





Gambling

*Bruce/Eric
FYE
Mony*

LegalTimes.com

The Daily Online Service for Lawyers in Metropolitan D.C.

A. law.com. site

March 13, 2000

Monday Edition

[HELP: FAQ](#) | [ADVERTISING](#) | [CLASSIFIED ADS](#)

Rolling the Dice on E-Gambling

Internet Gaming Foes Bet on Odd Coalition. But Will it Pay Off?

By Ron Eckstein
Monday, March 13, 2000

The business of gambling over the Internet is hitting the jackpot: Some 200 companies around the world operate at least 700 online casinos. Roughly 14.5 million players spent \$1.2 billion on virtual gaming last year, and the industry projects revenues of more than \$3 billion by the year 2002.

And Congress wants to shut it down.

In the next few weeks, the House Judiciary Committee will mark up the Internet Gambling Prohibition Act, which would bar gambling businesses from using the Internet to place or take bets. A similar bill has already passed the Senate, and observers on both sides of the debate say the legislation has a decent chance of passing this year.

Supporters say they want to keep living rooms from becoming video blackjack dens where children and addicted gamblers run up huge debts. But a strange brew of family morals politics and the murky world of Internet public policy could undercut the effort even if it's enacted. Thanks to some swift lobbying, the proposed ban carves out some big exemptions for online gambling by any state-regulated industry.

4 FREE ISSUES of Legal Times



Point Spread: The National Council on

Translation: The bill that aims to rein in online gambling would nonetheless allow online versions of some of the most popular gaming attractions - horse racing, dog tracks, state-sponsored lotteries, and jai alai.

The bill's backers say the exemptions are driven by Congress' respect for state sovereignty. Foes say it's campaign politics through

Point Spread: The National Council on Problem Gambling's Keith Whyte fears the Internet Gambling Prohibition Act might expand "in-the-home gambling." (Patrice Gilbert photo)

campaign politics through and through - lawmakers protecting big businesses back in their home states.

They point to Rep. Bill McCollum, a Florida

Republican now running for Senate who supports the bill but whose name is absent from the list of co-sponsors. The exemptions will exacerbate the social problems the bill claims to correct, they add.

"We applaud the concept of the federal government getting involved on this issue, but we are very concerned about the carve-outs," says Keith Whyte, executive director of the National Council on Problem Gambling. "We are concerned that what is termed an Internet prohibition bill will have the result of expanding in-the-home gambling."

All in the Family

When a version of the legislation was first introduced by Sen. Jon Kyl (R-Ariz.) in December 1995, it was quickly trumpeted by a coalition of family values organizations, the National Association of Attorneys General, professional sports leagues, and the National Collegiate Athletic Association.

Lobbyists for the horse- and dog-racing industries had to work hard and fast to make sure their interests were protected. Once they successfully convinced members of Congress to respect the states' right to regulate these issues, they became a wealthy - and unlikely - ally for groups like the Family Research Council, the Presbyterian Church, and the Southern Baptist Convention.

But the bedfellows may have proven too strange for the family values groups, some of which are now abandoning their support for the bill. As a result, the NCAA and attorneys general are left to couple with the racing and jai alai interests as the top advocates for the Internet gambling legislation today.

The opposition to the bill is led by the Interactive Gaming Council, the National Indian Gaming Association, and charitable interests that don't want to be shut out before they can launch their own casinos on the Web.

David Safavian, a lobbyist from Janus-Merritt Strategies, leads a coalition of opponents to the bill. He, in turn, has hired lobbyists from podesta.com.

The state attorneys general claim Internet gambling is one of the few issues where pushing for federal regulation actually enhances state sovereignty.

"Gambling has always been a state issue," explains Wisconsin Attorney General James Doyle, a Democrat. "State gambling policies and laws differ more widely than in almost any other area of the law. From complete gambling prohibitions in Utah and Hawaii to huge commercial casinos of Nevada, Atlantic City, and the Mississippi Gulf Coast, each state has chosen to draw the line on gambling based

on local and state interests.

"The Internet threatens to disrupt each state's carefully crafted choice on gambling policy. . . . It doesn't matter that a person's home state has chosen to prohibit this potentially harmful activity, because the Internet crosses jurisdictional boundaries."

Curiously, the same states' rights argument is used to justify the exceptions in the bill for online horse racing, dog racing, and jai alai; those industries are state regulated. While opponents claim that political muscle secured what some call the "sweet-heart carve-outs," congressional staffers say that their bosses are simply sensitive to issues of federalism.

