

# AMATEUR SPORTS INTEGRITY ACT, S. 718

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## HEARING

BEFORE THE

### COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

APRIL 26, 2001

Printed for the use of the Committee on Commerce, Science, and Transportation



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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

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## AMATEUR SPORTS INTEGRITY ACT, S. 718

THURSDAY, APRIL 26, 2001

U.S. SENATE,  
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,  
*Washington, DC.*

The Committee met, pursuant to notice, at 9:30 a.m. in room SR-253, Russell Senate Office Building, Hon. John McCain, Chairman of the Committee, presiding.

### OPENING STATEMENT OF HON. JOHN MCCAIN, U.S. SENATOR FROM ARIZONA

The CHAIRMAN. Next we will address The Amateur Sports Integrity Act, S. 718. I will make a brief opening statement and I will ask my colleagues to do the same. We have two panels of witnesses to get through today, and so we will do everything we can, at least from this side, on behalf of brevity.

We're back again this year to pass a measure I am confident will receive broad support if it's taken up before the full Senate. The Amateur Sports Integrity Act, S. 718, which I introduced last month with my colleagues Senators Brownback, Jeffords, Edwards and Fitzgerald, does two things: it amends the Ted Stevens Olympic and Amateur Sports Act to make it illegal to gamble on Olympic, college, and high school sports, and it authorizes appropriations for the National Institute of Standards and Technology to fund the detection and prevention of athletic performance-enhancing drugs.

The Amateur Sports Integrity Act implements a recommendation made by the congressionally created National Gambling Impact Study Commission in response to the commission's concerns regarding scandals in recent years involving college athletes, the extent of gambling among college athletes in general, the way in which legal gambling facilitates illegal gambling, and the mixed message that is sent to our youth, when we allow gambling on amateur athletics in one State while banning it in all others.

In its final report, the National Gambling Impact Study Commission recommended that betting on collegiate and amateur athletic events be banned altogether. Senate Bill 718 accomplishes just that. Just as the use of performance-enhancing drugs threatens the integrity of amateur sports, so does gambling.

Betting on amateur athletics invites public speculation as to the legitimacy of the competition and transforms student athletes into objects to bet upon. Adding unwarranted pressure from corrupting influences to the underlying pressures that these intensely competitive young people already feel is unacceptable.

Although the Amateur Sports Integrity Act bans legal gambling on amateur athletics, I expect it will also reduce a substantial amount of illegal gambling as well. The relationship between legal and illegal gambling was addressed by the NGISC, which observed that, “legal sports wagering, especially the publication in the media of Las Vegas and offshore-generated point spreads, fuels a much larger amount of illegal sports wagering.”

I won’t pretend, however, that closing the one State loophole on legal gambling on amateur sports will put an end to illegal gambling on these athletes and competitors.

For this reason I say to my colleagues who are backing a bill that has the support of the gaming industry that provides additional resources to combat illegal gambling, I agree with the intent of your legislation, appreciate your recognition that gambling on amateur athletics is a problem that must be addressed at the Federal level. That bill, however, while perhaps acceptable as a complement, is not acceptable as an alternative to the Amateur Sports Integrity Act.

Senator Ensign.

[The prepared statement of Senator McCain follows:]

PREPARED STATEMENT OF HON. JOHN MCCAIN,  
U.S. SENATOR FROM ARIZONA

We are back this year to try to pass a measure that I am confident will receive broad support if it is taken up before the full Senate. The Amateur Sport Integrity Act, S. 718, which I introduced last month with my colleagues Senators Brownback, Jeffords, Edwards, and Fitzgerald, does two things: it amends the Ted Stevens Olympic and Amateur Sports Act to make it illegal to gamble on Olympic, college, and high school sports, and it authorizes appropriations for the National Institute of Standards and Technology to fund the detection and prevention of athletic performance-enhancing drugs.

The Amateur Sports Integrity Act implements a recommendation made by the congressionally created National Gambling Impact Study Commission in response to the Commission’s concerns about scandals in recent years involving college athletes, about the extent of gambling among college athletes generally, about the way in which legal gambling facilitates illegal gambling, and about the mixed message we are sending to our youth when we allow gambling on amateur athletics in one State while banning it in all others.

In its final report, the Gambling Impact Study Commission recommended that betting on collegiate and amateur athletic events be banned altogether. Senate bill 718 accomplishes just that. Just as the use of performance enhancing drugs threatens the integrity of amateur sports, so does gambling. Betting on amateur athletics invites public speculation as to their legitimacy and transforms student athletes into objects to be bet upon. Adding unwarranted pressure from corrupting influences to the pressures that these intensely competitive young people already feel is unacceptable.

Equally important, although the Amateur Sports Integrity Act bans *legal* gambling on amateur athletics, I expect that it also will reduce a substantial amount of illegal gambling as well. The relationship between legal and illegal gambling was addressed by the NGISC, which observed that “legal sports wagering—especially the publication in the media of Las Vegas and offshore-generated point spreads fuels a much larger amount of illegal sports wagering.” I won’t pretend, however, that closing the Nevada loophole on legal gambling on amateur sports will put an end to illegal gambling on these athletes and competitions. For this reason, I say to my colleagues who are backing a bill that has the support of the gaming industry and that provides additional resources to combat *illegal* gambling—I agree with the intent of your legislation and appreciate your recognition that gambling on amateur athletics is a problem that must be addressed at the Federal level. The direction of that bill, however, while perhaps acceptable as a complement, is not acceptable as an alternative to the Amateur Sports Integrity Act.

I look forward to hearing from our witnesses and to moving this legislation at the earliest possible time.

**STATEMENT OF HON. JOHN ENSIGN,  
U.S. SENATOR FROM NEVADA**

Senator ENSIGN. Thank you, Mr. Chairman.

Mr. Chairman, as the Senator from Nevada where legal, regulated amateur sports betting takes place, I am looking forward to hearing from our witnesses today, and I am confident their testimony will confirm what I already know, that a ban on legal sports betting will only drive more money underground, lining the pockets of the Al Capones' of this world, and will not make a dent in illegal gambling on college campuses.

Mr. Chairman, I believe the facts are on my side of this debate, but the emotion is on yours. I share your concern about the widespread gambling on college campuses. I want to make sure that sporting events are conducted fairly, untainted by scandal, that college athletes are not pressured by bookies to throw games or shave points.

And congressional action may be needed to accomplish this goal, since the NCAA and college administrators have really done very little to curb college gambling. Let's work together to find a solution to fit the problem, instead of unfairly blaming it on Nevada.

Legal and regulated sports wagering represents less than 1 percent of all sports betting in this country. It is not the problem. Illegal gambling is, and we should be spending our time looking at the most effective ways to combat illegal gambling.

The NCAA knows that gambling on college campuses is a major problem. A survey of division 1 male basketball and football players, commissioned by the NCAA, found that over one-fourth gambled on college sports, some of them on their own games.

A University of Michigan survey revealed that nearly half of all male student athletes gambled on college and professional sports. These college athletes aren't flying to Las Vegas to lay down their bets. By and large, they are betting through illegal campus bookies, or over the Internet.

As a matter of fact, it is illegal to place a bet with a Nevada sports book unless you are physically present in the State of Nevada. And any bet over \$3,000 today requires a picture ID to lay a bet down with a Nevada sports book.

Students on college campuses don't even have to leave their dorm room today to place a call or access one of the thousand sports betting sites on the Internet. When we look at the most recent points shaving scandals, which happened about 7 years ago, Northwestern and Arizona State Universities, we find that the players involved owed money to illegal bookies, not Las Vegas casinos.

So what is the NCAA doing to stop illegal gambling on college campuses and protect its players? Very little. Last year the NCAA spent only \$229,000 of its over \$300 million budget on combatting illegal gambling. That's about three cents for each student attending an NCAA school. In fact, the NCAA spent 40 times more on marketing and promotion, not on the games, but just on the NCAA itself, than on fighting illegal sports betting on college campuses.

It's time for the NCAA to put its money where its mouth is and show a true commitment to fighting sports betting on college campuses. CBS is paying the NCAA \$6 billion over the next 11 years to broadcast just the March Madness basketball tournament, not

including the rest of the college basketball games, or any of the college football games. How much of that \$6 billion is the NCAA going to be using to protect college athletes from the clutches of illegal bookies?

Banning legal, regulated sports betting in Nevada for adults of at least 21 years of age and physically present in my state's borders will not reduce the number of games that are fixed. To the contrary, there were more than 20 schools involved in NCAA point shaving incidents before Las Vegas sports books were established in 1975, and only four—actually only two—that were indicted since that time.

Right now, Nevada's Gaming Control Board is the only mechanism in place to monitor sports betting to see if there's any point shaving or fixing going on. The biggest gift you could give to organized crime is to get rid of the legal wagering on college sports in Nevada, and thus eliminating all oversight.

And students will continue to do what they are doing today. Nothing in your legislation, Mr. Chairman, will stop Internet or illegal sports betting in America. As a matter of fact, you mentioned the line produced by the Nevada books. The newspapers will continue to produce the lines, I will produce documentation that says exactly that later.

The Las Vegas books are actually one of just a very small percentage of people who produce lines. Certainly the Internet is one of the biggest places where the lines are produced and those are happening from offshore websites. Nothing we can do in this Congress can stop that from happening.

Mr. Chairman, there is no such thing as the Las Vegas loophole. You should be thankful for college sports betting in Nevada, because the coach of Arizona State was informed during half time of a possible fix because of the Nevada sports books. They had alerted the FBI and the Pac 10 conference of betting irregularities, which helped catch this scandal.

Once again, I must repeat, there is no loophole in the law. When Congress passed legislation which limited sports betting, it was conscious that it was moving into an area that was in the purview of states' rights.

So Mr. Chairman, let me conclude with this. I believe that the facts of the hearing today will prove that banning legal sports betting in Nevada will do nothing but make illegal sports betting in this country proliferate, and will do nothing to solve the problem of sports betting on college campuses across America. Thank you.

The CHAIRMAN. Thank you, Senator Ensign. And for the record, the facts are that there was no apprehension or revelation of the ASU basketball scandal until the arrest of an individual on an unrelated charge, who then, in order to get a reduced sentence on an unrelated charge, ratted out or informed the authorities about the scandal. There was no uncovering of this scandal at ASU by any gaming authority in the State of Nevada.

Senator Brownback.



**STATEMENT OF HON. SAM BROWNBACK,  
U.S. SENATOR FROM KANSAS**

Senator BROWNBACK. Thank you, Mr. Chairman, and thank you for holding the hearing. It's a bit of an uncomfortable spot for me to be in, next to my very good friend in the Senate, John Ensign, who is a very effective advocate for the other side, but this is one of only a couple of issues that I can think of that I disagree with Senator Ensign on.

I have a full statement that I'd like to have submitted into the record, Mr. Chairman, if you wouldn't mind, and I would renew my request to the Nevada delegation, much of which is here today, and I appreciate your appearance, to give states the option to opt out of your Sports book.

Senator ENSIGN. Not much, we're all here.

Senator BROWNBACK. Very good, then let me plead to all of you, to allow the University of Kansas, Kansas State University, if you will set up a mechanism where a state can get off of your Sports book in your state, let us do it. Let us free.

And then allow the states to move forward and say OK, Arizona State wants off the book, and put forward a procedure to let us off of your book so our coaches and our institutions can say, you know, we don't want to be on those things, and we need to be able to get off of it, instead of forcing them to be able to deal with the problems that you create by causing and having a market, a Sports book in Nevada.

I pleaded with you last year to allow us that option to get our schools out. It was turned away, it was turned away by the Nevada gambling commission or gaming board. Please let us free. In honesty, I don't think you make that much money off of Kansas institutions, KU and K State, and the other institutions in the state. We're not a whole lot of money to you. Let us free. Please let us do that.

I support what the Chairman has put forward in his statement. This is an overall problem that we have in this country. The legislation that's been put forward is supported by all of the college coaches in the institutions probably except those in Nevada. It's supported by all the college presidents perhaps expect those in Nevada. They are asking and requesting that we change this and that we create a national system where you cannot have this betting take place on amateur sports in the United States. We should do it.

Mr. Chairman, thank you for holding the hearing and I look forward to the question and comment session.

[The prepared statement of Senator Brownback follows:]

PREPARED STATEMENT OF HON. SAM BROWNBACK,  
U.S. SENATOR FROM KANSAS

I am pleased that the Committee will once again consider and approve the Amateur Sports Integrity Act.

My friends, during today's session we will discuss the merits of legislation, the Amateur Sports Integrity Act, that, quite frankly, is a no brainer. S. 718 will ban the continued unseemly practice of legal wagering on high school, college, and amateur sports at the expense of the achievements of our nation's student athletes. This bill closes the loophole in the Professional and Amateur Sports Protection Act of 1992 that allows legal sports betting in Nevada to negatively impact student athletics in other States.

My continuing efforts on this issue are in direct response to the recommendation made by the National Gambling Impact Study Commission (NGISC), which in 1999 concluded a 2-year study on the impact of legalized gambling in our country. The Commission's recommendation called for a complete ban on all legalized gambling on amateur sports.

This legislation will serve notice that betting on college games or amateur athletics is simply inappropriate. We can not continue to allow bets to be placed on our student athletes.

In addition, not only is legal sports gambling inappropriate, but it can result in significant social costs. The Commission in its report recognized the potential harm of legalized sports gambling, which "can serve as a gateway behavior for adolescent gamblers, and can devastate individuals and careers." Citing a study by the National Research Council, the NGISC identified financial, physical, and emotional problems, including divorce, domestic violence, and child abuse and neglect as some of the costs S. 718 now seeks to prevent.

The Commission's recognition of sports gambling as a gateway behavior leading to these problems is especially troubling considering the heightened affect gambling has on our nation's young people. According to the NGISC, "individuals who begin gambling at an early age run a much higher lifetime risk of developing a gambling problem." In addition, "[a]dolescent gamblers are more likely than adults to develop problem and pathological gambling." We must also address the fact that legal gambling has a real and telling impact on student athletes, and appears to facilitate *illegal* gambling activity. If there are any doubts, just ask Kevin Pendergast who orchestrated the basketball point-shaving scandal at Northwestern. He has stated that he never would have been able to pull off his scheme if it weren't for the ability to lay bets with the Las Vegas sports books.

The frequency of point shaving scandals over the last decade, and the tie-in to the Vegas sports books of the episode at Northwestern, and another scandal at Arizona State University, is a clear indication that legal gambling on college sports stretches beyond Nevada, impacting the integrity of other State sporting events. I categorically reject the notion that the integrity of Kansas college athletics should be jeopardized so the casinos in Nevada can rake in some additional gambling revenues. Until this past January, Nevada sports books were prohibited from taking bets on Nevada's own college teams. I think this prohibition speaks volumes about concerns we should have with the impact of betting on our college sporting efforts. While the repeal of this rule in Nevada is a reaction to the fact that it just happened to catch the attention of Members of this Committee, it cannot retract the message the rule has already delivered: even Nevada realizes that legal sports gambling has a corruptive impact on college sports.

This bill is supported by the National Collegiate Athletic Association, which represents more than 1000 colleges and universities nationwide. In addition, numerous coaches among the college ranks support this effort, and I can think of no better advocate than the coaches who spend time day in and day out with the athletes and prized sporting institutions negatively affected by legal sports gambling.

I urge my colleagues to support S. 718.

Senator ENSIGN. Mr. Chairman, may I have a point of personal privilege?

The CHAIRMAN. Sure.

Senator ENSIGN. You responded to what I had said and actually this was on the Fox sports show, and Agent Noble, Special Agent Noble, there's a quote, admits that the FBI may have never known about the scam, referring to the Arizona state, if bookies didn't blow the whistle. Agent Noble actually said this quote.

"They have a pretty good idea on any particular game how much money should be bet. When unusual amounts of money are bet, it causes them to be alerted or alarmed, and in that particular case, that's how we became aware of it."

The CHAIRMAN. That's not how they found out though. So your point has no relevance to my response, which is that the Nevada gaming commission or anyone else did not uncover nor bring any charges against anything to do with that scandal until the arrest of a confederate.

Senator ENSIGN. But their information helped.

The CHAIRMAN. You've had your point of personal privilege, Senator Ensign. Now I'd like to ask my colleagues to be brief. We have two additional panels to follow you, so I urge you to be brief in your comments on this issue since they are pretty well-known, and I ask for 3 minute statements.

Senator Reid.

**STATEMENT OF HON. HARRY REID,  
U.S SENATOR FROM NEVADA**

Senator REID. Thank you very much, Mr. Chairman.

I have always admired your going into areas where others don't go, and I've followed you most every time. But I have to say here that I would ask that you step back a little bit and look at the facts.

For example, Mr. Chairman, the National Gambling Impact Study Commission, as you know from the evidence, there was very little testimony taken but what was taken was very, very important. For example, the commission found that the best evidence came from one of the NCAA's own witnesses, a man by the name of Bill Saum.

Now here's what the NCAA's Bill Saum had to say when he testified before the Impact Study Commission, and I quote. Commissioner James Dobson asked this question.

"Mr. Saum, you address most of your comments to illegal sports gambling. You didn't have much to say about legalized gambling on sporting activities. Would you like to comment on that?"

Here is Saum's response.

"Certainly we would be adamantly opposed to any further legalization across the United States. If we're going to have sports wagering, let's keep it in Nevada and nowhere else. Let's not allow individuals to wager from outside State lines.

We also have a rule that our athletes, our coaches and everyone involved in athletics including those of us at the national level may not wager legally. So we're opposed to it. But we also recognize that society, or a segment of society believes that this is something that should be permissible, so I don't think you will see the NCAA start a campaign to remove sports wagering from the State of Nevada."

Mr. Chairman, I think this says it all. The NCAA is wrong in their attempt to do this. This is a Congress that has fallen in the line of the last 8 or 10 Congresses to have as one of its guiding principles of the recognition of states' rights. The State of Nevada is a sovereign state. They have made this decision. Out of the 100 percent of gambling that takes place on college athletics, about one and a half percent of it takes place in Nevada and is done legally.

In your effort to stop something that you think is wrong, you're going after the wrong entity. Ninety-eight and a half percent of the gambling that takes place, I repeat, is done illegally, and it's not all done on college campuses. It's done on service stations, at pool halls and other places, where I think that that's where we need to take a look.

Mr. Chairman, I believe that where you're going is wrong, and for me to say this to John McCain is hard, but I just think that you have not had the opportunity to fully understand this. I appreciate—you know, it would have been easy for you to just report this

to the Senate floor, but I appreciate your holding hearings. I think the hearings today will be revealing to you.

We have a Hall of Fame coach, we have others who are here to talk about why this is going to, as Senator Ensign said, drive this underground. There is in America something called organized crime, and they are around today licking their lips with the idea that John McCain, who is a person who is known for his principle, is trying to drive out a little bit of legal gambling in Nevada, because it just makes their opportunities more sure.

So I would hope, Mr. Chairman, that you would take a real close look at what you're doing. Without your strong voice, with all due respect to my friend Sam Brownback, who is an outstanding member of the House of Representatives and the Senate, without your support, this is dead. The only reason this has gotten as far as it has is because John McCain is supporting it, and I think John McCain is wrong.

The CHAIRMAN. I thank you, Senator Reid.

Senator BROWNBACK. I certainly thank you too. Your confidence in my abilities here was highly appreciated.

Senator REID. Well, I say, Sam, this is meant in no way to denigrate you, and I said you've done a great job. But John McCain is who he is, and I can't take that away from him.

Senator BROWNBACK. I thank you, Senator Reid. We've known and appreciated each other and been dear friends now for 18 years and I appreciate it, and this too shall pass in one way or the other.

Senator REID. Mr. Chairman, may I be excused? The Senate is opening at 10 o'clock.

The CHAIRMAN. Thank you very much, Senator Reid. Thank you for your advocacy.

Senator BROWNBACK. Mr. Chairman, could I ask, Mr. Reid, could you please ask the Nevada gaming board to let my State free on this? I mean, maybe I'm not a good national advocate, but would you ask them?

The CHAIRMAN. I think the Senator from Kansas has made his point.

Senator BROWNBACK. Would you ask them for me?

Senator REID. Sam, I think your question is silly and I'm not going to answer it.

The CHAIRMAN. OK. Thank you very much, Harry.

I'd like to remind members of the audience that we don't tolerate that kind of display in the hearing room and we will not accept any further expressions of either appreciation or condemnation.

Congresswoman Berkley, welcome.

**STATEMENT OF HON. SHELLEY BERKLEY,  
U.S. REPRESENTATIVE FROM NEVADA**

Ms. BERKLEY. Thank you. Thank you for giving me the opportunity to discuss S. 718 and share with you my knowledge and very serious concerns.

I am the only Member of the House with gaming industry experience. Having worked in the industry for many years I've seen firsthand the positive role gaming plays in 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've been astounded by the misconceptions about Nevada's gaming industry. The NCAA supporters of their legislation have been touting a number of misconceptions that must be cleared up.

A February 22nd 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 are scripted in the back rooms of legal gambling parlors. This accusation could not be further from the truth. There has never, 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 for interested readers.

Anyone with a computer can get the point spreads for any game by logging onto hundreds of different offshore Web sites.

This magazine that I'd like to present to you, Mr. Chairman features dozens of advertisements for online casinos. All 64 schools in this year's NCAA tournament had Internet access on campus, even in the dormitories, to Internet gambling. And my son goes to the U of A in Tucson, and he told me of what was going on in the college campuses.

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. It takes an upside-down position that the nation's \$380 billion 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 percent of the bets on college sports.

The sponsors of this legislation failed to answer the threshold question of how closing legal sports books in one State will do anything about the illegal wagering by college students and others in the other 49 states.

The illegal gambling taking place in and around our nation's college campuses already violates numerous Federal, state, and local laws. Any college student placing bets on a 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 in our country. 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 whether young people care whether gambling is legal or not 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 collegiate games.

The NCAA has chosen to make Nevada its scapegoat rather than mandate that their member institutions take their share of the 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 multimillion dollar Nike contracts, or if they are willing to make the same salary that the university presidents who hired them make, and use the extra income to create programs on their 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 multibillion 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, hard working 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 Protection Act of 2001 is the same legislation introduced in the House by Congressman Gibbons and me. Our bill boosts law enforcement's efforts to crack down on illegal betting operations, hitting hard at the illegal book making rings.

Our bill would investigate the scope and uncover the causes of illegal campus betting. NCAA does none of those things. 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 our campuses.

Thank you very much for allowing me to go over, and if I could have two more seconds, to Senator Brownback, who I think is an outstanding Senator, comparable to Senator McCain, as a former university regent who did dedicate 8 years of her life and has much dealings with the NCAA, I had the opportunity to meet many college presidents and athletic directors throughout my 8-year tenure. I contacted several of them.

Not one that I contacted thought that S. 718 would get to the problem. But to be perfectly candid, when I asked them to come and testify with me, not one of them would, for fear of retribution by the NCAA. So when we say that all of the campuses and all of the coaches are opposed to sports betting in Nevada, I would beg to differ and I've spoken to more than a dozen of them. Not one of them, not one of them would come and testify for fear that their

program would be in jeopardy. Thank you very much for your kind attention.

[The prepared statement of Ms. Berkley follows:]

PREPARED STATEMENT OF HON. SHELLEY BERKLEY,  
U.S. REPRESENTATIVE FROM NEVADA

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 the 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 offshore websites. 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-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 percent 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 Nation's 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 their 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 our campuses.

Thank you.

The CHAIRMAN. Thank you very much, Congresswoman Berkley, and thank you for your passionate advocacy.

Coach Osborne.

**STATEMENT OF HON. TOM OSBORNE,  
U.S. REPRESENTATIVE FROM NEBRASKA**

Mr. OSBORNE. Thank you, Chairman McCain and members of the Committee. I appreciate this opportunity to speak with you about something that I've had some knowledge of over 36 years of coaching, and my feeling is that gambling is very bad for intercollegiate athletics, and for several reasons, actually four that I'm going to enumerate.

First of all, it's very bad for the game, because when gambling is involved, the emphasis very quickly goes from that of excellence, competition and skill, to point spreads and money.

And this certainly affects the atmosphere in which the game is conducted. Sportsmanship, respect for opponents is diminished, and certainly the integrity of the game is often compromised. In the nineties, we had four major point shaving scandals in NCAA athletics, and each time one of those occurred, there was always greater doubt in the mind of the fans as to the integrity of other contests.

A recent study by the University of Michigan indicated that roughly one out of 20 male college athletes were involved in different activities, whether it be associations, gambling, whatever, that in some way cast aspersions on the game. And so it's a fairly widespread problem.

And usually if you look into those allegations and point shaving scandals, you'll find that the reason they were uncovered was not because of a shift in the point spread or the odds. It was because somebody talked, because somebody got in trouble. And so I would



like to make sure that people really investigate those as to why it happened.

Second, I think the gambling industry has been very bad for the fans because the point spread, which is a very arbitrary number fixed by someone out there who hasn't probably even seen the team play, who knows nothing about the health of the quarterback and so on, or very little, shapes the expectations of the fans.

And so if a team is a 28-point favorite, and they come into the game and half time and they are tied, probably going to get booed. And if you're a 28-point underdog and you only lose by 7, sometimes your fans feel pretty good about you. I remember one case where we played a team for the national championship. They were a 17-point favorite, and in that particular case, they won by two points, first national championship that team had ever won in the history of the school.

And I talked to some of their fans an hour after the game, and they were upset and they were unhappy. They won the first national championship they had ever won, but they only won by two points and that wasn't what they expected and that expectation was shaped primarily by the point spread.

The third thing I'd mention that I think is very important is that gambling is tough for the coaches, because when you are involved with that particular situation, you have to win twice. You have to win on the score board, and then many people expect you to beat the point spread. We had a few times when we were 35-point favorites, and that meant at kickoff, we were down 35 in the minds of a great number of our fans and the people who watched the game.

If it happened to be snowing or the wind was blowing 40 miles an hour, if your quarterback went down in the first period of the game, you probably weren't going to score 35 points against your scout team, but you were still expected to get it done. And if you didn't get it done, it was very unpopular.

And so for the first few years of my coaching career, I read somewhere that Woody Hayes, the coach at Ohio State, never had an unlisted number. And so I thought, well, if it's good enough for Woody Hayes, it's good enough for me. And so I didn't have an unlisted number, and after a few dozen phone calls in the middle of the night, many of them fairly obscene and some of them affecting my family, I decided I better get at least an unpublished number.

And most of those phone calls, not all, but most of them, if you talked to the guy long enough, you'd find out that at the bottom of his animosity was not the fact that we lost the game, it was the fact that he lost a bet. And he would blame me.

And so often they would say you cost me \$500, you cost me \$1,000, and I would say, well, how did I do that. They would say, well, I lost a bet. So some of those things happened. I had a few death threats, had a mailbox blown up, and my family at some times was subjected to some criticism. And I existed in a very good, generally healthy environment, as far as college athletics were concerned, and our fans were very good for the most part.

But still, those things did happen, and usually, again, if you had any way to get at the source, you'd find that oftentimes a lost bet really fueled the fire.

And then last I'd mention that gambling is bad for the players. As has been mentioned previously and very accurately, there is a huge gambling problem on college campuses, and there's no question that this bill alone is not going to solve the problem. I agree totally with that.

But on the other hand, I think we have to look at the fact that players, athletes live in an environment where gambling is very, very prevalent. There's probably a bookie in most dorms and most fraternities on college campuses. Gambling over the Internet is very easy. And so there's that environment.

If you think that you know as a player a little bit better what the odds ought to be, you're going to play a game and you're favored by seven and the team is practicing well and everything is in sync and you think maybe you're going to win by 14 or 17, you place a bet.

You know, it's kind of harmless, you're betting on your own team. And then you lose a bit, and you lose a little bit more, and pretty soon you're in debt and you're to the point where you're in over your head. And then somebody suggests, well, you know, you don't have to lose the game, but just drop a pass, or miss a free throw. And that's where it all starts, and that's where most of these point shaving allegations have resulted.

I remember one time we had a guy come in who was a very famous quarterback, professional quarterback and got involved in gambling. We had him talk to our team because he was supposedly recovered. And he made a very graphic presentation of the evils of gambling, and strangely enough, about a year later, that same guy was back in prison for the same thing. He couldn't shake it.

So it really does affect our players, it affects the integrity of the game, and I might just last say this. I see no socially redeeming value to gambling on intercollegiate sports. I see nothing, nobody in a legitimate way is benefiting in terms of the fans, the players, the game itself, and the coaches.

And so, I guess in my final statement, I would say this. Would we say that counterfeiting should be legal in one State and not in 49 others, particularly if there may be some interconnection? And my feeling is, in terms of consistency, in terms of consistent message, it's important that you make a uniform statement to the public, and then you go after all forms of gambling that are illegal, but you first have to make that statement to be consistent in Congress.

[The prepared statement of Mr. Osborne follows:]

PREPARED STATEMENT OF HON. TOM OSBORNE,  
U.S. REPRESENTATIVE FROM NEBRASKA

Thank you, Chairman McCain, Ranking Member Hollings, and Members of the Committee. I appreciate the opportunity to speak with you today about something that is near and dear to me—the effects of legal gambling on college sports.

In my 36 years as a coach of the University of Nebraska football team, I witnessed first-hand the negative impact gambling can have on college athletics. The following observations are based upon some of the experiences and insights gained in coaching.

(A) Organized gambling is bad for the game. The emphasis goes from that of appreciation for excellence and skill to point spreads and monetary gain. The best interests of athletic competition are served in an atmosphere that is conducive to good sportsmanship and respect for opponents. Gambling creates an environment antithetical to wholesome competition and sometimes creates doubt as to the integrity of the contest.

