies in place to monitor player activity for signs or triggers of problem gambling. There is a procedure in place to address third party (e.g., spouse, relative) concerns about players gambling behavior.

**Responding to player information requests:** Customer service agents are knowledgeable about the helpline, self-exclusion/timeout, responsible gambling, online gambling blocking software and local help resources and able to provide that information on request. All information should be in clear and simple language, ideally in multiple languages where necessary.

## **SELF-EXCLUSION**

**Self-Exclusion:** Self exclusion is a player-initiated restriction on their ability to play on the site. The selfexclusion functionality should be no more than three clicks from any game.

**Self-exclusion policy:** Players have the choice of registering online through their player account or with a customer service agent. Players have the option to register through a third-party provider recognized by NCPG or the regulatory agency.

**Exclusion length:** The ban length is variable but is a minimum of six months and includes a lifetime option. Players have options to select the length. All bans, no matter what length, are irrevocable until the expiration of the exclusion term. Bans stay in effect indefinitely and accounts are not automatically reopened until players go through the reinstatement process.

**Communication with players:** Excluded players do not receive any promotional materials until a player goes through the reinstatement process.

**Access to Help:** Players who exclude also receive information about available help and prevention services (e.g., helpline number, blocking software, counseling, Gamblers Anonymous).

**Conditions of Exclusion:** Players receive clearly worded information that outlines the conditions of the ban. Players receive an outline of the conditions of the ban during registration and by email following registration, which should not contain promotional materials but includes:

- o Length of exclusion
- o The closure process for any accounts opened by the same person during the exclusion
- o Requirements for reinstatement and renewal upon expiration of the exclusion
- o How reward points, scheduled payments and remaining balances are handled

**Enforcement:** The player's account is closed or suspended so that no deposits or bets can be placed. Any new accounts detected following entry into a self-exclusion/timeout will be closed so that no deposits or bets can be placed.

**Reinstatement:** There is a process in place for players to resume play if their exclusion is less than lifetime duration. If a player requests reinstatement, this information is provided to the player along with help resources (e.g. tips on how to keep gambling within safe limits and encouragement to use the site's responsible gambling features).

**Renewal:** Players may renew their exclusion if their exclusion is less than lifetime duration. Players who renew their ban receive information concerning problem gambling and help resources.

## ADVERTISING AND PROMOTION

**Advertising policy statement:** The operator has a clearly articulated commitment to advertising that does not mislead or target people with gambling problems or vulnerable populations such as minors. Advertising and promotions are not on any online pages that are geared towards responsible gambling. Advertising is not misleading about outcomes of gambling and does not misrepresent the odds of winning/losing.

**Complaints:** The complaints and disputes process should be easy to find on the website or app.

## GAME AND SITE FEATURES

**Display Cash:** Games always display bets, wins, losses and account balances as cash, not credits or points.

**Game Features:** The site does not allow players to play games automatically using an auto play feature. The site avoids reinforcing myths (e.g., stop buttons are not available to avoid giving players the illusion of control or reinforcing the near miss).

**New Features:** All new games and site technology are reviewed in advance for possible impacts on gambling-related harms utilizing a risk assessment protocol.

**Registration:** Players receive responsible gambling information during registration, agree to the terms before starting to play and receive this information by email following registration. Terms are provided to players upon registration, including information about bonuses, deposits, withdrawal and the disposition of player funds. Terms and conditions should be in clear and simple language, and available in other languages on request. Self-exclusion lists are checked during the registration process and excluded players are denied access.

**Multiple Accounts:** Players are not allowed to have multiple accounts on the same site. Where an operator has multiple sites, they should state clearly how a customer who excludes from one site may be managed on the operator's other sites.

**Free Games:** Free or demonstration games should not be available to play without first signing into an account. Free or demonstration games have the same payout percentages, odds and age restrictions as paying games.

**Encouragement to Continue:** Players are not induced to continue gambling when play is in session, when the player attempts to end a session, or wins or loses a bet. Communications with players do not intentionally encourage players to: (a) increase the amount they play with, (b) gamble continuously, (c) re-gamble winnings, and/or (d) chase losses.

**Underage Gambling:** Sites have an affirmative obligation to 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 prior to deposit of any funds. Such measures include requiring the site to use a reputable independent third party that is commonly in the business of verifying an individual's personal identity information. When an underage player is identified their play should be immediately stopped and their account closed. The site policy should clearly describe any other consequences including how any winnings or funds in the account are handled.

**Minimum Age:** We strongly recommend a minimum age of 21 to access any play on the site, whether free or paid.

## RESEARCH

**Transparency:** Play data from regulated internet gambling sites should be publicly available through the regulatory agency to qualified researchers. Data must be anonymized to remove personally identifying information, consistent with Federal and state privacy, intellectual property and freedom of information laws. A customer should be able to request and receive all of their account information.

**Evaluation:** A research program should be in place which monitors and reviews the effectiveness of the operator's responsible gambling policies, including tracking player usage and uptake of responsible gambling tools.

## PAYMENTS

**Exclusion:** any electronic/digital/cashless payments method the site accepts should allow players to exclude.

**Limits:** Players should also be able to set limits on their gambling-related financial transactions, including amount and frequency of deposits.

**Data:** Data on payments made by players should be publicly available through the regulatory agency to qualified researchers. Data must be anonymized to remove personally identifying information, consistent with Federal and state privacy, intellectual property and freedom of information laws. A customer should be able to request and receive all of their account information.

