

OHIO CASINO CONTROL COMMISSION



Mike DeWine
Governor

Thomas J. Stickrath
Chair

February 23, 2024

Sent via electronic mail

Dear NCAA President Baker and Ohio Sports Gaming Licensees,

This correspondence constitutes my decision to approve the National Collegiate Athletic Association's ("NCAA") request to prohibit player-specific prop bets on intercollegiate athletics competitions pursuant to R.C. 3775.02(C)(3) and Ohio Adm.Code 3775-11-01(D). As explained further below, I have carefully considered information submitted by the NCAA and Ohio's licensed sports gaming operators to conclude that good cause supports granting the NCAA's request. Therefore, the prohibition is adopted and included in the Ohio Casino Control Commission's ("Commission") approved catalogue of sporting events and wager types. I am appreciative of the information that both the NCAA and Ohio's licensed sports gaming operators provided during this process.

NCAA's Request

By letter dated January 31, 2024 ("NCAA's Letter") the NCAA requested the Commission to prohibit wagers on individual college athlete performance under its authority to do so in R.C. 3775.02(C)(1) & (3). Along with the NCAA's Letter, the NCAA provided the Commission with a link to an NCAA survey of NCAA member schools conducted from July 18, 2023, to August 1, 2023, ("NCAA's Research") entitled "NCAA Survey of Senior Compliance Administrators on Sports Wagering Issues."

The NCAA set forth six specific concerns about betting markets that center around many aspects of a student-athlete's individual athletic performance, otherwise known as player-specific prop bets. First, the NCAA highlighted multiple instances of harassment, including a significant increase in reports of student-athletes being harassed by bettors¹, as well as reports from member institutions in Ohio, like the University of Dayton and Ohio State University.² Second, the NCAA referenced the general well-being and mental health of student-athletes. *Id.* at p.1. Ohio, in

¹ See NCAA's Letter at p.2 ("[O]ver 30 Division I Institutions reported someone with a gambling interest harassing their student-athletes.") and NCAA Research at pp. 3 and 6.

² See NCAA's Letter at pp.1-3 (citing Victoria Moorwood and David Wysong, *Sports betting raises harassment concerns for student-athletes*, CINCINNATI ENQUIRER, April 18, 2022, <https://news.yahoo.com/sports-betting-raises-harassment-concerns-115830704.html> and Dave Clark, *Dayton's Anthony Grant sickened by gambling-related threats directed toward players*, CINCINNATI ENQUIRER, January 18, 2023, <https://www.cincinnati.com/story/sports/college/othercolleges/2023/01/18/dayton-coach-anthony-grant-sickened-by-sports-gambling-related-threats-directed-at-flyers-players/69817189007/>).

recognizing these concerns, plans to offer the use of an app that college athletes could report — anonymously if they choose — any type of harassment they are receiving and would include various tools such as access to telehealth services for counseling.³ The Commission also has plans for a public awareness campaign covering the issue of abuse of athletes. *Id.*

Third, the NCAA contends that player-specific prop bets increase the risk of insider information being solicited and/or leveraged to manipulate betting markets, because student-athletes, compared to professional athletes, are more accessible to other students and members of the public at large. *See* NCAA’s Letter at p.2. Fourth, the NCAA asserts that player-specific prop bets may entice student-athletes into engaging in sports betting by betting on themselves to outperform a player prop bet related to their own game performance. *Id.* These two concerns are further heightened by the impact of Name, Image, and Likeness (“NIL”) income as some student-athletes will have more disposable income to wager on themselves and may be susceptible to entreaties to share information about their team from persons paying substantial sums of money under NIL arrangements. *See* NCAA’s Research at p. 22.