(B) Organized gambling often has a negative impact on the fans. The point spread is an arbitrary number that supposedly reflects the true strength of competing teams. Sometimes the point spread is based on inaccurate or incomplete information. Point spreads are published in nearly every newspaper and are mentioned on television and radio newscasts to the degree where fans' expectations are largely shaped by information from the gambling industry. If a team is favored by 28 points and wins by 3, in the minds of many fans the win is really a loss. If, on the other hand, a team is a 21-point underdog and only loses by 7 points, the loss is viewed in a more favorable light. I recall talking to some fans whose team had just won the first national championship in school history, yet, rather than being excited they were disappointed because their team, a 17-point favorite, had won by only 2 points. Fans often have a difficult time seeing the athletic contest for what it was meant to be, that of a contest of skill, intelligence and endurance, because they get lost in the economics of gambling.

(C) Organized gambling is bad for coaches. Many times the coach is expected to win twice—once on the scoreboard and once by beating the point spread. A coach in charge of a team listed as a 35-point favorite starts the game behind 35-0 in the minds of the gambling community, which includes a high percentage of fans. If the coach's team is heavily favored and is tied at halftime, there is a good chance that the team and the coach will be booed at halftime. Most of the truly ugly incidents that I encountered in my coaching profession were related to gambling. I have had a mailbox blown up, a few death threats, obscene phone calls in the middle of the night, and have heard the very common complaint that "You cost me  $x$  amount of dollars." Since we did not beat the point spread, the person who lost the bet held the coach personally accountable for the gambling loss. Many times it is highly unpopular with fans to substitute second- and third-team players once the outcome of the contest has been decided if the point spread has not been beaten. The second- and third-team players need the experience and greatly appreciate the opportunity to play, yet their appearance in the game is not greeted with enthusiasm if it might jeopardize beating the point spread. Similarly, not scoring a late touchdown or basket by letting the clock run out is viewed with great displeasure if there are point spread implications.

(D) Organized gambling is bad for the players. There is a huge amount of gambling on college campuses. This activity is heavily influenced by point spreads. Very few athletic contests are viewed as even matches; therefore, point spreads are established to provide bookies with a basis for gambling odds. Players sometime accumulate gambling debts, and, when a debt grows to a certain magnitude, pressures are put upon the player to alter his/her play in the game to affect the point spread. A great many of the point shaving incidents that have hurt college athletics so badly and have left the athletes in dire straights, have been prompted by gambling debts that have mounted to the point where the athlete sees no other way to pay for the debt.

Gambling intensifies pressure on athletes. The player shooting a free throw with only 2 seconds left in a game in which his team has been favored by 10 points and is leading by 9 is unnecessarily pressured. The game is over as far as the win or loss column, yet making the free throw can result in millions of dollars changing hands.

Gambling on intercollegiate athletics is illegal everywhere but Las Vegas. It is in the best interests of everyone involved in intercollegiate athletics to have gambling banned everywhere in the United States.

Thank you again, Chairman McCain and Members of the Committee for allowing me to speak to you today about this very important issue. It is seldom I get to speak on an issue here in Congress in which I have so many years of experience dealing first-hand with the issue and I appreciate the opportunity to do so today.

The CHAIRMAN. Thank you, coach.

Do you know a single college coach who is not in support of this bill and concerned about this issue?

Mr. OSBORNE. I really don't, Senator, and maybe the former statement is true, I don't know. Let me say this. I'm not here on behalf of the NCAA.

Nobody from the NCAA approached me, talked to me. The only person that talked to me was Lindsey Graham, that's why I'm here. I'm not a big fan of the NCAA at times. I think they do a very necessary service, but I really would doubt that I know any-

body in intercollegiate athletics who would say that gambling is something that they want to have legalized.

The CHAIRMAN. Thank you. Congressman Gibbons, welcome.

**STATEMENT OF HON. JIM GIBBONS,  
U.S. REPRESENTATIVE FROM NEVADA**

Mr. GIBBONS. Thank you, Mr. Chairman, and members of the Committee, and I do want to thank you for the privilege of being here before you with a familiar recurring theme, and I would ask unanimous consent that my statement be admitted to the record and I'll try to summarize and be as brief as possible.

The CHAIRMAN. Without objection, and again I want to say that you are always welcome here. The Nevada delegation is always welcome before this Committee.

Mr. GIBBONS. Thank you, and Chairman, I hope you'll understand that I'm here to protect not only my State but the families who live and work in the State as well. And this issue is going to affect them. And as the senior congressman from the State of Nevada, I do appreciate the opportunity to be here and discuss this issue.

Let me take just a brief moment to address my colleague, Coach Osborn's statement about outlawing money or whatever to stop counterfeiting.

Well, you could also say the same thing, that you could outlaw pharmacies in this Nation if you thought that was going to outlaw or prevent illegal drug use.

Like all of you, I agree that firmly maintaining the integrity of college athletics is an important goal, but there's absolutely no evidence that doing this to the State of Nevada with college gaming is going to have one iota of import or effect on our nation's illegal college campus wagering. Nevada legal wagering makes up only about one to 3 percent of all sports bets nationwide, and no one, may I say, under the age of 21, to add what Congressman Ensign said, is allowed to gamble in the State of Nevada. And the other 97 to 99 percent of all college betting occurs illegally and under existing Federal and State laws.

So it isn't Nevada, it is the prevalent illegal gaming that is the key problem here. Banning legal college sports betting in Nevada will only eliminate, as you've heard many times, one tool used by law enforcement to detect illegal betting patterns leading to the illegal activity.

Law enforcement officials, including former FBI officials who currently—one of whom is a current member of the Nevada gaming control board—have stated that the ban, as proposed entitled to as section 718, would not make a dent in illegal gaming. So what would the effects and indeed unfortunate consequences of this misguided legislation be? Well, first of all, I believe, and many have also believed, including some writers throughout this country, that it would be the illegal bookie's dream come true to have Nevada and that tool taken away from any enforcement opportunity that they may have.

That's an unintended consequence which I don't believe was ever intended when this bill was thought out or proposed. Eliminating that would not in any way assist with law enforcement efforts of

our current effort to limit sports gaming, even if the NCAA director of agent and gaming activities, as he has stated before on television, that when it comes to law enforcement, and I quote, “the NCAA has a good relationship with the sports books in Nevada.”

Mr. Chairman, I see that the time is running short, but it is my hope that this Committee will think seriously and will not miss an opportunity to address the real problem—not the perceived problem—but the real problem of illegal sports betting. And rather than focus on Nevada’s highly regulated industry, in this what many have said a misguided attempt to remedy societal problems of illegal sports wagering on our college campuses, and instead I would hope that you would encourage you and your other members to consider a common sense approach that was sponsored by Senator Ensign, Senator Reid, Senator Hatch and others, and in the House by Congresswoman Berkley and myself, and a bipartisan group of over 80 other congressman to address the issue of illegal gaming, and I want to thank you for the opportunity to share my thoughts with you on this important issue, and I welcome any questions.

[The prepared statement of Mr. Gibbons follows:]

PREPARED STATEMENT OF HON. JIM GIBBONS,  
U.S. REPRESENTATIVE FROM NEVADA

Mr. Chairman and Members of the Committee, on behalf of Nevada’s hardworking families, I would like to thank you for allowing me the opportunity to express my strong opposition to S. 718, the Amateur Sports Integrity Act.

As the senior Congressman from the State of Nevada, where sports wagering is legal, it is my pleasure to share my thoughts on this issue. Like all of you, I firmly agree that maintaining the integrity of college athletics is an important goal.

However, there is absolutely no plausible evidence to suggest that the legal betting in Nevada is in any way responsible for the illegal sports wagering occurring mostly on our Nation’s college campuses. Legal wagering on sports in Nevada makes up only 1 to 3 percent of all sports bets nationwide. (And no one under the age of 21 is allowed to gamble in Nevada). The other 97 to 99 percent occurs illegally under existing Federal and State laws.

By banning legal college sports betting in Nevada, you will actually eliminate an essential tool used by law enforcement to detect unusual betting patterns leading to illegal activity, such as the point shaving scandal involving some Arizona State University basketball players in 1994.

Consequently, law enforcement experts, including a former FBI official who currently is a member of the Nevada Gaming Control Board, have stated that a ban, as proposed in S. 718, would not make a dent in illegal gambling.

So, what would be the effects and indeed unfortunate consequences of this misguided legislation?

First, S. 718 would create an unfortunate and undue economic burden on thousands of Nevada’s families, whose livelihoods depend on the upstanding reputation of the casino-entertainment industry.

Second, Nevada’s gaming industry is the largest taxpayer in our State. Therefore, a significant amount of tax revenue for schools and social services would be lost if S. 718 becomes law.

Third, S. 718 is an illegal bookie’s dream! It would not, in any way, assist with the enforcement of our current laws limiting sports gambling. Even the NCAA Director of Agent and Gambling Activities has stated on national television that when it comes to law enforcement, the NCAA has “had a good relationship with the sports books in (Nevada).”

We need to support effective law enforcement measures which reduce the pervasiveness of illegal sports betting on and off of our college campuses. Perhaps the NCAA should look in the mirror and reconsider the numerous “Final Four” sweepstakes which the NCAA and its corporate sponsors promote during “March Madness.”

It is my hope that this Committee will not miss the opportunity to address the real problems of illegal sports betting, rather than focusing on Nevada’s highly regulated industry, in a misguided attempt to remedy the societal problem of illegal

sports wagering on college campuses. Instead, I encourage you to consider the commonsense approach sponsored by Senators Ensign, Reid, Hatch and others. In the House, I have sponsored companion legislation that is co-sponsored by a bi-partisan group of over 80 Members.

Thank you for this opportunity to share my thoughts on this important issue, and I welcome your questions or comments.

The CHAIRMAN. Thank you very much, Congressman Gibbons.

Congressman Roemer, welcome.

Mr. ROEMER. Thank you, Senator. I'd ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection.

**STATEMENT OF HON. TIM ROEMER,  
U.S. REPRESENTATIVE FROM INDIANA**

Mr. ROEMER. Thank you very much. First of all, Senator, I would say that I would agree with Senator Reid that while you're not perfect, you sure are on this issue.

And we sure appreciate your leadership on this. Your leadership and your hard work on this following up on your campaign finance reform bill, we think that that will provide a lot of motivation and movement forward on the House side as well too. So thank you for that.

It's nice to see my friend, Mr. Ensign, from the House days here in this Committee. Congratulations on your election.

I'd only make three points, Senator McCain. One would be, in my State of Indiana, where we have a rich Indiana tradition of Hoosier basketball, we have Larry Byrd, tiny Milan High School that was the motivation for the Hoosiers movie, and now we have Ruth Riley, who sank two free throws with 5.8 seconds left in the national championship game to deliver the championship to the University of Notre Dame.

That was the purity, the integrity, the magic of college basketball coming forward. Nobody doubted the outcome. As Coach Osborne said, when you start doubting the outcome of college basketball, we turn it into Worldwide Wrestling Federation, scripted outcomes, predictable outcomes, and not the magic and uncertainty and the beauty of college sports.

We have to maintain that, and with the number of scandals that have taken place in the last decade, we need to address that and do something about it.

The second point is, I remember in addition to the great testimony that we heard from Coach Williams and Coach Osborne here today, I remember last year when I did a press conference with Coach Daugherty who was the Notre Dame basketball coach, now the coach of the University of North Carolina. And he said back in 1983 when he played ball with Michael Jordan, and he would be getting ready to play a game and he would be on campus somewhere and somebody would walk up to him and say, Matt, how are you feeling today, how's the ankle, I heard you sprained it, are you going to tape it, are you going to play tonight?

And then they would ask about Michael Jordan's health, and Matt looked at everybody at the press conference and he said, you know, after a while I figured out they weren't asking about me because they cared about me, they were asking about me because

they wanted to bet on me. And we need to make sure that doesn't happen.

Coming to the third point, I think there's unanimity in this room that there's a problem with illegal gambling. Let's get after it. Let's take that on, too. Let's not ignore that. And I don't think we are with our legislation that you've sponsored on this side and that Lindsey and I and Coach Osborne and Ron Kind have sponsored on the House side.

We're going to have a meeting I think next week with Attorney General Ashcroft and talk about ways to get at the illegal betting. But how do you get at the illegal betting if you have government-sanctioned legal betting on this stuff? And the kids in their dorm room say gee, we can do it here, why is it illegal?

So I think the first step is to go after this, and then let's work together to go after the illegal betting. Thank you again for the time in this Committee and we appreciate the opportunity to testify.

[The prepared statement of Mr. Roemer follows:]

PREPARED STATEMENT OF HON. TIM ROEMER,  
U.S. REPRESENTATIVE FROM INDIANA

Thank you very much, Mr. Chairman. I appreciate the opportunity to testify before your Committee today in support of legislation to prohibit legal betting on college athletics. I thank you for the leadership which you, Sen. Brownback and others have provided on this issue.

Over the years, college sports have become an integral part of our American culture. More people than ever play and watch college sports. They do so because college sports are exciting and unpredictable, and most of all, because they are real. The outcomes are decided by the players and coaches, not scripted by bettors or bookies.

Today, sports betting is creating a dark cloud over college athletics. As the sports betting business grows, so too does the pressure on college athletes to miss a shot or drop a pass or otherwise tip the outcome of a game. If we ever reach the point where people begin to doubt that college games are being played fairly, or that the outcomes are honest, it will be the end of amateur athletics as we know it. We'll have the Worldwide Wrestling Federation instead.

There are three reasons why we should pass legislation to prohibit legal betting on high school and college athletics:

1. It's wrong to bet on teenagers. There are many forms of legalized gambling in America, such as State-run lotteries, but none of them involve betting on teenagers. This legislation would not prohibit legal betting on professional sports, which are played primarily by adults. It would simply put the segment of amateur athletics that is played predominantly by teenagers off-limits to legal betting. This is the responsible thing to do.

2. Coaches, players and university presidents—the ones most directly affected by sports betting—overwhelmingly support this legislation. They know firsthand how difficult it is to deal with the pressures of gambling, and the threat which sports betting poses to the integrity of their athletic programs. We should listen to the people who know best.

3. You can't wage an effective war against illegal gambling, or even expect people to take this problem seriously, as long as the government sanctions legal betting in Nevada. I agree that we need to do a better job of enforcing existing laws against illegal gambling. But the fact is, gambling on student-athletes, whether legal or illegal, threatens the integrity of college sports. You can't address one part of the problem without the other.

As former U.S. Senator and basketball star Bill Bradley stated in his testimony before the National Gambling Impact Study Commission: "State-sanctioned sports betting conveys the message that sports are more about money than personal achievement and sportsmanship."

I agree with Sen. Bradley that the values and integrity of amateur athletics are worth fighting for, and I urge the Committee to pass this bill. Thank you.

The CHAIRMAN. Thank you very much, Congressman Roemer.  
Congressman Graham.

**STATEMENT OF HON. LINDSEY GRAHAM,  
U.S. REPRESENTATIVE FROM SOUTH CAROLINA**

Mr. GRAHAM. Thank you, Mr. Chairman. I too like you.

Everybody is giving you—yes, kiss-up day. But I was there before a lot of these other people, too. I want to let you know that.

Sometimes it doesn't turn out as well as we'd like, but the effort is what counts at the end of the day, isn't it? And we gave a good effort then and we're going to give a good effort now, and with all due respect to Senator McCain, if he wasn't here, we could get this bill on the floor to pass. It's an idea bigger than us.

It's an idea that makes sense, and if I was in Nevada I would be doing what my colleagues are doing. They are protecting their state's interest, but I would challenge anybody in the Congress to show a record of supporting states rights any stronger than South Carolina.

This is not about states rights. In 1992, we passed a national piece of legislation that banned gambling in every State except four, and now we're down to one. And South Carolina, if you wanted to bet on college sports, you couldn't because of what Congress did. So we took a national approach to a problem, and we created a loophole that's consuming the whole issue.

The exception is killing the rule that we tried to establish, so this is not about state's rights. This is about making a Federal law effective. And the one State engaging in the activity is hurting the rest of us.

And Senator Brownback's question about exempting Kansas athletic teams from being bet on in Nevada wasn't silly. I would make that same request but it's not going to happen.

But my colleagues from Nevada are doing what they think is best for their State and they have an approach to the issue that I disagree with. NCAA is not the bad guy, it's not the coaches, it's not the players. It's not the people who are operating casinos in Las Vegas, they are not bad people. They are doing what the law allows.

There's a bad result. And if you want to have a connection between legal and illegal betting, you don't have to talk to me. Talk to the FBI, I would challenge the Committee to talk to the FBI. The legal betting industry has an unhealthy relationship just by being in existence because it's a way, it's an infrastructure to illegal betting.

No, it will not solve the illegal betting problems in this country if we pass this bill, but it will help. It will take a source of infrastructure away. And office pools are not the problem. We're not going to go out and regulate everybody's office pool. If you want to bet in the office, that's not the problem, because people don't throw games or shave points because of something that's going in someone's office.

They will when a billion bucks is on the line, and that's what we bet legally, a billion dollars, and that is the tip of the iceberg. But Mr. Chairman, I applaud your efforts. This is, at the end of the day



about money politically, and if we could get the bill on the floor, it would be an overwhelming support for the NCAA position.

I am just almost ashamed of Congress on this issue. When you get every coach, every president except the few that are afraid to say so, apparently, but the ones that I've talked to are saying this is hurting the game, this is hurting the kids that I'm in charge of, that I care about, it's hurting my institution, and Congress is having a deaf ear because of money, because of campaign machine problems, and Mr. Chairman, the praise you deserve is taking that issue head on.

But if you're looking for an example in America where money affects public policy in an adverse way, this is it. And no one is doing anything illegal in Nevada, but we need to change the rules. And the sad thing about this whole debate to me is that before we started this bill, it was illegal to bet on a Nevada team. That was the law of the land in Nevada. They changed that law because I guess of some things that maybe I've said and we're going backwards, not forward.

But I'm hopeful, Mr. Chairman, and thanks for putting it on the agenda.

The CHAIRMAN. Thank you, and I thank the witnesses for being here today, and I want to tell all of you that I intend to do everything I can to make sure that all points of view are heard on this issue. This is an important issue, and all views need to be heard.

I appreciate your participation and we will, as always, treat all opinions with the respect that they deserve in this important debate, and I thank you for being here.

Senator ENSIGN. Mr. Chairman, could I ask coach Osborne a question?

The CHAIRMAN. Sure.

Senator ENSIGN. Coach, I hope you don't mind if I still call you coach.

Mr. OSBORNE. Call me whatever you want.

Senator ENSIGN. My partner in my animal hospital is from Nebraska and I've been hearing about you for many, many years, and I read your book Faith in the Game last year and I very much enjoyed it.

But when you were talking about the point spreads being a big effect, one question; first of all, I want to understand the BCS rankings. Isn't that one of the things that they take into account, you know, home, whether you beat the point spreads, you know, favored by 30, all those kinds of things, they take that into account, isn't that correct?

Mr. OSBORNE. Well, I would assume so, as I said, the point spread is particularly early in the year. See, the BCS only comes out, 6, 8 games in.

The CHAIRMAN. Right.

Mr. OSBORNE. So BCS doesn't set point spreads.

Senator ENSIGN. No, they don't set the point spreads but I think they take that into account.

Mr. OSBORNE. Oh, I'm sure some do.

Senator ENSIGN. The reason for my question is, do you realize that this bill will do nothing to affect the point spreads? The Newspaper Association of America has already said that they are going

to continue to do the point spreads. Many of the point spreads, in fact many of the earliest point spreads now are done by offshore books now, not by Las Vegas.

And then they continue to publish these point spreads.

Mr. OSBORNE. Well, I understand that, but I do believe that it's important that we send a message as a body that either this is a legal activity or it's not.

Senator ENSIGN. No, no, and I'm not—

Mr. OSBORNE. And I'm not talking about point spreads. I'm just—

Senator ENSIGN. I have no problem with anybody that has a problem with gambling. That wasn't the the point I was trying to make. The point I was trying to make is if we're going to make some argument for a particular bill, they should be on the merits of that particular bill.

What you are—your main arguments, I was writing down the things you were saying, and your main arguments were about the point spread. When you talked about the pressure of winning by a certain percentage, all of the stories, and I can appreciate that pressure as a coach.

The college coaches today with the huge salaries that they make and the, you know, you don't win this year and you're out, all that kind of a thing, big money is influencing college sports and it isn't the purity that you talked about, Congressman Roemer, today, and it's not just because of gambling. It's because of the TV contracts, the Nike contracts and all of those things.

There are huge amounts of pressure on these young athletes that come from, you know, inner cities or poor places all over the place. It's a huge amount of money that influences the game.

But the point was, when you're talking about point spreads, and that's where the pressure is coming in, the people that were calling you on the phone at night, those people weren't making their bets in Las Vegas. They were making their bets in Nebraska. They were making their bets illegally. They weren't making their bets in Nevada, and that's the whole point of this that we're trying to get across, is that it's—I mean, I feel bad that illegal gambling is having this kind of influence across America, that there are kids that are being addicted on college campuses.

Mr. OSBORNE. May I respond, Senator? One thing I would like to point out is I understand about point spreads probably as well as anyone in this room. I understand them very thoroughly. It's the dollars that are spent on the point spreads. A point spread is meaningless if you don't go out and bet a billion dollars, you see? And the point is that there is an interconnectedness in gambling across the country.

I realize that many incidents are isolated, it may be in a dorm room or whatever. But if you send a message that it's OK to bet on intercollegiate sports here and not here, I think you send a message that is very clear to the young people of this country and to the fans and everyone else, and that's the only thing that I'm here to say.

And certainly the point spread is a problem, but the money spent bet on the point spreads is the issue, and that's the thing that I'm talking about.

Senator ENSIGN. And you would agree based on the statistics, the minimum is 98 percent is bet illegally, on those points.

Mr. OSBORNE. I agree, but the point is not real or illegal. The point is, is it legal across the country or not. And the question is is it legal across the country or not. And if so, if it is illegal nationally, then I can you have a better platform to from which to attack the illegal gambling. And I understand your point of view and I certainly respect the others here, and I understand their point of view.

The CHAIRMAN. Mr. Ensign, it's now 10:30. We have two more panels to go.

Senator ENSIGN. Just one more comment on congressman Graham's point on states' rights. Congressman Graham, you talked about us going backward. I would also caution you that 1992 law that was put into place has never been tested constitutionally. And if this bill—

Mr. GRAHAM. I'll bet you it will withstand scrutiny.

Senator ENSIGN. OK. Well, I would make a bet on the other. We have had some pretty good legal opinions bet the other way. And the point is, the point that I would make on this, because of two issues. The Tenth Amendment is something I have a deep amount of respect for, and I believe if this bill goes forward Nevada will have a very strong position to strike down the 1992 law, and it will have the exact opposite effect than what you were trying to accomplish. As a matter of fact, we'll have more legal gambling in this country than we currently have today.

Mr. GIBBONS. If I may respond, Senator, my good friend, by the way, who does a good job for the State of Nevada on a lot of issues including this one.

There are people sitting in jail today who bet in Nevada on college games that they participated in that they wound up point shaving, and they are not from Nevada. The reason that there's a Federal need here is that you're affecting the quality of sports in my state, their state, Nebraska, all over the country.

There's people have gone in Nevada, got involved in the legal gambling business, who shaved points who are sitting in jail. I think there's a national public policy to address the legal gambling in Nevada because it's hurting the rest of the country, then let's all get together and attack the illegal betting.

Thank you very much for having me.

The CHAIRMAN. Thank you, I thank the witnesses.

Our first panel consists of coach Gary Williams, basketball coach at the University of Maryland; Mr. Titus Lovell Ivory, a student athlete at Pennsylvania State University; Ms. Tracy Dodds Herd, associate sports editor of the Cleveland Plain Dealer; Mr. Danny Sheridan, the sports analyst for USA Today; Dr. Howard Shaffer, associate professor and director at the Harvard Medical School, Division on Addictions; and Mr. Edward Looney, who is the Executive Director of the Council on Compulsive Gambling. Would you all please come forward.

Coach Williams, welcome and again, congratulations on your magnificent record over many years, including your recent successes in reaching the Final Four.

**STATEMENT OF GARY WILLIAMS, HEAD BASKETBALL COACH,  
UNIVERSITY OF MARYLAND**

Mr. WILLIAMS. Thank you, Senator McCain. I was really pulling for Arizona if we didn't win.

The CHAIRMAN. I can't understand it.

Mr. WILLIAMS. By the way, I'm a coach here without one of those multimillion dollar Nike contracts.

My experience in coaching basketball, one of the stops I made, I was at Boston College in 1977 and 1978. There was a point shaving scandal at Boston College. Several of the players where I was an assistant coach at were involved. One went to Federal prison for 5 years, one had already been accepted to law school and went into a witness protection program during that time, and their lives, there was three people involved, their lives were changed forever. They were no longer able to do what they wanted to do. Every time they go out in public now, they always have that concern of how people look at them from their past experiences, and you know, it's just a shame that they have to live their lives in the way that they do.

Our players are very aware currently of the gambling situation. The NCAA has done a good job of making it clear to the players what's involved with the gambling experience. However, there's many mixed messages out there, including the legalized gambling of college basketball in Nevada and Las Vegas.

That is certainly a message that our players see and I'm sure in their minds, a lot of time, well, if it's allowed there, then what's the big deal about gambling here, what is the problem. And players are targets, there's no doubt about it, whether it's legalized gambling or illegal gambling, they are targets of people.

People want to know, as has already been stated, the condition of the players, the physical condition, the mental approach that our players might have for a particular game. And, you know, the education process is important, but I think we have to make a statement.

And this issue before us today is very important because it would make a national statement to our players that it just confirms what is being told to them. Our game is a great game. College basketball is a great game. And we don't want anything to harm it that we can possibly control.

And yes, there is a lot of money to be made by coaches, and you know, the NCAA does make a lot of money from the TV networks. But at the same time, we have to preserve the game. The game is a very important part of the fabric of the colleges involved. Certainly the University of Las Vegas has really benefited from the success over the years of their basketball team, just as the University of Maryland has with what we've done this year.

And you can look at outstanding academic institutions throughout the country and see the benefit that they have derived, and we want to maintain the ability of a basketball program to be a very important part of the school, not be separate from the school, to be an important part of it. And I think the values that the universities do have, certainly we want to show that as our basketball team.

And what can really tear that down is the gambling situation, and obviously, you know, there's far greater problems in illegal

gambling as well as legal gambling, but at the same time, it has to start somewhere and we really believe that this would be a great message to the players across the country if nationally there was this legislation that would make it illegal for college gambling.

And if it's only 2 percent or whatever it is out in Vegas of the total revenue generated, then let the game alone. Let college basketball, college football be separate from that type of thing and let us have the game. Because the kids growing up today really look at the players. They are role models a lot of times, they are the reason. Like this gentleman to my right, the reason kids grow up wanting to go to college and wanting to play sports in college are because of great young people like this. And anything that happens to tarnish that certainly disillusion a lot of people when that does take place.

So we, as coaches, as players, hopefully we can do a good job, but this also needs to be said nationally, and that's my reason for being here today.

The CHAIRMAN. Thank you very much, coach.

Mr. Sheridan, welcome.

**STATEMENT OF DANNY SHERIDAN, WRITER, USA TODAY**

Mr. SHERIDAN. Thank you. Senator McCain, as you may or may not know, I supported your bid for the presidency of the United States. We have a mutual friend in Sonny—

The CHAIRMAN. What was the line?

Mr. SHERIDAN. You were an underdog, sir. Also, as most Americans, I applaud your campaign finance reform, and I would ask that this not be taken from my 5 minutes, that personal comment, sir.

The CHAIRMAN. Thank you.

Mr. SHERIDAN. I have spoken at or visited most college campuses, Senator McCain, in the United States, and I don't think there's anyone in this room that has spoken to as many college students as I have about illegal sports wagering.

I've been in this business some 25 years, campuses from coast to coast, whether it's Princeton University, UCLA or the Florida campuses. I've interviewed the biggest book makers in the country, illegal book makers in the United States, offshore, legal book makers in Nevada, Australia, England, all over the world. I would stack my contacts against anyone here.

My contacts include the top college and professional basketball coaches in the country. And again, I'm sure I'm not the smartest person in this room, I'm glad to be here, but I would stack my contacts in this area with anybody here and anyone that's testified.

I don't bet on sports. My stock portfolio is probably seven figures. There's no Nevada gaming companies in there and there's no Nevada related companies in there. If this bill passes, it will greatly benefit me financially, substantial, six-figure money. I'm against this bill. Again, it will greatly benefit me financially. I'm not pulling against the NCAA or pulling for Nevada.

I certainly commend you on the courage it takes to take on the tough issue of illegal gambling, and as other people have pointed out, I would only want to warn you and your colleagues of the serious, unintended consequences of this bill. If this bill passes, you

will make, and I know it's not your intent, fixing college basketball and football games very easy. There will be no fear of being caught.

I'll give you an analogy. No one in this room would remove the Securities and Exchange Commission from the stock market. Why would you do that. It would be chaotic. That's a legal authority that monitors the stock market. That's a deterrent. Whether you like, whether people like it or not in this room, so is Nevada.

That's a system that is in place. They are a deterrent against fixing college football and basketball games. Do they stop every fix? No, but they are a deterrent. You know, in the underground, if you fix a college game, you're probably, almost 100 percent sure you're going to get caught, tried, and convicted. You know that. And you know in the stock market, the Securities and Exchange Commission, you may not get caught, you can hide behind a foreign corporation. You can't in illegal and legal betting. You have to have a face.

