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WEEK 28

FRIDAY 12 JULY 2019

COMMON SENSE PREVAILS: SKY BET REVERSAL IS A CAUSE FOR CELEBRATION

THIS WEEK

- **First legal sports wager accepted in Arkansas**
- **Parx Casino to launch online in Pennsylvania**
- **Aristocrat and Ainsworth heading to court**
- **Suncity singled out in Chinese gambling report**

GUEST COLUMNIST:

- **Simo Dragicevic, CEO, Betbuddy**



Two complaints.

That's all it took for the Advertising Standards Authority (ASA) to ban one of Sky Bet's televised sports betting adverts in March.

Now news has broken of the nonsensical ban being reversed upon appeal, it's difficult to imagine who would have complained about such a promotion.



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THIS WEEK IN NUMBERS

A\$14,000



Tabcorp was fined for offering an illegal gambling inducement in New South Wales (US\$9,700)

78

Arrested during a six-day police operation in Singapore for running an illegal gambling den



SB690

BMM Testlabs has applauded changes to Illinois gaming statutes recently approved by the State and signed by the Governor



Years at Betsson for Managing Director Melvin Hulleman, which ended this week after he joined Authentic Gaming as Head of Account Management

Equally, it was difficult for the industry to comprehend the ASA's decision to prohibit it.

Less ludicrous would be a suggestion the complaints came from Sky Bet ambassadors Paul Merson and Matt Le Tissier, as a wind up, as opposed to complainants who found actual fault.

For context, the ad in question involved football presenter Jeff Stelling asking "how big is your sports noggin?" It focused on knowledge of sports helping a player use Sky Bet's Request a Bet feature.

The reason behind its ban? It implied sporting knowledge can help someone while betting on sports.

Again, it's difficult to understand who could possibly have made or entertained a complaint like that – two people, no less.

But now is not the time to criticise the ASA. Instead, it deserves praise. It has, thanks to an objective review of the facts, had the courage to overturn its initially incorrect decision.

Such is the current anti-gambling climate within the UK, the ASA may well have got away scot-free if it hadn't allowed the advert to air ever again. The regulatory body however, has acted with moral standing.

It may have been demeaning for Sky Bet to explain tediously basic principles in defence of the advert; but it is a genuine cause for celebration for our industry that standing up for what's right can have positive results.

Any such cause, no matter how small, is a metaphorical milestone in shifting the public narrative. Added to the voluntary increase in problem gambling funding confirmed by some of the UK's largest operators in June, along with the voluntary whistle-to-whistle advertising ban announced in December, bookie-bashing media outlets are having to face a horrific reality.

Look away now: positive gambling-related stories do exist, after all. Aaah!

No longer should operators worry about exceedingly restrictive guidelines, where a sports betting company essentially has to avoid discussing sports in its adverts. Imagine a travel company not being allowed to promote the benefits of traveller knowledge? Imagine a car company not being allowed to describe the features of its new car?

Let's not forget this was an ad which included GambleAware branding throughout and ended with Stelling reminding viewers "when the fun stops stop." This was as responsible as you can get on television – for any product.

There was no promise of unrealistic winnings; there was no cringeworthy 'lad' banter. There was simply a description of the product in question and a promotion of the benefits of using it. If that isn't allowed, all marketing may as well be scrapped, losing billions in revenue and millions of jobs.

One could argue the ASA should have dismissed the original complaints there and then, as it often does with betting-related cases. But there may be advantages of Sky Bet – and the wider industry – having experienced a successful appeal of this kind.

If certain politicians were in charge of the hearing process, justice might well have eluded us all. Gambling however, can hold its head high after hearing some welcome good news.

Although it should have been a given already, advertising departments can now breathe easier. Unacceptable, irresponsible adverts should continue to be punished; others should not. The ASA may have got it wrong in the first instance, but the issue is and always will be that simple.

Common sense prevails.

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CT Interactive's stand at iGB Live, where it will demonstrate products such as Neon Games



1xBet has become the official global betting partner of Liverpool, its second such deal after agreeing a similar partnership with FC Barcelona



4 Singular offices, which will now include the supplier's new COO Robert Dowling

SBTECH AND CHURCHILL DOWNS ACCEPT FIRST LEGAL SPORTS WAGER IN ARKANSAS

SBTech has partnered with Churchill Downs at Oaklawn Racetrack and Casino to power the first legal sports wager in the state of Arkansas.

