

## Season 2: Episode 4

**Dennis Drazin:** But by virtue of the revenue, that you get from online as well as retail, the industry has been saved and it's helped the casinos and racetracks continue in existence and it's benefited the citizens of New Jersey, to a large extent.

**Sara Gras:** I'm Sara Gras and this is Episode 4 of Season 2 of Hearsay from the Sidelines, a show about the place where law, sports and culture intersect brought to you by Culture in Sports and Seton Hall Law School's Gaming, Hospitality, Entertainment and Sports Law program. This season is focused on the explosive growth of the online sports betting industry as legalization sweeps across the country and how it's impacting our relationships with our favorite past times.

So just to recap – in the early 1990's, the U.S. Congress determined, due in large part to the advocacy of sports leagues, that sports betting was harmful enough to merit federal legislation against it. That legislation was eventually overturned after years of litigation. The holding in that seminal case, *Murphy v. NCAA*, hinged on constitutional limitations against federal interference with the state's rights to legislate revenue-generating activities within its boundaries. Since that decision, state legislatures got to work and less than a decade later, sports betting has become so interwoven with sports that it is sometimes hard to remember what it was like before.

And for many individuals and groups, not just sports bettors, this is a good thing – a very good thing – in ways that are not always immediately apparent. As someone deeply involved in the industry, former president of IC360, formerly US Integrity, Matt Holt, had some insights into the positive impact of legalized sports betting:

**Matt Holt:** I think sports betting, legal regulated sports betting has, added so many positives to sports and I think we can get into them. We talked about the surveys that show that people are 20 times more likely to watch a game, but not just watch a game, but watch a game throughout its entirety. So now even if my team's down 50, I could take them plus 50 in the third quarter and now I'm interested till the very last second of the game. Whereas if they were down 50 at half and I'm just a fan, I'm probably going home or I'm probably tuning into something else. has kept us engaged and into our favorite teams, into the teams that we bet on throughout the entirety, which means more revenue, more ad dollars, more sponsorship dollars coming in. I'll tell you one of the biggest positive impacts that sports betting has had on America is on women's sports and on collegiate sports.

Because at the end of the day, there's only so much sports that a fan with no act, no action, no active financial involvement on a game will watch. So we, we all tend to know our favorite NFL team, our favorite college football team. But after that, all the rest of the

leagues were really fighting for dollars for TV slots, for spacing. What we have seen now is if someone makes a bet, they want to watch that. So suddenly the streaming networks like Peacock and Hulu are offering more live sports. ESPN plus has more live sports. And the first time people watch those sports a lot of times isn't because they're a fan, but because they make a bet. So maybe I'm not a women's basketball fan, but I've heard about this Caitlin Clark in Iowa. I'm going to throw \$10 on and I'm going to watch the game because I can because it is now available thanks to sports betting on ESPN plus. And I tune in and I have this great experience. Boy, that was really fun. These girls are really passionate. They were getting after it. The quality of basketball was amazing. You know what? Whether I have a bet or not, I might tune in the next day.

And suddenly sports betting that first five, 10, \$20 bet and the availability to watch the game I bet on is driving new people to try out all these new sports that they never knew they liked or disliked, but they're trying them because they're making a bet on them. And on a lot of cases, they go, wow, that was fun. That sport is way more passionate than I thought.

You know, women's volleyball, we've seen an explosion, especially around the tournament. There was no betting on women's volleyball in college five years ago. Now it's fun. It's one of those things that, wow, I, I threw \$5 on it and now I watched it and the athleticism and the talent levels off the charts. And now I'm a fan. Maybe I tune in, maybe I buy tickets to games. Maybe I buy merchandise and suddenly the whole ecosystem is better. Because sports betting was the ultimate engagement tool.

