

Book Review #1

Internet Gaming Law

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Reviewed by Betty McNeal

If there's a dominant insight to be gained from this book it's that the Internet caught gaming regulators, gaming owners and the government completely off-guard. No one was prepared for the legal implications of the Internet as a playground for gambling. In the scramble to catch up old laws were stretched to the electronic age whether they fit or not. Cyberspace lacking geographic borders eluded the terrestrial gaming authorities that call the jurisdictional shots. Invisible casino customers mocked the website owner unable to know if the bettor was 14 years old and clearly out of line for online gaming. The hue and cry from many corners put the spotlight on issues, such as: player payments, collecting winnings, free speech advertising questions, and the personal computer as a possible gambling device.

Authors Rose and Owens are well up to the task of educating us. Nelson Rose is a distinguished Professor of Law at Whittier Law School in Costa Mesa, California and contributed the lead article to this journal. Martin D. Owens, Jr. is an attorney in Sacramento, California, specializing in the practice of Internet gambling law, state, Federal or international.

Early chapters raise the ambiguity of Internet gambling's legality, review the three basics of gambling (consideration, chance and prize), and follow the metamorphosis of gambling from sin to its present-day respectability and takeover by technology. State and Federal laws are covered in Chapters 6, and 7. States are hemmed in by Federal prohibitions. Nationally, the Wire Wager Act passed in 1961 to stop illegal wagers on sports events raises questions when applied to legal online gaming originating beyond our shores. Indian gaming gets a chapter though Native Americans in the U.S. have shown little interest in Internet gaming after their push for a National Indian Lottery was challenged. In Canada the Kahnawake tribe of Mohawk Indians in Quebec province has its own Gaming Commission (KGC) that issues licenses for cyber-casinos.

Next we meet the famous case of Jay Cohen, U. S. citizen and offshore Internet gaming operator who was tried, convicted and sentenced. Controversy continues with the World Trade Organization/Antigua assertion that the U.S. anti-online gaming stance violates U. S. commitment to the WTO's General Agreement on Trade in Services, gaming being a service.

Chapter 11 deals with money transfers and taxes. Credit and debit cards are discussed; tracking down income when tax time rolls around looms as a major challenge. We later explore the implications of advertising or linking to Internet gambling Web sites. Chapter 14, the crystal ball finale tries to anticipate the future. In a happy-ever-after scenario government would change from protector to promoter, realize the futility of prohibition and punishment and enjoy the windfall of tax money from Internet gaming revenue. But with the present nightmare of Internet gaming, the road to a legal-friendly tomorrow would no doubt be rocky.

Several features rate this book as worthy of our attention. A first in its field it pulls

together research, history, laws, and court cases. It succeeds in conveying the complexity of drafting, passing and enforcing laws for borderless gaming. The authors are candid, showing the hypocritical side of some participants and the occasional favoring of vested interests over legal clarity.

Among the missing—a glossary of gaming law terms. This would have come in handy for terms such as: e-wallet, Budd Report, regulatory arbitrage, RICO, watch lists, and menu statute. Absent also were charts and tables that could have traced proposed legislation or illustrated trends in quick-grasp visuals. The subject index could have been expanded as a later attempt to locate the Kahnawake pages proved futile.

Overall this book is a valuable addition to the literature of Internet gaming. Besides assisting lawyers and law students it should prove helpful to academic researchers looking to analyze this wildly popular gambling form. At a minimum the reader can see what an “unruly child” this newborn pastime turned out to be and appreciate the many areas it affects: commerce, finance, law, international agreements, technology, players, operators, regulators, government, revenue, politics, and entertainment.