

A Psychiatrist Tried to Quit Gambling. Betting Apps Kept Her Hooked.

While Kavita Fischer sank deeper into six-figure losses, companies kept her going with bonus credits, VIP treatment and data tracking

[Stephanie Strasburg](#)

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MT. LEBANON, Pa.— Kavita Fischer couldn't believe her luck.

She started with \$750 and hit a hot streak last summer that stretched over six days. She played round after round of online casino games until her winnings hit \$500,000. The windfall would make up for every bad bet and pay off all she owed.

Fischer, a 41-year-old mental-health professional and suburban homeowner with two boys, was by then in debt by six figures from online gambling losses. For nearly a year, she lost again and again, complaining to at least one gambling company that she had a problem but couldn't stop. As a psychiatrist familiar with human impulses and addiction, Fischer knew better than most what she needed to do.

Yet she was up against an industry skilled in the art of leveraging data analytics and human behavior to keep customers betting. Gambling companies tracked the ups and downs of Fischer's betting behavior and gave bonus credits to keep her playing. VIP customer representatives offered encouragement and gifts.

After her six-day hot streak, Fischer made several requests to start withdrawing the half-million dollars from the PointsBet gambling app. But she kept changing her mind and plowed the money back into play.

Within a day, she lost nearly all of it. "There's nothing in your brain that says, 'OK, stop now, you're done. You've won your money back, you can put this behind you,'" Fischer said. "There was just something in my brain that made me keep going."

The more than \$15-billion-a-year online gambling industry grew out of a 2018 Supreme Court decision that cleared the way for states to allow and regulate sports betting. Now, 30 states and the District of Columbia have approved online sports wagering 24 hours a day.

Online casino gambling, which became Fischer's habit, is legal in six states and has been an industry gold mine.

In November 2022, Fischer downloaded the app from DraftKings, one of the top two online- betting companies in the U.S. along with FanDuel. She was looking for relief from the stress of a recent divorce and the isolation of working from home in the pandemic. She found Slingo, a bingo-style matching game as simple to play as a slot machine.

Soon after Fischer started playing, a customer representative sent an email introducing himself. At DraftKings and other online betting companies, they are identified as VIP hosts.

"I look forward to working with you and building a great relationship!" Jamyl Cogdell wrote on Dec. 9, 2022. Over four months, Fischer said they exchanged dozens of emails and text messages. Cogdell didn't respond to requests for comment, and DraftKings declined to comment on his behalf.

DraftKings and other gambling companies doled out tens of thousands of dollars in credits that kept Fischer playing long after she wanted to quit.

Casinos have always wooed their high-rollers with special treatment, but online-betting has intensified industry tactics. Companies closely track betting habits 24 hours a day, collecting such data as how much time each customer spends on an app, how much money they gamble, what kind of bets they place and how much they lose.

With a real-time view of a customer's gambling activity, VIP hosts keep in close touch. They can track when customers last used the app and offer credits and other incentives to persuade their most-valued gamblers—by definition, the biggest losers—to return. Payment options give gamblers immediate access to funds that some can't cover.

Gamblers are assigned VIP hosts based on how much they are wagering. The personal attention pays off. At PointsBet—acquired in 2023 by Fanatics, a sports-merchandise company—VIP sports bettors representing 0.5% of the customer base generated more than 70% of the company's revenue in 2019 and 2020, according to internal company documents reviewed by The Wall Street Journal.

Fischer at times bet tens of thousands of dollars a spin. As her losses grew, Fischer texted her sister in Florida, saying she had a gambling problem. Fischer's sister said she told her to seek help.

Meantime, the VIP offers kept coming.

"How was your weekend? I just added the following offer to get your Tuesday started off right: Earn \$30 casino credits for every \$1,000 wagered on Slots," Cogdell wrote to Fischer on Jan. 17, 2023, "up to \$1,000 over 72 Hours."

Looking back, Fischer said she became a psychiatrist to understand the mysteries of the human brain. Over the course of about 11 months, she became a mystery to herself. "You know you're wasting your life or time or money," she said. "You just can't get out."

Online gambling companies say that most people play for entertainment, and that they can minimize harm to customers.