If you remove this legal authority from the equation as this bill would, and I'm not looking for rhetoric or scare tactics, you'll have conservatively two to three dozen college basketball and football games fixed within 90 days. It's guaranteed.

I'll give you an example. The Tulane basketball scandal of seven or 8 years ago. The book makers in New Orleans, in my area, I'm from Alabama as you probably can tell, the book makers in the southern area of New Orleans took bets, there on the front line, not the FBI, not the NCAA, not the college coaches, the book makers, they took the bets.

They took bets from college kids, an inordinate amount of money. Let's say the kids bet \$50 a game. They wanted to bet \$500 a game. These book makers in New Orleans knew right away these kids are shaving points. Now, they have two options. Right now they can call the legal authority in Nevada, which they did, who was waiting for them when they came out there, and bet, and again, an inordinate amount of money on Tulane and Southern Miss. They were caught, tried, and convicted.

If this bill were to pass and there were no legal authority, the book maker would have had again, two options—excuse me, would have had one option. He could have called the local DA, which would be suicide, he's a criminal, he's breaking the law, he's certainly not going to call the local DA or the FBI and say hey, they are shaving points. Well, how do you know, sir? Well, I'm an illegal book maker.

So what we will do, if this bill passes, and I promise you as sure as I'm sitting here, what the book makers across the country, and I'm not here to organize like the teamsters the book makers, and they are not choir boys, they have a vested interest in keeping the sport clean and they do a great job of policing the sport, rightfully or wrongfully for the NCAA and for college sports.

What will happen, let's assume I'm the book maker. I'm not going to call the local DA. I know that Tulane is fixing, shaving points. I simply call my brethren in Louisiana and all across the country and I take them off the board. You cannot bet on Tulane. That's what's going to happen. It's going to be Tulane, it's going to be Florida, it's going to be UCLA, and what's going to happen to some enterprising sports reporter when the NCAA tournament

rolls around or the college bowl season rolls around, and he's going to look and he's going to say Southern Cal, they are three and two against its spread but they played 11 games, or the NCAA tournament, this team only has a record of 11 and 6 in basketball, but yet they played 25 games.

He's going to ask the question how come these book makers didn't line these teams. No convictions, no charges. And he's going to be told on the Internet and all over, sir, those 10 or 20 schools have been shaving points, and that's going to be a major, major scandal. Again, as sure as I'm sitting here. I'm not trying to scare you.

The book makers will do it, they hate it, but they will take the game off the record. They will not report it—there will be no legal authority if this passes, and again, not to be redundant, I wish you would ask me some questions on it.

I don't know if I've eloquently got the point across, but the book makers will simply take the game off the boards. The thugs, the criminals that are fixing these games, there will be no deterrent. The FBI is not going to catch them, no one is going to catch them. They are going to go about their business. You're basically handing them the candy store. It's not intentional, but without that legal authority, I know of know book maker that I've spoken to, and I've spoken to every—not every one in the country, but every large one, they've just said hey, it's simple, we'll let them fix college games and we hope they don't fix the pro games. We can't turn them in.

That said, I appreciate the opportunity to be here and I would certainly welcome any questions you may have. Thank you.

[The prepared statement of Mr. Sheridan follows:]

PREPARED STATEMENT OF DANNY SHERIDAN,  
WRITER, USA TODAY

Chairman McCain, I would like to thank you and the Members of the Commerce Committee for allowing me the opportunity to express my opinions on S. 718, the Amateur Sports Integrity Act.

My name is Danny Sheridan, and I have been involved with sports and the sports promotion business for more than 25 years. I have published college and pro football magazines, written about sports in a variety of national publications, and have been the host of a number of sports TV and radio shows. I am a lifelong resident of Mobile, Alabama, and a graduate of the University of Alabama School of Business.

I have written exclusively for *USA Today* since its inception in 1982. For *USA Today*, I set the daily odds on every sport along with political and esoteric odds—for example, will Alan Greenspan lower the interest rate, and if so, by how much. My sports and political predictions have been featured on every major network and nearly every major newspaper and radio station in the country. I plan to continue setting these odds and providing them to *USA Today* even if this legislation is passed.

However, I'm not just a sports—and sometimes political—analyst. I am friends with many high profile college and NFL coaches as well as many NFL and NBA owners. I have spoken at or visited most of the colleges and universities in the United States, and have talked to thousands of students about their concerns about sports betting on their campuses. I've also interviewed many of the world's biggest legal, illegal, and offshore bookmakers.

I'm sure there are a lot of people brighter than me at this hearing; however, I'm confident in saying that my predictions, contacts and knowledge of the sports world would stack up against anyone in this room.

That's why I'm here today.

I do not bet on sports, don't smoke or drink alcohol, but I do recognize, like you, that in a free society people do these things, sometimes to excess.

I commend you for having the courage to take on the tough issue of fighting illegal gambling. However, I want to warn you of the serious, unintended, and adverse

consequences that will surely result from the passage and implementation of this legislation. Your attempt to eliminate legal college sports wagering—while well intentioned—would only result in an increase in illegal college sports gambling and an increase in the amount of fixing and point shaving schemes and scandals.

Currently, approximately 99 percent of all sports gambling takes place illegally outside of Nevada. In 1999, the National Gaming Impact Study Commission estimated that illegal sports wagering was as much as \$380 billion—but I think that it's higher. An estimated 40 million Americans currently wager \$6 billion illegally every weekend during the entire 20-week college and pro football season alone.

Comparatively, legal and regulated sports wagering in Nevada is only 1 percent—a tiny fraction—of all of the betting that occurs on sports in this country. And of the approximately \$2.3 billion that is legally wagered in Nevada, only about one-third—an even smaller percentage—is bet on college sports.

These figures just show that there is no persuasive evidence that legal sports betting in Nevada is responsible for the betting scandals and illegal gambling everywhere else.

Nevada's legal sports books serve as a legal watchdog for college sports. The point shaving scandals 5 years ago surfaced only because there is a legal authority that exists to watch over the game and betting activity. So in essence, the proposed legislation would remove the only viable enforcement mechanism to monitor and report the fixing of college sports games.

If you take college sports wagering out of Nevada, 100 percent of all NCAA betting would go on illegally. The Nevada Gaming Commission has an incentive to report the fixing of games and to continue to police sports betting to ensure that it's clean. It is legally required to monitor and report suspicious activity, and has done an excellent job monitoring college sports betting. But if you get rid of legal college sports wagering, a person who wants to fix a game will no longer have to worry about the Nevada Gaming Commission, but only about the bookie he placed the bet with and the players involved.

The proposed legislation would make it impossible to monitor and report the fixing of games. The effect of this legislation would be like removing the Securities and Exchange Commission (SEC) from monitoring and policing the stock market. Does the SEC prevent all insider trading? Of course not, but it lets would-be criminals know that they'll be prosecuted. In Nevada, you can't bet on a college game through a dummy corporation—you have to do so in person and be 21 or over—and most people know if you fix a sporting event, you'll eventually get caught and prosecuted.

The NCAA and its supporters also argue that legal betting in Nevada sends a mixed message about gambling to young people. But I'm not sure what mixed message they are talking about.

Gambling and betting is a widely accepted form of recreation in this country and has been an integral part of our history. When our founding fathers needed money to finance the American Revolution, they held a lottery. Today, 47 States permit lotteries, horse and dog racing, commercial and Indian casinos, and/or video poker. Only Hawaii, Utah, and Tennessee have no form of legalized gambling. Since our culture sends the message that gambling is mainstream recreation, it will only make matters worse to deal with illegal sports gambling by making it illegal in Nevada, the one State where these activities are legal and closely monitored.

Finally, it's simply not reasonable to assume that the impulse to gamble can be controlled or reduced by legislation, particularly in this age of Internet gambling, which allows anyone to bet through an offshore sports betting site or casino or both just by the flick of a key on their computer.

So yes, the passage of this legislation would send a clear message to this country's young people. That message is: We want to cut down on sports gambling and game-fixing so let's ignore the real problem and the impact this legislation would have on college sports. Now that is a scary mixed message.

Again, I believe that the NCAA and its supporters are well intentioned and are only trying to do the best to protect students and college sports. But the idea that Nevada is to blame for the spread of illegal gambling in this country is preposterous. If the NCAA and its proponents think that the passage of this legislation would have any effect on illegal college sports wagering—by young people or adults—they are completely wrong.

Finally, opposing this legislation goes against my financial interests. If it were to pass, it would benefit me financially. I also have no financial interest in any casinos or Nevada-dependent companies. With this in mind, I hope that this also shows you that my testimony is unbiased and honest.

So I leave you with these odds and a prediction: pass this legislation and I am 100 percent certain that there will be an increase in game fixing and other point



shaving schemes and major college sports scandals—exactly the opposite from what I know you are trying to accomplish.

The CHAIRMAN. Thank you very much. Mr. Titus Lovell Ivory, who's a student athlete at Pennsylvania State University and also an outstanding guard on the recent successful Pennsylvania State basketball team. You didn't run up against Maryland?

Mr. IVORY. Didn't want to.

The CHAIRMAN. Welcome, Mr. Ivory, and thank you for being here.

**STATEMENT OF TITUS LOVELL IVORY, STUDENT-ATHLETE,  
PENNSYLVANIA STATE UNIVERSITY**

Mr. IVORY. Thank you. Chairman McCain, my Senator from my home state, North Carolina, Senator Edwards, and other distinguished members of the Committee.

Thank you for this opportunity to testify on the impact of sports gambling on college athletics. For the past 5 years, I've been a member of the Penn State basketball team. As an entering freshman, I medically registered and did not participate. However, the past 4 years have not only provided me with the opportunity to play basketball for the school in one of the most competitive conferences, but it has also enabled me to gain a first rate education on life.

Prior to this season, I received my undergraduate degree in kinesiology. During this past year, I've also pursued a second degree in teacher certification.

As a member of the Division 1 basketball team, I can testify student athletes are well aware of the dangers of sports gambling and the strict penalties imposed upon them by the NCAA on those who bet or solicit bets on college or professional games, or who provide information to individuals involved in organized gambling activities.

At the beginning of each season, our athletic department conducts a mandatory sports gambling seminar for the basketball team. This session includes a review of NCAA rules prohibiting sports gambling and messages from law enforcement officials about the pit falls of getting involved in sports gambling.

Our team also watches a video which highlights the dangerous influences associated with sports gambling. In addition, there are always constant reminders in the locker room, in the gymnasiums, on the NCAA Don't Bet On It posters that are posted in several locations.

I am aware of the recent point shaving scandals at several or NCAA schools. The Northwestern point shaving scandal has special significance, since one of the tainted games also involved Penn State University.

I have thought about what it would be like to play against guys who were, you know, throwing a game. I'm a very competitive person, and I always want to play against the best. These scandals surely would have rocked my confidence in the sport. Sports gambling threatens the game I love. In the end, no matter how much I try to avoid it, gambling on college campuses is a popular thing and is now growing.

Ever since high school I've had a number of experiences where people have thanked me for winning basketball games on the outcome of the team based on bets. My reaction is always the same. I'm playing the game I love. I'm not playing the game to win money for you or anyone else. The presence of sports gambling in college sports has never been more apparent to me than during our team's run to the Sweet 16 during this year's men's basketball championship.

After a big second round win over North Carolina, my teammates and I boarded the plane, and before we even got off the ground, the pilot comes over the PA and announces I want to thank you guys, you just won me \$150.

After hearing this, our coaches were amazed, even shouting out I can't believe he just said that.

Some of you might ask what is wrong with this. Well, sports gambling interests can easily result in the game being tainted. I would hate to play against an opponent who was aware of the spread. As I've already said, I want to play against those who are giving their best. I'm so competitive, I don't even like playing against players who aren't 100 percent healthy.

In addition, sports gambling threatens those who are fans of college sports. Students aren't going to come to our games if they believe the games have already been influenced. If sports gambling continues and continues to grow in popularity, the threat will always remain.

So why do student athletes support S. 718? We believe that steps must be taken to eliminate sports gambling from college students.

I know that they won't get rid of gambling in Nevada. I know that getting rid of gambling in Nevada will not eliminate betting on college games all together, but anyone can argue that it won't send a positive message that sports gambling is illegal everywhere in this country, and maybe this message might also slow down the publishing the point spreads.

I must say it is an awful feeling to open up the *USA Today* and find out that your team is losing by 20 even before the opening tip off. The game is supposed to be about hard work, having fun, team camaraderie, and the enjoyment of the game, and making someone money isn't something us athletes would like to see. I would like to thank you for this opportunity.

[The prepared statement of Mr. Ivory follows:]

PREPARED STATEMENT OF TITUS LOVELL IVORY, STUDENT-ATHLETE, PENNSYLVANIA STATE UNIVERSITY

Chairman McCain, Senator Hollings, my Senator from my home State in North Carolina, Senator Edwards, and other distinguished Members of the Committee, thank you for the opportunity to testify today on the impact of sports gambling on college athletics.

For the past 5 years, I have been a member on the Penn State's men's basketball team. As an entering freshman, I was red-shirted and did not participate in games. However, the past 4 years have not only provided me with the opportunity to play basketball for my school in one of the country's most competitive conferences but it also has enabled me to get a first-rate education. Prior to this season, I received my undergraduate degree in kinesiology. During this past year, I pursued my second degree in teacher certification.

As a member of a Division I college basketball team, I can testify that student-athletes are well aware of the dangers of sports gambling and the strict penalties imposed by the NCAA on those who bet or who solicit bets on any college or profes-

sional game, or who provide information to individuals involved in organized gambling activities. At the beginning of each season, our athletics department conducts a mandatory sports gambling seminar for the basketball team. This session includes a review of the NCAA rules prohibiting sports gambling and messages from law enforcement officials about the pitfalls of getting involved with sports gambling. Our team watches a video tape which highlights the dangerous influences associated with sports gambling. In addition, there are constant reminders in our locker room as NCAA Don't Bet On It posters are posted in several locations.

I am aware of the recent sports point shaving scandals at several other NCAA schools. The Northwestern point shaving scandal has special significance since one of the tainted basketball games involved Penn State. I have thought about what it would be like to have been playing against guys who were not giving their all. I am a competitive person, I want to play against the best. These scandals surely would have rocked my confidence in the sport. Sports gambling threatens the game I love. In the end, no matter how much I try to avoid it—gambling on college sports is popular and seems to be growing.

Since high school, I have had a number of experiences where people have thanked me after a game because my team's victory helped them win money on a bet. My reaction is always the same—"I am not playing the game so someone can make money gambling."

The presence of sports gambling in college sports has never been more apparent to me than during our team's run to the Sweet 16 in this year's men's basketball championship tournament. After a big second round win over North Carolina, my teammates and I boarded a plane headed for State College. We didn't even get off the ground, when the pilot came over the PA and said: "I want to thank you guys. Because of you, I just won \$150." After hearing this, our coaches were amazed. One of them shouted, "I can't believe he just said that."

Some of you might ask what is wrong with this? Well, sports gambling interests can easily result in the game being tarnished. As I have already said, I want to play against those who are giving their best. I am so competitive that I even hate playing against guys who I know are not 100 percent healthy. In addition, sports gambling threatens those who are fans of college sports. Students aren't going to come to our games if they believe that the game is being influenced. As sports gambling continues to grow in popularity, this threat remains.

So why do student-athletes support S. 718? We believe that steps must be taken to eliminate sports gambling on college students. I know that getting rid of sports gambling in Nevada will not eliminate betting on college games altogether, but how can anyone argue that it won't send a positive message that sports gambling is illegal everywhere in this country? And maybe this message might also slow down the publishing of point spreads. I must say that it is an awful feeling to open up the *USA Today* and see that my team is picked to lose by 20 points before the game even begins. It adds stress and even puts the thought in your own mind that "maybe we should lose."

The game is supposed to be about working hard and having fun, not about making somebody money who has bet on the outcome.

Thank you.

The CHAIRMAN. Thank you very much, Mr. Ivory, and again, congratulations.

Dr. Shaffer, welcome.

**STATEMENT OF HOWARD J. SHAFFER, Ph.D., C.A.S., ASSOCIATE PROFESSOR, HARVARD MEDICAL SCHOOL, DIVISION OF ADDICTIONS**

Dr. SHAFFER. Thank you, Senator McCain and members of the Committee, and thank you for this invitation to comment on what is a very important and complex social matter. As a devoted sports fan, a long ago student athlete, and the father of a current NCAA Division 1 student-athlete, I have a very special interest in this area.

For many years I have encouraged the return of athletics to sports. I remember when watching organized sports was focused on athleticism instead of whether a team would cover the spread. I also believe that amateur sports have the capacity to build indi-

vidual character and integrity. Despite these personal interests, my comments today will reflect my work as a scientist and a clinical psychologist.

I'd like to make three brief, specific and interrelated points that are relevant to the Committee's deliberations on the Amateur Sports Integrity Act. First, youthful population segments have not demonstrated a meaningful increase in the prevalence of gambling related disorders during the past 25 years, a time when legalized gambling was expanding most rapidly throughout the United States.

Consequently, I believe it's unlikely that revising the status of licit sports gambling will influence their gambling rate.

Students' gambling-related activities already are illicit, and most illicit gambling among young people does not occur within within a licit gambling establishment. In the new era of Internet-based gambling, focusing on jurisdictions or the specific objects of gambling is even more likely to be ineffective than ever before.

Second, the Amateur Sports Integrity Act might have unanticipated negative effects. The first principle of medical ethics is to do no harm. The reason for this guiding principle is that very good intentions can lead to adverse consequences. For example, since the vast majority of adults who gamble on sports in Nevada do so without any adverse consequence, a ban on sports betting can stimulate an underground market for sports-related gambling.

This situation echoes our history with the Volstead Act and the many adverse consequences associated with alcohol prohibition, from which, in my opinion, America is still recovering. Unintended consequences of gambling prohibition could adversely impact the already too high rate of problem gambling among young people.

Third, it occurs to me that the best laws are those that prevent wrongdoing and therefore rarely punish people. The worst laws in my opinion are those that punish the most people while rarely preventing misbehavior. The Amateur Sports Integrity Act holds the potential to prevent very little gambling amongst sports betters while simultaneously establishing the potential to punish many of them.

Further, if this Act becomes law and it is not enforceable, or if high school or college students do not respect it, then they might ignore this law, and most importantly, also lose respect for the rule of law in general.

In conclusion, if I could ensure the integrity of sports simply by prohibiting gambling, I would endorse it. However, I fear that prohibition will create problems.

Senator Alan Simpson once said, "if you have integrity, nothing else matters. If you don't have integrity, nothing else matters" Integrity is an attribute of individual and collective character. It cannot emerge in a vacuum. To assist the development of integrity, we must help people learn to regulate their impulses and message temptation. This difficult task is not possible in a social setting that does all of the regulating for us. In a free society, occasional failing and even tragedy is the price of liberty.

In the second century, the Roman emperor Marcus Aurelius noted that, "a man should be upright, not be kept upright." Integrity is not the absence of vice, it's something that emerges through

a relationship with temptation. To protect the integrity of amateur sports, we need to protect everyone from developing gambling-related problems.

We also need to identify people quickly when problems do emerge. New approaches to screening will become important. This will require new public policy at the local level, that is middle schools, high schools, and colleges, with attention to educating parents, clergy, teachers, coaches, and athletic directors about gambling. Unfortunately, our current research shows that high schools and colleges are woefully out of touch with gambling problems, and have few policies or resources in place to deal with them.

Parents also fail to appreciate how gambling can influence young people. In 1999, my friend Bill Saum, the NCAA's excellent director of gambling and agent activities, testified before a Senate judiciary Committee about the negative impact that sports gambling has on the lives of college student athletes.

Bill described notable and tragic examples from great American colleges. He cited my research showing that young people often become introduced to gambling through sports betting. What he did not mention however was that this betting most often starts with family members at home, not in casinos with sports books. We must educate parents about gambling.

I respectfully suggest two strategies. First, undertake a broad scientific review to evaluate the extent of the problem, the complexity of the risk factors, and the potential avenues available to address these concerns.

The National Academy of Sciences recently undertook such a review of pathological gambling, and might be in a strong position to advise on this matter.

Second, I suggest that we convene a consortium of college presidents to review their existing gambling-related policies and problems so that we can take a systematic approach to the education, prevention and treatment of America's young people.

America likes to gamble, and since the early days of civilization, people have shown a penchant to gamble on sports. We should not lose sight of the fact that the vast majority of Americans, young and old, do in fact regulate their impulses without difficulty and are healthy gamblers.

This circumstance complicates all of our efforts to protect young people. Once again, Senator McCain and members of the Committee, thank you very much for inviting me to participate in this process.

[The prepared statement of Dr. Shaffer follows:]

PREPARED STATEMENT OF HOWARD J. SHAFFER, PH.D., C.A.S., ASSOCIATE  
PROFESSOR, HARVARD MEDICAL SCHOOL, DIVISION OF ADDICTIONS

Senator McCain and Members of the Committee, thank you for the invitation to participate in your deliberations and comment on this very complex social matter. As a devoted sports fan, a long-ago student-athlete, and the father of a current NCAA Division I student-athlete, I have a special interest in this area. For many years, I have encouraged the return of athletics to organized sports. I remember when watching organized sports was focused on athleticism instead of whether a team would cover the spread. I also believe that amateur sports in particular, and sports in general, have the capacity to build individual character and integrity. Despite these personal interests, my comments will reflect my work as a scientist and clinical psychologist.

My associates and I recently completed a series of studies revealing that, throughout the United States and Canada, young people and college students in particular evidence meaningfully higher than typical rates of gambling related disorders than adults (Korn & Shaffer, 1999; Shaffer & Hall, 1996, in press; Shaffer, Hall, & Vander Bilt, 1997; Shaffer, Hall, & Vander Bilt, 1999; Shaffer, Hall, Walsh, & Vander Bilt, 1995). Since athletes represent a distinctive segment of the youthful population, they have unique risks that place them at special chance of developing gambling related problems.

#### THE AMATEUR SPORTS INTEGRITY ACT

I would like to make 3 brief, specific, and interrelated points that are relevant to the committee's deliberations on the Amateur Sports Integrity Act:

1. Prohibiting legalized sports gambling likely will have little impact on young people; gambling already is illegal and unsanctioned for student athletes;
2. Prohibiting sports gambling for the vast majority who do it safely and legally risks making matters worse by creating an "underground" market;
3. Passing legislation that likely is unenforceable inadvertently diminishes respect for the rule of law.

#### IMPACT OF PROHIBITION ON YOUTH GAMBLING

Youthful population segments have not demonstrated a meaningful increase in the prevalence of gambling-related disorders during the past 25 years—when legalized gaming was expanding most rapidly throughout the United States. Consequently, it is unlikely that revising the status of licit gambling will influence their gambling rate. While well intentioned, it is unlikely that this bill will have significant impact on youthful gambling.

#### GAMBLING ALREADY IS ILLICIT FOR YOUNG PEOPLE

If the purpose of the bill is to protect high school and college student-athletes who are at special risk for gambling related disorders, then prohibiting legalized sports betting in Nevada is unlikely to have broad impact for two primary reasons: (1) their gambling related activities already are illicit; and (2) most of their illicit gambling does not occur within a licit gambling establishment. In the new era of Internet-based gambling, focusing on jurisdictions or the specific objects of gambling is even more likely to be ineffective than before.

#### COULD THE AMATEUR SPORTS INTEGRITY ACT INADVERTENTLY MAKE MATTERS WORSE?

The Amateur Sports Integrity Act might have unanticipated negative effects. The first principle of medical ethics is to "do no harm." The reason for this guiding principle is that very good intentions can lead to adverse consequences. For example, since the vast majority of adults who gamble on sports in Nevada do so without any adverse consequence, a ban on sports betting can stimulate an underground market for sports-related gambling. This situation echoes our history with the Volstead Act and the many adverse consequences associated with alcohol prohibition from which America is still recovering. Unintended consequences of gambling prohibition could adversely impact the already too high rate of problem gambling among young people.

#### DIMINISHING RESPECT FOR THE RULE OF LAW: CONSIDERING LAWS THAT PREVENT, LAWS THAT PUNISH

Having spent the majority of my life studying the spectrum of human behavior, it occurs to me that the best laws are those that prevent wrongdoing and therefore rarely punish people. The worst laws are those that punish the most people while rarely preventing misbehavior. The Amateur Sports Integrity Act holds the potential to prevent very little gambling among sports bettors while simultaneously establishing the potential to punish many of them. Further, if this Act becomes law and it is not enforceable, or if high school or college students do not respect it—athletes in particular since they often are role models—then young people might ignore this law and, most importantly, also lose respect for the rule of law in general. Such has been the case with certain laws (e.g., drug, seatbelt, helmet) that unintentionally created this circumstance many years ago.

For example, the Amateur Sports Integrity Act will require that throughout America, if students are involved, illegal pari-mutuel and "Calcutta" style wagering on member-member and member-guest golf tournaments become active targets for enforcement. Currently, students watch eagerly as caddies or just onlookers when their parents and neighbors get excited about, and participate in, these events—

which already are illegal. Young people have learned through informal channels that laws are not equally enforced. The consequence too often is a diminished respect for the rule of law.

#### CONCLUSIONS AND SUGGESTIONS

The language of the bill is unclear about whether the intent of this legislation is to protect the integrity of amateur and student athletes or the integrity of the institution of amateur sports. The Sports Integrity Act seems to apply only to Nevada, so the language of the bill seems to work against its broadly stated objectives. It already is illegal for underage young people to gamble, whether on sport or anything else. Further, to my knowledge, there is no legal bookmaking for high school sporting events.

If I could assure the integrity of sports simply by prohibiting gambling, I would certainly endorse it. However, I fear that prohibition will produce problematic outcomes. Senator Alan Simpson once said, "If you have integrity, nothing else matters . . . if you don't have integrity, nothing else matters." Integrity is an attribute of individual and collective character. It cannot emerge in a vacuum. To assist the development of integrity, we must help people learn to regulate their impulses and manage temptations. This difficult task is not possible in a social setting that does the regulating for us. In a free society, occasional failing and even tragedy is the price of liberty. In the second century, the Roman Emperor Marcus Aurelius noted that, "A man should *be* upright, not be *kept* upright."<sup>1</sup> Integrity is not the absence of vice; it is something that emerges through a relationship with temptation.

Consequently, I respectfully suggest that, to protect the integrity of amateur sports, we consider how to protect students and youth in general from developing gambling related problems. We also need to identify people quickly when these problems do emerge; new approaches to screening will become important. This will require a shift in American culture. It will require new public policy at the local level, that is, middle schools, high schools and colleges—with attention to educating parents, clergy, teachers, coaches, and athletic directors about gambling. Unfortunately, our research suggests that high schools and colleges are woefully out of touch with gambling problems and have few policies or resources in place to deal with them (e.g., Shaffer, Forman, Scanlan, & Smith, 2000).

Parents also fail to appreciate how gambling can influence young people (Shaffer, Hall, Vander Bilt, & George, in press; Shaffer et al., 1995). In 1999, my friend Bill Saum, the NCAA's excellent director of gambling and agent activities, testified before the Senate Judiciary Subcommittee on Technology, Terrorism and Government Information about the negative impact that sports gambling has on the lives of college student-athletes. Bill described notable and tragic examples from great American colleges. He also cited my research showing that young people often become introduced to gambling through sports betting (Shaffer et al., in press; Shaffer et al., 1995). What he did not mention, however, was that this betting most often started with family members at home, not in casinos or with sports books. We must educate parents about gambling.

While preparing for this testimony, I examined the National Collegiate Athletic Association's (NCAA's) list of representative sports-related gambling scandals that occurred during the past 45 years. Interestingly, none of these incidents directly involved Nevada-based legal sports gambling.

I respectfully suggest two important strategies. First, undertake a broad based and rigorous scientific review to evaluate (1) the nature and extent of the problem, (2) the complexity of risk factors (e.g., alcohol use, depression, etc.), (3) whether student athletes in general or NCAA Division I student-athletes in particular, by virtue of NCAA rules, are at greater risk compared with other students for gambling related problems, and (4) the potential avenues available to address these concerns. The National Academy of Sciences recently undertook such a review of pathological gambling (National Research Council, 1999) and might be in a strong position to advise on this matter.

Second, I suggest that we convene a consortium of college presidents to review their existing gambling related policies and problems so that we can take a systematic approach to the education, prevention and treatment of America's young people, who are at higher risk for gambling related disorders than their adult counterparts.

In conclusion, gambling represents a very complex human activity. People have gambled since at least the beginning of recorded history and they are not likely to stop soon. It seems that progressive public policy must attempt to: (1) provide sanc-

<sup>1</sup>Marcus Aurelius. *Meditations*, book 3, section 5.

tuary for the vast majority of gamblers who safely enjoy government approved, legal gambling, while also (2) prevent or reduce any gambling related problems among the minority of people who choose to gamble and experience adversity. Balancing these issues is a thorny matter since state-sponsored gambling often stimulates a conflict of interest between promoters of gambling and public health officials. Public health considerations have been notably absent from the public deliberations that recently have focused on gambling (Korn & Shaffer, 1999).

America likes to gamble, and since the early days of civilization, people have shown a penchant to gamble on sports. We should not lose sight of the fact that the vast majority of Americans regulate their impulses without difficulty and are “healthy” gamblers. These circumstances make our efforts to protect young people much more complicated than simply prohibiting sports gambling in Nevada.

Once again, thank you Senator McCain and members of the committee for inviting me to participate in this important process.

