

Senate Select Committee on Gaming  
Testimony of Ted Tywang – General Counsel, Haslam Sports Group  
March 17, 2021

Chairman Schuring, ranking member Thomas, and members of the committee. I am Ted Tywang, General Counsel for Haslam Sports Group, which includes the Cleveland Browns and the Columbus Crew. On behalf of our organization, I appreciate the opportunity to speak with you about legalized sports betting in Ohio. In my testimony today, I would like to cover three main topics: reasons to support legalized sports betting, our priorities related to the integrity of competition and the marketplace, and operational and commercial priorities for our organization.

As you are aware, since the Supreme Court struck down the federal law against sports wagering in 2018, states across the country have passed laws allowing their citizens to wager on sporting events both in person and online. With Pennsylvania, Indiana, West Virginia and Michigan all now allowing sports betting, Ohio is lagging behind. Nevertheless, citizens of Ohio are betting on sports right now. They are doing so either illegally, including through the use of offshore websites, or by legally traveling to bordering states and wagering in person or online in those jurisdictions. The result is that we already have sports betting in our communities without either important regulatory protections or the associated tax and commercial benefits flowing to our state. Additionally, sports teams in these neighboring states now have fan engagement and commercial opportunities that are unavailable to the teams based here in Ohio. Sports betting is an immensely popular activity with our fans. A regulated sports betting market under the

auspices of the Casino Control Commission, done the right way and with the appropriate protections, would allow the Cleveland Browns and the Columbus Crew (along with the other Ohio teams) to engage with our fans in new and creative ways and to deepen the fan experience.

All of that said, our top priority as it relates to legalized sports betting is the integrity of our games and matches. In any sports wagering regime, integrity protections must be at the forefront. We must do everything we can to prevent improper influences from affecting how our competitions are played or from leading fans to question the legitimacy of our product. To ensure the integrity of our games and matches, we suggest the following straightforward requirements for legalized sports betting in Ohio:

First, prohibit insider and other high-risk sports betting;

Second, require age limitations in line with best practices for in-person and mobile wagering (21 years of age);

Third, prohibit objectionable betting fixtures (for example, prop bets on things such as penalties or injuries); and

Fourth, protect consumers by requiring the use of Official League Data

These measures are further detailed in the letter we submitted to the Committee along with the Bengals and the NFL.

In addition to protecting our games and matches, it is also vital that we take measures to ensure the integrity of the sports betting marketplace

here. Our citizens deserve to be protected from bad actors at all levels of the sports wagering ecosystem. To that end, we would urge that the following requirements be included in Ohio's legalized sports betting legislation:

1. Operator licensure and on-demand auditing;
2. Required information sharing between the leagues, operators, and law-enforcement;
3. Robust problem gaming resources and education; and
4. Equipping regulators and law enforcement with the tools necessary to eliminate illegal sports betting in our state

We believe legislation that includes these requirements, which are also further detailed in our joint letter, will ensure the integrity of the sports betting marketplace in Ohio. The major professional sports leagues, their Ohio clubs and several prominent sports betting operators have also agreed on recommended legislative language to codify these critical integrity measures, which we will provide to the Committee.

I would also like to discuss operational and commercial priorities for our organization, which will help incentivize a transition from current illegal sports betting to a legal, regulated market, and also support valuable fan engagement and commercial opportunities. As you may be aware, illegal sports betting happens primarily online, and more specifically through mobile devices via offshore platforms. To thwart this illegal activity, we believe strongly that the state of Ohio must allow for a robust marketplace in online, app-based wagering, along with traditional

brick and mortar sportsbooks. Sports is at the cutting edge of technology, and our fans demand the ability to utilize their mobile devices to engage, including through legal sports wagering. Any regulatory structure that does not allow for such technology is doomed to fail from the perspective of curbing illegal sports betting and incentivizing transition to the legal, regulated marketplace.

We also believe that the professional sports teams based in Ohio, local businesses domiciled here, should have the opportunity for market access to share in the benefits of legalized sports betting in our state. Ohio sports teams have invested significantly in Ohio and generated substantial economic impact, and we are the entities that actually create the legalized sports betting market. In this context, we feel strongly that any legalized sports betting legislation must include market access provisions that allow Ohio's professional sports teams to participate directly.

More specifically, this market access should allocate to each Ohio professional sports team (and the PGA Tour) one mobile license, or "skin", that it can sub-license to a qualified mobile sports betting entity to operate an online betting platform in the state. We believe that each of the 11 brick and mortar permit holders should also be allocated one online skin, which would result in a total of 20 online licenses in the state, creating robust competition and encouraging innovation while avoiding over-saturation of the market. In any market access scenario, the operators would be subject to all sports betting requirements and

regulations promulgated by the Casino Control Commission, including screening, licensing and other compliance measures.

Finally, I would like to conclude today by addressing the timing of legalization. As I suggested earlier, when it comes to sports betting, both the State of Ohio and our professional teams have fallen behind as compared to other states, particularly our neighbors and their sports franchises. As such, we would like to see legalized sports betting in Ohio as soon as possible, and would suggest that the legislation include a concrete and accelerated timeline for regulatory implementation. Of course, we do not want to rush the process in any way that would result in a negative outcome, and it is critical that we have appropriate integrity and consumer protections, along with the optimal market structure. To summarize, we cannot continue to allow the illegal marketplace to thrive and have tax and commercial benefits leave our state by delaying the inevitable. We want legalized sports betting to be done right and as quickly as possible.

Thank you for allowing me to testify today and to provide you with our views on this important topic. Haslam Sports Group stands ready and is excited to partner with the legislature and the executive branch during the process of creating and implementing legalized sports betting in our state. I'm happy to take any questions.