

In the world of sports betting regulation, the game has just begun



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A new chapter in U.S. sports betting began in May 2018, when the Supreme Court voted to unravel the Professional and Amateur Sports Protection Act (PASPA). No longer would sports betting be limited to a small handful of states and tribal locations—instead, every state was handed the power to legalize gambling.

In the six years since, more than 30 states have opted into sports betting. But despite coast-to-coast adoption, sports betting practices—and the rules that govern them—are far from one-size-fits-all. Some jurisdictions have legalized both in-person and online betting. States like Wisconsin and Washington allow in-person gaming only, while Tennessee exclusively legalized online gaming. Across the country, states have nuanced approaches to mandating prohibited bettor and responsible gaming initiatives.

For teams, gaming authorities and vendors alike, we're only in the second inning of legalized sports betting's evolution. We have some game time under our belts and we've started to adapt based on early lessons learned. But when it comes to ensuring responsible gaming and sports integrity, the playbook is still being written.

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Unprecedented gambling brings unavoidable challenges

Seemingly overnight, the dismantling of PASPA ignited new momentum in the sports betting world. Weeks after the decision, in June 2018, New Jersey became the first state to launch retail sports betting. The following month, the NBA and MGM announced a first-of-its-kind partnership between a professional sports league and gaming brand.

The trend has been an undeniably lucrative one. By the end of Q3 2023, commercial sports betting revenue exceeded \$7 billion (more than 2022's full-year revenue). But in both professional and collegiate sports, the rapid uptick in wagers has stoked new fires:

- » **An increase in athlete gambling noncompliance:** Between 2022 and 2023 alone, at least three NFL teams suspended players due to violating the league's gambling policy. In September 2023, the NFL updated its rules—clarifying that players betting on other NFL games will immediately be suspended for at least one year. Between 2018 and the middle of 2023, the NCAA identified nearly 200 instances of sports betting infractions, across student-athletes, staff and coaches.
- » **Emerging threats to athlete wellness:** Among college athletics in particular, sports betting has placed new levels of pressure on student-athletes. One recent NCAA survey found that 10 percent of Division I administrators were aware of student-athletes being harassed by someone with gambling interests. Thirty percent report being extremely or moderately concerned about gambling compared to other compliance issues—up from 20 percent in 2019. As a result, the NCAA is advocating for states nationwide to adapt their gambling legislation to better protect student-athletes. Mandatory reporting hotlines for gambling authorities and tougher penalties for harassers are just a couple of factors they're pushing to standardize across jurisdictions.

Even as sports betting becomes business as usual for many states, glitches in our existing systems are starting to emerge. New investments, technologies and partnerships will be essential to fixing them.

Four trends that will define the future of sports betting

In any high-volume financial market, there will be nefarious actors who try to manipulate it. Mitigating these issues, protecting athletes and preserving sports integrity requires having transparency, cooperation and engagement from all stakeholders in our ecosystem.

These are the four elements that can help:

- 1 **Greater investments in education:** When it comes to athlete and staff gambling compliance, education is simply the best deterrent we have. Most people don't want to land in any trouble, losing their eligibility or their job, over a sports bet. But as different states and athletics leagues introduce different policies, confusion over what is permissible and what is not has grown: Can I play fantasy sports? Can I play pick'em games that are considered fantasy sports? How do I know what constitutes a "legal" sports bet? Many truly don't know the answers to these questions, simply

\$7B+

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Better education can increase gambling compliance

due to a lack of (consistent) education. The NCAA's recent research concluded that, among institutes that administer gambling education, there's significant variation in the frequency and specific topics covered.

2 Collaboration with experts: Sports betting regulations are too complex for any professional athletics or collegiate administrator to fully navigate alone. In certain states, if a student-athlete bets on his own events, they've just committed a felony. But the same action in another state may only be a violation of NCAA policy (without a criminal component). Team and institutional leaders need to surround themselves with partners who have this knowledge base and can walk this path with them. Keeping up with every jurisdictional law is a full-time job, one that athletics directors and general managers can (and should) outsource.



Hire experts to administer sports betting regulations

3 Artificial intelligence: We're only just beginning to understand the true power of AI technology, but it's not difficult to see the potential in this realm. The [NCAA recently announced](#) a partnership with an AI service to monitor online conversations at scale, in hopes of better detecting abuse or harassment targeted at student-athletes and athletics staff. But like any other innovation, AI's output will only be as strong as the data it ingests. For firms like U.S. Integrity, we always want to ensure we're getting access to the most accurate wager data, in the most real-time manner possible. In the future, AI could help analyze this data faster to flag abnormalities or outliers, sending a signal for human experts to investigate further.



New AI technologies can help detect abuse/harassment

4 Equitable deterrent methodologies: In this quickly evolving space, addressing gambling violations fast and fair seems daunting enough—but everyone's true goal is prevention. Leagues, universities, regulators and sportsbook operators need new mechanisms to tackle these challenges on both the industry and team level. For instance, U.S. Integrity's [ProhiBet](#) solution recently launched as one of the only available tools for monitoring prohibited bettor activity. [Athlete Alert Powered by RealResponse](#), offers teams an anonymous tipline for reporting gambling-related harm and sharing critical information about gambling-related noncompliance. Resources like this acknowledge the impacts sports betting can have on athletes and team staff, and empower them to play a role in protecting each other's well-being and the purity of their competition.



Leverage prevention methodologies to protect athletes

When it comes to the evolution of U.S. sports betting, there is still plenty of game to be played (and it's changing in real time). The best practices we learned three years ago may already be irrelevant today. The only way we "win"—in terms of protecting players, fans and sports integrity—is by collaborating and communicating across the industry. By learning and growing together, we increase our odds of keeping everyone safe and ensuring fair, manipulation-free competition.