

Website sponsors gambling on grades at 36 colleges

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(AP) -- Think you're going to ace freshman year? Want to put money on that? A website called Ultrinsic is taking wagers on grades from students at 36 colleges nationwide starting this month.

Just as Las Vegas sports books set odds on football games, Ultrinsic will pay you top dollar for A's, a little less for the more likely outcome of a B average or better, and so on. You can also wager you'll fail a class by buying what Ultrinsic calls "grade insurance."

CEO Steven Wolf insists this is not online [gambling](#), which is technically illegal in the United States, because wagers with Ultrinsic involve skill.

"The students have 100 percent control over it, over how they do. Other people's stuff you bet on - your own stuff you invest in," Wolf says. "Everything's true about it, I'm just trying to say that the underlying concept is a little bit more than just making a bet - it's actually an incentive."

Your mother may disagree, however, that it's a smart way to spend money - never mind that it's legal. And a California gambling law expert says she may be right, once you take into account the factors besides skill that contribute to academic performance.

Here's how Wolf says the website works: A student registers, uploads his or her schedule and gives Ultrinsic access to official school records. The New York-based site then calculates odds based on the student's college

history and any information it can dig up on the difficulty of each class, the topic and other factors. The student decides how much to wager up to a cap that starts at \$25 and increases with use.

Alex Winter, a 20-year-old about to start his junior year majoring in economics at the University of Pennsylvania, says he placed wagers through Ultrinsic after getting a flier on campus.

"I said, 'OK, that sounds like an easy way to make money,' so I signed up," says Winter, who bet \$20 to \$50 each on six of the 10 classes he took last year and cleared \$150 overall.

Students at Penn and New York University could play at Ultrinsic last year. Its expansion this month to 34 more campuses comes with new funding, Wolf says. He wouldn't name the investors or say how much they put in.

Ultrinsic saves its longest shots for fresh-faced high school graduates: If you wager \$20 that you'll finish college with a 4.0 GPA and follow through, you'll get \$2,000 when you graduate. At 100-1 odds, that's about like a typical seven-team football parlay bet in Sin City. Instead of picking the right side in seven games, though, a student has to win in every class over an entire [college](#) career.

Winter, who says his GPA is 3.7, says he never thought about whether his wagers were illegal because he liked being pushed to work harder.

"That never really crossed my mind," he says. "Looking back, if there were to be any legal issues, I wouldn't feel that bad because it's for a good cause."

Ultrinsic's lawyers say it has nothing to worry about because getting good grades takes skill and students are betting on themselves, Wolf says.

Legal definitions of gambling usually list three elements - chance, some sort of fee or wager and a prize, says I. Nelson Rose, a gambling law expert and professor at Whittier Law School in California.

Carnival games offer prizes for a fee, but skill is ostensibly required to win. Contests advertised on cereal boxes offer prizes and winners are chosen by chance, but the box always says "no purchase necessary."

With Ultrinsic, things are less clear.

"It's not entirely within the control of the (player)," Rose says, offering the example of a professor of his who gave everyone A's after learning he wouldn't be considered for tenure. Another teacher could be equally capricious in handing out C's. "But it is mostly within their control."

And Winter questions how well Ultrinsic's algorithms set odds: Ultrinsic bet 2-to-1 that he wouldn't get an A-minus or better in an African history class he's heard most students ace.

"I shouldn't have made \$100 on top of the \$50 I got back," Winter says.

Still, a common test to determine the role of skill - whether you can purposely lose - seems to apply to Ultrinsic, Rose says.

"Certainly, you could have crappy grades."

Given the role of skill, Ultrinsic might be legal under both federal and state law, Rose says. Tell that to Internet poker players, who have been fighting a 2006 federal ban on online gambling, hoping to get online card rooms legalized.

Even with a series of court decisions, the law remains vague. A Congressional committee this summer approved legislation to legalize

and regulate online gambling, but the bill has a long road ahead.

Rose asked who will ensure the company makes good on bets or guard against students cheating. And he suggested that laws governing insurance - which was once considered gambling - could apply to students betting on bad outcomes.

But colleges may not be able to limit use of Ultrinsic, just as they face significant obstacles steering students away from other potential dangers outside class, like binge drinking or unsafe sex.

A spokesman for Penn declined comment, as did a spokeswoman for the University of California, Berkeley. An NYU spokesman didn't respond to a request for comment.

Wolf hopes to attract about 100 students per school - 3,600 in all - this academic year. Whether they win will be their choice, he says.

"There's definitely a lot of variables, but the biggest variable is how much effort the student wants to put in," Wolf says. "In general, if anybody would study 10 hours a day consistently for one class, they would get whatever grade they wanted to get."

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