**Sara Gras:** I honestly felt a little dense for not considering this connection on my own. Obviously, I had noticed the uptick in general interest in women's sports – but I had attributed that to marketing, increased female participation in sports in schools, and perhaps social media. But yeah, it makes sense – betting gives new people, people who don't know much about a particular sport or its players, a reason to pay attention. And attention ultimately equals revenue. In 2018, the American Gaming Association commissioned a study that estimated that the four major leagues – NBA, NFL, MLB, and NHL – would earn more than an additional \$4 billion each year in direct and indirect revenue attributable to sports wagering. While some of this would come from the licensing fees paid by operators, the larger portion would come from increased engagement by consumers. That includes increased ticket and merchandise sales, sponsorships, and media rights.<sup>1</sup>

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<sup>1</sup> *How Much Do Leagues Stand to Gain from Legal Sports Betting?*, AM. GAMING ASS'N, (Oct. 18, 2019), <https://www.americangaming.org/wp-content/uploads/2018/10/Nielsen-Research-All-4-Leagues-FINAL.pdf>.

And not surprisingly, the leagues who just a few years earlier were arguing to keep betting on sports illegal, got on board and started exploring every opportunity to profit from it. Mere months after the Murphy case was decided, the NBA signed a multi-year deal with MGM Resorts worth an estimated 25 million. That deal gave the company rights to use NBA and WNBA logos in sportsbooks and in their online apps.<sup>2</sup> More recently, major league baseball entered into a partnership with FanDuel giving the company co-exclusive rights to use MLB branding and category designations in products and marketing.<sup>3</sup> If this all seems like an abrupt positional change, that may be because there's a part of the story missing at this point.

I'm going to go back here and give you a little more history, although fairly recent history, to talk about the birth of something called daily fantasy sports – not the fantasy sports you might be thinking of, where friends get together and draft all their favorite players and compete to see whose team can earn the most points over the course of a season – but something that looks VERY different from this. Prof. Marc Edelman has been following the legal issues surrounding fantasy sports for years, well before sports betting was legalized:

**Mark Edelman:** Well, daily fantasy sports is a term of art. The term was first created by a guy who was the first one into the space, albeit his site failed, by the name of Kevin Bonnet, who launched in 2007 and created his contest to try to fall within a legal definition of fantasy sports they carve out under the Unlawful Internet Gambling Enforcement Act.

What we've seen happen since Kevin Bonnet in two in 2007 to where we are in 2024 is what I would call regulatory categorization. And what I mean by regulatory categorization, that's a term that I've used with John Holden quite a bit, who also writes in the area. John threw this out to me first. He deserves the credit for it. Is there are a lot of companies that are not really fantasy sports and don't meet the legal definition of the Unlawful Ethnic Gambling Enforcement Act that are today calling themselves fantasy sports, a daily fantasy sports, and they're continuing to move the envelope in that direction.

**Sara Gras:** I first introduced Marc in Episode 2 to briefly highlight the thin line separating sports betting from daily fantasy sports. And we are returning to my interview with him today for a few reasons. First, it's very clear to me that fantasy sports and sports betting are not two distinct activities, despite having different legal definitions and its hard to talk about one without talking about the other. While there are technical differences in the

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<sup>2</sup> David Purdum & Darren Rovell, *NBA Signs Deal with MGM to be Gaming Partner*, ESPN (Aug. 9, 2019, 11:33 AM), [https://www.espn.com/chalk/story/\\_/id/24245142/nba-first-league-betting-sponsor-deal-mgm](https://www.espn.com/chalk/story/_/id/24245142/nba-first-league-betting-sponsor-deal-mgm).

<sup>3</sup> *MLB names FanDuel a new official sports betting partner in North America*, MLB.COM (March 2, 2023), <https://www.mlb.com/press-release/press-release-mlb-names-fanduel-a-new-official-sports-betting-partner-in-north-a>.

industries, which Marc will explain a bit further, there are iterations of each that are virtually indistinguishable from the other. More importantly, I think the rise of fantasy sports and the benefits that flowed as a result played a big role in why professional sports leagues, once dead-set against sports betting, now accept, and in many cases, support, the practice. They began to see the ways in which gamification could increase spectator engagement. It was a legal way for athletic organizations to branch out and explore additional revenue streams.

