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SPECIAL REPORT: SPORTS AND GAMBLING A GOOD MIX?
I WOULDN'T BET ON IT.*

I. INTRODUCTION

Throughout the twentieth century, sports have increasingly become a dominant part of American culture. So much so, that the games we play and watch are a part of our daily lives; at home, at school and at the office, whether we are fans or not. For those of us who are fans, there is an exploding industry that is almost as inescapable to us as sports are to non-sports fans—gambling.

One cannot watch a football pre-game show or read a sports page without seeing the odds, the point spread,1 or the over-under2 for that day’s college or professional sporting events. “Gambling is growing at a phenomenal rate in the United States,” says Henry Lesieur, chair of the criminal justice department at Illinois State University and the acknowledged dean of American gambling researchers.3 A national study done on gambling in 1974 found that sixty-one percent of Americans gambled.4 A Gallup poll in 1989 conducted a similar study and determined that eighty-one percent of Americans gambled, including thirty-one percent of adults who gambled weekly.5 Lesieur believes that the percentage of the United States population that gambled rose to “at least eighty-five percent,” by 1995.6 Lori Rugle, deputy director of the Addiction Recovery Center at the Brecksville Virginia Medical Center estimates that compulsive gambling affects about three percent of the population (or approximately nine million people), and an estimated

* This article was awarded as the 1998 winner of the Joseph E. O’Neill Prize for student writing as designated by the National Sports Law Institute and the law firm of Davis & Kuelthau, S.C., Milwaukee, WI.

1. The point spread is the variable betting line placed by oddsmakers at the point where they feel they can generate the most betting interest. For example, if two basketball teams are playing each other, the oddsmakers can make one team favored by any amount of points, with the number fluctuating depending on which team has more bets being placed on it.

2. The over-under is another betting device that allows a bettor to place a wager on whether the combined score of the two teams in a particular game will either be over or under the number that the oddsmakers designate.


4. Id.

5. Id.

6. Id.
eighty percent of the general population has gambled to some degree.7 Gambling is obviously a growing industry, and a major part of that growth involves sports betting.

Gambling is legal in one form or another in forty-eight states and Washington, D.C., including state-sponsored lotteries in thirty-seven states, pari-mutuel betting in forty-four states, bingo in forty-seven states, and a growing number of casinos in twenty-two states.8 Sports gambling is only allowed in two states; in Nevada through casino sports books, and in Oregon through a state lottery game based on NFL football.9

Couple all of those betting opportunities with the gambling potential of the Internet, and we have a gambler's smorgasbord. With sports being so popular, it should not come as a surprise that people want to bet on sporting events. Since most people cannot get to Las Vegas nearly as often as they might like in order to place bets on upcoming games, it stands to reason that people will find other, illegal, ways to bet on them. A 1993 Associated Press study found that nearly half of all Americans annually gamble on sporting events.10 “It's very hard to estimate illegal gambling,” says sociologist Rachel Volberg,11 but those that do so predict that over $600 billion will be wagered in 1998, with approximately $100 billion of that being bet on professional and college sports illegally.12 With so much money on the line, often organized crime money, should anyone be surprised that the integrity of these games is sometimes called into question?

In 1992-93 two University of Cincinnati criminal justice professors, Frank Cullen and Edward Latessa surveyed 2000 National Collegiate Athletic Association (hereinafter “NCAA”) Division I basketball and football players and received 648 responses. Their study found the following: almost four percent of student-athletes said that they had gam-

8. There are at least 545 casinos in those twenty-two states, and the number is growing. Layden, supra note 3.
9. In addition to Nevada and Oregon, Delaware and Montana are also allowed to have sports betting by statute, but do not. A 1992 federal law prohibits sports betting in all but those four states because they had pre-existing statutes providing for sports gambling. Derrick DePledge, Office Pools Draw Concerns About Gambling, CHARLESTON GAZETTE & DAILY MAIL, Mar. 30, 1997, at 4D.
10. Steve Vilstein, Jordan Seems Too Slick When He's Off the Court, ROCKY MOUNTAIN NEWS, June 13, 1993, at 5B.
11. Layden, supra note 3.
bled on a game in which they had played; almost twenty-six percent said that they had gambled on other collegiate sporting events; and almost one percent said that they had received money from gamblers to not perform well in a game. These numbers may in fact be low, however, according to Bill Saum, the NCAA’s gambling investigator. The idea that any players accept money to try to fix games is disturbing, regardless of how many such cases there are. While it is true that gambling has always been intertwined with sports, the games themselves should not be tarnished by the improper action of players, coaches or game officials. Sports gambling itself might not be an evil, but when the integrity of the sporting contests, that so many Americans enjoy, is questioned, something should be done.

II. The Growth of Gambling

A. The Public’s Perception of Gambling

Everyone will probably experience it at some point. While watching a game that is no longer in doubt, a friend or an individual nearby becomes upset or excited when a late field goal is made, or when a free throw is missed in the waning moments. Why did that person become upset or excited? Well, if the game was not in doubt, it was probably because that person had a bet on the game. Rick Pitino once said, “I was always amazed at the people who stayed until the end of a game. Somebody finally told me why: the point spread.”

Gambling has been a popular national hobby and has had a pervasive influence on the sports world for a long time, especially in college sports. Professional athletes, by virtue of huge contracts and endorsement deals, are less likely to be targets of gamblers than unpaid college athletes. Gambling-related incidents in professional sports can be traced back to the 1919 Black Sox Scandal, when eight Chicago White Sox baseball players were banned from baseball for life for fixing the World Series, but have been much more prevalent in collegiate sports starting with the 1940s and 1950s when several schools including Kentucky and Brooklyn College had their basketball programs rocked by scandal.

13. Tom Weir, Groups Team Up to Help Protect Games, Athletes, USA TODAY, Dec. 23, 1997, at 1C.
14. Id.
15. Layden, supra note 3.
In the 1990s, this trend has continued. In 1992, there were over eight million compulsive gamblers in the United States, and based on historic trends, there is no reason to doubt that the number will still climb further. Even more troubling is the fact that in 1996, over one and one half million of these compulsive gamblers were adolescents. Unfortunately, many of these adolescents are student-athletes in high school who go on to play in the college sports that they were betting on.