The American Horse Council, the government relations arm of the equine industry, retains the services of Thomas Davis, of Davis and Harman. YouBet.com, the largest global online horse betting establishment, gets its lobbyists from the stable of Hopkins & Sutter. Henry Cashen, a partner at Dickstein Shapiro Morin & Oshinsky, has represented the American Greyhound Track Operators Association for years. No representative of the parimutuel industries returned phone calls.

In 1998, the American Horse Council's PAC - the Committee on Legislation and Taxation (COLT) - gave \$43,550 to Republicans and Democrats. So far this cycle, they've given \$18,350 to candidates and PACs from both parties.

The motives of the NCAA may seem more pure than those of its accomplices in this fight: The nonprofit athletic association fears a proliferation of gambling could affect the integrity of its games - as it has at Northwestern and Arizona State University in recent years. The NCAA also sees the potential for college students to get sucked into huge gambling debts.

The NCAA has not hired any outside lobbying help, focusing instead on grass-roots efforts. In addition to meetings on Capitol Hill, the NCAA has arranged for college presidents to call their members of Congress to stress the dangers of online betting for athletes and students.

NCAA Assistant Director of Government Relations Daniel Nestel says his group would have preferred a more restrictive bill, but working with the horse- and dog-racing lobbyists has its advantages.

"In a perfect world, we would like a bill with no exemptions," he says. "But we would not have a bill without the exemptions because these [parimutuel] interests are not going to allow themselves to be shut out of the Internet."

The exemptions for race tracks, jai alai, and state lotteries may have been too much for the family values crowd, however. A spokeswoman for the Family Research Council says the group is no longer supporting the Internet Gambling Prohibition Act, but refuses to say why. The Christian Coalition was another early supporter that is now questioning the bill, according to Christian Coalition lobbyist Jeff Taylor.

"I do have concerns about all the carve-outs - the exceptions for this and exceptions for that," he says. "We are definitely re-evaluating our support."

Hill staffers and lobbyists speculate that working on the same side with any gambling interests makes the family values groups uneasy. After all, the family values groups unsuccessfully tried to defeat gubernatorial candidates in the South in 1998 - races where the implementation of state lotteries were the central issues.

The exemptions have become a target for the U.S. Department of Justice, which opposes the bill.

"The department does not understand why the parimutuel wagering industry should be allowed to accept bets from people in their homes, when other forms of gambling have rightly been prohibited from doing so," says Deputy Assistant Attorney General Kevin Di Gregory. "The same concerns we have expressed about children and compulsive gamblers having unfettered access to gambling via the Internet is true whether the betting is on horse races or casino games."

Tribal Opposition



Good Bet: The NCAA's Daniel Nestel says the legislation isn't perfect, but it's a step in the right direction. (Patrice Gilbert photo)

The exemptions have also raised the ire of the the National Indian Gaming Association. The group feels it is discriminatory to allow state-regulated gambling to expand to the Internet while not making the same provisions for gaming run by Indian tribes.

"We're just asking for the same rights as the states to regulate their gaming - no more and no less," explains Jacob Coin, the group's executive director.

Until the tribes are granted a similar exemption, Carlyle Consulting's Thomas Rodgers, who represents the National Indian Gaming Association, is working with Safavian to oppose the bill, which is sponsored by Reps. Robert Goodlatte (R-Va.) and Frank LoBiondo (R-N.J.).

But since the Interactive Gaming Council has the most to lose, it remains the most staunch opponent of the Internet Gaming Prohibition Act. Its 80 member companies are the operators, software suppliers, and vendors servicing the Internet casinos.

Council Chairwoman Sue Schneider argues that the public would be best served if the government chooses to regulate legal gambling sites, rather than enacting a ban that could lead to a black market.

"If you are concerned about the fairness of the games, honest payouts, and the prevention of underage gambling, what you need is a regulatory process - not a prohibition," she says.

The council has set up a Web site, www.profreedom.com, to mobilize online gamblers into a grass-roots political force. Schneider says players sent 40,000 letters to their members of Congress through the site last year.

The most interesting lobbying on the issue, however, is going on in the private sector. Representatives of the software companies involved with casinos are making the case to other high-tech firms that this legislation threatens them too.

Because the bill would obligate Internet Service Providers to disable gaming Web sites, opponents say it pushes ISPs into a gatekeeper role that should make them uncomfortable. They contend that the ISPs could be drawn into investigations of individual sites - setting a dangerous precedent.

