Federal & Indian Gaming Law	
HORSERACING AND THE INTERSTATE HORSERACING ACT	
with Grag Gamignani	
HISTORY OF SPORTS WAGERING	
• Sports wagering is nothing new.	



Wagering on ch Ancient Rome.		and athletic comb		
		Asylva Poly	ALC:	
	1933			

HISTORY OF SPORTS WAGERIN	IG
<ul> <li>At its height, Rome itself had 7 different race t and a popular wagering activity for Romans.</li> </ul>	tracks. This was a popular sport

### HISTORY OF SPORTS WAGERING

- Romans also provided us with the first known wagering laws.
- Wagering on things other than sports and race went through periods of prohibition and permissiveness.
- At all times, wagering on races and athletic contests appear to have been permitted and governed.

 ICTOI	N/ 0	E C D O	DTC \	A / A O E D IN LO
				<i>N</i> AGERING

 As the Roman Republic and Empire spread, so did the Roman past times of racing and athletic combat as well as wagering on such activities.

### HISTORY OF SPORTS WAGERING

• An inscription on the mosaic of an African bath house says of a favorite horse: "Vincas, non vincas, te amamus, Polydoxe!": Win or lose we love you Polydoxes!



### HISTORY OF SPORTS WAGERING

Sports wagering continued to flourish through varying degrees of legality and illegality throughout the Roman world.

	NAGFRING

• Gambling in the middle ages was divided in part by economic class. The rich indulged in wagering on horse racing, cock fighting or other blood sports, while the poor often engaged in dice games.



### HISTORY OF SPORTS WAGERING

 In 1190 kings Richard of England and Phillip of France of the crusades found it necessary to have a law drawn up settling just who could and who could not gamble, and for how much



### HISTORY OF SPORTS WAGERING

 $\begin{tabular}{ll} Kruwh \# df & property & property$ 

Kruh#dflj# dv#vhg#r#p suryh#errgwrfn#lqg# z djhulgj#q#dfljj# dv#rp p rq#sdfh#g#phdud#lod fxoxnhvl

### HISTORY OF SPORTS WAGERING



### HISTORY OF SPORTS WAGERING



### HISTORY OF SPORTS WAGERING

Gxuljj#kh#hljq#:#Fkdubv#L#dfljj# dqg#dfh#:djhuljj#pdgh#l#hwxuj#z# Eulok#zfhw|1



HISTORY OF SPORTS WAGERING	
Man for some	
Ehwirj kqikruvhildf igʻilivikuth vib hit dviqrz qitivimatch betting kiqqit dviji qqhudaj kq0 ruj dql) hqikqqit Verxvihif rxuvhii vribrring drhuvlii	
ruj dql hqfilagit blarxethifrxavh# vr#srmp dnhvv#	
P hp ehu/#: #kh#sxedf#z rxg;# wuith#ehw#z lk#sdfk#zkhu#lgg# hyhq#: ilu#zggv#	
Market State Control of the Control	
HORSE RACING	
HORSE RACING	
• Horse racing was originally a head-to-head event.	
	-
tal alary with	
BASIE SEL CONTROLLED SON AND PROTECTION OF A SELECTION OF A SELECT	
HORSE RACING	
Match betting is relatively simple	-
TALL STREET	-

HORS	E RACING	
• Over t	me field racing became popular	

HORSE RACING	
Field wagering is much more complex than match wagering	

### HORSE RACE WAGERING Iq 4,9:/d Fdvdaid lyhqwry Mrvhsk R dwy ghyhorshg d v|whp wr jxduigwhl d surliwiruerrnp dnhwl Klr v|whp srrdsg zdjhur dgg thfddxailwig rggy dv zdjhur zhih saifhgl Wkh srrofrxag whig suryligh d sd|p hqw wr wkh wdfir ru

Wkh v|vwhp zdv fdobg wkh ·sdul0 pxwkholzdjhuknjv|vwhp11



	WAGERING

Sdulp xwhdedjhulpj#p hwle lk#lp ling#xffhvv#kqvl#kh#lpyhqvleq# #kh#krvld}hu erdqr#x#kh#bldqd# < 3.2vl

Wkh#wdd}h#erdug#larzhg#ehwhw###hh#kh#Exuhqv#zggv#lgg#kh#Ekdqjh#lg#zggv#

Ta#4 < 5 : #kkh#il www.vdd}hi#erdia#e.dv#bwwlaba#lw#birbijwra#Idfh#wdfn#b#abarivi

