



**PREDATORY GAMBLING IN NEW YORK**

# **Coalition Against Gambling in New York**

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United States House of Representatives  
Committee on Financial Services  
c/o Representative Barney Frank, Chairman (via e-mail)  
and Representative Spencer Bachus, Ranking Member (via e-mail)

Dear Committee Members:

On behalf of the Coalition Against Gambling in New York, I write in opposition to HR 2266 and HR 2267. Our Coalition, formed in 2004, has as affiliates more than 35 groups from across the state, collectively representing many thousands of people, as well as numerous individuals who are otherwise unaffiliated. We are united in our opposition to predatory gambling. For a more detailed explanation of who we are, please see <<http://CAGNYinf.org/AboutCAGNY20091201.pdf>>.

Most of our efforts to date have focused on casino gambling. In New York, that translates into opposition to off-reservation Indian casinos. These operations impoverish the host communities (as a brief visit to Niagara Falls will make abundantly clear), corrupt public officials, and destroy thousands of lives through gambling addiction and its secondary effects on family members and others. We have spared no effort to combat what sometimes seems to be an impulse for self-destruction on the part of many of our state and local public officials, who profess to believe that gambling will bring prosperity to our state.

But all the damage from casinos, and all of our efforts to fight casino gambling, will pale in significance if Congress introduces legalized Internet gambling to the United States. Internet gambling is, in effect, a casino in every home, every office, and, increasingly every café or similar establishment where WiFi access has been provided. A person struggling to free him/herself from the grip of gambling addiction can make an effort to stay out of casinos, but how do they avoid their computer -- a casino open to them twenty-four hours a day, seven days a week? The addict need never leave his home to lose that home, or even to put a shirt on his back to lose that shirt.

The danger of this form of gambling was brought home to me at a conference of Stop Predatory Gambling about a year ago. One of the speakers was a man from Ohio whose son, while away at college, got involved in Internet gambling and quickly became so hooked that he resorted to armed robbery to replace his losses.

Fortunately, the young man was caught before anyone was shot, but his academic career, needless to say, lay in ruins.

Against this background, we examine the two bills under consideration by your committee. Taken together, they would appear to amount to legalization of an activity long held to be illegal under both U.S. law and various state laws, under the guise of regulation.

The first bill, H. R. 2266, the Reasonable Prudence in Regulation Act, would delay for yet another year the enforcement of the 2006 Unlawful Internet Gambling Enforcement Act (UIGEA). That act did not make any form of gambling illegal; it merely enforced existing law by requiring banks and other financial institutions to refrain from processing transactions in support of illegal online gambling operations. That was a perfectly reasonable, modest effort to put some teeth in existing laws. The UIGEA has been on the books for three years. It is time to let the law work as intended.

The proposed new law requires close examination to divine its true intent and meaning. H.R. 2266 does not even mention the UIGEA by name; rather, it refers to obscure part and section numbers of the U.S. Code.

The second bill, H.R. 2267, the Internet Gambling Regulation, Consumer Protection, and Enforcement Act, reads like something intended to introduce new regulation to an already legal activity. Nowhere does it incorporate the term “legalize” or “legalization,” but that, of course, is the clear intent of the bill.

The proposed law purports to require Internet gambling service providers to “utilize appropriate technology to determine the age and location of users” and to “adopt and implement systems to protect minors and problem gamblers.” Good luck with that! Currently there is no state or other jurisdiction that can claim any effectiveness in that area. What makes the supporters of this bill believe that it can or will be done? When do the “Mission Accomplished” banners come out?

You are considering the expansion of a pernicious industry into a form that knows no bounds in terms of access to its potential victims. Meanwhile the proposal gives lip service to types of regulation that seem totally illusory. This is a solution in search of a problem, and if it passes, the nation will surely rue the day.

Please drop these dangerous proposals and focus on the real and pressing needs of the nation.

Thank you.

Sincerely,



Joel S. Rose, Chairperson