But unfortunately for the online gambling community, the high-tech presence in Washington has chosen to keep a low profile in this debate. Afraid of projecting a rogue image of the Web as an open frontier where anything goes, the high-tech establishment is, for now, willing to risk a crackdown on Internet gambling.

Ron Eckstein is a reporter at Legal Times. His e-mail address is reckstein@legaltimes.com.

To order call or
visit our web site
law.com
Books, Software, and
More for Lawyers

 **COREL**
Go further

WordPerfect
LAWOFFICE 2000

 coming soon!

© 1999-2000 law.com Inc.
© 1999-2000 NLP IP Company
Terms and Conditions of Use

USA TODAY
Money

TUESDAY, AUGUST 17, 1999

MONEYLINE

A CHECK READ ON THE TOP MONEY NEWS OF THE DAY

Monday markets



Index	Close	Change
Nasdaq composite	2645.28	▲ 7.47
Standard & Poor's 500	1230.77	▲ 3.09
Treasury bond, 30-year 1999	6.08%	▲ 0.02
USA TODAY Internet 100	87.05	▲ 0.79
e-Business 50	93.88	▲ 0.67
e-Commerce 50	79.40	▲ 0.93

Source: USA TODAY Research, Wall Street Journal, Reuters, Market Data

BUSINESS TRAVEL

By David Field

Sharp Image: American will introduce Digital Video Disc (DVD) in-flight players on its Miami-Boston Aires flights on Sept. 1. DVDs will soon follow on MD-11 flights between the USA and South America and Europe.

Hookup: A Laptop Lane opened in Phoenix Sky Harbor Terminal 3. Laptop Lanes also provide office services in five other airports.



DVD: American Airlines will introduce the players Sept. 1.

Seasonal sale: AirTran sale fares range from \$19 to \$39 one Tuesday. Buy by Aug. 23.

way. Savings advance purchase required. Buy by Aug. 23. By Aug. 23 to Dec. 17. Blackout dates are Sept. 3, Sept. 8 and Nov. 24-29.

Two-tier sale: Delta Labor Day sale offers peak travel fares up to 40% off 21-day advance purchase fares. In Oct. \$90 more off a peak round trip, return on Sunday, Sept. 5. Peak period trips start on Saturday, Sept. 4, end on following Monday or Tuesday. Buy by Aug. 23.

WHAT IN THE WORLD?

Answer: Anna Chiffa

WHAT CITY RECEIVES AN AVERAGE OF 0.2 INCHES OF RAIN A YEAR, AND IN SOME YEARS HAS NO RAIN AT ALL?

If you have a hard time remembering names, can you do it with words? (Solve 1,000 words with our special dictionary, we save you over 500 hours of work!)

WORLD'S MOST FAMOUS

WORLD'S MOST FAMOUS

WWW.ITWR.COM 1-800-233-2333

Debtors take credit cards to task for allowing bets

By Tom Lasey
USA TODAY

NEW YORK — Debtors deep in debt from gambling on line are suing credit card companies to stop collection, claiming the firms aid illegal operations.

Last week, a lawsuit seeking class-action status was filed in federal court in Manhattan against MasterCard and a bank that issued the credit cards, charging the companies with racketeering.

"If credit card companies choose to engage in these illegal bookie operations, they run the risk of not being able to collect debts," says Minneapolis lawyer Barry Reed, who represents plaintiffs in the Manhattan lawsuit and seven others nationwide.

Only Nevada, Louisiana and Illinois have laws specifically banning Internet gambling. But prosecutors elsewhere consider on-line gambling illegal under a federal law banning interstate sports betting over the telephone and state laws banning gambling in general. Most states also have laws that make the collection of gambling debts unenforceable.

But with the absence of laws that specifically outlaw Internet gambling, Web site operators argue it is not illegal. The industry is booming through more than 300 Web sites — most operated from outside the USA. Revenue is expected to exceed \$2.3 billion in 2001.

The debtor bettors who sue are having some success. MasterCard and issuers, including

MasterCard cracks down

After a lawsuit by a debtor, MasterCard adopted requirements for on-line gambling sites that accept its card:

- ▶ Internet casinos must warn that on-line gambling may be illegal in some states.
- ▶ Internet casinos must ask gamblers where they are and keep a record of their location.
- ▶ Card issuers must code Internet bets so they can better track the transactions.

