



# the campaign for *fairer gambling*

UNITED STATES OF AMERICA

REPORT TWO

iGambling Marketplace Report 2023.

RELEASED:  
MAY 30, 2024

MONITORING, DATA & ANALYSIS BY



**YIELD SEC™**

# The Campaign for Fairer Gambling: USA - Introduction

The Campaign for Fairer Gambling (CFG) advocates for federal oversight of online betting and gaming, collectively iGambling, due to weak state legislation, regulation and enforcement.

CFG commissioned Yield Sec (YS) to prepare Report One which looked at the whole US legal and illegal iGambling market for 2023 and the 2024 Superbowl.

The caveat of Report One was that iGambling is not legal in the US as a whole, therefore the comparison was naturally biased towards illegal dominance.

CFG and YS were of course aware of the caveat and always intended to produce state information, which is the subject matter of this Report Two.

New Jersey was selected given it is the state with the longest history of iGambling in the USA. New York was chosen as a legal online sports betting-only state and Minnesota chosen as a state with no legal iGambling.

Since Report One was released, a new trade body has been formed, the Responsible Online Gaming Association (ROGA) with proposed funding dedicated to research and education, but without any proposed funding for harm prevention, treatment and recovery.

The absence of engagement with the data in Report One by either ROGA or the American Gaming Association (AGA) indicates that there is no interest in research and education on the facts regarding iGambling.

Legal iGambling operators focus on their position relative to other legal providers, rather than explaining to their investors how difficult it is to penetrate the illegal operator dominance.

The British experience is that whenever stronger regulation is advocated, the operators will always refer to the black-market as a tool to oppose regulatory reform.

State legislators are still being influenced by propaganda from financially motivated iGambling pro-expansion entities and individuals who do not provide any information regarding where the projected consumer losses are diverted from.

In states with land-based gaming that are considering the legalization of online gaming, there is a discussion regarding cannibalization of land-based gaming and associated taxation, which should inform everybody of how foolish it is to ignore iGambling cannibalization of multiple tax-generating alternative activities which disposable income would otherwise be spent on.

State regulators claiming to have "strict suitability standards" are still granting licenses to entities whose asset values have been grown through obtaining revenues when not permitted to do so by the jurisdictions that the revenues were obtained from - the equivalent of US illegal black-market activity.

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ONLINE  
SPORTSBOOK  
ONLY**

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**LEGAL FOR  
ONLINE SPORTS  
BETTING &  
CASINO**

**US STATE: MN**

**ILLEGAL FOR  
ONLINE SPORTS  
BETTING &  
CASINO**

**THIS YIELD SEC REPORT FOR THE CAMPAIGN FOR FAIRER GAMBLING FOCUSES UPON STATE VARIATIONS RELATING TO THE ONLINE BETTING & GAMBLING MARKETPLACE IN THE USA.**

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# YIELD SEC

GAMBLING

## NEW JERSEY (NJ)

# Yield Sec FACTSHEET: New Jersey Online Gambling Marketplace 2023

## LEGAL GAMBLING OPERATORS

## AFFILIATES PROMOTING LEGALS

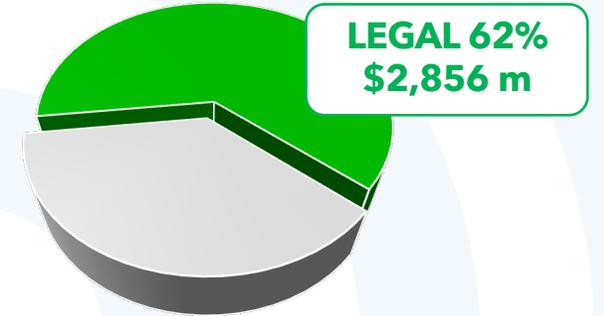
## LEGAL GGR 2023

**43**

**LEGAL SPORTS BETTING  
& CASINO OPERATORS  
ACTIVELY TARGET NEW JERSEY**

**119**

**AFFILIATES  
PROMOTE ONLY LEGALS  
THAT ACTIVELY TARGET NEW JERSEY**



## ILLEGAL GAMBLING OPERATORS

## AFFILIATES PROMOTING ILLEGALS

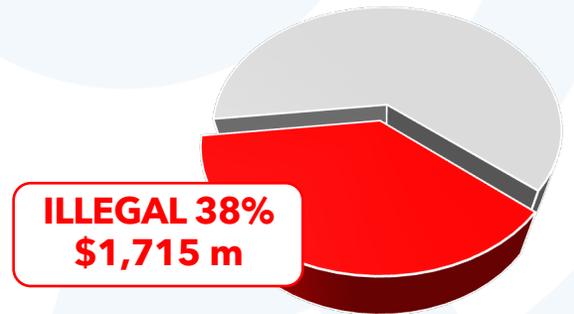
## ILLEGAL GGR 2023

**860**

**ILLEGAL SPORTS BETTING  
& CASINO OPERATORS  
ACTIVELY TARGET NEW JERSEY**

**638**

**AFFILIATES  
PROMOTE ILLEGALS  
THAT ACTIVELY TARGET NEW JERSEY**



SOURCE: Yield Sec - Proprietary data

[www.YieldSec.com](http://www.YieldSec.com)