In November, Arkansas voters approved new gambling regulations which would legalise retail sports betting.

After a long journey, the Natural State has now become the eighth jurisdiction in the US to have launched legal sports betting (excluding New Mexico, in which some individual tribal casinos already offer it).

So far, 17 states have legalised sports betting in total, with several yet to launch or being in the process of finalising specific regulations.

Interestingly, the first bet placed in Arkansas was a \$5 wager on an NFL game as far away as 8 September.

Richard Carter, SBTech CEO, said: "We are rapidly becoming the supplier of choice for omni-channel sportsbook platform software in regulated and newly-regulating

US states, as well as major global regulated markets for tier one operators and lotteries.

"We're delighted Oaklawn selected SBTech to power their sportsbook in partnership with Churchill Downs and launch the state's first sports wager, and we look forward to extending that to other products and channels in the near future."

Ian Williams, President Online Gaming, Churchill Downs, said: "We are delighted to facilitate sports betting at Oaklawn through our partners SBTech. As a long-standing partner in horseracing, it was a natural fit for us to bring legal sports betting first to the state of Arkansas."

In June, DraftKings was linked with a takeover of SBTech, with neither company confirming or denying the reports when contacted by *Gambling Insider*.

THE WEEK IN QUOTES

“Part of the problem of not working in a factory when the government turns you over is there is no concentrated number of them to gain MP support. These 4,500 families may as well end up on the rubbish heap according to the government.”

Steve Donoghue questions the Department for Digital, Culture, Media & Sport in conversation with Gambling Insider after William Hill announced 4,500 jobs are at risk

“We are committed to delivering a revolutionary, mobile-first experience, and the EveryMatrix team has been extremely easy to work with towards this goal.”

Morten Tonnesen, Co-founder and CEO of BetWarrior, on its new partnership with EveryMatrix

PARX CASINO TO GO ONLINE IN PENNSYLVANIA ON 15 JULY

Parx Casino is planning to launch its online casino in Pennsylvania on 15 July, having posted a countdown clock on its website.

Parx’s clock shows the days, hours, minutes and seconds until launch, scheduled for the first day allowed by the Pennsylvania Gaming Control Board (PGCB).

The online casino will include slots, blackjack, roulette, video poker, baccarat, live dealer games and more.

At present, no other operators are scheduled to launch an online casino on the same day.

However, the PGCB is due to meet on 10 July, where more details could become clear if others indeed intend to compete with Parx on launch day.

Pennsylvania’s online sports wagering market went live in May. SugarHouse Casino’s sportsbook went live for three-and-a-half days at the end of the month.

It generated handle of \$573,163 in that period – a promising sign moving forward.

SugarHouse Casino saw retail handle of \$7.4m, Pennsylvania’s second-highest respective result, and combined revenue of \$711,845.

Rivers Casino was the top taker in retail handle, generating \$7.9m and revenue of \$641,029. Parx Casino was third with handle of \$6.8m and \$639,922 in revenue.

Overall sports betting revenue still fell month-on-month to \$2.9m, a 31% drop.

The state of Pennsylvania made \$1m from its 36% tax of adjusted gross sports wagering revenue.

