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Gambling On Internet Is Trouble

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On Dec. 23, a mid-level bureaucrat at the Department of Justice overturned over 50 years of law by reinterpreting the Wire Act of 1961 to allow states to operate Internet lotteries.

The Wire Act initially helped to stop racketeering on telephone lines, but federal court and Department of Justice rulings have extended its reach to the Internet. This new ruling completely reverses the law that has made Internet gambling illegal in the United States.

DOJ had been sitting on this decision for three months, but released it into the news vacuum of the holidays to reduce reaction.

Analysts in and out of the gambling “industry” are certain that the product will quickly evolve to become state-managed online slot machines. In many states, video poker is already their main source of lottery revenue.

The ruling covers state Internet gambling within state borders, but looks to be a springboard to allow collaborating states to develop interstate Internet lottery products across the nation. Several states are planning to inaugurate Internet lotteries in the next few months. Internet Powerball across state borders wouldn't be far behind.

This ruling has the potential to legalize virtual casinos in every home, school, library, business and smart phone.

Promoters talk about coding to keep kids off the gambling sites, but casinos fail daily to keep kids out of brick-and-mortar casinos, with security guards at the doors. They greatly underestimate the creative powers and Internet savvy of teenagers.

Gambling addiction would skyrocket, negatively impacting individuals, families, communities and the national economy. Independent, scholarly studies at the University of Connecticut in 2002, and the University of Lethbridge, Canada, in 2007 found that over 40 percent of Internet gamblers tested to be “problem gamblers.”

In fact, the University of Connecticut study reported that, “the people who gamble on the Internet are likely to have a gambling problem.”

The American Gaming Association says that studies they pay for don't have that high a rate. The tobacco companies used to brag about their paid-for studies, but no one believes them. Gambling industry-funded studies should be met with the same level of skepticism.

New Mexico has no obligation to enact and promote Internet lotteries. Teens would be especially attracted to this electronic form of gambling that would be in their homes and pockets.

We already have too much available gambling in the state.

Tribal casinos and racetracks should oppose Internet lotteries in an already gambling-saturated state. With flat revenues at most of the casinos, and near bankruptcy at several, introduction of Internet lotteries would likely push some of the casinos into foreclosure.

Although Stop Predatory Gambling New Mexico wouldn't mind seeing some casinos close, the introduction of a state Internet lottery is a more immediate concern. Stop Predatory Gambling New Mexico advises the Legislature and state agencies to resist the temptation to enact a state Internet lottery.