



March 1, 2021

Testimony in Opposition to Senate Bill 146 and Senate Bill 570 That Authorize Online Gambling and Commercialized Sports

Dear Chairwoman Horn, Chairman Bradley, and Members of the Public Safety and Security Committee:

On behalf of the Connecticut members of Stop Predatory Gambling, we are writing in opposition to Senate Bill 146 and Senate Bill 570 that would authorize online gambling and commercialized sports gambling in Connecticut.

About Stop Predatory Gambling

A 501c3 non-profit based in Washington, DC, Stop Predatory Gambling is a national social reform network of individuals and partner groups with members of more than 1 million citizens. We believe people are worth more than money. We do not accept any contributions from commercialized gambling interests.

There are several important and urgent reasons why these gambling bills are not in the public interest. Our testimony focuses on two:

- 1) If approved, these bills would further extend the institutionalized racism of state-sanctioned gambling and how it has reconfigured the state's tax code to benefit whites at the expense of black and brown people.**

The death of George Floyd has led almost every aspect of American life to be rightly scrutinized for its impact on black lives. State-sanctioned gambling, including its latest offering of online gambling and commercialized sports betting, has eluded the spotlight

because most state governments, liberal and conservative alike, are reaping tens of billions of dollars from it.

While on paper, racial groups are not required to pay different sets of taxes, the tax dollars derived from citizen gambling losses to commercialized sports betting and other forms of state-sanctioned gambling represent a form of systemic racial discrimination if not by intent then certainly *by effect*.

The proliferation and continual expansion of government-sanctioned gambling cannot be fully understood unless seen through the lens of race. Government-sanctioned gambling began to intensify during the early 1970's when many whites blamed people of color, especially blacks and Latinos, for their own economic insecurities caused by real income stagnation and looming tax debts. It's snowballed since into an avalanche.

Commercialized gambling has now become the preferred method by legislators from both parties to fund state government services that everyone uses. The result has been a continual reconfiguration of state tax code to redistribute tax liability along racial lines in which black and brown tax dollars have steadily displaced white tax dollars. It has blocked capital accumulation for people of color, it has hoarded resources for many whites, and reallocated minority capital through unfair distributions of tax burdens.¹

Meanwhile, rationales for this mode of public finance places blame on minorities themselves for self-imposing these tax burdens. It's an example of racial oppression that extends Jim Crow practices into the 21st century. What makes it so pervasively insidious, however, is that it is accomplished in ways that are institutional, covert, and racial in almost every way but name.

Online gambling, commercialized sports betting and other forms of government-sanctioned gambling are a key contributor to the massive wealth disparity between whites and blacks. State governments like Connecticut deliberately concentrate

¹ Hendricks, Dr. Kasey. 2017. *State Looteries: Historical Continuity, Rearticulations of Racism, and American Taxation*. Pg. 105

gambling locations in economically-distressed regions to entice more low-income citizens, often clustering outlets in neighborhoods with large numbers of minorities. They also aggressively target these communities with marketing campaigns shielded from truth-in-advertising regulations under the Federal Trade Commission.

The types of gambling that used to occur in African-American neighborhoods were local and private, and the money exchanged stayed in the community. Today, much of the tens of billions of dollars that state governments like Connecticut's extract comes from low-income and minority communities and is redistributed to benefit residents of middle-class and upper-class communities which are disproportionately white.

Here in Connecticut, your constituents have lost more than \$25 billion of their personal wealth to state government-sanctioned gambling in the last twenty-five years.² A disproportionate amount of that \$25 billion was lost by the state's black and brown citizens.

Legalizing online gambling and commercialized sports gambling will make these financial losses even worse. These gambling bills further intensify the outflow of personal wealth from these same communities because these are the same communities who are already the most targeted by gambling operators.

(continued)

² Connecticut State Gambling Division website, 2020 <http://www.portal.ct.gov/DCP/Agency-Administration/Division-Home-Pages/Gaming-Division>

2) Second, the Legislature has a responsibility to protect Connecticut kids from the harmful advertising and marketing of commercialized gambling operators, just like kids are protected from tobacco advertising.

