

To: Oregon Finance and Revenue Committee & Legislative Staff
Senator Hass, Senator Bentz, Senator Knopp, Senator Riley, Senator Taylor,
Chris Allanach, Mazen Malik, Dae Baek, Kyle Easton, Jaime McGovern.
Kaitlyn Harger, Corinne Gavette

From: Kitty Martz, MBA, CGAC II, CGRM

Date: September 11, 2019

Re: Request to testify before Finance and Revenue Committee on September 16th, 2019

As a professional who works in the problem gambling recovery field and an advocate for the 100,000+ individuals who experience problem gambling disorder in Oregon, I am requesting to please **go on record with the following concerns about the Oregon Lottery and their launch of a state-operated digital sports gambling platform.**

Without legislative approval, the lottery is moving forward with introducing "Scoreboard", an app that allows Oregonians to place sports bets in **unlimited** dollar amounts. **There have been no administrative rules established** (even temporary ones) and there will not be any released until months after the platform launches (originally scheduled for this month). **The public has had no opportunity to weigh in and the process has been haphazard**, void of either legislative oversight or input from the public. Selection of the primary contractor has been highly controversial and transparency concerning. Financial documents related to the agreed upon investment with this contractor were redacted to the degree that it made a mockery of fiduciary process.

If you allow the lottery to go ahead with this platform, winnings will be in the form of currency, transferred directly to players, **a violation of the Oregon constitution** (Article XV, Section 4).

Smart phones and personal computers would now function as "gambling devices", yet the Oregon Lottery surely will not function as an agent of the **Department of Revenue to collect the associated annual fee** (appx \$175) that tax code requires of retailers who host gambling devices in the form of Video Lottery Terminals at their venues.

There has not been an adequate examination of the social costs (e.g. crime, bankruptcy, increased dependence on government subsidy programs, etc.) that online sports gambling will cause. It takes three co-occurring variables to develop a problem gambling disorder: money, time and access. With this new platform, **players can instantly transfer unlimited amounts of currency for solitarily play twenty-four hours per day. Countless studies have correlated increased access with gambling addiction.**

It's unfathomable that the percentage of people with gambling disorder won't increase from the estimated appx. 3% that are currently diagnosed in the state. Yet the 1% of revenue that is, by law, earmarked for treatment and prevention has not been addressed when it comes to

Scoreboard. **No monitoring plan for addiction research has been discussed, no disclosure of data or commitment to third party research results will be available to advocates like myself to monitor.**

Of grave concern, this app effectively **targets and negatively impacts individuals in vulnerable and protected classes.** I work with a significantly higher percentage of homeless, disabled, older adult and non-Caucasian clients than is on par with our state demographics. With the availability of handheld gambling devices now being endorsed by our state government, **specific groups of individuals are going to suffer disproportionately.** Whether it's from generational trauma, chronic physical pain, loneliness/isolation, socioeconomic marginalization or a multitude of other challenges, **the people we are meant to honor and protect are going to be victimized by this regressive "tax" on the vulnerable.**

Despite the lottery's robust insistence to the contrary, "responsible gambling" features on current Video Lottery Terminals are perfunctory, at best. **There is no method by which to temporarily or permanently exclude oneself from using the products.** There is no third party vetting of the proposed tools. I remain deeply concerned that individuals under the age of 21 will "spooft" the app (gamble under someone else's account or a fake account). I have attempted to set a precedent of the lottery being accountable to verifying the ages of current Video Lottery Terminal players. **This effort has been met with abject stone-walling.** My attorney received a confirmation of receipt for my public records request of **August 14th, 2019** but still no data, nearly a month later.

I, and other advocates, have brought these concerns to the Oregon Lottery Commission and to lottery-related legislative sessions every opportunity possible for the past year. None of our points have been addressed. They are operating unfettered.

We are allowing deliberately engineered addiction in be introduced to Oregonians in a powerful form. Please send a clear message that you wish to mitigate harm by preventing the Lottery from continuing down this path. It is my understanding that the intent of this initiative is to bail out the imminent PERS deficit, a debacle created by historical short-sighted policy. The estimated \$37,000,000 in revenue from this platform scarcely makes a dent in that deficit, but **allowing digital sports gambling in Oregon is the epitome of short-sighted.** Please don't do this – **it is not a way to generate revenue that is "commensurate with public good".**

Thank you,

Kitty Martz, MBA, CGAC II, CGRM
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