



the campaign for *fairer gambling*

UNITED STATES OF AMERICA

USA NATIONAL 2024

Online Gambling Marketplace

FINAL -
SUBJECT TO
PRESS
EMBARGO
UNTIL APRIL 10,
2025 AT
9AM EASTERN
USA TIME

MONITORING, DATA & ANALYSIS BY

 **YIELD SEC™**

The Campaign for Fairer Gambling: Introduction

INTRODUCTION

Financially motivated interests promote the expansion of internet gambling legalization.

Whether sports or casino, they perpetuate a false narrative of assertions that:

Illegal will be significantly reduced by cross-over to legal
 Legal is safer so it will reduce gambling harm
 There are economic and fiscal benefits

The evidence to counter the legalization narrative is that:

The illegal sector is still increasing
 Increasing the total market consumption increases the total harm
 Cross-over from other disposable spend activity hurts the wider economy

Fiscal consequences are complex:

Tax level to compensate for the cost of social harms	15%
Tax level to compensate for the economic detriments	15%
Minimum tax level to achieve positive fiscal impact	30%

Brandt Iden representing the Sports Betting Alliance* supporting Indiana House Bill 1432 to legalize internet casino gambling on 1/28/25 stated to elected representatives:

"These illegal casinos have no oversight, no consumer protection and zero revenue for the state." **TRUE.**

"Today you have the opportunity to correct that." **FALSE.**

*Sports Betting Alliance includes FanDuel, owned by Flutter, and Entain, a partner of MGM. Each of Flutter and Entain entities have obtained profits from jurisdictions without approval from those jurisdictions.

Compiled by Derek Webb, founder and funder of the Campaign for Fairer Gambling.

Protecting Online Borders. Defending the Economy. Minimizing the Harm.

Yield Sec: USA National 2024 – Executive Summary

When audiences want to find sports betting and gaming online – content that they demand and wish to engage with – they should find fair, sustainable and safe online betting and gaming in every marketplace across America.

Today, not every betting app or website is legal. This impacts local commerce and community in every jurisdiction: in-state jobs, supply chain, oversight and control, and the fundamental societal quid pro quo: the receipt of regulated revenue and taxation. This financial commitment to provide for in-state commerce, community and consumer safety is what society requires for activities like 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.

This theft means one thing for America today: The market promise has not materialized for legal, licensed online betting and gaming brands in America.

The American Gambling Gold Rush promised by state-based legalization has instead turned into the Great Illegal Gambling Robbery, as illegal brands exploit price, product and promotion at every opportunity to offer consumers what they demand: the one-stop gambling shop, online.

America has been suffering theft from its online gambling marketplace for three decades. The last seven years – during which state-based legalization has been possible – has seen 38 states legalize and regulate online sports betting, and 7 legalize and regulate online casino.

