

Sunday, June 1, 2025

Written Testimony: Opposition to HB 298

**URGENT**

Chair Stewart, Vice Chair Dovilla, Ranking Member Sweeney and Esteemed Members of the House of Representatives Finance Committee: I want to thank you in advance for reading my written testimony. **It is lengthy but I promise there is a lot of critical information in my submission.** When this is all over I would love an opportunity to help Ohio build up your state's gambling addiction support structure. I would also be able to work on a non-partisan study that would give you real stats around, everything that comes with expansion of gambling. Have a great day, and thank you again for your time.

My name is Daniel Real. My lived experience puts me in a position to speak on iGaming expansion as an expert. I retired last year as a 28-year casino industry executive while spending my final year as Chief Experience Officer for a highly respected and excellent gaming and entertainment company. My last position was as an executive in the iGaming and Sports Betting space.

I know this industry inside and out. Add to that, I am a gambling addict in recovery. I am committing the rest of my life to try to keep as many people as possible from feeling the self-hatred, despair, anxiety, depression, isolation I struggled through for many years. Having a gambling addiction is a living hell and the stigma associated with the disease is crippling. For those who think it is just the result of being weak-minded or lacking will-power. I beg you to reconsider - Not for me, but for your family and friends who may be struggling with this hidden, devastating addiction.

I am launching my company on 8/15/25, **Exclaim Recovery**, where I will combine my lived experience with cutting-edge technology and AI. My AI bot, Hope, is going to change the way the world treats gambling addiction. I am hoping to be able to offer my service for free to all users and their families. I will hopefully become the largest provider of gambling harm care for the state of Ohio after my launch-date. In order to do that, I need to identify funding, but that is for another day and not why I am testifying. It was to give you some background to understand my unique expertise and qualifications to speak on this bill.

It is important to note, I am not anti-gambling just because I am an addict. Thankfully, most people enjoy gambling as it is intended. Unfortunately, the numbers of Americans suffering with some form of gambling harm has skyrocketed and the turbo-boosters haven't even been turned on. **My stance is simple: Responsible Gaming in the United**

**States has been completely overwhelmed by mobile and online gambling. Resources are limited, Qualified Professional Care is scarce, The Gaming Industry has done the bare minimum and Regulators have yet to really pressure the Operators to crack down on Gambling Harm.**

**For all of those reasons, my stance is that no state should legalize iGaming until they have shown they have the proper infrastructure in place as well as funding and support systems. In order to achieve this it will take funding, development of resources, quality programs and identifying enough gambling certified addiction specialists to get to the root of the addiction crisis.**

At the point the state, Responsible Gaming Organizations and Legislators would all agree Ohio is ready to take on the new challenge then it will be the right time to bring iGaming legislation back to Columbus - anything before going through that exercise is setting your state up for a guaranteed health crisis.

I believe I know exactly what needs to be done and will be publishing an article demonstrating the steps that need to be taken. I want to be part of the solution and have the time and passion to do it right.

Please reach out if you are personally interested in finding out specifics. All of this is to say, I am representing myself, no companies, religion or special interest groups. Let's take a look some questionable actions of the lobbyists that have been working The Buckeye State HARD!

**As we begin, I ask you to consider these facts: Since PASPA was overturned in May 2018 through today, there have been ZERO comprehensive studies done by the gaming companies or Responsible Gaming organizations. This is the cause of the confusion where Finance Committee Members are being told two different stories. This is intentional by the Proponents. So, as you are left to try to make the best choice for Ohioans ask yourself how an industry can spend Hundreds-of-Millions of dollars on Gambling Expansion Lobbyists and generate \$40 BILLION in new revenue since 2018 and yet, not one, single, solitary credible study has been done? That is on them and it is intentional. Where are the studies on gambling addiction? Where are the studies on Cannibalization? Where are the studies on the Black Market? You will see I will carefully and accurately walk you through how we got here and expose who you are dealing with.**

The New York Times published a story talking about the impact of lobbying on the legislation associated with gambling expansion. I am going to use properly sourced

quotes and statistics. The arc of this story is unbelievable but you will be able to connect the dots as we go.

**I respectfully ask Chair Stewart, Vice Chair Dovilla, Ranking Member Sweeney and Esteemed Members of the House Finance Committee to intently follow along to help you get a better understanding of the straw-man tactics of the lobbyists working to convince you Ohio should legalize iGaming.**

Brandt Iden, Fanatics Lobbyist, gave an extremely impressive speech at the State Capitol in Columbus, Ohio. The content was ridiculous but his delivery was high-level. I saw through his schtick because I have followed him but he clearly impressed Representative Marilyn John and Ranking Member Sweeney, both commenting on his oratorical skills. Iden mentioned his critical role in getting Michigan to pass sports betting legislation. I wanted to learn more about the process and I found this bit of interesting information from the NYT article. Gambling Company lobbyists were courting professional sports leagues with intense pressure. It took some manipulation but eventually the leagues began to crack. One demand the leagues had was that they wanted betting companies to be required to use data from the sports leagues. The leagues could then charge for that data.