**Appendix 1**

THE PREVALENCE OF DISORDERED GAMBLING

This appendix briefly describes the some of the current and fundamental knowledge about the prevalence of disordered gambling. To begin, there is considerable conceptual confusion and inconsistency about the terminology scientists often use to describe intemperate gambling and the prevalence and natural course of this disorder. Consequently, my colleagues and I have adopted a simplified public health classification system to describe the prevalence of gambling and gambling related problems (Shaffer & Hall, 1996). This classification system is being adopted worldwide as a universal language. Level 1 prevalence rates reflect the people who do not have any gambling problems. Level 2 represents those individuals who fail to satisfy the multiple criteria for a “clinical” disorder but do experience some of the adverse symptoms associated with gambling. Level 3 reflects those people who meet sufficient criteria for having a disorder (e.g., the *Diagnostic & Statistical Manual of Mental Disorders* [DSM-IV]; (American Psychiatric Association, 1994)). These diagnostic criteria, for example, include among others being preoccupied with gambling, risking more money to get the desired level of excitement, committing illegal acts, and relying on others to relieve desperate financial needs.

People with level 2 problems can move in either of two directions: toward a healthier level 1 state or toward a more serious level 3 disorder (Shaffer & Hall, 1996). Psychiatric disorders in general, and disordered gambling in particular, are subject to shifting cultural values. Shifts in prevalence rates can reflect changes in behavior patterns, evolving cultural values, or a combination of both.

Table 1 reflects lifetime and past year rates of disordered gambling along with 95 percent confidence intervals. Past year rates tend to be more conservative and precise because these estimates avoid some of the timeframe problems often associated with prevalence research. Whether we use lifetime or past year rates, disordered gambling reveals itself with remarkable consistency across research study protocols. Disordered gambling does not, however, appear with equal prevalence among every segment of the population. Young people evidence higher rates of gambling disorders when compared with adults from the general population (National Research Council, 1999; Shaffer et al., in press). Psychiatric patients experience even higher rates of gambling disorders than do adults and young people from the general population (National Research Council, 1999; Shaffer et al., 1997).

Table 1

	Adult	Adolescent *	College	Treatment/Prison
Level 3 Lifetime .....	1.92 (1.52-2.33)	3.38 (1.79-4.98)	5.56 (3.54-7.59)	5.44 (11.58-19.31)
Level 2 Lifetime .....	4.15 (3.11-5.18)	8.40 (5.61-11.18)	10.88 (4.86-16.89)	17.29 (11.05-23.53)
Level 1 Lifetime .....	93.92 (92.79-95.06)	90.38 (86.49-94.29)	83.13 (74.71-91.55)	67.61 (58.10-77.11)
Level 3 Past Year .....	1.46 (0.92-2.01)	4.80 (3.21-6.40)		
Level 2 Past Year .....	2.54 (1.72-3.37)	14.60 (8.32-20.89)		



Table 1—Continued

	Adult	Adolescent *	College	Treatment/Prison
Level 1 Past Year .....	96.04 (94.82-97.25)	82.68 (76.12-89.17)		

\*Although mean past-year estimates are higher than mean lifetime estimates for adolescents, there is considerable overlap between the confidence intervals of these measures; adolescents' past-year gambling experiences are likely to be comparable to their lifetime gambling experiences. Differences between instruments that provide past-year estimates among adolescents and instruments that provide lifetime estimates among adolescents most likely account for these discrepancies.

Our research reveals that these prevalence estimates are robust. Regardless of the methods used to calculate these rates, the research protocols that produced the estimates, or our attempts to weight these rates by a variety of algorithms, including methodological quality scores, the resulting estimates of pathological gambling remained remarkably consistent. The most precise past-year estimates tend to vary within a very narrow range around 1 percent<sup>2</sup> (Shaffer & Hall, in press; Shaffer et al., 1997; Shaffer, Hall et al., 1999).

Table 2 presents our most recent findings that update and revise earlier estimates (Shaffer & Hall, in press). Table 2 also includes Andrews' Wave M-Estimator estimates that are likely more accurate than our previous estimates since these values diminish the weight of research estimates that represent outliers.

Table 2

Estimate Time Frame & Statistic	Adult	Adolescent	College	Treatment or Prison
<b>Level 3 Lifetime.</b>				
Mean .....	1.92	3.38	5.56	15.44
Median .....	1.80	3.00	5.00	14.29
5% Trimmed Mean .....	1.78	3.33	5.14	15.07
Andrews' Wave M-Estimator .....	1.73	2.74	4.64	13.49
<b>Level 2 Lifetime.</b>				
Mean .....	4.15	8.40	10.88	17.29
Median .....	3.50	8.45	6.50	15.64
5% Trimmed Mean .....	3.76	8.35	9.83	17.01
Andrews' Wave M-Estimator .....	3.31	8.22	6.51	16.59
<b>Level 3 Past Year.</b>				
Mean .....	1.46	4.80		
Median .....	1.20	4.37		
5% Trimmed Mean .....	1.27	4.77		
Andrews' Wave M-Estimator .....	1.10	4.65		
<b>Level 2 Past Year.</b>				
Mean .....	2.54	14.60		
Median .....	2.20	11.21		
5% Trimmed Mean .....	2.25	13.83		
Andrews' Wave M-Estimator .....	2.15	11.26		

## GAMBLING &amp; DISORDERED GAMBLING

Gambling in contemporary America is virtually ubiquitous. Approximately 90 percent of high school seniors have placed a bet during their lifetime (Shaffer et al., 1995). College and high school students represent young people who have lived in an America where widespread legal gambling has been endorsed and promoted for their entire lifetime. As this behavior has become normalized during the past several decades, with few educational messages to the contrary, young people have not had the opportunity to develop the "social immunity" necessary to protect them from developing gambling disorders.

Our research reveals that, during the past 23 years and in spite of higher rates of disordered gambling among adolescents and substance abusing or psychiatric patients in treatment, only the adult segment of the general population has shown an increasing rate of gambling disorders (Shaffer & Hall, in press; Shaffer et al., 1997; Shaffer, Hall et al., 1999). Among the risk factors for gambling disorders, gender, age, psychiatric status, and family history appear among the most important (Shaffer et al., 1997). For example, adults in treatment for substance abuse or other

<sup>2</sup>For example, among adults from the general population, estimates of level 2 lifetime disorders ranged from 2.95-3.85; and estimates of level 3 disorders ranged from 1.50-1.60.

psychiatric disorders are almost 9 times more likely to have a level 3 gambling disorder during their lifetime when compared with adults from the general population. Similarly, adolescents from the general population and college students have a greater risk of experiencing a gambling disorder compared with their adult counterparts by a factor of about 2.5-3 times. Males from the adult general population are almost 2 times more likely than their female counterparts to suffer level 3 gambling problems during their lifetime. Male college students are almost 4 times more likely to have serious gambling problems compared with their female counterparts.

WHAT IS RESPONSIBLE FOR THE RATE INCREASE?

The rate increase we observed among adults from the general population could be due to many factors. For example, during the past two decades, the increased availability and accessibility to gambling, increased social acceptance of gambling, few messages about the potential risks and hazards of gambling, an increasing desire to participate in risk-taking activities, a decline in the belief that one can achieve the "American dream," a growing sense of emotional discomfort, malaise or dysthymia, all could play a meaningful or small role in increasing the rate of disordered gambling among the general adult population.

Observers tend to think that disordered gambling is growing in direct proportion to the expansion of legalized gambling opportunities. This is not an accurate perception (e.g., Campbell & Lester, 1999). Assessing shifting social trends is very difficult without evidence from prospective research. However, even the casual observer will find it is easy to see that gambling certainly has expanded much more rapidly than the rate of disordered gambling. Tobacco is arguably the most virulent object of chemical dependence. In spite of its wide availability and legal status, tobacco has a much smaller user base than 20 years ago. Therefore, we must conclude that availability is not a sufficient explanation for the increased rate of an addictive disorder. This observation has received additional support from the results of our new casino employee research (e.g., Shaffer & Hall, under review; Shaffer, Vander Bilt, & Hall, 1999).

In part, the history of gambling research inadvertently has fueled the perception that expanded gaming (i.e., lottery, casino, charitable) is the sole cause of increased gambling problems. Of the more than 200 studies of gambling prevalence, the early gambling prevalence studies tended to focus on the adult general population—the population segment with the lowest rate of gambling disorder. More recent studies have examined young people and other potentially high-risk population segments. Consequently, the shifting evidence provided by studies of population segments with higher base rates of gambling disorders have biased the prevailing subjective impressions among the public that disordered gambling prevalence rates are rapidly increasing (Shaffer et al., 1997).

The CHAIRMAN. Thank you, Dr. Shaffer.  
Ms. Tracy Dodds Hurd, welcome.

**STATEMENT OF TRACY DODDS HURD, ASSOCIATE SPORTS  
EDITOR, CLEVELAND PLAIN DEALER**

Ms. HURD. Thank you, and I would like to take a minute to say thank you to Mr. Sheridan. As a former sports writer and now a sports editor, I'm very flattered that he thinks that while law enforcement agencies would have no way of knowing when points are being shaved, that sports writers would be all over it. We're very flattered, thank you.

I am here to address simply the publication of point spreads in hundreds of newspapers across the country. It's a subject that sports editors have been debating for the past several years and I've been in the middle of it, first as the sports editor of the Austin American statesman, and now as a member of the Cleveland Plain Dealer sports staff.

The publication of the college line became an issue for us when the NCAA's Basketball Committee considered a plan to coerce us into dropping the line. Now, I don't know if any of you have ever

tried to coerce a newspaper editor into not publishing something, but that's a bad plan, that's not going to work.

But it did open lines of communication on how everybody in the NCAA felt about the line and why we should be addressing it. But if you push that First Amendment button, you're just going to get sports editors digging in their heels.

The only reason I want to talk First Amendment is I can't speak for sports editors of the country and I can't tell you what other newspapers will do, because every paper in our country has the right to decide its own editorial content. And in that vein, I'm very curious about this national association, Newspaper Association of America, that I'm hearing quoted as saying that it would continue publishing the line.

I'm not familiar with that organization, but I think you should look into the context of that statement because I strongly suspect that what they are saying is it would not mean we can't publish the line. Whether they would continue or not, that's what I'm here to talk about, because what I can tell you is I can share with you the debates among the sports editors on this subject.

Ever since the NCAA challenged the sports editors to examine their policies and follow their judgment on whether they want to run that line, we've been discussing it at national conventions and it's been a subject in our newsletters. We've seen some of the top publications discontinue publication of the college line. Notably, the New York Times does not run the line, the Sporting News does not run the line, and I'm told The Washington Post has never run the college betting line. The LA Times has recently scaled back its running of the line publishing only the football line, and only once a week instead of daily.

Now, I found that interesting and I didn't quite understand it, so I called Bill Dwyer, the sports editor at the LA Times, and asked him why he would distinguish between the two. He said basically he would rather drop all lines that he believes the NCAA has some very good points why we should not have lines on college sports, but he acknowledges also that the line gives some information that he knows a lot of people want to know on colleges. He thinks that it will show relative strengths and so forth, and that on football that's valuable, but on basketball, a three-point spread can be used for nothing but gambling. That's his opinion there.

But what the LA Times is doing there is it's striking a compromise between the two sides of this issue as sports editors break it down. On one hand, a lot of us feel we are not acting responsibly when we publish a betting line that we know full well is going to be used for illegal gambling. We don't feel real good about that.

On the other hand, we're giving our readers information they want. And yes, it is very competitive, and yes, it is available in other newspapers, it's available on TV, it's on the Internet. You can subscribe to individual experts. But I don't think the general public would go to that extreme.

When I was asked to drop the line in Austin I was torn because personally I don't think we should be running college lines, and I buy into what all the coaches and the athletes are saying.

I've covered college sports for decades. I know what goes on with the kids on campus. They are not exaggerating about the bookies

in every fraternity, in every dorm, they are there. And I know what a mistake a kid can make and ruin his life. So I am of the belief that the NCAA is not crying wolf, that there is a real crisis out there.

But I continue the publication of the line because I was in the middle of Texas and that State is crazy for sports and Dallas and San Antonio and Houston run the line. Now I'm at the Plain Dealer, it's Ohio's largest newspaper, that's a different situation. We still publish the line because our readers expect it and our sports editor says well, information can't be illegal. But we are very aware of the fact that that line is set in Las Vegas where betting on college sports is legal, and we are simply telling our readers what the gamblers there are doing.

If gambling were not legal anywhere in the United States, would we go out of our way to find information in another way to give people information on something that's an illegal business everywhere? The Plain Dealer would not. If it were illegal everywhere in this country, we would not run the betting line, and what I have heard from other sports editors, and I know hundreds of them, I think a lot of other newspapers would take that same stance and would stop running the line in the daily newspaper.

[The prepared statement of Ms. Hurd follows:]

PREPARED STATEMENT OF TRACY DODDS HURD, ASSOCIATE SPORTS EDITOR,  
CLEVELAND PLAIN DEALER

I am here to address the subject of the publication of college point spreads in hundreds of publications across the country.

It's a subject sports editors have been debating for the past several years. I've been in the middle of it as the sports editor at *The Austin American-Statesman* and now as a member of the sports staff at *The Cleveland Plain Dealer*.

The publication of the college line became an issue for us when the NCAA's basketball committee considered a plan to coerce sports editors to stop publishing the line. At the time, I was an officer of the sports editors' national organization, the Associated Press Sports Editors (APSE). Now, I don't know if any of you have ever attempted to coerce a newspaper editor not to publish something—but I don't advise it. It doesn't work. You push that button and you're going to hear all about the First Amendment. You're going to see editors digging in their heels and calling their lawyers.

Of course, you know all about the First Amendment, so I won't give that speech now—except to issue the disclaimer that I can't speak for other sports editors or other newspapers. Each newspaper has the right to decide its own editorial content.

What I CAN do, what I am here to do, is share with you the positions and attitudes of the sports editors who have been embroiled in these discussions.

Ever since the NCAA challenged the sports editors to examine their policies and follow their good judgment, the issue has been coming up at our national conventions and in our newsletter.

We have seen some top publications discontinue publication of the college line, including *The New York Times* and *The Sporting News*. First on that front was *The Washington Post*, which I am told has never published the college line.

*The Los Angeles Times* has scaled way back, publishing only the college football line, and that only once a week instead of daily. I asked Bill Dwyre, sports editor of *The L.A. Times*, why he would distinguish between football and basketball. He said he would like to drop all betting lines—for all the reasons the NCAA has put forward about why betting on college sports is a problem—but he acknowledges some informational value to the football lines. As he put it, "Knowing Texas is favored by 3 points over Texas A&M tells me a lot about the relative strengths of the two teams. A 3-point spread in basketball is good for nothing but gambling—and that's not legal in California."

What the *Los Angeles Times* has done is strike a compromise between the two sides of the issue as it is most often broken down by sports editors. On one hand, we are not acting responsibly when we publish a betting line knowing full well that

it is going to be used for illegal gambling; but on the other hand, we are in the business of giving our readers the information they want, because if we don't, they'll get it elsewhere.

We are in competition, not just with other newspapers, but with television and the internet.

When I was asked to drop the Latest Line from the *Austin American-Statesman*, I was torn.

Personally, I don't think it is right for us to publish college betting information. And I'm not saying that to take a moral stance against gambling. People who want to gamble can find legal outlets. But having covered college sports for decades, knowing what it's like for those kids on campus, knowing the presence of bookies in the fraternities and dorms, knowing what a mistake in judgment could cost those young athletes, I am of the belief that the NCAA is not crying wolf. There is a real crisis pending for college sports.

I continued publication of the Latest Line because I was a sports editor in the middle of Texas, a State crazy for college sports, at a newspaper trying to compete with Dallas, San Antonio and Houston. All of those newspapers publish the line.

I am now on the staff of Ohio's largest newspaper, *The Plain Dealer*. We publish the Latest Line because our readers expect it and because the sports editor, Roy Hewitt, is of the belief that information cannot be illegal.

The line is set in Las Vegas, where betting on college sports is legal. We are simply telling our readers what the gamblers there are doing. But if gambling were NOT legal anywhere in the United States? Would we seek out information from bookies conducting an illegal business? *The Plain Dealer* would not.

What I have heard from other sports editors leads me to believe that most newspapers would take the same position and stop publishing college betting lines—which would take away the legitimacy college gambling gets from being included in daily newspapers.

The CHAIRMAN. Thank you very much.  
Coach Newell, welcome.

**STATEMENT OF PETE NEWELL, COACH,  
MEMBER OF THE BASKETBALL HALL OF FAME**

Mr. NEWELL. Thank you, Chairman, distinguished members of the Committee.

My name is Pete Newell, and I'm here to thank you for inviting me to testify. I spent my life in coaching and, teaching the game of basketball. I'm a member of the Hall of Fame, and I've felt the joy of winning the 1949 NIT championship while at the University of San Francisco, in 1959, the NCAA championship at University of California Berkeley, and was very proud of being the coach of the 1960 Rome Olympic team where we won a gold medal.

And I'm grateful, very much grateful for the opportunity that the game of basketball has given me and my family. But I'm here today to voice strong opposition to the Amateur Sports Integrity Act.

This legislation will not bring integrity to the game. It's only going to make gambling worse. As someone who has lived through the mistakes of the past, I don't want to see history repeated. In 1949, when I was a young coach, I took my team, the University of San Francisco, to the NIT in Madison Square Garden.

I was there during the era to witness the terrible point shaving scandals of that period. It took many years of investigation to reveal the full extent of those schemes and fixes. Thirty-two players were ultimately implicated in 86 games in 17 states. Hundreds of innocent teammates were hurt by these scandals.

Now, 50 years later, the supporters of this legislation wrongly believe that changing the law will somehow prevent point shaving schemes and other fixes in college sports. But it isn't Nevada that's

the problem. It is illegal bookies and widespread illegal gambling that occurs elsewhere that is to blame, and this has been pointed out by others before me.

I'm here to strongly tell you that Nevada's legal sport book actually helps keep college sports honest. Let me tell you why. They help uncover schemes and fixes by picking up suspicious betting activity. Legal bookies, in fact, act as a safety valve to blow the whistle on a fixed game.

Now, 1948, and 1949, the 1950s and the early 1960s, we had no monitor that was overlooking the game. We had no way of understanding that there was any kind of an irregularity in the betting of the game, and so we were out there as coaches. We had a problem, in New York especially, of keeping your team away from any kind of a public contact. I wouldn't even let the players go out of the hotel unless there were three of them in a group. I wouldn't let a phone call come in or go out of a player's room. The call came through me. That's how concerned we were for the fixers of those betting the game.

In 1994, Nevada sports books were the ones who tipped off the NCAA and legal authorities that possible point shaving was taking place at Arizona State. They informed the Pac 10 officials and the FBI before the game about possible point shaving in the game against the Washington Huskies. That's why it's hard for me to understand why the NCAA now wants to destroy the system that provides them with critical information on college sports. The NCAA has never single handedly uncovered a point shaving or game fix scandal. The NCAA even credits Nevada sports books with helping to uncover recent point shaving schemes.

Right now, Nevada sports books provide one of the most consistent protectors for coaches, players and their sports programs. What Nevada also can do is to take the game off the board because of the betting pattern and regulations, and when the game is taken off the boards, it's a spotlight on the game, and a red light for all coaches, especially those two coaches of the games involved. It also really frightens the fixers.

Nevada's power to take the game off the board is the ultimate deterrent against fixers. It can trigger an investigation of the players who can then finger the fixer.

Let me be clear. I do not favor basketball gambling and the coaches that have been up here before the Committee, I agree with them. If I was coaching today and you asked me the question about gambling, as a coach, I'd say the same thing. But I would qualify my answer with have you got a better plan. Can you put something in motion that's going to protect the players, the coaches, and the universities. The universities, they were involved in the scandals of the forties and fifties and sixties. In fact, one university president lost his job because the school was involved. It would be a real mistake, I believe, to get rid of a system that has proven its worth since 1975. College sports betting in Nevada could invite back far reaching scandals that plagued basketball in these periods I've talked about.

The teams involved with these scandals had many talented players. Some of the players were involved had it not been for their association with the fix, would be in the Hall of Fame today, espe-

cially the University of Kentucky players. The Hall of Fame coaches, some of our greatest coaches and most respected coaches were involved in the sense that their team, some of their team members were in on a fix.

And throughout the rest of their lives, they had that cloud of having coached a team that was involved in the fix. But even the best coaches and the college presidents did not prevent interference from these outside fixers. We should never return to those times. The current system is not completely fail safe, but it is the only protection that exists. And the bill would take that away. It is my belief that this legislation in no way protects the players, coaches or the institutions from the fixers. Supporters of this legislation ignore the fact that before Nevada sports books began operating in 1975, there were at least 40 separate point shaving incidents from the late 1940s through the early 1970s and that since 1975, there have only been four such incidents. I fail to see in this legislation any measures that offer the protection from illegal gambling that college sports desperately needs. So finally, let me leave this with you, an old Irish expression from a young Irish lad: Beware of trading the devil you know for the devil you don't.

Once again I want to thank you for the opportunity to present my position on this legislation, and I'll later be happy to answer any questions you may have.

[The prepared statement of Mr. Newell follows:]

PREPARED STATEMENT OF PETE NEWELL, COACH,  
MEMBER OF THE BASKETBALL HALL OF FAME

Mr. Chairman, distinguished Members of the Committee, my name is Pete Newell and I would like to thank you for inviting me to testify.

I have spent my life coaching the game of basketball. And I'm a member of the Basketball Hall of Fame. I've felt the joy of winning: the 1949 NIT championship; the 1959 NCAA championship; and coaching the 1960 Olympic Gold Medal team.

I'm grateful for the opportunities that the game has given me and my family.

I'm here today to voice my strong opposition to the Amateur Sports Integrity Act. This legislation will not bring integrity to the game, but will only make the gambling problem worse.

As someone who has lived through the mistakes of the past, I don't want to see history repeated.

In 1949, when I was a young coach, I took my University of San Francisco team to the NIT in Madison Square Garden. I was there during that era to witness the terrible point-shaving scandals of that period.

It took many years of investigation to reveal the full extent of these schemes and fixes.

Thirty-two players were ultimately implicated in the fixing of 86 games in 17 States. Hundreds of innocent teammates were hurt by these scandals.

Now 50 years later, the supporters of this legislation wrongly believe that changing the law will somehow prevent point shaving schemes and other "fixes" in college sports.

But it isn't Nevada that is the problem, it is the illegal bookies and widespread illegal gambling that occurs elsewhere that is to blame.

I am here to strongly tell you that Nevada's legal sports books actually keep college sports honest.

Let me tell you why.

They help uncover schemes and fixes by picking up suspicious betting activity. Legal bookies, in fact, act as a safety valve to blow the whistle on a fixed game.

In 1994, Nevada's sports books were the ones who tipped off the NCAA and legal authorities that possible point shaving was taking place at Arizona State.

They informed PAC-10 officials and the FBI before the game was over about possible point shaving in the game against Washington.

That's why it's hard for me to understand why the NCAA now wants to destroy the system that provides them with critical information on college sports.

The NCAA has never single-handedly uncovered a point-shaving or game-fixing scandal. The NCAA even credits Nevada's sports books with helping to uncover recent point shaving schemes.

Right now Nevada's sports books provides one of the most consistent protections for coaches, players, and their sports programs.

What Nevada also can do is take a game off the board because of betting patterns and irregularities.

When the game is taken off of the board, it's a spotlight on that game—and a red light for all coaches—and particularly for the two coaches of the teams involved.

It also frightens the fixers.

Nevada's power to take a game off of the board is the ultimate deterrent against fixers. It can trigger the investigation of the players who could then finger the fixer.

Let me be clear, I am strongly opposed to gambling on college basketball. I know the effects gambling can have on individual players and the damage it can cause to the coach and his program. But it would be a mistake to get rid of a system that has proven its worth since 1975.

Getting rid of college sports betting in Nevada could invite back the far-reaching scandals that plagued college basketball in the 1940s, 1950s, and 1960s.

The teams involved with those scandals had talented players, Hall of Fame coaches, and the support of their universities. But, even the best coaches and college presidents did not prevent interference from those outside fixers.

We should never return to those times.

The current system is not completely failsafe, but it is the only protection that exists.

This bill would take that away.

So finally, let me leave you with this. An old Irish expression goes, "Beware of trading the devil you know for the devil you don't."

Once again, thank you for the opportunity to present my position on this legislation. I would be happy to take any questions you may have at this time.

The CHAIRMAN. Thank you, coach.

Coach Williams, how aware are your players of the point spread?

Mr. WILLIAMS. They are very aware. They read the newspapers and they are aware, but the good side of that is it makes them aware of the gambling situation and hopefully that helps. We talk enough about it so that they understand that whatever they trade currently will effect them the rest of their lives, and hopefully that keeps them from getting involved. But you better be able to talk about it because it's certainly talked about on campus. You know, the idea of Las Vegas, that has an image in automatic the players' minds, and whether you like it or not, that is is a code word when it comes to gambling, and we do fight against that, there's no doubt about it.

The CHAIRMAN. Mr. Ivory, are your teammates very aware of the point spread, for example, say when you were competing in the NCAA Sweet 16?

Mr. IVORY. Oh, definitely. We've had a number of conversations about the situation. Penn State is not a basketball powerhouse and this was the first year we've gone to the tournament, so we've always been on the bottom side of the point spread. So we used that to our advantage somewhat, but it's sometimes very discouraging, you know, when you pick up the paper and you see you're picked to lose before you even step in the gym.

And it's definitely apparent to all of us.

The CHAIRMAN. Ms. Hurd, suppose that college betting and college sports was made illegal in all 50 states instead of the 49 that is presently the case. I'm intrigued by by Dr. Shaffer's reference to prohibition, I guess we have prohibition in 49 states but not 50. But what would be the effect on the line being published by people, and spread by people like Mr. Sheridan that live in Alabama,



etcetera, and not be posted in places in the casinos in Las Vegas and the places where they bet. What effects do you think that would have on the publishing of lines by various newspapers, and you mentioned some do and some don't, of the line?

Ms. HURD. Well, I think when they keep saying oh, the newspapers would still publish a line, there are a lot of lines available. Even sitting in our newspaper office at night, we can choose between the Tribune service and the Associated Press and there are several others. Mr. Sheridan's line is often quoted. There are a lot of different people who do a line so you could always go and get a line, but what I am suggesting is that the editors of the country would then have a much tougher leap to say we're going to go out of our way to give you information on something that can only be used illegally, and we're going to have to go buy it. And I just don't see sports editors or editors of newspapers saying yeah, let's go buy a line to give people illegal information. I just don't see—we will, I shouldn't say illegal information, information on an illegal act. I don't think it would happen. Because right now they use the argument, well, we're interested. The betting line in Las Vegas shows you—but if there really was not good use to be made of it except for gambling, we would not go and look for a line like that.

The CHAIRMAN. Well, I thank you, and I think that's a very important point. And again, I'm sorry that coach Lou Holtz is not here today, he fell and hurt himself. It is the likes of Joe Paterno, the people—I have to tell you, Mr. Sheridan and Dr. Shaffer and Coach Newell—the people that many of us here on this panel have grown up to respect, admire, appreciate, like Coach Williams who now, day to day, have contact with these young athletes, tell us it's a corrupting influence and it needs to be fixed. Now that's what they tell us. Active coaches today, unanimously they tell us. We cannot, as a body and as a Committee, ignore the overwhelming body of advice that we receive from people like Coach Williams who tell us, who work with kids every single day, that they are corrupted by this present system and it's our obligation to do something about it.

Senator Ensign.

Senator ENSIGN. Thank you, Mr. Chairman. I have a few questions. First of all, Coach Williams, congratulations on your great season, but also do you feel like your kids are corrupted?

Mr. WILLIAMS. I feel like they receive information that sets them up if the information is not countered by people like coaches, whoever can get to them. Parents hopefully do a much better job than I do. Some of the players don't have parents, so that's where we step in and, you know, have to take over that role.

But they are aware of the money that's out there in the gambling industry, and I think there's a tendency when you have no money to say that should be part of mine, you know, and the sell is that, look, you're not losing the game, you're just changing the way the outcome of the game is, so what's the big deal. So that has to be countered by the university.

Senator ENSIGN. And I admire and respect the stuff that you're doing with your kids, and I hope that it happens much more across the country. I think that's important for that to be happening at

college campuses, but not just with student athletes but with other kids on the campuses as well.

What did you you think though, you have somebody like coach Newell, who obviously, his basketball credentials, they are untouchable almost, and he's been through, you know, in the Bible, it talks about gray hair being a sign of wisdom, and he has more gray hair than you and I do. But when he talks about that, he's been through it. He's been—people don't change over time. People are people. Human behavior is human behavior, as Dr. Shaffer was pointing out.

But when you have somebody who's been through what you've been through, except in a different era when we didn't have the sports books in Nevada and he's saying to you as a coach, he's saying what we're trying to do here or what the chairman is trying to do with this legislation is actually going to make the situation worse, and Dr. Shaffer is saying the same thing, it's going to make the situation worse, and these are not people who are pro gambling, these are people who are against gambling on college sports, but they are saying that the system, based on this legislation, is going to be worse for coaches and for players because illegal gambling forces have more of an influence, more of a corrupting influence on your players, what do you think about that?

Mr. WILLIAMS. No one respects Coach Newell more than I do. I've stolen some ideas from Coach Newell in terms of how I coach. But at the same time, I have lived that. I was at Boston College as I mentioned in 1977 through the point shaving scandal there and saw that firsthand and saw what it did to the kids. What I know, and I'm not always right about everything, but what I know is gambling to players is gambling. It doesn't matter to them a lot of times whether it's illegal or legal gambling, it's still gambling.