One reason that this number of compulsive gamblers is on the rise is that although gambling was once considered as morally wrong as drug use or prostitution, this is no longer the case. Today, gambling is an accepted part of our culture. "We're working with the first generation that has been raised when gambling has been seen as a positive thing," says Roger Svendsen, director of Minnesota Compulsive Gambling Hotline. Henry Lesieur adds "[w]hat you have now, among students, is a group of individuals who have no recollection of the time when gambling was outlawed. Gambling is simply around now. It's closer than ever before, and it's going to get closer." Gambling is everywhere, and it is growing more and more socially acceptable to gamble all of the time.

Most people do not see illegal gambling as as serious of a problem as illegal drug use, yet the consequences of gambling can often be quite severe. For example, nineteen-year-old Moe Pergament became $6,000 in debt from World Series bets he placed in 1997. He was so distraught over the debt that he purchased a toy gun and drove his car wildly in order to draw the attention of police, so he could flash the gun and have them shoot him out of his misery. Keith Tubin, a former student at UNLV, got so deep into gambling that he stole $89,000 from eight Las Vegas banks in order to pay off his gambling debts. A student athlete in this position might be tempted to provide information about key aspects of the team, like injuries or team dissension, or even to shave points. Gambling is certainly not without its consequences.

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18. Harry Minium, Experts Say Games Are Fixed From High School Level to the Pros, St. Louis Post Dispatch, June 2, 1996, at 2F.
19. Seventeen casinos have been built on Native American reservations in Minnesota since 1988. Layden, supra note 3.
20. Id.
22. Id.
Christiansen/Cummings Associates, a New York based research firm, estimated that approximately $8 billion was bet on sports in 1983. By 1995, that number had risen to $84 billion according to the Council on Compulsive Gambling of New Jersey and probably topped $100 billion in 1997. By contrast, the illegal drug trade is now valued at approximately $49 billion. Consider the following facts - in 1960, there were 123,000 arrests in the United States for illegal gambling and bookmaking, while in 1995, there were only 15,000 arrests. Given the rise in illegal gambling, law enforcement vice units have been clearly focusing less and less of their energy on illegal gambling and more and more on fighting the illegal drug trade. Even when a gambling organization is caught, the punishment is light compared to other similar crimes. For example, a $1 million a week bookmaking operation recently was broken up in New Mexico. At the same time, a woman was caught embezzling a little under $1 million in New Mexico. While the woman received almost eight years in prison, the bookmakers ended up paying a fine equivalent to twenty-five percent of a week's proceeds, and received unsupervised probation. This kind of punishment cannot be much of a deterrent for a profitable bookmaking business.

B. Sports Broadcasting Boom

While the acceptance of gambling by the public has greatly contributed to its growth in sports, perhaps an even bigger reason for the increase is the explosion of sports programming on television. The number of cable television subscribers increases each year. In the 90s not only do people watch sports on network television, they also can watch sports on ESPN, ESPN2, Sports Channel, WTBS, WGN, and countless other channels with sports programming. Sports news channels like ESPNEWS and CNN/SI have sprouted up, and many regular news channels, like CNN Headline News, provide special "sports tickers" that give constantly updated scores and statistics. Many pagers come equipped with satellite links able to provide the owner with instan-

25. Id.
26. Id.
27. Id.
28. Id.
30. Id.
31. Id.
32. See generally, Layden, supra note 3.
taneous updates of sports scores and news. Teams publish injury reports,
and most new televisions have picture-in-picture capabilities that further
help gamblers check out how several of their bets are doing at once. Satellite television sources such as Direct TV and PrimeStar are growing
at a rapid pace, and sports bars are constantly packed with patrons to
watch the “big game.” Furthermore, pre-game show hosts frequently
talk about which team is favored, and for football games, the point-
spreads are listed on-screen. In fact, CBS created a stir by using noted
gambling tipster, Danny Sheridan, during the 1996 college football sea-
son on its pre-game shows, much to the dismay of the NCAA.

Virtually every major metropolitan area has radio stations which act as
“twenty-four hour sports information centers” that often talk about
gambling and take callers’ “best bets” for the weekend “action.” Finally,
virtually all newspapers publish betting lines and odds for games, and
carry multiple ads for gambling tiplines.

This boom in sports broadcasting and information has significantly
increased the public interest in sports, increased public access to betting
information, and in turn, has increased public interest in gambling. Most
fans who watch sports take pride in their sports knowledge. This turns
into a rationalization which allows the fan to put a little cash down on a
game, here and there, to get some easy money. No matter what the
draw for the gamblers, once they begin, it is easy to become addicted. If
gamblers win, they want to feel the exhilaration of victory again, and if
they lose, they think that they can win it right back.

III. GAMBLING ON COLLEGE CAMPUSES

A. Campus Gambling In General

The chance to get easy money and the nation-wide acceptance of
gambling, coupled with the increased exposure of sports, have turned
contemporary teenagers into a generation of gamblers.

Twenty years ago, the average age of a Gamblers Anonymous member was fifty. To-

33. Id.
34. Mike Fish, ‘Tout’ Ads Concern NCAA, ATLANTA J. & CONST., Jan.12, 1997, at 1E.
35. Forty-eight of the nation’s fifty largest newspapers publish betting lines and informa-
tion. Tom Cushman, Basketball’s Visibility Fuels the Betting Lines, SAN DIEGO UNION-TRIB.,
Apr. 17, 1995 at C1.
36. Greg Trevor, The Dark Side of March Madness; With Students Gambling, Officials
Worry About Integrity of Game, SEATTLE TIMES, Mar. 27, 1994, at D8.
37. Lauren Beckham, Teen Rap; Gambling’s Seduction; Lure of Easy Money Is Making Its
This increased involvement of today's youth in gambling comes mainly from their attraction to sports. Gambling, like drugs or alcohol, can be dangerous and addictive. Someone who drinks as a teenager is quite likely to drink in college. Similarly, someone who gambles as a teenager is likely to continue gambling in college as well.

There is no shortage of underworld figures who find campus bookies (oftentimes students looking to make big cash) who go out and collect all of the so-called harmless $10 and $20 bets from other students. All of those bets eventually add up to thousands of illegal dollars and unreported income.

