

research snapshot

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Use of offshore gambling sites by people in the United States

What this research is about

In the United States, a growing number of states have legalized online gambling. However, offshore gambling sites are still used. These illegal online gambling sites do not have a valid American gambling license. However, they are still accessible from the U.S., regardless of their base and legitimacy. These sites are less likely to have strong consumer protections. They are also less likely to encourage safer gambling.

Many people who gamble rely on online gambling reviews to gather information on offshore sites. These reviews provide information about online gambling sites. For example, site reviews and promotions, news, and gambling laws can be found. They sometimes also provide a list of malicious online gambling sites that people should avoid.

Routine Activities Theory (RAT) is a part of crime opportunity theory. This theory sees crime as an event and attempts to understand it on a macro-structural level. RAT assumes that anyone can be motivated to commit a crime. This is especially true when they find a target that does not have capable guardians. This theory focuses on the influence of environmental factors on crime events rather than on offenders. RAT has been used to explain various crimes, including cybercrimes. This study uses RAT to examine offshore gambling among people in the U.S. It explores how features of offshore gambling sites affect people's decisions to use them and the role of online gambling reviews as capable guardians.

What the researchers did

The researcher targeted online gambling sites without valid gambling licenses in the United States. The

What you need to know

Offshore gambling sites are causing various issues in the United States (U.S.). Previous studies have focused on the characteristics of people who gamble on offshore sites and their motivations for doing so. This study uses the Routine Activities Theory (RAT) to understand environmental and structural factors that influence the use of offshore gambling sites. The results show that online visibility of offshore sites may predict their use among Americans who gamble. Online casino reviews provide a blacklist of unreliable online gambling sites. They can act as informal guardians, helping people to avoid offshore sites that could pose a risk.

researcher used the Google search engine to collect offshore gambling sites in February 2021. The researcher found 153 offshore gambling sites. But, 28 of these sites were blocked in Nevada. This left 125 offshore gambling sites to study.

More gambling site features were coded using information collected from a Search Engine Optimization (SEO) tool. Such tools are used to track, measure, monitor, and analyze website activities. This is done to help websites gain visibility in search results. The researcher analyzed website traffic as the outcome of the study. Website traffic referred to the monthly volume of visitors of a site coming from the U.S. The researchers examined the following features' influence on website traffic:

- Value: This included number of games offered, website reliability, bonuses, customer support, and entertainment (i.e., leaderboard, live gaming,

and casino tournament). People who gamble may value these aspects of offshore gambling sites.

- **Visibility:** This referred to the degree to which a site was exposed online. The researcher assessed this feature based on referring domains (the number of hyperlinks referring users to the site) and organic keywords (showing how many times the site ranked in the top 100 Google search results based on the use of these keywords).
- **Accessibility:** This referred to the extent to which a site was accessible to people from the U.S. It was assessed based on number of payment options available for deposit and withdrawal.
- **Formal Guardian:** This referred to an operator that could act as a security guard. This is usually done by verifying users' personal information.
- **Informal Guardian:** This was assessed based on whether a site had been listed on the blacklist of reviews of online gambling sites.
- **Technological Guardian:** This was assessed based on the use of VPN detection system.

What the researchers found

The researcher found that the monthly website traffic was 11,523.6 on average. This was based on 120 out of the 125 offshore sites. The researcher also identified formal guardians for 76% of the sites and technological guardians for 23.2% of the sites.

The researcher conducted multiple linear regression in which all factors that might influence the outcome were tested at the same time. Entertainment showed a meaningful relationship with website traffic. This means that website traffic increases if the entertainment value of an offshore site increases. Visibility and website traffic were also found to have a meaningful relationship. This means that the more visible an offshore gambling site is online, the more website traffic it has. The other site features were not related meaningfully to website traffic.

The researcher also conducted structural equation modelling (SEM) to test if the elements of RAT could explain the use of illegal gambling sites. The results supported the notion that visibility is key in illegal

online gambling. Value and accessibility showed little direct impact on illegal online gambling. But these features influenced visibility, which then influenced the use of offshore gambling sites. Informal guardian predicted lower use of offshore gambling sites. This suggests an important role of online gambling reviews in deterring illegal online gambling.

How you can use this research

This research can be used to understand why offshore gambling is attractive to people who gamble. Understanding this would allow policy makers to create appropriate policies to reduce offshore gambling.

About the researchers

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