

60 MINUTES - NEWSMAKERS

Technology has fueled a sports betting boom and a spike in problem gambling, addiction therapist warns

The Mismatch

By Jon Wertheim

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Next Sunday on CBS, the Super Bowl will, for the first time, be held in *Las Vegas*... a fitting venue given the prominent role *gambling* plays in sports today. America has recently brought its age-old love of sports betting out of the shadows and onto our phones... and this has created an all-time mismatch, pitting man against machine: gamblers—overwhelmingly young men; versus gambling companies, armed with sophisticated AI, data, and engineering, enticing fans to make snap bets, not just on games, but on every play within games... The early results? Billions for gambling companies, leagues and state governments... and a growing population of sports bettors, struggling to defend against the rush.

Boston is nothing, if not a sports town...

And when there's a game, odds are good there are guys like Billy... Andrew... and John at the local bar...

They grew up playing hockey together. Now in their mid 20s, they bond over beer, wings, trash talk....and lately, a new fixture of the fan experience...

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Jon Wertheim: What do you guys bet on?

Billy: Football and hockey--

Jon Wertheim: Do you have a team?

Andrew: Bruins, Patriots. If you want to lose money, you bet on the Patriots. (LAUGH)

Winning and losing money... for millions of fans, like these guys, it's one more reason to watch and enjoy sports.

During games, promotions for *sportsbooks* like FanDuel and DraftKings are everywhere...

A 2018 Supreme Court decision opened the door for states to legalize sports betting.

Tantalized by new revenue, 38 states and counting have done just that.

And Americans have spent more than *a quarter of a trillion dollars* sports betting... *that's the GDP of Greece*... leagues have cashed in. Networks, too.

For decades, odds and point spreads were forbidden topics. Now? ESPN has *its own* sportsbook.

Full disclosure: When I work at the tennis channel, I sit here.

Back at the bar, casual, social bettors like Billy, Andrew and John revel in their wins.

Jon Wertheim: What'd you throw down?

John: \$8 for \$347.

Jon Wertheim: So, you won \$300--

Billy: You won \$347?

Andrew: Wow.

Jon Wertheim: You won--

(laugh)

Jon Wertheim: Wait, you won--

Billy: I didn't know (laughter) it was that much.

It's still early innings, and, remarkably, there is no federal funding for gambling research, so data is scarce... but survey after survey confirms that of the 50 million or so sports bettors in the U.S., men under the age of 35 are far and away the biggest demographic. For decades, leagues feared gambling would corrupt competition. So far, that crisis hasn't happened... but, the last five years *have* given rise to a surge in young gambling addicts... Joe Ruscillo, now 26, says his problem started in high school... then, in 2022, sports betting apps came to his home state of New York.

Joe Ruscillo with his flip phone

Jon Wertheim: What impact did that have?

Joe Ruscillo: It had a big impact. I've worked my whole life. So, I-- you know, I got a check every week. But it would deposit right into whatever app I was using.

Jon Wertheim: Were you interested in the game itself?

Joe Ruscillo: I am a sports fan. But as the years grew on, you become less interested in the game itself and more interested in the result.

And who needs a bookie when a fresh bet is just a swipe away.

Joe Ruscillo: You know, you can wake up in the middle of the night and take your phone out, set an alarm for a match, maybe overseas or something like that. I would place a bet on anything, anywhere, at any time.

He'd sneak in bets at family functions... he'd delete the apps one day; reinstall them the next... to help get clean: a tech *downgrade*.

Joe Ruscillo: This is the phone I use on a daily basis. You can't gamble on this phone.

Jon Wertheim: I was going to say, not too many apps on that phone. Huh?

Joe Ruscillo: No.

Jon Wertheim: I think people who aren't familiar might think of the typical gambling addict as, you know, a middle-aged guy in a windbreaker who's betting his retirement savings.

Joe Ruscillo: It's more prominent in the younger generation, I think, than ever. The sportsbooks and the commercials and the leagues, themselves, are making it look so cool to gamble and risk your money.