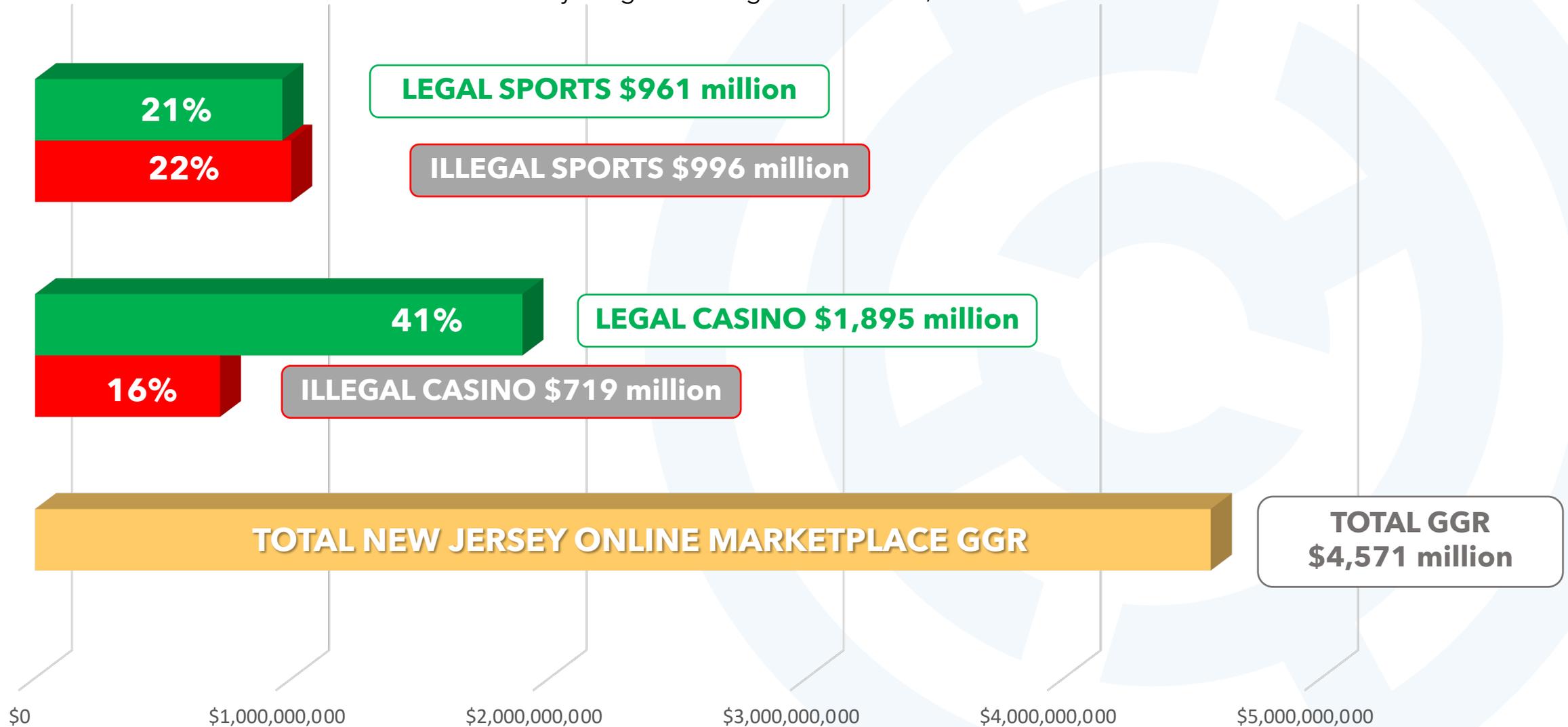
[Info@YieldSec.com](mailto:Info@YieldSec.com)

Charts & Graphics: Yield Sec on behalf of the Campaign for Fairer Gambling - 2024