And the consumers flocked to it – particularly once online options became more widely available. Fantasy sports have a long history – Marc actually goes into the evolution of the industry in one of his articles<sup>4</sup> – but it was in those years after PASPA and before Murphy where it transformed into something that demonstrated just how interested consumers were in betting on sports because, well, it looks VERY much like betting on sports. But legally – for the most part – depending on the state they were in. Marc’s scholarship and our conversation helped me better understand this whole regime.<sup>5</sup> I asked him to elaborate more on what makes fantasy sports, fantasy sports, and NOT gambling.

**Marc Edelman:** It's really a spectrum, but I'm going to break it down to three. So one is fantasy sports the way we've known it from the 80s This is friends playing against friends, possibly for money, possibly, possibly with an operator fee. Over the course of an entire season where you pick line UPS of players, you draft, you trade players. In terms of integrity risk, I put that just above 0 and I really don't see any reason. I don't think there's a way to throw games or meaningful insider information. The full season competition that takes place over 26 weeks in the baseball season or an 18 week football season, I really don't see any issue there.

Then there's the activities that I call daily fantasy sports. What Kevin Bonnet labeled as daily fantasy sports, what FanDuel labeled as daily fantasy sports. Now when these games were created, it's interesting that daily fantasy sports never caught on in a meaningful way in England and Ireland and Australia, that became huge in the United States.

And if we want to be intellectually honest, the reason why they became huge in the United States were they were the closest thing you could do with sports gambling without violating federal, federal law. It was a cy pres activity. So in places like I mentioned, like England and Ireland and Australia, there was legalized sports gambling. They didn't need daily fantasy sports.

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<sup>4</sup> Marc Edelman, *A Short Treatise on Fantasy Sports and the Law: How America Regulates its New National Pastime*, 3 HARV. J. SPORTS & ENT. L. 1, 4-9 (2012).

<sup>5</sup> Marc Edelman, *Navigating the Legal Risks of Daily Fantasy Sports: A Detailed Primer in Federal and State Gambling Law*, 2016 U. Ill. L. Rev. 117, 130-35 (2016).

So daily fantasy sports in many ways looks closely to sports gambling, albeit it probably is on the right side of the law. And this was the FanDuel iteration of DFS, the Yahoo iteration of DFSI. Do think there's greater risks there in terms of getting a player to throw some. But again, the site operator is not going to care. It's not going to benefit FanDuel who wins the contest, the DraftKings who wins the contest, and might affect an employee in the backroom that's playing impermissibly on another site, but not the company itself.

And again, it seems even over a one day, very difficult to arrange for a throwing of an event.

Then there's Group 3 and Group 3 is a series of companies that are also calling themselves daily fantasy sports that are not meeting either of the two pronged tests. The way I see it, to be daily fantasy sports, they're making profits. Pick player A or player B and if you get 2 right between A&B or two right and over and under, you win and you're playing against the site and not against other players. Now they call themselves daily fantasy sports. They're clearly not fantasy sports under my definition and not daily fantasy sports. Whether they can get regulated in the state and be permissible to operate in a state or across several states – different issue.

**Sara Gras:** But I just want to clarify something about the daily fantasy sports sites or businesses that you're categorizing as not really not really being daily fantasy sports under the law. They are still not though operating under the same regulatory framework as licensed sports books.

**Marc Edelman:** And that's what makes some of these companies in my opinion, predatory. And just for example, give a comparison between two companies out there that do very similar things. One of them is one of these companies that those against the house prop betting games on the daily fantasy sports. That's the Atlanta, GA company PrizePicks.

Another company that does in my mind the exact same way thing, which is prop betting, selecting players against the house is, let's go with Caesar's because we know what Caesar's is and they're easy to talk about because they don't also have a DFSR. So it won't confuse you.

Now the difference is, and this is where regulatory classification, the regulatory in my mind, misclassification comes in. Caesars acknowledges there a sports book for the purposes of taking profit in the state of New Jersey. If Caesars wants to operate in the state of New Jersey, Caesars registers as a sports book and goes through all the extensive licensing procedures in the state of New Jersey that a sports book would be required to operate on. PrizePicks in what they call themselves would attempt to get licensed in New Jersey as a fantasy sports operator. There would be licensing as well, but it's a much more LAX form of licensing.