Individuals can bet on almost anything in the world of sports. At a Las Vegas casino, one is left in awe of the sheer number of sports-related bets that can be placed. One can not only bet on the winner of a particular game, but also bet on such things as who will score first and the result of the coin flip at the start of the contest. Most of the gambling that college students do is through illegal bookmakers who take advantage of take wide array of betting, through parlay cards (where a bettor must predict the outcome of at least two games on a card that the bookie sends to another bookie in Nevada for bet placement), internet betting, and local gambling circles. One can bet on almost anything - all it usually takes is a phone call. The fact that college kids are young, naive, and think they can do no wrong, helps to make them easy prey for the vulture-like bookies. Students also have access to money via ATM machines, financial aid refunds, credit cards, and parents. Campus bookies know that the time to collect on bets is at the start of the semester, when bettors get money for tuition, books, or room and board from their parents and from school.

B. Student-Athlete Gamblers

To students and student-athletes alike, gambling seems harmless. Gambling is everywhere, with state-sponsored lottery commercials on television, campus stores selling instant lottery tickets, sportscasters talk-

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38. Id.
39. Bradley, supra note 17, at 5.
41. Layden, supra note 3.
42. Gambling: A Way to Have Fun, SACRAMENTO BEE, Nov. 6, 1996, at C1 [hereinafter Gambling].
43. Layden, supra note 3.
44. Gambling, supra note 42.
ing about the day’s favorites, and newspapers publishing betting lines, odds and advertising for betting experts. Frank Cullen, the co-author of the University of Cincinnati sports gambling study stated “I think we’ve never had a time in our society where gambling was so socially acceptable on a widespread basis.”45 He adds “[w]hy would it be that twenty five percent of college athletes would bet on sporting events? I think it would be that most of the time they don’t think betting is wrong.”46 While the NCAA has recently enacted stiffer rules against gambling by student-athletes, it is just as unreasonable to expect these rules to work as it is to expect laws against underage drinking on campus to work, because athletes are natural risk takers.47 These are the same kids who take steroids to become stronger and faster, even though they know they are very harmful. College students, especially student-athletes who believe they are above the law, are willing to take risks, because they are part of a generation of individuals who believe “it can’t happen to me.”48

To begin to address the problems with gambling on campus, the NCAA amended Rule 10.3 in 1996 to include prohibitions against professional sports betting.49 The rule states that a college athlete cannot provide any information about games to any gamblers, solicit a bet on any intercollegiate team, accept a bet on any team representing the institution, or participate in any gambling activity that involves intercollegiate athletics or professional athletics, through a bookmaker, parlay card, or any other method employed by organized gambling.50 Rule 10.4 allows for the discipline of prospective or enrolled student-athletes violating this rule. They can be declared ineligible for further competition, subject to appeal to the NCAA Eligibility Committee for restoration of eligibility.51 But, even facing ineligibility for violations, student-athletes still take their risks along with the rest of population. Despite the high number of student-athletes who gamble, the Committee has heard an

45. Weir, supra note 13.
46. Id.
48. The public perception is that many student-athletes feel that they are above the rules and can do things they should not be doing and get away with them, simply because they are seen as the “big man on campus.” This is no different with gambling than it is with cutting classes or underage drinking. Incidents that do come up are well publicized so as to lead to that perception, making it seem widespread.
49. Before the rule was amended, student-athletes could place wagers on professional sports, implying that gambling was not necessarily wrong unless it was done on college sports, perhaps leading to the development of gambling habits by student-athletes.
average of only six appeals a year for gambling violations, which suggests that either gamblers are hard to find, or universities are just not looking hard enough.\textsuperscript{52}

Tim Curry, associate professor of sociology at Ohio State, compiled a study of the motives behind gambling by college athletes. Based on the survey of 500 athletes, he determined that their competitive attitude and interest in sports were the predominant factors inducing the athletes to gamble.\textsuperscript{53} Athletes love the thrill of competition - it gives them a high when they are in the midst of battle. Athletes tend to think that they know more about their particular sport, and some will see gambling as an easy way to make some cash, even by betting on their own teams to win or even lose. They are willing to risk their eligibility, their school's reputation, their own future, and perhaps even the integrity of the game they play in order to experience the high of competing and winning easy money. This has often resulted in serious trouble.

It is not uncommon for campus bookies or student bettors to get themselves in a deep financial hole. They often get threatened with serious bodily harm for not paying off bets on time. Parents or even friends are forced to bail them out so they do not get hurt. Athletes are particularly vulnerable.\textsuperscript{54} Approximately five and one-half percent of all American college students are compulsive gamblers.\textsuperscript{55} If they become indebted to bookies, athletes can be coerced into providing them, and their organized crime backers, with inside information on things like injuries and team turmoil, or, worse yet, they can coerce them into altering their play on the field or court in order to affect the outcome of a game. "You have no idea how easy it is to influence these kids to shave points," said Michael Franzese, a former mob boss who fixed professional and college games for organized crime.\textsuperscript{56} Sex, drugs, and money are all used to lure athletes into shaving points and providing information to bookies and organized crime. Unfortunately, gambling is seen as legitimate by so many people that it takes a scandal to really draw any attention to it as a problem.

\textsuperscript{52} Layden, supra note 23.
\textsuperscript{53} Albrecht, supra note 7.
\textsuperscript{54} Gearan, supra note 40.
\textsuperscript{55} Layden, supra note 23.
\textsuperscript{56} Minium, supra note 18.
IV. Point-Shaving and Gambling Scandals

With the millions of dollars bet on sports in this country every year, it is not surprising that there have been a number of scandals and incidents at all levels of sports competition, from the professional ranks through the college level and down to the high schools (see Appendix A). "It's a cancer growing in our society," NCAA Executive Director, Cedric Dempsey, said in 1996.\(^{57}\) He added "[t]hat is what concerns me. As we see a rising interest in gambling, we can expect increased gambling activities, both legal and illegal, and we can anticipate increased sports gambling. Gambling is a central concern of intercollegiate athletics."\(^{58}\)

Within the past three years we have seen a rash of gambling scandals and allegations that some believe call into question the integrity of intercollegiate athletics. Boston College suspended thirteen of its football players for placing bets on sporting events, including two who bet against their own team.\(^{59}\) Two former Arizona State University men's basketball players were indicted for conspiracy in a point-shaving scheme.\(^{60}\) And finally, a federal grand jury is investigating Fresno State and its basketball program for point-shaving in a February 20, 1997 game against Wyoming.\(^{61}\) With the way that gambling is increasing among NCAA student-athletes, many people are worried.

