

TESTIMONY BY

DR. TERRY W. HARTLE

SENIOR VICE PRESIDENT  
AMERICAN COUNCIL ON EDUCATION

BEFORE THE

COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION  
UNITED STATES SENATE

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IN REGARD TO

S. 718 – THE AMATEUR SPORTS INTEGRITY ACT

Chairman McCain, Senator Hollings, and members of the Committee, I appreciate your invitation to testify on a matter of deep concern to the entire higher education community – gambling on college sports.

My statement is presented on behalf of the 1,800 colleges and universities represented by the American Council on Education and the 15 higher education associations who have endorsed this testimony. We believe that S. 718 is the right legislative approach to closing a loophole that tarnishes intercollegiate sports and feeds the rapidly expanding gambling addiction throughout the nation.

Right now, federal law prohibits betting on college sporting events in virtually every state except Nevada. There is an exemption that allows books in Nevada to accept bets on college sports. This single exemption virtually nullifies the impact of the broader federal prohibition. The justification for this exemption is difficult to fathom as a matter of public policy. Following the logic of Nevada's exemption, should Michigan be exempt from federal environmental laws? Florida from the drug interdiction rules? Or Colorado from child labor laws? Why not exempt California from the immigration regulations?

As long as there is legalized gambling on collegiate sports in Nevada, we will be encouraging illegal gambling on these same events in every other state of the union.

We believe this problem will be dealt with most effectively and appropriately by the enactment of S. 718, the Amateur Sports Integrity Act. This legislation would extend to Nevada the current restriction that now applies in other states against betting on high school, college, and Olympic sporting events.

S. 718 would implement the thoughtful recommendations of the bipartisan National Gambling Impact Study Commission, which advocated that all currently legal betting on college sports be banned. As the Commission stated in its Final Report:

“Sports wagering threatens the integrity of sports, puts student athletes in a vulnerable position, it can serve as gateway behavior for adolescent gamblers, and it can devastate individuals and careers.”

We applauded the Commission’s findings when they first came out. If anything, since the release of the report, even more compelling evidence has emerged that gambling on college sports requires the solution proposed in S. 718. Without such a change, the integrity of our young athletes and amateur athletic competition from high school to the Olympics is placed at risk.

I would like to offer four observations on why we believe that the Amateur Sports Integrity Act is the appropriate remedy for the growing problem of gambling on college sports contests:

**First, gambling on college sports – both legal and illegal – is a problem that threatens the integrity of competition.** It was just over two years ago that we learned of a point shaving at Northwestern University involving the men’s basketball team. This scandal involved both legal and illegal gambling on several games.

Kevin Pendergast, a former place kicker at Notre Dame who orchestrated the scam, has stated that “without Nevada, without the option of [legally] betting money in Nevada, the Northwestern basketball point-shaving scandal would not have occurred.” In fact – as Senator Brownback noted in testimony before this Committee last year – the last two major point shaving scandals involved legalized betting in Las Vegas sports books. And, as Senator Edwards has remarked, there were more point shaving scandals in the 1990s than in the previous five decades combined. Clearly, there is a problem and a growing one at that.

But point shaving by players and former players is only one aspect of the problem. Equally disturbing is the impact of pervasive wagering by those who officiate college sporting events.

Recently, the University of Michigan conducted a study that found 84% of college referees admitted having participated in some form of gambling since beginning their careers as referees. Almost 40% admitted placing bets on sporting events and 20% said they gambled on the NCAA tournament.

Two said they were aware of the spread on a game and that it affected the way they officiated. Others knew of referees who did not call a game fairly because of gambling influences.

**Second, gambling on college sports is widespread in society and affects every level of amateur athletic competition.** Gambling on college sports contests exists in every state and at every level of society.

Similarly, the problem affects all levels of competition. That is to say, while gambling on college sports represents a very serious element of the equation, so too is illegal gambling on high school events and Olympic sports. Even the Nevada Gaming Control Board is aware that this is the case.

Until recently, Nevada imposed restrictions on betting on Nevada collegiate sports, as well as high school and Olympic events. In January of this year, the gaming authority lifted its restrictions against betting on Nevada's college teams, but reasserted its stand against taking bets on the Olympics and high school events. It also is telling that the Nevada gaming authority prohibits betting on the Oscars or the outcomes of political election contests.

The state's arbitrary and selective approach to the imposition of gaming restrictions begs a critical question. If Nevada's gaming authority recognizes that there are ethical concerns about the effects of betting on high school or Olympic sports competitions, on Hollywood's Academy Awards and on political races, how can they possibly argue that betting on collegiate sports events does not threaten their integrity as well?