So depending upon what you purport to be, there's a different system now in all types of states. It affects you in different ways. Let's talk about California. Caesar's cannot operate in California. California does not have legal and licensed sports betting in the state. Caesars cannot offer prop betting in California against the House. They don't do it. They're not in the state. They would love to be in the state when the law changes. They're not there. Prize Picks, by calling itself Fantasy Sports operates prop betting against the House. In the state of California, fantasy sports is not regulated at all, so they'll operate subject to no regulation. In the state of California, you do not even need to put money in escrow or put money segregated. There is no regulation of what they do and it also gets you in another way.

Now, sports gambling is not legal on a federal level. All the Murphy decision did was allowed individual states, should they choose, to regulate and license sports betting in intrastate ops. So if Caesar's is legal as a sports book in New Jersey, it could operate in New Jersey, take funds from people in New Jersey, pay out winners from people in New Jersey. They might have a completely different sports book in Nevada where they do the same thing, but nothing can go across state lines.

Now the prop betting sites against the House that call themselves fantasy sports believe they fall under this unlawful Internet Gambling Enforcement Act carve out under federal law. So they'll be taking money and paying out interest state across state lines. So there is a lot of monetary value in terms of customer base that derives from defining yourself as fantasy sports rather than defining yourself as sports gambling.

In the full season context, there's huge distinctions between the mode of operation. Clearly this is fantasy sports. And in the true model of daily fantasy sports, you can at least make a very strong argument that under present state law in most states, as well as under federal law and the definition of fantasy sports, even if they were not meant initially to fall within the safe haven, they fall within the literal blackletter safe haven. Now when you're talking about against the house games that are in essence pick two players a pick over under twice, not only were they never intended to fall under the unlawful Internet gambling enforcement of safe haven, but if you read the literal language of the safe haven, they absolutely do not fall under the safe haven.

**Sara Gras:** What is your sort of take on why it was why there haven't been more successful efforts to, you know, define what what separates daily fantasy sports from sports betting more successfully?

**Marc Edelman:** Just to be clear, even prior to Murphy, most of the companies, I'll, I'll give you one company in particular. Fanduel's offerings in my view, prior to Murphy fell within

the federal carve out of the Unlawful Ethnic Gambling Enforcement Act of fantasy sports. So I don't think with respect to FanDuel itself, that would necessarily risks under federal law. The reason why companies including FanDuel as well as DraftKings faced legal action was their underlying activities which challenged under state law. Because you need to comply not only with federal law, but state law as well as every state in which you operate. Now, if you violate state law, that might be a predicate offense to violation of the Wire Act. We don't need to go there right now.

The reason why some of these contests got challenged under state law and DraftKings is doing things a bit more aggressive, but the reason why Fanduel's games would challenge under state law was they were operating in certain states in which to be perceived as a permissible contest and not a lottery, you had to entail skill, not chance. And some of these states had definitions of what constituted skill that were more elevated in which they were operating. So New York and was one in particular in which they were being challenged as being games of chance and not games of skill. And it would have led to a very interesting legal issue.

The reason why the daily fantasy sports operators, so operating under a color of legality, maybe legal, maybe not in certain states, including New York, ultimately survived, had nothing to do with the merits of the games, even though they did begin to produce some studies that tried to show that they were skill based games. The reason they survived was very incredible lobbying work. They hired several people, one in particular Jeremy Kudon, who's a lawyer that's focused on lobbying at work. The lobbyist went state by state and convinced state legislatures to change laws of clarify laws in a way that would permit daily fantasy sports companies to operate. They created a set up of legalize and license and argued that there would be tax benefits.

**Sara Gras:** It always comes back to money, doesn't it? But we just aren't talking here about private corporations getting rich. A huge driver in the push to legalize sports wagering comes from the need for states to generate tax revenue without broadly increasing income or sales or corporate taxes. Fantasy sports set the stage – a proof of concept, in many ways – and then Murphy cleared the way for US states to finally cash in.