There are distinct signs of trouble. According to a Siena College poll, which we can report for the first time now, of the young men wagering online, nearly half feel they're betting more than they should... in the five years since New Jersey legalized online sports gambling, calls to the state's problem gambling helpline [have] nearly tripled. The largest caller demographic? 25-34.

Harry Levant: This is a public health emergency happening. And we're not talking about it yet.

Harry Levant is a gambling addiction therapist and leading voice on the public health impacts of online sports betting. A decade ago, Levant was a trial lawyer, whose gambling addiction was so fierce he used client money to fuel his habit, leading to his disbarment... in his current career, he's noticed today's desperate gambler looks—and acts—a lot different.

Harry Levant: I have patients who gamble in the shower. I have patients who gamble before they get out of bed in the morning. I have patients who gamble while they are driving. There are no guardrails. We scientifically know the human brain, the risk-reward system for a young man isn't fully formulated until you're 25.

Jon Wertheim: Where are the young men getting the money to gamble like this?

Harry Levant: I have patients, some of whom are college students, who have gambled federal student loan money. I have young patients who have gambled away inheritances.

Levant showed us what gambling today entails... it was an NFL Sunday, though on DraftKings, the betting options extended far beyond football.

Harry Levant: Soccer. Basketball. Hockey. Motor sports. Rugby. Volleyball.

And there was tennis.

Harry Levant: Pedro Rodenas playing Alfredo Perez in a challenger qualifying match in Charlottesville.

Jon Wertheim: Those are two names I've never heard before. Who is betting on this match? Two guys who are nowhere near the top hundred?

Harry Levant: Because Jon, this is not about tennis. They're not designing them for the fans of qualifier tennis in Charlottesville. They're designed for people who want more action.

The opportunities for action are, literally, limitless... live in-game *microbetting*—allows users to wager on every pitch, serve, and snap.

Harry Levant: If you come down here, you can bet on the current drive of the Green Bay Packers. Will it be a punt, a touchdown, a turnover, or a field goal?

Using algorithms powered by AI, DraftKings refreshes the odds constantly... the common fan can't possibly calculate whether it's a good bet or bad bet, much less in real time.

Jon Wertheim: Where are these numbers coming from? How do they know what the odds of Green Bay losing a fumble are?

Harry Levant: We don't know that. They have access to all of the stats combined with artificial intelligence. And the ability to predict what will draw the action in.

Matt Zarb-Cousin is a leading gambling reformer in the U.K. He is also a recovering gambling addict.

Matt Zarb-Cousin: I would say understand what the nature of these companies really is. They are big data companies that are extractive.

Matt Zarb-Cousin is a leading gambling reformer in the U.K. He is also a recovering gambling addict.

Zarb-Cousin successfully lobbied for stricter gambling regulations in Britain—limiting how betting companies advertise and how much gamblers can wager. He says the U.K.—where gambling's been legal for decades—offers a sobering glimpse into what he believes is a crisis headed straight toward the U.S.

Matt Zarb-Cousin: There's lots of opportunities to gamble in Britain. You assume it's safe. You don't realize how easy it is to get addicted to that stuff.

Addiction is intensified, he says, by how much the gambling companies know about each user.

Recently, Zarb-Cousin was able to use Britain's public information laws to access data the betting company Flutter—owner of FanDuel—had on a U.K. customer. That data was used to tailor offers and push notifications to keep the guy in action.

Jon Wertheim: What'd you learn?

Matt Zarb-Cousin: So, about 93 different data points they-- they on had on this individual were when they bet, what offers worked, what inducements worked. On this particular one, he played slots for three to four days straight. They knew the life stage— the customer life stage he was at. So, "win back," they described it: so people that have given up gambling for a while, and they're trying to get them to come back. There's also, like, 2,514 deposits in a year, which is about seven a day.

Jon Wertheim: So, these gambling companies that know when we're most impetuous, that has reams and reams of data on us, what kind of match is that for the adolescent male?

Matt Zarb-Cousin: It's not a fair—exactly, it's not a fair wager.

Jon Wertheim: Do they have enough data to pinpoint potential problem gamblers?