# Select US States: NJ Value - GGR Revenue - Legal vs Illegal - 2023

New Jersey: Legal and Illegal Online GGR, 2023



SOURCE: Yield Sec - Proprietary data

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# YIELD SEC

GAMBLING

## NEW YORK (NY)

# Yield Sec FACTSHEET: New York Online Gambling Marketplace 2023

## LEGAL GAMBLING OPERATORS

## AFFILIATES PROMOTING LEGALS

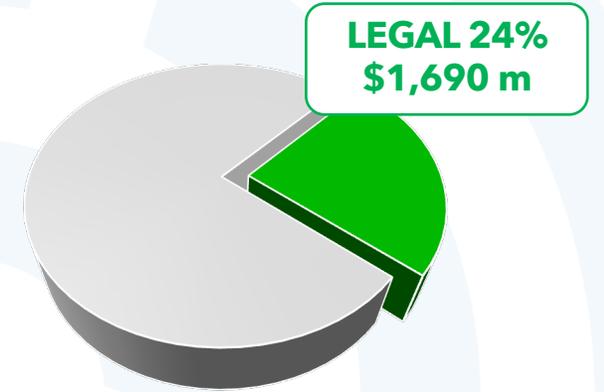
## LEGAL GGR 2023

**9**

**LEGAL SPORTS BETTING OPERATORS  
ACTIVELY TARGET NEW YORK**

**119**

**AFFILIATES  
PROMOTE ONLY LEGALS  
THAT ACTIVELY TARGET NEW YORK**



## ILLEGAL GAMBLING OPERATORS

## AFFILIATES PROMOTING ILLEGALS

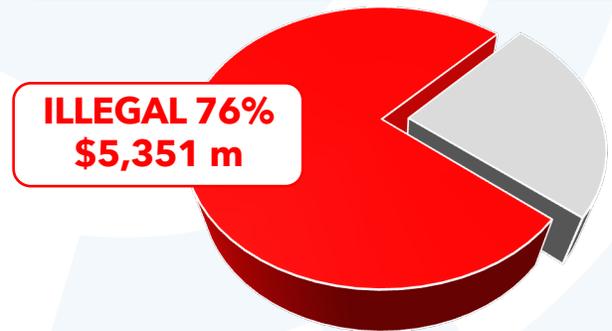
## ILLEGAL GGR 2023

**860**

**ILLEGAL SPORTS BETTING  
& CASINO OPERATORS  
ACTIVELY TARGET NEW YORK**