Senator ENSIGN. At Boston College, was that illegal gambling or legal gambling that was involved?

Mr. WILLIAMS. That was, like all of them, illegal gambling I'm sure. But because it's legal gambling, I don't think that that is a reason for it to be there. I really don't. That still is gambling, and as I said in the players' minds, it doesn't matter. It's gambling Vegas bookies, it's all the same to the players.

Senator ENSIGN. That wasn't the point. The point, whether you agree or you disagree with gambling, that really isn't the point. You can be against gambling and you can say gambling on college sports is wrong. The question is is this bill going to do anything positively to decrease the effects of gambling on your players? And if 99 percent of the gambling is done illegally including the scandal that was there at the university where you were—

Mr. WILLIAMS. And including the scandals that Coach Newell alluded to too.

Senator ENSIGN. Exactly, and what he's saying is we had all of these scandals beforehand. Since the Las Vegas books have been in place we have only had four scandals. Now, four is too many, and I agree with that, one is too many. But we have had a decrease in the amount of scandals since the Las Vegas books, not an increase.

Mr. WILLIAMS. Oh, I wouldn't say that. I don't think that's statistically true. You're talking about a much longer period of time before. And the other thing is—

Senator ENSIGN. OK, take the previous 25 years versus the last 25 years. That's the same amount of time. You have more in the previous 25 years than they had in the last 25 years.

Mr. WILLIAMS. It's close, it's close.

Senator ENSIGN. OK.

Mr. WILLIAMS. It's very close, and that's a fact. But at the same time, if you do have all the states in this country the same way, then at least you can throw that out there to the athletes involved, whether it's football, basketball, it doesn't matter, that this is the way it is, this is wrong, and we have national legislation to support this view.

Senator ENSIGN. Just for the record, Mr. Chairman, 1940s, at least six schools were involved. 1950s, at least nine schools were involved. 1960s, approximately 27 schools were involved, and like I said, since the Las Vegas books were in place, only four schools having involved.

The CHAIRMAN. How long have the Las Vegas books been in place?

Senator ENSIGN. 1975, sir.

The CHAIRMAN. You're talking about 60 years from the—

Senator ENSIGN. OK, let's just take the fifties and the sixties before that. 25 years before that. OK. So we have 36 schools involved. Since that time we've had four schools involved.

The CHAIRMAN. I think you're talking about a 10-year period.

Senator ENSIGN. I'm talking about 25 years versus 25 years. Anyway,

The CHAIRMAN. That doesn't make it any better.

Senator ENSIGN. Bottom line is, I'll even give you they are the same, bottom line it's not worse, since the Las Vegas books have been involved.

The CHAIRMAN. It's no better, either.

Senator ENSIGN. But it's no worse. So doing this thing is not going to make it any better.

The CHAIRMAN. No, I disagree, I think we have to do something. It's like when you put the warning on a cigarette box that says this is harmful to your health. It didn't cut out smoking, but it did decrease the number of young people involved with smoking.

Senator ENSIGN. And I agree.

The CHAIRMAN. We're trying to decrease the number of young people involved with betting and hopefully this is a way to do it.

Senator ENSIGN. And I agree you should continue with the warnings and do the educational thing and that's analogous to the cigarette.

Ms. Hurd, I would like to just ask you a real quick question and submit for, Mr. Chairman, for the record officially, if you, by unanimous consent, and that is you had asked the question about the Newspaper Association of America. I have a letter that they have sent me on April 25th, then I'll just briefly read from it but I'll submit the whole thing. And they agree with you, by the way, that first, like all editorial decisions, the decision whether to publish point spreads for college sports events is made by each newspaper,

and is likely to vary from newspaper to newspaper. And they said that. He said if Congress prohibits gambling on college sports, NAA believes newspapers will continue to have an interest in publishing point spreads on college games, since point spreads appear to be useful to newspaper readers who have no intention of betting on games. Now, this is an association. You're just a single person.

Ms. HURD. Well, what I was saying was ever since the NCAA challenged us, all right, our organization, which is the Associated Press Sports Editors, it's like 400 sports editors, that's a very strong organization. All of the major papers are members of APSE, and at the time the Basketball Committee, what they were saying, what if we don't give credentials to papers that run the line—

Senator ENSIGN. Are you representing your association?

Ms. HURD. Well, I didn't come here to do that but I can tell you that at the time that this was brought to me I was the president of APSE, yes, elected president by those 400 sports editors. And our first response was to say, well, we're going to fight that. You cannot tell us that we cannot run this line. So that's where I'm coming from.

I'm further taking the next step to say that having had gambling panels on our national convention and having had this as an issue of great debate among the sports editors, I am representing to you that most sports editors are not going to go out of their way to go and buy another line to say that we know that this is an entirely illegal thing.

You don't find other illegal sports represented in the mainstream media. And you say well, what's an illegal sport? Cock fighting. There's illegal. Boxing that goes on in back rooms. You don't see it covered. We know it happens. There's a lot of stuff that the mainstream media just doesn't touch.

The CHAIRMAN. Senator Edwards.

**STATEMENT OF HON. JOHN EDWARDS,  
U.S. SENATOR FROM NORTH CAROLINA**

Senator EDWARDS. Thank you, Mr. Chairman, and thank you to the witnesses for being here to testify today. Let me say first of all that I'm proud to be associated with this legislation with Senator Brownback and Senator McCain. I think the effort here is very important to the integrity of college athletics.

Regardless of the arguments about legal versus illegal gambling, I think it's very important for us as a country to send a clear and unmistakable signal that we do not condone gambling on college sports. And so that there can't be any confusion among college athletes or college students, if they are placing a bet, a big bet on a college sport, it's illegal, period. Right now it's ambiguous because we know that at least in Nevada, there's somewhere around \$1 billion a year being placed.

Mr. Ivory, thank you very much for being here. I loved your testimony. My only complaint is about your decision to play basketball at Penn State. And it was painful for me to watch you help destroy UNC Tarheels in the basketball tournament. But we appreciate very much you being here.

I wonder if you would just comment briefly about some of the pressures that college athletes go through in terms of financial pressure and their vulnerability to gambling interests.

Mr. IVORY. It's tough. Like I said, I've been in college 5 years and just this year, in the past year, the NCAA has approved legislation that allows us to get jobs during the athletic and academic year. But before that, it's very tough. Basketball is a bi-semester sport, so you can't really catch up on academics like you would in, say a football sport, where you play in the fall only and you're done by Christmas. Basketball is very tough, and you have academic responsibilities and you have athletic responsibilities. Those alone are 24-hour commitments.

It's tough when you have the betting and the availability of getting quick money when you really have none in your pocket. Kids are hard-headed these days. I'm one who has just jumped out of adolescence, and if I didn't have the guidance from my parents, from my coaching staff, then it's very easy for me to hop on a cell phone with the new technology, hop on the Internet, and make a quick phone call to anyone who can allow me to make some extra money and allow me to, you know, relieve some of the pressures that I feel of not having money to spend on movies, you know, books, or other things that regular students have the opportunity to do.

And it's tough to find sincere people out there who really care about you and ask those questions, how are you doing, how is the team doing, is anyone hurt, how is your family doing. It's tough when you have to watch your back when you're talking to a close friend over a pizza. And I think it would definitely help send a positive message to those out there that, you know, gambling is wrong on college athletes, and we really don't need that stress when we have all those other responsibilities to worry about.

Senator EDWARDS. Thank you, Mr. Ivory.

Coach Williams, congratulations on a terrific job this year. I wonder if you could comment from your perspective as a coach whether it would be helpful for your student athletes to know that gambling on college athletics is illegal, period, nationwide.

Mr. WILLIAMS. Well, I think it would be very helpful, because there is some misinformation out there now because they know some gambling is legal. They are not sure how that affects them, whether the kids they see on campus making bets, is that legal or not legal. So I think if there was a national legislation out there that you could point to, they could see it more clearly, a little more clearer, and I think that's important because people like this are really role models for the young people coming up. They are the people this they look to, not the coaches or anything else. They look to the current players. So when a current player really has a problem, that really hurts a lot of people, not just the players involved. So I think national legislation would be a very good thing for us in the game of basketball.

Senator EDWARDS. Do you see anything inconsistent about banning legal gambling on college athletics and at the same time increasing our efforts and resources needed to crack down on illegal gambling on college sports. These things aren't mutually exclusive. We could do both at the same time, can't we?

Mr. WILLIAMS. Well, that's what I feel, that whether it's illegal gambling or so-called legal gambling, it's still gambling. So I think one leads to the other. They are connected, no matter what people say I really believe they are connected, and I think if we can do something in one area, it certainly will help the other area.

Senator EDWARDS. Coach Newell, I was interested in your comment about, the last thing you said, not trading the devil you know for the devil you don't. From my perspective it is that we ought to be trying to get rid of the devil, either the devil we know or the devil we don't. And we appreciate all the comments of the witnesses here today, but I have to say I agree with Mr. Ivory and Coach Williams that it's very important for us nationally to send a clear and unmistakable signal that we don't condone gambling on college sports, for there to be no question and no ambiguity for the American people and particularly for kids on college campuses, to misunderstand that if they may be placing a bet on college sports, that in fact that could be a legal bet because somehow it's going through Las Vegas. So I think it's very important for us to send a clear and unmistakable signal.

I also just want to make a comment about Bill Friday who's sitting back there on the front row, who we're happy to have here, happy to have you here, President Friday, who is from our state, been a great educator in the State of North Carolina for many years, head of our university system. He's a friend and also has been very involved in this issue over a long period of time, both personally and with the Knight Commission. And President Friday, we also look forward to the next panel of testimony. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Brownback.

Senator BROWNBACK. Thank you, Mr. Chairman, and I thank the panelists for being here and testifying and giving your wisdom to us.

Ms. Hurd, let me ask you a question. Would it be your estimation that if this is made clearly illegal everywhere that a number of newspapers across the country would either cut back or eliminate altogether their publishing of the sports betting line?

Ms. HURD. I think that's what would happen. In discussing it, we have had a lot of people say but we're just reporting what's going on in Las Vegas so that our readers, you know, have a feel for what's happening there. I think there would be a very different look at it if it were, you know, we're going to give you information on an illegal endeavor. I think what we would start to see more involvement of editors in chief—

Senator BROWNBACK. That they would step in then, probably.

Ms. HURD. I would think so. And again, it changes from newspaper to newspaper whether this is totally the decision of the sports editor or whether you would go to your editor and say what do you think, should we run this line. Right now, it's just common, everybody does it. With saying now it's an illegal act everywhere, are you going to go buy a line somewhere, I don't think there would be a national run to go and do that.

Senator BROWNBACK. There would probably be a number of papers that would cut back on the publishing or the amount of times

that they would publish the line. And that would enter into the discussion and dialog a great deal too, wouldn't it?

Ms. HURD. Rather than daily, you mean?

Senator BROWNBACK. Yes. I mean, like your paper that you testified—

Ms. HURD. I think you would either do it or not do it. I thought it was kind of unusual for the LA Times to say once a week but football you can do that. I would think you would either do it or not do it, and the ones that are not doing the college lines are still doing the pro lines.

Senator BROWNBACK. But you would be confident that this would be a reduction, there would be a reduction in the amount of the sports lines published.

Ms. HURD. Definitely.

Senator BROWNBACK. Dr. Shaffer, I appreciated your comments and testimony. I particularly liked your first suggestion that we should have a National Academy of Science study on the extents of, I take it what you're saying here, the overall gambling problem in America today? Is that what you're suggesting we have the national academy of science do?

Dr. SHAFFER. Sir, the National Academy of Sciences released just a little more than a year ago the first study that it had ever undertaken on the impact of gambling in America. It was a very critical review. It is, I think, the best scientific statement on the matter today. I was suggesting that perhaps we go further and specifically look at the impact of sports-related gambling on young people and adults in America and begin to examine the potential ways to reduce or eliminate the kinds of problems that result from that.

Senator BROWNBACK. And it seems regardless of what we pass here, we should do that either way. I mean, there is a bill up to make illegal all of college sports gambling and there is a bill up to try to focus in more on illegal gambling, that either way or if both bills pass this would probably be a good thing to do, at least a follow up to what the national academy of sciences has done.

Dr. SHAFFER. I think it would be a wonderful follow-up. And of course I'm biased. I come at this from a scientific point of view, so I like to collect the evidence before I decide to take some action. In particular, I do worry about the fact that the evidence seems to show overwhelmingly that the kind of gambling activity that we're all worried and concerned about, I mean, I do share Senator McCain's previous comments, we're all concerned about this. I think all the people on both sides of this issue are concerned about this issue of the vast majority of young people who are gambling on sports are doing it illicitly, and they are not likely to stop because they have been doing it illicitly since the beginning of this kind of legislation in America. They have continued to violate these laws, and there's no reason to think that all of a sudden they will stop violating these laws.

Senator BROWNBACK. You would agree that we do have a problem with youth gambling and youth gambling on sports, clearly?

Dr. SHAFFER. Yes, sports gambling in general is one of the most prevalent forms of gambling in the United States and around the world.

Senator BROWNBACk. Is it one of the most prevalent amongst youth?

Dr. SHAFFER. It is highly prevalent among youths and adults actually, very close in prevalence. Youth, however, have about a two and a half to four or five times the rate of disorders related to gambling compared to their adults counterparts.

Senator BROWNBACk. Is sports gambling one of the dominant areas of youth gambling that they then develop.

Dr. SHAFFER. It's one of the dominant avenues. However, interestingly, the research we've done has shown that among the many kinds or forms of gambling, sports gambling is actually related to a lower rate of disorder than other kinds of gambling, and I can only say that for adults. We don't have good evidence for young people.

Senator BROWNBACk. So we need to look at that more for young people to determine.

Dr. SHAFFER. Yes.

Senator BROWNBACk. But we have a youth gambling problem in America.

Dr. SHAFFER. Clearly.

Senator BROWNBACk. And we have a number of youth who do bet on sports, clearly. And that continues to take place in America today. And would you deem it a problem for America?

Dr. SHAFFER. I think this sort of gambling is a serious problem for America. I think that it warrants our attention as a public health problem just as any other public health concern could be.

Senator BROWNBACk. We clearly have public health problems that we have not prohibited. I mean, we have not prohibited tobacco in the United States. We have done education around the issue, we have warning labels, and then we permit people to make choices, hopefully that will be in their best interest and the interest of health.

Dr. SHAFFER. I tend to favor those strategies, what I would call more informal social controls rather than formal social controls so that we don't give young people and others the opportunity to act out against our legislation, and sometimes we know that there are people who will simply act out against prohibitions.

Senator BROWNBACk. I understand your point and I think we all agree that the underlying, we're having a terrible problem here.

The CHAIRMAN. Thank you.

Senator Breaux.

**STATEMENT OF HON. JOHN B. BREAUx,  
U.S. SENATOR FROM LOUISIANA**

Senator BREAUx. Thank you, Mr. Chairman, and let me congratulate both you and Senator Brownback for your determination and your efforts in this area and the sincerity with which you approach the problem. I want to apologize for not being here for the 1st panel's testimony. I was co-chairing the Aging Committee hearing. This business makes you age very rapidly, so we have an Aging Committee that's looking at the problems of aging, which is very important. I was over there and could not be with you and so I missed your testimony and want to review what you have said. You are a very distinguished panel of men and women of great ac-



complishment and I want to read in more detail what you had to say in your statements. I've been trying to catch up right here.

It seems to me, and I'll just make a statement of where I come from on this. It seems to me that if we all agree that betting and gambling on amateur sports is bad, that if we all agree on that, I would suggest that the legislation misses the target.

I say that because statistics show us that 97 percent of the gambling on amateur sports is done in states where it's already illegal, and that 3 percent is done in the States where it is legal. So if you want to control it, I would suggest that we look to trying to identify the real target, which is where it is done every day, every night, where it's done by teenagers, where it's done by telephone, where it's done in secret, where it is not regulated, where it is not controlled. None of that fits the legalized gambling on sports that occurs in Nevada where 3 percent of it occurs.

I mean, I'm amazed that the only place where it's legal is also the only place where it's regulated, where it's controlled, where it is subject to Federal taxes, where it is subject to State taxes, where it is subject to State audit, where it is regulated by a gambling commission and a board to supervise it, where it is not conducted in secret but it has to be conducted in public places, where it cannot be done over a telephone or by other electronic methods. It has to be done by physically being present in the state.

So it seems to me that if it is a bad influence on amateur sports, well then what we ought to be doing is try to address the 97 percent of the country where it's occurring every day and where there's no regulation whatsoever. And I just suggest that we missed the target by focusing on the only place where it is in fact legal and where it is regulated and where young people are absolutely prohibited from participating. So if it's a problem, I think that what we have to do is to better focus in on how to eliminate the problem, and that doesn't seem to be accomplished by the legislation that's before the Committee.

Thank you.

The CHAIRMAN. Thank you very much.

Are you ready? Do you want to ask another question?

Senator ENSIGN. Thank you Mr. Chairman. I actually want to direct the comments that were made to Mr. Sheridan as far as can you comment just on whether, what your opinion is on the lines being published in newspapers across the country?

Mr. SHERIDAN. Absolutely. Our survey showed that my column in USA Today, nationally read, about 75 percent of our readers, Senator McCain, are non-bettors. They just want the information. It's like the stock report, it's 24 hours old, you're not going to call your stock broker and say I saw General Motors at 50, I'd like to buy them today at 50. That's a day old. You're not going to call USA Today and say Sheridan said that the Chicago Bears are 7-point favorites, I'd like to bet. You don't bet with newspapers, you bet in the general public. So 75 percent of the people that read the betting lines, according to our survey, do so and they don't bet on the games.

The CHAIRMAN. I'm amazed that 25 percent do.

Mr. SHERIDAN. Well, you have in this country 40 million Americans that illegally bet \$6 or \$7 billion a weekend on football. The

comment about fixing a game, my concern about Nevada being removed is that the deterrent will be gone and it will be very easy to fix a game. I don't know Coach Williams. I know coach Holtz, he's a dear friend. I could mention several other coaches I know but I'm aware they might get black listed by the NCAA.

If I could sit down with those coaches and show them where college games would be easily fixed and there would be no deterrent to deter these criminals, that criminal element, I promise you they would not be in favor of this legislation. The legislation sounds great.

The CHAIRMAN. That's quite a commentary on their intelligence, Mr. Sheridan. You deal with these people every single day. Very interesting commentary on their knowledge of the issue.

Mr. SHERIDAN. Well, the knowledge, as I said, I'm not the smartest guy in the room but I do know in my mind.

The CHAIRMAN. I think they are pretty smart.

Mr. SHERIDAN. Well, thank you.

The CHAIRMAN. They are at the top of their profession.

Mr. SHERIDAN. I do know in my mind they have a lot of problems, discussion, steroids, et cetera, and if I told a coach and he believed me that this would make it easy to fix you are college games, he would not be in favor of this, if he believed me. When you send out a message like the super bowl, the national championship football game, the NCAA finals, the Final Four, and the see in the newspapers, the Governors, the Senators, the mayors, they are all betting the State commodity. That's acceptable.

So when you talk about this message about we're going to wipe out Nevada, and when I talk to these college kids, I won't say they laugh in my face, but they are going to continue betting. Nevada is like a blip on the radar screen. I don't care if Nevada publishes lines, it doesn't effect me. I've already been contacted by tons of Gannett papers and others to say hey, if they ban this, can we use your line, can we use the offshore line? The lines are still going to exist.

Newspapers are going to carry them if they feel that 70 or 75 percent of their readers are interested in them for nonbetting purposes, and if the other 25 percent are interested for betting purposes, they are going to carry them. Senator Brownback says, "Well, take, Kansas and South Carolina off the betting, take them off the board." Fine, take them off the board. What will that accomplish? Zero.

Every bookmaker in Kansas and South Carolina, I don't know every one of them, they would carry the betting line on Kansas because the people in Kansas want to bet on Kansas, they want to bet on sports. It's not going to change a thing. It sounds like, I guess it's politically correct, but again, I make this statement and I'll make it to coach Holtz. I'll have to go visit him but I don't want to single him out because he's a dear friend. If he knew and if he believed, and the same with you, sir, if he believed that if you took away this legal authority in Nevada and it would make it it easier to fix college football games, he would not be in favor of this bill.

And I will stand here with what little reputation I have and tell unequivocally, 30 or 40 college basketball and college football games will be fixed if this bill passes, because there will be no de-

terrent, and criminal, and there are plenty of criminals out there that would love the opportunity, they are just rubbing their hands just like they would if you destroy the Securities and Exchange Commission, which you would never do, they are just rubbing their hands saying know what, I'm going to go bribe that kid at the University of Alabama, and the only person that's going to know about it is that bookmaker in Tuscaloosa. And you know what my penalty is going to be? He's going to take it off the board. So now I'm going to go to Auburn University and do the same thing. And this is what's going to happen all across the country unless there's a religious experience with these criminals out there, which I don't expect to happen.

Senator ENSIGN. Thank you, Mr. Sheridan.

Dr. Shaffer, I want to, since you are the only expert, the only scientific expert we have in these first couple of panels, I want to just clarify a point that you made.

Do you think that this bill that is being proposed today will do anything to curb illegal gambling amongst our players, amongst our college students, or amongst the 49 states that it's already illegal to bet on college sports?

Dr. SHAFFER. No, I don't, and the reason I don't, and you've just said it. It's already illegal. I think almost every NCAA player to a person, I haven't surveyed them all, but I do know a number, as I said, I'm the dad of a NCAA player, I've talked to many of them, they all know that this is the wrong thing to do. And most of them don't do it. We shouldn't be here indicting a group of fine young people.

Senator ENSIGN. OK.

Dr. SHAFFER. Given a time period of a year.

Senator ENSIGN. About 1 percent, and what's the percentage that will become addicted to alcohol.

Dr. SHAFFER. Alcohol runs roughly, depending upon who you read, about 10 percent.

Senator ENSIGN. About 10 percent. So of those three, it's by far the lesser. The least. The thing that he brought up about why prohibition didn't work, Senator Biden brought up why prohibition didn't work, is he said it was because alcohol, we don't have social cocaine users, we don't have social methamphetamine users, but we have social drinking. It's acceptable in this country. And as you pointed out earlier in your statement, if I recall correctly, you talked about, if you outlaw something, that people don't respect the rule of law because it was socially acceptable. People looked at prohibition and it was kind of a joke. Whether it was in the Bible belt or wherever it was, they looked at it as kind of a joke and so it became kind of the in thing to do where they had these parties where they had alcohol and illegal alcohol and obviously it strengthened organized crime and all of the other things that it did. Is that analogous to what would happen with this type of legislation or is it happening today?

Mr. SHERIDAN. I think it is analogous in many ways and not in other ways, so to try to be as precise as I can be, during prohibition we certainly did reduce the number of alcohol-related problems among a segment of the population while simultaneously increasing the number of problems a different segment of the population.

People often forget during prohibition, we also outlawed tobacco use in the United States, and it clearly did not stop the development and growth of tobacco.

Senator ENSIGN. By the way, that would be a good question from our Senator from North Carolina, whether he would suggest that we outlaw tobacco.

Mr. SHERIDAN. That gets to my next point, which is—

Senator ENSIGN. Which last time I checked, causes a lot more problems than gambling amongst our youth.

Mr. SHERIDAN. That is certainly true when we look at the public health consequences. There's no doubt about that.

The CHAIRMAN. Senator Ensign, we've got another panel to go.

Senator ENSIGN. OK. Can he finish?

The CHAIRMAN. Please.

Mr. SHERIDAN. My last point is we actually have legal drugs in America. We forget that we have legal drugs. Our legal drugs primarily are alcohol and tobacco. We have other pharmaceuticals, obviously. People in America understand which drugs are more dangerous, and which drugs are less dangerous. Our legislation in part correctly follows which are more and less dangerous.

In some ways we actually permit dangerous drugs. Tobacco is a dangerous drug. I think the same would be true for young people and adults in America. They understand that gambling is not for everyone. There are certain things adults do, certain things children do, certain places people do things and certain other places people don't do those things. We teach young people that from the earliest of days. It's part of developing character. I think that while we have prohibition in 49 states as Senator McCain said, and not in the 50th, this same prohibition is not common around the world.

The rest of the world is gambling, and given the Internet and given the shrinking of our world, our young people and our adults are getting very complicated messages, and they are not just simply looking at our own legislation. That simply leads me to conclude that the best way to help people live long, happy, healthy lives, is to help them learn their own social controls such as the informal mechanisms that start in the family and then spread throughout our great institutions, and if we can do that properly, I believe that we can regulate these kinds of problems even more effectively than legislation.

The CHAIRMAN. Thank you very much. Mr. Sheridan, I would point out that there were two reasons why we sponsored this legislation. One was the NCAA and the college coaches. The other is because of the recommendation of a commission composed of some of the smartest people in America who after 2 years came up with this recommendation. I'm sorry you didn't have a chance to inform them of the evils that would accrue from this banning.

Mr. SHERIDAN. Might I reply, or no?

The CHAIRMAN. Sure.

Mr. SHERIDAN. All right. Well, when you talk about that, these people have not talked to the nation's bookmakers. They have not been in the trenches like I have.

The CHAIRMAN. They did a thorough and in-depth investigation that took 2 years, Mr. Sheridan, and they are some of the most

highly qualified people in America that had no financial interest in continuing the present system.

I thank the panel, thank you very much, and we appreciate your involvement and the next panel includes Dr. William C. Friday, President Emeritus of the University of North Carolina; Mr. Michael Adams, President of the University of Georgia; Mr. Terry Hartle who is the Senior Vice President of the American Council on Education; Mr. William Saum who is the Director of Agents, Gambling and Amateur Activities of the National Collegiate Athletic Association; and Mr. Edward Looney is the Executive Director of the Council on Compulsive Gambling.

I'd like to welcome the panel again, and we'd like to begin with Dr. Friday.

Dr. Friday, welcome and welcome to all the witnesses. Thank you for your patience. Obviously this is an issue that has generated a great deal of interest and controversy. We thank you very much for coming today.

Dr. Friday.

**STATEMENT OF WILLIAM FRIDAY, PRESIDENT EMERITUS,  
UNIVERSITY OF NORTH CAROLINA**

Mr. FRIDAY. Thank you, Mr. Chairman.

Mr. Adams who sits here with me is also a witness is on the Knight Commission. We are currently serving there together, and we appreciate the chance to come here.

Let me tell you why the Knight Commission is supporting the legislation. In 1989, a decade of very visible scandals in this country drew the Knight Foundation, a newspaper-based foundation, into looking at this problem as a national issue. And at that year, a Louis Harris poll came out that found that 8 out of 10 Americans agree that intercollegiate sport at that time was out of control, that athletic programs were being corrupted by big money, and that many cases of serious rule violations were under mining the basic integrity of the institutions themselves.

In October 1989, the Knight foundation created the commission of which President Adams and I are members. That group, for the next 4 years, looked at intercollegiate sport in every dimension, and we tried to be responsive to the national opinion about intercollegiate sports and led to a series of recommendations which the NCAA has since implemented which call for Presidential control over university or intercollegiate sports and that this would extend itself itself into looking at the issue of academic integrity and fiscal integrity which had come into question in the testimony that had been given us.

Ten years after the first of three reports that was issued by this foundation in 1991, 1992, and 1993, we got together again last fall. We got together and again last fall, the original commission members, and we invited others to come and join us. We did this to see what had happened to the particular recommendations made by this commission to the NCAA. Most of this governance commission, the recommendations of the commission pertaining to governance were implemented by the National Collegiate Athletic Association.

What we have found this time, and we have listened to a number of witnesses over the last several months and will be issuing a

statement later in the spring, is that we changed the whole culture of sport in this country by the impact of very large sums of money resulting from commercial television, and what is now called by Mr. Cedric Dempsey, the head of the NCAA, as the arms race among colleges and universities over intercollegiate sport.

One aspect of this is the issue of gambling and its impact upon the whole dimension of college sport. What you heard Coach Williams say here today, my coach, one of my coaches, Dean Smith, has said before this same Senate Committee in the past as his reasons for being for this legislation. The Knight Commission I'm sure will be supportive of this for the reasons given and I will not take the time of the Committee now to repeat them again. Let me defer to president Adams.

**STATEMENT OF MICHAEL F. ADAMS, PRESIDENT, UNIVERSITY OF GEORGIA**

Mr. ADAMS. Thank you very much, Dr. Friday, and Senator, we appreciate the opportunity to appear and appreciate your interest in this matter, although it's apparent you and I may have different views on this piece of legislation.

Let me ask, if I might, that my testimony be made a part of the record and I'll summarize very briefly with all due respect.

The CHAIRMAN. All of your testimonies will be made part of the record, full statements.

Mr. ADAMS. Thank you very much. I'll just begin by saying that I'm here not only as president of the University of Georgia but also as immediate past chairman of the American Council on Education, which represents most of the college and university presidents in America, and I can tell you that there is overwhelming support among American's college and university presidents for this bill.

I would begin by saying that while we certainly support title 1 of the bill that deals with illegal drug use, we're going to focus our very brief testimony today on title 2 having to do with gambling. It's apparent from the testimony you've already heard, and as my testimony indicates, this is a growing national problem.