Fifth, the NCAA warns that player-specific prop bets will increase the risk of “spot fixing,” or match fixers targeting student-athletes to fix a portion of game (*i.e.* the player’s performance or statistics) without having to fix the whole game. *See* NCAA’s Letter at p.3. And sixth, the NCAA claims that player-specific prop bets offer college students, who it maintains are more prone to be addicted to sports betting, a mechanism for engaging in “micro-betting,” a more repetitive form of sports betting on a myriad of player’s statistics.⁴

Commission’s Request for Comments and Data

Pursuant to R.C. 3775.02(C)(3)(a) and Ohio Adm.Code 3775-11-01(D) in correspondence dated February 2, 2024, I informed Ohio’s sports gaming licensees that they (1) were entitled to submit written comments on the NCAA’s request by February 12, 2024; and (2) provide auditable data concerning proposition selections/wagers on individual college athletes, as follows:

- The current percentage of available wager selections on your platform, which, if applying the draft criteria (see below) in my correspondence, would no longer be permitted.
- The percentage of total wagers made from January 1, 2023, to December 31, 2023, which, if applying the draft criteria in my correspondence, would not have been permitted.
- The total dollar value of wagers made from January 1, 2023, to December 31, 2023, which, if applying the draft criteria in my correspondence, would not have been permitted.

³ Gary Rotstein, *Ohio Focusing Further On How To Address Harassment Of College Athletes*, SportHandle, December 13, 2023, <https://sportshandle.com/ohio-regulator-focus-bettors-harassing-college-athletes/>.

⁴ *See* NCAA’s Letter at p.3 (citing Oliver Staley, *An Explosion in Sports Betting is Driving Gambling Addiction Among College Students*, TIME, December 12, 2023, <https://time.com/6342504/gambling-addiction-sports-betting-college-students/>) (noting *inter alia* that according to one analysis by University of Buffalo Professors that one out of 10 college students are “pathological gamblers” compared to 2-5% of the U.S. general population that have a gambling problem)).

In this same correspondence, I proposed the following draft catalogue criteria (“Draft Criteria”) consisting of two restrictions that Commission staff had developed to address the NCAA’s concerns in its request:

Any wager based on the following is NOT approved and is NOT permitted:

- *Any proposition or "prop" bet on an individual athlete's performance or statistics participating in a sporting event governed by the NCAA. Only proposition bets based on full team statistical results are permitted.*
- *Any full team proposition bet on a sporting event governed by the NCAA that, while not based solely on an individual, would on average depend 50% or more on the statistical performance of one or two athletes on the team to determine the outcome. For example, whether Team A will gain over 200 passing yards in a football game would predominantly rely on the quarterback's yardage, likely over 50% dependence.*

Comments on NCAA’s Request

The Commission received written comments from eight of Ohio’s sports gaming operators on the NCAA’s request who generally objected to an outright ban of player-specific prop bets on intercollegiate athletics competitions. Several operators cited their ability to investigate their customers over bullying or harassment of college athletes and to take appropriate actions required by law. Many operators also argued that an out-right ban would drive those in that market to make those bets with illegal operators that have no safeguards in place for customers and are not accountable for complying with Ohio law prohibiting threats to athletes. One company supported the first restriction in the Draft Criteria, but expressed concern that the second restriction was subjective and asked the Commission to provide formal guidance to operators on how to interpret this restriction.

Auditable Data

The Commission received auditable data from Ohio’s sports gaming operators. While the requested data specific to any one sports gaming proprietor is confidential,⁵ averages from the auditable data reveal the following: (1) the average percentage of currently available wager selections on a sports gaming proprietor’s platform, which, if applying the Draft Criteria, would no longer be permitted approximated 2.2%; (2) the average percentage of total wagers made through a sports gaming proprietor from January 1, 2023, to December 31, 2023, which, if applying the Draft Criteria, would not have been permitted approximated 0.747%; and (3) the average total dollar value of wagers made with each sports gaming proprietor from January 1, 2023, to December 31, 2023, which, if applying the Draft Criteria, would not have been permitted approximated \$4,754,742. The total dollar value of all wagers made in 2023 which, if applying the Draft Criteria, would not have been permitted approximated \$104,604,320.

Tax Impact and Comparison

⁵ See R.C. 3775.14(j); 149.43(v).

