

## Internet Gambling

### Global Overview

- It is estimated that there are more than 2,000 Internet websites offering various online gambling options, including casino games, poker, sports betting, lotteries and bingo.<sup>1</sup>
- Global online gambling is expected to rise to \$55.8 billion USD by 2018.<sup>2</sup>
- About 85 nations have chosen to legalize and regulate online gambling.<sup>3</sup>
- The Division on Addiction of Harvard Medical School has been studying long-term behaviours exhibited in online sports betting, casino, poker and other games since 2005, and has found that there are no scientifically-based empirical studies proving online gaming increases the risk of addiction and that the majority of online play is done in a very moderate manner, spending minimal amounts.<sup>4</sup>
- On April 15, 2011, Federal authorities in the United States blocked access to the three biggest online gambling websites at the time (Full Tilt Poker, Absolute Poker, and Poker Stars) and froze these players' accounts.
- 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.<sup>5</sup> Efforts to pass federal legislation that would allow interstate online poker, but ban other forms of online gaming, have stalled in Congress.<sup>6</sup>
- Nevada became the first jurisdiction in the United States to legalize Internet gambling in 2013. Delaware, New Jersey followed shortly thereafter.
- Pennsylvania is the most recent state to approve online gambling.

- 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.<sup>7</sup>

### 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:<sup>8</sup>
  - ▶ 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.

### Canada

- Canadian Internet gamblers have a wide range of educational levels, higher household incomes (\$74,600) and average household debt (\$78,056).<sup>9</sup>
- All age groups are involved in Internet gambling but it is more common in younger adults (average age of 35.5 years).<sup>10</sup>
- 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.

<sup>1</sup> Williams, R.J (2009), Internet Gambling: Prevalence, Patterns, Problems and Policy Options

<sup>2</sup> MarketLine (February 2015), Global Online Gambling (February 2015);

<sup>3</sup> American Gaming Association, Online Gambling Five years After UIGEA

<sup>4</sup> 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

<sup>5</sup> National Conference of State Legislatures

<sup>6</sup> <http://online.casinocity.com/jurisdictions/united-states/>

<sup>7</sup> Forbes (October 2015), Why PokerStars' New Jersey Online Gambling License Is A Big Deal For Amaya

<sup>8</sup> Ipsos Reid Polling Findings Update: Perceptions of Internet Gambling, March 23, 2010

<sup>9</sup> 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.

<sup>10</sup> Ibid

- 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	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.
- British Columbia saw a decrease in its problem gambling rates following the launch of the British Columbia Lottery Corporation's (BCLC) online gambling site<sup>11</sup> and the launch of the Espacejeux online gambling website in Québec was not linked to a statistically significant increase in the proportion of online gamblers qualifying as probable pathological gamblers.<sup>12</sup>
- 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, Digital Instants, iBingo, Pick'n Click, and wager on Pro-Line sports.
- The 2013 Nova Scotia Adult Gambling Information Collection Project found that only 1.6%<sup>13</sup> of Nova Scotians have tried online gambling.
- 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), 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%. In addition, a majority of respondents think that the Nova Scotia government should offer online gambling (59%) and feel that they would play on this site, with 26% saying 'very likely' and 38% saying 'likely'.

<sup>11</sup> <http://www2.gov.bc.ca/assets/gov/sports-recreation-arts-and-culture/gambling/gambling-in-bc/reports/rpt-rg-prevalence-study-2014.pdf>

<sup>12</sup> [http://www.groupe.finances.gouv.qc.ca/jeu/pub/AUTEN\\_Online\\_Gambling.pdf](http://www.groupe.finances.gouv.qc.ca/jeu/pub/AUTEN_Online_Gambling.pdf)

<sup>13</sup> <http://novascotia.ca/dhw/publications/Adult-Gambling-Information-Collection-Project-2013.pdf>