



WEEK 4

FRIDAY 23 JAN 2015

THIS WEEK

- William Hill reports record operating profit
- South Korea plans casino resorts
- Columnist: Adrian Crawley on cyber sabotage
- Special LAC preview

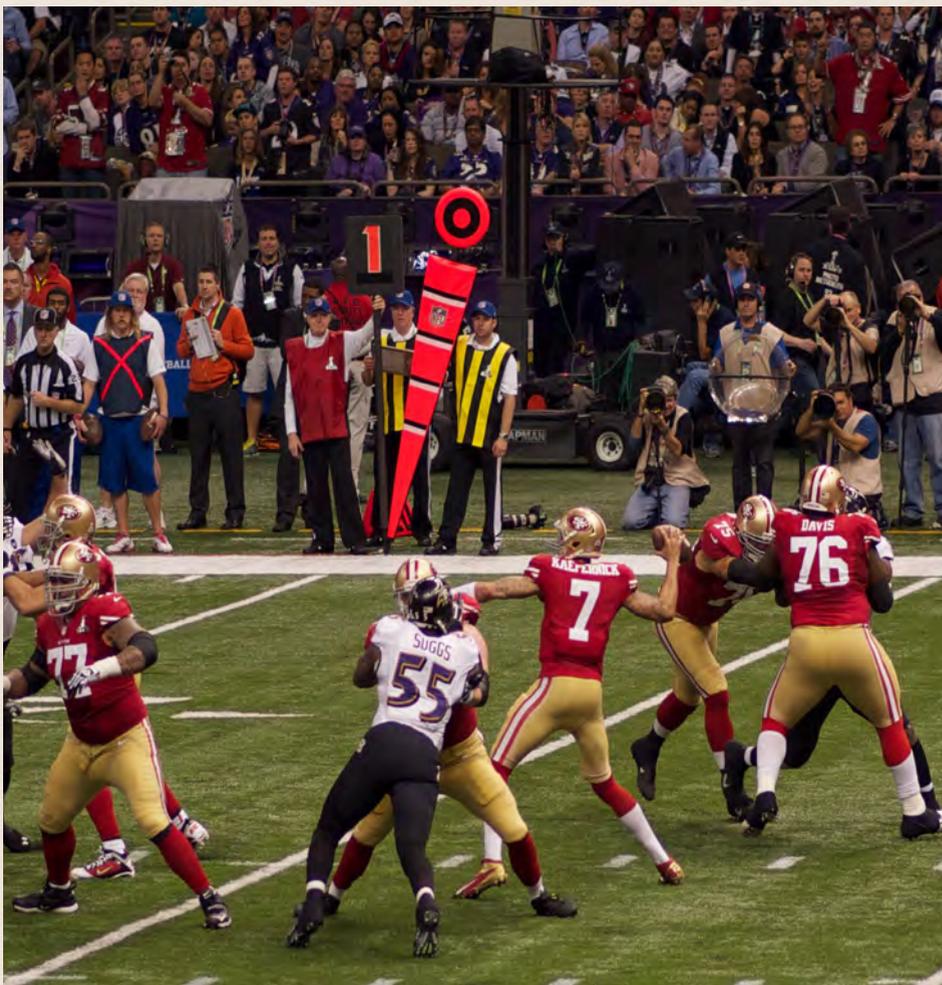
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TOP STORY

FANTASY BILLS FOR WASHINGTON

Legislation would define contests as skill not gambling



The NFL is a popular fantasy sport

Two bills have been introduced in an attempt to amend the legal status of fantasy sports gaming in Washington. Players in the state are currently blocked from participating in fantasy sports and the new legislation, HB 1301 and its companion bill in the Senate, SB 5284, is looking to have the games classified as contests of skill, rather than gambling.

Supporters argue that more than 40 US states currently have legislation in place to allow fantasy sports and do classify them as skill. They say that federal law should not prohibit the bill from being passed. The Unlawful Internet Gambling Enforcement Act (UIGEA) of 2006, the law which banned online gambling in the US, classifies fantasy competitions as games of skill as opposed to gambling.

That law was passed before the introduction of fantasy sports in the US however, meaning that the exemption for fantasy competitions was not written specifically with fantasy sports in mind.

Washington Senator Pam Roach, a sponsor of the Senate Bill who has estimated that 500,000 people play fantasy sports in Washington, said: "Our state sees fantasy football as a game of chance – a felony crime. Congress has

CONTINUED ON NEXT PAGE ►

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FROM FRONT PAGE ►

long considered fantasy football to be a game of skill. My bill will change the state's definition."

The House Bill will be moved on to the House Commerce and Gaming Committee, a group on which only one of the Bill's sponsors sits – something which could work against the legislation.