State tax revenues from sports betting are enormous, more than 1.8 billion in fiscal year 2023. This figure has multiple components. First, states generally charge licensing fees to sports books – this may be a large upfront fee that the sportsbook must pay, like in Pennsylvania where operators pay a one-time \$10 million and a \$250,000 renewal fee every 5 years. It may be smaller but more complex, like in New Jersey where the fee is only \$100,000, but online operators must partner with a licensed brick-and-mortar gaming

business in the state, which of course, comes with a cost.<sup>6</sup> Sportsbooks also pay taxes on gaming revenue, which in most states is calculated based on gross gaming revenue – the total dollar amounts wagered minus the amount won by players. This also includes promotional wagers – the “free” money that operators use to attract new customers. State tax rates on revenue vary wildly, with some, like DC, New Hampshire, New York, and Rhode Island at 51% and Nevada and Iowa on the other end of the spectrum at 6.75%.<sup>7</sup> My own state of New Jersey has been on the lower end, currently just 13%. But the Governor recently proposed a hike to 25% - a change that would have raised an estimated \$400 million in additional revenue. This was ultimately negotiated down to 19.75% and just recently passed the state legislature.<sup>8</sup> And of course, the state also takes a percentage of an individual bettor’s winnings in the form of income tax.

While revenue from gaming is just a small percentage of a state’s total earnings, this money can be used to fund valuable and necessary programs. In New Jersey, for example, 8% of gross casino receipts are placed into the Casino Revenue Fund which pays for programs benefitting seniors and people with disabilities. In 2022, the amount deposited in the CRF from sports betting within the state was in excess of \$36 million. Some of the programs covered by these funds include Alzheimer's Adult Day Services, the Safe Housing and Transportation Program, State Weekend Home-Delivered Meals, coverage of monthly Medicare Part D premiums for eligible seniors and individuals with disabilities meeting income requirements, assistance to cover the cost of purchasing hearing aids, and many many more.<sup>9</sup>

The New Jersey Division of Gaming Enforcement also receives \$250,000 annually from each casino licensee with an internet gaming permit. This money is allocated to different Responsible Gaming and Problem Gambling initiatives, including compulsive gambling treatment programs, the Council on Compulsive Gambling of New Jersey, and the Rutgers Center for Gambling Studies’ research on gambling prevalence.<sup>10</sup> While this sounds great, I do just want to point out that this amount is projected to be just over \$4 million in 2025 – from an industry that hit \$581 million in June of 2025 alone.

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<sup>6</sup> Adam Hoffer, *Bets on Legal Sports Markets Pay Off Big for States, Sportsbooks, and Consumers*, TAX FOUND. (Dec. 10, 2024), <https://taxfoundation.org/research/all/state/sports-betting-tax-revenue/>.

<sup>7</sup> Adam Hoffer, *Online Sports Betting Taxes by State, 2024*, TAX FOUND. (Sept. 17, 2024), <https://taxfoundation.org/data/all/state/sports-betting-taxes-by-state-2024/>.

<sup>8</sup> A.B. 5803, 2024-2025 (N.J. 2025), [https://pub.njleg.state.nj.us/Bills/2024/AL25/66\\_.PDF](https://pub.njleg.state.nj.us/Bills/2024/AL25/66_.PDF)

<sup>9</sup> STATE OF NJ, ANNUAL REPORT OF THE CASINO REVENUE FUND ADVISORY COMMISSION (2023), <https://www.nj.gov/casinorevenue/reports/crfacannrpt/2023.pdf>.

<sup>10</sup> OFFICE OF THE ATTORNEY GENERAL, 2025 NEW JERSEY GOVERNOR’S TASK FORCE REPORT ON RESPONSIBLE GAMING, [https://www.nj.gov/oag/ge/2025news/RGTF\\_Final\\_Report\\_to\\_GO\\_3.31.25.pdf](https://www.nj.gov/oag/ge/2025news/RGTF_Final_Report_to_GO_3.31.25.pdf).

