HEDGING THEIR BETS:
Professional sports’ evolving morals on gambling
Sports and betting have always had an uneasy but logical connection. Placing a wager on a sporting event gives a spectator an added personal interest in the outcome of the game. However, the integrity of the event itself is at risk if the size and scope of the wagers influence the outcome. Sports had for many years drawn very strict lines between it and gamblers. Even as performance-enhancing drugs threatened professional sports ethics, the most prohibitive rules focused on betting. Recently, social wagering and the pace of evolving technology has changed the relationship between sports and betting bringing the two together in ways very recently not imagined and eroding the censure sports once had for gambling.

Major League Baseball was tainted during the 1919 World Series when members of the Chicago White Sox were accused of intentionally losing games in exchange for money from gamblers. The scandal threatened the very nature of sports. If gamblers could influence the outcome of an event as important as the baseball World Series fans would lose interest and the entire model of professional sports would fail. Baseball acted quickly to regain the public trust and save the reputation of the Major Leagues. First they appointed the first ever sports commissioner to run the league with a new set of rules. Then each of the eight players alleged to be involved in the scandal was placed on the “ineligible list” and banned from baseball forever by the newly appointed Commissioner. Major League Baseball Rule 21(d) was enacted which clearly forbids
betting on baseball and was placed in every baseball clubhouse in an attempt to rid baseball of future gambling scandals with a potential penalty of banishment for life from the sport by being placed on Baseball’s ineligible list.

Seventy years later in 1989, one of baseball’s greatest stars Pete Rose; the player with the most hits in the history of the sport was investigated for betting on Major League Baseball games. As a result of the investigation, Rose then a Manager for the Cincinnati Reds accepted a permanent place on Baseball’s ineligible list. Rose was given the option of applying for reinstatement after one year of the ban had been served. By 2016, several attempts by Rose to be reinstated have been refused leaving the Major League Baseball ‘Hit King’ out of baseball and out of the Baseball Hall of Fame as the cost for betting on baseball.

The Basketball Association of America the forerunner to the National Basketball Association (NBA) had a Toronto franchise for one season in 1946-1947. The team disbanded after the season for a number of reasons but left the City and Canada without a professional basketball franchise. By the 1990’s the City of Toronto was back in the running for an NBA expansion franchise. The NBA objected to the fact that Ontario’s Provincial Lottery Agency had NBA games as part of its Lottery gaming program. The program known as Sports Select allowed wagering on NBA games as well as hockey, soccer and baseball. Sports Select was a provincially run lottery allowing a parlay of at least three games per ticket. The NBA rules strictly rejected betting on NBA games and the existence of the Provincial Lottery Sports Select program threatened to have the NBA reject Canadian expansion. The Provincial Lottery Agency pulled NBA games in exchange for yearly payments by the Toronto Raptors, the new NBA team that started playing in 1995.

By the 1980’s sports gambling began to change. Baseball Rotisserie or fantasy pools began to pop up in offices and high schools. The concept was that players drafted a fantasy team of players and over the course of the season those teams whose players performed best in certain categories would win the “pot”. These social pools did not have the stigma of bookies or loan sharks attached to them and became a fun activity with friends and often even had parent-child teams in the pools. These pools were not high stakes, they increased interest in the sports and were very social in nature. In the pre-internet era these pools were season long marathons that required patiently reviewing newspaper box scores and often had hand tabulated results.

The arrival of the internet brought the biggest changes to sports betting. Fantasy games spread to football and fantasy sports became its own industry with magazines, websites and television shows. Unregulated betting sites in the grey market using their sports and superstars to make profits led the professional sports leagues to consider gambling a potential lost revenue stream.

The arrival of the internet brought the biggest changes to sports betting. Fantasy games spread to football and fantasy sports became its own industry with magazines, websites and television shows. The real-time nature of the internet and the advent of mobile phones with internet access made sports results not a six-month season endeavor but an instant gratification nightly and even bi-nightly hits by playing the West Coast games separately. The United States Government’s 2006 ban on internet poker created a vacuum for fantasy sites and the fantasy concept took off to the point where now over twenty companies, including major newspapers, magazines, and even media corporations like CBS operate fantasy websites. These unregulated betting sites in the grey market using their sports and superstars to make profits led the professional sports leagues to consider gambling a potential lost revenue stream. By 2010, the NBA and the Ontario Lottery and Gaming Corporation reached an agreement to bring the NBA back to the sports betting lottery by then renamed Pro-Line. Further, the NBA’s stance had changed so dramatically that the League purchased an equity stake in one of the biggest online fantasy sites. In 2014, Adam Silver the
Commissioner of the NBA wrote an editorial in the New York Times, which stated: “Times have changed… sports betting should be brought out of the underground and into the sunlight where it can be appropriately monitored and regulated.”

Baseball once the leader of anti-betting rules launched its own smart phone application, which had several fantasy and game outcome based pools created and run by Major League Baseball itself. Baseball saw an opportunity to reach younger fans and turn what was considered by many to be a slow game into a more dynamic fan experience where fans can bet as granularly as per outcome of each pitch.

Back in Canada, a Federal Government Bill which had received all-party support, to allow for single game betting on sporting events in Canada died in the Senate in 2015. The issue though is not closed as many see single game wagering as an opportunity to further fund charities and will re-draft the Bill and try again. In June 2016, the National Hockey League (NHL) did the once unthinkable and became the first professional sports league to grant the gambling capital of Las Vegas, Nevada a sports franchise. The Las Vegas NHL team will play its home games in the gambling Mecca down the street from some of the largest Casinos, Sports Books and hardcore gamblers. The NHL hopes to use sports betting as a tool to lure American tourists to its Las Vegas NHL team home games while they visit Las Vegas.

Whether led by technology, the erosion of any social stigma or the appeal to a younger fan base for whom just watching the game was not enough excitement, the relationship between sports and gambling has shifted considerably in a relatively short period of time. Sitting in the seats of live sporting event one marvels at the number of fans who rarely look up from their phones busy monitoring their other nightly investments across the world of sports. Perhaps they could look up briefly enough to reflect, forgive and finally allow Pete Rose entry into the Baseball Hall of Fame.

Neil Linden JD, has held senior positions at the Ontario Lottery and Gaming Corporation, The Alcohol and Gaming Commission of Ontario and its predecessor the Gaming Control Commission, as well as at the Information and Privacy Commissioner/Ontario and the Financial Services Commission of Ontario. Neil can be contacted at NeilLinden@rogers.com

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Contact:
Michael D. Lipton Q.C. at mdliptonqc@dickinsonwright.com
Robert W. Stocker II at rstocker@dickinsonwright.com
Dennis J. Whittlesey at dwhittlesey@dickinsonwright.com