

Turmoil in daily fantasy sports spreads

By J.D. Morris, Las Vegas Sun

The ongoing debate about whether and how the daily fantasy sports industry should embrace regulation doesn't center entirely on major operators FanDuel and DraftKings. Turmoil related to smaller sites has added fuel to the fire, too.

FanDuel and DraftKings together control the vast majority of the daily fantasy market, and they were the subjects of a major industry scandal last fall when allegations of activity tantamount to insider trading ushered in a wave of public scrutiny. But two recent instances of small websites shutting down, leaving players without access to their funds, also have led some experts to call for strong regulation of the industry.

In January, the site FantasyUp said it was closing, telling users it did not have the funds necessary to process all of their withdrawals. That called into question whether customers who were owed money by the site would ever be able to recover their money.

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