Opinion: Online gaming is bad for society

By Sheldon Adelson

"Click your mouse and lose your house" isn't a marketing slogan for advocates of legalized online gambling. But it should be.

Right now, several state legislatures, including the populous states of California and Pennsylvania, are considering proposals to allow the legalization of online gaming. Nevada, New Jersey and Delaware have already approved it. Congress is also interested in the issue as multiple pieces of legislation, both limiting and expanding online gaming, have recently been introduced.

As an industry leader, and more important as a father, grandfather, citizen and patriot of this great country, I am adamantly opposed to the legalization and proliferation of online casino gaming.

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You would think the chairman of the world's largest gaming company would pursue any aspect of gaming which could increase profits, right?

Ordinarily that is true — but online gambling is "fools'

gold."

Whether it is full casino gaming, poker only, or anything in between — this is a societal train wreck waiting to happen.

With the expansion of Internet gaming now taking place at the state level, I strongly urge Congress to either rewrite the Federal Wire Act, or pass new legislation making internet gaming illegal nationwide.

Additionally, I encourage greater enforcement of the laws currently prohibiting off-shore Internet gaming companies from engaging in transactions with U.S. citizens.

Critics will claim I have ulterior motives in taking such a strong stand on this issue. They'll say I'm just afraid to compete for this business or that I'm worried about the impact on my land-based casinos in Nevada and Pennsylvania.

First, with our popular brands — like the Venetian — we would be very effective competitors in this market place. Having started more than 50 different successful businesses over the course of my nearly seven decades- long business career, I'm not afraid of competing with anyone.

Second, our company makes twice as much money from our non-gaming attractions in the United States than we do from our casino operations. Finally, almost all our casino profits come from Asia, where online gambling doesn't exist and won't be legalized soon, if ever.

So while the impact on my company's business would be limited, the hit on other commercial casinos, Native American casinos, and racetrack-casinos across the land could be substantial and even lead to their eventual demise.

Recent research from a number of European countries shows that the proliferation of internet gaming has, as a start, resulted in a 20 percent decrease in visitation to the land-based

casinos in those countries. That number is bound to worsen as internet gaming dependency grows.

The research also shows that over the past 10 years internet gambling revenue in Europe has gone up on average 26 to 28 percent. Meanwhile, land-based casino revenue has been flat or even contracted during that same period of time, even though it was expected to increase at 5 to 10 percent per year.

In short, the rise of Internet gaming has clearly come at the cost of land-based casinos in Europe.

What does that information foretell for us here in the United States? To begin with, a loss of 200,000 direct gaming industry jobs and additional 200,000 lost indirect and induced jobs. That's 400, 000 lost jobs in casino-hosting cities across America.

On top of the negative economic impact, the plague it could bring to our society is even more far-reaching.

Online gambling makes it possible for bets to be placed by anyone at any time. When gambling is available in every bedroom, every dorm room and every office space, there will be no way to fully determine that each wager has been placed in a rational and consensual manner.

For example, the possibility of underage children finding ways to place online wagers and the possibility of people betting under the influence of drugs or being coerced are all scenarios that can happen when the person is only monitored by their own computer screen.

On the other hand, when a person makes an effort to get dressed, join some friends and head to the local casino for a night of entertainment they must show themselves as adults, and their behavior can be observed and ultimately managed by security and other staff if needed.

Let's also focus here on the impact of online gambling on children and young adults.

As a father of two teenage boys, I'm well aware that we now live in an age where many kids are already dangerously addicted to Internet games.

What started with arcade games, like Pac-man 30 years ago, has now morphed into an environment where kids' formative years are spent immersed in tablets, smart phones, home video games and other portable electronic devices.

Let me quote some important words from gaming counselor Liz Woolley who established Online Gamers Anonymous. In a letter to the BBC, she wrote:

"For some, the enjoyment turns to suffering when they become 'addicted' to the games. They no longer have the 'choice' to play, but are driven to play…."

After spending so many years playing addictive Internet games, kids and young adults today have been primed for the pump, and online gambling advocates know there's a lot of money to be made from exploiting them.

To make matters worse, young adults in America are also suffering under nearly a trillion dollars in student loans. To tempt them to solve their financial problems with a click of the mouse is unconscionable.

So, no, online gambling is not a threat to my business.

It's a threat to our society — a toxin which all good people ought to resist.

Sheldon Adelson is chairman and CEO of Las Vegas Sands, the largest gaming company in the world. This first appeared in Forbes.