

Internet Gambling

Global Overview

- The world's first online casino, Internet Casinos, Inc., launched in August 1995 with 18 different casino games.¹
- It is currently estimated that there are more than 2,000 Internet websites offering various online gambling options, including casino games, poker, sports betting, lotteries, and bingo.²
- Global online gambling is expected to climb to \$55.8 billion USD by 2018.³
- About 85 nations have chosen to legalize and regulate online gambling.⁴
- The popularity of online gambling is increasing rapidly with significant growth in Asia and South America. The European market is the largest in the world, representing more than 13% of the total gaming market in 2013.⁵
- Participation in Internet gambling appears to vary significantly between countries/regions, with higher rates occurring in European countries and the Caribbean, and lower rates in North America, Asia, Australia, and New Zealand.⁶
- International Internet gamblers are predominately male (78%). All age groups are represented among International Internet gamblers with an average age of 45.⁷
- The Division on Addiction of Harvard Medical School has been studying long-term gaming behaviours exhibited in online sports betting, casino, poker and other games since 2005 and has found that there are no scientifically-based empirical studies that prove that online gaming increases the risk of addiction and that the majority of online gamers play in a very moderate manner, spending minimal amounts on gaming.⁸
- On April 15, 2011, Federal authorities in the United States blocked access to the three biggest online gambling websites: Full Tilt Poker, Absolute Poker, and Poker Stars. This change affected players financially as their accounts were frozen.
- Developments in the United States related to the legalization of online gambling are occurring at the State level. California, Illinois, Massachusetts, Mississippi, New York, Pennsylvania and Washington have introduced bills that would legalize online gaming.⁹ Efforts to pass federal legislation that would allow interstate online poker, but ban other forms of online gaming, have stalled in Congress.¹⁰
- Nevada became the first jurisdiction in the United States to legalize Internet gambling in 2013. Delaware and New Jersey followed shortly thereafter.
- In October 2015, the New Jersey Division of Gaming Enforcement signed a contract with Amaya Gaming to offer Internet gambling in the state under the PokerStars and Full Tilt brands.¹¹

Canada

- Canadian Internet gamblers have a wide range of educational levels, higher household incomes (\$74,600) and average household debt (\$78,056).¹²
- All age groups are involved in Internet gambling but it is more common in younger adults (average age of 35.5 years).¹³

¹ Janower, C.R., (1996), Gambling on the Internet

² Williams, R.J (2009), Internet Gambling: Prevalence, Patterns, Problems and Policy Options

³ MarketLine (February 2015), Global Online Gambling (February 2015);

⁴ American Gaming Association, Online Gambling Five years After UIGEA

⁵ European Gaming & Betting Association

⁶ Williams, R.J (2009), Internet Gambling: Prevalence, Patterns, Problems and Policy Options

⁷ Ibid

⁸ Division of Addiction, Cambridge Health Alliance, A teaching affiliate of Harvard Medical School (2013), Outcome of a Paradigm Shift New

Ways for the Scientific Analysis of Online Gaming: Implications for Addiction Research and Responsible Gaming

⁹ National Conference of State Legislatures

¹⁰ <http://online.casinocity.com/jurisdictions/united-states/>

¹¹ Forbes (October 2015), Why PokerStars' New Jersey Online

Gambling License Is A Big Deal For Amaya

¹² Wood, R.T. & Williams, R.J. (2009). Internet Gambling: Prevalence, Patterns, Problems, and Policy Options. Final Report prepared for the Ontario Problem Gambling Research Centre, Guelph, Ontario, CANADA. January 5, 2009.

¹³ Ibid

Legality

- Section 207 of the *Criminal Code of Canada* makes it illegal to operate or place a bet through an offshore Internet casino and only allows gambling by a province within a province.
 - ▶ Provincial governments are permitted to operate computer-based lottery schemes like Internet gambling to their own residents.
- In March 2010, a study conducted by Ipsos Reid found that:¹⁴
 - ▶ 77% of Canadians believe gambling over the Internet is legal; and,
 - ▶ 55% of Canadians agree that Internet gambling should be permitted as long as it is regulated by government.
- Atlantic Lottery Corporation (ALC) was the first provincially-owned lottery corporation to have a transactional website. The provincial government in British Columbia, through the British Columbia Lottery Corporation (BCLC), was the first province in Canada to offer casino-style games online to its residents in July 2010.
- Below is a summary of the online games offered by provincially-owned lottery corporations in Canada:

Area	Lottery	Bingo	Sports	Casino	Poker
Atlantic Canada	X	X	X		
Québec	X		X	X	X
Ontario	X			X	
Saskatchewan and Alberta					
Manitoba	X	X	X	X	X
British Columbia	X	X	X	X	X

- Just under 80% of Canadians now have access to online gambling.
- BCLC, Loto-Quebec and Manitoba Lotteries joined the Canadian Poker Network, the first regulated poker network in North America, allowing players from the three provinces to play at the same online tables.

Nova Scotia

- Atlantic Lottery Corporation (ALC) has operated its online gaming site, alc.ca, for the four Atlantic Provinces since August 2004. ALC offers a range of online games where Atlantic Canadians, including Nova Scotians, over the age of 19, can play lottery games, such as, iBingo, Pick’n Click and wager on Pro-Line sports.
- The 2013 Nova Scotia Adult Gambling Information Collection Project found that only 1.6%¹⁵ of Nova Scotians have tried online gambling; however, this rate is low compared to other studies carried out that suggest rates are more likely in the range of 7% to 12%¹⁶.
- As part of the 2011 Responsible Gaming Strategy the Nova Scotia government announced it will consider existing and emerging research related to Internet gambling to better understand the trend and determine best practices and policies with respect to regulation.
- NSPLCC engaged the Nova Scotia Health Research Foundation (NSHRF) and with input from the Department of Health & Wellness (DHW) to conduct a survey of online gambling in Nova Scotia. It found that the participation rate in Nova Scotia for online gambling games (poker and casino-style games) was 1.5%.

Youth

- Internet gaming sites allow youth to play poker and casino-style games for free which can lead to the development of gambling habits and gambling problems.
- The most common reasons cited by youth (age 12 – 24) for gambling on the Internet is to relieve boredom and for excitement (Derevensky et al., (2006) study)¹⁷.

¹⁴ Ipsos Reid Polling Findings Update: Perceptions of Internet Gambling, March 23, 2010

¹⁵<http://novascotia.ca/dhw/publications/Adult-Gambling-Information-Collection-Project-2013.pdf>

¹⁶Thinkwell Research (2008), Online Gambling

¹⁷ 2006 DECODE STUDY