

Federal & Indian Gaming Law

SPORTS CONTINUED

with Greg Gemignani

HISTORY OF SPORTS WAGERING

Meanwhile, in the 1800s a new game in America was growing in popularity.

Baseball was becoming a national past time to rival horse racing.

Just as with horse racing, wagering on baseball was not uncommon.

2

HISTORY OF SPORTS WAGERING

In the 1800s there was a relaxed attitude toward betting on baseball.

For example, in 1894, the Washington Post reported that

"Uncle Anson (Manager of the Chicago Colts) has already started making wagers on the position the Chicago Colts will have in the race for the National League Pennant next year. He put up \$100 a few days ago that his team would finish higher up in the race than the Pittsburgh Pirates."

3

HISTORY OF SPORTS WAGERING

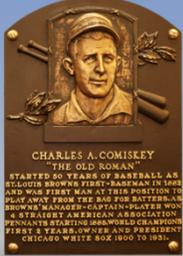
In the late 1800s and early 1900s, sports wagering was generally an acceptable form of unregulated wagering.



Since the time baseball became a spectator sport, there were allegations of cheating and match fixing. By the time of the turn of the 20th Century, the term "hippodroming" became part of the lexicon to reference games exhibited or fixed for gambling purposes.

4

HISTORY OF SPORTS WAGERING



In 1919, the Chicago White Sox were one of the best teams in baseball.

The team had won a championship in 1917, and in 1919 it was expected to do so once again.

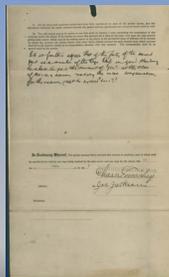
While the Chicago White Sox were good, their owner, Charles Comiskey, was well known for his miserly ways, and it was well known that players were underpaid.

5

HISTORY OF SPORTS WAGERING

In 1919, baseball player contracts had a reserve clause that prevented players from negotiating or playing for other teams.

Thus, the underpaid Chicago Whitesox players had no bargaining power for higher wages, despite the fact that their performance was superior to most players in the league.



6

HISTORY OF SPORTS WAGERING

The Chicago White Sox lost the 1919 world series, and many speculated that key players threw the series in order to get a payoff from a bookmaker.



HISTORY OF SPORTS WAGERING

In the early 20th century, Nevada saw the growth of Turf Clubs and sports books. Turf Clubs were stand alone sports betting locations (not part of a Casino).



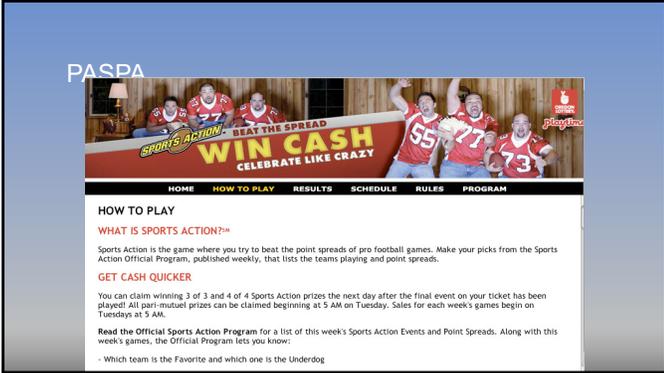
HISTORY OF SPORTS WAGERING

Meanwhile, many other states were quick to prohibit sports wagering and bookmaking.

Pennsylvania Title 18 § 3514. Pool selling and bookmaking.

A person is guilty of a misdemeanor of the first degree if he:

- (1) engages in pool selling or bookmaking;
- (2) maintains any place for the purpose of receiving, recording or registering bets or wagers, or of selling pools;
- (3) receives, records, registers, forwards, or purports or pretends to forward, to another, any bet or wager upon the result of any political nomination, appointment or election, or upon any contract or any device;
- (4) becomes the custodian or depository, for gain or ward, of any property staked, wagered or pledged, or to be



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 state-sponsored sports wagering.
- According to Senator Deconcini, the "bill serves an important public purpose, to stop the spread of state-sponsored sports gambling.

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- Senator Bill Bradley also championed the bill because he believed that state sponsored puts the “imprimatur of the state on the activity” by creating the perception that sports gambling is ok.

PASPA

- Sec. 3702. Unlawful sports gambling
- It shall be unlawful for -
- (1) a governmental entity to sponsor, operate, advertise, promote, license, or authorize by law or compact, or
- (2) a person to sponsor, operate, advertise, or promote, pursuant to the law or compact of a governmental entity, a lottery, sweepstakes, or other betting, gambling, or wagering scheme based, directly or indirectly (through the use of geographical references or otherwise), on one or more competitive games in which amateur or professional athletes participate, or are intended to participate, or on one or more performances of such athletes in such games.

PASPA

- 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 that State or other governmental entity at any time during the period beginning January 1, 1976, and ending August 31, 1990;

PASPA

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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
 - (B) a scheme described in section 3702 (other than one based on parimutuel animal racing or jai-alai games) actually was conducted in that State 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), conducted exclusively in casinos located in a municipality, but only to the extent that -
 - (A) such scheme or a similar scheme was authorized, not later than one year after the effective date of this chapter, to be operated in that municipality; and
 - (B) any commercial casino gaming scheme was in operation in such municipality throughout the 10-year period ending on such effective date pursuant to a comprehensive system of State regulation authorized by that State's constitution and applicable solely to such municipality; or
- (4) parimutuel animal racing or jai-alai games.

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PASPA

- States that fall within the exemption:
 - Nevada
 - Delaware
 - Montana
 - Oregon
 - * NEW JERSEY

PASPA – NEW JERSEY

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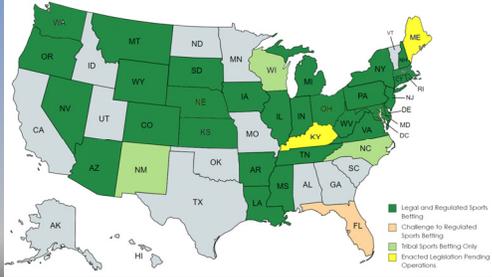
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24

POST - PASPA



SPORTS BETTING – OFF-SHORE



• <https://youtu.be/zdspviDAVE?si=4zlbJ1tqsQ3GJrz4>

25

SPORTS BETTING –BOOKIES TODAY



• <https://youtu.be/ByWLRSGiMQ?si=Bnb9lzmSxNKB3mLS>

27

SPORTS BETTING –BOOKIES TODAY



• <https://youtu.be/V6YqkrpF1Ek?si=bPdD1UUT4yEaQ7Bk>

28

POST - PASPA

- <https://www.legalsportsreport.com/sports-betting/revenue/>

29

FEDERAL WIRE ACT

- Part of the 1961 legislative package designed to cut off activities that financially sustained organized crime and to help states enforce their gambling laws.

30

FEDERAL WIRE ACT

- 18 USC §1084
 - (a) Whoever being engaged in the business of betting or wagering knowingly uses a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest, or for the transmission of a wire communication which entitles the recipient to receive money or credit as a result of bets or wagers, or for information assisting in the placing of bets or wagers, shall be fined under this title or imprisoned not more than two years, or both.

31

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 imprisoned not more than five years, or both

32

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—
 - (i) is a violation of the law of a State or political subdivision in which it is conducted;
 - (ii) involves five or more persons who conduct, finance, manage, supervise, direct, or own all or part of such business; and
 - (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.

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34

QUESTIONS/DISCUSSION

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35
