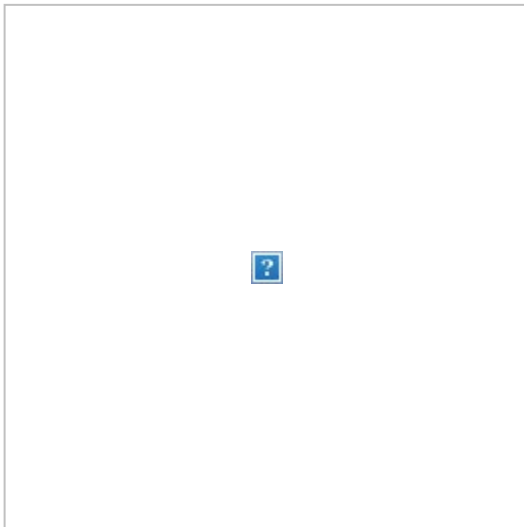


From: Stelianos Canallatos
To: [Lepak, Michael \(GAMING\)](#)
Subject: \$113 Million in Losses
Date: Wednesday, February 9, 2022 9:29:37 AM

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February 7, 2022

New Yorker's lost 113 million in the first 3 weeks of Mobile Sports Betting

Written by: Jim Maney, Executive Director

New York State allowed Mobile Sports Betting (MSB) to begin on Jan. 8. During the first 23 days all the headlines stated that there was 1.62 billion dollars wagered and there was 113 million dollars in revenue. The gambling industry and gambling providers in NY as well as some Lawmakers were extremely pleased with the opening of MSB in New York. "Betting volume is outstripping even the most optimistic projections so far" said PlayNY.com analyst Mike Mazzeo. BetMGM CEO Adam Greenblatt said "Yes delighted with how it's gone. Look we've broken all of our records. It was the best first day of any live

launch, we broke records for most registrations, for most first-time deposits, for bets, for handle".

In all the excitement we seem to have forgotten the second part of the equation, for there to be 113 million in revenue there must be 113 million dollars in losses. This fact is always overlooked and needs to be part of any discussion regarding gambling revenue. New Yorkers lost 113 million dollars in just 3 weeks, which is 4.9 million dollars in losses a day. If that trend continues over the course of a year that will be 1.8 billion dollars in losses.

With all the advertisements and continual discussion about odds, over/ under, parlays, favorites/ underdogs it is easy to see how these losses came to be. We have been bombarded nonstop with celebrities enticing you to sign up with their company and if you do sign up, they will give you anywhere from \$250 to \$3300. If the goal was to sign up as many individuals as possible, they succeeded. According to GeoComply there were 770,840 (87.8%) accounts set up by individuals that are new to legal online sports betting in the first two weeks-a statistic that GeoComply said it has never seen in other states.

You could not imagine this type of recruitment, this behavior, occurring in any other area and receiving so little discussion. Imagine the uproar if we tried to do the same with alcohol promotion. If we advertised and said if you sign up, we will give you between 250ML and 3300ML in alcohol, which you can consume "risk-free". Yes, there would be an uproar!

We do not have to guess where this might lead. Granted we did not see the crack cocaine crisis coming and did not see the opioid crisis causing so much destruction and loss of life, but we can see this coming. Twenty, even ten, years ago if we had known what the opioid crisis would look like in NYS, we surely would have taken measures to avoid the epidemic of death and family destruction we are facing today. I think we all can agree we would have rather invested in prevention- educating prescribers and pharmacists, funding law enforcement, developing other solutions to pain management, than to be dealing with the aftermath. We HAVE that opportunity when it comes to sports betting, and I hope that we will consider the outcomes that are potentially facing NYers because of legalization and expansion.

Unlike the crack cocaine and opioid crisis, we have the chance to PREVENT a Problem Gambling Crisis. The time is now to implement a universal prevention program to address this issue. I urge NYS to invest more in educating parents and youth, creating policies that keep the environment safe and enforcing those

policies. I urge NYS to invest in public awareness campaigns that show the realities and risks of problem gambling. I urge all NYers to take problem gambling seriously and to also know that your voice matters. We need to act if we are going to keep things safe for our children and our grandchildren, and we need both a state and community response to make that happen.

We must address this issue in real time and not 1 year or 2 years down the road. The clock is ticking because now that MSB has started, there are serious discussions regarding the addition of 3 downstate casino licenses and right after that will come iGaming, eSports, betting kiosks at racetracks and arenas like Madison Square Garden. If New Yorkers are going to lose over a billion dollars a year, we need to invest in preventing Problem Gambling throughout the State. Currently there is 6 million dollars from MSB set aside to address Problem Gambling and we know that is not enough. There needs to be an additional 15 million dollars to address this issue. Twenty-one million dollars is less than 2% of total losses.



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