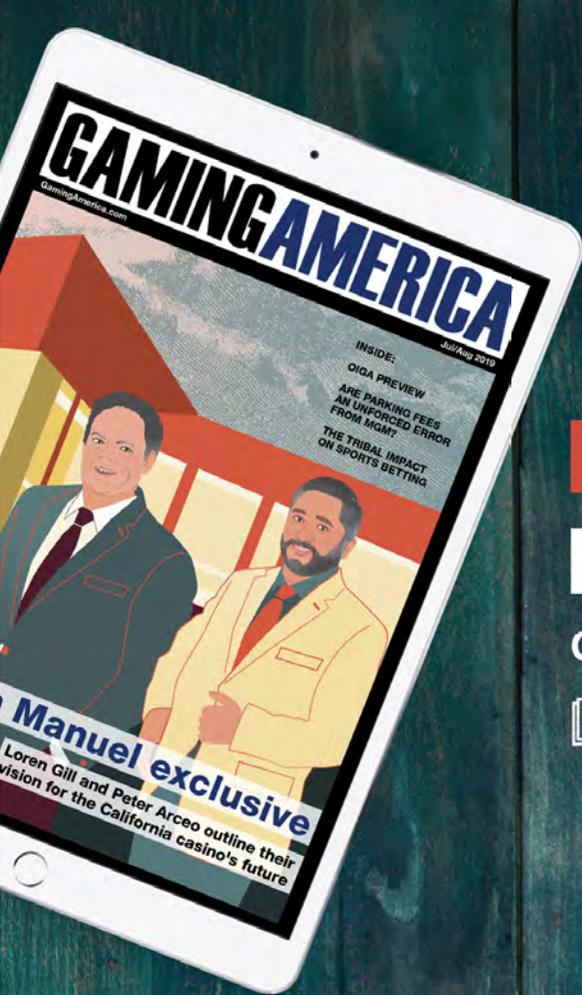
But May’s overall casino revenue in the state was up 3% year-on-year to \$286.1m, during the most recent month for which the PGCB has released results.

In the casino vertical, Parx Casino took the biggest market share, generating \$53.2m, a 3% rise year-on-year.

Despite a 6% decline from last year’s results, Wind Creek Bethlehem, formerly Sands, was the second-highest taker in the state. It made \$43.7m in casino revenue.

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“Purely from an age verification point of view, I actually find the gambling industry extremely on the ball when it comes to regulation. The level of compliance and level of understanding what the laws are is second to none as far as other sectors we’re dealing with are concerned.”

AgeChecked CEO Alastair Graham speaks to Gambling Insider about age verification

“The gambling industry is a hugely significant contributor to the leisure industry and the economy. There are however, critical issues facing the sector and that is why I will ensure creating a safe gambling environment is the top priority.”

Brigid Simmonds on her new role as Chair of the newly formed Betting and Gaming Council

ARISTOCRAT CLAIMS BREACH OF INTELLECTUAL PROPERTY AGAINST AINSWORTH

Aristocrat Technologies is suing rival poker machine supplier Ainsworth Game Technology for copying the design of one of its most successful games, with the case to be heard at Australia’s federal court.

Aristocrat has filed a claim of breach of intellectual property law regarding its Lightning Link machine.

Lightning Link has been installed in casinos across the world and won Land-based Product of the Year at last year’s Global Gaming Awards Las Vegas.

Aristocrat alleges Ainsworth stole the technology developed for Lightning Link and used it in one of its own machines.

It claims an employee of Ainsworth joined Aristocrat as a game designer for less than a month before returning to Ainsworth in April 2017, where he was employed as a senior game designer.

Aristocrat said: “This case goes well beyond simple copyright infringement and concerns allegations of extensive and deliberate misappropriation of trade secrets, confidential information and intellectual property.

“Upholding appropriate standards is part and parcel of ensuring ongoing trust in our business and industry, and is an important part of Aristocrat’s high compliance culture.”

In response, Ainsworth said: “Ainsworth will be vigorously defending the claims made by Aristocrat in these proceedings.”

The issue between the Australian casino suppliers has been developing since last year, when Aristocrat took legal action demanding Ainsworth release documents on how it developed one of its new machines, Jackpot Strike.

Aristocrat wanted to see all Ainsworth source code, mathematical tables, game rules, artwork and commercial documents relating to the machine.

The complex source code determines every spin and frequency of wins, integral to a new machine’s success.

Both suppliers were founded and sold by 95-year-old businessman Len Ainsworth.

THIS WEEK'S WINNERS AND LOSERS

WINNERS

Intralot – Council members in the District of Columbia have voted to award lottery and sports betting operations to the firm for the next five years, despite concerns of a conflict of interest.

Stars Group – Has entered into an agreement with the Akwesasne Mohawk Casino Resort for gaming and sports betting operations in New York

Sky Bet – Told *Gambling Insider* the operator will be “continuing to monitor” future horseracing meetings, following the success of Frankie Dettori at Royal Ascot

Asianconnect88 – Ended its business deal with 9Wickets after the Financial Times found the agency was offering access to Betfair in the US and India

LOSERS

CHINESE GAMBLING REPORT SINGLES OUT SUNCITY'S JUNKETS

A state-backed report from Macau says the island's largest junket operator, Suncity, has made billions of dollars in online and proxy betting, damaging the country's social economic order in the process.

