
**Written Testimony of
Bill Miller, President & CEO
American Gaming Association
Senate Commerce Committee
Consumer Protection, Technology, and Data Privacy
Hearing on: “No Sure Bets: Protecting Sports Integrity in America”**

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Chairman Blackburn, Ranking Member Hickenlooper, and Members of the Subcommittee:

Thank you for the opportunity to testify today on behalf of the American Gaming Association (AGA). As the national trade association representing the legal, state- and tribal-regulated gaming industry, our members include commercial and tribal gaming operators, suppliers, and stakeholders committed to maintaining safe, transparent, and responsible gaming environments across the United States.

The legal gaming industry supports 1.8 million jobs nationwide – more than the populations of Denver and Nashville combined. The industry directly employs more than 700,000 Americans and generates \$104 billion in wages.

Since the Supreme Court overturned the Professional and Amateur Sports Protection Act (PASPA) in 2018, states and tribal governments have thoughtfully built legal sports betting frameworks grounded in consumer protection, integrity monitoring, robust geolocation compliance controls, responsible gaming, and regulatory accountability. Today, the \$329 billion legal gaming industry exists because states and tribal governments made intentional policy decisions on whether and how to legalize and regulate this activity within their jurisdictions.

While the state- and tribal-regulated framework has long been challenged by competition from illegal and unregulated forms of gambling – both offshore and domestic – it is now also being severely eroded by prediction market platforms offering sports event contracts nationwide under the “authority” of the Commodity Futures Trading Commission (CFTC).

These products function as sports betting in every meaningful sense. Consumers are betting money on the outcome of sporting events and player performances. Sports betting is being repackaged as a financial product bypassing the consumer protections, responsible gaming standards, and the state and tribal regulatory systems established after PASPA.

In 2024, sports-related activity on Kalshi represented just \$227,000 in volume. Today, sports betting accounts for approximately 86 percent of their business, and has already generated more than \$47 billion in trading volume this year alone. At the same time, crypto, traditional financial, agriculture, and economic contracts – the types of markets the CFTC was actually created to oversee – have collapsed from more than 93 percent of their volume in 2023 to less than 1 percent today.

Even the companies offering these products have marketed them as sports betting. Kalshi launched its national marketing campaign last year boasting “sports betting legal in all 50 states” through its platform. The public agrees, with recent polling finding that 81 percent of Americans say betting on sports through prediction markets is gambling. Forty-one bipartisan state attorneys general from across the country have challenged sports event contracts, and Nevada Gaming Control Board Chairman Mike Dreitzer recently said it best: “make whatever word salad they want, but it’s gambling.”

The Right Regulatory Framework

Following the repeal of PASPA, 39 states plus DC have taken a deliberate and thoughtful approach to building sports betting frameworks centered on consumer protection, integrity, accountability, and law enforcement cooperation.

Legislatures, regulators, law enforcement, tribes, leagues, public health experts, and operators spent years building systems designed to balance consumer demand with strong protections and accountability. Today, more than 8,400 state and tribal gaming regulators across the country oversee legal gaming operations and enforce those standards every day.

Over the last eight years, states have established rigorous regulatory systems governing virtually every aspect of legal sports betting, including:

- Licensing, suitability reviews, and reporting requirements,
- age and identity verification,
- anti-money laundering compliance,
- geolocation requirements,
- integrity monitoring and suspicious activity reporting,
- responsible gaming protections,
- advertising and marketing standards, and
- ongoing regulatory oversight and enforcement.

Importantly, not every state has chosen to legalize sports betting. Some have made the intentional decision not to offer it at all, while others have adopted in-person wagers only, limits on types of bets, strict advertising standards, and other decisions they believe are right for their jurisdictions. That is exactly how the system is designed to function. States should retain the right to determine for themselves whether sports betting is permitted within their borders and, if so, under what terms, protections, and regulatory safeguards.

The legal market has generated meaningful economic benefits for states and local communities. Since PASPA’s repeal, legal sports betting has generated more than \$12 billion in state tax revenue supporting critical priorities like education, infrastructure, economic development, and responsible gaming programs. Those revenues are the direct result of legal operators participating in transparent, regulated systems subject to state oversight and taxation.

