

**TESTIMONY - Senate Commerce, Science and Transportation Committee
Congresswoman Shelley Berkley
April 26, 2001
253 Russell Senate Office Building**

THANK YOU FOR THE OPPORTUNITY TO DISCUSS S. 718 AND SHARE WITH YOU MY KNOWLEDGE AND VERY SERIOUS CONCERNS ABOUT THIS ISSUE. I AM THE ONLY MEMBER OF HOUSE WITH GAMING INDUSTRY EXPERIENCE. HAVING WORKED IN THE INDUSTRY FOR MANY YEARS, I HAVE SEEN FIRST HAND THE POSITIVE ROLE GAMING PLAYS THE LAS VEGAS COMMUNITY. HAVING DEVOTED 8 YEARS OF MY LIFE TO HIGHER EDUCATION AS AN ELECTED MEMBER OF THE NEVADA UNIVERSITY BOARD OF REGENTS, I WANT TO SEE ILLEGAL GAMBLING ON CAMPUSES ELIMINATED. S. 718 IS NOT THE ANSWER.

SINCE COMING TO CONGRESS, I HAVE BEEN ASTOUNDED BY THE MISCONCEPTIONS ABOUT NEVADA'S GAMING INDUSTRY. THE NCAA AND SUPPORTERS OF THEIR LEGISLATION HAVE BEEN TOUTING A NUMBER OF MISCONCEPTIONS THAT MUST BE CLEARED UP.

A FEBRUARY 22 DEAR COLLEAGUE LETTER STATED THAT YOU CAN PLACE BETS ON HIGH SCHOOL AND OLYMPIC SPORTS IN NEVADA CASINOS. THIS IS

NOT TRUE. THE CASINOS IN MY DISTRICT OPERATE UNDER STRICT STATE AND LOCAL REGULATIONS THAT PROHIBIT THESE TYPES OF WAGERS.

THAT SAME LETTER INSINUATED THAT COLLEGE GAMES MAY BE “SCRIPTED IN THE BACK ROOMS OF THE LEGAL GAMBLING PARLORS.” THIS ACCUSATION COULD NOT BE FURTHER FROM THE TRUTH. THERE HAS NEVER BEEN AN INCIDENT WHERE A LEGAL NEVADA SPORTS BOOK HAS PARTICIPATED IN “SCRIPTING” A GAME OF ANY SORT.

DESPITE WHAT THE NCAA WOULD HAVE YOU BELIEVE, ENDING LEGAL SPORTS BETTING IN NEVADA WILL NOT STOP THE PUBLICATIONS OF BETTING LINES. THE NEWSPAPER ASSOCIATION OF AMERICA HAS STATED CLEARLY THAT ENDING WAGERING IN LAS VEGAS WILL NOT STOP ITS MEMBERS FROM PROVIDING THIS INFORMATION TO INTERESTED READERS.

ANYONE WITH A COMPUTER CAN GET POINT SPREADS FOR ANY GAME BY LOGGING ON TO HUNDREDS OF DIFFERENT OFF SHORE WEB SITES. THIS MAGAZINE PREVIEWING THE COLLEGE FOOTBALL SEASON FEATURES DOZENS OF ADVERTISEMENTS FOR ON-LINE CASINOS. ALL 64 SCHOOLS IN THIS YEAR’S NCAA TOURNAMENT HAD INTERNET ACCESS ON CAMPUS EVEN IN THE DORMS TO INTERNET GAMBLING.

I BELIEVE IN LOCAL AND STATE CONTROL. I BELIEVE IN STIFF PENALTIES FOR ANY VIOLATION,

AND I AM ADAMANTLY IN FAVOR OF A STRONG, EFFECTIVE BILL TO COMBAT ILLEGAL SPORTS BETTING.

S. 718 IS NOT THAT BILL.

S. 718 TAKES THE UPSIDE-DOWN POSITION THAT THE NATION'S \$380 BILLION DOLLAR A YEAR ILLEGAL SPORTS-GAMBLING PROBLEM WILL GO AWAY IF CONGRESS OUTLAWS LEGAL WAGERING IN NEVADA, A REGULATED BUSINESS THAT GENERATES FAR LESS THAN 1% OF THE BETS ON COLLEGE SPORTS.

THE SPONSORS OF THIS LEGISLATION FAIL TO ANSWER THE THRESHOLD QUESTION OF HOW CLOSING LEGAL SPORTS BOOKS IN ONE STATE WILL DO ANYTHING ABOUT ILLEGAL WAGERING BY COLLEGE STUDENTS AND OTHERS IN THE OTHER 49 STATES.

THE ILLEGAL GAMBLING TAKING PLACE IN AND AROUND OUR NATIONS COLLEGE CAMPUSES ALREADY VIOLATES NUMEROUS FEDERAL, STATE, AND LOCAL LAWS. ANY COLLEGE STUDENT PLACING BETS ON CAMPUS IS ALREADY COMMITTING A CRIME AND EXTREMELY UNLIKELY TO STOP PLACING BETS ON SPORTS REGARDLESS OF THE OUTCOME OF THIS LEGISLATION. THERE IS NOT A SINGLE SHRED OF EVIDENCE THAT S. 718 WILL HAVE ANY EFFECT ON THE ILLEGAL GAMBLING CURRENTLY TAKING PLACE.