The article stated "In Michigan, the leading champion of sports betting in the legislature was Representative Brandt Iden. He was among a group of lawmakers whom the PGA Tour hosted at its headquarters in Ponte Vedra Beach, Fla., for golf, dinner and drinks. Mr. Iden and his colleagues met there with officials from the Tour, the NBA and MLB, as well as lobbyists from DraftKings and FanDuel, who urged them to require betting companies to use the leagues' data. Months later, Mr. Iden included that mandate in [the bill](#) he introduced. (He did not respond to requests for comment.)."

The Times continued, "The bill passed and would become a model in other states. Online sports betting got underway in Michigan in January 2021. **Mr. Iden left the legislature and became the top lobbyist for Sportradar, which provides data from the leagues to gambling companies.** Pretty incredible - Iden, at the requests of lobbyists and the leagues, inserts the demands into the bill in Michigan that would require betting companies to use the leagues' data and then after the bill passed he would leave to become the top lobbyist for Sportradar, **which just so happens to provide data from the leagues to gambling companies. Now, he is pushing Fanatics on the Ohio legislature.**

I posted a video of, **Scott Ward, lobbyist for the Sports Betting Alliance.** The group consists of DraftKings, FanDuel, MGM and Fanatics. Ward, while testifying to push for legalization of iGaming in Ohio, decided to play fast and loose with the facts. He

claimed that gambling addiction is holding steady at 1% and when questioned about the absurdity of that claim he didn't budge, he doubled-down. **Not only did he say he has never seen a study that was higher than 1% he said legalizing iGaming would not increase addiction.** That is Hall of Fame quality dishonesty.

I watched with amazement at Ward's ability to be at a place in life that he lies for a living and it is win at all costs. Now, most normal people would just move on, well, most normal people aren't streaming Ohio committee meetings while they do research, but that was a bridge too far for me. Now, it has gotten personal, I need to be sure Ohio residents and more importantly the House Finance Committee know who is pitching them. So, I peel back a layer and decide to look at his written testimony.

In his testimony, **Ward cites "Independent consulting-firm Global Strategy Group."** I have never heard of that group so I wanted to check out the poll, he would later call it a survey, and he says based on that survey it **"found that iGamers overwhelmingly engage in both online and casino gaming. Over 80% of adults who play online casino games are also regular customers at local land-based casinos."** Wow, those are impressive numbers, after weeks of research how did I miss this poll? Who are they? Notice the loose terminology, "Over 80%" and "Regular Customers". How does one define a "regular customer?" I can tell you this, when I retired in March of last year those numbers were not even in the same hemisphere with reality.

When a company tries to use one arm of their business to cross-promote another it is called an "Omni-Channel" strategy. Even the elite gaming companies are struggling to successfully navigate this marketing strategy. Ward's claims that "Over 80% of online players" are "Regular Customers at Brick and Mortar Casinos" is patently false and I challenge him to produce supporting documentation from a credible source. Keep in mind, Ryan Soultz, Lobbyist for Boyd Gaming, mentioned how 60% of online customers hadn't been to the Bricks-and-Mortar Casino in the past 12 months and 75% had 2 or fewer visits. So, which is it? The huge opportunity to build upon the Omni-Channel strategy that Soultz claims or the "it's already happening" mantra from Ward? It's just another issue of creating a narrative and hoping nobody tracks it down to fact-check.

**Upon checking out the so-called "independent consulting-firm" Global Strategy Group they are described as "Electing Democrats and Progressive Causes."** It goes on to say, Partner with us to: **Craft Compelling Narratives, Create Positive Perceptions, Exercise Precision To Move Key Audiences. Influence Decision Makers: Advance The Most Persuasive Narratives, Bring Together Coalitions Of Third-Party**

**Validators, and Target Earned and Paid Communications to Maximize Impact. Finally, they also describe the ability to develop nuanced messaging that resonates with key stakeholder groups. Independent? Look at the description of what that group specializes in. Just incredible. My interpretation of that is Global Strategy Group is a highly partisan entity that just flat out says "If you have a tough fight but don't have a winning argument work with us and we will create one."** Ward is like an attorney who was asked to preview a case. When asked, based on the evidence, which side he wants to represent, he asks which one pays more.

Ward now says "**One study** estimates there is approximately \$5 Billion in illegal or unregulated online casino gambling happening in Ohio every year." **He didn't cite the study, referring to it simply as "One study". Later in his written testimony he states "The same study" that estimated \$5 Billion is bet in the illegal and/or unregulated market in Ohio concluded that about 85% of all money bet online is in the illegal market in Ohio.** "But that study also estimates that in Pennsylvania and Michigan, where they have legal iGaming and online sports betting - close to 60% of all money bet online is in the legal and regulated market. That shows that legalization of iGaming works." "The Same Study" "But that study" At this point does anyone reading this believe any of these oversights are accidental? No reasonable person could deem this man to be honest. This is master deception at its finest.

I don't want to be unfair to Ward, so I needed to track down that un-named "study." **It turns out it is from "A report commissioned by IDEA** has found that the introduction of online casinos has a positive impact on revenue at land-based casinos." Wait, IDEA? The same proponent testifying in the same meeting? That IDEA?