Based on an approximate amount of \$104,604,320 in wagers in 2023 that would not be permitted under the Draft Criteria, and an average “hold percentage” of 12%, these wagers would have yielded an approximated \$12,552,518 in sports gaming receipts (or taxable revenue) under R.C. 3775.01(U) and 5753.01(H)⁶. Applying the 20% tax on these approximated sports gaming receipts pursuant to R.C. 5753.021 leads me to extrapolate that Ohio received approximately \$2,510,594 in taxes in 2023 from player-specific prop bets.

During 2023, licensed sports gaming proprietors reported roughly \$7.65 billion in wagers generating a total of \$936,942,255 in sports gaming receipts (or taxable revenue)⁷. By comparison, the \$104,604,320 in wagers that would not be permitted under the Draft Criteria would only constitute 1.35% of the total amount of sports wagers made in Ohio in 2023.

Standard to Consider NCAA’s Request

Pursuant to Ohio Adm.Code 3775-11-01(D), I have considered the NCAA’s request, including the NCAA’s Letter and Research, any comments timely submitted by Ohio’s sports gaming proprietors, and the auditable data I requested to determine whether the NCAA has shown good cause to grant the requested prohibition. Good cause is measured by whether the NCAA’s request, if adopted, will ensure the integrity of sports gaming or will be in the best interests of the public. *Id.*

Decision on NCAA’s Request

I have determined that good cause supports the NCAA’s request to prohibit player-specific prop bets on intercollegiate athletics competitions because the NCAA’s request will safeguard the integrity of sports gaming and will be in the best interests of the public.

First and foremost, the occurrences of and increase in the harassment of student athletes based upon their performance or statistics in an intercollegiate athletics competition presents a clear and present danger to the best interests of Ohio. Ohio passed a law in 2023, the first of its kind, that targets those that have already threatened athletes with violence or harm by banning them from participating in sports gaming in Ohio. The NCAA’s request to prohibit player-specific prop bets has a different aim: to significantly limit the harassment, including threats, from occurring in the first place by curtailing the urge sports wagerers may have to deride, let alone threaten, college athletes for their individual performances.

Based upon the information the NCAA provided, it is apparent to me that player-specific prop bets may be directly related to player-specific harassment, including threats—meaning a decrease in the availability of these types of wagers could lead to a decrease in harassment.

⁶“‘Sports gaming receipts’ means the total gross receipts received by a sports gaming proprietor from the operation of sports gaming in this state, less the total of the following: (1) All cash and cash equivalents paid as winnings to sports gaming patrons; (2) The dollar amount of all voided wagers[;] [and] (3) Receipts received from the operation of lottery sports gaming on behalf of the state....” R.C. 5753.01(H). The “hold percentage” of 12% is an estimated percentage of sports gaming receipts divided by the total gross receipts received by all of Ohio’s sports gaming proprietors from the operation of sports gaming in 2023.

⁷ See <https://casinocontrol.ohio.gov/about/revenue-reports/04-revenue-reports>.

Standing alone this logical and fact-based determination constitutes good cause to approve the NCAA's request.

Furthermore, player-specific prop bets make up an insignificant portion (less than 1.4%) of both the total amount of sports wagers and total taxable revenue in Ohio in 2023, yet these types of wagers most directly “attach an individual student-athlete’s name to a bet and therefore increase the likelihood of betting harassment being [directly] targeted toward them.” NCAA Letter at p.2. Moreover, it is likely that many bettors will simply bet on other offerings if player-specific prop bets are not available negating some, if not all, of the revenue impact.

Second, the NCAA, as the sports governing body responsible for the college athletic competitions at issue, is in the best position to determine threats to the integrity of its competitions and risks to participating athletes. The General Assembly specifically recognized the unique role sports governing bodies play in ensuring the integrity of sports wagering in Ohio by creating the very statutory process that allows for the NCAA to seek wagering restrictions. Based upon the information provided by the NCAA, and not counteracted by any other data or information provided, prohibiting player-specific prop bets will improve student-athlete well-being, including their mental health, decrease the risk of insider information being solicited from college athletes or used to manipulate betting markets, significantly diminish the enticement a student-athlete would feel to bet on themselves to outperform a player prop bet on their own game performance, lower the risk of “spot fixing” by would-be match fixers, and cut-down on forms of “micro betting” that college students (whom experts think are more prone to gambling addiction) could use to repetitively bet on a single game. Alleviating these concerns with player-specific prop bets also demonstrates that approving the NCAA's request will further the integrity of sports gaming and the best interests of the public in Ohio.

