



For Immediate Release
Contact: Michael Waxman
(202) 872-0010 or (202) 872-4860
info@safeandsecureig.org

States Move to Collect New Revenue from Sports Gambling for Critical Government Programs

(Washington, D.C. – May 22, 2008) The Safe and Secure Internet Gambling Initiative (SSIGI) announced its support for attempts to legalize sports betting in Delaware and New Jersey. Legislators' in both states are seeking to collect revenue from sports gambling, which is currently being lost in an underground, uncontrolled marketplace. Bookies fail to pay about \$7 billion a year in federal wagering excise taxes, according to an Internal Revenue Service estimate based on a National Gambling Impact Study Commission.

“While some form of gambling is allowable in almost every state, it is totally hypocritical that there would be a line drawn in the sand for sports gambling, an activity that continues and is estimated to illegally generate up to \$380 billion per year in the U.S.,” said Jeffrey Sandman, spokesperson for the Safe and Secure Internet Gambling Initiative. “A prohibition on sports gambling means that billions of dollars in much-needed tax revenue that could be used for education and other government programs is being lost to bookies and off-shore Internet gambling operators.”

Legislation introduced in Congress last year by Rep. Barney Frank (D-MA), the Internet Gambling Regulation and Enforcement Act (H.R. 2046), would establish a regulatory framework for accepting bets and wagers online for sporting events, poker, casino games and other activities. States would have the right to control what, if any, level of Internet gambling is permissible within their borders and could apply additional taxes and restrictions. It also would include a number of built-in consumer protections, including safeguards against compulsive and underage gambling, money laundering, fraud and identity theft.

“Rather than trying to stop consenting adults from doing something that’s enjoyable to them, specifically, betting on sports, poker or other games, Congress and our state governments should look to legalize and regulate land-based and Internet gambling activities as a way to protect consumers and recoup billions in revenue,” said Sandman.

A companion piece of legislation to the Frank bill introduced by Rep. Jim McDermott (D-WA), the Internet Gambling Regulation and Tax Enforcement Act of 2008 (H.R. 5523), would ensure the collection of taxes on regulated Internet gambling activities. According to a tax revenue analysis prepared by PricewaterhouseCoopers, taxation of regulated Internet gambling is expected to generate between \$8.7 billion to \$42.8 billion in federal revenues over its first 10 years.

The Delaware House of Representatives passed a bill earlier last week that would allow for the establishment of sports betting in the state. While supporters of the bill say it would generate needed revenue for the state, the bill is expected to face tough opposition in the Senate. In New Jersey, the Senate Committee on Wagering, Tourism and Historic Preservation heard testimony earlier this week on a proposal to allow sports betting in the state. A current federal law limits legalized sports betting to four states, not including New Jersey, with only Nevada allowing the activity to occur. New Jersey Sen. Raymond Lesniak argued on Monday that Gov. Jon S. Corzine should file suit declaring the federal law an interstate commerce violation.

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.

###