One of the easier ways for gamblers to get an advantage is by getting inside information on a team. A star player can tell his classmate that he has a sprained knee and will not be very effective in that night's game. That classmate may leave after class and bet another student $100 on the game, with the knowledge that the star will be hurting. In the alternative, he may tell his bookie the information. The bookie can use that information to place a large wager on the game and win huge amounts of money. This may seem harmless, but it is against NCAA rules, and creates an unfair advantage in an already illegal operation.

Players are not the only university personnel who need to be wary of gamblers. Schools will often get phone calls asking about the status of certain players, or of the team in general. Coaches, assistants, and administrators must also be skeptical about questions they get asked in

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58. Id.
59. Beckham, supra note 37.
60. Stevin Smith and Isaac Burton admitted to taking money for shaving points in four games during the 1993-94 season. Derek Samson, Ex-Sun Devil Burton Refuses to Talk About Point Shaving, IDAHO STATESMAN, Dec. 6, 1997, at 1C.
passing by “fans” who want to know how Brett is feeling. This information would be extremely valuable to a gambler before a game. With thousands of dollars riding on a point or two, even the slightest edge can give a gambler all he needs to win a bet. Something as simple as “I don’t think Brett will be able to suit up tonight,” may be all that a gambler needs to win thousands of dollars.

Another aspect of a sporting event that is often overlooked, yet may provide the easiest opportunity for gamblers to fix a game, is the referees that officiate the games. The head basketball coach at George Washington University, Mike Jarvis, states, “I’m convinced it would be difficult for a coach or player to protect a betting line. The persons who most easily could impact an outcome are referees. That frightens me.” Officials have great discretion during the course of play. An official can affect a game in a number of ways and at different times of the game. In basketball, it can be as simple as one or two calls late in a game, or a few calls early in the game to put the star player on the bench. In football, it can be a missed call on a pushoff by a receiver. Michael Franzese states “[t]here were times we were able to reach officials...It happens. No one is without reproach.” The problem becomes how to spot an official who is on the take? A few calls here and there are probably not enough to wave a red flag, and unless the official overdoes it or tells someone about it, the odds of getting caught are probably lower than for a player or coach.

A gambling scandal is a university president’s, athletic director’s, or a coach’s worst nightmare; often worse than a drug problem or alumni paying athletes under the table to join the squad. This is due to the expectations that when the first pitch is thrown, or ball is kicked off, or the jump ball is tossed, the game is played fairly and on the level. Point-shaving and game-fixing are not only illegal for all of those involved, leaving parties subject to prison-time and fines, but this behavior also affects the integrity of the game and the public confidence in sports. Gambling raises suspicions about point-shaving and game-fixing. If gambling and the number of gambling-related sports scandals continue to increase, fans will be forced to question a player, coach, or a referee, and wonder why a receiver dropped a sure touchdown in the waning

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62. Cushman, supra note 35.
64. Tom Shatel, You Can Bet BC Not Alone, Omaha World Herald, Nov. 8, 1996, at 27F.
65. Id.
seconds of a game, or why a coach failed to adjust to the opponent’s zone defense, or why an official missed a traveling call.

With professional sports full of escalating salaries, franchise relocation, player strikes, lockouts, contract holdouts, and free agents switching teams at a rapid pace, college sports supposedly represents the last bastion of pure competition, good sportsmanship and the desire to play for the sake of the game. The NCAA basketball tournament, the college football bowl games, and the rest of college sports once took fans away from the big money of pro sports, but that is hardly the case anymore. Teams earn hundreds of thousands of dollars for themselves and for schools in their respective conferences when they win bowl games or tournament games. Gambling is compounding this situation. “If the integrity of a college game ever becomes suspect, then what is left? Not much and nothing that you can be proud of,” said Big Ten Conference Commissioner Jim Delaney.66

Many experts fear that college sports are on the verge of big trouble, and problems with gambling are a major cause of those fears. University of Kentucky Athletic Director, C.M. Newton believes that “college basketball is only a step away from another major point-shaving scandal.”67 Jim Delaney sees gambling as a significant threat to intercollegiate athletics, and “if there was a pattern of cases that crossed our conference or some others, there would need to be a clear effort to de-emphasize sports on college campuses."68 It is hard to imagine something that severe happening, but if something is not done to stem the tide of gambling and point-shaving by student-athletes the future of college athletics as we know it could be altered.

College athletes in general are held in high regard in our society as competitive and disciplined team players. College athletes who gamble and shave points, though, bring disgrace to their schools as well as heavy financial losses to themselves and their schools.69 Coaches and athletic administrators lose their jobs,70 schools tarnish their clean images, schools lose donations from disappointed alumni, recruiting efforts suffer, and hard-fought victories are lost, such as when St. Joseph’s University was stripped of its third-place finish in the 1961 NCAA basketball

67. Panel Sees Gambling As Growing Problem, USA Today, Mar. 29, 1996, at 5C.
68. Witosky, supra note 66.
69. Gearan, supra note 40.
70. Jim Valvano was forced to resign as head coach of the North Carolina State men’s basketball team in the wake of point-shaving allegations in 1990. Goe, supra note 61.
tourney. Federal authorities acknowledge that point-shaving is more likely to occur in college sports, especially basketball, because most players know their chances of turning pro early in their college career. Also, because basketball is played with only five players on the floor at once (and seven to ten players usually get significant playing time), it is easier for one player to control the outcome of a game than in football, for example, where eleven players are on the field at one time (and twenty-five to thirty players get significant playing time). Furthermore, professional athletes generally get paid too well to be tempted by bribes. Poor college athletes are much easier to prey upon.