Third, the comments by the sports gaming operators do not persuade me to disprove the NCAA's request; rather, the following counterpoints support my good cause determination. Even assuming that the sports gaming companies are adept at investigating their customers who harass college athletes and taking appropriate actions required by law, these efforts occur after the harassment has occurred, whereas the NCAA's request endeavors to stop the harassment from occurring at all. The contention by the sports gaming operators that an outright ban on player-specific prop bets on the performance of college athletes will drive those bettors in that market to wager with illegal operators suffers from a faulty assumption. The operators are assuming that all those in the market to make these bets will go to illegal operators or bookmakers to place bets if the NCAA's request is approved. The operators failed to provide any factual basis to support this assumption.⁸ While some may revert to illegal operations, the vast majority of Ohioans engage only in legal gambling activity. Given the relative small percentage of wagers placed on player-specific prop bets, I perceive the risk of a black market boom to be low.

⁸ Lastly, by granting the NCAA's request, it appears that Ohio becomes the 25th State to prohibit or at least limit player-specific prop bets on individual college athlete performance and joins a group of nearly 2/3's of the States that have already done so that permit sports gaming. Currently, 38 States have legalized some form of sports gaming; 13 of those States do not permit player prop bets on individual college athlete performance; 10 of those States do not permit player prop bets on in-state college athlete performance (*i.e.*, those athletes that play for teams residing within the given state); one state only allows pre-game player-specific prop bets on individual college athlete performance. Of the 13 states that do not prohibit or otherwise limit player-specific prop bets on individual college athlete performance, three of those States only authorize retail (or in-person) sports gaming.

The NCAA has shown good cause to support its request to prohibit player-specific prop bets on NCAA collegiate events in Ohio. While I recognize that there may be a small negative impact to operator and tax revenue, the protection of student-athletes and the integrity of collegiate competitions far outweigh these impacts.

Action to Implement the NCAA's Request

In granting the NCAA's request, the Commission notes the following criterion or restriction (or criteria or restrictions) that will be included in the Commission's approved catalogue, effective as of the date of this letter:

Any wager based on the following is NOT approved and is NOT permitted:

Any proposition or "prop" bet on an individual athlete's performance or statistics participating in a sporting event governed by the NCAA. Proposition bets are only permitted on NCAA governed events if they are based on full team statistical results and meet the following criteria:

- Any full team proposition bet on a sporting event governed by the NCAA is only permitted if the proposed wager, on a historical basis, has been determined by the statistical performance of at least two players on the team in over 50% of outcomes.*
- "Historical basis" refers to evaluating the event outcomes over at least the most recent full NCAA season to determine whether two or more individual players contributed to the specified team statistic in a majority of occurrences.*
- Sports betting operators must perform and document this historical assessment of team propositions to determine approved NCAA wagers. The analysis must be auditable and operators must be prepared to defend determinations to the Commission if requested. Non-compliance with the criteria listed in this catalogue may be subject to administrative action.*

The Commission is appreciative of operator comments requesting further guidance or specificity in the prohibition criteria language. Accordingly, the Commission has provided further specificity in the catalogue to assist operators in implementing the player-specific proposition bet restrictions.

Pursuant to Ohio Admin. Code 3775-11-01(F), any proposition or "prop" bets noted in the above criterion (or criteria) that have been placed on incomplete sporting events governed by the NCAA that are now not approved and not permitted must be voided. Operators have until March 1, 2024, to fully implement the restrictions and void all impacted wagers.

Sincerely,



Matthew T. Schuler
Executive Director