

## Fantasy betting: freedom v. protection conundrum

By Jim Nowlan

Over the recent holidays, my great-niece Camille and I sat down at her laptop to do some daily fantasy sports betting, so I could learn what it was all about.

She pulled up Fan Duel, one of the biggie betting sites, and quickly began to pick her football team for the NFL games the following day. She bet \$2, but could have bet \$5,000 or more.

[A college student, Camille is obsessed with Patriot's star quarterback Tom Brady and follows the NFL closely.] My niece was not able to pick all the best football players, because each fantasy player has the same budget to spend on picks, with a top quarterback costing more than a mediocre one.

So if Camille picks Tom Brady, who is muy expensive, she has to settle for lesser picks at other positions to stay within budget. She checked with her father, who was out on the porch overseeing the beef tenderloin on the grill. The two have fun collaborating on their fantasy games, which is nice to see.

The following day, Camille and Dad watched the football games pertinent to her bet. Her point totals went up and down in real time as her players performed well or not. It matters not which NFL teams win their games; this is all about the point total for her fantasy team.

Camille reported to me later that Russell Wilson, a quarterback somewhere, did not do so well as she expected, so she lost, as she apparently does most/all the time. Fan Duel deducts the loss from her credit card.

I saw one report that 51 million people around the globe have bet on fantasy sports, mostly young men in America (Camille is one of the 5 percent female)—and nearly all of them are regularly fleeced.

The dramatic growth of the daily sports betting industry has sparked fear and outrage from gambling opponents, who call it the crack cocaine of Internet gambling.

As Camille showed, it is incredibly easy to play the game from the comfort of one's laptop or iPhone. The companies offer almost infinite daily opportunities to play.

Fan Duel reports that it alone has taken in \$91 million from Illinois players this past year and generated \$7 million in “rake,” or commissions [(gamblers used to call this the “vigorish”)].

The really critical figure is this: 91 percent of the money wagered is won by 1.3 percent of the players.

In other words, the Camilles of the world almost always lose the sharks in the game, who put in scores, even hundreds of wagers on any single game. The sharks use superior knowledge, probability skills and computer programs to cover all the best outcomes.

Illinois Attorney General Lisa Madigan recently entered the fray, declaring that this sports betting is indeed gambling and illegal under Illinois law. [No matter that Illinois authorizes seven forms of legal gambling, including a state-owned lottery that takes in, on average, \$500 in wagers annually from every family in Illinois.]

Illinois state Rep. Mike Zalewski (R-Riverside) has introduced legislation to regulate sports betting, which includes a “whopping” \$1,000 fine for any violators of his proposed regulations.

[My bet is (excuse the terrible pun; I'm better than that) his legislation will go nowhere in this spring legislative session, as lawmakers will be preoccupied with trying to figure out how to create last year's budget and raise taxes to pay for it.]

The fundamental underlying philosophical conundrum is that of government's responsibilities over whether to prohibit or regulate a fun activity that clearly harms some citizens.

I had, for example, a friend addicted to gambling who committed suicide over his inability to support both his family and his habit. If the casino boats nearby him didn't exist, he would probably be with us today.

Yet I feel the hand of government should rest very lightly on my shoulder. And most government efforts to prohibit what people want to do fail, e.g. Prohibition and the War on Drugs.

So I propose that governments regulate sports betting as tightly as possible, though it's hard to regulate "the cloud," and friends like University of Illinois professor and gambling expert John Kindt say it can't be done.

Much as I prefer state and local government to the feds, it will probably take the latter to have any impact in regulating a nationwide activity.

I propose there be warning labels across the screen at all times: "You are almost certain to lose to the professionals playing this game. Save your money and stay away." Or something like that.

I think daily sports betting will fade away because of its own flawed business model. Fan Duel and the professional gamblers need new suckers every day to provide the revenue for their

profits and winnings. If the suckers almost always lose, they will ultimately back away, or so I would hope.

Casino boat operators are smarter. They return about 90 cents in winnings for every dollar wagered, so bettors frequently win something, and keep coming back, mostly losing in the long run.