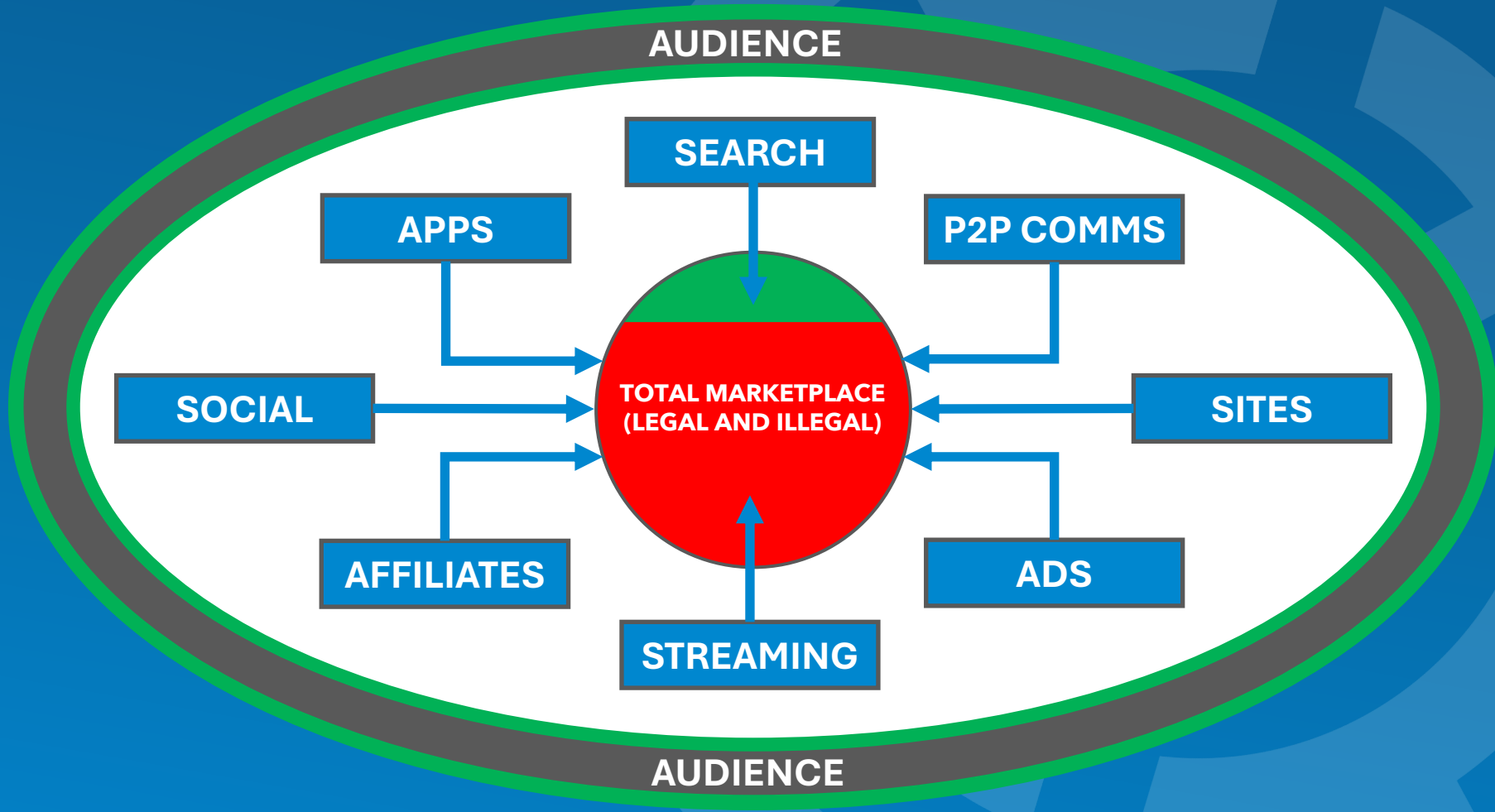
This patchwork quilt of legality across the existence of online gambling and the legal product offering – which products are legally available – is today being leveraged by two groups:

- a) Legal Challengers & Innovators: Predictors, sweepstakes and social casino seek to introduce the online gambling which consumers know and love via the “back-door”, whilst creating challenges for legal sports betting and casino. These legal innovators also have their own challenges – from crime and illegals replicating their products.
- b) Illegal Operators: Long-term legacy illegals and new entrant illegals see the imperfect legal distribution of online gambling products across America as one thing – an opportunity to make a huge amount of money by stealing from American commerce, community and consumers.

Yield Sec 2024 data and analysis across America shows a massive increase in revenue for illegal gambling: stemming from the rise of illegal predictors as a product, and the COPA America and Olympics events being used, on top of the Super Bowl and March Madness, as further mass market recruitment opportunities. How do these affect revenue? Crime cross-sells from sports and predictors into other products, like casino, seamlessly, to simply keep more of every dollar deposited by American consumers. Now, with nearly three-quarters of the total online marketplace for online sports betting and casino being dominated by crime, 2025 stands as a “tipping point year”: actions must be taken now to **stop the steal across American online gambling** for the benefit of American commerce, community and consumers. These actions are not limited to the gambling sector alone – there is a loud and clear echo across American sports and streaming businesses, who are also being stolen from due to their nexus with gambling.