MBNA, First USA, Nations Bank and Wells Fargo, settled a lawsuit last month brought by a Marin County, Calif., woman who lost \$70,000 in 18 months gambling on line using 12 credit cards. Cynthia Haines charged that on-line gambling is illegal in California, so credit card companies never should have authorized her charges.

Terms of the settlement are confidential. Haines' lawsuit against Visa and three other issuers is pending. "My client admits she made a mistake, but the greater wrong is with Visa and its allies for aiding and abetting illegal Internet gambling and making a lot of money off it," lawyer Ira Rothken says. He

49% credit card companies get 2% to 5% of each on-line bet. The firms declined to comment on the fees.

Carwyn Breischneider of Vantage Haines lawsuit. "This is a constantly evolving area, and we are continually looking at our policies," she says. Among them: verifying that gambling sites are licensed in the countries where they are based.

Tony Cabot, a Las Vegas lawyer and author of *Internet Gambling Report*, says the debtor lawsuits will do little to threaten the relationship between credit card companies and on-line gambling Web sites. "It's going to take a state attorney general stepping up to file criminal charges against a credit card company."

Bruce, Thought you would find this interesting. The reality is working on seeing if we can get some voluntary deal from banks and credit card companies. Money

Gambling

THE WHITE HOUSE
WASHINGTON

October 2, 1997

*Gambling
Commission*

MEMORANDUM FOR BOB NASH

FROM: *CR* CHARLES F.C. RUFF
COUNSEL TO THE PRESIDENT

RE: National Gambling Impact Study Commission

We have checked with Justice, and they feel strongly that, although they want to participate in the Commission's work, they should not serve as counsel to the Commission, since they may ultimately disagree with its conclusions. I agree.

cc: ✓ Bruce Reed
John Podesta

THE WHITE HOUSE
WASHINGTON

September 12, 1997

*Gambling
Commission*

MEMORANDUM FOR JOHN PODESTA AND BRUCE REED

BR

From: Bob J. Nash Assistant to the President and
Director of Presidential Personnel

RE: NATIONAL GAMBLING IMPACT STUDY COMMISSION

I. BACKGROUND

The National Gambling Impact Study Commission Act authorizes the President, the Speaker of the House of Representatives and the Majority Leader of the Senate to appoint three members each to the Commission. Senate Majority Leader Lott and House Speaker Gingrich deferred to Senate Minority Leader Daschle and House Minority Leader Gephardt to make one appointment each. President Clinton appointed William A. Bible, Richard C. Leone and Robert W. Loescher to the Commission. (See attached resumes).

The Commission's mandate is to conduct a comprehensive legal and factual study of the social and economic impacts of gambling in the United States. The Act requires that the Commission submit a comprehensive report of its findings, conclusions and recommendations no later than two years after the date of the Commission's first meeting.

The Act provides that the President, the Speaker and the Majority Leader shall jointly designate one member as the Chairman of the Commission. In the event of a disagreement among the appointing authorities, the Chairman shall be determined by a majority vote. Kay C. James (R-VA), a Gingrich designee, was selected as the Chairperson. The President appointed William Bible (D-NV), Richard Leone (D-NY), and Robert Loescher (D-AK). The other members are: Dr. Paul Moore (R-MS), James Dobson (R-CO), Leo McCarthy (D-CA), Terrance Lanni (R-NV), John Wilhelm (D-NV).

II. DISCUSSION

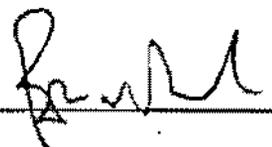
The sensitivity of the report warrants monitoring its progress and advising the President regarding its status and the implications for domestic policy. Failure to keep abreast of the Commission's activities could cause problems later. The functional responsibilities of the Office

of Presidential Personnel, however, have concluded unless a vacancy occurs on the Commission among the Presidential appointments. While David Ogden, Counselor to the Attorney General at the Department of Justice, has oversight responsibility for the Commission, I believe that it is important for the White House to stay current. I, therefore, recommend that the Domestic Policy Council assume the responsibility for monitoring the progress of the National Gambling Impact Study Commission for its duration.

In addition, several member of the Commission would like the Department of Justice (DOJ) to serve as legal counsel to their Commission. General Services Administration has offered to provide these services, however, several Commissioners have requested than an attorney from Justice also serve this role. Given DOJ's role in monitoring illegal gambling activities, I agree with this request. (Chuck, is it possible for you to check with DOJ regarding this request?)