### HORSE RACING

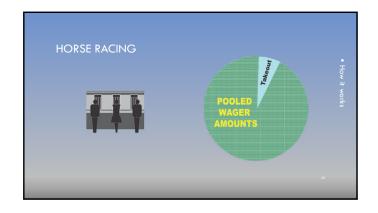
How it works

HORSE RACING

POOLED

WAGER

AMOUNTS



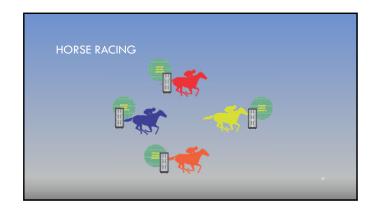
HORSE RACING	
• In the beginning there were	e the horse owners & trainers, the track, the
jockeys and the bettors	The horse owners a framers, the frack, the
pockeys and the benots	
	Section 1

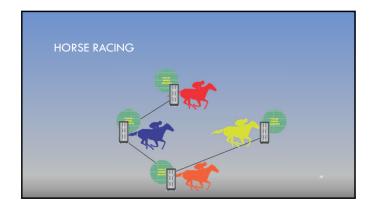
## HORSE RACING • Describe pari-mutuel wagering.

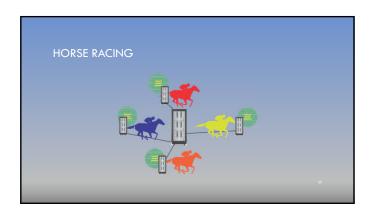
HORSE RACING	
Bets are placed by patrons at the track	
• Bets are placed in a "pool"	
Betting odds changed with wagers in the pool	
The pool is divided among winners, less a take out for the tracks and	
participants	
2	
HORSE RACING	
TIONOL MACINA	
What is a takeout?	
×	
LIGHT BACK IS	
HORSE RACING	
• What is an OTB?	

HORSE RACING	
What is comingling?	
	-
31	
HORSE RACING	
What is breakage?	
Mai II Sicaraga	
	-
HORSE RACING	
• What is a track fee?	
и	

HORSE RACING	-
HORSE RACINO	
What is a totalizer?	
*	
	-
HORSE RACING	
HORSE RACINO	
What is a disseminator?	
11	
HORSE RACING	-
HORSE RACING	



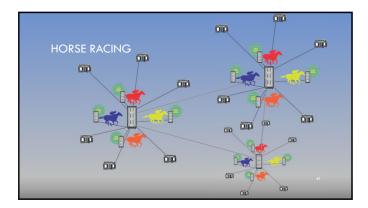




	1
HORSE RACING	
čija -	<u> </u>
HORSE RACING	
The Interstate Horseracing Act	
	_
4	
	<u> </u>
HORSE RACING	
The Interstate Horseracing Act	
<ul> <li>History</li> <li>Originally designed to protect tracks by making OTB's illegal</li> <li>The feor was that OTBs would put small tracks out of business by denying them the attendance that kept them</li> </ul>	
efloat.	
a	_

HORSE RACING	
The Interstate Horseracing Act	
<ul> <li>History</li> <li>During the legislative process the focus moved from prohibiting interstate horse racing wagers to a system of</li> </ul>	
consents and revenue sharing	
4	
HORSE RACING	
The Interstate Horseracing Act	
The interside Horserdamy Act     The operative sections	
• 15 U.S.C. 8 3002. Definitions	
<ul> <li>(3) "interstate off-track wager" means a legal wager placed or accepted in one State with respect to the outcome of a horserose taking place in another State and includes part-mutuel wagers, where lawful in a coch State involved, placed or transmitted by an individual in one State via telephone or other electronic media and accepted by an off-track betting system in the same or another State, as well as the combination of any part-mutuel wagering pools;</li> </ul>	
outcome of a horserace taking place in another State and includes pari-mutuel wagers, where lawful in each State involved, placed or transmitted by an individual in one State via telephone or other electronic media	
and accepted by an off-track betting system in the same or another State, as well as the combination of any	
patiniloloet wage ing pools;	
и	
HORSE RACING	
HORSE RACING	
• The Interstate Horseracing Act	
• The operative sections:	
<ul> <li>15 U.S.C. § 3003. Acceptance of interstate off-track wager</li> <li>No person may accept an interstate off-track wager except as provided in this chapter.</li> </ul>	
• 15 U.S.C. § 3004. Regulation of interstate off-track wagering	-
(a) Consent of host racing association, host racing commission, and off-track racing commission as prerequisite	
to acceptance of wager An interstate off-track wager may be accepted by an off-track betting system only if consent is obtained from—	
(1) the host racing association, except that—	