THE NCAA ARGUES THAT CLOSING THE LEGAL SPORTS BOOKS IN NEVADA WILL SEND A "MESSAGE"

TO YOUNG PEOPLE THAT GAMBLING IS ILLEGAL. WITH ALL DUE RESPECT, I SINCERELY DOUBT THAT YOUNG PEOPLE CARE WHETHER GAMBLING IS LEGAL IN NEVADA, MUCH LESS THAT CONGRESS HAS ACTED.

THE NCAA AND ITS MEMBER INSTITUTIONS ALREADY HAVE THE POWER TO CRACK DOWN ON ILLEGAL BETTING TAKING PLACE ON CAMPUSES – THEY JUST HAVEN'T DONE IT.

THE NCAA HAS DONE VIRTUALLY NOTHING TO STEM THE TIDE OF ILLEGAL BETTING ON COLLEGE CAMPUSES, EVEN THOUGH IT JUST SIGNED A \$6 BILLION CONTRACT TO BROADCAST COLLEGE GAMES. THE NCAA HAS CHOSEN TO MAKE NEVADA ITS SCAPEGOAT RATHER THAN MANDATE THAT THEIR MEMBER INSTITUTIONS TAKE THEIR SHARE OF NCAA PROFITS AND USE IT TO DEVELOP PROGRAMS TO FIGHT ILLEGAL COLLEGE GAMBLING.

ASK THE COACHES WHO TESTIFY TODAY IF THEY ARE WILLING TO GIVE UP THEIR MULTI-MILLION DOLLAR NIKE CONTRACTS OR IF THEY ARE WILLING TO MAKE THE SAME SALARY AS THE UNIVERSITY PRESIDENT WHO HIRED THEM AND USE THAT EXTRA INCOME TO CREATE PROGRAMS ON OWN CAMPUSES TO FIGHT ILLEGAL GAMBLING.

IF THE NCAA AND CONGRESS ARE REALLY SERIOUS ABOUT FIGHTING ILLEGAL AMATEUR SPORTS GAMBLING, THEN LET'S GET SERIOUS. I CHALLENGE THE NCAA TO TAKE ITS MULTI-BILLION DOLLAR REVENUE...ALL GENERATED BY UNPAID STUDENT-

ATHLETES, AND NOT JUST A TINY FRACTION...AND DEDICATE IT TO FIGHTING ILLEGAL GAMBLING, THROUGH AGGRESSIVE ENFORCEMENT AND PREVENTION PROGRAMS.

WE NEED A SERIOUS, REAL-WORLD APPROACH TO THIS PROBLEM.

BEFORE OUR GOVERNMENT TRAMPLES ON LEGITIMATE STATES' RIGHTS, DOES IRREPARABLE DAMAGE TO MY STATE'S BUDGET, THROWS HONEST, HARDWORKING PEOPLE OUT OF THEIR JOBS AND SETS A DANGEROUS PRECEDENT OF FEDERAL INTRUSION IN THE LEGAL AFFAIRS OF INDIVIDUAL STATES. I ASK YOU TO ABANDON S. 718, AND GIVE FULL CONSIDERATION TO THE LEGISLATION INTRODUCED BY SENATOR ENSIGN AND SENATOR REID, THE NATIONAL COLLEGIATE AND AMATEUR ATHLETIC PROTECTION ACT OF 2001, WHICH IS THE SAME AS LEGISLATION INTRODUCED BY CONGRESSMAN GIBBONS AND I IN THE HOUSE.

OUR BILL BOOSTS LAW ENFORCEMENT'S EFFORTS TO CRACK DOWN ON ILLEGAL BETTING OPERATIONS, HITTING HARD AT THE ILLEGAL BOOKMAKING RINGS. THE NCAA BILL DOES ABSOLUTELY NOTHING TO HELP LAW ENFORCEMENT.

OUR BILL WOULD INVESTIGATE THE SCOPE....AND UNCOVER THE CAUSES...OF ILLEGAL CAMPUS BETTING. THE NCAA BILL DOES NOTHING. NO STUDIES, NO INVESTIGATIONS, NO EDUCATIONAL PROGRAMS....NOTHING.

OUR BILL CALLS ON THE NCAA, COLLEGES AND UNIVERSITIES TO STEP UP GAMBLING PREVENTION PROGRAMS ON CAMPUSES. THE NCAA-PROPOSED BILL TAKES NO RESPONSIBILITY.

MR. CHAIRMAN, NEVADA IS NOT THE PROBLEM.

IF YOU PUT THE ENTIRE STATE OUT OF WORK, YOU WOULD NOT EVEN TOUCH THE PROBLEM OF ILLEGAL GAMBLING, UNLESS TO EXACERBATE IT. THE ONLY WAY TO DEAL WITH ILLEGAL SPORTS GAMBLING IN THE NCAA IS HEAD-ON. I CHALLENGE MY COLLEAGUES TO PUT AN END TO THIS DESTRUCTIVE NCAA BILL, AND GIVE SERIOUS CONSIDERATION TO A BILL THAT ATTACKS ILLEGAL BETTING ON OUT CAMPUSES.

THANK YOU.