Gambling on college sporting events I believe should be prohibited in all states as is now done for high school and Olympic contests. Some of us who are university administrators are a bit mystified that we think this sort of participation for 18-year-olds should be illegal but 3 months later when they matriculate into college at 18 years and 3 months, it's now OK to bet on their amateur issue athletic activities. I would also remind the panel that we are still dealing with minors, with young people. They may be very accomplished athletes, they may have strong bodies or may be excessively tall, but you're still dealing in many ways with late teenagers and early 20-year-olds who are, I think, susceptible to some of the pressures to which they are subjected and I certainly believe that the PASPA legislation which left Nevada as the only State where this sort of activity is illegal, needs to have that loophole closed.

I also would say to you, Senator, as Senator Cleland was gracious to come by and to mention earlier in his comments regarding myself, I worked for this body for 6 years. I have great respect for it. During the days I was chief of staff for Senator Baker, I've sat

behind the dias where the ladies and gentlemen sit now, and I've watched this Committee through the years when Senator Baker was a member making legislation on many matters from interstate commerce to aviation safety to trucking safety and the list goes on and on. But not only do you legislate, but you also set a tone, and you send messages to the country as you legislate on a whole broad change of areas, and I think it's incumbent for us to make an ethical statement. I think this is a classic debate between money and moralism.

I think we do need to send a message that this type of activity on college campus is and should be illegal across the country inclusive of all 50 states, and I would respectfully urge the Committee to move S. 718 out of Committee and to the floor. Given the support for it around the country, I'm confident that if it reaches the floor it would pass and I hope that's exactly what would happen. Thank you.

[The prepared statement of Mr. Adams follows:]

PREPARED STATEMENT OF MICHAEL F. ADAMS,  
PRESIDENT, UNIVERSITY OF GEORGIA

Chairman McCain, Senators Hollings, Brownback, Cleland and other distinguished Members of the Committee, I am Michael Adams, President of the University of Georgia. I would like to thank you for holding this hearing, and for inviting me to share my views on the topic of gambling on college sports. This is a matter of considerable concern to the University of Georgia as well as the rest of the higher education community and we welcome the introduction of S. 718 as a means of addressing these concerns.

First let me say that I support Title I of the legislation which calls for research and training in the methods of detecting performance-enhancing drugs. Authorizing the director of the National Institute of Standards and Technology to sponsor prevention and intervention programs is a positive step to discourage use of the substances by amateur athletes. However, I would like to devote the bulk of my testimony to Title II of the bill, which focuses on gambling.

Athletics are an integral component of the college experience. The link between mental and physical well-being is a well established fact. Involvement in athletics provides an important opportunity to foster team building and leadership skills among students, and to teach valuable life lessons about hard work, dedication and ethical behavior. Colleges endeavor to provide as many avenues as possible for students to engage in athletic pursuits in both intramural and extramural settings. For a relatively small number of young men and women, participation in college sports affords an opportunity to showcase their extraordinary athletic gifts, and for an even smaller handful, it will lead to a career as a professional athlete.

From the road to the Final Four championships for men's and women's basketball teams, to the University of Georgia's packed Sanford Stadium on a crisp autumn afternoon, to the fast-paced competition of women's soccer, college sports are enjoyed by millions of American spectators. The hopes and dreams of the young athletes and our pride in our institutions are the ingredients that make these contests riveting. This is the point of the games. This is what makes them enjoyable. Gambling on the outcome of these games is not only unnecessary, it has enormous potential to compromise the integrity of the amateur sports tradition.

Gambling on college student-athletes and the games they play, whether done legally in the sports books of Nevada, illegally in any other State, or on the Internet, is a growing problem. Gambling on college sporting events should be prohibited in all States, as is now done for high school and Olympic contests. I commend the chairman, together with Senators Brownback, Edwards, and Jeffords, for introducing S. 718 to address this problem.

Congress first recognized the potential for problems associated with gambling on amateur sporting events a decade ago. In 1992, President George Bush signed into law the Professional and Amateur Sports Protection Act (PASPA) to prohibit gambling on most sporting events. PASPA exempted four States that already conducted, or had enacted legislation that permitted them to conduct sports gambling within their borders. At that time, Nevada was the only State where legal gambling on

high school, college, and Olympic sporting events was permitted. Today, Nevada stands alone as the only State in the Nation that legally operates a sports books on college athletic contests. With the benefit of hindsight, it is apparent that the granting of that exemption was unwise.

In the intervening years since the enactment of PASPA, Nevada has made some changes in its legally sanctioned activities that bespeak an awareness that gambling on young, amateur athletes is indefensible. For example, until last year Nevada gaming regulations prohibited gambling on Nevada college teams, whether they played at home or outside the State. In response to a request last February from the National Collegiate Athletic Association (NCAA) that other teams be extended the same exemption, the State Gaming Control Board reversed its longstanding policy and now permits betting on Nevada teams. In another example—perhaps fueled by the precursor to S. 718 and the attendant media scrutiny—the Control Board recently has banned betting on high school and Olympic contests. This action places Nevada on a par with our other 49 States in regard to protecting high school and Olympic athletes, but it raises a perplexing question about the distinction that was made. Why are some young players and their sport deemed worthy of safeguarding while others in a similar age cohort are not? Nevada's small steps to undertake damage control clearly are inadequate.

Over the years that Nevada has been accorded its exemption, ample evidence has accumulated that the existence of Nevada's legal sports books has had a corrupting influence that taints the environment for intercollegiate athletics, and fosters a general climate of disrespect for our laws. Support for this point of view is derived from the work of the National Gambling Impact Study Commission. This Commission, comprised of bipartisan members appointed by President Clinton and the leadership of the House and Senate issued its recommendations to the Congress in June 1999. A key finding of the Commission was that "sports wagering threatens the integrity of sports, it puts student athletes in a vulnerable position, [and] it can devastate individuals and careers." To address this, the Commission urged that the "betting on collegiate and amateur athletic events that is currently legal be banned altogether." The Commission also highlighted the connection between Nevada's legal betting enterprise and the illegal wagering that goes on elsewhere. The report states that: "One reason Americans may not be aware of the illegality of sports wagering is that the Las Vegas 'line' or point spread, is published in most of the 48 States where sports wagering is illegal." I would like to put these issues into context as they relate to college athletes and to college students.

First, the impact of gambling on collegiate athletes. It is easy to stand among these young players, many of whom tower above the rest of us, or to witness their strength and physical prowess on the field or the court and to equate them with the adult competitors of professional sports. It is easy to forget that overwhelmingly these individuals are teenagers. These are youngsters taking their first steps toward adulthood, still lacking in maturity and sophistication. In contrast to their well-paid counterparts in the ranks of professional athletes, they have no independent means of support. For these reasons, students have a particular vulnerability to financial enticements from predatory individuals seeking to influence the outcome of a sporting event. Although they are statistically infrequent, several high-profile gambling-related incidents have occurred involving student athletes in the last decade. If the amount of money legally wagered on college sports is allowed to escalate, the pressures on these young athletes to provide inside information on the team or to shave points and fix games is bound to increase as well.

It is worth noting that the operative word in the 1992 legislation is "protection." Would we even be here this morning debating the efficacy of S. 718 if we were discussing high school athletes? Why should the period between leaving high school and entering college deprive college athletes from the protection that covered them a mere 3 months earlier?

Now to my second point—the impact of gambling on the general student population. There is a growing body of scientific evidence that says gambling among the nation's youth is on the rise and is occurring at earlier and earlier ages. A Gallup Poll taken 2 years ago found that teenagers say they begin betting on sports at age 10. In addition, the poll found that teenagers engaged in betting at twice the rate of the adult survey respondents, 18 percent to 9 percent. Several factors contribute to this behavior. First, anyone with access to a newspaper can look up the point spreads on their choice of college sporting events. To my knowledge, only *The New York Times* and *The Washington Post* have adopted a policy against publication of the point spreads. Second, the publication of the point spreads gives an imprimatur of legitimacy to wagering on college contests. Third, the facility with which the younger generation uses the Internet and the proliferation of Internet gambling sites perpetuates the notion that this is a legitimate activity, and encourages ease



of access. But for the existence of the Nevada sports books, illegal gambling would not be as profitable, as pervasive, nor as seductive to young people—many of whom have little awareness that it is an illegal activity outside of Nevada.

The Nation's colleges are mindful of the responsibilities we bear in helping young people become responsible adults. Our obligations start first and foremost with creating an environment where ethical choices and good character development can flourish. This task is made considerably more difficult when our campuses are bombarded with messages from society at large that gambling on intercollegiate sporting events is legal, legitimate, and encouraged. Each of our campuses deals with these challenges in ways that are appropriate to the culture of our institutions. At the University of Georgia, for example, we make it perfectly clear to our student-athletes that gambling or any contact with people involved in gambling is unacceptable and may lead to their expulsion from the university. Most of our effort is focused on education. We talk to our student-athletes not only about the dangers of gambling outright, but of the dangers of being associated with people who are gambling. We make sure they understand that such people are looking for information that may influence how bets are placed—information about injuries, information about coaches, information about arguments between teammates. The message that UGA student-athletes receive is that there is no safe way to associate with gamblers, and that any suspicions should be reported immediately.

One of the most effective programs we have involves bringing student-athletes from other school who have been involved in gambling to Athens to speak to UGA athletes. All of us recognize the power of peer testimony, and these young men have chilling stories to tell about the damaging effect their involvement with gambling has had on not only their athletic careers, but their lives.

We are confident that our athletic department is virtually free of gambling. We have caught no student-athlete engaged in gambling. In our annual exit interviews of graduating athletes, only one student has ever said there is a gambling problem at the University of Georgia. But we are not naive. We know that there are students on campus who place bets on games. We are also very much aware of the creeping influence of the city of Atlanta and the potential involvement of organized crime. We are, therefore, ever vigilant in guarding against this problem.

In addition, the NCAA—of which the University of Georgia is a member—supports a number of programs that address the sports gambling issue.

In conclusion, I do not wish to suggest that enactment of S. 718 will solve all the problems associated with sports wagering. Institutions, coaches, players, students and parents all have important roles to play in reversing the current trends. But I want to be very, very clear: while S. 718 will not solve all the problems, in my opinion it will solve the central one. By amending the Ted Stevens Olympic and Amateur Sports Act to ban betting on high school, college, and Olympic sporting events in all 50 States, it will end Nevada's legal college sports book franchise. This will make it clear to one and all that betting on a collegiate sporting event is an illegal activity. The time has come at long last to honor the intent of PASPA by amending the Stevens Act to end Nevada's preferential status.

Mr. Chairman, and Members of the Committee, I thank you for this opportunity to testify in favor of S. 718 and I wish you smooth sailing in securing its passage.

#### **STATEMENT OF ED LOONEY, DIRECTOR, COUNCIL ON COMPULSIVE GAMBLING**

Mr. LOONEY. I'm Ed Looney, I'm with the council on compulsive gambling in New Jersey. What we do is we do prevention education and referral services. We're not making a stance on this bill. I think it's vitally important that we don't miss the mark on this legislation. I've been involved with compulsive gamblers for probably 30 years. I speak at, or the council has spoken at, in the last 15 years on an average of 35 to 50 high schools where we're called in to do prevention education programs, and we also do about 20 colleges, not only in New Jersey but we're called across the country to do some work with colleges. When they have a gambling problem go in and do some education.

I'm also a certified gambling counselor, which means I treat compulsive gamblers. I've treated maybe a couple thousand compulsive gamblers on a regular basis during a 6- or 7-year period more in-

tensive than I am doing today. We also treat compulsive gamblers in prison systems. We know that about 30 percent of the people that are in prison are there due to illegal activity, many times at the root of their illegal activity is a compulsive gambling problem.

I don't know if everybody in this room knows how much education that we have provided for our young people across America. There is no education, no curriculums, in high schools, in grade schools, in schools across this nation. I just wanted to lay that foundation. I would also like to say we had a report, the Federal study report is out.

In my written testimony there are 35 recommendations that pertain to compulsive gambling, and I would hope that sometime the Committee would look at what those recommendations were. Because I don't think that was what the Commission recommended for this particular bill is what that recommendation was, and I looked at it very carefully. I would like to tell you that we have a major health problem in America today called compulsive gambling. That's a fact, that's a given.

And what is interesting is that the adolescent rate is twice as high. Everyplace we've done any research we're finding that to be true. In New Jersey, 12 percent of the adolescents that we tested had problems or compulsive gambling problems. Across the town in New York it was 14 percent. Connecticut it was 11 and a half percent. Canada is 18 percent. This is the adolescent rate. So the rate for adolescents is much higher.

I can tell you that young people start gambling in the ages of 9 and 10 years old. Inner cities they start a little earlier. By the time they are 12 and 14 they are playing cards for money, dice for money. They get involved in the problematic kind of gambling in high schools. By the second year in high school, many sports betters have book makers. Second year. We're talking 16-year-old youngsters (not uncommon, particularly in the metropolitan area, where there's a lot of availability and opportunity to gamble) they have book makers already.

I can tell you I spoke 2 years ago at a Division 1 school in New Jersey and spoke to 32 young people in a dorm. How many kids here gamble? Twenty-eight hands went up. I asked how many kids have book makers. When I asked a couple other questions, there were 10 different book makers accessible to that one dormitory in the State of New Jersey. I can tell you that in studying compulsive gambling, and I'm very conservative about what we say and what we do, is that gambling is festering in every high school and it's an epidemic in every college campus. I will make this statement that I've made many times that give me 1 hour, put me on a residential campus university anywhere in America, give me 1 hour, and I'll show you where I can make a bet illegally.

I'd also like to tell you a couple real fast things. I treated an Ivy League basketball player who fixed games. He fixed seven games in Ivy League in the late 1970s, and Ronny told me with two other people they fixed seven games. I have also treated a high school student in 1978 who committed a murder. He was a young fellow that had all kinds of athletic ability, he was getting all kinds of college offers, he was a great athlete, but he had a gambling problem, he got involved with a book maker. Owed the book maker \$1,400

and couldn't come up with the money to pay him and he decided to break into his first house, and when he broke into his first house, there was a widow in there. The widow saw him, she stabbed him with a pen, he hit her with a bat and killed her. Their lives were over. She was dead and he was sentenced to life in prison.

I treated a Division 1 football player who was suspended for book making on campus. He should be playing in the National Football League as we talk today, but because his gambling problem, got involved in paying off his debts by getting involved in bookmaking himself.

I also treated a Division 3 baseball player that had tremendous athletic ability. He ended up selling marijuana on a college campus because he owed the book makers money. These are some of the things I've personally seen. New Jersey, 1992, we had 19 police investigations in high schools alone related to gambling issues. In a New Jersey high school in 1997 we had 17 adolescents caught gambling on the NCAA tournament. I can go on and on. I just want to tell you one other one.

I have a 16-year-old that took \$6,000 of his life savings, which took him 4 years to save, in 1 day he bet it all on the lottery. It's not only sports betting. Kids gamble on everything that's available to them. The reason we found out about his gambling problem is because he attempted suicide and they called the council's help line and we went down to the hospital and we saw this youngster. He pulled through but the bottom line is it was because of a gambling problem.

I just want to say, this bill, to eliminate sports betting, in my opinion, will not effectively stop gambling on college campuses. It's not really worth putting this kind of a legislation in if you really want to attack the problem. Ninety-eight percent of betting is actually, as we know, illegal. We also have Internet gambling.

I can give you some facts and figures but I'll just give you one figure, that this year betting on the NCAA basketball game reached about a half a billion dollars, on about 440 Internet sites (illegal sites). Reports stated that these illegal off-shore sites accepted almost a half of billion dollars worth of bets on the NCAA this year alone, and that's a growing thing. I remember there was one Internet site in 1995. Today we have over 1,000, and about 500 just take sporting events. So we're not going to, this legislation is not going to have any effect at all on this type of betting.

The NCAA is here and they are trying to do a good effort, but I can say their efforts to stem gambling on a college campus will be ineffective, and it will continue to be ineffective because they are not doing the main thing that needs to be done if we really care about our kids, and that's doing education, prevention, and curriculums from the kindergarten to the twelfth grade, and educate people that are involved with our kids about compulsive gambling. The NCAA, is before this Committee and I know Bill Saum and I respect the work that he's trying to do, I've written a couple letters to them about their Pepsi Cola promotion, that during the NCAA, they get in bed with sponsors who promote gambling.

During the NCAA basketball tournament, Pepsi has these look under the bottlecap contest. Kids are very, very susceptible to this

type of thing. I treat the compulsive gamblers when they call me. They tell me that many times they start with these little contests. Here's the NCAA saying, "Hey, we want to stomp out gambling, we're going to close down sites that take bets on college games," and at the same time they are contributing to the problem by lending their name to gambling contests. Educating key people can make a difference. NCAA people need to know what a compulsive gambler is, what makes him tick. These are some of the things we should be doing. I don't want to go on because I've used up my 5 minutes, but in my written testimony I have several suggestions. I want to just say one more thing.

We're worried about the integrity of the game. What about the integrity of the youngsters getting a good college education? They're paying large sums of money and the college atmosphere is not what it should be. We've got gambling, we've got drugs, we've got all these kind of things. There's got to be more work done. You can pass all the legislation you want, and all these prohibitive rules and regulations. It doesn't work. When you prohibit something that the people want to do, and people want to gamble in this country, so that's not going to work. What is going to work is prevention and education programs. Put your money in that and you're going to educate young people who will then make better decisions and will not get caught up into this kind of negative activity that's happening on many college campuses across America.

Thank you.

Senator ENSIGN. Dr. Hartle.

**STATEMENT OF TERRY W. HARTLE, SENIOR VICE PRESIDENT,  
AMERICAN COUNCIL ON EDUCATION**

Mr. HARTLE. Thank you very much, Senator Ensign, I appreciate the opportunity to be here to present our views on on this matter of great concern, gambling on intercollegiate sports.

The hour is late and you've been very generous in your time and listening to all the testimony so I will just simply summarize the points that are in my testimony. My statement is presented on behalf of 16 national higher education associations. Together we represent the nation's 3,800 two- and 4-year public and private colleges and universities. We strongly believe that S.718 is the right legislative approach to close the loophole that tarnishes sports and feeds the rapidly expanding gambling addiction throughout the nation. I talk to college and university presidents every day. I have yet to talk to a president that did not feel this was an essential first step to take in an effort to reduce gambling on campus.

I would like to offer four specific observations on why we believe S.718 is the appropriate remedy for the growing problem of gambling on intercollegiate athletics.

First, gambling on college sports, both illegal and legal, is a problem that threatens the integrity of intercollegiate athletic competition. It was just a couple of years ago that we learned of a point shaving scandal at Northwestern University involving the men's basketball team. The scandal involved both legal and illegal gambling on several games. Kevin Pendergrast, the former Notre Dame student who orchestrated the scam, told *Time Magazine* 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 legalizing betting in Las Vegas sports books. And as Senator Edwards said at the same hearing, there were more point shaving scandals in the 1990s than in the previous five decades combined. So we think we have a growing problem.

Second, the State of Nevada has already recognized the threat that gambling poses to the integrity of amateur athletics and other competitions but it has been fairly arbitrary and selective when it comes to intercollegiate athletics. 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 commission 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’s also telling that the Nevada gaming authority prohibits betting on the Oscars and the outcome of political election contests, but allows gambling to continue on intercollegiate athletic 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 effect of betting on high school or Olympic sports competitions or Hollywood’s Academy Awards or on political races, how can they possibly argue that betting on collegiate sports events does not threaten their integrity as well.

There is no question in our mind that gambling on amateur sports is a widespread problem affecting many levels and many parts of society. We think 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 mixed signals. No uncertainty. A clear, unambiguous message.

The third reason we support this bill is because colleges cannot begin to hold the line on illegal gambling when society condones and encourages legal gambling on intercollegiate sports. Our ability to do anything about illegal gambling, point shaving or other related problems is effectively extinguished when large-scale, legal betting on intercollegiate sports is permitted. Over the past 10 years while legal betting on college sports has been given a green light, illegal betting has flourished.

According to Wayne Johnson, the chief investigator of the Chicago Crime Commission, “legalized gambling only perpetuates illegal gambling. It does not displace it.” Indeed, there’s no doubt in the minds of law enforcement authority that legal sports betting actually fuels illegal gambling and provides two services for illegal bookies everywhere. First, it gives them a reliable source for quoting the odds on a game, and second, it provides a vent place to spread the risk on their bets. You could call this risk-spreading service performed by Nevada’s casinos the equivalent of hedging done by currency traders.

Even the head of the Nevada State gaming control board has said that, “a lot of money made through illegal gambling is laid off

in Las Vegas.” If a bookie has a lot of money on one side of a bet, they bet the other one in Las Vegas to try and even the bet. In point of fact, the lines between illegal and legal gambling are so blurred that most Americans are completely unaware that most forms of gambling are illegal. Closing this loophole would make clear that there is a difference.

Fourth and finally, there’s a gap between our approach to some dangers that we seek to protect our youth from, and those that we are tacitly encouraging. Now, more than ever, there are multiple efforts from government, colleges and universities, elementary 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 college and university campuses we are enforcing alcohol statutes, drug laws and publishing crime statistics. Congress in recent years has been increasingly active on this front. Last Congress witnessed the enactment of legislation to protect students on college campuses from sexual predators based on a single incident at one Arizona institution. In this Congress, legislation has been introduced to protect students from the threat of dorm fires and to notify parents when students go missing for more than 24 hours.

We hope that no student ever encounters a dorm fire or a sexual predator, and we certainly pray that none ever go missing for more than 24 hours. But we do know that they are much more likely to be exposed to dangers of gambling than they are to have any of those things happening to them. 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 student athletes who participate in these events.

There’s no doubt that gambling compromises the reputation and credibility of our academic institutions or that it threatens the integrity of collegiate athletics. We believe the Amateur Sports Integrity Act represents the best path forward. The 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 the locker rooms, the coaching offices, the fraternities, the classrooms and in homes around the country. For that reason we strongly support this bill and urge its swift passage.

[The prepared statement of Mr. Hartle follows:]

PREPARED STATEMENT OF TERRY W. HARTLE, SENIOR VICE PRESIDENT, AMERICAN COUNCIL ON EDUCATION

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 16 other national higher education associations. Together, we represent the Nation’s 3,800 colleges and universities. 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 every State except Nevada. However, 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 Occupational Safety and Health Act regulations?

Florida from the drug interdiction rules? Or Colorado from the Fair Labor Standards Act? Why not exempt California from the Immigration and Nationalization Act?

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. With the growth of the Internet and its reach into virtually every home in America, this problem will undoubtedly mushroom in the years ahead.

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 appeared. 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 intercollegiate athletic competition.* It was just over 2 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, told *Time Magazine* that "without Nevada, without the option of [legally] betting money in Nevada, the Northwestern basketball pointshaving 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 5 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.

In March 2000, the University of Michigan conducted a study, entitled "Gambling with the Integrity of College Sports," that found 84 percent of college referees admitted having participated in some form of gambling since beginning their careers as referees. Almost 40 percent admitted placing bets on sporting events and 20 percent 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, the State of Nevada has already recognized the threat that gambling poses to the integrity of amateur athletics and other competitions, but has been arbitrary and selective when it comes to intercollegiate athletics.* The threats posed by legal and illegal gambling affect all levels of competition in American society. And recent actions by the Nevada Gaming Control Board demonstrate a profound awareness of this problem.

Nevada has flip-flopped several times in its effort to get its gaming regulations right where teenage athletes are involved. For the better part of the past decade, Nevada banned betting on its own college teams—whether they were playing at home or away. Now, they have lifted this prohibition and home State teams are fair game. Also, for most of the decade, Nevada permitted gambling on high school and Olympic sports. Less than a year ago, the State switched gears and no longer allows wagering on these two types of amateur athletic events. And yet, it remains legal to gamble on intercollegiate athletic contests.

From the start, however, Nevada has been dead-set against betting on political races or the Oscars. 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 problem affecting many levels in our society? 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 hold the line on illegal gambling on campus when society condones and encourages legal gambling on intercollegiate sports.* Our ability to do anything about illegal gambling, point shaving, or other related problems, is vitiated—indeed, it is effectively extinguished—when any kind of legal betting on intercollegiate sports is permitted. Over the past 10 years, while legal betting on college sports has been given a green light, illegal betting has flourished.

This is a big deal. According to Wayne Johnson, chief investigator of the Chicago Crime Commission, “Legalized gambling only perpetuates illegal gambling. It does not displace it.”

*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 1 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 no doubt in the minds of law-enforcement authorities 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. You could even call this risk-spreading service performed by Nevada’s casinos the equivalent of the hedging done by currency traders.

Even the head of the Nevada State Gaming Control Board, Steve DuCharme, has said that “A lot of money made through illegal gambling is laid off in Las Vegas. If a bookie has a lot of money on one side of a bet, they bet the other one in Las Vegas to try and even the bet.”

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 citizen does not distinguish between illegal and legal betting. Closing this loophole would make it clear that there is a difference.

*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 enforcing nationwide alcohol statutes, drug laws, and publishing crime statistics. Increasingly, we are heeding the call for more vigilant efforts to prevent guns from entering our schools.

Congress, in recent years, has become increasingly active in developing legislation to protect students from potential dangers that might affect them. Last Congress witnessed legislation to protect students from sexual predators on campus. In this Congress, legislation has been introduced to protect students from the threat of dorm fires and to notify parents when students have going missing for more than 24 hours. While we hope no student ever encounters a sexual predator or a dorm fire, we know they are much more likely to be exposed to the dangers of gambling.

Make no mistake as to the danger. As Ken Winters of the National Research Council has told this committee, one of the NRC’s most reliable findings is that “gambling is highly associated with other behavioral disorders, particularly depression, alcoholism, and drug addiction.” And according to the National Academy of Sciences, in a 1999 Report on Pathological Gambling, “problems that arise as a result of the gambling lead to an intensification of the gambling behavior. Characteristic problems include extensive indebtedness and consequent default on debts and other financial responsibilities, disrupted family relationships, inattention to work, and financially motivated illegal activities to pay for gambling.”



There is no doubt that gambling among young people is on the rise, and that 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 intercollegiate sports.

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 betting on intercollegiate sports is permitted—a situation that Congress can remedy by outlawing gambling on intercollegiate athletics. It is imperative that we stand firm: to protect the integrity of college athletics, we need to declare betting on these games 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 College Registrars and Admissions Officers; 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.

Senator ENSIGN. Mr. Saum.

**STATEMENT OF WILLIAM S. SAUM, DIRECTOR OF AGENTS,  
GAMBLING AND AMATEUR ACTIVITIES, NATIONAL  
COLLEGIATE ATHLETIC ASSOCIATION**

Mr. SAUM. Senators, on behalf of the National Collegiate Athletic Association, thank you for inviting us to testify today to provide the association's perspectives on college sports wagering and to express our strong support for S. 718. Our message to you today is simple. We are asking you to do what is right for the college game and what is right for the young people who have earned the privilege of participating in those games.

We are asking you to take steps to eliminate legal wagering on college competitions in the State of Nevada. When you cut through the rhetoric, the posturing, the accusations and everything else this discussion has become over the past 2 years, the reason the NCAA is so vigorously supporting this legislation is this: It's right for the game, and it's right for our student athletes.

I am not here to promise or even suggest that banning legal wagering on college sports is the total answer to such an insidious problem as gambling on college sports. The NCAA has never said that. But it is part of the equation, and as much as some others would not like to do so, it is the part that we are here to address.

We learned that in the Arizona State and Northwestern scandals, Nevada casinos were used legally to lay off large bets that could not be accommodated in the illegal world. Further complicating the matter is the money laundering of illegal dollars through legal sports books. Steve Ducharm, former chair of the Nevada gaming board is quoted in a February 1999 sports business journal article as saying,

“We’ve taken step to crack down on the amount of illegal money being laundered through legitimate sports books. We really have no way of knowing how much is laundered through the legal sports books. Based on transcriptions of wiretaps, it is millions of dollars.”

Legal and illegal sports wagering have been a part of nearly every major collegiate sports wagering scandal. Let me repeat that. Legal and illegal wagering have been involved and both pose threats to our game. Illegal wagering is part of the problem. It is not, however, the only problem. Our efforts will only be successful by addressing the whole picture, legal and illegal wagering. The National Gambling Impact Study Commission issued its final report in June 1999 following 2 years of comprehensive study of all forms of legal gambling activity. The commission’s report included a recommendation that has formed the basis for this legislative proposal before you, to extend the current Federal law banning gambling on amateur sporting events to Nevada.

Let me be clear that the NCAA testified twice before this commission and on neither occasion did the association suggest a complete ban on sports wagering. We made our association’s position on gambling clear, but in an effort largely directed at raising the commission’s awareness of the problem associated with sports wagering, did not take the step of proposing a ban.

Even so, without a request from the NCAA, without urging, the commission made the recommendation based on a volume of testimony on the problems associated with gambling in young people. What has been most interesting to me has been to watch what began as a proposal to extend an a ban on legal betting on amateur athletics, doing what is right for student athletes and doing what is right for the college game escalate into a battle about everything but the merits of the bill.

Those who oppose the legislation will go to any lengths to divert discussion. We have been criticized repeatedly because of the size of our gambling staff and the budget dedicated to this program. Approximately 94 percent of all NCAA revenues including moneys that will be received from the \$6 billion CBS contract are returned to the colleges and universities that are members of our association. Those revenues help support the 363,000 participation opportunities for men and women on campus. There are currently four gambling staff members with an additional member to join the staff, a staff that operates similarly to others at the NCAA national headquarters. It is imperative in an association such as ours that our member institutions police our own campuses by knowing the rules, by educating, and by self-policing. Our gambling staff provides the framework and many of the tools, but we count on others to implement what we put in place.

The NCAA strategy to attack problems associated with wagering on college sports is multi-focused. We continue to carry the message that sports wagering is an issue for our student athletes, and we have worked diligently to educate them about the problem. But we need assistance. We believe the loophole that allows wagering on college sports in Nevada should be closed.