Domestic Policy Role: Agree: ✓ Disagree: _____

DOJ Role: Agree: ✓ Disagree: _____

Responder: 

Office: DPC

cc: Charles Ruff, General Counsel
Maric Therese Dominguez

Attachments: resumes of our Members

RESUME OF:

March 24, 1997

ROBERT WAYNE LOFSCHER

10645 Misty Lane
 Juneau, Alaska 99801
 (907) 586-2311 (Res.)
 (907) 586-9231 (Bus.)
 (907) 586-2304 (FAX)

DATE OF BIRTH: July 5, 1947

MARITAL STATUS: Married - Helen (28 years)
 Children - Robert, Christy, Cory
 Grandchildren: Michael, Dylan, Donovan

HEALTH: No Physical Limitations

EDUCATION: 1965 Graduated from Juneau-Douglas High
 School, Juneau, Alaska
 1969 Bachelor of Arts Degree, Fort Lewis
 College, Durango, Colorado

LICENSES:
 REGISTRATIONS: Alaska Drivers License 0189910, Exp.: 7/5/01
 Alaska Commercial Fisheries Handroll Permit
 Registered Lobbyist - APOC
 U.S. Passport #072185237 Expires 4/17/99

EMPLOYMENT HISTORY

1978 to Present

Sealaska Corporation

Executive Vice President/Natural Resources Management - executive authority over Natural Resource Department; planning and management of corporate natural resource assets including: management of a diverse group of staff and consulting professional foresters, fish biologists, geologists, land managers, cartographers, GIS personnel, lawyers, and other technical personnel; advocacy for Sealaska interests at administrative and legislative levels of local-state-federal government; development and maintenance of linkages with operating subsidiaries; maintenance of corporate relations with shareholders, ANCSA corporations and other businesses. *Special projects:* ANCSA, ANILCA and federal tax (NOL) legislation; NOL transactions; IRS block delineation; corporate strategic planning; Southeast Native corporation loan recovery, and land exchanges; member of the Corporate Planning Committee (CPC).

Land management responsibility for 330,000 acres of ANCSA 14(h)(1) and 14(h)(8) lands and 600,000 acres of subsurface estate, including easement and conveyance activities, resource inventory, land classification and allocation, historic/cemetery sites; conceived and managed extensive natural resource inventory activities which resulted in the *Sealaska Resource Inventory and Atlas and Geographic Information System*.

Timber management responsibility, including timber inventory, silviculture, timber development, log transfer facilities, timber harvest contract administration (50-100 MMBF export per year and 20 to 40 mmhf per year of timber pulp inventory); implementing revenue sharing under ANCSA 7(i) and 7(j) and the 7(i) Agreement; sawlog/pulpwood utilization planning; market and sales development, IRS/NOL matters, timber depletion records and reforestation/silvicultural. *Special projects*: ANCSA 7(i) legislation/issues; state forest practices act; federal clean water legislation/log transfer facilities; contract stumpage acquisitions; Sealaska Timber Corporation; Webb-Pomcrene Association (round log export); STC Certification under Export Trading Act; Klawock Island Dock Company; Acquisition Study - Wrangell Sawmill.

Minerals management responsibility for: planning, inventory, exploration and mineral leasing; ANCSA 7(i) and 7(j); research and policy development. *Special Projects*: Sealaska Minerals Inc., Alaska Petrofining, U.S. Borax Molybdenum; Greens Creek Mine; A-J Mine JV; Sealaska/Cominco Exploration and Lease Agreement; Sealaska/American Copper and Nickel Exploration and Lease Agreement; State Mining Reclamation Act; Limestone Project Development; Brady Glacier - Nickel Deposit Lease; Calder non-7(i) High Grade Calcium Carbonate Deposit; Nutkwa 7(i) High Grade precious metal, zinc, copper deposits.

Foreign Business Travel experience: Canada; Japan; South Korea, Soviet Far East; P.R. China

In FY 87, Forest Products Group: Revenues \$33 million; Operating Income \$10 million; Overall Company Gross Sales Exceeded \$234 million.

In FY 88 Natural Resources Group: Revenues \$63 million; Operating Income \$26 million; Overall Company Gross Sales \$270 million.

In FY 89 Natural Resources Group: Revenues \$69 million; Operating Income \$21 million; Overall Company Gross Sales of \$268 million.

In FY 90 Overall Company Gross Sales of \$111 million and Net Earnings of \$17 million.

