

Time to criminalize Internet gambling

Sixty to eighty percent of high schoolers say they have gambled for money in the past year

By John Warren Kindt

Flying under the radar of policymakers, Big Gambling is now targeting kids and vulnerable demographic groups with algorithms promoting gambling addiction.

According to a report from the International Centre for Youth Gambling Problems and High-Risk Behaviors, between 60 percent to 80 percent of high schoolers say they've gambled for money in the past year, and up to 6 percent are addicted to gambling.

Gambling addiction is comparable to cocaine addiction according to the American Psychiatric Association, the Diagnostic and Statistical Manual of Mental Disorders, and the U.S. and international medical communities.

And what is the fallout from gambling addiction?

After casinos began operating in Illinois more than 30 years ago, for example, one gambling-addicted mother killed her child to claim the child's insurance money, and the mother was not apprehended until after she had killed a second child and tried to collect even more insurance to continue gambling.

In another example, a University of Wisconsin student addicted to internet sports gambling lost his school funds, murdered three other young men, and then committed suicide.

These are not isolated instances. Gambling-related suicides and crime are soaring as governments and universities like Penn State aggressively push addictive gambling activities on citizenry and students.

In the late 1990s, outraged by gambling-related murders and by the suicides of newly addicted gamblers, Senators Paul Simon (D-Illinois) and Richard Lugar (R-Indiana) joined with U.S. Representative Frank Wolf (R-Virginia) and 90 percent of the Congress voted to enact the historic U.S. National Gambling Impact Study Commission.

Ralph Nader and the Christian Coalition's Ralph Reed



held "the National Press Conference of the Two Ralphs," next to the U.S. Supreme Court and across the street from the Capitol, to draw attention to the bipartisan support for the U.S. Gambling Commission to investigate Big Gambling.

In 1999, the Commission concluded that internet gambling was impossible to regulate and should remain criminalized – as exemplified by gambling's criminalization via former Attorney General Robert F. Kennedy's Wire Act, as well as the 1992 Professional and Amateur Sports Protection Act (PASPA) sponsored by Senator Bill Bradley (D-New Jersey), an NBA legend.

Governments should not be partnering with Big Gambling, which unlike consumer businesses creates an adversarial relationship to exploit and defraud the gambler legally and

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which is now being expanded via internet gambling and enhanced algorithms to target kids and vulnerable minorities.

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A child can go to bed and click on numerous internet gambling sites which are often disguised as kids gaming sites.

Like the Hansel and Gretel fairytale, this Ginger-Bread House Marketing is notoriously effective at hooking kids into gambling addiction.

Known as the "crack-cocaine of gambling addiction," internet gambling on sports is highly addictive to adults – but especially addictive to kids fascinated by sports.

Gambling-focused companies have recognized this phenomenon and now own or dominate the businesses of traditional baseball cards, sports fans paraphernalia, and multiple other sports-related profit centers – but the big money is in promoting gambling venues.

In Illinois, which began internet sports gambling in 2020, the Illinois Department of Human Services and the *Chicago Tribune* reported that within two years sports gambling wagers were \$1 billion per month and that Illinois was

dealing with 383,000 addicted gamblers causing bankruptcies and crime, as well as 761,000 problem gamblers becoming hooked with gambling addiction.

It is academically well-established that the socio-economic costs of these addicted and problem gamblers in Illinois are at least \$9 billion per year – which dwarfs the \$1 billion in gambling revenues to the state.

As Illinois demonstrates, U.S. legalized gambling shrinks the economy and creates enormous socio-economic costs.

In contrast, spending these dollars on consumer goods grows the economy, reduces comparative socio-economic costs, and increases tax revenues.

Including an industry predicted \$65 billion in casino industry revenues for 2023, total U.S. legalized gambling is annually cannibalizing the U.S. economy by approximately half a trillion dollars in lost consumer spending.

For years, U.S. citizens have been legally wagering more money than the total amount spent on food in America.

Over 30 years, Illinois gambling lobbyists have also contributed substantially to the misdirection of government funds, resulting in unfunded liabilities of approximately \$175 billion and putting Illinois state pensions and employee benefits at risk.

A net of approximately 10,000 people per month are migrating out of Illinois. By comparison, Georgia with only a lottery has a \$4 billion to \$5 billion surplus and has been designated the top business environment for 8 years, attracting businesses and families.

Paralleling drug addiction, U.S. gambling addiction rates are: African-Americans 2-4 percent, Native Americans 2-6 percent, Hispanics 2-3 percent, and Caucasians 1.2-2 percent.

A famous 1999 Chicago speech by Jesse Jackson on Martin Luther King Day denounced government-sanctioned gambling as the "the new chains of slavery," making poor people poorer.

These addiction percentages



are increasing as internet gambling spreads.

Since schools do not teach about gambling addiction and since kids think they are bullet-proof, the gambling addiction rates for kids are 100 percent to 200 percent higher than the overall rates for the general population.

For families, it is easy to "lose your tots, to online slots."

After gambling facilities were legalized in Illinois during the early 1990s, there were numerous suicides by newly addicted gamblers. However, no Illinois paper would print the stories until the *Los Angeles Times* published the Illinois suicides in the front-page series of articles "Lives Lost in a River of Debt."

Academic studies and Gamblers Anonymous confirm that 20 percent of addicted gamblers engage in a serious suicide attempt, and these numbers are similar to the numbers calculated for opioid and cocaine addicts.

According to the statistics of the Illinois Department of Human Services, a conservative estimate of serious suicide attempts by addicted gamblers in Illinois during 2023 would be 3,000 to 7,000.



(AP Photo/Bob Child

If governments had instituted the anti-gambling recommendations of the U.S. Gambling Commission, communities would have avoided much of this misery and the accompanying costs to taxpayers, businesses, and the criminal justice systems.