We need to encourage enforcement of existing laws regarding illegal gambling, and we believe legislation is needed to prohibit

gambling over the Internet. The system of intercollegiate athletics we have is unique to the world.

We must do everything we can to protect the rich heritage, tradition and integrity of intercollegiate competition. The Professional and Amateur Sports Protection Act has successfully stopped the growth of state-sponsored amateur sports gambling. But we need to close the lone remaining loophole. We need to do what is right for the college game and what is right for our student athletes and make sports wagering on college sports illegal everywhere, all of the time.

Thank you.

[The prepared statement of Mr. Saum follows:]

PREPARED STATEMENT OF WILLIAM S. SAUM, DIRECTOR OF AGENTS, GAMBLING AND AMATEURISM ACTIVITIES, NATIONAL COLLEGIATE ATHLETIC ASSOCIATION

Chairman McCain, Senator Hollings and other distinguished Members of the Committee, on behalf of the National Collegiate Athletic Association, thank you for inviting me to testify today to provide the Association's perspectives on collegiate sports wagering and to express our strong support for S. 718. This is a matter of great importance to the more than 1,000 colleges and universities that are members of the NCAA and to hundreds of thousands of student-athletes who participate in intercollegiate athletics annually. As an individual on the NCAA staff who has spent nearly 5 years working daily on this issue, it is a matter of personal and professional importance, as well.

Our message to you today is simple: we are asking you to do what is right for the college game and what is right for the young people who have earned the privilege of participating in those games. We are asking you to take steps to eliminate legal wagering on college competitions in the State of Nevada.

When you cut through the rhetoric, the posturing, the accusations and everything else this discussion has become over the past 2 years, the reason the NCAA is so vigorously supporting this legislation is this: it's right for the college game and it's right for our student-athletes.

I am not here to promise or even suggest that banning legal wagering on college sports is the total answer to such an insidious problem as gambling on college sports. The NCAA has never said that. But it is part of the equation and as much as some others would not like to do so, it is the part we are here to address. In recent months, discussion of the proposed ban has escalated. With that has emerged a mountain of material and accusations, the "real truth" about this and that, protestations about what this group has done, or what that group hasn't. This is for sure. That mountain has caused everyone to lose focus on how very simple this issue is. It's about what's right for student-athletes. It's about what is right for college games.

NCAA SPORTS WAGERING POLICIES, RULES AND ACTIVITIES.

Over a number of years, the member schools of the NCAA have adopted a relatively simple approach to rules governing sports wagering as they affect student-athletes and institutional representatives as well as conferences and the national office. The NCAA's position on sports gambling is this:

The NCAA opposes all forms of legal and illegal sports wagering. Sports wagering has the potential to undermine the integrity of sports contests and jeopardizes the welfare of student-athletes and the intercollegiate athletics community. Sports wagering demeans the competition and competitors alike by a message that is contrary to the purposes and meaning of sport. Sports competition should be appreciated for the inherent benefits related to participation of student-athletes, coaches and institutions in fair contests, not the amount of money wagered on the outcome of the competition.

For these reasons, the NCAA membership has adopted specific rules prohibiting athletics department staff members and student-athletes from engaging in gambling activities as they relate to intercollegiate or professional sporting events.

It is not permissible to provide information to individuals who are involved in organized gambling activities, not permissible to solicit a bet on any intercollegiate team or to accept a bet on any team representing the school, not allowable to solicit or accept a bet on an intercollegiate competition for any item that has tangible value and not permissible to participate in any sort of gambling activity that involves

intercollegiate athletics or professional athletics through any method employed by organized gambling.

We demand these things of our young people and our staff members at all levels.

In addition, in 2000, we imposed stricter sanctions on those who violate our rules. Student-athletes who participate in point-shaving activities or who solicit or accept bets utilizing organized gambling methods that involve wagering on their own institution lose all of their remaining eligibility. Those who are found to have bet or accepted bets generally on intercollegiate or professional athletics by utilizing organized gambling methods are ineligible for intercollegiate competition for a minimum of 1 year and lose one season of competition.

We have established other Association policies for activities associated with gambling. The NCAA Division I Men's Basketball Championship may not be conducted in areas where gambling activities based on the outcome of games is permitted. So, for example, there are no men's basketball championship sites in the State of Oregon, where the lottery is based on the outcome of National Football League contests. The NCAA does not permit its committees to meet or conduct formal social activities in casinos. We have also requested the companies that are our corporate partners not to engage in promotions connected to the outcome of games. For the second straight year, we have conducted background checks on game officials recommended to serve in our marquee events, the Division I Men's and Women's Basketball Championships, to assure they've had no involvement in sports wagering. We do the same for our men's basketball staff members and the members of the Division I Men's Basketball Committee.

We have committed to conducting formal research about student-athletes and gambling. We will initiate this project in the fall to ascertain the amount of wagering that occurs and the impact of our educational initiatives on student-athletes. In addition, the NCAA is part of a task force directed by the National Association of Student Personnel Administrators that also is studying gambling on campuses.

The Association has developed relationships with and made presentations to various law enforcement groups, including the FBI and the United States Attorney General's Advisory Group, the American Council on Education's secretariat, campus security officers, coaches associations and student life personnel. This spring we are again reaching hundreds of our Association members through sessions about sports wagering at our annual compliance seminars at three locations around the country.

We utilize a multitude of tools to reach our student-athletes and coaches with our messages about sports wagering. Among those initiatives are locker-room visits with members of the Final Four men's and women's basketball teams, the Frozen Four teams and the finalists of the College World Series.

Our approach is truly grassroots and must be. In the midst of all of the rhetoric surrounding this issue, it is easy to forget that the NCAA is a member of the higher education community. Among our primary functions are those of providing athletics participation opportunities within the framework of higher education and providing protection for student-athletes. We are about education and providing information to our membership that can lead to life-changing experiences, both in the classroom and on the playing field. Our mission as an Association is to build an infrastructure of awareness and support to equip those involved with student-athletes with the tools to educate them about damaging influences, including sports gambling.

We are not an organization poised to infiltrate illegal gambling networks. We are not an organization with the authority or the charge to investigate illegal gambling activities on college campuses or elsewhere. We have and continue to process cases involving sports-wagering when they come within the authority of the organization. We have brought attention for more than 5 years to a problem we would rather not have exist: there is illegal gambling on college campuses, some involving student-athletes. We support closer scrutiny of illegal wagering throughout society—this is not isolated to college campuses—and certainly it should be discussed within the framework of the entire issue. Today, however, we examine another piece of the puzzle, which is eliminating the loophole that allows legal wagering on college sports in Nevada. We ask you to do what is right for our student-athletes and what is right for college games.

#### NCAA PATH TO FEDERAL INVOLVEMENT.

It has been interesting for me to watch this issue unfold. When I first started in my position 5 years ago after a number of years on the enforcement staff, the NCAA was already well aware of the direct threat sports wagering poses to intercollegiate contests. From the 1950s and the City College of New York men's basketball team point-shaving scandal to several others that followed in the 1960s, 1970s and 1980s,

the Association maintained an awareness that was largely within the intercollegiate sports community.

In the early 1990s, then NCAA executive director Richard Schultz testified in support of the Professional and Amateur Sports Protection Act that was enacted and is currently in effect. But attention to college student-athletes and sports wagering exploded in the late 1990s with revelations of point shaving scandals on the campuses of Arizona State University and Northwestern University. An audience far larger than the intercollegiate athletics community became concerned about the problem. For the first time, research showed serious links between student-athletes and gambling and that betting reached to those of even younger ages.

We learned that in the Arizona State and Northwestern scandals Nevada casinos were used to legally lay off large bets that could not be accommodated in the illegal world. According to Federal law enforcement officials, more money was wagered in the Arizona State case than on any point-shaving scam in the history of intercollegiate athletics—at a minimum hundreds of thousands of dollars. Further complicating the matter is the money laundering of illegal sports book dollars through legal sports books. Mr. Steve DuCharme, former chair of the Nevada Gaming Control Board, is quoted in a February 1999, *Sports Business Journal* article as saying: “We’ve taken steps to crack down on the amount of illegal money being laundered through legitimate sports books. We really have no way of knowing [how much is laundered through the legal sports books]. Based on transcriptions of wiretaps, it is millions of dollars.”

Legal and illegal sports wagering have been a part of nearly every major collegiate sports wagering scandal. Let me repeat that: legal *and* illegal wagering have been involved and both pose threats to our game. Illegal wagering is a part of the problem. It is not, however, the only problem. Our efforts will only be successful by addressing the whole picture—legal and illegal wagering.

The federally-appointed National Gambling Impact Study Commission issued its final report in June 1999 following 2 years of comprehensive study of all forms of legal gambling activity. The commission’s report included a recommendation that has formed the basis for the legislative proposal before you: to extend the current Federal law banning gambling on amateur sporting events to Nevada.

Let me be clear that the NCAA testified twice before this commission and on neither occasion did the Association suggest a complete ban on sports wagering. We made our Association’s position on gambling clear but in an effort largely directed at raising the Commission’s awareness of the problems associated with sports wagering did not take the step of proposing a ban. Even so, without a request from the NCAA, without urging, the commission made the recommendation based on a volume of testimony on the problems associated with gambling and young people.

And that is how we’ve become so involved in the very political process of trying to get Federal legislation passed, a process that is very unfamiliar to us. What has been most interesting to me has been to watch what began as a proposal to extend a ban on legal betting on amateur athletics—doing what is right for student-athletes and the college game—escalate into a battle about everything but the merits of the bill. Those who oppose the legislation will go to any lengths to divert discussion from problems associated with legal gaming and place blame for all illegal sports wagering on college and universities. There is seemingly no end to these far-fetched attempts. But we are not here to argue with the casino industry. There are philosophical differences that will never be bridged.

For the NCAA, this is about doing what is right for our student-athletes and the college game.

We have been criticized repeatedly because of the size of our gambling staff and the budget dedicated to the program. Approximately 94 percent of all NCAA revenues, including monies that will be received from the \$6 billion CBS contract, are returned to the college and universities that are members of the Association. Those revenues help support the 363,000 participation opportunities for men and women on campus. There are currently three gambling staff members with an additional member to join soon and that staff operates similarly to others at the NCAA national headquarters. It is imperative in an association such as ours that our member institutions police their own campuses by knowing the rules, by educating and by self-policing. That is how a private, nonprofit association works. Our gambling staff provides the framework and many of the tools, but we count on others to implement what we put in place.

#### LEGAL AND ILLEGAL SPORTS WAGERING.

As I mentioned previously, the NCAA believes that efforts are needed to address legal and illegal sports wagering. The presence of any sports wagering, whether

legal or illegal, potentially threatens our contests. Our games should be viewed for the spontaneous action that occurs, not because one has money wagered on the outcome. Having said that, the Association is concerned that legal collegiate wagering fuels much larger illegal collegiate wagering, which now is impacting youngsters under 18. A 1999 Gallup Poll showed that teenagers begin wagering on college sports as young as 10 years old. The poll also showed that 18 percent of teenage respondents said they had bet college sports, contrasting with 9 percent of adults who wagered on college games.

The economic argument about impact on Nevada forwarded by opponents of The Amateur Sports Integrity Act is not supported by the facts. In 2000, approximately \$2.3 billion was wagered in Nevada sports books. Casinos retained \$124 million or about 5.33 percent of the total amount wagered on sports. Mr. DuCharme has said the amount kept by casinos on sports wagering is "very small" compared to other casino games. And, the amount wagered on college sports is only a little more than one-third of the total. Total revenues for casinos were \$9.6 billion in 2000. It follows, then, that elimination of collegiate sports wagering would have little impact on State revenues or the bottom line of casinos. The amount bet on college sports is reportedly only four-tenths of 1 percent of overall casino revenues.

The image of legal sports wagering makes far more of an impression on the general public, however, than the dollars spent. Legal wagering fosters an attitude and mindset that any wagering is OK. We have reached the point today that young and old alike believe that wagering is acceptable. This acceptance isn't because of the illegal wagering that occurs. We've arrived at this belief because wagering is positioned as glamorous, sexy and cool. That kind of message has a huge impact.

We have heard the arguments that the system in place in Nevada provides protections and security measures for the industry. Still, in the two cases I cited earlier at least hundreds of thousands of dollars were wagered legally in the point-shaving cases. Though valuable afterward in investigating the point-shaving incidents, the measures did not prevent them from occurring. It would be much more helpful for us to do what is right for student-athletes and the college game and ban all legal gambling on college sports events. We have enough faith in Americans to believe that those who wager legally will not race to wager illegally.

H.R. 641 AND S. 338.

The NCAA supports closer scrutiny of illegal wagering and encourages increased efforts by law enforcement to ensure compliance with Federal and State gambling laws. We encourage harsher sentencing for these crimes, which will help law enforcement make illegal gambling a priority. We do not, however, support H.R. 641 or S. 338, The National Collegiate and Amateur Athletic Protection Act of 2001.

Certainly, there are elements of the bill the NCAA favors. In fact, some sections are similar to recommendations the NCAA made to the National Gambling Impact Study Commission. For example, in January 1999, the NCAA recommended that penalties be increased for violating Federal sports gambling statutes, which also is part of The National Collegiate and Amateur Athletic Protection Act of 2001.

Colleges and universities are addressing illegal gambling issues and they should expand what they are doing. But it makes no sense to threaten loss of all Federal funding—including grants that go directly to students—and impedes privacy rights to accomplish that goal. The legislation would require that colleges and universities monitor student and staff use of the Internet to determine who is gambling and to report that information to the Federal Government. It is simply wrong to assume that the NCAA and colleges and universities are responsible for illegal gambling activity in this country and that those same groups can single-handedly wipe it out. If that were the case, then certainly we would have taken steps to make that happen. The proposed National Collegiate and Amateur Athletic Protection Act of 2001 punishes colleges and universities simply for having the courage to speak against the powerful Nevada gambling industry and assumes that illegal gambling activity occurs only on college campuses. That is simply ridiculous.

#### CONCLUSION

The NCAA's strategy to attack problems associated with wagering on college sports is multi-focused. We continue to carry the message that sports wagering is an issue for our student-athletes and we have worked diligently to educate them about the problem. But we need assistance. We believe the loophole that allows wagering on college sports in Nevada should be closed; we need to encourage enforcement of existing laws regarding illegal gambling; and we believe legislation is needed to prohibit gambling over the Internet.

The system of intercollegiate athletics we have is unique to the world. We must do everything we can to protect the rich heritage, tradition and integrity of intercollegiate competition. The Professional and Amateur Sports Protection Act has successfully stopped the growth of state-sponsored amateur sports gambling. But we need to close the lone remaining loophole. We need to do what is right for the college game and what is right for our student-athletes and make gambling on college sports illegal everywhere all of the time.

Senator ENSIGN. Thank you all for your testimony. I have a few questions myself here.

First of all, Mr. Saum, do you or the NCAA or anyone else that is testifying in favor of this bill here today, do any of you have any medical experts, or any scientific evidence that would contradict what Dr. Shaffer has said today? We have two medical experts so far testifying that this bill basically will do nothing to curb gambling, the illegal gambling especially, that's going on on our college campuses, which we all agree, without question, is the biggest problem. Do you have any medical experts and if so why didn't they testify today?

Mr. SAUM. Well, actually I'm not sure that we have said illegal gambling is the biggest problem, but our position is is any type of gambling, legal or illegal is the biggest problem.

Senator ENSIGN. The question was, do you have medical or scientific experts that will testify or that can get us testimony that will contradict what really two of the leading experts on gambling addiction and gambling problems in America have said and that is that this bill will do nothing except make the problem worse. Do you have medical experts or scientific experts who will contradict that testimony?

Mr. SAUM. Well, I have been a several-year acquaintance, friend, and business associate of Dr. Shaffer and have a great deal of respect for him. I think I've read most of his studies on gambling and youth, et cetera. I'm not familiar of any study that he has conducted on the topic that we're talking about here, removing legal sports wagers.

Senator ENSIGN. And he is an expert in this field and his testimony today said that this bill will do nothing except maybe make worse the problem that currently exists today that we're all worried about. My question, do any of you have any medical experts or scientific experts who will testify or that you know about who will contradict that expert scientific statement.

Mr. ADAMS. Senator, I would say with all due respect, that's a little bit of a crystal ball question because what we're talking about is the current climate, and research in the current climate, I would argue with you, would be different if we were able to change the climate down the road. And I think that's basically what we're talking about here today. I think college students participate less in illegal drug use because they know it's illegal. And what we're doing right now on the issue of gambling is we're sending fuzzy, inconclusive, and sometimes contradictory messages to these young people about the legitimacy of gambling. I would argue with you that if he were to come back and to conduct this research 5 years down the road after this bill were put in place a different result would ensue.

Senator ENSIGN. Dr. Adams, are you an expert on the gambling addiction?

Mr. ADAMS. I have not claimed to be.

Senator ENSIGN. I did not think so.

Mr. ADAMS. But I do think the culture would be different.

Senator ENSIGN. Dr. Adams, our expert today, I asked you if you had any experts on your side that could contradict an expert that is contradicting what you said, and what is he going—and by the way, I'm a veterinarian so I have a little bit of understanding of the scientific process myself. You don't only look prospectively, you look retrospectively. What he testified today is he was looking retrospectively at other gambling problems. Remember, the Las Vegas books have only been there since 1975. You can look retrospectively beyond that period, but you can also look at other types of addictive type of behavior like alcoholism during prohibition. And that's some of the testimony he was talking about today.

My question is do you have any testimony, and obviously I'm guessing because you haven't come up with any that the answer is no.

Yes, Dr. Hartle.

Dr. HARTLE. Yes, I obviously have deep respect for anybody who is an academic Ph.D. or a medical, veterinarian Ph.D. as well. What our expertise is in dealing with the students, and what we would say is that almost every coach you have heard from, every college university president I have talked to and I believe every one that Dr. Adams and Dr. Friday have talked to, every college and university trustee, people who deal with students on a day-to-day basis, will tell you this is a first and essential step. I believe this evidence is just as good and just as important to the Committee, indeed probably more important, than an academic study that is not totally on point.

Senator ENSIGN. What scientific evidence do you have?

Dr. HARTLE. The day-to-day interaction with students, of presidents, coaches, athletics directors—

Senator ENSIGN. I said scientific study. You have none.

Dr. HARTLE. Well—

Senator ENSIGN. You have none. You have no scientific study.

Dr. HARTLE. The answer you want is we do not have any and—

Senator ENSIGN. Thank you.

Dr. HARTLE [continuing]. And based on the answer you want, we don't have any.

Senator ENSIGN. Thank you.

Dr. HARTLE. We do have plenty—

Senator ENSIGN. I want to point Dr. Adams—

Dr. HARTLE [continuing]. We do have plenty of evidence to make the case just—

Senator ENSIGN. You do not have scientific evidence though. Scientific evidence is different than anecdotal evidence. Dr. Adams, what is the University of Georgia doing to curb gambling. We're talking about mixed messages. What programs do you have in effect not only for your student athletes, but for the general population.

Dr. ADAMS. Well, we do have programs at orientation, Senator, that deal with gambling, with alcohol, illicit drug use across the board and the incoming students are made aware of those concerns. We also have a number of programs directed specifically at



our student athletes. We do bring back to campus those that have been addicted to excess active gambling. We have them talk to student athletes. We participate in the NCAA program that the NCAA representative has already mentioned, and we make clear to all of our student athletes the dangers in this area.

Senator ENSIGN. So you feel like you monitor this thing fairly closely, and you have a policy, correct, of expelling students if they are involved in illegal gambling activities or student athletes.

Dr. ADAMS. I'm not aware of the specific regulation to which you speak—

Senator ENSIGN. I'm talking about your own campus. You're not aware—

Dr. ADAMS. I would certainly think if a student athletes were involved in this kind of activity, the coach would dismiss him to start with.

Senator ENSIGN. And you're aware of the studies, NCAA, University of Michigan studies, about the numbers of athletes that are gambling?

Dr. ADAMS. I am.

Senator ENSIGN. Have you ever expelled anybody or have you ever found any of your athletes that are gambling.

Dr. ADAMS. Thankfully not, and I hope it doesn't come to that, but I do think there's a heightened awareness today of the issues, Senator.

Senator ENSIGN. Based on the statistics, do you think that University of Georgia athletes are gambling on sports?

Dr. ADAMS. Well, I don't know the answer to that. I certainly hope not. I have no indication that they are.

Senator ENSIGN. OK. I just want to point something out to you. If you look at the visual over here, it's pretty hard to read but we'll get you a copy of this. This is via the University of Georgia official Web site. You allow students to have their Web sites tied to your Web sites. And the bottom line is that this is one of your students, OK?

And on this student's Web site, is a link to an offshore betting site. So you may want to look into that yourself because I believe that that's kind of a mixed message that you're sending to the University of Georgia.

Dr. ADAMS. Well, I don't believe we're sending that message, Senator. It would be pretty hard for me to control the individual actions of 33,000 students and 10,000 employees. But I don't think there's any doubt what the institutional policy would be. This Web site connection is certainly not initiated by the university or any official representative of it.

Senator ENSIGN. I never suggested it was. I'm just saying policing, part of University's responsibility is policing. If we're going to do things about—all we're suggesting is that the NCAA and its member institutions need to do a better job. I think that's what Mr. Looney was saying. If you heard his testimony, another expert in the field, he is saying that the universities, the NCAA are not doing enough today.

Dr. ADAMS. Well, now we have a point, Senator, on which we can agree, and I would certainly affiliate myself with those remarks, but I also think with all due respect the Congress has an oppor-

tunity to help us create a backdrop that would make that sort of intervention on the part of college college and university administrators more effective and to go directly to the problem, rather than to send the kind of mixed messages that we're now sending.

Senator ENSIGN. And I would agree once again with your statement. The disagreement I would have is this legislation doesn't do what you want. What you want is we've got to do something about the illegal gambling because that's where the problem is, and it is the Congress's responsibility to help, because the states, universities, the NCAA cannot deal with that problem by itself, and that's why Senator Reid and I have proposed legislation to do exactly what you've talked about, and that's to go after the problem.

Senator Brownback.

Senator BROWNBACK. Maybe what we can do is find more, fund some studies about the overall addictive impacts of gambling and the problems we're having of addictive gambling across the country. I think those would be well worth it. We've got a number of studies we've been working off of. University of Michigan did a study of coaches—excuse me, not coaches, referees that were betting on games. A number of them said that it affected their calls. We've got that study. We've got another, I think University of Michigan study that looked at the players and the students' involvement in that.

That's a study that has frequently been cited. But I would certainly support additional, if we want to have additional studies from the Federal Government, I think we've got a big problem here. I think Dr. Shaffer was testifying about the problem of youth gambling and we've got an enormous amount of addiction that's taking place in this country and it's hurting us. It's hurting our kids. I haven't heard any testimony that counters that. Now, that's I think maybe a broader issue than what we're about on this particular bill this year.

Senator ENSIGN. Sir, if you would yield, I think you make a very valid point and that's some of—you weren't here for Mr. Looney's testimony on that but that's some of the stuff that he was alluding to earlier as well.

Senator BROWNBACK. Which I would certainly support that, because I think we've got a big problem. And we're seeing some of the manifestations of it taking place here. And I think that's why, I respect the fervor of everybody's opinion and feel for this, but what we're getting is all these coaches and players and university presidents saying we've got a problem here and we're confronting it regularly and now we grasp for how do we start to deal with this.

I think this is a legitimate way to deal with it. Now, others would say not, but to the extent, if we need to and I think it would be wise to document the fuller nature of the problem, I'd be all for that and we can put some amendments forward even maybe on the education bill to authorize that. I don't think anybody would be opposed to greater review of what this problem is.

Mr. Looney, I'm going to ask a question of Mr. Saum unless you wanted to speak on this point.

Mr. LOONEY. I just wanted to say that at the root of every kind of gambling activity is usually compulsive gambling. Eighty percent of the people can gamble and kids will gamble, they are going to

gamble and get through it with no problem. Ten to fifteen are going to have some problems with it. Now, 5 percent become addicted. Now, I was at a college when Bill had three of the people that were caught in this gambling fix, they were going around to the colleges and talking and I happened to talk to all three of them. I know for a fact that two of those gentleman are compulsive gamblers. There was no college campus policy set in place to help them with their addiction. So I think these are the things we need to do. Because we have a responsibility to take care of people who are sick, and many times young people involved in these fixes, they are compulsive gamblers.

What we need to do is have a policy in place in colleges where they could be referred to professionals, get evaluated, find out for a fact they are compulsive gamblers, get them into treatment. Compulsive gambling is a treatable illness.

Senator BROWNBAC. It would be. Now you're speaking contrary to the coaches we've had testify, which the coaches have said I'm always getting probed for information, I'm being harassed about this, I'm having to protect my players. Remember, the coach is acting like a parent over the players and they are really trying to protect them and they are seeing this constant push here by billions of dollars being bet.

Mr. Saum, there's been a pretty rough criticism, I think unduly sown although there's a good positive side effect, it causes people to do more, of the NCAA not doing enough to prevent illegal gambling on college campuses. But you've taken upon yourself to make some efforts and I think you've stepped up some efforts. Could you identify what those are or even if you—I've seen previous advertising or PSAs that you've required the network that carries your sports events to put on.

Mr. SAUM. Well, Senator, after hearing today that we do nothing at the NCAA, I'm hopeful this public hearing doesn't get back to my wife and three kids, because they are going to ask me what I've been doing for the last 5 years. We do have public service announcements. I don't know if it's appropriate or not to show. We have the arrangement to show it here. It would take about a minute and 12 seconds if the Senators would like to see it.

Senator BROWNBAC. Yeah, sure, put it on.

Mr. SAUM. These are public service announcements that.

Senator BROWNBAC. When do they show Saum Sam that ran during the men's and women's basketball tournament?

Senator ENSIGN. Yeah, and I actually saw this and I was glad and I agree with Senator Brownback, I'm glad that you're doing more.

Mr. SAUM. This is our women's PSA.

[Videos played.]

Mr. SAUM. Senator, I'd also like to point out that while actually I enjoy the criticism, because we look in the mirror and it's a healthy thing for all of us to do I think, these PSAs have ran way before the casino industry or the U.S. Senate took any interest in sports wagering issues. So the NCAA has been doing this for many, many years. Other ideas and educational materials that we've done over the past several years we have developed a poster, and it ap-

pears in our locker room. We've actually upgraded that post tier, we have one for males and one for females, so we're more directive.

You heard Titus Ivory say earlier today that he saw those in his locker room. We have, this public service announcement was put on beta tape and sent to school in the NCAA to use on their coaches shows and in their stadiums and arenas. We also developed a relationship with the national endowment for financial education. It's about a 40-page booklet that deals with financial education and sports wagering, and that was distributed to every student athlete in the NCAA at all three divisions.

We've met continuously with our national student athlete advisory council groups. We've met with our coaches' associations. I, myself and an FBI agent make a personal presentation to the four teams at the men's Final Four, to the four teams at the hockey Frozen Four. My associate, Dina Gardner, met with the women's Final Four teams this year, and last spring and this spring we will meet with the College World Series eight final teams.

We also have a program where we conduct background checks on our men's and women's basketball officials, and we have met with the official at the Frozen Four, at the College World Series, and at the women's Final Four.

Those are just several of our educational programs. We have implemented our curriculum into our yes clinics that we put on for young Americans at all of our championship sites, and we also have a program that is called life skills, and gambling is now a chapter in that. So I appreciate others' comments but I think they are uninformed. Can we do more, absolutely.

And one other thought I'd like to share with you you, Senator Brownback, and I'm sure the Senator from Nevada, say with great respect for his medical background, would understand that any time a researcher puts his point of view out there, any conflict of interest should be put out there aligned with that, and I think for the record we should understand that Howard Shaffer excepts tens of thousands of dollars if not hundreds of thousands of dollars from the casino industry.

Senator ENSIGN. Just to make one comment on that, Senator Brownback.

Senator BROWNBACK. Let me finish up, if I could—

Senator ENSIGN. Hold on. People have been asking the gaming industry to do something about their, in other words part of their responsibilities, like they've been asking you to do things about your responsibilities with the NCAA. People have been asking the gaming industry to do something about their contribution to gambling addiction, and so what they are doing, they are funding some people, some organizations, but they have nothing to do with them.

They are sending money to make sure that they are being responsible. But that doesn't mean that they control any kind of research or any kind of statement financially, they are just doing part of the job that people have been asking them to do. And then to criticize them, you know, you put them in a no-win situation. I think that that's very unfair.

Senator BROWNBACK. Well, if I could get the floor back, I think it is fair to reveal what the sources are. I'm not accusing anyone of questioning their academic sincerity or ability or what they put

forward, nor would I suggest that of Dr. Shaffer who remains in the room, and I appreciate his testimony.

What I want to finish up with is the point that I've started with and with Dr. Shaffer, we've got an epidemic problem now in the country and we're seeing the manifestation of it here at this very high-level visible point and we're trying to deal with it. We may have to, at some point here, we probably should drop back and see how we deal with this epidemic problem that we have of youth gambling and compulsiveness that's hooking our youth in this country. This is a terrible situation. I think the bill should move forward, I hope we can move forward with more independently funded, government funded studies. I'd hoped the gaming industry would step forward with its own set of PSAs saying we don't think these things are right, we want to discourage compulsive gambling from taking place.

I have personally witnessed individuals getting caught in this mental game, and it is terribly destructive, what happens. And I think as gaming has expanded across the country, we need to step up and recognize that this problem has occurred and we need to deal with it.