Suncity operates VIP gambling rooms around Asia and enables Chinese players to bet online through casinos in the Philippines and Cambodia, using underground banks.

The report from Economic Information Daily is the first time a Macau junket has been singled out for online gaming activity.

It comes at a time when the country faces slow growth and is looking to decrease its capital outflow.

A statement from the report said the amount wagered through online gambling in mainland China is more than ¥1tr (\$145bn); this is nearly twice the annual income of China's lottery.

Suncity has said it does not conduct any online gaming business and its operations are all legal under government regulations.

The company's publicly listed business in Hong Kong, Suncity Group Holdings, does not include its junket operations.

Suncity was developed from its origins of operating high-roller tables in Wynn Macau in 2007 by founder Alvin Chau. It is now made up of thousands of employees and covers businesses from property to automobiles.

The group's other ventures include an equity stake in a \$4bn casino project in Vietnam. It shares this venture with VinaCapital, a Vietnamese investment management and real-estate firm, and Hong Kong-based VMS Investment Group. The project is expected to be completed this year.

In June, Chau became Chairman of Summit Ascent Holdings, which controls a casino in Vladivostok, Russia.



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MD FALLS, OH RISES

Gaming revenue turned out to be a mixed bag in June, as Maryland fell but Ohio rose.

Maryland fell 4.04%, as only Golden Entertainment's Rocky Gap and Cordish Companies' Live grew results.

It was the second straight month of decline for the state.

Ohio grew 4.52%, as every property except MGM Northfield Park grew revenue year-on-year.

Casinos outside MGM Northfield Park grew 6.31%.

Churchill Downs and Delaware North's Miami Valley Gaming continued its hot streak of growth, rising for the 12th straight month.



MARYLAND

MARKET/PROPERTY	REVENUE (M)	(%) CHANGE
Rocky Gap (GDEN)	\$5.116	+7.54
Live! (Cordish)	\$48.984	+1.69
Hollywood Casino (GLPI)	\$6.368	-3.85
National Harbor (MGM)	\$56.881	-4.11
Ocean Downs (CHDN)	\$6.854	-4.85
Horseshoe Baltimore (CZR)	\$18.687	-18.16
State total	\$142.891	-4.04
SLOT REVENUE		
National Harbor (MGM)	\$33.599	+9.91
Rocky Gap (GDEN)	\$4.376	+5.21
Live! (Cordish)	\$34.088	+1.22
Hollywood Casino (GLPI)	\$5.621	-2.15
Ocean Downs (CHDN)	\$6.043	-6.11
Horseshoe Baltimore (CZR)	\$11.526	-12.12
Slot Total	\$95.253	+1.65
TABLE REVENUE		
Rocky Gap (GDEN)	\$0.740	+23.77
Ocean Downs (CHDN)	\$0.811	+5.78
Live! (Cordish)	\$14.896	+2.78
Hollywood Casino (GLPI)	\$0.747	-14.97
National Harbor (MGM)	\$23.282	-19.01
Horseshoe Baltimore (CZR)	\$7.161	-26.31
Table Total	\$47.637	-13.70
BALTIMORE/WASHINGTON AREA		
Live! (Cordish)	\$48.984	+1.69
National Harbor (MGM)	\$56.881	-4.11
Horseshoe Baltimore (CZR)	\$18.687	-18.16
Baltimore/Washington Total	\$124.552	-4.43

OHIO

MARKET/PROPERTY	REVENUE (M)	(%) CHANGE
Hollywood Dayton (Penn)	\$9.724	+12.56
Miami Valley Gaming (CHDN/Del North)	\$14.735	+12.21
Jack Cincinnati (JACK)	\$16.482	+9.84
Hollywood Mahoning Valley (Penn)	\$11.027	+8.92
Jack Cleveland (JACK)	\$17.546	+7.05
Thistledown (JACK)	\$11.901	+6.37
Belterra Park (BYD)	\$7.472	+4.74
Scioto Downs (ERI)	\$15.471	+3.29
Hollywood Columbus (Penn)	\$19.507	+2.56
Hollywood Toledo (Penn)	\$16.742	+0.54
MGM Northfield Park (MGM)	\$20.797	-6.14
State total	\$161.404	+4.52

