

**The New York Times**

**A RISKY WAGER**

## ***Key Findings From The Times' Investigation of Sports Betting***

The New York Times examined thousands of pages of documents and interviewed lobbyists, executives, lawmakers, regulators and others to understand how the sports-betting industry grew so big so fast.

**By David Enrich**

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A sports-betting ad on a train at Penn Station in New York.  
Credit Amir Hamja for The New York Times

Four years ago, it was illegal to gamble on sports in most of the United States. Today, anyone who turns on the television or visits a sports website or shows up at a stadium is likely to be inundated with ads to bet, bet, bet.

The New York Times has spent nearly a year investigating how the sports-betting industry got so big, so fast — and what the consequences are likely to be for public health, taxpayers, the sports world and more.

Here are some of the key findings from our reporting.

### **Gambling companies and sports leagues had a field day with state lawmakers.**

After the Supreme Court opened the door to sports betting in 2018, lobbyists pushing for the legalization of online betting lavished state officials with gifts, parties and millions of dollars in donations, at times skirting campaign finance rules. Many lawmakers proved pliant.



Gambling lobbyists in April wait for lawmakers in Kansas to approve a sports-betting law.  
Credit Amir Hamja for The New York Times

The gambling industry used dubious data to push to legalize sports betting, in part by predicting states would be greeted by gushers of new tax revenue. A Times analysis of the industry's claims found that many of the projections, at least so far, have been wildly optimistic.

That is in part because lawmakers handed gambling companies lucrative tax exemptions. These exemptions essentially subsidized their efforts to lure customers with supposedly risk-free bets and other promotions.

### **To lure customers, gambling companies have struck envelope-pushing partnerships.**

For example, The Times found that companies have paid at least eight universities to let them promote gambling on campus. In a deal between the betting company PointsBet and the University of Colorado Boulder, for example, each time someone downloads the PointsBet app and uses a special promotional code, the university pockets a \$30 fee.

Image



The University of Colorado Boulder struck a lucrative partnership with the betting company PointsBet.  
Credit Stephen Speranza for The New York Times

### **The casino company Penn Entertainment took another approach.**

It agreed to buy Barstool Sports, a controversy-courting suite of websites, podcasts and more. Barstool's founder and ringleader, David Portnoy, has a history of misogynistic and racist behavior — and now has become one of the sports-betting industry's most prominent spokesmen.

Mr. Portnoy is the type of person who traditionally would have encountered scrutiny from state regulators. In addition to his record of offensive behavior, The Times learned that he previously filed for bankruptcy, citing, among other things, \$30,000 in gambling losses in one year — a typical red flag for gambling authorities. But in 12 of the 13 states in which Penn runs Barstool-branded sports betting, regulators didn't require Mr. Portnoy to undergo a licensing review.



David Portnoy, the founder of Barstool Sports, is one of the sports-betting industry's loudest cheerleaders.  
Credit Amir Hamja for The New York Times

### **State regulators have often found themselves outmatched and overwhelmed.**

The federal government doesn't regulate sports betting. A Times survey of states that have legalized such betting found that the enforcement of rules has been haphazard, that punishments have tended to be light or nonexistent and that regulators are counting on the industry to police itself.

The more people bet, the more states collect in taxes. While also seeking to protect consumers, regulators have an incentive to help gambling companies get up and running quickly. Some states let them begin operating before regulators complete comprehensive licensing reviews.

The sports-betting industry has been creative in devising ways to persuade people to keep betting even after they lose money, but tools to make it easier to quit — some run by gambling companies, others by states — do not always work. In Indiana, for example, people who sought the government's help to prevent them from gambling found that they were still able to place bets. Dozens did so.