**Know Your Customer:** Players should undergo a thorough age and identification verification process in setting up their payment methods.

**Credit:** Players cannot obtain a line of credit from the site.

## APPENDIX B

### 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 gameplay 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.

MAPG with Neutrality on all gambling bills before the Committee:  
**HB 4916, HB 4917, HB 4918, HB 4307, HB 4308, HB 4309, HB 4310, HB  
4311, HB 4312, HB 4323, HB 4173**

Standing Committee Meeting  
Ways and Means, Rep. Brandt Iden, Chair  
Tuesday, October 29, 2019 @ 10:30 AM

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Good morning Chair Iden, and members of this committee. Thank you for allowing me to testify today. My name is Michael Burke and I am the Executive Director of the Michigan Association on Problem Gambling (MAP-G). I also serve on the Board of Directors for the National Council on Problem Gambling. I am here to speak to you about the “silent addiction,” ... that is problem and disordered gambling. But before I get into that, I feel that it is very important for me to make it clear from the outset, the Michigan Association on Problem Gambling and the National Council are neutral on legalized gambling.

MAPG is a not-for-profit organization and the state affiliate to the National Council on Problem Gambling. The Michigan Association and the National Council have also filed joint testimony today regarding the gambling bill package being considered today.

The Michigan Association does not receive state funding. We are comprised of a 100% all-volunteer network of problem gambling clinicians, trainers, researchers, stakeholders from Michigan’s gambling industry, and individuals who are in recovery. The presence of a state advocate for problem gamblers is extremely important as most individuals with gambling problems do not seek help due to the intense shame and stigma surrounding this hidden addiction. I receive calls



regularly from individuals and families suffering the negative effects of problem gambling. We can never eliminate the disease of gambling addiction, but we can and must make better efforts to prevent and treat it.

I may be here testifying on behalf of the Michigan Association on Problem Gambling, but more importantly I am here to testify on behalf of the estimated 171,000 of citizens in Michigan currently suffering from disordered gambling. Unfortunately, only about 8% of those suffering actually receive treatment.

According to the Michigan Department of Health and Human Services, in 2018 alone, the Michigan Problem Gambling Helpline received 3,639 calls in addition to the more than 3,526 calls, 47 texts, and 66 online chats from Michigan's residents to the National Council's problem gambling helpline.

Problem gambling or "gambling addiction" is an important public health concern and includes all gambling behavior patterns that compromise, disrupt, or damage personal, family or vocational pursuits. The essential features are increasing preoccupation with gambling, a need to bet more money more frequently, restlessness or irritability when attempting to stop, "chasing" losses, and loss of control manifested by continuation of the gambling behavior in spite of mounting, serious, negative consequences. In extreme cases, problem gambling can result in financial ruin, legal problems, loss of career and family, or even suicide.

With any expansion of gambling, there follows an increase in the problems associated with such expansion. As with any addiction, there are social costs to Michigan families and communities from gambling-



related bankruptcy, divorce, crime, and job loss. It is estimated by the National Council to be an annual cost of \$133 million, mainly in criminal justice and healthcare costs. Problem gamblers also have high rates of co-occurring substance abuse and mental health disorders, including smoking, alcohol use and abuse, drug use and abuse, depression, and suicidal behavior.

It is important to note that the majority of people in Michigan will never experience gambling problems, but it is up to the state of Michigan to provide effective, results-oriented prevention and treatment programs to help the estimated 1-2% of individuals suffering the negative consequences of problem gambling. My primary goal is to advocate for services to prevent Michigan citizens from developing gambling problems and to ensure services are available to treat those who develop this devastating disorder.

The Michigan Association on Problem Gambling seeks to ensure that the increase in gambling offerings proposed under this package of gambling bills are mitigated through the following:

1. Dedicate at least ONE percent of revenue to prevent and treat gambling addiction
2. Develop robust, industry-best responsible gaming programs for all betting licensees and all gambling operators
3. Conduct surveys of the prevalence of gambling addiction prior to expansion and at regular periods thereafter to assess problems, and
4. Establish a consistent minimum age for gambling.

MAPG is hopeful that the state will take into consideration the impact this legislation will have on those citizens who are already identified as



compulsive gamblers as well as those predisposed to developing a compulsive gambling problem in the future.

MAPG and its members would like to explore with this committee, that among the proposed safeguards for this legislation, the need for specific funds to be allocated to offering free, in-patient residential treatment for those Michigan residents suffering from a compulsive gambling disorder. States such as Louisiana and Massachusetts serve as great templates and offer in-patient residential treatment at no cost to any resident of their respective state.

Ultimately, there will be a small but significant portion of gamblers who experience negative consequences as a result of sports betting. But if we address certain aspects of this legislation now, we can help to mitigate the negative consequences associated with this silent addiction. **The only way to maximize benefits from gambling expansion is to minimize problem gambling.**

Finally, I would like to make the Committee aware that I myself am in my twentieth year of gambling addiction recovery, and I offer this testimony with first-hand knowledge and a very deep passion for those currently suffering from gambling addiction.

Thank you Chair Iden and Members of the Committee. The Michigan Association on Problem Gambling is available to this committee at any time to continue this important discussion.

I am happy to try and answer any questions you may have now or after this hearing. Thank you.

The first part of the report discusses the general situation of the country and the progress of the work done during the year.

The second part of the report deals with the various projects and schemes which have been carried out during the year.

The third part of the report contains a summary of the results of the work done during the year and a list of the names of the persons who have been engaged in the work.

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