



National Football League

REGARDING BILL C-218 “An Act to Amend the Criminal Code (sports betting)”

House of Commons Standing Committee on Justice and Human Rights
March 11, 2021

On behalf of the National Football League (“NFL”) and its member clubs, we appreciate the opportunity to share with the Standing Committee on Justice and Human Rights our position on the legalization of single event sports wagering in Canada. We look forward to being of assistance to Parliament as it considers this important and timely issue.

There is no greater priority for Commissioner Goodell, NFL owners, and NFL players than protecting the integrity of our sport. NFL fans, players, and coaches deserve to know that we are doing everything possible to ensure no improper influences affect how the game is played on the field.

For our part, we annually train over 15,000 individuals associated with the NFL on our long-standing gambling policies for personnel. This includes players, coaches, game officials, medical staff, game day personnel, and team and league staff members. The training reinforces that everyone associated with the NFL is a steward of game integrity and must uphold high ethical standards. Through this training, we remind everyone that NFL policies require us to take all measures to prevent improper influences on the game, such as protecting non-public information about player status and game plans, and to avoid even the appearance of an impropriety by not engaging in otherwise legal gambling-related activities and associations.

To protect the integrity of our sporting contests and the participants in those events, there are four core standards for sports betting that we would ask this Committee and Parliament to consider as it approaches a legalized sports betting framework:

1. A legal, regulated sports betting environment with substantial consumer protections;
2. Protection of our content and intellectual property, including from those who attempt to steal or misuse it;
3. Fan access to official, reliable league data; and

4. Adequate resources, monitoring and enforcement tools necessary for law enforcement to protect our fans by eliminating the illegal sports betting marketplace and penalizing bad actors, including illegal offshore operators.

We recommend any approach to regulating sports betting should:

- **Establish Key Criteria for Provincial and Territorial Regulatory Entities.** One of the most important aspects of protecting the integrity of sporting contests and creating integrity in the new sports betting marketplace is the existence of strong provincial and territorial regulatory bodies with clear, enforceable policies.
- **Enforce Age Limits on Sports Betting.** The National Football League strongly supports a prohibition on sports wagering for persons under 21 years of age. We believe 21 years of age or older should be the standard in all jurisdictions that choose to legalize sports wagering and that, as a condition of licensure, sports wagering operators must ensure that no person under 21 years of age participates in sports wagering.
- **Require Use of Official League Data.** Requiring the use of official league data is necessary to protect consumers and to ensure integrity in a legal, regulated sports betting marketplace. Betting outcomes are increasingly determined by granular details like yardage gained, number of sacks by a defense, or number of strikes thrown by a pitcher in baseball. Therefore, an essential component of consumer protection is a requirement that the information used to settle these wagers is correct and timely, coming from a “single source of truth” that is consistent across all sports-betting operators. That is something that can only come from official data provided by the sports leagues themselves. Sports leagues already produce this data for broadcast and statistical purposes. Our data should be the standard in a legal, regulated market. For these reasons, requiring the use of official league data is vital to establishing and maintaining marketplace integrity, which is in the public interest.

Use of official league data also protects consumers from fake matches or "ghost games" created by criminals or unscrupulous operators. In this scenario, a sports betting fixture is listed through one of the numerous companies that provide unofficial data to the bookmaking industry, but it is either a fake match (one that takes place but is played between two different teams than the ones listed) or a ghost game (one that does not take place at all). There are multiple recent examples of such incidents in lower level soccer leagues around the world. These include instances where sportsbook operators offered consumers bets on fraudulent Ukrainian soccer games in March of 2020.

- **Preclude Objectionable Betting Fixtures.** A prominent trend in sports betting, both legal and illegal, is wagering on individual events or actions that occur during games. Many such wagers present no particular integrity issue and examples might range from the number of passing yards by a quarterback in a football game or the number of points or rebounds by a team during a quarter of a basketball game. Others, such as those relating to the actions of match officials, those relating to athlete injuries, or those based on outcomes entirely determinable by a single athlete in one play, are significantly more susceptible to match-fixing efforts, and are therefore a source of concern to sports leagues, individual teams, and the athletes who compete.

To address concerns regarding objectionable betting fixtures, we encourage regulators to allow professional and amateur sports organizations to identify which types of bets create corruption risk or are inherently objectionable, and to work collaboratively to prohibit them.