Approval of tracks as prerequisite to acceptance of wager; exceptions
(1) In addition to the requirement of subsection (a) of this section, any off-track betting office shall obtain the approval of—



# HORSE RACING • The Interstate Horseracing Act • The Turfway Opinion • Focts

110000000000000000000000000000000000000	
HORSE RACING	
• The Interstate Horseracing Act	
* The Turfway Opinion  • Facts	
Contract between Turfway and Horsemen expires	
Horsemen want a bigger portion of the takeout for purses  Horsemen refuse consent for interstate off-track wagering on Turfway races	
Turfway sought content directly from horse owners by inserting language into entry form	
	· · · · · ·
HORSE RACING	
The Interstate Horseracing Act	
• The Turfway Opinion	
• Facts	
Horsemen seek to enjoin interstate wagering on Turfway roces  Turfway counters with anti-trust defense and that the IHRA is unconstitutional	
(unlawful restraint on competition)	
HORSE RACING	
The Interstate Horseracing Act	
The Turfway Opinion  • Facts – District Court	
<ul> <li>Facts — District Court</li> <li>Found the Act to be an invalid restriction on commercial speech as well as being vague and irrational</li> </ul>	
The simulcast was commercial speech in that it is like an implied advertisement	

HORSE RACING	
• The Interstate Horseracing Act	
The Turfway Opinion – Court of Appeals	
Does the Act regulate commercial speech?	
Does life Act regulate confinencial speech.	
	-
HORSE RACING	-
HORSE RACING	
• The Interstate Horseracing Act	
* The Turfway Opinion – Court of Appeals	
Does the Act regulate commercial speech?	
No – The act regulates wagering not simulcasting.	
HORSE RACING	
The Interstate Horseracing Act	
The Turfway Opinion – Court of Appeals	
Is the Act unconstitutionally vague?	

Property of the Interstate Horseracing Act  The Turfway Opinion - Court of Appeals  Is the Act unconstitutionally vague?	
The interstate Horseracing Act     The Turk-oy Opinion - Court of Appeals     Is the Act unconstitutionally request	
HORSE RACING  • The Interstate Horseracing Act  • The Turfway Opinion – Court of Appeals  • Is the Act unconstitutionally irrational?	

HORSE RACING	
	-
The Interstate Horseracing Act	
<ul> <li>The Turfway Opinion – Court of Appeals</li> <li>Is the Act unconstitutionally irrational?</li> </ul>	
We consider higher than a common whether the common increases ingellected fractional executes considerations of a common consideration for the common consideration of the consideration of the consideration of the common common consideration of the consideratio	
installaturabley the horisment visto pourse the horisment, more than any other afficient group, have a substantial attricts in maintaining the ballonse that Congress sought to achieve the horisment work.	
the additional mency that off-trads wegaring provides while preserving the horsenacing industry. It to this interest that will present the base amons from using their consenu power in an arbitrary or	
capricious momer. We therefore reverse the district cour's substantive due process determination.	
HORSE RACING	
HORSE RACING	
The Interstate Horseracing Act	
• The DOJ	
LIODGE DACINIC	
HORSE RACING	
The Interstate Horseracing Act	
<ul> <li>The DOJ</li> <li>The Department of Justice notes that \$.692 may incorrectly imply that the Interstate Horse Racing Act of</li> </ul>	
• The Department of Justice notes than S. 692 may incorrectly imply that the Interstate Horse Racing Act of 1978, 15 U.S.C. § 3001 et seq., allows for the legal transmission and receipt of interstate parimutual bets or wagers. The Interstate Horse Racing Act does not allow for such gambling, and it a parimutual vagering business currently transmits or receives interstate bets or wagers (as apposed to intrastate bets and wagers on the autome of a race occurring in another state), it is violating federal gambling laws.	
business currently transmits or receives interstate bets or wagers (as opposed to intrastate bets and wagers on	
the outcome of a race occurring in another state), it is violating federal gambling laws.  * — Letter to Senator Lechy June 9, 1999	