V. THE LOOMING THREAT OF THE INTERNET

Perhaps the most important issue surrounding sports gambling is the growth of internet gambling. In order to gamble, people used to have to travel to Las Vegas or Atlantic City, or bet illegally with a bookie to get their gambling fix. Internet gambling is changing that scenario. Arthur Rosenberg, chief operating officer at Venture Tech, an investment finance company, states, "[o]ur expectation is that online gambling is going to be a multi-billion dollar industry within five years... People want to gamble."

The issues of internet regulation, internet gambling regulation, and prohibition are hot-button topics on Capitol Hill as lawmakers are diligently trying to figure out how to control this nebulous industry. Senator John Kyl (R., Ariz.), the chairman of the Senate Judiciary Committee’s technology subcommittee, introduced the Internet Gambling Prohibition Act of 1997 in order to try to stamp out what he considers to be as big a problem as cell-phone cloning and telemarketing fraud—Internet betting. Corruption and fraud can be undetectable via the Internet. Another legal concern for authorities, says Jonathan M. Winer, a high-level U.S. State Department official, is that:

If you want to launder money, this is the way to do it. It’s not hard. Bet on Florida and bet on Georgia [when they play each other]. If you structure the bets properly all you have to do is pay

71. Major College Betting Incidents, BUFFALO NEWS, Nov. 7, 1996, at 2F.
74. Sen. Kyl’s bill is predominantly a series of amendments to the Wire Communications Act that essentially makes it illegal to call a bookie and place a bet. The amendments would broaden the law to cover Internet betting. Crist, supra note 12.
75. Id.
the vigorish\textsuperscript{76} for the ability to create profits that are offshore and invisible, or to create losses that you can declare. Basically, you have a money transfer because one side’s going to lose, one’s going to win and pay double. Now dirty money appears clean.\textsuperscript{77}

This could be a goldmine for organized criminals and for hackers alike. The problem becomes how do you deal with it? Under current laws, prosecution of those involved with Internet gambling would prove difficult.\textsuperscript{78} Sen. Kyl believes that Internet gambling cannot be regulated, thus prohibition is necessary.\textsuperscript{79} John Russell, a spokesman for the Justice Department said that “[w]e can’t do anything about it (Internet gambling). That’s the bottom line.”\textsuperscript{80} Florida Attorney General Bob Butterworth is also among those who do not feel the time is right for Internet regulation.\textsuperscript{81} Technology evolves so rapidly that the odds of passing laws that would control the Internet before it changes again are slim.\textsuperscript{82}

While the Internet provides a computer user with the ability to enter a virtual casino and play cards, dice, roulette, or any other game one might see in an actual casino, one of the most popular aspects of casino betting is sports wagering. In 1996, there were only two Web sites with sports betting - now there are at least fifty.\textsuperscript{83} What makes sports gambling even more appealing to some on the Internet is that the opportunity for the operators of the site to defraud someone are minimal (unless they simply do not pay) compared to roulette or poker on-line. Bernard Horn, of the National Coalition Against Gambling Expansion says, “[t]here’s just no way to tell if the virtual dice, roulette or cards are rolled, spun or dealt randomly...or whether they’re responding to a sequence...to cheat customers.”\textsuperscript{84} In sports betting on-line, the operators do not control the outcome of particular sporting events, and participants easily know if they have won. Gamblers will see this as an oppor-

\textsuperscript{76} The vigorish, or the juice as it is known, is the bookmaker’s ten percent commission on losing bets. Layden, \textit{supra} note 3.

\textsuperscript{77} Crist, \textit{supra} note 12.

\textsuperscript{78} Harley J. Goldstein, \textit{On-Line Gambling: Down to the Wire?}, 8 MARQ. SPORTS LAW J. 1, 51 (1997).

\textsuperscript{79} Crist, \textit{supra} note 12.

\textsuperscript{80} \textit{Id}.

\textsuperscript{81} Goldstein, \textit{supra} note 78.

\textsuperscript{82} \textit{Id}.

\textsuperscript{83} \textit{Id}.

\textsuperscript{84} Pat Doyle, \textit{Internet Gambling Takes a Big Hit in Congress}, \textit{MINN. STAR TRIB.}, Feb. 5, 1998, at 10A.
tunity to evade the law and enjoy a safe place to gamble, with almost no way to get caught.

Cyber gambling, as some call it, is similar to the point-shaving scandals discussed earlier in that it is a significant threat to undermine intercollegiate sports. As evidence of the interest there is for sports gambling on the Internet, in 1997, almost 177,000 entries were received by ESPN’s Web site for a contest which involved picking winners in the NCAA college basketball tournament. No one wants the Internet to dominate the sports gambling arena. Sen. Kyl states “[t]hat’s why the NFL, the NCAA, and the NHL are so behind what we’re doing. They’re worried. They fear the influence gambling, and the Internet could allow it to happen with so much ease.”

Professional and amateur athletes alike could find themselves in a deep hole if they begin gambling on the Internet. What will prevent a student-athlete from putting a few hundred dollars on a bet that he will score less than ten points on a game later that day? What about an NBA star betting that he will not score twenty points in a game later that night? The potential for problems is endless. Bill Saum agrees when he states “[w]e’re concerned that athletes may be wagering over the Internet and that Internet wagering is about to explode on college campuses. What we would end up with is a significant number of closet gamblers, a number of whom would be athletes. That’s a problem for all of us.”

What happens when sixteen-year-old Troy, the local high school football star, who just hooked up his computer to the Internet, sees the ad for winbig.com, signs up, and begins down the road that could lead to gambling on his own team when he plays in college?

VI. STARTING YOUNG

Gambling at all levels needs to be addressed. The problem is that athletes are getting into gambling at younger and younger ages. Nearly fourteen percent of teenagers have developed, or are at risk of developing a gambling problem, while eighty percent of adult gamblers started the habit by age fourteen. High school athletes often start gambling between themselves and with other students. Many go so far as to place

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86. Id.
87. Crist, supra note 12.
88. Bickley, supra note 85.
89. Crist, supra note 12.
90. Beckham, supra note 37.
bets with bookies. High school basketball and football are becoming big-time sports, with some high profile games receiving national coverage on ESPN and in USA Today. With that kind of exposure comes gambling.