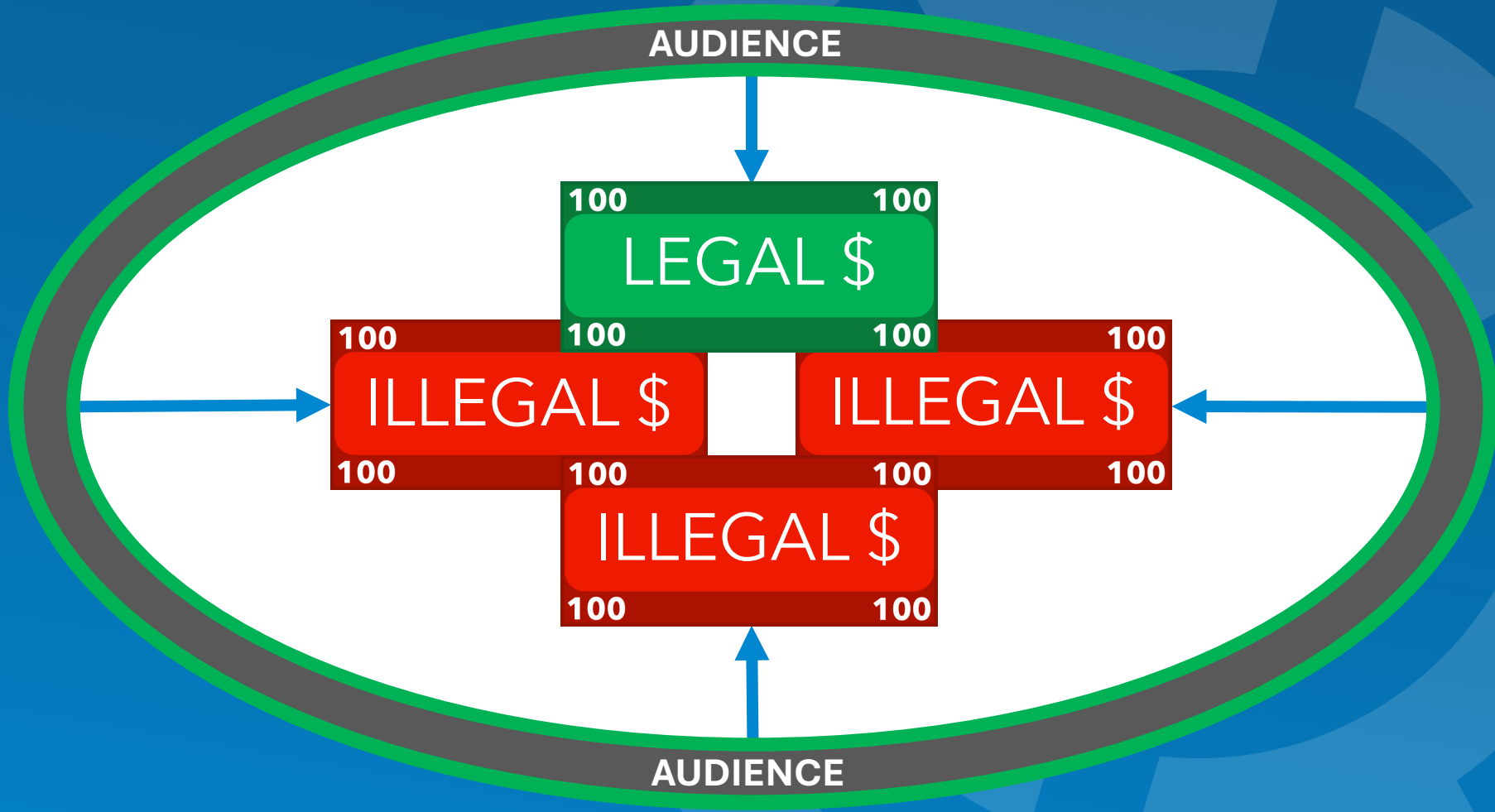
Who should take action against illegal gambling? Illegal gambling is not “someone else’s problem”. It is every legal stakeholder’s problem. It is your money, after all, that is being stolen...

Data: Yield Sec Follows The Audience



YIELD SEC™
 EIGHT ECOSYSTEM ESSENTIALS:
 DATA SOURCES WE ASSESS

Data: Yield Sec Follows The Money



Yield Sec Methodology: How We Do It

OUR PROCESSES - USING HUMAN SPECIALISTS, MACHINE LEARNING, AND ARTIFICIAL INTELLIGENCE - ARE FOCUSED UPON YOUR MONETIZATION AND RESULTS.