IDEA, happens to be a huge advocate for iGaming expansion. Scott Ward from SBA refers to the statistics from "One Study" without citing the name of the group that commissioned the study, testifying based another agency's "Report" to proclaim an impact and figures not even close to more logical estimates? Does that sound strange to you? It sure does to me. Lucky for us we have the testimony for the lobbyist for IDEA - I am sure he will share the data behind "One Study". By the way, for those who still think I might be nitpicking, please stick around to see how lobbyists use this exact tactic and just keep on jamming it down lawmakers throats.

Let's check out the written testimony of John Pappas, State Advocacy Director of the aforementioned IDEA. With such decisive, convincing numbers from his own "report" I am sure he refers to the report in his written testimony. Wait....What? Pappas doesn't

even include those numbers? Ward did and Pappas didn't? That's odd. Pappas did site a study by Vixio. So, I went to check out that study. It says, "This report has been created by Vixio Gambling Compliance exclusively for Light&Wonder. Vixio Gambling Compliance does not intend this report to be interpreted, and thus it should not be interpreted, by any reader as constituting legal advice. Prior to relying on any information contained in this article it is strongly recommended that you obtain independent legal advice. Any reader, of there associated corporate entity, who relies on any information contained in this article does so entirely at their own risk." Well, maybe Pappas acquired it legally but it sure doesn't sound like Vixio believes it should be used to convince a state these numbers are confirmed to be true.

So who published the study that John Pappas, State Advocacy Director for IDEA commissioned? Marese O'Hagan was the "journalist" who published the IDEA report used by the Sports Betting Alliance in the publication called iGB (iGaming Business). The name of the company is exactly what you would expect. Basically, they create advertorials to help iGaming proponents shape the narrative. See the pattern here? The irony is one of Scott Ward's replies when challenged about his claims was: that anyone can manipulate statistics - truer words have never been spoken. I didn't realize at the time of that comment he was actually divulging one of his tactics.

Let's check out Shawn Fluharty, he testified as a proponent with the other lobbyists. Well, as I have reported before Shawn is a busy man. He is an attorney, West Virginia House of Delegates Minority Whip, President of National Council of Legislators from Gaming States (He referenced bill supporter, Marilyn John, during his testimony as an attendee of NCLGS meetings - nothing improper by John but notable). Mr. Fluharty is also, the top Lobbyist for iGaming Company Play'n Go! Conflict of Interest? **NCLGS states they do not promote or oppose gaming legislation. He is the President of that organization and a lobbyist for a company that would benefit from Ohio expansion?**

It sure seems from his history he is an unabashed supporter of iGaming Expansion. He has predicted up to five new U.S. States, potentially including Maryland, Louisiana, Ohio and New York could legalize iGaming in the next 3 years, though he notes the industry's fractured messaging has slowed progress compared to Sports Betting. **Shawn has publicly expressed frustration that more states haven't expanded to iGaming, suggesting the regulators need to be partners to get this done. The regulators? Partners?** I don't believe the regulators should ever be "partners." Fluharty has an angle for everything.

He was quoted as saying he was able to "Get iGaming out the window in West Virginia in a year." He is very proud of being the self-anointed, pre-eminent voice in the iGaming expansion movement. **His advice to push states to legalize is to get in front of the legislators and say "You can pass iGaming or you can raise taxes." His reasoning for that approach is Politicians only care about one thing: Re-election. Pose it to them that way and what do you think they will choose? Going on to say legislators don't even know what it (iGaming) is.**

I hope members of the committee see what he thinks of you. Fluharty believes pushing states to use expansion to fill budget gaps is the main talking point and should be the go-to move. Here is another quote about opportunity to move the agenda forward **"The new administration is going to be good for iGaming. And why? Because they're squeezing the states. With that squeeze going on, state lawmakers will need to find new sources of revenue. And raising taxes or imposing new taxes can cost lawmakers elections." I am just curious how the legislators in Ohio, Maryland, New York, Louisiana, Indiana, Illinois feel about his approach?**

Fluharty submitted testimony, "I know a little bit about gaming policy. In the working-class district that I represent in the West Virginia Legislature, which encompasses the city of Wheeling, we have almost every form of regulated gaming. A traditional brick and mortar casino, retail and mobile sports betting, limited Video Lottery Machines, iLottery and iGaming." His district includes Wheeling, West Virginia which "A 2024 report highlighted a surge in gambling addiction in Wheeling tied to sports betting, especially during high-profile events like the NFL Season Opener. Sheila Moran, Director of Marketing and Communication for the WV Problem Gambling Network, **noted that mobile betting apps are a growing issue.**" Birches Health, a Telehealth provider, identifies Wheeling as a key area for gambling addiction treatment.

**There is not one word about Responsible Gaming in his testimony.** He uses Player Protections as a reason to legalize iGaming. I have followed this issue long enough to know he is also leading you down a ridiculous path in his testimony claiming he wants more regulation. It's a distraction. He believes by telling you they do not accept bonus buys and do not participate with Sweepstakes that Play'nGo! can be a leading light for iGaming regulation.

Finance Committee Members, Shawn Fluharty, is someone who believes that by pushing creatively crafted narratives increases the chances for legalization and expansion. Again, publicly stating he takes advantage of the lack of knowledge of legislators by pushing what he believes to be your only true care - staying in office. In my opinion, Fluharty is using his position at NCLGS to set the table for his agenda. That organization was

created to offer a non-partisan resource for legislators to learn more about the industry. Ah, those were the days.