Examples of gambling corruption are becoming more noticeable in high school settings. Norfolk, Virginia police have been investigating allegations that gamblers tried to influence the outcome of high school basketball games in Norfolk.91 In 1995, police in Nutley, New Jersey, broke up a student-run sports gambling operation at Nutley High School that was taking bets as high as $1,000, and threatened violence to get losers to pay.92 “Teenage gambling is incredibly extensive,” says Essex County, Massachusetts assistant prosecutor Fred Franco, “but the problem in investigating any case is that parents tend to be afraid to say anything,” they think they can handle it themselves, or they do not think it is a major problem.93 Obviously, with gamblers starting so young, the place where the problem needs to be addressed more is at the high school level.

However, preventing gambling at the high school level is as difficult as it is at the university level.94 Arnie Wexler, a compulsive gambler for twenty-three years, and now a gambling counselor, says that gambling in high school is rampant everywhere.95 “You think high school games aren’t fixed? A New York City kid confided to me he had shaved points. The day he was being scouted by Division I scouts he shaved points. He ended up at a Division III school.”96 Every school must set up some sort of program that provides high school students with information and warnings about what gambling can do to them, their family, and their friends. Something must be done to stop these kids from establishing a habit and a pattern of behavior. Historical trends demonstrate that most of these students will continue gambling in college. This program should also include bringing the police into the schools to reduce their image as the bad guys, and to establish the severity of the problem.97 Furthermore, when a program is set up, it cannot stop there. A support system must be set up with follow-up procedures to reinforce whatever the program provides. This support system should most certainly include teach-

92. Layden, supra note 3.
93. Layden, supra note 23.
94. Id.
95. Id., supra note 18.
96. Id.
97. Id.
ers, counselors, and parents. Coaches cannot do the entire job of preventing gambling in high schools, just as they cannot do everything in college.

VII. LEGAL ISSUES IN GAMBLING

Sports gambling (and sports bookmaking) is illegal in the vast majority of the United States.\(^9\)\(^8\) Certainly, sports bribery of contests (points-shaving or game-fixing) is just as illegal as the bribery of a police officer or a judge. In looking at other problems with gambling as an illegal activity, Section V mentioned that law enforcement officials fear the ease in which skilled bookmakers and even skilled gamblers can launder money through the use of the Internet and foreign accounts.\(^9\)\(^9\) While the Internet might create more opportunities for gamblers to launder money, old-fashioned gambling can still suffice to launder money as well.\(^10\)\(^0\) The Internet simply provides the bookmakers an easier avenue from which to hide the fruits of their “labor.” Money laundering is certainly not the only illegal aspect involved with sports gambling, however.

Another illegal offshoot of sports gambling is tax evasion. The few gambling cases that do make it into the legal system routinely include charges for tax evasion. This appears quite logical. If a gambler or a bookmaker were to make $12,000 in a given year from gambling on sports, it would be considered income, but no one would ever report it. Some offenders might be able to do some creative accounting, and therefore avoid giving up any of their money to the federal government of their own free will. So the real problem is the failure to report gambling income.

Racketeering conspiracy is the next and most controversial area of law that sports gambling is covered by. The Racketeer Influenced and Corrupt Organizations Act (RICO), was passed by Congress in 1970 as 18 U.S.C. sec. 1962, to combat sophisticated criminal enterprises (like sports gambling rings).\(^10\)\(^1\) While tax evasion can apply to both gamblers and bookies alike, per definition, RICO would only apply to bookmakers. The RICO Act defines “racketeering activity” as (A) any act or threat involving murder, kidnapping, gambling, arson, robbery, bribery, extortion, dealing in obscene matter, or

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98. Minium, supra note 18.
dealing in a controlled substance or listed chemical (as defined in
section 102 of the Controlled Substances Act), which is chargeable under State law and punishable by imprisonment for more than one year; (B) any act which is indictable under any of the following provisions of Title 18, United States Code section 224 (relating to sports bribery), section 1084 (relating to the transmis-
sion of gambling information).102

On May 3, 1995, in the case of United States v. Dote, RICO was applied to illegal gambling. Anthony Dote pleaded guilty to five counts of an indictment against him, including being a member of a racketeering conspiracy, operating an illegal sports bookmaking business, and tax evasion.103 Dote and another defendant were charged with RICO violations, and Dote was sentenced to fifty-one months in prison.104

Many legal scholars have expressed concerns about applying RICO in general. Concerns include the potential for double jeopardy.105 Many defendants charged with RICO will argue that they are being charged twice with the same crime, the first time for the criminal act, like sports gambling, and the second time the charging occurs under RICO. Other concerns include the vagueness and broadness of RICO, the risk of guilt by association, and the possibility for criminal liability disproportionate to fault.106 In the case of sports gambling, these are also legitimate concerns, but it would seem that the lack of prosecution for gambling means that gambling cases will not provide the impetus for Congress to repeal or amend RICO.

The Dote case also provides a glimpse into other illegal issues that illegal gambling operations can get involved in, such as gaming, loan-sharking and extortion.107 Besides carrying out illegal gambling activities, the conspiracy that Dote was involved in made illegal loans and committed extortion.108 It should not come as much of a surprise that the word extortion comes up in a gambling situation. When tens of thousand of dollars are at stake, steps will be taken to ensure that the money is properly secured. This is what makes athletes who gamble such a potential problem. Once they start betting, if they are not careful (and even sometimes when they are careful), they could fall into a financial

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103. United States v. Dote, 134 F.3d 374, 1998 WL 23081, **1 (7th Cir. Ill).
104. Id.
105. United States v. Morgano, 39 F.3d 1358, 1365 (7th Cir. 1994).
106. KADISH & SHULHOFER, supra note 10, at 795.
108. Id.
hole. Some of the easiest ways out of that hole would be to provide inside information on their team, or worse yet, throw a game.