The latest bill comes just days after the state prefiled for the introduction of a bill that would legalise online poker, despite the fact that Washington is the only US state to currently consider playing online poker to be a felony.

Washington is not the only state currently attempting to amend its position on fantasy sports gaming. Indiana state representative Alan Morrison recently tabled two separate bills that would legalise sports betting in the state, one of which covers fantasy. Meanwhile Montana state representative Forrest Mandeville has put forward a bill that would amend certain anti-gambling provisions to allow for fantasy sports play.

KEY POINTS

- Bills introduced to legalise fantasy sports gaming in Washington
- Supporters argue that UIGEA allows fantasy sports
- Fantasy sports are legal in more than 40 states

UK

WILLIAM HILL BOASTS RECORD OPERATING PROFIT

Bookmaker reports successful yearly results despite difficult Q4

A challenging fourth quarter of 2014 has not prevented operator William Hill from generating a record £371m operating profit for the full year. An 11% rise was posted for operating



profit in 2014, despite unfavourable sporting results which led to a 7% downswing in Q4.

Online revenue increased 18% for the year, William Hill Australia rose 41% (11% on a pro forma local currency basis) and William Hill US improved 30%.

William Hill chief executive James Henderson [pictured] said: "Overall it's been a good performance in 2014 for the group, driven by both the continued development of our UK-facing operations and our international diversification, together with a successful World Cup.

"In quarter four, generally weaker sporting results in December impacted our revenue progression, as did a very tough November comparative, but gaming continued to grow.

"Separately, we have announced today our intention to rebrand our Australian operations to the William Hill brand."

KEY POINTS

- William Hill made record operating profit in 2014
- A less successful fourth quarter did not prevent gains in online revenue and international operations

ASIA

SOUTH KOREA AND VIETNAM PLAN CASINO RESORTS

Both countries to approve new projects

South Korea and Vietnam have both stepped up casino development plans for 2015.

Two large-scale casino licences are to be issued by South Korea in a bid to attract KRW 8.5t (\$7.9bn) of investment. Corporate investment in the country showed signs of recovery towards the end of 2014 and the latest government plan is aimed towards building growth in the tourism and service industries.

Meanwhile, a \$4bn resort has been approved by Vietnam. Constructed on Phu Quoc island, the establishment would boast 2,000 slot machines and 400 table games.

KEY POINTS

- South Korea is to approve two casino licences, while Vietnam plans a \$4bn casino resort

Tweets of the week 

"Daily fantasy sports operator FanDuel, which claims not to be gambling, is a member of the National Council on Problem Gambling" ESPN gambling correspondent David Payne Purdum [@DavidPurdum]

"I think the govt should really extend the problem gambling PSA's to financial markets; stakes higher, auspices less suspicious..." Stone Street Advisors LLC founder Jordan S. Terry [@The_Analyst] on the US government

"Starting to get excited about my trip to London. ICE is one of the can't-miss shows of the year" Pechanga.net editor Victor Rocha [@VictorRocha1]

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CONFERENCES

INDUSTRY HEADS TO LAC

Conference set to host poker, presentations and promotions



The affiliate community is to take to the Olympia London for the London Affiliate Conference next week. Last year's show attracted over 3,400 attendees and the 2015 edition is set to be even bigger. The 9th LAC, which is set for 31 January - 3 February, will feature conferences, exhibitions and networking in abundance, alongside some special events, presentations and promotions. The Financial Partners Expo, the largest dedicated expo for affiliates and introducing brokers within the retail finance sector, is being co-located with LAC.

iGSOP

The iGaming Series of Poker (iGSOP) is returning to LAC for the thirteenth time this year. Previously known as the ASOP, the tournament is dedicated to affiliates attending the London Affiliate Conference and Financial Partners

Expo. It will feature 54 affiliates battling it out over two days of the show, with the eventual champion receiving \$1,500.

To qualify for the tournament affiliates will need to win a seat in the freeroll taking place on Bet365 on 27 January, which will be strictly controlled via a password sent out one hour before the event. To receive the password players must be an approved registered affiliate for LAC who have registered on the iGSOP website.

This year's tournament is being sponsored by financial trading firm Tradologic and lottery software provider Lottotech.

Delzar Khalaf, CEO of Lottotech, said: "We are excited to join the fun and give a hand to a top industry event such as iGSOP. We are looking forward to meeting the whole gaming affiliate community and sharing business opportunities."

Affiliate Awards

The winners of the inaugural Players Choice Awards are to be announced on 1 February as part of the iGB Affiliate Awards taking place at Stamford Bridge, the home of Chelsea Football Club. The Players Choice Awards are organised by iGB Affiliate in partnership with its consumer brands, who leverage their player communities to drive the shortlist and ultimately the winners.