**In 2022, their keynote speaker was DraftKings CEO, Jason Robins. As part of his keynote speech he told legislators and regulators "It is time for your state to add iGaming. Not in the future, but now."** Thankfully, states haven't followed his command. Robins understands that the longer it takes to get more states to legalize iGaming the tougher it will be in the future. The devastation caused by jamming all of these smartphones with casinos and sportsbooks will start to emerge. What is happening in Pennsylvania is a perfect example of why he wanted more urgency. He was so adamant about legalizing "Not in the future, but now." That's a pretty bold statement to legislators and regulators as a speaker at their meeting.

Lobbyists have been promoting Pennsylvania as a shining example of what Ohio can become. It's true, Pennsylvania is raking it in. Before you jump at the promises of huge tax revenue take a look at the resolution that just passed the Pennsylvania legislature 189-14 to take an immediate look at trying to stop runaway addiction. Again, let's use an impartial source to confirm what I am saying. **On May 7th they announced the resolution with the purpose to address the rapid growth of the sports gambling and iGaming industry in Pennsylvania, it aims to study the societal and economic impacts, particularly in the rise of gambling addiction (noted to have increased 30% since 2018). I wonder what Scott Ward and the Sports Betting Alliance thinks about those numbers? Sure seems like addiction grows with expansion? That is a LONG way from 1%.**

Representative Khan was quoted as saying "The Sports Betting Industry's growth is undeniable, but so is the harm it can cause when unchecked." going on to say we must "protect Pennsylvanians from being exploited." Rep Harkins "We can't let the gambling industry's billion-dollar marketing machine prey on vulnerable Pennsylvanians."

Is this the reaction of a few anti-gaming activists? No, 189-14. Everyone on The Finance Committee understands how rare a 189-14 vote is to achieve on any resolution. Under Fluharty's leadership NCLGS meetings have become 3 days of indoctrination. I am hoping you can all see that he is completely self-serving. Shawn also used the iGB, iGaming Business to publish an advertorial about Play'n Go! Please read it, it is not a serious interview as the author was likely paid to write the puff piece. iGB has become a Public Relations mouthpiece for iGaming around the globe. What is emerging in full view is that lobbyists, knowing they have to create supportive narratives, have utilized



favorable "media and public relations companies" to find the right shade of lipstick to put on their pig.

**I would like to reiterate, I am not anti-gaming/gambling, I am sharing this information completely on my own behalf. I have NEVER opposed gaming legislation in my life prior to this bill(s). Why now? Your own Director of Problem Gambling admits they are already overwhelmed. Are you going to listen to these fast-talking men paid handsomely to convince you to legalize iGaming or your own citizens who are the people who will have to deal with the massive growth of addiction that is unfortunately part of a decision like this. Not a single lobbyist could give you clear and honest answers when you asked about addiction.**

They claimed the 800# call logs are wrong, they claimed there would be no cannibalization of the Brick and Mortar Casinos. **Again, I am 100% certain there will be but don't listen to me: how about JACK Entertainment, Miami Valley Gaming, Cordish Companies? Are you going to prioritize deceitful lobbyists representing out of state companies or people actually invested in Ohio?** Why am I getting involved? First, as a gambling addict in recovery I want to try to stop it from happening to others. It is a living hell. I get nothing whether you legalize or you don't. One could argue, I am speaking out against my own interests because as a gambling addiction recovery site I am actually asking you to not ruin the lives of hundreds of thousands of your citizens. I don't want them as clients.

Think about the testimony: New Jersey is their North Star. Cannibalization? Ask Atlantic City what is going on. Last month was a record revenue gap between iGaming and Brick and Mortar in New Jersey. Fluke? Absolutely not, it's a permanent trend. Three of the past 5 months that variance has broken prior records. There is absolutely cannibalization.

**Staying on New Jersey for a moment: 6% of their population suffers from a gambling disorder. 3x the average rate = 720,000 Ohioans if you go in the same direction. The sheer number of incremental bankruptcies, divorces, suicides, mental illness, productivity loss for a group that size will bring your health and wellness services straight into crisis mode. All that "low hanging tax revenue" walks in the front door and straight out the back...plus your going to have to find a few hundred million more to keep up.** Not exactly screaming Gold Standard on Addiction and Cannibalization. Let's throw in one more: The Black Market in New Jersey is \$600M - remember they have had iGaming for 12 years. Please don't fall for the Black Market bait. It is true that Black/Gray Market gambling is a real and serious issue. What should be done right now is active crackdown on those sites - not legalization.

I now want to introduce you to Jeremy Kudon. I don't know if any of the Committee members have met Mr. Kudon but he is a central figure in this debate. He is Scott Ward's boss so that should tell you something right from the start. Mr. Kudon began working with FanDuel and DraftKings over a decade ago. Kudon's achievements as listed are as follows: Kudon and his team at Orrick (his firm) have helped legalize online sports betting in at least 18 states (as of September 2022, we are now up to 39 states), including New York, Arizona, and Massachusetts. They have drafted model legislation, **hired over 75 contract lobbyists, made over 200 trips to state capitols**, and designed grassroots campaigns generating tens of thousands of customer emails to legislators."