When a situation like the one in 1996 at Boston College surfaces, many feel that it is just a little bit of harmless fun. Most people believe that it can only hurt the gambler, but the ramifications extend far beyond the individual gambler. As more and more incidents and scandals occur, people (like NCAA administrators and members of Congress) have taken the initiative to address the problem of gambling through rules and legislation. There are limitations to what can be done, however; such as the clash between the federal power to regulate interstate commerce through Article I sec. 8 of the United States Constitution (the Federal Commerce Clause), and the Tenth Amendment protection of state’s rights. States do not want the federal government telling the people living in their states how to live their lives. At the same time, the federal government has an interest in promoting uniformity of law, especially dealing with something like gambling, because of its interstate nature (games are played across the country, and bets are often placed across state lines). Extortion, beatings, bribery, and racketeering are all serious offenses with serious consequences. To prevent those consequences from occurring, it most certainly will take serious measures like the Congressional enactment of the Professional and Amateur Sports Protection Act in 1992. This act was created to help protect sports from becoming a way for gamblers to promote teenage gambling, and to keep gambling from spreading even further. The act has thus far succeeded in preventing additional states from using professional sports leagues as the basis for sports lotteries in an effort to stem the tide of teenage gambling, but that is as far as it can go. State-sponsored lotteries based on the NBA and NFL are not at the root of the problem, however, there are many more areas that need to be addressed.

VIII. WHAT CAN be Done?

College administrators used to see gambling as a small problem, in part because of their ignorance of its prevalence on campuses. Recent incidents, polls, and investigations have increased the awareness of the
problem, yet, more needs to be done. According to West Virginia football coach Don Nehlen, coaches do talk to their players about gambling, "but there isn’t any question that once the season starts, that’s the furthest thing from your mind."\(^{111}\)

To address the problem of gambling in college sports, the NCAA revised its rules on gambling at its 1996 Convention. It tightened the restrictions on the gambling activities for those involved with college sports and created a separate staff position (occupied currently by Bill Saum) dedicated to educating players and university personnel about the risks and penalties of illegal gambling on college sports.\(^{112}\) The NCAA now works closely with the FBI when an investigation is conducted concerning point-shaving allegations.\(^{113}\) Recently, the NCAA also has pressured newspapers to stop printing ads for gambling tipsters, and has even threatened them with banishment from the NCAA tournament if they do not cease the ads and betting lines.\(^{114}\) However, this is unlikely to occur, because the NCAA cannot afford to have its exposure reduced at the tournament.\(^{115}\)

Even with all of these efforts to curb gambling among college athletes, more must be done. A recent statement by NCAA executive director Cedric Dempsey shows how serious the NCAA is about gambling. Athletes usually are suspended for gambling infractions, but Dempsey states that "[e]liminating them from the opportunity to compete at the college level would be our goal."\(^{116}\) Big Ten Commissioner Jim Delaney agreed when he said that he thinks "the penalty should be forfeiture of eligibility."\(^{117}\) This could be a significant step toward reducing the problem. If a player has to weigh the possibility of losing out on a college playing career versus some quick cash, the decision might be more difficult to make. The NCAA still has more to do. It took a positive step during the 1998 NCAA Basketball Tournament by making the players on each of the sixty-four teams entered watch a video about the dangers

\(^{111}\) *Gambling*, supra note 42.

\(^{112}\) *Albrecht*, supra note 7.


\(^{114}\) *NCAA Pressures Media to Stop Gambling Ads*, *Patriot Ledger*, Jan. 11, 1997, at 44.

\(^{115}\) *Id.*

\(^{116}\) Steve Wieberg, *NCAA Eyes Tougher Gambling Penalties*, *USA Today*, Mar. 27, 1998, at 6C.

of gambling. By taking this policy a step further, perhaps the NCAA could make it mandatory for all athletes to view such a tape, not just the NCAA basketball tournament participants. It might be a good idea to take a similar tape and have high school athletes view it as well.

Many people see the situation surrounding illegal gambling to be similar to the situation surrounding illegal drug use; they then suggest a similar solution - legalize it. This is a topic that can be debated, but by legalizing something that most people find to be acceptable anyway, the door could be opened to even greater amounts of gambling. If sports gambling were legalized, many argue that it would also create an atmosphere that would cause fans everywhere to question decisions of coaches, players, and referees.

Some argue that payment of student athletes could be a solution to the gambling problem, because it would lessen the temptation for them to gamble. Others, like Jim Delaney, disagree and point to the fact that “[r]ich people steal, too.” The answer to that question may never be known. As the twenty-first century approaches, perhaps the 1998 NCAA decision to allow student-athletes to earn up to $2000 annually will have some effect on gambling as well. Since gambling by most student-athletes comes more from their competitive nature than from their desire for money, it is unlikely that this new policy will have any real effect on gambling.

Something as simple as having a written policy about campus gambling (to cover student-athletes and students alike) should be looked at by all universities and colleges. Kevin Duffy, an administrator at Boston College says that a survey of thirty-five college campuses with major sports programs revealed that only two of them had written gambling policies. If the colleges themselves do not express a concern to the student body, why should the student body worry about it? Middlesex District Attorney Thomas Reilly believes that prevention “starts with clear written policies prohibiting sports betting.” Reilly urges schools to establish penalties and publicize them so the idea that gambling is

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118. Id.
119. Bradley, supra note 17 at 8.
121. Id.
122. Any Division I athlete on a full scholarship enrolled for more than one year can earn up to $2000 annually even during the season, according to the new policy. Oscar Dixon, NCAA Lets Athletes Work, USA TODAY, Apr. 23, 1998, at 1C.
124. Id.
wrong gets out there. Reilly says that expelling student bookmakers would be another good step. He also advises schools to alert parents of student-athletes to keep an eye out for signs of gambling debt, repetitive asking for money, or any unusual accumulation of wealth. Parents can be key factors in deterrence, and they first need to realize that gambling can have devastating repercussions.

The NCAA seems to be quite serious about gambling by athletes. It is the universities, conferences, and administrations that must do more to make players aware of the ramifications of gambling. By having college teams become more pro-active and vocal about gambling, through some sort of program early on in a player’s freshman year, there is the potential to deter more players from becoming involved in gambling.

IX. Conclusion

Sports have always been a way for fans to escape reality for at least a little while. Fans watch athletes competing, scrapping, and giving their all for the ultimate goal of victory. They respect the hard work and effort that it takes to get there. College sports, and to a local extent high school sports, are the last real place where the ideals of competition are really met. They must be protected. The only way to get rid of point-shaving for sure would be to eliminate the games or gambling on them, neither of which is likely to happen.