"DraftKings is committed to the highest standards of consumer protections and responsible gaming," said Jennifer Aguiar, the company's chief compliance officer. The company declined to comment about Fischer.

This account is based on interviews, emails and financial records.

Try, try again

Fischer, a co-valedictorian of her high school in Florida, finished her residency in psychiatry in 2012 at the University of Pittsburgh. She appreciated the art and science of her profession, getting to know patients as a way to understand their illnesses.

She lives in a two-story house with walls of windows overlooking the rolling hills of her Pittsburgh suburb. Her two young sons play soccer. Over the years, she sometimes visited a nearby casino to see a 1980s cover band, budgeting \$100 to pay for food, drinks and craps games on her night out.

During the pandemic, playing casino games on her phone started out as a way to unwind after the boys went to sleep. Soon, she was gambling late into the night. As she lost, she spent more time and money trying to reverse her fortunes. "I'll do it this time," she recalled thinking. Instead, her losses grew.

She hoped to dig her way out and the free credits gave her a reason to keep trying. DraftKings sent her a 14-person tent that she sold for \$500. The company invited her to a Steelers football game to watch from a suite with food and drinks.

On Jan. 9, 2023, Fischer emailed her DraftKings host to say she was "doing terribly" at Slingo and should try a different game "or quit gambling completely."

"In the meantime, is there any way you can send me some VIP love?" she asked.

The host added a \$500 bonus to her account. "Hope you can get hot!" he said. Later that month, he asked Fischer to check in once a week to see if she was eligible for promotions and credits.

To fund her gambling, Fischer spent savings and retirement funds and took out personal loans. She used credit cards that treat gambling transactions as cash advances, charging interest rates as high as 33%.

Fischer discovered Pavilion Payments, which works with betting companies to provide a service called VIP Preferred. The program gives bettors access to money without waiting for bank transfers to clear. When Pavilion, a Las Vegas-based company, tried to collect what Fischer owed, she often came up short, triggering collection notices. Pavilion said it promotes responsible gambling.

Several times, Fischer imposed limits on her betting through tools provided on the apps, including DraftKings. She would cap her spending or temporarily block herself from placing bets. When those restrictions expired, she started spending again.

As her debts grew, Fischer tried in January to sign up for a state-run program that allows gamblers to ban themselves from all betting apps legal in Pennsylvania—for a year, five years or a lifetime. Fischer said she got an error message and gave up.

"I'm hurting this week—would you please be able to do one more bonus so I can try to turn my luck around tomorrow?" Fischer said in a March 8, 2023, email to her VIP host.

The host credited her account with \$500. "Hoping this will get you on the right track!" he wrote.

Later in March, Fischer's boyfriend took her for a getaway in Cancún, Mexico, but she couldn't stop thinking about her swelling financial problems. She was \$1,200 short on her mortgage and wrote her DraftKings host asking if they offered loans to VIP customers.

The host said no. He asked if Fischer was gambling within her means. "We take responsible gaming very seriously here," he wrote, and included a link to DraftKings tools that would allow her to limit bets or impose a temporary ban.

After returning home, Fischer told her DraftKings host she was gambling within her budget. "Okay perfect," he said and gave her a \$250 credit "to get you back in action."

In April, DraftKings said she was no longer eligible for a VIP host but didn't give a reason. Frustrated, Fischer demanded her account be closed. In the first four months of 2023, she lost about \$141,000 to the company. During that time, DraftKings gave her

more than \$36,000 in gambling credits. Overall, she lost more than \$190,000 to DraftKings in 2022 and 2023.

Fischer wrote to DraftKings in May, saying she was addicted to gambling and needed help. "I do believe I could have been protected better," she said. "My VIP host could see the time I spent gambling as well as the amounts." She asked to be reimbursed for a portion of her losses.

A member of DraftKings' Player Protection Team said in an email that she couldn't get a refund for her losses.

"We are sorry to hear about your experience with our platform and the financial issues you now are facing," a representative of DraftKings' Player Protection wrote. The email included phone numbers for gambling hotlines and links to gambling addiction websites.

"I would have stopped a long time ago," Fischer said. "Those VIP bonuses would get me back in."

