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Guest Columnist John Conyers: Online gambling prohibition a bad idea

John Conyers, a congressman from Michigan, is the ranking Democratic member of the House Judiciary Committee.

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You might remember a failed experiment the U.S. government tried in the 1920s called Prohibition. Today, Congress is rushing to pass a similar ill-conceived prohibition of Internet gambling. Gaming prohibitionists believe they can stop the millions of Americans who gamble online by prohibiting the use of credit cards to gamble on the Internet. Just as outlawing alcohol did not work in the 1920s, current attempts to prohibit online gaming will not work, either.

Instead of a prohibition that will drive gambling underground and into the hands of unscrupulous merchants, Congress should examine the feasibility of strictly licensing and regulating the online gaming industry. State regulation will ensure that gaming companies play fair and drive out dishonest operators. It also provides potential tax revenue for financially strapped states.

That is why I plan to reintroduce legislation to create an Internet Gambling Licensing and Regulation Study Commission to evaluate how to regulate online gambling to protect consumers, provide badly needed tax revenue, and prevent criminal elements from penetrating this industry.

Today, gambling is a highly regulated, $26 billion industry that creates tax revenue for the states and provides a safe environment for 52 million people who gamble in U.S. facilities. The commission will explore whether the same conditions that afford safety and fair play in land-based casinos can exist for Internet-based casinos. It will also study whether money laundering, underage gambling, and gambling addictions are better addressed by an ineffective ban or by strict state regulation.

First, some claim that Internet gambling sites are being used to launder money for terrorists or other criminal organizations. Although there is no evidence that Internet gambling is any more susceptible to money laundering than other types of e-commerce, it is still a significant law enforcement concern. It is useful to compare a system where Internet gambling is regulated to another legislative proposal that would prohibit the use of credit cards for online gambling.

What that other bill says is this: Use cash and offshore bank accounts if you want to bet online. This is nonsensical on its face. If you want to prevent money laundering, the last thing you would do is eliminate the financial controls and record-keeping that credit cards and U.S. bank accounts provide. To the contrary, a regime where there is strict oversight by the states and transparent record-keeping is more likely to give law enforcement the tools to prosecute criminals.

Second, underage gambling should not be discounted. Children can be kept off of gambling websites,

however, by requiring the use of a credit card, PIN numbers, and other screening devices. Congress recognized the usefulness of credit cards as a tool to protect minors on the Internet when it passed the Children's Online Protection Act. Since a prohibition will not eliminate online gambling, children will be better protected by an industry that is held accountable to strict standards.

Finally, we must also consider the needs of problem gamblers. Online gambling sites present difficulties for these individuals, just as land-based casinos do. Using the Internet, however, it is possible to set financial limits on an individual's gambling, through the use of shared record-keeping.

Technologies can even be employed to identify problem gamblers and put them in touch with organizations where they can get help. Thus, the Internet affords the potential for greater protection for problem gamblers than land-based casinos.

Until now, Republicans and Democrats have stood together against those who wanted to cut off access to the Internet, restrict its boundaries, or use it for some special purpose. Except in the narrow areas of child pornography and other obvious criminal activities, Congress has rejected attempts to make Internet service providers, credit card companies, and the technology industry policemen for the Internet. We should not head down this road now. If we do, we'll be joining countries like Iraq, China and other totalitarian regimes who limit their citizens' access to the Internet.

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