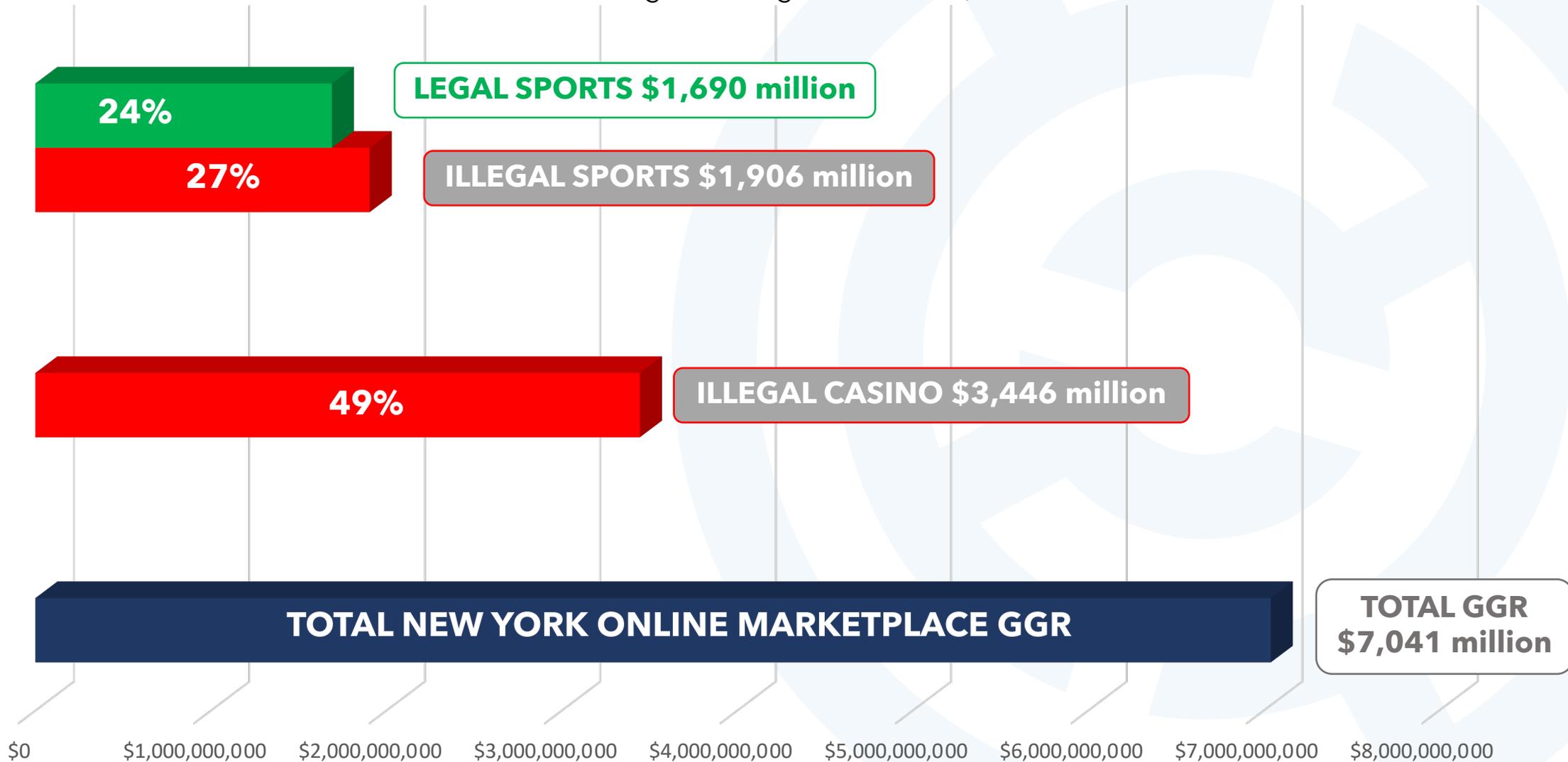
**638**

**AFFILIATES  
PROMOTE ILLEGALS  
THAT ACTIVELY TARGET NEW YORK**



# Select US States: NY Value - GGR Revenue - Legal vs Illegal 2023

New York: Legal and Illegal Online GGR, 2023



SOURCE: Yield Sec - Proprietary data

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# YIELD SEC

GAMBLING

## MINNESOTA (MN)

# Yield Sec FACTSHEET: Minnesota Online Gambling Marketplace 2023

## LEGAL GAMBLING OPERATORS

## AFFILIATES PROMOTING LEGALS

## LEGAL GGR 2023

0

LEGAL SPORTS BETTING  
& CASINO OPERATORS  
ACTIVELY TARGET MINNESOTA

0

AFFILIATES  
PROMOTE ONLY LEGALS  
THAT ACTIVELY TARGET MINNESOTA

LEGAL 0%  
\$0



## ILLEGAL GAMBLING OPERATORS

## AFFILIATES PROMOTING ILLEGALS

## ILLEGAL GGR 2023

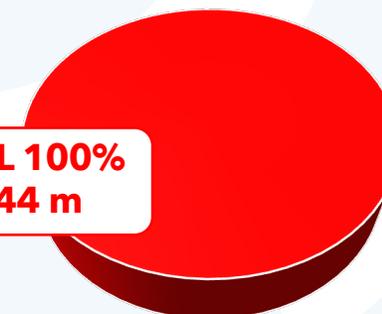
860

ILLEGAL SPORTS BETTING  
