

Daily fantasy sports deemed gambling in Nevada

October 16 2015



The fantasy sports website DraftKings is seen on October 16, 2015 in Chicago, Illinois

Daily fantasy sports companies suffered another blow this week as authorities in Nevada deemed them gambling enterprises and ordered them to suspend operations in the state until they have proper licenses.

Nevada regulators ordered the firms, including popular DraftKings and

FanDuel, to cease operations as of Thursday, and those that fail to comply could face felony charges including fines and imprisonment.

"Because DFS involves wagering on the collective performance of individuals participating in sporting events, under current law, regulation and approvals, in order to lawfully expose DFS play within the State of Nevada, a person must possess a license to operate a sports pool issued by the Nevada Gaming Commission," Nevada Gaming Control Board chairman A.G. Burnett wrote after the ruling, which counters the companies' positions that they are games of skill rather than chance and therefore not gambling.

Daily [fantasy sports](#) is a booming business that remains largely unregulated.

However, the multibillion-dollar industry came under fire this month over allegations of "insider trading" after revelations that an employee of DraftKings had won \$350,000 on rival site FanDuel.

The employee was accused of using data not available to the general public—such as information on which players were the most popular fantasy picks—to help win big on the other site.

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