"We needed a national strategy," Mr. Kudon said in an interview, recalling his thought process at the time. "We need to go out there and pass 10, 15 bills and get ahead of this." This clearly was effective and he had a great plan. My problem is they knew they needed to get out quickly. You will see in a minute how his plan made a HUGE difference in legislative outcomes. The takeaway for states is to realize you have been fleeced.

An early step was to recruit — and pay — experts to argue to state officials that fantasy sports was not gambling.

One expert paid by DraftKings, [Abraham J. Wyner](#), a University of Pennsylvania statistics professor, testified that in fantasy sports, "players with the most skill will usually and consistently defeat players with less skill." By that logic, fantasy sports didn't constitute gambling, which many states defined as a "game of chance." Just goes to show you, you can always find someone to represent you.

Mr. Kudon and his clients assembled an all-star team of lawyers and former government officials, including Martha Coakley, who had been the attorney general of Massachusetts. In testimony to and conversations with state officials, Ms. Coakley and other lobbyists cited arguments made by the industry-bankrolled studies and legal memos.

"We firmly believe that this is a game of skill that is legal in Massachusetts," Ms. Coakley [told](#) the state Gaming Commission, which proceeded to permit fantasy-sports contests with money riding on the result.

And they began doling out millions in campaign contributions. 2016-2022, FanDuel and DraftKings alone have donated more than \$2.6 million to state politicians and political parties, according to data maintained by OpenSecrets, a campaign finance watchdog. **The companies have spent another \$114 million to try to influence state ballot measures to legalize sports betting. Yeah, about that \$100M license fee? Should be peanuts to them.**

By the end of 2017, [19 states](#) had passed bills legalizing fantasy sports. Almost all were written with help from Mr. Kudon's team. Most other states continued to allow fantasy sports, without explicitly authorizing it.

In 2017, Kudon and Jason Robins, DraftKings CEO visited MLB headquarters. "The league, Mr. Robins argued, should join forces with DraftKings and FanDuel. Sports betting was coming, so baseball executives might as well push to legalize it in a manner that granted them some control - and cash." Some of the MLB executives were receptive with the league's chief legal officer surmising that the problem of slow baseball can actually be a benefit if gamblers had more opportunities for in-game betting on things like the speed of an upcoming pitch. Remember, Robins and Kudon were telling the MLB months before PASPA was overturned that it was coming. Not making any claims here but I think it is important to note that Chief Justice John Roberts had represented the American Gaming Association in his private practice and it has been reported that he suggested they were likely to overturn the federal ban.

Late 2017, Kudon and Robins were in attendance at the Supreme Court for the 6-3 ruling and on the way out bumped into MLB Chief Legal Officer, Dan Halem, who stated "We owe you a call." The follow up came soon. NYT reports "four weeks later, on New Year's Day, Mr. Kudon signed a deal to represent the MLB and NBA. It was a coup: At the same time that the leagues were publicly fighting against sports betting at the Supreme Court, they had found common cause with gambling companies that were pushing state lawmakers to allow exactly that." The PGA then officially hired Kudon as well.

They had already been working with lawmakers in numerous states who were eager to hobnob with current and former sports officials who had been start players. Lawmakers

in states like West Virginia (Shawn Fluharty's State) passed "trigger laws" to authorize sports betting as soon as the court's ruling came down. Lawmakers in other states also introduced legislation.

This is where I am telling you this is iGaming lobbyist playbook, page 2. Page one is to swear an oath to never let the facts get between you and the money and never be burdened by the truth. **So, here it is, 7 years ago: "To persuade on-the-fence lawmakers to board the sport-betting bandwagon, the gambling industry disseminated data about how much tax revenue states could expect to receive and how much gambling was already taking place outside of state supervision in illegal markets." Pretty incredible. Why change the pitch if people are biting, right? Chair Stewart, this is what they are selling you. It's almost verbatim.**

The problem is the numbers they floated stating that Americans wagered up to \$400B in sports each year did not hold up to scrutiny. Unfortunately, Adam Silver, NBA Commissioner quoted the incredibly inflated numbers, and others did prematurely as well, but now they were off to the races. "The number is pretty much pulled from the air," said K Coleman S. Strumpf, an economics professor at Wake Forest University who has studied illegal gambling. He said he regretted having cited the figure in a 2003 [paper](#).

The Black Market concerns I talk about were a key argument even 7 years ago. The industry heavily emphasized the prevalence of illegal sports betting to justify legalization. DraftKings CEO, Robins, claimed that Americans wagered approximately "\$150 Billion illegally each year through offshore, black market bookies." Notice how that is not even remotely close to their original quote of \$400 Billion. The American Gaming Association bought into those figures. They used those same numbers to claim the black market is posing risk to consumers lacking oversight. Critics argue these numbers were inflated to pressure lawmakers.

**Still to this day, they don't have any idea of the size of the black market and how do you feel 7 years after these statements being pitched? Literally the same exact thing. The narrative was it would bring players "out of the dark" and become part of the regulated industry, protecting consumers and capturing revenue. Same old boogeyman, but now they are slithering around Columbus with this tired old playbook and not a single piece of reliable data. Remember, don't feel sorry for them. They are the one's who benefit when there is not sufficient data.**

Robins, would go on to claim legalizing and taxing sports betting would redirect funds from the black market operators to state's coffers, citing potential billions in tax revenue.