HORSE RACING	
The Interstate Horseracing Act     The DOJ	
<ul> <li>The Department of Justice views the existing criminal statutes as prohibiting the interstate transmission of bets or wagers, including wagers on horse races. The Department is currently undertaking a chill investigation relating to a potential violation of law regarding this activity. We have previously stated that we do not believe that the interstate Horse Racing Act, 15 U.S.C. §§ 3001-3007, amended the existing criminal statutes.</li> </ul>	
relating to a potential violation of law regarding this activity. We have previously stated that we do not believe that the interstate Horse Racing Act, 1.5 U.S.C. §§ 3001-3007, amended the existing criminal statutes.	
* — U.S. House of Representative Testimony April 5, 2006	
۵۱	
HORSE RACING	
10 (a) Whose we being engaged in the business of bearing or the transmission in interesting or foreign countries. On the proof of the	
on intrinsicult counting in the public on the rest weights of the porting event or content, or for the transmission of a view state involved, placed for transmitted by an infulfaction which entities the respilent to receive money or credit or a result of better weight, and the public entities the respilent to receive money or credit or a result of better weight, or for information assisting accepted by an off-track betting system in the same or	
in the piacing of bets or wagers, shall be tried under this title or another State, as well as the combination of any parimiprismed act more than the years, or both.  (b) Nothing in this section shall be construed to prevent the transmission in interration or foreign commerce of information for	
use in news reporting of sporting events or contests, or for the transmission of information scalaring in the placety of better or wages as an apporting event or contest from a State or Foreign resets whose heating an often according event or contest is lipsal or set to the contest of the contest of the contest is lipsal to the contest of the contest of the contest is lipsal to the contest of the contest of the contest is lipsal to the contest of the contest of the contest is lipsal to the contest of th	
into a State or foreign country in which such betting is legal.	
62	
TESTINIO COLSALININIO VITIONI	
TECHNOLOGICAL INNOVATION	
* http://www.kentuckydowns.com/historical-horse-racing/what-is-historical-horse-racing/	
* https://www.youtube.com/wotch?v=wfUx9DXON6w	
* https://youtube/WCp%pzWWeq	
* https://www.youtube.com/watchitv=Ab8Oz8Yu7OI	
* https://www.youtube.com/watchitv=K2qy&mQP7tc	

TECHNOLOGY INNOVATION	
I larged Business	
• Instant Racing	· ·
<ul> <li>https://www.youtube.com/watch?v=MrUQkyNOubw</li> </ul>	
• https://www.youtube.com/watch?v=3B_Q2LRHdd4	
•	
technological innovation	
https://s3-us-west-2.amazonaws.com/bspot-vids/bspot_explainer.mp4	-
imps//30-03-mest-2/dimazona-scom/ 03/01-mes/ 03/01- Capitalitetimp=	
• https://www.bspot.com	
•	
HISTORY OF SPORTS WAGERING	
P hdqz klh,flqfikhi i, 33vflitjin fjdp h# lqfDp hifdficdvfjurz lgjflqfirsxahidj1	
Edvhedat dviehfrp by Hillyddryddiadwi yb hileilyddikruchildfyj i	
Movetivitz lie Beruchtidf lgj /fz dj ladgj faqti edviedate dvigrekojčrep ergi	

		VAGFRING

Iq#kh#1;33v#khuh#zdv#l#hal{hg#lwlwgh#czdug#ehwlqj#cq#edvheda

Truth (do son Alatt : < 7 Abkht dvk bri wratsrvuth sruhattik dvk

% qfb.#Dqvrq#P dqdjhukrikh#kIdjr#row,#kdv#dahdg|#wduhg#pdnlpj#djhuwkq#kh#srvldrq#kh#FkIdjr#row;bladyh#q#kh#dfh#ru#kh#Ddwlrqdd#Ohdjxh#Bhqqdqwtqh{w||hdu#Kh#swks#433#J#hz#gd|v#djr#kdwkb#hdp#rxg#lqlkk#ljkhuks#Q#kh#dfh#wkdq#kh#blwexujk#Bldwhv1%

### HISTORY OF SPORTS WAGERING

iq#kh#dwh#;33v#dqg#hduq#433v/# vsruw#zdjhulqj#zdv#jhqhulcd#lq# dffhswledn#irup#z#kquhjxodwhg# zdjhulqj1

