

Firm becomes first in US to offer online virtual sport betting

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The company behind internet gambling website PlaySugarHouse.com became the first in the U.S. to let gamblers bet real money online on the outcome of virtual sports events.

Chicago-based Rush Street Interactive recently received approval from New Jersey regulators to let patrons bet online on the outcome of virtual computer-generated sporting "events," including soccer, horse, dog and vehicle racing. Its site and mobile app launched Wednesday, and is only available to people physically in New Jersey.

The approval comes as the U.S. Supreme Court gears up to hear New Jersey's case next month seeking to legalize sports betting in the 46 states where it is not permitted.

Company president Richard Schwartz told The Associated Press the games are a good way to prepare for the possibility that the high court could legalize real-world sports betting.

"It's computer-generated, and not based on any current active live sports event, so it's not legally considered sports betting," he said. "You can acquire a database of people with an interest in sports betting."

The <u>technology</u> already exists in some Nevada casinos and is widely used throughout Europe, but this is the first <u>time</u> it will be available over the internet in the U.S.



Schwartz said virtual sports betting is popular in Europe, and can account for as much as 20 percent of a sports book's revenue.

"We expect the same results in the New Jersey market," he said. "Virtual sports betting is used effectively to fill in time between races and in time periods where there are no real time sporting events."

He said virtual sports betting is a good way to attract a younger demographic who like sports as well as computer games.

Inspired Entertainment, a technology company that offers virtual sports, created the product, which relies on random number generation technology to select a winner in each game.

It is the same technology behind slot machines, and was tested by New Jersey gambling regulators before they approved it, said Robert Moncrief, deputy chief of the Technical Services Bureau at the New Jersey Division of Gaming Enforcement.

Soccer is the first virtual team game to be offered, but others are expected to follow shortly, Schwartz said.

Rush Street plans to keep the games in place even if real-world sports betting is approved in the U.S.

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