



Press Release
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Regulated Internet Gambling Provides Excellent Opportunity to Combat Compulsive Gambling

Experts agree that stringent regulations can provide strong safeguards

July 11, 2007 – Internet gambling experts speak out that the technology used in the industry provides a strong platform upon which to establish a framework to help combat compulsive gambling. Their statements lend further credence to the assertion that legalized online gambling will provide a far higher level of safeguards than does an unregulated industry. The Internet Gambling Regulation and Enforcement Act, legislation introduced by Congressman Barney Frank (D-MA), would protect consumers by establishing a regulatory and enforcement framework to tackle compulsive and underage gambling and ensure the integrity of Internet gambling financial transactions.

“The graphical and interactive structure of the internet provides a revolutionary opportunity to create informed customers with access to a variety of information designed to encourage safe choices and discourage unsafe behavior,” said Keith Whyte, Executive Director of the National Council on Problem Gambling, a leading U.S. advocate for programs and services to assist problem gamblers and their families. “Clearly gambling on the internet raises some difficult issues, but it provides theoretical opportunities for operators to deliver responsible gaming programs that meet or exceed current standards in the bricks-and-mortar gaming industry.”

Existing technology and security controls have already proven to be effective in addressing compulsive gambling. Available safeguards include the ability to control the amount of money wagered, set limits on amounts deposited, restrict the duration that somebody can play, identify and stop players whose gambling patterns seem out of the ordinary and allow for consumers to be excluded from online gambling.

Experts in Europe also agree that a stringent regulatory environment would help tackle compulsive gambling. “The robust, regulatory framework proposed by Congressman Barney Frank presents a viable opportunity to protect American consumers and combat problematic gambling,” said Andrew Poole, Head of Online Services for GamCare, a U.K. based charitable organization committed to addressing the social impact of gambling. “Across Europe and the rest of the world, experience has shown that regulated Internet gambling and the implementation of proven safeguards can ensure more responsible gambling operations and off-set increases in problematic gambling.”

“The Commission’s experience indicates that the customer’s ability to make informed choices, to have information readily available regarding spending patterns and to have access to an independent body if aggrieved, are all significant measures towards reducing the risk of compulsive gambling,” said Andre Wilsenach, Chief Executive

Officer of the Alderney Gambling Control Commission, which is responsible for overseeing the regulated Internet gambling activities of operators based on Alderney in the Channel Islands.

“Opponents of Internet gambling are using scare tactics and misstating research studies to argue that Internet gambling will result in higher occurrences of compulsive gambling,” said Jeffrey Sandman, spokesman for the Safe and Secure Internet Gambling Initiative. Instead, a clearer example of the actual behavior of Internet gamblers was presented in a recent study, “Assessing the Playing Field: A Prospective Longitudinal Study of Internet Sports Gambling Behavior,” by the Harvard Medical School Division on Addictions. The research, based on a sample of over 40,000 subjects, measured the gambling behavior of online sports bettors and found that only one percent exhibited excessive gambling patterns. On average, individuals did not gamble every day and posted modest bets, averaging two to three dollars a day – a relatively cheap form of entertainment.

Sandman added, “The current prohibition of Internet gambling is not stopping people from gambling online and does nothing to protect against problem gambling. The regulatory framework presented in the Internet Gambling Regulation and Enforcement Act, introduced by Congressman Barney Frank, provides an effective approach to protect consumers and ensure measures are in place to combat compulsive gambling.”

About Safe and Secure Internet Gambling Initiative

The Safe and Secure Internet Gambling Initiative promotes the freedom of individuals to gamble online with the proper safeguards to protect consumers and ensure the integrity of financial transactions. For more information on the Initiative, please visit www.safeandsecureig.org. The Web site provides a means by which individuals can register support for regulated Internet gambling with their elected representatives.

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Fact Sheet: Combating Compulsive Gambling

Compulsive Gambling is a serious concern that needs to be addressed. While the majority of people enjoy gambling on the Internet as a form of entertainment, there are some who face problems. Regulation, combined with proper licensing, enforcement and proven safety controls, as required under the Internet Gambling Regulation and Enforcement Act of 2007, provide an excellent means to protect consumers and block compulsive gamblers from gambling online.

Leading Organizations Comment on Responsible Gaming

- **The National Council on Problem Gambling**, a leading U.S. advocate for programs and services to assist problem gamblers and their families, believes the structure of the Internet allows for operators to deliver responsible gaming programs that meet or exceed current standards in the bricks-and-mortar casinos.
- Increased access to Internet gambling does not lead to significant increases in problematic gambling in counties that regulate Internet gambling, according to **GamCare**, a U.K. based charitable organization committed to addressing the social impact of gambling.
- Congressional testimony by representatives of the **Isle of Man** and the **Alderney Gambling Control Commission**, who have been at the forefront of introducing legislation to regulate Internet gambling, states that a stringent regulatory environment ensures safeguards are in place to protect consumers against compulsive gambling.

Safeguards

Regulated Internet gambling operators would offer the following safeguards to minimize compulsive gambling, currently being implemented by many Internet gambling industry-leaders:

- Track players gambling patterns and enforce controls to limit the amount of money wagered over a given time period
- Identify and stop players whose gambling patterns seem out of the ordinary
- Provide players with the option to set limits on the amount they deposit to their account
- Provide players with the ability to request self-exclusion for a specific amount of time
- Cross-check databases that may be created of individuals who choose to exclude themselves from online gambling to block access to the broader industry
- Provide players information to encourage responsible behavior

Research Responds to the Critics

- Credible research shows that access to Internet gambling does not lead to an increase in problematic gambling.
- The Harvard Medical School Division on Addictions, in a 2007 study "Assessing the Playing Field: A Prospective Longitudinal Study of Internet Sports Gambling Behavior," tracked the behavior and pattern of over 40,000 people who gambled on sports online and found that only one percent exhibited excessive gambling patterns.
- A 2004 report, "Internet Gambling & Addiction" also by the Harvard Medical School, found that Internet gambling could provide increased protections against problematic gambling and that access to Internet gambling does not lead to a greater rate of gambling addiction.