Vlgfi#kh#dp h#cdyhedd#hfdp h#l# vshfdcidssru#khhib# hh# ddijddigd# #fkhddij #lgg#p ddf.# llgj#E #kh#g h# #khbwq# #kh# 55%#F hqool #kh#np # kbsrgur ljj#hfdp h#du# #kh# di[Trg#c#hhibqfh#jdp bty# h(kel#g#c#lhg#c#jdp edgj#



### HISTORY OF SPORTS WAGERING



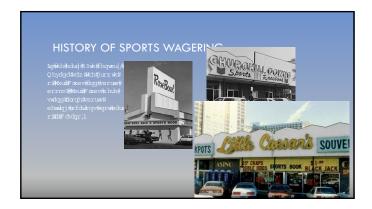
Ig推<4</#white klidjr据klih klimitaryh te i klimitaryh k

Wkh#hdp #kdg#zq#l#kdp slrqvkls#lg#k<4:/ dqg#lg#k<4<##cdv#h{shfwlg#kz#gr#vz#qfh# aiala

z kih#kh#kifdjr# klh#r{# hh#jrrg# khl#z qhy#kduhv#rp lnh|#e dv# ha# igrz q#n:klv#p lnu|#e d|v#igg#we dv# ha# igrz q#kdwsal|hu#e hh#kgghusdlj1

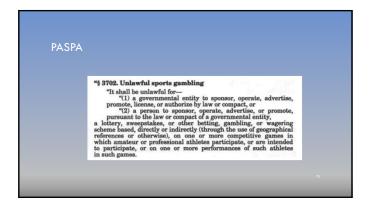






۲	HISTORY OF SPORTS WAGERING	

HISTORY OF SPORTS WAGERING
Florida - Chapter - 849.25 "Bookmaking" defined; penalties; exceptions.—
(1)(a) The term "Cookmaking" means the act of taking or receiving, while engaged in the business or profession of gambling, any bet or wager upon the result of any trial or context of skill, speed, power, or endurance
of human, beast, fowl, motor whicle, or mechanical apparatus or upon the result of any chance, casualty, unknown, or contingent event whatsoever.
(b) The following factors shall be considered in making a determination that a person has engaged in the offerse of bookmaking:
Taking advantage of betting cods created to produce a profit for the bookmaker or charging a percentage on accepted wagers.
Placing all or part of accepted wagers with other bookmakers to reduce the chance of financial toos.
Taking or receiving more than five wagers in any single day.
4. Taking or receiving wagers stealing more than \$500 in any single day, or more than \$1,500 in any single week.
Engaging in a common scheme with two or more persons to take or receive wagers.
Taking or receiving wagers on both sides on a contest at the identical point spread.
7. Any other factor relevant to establishing that the operating procedures of such person are commercial in nature.
74 (c) The existence of any two factors listed in paragraph (b) may constitute prima facile evidence of a commercial bookmaking operation.
(2) Any person who engages in bookmaking shall be guilty of a fellony of the third degree, punishable as provided in s. 25.00, s. 75.00, or s. 75.00. Notwithstanding the provisions of s. 25.00, any person convicted



PASPA		
	n Act	

PASPA  PA
HOME HOW TO PLAY RESULTS SCHEDULE RULES PROGRAM
HOW TO PLAY
WHAT IS SPORTS ACTION?5M
Sports Action is the game where you try to beat the point spreads of pro football games. Make your picks from the Sports Action Official Program, published weekly, that lists the teams playing and point spreads.
GET CASH QUICKER
You can claim winning 3 of 3 and 4 of 4 Sports Action prizes the next day after the final event on your ticket has been played All pari-mutuse prizes can be claimed beginning at 5 AM on Tuesday. Sales for each week's games begin on Tuesdays at 5 AM.
Read the Official Sports Action Program for a list of this week's Sports Action Events and Point Spreads. Along with this week's games, the Official Program lets you know:
- Which team is the Favorite and which one is the Underdog

### PASPA

- Senator Deconcini of Arizona introduced the Professional and Amateur Sports
  Protection Act (the "Act") because of the impending threat of state-sponsored
  sports lotteries.
- Because of the threat posed by state lotteries, the bill focused on statesponsored sports wagering.
- According to Senator Deconcini, the "bill serves an important public purpose, to stop the spread of state-sponsored sports gambling.

