

Fantasy sports and the cost of weird gambling laws

By Neil Irwin, New York Times

Sports leagues in the United States, and the networks that broadcast their games, prefer to pretend that everyone watching their games does so for the pure love of competition, the occasional nonchalant reference to the gambling point spread by a football announcer notwithstanding.

But as anyone who has turned on a television during sports programming in the last few months knows, there is a boom in “daily fantasy sports” sites. They offer the prospect of six- and seven-figure prizes in contests based on the statistical performance of a roster of athletes the entrant chooses in a wide range of sports, with the NFL the most popular.

DraftKings and FanDuel have quickly become among the biggest advertisers on TV and the Internet, with scenes of fantasy players celebrating their winnings. The companies have entered partnerships with teams and attained billion-dollar-plus valuations from prominent investors that include pro football franchise owners.

An entire industry has emerged out of a legal loophole for something that looks a whole lot like sports gambling, which is illegal outside of Nevada and a few other states.

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