In FY 91 Overall Company Gross Sales of \$128.4 million and Net Earnings of \$28 million.

In FY 92 Overall Company Gross Sales of \$103 million and Net Earnings of \$21 million.

In FY 93 Overall company gross sales of \$167 million and net earnings of \$21.9 million.

In FY 94 Overall company gross sales of \$227 million and net earnings of \$22.7 million.

In FY 95 Overall company gross sales of \$218.524 million and net earnings of \$42.360 million. A milestone being the settlement of all outstanding tax reporting controversies between the U.S. department of Treasury IRS and Sealaska Corporation.

In FY 96 Overall company gross sales of \$237 million and net earnings of \$43.4 million.

***January 1994 to February 1995 Team Leader NOL/Executive Leadership Group
(NOL/ELG) Sealaska Corporation***

January 1994 to February 1995. At the appointment and direction of the Sealaska Corporation Chief Executive Officer, served as the Teamleader of the NOL/ELG. The other members of the team were Barbara Searls VP-CFO and Bruce Keizer, General Counsel. This assignment consisted of preparation for litigation or negotiation of corporate tax reporting controversies related to Net Operating losses evolving from timber and rock sand and gravel depletion. Further, this effort was tied to defending sales of NOLs to other profitable companies such as Morgan Stanley, Disney Corporation, Rite Aide, C&F Freight Lines and Sarah Lee. A staff of internal/external records management personnel, statistical analysis personnel, GIS technicians, foresters, accountants, valuation experts, tax accountants, tax lawyers, forest operations personnel and others were employed and organized to support this effort.

The underlying issues the Corporation encountered with the IRS were concerning the valuation of its timber tax blocks and the claim of volume adjustments. Issues in relation to tax loss carry-back were also in question during the audit. However, the carry-back issue was not a factor in the settlement with the IRS. The issue of value and volume adjustments were the major factors in generating Sealaska's Net Operating Losses which drove the NOL sales agreements allowed under the special tax legislation concerning the ANCSA corporations. Sealaska's potential risk of IRS claims ran a potential \$110 million. The total NOL sales were \$157 million. The net settlement earnings were \$134 million. The actual payment to the IRS was \$23 million.

The conclusion of the NOI effort resulted in an end of a five and a half period of corporate history where Sealaska had been brought to a near standstill in terms of new corporate growth and investment. A recapitalization of the company resulted; extraordinary dividends to shareholders were made (\$23M); and a strategic plan for a new corporate direction into Investment and Acquisitions was initiated.

***June 1990 to December 1992
Member of the Office of the President
Sealaska Corporation***

June 1990 to December 1992 At the appointment and direction of the Sealaska Corporation Chief Executive Officer, served as a member of the Office of the President for Sealaska Corporation. Executive tasks addressed included strategic planning and budgeting, operations management at corporate headquarters and subsidiaries, IRS/NOL Project 7(i) activities, litigation oversight, administration of discontinued operations, sales of assets, liquidations, financial management and reporting, corporate communications, shareholder relations, and activities in support of the Board of Directors. Special Projects: sale of Swecker Farms; Fairbanks Sand and Gravel and Alago. Returned capital in excess of \$6.3 M to Sealaska Corporation for reinvestment purposes.

February 1983 to December 1983
Sealaska Timber Corporation

Senior Vice President/Operations - SC special assignment to effect the "turnaround" of subsidiary. Restructured company in preparation for 1984 operational year including production/sales, updated strategic operating policies, revised roadbuilding, logging and towing contracts, renegotiated export marketing contracts with ANCSA companies, decreased personnel, instituted measures for vendor management. Recovered \$23 million from timber advances and construction loans. Formalized status as export trading company/Webb-Pomerene Association. Market/sales of 155 MMBF of export logs and 30 MMBF of pulp/sawlogs to domestic customers; gross sales \$53 million.

1972 - to February 1978
Tlingit-Haida Regional Housing Authority

Executive Director - Executive responsibilities for THRHA, THREA and THHDC; organization and establishment of the Authority; supervised a technical staff of 20+ plus consulting architects, engineers, surveyors, soils engineers and attorneys; managed note sales, mortgages and budgets totalling over \$30 million; coordinated state/federal/private agency programs and contracts relating to development of roads, electrical generation and distribution, and water/sewer systems; developed financial packaging, designs and specifications, and construction contract bid procedures for new/rehabilitated housing developments; prepared and implemented housing management systems; administered force account construction/maintenance projects; acquired real estate through diverse governmental and private sources; developed, administered and enforced plans and assurances for civil rights laws. administered all aspects of construction contract compliance; prepared environmental impact statements and assessments; prepared land use plans and zoning recommendations; prepared legal research for testimony on federal/state legislation, regulations for administrative procedures affecting housing and community development; communicated and worked with federal, state and municipal officials on a regular basis; worked with the public and directly with consumers on a daily basis.