**ALL OF
THE AUDIENCE**



**ALL OF
THEIR ACTIVITY**



**ALL OF
THE TIME**



COUNT
UNIQUE USERS AND DESTINATIONS

CLOCK
DWELL TIME AND ACTIVITY

CONFIRM
HUMAN USERS ONLY.
NO CRAWLERS, SPIDERS, BOTS

YIELD SEC IS RETAINED ON A CONFIDENTIAL BASIS BY LEGAL STAKEHOLDERS ACROSS THE ONLINE GAMBLING ECOSYSTEM - OPERATORS, GOVERNMENTS, LAW ENFORCEMENT, REGULATORS AND MORE.



Yield Sec FACTSHEET: USA Online Gambling Marketplace 2024

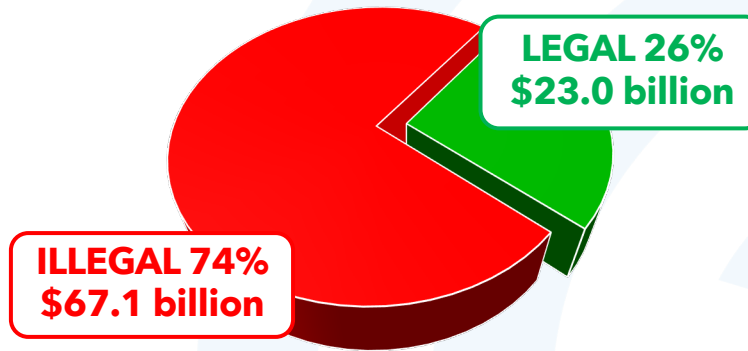
LEGAL GAMBLING OPERATORS

95
LEGAL SPORTS BETTING
AND CASINO OPERATORS
ACTIVELY TARGET USA

AFFILIATES PROMOTING LEGALS

106
AFFILIATES
PROMOTE ONLY LEGALS
THAT ACTIVELY TARGET USA

GROSS GAMBLING REVENUE 2024
TOTAL: \$90.1 billion



ILLEGAL GAMBLING OPERATORS

917
ILLEGAL SPORTS BETTING
AND CASINO OPERATORS
ACTIVELY TARGET USA

AFFILIATES PROMOTING ILLEGALS

668
AFFILIATES
PROMOTE ILLEGALS
THAT ACTIVELY TARGET USA

USA

2024: ONLINE GAMBLING MARKETPLACE

For Americans, illegal gambling brands have become the homes of choice and convenience, and existed far in advance of legal online betting and gaming options. This legacy effect, and the current choice and convenience of illegals having all products, at better prices and with cross-sell promotions, compared to legal rivals, means the average consumer sees little to no downside in choosing an illegal provider . . . if they even realize they're illegal.



