



Written by [Dave Bohon](#) on December 10, 2010

Harry Reid Pushing to Legalize Online Gambling

As a lame-duck Congress winds down and a small army of Democratic legislators prepare to vacate their offices in Washington, U.S. Senator Harry Reid (D-Nev.) is quietly pushing a bill that would legalize online gambling.

Such a law would handsomely benefit Reid's own state, where gambling is the biggest industry. Currently off-shore operators of Internet poker and gambling websites reap an estimated \$5 billion annually from cyber-casinos, and some of Reid's constituents, who operate the nation's largest casinos, naturally want their hefty piece of the pie.



While four years ago Congress passed legislation banning banks and credit card companies from transferring payments to gambling websites, proponents of online poker hope they still have a window of opportunity to overturn the ban and legalize Internet gaming through the support of lame-duck Democrats. Earlier this year the House Financial Services Committee signed off on a bill that would establish regulatory oversight for online gambling.

But Three Republican House members recently wrote to Reid and Senate Minority Leader Mitch McConnell (R-Ky.) to express their opposition to the bill, citing the harm online gambling would inflict on individuals and families. Congress should not take advantage of the young, the weak, and the vulnerable in the name of new revenues to cover more government spending, wrote Representatives Spencer Bachus (Alabama), Dave Camp (Michigan), and Lamar Smith (Texas).

As Republicans gain control of the House, the three congressmen are set to chair committees that oversee gambling issues, with Bachus taking over as chairman of the Financial Services Committee, Camp heading up the Ways and Means Committee, and Smith looking to chair the Judiciary Committee.

Supporters of legalized online gambling liken the present ban to the prohibition on alcohol in the early part of the 20th century, saying such a ban didn't work then and doesn't make sense for gambling. We are not talking about an activity that harms others where we properly step in, Representative Barney Frank (D-Mass.) said in favor of legalized Internet gambling. We are talking about a decision by adults to do what they want with their own money.

In an [editorial supporting the legislation](#), Michelle Minton of Forbes.com noted that while Reid himself once opposed online gambling (no doubt as a competitor to his constituents business interests), he now seems to have realized not only that banning online betting, an activity that millions of Americans engage in each year, is impossible, but also that legalizing it could result in increased tax revenue, job creation, and economic growth.

But Nathaniel Beaudoin, deputy director of [Stop Predatory Gambling](#), warned that legalizing online gambling would, in effect, bring casinos to every dorm, home and office. These online games, they're played at faster rates, which allows people to lose more money more quickly and allows predatory



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gambling interests to make even more money. He added that offering such convenient access to legalized gambling would encourage individuals to get deeper and deeper into debt, rather than trying to build savings accounts and build family wealth in this country.

Focus on the Family (FOTF), a longtime opponent of gambling in all forms, noted that the costs to society of decriminalizing online gambling an estimated \$25 billion a year would be yet another economic burden added to cash-strapped states and local governments.

Chad Hills, social policy analyst at FOTF, said that based on the revenue flow in Reid's draft legislation, of all online casino receipts, six percent of the profits would go to federal taxes and 14 percent would go to states and tribes. That leaves 80 percent of the money gambled to go to casino operators or to foreign online casinos. Concluded Hills, This would be another nail in the coffin of the U.S. economy.

Focus of the Family encouraged individuals to [contact their representatives and senators](#) and ask them to oppose any efforts to legalize online gambling.



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