Obama Gives Gambling a Christmas Present

by Phyllis Schlafly

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Just before sneaking off to Hawaii where he barred news photos on the golf course, President Obama overturned longstanding U.S. policy that prohibited internet gambling. In yet another presidential shenanigan that bypasses U.S. law, Obama used the device of a secret Justice Department Office of Legal Counsel opinion, dated in September and quietly released to the public on Christmas Eve.



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The Justice Department opinion opens the door for all U.S. states to sell lottery tickets over the internet, and to encourage varieties of online web-based gambling such as poker.

The Justice Department opinion reverses decades of previous policy that included civil and criminal charges. It undermines the U.S. Wire Act of 1961, which up to now has prohibited all wagers via telecommunications across state lines or international borders.

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Eric Holder's lawyers invented the argument that the Wire Act applies only to bets on a "sporting event or contest," but not to a state's use of the internet to sell lottery tickets to adults within its borders.

The Assistant Attorney General who wrote the opinion, Virginia Seitz, claimed that the Wire Act's legislative history shows that Congress was mainly interested in internet transmission of betting information on baseball, basketball, football, boxing, and other sports-related gambling such as off-track betting on horse races. She jumped from that assertion to write that lotteries are not included in the Wire Act's prohibitions.

Seitz ignored the Wire Act's provision that gives prosecutors the power to shut down phone lines engaged in interstate or foreign gambling. Gambling law experts say that the Justice Department's opinion would eliminate almost every federal anti-gambling law that could apply to gambling that is legal under state law.

For example, Nevada and the District of Columbia have legalized poker within their jurisdictions. Under the Seitz opinion, federal law can no longer stop similar forms of gambling from expanding to other states.

Many of our 50 states may look to varieties of online gambling, such as online lotteries, to solve their budget deficit problems. Once states become dependent on gambling dollars, they search for more and more ways to entice the weakest among us to pour more of their money down the drain of gambling.

Poker, which involves elements of skill and luck, has been illegal online for real money since a 2006 law forbade financial institutions from processing funds for online wagering. Despite the U.S. ban, one survey shows that the global online gambling industry grew to $30 billion last year.

The gambling industry has become a major contributor to political candidates and parties. As one example among many, the man who invented the instant scratch-off lottery ticket is funding the campaign to replace our Electoral College with his "national popular vote."

The Justice Department's opinion is part of a multifaceted, bipartisan effort to legalize internet gambling. A House subcommittee held hearings in October and November with testimony by gambling supporters such as Frank Fahrenkopf, CEO of the American Gaming (Gambling) Association and former Republican National Committee chairman, and Rep. Barney Frank (D-MA), who tried to repeal the 2006 law when Democrats controlled the House in 2010.

Fahrenkopf predicted how the Justice Department opinion will enable the gambling industry to hit the jackpot. He said, "It's now clear that not only can lotteries sell tickets online, but also games that look like slot machines and poker."

On the other hand, Rep. Frank Wolf (R-VA) said that ending the federal ban on internet gambling would enable the spreading

of gambling to every computer, iPad, iPhone, Blackberry, Android and Windows phone. It would be like having a casino at everyone's fingertips, 24 hours a day, 365 days a year.

A warning also came from the world's richest casino owner, Sheldon Adelsen. He announced his opposition to internet gambling because the available technology is not good enough to prevent teenagers from making wagers.

A report from Loma Linda Medical School in California showed that at least one out every five young people has a serious gambling-related problem, and the rate of gambling among the young is now almost double the 1988 rate.

Some people seem to think that no harm is done by lotteries; it's just individual choice. But here is the wisdom of our forefathers in an 1879 U.S. Supreme Court decision: "Lotteries ... are a species of gambling, and wrong in their influences. They disturb the checks and balances of a well-ordered community. Society built upon such a foundation would almost of necessity bring forth a population of speculators and gamblers, living on the expectation of what ... might be 'awarded' to them from the accumulations of others." (Stone v. Mississippi)

We should not permit the Obama Administration to surreptitiously change federal law in order to vastly expand the gambling industry.