	•
PASPA	
Senator Bill Bradley also championed the bill because he believed that sate	
PASPA	
	•
PASPA	
• Sac 2704 Applicability	
	-

$\mathbf{n}$	$\sim$	ъ,	
12/2	4.5	FL	Ľ
	v		

- Sec. 3704. Applicability
  - Section 3702 shall not apply to
  - (1) a lottery, sweepstakes, or other betting, gambling, or wagering scheme in operation in a State or other governmental entity, to the extent that the scheme was conducted by the State or other governmental entity at any time during the period beginning January 1, 1976, and ending August 31, 1990;

### PASPA

- Sec. 3704. Applicability
  - Section 3702 shall not apply to -
  - (2) a lottery, sweepstakes, or other betting, gambling, or wagering scheme in operation in a State or other governmental entity where both -
    - (A) such scheme was authorized by a statute as in effect on October 2, 1991; and
    - (8) a scheme described in section 3702 (other than one based on parimutuel animal racing or joi-tola
      games) actually was conducted in a scheme or other governmental entity at any time during the
      period beginning September 1, 1989, and ending October 2, 1991, pursuant to the law of that
      State or other governmental entity;

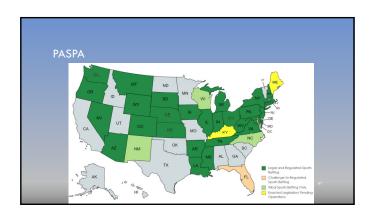
### PASPA

- Sec. 3704. Applicability
  - Section 3702 shall not apply to -
  - (3) a betting, gambling, or wagering scheme, other than a lottery described in paragraph (1)
    - (A) such scheme or a similar scheme was authorized, not later than all the charter to be a proported in that municipality, and
    - (B) any commercial casino gaming scheme was in operation in such municipality throughout the 10year period ending on such effective date pursuant to a comprehensive system of State regulation
  - (4) parimutuel animal racing or jai-alai games.

https://youtu.be/f9\_WK5ld\_4

### PASPA \* States that fall within the exemption: \* Nevada \* Delaware \* Montana \* Oregon





FEDERAL WIRE ACT	
• Davit of the 1041 levislative washings designed to get	
Part of the 1961 legislative package designed to cut	
off activities that financially sustained organized crime	
and to help states enforce their gambling laws.	
	•
FEDERAL WIRE ACT	
	-
	-
	•
ILLEGAL GAMBLING BUSINESS ACT	
• 18 U.S.C. §1955 the Statute	
• (a) Whoever conducts, finances, manages, supervises, directs, or owns all or	
part of an illegal gambling business shall be fined under this title or	

ILLEGAL GAMBLING BUSINESS ACT	
• 18 U.S.C. §1955 the Statute	
• (b) As used in this section—	
(1) "illegal gambling business" means a gambling business which—	
<ul> <li>(1) "Illegal gambling business" means a gambling business which—</li> <li>(9) he visitation of the law of a State or galletal substitution in which it is conducted,</li> <li>(6) In production for many persons who conducting such, amongs, appear follow, and or own all or gant of such business, and</li> <li>(6) In bleas or remains in substantially continuous operation for a partial in access of drivity days or has a grans revenue of \$2,000 is any single day.</li> </ul>	
<ul> <li>(iii) has been or remains in substantially confinuous operation for a period in excess of thirty days or has a grass revenue of \$2,000 in any single day.</li> </ul>	
91	
ILLEGAL GAMBLING BUSINESS ACT	
• 18 U.S.C. §1955 the Statute	
• (b) As used in this section—	
1) "Milegal gambling business" means a gambling business which— 1) (It is visited of the law of a State or political substitution in which it is conducted, 1) (It is visited for a reason which stated, have, meaning, appearing day, or own off or part of each business, and 1) (It) has been or remain in substantially continuous operation for a partial in senses of their plays or has a green revenue of \$2,000 in any single days.	
<ul> <li>(ii) involves fire ar more persons who conduct, fiscator, manage, supervise, direct, or own all or part of such business; and</li> <li>(iii) has been or remains in substantially continuous operation for a period in excess of thirty days or has a gross revenue of \$2,000 in any single day.</li> </ul>	
*	
QUESTIONS/DISCUSSION	
* Questions/Discussion	
93	

QUESTIONS/DISCUSSION	
Questions/Discussion	
44	