

Business

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Odds improve for Internet gambling in Atlantic City

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New Jersey is again rolling the dice on Internet gambling from computer servers at Atlantic City casinos.

An expanded measure passed a state Senate committee last week that would allow online wagers not only from state residents but also gamblers from other states and even other countries.

Supporters say the second time might be the charm, as Gov. Christie has hinted he will sign the revised measure, as other states are angling for online gaming dollars and the Justice Department's interpretation of a key federal law just turned in its favor. But opponents, who say online wagering is one of the most addictive forms of gambling, vow to turn up the heat in their fight against it.

Although an Internet-gambling bill passed the Legislature last year, Christie vetoed it over concerns the activity could not be properly regulated. But State Sen. Raymond Lesniak (D., Union), its chief sponsor, who is also behind a Senate bill to allow sports betting in Atlantic City casinos, said he was confident the governor would sign the new version.

"Not just because we've overcome the legal impediments, but also because it will give a much-needed boost to Atlantic City and create jobs there," Lesniak said.

What has changed?

The Justice Department, in December, reversed its long-standing position on Internet gambling by stating that the Wire Act of 1961 applies only to sports betting. The ruling is expected to have huge implications, since the department had long asserted that all forms of Internet gambling were illegal.

Second, Lesniak said, the issue of whether the New Jersey constitution - which confines casinos to Atlantic City - needs to be amended to enable Internet gambling has also been addressed.

"The argument the state constitution does not preclude the activity has since been bolstered by Temple Law School and Seton Hall Law School constitutional law experts," he said. "It's also been my opinion, as long as it's done from servers located in Atlantic City and that no organized Internet gaming activities could be conducted outside Atlantic City."

Other states have dealt with online gambling in different ways.

In Pennsylvania, State Rep. Tina Davis (D., Bucks) cosponsored a bill in October to close a loophole in the state's gambling law by prohibiting Internet sweepstakes cafés.

On the other side, the District of Columbia has tried since 2010 to be the first in the nation to launch online gambling through the D.C. Lottery. Delaware just unveiled an Internet-gambling bill to allow Internet poker, casino, and lottery options to boost gaming revenue at its three racetrack casinos.

"The latest push for Internet gambling highlights how government casinos and lotteries represent one of the biggest policy failures of the last 40 years," said Les Bernal, executive director of the Washington-based Stop Predatory Gambling. "Government is trying to open an Atlantic City casino in your home, at your work, and on your cellphone."

Arnie Wexler of Bradley Beach, N.J., a recovering gambling addict who counsels other addicts with his wife, Sheila, added: "The biggest problem I have with Internet gambling is, how do you stop kids? The Internet is the quickest, fastest way to addiction."

In March 2011, Christie vetoed a bill that would have made the Garden State the first in the country to allow residents to place bets through websites run by casinos in Atlantic City. Christie said he feared Internet cafés, nightclubs, and bars would sprout everywhere - contrary to limiting the activity to Atlantic City.

The revised bill - scheduled for a Senate vote May 31 and in the Assembly in June - has strict penalties for any online wagering outside of Atlantic City. No other commercial venues, including bars and restaurants, can offer it, and the penalty is \$1,000 per player per day for doing so, and \$10,000 per violation for advertising that it could be done from such facilities.

The bill also allows bets to be accepted from other states and nations only if the state Division of Gaming Enforcement determines it doesn't violate federal laws.

Division Director David Rebeck said, "Be assured that we will continue to perform at the highest level to ensure that gaming in New Jersey is conducted in strict conformance with the regulations."

Christie signaled in January that he had come around: "I think being able to have this be an Atlantic City-centric thing is something that makes sense to me," he told NorthJersey.com. "And

given the Justice Department's go-ahead for people to be able to do it, I think we should . . . move on it."

Atlantic City has bled \$1.6 billion in gaming revenue since 2006 when casinos cropped up in neighboring states. A June 2010 analysis by Econsult Corp. estimated that Internet gaming could generate \$210 million to \$250 million in revenue in the first year and create about 2,000 jobs in New Jersey.

That kind of money "is important for the survival of a few casinos," Lesniak sai