

Technology

Illegal Casinos, Sports Books Reap Most Online US Gaming Revenue

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Illegal sports books and casinos took 74% of online gambling revenues in the US last year, outperforming licensed rivals through aggressive promotions and products, according to research from Yield Sec.

Online gross gaming revenue – customer bets minus winnings – in the US was \$90.1 billion in 2024, \$67.1 billion of which went to unlicensed players, according to the research, which was commissioned by the Campaign for Fairer Gambling. That’s an increase of 64% from the previous year and more than double the \$23 billion generated by operators in the regulated sector.

Yield Sec estimates there are about 10 unlicensed sports betting and online casino operators for every one that is regulated in the US. These companies don’t pay US taxes or go through licensing procedures, helping them offer bigger bonuses and better odds. They are often designed to look similar to regulated sites and can easily be found through ads on social media platforms and search engines.

“38 states have legalized sports betting and 7 have online casinos, but illegal gambling operators have all those products in all the states all the time,” Yield Sec founder Ismail Vali said in an interview. “Illegal gambling wins.”

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Online gambling has expanded rapidly in the US since 2018, when the Supreme Court freed states to legalize sports betting. But just as companies like [DraftKings Inc.](#) and FanDuel-parent [Flutter Entertainment Plc](#) have taken advantage of the market opportunity, so too have unlicensed operators.

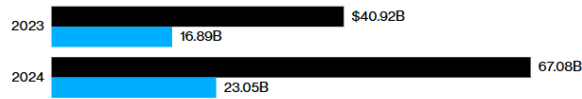
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Unlicensed Online Gambling Operators Dominate US Market

Gross gaming revenue, broken down by licensing status

■ Unlicensed ■ Licensed



Source: Yield Sec

In California, where there is no legal online gambling, Yield Sec documented \$5.49 billion in gambling revenues. In New Jersey, where sports betting and online casino gaming are both legal, unlicensed operators still accounted for more than 40% of the \$6.1 billion state gambling revenues estimated by Yield Sec.

Major sporting events such as the Olympics, Super Bowl and March Madness were key drivers of spend on unregulated gambling sites, particularly those offering audience-generated predictions, Vali said. Novelty bets like whether Taylor Swift would get engaged during the Super Bowl appeal to people who don't consider themselves gamblers, he added.

Campaign for Fairer Gambling founder Derek Webb has advocated for national regulation of sports betting and prediction markets. He called on the federal government to act against "rogue jurisdictions" such as Curacao and Malta for "allowing their licensees to illegally target American consumers." US states could force their licensees to withdraw from those jurisdictions as a licensing condition, Webb added.

Yield Sec monitors search traffic and visits to gambling sites and apps as well as interactions with and time spent on specific pages, including registration or payment pages, and combines it with data about bonuses and audience member type to estimate the value of gambling transactions. It has previously done research for the UK's Betting & Gaming Council and the European Casino Association.

Yield Sec's numbers for licensed sports betting and online casinos are broadly in line with those from the American Gaming Association, which reported \$22.1 billion for those combined in 2024. The association last estimated revenue for unregulated sports and online betting operators to be \$17.3 billion in 2022.

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