SOURCE: Yield Sec - Proprietary data

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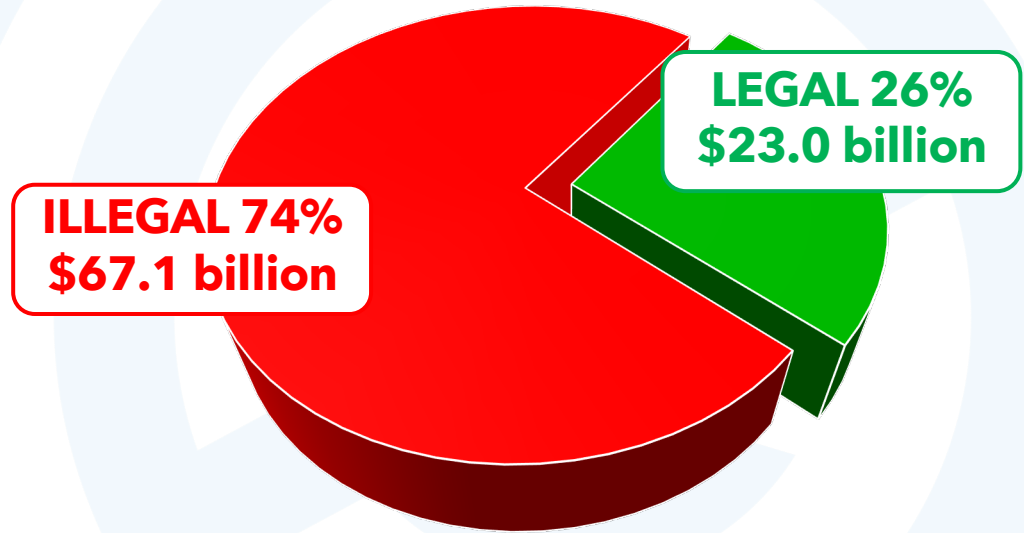
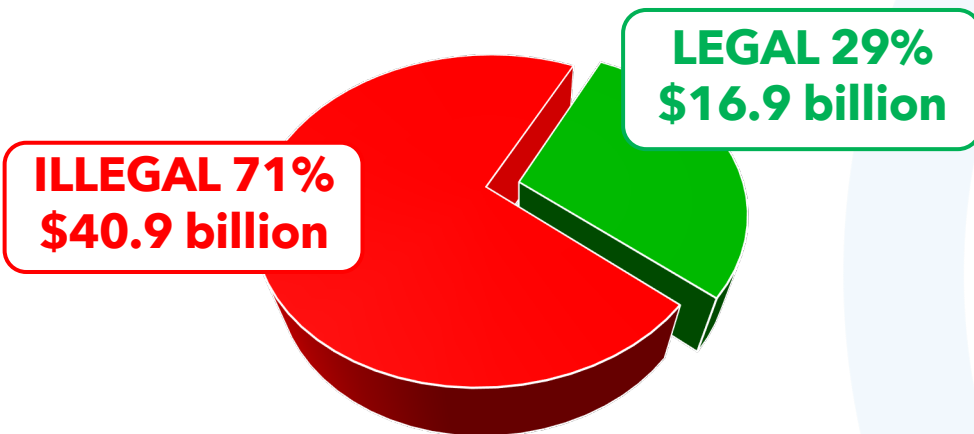
SOURCE NOTE: Online-only Sports, Casino and Poker. Includes mirrors and redirects.



USA National: Illegals are Winning

GROSS GAMBLING REVENUE 2023
TOTAL: \$57.8 billion

GROSS GAMBLING REVENUE 2024
TOTAL: \$90.1 billion



Top 10 US States 2024

State	Legal Sector	Illegal Sector	Total Marketplace	Legal %	Illegal %
New York	\$2,099,143,426	\$5,297,922,595	\$7,397,066,021	28%	72%
Pennsylvania	\$3,584,903,704	\$2,698,085,621	\$6,282,989,325	57%	43%
Ohio	\$899,684,607	\$5,263,043,394	\$6,162,728,001	15%	85%
New Jersey	\$3,551,612,512	\$2,522,115,906	\$6,073,728,418	58%	42%
California	No Legal Online Gambling	\$5,488,135,924	\$5,488,135,924	0%	100%
Illinois	\$1,243,383,784	\$3,954,741,104	\$5,198,124,888	24%	76%
Michigan	\$2,911,468,491	\$2,180,156,407	\$5,091,624,898	57%	43%
Texas	No Legal Online Gambling	\$4,503,405,254	\$4,503,405,254	0%	100%
Florida	\$880,736,182	\$3,103,496,522	\$3,984,232,704	22%	78%
Virginia	\$684,952,271	\$2,420,592,314	\$3,105,544,585	22%	78%

Top 10 US States 2024: Sector Splits

State	Legal Sector: Casino Only	Illegal Sector: Casino Only	Legal Sector: Sports Only	Illegal Sector: Sports Only
New York	No Legal Online Casino	\$4,314,098,369	\$2,099,143,426	\$983,824,226
Pennsylvania	\$2,806,483,134	\$2,283,120,053	\$778,420,570	\$414,965,569
Ohio	No Legal Online Casino	\$3,725,708,419	\$899,684,607	\$1,537,334,975
New Jersey	\$2,387,164,172	\$1,565,729,555	\$1,164,448,340	\$956,386,352
California	No Legal Online Casino	\$4,033,231,090	No Legal Online Sports Betting	\$1,454,904,833
Illinois	No Legal Online Casino	\$3,065,319,829	\$1,243,383,784	\$889,421,274
Michigan	\$2,441,154,469	\$1,283,240,061	\$470,314,022	\$896,916,346
Texas	No Legal Online Casino	\$2,913,252,859	No Legal Online Sports Betting	\$1,590,152,395
Florida	No Legal Online Casino	\$2,469,141,833	\$880,736,182	\$634,354,689
Virginia	No Legal Online Casino	\$1,624,217,443	\$684,952,271	\$796,374,871