But that extra tax revenue affects a state positively in other ways, even if the money is not directly earmarked for some particular program – it helps fund education, provide business incentives to help revitalize or develop certain areas, improve roads and other infrastructure, and so on. One way to see the impact of gaming revenue in sharper focus is to look at how tribal gaming has impacted Native communities throughout the country. I had the opportunity to interview Jacob Coin, who serves as the Executive Advisor to the San Manuel Tribal Council and is himself a member of the Hopi tribe from Arizona. The San Manuel Band of Mission Indians, also called the Yuhaaviatam of San Manuel Nation, is an American Indian tribe and sovereign nation. Their tribal government includes a Tribal Gaming Commission that oversees operations of the Yaamava Resort and Casino.

**Jacob Coin:** First of all, there are 574 recognized tribes in the US. 248 of them conduct gaming. Less than half of all recognized tribes conduct gaming today. And it is, it's truly an important source of government revenues for tribes. Today we have more young people on reservations from tribes who do offer gaming being able to go to college on scholarships and support and stipends and for books and fees and tuition and the like. We have elders that are being served with better quality services and being secure in their homes and in their own personal space. We have better roads today because of government gaming. We have better schools today because of government gaming, we have better health care because of government gaming. We have better water sources because of government gaming. We have a better community infrastructure -wise and service -wise and our people are healthier than they've ever been because of government gaming. So that's what it really means for tribes who are able to secure that right.

And nobody in this country from a revenue perspectives offers more than tribes do in terms of philanthropy. I here at San Manuel, I just was on the phone with one of our principals with philanthropy and they reminded me that over the last 20 years, this tribe alone has granted more than \$400 million to nonprofits and community groups to help address some of you know social issues economic issues educational issues and housing issue you know across the board and it's been a wonderful wonderful partnership with nonprofits community groups local governments local jurisdictions i mean it's been a huge benefit not to mention again the creation of jobs nearly eight thousand jobs this tribal has created here at sam and we're not talking just about jobs we're talking about taxpayers, in many cases have been able to buy their first homes to be able to send their kids to college and send their kids to education programs that will enrich their lives. And San Manuel just a few years ago started a scholarship program for employees. And I don't remember how much the tribe has already awarded in terms of scholarships, but that's been a significant program for our employees and their dependents. it's a lot of good things that come from from gaming.

**Sara Gras:** Of course, Jacob also addressed some of the social issues that also come with gambling, as well as concerns about how the possibility of legalized sports betting in California would impact the tribe that I will include in a future episode. I do think there are positive aspects of the gaming industry, particularly for tribal nations who have been so limited in their options to generate economic opportunities on their lands. And it's very important not to forget this as online sports betting expands. I'm not going to be able to fully discuss the complex history of tribal gaming and all the legal issues surrounding it for this show – there's just too much to say – but I would be remiss in not raising tribes as an important part of this conversation.

There are many people involved in the promotion of sports betting who, of course, want the industry to make money because very few things survive in this world if they don't, but this is not their primary concern. Dean Riccio and Dennis Drazin, who spent so many years in the courts fighting PASPA, weren't driven by a desire to see multinational corporations profit – the issue for them was far more personal and much closer to home.

**Ronald J. Riccio:** You know, lawyers get driven by a lot of things, right? You get driven by fees, you get driven by causes, you get driven by the environment. There are things that drive lawyers. One of the things that's always driven me about being a lawyer is people. If people are hurting, then you have the opportunity as a lawyer to help them out. And that was one of the things that motivated me about the case because I've been going to Monmouth Park racetrack since I'm eight years old. I still go there and I know plenty of people over there. And during the period of time when the future of Monmouth Park was in jeopardy, people thinking it would get shut down and it would have gotten shut down, but for Dennis, people were thinking it was going to get shut down, I could see when I was over there the fear in the eyes of people because they knew I was handling the case. And they would ask, how are you going? How's it going? How are you doing? And we kept losing case after case. It was very hard to convince people that, you know, we thought we were right. A lot of second guessers, a lot of criticism, lot of slings and arrows, you know, pointed in our direction. But yeah, that was a big motivation factor for me.

**Dennis Drazin:** Yes. When I started with this, it was to save an industry. We were in a position where Governor Christie had indicated he was going to shut down the industry if it wasn't privatized. I needed to find a revenue source. Just like Ron said, I've been going to the racetrack and supporting horse racing since I was a kid. Through the many years that I spent at Monmouth Park and representing the horsemen and acting as their legislative council and their general council and then ultimately going to the racing commission, I never foresaw any possibility that a governor could come in and shut down racing and say, you know, the state's not going to lose money anymore. We have to shut down this industry.