Matt Zarb-Cousin: Oh, without a doubt. Yeah. They know the people that are addicted.

Flutter insisted to us that the company does take steps to protect—their term—"vulnerable customers"... sometimes banning them outright. The two largest sportsbooks in the U.S., — DraftKings and FanDuel—said the same... though declined to provide specific instances when they've done so. We had arranged to speak to DraftKings about all this, but abruptly, they pulled out of our scheduled on-camera interview.

So, we came to Washington D.C. to meet Bill Miller, president of the gambling industry's chief trade group, the American Gaming Association:

Jon Wertheim with Bill Miller, president of the gambling industry's chief trade group, the American Gaming Association60 MINUTES

Jon Wertheim: Take out our phone. 24 hours a day. A few swipes. How do you reconcile that with the fact that this entertainment has a potential to addict users?

Bill Miller: The addiction element of, are-- are people addicted to their phones, which is kind of a common phrase, I don't believe that there is an addiction to mobile betting any more than there is an addiction to utilization of your phone for any other reason.

Jon Wertheim: You don't think adding a layer of betting makes the phone more addictive than just tooling around Instagram?

Bill Miller: No, I don't. No.

Jon Wertheim: Every clinician we've spoken to has said, "We're noticing a rise in problem gambling." There are a lot more problem gamblers now by every metric than there were pre-2018.

Bill Miller: I would concede to the fact that there are more known people with gambling problems, because we in the gambling industry are flagging those people. The illegal industry doesn't flag any of them.

Miller told us sportsbooks look at betting patterns to spot problem gamblers. But, acknowledged, that a uniform industry-wide policy on that is still a work in progress.

Bill Miller: There is problem gambling. It is a real problem. Whether it's gotten bigger or it's just become more noticeable because sports betting is legal, I think is an unknown.

Jon Wertheim: Really?

Bill Miller: My view absolutely is we need to make sure that we are giving people the resources they need to—mitigate this issue.

Yet, given all the high-tech designed to get gamblers *onto* the sportsbook... for those seeking to quit, they're often directed to a glaringly *old-school* solution: a 1-800 number....

Harry Levant: It is a dangerous approach.

Jon Wertheim: Why?

Harry Levant: Because it takes the entire onus, puts it back on the individual. To take an addictive product like gambling and microbetting, deliver it in light speed with the use of artificial intelligence, and then say to people, "But now use this responsibly," it is wrong. And it's very similar to what happened with tobacco.

Harry Levant doesn't make that analogy casually. Recently, he paired up with Dick Daynard, a law professor at Northeastern University and architect of the first major lawsuits against the big tobacco companies. Along with Mark Gottlieb, another public interest lawyer at Northeastern, they are preparing to wage war against mobile gambling addiction.

Jon Wertheim: You made a name for yourself fighting big tobacco, what do you see as the overlap?

Dick Daynard, a law professor at Northeastern University

Dick Daynard: First of all, we're dealing with an addictive product. We're dealing with an industry that will still defend sometimes on the basis that, "It's really the smoker who's making the choice." So, we have that exactly with the gambling industry.

Following Daynard's tobacco playbook, in December they filed the first in what they say will be a series of lawsuits... suing DraftKings in Massachusetts for deceptive advertising... claims DraftKings says it quote disagrees with. The group is also lobbying Congress to

enact *federal* regulations. They say the current mishmash of state-by-state policies—just isn't working.

Jon Wertheim: This is not the Temperance Union and you're trying to outlaw gambling.

Mark Gottlieb: We- we have seen, certainly with tobacco, a lot of rules to control the way these products are promoted. And we'd like to see that with these products as well. Right now, it's sometimes described as the wild west, right? Because there's almost no controls at all.

Safe to say, when the Supreme Court opened the floodgates to sports betting in 2018, it didn't anticipate AI-powered odds on every snap or tailored push notifications engineered to keep bettors betting.

Jon Wertheim: That decision was only five years ago.

Mark Gottlieb: I know, that's the frightening thing. What's it going to look like five years from now? I think these products have the potential to become significantly more addictive and dangerous in a very short period of time.

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