He emphasized that legal betting could fund critical issues like homelessness and mental health. The article portrays this as a persuasive tactic with states like Kansas passing bills with tax breaks for operators, partly swayed by the promise of revenue. Critics did warn that the social costs, such as increased gambling addiction, were downplayed, and the revenue projections may not materialize as expected.

Jeremy Kudon was extremely effective in his role. The New York Times article criticizes Kudon's lobbying, citing lavish events with whiskey and cigars, as seen at a Kansas party co-sponsored by lobbyists to influence Rep. John Barker. These tactics, while legal, raised ethical concerns, and Kudon's team was accused of "deceptive arguments" to secure tax breaks. So did all of these lavish events and gifts sway Barker? You're damn right they did. Because of his capitulation to Kudon, Kansas legalized with the worst terms possible for the state of Kansas. For example, over a 15-month period after legalization the state took in \$12.2 million....total. Due to the horrific terms set by Barker, the state might not renew contracts when they expire in a few years.

New York Times: "TOPEKA, Kan. — Representative John Barker, a cattle breeder, retired judge and chairman of one of the most powerful committees in the Kansas legislature, had a glass of 30-year Redbreast Irish whiskey in his hand and a Don Tomas cigar from Honduras in his mouth. **"Both had been passed to him as he entered a party a few blocks from the State Capitol. It was co-sponsored by lobbyists who had recently turned to Mr. Barker for help legalizing sports betting in Kansas."** I sure hope there isn't an Ohio version of Mr. Barker. If there is, there is still time to do the right thing.

**"They keep a special bottle for me up there — they know I like it," he said of the lobbyists as he surveyed the crowded room. "I'm in my element when I have a whiskey and a cigar."**

"It was the eve of the vote on Mr. Barker's long-debated gambling bill, a muggy spring night in April. This was the latest stop in a relentless nationwide campaign to bring sports betting to [tens of millions](#) of mobile phones, in what has been the fastest expansion of legalized gambling in American history."

**"Gambling companies and their allies deployed a bare-knuckled lobbying campaign, showering state lawmakers with money, gifts and [visits](#) from sports luminaries and at times using deceptive arguments to extract generous tax breaks and other concessions, according to a New York Times investigation.** It was based

on thousands of pages of documents and communications obtained in part through open-records requests and interviews with dozens of industry and state officials." In state after state, while lobbyists for sports-betting firms, casino companies and professional leagues cultivated friendly relationships with lawmakers and regulators, the interests of taxpayers and people at risk of gambling problems were often on the back burner, if they were represented at all. I know exactly how they feel.

**"We don't have the manpower that the industry does," said Brianne Doura-Schawohl, a lobbyist for the National Council on Problem Gambling who has been in more than two dozen state capitals as lawmakers voted on sports-betting packages. "They have gaggles of lobbyists in every state."**

Many of those states did so on terms that were remarkably favorable to the gambling industry.

Few imposed restrictions on companies using promotional offers — such as "risk-free" wagers, in which customers are reimbursed for losing bets — to lure neophyte gamblers. Those tactics have been banned in some countries because of their potential to hook people predisposed to compulsive gambling.

**In 18 states, however, the promotions are not only permitted. They are also tax deductible, allowing gambling companies to exclude at least some of the cost of the freebies from their taxable income. In other words, state governments are subsidizing the promotions. Please remember this was when there were 18 states approved. Gambling lobbyists have this item in their bag of tricks.**

In various states, **the gambling industry helped defeat a measure to ban betting ads during sports broadcasts, pushed through legislation that included [minimal funding to fight gambling addiction](#)** and derailed a bill to stop two companies run by the same woman from offering both sports bets and [payday loans](#). No matter what you think about me and my views, can we at least agree that lobbying to defeat a measure that wanted to keep gambling ads during the games and also lobby for a bill that includes minimal funding to fight gambling addiction. I never want to lose, at anything, but if those are my causes, it's time for a career change.

Even some of the industry's onetime backers now say that they paid insufficient attention to the risk that gambling would cause waves of addiction. "Right now, the only

limiting factor on my family member's addiction is that they have to get up and go to a casino to gamble," Mr. Proctor said. "What you're about to do here is make it convenient for gambling addicts to gamble 24 hours a day." The vast and largely unopposed influence of the gambling lobby has been on especially stark display in Topeka this year. And a reminder, when they say "that ship has sailed" no it hasn't.

Lawmakers in Kansas rewarded major political donors, some of whom used networks of shell companies and political action committees to skirt campaign finance laws, with legislative handouts and lucrative licenses.

The bill had originally included a 20 percent tax on the gambling companies' net revenues from sports betting. That was substantially lower than several other states had imposed.

But lobbyists for Penn and other casino companies claimed that the 20 percent rate would mean less money available to pay out to bettors. That, they warned, would drive more Kansans to illegal gambling websites. Ha! Penn does a great job on their own pushing people to other sites.

The warning has not been borne out. Since sports betting was legalized, residents of high-tax states like New York have on average spent as much per capita on gambling as in states with low tax rates, according to the tax data The Times analyzed. Of course, the same would happen in Ohio. My buddy Mr. Ward's claims that with the bill's current structure that -110 would move to -125 is complete rubbish. Once again, there is no basement for this guy.

