

DFSRegs

From: Dowd, Christopher
Sent: Tuesday, December 08, 2015 3:05 PM
To: DFSRegs
Subject: Respect for the law (my last point about GPP's is what has inspired me to offer testimony so please don't miss that)

Hello Ms. Healey,

Thank you for your work defending the law.

When it comes to daily fantasy sports, I do not understand why defending the law is not a bigger priority. The way I see it, a company has come in and simply said something is legal, offered a bogus interpretation of the law, and has gotten away with it. I don't understand that.

The fantasy sports carve-out from UIGEA is not that difficult to understand and I've read it many times myself.

To claim that daily fantasy sports should be legal because of skill, and to allow all iterations of that game in following up to that, is absurd. And not offering clarification of this supposed skill is a disservice to the public.

Let's start with the basics: participants have zero control over the outcomes of the events. I know this is not the 'be all, end all', there is still some potential skill possible, but I just wanted to start with that.

Second, any "skill" is mostly a level of attrition over 1000's of contests. Why is this important? Because to argue that a single contest, which is what the law protects I presume, is not overwhelmingly affected by material chance is a fallacy that even the operators might acknowledge. Its only by shaving 2, 3, 4, 5% of profit off each and every contest in the long run that people can profit (off of the losses of others and to the benefit of the companies). This profit grinding is not really the object of skill but more so the object of market inefficiencies: time put in by grinders, gambling for entertainment or compulsion by others, and perhaps systematic efforts to balance risk in the long run (is that really skill within a single contest?).

I just want to close that point by saying that a person could do everything right in regards to a single contest, and still lose a large portion of the time, because of material chance. How is a random rebound, foul, or injury in a basketball game any different from the flip of a card?

Lastly, and most importantly, the companies have been allowed to continue to run "guaranteed prize pools" (GPP's), and in my legal opinion this is very clearly what is obvious to stop. A GPP consists of 1000's of entries, up to 200,000+ entries this past weekend, and is so clearly affected by myriad possibilities of chance that its quite ridiculous GPP's are considered a game of skill. Every person in that knows they need to be smart and do their best to put together a good lineup, but that they would need to get very lucky in order to win.

These GPP's are the big draw of these companies, they bring people in with a lottery level prize, they present them with "skill-based" choices, and then have them play. This is reliant on chance and its not fair to the public, especially young men who want to be 'smart' and win lots of money and prone to this addicting fun.

I ask you think long and hard about the GPP's, and consider regulating the industry to include a maximum of 10-20 entries per contest. At least then "skill" would be a lot closer to the core of the offering and not some absurd proclamation made by companies hoping to profit off of a vice as old as time.

If you decide that you want gambling to be legal in Massachusetts, that is fine, but please be clear about it in regards to daily fantasy sports, otherwise its not fair to the public.

I am regretful that I will be unable to make the public comment on January 12th, as I'll be away for an international consulting project for my school, but I would have liked to have been there.

I offer my testimony as independent, after a lot of time studying the law and understanding the game, but I include myself as a person asking for better regulation and upholding of the law, because it would help people like myself who know that GPP's are gambling. I know you don't often get to see the benefits of your work, but regulation DOES work you know.

Thank you,
Christopher Dowd

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Christopher Dowd