Furthermore, the current sports betting framework supports tribal sovereignty under the Indian Gaming Regulatory Act. For decades, tribal governments have negotiated compacts and built gaming frameworks designed to reflect the priorities and needs of their own communities. Those systems are intentionally structured to protect their people, preserve regulatory authority, and ensure gaming revenues support essential tribal government services, economic development, healthcare, education, and long-term self-determination.

For many tribal governments, gaming revenue is a critical source of funding. In 2025, tribal gaming operations [provided more than \\$16 billion](#) to support tribal governmental programs and investments, helping address gaps in federal funding for Indian programs.

That framework is now being undermined by prediction market platforms attempting to use federal commodities law to offer what are functionally sports bets across all 50 states, including in jurisdictions that expressly chose not to legalize sports betting. These platforms are also bypassing the taxes and regulatory obligations legal sports betting operators abide by, potentially depriving states of an estimated \$1 billion of sports betting tax revenue.

Congress never intended for federal financial market regulation to override federal and state law, tribal sovereignty, or the carefully constructed gaming frameworks built over decades. Those state-specific frameworks also ensure compliance with the Wire Act prohibition on interstate sports wagering. Prediction market operators are doing the complete opposite: offering interstate sports wagering under the guise of a futures trade.

The success of the legal market should be measured by the consumer protections, integrity safeguards, responsible gaming investments, and transparency that now exist – protections that were absent in the illegal market prior to PASPA’s repeal and that don’t exist in the commodities markets today.

Responsible Gaming is Central

The legal state- and tribal-regulated gaming industry understands that with legalization comes responsibility.

Responsible gaming is foundational to maintaining consumer trust and the long-term sustainability of sports betting in the United States. Legal sportsbooks operate under extensive responsible gaming requirements established by state regulators and reinforced by industry standards. These protections include self-exclusion programs, deposit and time limits, employee training, age and identity verification, responsible gaming messaging, and ongoing monitoring designed to identify potentially problematic behavior.

The gaming industry also invests more than \$500 million annually into responsible gaming programs, consumer education, research, employee training. More than \$123 million of state gaming tax revenue is devoted to state problem gambling intervention and treatment programs.

In addition, the AGA's Responsible Marketing Code for Sports Wagering establishes standards around advertising content, target audiences, and promotional activity. In 2023, the industry strengthened those standards further by prohibiting sportsbook partnerships with colleges and universities that promote sports wagering activity and banning NIL agreements with amateur and college athletes.

These are concrete standards adopted by a regulated industry that recognizes the unique responsibilities associated with offering legal sports betting.

In 2025, the AGA launched Play Smart from the Start, a research-backed responsible gaming initiative designed to make responsible gaming messages relevant to all players and remind them that gambling is entertainment. The campaign is promoted by legal operators, sports leagues, and industry partners nationwide to encourage informed play and reinforce the industry's commitment to responsibility.

Prediction market platforms operate outside many of these same safeguards. Most states require customers to be at least 21 years old. Prediction market platforms permit participation by 18-year-olds nationwide while offering products that are functionally indistinguishable from sports betting. Recent polling found that 81 percent of Americans view sports betting on prediction markets as gambling, while 77 percent expressed concern that allowing 18-year-olds to bet on sports through prediction markets could increase gambling-related harm among young adults, compared with sportsbooks that require users to be 21.

These platforms are aggressively marketing sports event contracts using language that blurs the line between investing and gambling – promoting concepts like “building generational wealth,” “paying rent,” or “sports betting legal in all 50 states.”

Legal sports betting advertising volume has decreased 27 percent across all channels since its peak in 2021, while prediction market sports advertising has exploded in the early months of 2026. Nearly half of all digital sports betting ads impressions now come from prediction markets – none of which include responsible gaming messaging required of legal operators.

These findings reinforce the predatory nature, consumer confusion, and underlying risks associated with what they call “sports event contracts.”

Integrity and Consumer Protection Depend on the Legal Market

Protecting the integrity of sports is fundamental to the success of the legal gaming industry. Legal sportsbooks actively monitor betting activity, share information with regulators and leagues, and utilize sophisticated analytics to identify suspicious wagering patterns and potential misconduct. Those safeguards exist because integrity threats are taken seriously throughout the regulated market.

