

# The Web: WTO's gambling deadline missed

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A deadline imposed by The World Trade Organization for the Bush administration to clarify its stance on online gambling passed earlier this month, without a public response from the government, gaming experts are telling United Press International's The Web column. "We haven't seen anything from them yet," Peter Marcus, a spokesman for online gaming company, Intercasino, told The Web in an interview from London Tuesday. "We're not really expecting anything either. This is an election year in the U.S. The world has to appreciate it."

The April 3 deadline came from a case the WTO trade court decided against the United States and in favor of the tiny Island of Antigua. Last April the WTO, based in Geneva, ruled that the U.S. government was violating international trade agreements by prohibiting U.S. banks and Internet service providers from dealing with offshore, cyber-gambling casinos.

Rep. Jim Leach, R-Iowa, and Sen. Jon Kyl, R-Ariz., have sponsored legislation to ban all online gaming. The legislation has not passed yet, however. There is no one, single law that bans online gaming in the United States now, but laws used to limit gambling over telephone lines have been cited by the U.S. Department of Justice against the casinos.

"Only the Justice Department believes online gambling is illegal," Marcus told The Web, somewhat hyperbolically.

The scuttlebutt in the online gambling industry is that the Republicans don't want to touch the issue, at least until after the November elections,

because tainted lobbyist Jack Abramoff had many casinos as clients, and the GOP is in a no-win situation for the time being, for it could appear as if it is currying favor with the casinos if it decides for them, and could seem to be covering up past, perceived transgressions by going against them now.

Offshore gaming enterprises are continuing to press the issue, however. They make an economic-development argument for their operations, claiming that their industry creates jobs for residents of poor islands, like Antigua and Barbuda. The moneymaking claims are supposed to trump moral questions -- about possible gambling addictions, as well as possible tax evasion and money laundering, raised by U.S. policymakers against Internet gambling.

"The U.S. government's interference with a multi-billion dollar industry, and its attempts to legislate the morals of its citizens, is simply a ploy to protect its own tax revenues by blocking the outflow of gambling money from its shores," said Marianne Anderson, director of marketing at USportsBook.com, an online sports wagering firm based in Costa Rica. "And its failure to implement the decision of the WTO further damages the country's image in the eyes of smaller nations that look to the U.S. as a role model for international business relations."

Global trade sanctions could be imposed against the U.S. if it does not reply to the WTO mandate, Anderson said. She would like the U.S. to rescind all legislation that does not comply with the WTO order. The fact of the matter is, however, that additional proposed legislation is still before the Congress, including the Unlawful Internet Gambling Enforcement Act of 2005 and the Internet Gambling Prohibition Act. Anderson said these bills are increasing the tension between the United States, the WTO and smaller nations.

As the United States maintains its status quo, the United Kingdom has

passed legislation legalizing online gambling, bringing it under government regulation, said Marcus, who envisions London as becoming the world's online gambling capital in the coming years. "They will have policies in place to help problem gamblers," Marcus noted. "The European Union is also saying that it is going to allow online gaming across the continent."

A number of online casinos, or their IT security branches, have gone public on the stock market, another gambling mechanism, but one that is legal in the United States and overseas. Online card room Pokerstars.com is rumored to be considering a public stock share float this year, too.

Though it is not apparently legal -- the question is open to interpretation of the law -- Americans are flocking to online casinos. Marcus estimated that as of 4:30 p.m. on Tuesday, April 18, 2006, there were 1.5 million Americans gambling online at global sites. "By 6:30 p.m., the number likely rose to 2 million," said Marcus.

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