There is a serious need for rules and programs that address the gravity of the problems that gambling poses in schools. Admittedly, coaches are not around their players, and parents are not around their kids at all times. What it ultimately boils down to is the integrity, responsibility, and character of the individual athlete. If parents raise a child to have good character, solid morals, and an appreciation of what integrity means, then those kids will have a good solid background with which to fight the temptation of making easy money by gambling. With the amount of accepted gambling that goes on in the form of lotteries and

125. Id.
126. Id.
127. Id.
128. A gambling prevention program needs to be implemented at both the high school and university levels. Perhaps such a program could include former student-athlete gamblers coming in to speak to teams, and coaches frequently reinforcing their stance against gambling. High school coaches must take it upon themselves to address the problem early on, otherwise for many gamblers, most efforts made at the college level would be futile.
Bingo, with the abundance of toy store poker and slot machines, and the overall acceptance of gambling as a part of our culture, the only thing standing between student-athletes and the lure of point-shaving is the student-athlete's own integrity. We cannot make them act responsibly - ultimately it is all up to them. To supplement the actions of parents, however, administrator's and coaches at the high school and even junior high school levels must make the next move. Addressing the problem early on is essential in stemming the tide of gambling and point-shaving. Then to continue the process of preventing gambling by student-athletes, universities and colleges must also disseminate information on gambling and punish violators more severely. For the sake of amateur sports, let us hope that this is good enough, because sports and gambling do not mix.

ANTE Z. UDOVICIC
APPENDIX A

GAMBLING INCIDENTS AND SCANDALS IN COLLEGE SPORTS

(1) 1945
Five Brooklyn College basketball players admit to accepting money to throw a game against Akron.

(2) Jan. 17, 1951
Three Manhattan University basketball team members were arrested in an attempt to fix a game.

(3) Feb. 18, 1951
Three City College of New York ("CCNY") CCNY basketball players were arrested for point-shaving, and two NBA players were banned for point-shaving when they were in college.

(4) Feb. 20, 1951
Three Long Island University players were arrested for taking bribes from gamblers.

(5) July 24, 1951
Five Bradley basketball players were arrested for taking bribes to fix-games.

(6) October 20, 1951
University of Kentucky suffers a major gambling scandal when three players were arrested for accepting $500 bribes to shave points in a game at Madison Square Garden on March 14, 1949.

(7) August 6, 1961
St. Joseph’s was stripped of a third place NCAA tournament finish for gambling incident. Iowa recruit Connie Hawkins was caught up in the mess and was tossed out of school and barred from playing in the NBA.

(8) May 17, 1962
Jack Molinas was arrested on charges that he was the head of a college basketball game-fixing ring. Thirty-seven players from twenty-two schools were implicated.

130. This listing has been compiled from a number of articles in the Buffalo News, Sports Illustrated, USA Today, Newsday, and the New York Times.
(9) November 24, 1981
Rick Kuhn, a former Boston College basketball player, and four others were found guilty and sent to jail for shaving points in the 1978-79 basketball season. Kuhn was sentenced to ten years in prison.

(10) Fall, 1983
Gambling problems plague Ohio State quarterback Art Schlichter.

(11) March 27, 1985
Several players at Tulane University were implicated in a point-shaving scandal, including star forward John Williams. The charges were dropped against Williams, but others involved admitted guilt. Tulane dropped its basketball program for three years as a result.

(12) Spring, 1985
Memphis State’s basketball program was investigated for point-shaving.

(13) July 12, 1989
An alleged gambling operation that possibly involved game-fixing in high school sports was uncovered in Florence, AL.

(14) Fall, 1989
Four Florida football players, including star quarterback Shane Matthews were suspended for betting on football games.

(15) Fall, 1989
Nine Arkansas athletes in four sports were suspended for betting on college football games.

(16) Fall, 1990
North Carolina State’s basketball program underwent investigation after point-shaving allegations about the 1987-88 season.

(17) 1990
University of Texas investigates allegations that twenty football players bet on games.

(18) Winter, 1992
Five members of Bryant College Basketball team fell $54,000 in debt betting on the Bryant College basketball team.

(19) Winter, 1992
Nineteen University of Maine athletes (13 baseball players & 6 football players) were suspended in a campus betting operation.
(20) December, 1994
Dennis Lundy, a Northwestern football star and Dion Lee, a Northwestern basketball player were both suspended for betting on football games.

(21) Spring, 1995
UNLV Basketball Coach Jerry Tarkanian resigned amid a myriad of potential NCAA violations. Pictures of three UNLV players in a hot tub with convicted sports fixer Richard Perry was one of the major reasons.

(22) June, 1995
Kelly Hunter, a former Central Florida student manager was put on probation for offering a bribe to a CF basketball player to hold down the scoring in the game.

(23) July 10, 1995
Five Maryland student-athletes were suspended for gambling, including star quarterback Scott Milanovich.

(24) October, 1996
Miami (FL) football player Kenny Holmes had his eligibility restored after an investigation into his wagering of his jersey on the outcome of a Miami-Florida State game.

(25) November 6, 1996
Thirteen Boston College football players were suspended for gambling, including two that bet against Boston College.

(26) April, 1997
Fresno State basketball players Domnick Young and Chris Herren were under investigation for possible point-shaving. The granting of tickets to suspected gambler Nick Vantanian behind the Fresno bench was also investigated.

(27) November 19, 1997
Moe Pergament, a nineteen-year-old, intentionally provoked police to shoot and kill him to rid him of a $6,000 gambling debt.

(28) December 6, 1997
Former Arizona State basketball players Stevin Smith and Isaac Burton pleaded guilty to conspiracy charges. They admitted taking bribes for fixing four games in 1994. Head coach Bill Frieder resigned as a result of this.
(29) February 8, 1998
Authorities in New York arrested a Columbia University student for his alleged role in a $10 million sports gambling ring.

(30) March 27, 1998
Former Northwestern basketball players Kenneth Dion Lee and Dewey Williams were indicted for point-shaving and fixing the outcome of three games in 1995. Also, former Northwestern football player Brian Ballarini was indicted for running a bookmaking operation that other Northwestern athletes placed bets with.