- **Prohibit Insider and High-Risk Sports Betting.** One of the areas of significant risk from sports betting is the use of insider information for betting purposes. We would accordingly encourage standards that prohibit sportsbook operators from accepting sports wagers from an athlete, coach, referee, or employee of an amateur or professional sports organization (including unions associated with such organizations), or any family members thereof acting on their behalf, on such organization's sport. As part of this effort, it is imperative that sportsbook operators enact robust customer verification procedures, requiring multiple levels of identification.
- **Include Responsible Gambling Resources.** It is important for every province and territory to establish and support services for problem and compulsive gamblers. Gambling addiction can most severely impact vulnerable populations such as the elderly and young people. As sports betting markets increase, making sure that responsible gambling resources are available must take on renewed urgency.

One of the clear benefits of the legalization of sports betting has been the conversion of the massive illegal market into the daylight of legal markets, enabling regulated gambling activities to be monitored and taxed. Illegal sports betting in Canada has clearly migrated online, whereby individuals access offshore sportsbooks via their mobile phones. Among states that have authorized sports betting in the United States, an essential factor in driving conversion of that illegal market has been the availability of robust legal online access. Those states that have limited legal sports betting to physical casino premises or required in-person registration requirements have consistently realized disappointing "betting handle" growth and, by extension, illegal-market conversion.

The passage of sports betting legislation alone will not necessarily minimize the illegal market in that state. Participants in the illegal market have become comfortable participating in such markets, may receive better odds from illegal bookmakers, and may be able to avoid paying taxes altogether. The elimination of illegal gambling, especially offshore betting operators, requires not simply a legal alternative, but rather robust, active monitoring and enforcement backed by significant civil and criminal penalties for violations. To provide adequate monitoring and enforcement tools for federal and provincial law enforcement, we recommend that any regulatory framework:

- **Require Operator Licensure and Auditing.** It is imperative that sports betting operators be held to the highest standards. These standards should include robust licensing requirements that weed out any unscrupulous actors, strong record-keeping and auditing requirements to aid in criminal and civil investigations, and routine monitoring and reporting of abnormal betting activity. Sports betting operators should also have state-of-the-art cybersecurity systems in place to guard against hacking and data breaches.
- **Facilitate Ease of Information-sharing Between Sports Leagues, Operators, and Law Enforcement.** To further promote contest integrity, we support creating a duty for provincial and territorial regulators and sports betting operators to provide real-time information relating to: a criminal or disciplinary proceeding commenced against the sports wagering operator; abnormal sports wagering activity; any pattern of abnormal sports wagering activity related to the integrity of one or more sporting events; a potential breach of the internal rules or code of conduct relating to sports wagering or sports regulatory organizations; suspicious or illegal sports wagering activity; and any other conduct that corrupts the betting outcome of one or more sporting events for purposes of financial gain, including match fixing. Consistent collaboration and information-sharing among sports leagues, regulators, and provincial and federal law enforcement agencies will be vital to eliminating corruption, preventing money laundering, and addressing other forms of criminal enterprise.
- **Combat Domestic and International Money Laundering, Tax Evasion, and Corruption.** Organized crime has long used gambling to launder ill-gotten gains. In the 21st century, other transnational criminal and terrorist organizations have followed suit. The nexus between organized crime and sports betting has the potential to harm the integrity of sports. Law enforcement must have the ability to combat this criminality with laws that include robust anti-money laundering and tax evasion provisions specifically aimed at sports betting, particularly betting conducted by unlawful offshore operators.

Finally, it is critical for professional and amateur sports leagues that our games and other content, and all related intellectual property, be protected. In addition to protecting consumers, requiring the use of official league data is also an important component of protecting that content and intellectual property. Sports leagues are like all other manufacturers, except that our product – our nationally and internationally broadcast games – is widely available for consumers to enjoy multiple times each week across a variety of traditional and digital platforms. Unfortunately, this also means that our product is widely available for unofficial data providers, “courtsiders” and other unscrupulous entities, to illegally obtain, copy, use and potentially abuse. Consumers that choose to place wagers should know that the data determining the outcome of such wagers is truly from the source (sports leagues or their licensees) and is, therefore, accurate, reliable, and legally obtained.

We believe the core standards outlined above will protect the integrity of sporting contests and consumers, including guarding against underage and problem gambling. Thank you again for this opportunity to share the National Football League’s views on sports betting, and we look forward to active partnership as federal and provincial legislators consider these important issues.