Dr. Friday, if you'd like to comment, then I'll yield back.

Dr. FRIDAY. I don't want either one of you to leave without knowing that the American Council on Education, the NCAA, the Knight Commission, and many college presidents are getting together, looking at these kinds of problems quite seriously, looking at things we can do ourselves. Please understand though that our study of this whole question in the context of intercollegiate sports in this country clearly demonstrates that we have changed the culture in the last 10 years in the United States because of the presence of so much money, and we're dealing with a mass active problem here. Gambling is one piece of it, but there are many other aspects of it that we are trying very hard, now this group of very responsible people, to come forward in a few weeks with a document that will speak to the very context you're talking about, Senator Brownback. And I want you to know and take courage in the fact that there is responsible action here meeting its obligations. But it's a problem that has got to reach farther into society than just college presidents and trustees. It needs to be looked at as a major society issue. We made sports a religion in this country, and that's what we're talking about.

Senator BROWNBACK. Thank you Mr. Chairman.

Senator ENSIGN. Thank you, Senator. Dr. Friday, I want to follow up on that briefly, and Mr. Saum, you're one of four people who are dealing with gambling, who are also dealing with agents, correct? You're over agents, correct? Those same people deal with both.

Mr. SAUM. Actually, I work in the enforcement services staff that have about 42 people and all those people are at my disposal. And more importantly, Senator, for one moment, we approach this probably much like you to get elected. We have a grass roots effort. We've educated all the people at president Adams' institution, to use a specific example. His compliance officer, Hoke Wilder, is Georgia's expert on gambling, right, and then they bring those people in. So what we have is tens of thousands of people involved.

Senator ENSIGN. Right, but the four people you mentioned, do they do both gambling and agents or just gambling?

Mr. SAUM. They actually do three things, Senator. They work on international student athlete issues, they work on gambling issues, and they work on sports agent issues.

Senator ENSIGN. Dr. Friday, when you were talking about the problem with money and big-time college athletics today, mainly men's basketball and men's football, although women's basketball is certainly becoming larger and larger. The agent thing is obviously a big problem. I think we're all starting to recognize that. And something the NCAA, and I hope you're adjusting, you're taking kids from the inner city and the rurals sometimes, and this is one of the problems, if you get coaches, not in public, but you take them aside and they will say one of the biggest problems with the NCAA is some of the incredibly onerous rules, you know, a coach can't even have one of his players over to Christmas dinner. And a lot of these kids are coming, you know, if you've got parents from a rich background, it's one thing. But a lot of these kids are coming from the very poor inner city background and they are expected, you know, to wear a suit and tie and many of them can't even afford it. And it's a situation where the temptations are so great because the universities make a lot of money, the coaches make a lot of money, the NCAA gets a lot of money back, but these kids—do any of you now, do any of you want to comment on the graduation rates of student athletes at these big, especially at the successful programs, as far as the graduation rates? In other words, these kids are being taken advantage of.

They are not sharing in the money because a small percentage of them actually go on to the pot of gold at the end of the rainbow. It's a very small percentage of them, it's less than half of them that are actually going on to argued, unless you have people like Joe Paterno who need to be complimented for the type of graduation rates he has. But most of them are not like that. And these kids are being taken care of.

Mr. FRIDAY. Our stats show that one out of 100 ever make a living at professional sport once they leave the campus, graduate or not. That's why we are very concerned at our campus about what happens to this young person, staying there, if he goes, he comes back and finishes his degree work. We try to insist on that. But president Adams can give you some other case histories too.

Senator ENSIGN. But doesn't this seem to be a bigger part of the problem?

Mr. FRIDAY. Sure it is.

Senator ENSIGN. It fosters the environment for the illegal bookies to come in.

Mr. FRIDAY. I saw a story in the Boston Globe that the showed that in the recent 64 teams in the NCAA competition in basketball, 24 of them had a graduation rate below 45 percent. That's got to be looked at. You shouldn't be allowed to make, I think post season play without meeting a certain graduation rate.

Mr. SAUM. All right. I think now we are to the point, Senator that you really are preaching to the choir. We're here because we agree with you that those are the kind of issues that need to be addressed. Again with all due respect, I do think the NCAA has

made some real progress the last few years. We do now have funds whereby we can deal with the kind of issues with poor students you talked about. There are pools whereby we can buy physical necessities, clothes et cetera, take care of a plane ticket home to a funeral that a student athlete needs. They can now get jobs making up to \$2,000 a year as the NCAA participant mentioned this morning. We are moving down the road to—

Senator ENSIGN. Just go back to that job again. When I was going to college I remember watching these kids, and like when are they going to get a job, from 9:30, 10 at night after their studies are done until 3:00 in the morning? Because they are practicing or going to school or studying the rest of the time.

Mr. SAUM. Many of these are now off-season opportunities that are available that were heretofore not available, and we are moving in the direction of addressing some of those issues that you raise. The University of Georgia football team led the SEC in graduation rates this last year. Many of us are working very hard in those areas. We are not yet where we need to be, but the people on this panel are the very ones that are trying to work with you and address these climate kind of issues, and again with all due respect, I don't think this is a legal or illegal issue. It's a cultural and a climate issue, and that's what we're asking for help in changing.

Senator ENSIGN. I guess what we can do as we conclude today, and I want to just thank all of you for coming and your testimony, I guess first of all we'll have to agree to disagree as far as what the solution to the problem. We obviously have a pretty strong disagreement here. Having said that, however, I think that some positives can come out of these hearings. I think that, first of all, and I've been the first one since I've criticized, so don't feel bad, I've criticized the NCAA, I've also criticized the gaming industry for some of the things that they haven't done in the past on doing something about cleaning up their own back yard. You know, when the tobacco industry got up before Congress and said it's not addictive, you know, we all thought that was ridiculous. For gambling, for a small percentage of the population is addictive, it is a problem, the gaming industry should do its part. There are problems at your universities, you know the problems, we need to address more of them. I agree with Senator Brownback and with Dr. Shaffer was talking about about us doing some more studies and really coming up with some of the roots, because I did not think the legislation today is going to go after what you all are talking about and it's simply because of the pervasiveness of illegal and offshore betting, which is going to be there regardless of whether the McCain bill goes through or not. So I want to thank everybody and call this meeting adjourned.

With that, I'll adjourn the meeting.

[Whereupon, at 1:13 p.m., the hearing was adjourned.]





## A P P E N D I X

### PREPARED STATEMENT OF LOU HOLTZ, HEAD FOOTBALL COACH, UNIVERSITY OF SOUTH CAROLINA

Mr. Chairman, distinguished Members of the committee, I truly appreciate the opportunity to submit testimony for the record to the Committee today. Last summer, I had the opportunity to appear before the House Judiciary Committee as a witness on this same subject. Several individuals appeared before that Committee and eloquently presented their points of view. After listening to so many educated people express their points of view in such a convincing manner, I now understand that this is not a situation where one side has all the correct answers. Although, I respect the opinions of the people who favor the status quo, I firmly believe that eliminating an individual's legal opportunity to bet on a college football game is an absolute necessity. I arrive at this conclusion based on 40 years as a college coach and as an educator.

Washington, we have a problem.

The only possible solution is for Congress to pass legislation to prohibit legal gambling on college sports. I do not say this without a great deal of thought and meditation. Las Vegas is one of my favorite cities in the world. There is a reason why it is the fastest growing community in America, one of the most popular tourist spots, and an overwhelming favorite location for national conventions and conferences. I enjoy visiting there. But my reasons for supporting S. 718 are many and varied.

As the University of South Carolina football Coach, I can assure you of my genuine concern about gambling on college sports. We do everything we can to eliminate and educate our football players about it. But then you ask yourself, is this enough? I have been deeply affected by the recent scandal at Northwestern. I asked myself, how could Kevin Pendergast be involved in a point-shaving scheme at Northwestern? After talking to his family, I still do not know. I have heard his name bandied about as this issue is discussed. To my knowledge, no one has talked about his background. If you would indulge me and be kind enough, I would like to give you a few facts about a beautiful and talented young man who went astray.

It was 1992, Kevin Pendergast was a senior soccer player at Notre Dame. I had never met him. Late in the year when Notre Dame was playing Tennessee, we lost a great kicker by the name of Craig Hendrick, who is an all-pro punter to this day, with a leg injury. The following day the soccer coach called and reminded me that Kevin Pendergast could be a good kicker. We accepted him on the team, but for the next four games he never appeared in a game.

We accepted a Sugar Bowl bid to play a great University of Florida team. Craig Hendrick would be able to kick in the game. We took only one kicker with us to New Orleans. Four days before the game, my daughter visited the University of Notre Dame and was out socializing when she ran into a fellow student, Kevin Pendergast's brother. My daughter then informed me that Kevin's mother had cancer and was not doing very well. I said out of compassion, "Let's bring Kevin down for the game. It would be good for him, but more importantly, it would be good for his mother." We called, he came, he dressed.

Just before the half, Craig Hendrick was injured once again. Kevin was our only kicker. I was asked by ABC TV what would I do in the event of a field goal the second half and I said, "we have no kicker. If you see us line up for a field goal, you will know it is a fake."

We were down by 10 at the half but made a great comeback. We scored 32 second half points, and Kevin Pendergast kicked two critical field goals, made every single extra point, and was the hero of the football game. This exceptional performance from an individual who 4 days before had not even been a member of our football team. Kevin's mother died shortly after the outcome of the game. Kevin asked for a fifth year at the University of Notre Dame, which was granted. He kicked for us his last year.

When I think about Kevin Pendergast, I do not think about the games he won. Instead, I think about him as a talented, witty, caring individual with morals and

values. In addition, he could do a Ross Perot imitation that was worthy of being on prime time TV. I looked forward to following his success.

Four years later, he is in jail. Where did he go wrong? I do not know. However, he did say this point-shaving incident could have never happened had he not had the opportunity to place the bet legally in Vegas. It was the only place that would have covered a bet that large.

I am a great believer that life is a matter of choices and choices have consequences. Kevin made the wrong choice, as did the basketball players who shaved points. Their lives will never be the same. Did legalized gambling force Kevin to do this? Absolutely not. However, I do believe that the choice and the opportunity to cheat a system and make some easy money was very enticing. This decision has been made by people far too frequently.

People in general, and college students in particular, have the belief that betting on college athletics is OK because it is legal in Nevada. And it is not just confined to the athletes, it is shared by the student body as well. We have a problem with gambling on college sports. Many people have ruined their lives because they have over-gambled and got themselves in a situation where there is no other way out.

We will do a great disservice to the youth of this country if we do not take action now. To make it illegal to bet on college athletics will not completely solve the problem. We must stop all betting on the Internet as well. I see no way that curbing betting on college sports can be accomplished without taking the first step to make betting on college athletics illegal in Nevada. If it is illegal to bet on college athletics in 49 States, why isn't it in the 50th State as well?

As a football coach, I have witnessed our football players be idolized, praised, and cheered after a win. I have also witnessed them being ridiculed, demonized, and ostracized after a win. The only difference was in one case we covered the point spread, in the other we did not. I think that we have to do everything we can to remove this temptation and to stop the pressure this betting places on our young people.

I will not take your valuable time to delve into all the important reasons why this bill should be passed, such as the integrity of the game, the importance of getting the point spreads off the sports page, and the fact that the National Gambling Impact Study Commission recommended that we ban betting on college sports. There are other important reasons as well. I will simply close with a phrase that I learned years ago and have observed as absolute truth through the years: abuse leads to restriction.

We need restrictions because of the abuse that has resulted from legal betting on college sports—college students and athletes are the victims. Harry Truman, one of my heroes, said "The freedom to swing your fist ends where the other guy's nose begins." The freedom to bet on athletic events should stop when college contests start. The fact that many college students' lives have been altered for the worst because of gambling cannot be disputed. However, it must be prevented. College sports is too important to the fabric of our society to jeopardize it. I urge this Committee to move quickly and pass S. 718.

I thank you for this opportunity.

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PREPARED STATEMENT OF CHARLES J. HYNES, DISTRICT ATTORNEY,  
KINGS COUNTY, NEW YORK

Mr. Chairman, and Members of the Committee. Thank you for giving me this opportunity to submit my views on S. 718, the Amateur Sports Integrity Act.

I am the District Attorney of Kings County, New York, also known as Brooklyn, New York, one of the five boroughs of New York City. Brooklyn has a population of nearly two-and-a-half-million people and is the seventh largest county in the United States and the largest county in New York State. I have been the elected District Attorney of Kings County since January 1990.

Since I became District Attorney I have presided over annual gambling raids known as "Operation Kings Flush" (an acronym which refers to gambling and Kings County), which take place just prior to Super Bowl Sunday of each year. I have chosen Super Bowl Sunday to dramatize the enormous sums of money that flow to organized crime as a result of illegal gambling operations. Here is a sample of what we recovered in just the past 3 years.

In January 1999, we raided eight illegal wagering sites in Brooklyn and Staten Island, New York, and seized betting slips valued at \$200,000, \$15,000 in cash and equipment that included computers, calculators, recording machines and telephones. Our analysis of the total amount of betting slips recovered, and information gathered by electronic surveillance, showed that this operation was capable of handling

more than \$100 million a year in illicit bets. The ten defendants arrested in this sweep were charged with felonies carrying a prison sentence of up to 4 years.

In January 2000, we raided illegal sports betting locations in Brooklyn and Queens, New York. We seized betting slips in excess of \$100,000, \$15,500 in cash, and television sets, telephones, recording machines, computers, calculators and shredders. These locations, some taking in \$50,000 per day, had a potential of handling more than \$65 million per year in illegal wagering.

In January 2001, Operation Kings Flush focused on a mob controlled organization that operated in Brooklyn and Staten Island. A task force of 75 police officers from the Brooklyn District Attorney's Office and the New York City Police Department raided seven wire rooms and six homes of bosses and managers of illegal gambling operations. The raiders seized betting slips in excess of \$90,000, \$40,000 in cash and telephones, recording machines, calculators and computers. It was estimated that these operations handled \$30 million in illegal bets each year. The Brooklyn District Attorney's Office filed a \$3.8 million civil lawsuit against the bosses and managers of this operation, seeking forfeiture of their illegal gains.

Since the inception of the Kings Flush Program, we executed over 100 search warrants, we have arrested over 200 people and seized profits of over \$3 million in forfeitures. If all of the records of these operations were tallied, the total receipts for these gambling operations over the past 10 years would be in excess of \$1 billion.

This staggering amount of revenue generated in the criminal world is of enormous benefit to organized crime operations. It is used to fund all other enterprises of organized crime, including stock market scams, loan sharking, narcotics, labor racketeering and mob-dominated construction projects.

Although S. 718 has the well-intentioned purpose of addressing a serious problem on our college campuses, I am constrained to say that a prohibition against legal amateur sports betting in Nevada would have the detrimental effect of increasing revenues for organized crime and not ending the practices of influence peddling on college campuses. I do not believe that the elimination of Nevada sports books will stop college athletes from being induced into fixing games, nor will it end the proliferation of gambling on college campuses.

As a lifetime career prosecutor, which includes having been Chief of the Rackets Bureau of the Kings County District Attorney's Office, as well as District Attorney, I am fully committed to fighting illegal gambling and all of the crime that is spawned by it.

Let us not increase the cash cow of organized crime by eliminating legal amateur sports betting. Let us strengthen our efforts to prosecute organized crime and let us educate our young people about the dangers of gambling, as we do about the dangers of drug abuse.

I am ready to assist the Committee in its efforts to address this very serious problem.

Thank you.

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UNIVERSITY OF NORTH CAROLINA,  
April 20, 2001.

Hon. JOHN MCCAIN, *Chairman,*  
*Senate Commerce Committee*

DEAR SENATOR MCCAIN: I am writing; to express my support for the legislation you and Senator Brownback have introduced to extend the ban on betting on college and amateur sporting to every State.

In 1992, the Congress enacted legislation to prohibit gambling on amateur sporting events. It seems to me that if a matter is serious enough to merit a Federal ban, the ban should apply to all States. Of course, from my point of view, if there is opposition to this legislation for all States to be included, you should draw up the legislation to allow any State the same benefit as Nevada if the State chose.

The printing of point spreads in newspapers has long been a problem to me. In the mid-1980s, I spoke to the Associated Press sports editors on this subject with mixed reviews about point spreads beginning to appear in more and more legitimate newspapers. I should point out that a few days following that talk, I received a call from Ben Bradlee, the courageous publisher of *The Washington Post*, in which he wanted to know more about the problem. He indicated at that time that they would not print point spreads on college games, and *The Washington Post* has continued that courageous policy. I realize that you cannot stop newspapers from printing what they wish to print, but it does not seem correct to promote illegal betting odds in a daily newspaper. As Indiana coach Bobby Knight once said, there are no papers of which he was aware that print the telephone numbers of prostitutes where pros-

titution is against the law. Perhaps with the passing of this legislation, we would have a better stance in encouraging the removal of point spreads from our daily papers, which does encourage gambling on college games.

I am not naive enough to think that closing the Nevada exemption will end gambling on amateur contests nor even ensure that scandals will not happen, but it could reduce the potential for corruption of young athletes and the staining of schools' reputations. I urge the Senate to act on this important legislation in this Congress.

Sincerely,

DEAN SMITH,  
*Men's Basketball.*

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PREPARED STATEMENT OF NANCY PRICE, NORTH LAS VEGAS, NEVADA

My name is Nancy Price, I served as Regent of the University and Community College System of Nevada for 6 year. I support S. 718. On March 2, 2001, I testified against a resolution to Congress by the Nevada Legislature AJR 2. The following is a handout given to the committee. Frank Fahrenkopf, president of the American Gaming Association says there is a great deal of disinformation given to Congress. Brian Sandoval Chairman, Nevada Gaming Commission and former legislator refers to myths. There are basically six areas of disagreement and interpretation outlined in the handout. Nevada Gaming Control and the gambling industry are in lockstep. The legislature followed unanimously, but not without hearing another side—from the “soccer moms.” There is another view on this issue in Nevada.

Please take a moment to review the counter arguments to the gaming industry and gaming control in Nevada. Thank you.

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JOINT MEETING OF THE ASSEMBLY COMMITTEE ON JUDICIARY AND SENATE COMMITTEE  
ON JUDICIARY ON A.J.R. 2, MARCH 2, 2001

(By Nancy Price, Former Nevada Regent)

*Urges Congress to refrain from enacting measure to repeal ability of Nevada to license and regulate sports wagering in its current form.*

*It's not the facts that matter; it's the interpretation of facts that move men. Aristotle.*

*Myth #1. Advocates of the ban are the radical religious right.*

Most agree that if the betting ban bills get to the floor of Congress, they will pass with bipartisan support from across the country. That doesn't sound like radical politics; rather it sounds like rational public policy. Gamblers have an understandable interest in defeating the national legislation. Media does as well because of their financial interest. Newspapers print betting lines even though it is illegal in their areas. Enormous amounts of money change hands for advertising. *“It was never intended that the First Amendment could be invoked as protection for the punishment of acts inimical to the peace, good order, and morals of society.” United States Supreme Court (Case outlawing polygamy)*

*Myth #2. Gambling is “gaming” a legitimate entertainment industry.*

If this is true, we don't need gaming control that has come to protect the industry rather than regulate it. Instead look to *State of Nevada v. Rosenthal*—Gaming is a privilege conferred by State and does not carry with it rights inherent in useful trades and occupations. Gambling was further defined as a *“tolerated nuisance.”* How is it that an agency can make it possible for bookies to take bets on UNR and UNLV? Why not the Regents or the legislature?

*Myth #3. Making college betting illegal will not stop the problem.*

If so we don't need lawmakers—just make everything legal. You're legislators, no law involving human behavior ever stops that behavior. Rather the laws you support or do not support make up our country's public policy. What kind of country gambles on its children?

*Myth #4. It's not the legal gambling that's the problem; it's the illegal gambling.*

In 1997 at the American Council on Education, Cedric Dempsey Executive Director of NCAA said that to me; my response, “That's like saying it's o.k. to be hit with a defensive missile; it's only the offensive missile that hurts you.” If you're suicidal over losing everything, the fact that you lost it legally or illegally won't change your predicament. In the movie “Bugsy” Siegle says, “We'll do legally in Nevada what's illegal everyplace else and we'll do it through the government.” You, ladies and gentlemen are the government.

*Myth #5. If you make college sports betting illegal, it will shift to organized crime.*

Where there is legal gambling, there is an increase in illegal gambling according to studies. For an explanation see ex-FBI agent Bill Rohmer's book *The Enforcer*. You're fine in a casino as long as you have money or credit cards. Lose that and you go to the underworld. We act as an incubator for the spread of gambling, and we make it look dignified and invite children.

*Myth #6.* This is a States' rights issue.

Gambling is a State issue within the meaning of the Tenth Amendment to the United States Constitution when you're talking about slot machines; craps; keno, etc. Inter-collegiate sports are inter-state commerce. If not then the 1992 Professional and Amateur Sports Protection Act is unconstitutional. Take it to court.

In *NCAA vs. Tarkanian*, the Nevada legislature passed a bill requiring "due process" from NCAA. As part of the U.S. Supreme Court decision, it said Nevada could not enforce such a law because inter-collegiate athletics is inter-state commerce and therefore Federal jurisdiction. A game between colleges in Connecticut and Wisconsin played in Florida has nothing to do with the jurisdiction of Nevada. Why is it that the gambling industry does not pay for the "fair use" of that game produced with taxpayer money?

Future of gambling—cable through Nevada law.

The X and Y generation want Survivor—reality TV and the gambling industry is ready for the worst case for addiction—alone at home with a credit card betting on every play or inning. But you will feel secure knowing that Nevada Gaming Control and the laws of Nevada protect you.

There is a small window of opportunity to protect amateur athletics. Remember this, Bill Bradley U.S. Senator and NBA basketball player said the following October 1992 in a far more difficult economic climate.

"We all recognize the fiscal constraints under which States operate in these tough economic times," Senator Bradley said, "but we must not forget the consequences of sports betting. Based on what I know about the dangers of sports betting, I am not prepared to risk the values that sports instill in youth just to add a few more dollars to State coffers . . . State-sanctioned sports betting conveys the message that sports are more about money than personal achievement and sportsmanship. In these days of scandal and disillusionment, it is important that our youngsters not receive this message. Sports betting threatens the integrity of and public confidence in professional and amateur team sports, converting sports from wholesome athletic entertainment into a vehicle for gambling. All of this puts undue pressure on players, coaches and officials. Sports would become the gamblers game and not the fans game."

He closed by congratulating his colleagues for acting in the best interest of youngsters and athletes—there was little media coverage—almost none in Nevada where it should have been a big story.

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STATE OF NEVADA GAMING CONTROL BOARD, CARSON CITY, NEVADA  
*May 2, 2001*

Hon. JOHN ENSIGN, AND HON. HARRY REID.

DEAR SENATORS: It has come to my attention that certain Members of Congress are advancing an argument that Nevada played no role in the investigation, prosecution, and ultimate conviction of individuals involved in the Arizona State point shaving scandal. Attached please find an interoffice memorandum that describes the facts pertaining to the role Nevada played in this case. I hope this information is useful. Please contact me if you have any questions regarding this matter.

Sincerely,

DENNIS K. NEILANDER,  
*Chairman.*

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INTEROFFICE MEMORANDUM

To: Paul Stolberg, Agent  
 From: Keith Copher, Chief of Enforcement  
 Subject: Arizona State Basketball Game Fixing Investigation  
 Date: May 8, 2001

This is a brief chronological recap of the GCB's involvement in the investigation of game fixing of Arizona State Basketball games during the 1993/1994 season.

On March 5th 1994, the GCB was called by the Horseshoe Race and Sports Book because of unusual betting observed on the Washington University/Arizona State basketball game. Agents of the Enforcement Division responded and obtained infor-

mation regarding this activity. Joseph Gagliano (later convicted in the case) was identified as a bettor. Agents were then advised that unusual betting activity on the game was taking place at the Mirage. Agents responded, identified and interviewed the bettors. It was learned that these bettors had also placed wagers at the Treasure Island.

Senior Agent Lloyd established a liaison with Arizona law enforcement and the local office of the FBI.

Agent Keeton and I interviewed a number of race and sports book personnel and reviewed surveillance video. The result was the identification of several individuals involved in placing unusual bets on ASU games. Additionally, we identified two other suspicious games involving ASU. We obtained betting records for all 1993/1994 ASU basketball games from the major sports books. Agent Vetter performed financial analysis on this information. All this information was forwarded to the FBI and Arizona law enforcement agencies.

In July 1994, I was contacted by the FBI and told that a Federal Grand Jury would be convened to look into the ASU case. I was asked to provide copies of our reports as well as copies of Agent Vetter's analysis. I was also asked to assist the FBI in obtaining needed casino documents for the grand jury and in arranging interviews of casino personnel.

Several events, including the Oklahoma City Federal Building bombing, precluded the case from going rapidly forward as Special Agents of the FBI received higher priority assignments. However, the FBI continued to develop information from the individuals we had identified. As a result, several cooperating individual's began to identify the key people involved.

In November 1997, I was again contacted by the FBI and requested to assist in serving subpoenas at casinos for casino records.

In late 1997, the basketball players who had been involved admitted that they "fixed" the games for bookies. Indictments and arrests followed with convictions obtained against all those indicated. As late as March 1998, The U.S. Attorney's Office in Phoenix Arizona asked for copies of our case for his trial presentation and served me with a subpoena as a witness. The defendants "made a deal" and the trial did not take place. Our case was closed in December 1998, with the final sentencing for the defendants.

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NATIONAL BASKETBALL ASSOCIATION,  
NATIONAL FOOTBALL LEAGUE,  
NATIONAL HOCKEY LEAGUE,  
MAJOR LEAGUE BASEBALL,  
May 2, 2001.

Hon. JOHN MCCAIN, *Chairman,*  
*Committee on Commerce, Science and Transportation*

DEAR MR. CHAIRMAN: Your Committee recently held a hearing on S. 718, a bill that proposes to end legalized gambling on amateur sports. Currently, under the Professional and Amateur Sports Protection Act of 1992 (PASPA), gambling on both professional and amateur sporting events is illegal in virtually every jurisdiction, with the exception of a sports book in Nevada and a sports lottery on NFL games in Oregon. S. 718 would partially close one of these loopholes, by eliminating the Nevada sports book on amateur games only.

Our leagues support any reasonable effort to control sports betting. Nonetheless, we think that a college-only bill is flawed, and should be amended to prohibit gambling on professional sports as well.

On at least three prior occasions, Congress has addressed the subject of sports gambling, but has never before distinguished between betting on amateur games and betting on professional games. In 1961, Congress maintained parity between amateur and professional sports when it made fixing athletic contests a Federal crime and banned interstate sports wagering over the telephone. The same approach was applied in 1974 when Congress amended the Federal lottery laws to allow States to conduct lotteries, but expressly prohibited sports lotteries.

In 1989, the professional sports leagues, in conjunction with the NCAA, sought an extension of the sports lottery ban to all forms of sports gambling. The legislative effort lasted for 3 years, culminating in the 1992 PASPA law. PASPA obviously made no distinction between professional and amateur athletics, and, indeed, was supported by definitive Congressional findings regarding the pernicious effects of gambling on both professional and amateur sports. When PASPA was considered in the Senate, it passed by 88-5.

Although the movement for PASPA came from the professional leagues, and the Oregon lottery never included college games, the NCAA was an active partner in the effort to enact the 1992 law. On sports gambling, both then and subsequently, the professional leagues and the NCAA have been united.

As we understand it, there are two primary rationales underlying S. 718, both of which are grounded in the report of the National Gambling Impact Study Commission. The first relates to fixing athletic contests and the second to the attraction of sports betting as a gambling gateway for college students.

With respect to the first issue, we understand the view that student-athletes may be exposed to economic temptation, but do not believe it is reasonable to conclude that these forces are only at work in college athletics. Indeed, all of the professional leagues take quite seriously the effect that gambling can have on the integrity of our games. All have adopted—and vigorously enforce—strict anti-gambling policies that are intended to insulate professional athletics from the corrosive impact of sports betting.

As to the attraction of sports betting to students, there is no reasonable basis to conclude that collegians are merely betting on college teams. If Congress wants to address gateway sports gambling, it cannot ignore the attraction to students of high-profile professional games. Indeed, that attraction will only increase if S. 718 is passed and betting on professional sports contests becomes the only lawful form of sports wagering in Nevada.

Some would argue that the legislation must be limited to college games because that would implement a recommendation from the Gambling Commission. However, the mere introduction of S. 718 already breaks with the Commission, which recommended that the Nevada legislature, not Congress, end legalized gambling on amateur sports. Further, the Commission made a specific finding that sports betting is a gateway form of gambling for young people, a conclusion that merits Federal intervention. Amending S. 718 to include professional sports would be entirely consistent with—and would in no way contravene—the report of the Gambling Commission.

We doubt that Congress intends to suggest that gambling on college games is harmful and undesirable, but that gambling on professional games is benign and tolerable. Nor do we believe that Congress seeks to instigate more gambling on professional contests, a result that is certain to occur if S. 718 extends only to gambling on amateur games. A college-only bill, though well-intentioned, only imperfectly solves problems at the college level, while creating new and substantial problems for professional sports.

If Congress intends to re-open Federal sports gambling law, we urge that any such legislation maintain parity of treatment between amateur and professional sports. Any departure from this approach, to which Congress has consistently adhered, will result in a highly regrettable precedent that is needlessly damaging to professional sports.

We ask that this correspondence be made a part of the official hearing record on S. 718. Thank you for your consideration of our views. We look forward to working with you on this legislation.

Respectfully submitted,

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