& CASINO OPERATORS  
ACTIVELY TARGET MINNESOTA

638

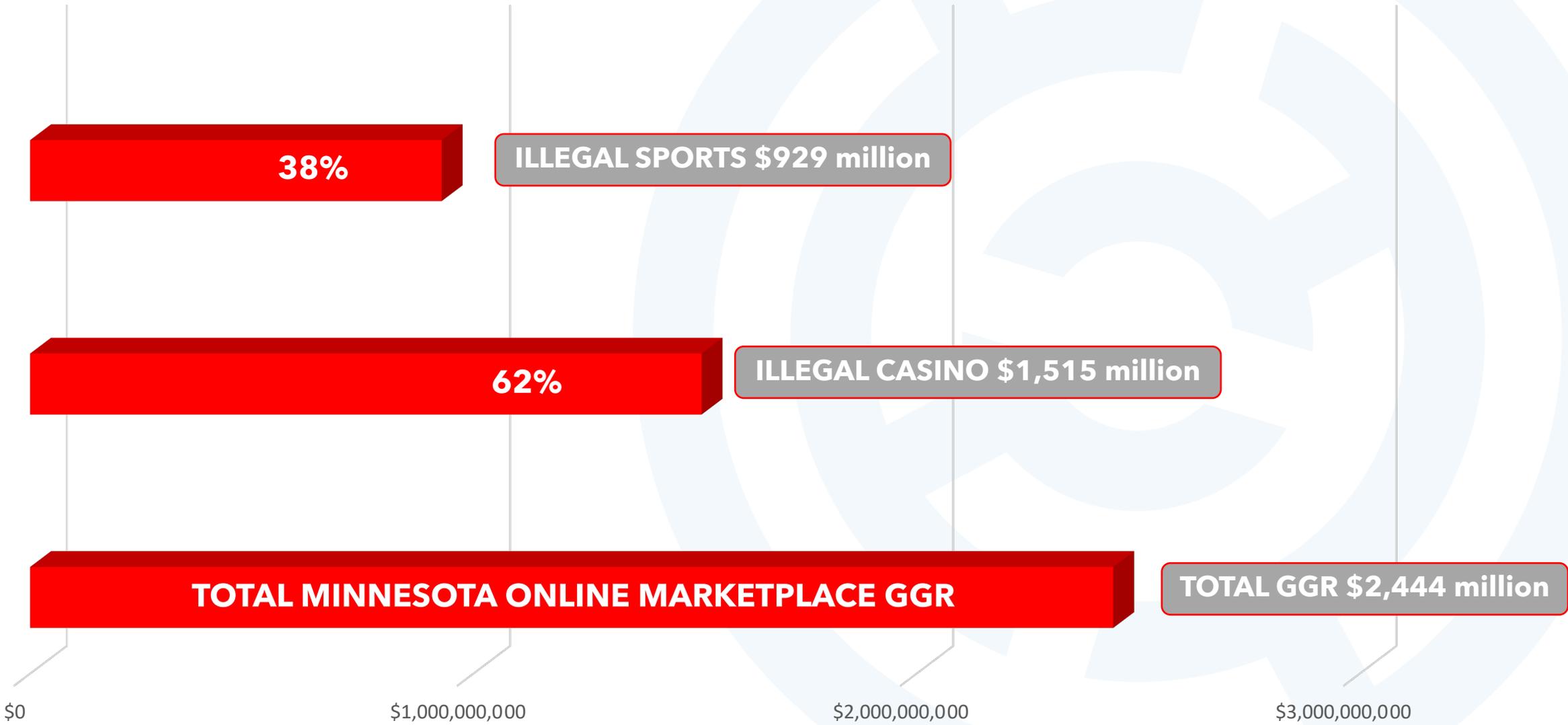
AFFILIATES  
PROMOTE ILLEGALS  
THAT ACTIVELY TARGET MINNESOTA

ILLEGAL 100%  
\$2,444 m



# Select US States: MN Value - GGR Revenue - Legal vs Illegal - 2023

Minnesota: Legal and Illegal Online GGR, 2023



SOURCE: Yield Sec - Proprietary data

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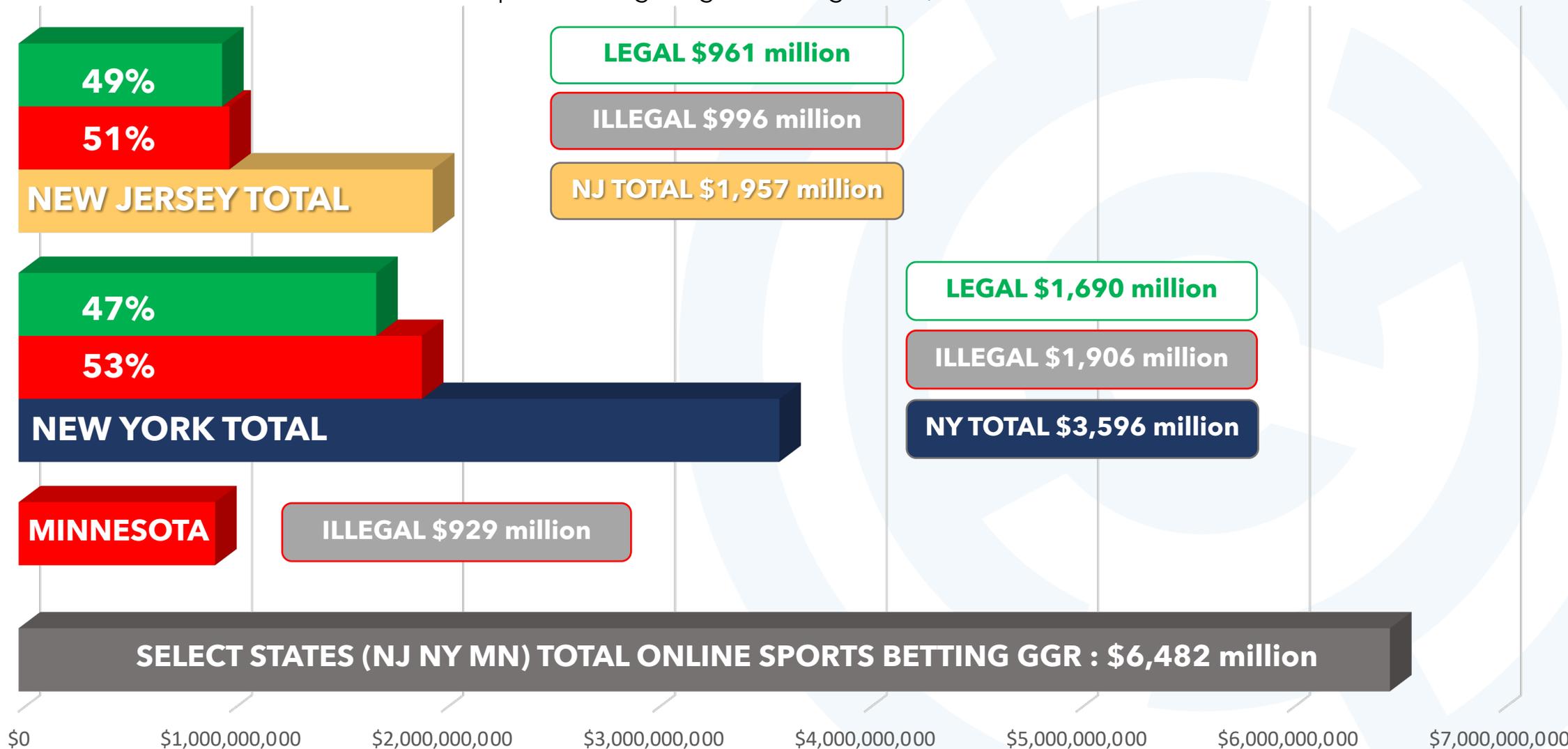
# YIELD SEC

GAMBLING

## STATE GROUP COMPARISONS

# Select US States: Online Sports Betting Value - GGR Revenue - 2023

Online Sports Betting: Legal and Illegal GGR, 2023



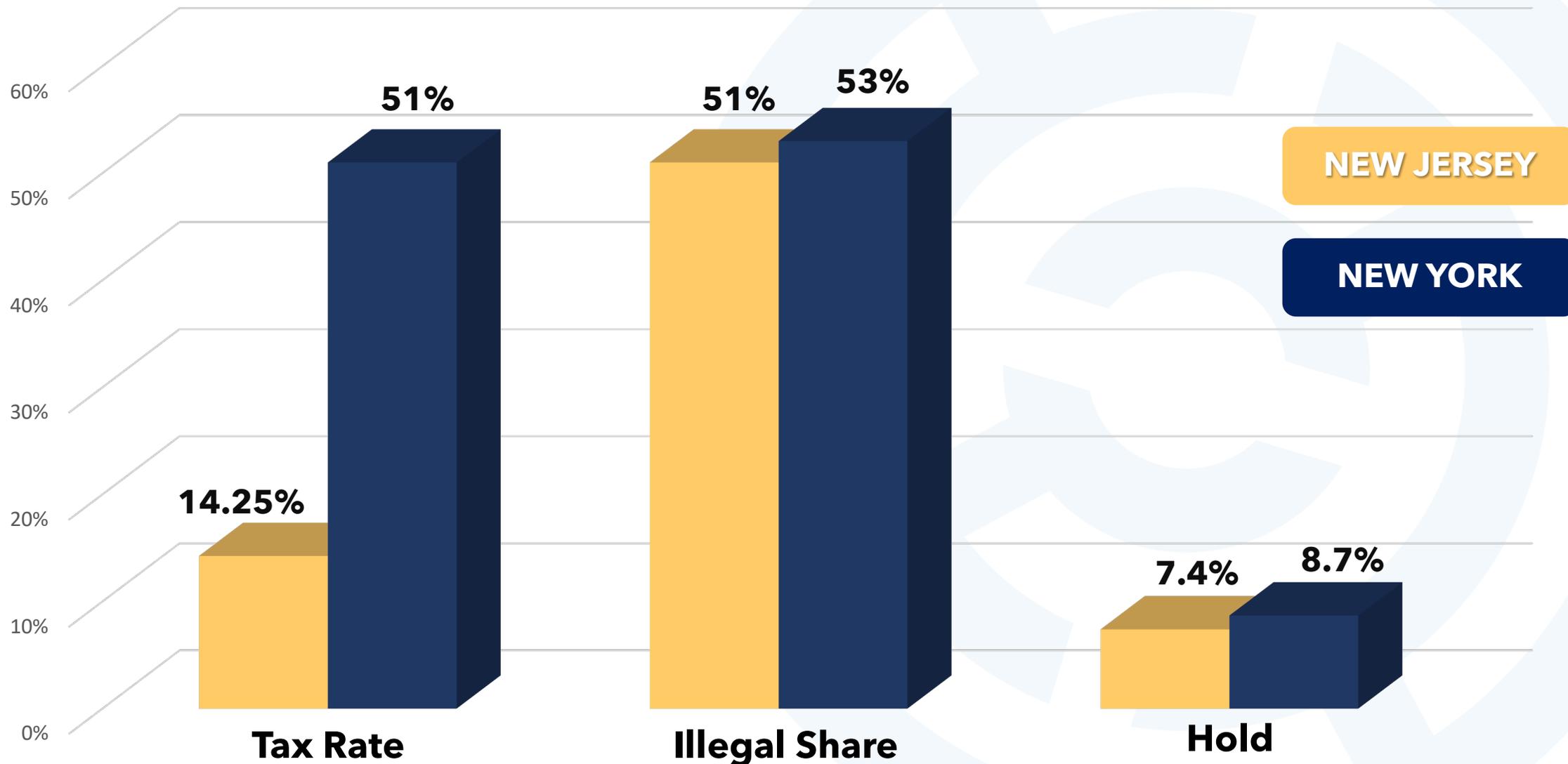
SOURCE: Yield Sec - Proprietary data

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Charts & Graphics: Yield Sec on behalf of the Campaign for Fairer Gambling - 2024