Legal sports betting gives consumers clear recourse. If something goes wrong, state and tribal gaming regulators can investigate complaints, enforce rules, and hold licensed operators accountable. Prediction markets blur that accountability. Seventy-eight percent of sports event

contract bettors incorrectly believe state gaming regulators can help resolve disputes involving these products – when in reality, consumers have nowhere to go. If a prediction market bettor has a concern, there is no comparable state regulatory structure to turn to.

Recent investigations involving athletes, coaches, and suspicious betting activity are concerning and should worry everyone in the room. But they also demonstrate why the legal market not only matters, but is working. In these high-profile cases, suspicious activity was identified because regulated operators were monitoring the market, flagging irregular wagering patterns, and coordinating with leagues, regulators, and law enforcement. The activity occurred within transparent and accountable regulatory frameworks.

The contrast with illegal and unregulated markets is stark. Illegal and offshore sportsbooks continue to pose serious risks to consumers and competition integrity. Operating entirely outside of U.S. law, these companies evade taxes, ignore responsible gaming requirements, and provide no consumer protections. Americans currently wager nearly \$700 billion annually with illegal and unregulated operators, and some analysts estimate prediction markets alone could ultimately approach \$1 trillion in annual trading volume.

The case involving Shohei Ohtani’s former interpreter illustrates exactly what happens when gambling activity takes place outside regulated systems. Thousands of wagers were placed over an extended period through an illegal bookmaker because there were no meaningful safeguards, reporting obligations, or oversight mechanisms in place. Competition integrity is foundational to the legal gaming market’s existence. Consumers will only participate in sports betting if they trust the games themselves are fair. That is why legal operators invest heavily in integrity monitoring systems, compliance programs, anti-money laundering controls, and partnerships with leagues and independent integrity monitors.

Prediction market platforms pose many of the same integrity risks associated with sports betting while operating outside the regulatory frameworks specifically designed to identify suspicious activity, protect consumers, and preserve confidence in competition. We have already seen the serious risk in other markets: a U.S. soldier charged with using classified information to profit from prediction market bets tied to the operation targeting Nicolás Maduro, and suspiciously timed trades linked to the Iran conflict and military action markets. Given that more than 90 percent of the volume is sports, a match fixing case on prediction markets is just a matter of time. The CFTC is allowing operators to self-certify and police themselves through rushed, voluntary guardrails that do not come close to the state- and tribal-regulated framework built for sports betting.

Don’t just take it from me, earlier this year CFTC Chairman [Michael Selig stated](#): “The CFTC is not a merit-based regulator - we do not decide what people should be able to trade. Nor are we going to regulate through enforcement.”

Conclusion

The legal state- and-tribal regulated sports betting market has created robust consumer protections, rigorous responsible gaming safeguards, strong integrity oversight, and real regulatory accountability – and states, tribes, regulators, operators, leagues, and law enforcement continue to work together every day to strengthen those systems and address emerging challenges responsibly.

Congress can help further strengthen this system by considering the following actions:

- Reaffirming the longstanding principle that sports wagering is subject to state and tribal gaming law. Recent bipartisan legislation introduced by Senators Schiff and Curtis – *the Prediction Markets Are Gambling Act* – to prohibit sports event contracts reinforces that principle and would help prevent the continued illegal expansion of sports betting through federal financial markets.
- Working with the Administration to ensure the Department of Justice and other federal agencies prioritize enforcement against illegal and offshore operators attempting to evade U.S. law while avoiding consumer protections and regulatory safeguards legal markets provide.
- Revisiting outdated policies like the federal excise tax on legal sports wagering, which continues to disadvantage regulated operators competing against illegal and untaxed markets.
- Strengthening federal penalties for match-fixing as an added deterrent to protect the integrity of sports.

Sports betting must occur within the transparent, accountable state- and tribal-regulated systems specifically designed to oversee it responsibly. Backdoor betting operations undermine the work and expertise of 8,400 industry regulators, consumer protections embedded in state and tribal law, and the will of voters across the country.

Thank you again for the opportunity to testify today. I look forward to your questions.

Appendix:

