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Written Joint Testimony of BetMGM, DraftKings and FanDuel Group

**Committee On Veterans and Legal Affairs
Hearing on LD 1352, LD 1404, LD 1405 and LD 1527
April 30, 2021**

Chairmen Luchini and Caiazzo, Members of the Committee:

BetMGM, LLC (BetMGM) DraftKings Inc. (DraftKings) and FanDuel, Inc. (FanDuel) appreciate the opportunity to submit joint written testimony regarding legalizing sports wagering in Maine. As leading innovators in sports entertainment technology, we operate three of the most successful legal online sports wagering platforms in the country. DraftKings and FanDuel also operate fantasy sports contests in 43 states across the country, including Maine. Our three companies are competitors in the marketplace, but we are aligned in working with U.S. states and jurisdictions to create a viable, successful, and safe sports wagering market.

All three companies are excited about the opportunity to bring our extensive and proven track records in operating sports wagering to Maine. Since the repeal of the Professional and Amateur Sports Protection Act of 1992 in 2018, 25 states plus the District of Columbia and Puerto Rico have created legal frameworks for sports wagering. Neighboring New Hampshire has had legalized online wagering for more than a year, and other New England states are currently considering legalization. Importantly, these jurisdictions are taking the opportunity to protect consumers, by drawing them from the illegal market, while raising revenue.

Our coalition of online sports betting operators welcomes the legislature's consideration of all four measures and their varying approaches to creating a vibrant sports betting marketplace in the State. Maine now has a chance to eradicate an illegal market and establish a regulated industry that safeguards integrity, protects consumers, and generates tax revenue for the State. BetMGM, DraftKings and FanDuel have been at the leading edge of these new sports wagering markets and we are happy to share our insights with the Committee as it considers joining more than half the country in taking this vital next step.

While states have taken slightly different approaches in their respective sports wagering frameworks, one thing is clear: an online marketplace with multiple qualified and experienced operators is critical to the success of the industry. In leading, regulated markets across the country, nearly 90% of sports wagering activity takes place online and that was the trending rate even before the pandemic. In order to eliminate the unlawful market and transition customers into legal, regulated platforms, a dynamic and regulated market that permits real competition is the best option for Maine. Mainers must be given all the same conveniences in the legal market that they can already find in the illegal market.

Unlike illicit operators in the offshore market, BetMGM, DraftKings and FanDuel are subject to regulatory frameworks and take integrity, responsible gaming, and the issue of underage gambling very seriously. Our companies constantly monitor wagering transactions for suspicious activities, which we in turn flag to our regulators and, where appropriate, the relevant sports leagues. We also invest in responsible gaming programs and provide our customers with the option to self-exclude and other ways to limit their engagement with our platforms. Finally, we employ robust identity verification measures, including “know your customer” technology to ensure underage and other prohibited individuals are not able to create an account, deposit, or wager. When verifying a customer’s identification, our companies conduct a detailed demographic and personal information check using the customer’s name, physical address, date of birth, Social Security number, and geolocation. The verification process requires working with multiple vendors and the customer is only able to create an account upon successful verification.

Legalizing sports wagering will provide significant benefits to Maine and its residents. We look forward to continuing to work with the Committee on legislation that creates a framework to eradicate the illegal market, protect consumers and generate tax revenue and investment in the State. Thank you for the opportunity to provide input.