CINCINNATI

MARKET/PROPERTY	REVENUE (M)	(%) CHANGE
Jack Cincinnati (JACK)	\$17.546	+9.84
Belterra Park (Penn)	\$7.472	+4.74
Cincinnati total	\$25.018	+13.00

CLEVELAND

MARKET/PROPERTY	REVENUE (M)	(%) CHANGE
Jack Cleveland (JACK)	\$17.546	+7.05
Thistledown (JACK)	\$11.901	+6.37
MGM Northfield Park (MGM)	\$20.797	-6.14
Cleveland total	\$50.244	+1.02

GUEST COLUMNIST



SIMO DRAGICEVIC
CEO, BETBUDDY

Dragicevic argues the industry must ditch passive compliance and innovate quicker to tackle problem gambling

The pressure on our industry to tackle problem gambling continues to grow. Frankly, our collective approach has been built on a strategy of passive compliance for too long.

The industry is routinely on the defensive, reacting to sanctions and waves of critical media coverage. The cycle is now familiar: enforcement reports highlight failures, funding pledges are made and new operator systems and processes are introduced to tackle systemic failures. Rarely is the issue properly addressed.

When different versions of the same approach continue to fail, it's time to try something new.

The word innovation is grossly overused, but with regulators and politicians calling again for more draconian measures to address problem gambling, our industry genuinely needs it.

That innovation doesn't have to come from some magical new source. It simply requires more intelligent – and ethical – use of what we already have.

Gambling today is an industry built on technology and data as much as entertainment. These are the sector's biggest assets in helping prevent and minimise gambling-related harm. But we have only just begun to use them to protect players to the same degree as we use them to promote to players.

Two things have been missing until recently. First, businesses using data to 'know your customer' (KYC) and ensure the basics are always addressed. Second, the more intelligent use of data, through concepts like machine learning and artificial intelligence (AI), to support more effective harm prevention measures.

Today, it is possible to design systems that take millions of data points from thousands of players to understand when an individual is showing signs of potentially problematic behaviour.

Each time we deploy AI-based systems, they learn incrementally more about these signs, so we can spot them with more accuracy next time.

This is not about tracking player patterns and applying general thresholds to flagplayers. That capacity already

exists today. While it is useful for flagging obvious behaviours like large deposits, it has a limited ability to detect more nuanced patterns.

We are talking here about machine learning to spot signs of problematic play and offer a series of operator options to influence that behaviour. This use of AI is genuinely innovative, and we are starting to see encouraging early results.

There are of course challenges. The most obvious is around transparency and ethics. AI's black box systems are by nature difficult to understand. Do our players, communities, regulators and governments trust industry to build and implement these systems correctly?

We must ensure the transparency and ethics underpinning the design of safer gambling products is robust. We cannot allow such designs to be influenced or biased by conflicting industry objectives, least of all profit.

Improved reporting is another challenge where the industry's current focus on certain key performance indicators (KPIs) needs to evolve. While some larger operators are now reporting KPIs relating to safer gambling customer interactions, this must be improved significantly. Measures of the success of safer gambling interactions in preventing and minimising harm are vital.

Collaboration is a third issue. Sadly, the sharing of best practice and data is still the exception, not the norm.

While advanced systems built using AI thrive with more data, and thus benefit from collaboration, more simplistic uses of data, such as operators sharing data on player limits, also benefit.

Access to other sectors would help too. Data from banks and credit agencies would significantly increase the ability to understand players and prevent harm through more sophisticated affordability assessments.

Of course, integration of safer gambling technology is always a challenge. Technology providers have to ensure operators can utilise their existing investment in technology, rather than build everything from scratch.

While no single initiative will solve a problem as complex as problem gambling, the availability of AI and increasing data sources is a new alternative that can help the industry give its safer gambling initiatives a much-needed boost.

If the sector can work together to deploy promising technology much quicker, perhaps we can finally demonstrate what we can do to help solve this problem; rather than wait for others to tell us how to solve it.

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