Special Projects: development-construction-management of 360 Turnkey III low income single family homes and 6 community buildings in 10 Southeast communities (valued at \$30 million); development-management of elderly housing at Yakutat; 80 Unit HUD-FHA 221(d) multi-family housing application; 1100 unit HUD-Section 8 Existing Housing Rental Assistance Applications; FmHm 515/Section 8 Elderly Housing Direct Loan Mortgage Application-Construction Documents; development program for fourth unit Mutual Help Housing project at Sitka; prepared application for request for 185 units low income Mutual Help Housing for seven rural communities; development plans for fourth health clinics, 2 community halls, 2 fire halls and 2 recreation centers, Urban/Rural Housing Needs Study for Southeast Alaska; administered CETA Grants, HUD Modernization projects, prepared Community Block Grant applications, coordinated and prepared water/sewer design, financing and construction in ten communities; prepared Rural Development Grants for village electrification; secured three Local Service Roads and Trails projects.

1975 to February 1978

Tlingit-Haida Regional Electrical Authority

Executive Director - Prepared draft legislation AS 18.57 Regional Electrical Authority enabling bill; assisted in the organization and establishment of the authority; prepared short/long range goals/feasibility analysis and research for consolidating electrical generation and distribution systems for Hoonah, Angoon, Kake, Klawock, Klukwan and Kasaaan; prepared an inventory and acquisition analysis of the Yakutat electrical system; initiated research of existing/alternative fuel sources and small hydro-electric potential in Southeastern Alaska; established relationships with municipal governments and federal/state officials; supervised a small staff of employees; utilized consultant services, particularly electrical engineers and financial bond attorneys.

Specific projects include design, development, construction and start up management of new electrical generation and transmission systems under REA guidelines and loan requirements at Hoonah, Angoon, Kake, Klawock and Kasaaan; project value six million dollars (\$6,000,000).

1974 to 1978

Tlingit-Haida Housing Development Corporation

Executive Director - Assisted in the organization and the establishment of the corporation; prepared short/long range corporate goals; administered limited staff; utilized contract consultant services; prepared budgets and administered the affairs of the corporation. *Special projects:* planned, designed, constructed, financed and managed Yakutat Elderly/Health Clinic project valued at \$330,000 plus; prepared/received applications for financing 124 units of elderly housing for Southeast Alaska under HUD 202/Section program valued at about seven million dollars (\$7,000,000).

1971 to 1972

Tlingit-Haida Central Council/Office of Development Planning

Deputy Director - Assisted communities in EDA-OEDP community project priority setting and planning; monitored and prepared State/Federal legislation. Assisted and/or drafted program grant applications in the field of education (Talent Search, Higher Education Grants; credit unions; SBA loans; fishery loans; low income housing - 160 Turnkey III homes, Farmers Home Loan, FHA-236 (Gruening Park) 96 units, FHA-235 Juneau Valley, formed non-profit housing development corporation; assisted Sitka in the development of the Indian Village plans, industrial and business project reviews, municipal utility analysis.

1969 - 1971

Alaska Legal Services

Field Representative - Paralegal; legal preparation for attorneys in rural Southeastern Alaska. Assisted with social welfare, employment, social security, Indian trust property matters, land claims research, model city citizens involvement and other legal research projects; Lobbying at the state legislation concerning low income and the poor.

COMMUNITY SERVICE/SPECIAL AWARDS/AFFILIATIONS

Present Board Member, Officer or Member: Juneau Tlingit-Haida Community Council. ANB Camp 2; Alaska Miners Association; Society of American Foresters; Southeast Alaska Political Action Committee; Juneau Elks Lodge #402; Alaska Industrial Development and Export Authority; Alaska Energy Authority; Klawock Island Dock Corporation; Governor Southeast Timber Task Force; AT&T Alascom Rural Advisory Board; Alaska Resource Development Council.

