



# Impact of Unregulated Gaming

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J&J Gaming



National

# Unregulated Gaming

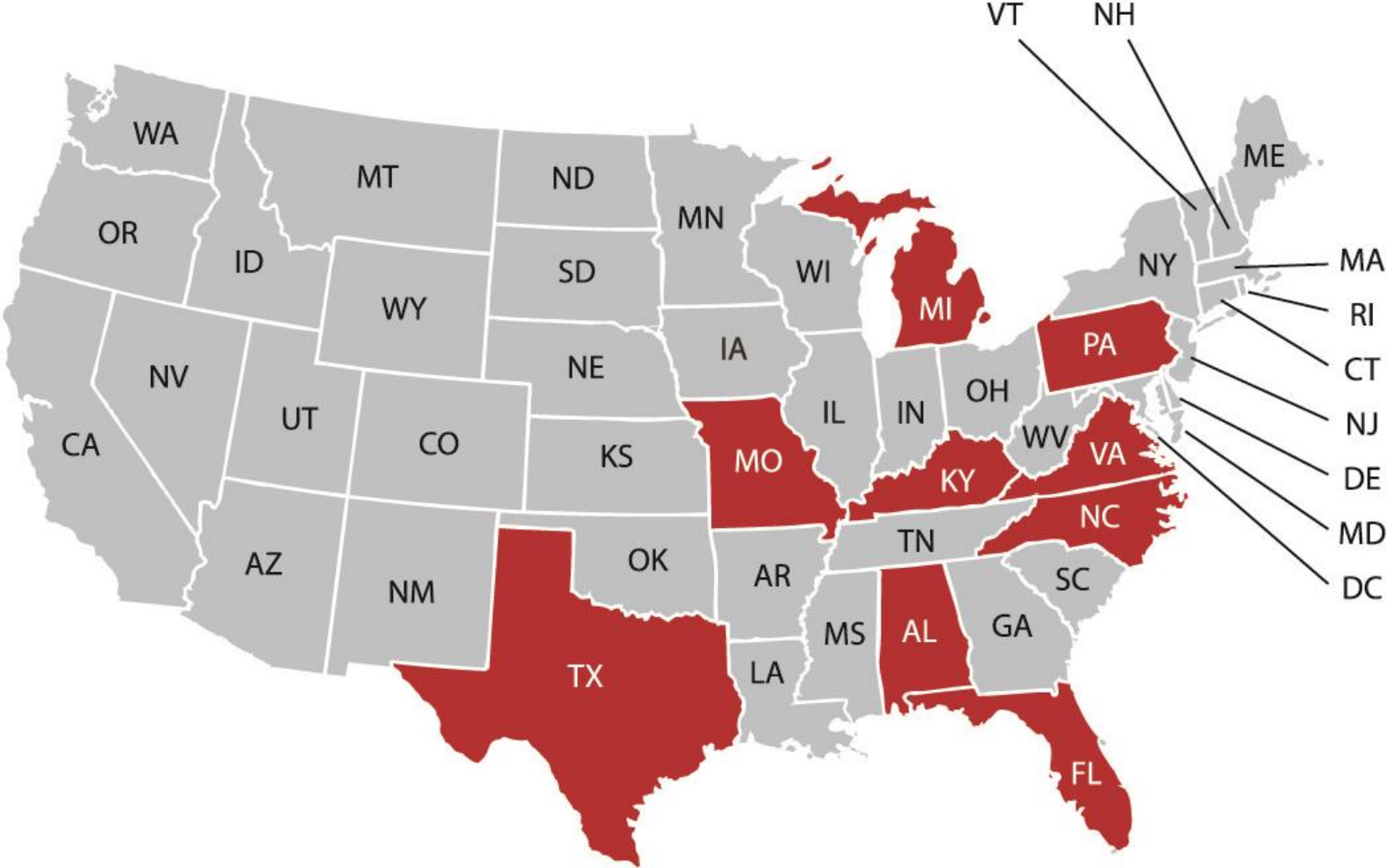
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- Often called “skill” games or “sweepstakes” games
  - A game of skill or a game of chance?
  - Often confused with regulated and taxed distributed gaming
- Unregulated and untaxed
  - No background checks or licensure requirements
  - No consumer protections
  - No accountability
- Subject of new legislation and enforcement actions across the US
- Often disguised to mimic regulated Distributed Gaming machines

# Unregulated Skill Games



# States with Unregulated Gaming



# Distributed Gaming is not Unregulated Gaming

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- Numerous states are struggling with some form of unregulated gaming
- These unregulated, untaxed gambling machines, often called “skill” or “sweepstakes” games, provide no consumer protections and no revenue to your state.
- Numerous state prosecutions are pending across the US to stop unregulated gambling machines.
- Distributed Gaming is regulated, licensed and taxed form of legal gambling.

# AGA Study On Negative Impact of Unregulated Gaming in US

UNREGULATED MARKET	ESTIMATED HANDLE	ESTIMATED REVENUE	ESTIMATED STATE GAMING TAX REVENUE LOSS
Sports Betting (includes Bookies and Offshore)	\$63.8bn	\$3.8bn	\$0.7bn
Online Slots and Table Games	\$337.9bn	\$13.5bn	\$3.9bn
Unregulated Machines in Bars, Taverns, etc.	\$109.2bn	\$26.9bn	\$8.7bn
<b>TOTAL</b>	<b>\$510.9bn</b>	<b>\$44.2bn</b>	<b>\$13.3bn</b>
<i>Estimated Number of Skill/Gray Machines</i>	<i>580,651</i>		

Tax rates for loss estimate are AGA estimates of average tax rates for each vertical across legal states: Sports – 19.4%, Slots and Table Games – 29.1%, Machines – 32.5%

(November 2022). SIZING THE ILLEGAL AND UNREGULATED GAMING MARKETS IN THE UNITED STATES. American Gaming Association.



# THE BENEFITS OF *Regulated Gaming Machines*

Regulated gaming provides player protection, fosters stakeholder integrity, combats illegal activity, and generates much needed revenue for state funded programs.

## REGULATED GAMING

## UNREGULATED GAMING



### RESPONSIBLE GAMING

Responsible gaming programs that prevent minors from wagering, encourage consumers to play responsibly, and provide awareness of services available for problem gambling assistance.



### LICENSING AND BACKGROUND INVESTIGATIONS

Licensing and background investigations of business entities, corporate officers, and key employees.



### CONSUMER PROTECTION

Regulatory authority that will resolve consumer concerns and reinforce game play fairness.



### GAME TESTING

Rigorous internal controls and independent laboratory testing of gaming machines.



### SECURE GAMING EQUIPMENT

Operators support the security of machines through a regulatory shipping notification and control process for shipments into a state, out-of-state, and intrastate.



### ANTI-MONEY LAUNDERING PROTOCOLS

Federal anti-money laundering compliance including currency transaction reporting and suspicious transaction reporting to prevent funds from supporting illicit or unlawful activity.



# Learn more

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Learn more on the impact of unregulated gaming machines here:

[www.jjventures.com/advocacy/](http://www.jjventures.com/advocacy/)







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