Awards include Best Bingo Operator, Best Poker Operator and Best Sportsbook, with the shortlisted names across the various categories including the likes of Foxy Bingo, 888, Bet365, 32Red and Intertops.

"I am really excited to bring the first Players Choice Awards to the iGB

Affiliate Awards and at long last give the players a voice in our sector. They are the lifeblood of our sector and it's important that we not only listen to their views but understand them if we are to improve and grow our businesses," said Alex Pratt, head of iGB Affiliate.

Elsewhere at LAC

Julia Logan, aka. IrishWonder, will be hosting a live hacking session where the SEO consultant will analyse and fix hacked WordPress sites for those who have applied in advance. The session will take place on 1 February at 11.30.

Julia has been involved in SEO and online marketing since 2000, working on both her own affiliate sites and client projects in different markets, including gambling. Her specialities include SEO security audits, link profile audits, online reputation management, negative SEO investigations and private network consulting.

Meanwhile money transfer system Neteller is holding a prize draw on 2 February, offering the chance to win a PS4 and iPad Air, while two first team players from Premier League football club Crystal Palace will also be on hand to sign photos.

Official registration sponsor 24option, the binary options trading platform, will also be running a prize draw to win a GoPro camera, with the raffle taking place on 2 February at the firm's stand.

The 2015 London Affiliate Conference will take place at the Olympia National in London between Saturday 31 January and Tuesday 3 February. Delegates can register online at londonaffiliateconference.com

OUT NOW: Look out for the January/February issue of *Gambling Insider's* print magazine, featuring a CEO Special as we interview four of the biggest figures in gaming: Jim Murren of MGM Resorts, GTech's Walter Bugno, Fred Done of Betfred, and Microgaming's Roger Raatgever





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"If predictions are to be believed, the online gaming industry's boom is set to continue. In October last year the European Commission suggested that the sector will grow by 15%, confirming its place as the fastest growing industry in Europe.

As you'd expect, such anticipated growth brings more competition to contend with. For most industries, competition is regarded as healthy, a means to innovate on service, product and price. But for some it's an invitation for sabotage. Cyber sabotage, to be precise, and 2015 is likely to see more crippling attacks than ever before.

Really? Yes, really. It may seem unbelievable but our research published in December showed that in 2014 the gambling industry jumped ahead of the financial services industry as the most at risk of being attacked. It's become a perfect target thanks to the data quality and quantity, the online flow of cash, and weaker network defences compared to banks. And the most prevalent culprits were from the competition.

As unthinkable as it may sound, there are businesses actively attacking their competition, not to

gain information, but to weaken the brand. It's a brutal form of customer acquisition and the prevalence of it shouldn't be underestimated.

One of the most common tactics is to intercept traffic destined for a website and divert it to one that looks like the real deal but is actually a dummy, designed to be slow, cumbersome and frustrating to use. We all know how frustrating it is to watch a slow website load, so it's no surprise that visitors give up and head to a competitor's site to play.

There's also the denial of service attack, where the communications network is rendered useless by flooding it with high volume requests, for example high numbers of log-ins from false customers. The methods are designed to push the network to a point where it can't cope so it falls over, or to create a diversion so that another route into the network can be exploited to acquire information.

In both cases you'll see your customer numbers change – either they'll slow right down or they will surge. And it's highly likely it won't be a one-off incident. It will be sustained, not just for hours, or even days, but possibly months.

So what can you do? Well there are five steps to take.

- Map your vulnerabilities. Understand how your company network could be attacked and where its vulnerabilities lie. Bear in mind most attacks today are not restricted to one method but five, and are sustained, so you'll need to be able to fight back on all fronts for a long time.

- Build a defence plan. What software and hardware do you need in place to manage the identified risks and ensure

business continuity? Make sure it covers your network and your applications.

- Audit your skills. Do you have the right people to monitor risks and manage attacks? Do you need to train people, hire someone or outsource?

- Get a sponsor. How informed is your board on the risks and the reputational and economic consequences? The last twelve months demonstrate just how exposed the industry is to its more unscrupulous members.

- Check the third party. In particular, check your ISP and hosting providers have the right mitigation in place. The last thing you want to become is a domino when a third party you rely on is attacked.

From government security bodies such as CERT UK who provide information on the latest attack landscape, to peers at complementary industries, to security specialists who run free audits, make use of the experience of those who have gone before you.

It will be an iterative process, so forging these links at the beginning will help you create a sustainable plan that beats off the competition, in more ways than one, so you can get on with the day job of running a successful business."

IT security expert Adrian is Radware's regional director for the UK and Ireland. He has more than 15 years' experience in the networking and security industry, and prior to joining Radware was enterprise director as well as director for channels and service providers at F5 Networks

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