# Select US States: NJ vs NY - Online Sports Betting Comparison - 2023



SOURCE: Yield Sec - Proprietary data

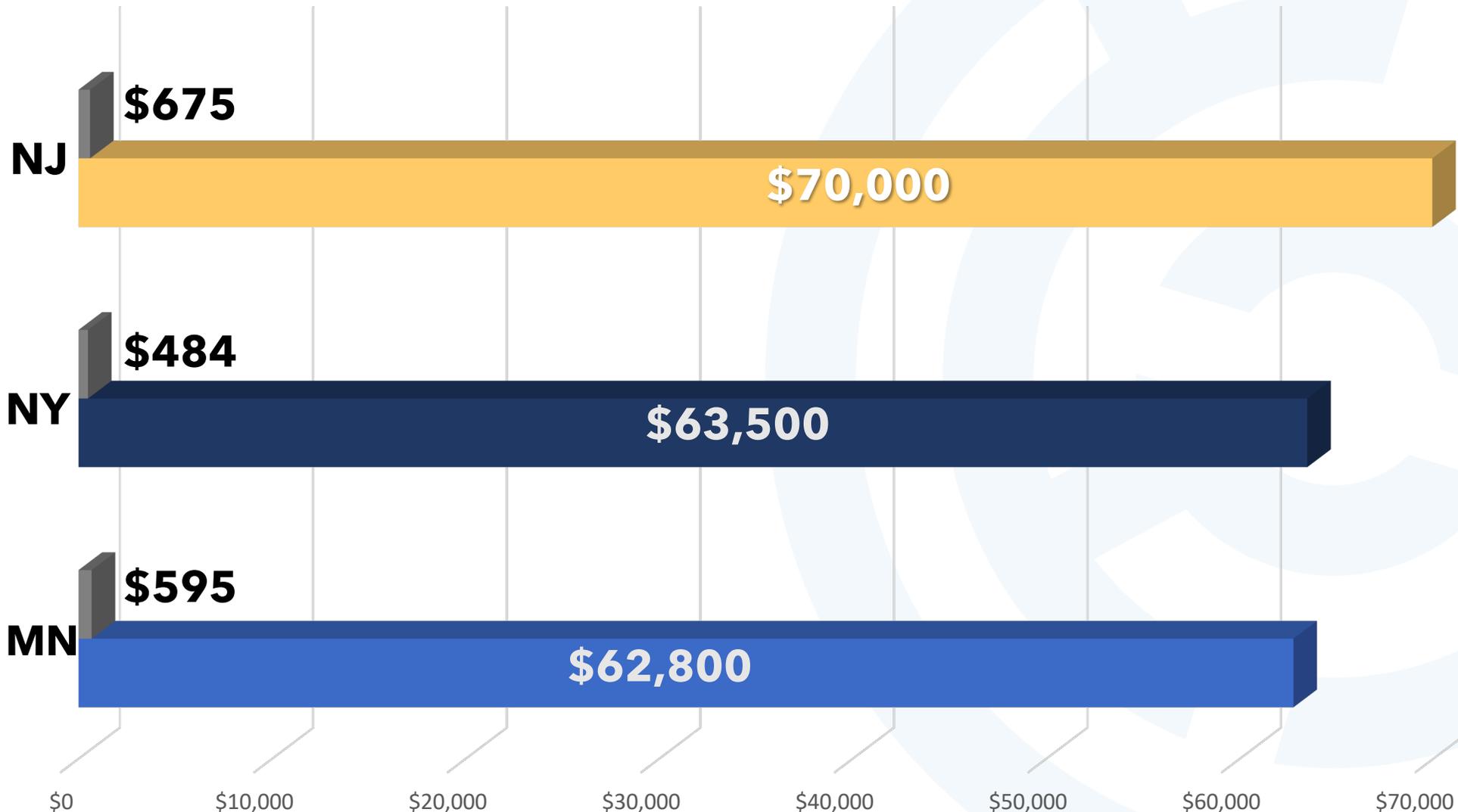
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# Select US States: GGR Per Capita vs Income Comparison

Select US States: Comparison Legal and Illegal GGR Revenue Per Capita Against Income Per Capita (Adult) by State, 2023



## Gambling GGR Value As a Percentage of Per Capita Income

The average percentage of an adult's yearly income that goes to online gambling (Legal & Illegal) GGR is:

NEW JERSEY: 1.0%

NEW YORK: 0.4%

MINNESOTA: 1.5%

SOURCE: Yield Sec - Proprietary data

[www.YieldSec.com](http://www.YieldSec.com)

[Info@YieldSec.com](mailto:Info@YieldSec.com)

Charts & Graphics: Yield Sec on behalf of the Campaign for Fairer Gambling - 2024

