

History

- In 1961, Congress passed the Wire Act as part of a Kennedy-era push against organized crime, prohibiting interstate wire communication for the transmission of bets or information assisting the placing of bets “on any sporting event or contest.”
- Despite the explicit reference to sports, the Department of Justice maintained that the Wire Act’s prohibition applied to gambling of all kinds. The DOJ also interpreted the Act to prohibit wagers placed and accepted in the same state, arguing that communicating via the publicly-switched telephone network was inherently “interstate.”
- In 2002, the Fifth Circuit Court of Appeals ruled that “sporting event or contest” meant that the Wire Act only applied to sports betting, but the DOJ made it clear that it did not agree with this interpretation and intended to continue enforcing a broader interpretation.
- In 2006, Congress passed the Unlawful Internet Gambling Enforcement Act (UIGEA), which extended penalties associated with making wagers to also include the receipt of financial transactions related to “unlawful” gambling activity.
- In March of 2011, Steve Wynn [announced a strategic partnership](#) with Isai Scheinberg (founder of PokerStars) to create an online poker joint venture.
- In April 2011, the U.S. Government indicted the founder of PokerStars, Full Tilt Poker, and 9 other individuals, [accusing them of operating illegal gambling businesses](#). The Wynn/PokerStars partnership was terminated.
- In September 2011, the DOJ [modified its interpretation of the Wire Act](#), concluding that wagers unrelated to a sporting event or contest are not covered by the Wire Act. In effect, this meant that there was no federal law prohibiting online poker (or other non-sports online gambling), opening up space for states to legalize and regulate online gaming.
- In December 2011, Nevada passed a law that gave the state’s gaming commission the authority to adopt regulations for online poker.
- In 2012, Harry Reid and Jon Kyl [pushed for a bill](#) that would legalize online poker at the federal level. It failed to gain traction, and proponents of legalization shift to a state-based strategy.
- In 2012, Delaware became the first state to legalize comprehensive online casino gambling. In 2013, New Jersey followed suit. Other states, such as California and Pennsylvania, have seen substantial legislative debate surrounding the legalization of online gambling.
- In 2014, the Governors of Nevada and Delaware [signed the first interstate poker compact](#), allowing for the sharing of player liquidity between

operators in both states.

- In March of 2014, Sen. Lindsey Graham (R-South Carolina) and Rep. Jason Chaffetz (R-Utah) introduced the Restoration of America's Wire Act (S. 2159; H.R. 4301), which would effectively reverse the DOJ's 2011 interpretation of the Wire Act, reinstating a federal prohibition of all online gambling. The bills are co-sponsored by Sen. Dianne Feinstein (D-California), Sen. Kelly Ayotte (R-New Hampshire), and Rep. Tulsi Gabbard (D-Hawaii). The proposed bills have been referred to the House and Senate Judiciary Committees and are awaiting action.

Proponents of RAWA (i.e., opponents of legalization)

- ***Sheldon Adelson, CEO of Las Vegas Sands Casino***
 - **Reason for Support:** In June of 2013, Adelson [announced his strong opposition](#) to legalized online gambling, calling it a "societal train wreck waiting to happen." He preempted criticisms that, as owner of the Las Vegas Sands, he is merely protecting his own business interests by asserting that a.) he's not afraid to compete in an emergent market such as online gaming; b.) nearly all of his casino profits come from his casinos in Asia where online gaming isn't close to being legalized; and c.) his company makes twice as much money from non-gaming attractions in US as it does from casino operations. Instead, he justified his opposition on moral grounds, expressing concern that online gaming will have a substantial negative economic impact on our country (i.e., job loss) and that it will exacerbate the problem of gambling addiction, particularly by underage individuals.
 - **Political Spending**
 - 2012**
 - *Lobbying:* Las Vegas Sands spent \$130k on lobbying, including "monitoring issues related to internet gambling."
 - *Campaign Contributions:* Adelson and his wife gave over \$350k to Republicans.
 - *Outside Spending:* The Adelsons gave \$92.8 M to conservative outside spending groups, including \$15M to the super PAC supporting Newt Gingrich and \$30M to the super PAC backing Mitt Romney.
 - 2013**
 - *Lobbying:* Las Vegas Sands spent \$320k on lobbying, including "monitoring issues related to internet gambling."
 - 2014**
 - *Lobbying:* Las Vegas Sands has spent \$780k on lobbying, including for RAWA, more than the company has spent on lobbying in any other year.
 - *Campaign Contributions:* Adelson and his family have given more than \$670k in contributions to various GOP candidates and committees. Lindsey Graham (sponsor of RAWA) has received \$15,600 from the Adelsons as well as \$5,000 from Las

Vegas Sands, and Adelson threw him a fundraiser at the Venetian in 2013.