So we started early to spend our money at Monmouth Park. We had no help from anyone, no other casino, no other racetrack in the state wanted to take on this issue because they all had licenses in other states and they were concerned that the regulatory agencies in other states might take away their license if they participated. So we were kind of on our own. But at Monmouth Park, trying to support the industry probably made the largest bet that I've ever made in my life. But what we did in New Jersey, and I credit Ron and Ed for their legal skills in guiding us there, notwithstanding the fact that for years people kept telling us time to give up, time to stop spending money. We were determined. There was no quit in any of us and we intended to go forward.

So Monmouth Park was saved. We would be closed. Now we're profitable after losing money for many, many years under the state control. And what we did is we set a model for the country because once New Jersey won, every state had to look at their laws, see whether they needed constitutional amendments, see whether they had the authority to just enact legislation. Some thought about trigger bills so that if we were successful, they would be able to go forward. But at the current time, there are 38 states and the District of Columbia that have legal sports betting in one form or another. And it's kind of been a life changing experience for all of us in this country who now see that there's legal sports betting.

In 1999, Congress did a on the illegal market in the United States, because primarily you had Nevada that was legal. And in the illegal market, Congress determined that there was \$400 billion a year being bet illegally in the United States. And ultimately, while you can't stop all the illegal markets offshore and bookies, a lot of it has converted over to legal sports. And the state of New Jersey has benefited with hundreds of millions of dollars in tax revenue. And not only the racetracks, but the casinos have benefited. And I guess I should mention, because it's always been a quandary for me, the intention of taking on this challenge was to put people back in the seats at Monmouth Park and other racetracks and casinos. But most of the gaming, most of the online sports betting is online. Now we do have retail venues and I think you have to encourage your customers to come by building nicer venues for them to come to. But a lot of it is online so it hasn't quite accomplished the objective of getting more people to sit in the stands and come participate. But by virtue of the revenue, that you get from online as well as retail, the industry has been saved and it's helped the casinos and racetracks continue in existence and it's benefited the citizens of New Jersey, to a large extent, who all have different reasons why to enjoy the sport. But horse racing is a beautiful sport. The animals are magnificent. People get enjoyment out of the sport, both breeding and racing, far beyond just the monetary aspect of it. And frankly, we save racing and we created a path in this country for all of the states that want to participate to get additional revenues and accomplish their objectives. So I'm proud to

have joined with Ron and Ed in making this happen for the United States and at home for the people that enjoy racing at Monmouth Park.

**Sara Gras:** I'd like to leave you here with these takeaways: first, legal sports betting is a product, ultimately, of not just lawmaking, but of commercial demand. Fantasy sports opened, if not a door, then a window – and so many people lined up to take a look that the appeal was undeniable. Second, gaming has likely helped fuel an interest in sports that has led to greater visibility and opportunity for teams and athletes who previously would not have been able to garner the interest. Finally, states and their citizens, do benefit from the growth and ongoing success of this industry – along with all the other commercial businesses we don't necessarily like or agree with. Those benefits are often financial, but that's sometimes secondary to a broader benefit – like the survival of an industry at risk of going extinct.

But of course, as with all things, there's another side to the coin – and that's what I'll be addressing in the next episode.

Hearsay from the Sidelines is a collaboration of Seton Hall Law School and Culture in Sports; research and writing by Sara Gras with the help of my amazing research assistants, Emily Raedisch and Lauren Vuolo; music by my son, Robert; produced by Sara Gras and Dr. Jeremy Piasecki, Executive Director of Culture in Sports. Links to all available academic and primary legal sources, media, music, transcription, and other materials mentioned in this episode are available on the Hearsay from the Sidelines show page, [hearsayfromthesidelines.com](http://hearsayfromthesidelines.com). And if you like this show, check out [cultureinsports.com](http://cultureinsports.com) where you'll find more articles, shows, webinars, summits, and courses for sports leaders of all levels.