

Lori Kalani, Chief Responsible Gaming Officer

DraftKings

Written Testimony

Pennsylvania House Gaming Oversight Committee

Informational Meeting on Betting Integrity

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Introduction

Good morning, Chairman Harkins, Chairman Diamond and members of the House Gaming Oversight Committee. My name is Lori Kalani, and I am happy to represent the legal, online gaming industry, and especially DraftKings, where I serve as the industry's first Chief Responsible Gaming Officer. I came to this position as an attorney with an extensive background in consumer protection law across many industries, including gaming. I greatly appreciate the importance of this Committee's work and want to thank you for creating an opportunity for me to discuss the work we are doing around responsible gaming in the Commonwealth and elsewhere.

Online gaming is for fun, and entertainment and we are committed to responsibly creating the best, most trusted, and most customer-centric destination for players. The legal, online gaming industry wants to make sure that everyone who plays, does so responsibly. This is why, at DraftKings, we take a multi-pronged approach to responsible gaming that includes educating and empowering all our players so they can play responsibly, engaging with and supporting those players who exhibit risky behaviors and may need additional support, and collaborating with external stakeholders. I will spend the remainder of my time discussing each prong of our approach.

1. Educating and Empowering Players:

DraftKings is committed to ensuring that our customers play responsibly. We provide information to all our players about the rules, risks, and odds of the games they're playing. And we proactively prompt every player to set budgets and limits on their deposit amounts, play time, and size of bets. We introduce the tools to new players when they set up their accounts, and we regularly promote the tools to our entire player community. In addition to setting budgets for time and money, we have tools for setting up alerts and cool-off periods and we give players the ability to exclude themselves from our platform entirely. We centralize all our responsible gaming tools and other resources on the DraftKings Responsible Gaming Center, which is easy to access and to navigate.

All players across all our platforms also have access to My Stat Sheet. My Stat Sheet is an innovative gameplay tool that gives players the ability to assess, track and review their personal play activity, in real time, such as the amount of time and money they have spent and their net wins and losses. The information can be viewed for the current month, the last month, the last year, or the lifetime of an account. The data is presented in easy-to-understand charts and graphs. My Stat Sheet is intended to be a transparent tool to help players to make informed, data-driven decisions on their own personal play. Data shows My Stat Sheet is having a direct impact on higher responsible gaming tool adoption rates, and we are hearing positive feedback of My Stat Sheet directly from players through our research and ongoing player communication.

2. Supporting Players:

We know that, for some players, gaming can become a problem. This is why DraftKings utilizes advanced technology to help identify behaviors that may suggest a person is playing irresponsibly. We have over 60 people who work on responsible gaming full-time, including a dedicated analytics team, who, with the assistance of software and real-time analytics tools, monitors transactional and behavioral patterns that may be irregular or suggest that players may be at-risk. If those patterns are detected on an account, we take a variety of measures to engage with the player. For example, if someone is making excessive deposits in a short time, we send them an in-app message that encourages them to utilize the deposit limit tool available to them. Or if a player is spending more time than they usually spend on the app, including late night play, we send them a message suggesting that they take a break to cool off. And if the patterns persist, we go a step further. We send that player a message that takes over their entire screen, again providing messaging around their particular behavior and requiring them to respond before there can be further deposits or betting activity. We are currently in the testing phase of taking a third action that will present the player with a real time questionnaire, blocking the player from all activity until they respond to us. Our Player Protection Team, which is dedicated to responsible gaming, will receive those responses, and do a real-time review to determine what action, if any, should be taken. Those can include forcing limits, account suspensions or permanently banning the player. Our Player Protection Team is trained to engage with players and when appropriate, they will direct players to live help lines for support. DraftKings also covers the cost of an introductory session with dedicated behavioral help should players self-exclude or be suspended or banned from DraftKings.

3. Collaborating with external Stakeholders:

DraftKings views its responsible gaming efforts as part of a shared commitment within a community of important stakeholders, including lawmakers, regulators, public health organizations, industry associations and sports leagues.

DraftKings provides financial support to 33 state problem gaming councils, including the Council on Compulsive Gambling of Pennsylvania. We just announced that we will again, for the fourth year in a row, provide \$15K to 33 councils. Our Responsible Gaming team has worked closely with my fellow witness today, Josh Ercole. We understand the vital role that CCGP plays by offering services to assist those in Pennsylvania who may be playing irresponsibly.

Earlier this year, DraftKings joined with seven other online gaming operators to form the Responsible Online Gaming Association (“ROGA”), an organization committed to promoting responsible online gaming by supporting independent research, promoting best practices, and driving consumer and industry education and awareness efforts. ROGA is well under way on two important initiatives - ROGA is working on establishing a national clearinghouse that would allow ROGA member companies to share self-exclusion data, meaning that a DraftKings player who self-excludes from our platform would be blocked from creating an account on another

ROGA member's app. Also, ROGA recently announced that is developing a college education program that will launch in early 2025. This education initiative will utilize digital delivery tools to provide financial literacy education and, specifically, responsible gaming education to students across diverse campuses and demographics throughout the U.S.

Sports teams and leagues are important partners in our efforts to educate and support responsible gaming efforts. The legal online operators work closely with the leagues to educate players and protect the integrity of the game. This includes leveraging our advanced technologies and working with the relevant authorities and sports governing bodies regarding all sports integrity issues.

In Closing, we recently conducted a nationally representative survey to help us continue to improve our responsible gaming safeguards. One of the things we learned from that research is that the public generally does not distinguish between legal and illegal operators, like Stake or Bovada. As we continue to work on building responsible gaming tools and other resources into every player's experience, I encourage this Committee to consider how we can discourage the pervasive illegal market which operates without the oversight and responsible gaming programs that help keep the game fun for everyone who plays.

Thank you for your time today, and I am happy to take your questions.
