

Americans spent US\$2.6bn gambling online in 2012

WASHINGTON USA: Americans spent US\$2.6bn on gambling websites in 2012, according to a study released on Tuesday, 24 September, by the casino industry as it renewed a push for Congress to regulate online betting.



The American Gaming Association (AGA) which released the study, said it highlights the need for federal legislation to end the state of "ambiguity" on Internet wagering.

The study by the British-based research firm H2 Gambling Capital found Americans accounted for a significant share of the US\$33bn spent worldwide on online gambling.

After years of treating online gambling as criminal, the US government quietly shifted its stand in late 2011 when the Justice Department released an opinion stating that only sports betting should be prohibited under a 1961 federal law known as the Wire Act.

This opened the door to online poker, which is hugely popular on the Internet and possibly other casino games along with state lotteries.

With no federal legislation in place, several states have begun their own efforts, with a handful acting to legalise some forms of online betting.

Shady world of online gambling

The study came ahead of the release of "Runner, Runner," a film about a US university student who confronts the world of organised crime after losing his tuition money playing online poker.

"'Runner, Runner' is a fictional account of a lawless online poker world ruled by shady and unethical characters that sadly is not far from reality for millions of Americans who simply want to enjoy one of our favorite pastimes in a safe online environment," said Geoff Freeman, president and chief executive of the AGA, which represents major US casino operators.

"Americans account for nearly 10% of the global online gaming market at a time when the business is still illegal in all but three American states. It is high time the policymakers put necessary safeguards in place," Freeman said.

The association supports federal legislation to regulate online poker in the United States but it has called for strong enforcement against most other Internet gambling to end the "ambiguity" of US law.

Online poker most popular

Data from H2 showed that the amount Americans bet on online poker fell from a peak of US\$1.6bn in 2006, when the US barred financial transactions for online betting, to US\$219m last year.

Another factor was the US prosecution of executives from major poker websites in 2011.

Overall spending on gambling websites by Americans fell to US\$2.6 billion last year from US\$2.8 billion the year before, according to H2, mostly due to declines in online poker.

The report indicated online gambling spending by Americans peaked in 2006 at US\$5bn, just before legislation that banned US banks and credit cards from financial transactions involving online gambling.

In order to use offshore gambling sites, most Americans need to use techniques that disguise their location and trade from an account that is outside the United States.

Source: AFP via I-Net Bridge

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