Back to check in on our buddy "Boss Hogg" in Kansas, Mr. Barker and other legislative leaders, however, agreed to chop the tax rate in half. Mr. Barker concluded he had no choice. "They've got 26 lobbyists, and they had lobbied all my members," he said. The same month that Mr. Barker was enjoying lobbyists' cigars and whiskey, he was also inserting provisions into the gambling legislation that would transform an already generous bill into what some supporters acknowledged was an outrageous giveaway.

This is not a story from the Onion or the Babylon Bee: In September and October, 2022, Kansans placed \$350 million of bets. Because gambling companies spent tens of

millions of dollars on tax-deductible promotions, the [state collected less than \\$271,000 in taxes](#). Not a penny has gone to combat problem gambling.

But the gambling industry views sports betting as a steppingstone to an even loftier ambition: the legalization of online casino gambling, in which Americans would be able to wager on poker and other games anywhere with an internet connection. Six states already permit some so-called iGaming, and lobbyists are pressing more states to follow suit.

"I didn't think of the consequences," Mr. Barker said when told of the meager tax revenue. "Maybe we need to fix that." **Maybe?**

He will not be around to do that. Mr. Barker lost in this year's Republican primary to a candidate who criticized him for going too far to please the gambling industry. Maybe Fluharty is wrong, maybe you can stay in office by doing what is right?

States, including Ohio, have adjusted the tax rates upward. It really was a coup and that is what happens when people are not educated on a topic. Kudon and Robins really took advantage of the tax breaks, use of promotional funds given as part of the negotiation so they can **"stay competitive"** and in many cases were responsible for how gaming legislation as we know it today. I learned at a very young age, if something is too good to be true, it probably is. Ohio doesn't need this. Ohioans are not yelling for it. Fluharty needs it, Iden needs it, Pappas needs it, Ward needs it and will clearly do whatever it takes to get it.

In February, the Super Bowl was in New Orleans. DraftKings "hosted" Mississippi House Speaker Jason White, his wife, his bodyguard, and several other friends to what was described as a lavish experience with access to the best of the best. One of the attendees took to Social Media and thanked DraftKings for an incredible experience. When contacted by a Mississippi newspaper to ask about it, the person took down any reference to DraftKings. Why?

The group enjoyed a luxury box suite. The law in Mississippi allows DraftKings and their lobbyists until January to file the details of the expenses and to this point they have not been submitted. Speaker White has been relentless trying year after year to get online gaming legalized. At least he got a trip for 7 to the Super Bowl. Why do I have a crazy suspicion White is working on a plan right now for the next session. I would call the Global Strategy Group and have them cook me up a dandy of a narrative.



Chair Stewart, you stated that the 1%-2% of those addicted were the one's playing on the black market. Please do not assume you know who is playing on those sites, with due respect, you don't have any idea and I hope I have clearly established that you cannot rely on a single thing the proponents have claimed. Also, please don't believe the completely false claims that Ohio is currently at 1%-2% - please, I beg you to ask Derek Longmeier. He will give you the hard truth - he can't speak as directly as I can because he needs funding even if you don't pass this bill. If you pull him aside and ask for an honest assessment of current state of affairs he will tell you - not good. Then ask him what would happen to Ohio care if this bill passes - crisis.

These guys have been the using the same line of "it's happening anyway" for years, it works. Their counter-point to "A casino on every smartphone" is it's happening already or as Scott Ward puts it, "that ship has sailed", no it hasn't, not even close. The reality is that a large majority of your citizens that will end up addicted, if you pass this bill - will have never played on an illegal market in their lives. How do I know? I was the Chief Experience Officer of Sports Betting and iGaming - I know the numbers. The regulated gambling industry is actually a conduit to black market gaming in some cases. Of course they want it legalized, desperately, but don't be naive to how their "Ban or Bankrupt" model absolutely sends players directly to the black market. Player protections in the legal, regulated market? Ha! I could write a book about this misconception.

I beg you. Please take heed. This is not right for Ohio this year. Allow your support system in the state to try to catch up. Ohio gaming revenue is going to grow again this year and then again next year. You are still in the sweet spot of Sports Betting legislation. Listen to your own operators. There isn't agreement on license fees, tax rates, renewal fees, number of operators. There is a constitutional argument that may have merit. There are so many moving pieces, to pass this legislation would not only be bad policy it would literally be a huge gamble. What tax revenue will it truly drive? And, how much are the associated societal ills? Let's assume you get the high end of the projections at \$700M. Pennsylvania is getting close to \$1 Billion and they are panicked.

I have said this before and will say it again, the numbers you are using to make this decision are not accurate and more importantly forged by an unscrupulous bunch. The sheer disrespect for the Body is quite startling.

Chair Stewart, Rep John - I don't know for sure but you seemed convinced that this was a good bill. You have been quoting their statistics in your testimony. Fluharty and this

gang are counting on the smokescreen they are putting in front of you. Referring to your presence at NCLGS, Rep John, for example. You know, that organization used to be non-partisan and focused on educating legislators who weren't familiar with the industry. Not pro-gaming, Not anti-gaming. It was a legitimate organization understanding the gaming industry is complex and this would give those in attendance different perspectives and educate them on terminology, ACCURATE and TRUSTWORTHY data and a chance to hear from others about their experiences based on legislation in their states. It has now become a rally and in the day and age when you can get partisan magazines to print love letters about the iGaming industry, it becomes really tough for the truth to be heard.

