

# Fantasy Has Become Reality

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Last week I wrote about the recent explosion in popularity of daily fantasy sports, like DraftKings and FanDuel. Casinos and bookkeepers are upset because fantasy sports, especially football, are honing in on their territory. But because the Unlawful Internet Gambling Enforcement Act of 2006 (“UIGEA”) has a specific exclusion for fantasy sports, they are not regulated.

Casinos and bookkeepers may have an unlikely ally in their fight against fantasy sports: the NCAA.

At their annual meeting last month, athletic directors from Division 1 schools discussed the meteoric rise of daily fantasy sports. While the UIGEA does not consider them gambling, the NCAA definitely does.

Oliver Luck, the NCAA vice president of regulatory affairs, informed the ADs that daily fantasy sports are considered gambling under their rules. Student athletes are given an anti-gambling pamphlet that defines illegal wagering as “putting something at risk (i.e., money, entry fee or tangible item) for the opportunity to win something.” In other words, fantasy sports.

Ironically, the NCAA was one of the staunchest supporters of the fantasy sports exception to the UIGEA, even signing a letter to Congress along with executives from the NFL, NBA, MLB and NHL. Like their professional counterparts, the NCAA realized that fantasy sports were good for exposure and generating interest in their product. This is evidenced by the constant ticker of player performances on the bottom of the screen during NFL games and even the creation of the Red Zone, an NFL Network feature that provides live look-ins at teams on the verge of scoring.

As I mentioned last week, several NFL owners have a stake in either DraftKings or FanDuel. MLB, MLS and the NHL all have equity in DraftKings. Broadcasters, such as NBC Sports, Comcast, and Time Warner, have invested in FanDuel. Last week, Larry Scott, commissioner of the Pac-12 conference, wrote a letter to DraftKings and FanDuel asking them to stop fantasy college football. Yet the Pac-12 Network continues to run ads for both companies.

Basically, the NCAA equates fantasy sports to gambling, meaning it should be banned for the protection of their athletes and the integrity of their games. But at the same time, there’s too much money to be had to shun it completely.

While the organization feels fantasy sports fall under its gambling rules, ADs are hesitant to enforce these rules out of a fear of a lawsuit filed by disgruntled athletes claiming the NCAA’s rules violate federal law. So the ADs are contemplating beefing up NCAA bylaws.

If the NCAA does crack down on its athletes playing fantasy sports, the penalties are severe: violators face an automatic loss of a year’s eligibility, but a lifetime ban if they wager on a team from their own school.

It’s hard to believe that a collegiate women’s volleyball team having an NFL fantasy football league would corrupt their sport. At the same time, it’s a slippery slope, so I’m sure the NCAA wants to act quickly and nip fantasy sports in the bud before it’s too late.

With bigtime players like casinos and now the NCAA opposing daily fantasy sports, it’s almost a certainty legislators will be rethinking the exception to the UIGEA.

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