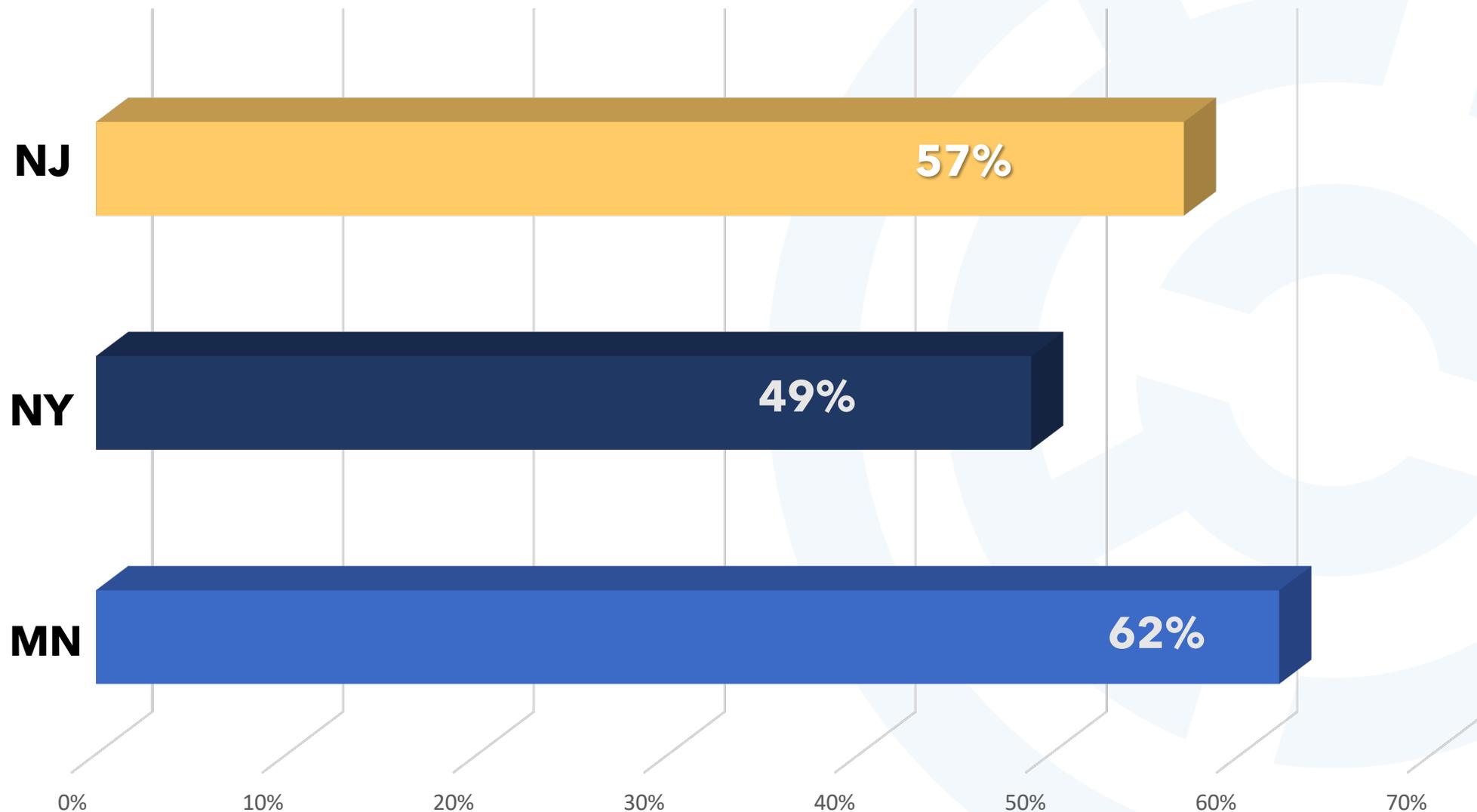
SOURCE NOTE: Per capita data is based upon adult population



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# Select US States: Online Casino Share As A Percentage Of Total GGR

Select US States: Comparison of Online Casino GGR Share As A Percentage of Total Online GGR by State, 2023



SOURCE: Yield Sec - Proprietary data

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Charts & Graphics: Yield Sec on behalf of the Campaign for Fairer Gambling - 2024

SOURCE NOTE: Per capita data is based upon adult population

## The Campaign for Fairer Gambling: USA - Conclusion

The spread of legal versus illegal online sports betting in New Jersey (NJ) with 49% legal and in New York (NY) with 47% legal shows that even after several years how difficult it is to overcome the historical dominance by illegal online gambling operators.

With 43 legal operators in NJ compared to 9 in NY there is no evidence to support the notion that the presence of illegal online operators is better impacted by increasing the number of legal operators.

New Jersey legal online casino at 72% is making far better inroads than legal online betting at 49% but has been around for several years longer.

With 638 affiliates representing 860 illegal operators, this is a ratio of less than one affiliate per operator.

With 119 affiliates representing 43 NJ operators and 9 NY operators the ratio is nearly 3 to 1 and over 13 to 1 respectively, providing no evidence that multiple affiliates per operator have any benefit to the overall legal market.

It is a significant reflection on legal sites operated by public companies with established brands that they choose to work with a far greater ratio of affiliates than illegals do, suggesting that there is not a natural unstimulated demand for legal iGambling.

With each of online betting hold percentage and illegal percentage being close to parity for NJ and NY, but with the disparity of tax rates of NJ 14.25% and NY 51%, there is no evidence of correlation between lower taxes and less illegality or lower taxes and higher paybacks.

Comparing \$ spend per capita as a percentage of income shows that Minnesota (MN) exceeds that of NJ which exceeds that of NY.

Comparing casino as percentage of total shows the correlation with income spend of MN exceeding NJ exceeding NY.

With casino spend exceeding betting spend being experienced in Britain and with casino spend known to be more associated with gambling harm than betting spend it is irrational to proceed with iGaming legalization without considering the British position.

Derek Webb states "It is only through looking at data and applying logic that an evidence-based picture of the market can be constructed, so it was essential to involve Yield Sec in this project as the only intelligence firm able to provide analysis of illegal and legal operations, and therefore perspective upon the total marketplace for online gambling in the USA."

## Yield Sec: About Yield Sec

We developed the Yield Sec (short for “yield security”) actionable intelligence platform from a proven military-grade tech and AI stack, used for anti-terrorism and counterinsurgency, to combat what we identified as an analogous problem: the commercial insurgency represented by illegal, black-market gambling operators.

### How does it work?

1. **Monitoring:** Our technical platform scours the internet for relevant betting and gaming keywords and phrases to find all instances of commercial and referral gambling content, traffic, audience, advertising popularity and more.
2. **Reporting:** Content is analysed, categorized and classified into legal and illegal groups, at the top level, and into splits by sports, product, event and more.
3. **Prioritizing:** Once separated into what comes from legal operators and what comes from illegal entrants, the platform uses AI, machine learning and expert human intervention to rank, order and value threats to the individual stakeholder, and the ecosystem overall. The Yield Sec Matrix prioritizes these threats to revenue, market share, player and audience protection, compliance, responsible gaming and potential taxation at the State and National level, based upon the calendar and events cycle. Content featuring advertising for illegal Super Bowl bets in late January in a US State then, is a far higher priority than content pushing illegal Pai Gow Poker in any US State at any time of year.
4. **Enforcing:** Prioritization presents a detailed view of what content needs to be controlled and remedied at the legal operator level (non-compliant advertising from referral partners, for example), and what content needs to be cleared and removed from illegal operators, period. To facilitate removals of illegal content, Yield Sec works alongside media partners, regulators and law enforcement across search, social and digital media platforms which supply the “oxygen” of advertising, availability and destinations.

### The point?

When consumers want to bet on sports, casino or lottery online, they should find fair and safe online betting and gaming in every regulated marketplace.

Today, not every betting, gaming and lottery app or website is legal.

This impacts local commerce and community in every jurisdiction: onshore jobs, supply chain, oversight and control, and the fundamental societal quid pro quo: the receipt of regulated revenue and taxation. This financial commitment of provision for onshore commerce, community and consumer safety is what society requires for gambling to be present and sustainable. Its removal by illegal operators is not a “grey market”, a “black market”, “loss” or “leakage”. It is theft.

# Yield Sec: Methodology

The following methodology modules are part of the Yield Sec platform:

- **IDENTIFICATION**
  - Online Analytics  
The world's largest database of contextual and relevant search terms for betting, gambling and lottery content. This seeds all online monitoring.
  - Online Monitoring  
Meta-level and anonymous surveillance of all betting, gambling and lottery activity within a jurisdiction, based upon human users and their dwell time, activity and interaction with gambling content across search, sites, apps, ads, social media, video content platforms, payment wallets and providers, and audience user groups. This surveils all online content connected to online gambling.
  
- **QUALIFICATION**
  - Content Analysis  
The proprietary Yield Sec Matrix, built on AI, machine-learning and expert human team inputs, assesses features of gambling content for:
    - Legal status: Legal or Illegal
    - Content Status: Affiliate or Operator; Advertising or Referral Content; Sponsorship or Direct Placement; User-generated Content or Corporate-generated content.
    - Products & Pricing: Sports betting, casino, table games, slots, live dealer, poker, lottery, predictor, fantasy sports, social casino, and more.
    - Offers and bonuses.
    - Payments: Minimum deposit and cash-out thresholds; payment types; fiat currency and crypto currency.
  - Audience Activity Analysis  
Traffic monitoring and journeys, aggregate user journeys, dwell time, page journeys, transaction interaction, payment interaction.
  
- **QUANTIFICATION**
  - Activity and Revenue Analysis  
The Yield Sec platform assesses all activity across legal and illegal gambling interaction to arrive at a benchmark Yield Sec Value Per Visit (VPV) for audience activity across:
    - Traffic: The data underlying unique human activity from online gambling.
    - Revenue: The data underlying spend behavior from online gambling.
    - Market share: How channelized is the marketplace, how much activity and revenue accrues to legal sources, versus illegal and unlicensed ones?

## Yield Sec: Notes on this Report

The following key notes apply across Yield Sec data:

- **SIMPLE FINANCIAL DEFINITIONS**
  - "Handle" - relates to the value of bets placed by consumers with online gambling operators. "Hold" - relates to the value left behind with online gambling operators, after customer winnings have been repaid. "GGR" - relates to Gross Gaming Revenue, or Customer Bets MINUS Customer Winnings EQUALS Gross Gaming Revenue.  
Please note that in this Report, where US\$ values are mentioned, GGR is the financial standard used throughout.  
Please note that only online Sports Betting and online Casino are considered across all information in this report.
- **TARGETING & TRANSACTING**
  - Only operators who actively target the USA through audience profiling, advertising, affiliate deals, audience accessibility (with and without a VPN) and featuring verified US resident payment abilities are classed and included as "illegal operators" if they do not have local legal licensing for the jurisdiction they are taking revenue from.
- **AVAILABLE BUT NOT TRANSACTING**
  - Operators who have an accessible website/app but without any active commercial ability (to place bets, make transactions and effect revenue) are not classed or included as "illegal operators".
- **MIRRORS & REDIRECTS**
  - All active and transactable destinations for illegal online brands are included in the number of total destination domains.
- **ONLINE GAMBLING OPERATOR OR SPORTS BETTING OPERATOR**
  - Effectively an "online gambling brand" - one website and app count as one destination. For illegals, with redirects and mirrors under distinct brand URLs, each single, separate destination, transactional website/app is counted as one destination.
- **ACCURACY**
  - Our analysis derives from data obtained from our online surveillance as well as from third party licensors. Our assessment of large complex online marketplaces is limited by the availability and completeness of data. We are confident, however, that our platform provides by far the best analysis of online marketplaces possible.

# Contacts & Questions



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