

More states want in on the sports betting game

By Joe Drape, New York Times

It is a lucrative time of year for Nevada, where more than \$200 million will be wagered in sports books on the men's college basketball tournament, a pot of money that has budget-crunched states across the country pushing for a piece of the action despite strong opposition from the NCAA and professional sports leagues.

Voters in New Jersey passed a referendum by a 2-to-1 margin making sports betting legal, and last year Gov. Chris Christie signed a law legalizing it at Atlantic City's 12 casinos and the state's four horse racing tracks. Illinois is considering allowing sports betting, and California lawmakers are looking to reintroduce a sports gambling bill that the state Senate passed last year.

All this has the sports' governing bodies on high alert. The NCAA has filed a lawsuit with the NFL, the NHL, the NBA and Major League Baseball claiming that sports betting in New Jersey would "irreparably" corrupt sports in the United States. This year they were joined by the Justice Department, which defended the constitutionality of a 1992 law banning sports betting outside Nevada and a handful of other states that had long allowed gambling.

The NCAA also canceled several tournaments and sporting events in the state and said it would bar New Jersey from hosting events in the future if sports betting was put into effect.

Last month, a federal judge ruled against New Jersey and upheld the ban on sports betting. The state is appealing, and legal experts expect that the case will reach the Supreme Court.

As gamblers poured into Las Vegas in anticipation of three weeks of betting on unpredictable tournament action, the NCAA sounded this warning on its official Twitter account: "Student-athletes, coaches & admins: A reminder that betting on #MarchMadness isn't worth the risks," with a link to a release detailing the arguments against wagering on sports.

In a statement, the organization was concise in explaining its opposition. "The NCAA maintains that the spread of legalized sports wagering is a threat to the integrity of athletic competition and student-athlete well-being," it said.

Nevertheless, the money being wagered on the tournament will more than double the record \$98.9 million bet on this year's Super Bowl.

The federal law on sports betting, which was championed by then-Sen. Bill Bradley of New Jersey, a former professional basketball player for the New York Knicks, was intended to limit its expansion beyond Nevada, Delaware, Oregon and Montana. But New Jersey and advocates in other states say there are too many dollars at stake for that policy to continue to make sense.

Nevada took in more than \$3.4 billion in bets on sports last year, generating \$15 million to \$20 million in tax revenue. The FBI estimates that \$2.6 billion is bet illegally on the college basketball tournament, while the National Gambling Impact Study Commission says \$380 billion is bet annually with bookies or offshore betting operations, often controlled by organized crime, on all sporting events together.

Last March, Nevada sports books handled \$288.5 million in bets on basketball, an estimated 70 percent of them – or \$201 million – on college games, according to the Gaming Commission.

In Britain, where bookmaking shops are ubiquitous and online wagering is readily available, bookmakers paid 900 million

pounds in taxes (about \$1.36 billion), 24 percent of it, or roughly \$343 million, on sports and horse racing, according to a study by Deloitte on behalf of the Association of British Bookmakers.

The predawn scene at LVH last week served as a vivid illustration of Nevada's special lure. At 4:30 a.m., a group had claimed a table in the sports book area of the casino, and within three hours, hundreds of people were in a line that snaked through slot machines and onto the casino floor.

"This is the only place to be during the tournament," said Laurie Moss, a Denver software architect who has made the pilgrimage here for 13 years to bet on college games.

The growing acceptance of legalized sports betting has been reflected in an array of polls. Most recently, one from Fairleigh Dickinson University's PublicMind in December 2012 found that 51 percent of registered voters favor legalizing sports betting in states where it is not currently legal. That was up from its March 2010 poll, which showed 39 percent of voters supported expanding sports betting.

In court, the NCAA and sports leagues have argued that wider sports betting would compromise their image and offer a powerful temptation for their athletes to fix games. It is an argument advocates of sports betting claim is disingenuous, considering the leagues have coexisted with gambling in Nevada since 1949.

Dennis Drazin, a lawyer who advises Monmouth Park racetrack, which has announced plans to set up a sports book, said the leagues long ago made gambling part of their enterprise.

"If gambling is really hurting the leagues, why does every sports show talk about point spreads and favorites and underdogs? And why does every office in America have a pool on the NCAA tournament?" Drazin said.

A.G. Burnett, chairman of the Nevada Gaming Control Board, said perhaps the best way for sports leagues to protect themselves was to allow betting to expand in legal and regulated fashion.

“We have been in this business for decades and haven’t had any problems with ... any of our universities,” Burnett said. “The game-fixing scandals have happened in other states where gambling is illegal. What we have here is a regulatory process specifically to monitor what happens on both sides of the counter. This is all we do, and we’re good at it.”