- *Outside Spending:* Not clear exactly how much he has spent, since he is giving to c4s this year instead of super PACs, but there has been some [suggestion that it might be as much as \\$100M.](#)
- **Misc:** Adelson launched an advocacy group called the Coalition to Stop Internet Gambling, headed by former Republican governor George Pataki, together with former Democratic Arkansas Senator Blanche Lincoln and former Democratic Mayor of Denver Wellington Webb.
- ***Steve Wynn, Chairman and CEO of Wynn Resorts***
 - **Reason for Support:** Wynn began as a supporter of online gaming and had actually signed a deal with PokerStars prior to the Black Friday indictments. He subsequently changed his mind however, saying that he no longer thinks it is a good entrepreneurial opportunity, citing a concern about the government's insatiable appetite for revenue as well as the risk that the industry would face of an underage gambling scandal.
 - **Political Spending:**
 - 2013**
 - *Lobbying:* Wynn Resorts spent \$150k on lobbying.
 - 2014**
 - *Lobbying:* Wynn Resorts has spent \$90k on lobbying.
 - *Campaign Contributions:* In 2014, Wynn and his wife have given over \$100k to Republicans and have contributed to both Harry Reid and Joe Heck (Nevada members of Congress).
- ***National Association of Convenience Stores***
 - **Reason for Support:** would hurt in-store lottery sales.
 - **Political Spending:**
 - 2012**
 - *Lobbying:* Spent \$3.5M
 - *Campaign contributions:* \$1.1M
 - 2013**
 - *Lobbying:* Spent \$1.8M
 - 2014**
 - *Lobbying:* Has spent \$2.5M so far in 2014
 - *Campaign contributions:* \$1.2M so far

Opponents of RAWA (i.e., proponents of legalization)

- ***MGM Resorts International*** (owns MGM, Bellagio, Luxor, CityCenter, and Mirage)

- **Reasons for Opposition:** MGM owns half of the [Borgata](#), a casino in Atlantic City that is one of the most popular with poker players and has an online gambling site. The company is also exploring the possibility of putting its brand on an online casino in New Jersey.
- **Political Spending:**
 - 2012**
 - *Lobbying:* Spent \$562k
 - *Campaign contributions:* Gave over \$500k, 59% to Dems
 - *Outside spending:* \$90k to outside spending groups
 - 2013**
 - *Lobbying:* Spent \$570k
 - 2014**
 - *Lobbying:* Has spent \$370k so far in 2014
 - *Campaign contributions:* Has given \$278k (61% to Dems)
- ***Caesar's Entertainment*** (owns *Caesar's Palace*, *Harrah's*)
 - **Reasons for Opposition:** Owns the online World Series of Poker; has properties that qualify for iGaming licenses; spun off Caesars Acquisition Co, an online gambling business
 - **Political Spending:**
 - 2012**
 - *Lobbying:* Spent \$3.1M
 - *Campaign contributions:* \$420k
 - *Outside spending:* \$151k
 - 2013**
 - *Lobbying:* Spent \$1.9M
 - 2014**
 - *Lobbying:* Has spent \$1.9M so far in 2014
 - *Campaign contributions:* \$262k
- ***National Fraternal Order of Police***
 - **Reasons for Opposition:** without regulated online gaming, "black market" online gaming happens anyway; loss of revenue for law enforcement agencies.
 - **Political Spending:**
 - 2012**
 - *Lobbying:* Spent \$220k
 - *Campaign contributions:* \$43k
 - 2013**
 - *Lobbying:* Spent \$220k
 - 2014**
 - *Lobbying:* Has spent \$110k so far
 - *Campaign contributions:* \$28k

- **Zynga**
 - **Reasons for Opposition:** would profit from legalization
 - **Political Spending:**
 - 2012**
 - *Campaign contributions:* \$1.2M
 - 2014**
 - *Campaign contributions:* \$303k
- **Democratic Governors Association**
 - **Reason for Opposition:** Decisions over regulating gambling traditionally have been ceded to the states, and a proposed ban on Internet gambling could hurt existing operations, in this case state lotteries; 10 states have online lotteries and more are considering it.
- **National Conference of State Legislatures**
 - **Reason for Opposition:** [Maintain that it is right of states](#) to decide whether it should be legal or illegal

Split Groups

- **Indian tribes**
 - **Reasons for Support/Opposition:** Rural tribes are worried their bricks-and-mortar facilities will lose revenue if online gambling is legalized, however tribes in California have begun to explore having an Internet gambling presence and have begun lobbying to legalize intrastate online gaming.

Notable Groups Not Taking a Position

- **American Gaming Association**
 - **Reason for Abstention:** [withdrew support](#) in light of opposition from Adelson
- **Republican Governors Association**
 - **Possible Reason for Abstention:** several Republican governors are presidential hopefuls, and Adelson's money will be important in that endeavor
 - At least 4 Republican governors who fall into this category have all issued statements of support for restricting online gambling – Nikki Haley (SC), Rick Perry (TX), Bobby Jindal (LA), Mike Pearce (IN).

Reading

- [Online Poker Lobbyists Will Shift Focus from Federal to State-by-State Platform in 2013](#)
- [Sheldon Adelson Says He Is “Willing to Spend Whatever It Takes” to Stop Online Gambling](#)
- [Wynn Joins Adelson Crusade Against Web Gaming](#)
- [Graham, Chaffetz Introduce Bipartisan Legislation to Restore Wire Act](#)
- [Spending War over Online Gaming Rages among Nevada Casino Companies](#)
- [Sheldon Adelson Is Winning His War on Online GamblingCasinos Chip In on Bill to Ban Online Gaming](#)
- [Don’t Bet the House: Online Gaming Ban Faces Uncertain Future](#)
- [Pennsylvania Takes Lead in 2015 Internet Poker Race](#)
- [PPA Clarifies Stance Regarding Rumored iGaming Ban with Poker Carveout](#)