

Gambling industry group argues new federal online betting law is unconstitutional

A gambling industry group argued in federal court Wednesday that a new federal law against transmitting online bets outside the United States violates people's right to gamble in the privacy of their own homes.

The group's lawyers said that, because filtering technology already exists to make sure children and compulsive gamblers cannot access offshore betting sites, the Unlawful Internet Gambling Enforcement Act serves only to stifle gambling companies.

The federal government has not yet applied the law.

The Internet Media Entertainment & Gaming Association, which sued the federal government in U.S. District Court in Trenton this summer, ultimately wants the law declared unconstitutional.

The U.S. Justice Department wants the lawsuit dismissed.

Judge Mary L. Cooper heard arguments in the case Wednesday morning and said she expects to rule within 30 days.

Edward Leyden, president of the industry association, said the law is limiting an industry whose revenues he estimated at USD 50 billion to USD 60 billion a year.

„It's a large market now, and it's growing," he said.

But the federal government's stance is clear: online gambling is illegal.

„You can go to Vegas. You can go to Atlantic City. You can go to a racetrack,“ Leslie Bryant, head of the FBI’s Cyber Crime Fraud unit, wrote on the agency’s website earlier this year. „You can go to those places and gamble legally. But don’t do it online. It’s against the law.“

Leyden said the online gambling industry wants the government to monitor and even tax it. U.S. Rep. Barney Frank, D-Mass., is sponsoring a bill that would regulate the industry, but not tax it, Frank spokesman Steve Adamske said.

„That’s exactly what we want _ that kind of protection for our customers, kind of like a Securities and Exchange Commission for online gambling,“ Leyden said. „Nobody in this industry wants to be tagged with the reputation of not being straight with the players.“

The law is also under attack internationally. Several countries are seeking compensation from the U.S. on the basis of a World Trade organisation ruling that American Internet gambling restrictions are illegal.

The Justice Department did not immediately return a call seeking comment Wednesday.

In court papers, it said that the association does not have the legal standing to challenge the law and that there is no constitutional violation.