

# MGC Research Snapshot

## AI and Player Risk Identification and Response Research Report

August 2025

### What you need to know

u @ risk lacked Many indicators

### What is this research about?

This report focuses on three timely and highly relevant areas as the gaming sector experiences two intersecting lines of growth: the continued expansion of the U.S. gaming market and the rapid advancement of artificial intelligence (AI).

In response to these developments, this report provides a commentary on current and potential AI use cases in the gaming sector. It includes a focused assessment of one specific and increasingly prevalent application: player risk detection. Specifically, the researchers establish an evidence base for behavioral indicators used to identify at-risk players, supported by a structured database that links each indicator to the quality and strength of existing evidence. Finally, the researchers explore an emerging frontier in this space – leveraging financial data to assess players' financial risk. The Massachusetts Gaming Commission (MGC) contracted with researchers at the University of Nevada Las Vegas International Gaming Institute to conduct this study.

### What did the research do?

The authors conducted three studies. First, a focus group study was conducted to identify use cases and associated ethical concerns of current and future applications of AI in the gaming industry. Second, a systematic review of evidence related to behavioral risk identification was completed. Third, in-depth interviews were conducted to obtain a targeted understanding of financial risk identification and the technology that exists to track individual players across operators and gaming modalities. The overarching intent was to provide data and evidence to support informed decision-making regarding regulatory involvement and potential action in each of these areas.

### What did researchers find?

#### Study 1: AI Use Cases

- **AI is embedded across four major operational areas: Operational Efficiency, Customer Relationship Management, Player Experience and Engagement, and Compliance and Risk.** Uses include everything from GenAI for game asset generation and customer service chatbots, to machine learning for anti-money laundering detection and offer optimization.
- **Advanced personalization and agentic AI present challenges.** While they offer potential benefits for customer experience, they may simultaneously increase the risk of harm to vulnerable populations.
- **Regulatory gaps are evident.** While the European Union's AI Act represents the most comprehensive regulatory effort to date, it remains unclear how gambling-specific AI applications will be classified. In particular, use cases involving marketing, personalization, and behavioral nudging may fall into "high-risk" or even "prohibited" categories due to their potential to cause psychological and financial harm.
- **AI maturity varies significantly across the sector.** While online operators may be further ahead, land-based casinos are rapidly adopting new AI capabilities. Third-party providers and specialized companies appear to lead innovation, likely due to greater agility and technical expertise. However, many operators remain cautious, and overall, AI literacy and preparedness, particularly among regulators, lags behind the pace of technological change.



## Study 2: BRIDGE Systematic Review

- **Sixty-five unique behavioral indicators were identified**, categorized into five overarching domains: Play, Engagement, Profile Information, Responsible Gambling (RG) Tool Use, and Payments.
- While play indicators appeared most frequently across the literature, **payment-related indicators emerged as the strongest category in terms of evidence.**
- **Several high-profile recommended indicators lack strong academic support.** There may be various reasons for this disconnect, including industry practice outpacing scientific inquiry or challenges in academic access to the breadth of available data.
- **Commercial systems remain opaque.** Many proprietary algorithmic risk detection tools could not be included in the review due to a lack of methodological transparency. This presents a challenge for independent evaluation and regulatory oversight.

## Study 3: Financial Risk Identification

- **Conceptual Ambiguity:** There is no universally agreed-upon definition of financial risk in gambling.
- **Technological Potential vs. Implementation Barriers:** Advanced technologies such as open banking, credit reference agency data, and blockchain are currently available to support financial risk identification. However, practical challenges, including data classification difficulties, privacy concerns, consent issues, and uneven adoption rates, significantly constrain their current use.
- **Cross-Operator Data Sharing:** Single-player tracking across multiple operators remains a major challenge, complicated by fragmented data infrastructures, privacy concerns, and competitive market dynamics. Existing solutions, such as GamProtect in the UK and centralized systems in state monopolies, demonstrate feasibility but are limited in widespread application.
- **Regulatory Barriers:** Regulators face significant technical, financial, and capacity challenges in implementing comprehensive risk identification frameworks, which complicate efforts to standardize and enforce effective player protection measures.

## Recommendations

- From the first study, recommendations for regulators include to appoint an internal AI champion or task force, support industry training and internal governance, survey licensees' AI use, engage in cross-agency dialogue, and develop formal guidance or policies outlining expectations for the use of AI in gambling.
- From the second study, recommendations include to prioritize evidence-based indicators, adopt standardized reporting frameworks for studies developing or evaluating predictive models related to gambling harm, share underlying data or modeling code to promote transparency and replicability, and develop transparent evaluation frameworks for commercial tools used in harm detection.

## About the researchers

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- From the third study, recommendations for regulators exploring financial risk identification include establishing a clear definition of financial risk, exploring pilot programs such as the UK Gambling Commission's pilot on financial risk assessments, facilitation of cross-operator tracking, investing in robust data systems and technical expertise, assessment of risks for potential displacement to unregulated gambling markets, and evaluating the feasibility of implementing mandatory carded-play tracking systems in land-based venues

## Citation

Ghaharian, K., Soligo, M., Bischoff, J., (2025). AI and Player Risk Identification and Response Research Report. Las Vegas, NV: University of Nevada, Las Vegas (UNLV) International Gaming Institute (IGI).

## Key Words

Research Related to Sports Wagering

## About this Snapshot

MGC Snapshots are intended to translate lengthy and sometimes technical reports into an easily understandable overview of the research. The findings and recommendations in the Snapshot are those of the researchers and do not necessarily reflect the position of the MGC.

## Funding

Financial support for this study came from the Massachusetts Gaming Commission through the Public Health Trust Fund.