It is academically well-established that the costs of gambling are at least \$3 to \$7 for every \$1 in new gambling revenues.

After the U.S. Gambling Commission highlighted that internet gambling was impossible to regulate and should remain criminalized, the 2006 Unlawful Internet Gambling Enforcement Act (UIGEA) was enacted to add support to Kennedy's Wire Act and the 1992 Professional and Amateur Sports Protection Act.

Reportedly under pressure from gambling lobbyists, the U.S. Department of Justice began to neglect enforcing UIGEA, and in 2011 the DOJ "re-interpreted" the scope of the Wire Act in favor of Big Gambling.

This widely-criticized re-interpretation prompted the House Judiciary Committee to propose a remedial bill titled the Restoration of America's

Wire Act (RAWA) via a 2015 hearing before the House Subcommittee on Crime, Terrorism, Homeland Security, and Investigations.

Big Gambling derailed this protective legislation.

In 2018, Big Gambling finally got its test case of *Murphy v. NCAA* to the U.S. Supreme Court, which then overruled PASPA as being improperly drafted – such as via not utilizing the Commerce Clause.

Although internet gambling was arguably still illegal, gambling lobbyists claimed the "color of legality" via misrep-

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resenting *Murphy* and then promoted sports gambling throughout the internet.

Gambling lobbyists also began manipulating states like Illinois into passing sports gambling legislation to undercut and obviate any future push-back or remedial legislation by Congress.

What state legislature would not want to emulate the leadership and gambling legislation of Illinois, which has had more indicted and imprisoned governors than any other state?

Almost immediately after the *Murphy* decision, the House Subcommittee on Crime held a hearing to remedy and re-enact PASPA.

Despite chilling testimony by expert witnesses, such as Les Bernal of Stop Predatory Gambling, gambling lobbyists again derailed remedial PASPA legislation.

In November 2021, the *University of Illinois Law Review* published nine articles by 14 blue-ribbon academics which directly and indirectly criticized the *Murphy* decision, as well as how Big Gambling was deceiving state legislators and the public regarding the legal-

ity of internet sports gambling.

Open Secrets reveals that on Capitol Hill there are currently 287 registered gambling lobbyists being paid approximately \$18 million from 183 clients and that 63.4 percent of the lobbyists are former government employees.

Big Gambling's PR has successfully duped the U.S. public and Capitol Hill's decision makers.

While most Americans have heard about the mass shootings at Columbine and Sandy Hook, few Americans can identify gambler Stephen Paddock who is the biggest mass shooter in U.S. history.

In Las Vegas, Paddock killed 59 people and wounded 413 by gunfire.

The documentary movie *Money Machine* details how Big Gambling has sanitized these 2017 Las Vegas killings via "a web of corruption and cover-ups that make the Vegas of yesteryear, when it was still run by the mob, seem positively quaint."

The *New York Times*, as well as columnist Ann Coulter, have opined that it would be difficult to argue that Paddock did not satisfy the medical criteria for being an addicted or problem gambler.

Sports gamblers who like to gamble on the internet should also be outraged, because millions of sports gamblers have reportedly been cheated.

According to the 2023 *Super Bowl Weekend Edition of the Wall Street Journal*, broadcast "delays mean that sports books are one or two plays ahead of millions of viewers," so streaming sports gamblers are "dead in the water."

In November of 2022, the *New York Times* also published a series of Pulitzer-caliber articles detailing huge scandals in the sports gambling industry, including partnering with universities to target students with addictive gambling activities.

Recently, gambling advertisements in the Penn State football stadium have sparked a public backlash with activists going online with a campaign to Tell Penn State to Stop Advertising Addictive Gambling Products to Its Students (www.saynocasino.org/psu)

Also in 2023, national media such as the *Washington Post* have bemoaned how, with *Murphy*, the U.S. Supreme Court transformed the United States into an internet gambling casino.

As the U.S. Gambling Commission and academia have largely concluded, internet sports gambling and internet gambling in general are impossible to regulate and need to be re-criminalized to protect kids, the public, Wall Street, and even the cheated gamblers

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themselves.

Some partially remedial actions include enactment of the Kids Online Safety Act, S.1409, sponsored by U.S. Senators Richard Blumenthal (D-Connecticut) and Marsha Blackburn (R-Tennessee) and which reportedly has almost universal support of the Senate Commerce Committee.

Another bill of tangential assistance is the Greyhound Protection Act, H.R. 3894, which has 34 co-sponsors and which not only protects greyhound dogs, but also pushes back against the involvement of Mexican cartels.

Another important bill is modeled on the Cigarette Labeling and Advertising Act and is known as the Betting on Our Future Act, H.R. 967, sponsored by Congressman Paul Tonko (D-New York).

This legislation would restrict deceptive advertising promoting gambling activities.

If all of these bills were to be enacted, specific legislation would still be necessary to revitalize the Wire Act, PASPA, and UIGEA, which are being largely ignored by the U.S. Department of Justice.

Re-criminalizing internet gambling before the next pandemic or economic crisis is essential to U.S. economic stability and national security.

Governments, and gamblers themselves, need to recognize that it is impossible to win against the new deceitful manipulations of internet gambling algorithms.

Governments also need to quickly address the alarming and pending specter of "Internet Gambling coupled with Artificial Intelligence."

When internet gambling combines with predatory artificial intelligence, the resultant predatory internet gambling will be beyond any effective laws.

Unless internet gambling is re-criminalized soon, the consequences become nightmarish scenarios. **CHC**

John Kindt, a University of Illinois Professor, has frequently testified as an expert witness before state legislative and congressional committees. Citations documenting the facts herein may be found in 2021 Ill. L. Rev. 1649-1844 and at www.stoppredatorygambling.org.