Is there any question that gambling on amateur sports is a widespread, cross-cutting problem? The answer, clearly, is no. S. 718 simply cuts through the Gordian knot of loopholes, uncertainty, and ambiguity surrounding bets on amateur sports by making the prohibition uniform throughout the country. No loopholes. No uncertainty. A clear, unambiguous message.

**Third, colleges cannot effectively hold the line against illegal gambling on our campuses when society appears to condone and encourage gambling. We simply cannot when there are exceptions that permit forms of legal gambling on collegiate and other amateur sports.**

There will be those who make the following argument: why should we prohibit Nevada's legal gambling on college sports, when the numbers show that illegal gambling makes up 99% of the market? Good question. Simply put, the answer is that the ability of America's colleges and universities to do anything about illegal gambling, point shaving, or other related problems, is vitiated – indeed, it is effectively extinguished – when we permit any kind of betting on amateur youth sports. Over the past ten years while legal betting on college sports has been given a green light, illegal betting has flourished.

Time Magazine reports that years of wiretaps by federal and state law-enforcement agencies have documented the links between legal and illegal gambling. For example, in one day during the 1997 NCAA playoffs, a Schenectady bookie took bets on 65 games and placed them all with sports books in Las Vegas. There is little doubt in the minds of law-enforcement officials that legal sports betting actually fuels illegal gambling and provides two services for bookies everywhere. First, it gives them a reliable source for quoting the odds on a game and, second, it provides a convenient place to spread the risk on their bets.

Psychologist Jim Dobson, founder of Focus on the Family and a member of the Gambling Impact Study Commission, has made the point forcefully:

“Proponents of gambling attempt to tell us that there is no link between legal and illegal gambling on college sports, that the problem lies entirely with illegal betting. They are wrong. The two are inextricably intertwined. The legality of gambling on amateur sports in Nevada conveys a false sense of legality to people – especially young people – across the nation. That most major newspapers publish the point spreads issued by Nevada serves in further heightening both the sense of legitimacy and the interest in college sports gambling nationwide.”

In point of fact, the lines between legal and illegal gambling are so blurred that most Americans are completely unaware that most forms of gambling are illegal. From offices, to fraternities to high school lunchrooms and

middle school playgrounds, the Average Joe or Jane does not distinguish between illegal and legal betting.

**Fourth and finally, there has been a critical (or perhaps a hypocritical) gap between our approach to some dangers we seek to protect our youth from, and those that are tacitly encouraged.**

Now, more than ever, there are multiple, united efforts – from government, colleges and universities, primary and secondary schools, the news media, and the public at large – to combat some of the dangers confronting our youth. Grass-roots and congressional efforts have been mounted to prevent tobacco use by minors and to guard against drug abuse. On our college and university campuses, we are strictly enforcing nation-wide alcohol statutes and publishing crime statistics. Increasingly, we are heeding the call for more vigilant efforts to prevent guns from entering our schools.

In contrast to these efforts, no effective protection stands between our youth and gambling. Yet, there is no doubt that gambling among young people is on the rise, and betting on college sports poses a serious threat to the welfare and well-being of the student-athletes who participate in these events. There is no doubt that gambling compromises the reputation and credibility of our academic institutions, or that it threatens the integrity of amateur sports whether collegiate, high school, or Olympic.

Despite clear evidence that the existence of legal betting on college sports encourages illegal betting, compromises integrity, and ruins lives, gambling on collegiate sports goes on year after year. This all hinges on the fact that there remains a safe harbor where amateur sports betting is permitted. It is imperative that we stand firm: to protect the integrity of amateur athletics, we need to declare betting on college, high school, and Olympic sports illegal.

We believe the Amateur Sports Integrity Act represents the best path forward. This legislation is not an effort to cripple the gaming industry. The casinos will barely feel the impact. Where it will be felt most palpably will be in locker rooms, coaching offices, fraternities, classrooms, and homes

around the country. Student athletics should not serve as money-making magnets for Nevada casinos.

When you endorse S. 718, you will score a winning goal for our college and university athletes and for all of amateur athletics.

On behalf of:

American Association of Community Colleges  
American Association of State Colleges & Universities  
American Council on Education  
Association of American Universities  
Association of Independent Colleges of Art and Design  
Association of Jesuit Colleges and Universities  
Association of Southern Baptist Colleges and Schools  
Council for Advancement and Support of Education  
Council for Christian Colleges & Universities  
Council of Independent Colleges  
National Association for Equal Opportunity and Higher Education  
National Association of College and University Business Officers  
National Association of Independent Colleges and Universities  
National Association of State Universities and Land-Grant Colleges  
National Association of Student Financial Aid Administrators  
U.S. Student Association