Chair Stewart, Vice Chair Dovilla, Ranking Member Sweeney and esteemed members of the Ohio House of Representatives Finance Committee. Members, please don't defer to others on this bill. Even if this isn't your area of expertise there are just way too many red flags regardless of party, regardless of district. Make your own informed decision - this is a bill that has consequences and you are being bombarded by lobbyist talking points.

Rep Isaacsohn, thank you for your questions. Bill Proponents countered your questions by citing the "homemade" \$5B statistics and claiming you were using flawed data - even though you asked about other states, not Ohio. Suddenly, they weren't experts on everything Michigan, Pennsylvania, New Jersey.

Rep Timkon, thank your for your questions. Your question about the rise in Hotline Calls was met with a complete fabrication. He told you the entire increase was because players thought it was a customer service line. It's true that many calls are for the wrong purpose but you can rest assured the numbers are spiking. Derek Longmeier can get you the exact breakdown for Ohio. They lied to your face.

Chair Stewart, there are confirmed 56,000 active-duty members of the US Armed Forces that meet the criteria for gambling disorder. Veterans are 2x-3x more likely to have gambling problem than the average citizen. You mentioned the 24 illegal sites to point out the talking point of the lobbyists. Again, with due respect, your quotes about apps already out there does not match reality. As I have said, the black market is a real thing but your push to use that to justify passing this Bill is missing the mark. Your comment about ripping the bandaid off is just playing into their plans. The state of Ohio needs to be in charge - not Jason Robins and his DraftKings henchmen. The state has the leverage.

Ranking Member Sweeney, your questions seemed to be focused on taking a look at letting the operators amortize the license fee. If the bill is going to pass that is a legit compromise but let's hope it doesn't get to that point - it doesn't have to. Great points about who will end up winning in the end. I hope lobbyist Iden's schtick didn't land. Your compliment flattered his monumental ego.

Rep Bird, you used their quotes of \$5Billion from the Black Market. That number is twice as high as any other forecast. I hope the unethical manner they presented those numbers gives you pause to trust the lobbyists.

Rep Piccolantonio, they answered your question by using the same flawed numbers we addressed earlier. I am very happy you asked the question and I hope you will review the information and try to gather factual data.

Rep White, thank you for asking about who did the studies. There is no doubt a healthy black market business exists but the reasoning for expanding iGaming is a ruse. I hope you follow up with those who told you there were going to provide the study. They quoted The Campaign for Fairer Gambling for the \$5B but that is not the study they cited in their written testimonials. Ask yourself why Ward didn't define the study authors in his written testimony - it was not an oversight. You were also correct to point out the last Ohio based study was 2002 which was before Sports Betting. The prudent thing to do would be to wait until the next study. Pennsylvania should be a cautionary tale.

Rep Jarrells, Data is currency. In more ways than one. Great question but I hope you demand better data to determine your vote.

Rep Sims, you admitted not to be a gambler. However, you were 100% right about the different inhibitions at home versus being in public. That is wise and indisputable.

Rep Plummer, you were correct. This universe is only so large. You were given reassurances around Responsible Gaming but the truth is only 8% of those struggling actually seek help. To diminish the size of the addiction problem is wrong - they always have an answer but rarely truthful. If anybody tells you that this bill will not cause a spike in addiction, they cannot be trusted. It isn't an opinion. It's a fact.

Rep Young, you asked about intervention before the player "has gone the distance" and they told you, incorrectly, that it is **always** handled before it gets to that point. I would

be happy to share my personal experience and that of the people I am currently helping. Some new processes are going into place now but I would love to share my story and the gross negligence of the company that I used.

Rep Roemer, your discussion summed up their hypocrisy. They said \$50M was too high to allow for robust competition until you floated a graduated rate and then they quickly forgot their concern for the little guy. If the license fee is \$25M or \$50M you will get the same number of applications. Their trying to convince you they wouldn't be able to compete - red herring.

If you made it this far, thank you. I put some time into this because I think it is critical that you use accurate information to make informed decisions. I will be submitting this for my written testimony as opposed to HB 298. I would be happy to be fact-checked, there is a lot here and I am only submitting what I believe to be true, every word of it.

Finally, Chair Stewart, Vice Chair Dovilla, Ranking Member Sweeney and Esteemed Members of the House of Representatives Finance Committee. I have to close with my strongest argument as to how you know Ohio isn't ready for iGaming Expansion: How do you explain an industry that has every angle pre-conceived but yet there has not been one, single, legit study on this topic in over 7 years? I literally showed you, by just sharing their own actions and comments, that they could care less about you or anyone else. If you can't help them they will just go around you. The lobbyists and Robins have made a mockery of this entire eco-system. DraftKings total gaming revenue in 2019: \$323M just 5 years later in 2024: \$4.77 BILLION. Look at that trajectory and yet they still come to town represented by a guy that lied directly to your face. They, admittedly, took advantage of the system.

At the end of the day, the state of Ohio is one thing and one thing only to the proponents of this bill: State #8.

God Bless.

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