GGR Per Capita 2024: By Sector and Total

STATE	LEGAL CASINO GGR PER CAPITA	ILLEGAL CASINO GGR PER CAPITA	TOTAL CASINO GGR PER CAPITA	LEGAL SPORTS GGR PER CAPITA	ILLEGAL SPORTS GGR PER CAPITA	TOTAL SPORTS GGR PER CAPITA	TOTAL GGR PER CAPITA
New Jersey	\$257	\$169	\$425	\$125	\$103	\$228	\$654
Ohio	\$0	\$316	\$316	\$76	\$130	\$207	\$523
Michigan	\$243	\$128	\$371	\$47	\$89	\$136	\$507
Pennsylvania	\$217	\$176	\$393	\$60	\$32	\$92	\$485
Illinois	\$0	\$244	\$244	\$99	\$71	\$170	\$414
New York	\$0	\$220	\$220	\$107	\$50	\$158	\$378
Virginia	\$0	\$186	\$186	\$79	\$91	\$170	\$356
Florida	\$0	\$109	\$109	\$39	\$28	\$67	\$176
Texas	\$0	\$96	\$96	\$0	\$52	\$52	\$148
California	\$0	\$104	\$104	\$0	\$37	\$37	\$141



SOURCE: Yield Sec - Proprietary data

NOTE: Ordered by per capita.

Per Capita Numbers: Population numbers from American Census Bureau - all audience members (total population) are factored for, given that illegals sell to children as well as adults.

www.YieldSec.com

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USA 2024: Audience Exposure

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AUDIENCE EXPOSURE

LEGAL

12%

ILLEGAL

AUDIENCE EXPOSURE

88%

**ILLEGAL
ONLINE
GAMBLING**

Yield Sec Audience Exposure:

The impact of gambling and related content upon the audience across a blended view of the Eight Ecosystem Essentials (search, P2P comms, sites, ads, streaming, affiliates, social, apps). The audience exposure measure is a useful "early warning indicator" of where GGR market share split could flow in the future.



SOURCE: Yield Sec - Proprietary data

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Info@YieldSec.com

Charts & Graphics: Yield Sec on behalf of the Campaign for Fairer Gambling - 2025

the campaign for
fairer gambling

Legal Versus Illegal: Success and Failure

LEGAL GAMBLING

Must abide by regulations.

Cannot engage with illegal streaming content.

Must pay taxes, which reflects across prices.

Must abide by state-specific legislature.

Connection to land-based resorts.

PRICE:

ILLEGALS do not pay tax.

PRODUCT:

ILLEGALS have more products.

PROMOTION:

ILLEGALS bonus more and across all products.

ILLEGAL GAMBLING

Operates without constraints.

Audience can watch the sports (illegally) live while they bet.

Unbeatable prices because they don't pay tax.

Can target all states simultaneously.

No land-based resorts.

The Campaign for Fairer Gambling: Conclusion

CONCLUSION

Illegal internet gambling is still dominant over legal and still growing even faster than legal. States need help from federal authorities to counter this. The federal excise tax on betting was established for the purpose of enforcement against illegal gambling. Diligent legislators should oppose any attempt to remove this tax.

The federal government should act against rogue jurisdictions allowing their licensees to illegally target American consumers. US states should require all their licensees to withdraw from those rogue jurisdictions, such as Malta and Curacao (Part of the Kingdom of The Netherlands).

A new tax on withdrawals could be introduced at say 0% for legal sites and say 100% for illegal sites. Abolishing the federal income tax applying to gambling winnings would help.

Illegal internet gambling is a global, transnational organized crime activity, exploiting international affection for British and American sports. Entities that may be present in America profiting from this illegality include technology companies, data companies, media companies, payment processors, affiliates, B2B suppliers, B2C operators and their representatives.

The New Jersey revenue per capita of \$654 is several times greater than the California revenue per capita of \$141, dramatically confirming the reality that legalization expands the total market. New Jersey illegal casino at \$169 exceeds California illegal sports and casino combined.

State legalization without a gameplan to counter the illegals has been an unmitigated disaster. The Commodity Futures Trading Commission (CFTC) plans holding a roundtable on the subject of sports prediction markets. The CFTC must support federal action against illegal prediction markets and against illegal internet gambling.

Compiled by Derek Webb, founder and funder of the Campaign for Fairer Gambling

Protecting Online Borders. Defending the Economy. Minimizing the Harm.

Yield Sec: Notes on this Report

Yield Sec, short for *yield security*, is a technical intelligence platform monitoring all audience activity across gambling, streaming, crypto and consumer goods to see the total online marketplace – both legal and illegal. Yield Sec delivers analysis, actions and recommendations to ensure online stakeholders make the money they should – and are not stolen from by crime.

The following key notes apply across Yield Sec data in this report:

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.

PRODUCTS COVERED BY THE DATA IN THIS REPORT: SPORTS BETTING (INCLUDING PREDICTORS) AND CASINO

Throughout this report, sports betting includes both traditional sports betting and predictors. Within legal sports betting, all legal predictors are included. Within illegal sports betting, all illegal predictors are included.

TARGETING, ACCESSIBLE AND TRANSACTING (TAT)

Only operators who actively target the jurisdictional marketplace through audience profiling, advertising and affiliate deals, who are accessible to the local audience, and who feature verified local resident payment abilities for transacting are classed and included as “illegal” or “unsanctioned” operators if they do not have local legal licensing for the jurisdiction they are taking revenue from.

MIRRORS AND REDIRECTS

Websites and apps used to reach audiences and avoid destination blacklists and blocklists – effectively, “back doors” into illegal operator destinations that the audience will have no knowledge concerning.

AVAILABLE BUT NOT TARGETING OR TRANSACTING

Operators who have an accessible website/app but without any active commercial ability to transact (place bets, spin slots and produce revenue) are not classed or included as “illegal” or “unsanctioned” operators. They’re effectively available by virtue of robust SEO, but do not feature commercial viability within the marketplace.

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 that our platform provides by far the best analysis of online marketplaces possible.

Yield Sec: Glossary

What is Illegal Gambling? Anything that is not legal and licensed, but which targets, is accessible, and is transacting in a jurisdiction, with consumers in that jurisdiction.

Audience: All potential, unique human beings in a specific jurisdiction using online services (including children).

Activity: All states of online behavior, everything from browsing (looking) through to buying (transacting).

Total Online Gambling Marketplace: There is only one marketplace in a jurisdiction. Unfortunately, it features two industries: one legal, one illegal. To get to total, you must consider and add legal plus illegal.

Black Market: The common name for illegal operators. Why don't we use it? It's misleading - there is no separate marketplace - and "black market" is the name crime gave itself to make it appear somehow distinct. It is not distinct: it is simply stealing money.

Illegal: Meaning you are not licensed in the jurisdiction you are targeting, accessible in, and transacting with.

Interaction/Interacting: Consumer engagement with an illegal operator. The consumer is doing more than simply "seeing" content: a consumer has *engaged* with it by clicking on ads, registering with websites, liking social posts, etcetera, anything that has amended their current and future experience online - due to the algorithms and cookies - in favor of greater future exposure with illegal operators.

Affiliates: For-profit groups across websites, apps and social media which engage audiences with content including reviews, comparisons, special offers, promotions, discounts, and news, to move that audience on to commercial opportunities with gambling operators in return for a fee or a share of customer transactions, and often both.

Audience Exposure: The impact of gambling and related content upon the audience across a blended view of the Eight Ecosystem Essentials (search, P2P comms, sites, ads, streaming, affiliates, social, apps). The audience exposure measure is a useful "early warning indicator" of where GGR market share split could flow in the future.

Traffic Channelization: All visits across the entire marketplace broken out by share of operator and legal or illegal.

Unique Audience Share: Unique audience member visits on an operator-specific basis, broken out by share.

Traffic Volume: The volume of visits made by the online audience to online opportunities.

Uniques Volume: The volume of unique human beings using specific online services.

Mirrors and Redirects: Websites and apps used to reach audiences and avoid destination blacklists and blocklists - effectively, "back doors" into illegal operator destinations that the audience will have no knowledge concerning.

Contacts & Questions



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