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COVID-19 may compel leagues to address gambling integrity issues

As the sports world grapples with the realities of starting or restarting seasons during the ongoing COVID-19 pandemic, gambling on sports has also returned — and the virus that brought sports to a standstill and continues to hamper efforts to return to some sense of normalcy is having an impact on sports betting as well.

COVID-19 is compelling leagues to find new ways to continue playing while keeping everyone involved safe. At the same time, to add value and engage new fans, at least one league is using legalized sports betting, still a recent development in the U.S. sports world. The two endeavors converge where the issue of athlete health and the status of coronavirus testing becomes a highly relevant data point for gamblers eager to gain any inside edge they can.

After the U.S. Supreme Court's 2018 decision in *Murphy v. National Collegiate Athletic Association* made betting on sports legal, the NBA wasted no time in jumping on the possibilities presented. In a matter of a few months, the league named MGM Resorts International its official gaming partner, a deal that was the first of its kind between a professional sports league and a casino operator in the United States.

Last month, the NBA, a leader in launching new business partnerships and finding new ways to attract fans, began offering specialized broadcasts of certain games designed to appeal to gamblers. Called NBABet Stream, the broadcasts, starting with a game between the Oklahoma City Thunder and the Denver Nuggets, displayed point spreads and odds on screen and featured betting analyses, according to ESPN. Because games are currently being played without fans in attendance, the league also hopes that NBABet Stream will offer basketball fans a new experience and draw a new audience of gamblers. And while teams in other sports have dabbled in offering broadcasts focused on betting,



SPORTS MARKETING PLAYBOOK

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NBABet Stream is a first for a league. NBABet Stream is available on NBA League Pass, NBA TV via the NBA app and NBA.com. MGM is also part of the initiative, with its BetMGM sports book providing the odds for the betting broadcasts.

BetMGM is also partnering with pro golf organizers. The PGA Tour recently named the sports book company its official betting operator as part of a partnership that gives BetMGM the right to use PGA Tour branding in the United States, according to Casino.org. BetMGM also will be able to stream professional golf content on its digital platform.

In the two years since the Supreme Court overturned the federal Professional and Amateur Sports Protection Act of 1992, or PASPA, which barred states from getting involved in betting on professional or amateur sports, sports gambling has been gaining traction around the country. Eighteen states have passed laws to permit sports betting and, of those states, 12 already

have burgeoning gambling industries, according to the website Legal Sports Report. Many more states have bills in the pipeline.

Unsurprisingly, Nevada leads the way with the biggest handle, or amount wagered, in the past two years. Nevada had a big head start on the other states because it was allowed to continue its already established sports betting activities after the enactment of PASPA.

Between June 2018 and August 2020, bettors placed \$9.6 billion in wagers in Nevada, says Legal Sports Report. New Jersey, which had been pushing for years to strike down PASPA, came in second with \$7.69 billion in wagers over the same period. In all, bettors in the 12 states with active gambling industries wagered a total of \$23.3 billion over the two years, leaving no doubt that sports gambling has a very lucrative future in the United States.

One sport has continued relatively unscathed during the pandemic, since social distancing has never been an obstacle for its players or fans. Esports, the competitive video gaming phenomenon that has spawned collegiate and professional teams and leagues, and attracted corporate sponsorships, has seen a surge in interest during the months-long hiatus and slow return of more mainstream sports. And as esports thrives while other leagues struggle to regroup, the sports gambling industry is taking notice.

The New York Times reports that global esports gambling revenue is expected to double to approximately \$14 billion in 2020. In the United States, Nevada once again leads, having approved legalized betting on esports in 2016. Since March, when traditional sports ground to a halt, Nevada has approved betting on 13 different esports leagues and tournaments, says The New York Times.

But esports is an outlier. For traditional sports that rely on in-person fan attendance and teams of players closely

interacting, COVID-19 presents myriad logistical challenges to keeping athletes and fans, as well as team, league and venue staff, safe.

The risk of contracting the respiratory illness has led to leagues playing without fans in the stands. Several leagues took their isolation measures a step further. The NBA and WNBA set up protective “bubbles” in Florida to complete their seasons, with everyone living and playing in one complex. The National Hockey League established two quarantined hubs, in Edmonton and Toronto, to finish its season. And Major League Baseball is expected to play in a bubble format for its postseason games.

In states with legal sports betting, wagering returned when sports restarted, albeit with certain restrictions. In Illinois, for example, Gov. J.B. Pritzker signed an executive order in June that temporarily suspends the requirement that individuals register in person to place wagers on sports at state-licensed casinos, racetracks and sports facilities. For the duration of the COVID-19 pandemic, bettors must create online accounts and place wagers remotely, according to a statement by the governor’s office.

COVID-19 also presents other challenges for the sports gambling industry that are less obvious and more complicated. In the midst of a pandemic, an athlete’s COVID-19 status could have a significant impact on the team’s prospects

as well as a gambler’s fortunes, which raises issues of privacy and integrity.

Teams in all Big Four professional sports have been collecting athlete health and performance data for years via wearable sensors and tracking devices to improve training and prevent injuries. The biometric information collected has also been released to engage data-loving fans. But concerns emerged about the impact the collection of health data could have on player privacy, contract negotiations and collective bargaining. The infectious nature and widespread public impact of COVID-19 adds another layer to these concerns.

At the same time, as legalized sports betting is ramping up across the country, an athlete’s health — particularly the athlete’s COVID-19 status — is now a focus for bettors trying to assess an athlete’s or team’s prospects.

Sports organizations, including the NFL, NBA, WNBA and PGA Tour, have rules against tipping — leaking nonpublic, inside information; in this case, the disclosure of an athlete’s COVID-19 status — to gain a gambling advantage, according to the website Slate. The language of these rules tends to be vague, however, and often fails to define key terms like “non-public information.” Even without these rules, bettors could also seize on unintentional disclosures by athletes about their health when interacting with others in public to gain an advantage.

False-positive COVID-19 tests results

have also emerged as a big problem that could have an impact on gambling. Sports Illustrated reported in August that 77 NFL players and team staff members falsely tested positive for COVID-19 in one week-end due to laboratory contamination. As a result of the initial false-positive tests, 11 teams kept their players out of practices. False-positive test results on game day could not only bench players and postpone games, but it could skew betting.

Generally, the odds of spreading misinformation about an athlete’s COVID-19 status is quite high because the virus’s incubation period of up to two weeks makes releasing accurate, timely information about an athlete’s health difficult.

The pandemic presents a serious hurdle to the leagues’ efforts to capitalize on the legalization of sports gambling. At the same time, COVID-19 spotlights existing concerns over the disclosure of an athlete’s health information, with the added challenge of preventing the spread of misinformation.

Leagues are dealing with the unprecedented impact on every aspect of their operations of a public health issue that currently shows little signs of abating, and it’s unclear what their role will be in maintaining the integrity of sports betting. However, because the integrity issue is closely linked to athlete health and data disclosure, odds are that the sports world will have to confront that particular challenge sooner rather than later.