In regions with established online gambling and sports gambling markets like the United Kingdom and Australia, gambling has become part of everyday life for children due to a constant stream of gambling advertising.³ Bombarding kids with gambling ads normalizes and de-sensitizes them to the dangers of commercialized gambling, making them more likely to develop problems later in life. The experience of these regions is relevant to Connecticut because DraftKings, which merged with a company that runs UK betting sites (SBTech), has a deal to run betting for Foxwoods Casino while Kambi, another gambling company operating in the UK, has a deal with Mohegan Sun.⁴

The onslaught of gambling advertising upon children is a major reason why British Labor MP Carolyn Harris, the chair of the UK's all-party parliamentary group on gambling, recently declared "Britain is suffering an epidemic of child gambling."⁵ In another recent interview, MP Harris said "Gambling has been normalized to such an extent that young people grow up thinking this is a harmless activity. Those who are targeted today will be the problem gamblers of tomorrow. It's time they [gambling firms] realized the harm they're doing via this indoctrination."⁶

³ "Children more likely to become gamblers due to high volume of betting ads," *The Guardian (UK)*, March 26, 2020 <https://www.theguardian.com/society/2020/mar/27/children-more-likely-to-become-gamblers-due-to-high-volume-of-betting-ads>

⁴ "Is CT Sports Betting A Done Deal Following Budget Inclusion?" *Legal Sports Report*, February 11, 2021 <https://www.legalsportsreport.com/48181/ct-sports-betting-budget-2021/>

⁵ "One in 10 children admit gambling with their own money amid fears thousands of families are being plunged into 'tidal wave of misery'" *The Daily Mail (UK)*, Nov 9, 2020 <https://www.dailymail.co.uk/news/article-8927925/One-10-children-admit-gambling-money.html>

⁶ "Children more likely to become gamblers due to high volume of betting ads," *The Guardian (UK)*, March 26, 2020 <https://www.theguardian.com/society/2020/mar/27/children-more-likely-to-become-gamblers-due-to-high-volume-of-betting-ads>

In response to its self-inflicted epidemic of child gambling, the UK government in early December launched a comprehensive reform of its gambling laws that had opened the floodgates to harmful business practices, especially upon young people.⁷

Below is just one of countless examples of how Connecticut kids will be barraged by gambling ads if online gambling and commercialized sports betting are legalized. It is a screenshot taken by a British researcher of his 12-year old nephew's phone in February 2020 showing targeted ads by gambling operator Betfair (parent company of FanDuel.)

Steve Sharman
@stevesharman81

These @livescore screenshots are taken from my 12 year old nephew's phone. He doesn't gamble, doesn't have any accounts. So not cookie related. #Gambling is on EVERY match he looked at. Children simply cannot escape gambling exposure. @Doc_Samantha @mgaskell12 @ArtScienceDoc

10:14 AM · Feb 23, 2020 · Twitter for Android

40 Retweets 7 Quote Tweets 60 Likes

Football

ENGLAND PREMIER LEAGUE 23 FEB

HT Manchester United 1
Watford 0

Info Tracker Stats Line-Ups Table H2H

42' Bruno Fernandes P 1 - 0

HT 1 - 0

MATCH INFO

Referee: Martin Atkinson (England)

Venue: Old Trafford

Odds:

betfair FOR ODDS CLICK HERE

Poll: WHO WINS THE GAME?

ARSENAL ARE UNBEATEN IN THEIR LAST 23 HOME EPL GAMES AGAINST EVERTON. BACK ARSENAL

Scores Favourites Explore News Refresh

⁷ “UK gambling laws set for wide-ranging review: Advertising bans and stake limits under consideration in response to rise of online betting,” *The Financial Times*, Dec. 7, 2020 <https://www.ft.com/content/298d9085-1178-48do-b438-a53b21940977>

I invite you or your staff to please contact me by email les@stoppredatorygambling.org or phone (202) 567-6996. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Les Bernal". The signature is written in a cursive, flowing style.

Les Bernal, National Director
Stop Predatory Gambling
(202) 567-6996