

Baseball Czar Doubts Ability Of States To Regulate Sports Betting

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Major League Baseball (MLB) commissioner Rob Manfred has said he does not think states can regulate sports betting on baseball games as effectively as his league can.

"I do not believe that it is appropriate for Major League Baseball — the other sports will have to speak for themselves — to rely on a bunch of state regulators to ensure the integrity of our sport," Manfred said during an interview Thursday with Boomer Esiason and Gregg Giannotti on WFAN radio in New York City.

"I don't believe that their interests are aligned with ours; I don't believe that they will be as diligent at it and quite frankly, I don't believe they'll be as good at it as we will be," Manfred said.

MLB is particularly concerned about the integrity of baseball because the commissioner's office was founded after the notorious Black Sox scandal of 1919, in which players on the Chicago White Sox took money from gamblers to fix the World Series that year.

[Bryan Seeley](#), deputy general counsel of MLB, has been traveling to state legislatures throughout the year to lobby for compensation for bets placed on his leagues' games.

Of the states that have passed [sports-betting legislation](#) so far, none have included a so-called integrity fee for the leagues.

"It is never a good practice to insult the very regulators whose support MLB is seeking. Just not smart," said [Jeremy Kleiman](#), a partner at Saiber, a Florham Park, New Jersey law firm which represents gaming clients.

[A.G. Burnett](#), a former chairman of the Nevada Gaming Control Board who is an attorney with the Reno law firm of McDonald Carano, said integrity protection requires all stakeholders to work closely together.

"This already happens, with great success, in Nevada," Burnett said. "To suggest there isn't shared interest in integrity is simply not true. Everyone — including gaming operators, regulators, sports leagues and consumers — loses if integrity is compromised."

"Furthermore, nobody should entertain a hypothetical debate about who might be the most effective regulator of gaming," Burnett said. "Thousands of law enforcement agents and state and tribal gaming officials serve as effective regulators of gaming, and they're the very best at what they do."

Manfred also criticized sportsbooks and other opponents of the integrity fee, which the leagues prefer to call a [royalty](#)."

"The fact of the matter is the sports leagues spend billions of dollars, literally billions of dollars, to stage these games," Manfred said.

"I do not think it's unreasonable to suggest that people who are free riding on our product — that is, the sports-betting operations — should have to compensate us by means of some sort of royalty," he said.

The four major professional leagues — MLB, the National Basketball Association, the National Football League, and the National Hockey League — as well as Major League Soccer and the Professional Golfers Association, support federal rather than state regulation of sports betting, according to Manfred.

"By the same token, I think a lot of the leagues have recognized that the prospect for a federal solution may be behind, in terms of the timeline, some of the states," Manfred said.

"We're proceeding on two tracks — both the state and the federal — in terms of trying to influence the outcome of the legislative process, but certainly a single system would be better," he said.

The NFL successfully lobbied for a sports-betting hearing last month by a House judiciary subcommittee, only to see the hearing postponed indefinitely the day after it was scheduled.

If Manfred's comments are any indication, the leagues are just as determined to have their way on sports betting as they were before losing the [landmark decision by the U.S. Supreme Court](#) on May 14 which overturned the Professional and Amateur Sports Protection Act.

Manfred scoffed at a New Jersey lawsuit seeking [more than \\$153m](#) to recover a bond and damages from the leagues for lost revenue because of the betting ban.

“It’s an interesting theory in that case that our effort to enforce a law (PASPA) that was on the books somehow creates liability on our part,” Manfred said.

“That’s a novel one,” he said. “I missed that class in law school, so I’m not so concerned about that one.”

Since the U.S. Supreme Court ruling on May 14, Delaware and New Jersey have joined Nevada in taking sports wagers.

Other states expected to begin taking sports bets before the end of the year include Mississippi, Rhode Island and West Virginia.

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