

# Gaming Research Tip Sheet

.....quick start for studies, reports and papers

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© 2004 UNLV International Gaming Institute Betty McNeal, author [bmcneal@cmail.nevada.edu](mailto:bmcneal@cmail.nevada.edu)

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## Tip Sheet #17 Internet Gambling

**Illegal activity.** Internet gambling, also called I-gaming or E-gaming (electronic) is illegal in the United States at this writing.

It is a form of remote gambling where players do not have to enter the traditional brick and mortar casino to be scrutinized and where controls can be enforced.

Many online casinos operate from offshore islands in the Caribbean, in the U. K. (Isle of Man) and other places around the globe. Americans gamble millions annually at online sites despite their illegality.

**Major problems.** Debates about Internet and other remote gambling rage over such issues as:

- player registration and downloading of software
- how to tell if underage gamblers are playing
- how to tell if the player is operating from a legal jurisdiction
- use of credit cards to pay for online gambling
- licensing of I-gaming companies
- guarantees that winnings will be paid
- privacy, security and toll-free phone help
- affiliate programs where web sites get paid to refer gamblers to online casinos.
- deposits and cash-in policies.

**Advisory web sites.** In an attempt to help entrepreneurs seeking online

gaming businesses, several sites try to bring order to the confusion or assist in self-regulation that approximates legal casinos.

[Gaming Licenses](#) offers information on Internet gaming jurisdictions, licensing procedures and applications, costs to start, testing agencies, links to gaming regulations, software and systems, trade shows and conferences.

[I-Gaming Exchange](#) offers information and resources for the I-gaming executive including legal issues and business trends.

[IGI of Nevada](#) is a membership organization originally focused on Nevada as the first state to pass a law preparing the way for online gambling but has now expanded its mission to a global field, becoming a world coalition of stakeholders: systems designers, smart-card developers, lawmakers, regulators, standards groups, vendors and suppliers.

**The legal quagmire.** Watch impending Federal legislation to see whether Congress takes action for national regulation or direct prohibition.

Nearly every session bills are introduced, such as the Kyle Bill or the Goodlatte Bill to officially and formally ban Internet gaming, as the current illegality is based on elastic interpretations of old laws, such as the Wire Act.

**Suggested topics for research.**

- Internet gaming by employees in the workplace
- Internet gaming: pro and con
- enforcing Internet gaming debts
- the Australian experiment with Internet gaming
- how to tax Internet gambling winnings
- Harrah's subscription program of online games ("Lucky Me")
- online gaming on airline flights over international waters

**For more information.**

*Online Gambling and Kids: A Bad Bet, 2002.* (electronic resource) U. S. Government publication.

*Internet Gaming: E-gaming: Endangered Species or Rising Star?*  
Ader, J., & Falcone, M., 2000.

*Internet Gambling: Overview of Federal Criminal Law.* Doyle, C. (in press).

*Internet Gambling Report.* Cabot, A.  
Published annually.