Stoking desire

Psychologists say that for gamblers, placing a bet triggers the brain to release dopamine, a chemical that creates a sense of pleasure and anticipation. The feelings surge while awaiting the next spin of the slot machine or the next football play. Gamblers seek the feeling repeatedly, regardless of winning or losing. Some can't stop.

The online betting industry in the U.K. has been under scrutiny over concerns about gambling addiction and the marketing practices of betting companies. Regulators cited bonuses and VIP programs as tools companies employ to keep customers gambling and losing.

In 2020, U.K. regulators imposed restrictions on VIP programs, which target big spenders. The rules required the companies to check on whether gamblers could afford the amounts they were betting and rein in credit giveaways. Regulators have since reported a 90% reduction in the number of customers in VIP programs.

PointsBet as recently as 2022 categorized its sports-betting customers based on their wagering patterns, according to internal company documents viewed by the Journal. One type of valued customer was known as a "Dave," which the company has described as a man, aged 30 to 45, making at least \$150,000 a year. Daves bet about 100 days out of the year with an average wager of \$500.

The company also labeled customers making an average bet of less than \$20 as a "Chad," marking them as less desirable gamblers. PointsBet had stopped using the terminology by the time it was acquired by Fanatics, a Fanatics spokesman said.

Psychologists who study gambling addiction say companies collect enough data to identify sports-bettors and online-casino customers with a problem.

The biggest sign is known as chasing losses—attempting to recoup losses by gambling more. One trackable indicator is when bettors make frequent deposits into their gambling accounts, according to a U.K. study .

On some days, for instance, Fischer made a dozen or more deposits into a single app, according to her bank statements: \$100. \$300. \$500.

As states debated legalizing online gambling, companies promised to intervene with problem gamblers, but there are few regulations to ensure compliance.

New Jersey regulators last year started requiring betting companies to use player data to identify at-risk customers. Among the trackable signs are gamblers who increase the amount of time they spend betting each week, and those who wager until they have less than a dollar in their accounts, according to the New Jersey Division of Gaming Enforcement. Other indications include bettors who repeatedly bar themselves from betting apps.

About 94,000 customers had received varying degrees of intervention from online companies, including video tutorials and conversations about responsible gambling, as of October last year, according to the New Jersey attorney general's office.

Disaster relief

Last July, after Fischer won and lost \$500,000 with PointsBet, a customer representative offered in an email to help Fischer set spending limits on the app. The representative asked to arrange a time for a phone call to check on her.

"At PointsBet, we want to ensure that our players are having the best experience possible, and we strongly believe that the best way to do that is to gamble responsibly," the email said.

In August, Fischer again applied to be banned from gambling apps through the Pennsylvania Gaming Control Board. In an automated email on Aug. 3, the agency said her request wasn't accepted because of discrepancies in her information.

A week later, she tried again and added a personal plea. "I have attempted to self-exclude now for the 4th time/ please let me know if you need anything else from me. Pennsylvania online gambling has wrecked my life," she said in an email.

The state board confirmed her lifetime ban from online betting platforms three days later. Doug Harbach, a spokesman for the Pennsylvania Gaming Control Board, said the agency responds when people have trouble signing up for the ban.

In one year, Fischer gambled away more than \$400,000 of her own money. "Can you blame someone who has alcohol addiction?" Fischer said. "I don't."

She took out a \$243,000 home-equity loan to pay off credit cards and personal loans at a lower interest rate. It will cost her \$2,400 a month for 15 years, she said. That is on top of her monthly mortgage payment of \$3,600 a month.

To settle another \$120,000 in credit-card debt, Fischer has payment plans that cost \$2,500 a month. She has picked up shifts with a local healthcare provider for extra income.

In August, Fischer attended her first 12-step meeting for gamblers at a local church. She felt afraid and alone, thinking there might be only a few people there. Instead, there was a group of 25. One group member told her not to feel lonely anymore. She cried.

"I was, like, 'I can't believe there are so many people here,'" she said.

Fischer is planning a presentation in March to psychiatrists across Pennsylvania about screening for gambling problems. She said she wanted to tell her story, despite the professional and personal risk, to help lift the stigma of gambling addiction.

"It can happen to anyone," she said.

Write to Katherine Sayre at katherine.sayre@wsj.com

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