

January 9, 2017

The Honorable Charles E. Grassley
Chairman
U.S. Senate Committee on the Judiciary
135 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Dianne Feinstein
Ranking Member
U.S. Senate Committee on the Judiciary
331 Hart Senate Office Building
Washington, D.C. 20510

Dear Chairman Grassley and Ranking Member Feinstein:

As the Committee on the Judiciary considers the nomination of Sen. Jeff Sessions to be the next Attorney General of the United States, the American Gaming Association (AGA) requests that you bear in mind the importance of the Department of Justice in cracking down on illegal gambling activities across the country.

Illegal gambling takes many forms: illicit machines, Internet sweepstakes cafes, online and often offshore wagering, and animal betting. A recent report by a Virginia Commonwealth University criminologist details the strong ties between illegal gambling operations and organized crime organizations in the U.S. The prevalence of illegal gambling has been so significant that, in 2014 alone, 80 operators in 23 states were convicted of running illegal gambling businesses. In working with state and local law enforcement, the next attorney general can make significant progress in these areas through enforcement action.

The most prevalent form of illegal betting, however, is sports betting, and requires a different approach. Today, the 1992 *Professional and Amateur Sports Protection Act (PASPA)* bans sports betting outside of Nevada. But instead of restricting betting, the federal ban has only fueled a growing \$150 billion illegal market with no consumer protections, no tax benefits for communities and no safeguards for sport integrity. The past 25 years and society's evolving attitudes have proven that enforcement is very unlikely to work, which is why we are focused on regulation – which the incoming president appears to support.

As Americans prepare to illegally wager in excess of \$4 billion on next month's Super Bowl, President-elect Donald Trump has recognized the reality of the current state of affairs. In a 2015 interview, he seemed to agree with many law enforcement officials who prefer a regulated market. "I'm OK with it because it's happening anyway. Whether you have it (PASPA) or you don't have it, you have it (sports betting)," said the President-elect.

Further, a September [report](#) authored by the AGA's [Illegal Gambling Advisory Board](#) concluded that "the current approach to sports betting in the United States is not working; instead, it's fueling criminal enterprises. The time has come to repeal the current sports betting ban and replace it with rigorous regulations that benefit states, protect consumers and maintain the integrity of the games."

The next attorney general will be forced to use limited resources in the most effective manner. We encourage a new legal approach that would dramatically reduce the illegal sports betting market and allow law enforcement at every level to focus on other pressing matters. In the meantime, continued vigilance, focus and resources are required to combat other forms of illegal gambling and, until the federal ban is lifted, illicit sports betting.

We hope the next attorney general will welcome opportunities to work with Congress to effectively address illegal gambling. In doing so, the AGA stands ready as a willing partner to work with you, and with members of the Committee, on this and other issues in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Freeman", with a stylized flourish at the end.

Geoff Freeman
President and CEO