

The Web: Wagering on 'March Madness'

March 15 2006



This spring, the annual ritual of the NCAA basketball tournament -- colloquially known as "March Madness" -- begins once again. Online, a similar, high-stakes rite commences once more too: gambling by fans on the outcome of the prestigious collegiate basketball tournament. Experts tell United Press International's The Web column that online betting volume will "dwarf" that seen earlier this year during professional football's Super Bowl.

"While buzzer beaters and upsets grab the headlines, what really captivates millions is their vested interest in office pools, rather than the performance of their favorite team or alma mater," said Simon Noble,

founder of PinnacleSports.com, an online sports book service based in St. John's, Antigua. "For every person who enters an office pool, there's a good chance you will find another placing a bet on the tournament games over the Internet."

According to PinnacleSports.com, there are 182 sports booking outlets in Nevada, where gambling is legal, and \$90 million in bets are expected to be made on the NCAA tournament. But online book makers are expected to record \$1.3 billion in bets during the monthlong basketball contest. About \$600 million was wagered during the Super Bowl. "As more consumers realize the safety and convenience online sports books provide, the Internet will continue to be the destination of choice for betting on major sporting events like the NCAA tournament," said Noble.

Many in the U.S. government, however, do not think the growth of online gambling, where bets from \$1 to \$30,000 can be placed, is ethical or moral. They also think it should be made explicitly illegal. Last month at a news conference in Washington Reps. Bob Goodlatte, R-Va., and Rick Boucher, D-Va., introduced a bi-partisan bill that will rein in online gambling, called the Internet Gambling Prohibition Act. The lawmakers are concerned about gambling that crosses over state lines. There are worries about gambling that is conducted offshore and that uses the Internet over conventional phone lines. The fear is that the online gambling trend is a cover for money laundering and other illicit activities that harm families. "Our children have been placed in harm's way as online gambling has been permitted to flourish into a \$12 billion industry," Goodlatte said last month.

The proposed law seeks to amend the Wire Act to cover all kinds of interstate gambling -- and to account for the emergence of new technologies. Currently, under U.S. federal law it is not clear whether using the Internet to operate a gambling business is, in fact, illegal. The

Wire Act, however, prohibits gambling over telephone lines, but that law was written decades before the commercial emergence of the World Wide Web.

"The Internet has provided a means for gambling operations to evade existing anti-gambling laws," Boucher said last month during the news briefing.

The bill would not regulate lotteries conducted by state governments, which are run within their own state borders.

"Illegal online gambling doesn't just hurt gamblers and their families, it hurts the economy," said Goodlatte. "It's time to shine a bright light on these illegal sites and bring a quick end to illegal gambling on the Internet."

Advocates for Internet gambling, like the Gambling Portal Webmasters Association (www.worlds-best-online-casinos.com), do not think the legislation will pass. "It will never have enough votes to pass," said Ken Blechdom, president of www.onlinecasinos.cd, an online gambling site. Prohibition "didn't work for alcohol in the '20s, and it will not work for gambling," he added.

The Gambling Webmasters Association also said that it is their belief that the federal government is also exceeding its jurisdiction in pushing such legislation.

There may also be privacy concerns -- depending upon where the gambling portal is located. Servers can gather data about where a customer logged on and can also contain customer accounts and histories -- information that could be useful in an investigation by law-enforcement authorities. Computer experts tell The Web, however, that storage technology has been developed that enables those who run

networks to discard the data quickly, as well as store it long term. There are firms, like law firms, that don't want to keep certain information around too long, lest it be subpoenaed, Zachary Schuler, president of CalNet Technology Group, based in Northridge, Calif., told the Web.

There's been a lot of growth lately in the storage industry among customers, like media clients -- and Internet sites -- who need flexible storage solutions, Carter George, vice president of storage products for PolyServe, a systems integrator, told The Web.

Gambling-industry experts tell The Web they are expecting their industry to grow, as high-rollers, those with a lot of money to gamble, are coming online. One site, ValetNoir.com, is said to be a close partner with dozens of casinos around the world, and even has a database of high rollers, numbering 500,000 gamblers. The chief executive officer and founder is George Nasset, and he is the former chief information officer at HotJobs.com.

Firms like InterCasino, the oldest and one of the largest online casinos in the industry, are, meantime, vocally advocating for the legalization and regulation of Internet gambling in the United States. This comes as the World Trade Organization deadline next month looms for the U.S. government to state its position on Internet gambling.

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