Former Director or Member: Governor's Comprehensive Health Council; Juneau Teenage Club; Auke Tribe Council; Southeast Alaska Native Timber Corporation; Tlingit-Haida Housing Development Corporation; Tlingit-Haida Building & Condominium Association; Goldbelt Inc.; Southeast Webb-Pomerene Association; State Forestry Board; Alaska Miners Association; Alaska Forestry Association; State Market Alaska Task Force; Alaska Long Range Fiscal Planning Commission; Alaska Nature Conservancy.

1983 "John Andrew Hope" Award - Juneau ANB Camp #2 Community Service.

Member of Governor's Timber Task Force, 1984 through 1986 (industry revitalization).

Member of Governor's Steering Committee for Review of the State Forest Practices Act, 1988-1989.

Currently Assemblyman to Central Council of the Tlingit & Haida Indians of Alaska (federally recognized tribal government.)

Former Elected Tribal Judge - Central Council of the Tlingit Haida Indians of Alaska.

Member of Alaska Native Brotherhood Camp No. 2

Councilman on the Juneau City Council 1 year; Assemblyman-Unified City and Borough of Juneau, 3 1/2 years.

Owner of 100 shares of ANCSA common stock in Goldbelt and 100 shares in Sealaska Corporation

William Bible

William Bible of Nevada, is the Chairman of the State Gaming Control Board, recently reappointed by Governor Bob Miller for a third term. Mr. Bible began his tenure in 1988 heading up the agency responsible for the enforcement of Nevada's gaming industry. This agency is responsible for the stability of the gaming industry through investigations, licensing and enforcement of regulations. It is also responsible for ensuring the collection of gaming taxes and fees which are an essential source of state revenue.

Mr. Bible has led the Nevada State Gaming Control Board through multiple changes over the last nine years including issuing regulations with regard to Indian Gaming in other states. Mr. Bible is frequently sought out from different parts of the country for his expertise in gaming regulation systems.

Mr. Bible is a career public servant beginning his career in the Nevada State Legislature working in the budget office. He began as a budget analyst and before joining Governor Richard Bryan's cabinet, Mr. Bible headed up the budget office for the legislature. During his tenure as the Director of Administration, Mr. Bible was responsible for developing and presenting a biannual budget to the legislature.

WILLIAM A. BIBLE

William Bible graduated from Stanford University in 1967 with a Bachelor of Arts Degree in History and Political Science, followed by a Masters Degree in Business Administration in 1971 from the University of Nevada, Reno. Mr. Bible's Master program emphasized capital budgeting, resource allocation, portfolio management, and general financial management.

Mr. Bible served the State of Nevada as the Chief Assistant Budget Administrator from 1971 to 1973 and as the Deputy Budget Administrator from 1973 to 1977. In these positions, he developed and monitored the State's Executive Budget, monitored all state agencies' budgets, supervised the state's accounts payable process, and conducted management studies aimed at streamlining government operations.

From 1977 to 1983, Mr. Bible served first as the Assembly Fiscal Analyst and then as the Director of the Division of Fiscal Analysis of the Legislative Counsel Bureau. In these capacities, Mr. Bible supervised a division with the primary responsibility of providing the Legislature with an independent analysis of budgetary and fiscal matters.

In 1983, Mr. Bible was appointed by former Governor Richard Bryan as the Director of the State's Administration Department. As such he administered the several related divisions and programs related to this department. In this capacity, Mr. Bible prepared and presented a \$2.5 billion biennial budget for over 12,000 state employees and programs, projected revenues and receipts, and developed a general economic forecast for the public sector, as well as analyzed federal budget policies on state and local budgets.

In 1988 Mr. Bible was appointed by Acting Governor Robert Miller as the Chairman of the State Gaming Control Board. In his current position, Mr. Bible is responsible for the direction and administration of the Board and its staff, for administering an \$18 million budget, and for ensuring compliance with gaming statutes and regulations by some 2,300 licensees throughout the State of Nevada. In 1993 Mr. Bible was re-appointed by Governor Robert Miller to another four year term as the Chairman of the State Gaming Control Board.

Richard Carl Leone

The following is a short biography on Richard Leone based on articles published about Mr. Leone or editorials he has written:

Richard Leone began his political career as Governor Brendan Byrne's campaign manager and twice guided him to come-from-behind gubernatorial victories. Mr. Leone was appointed New Jersey State Treasurer in 1973, an office that was considered one of the most powerful seats in state government. Together with Governor Byrne, Mr. Leone put in place governmental reforms within the Office of the Treasurer that included bidding out the state's bank deposits, creating a nonpolitical investment policy and creating a selection board to review and select government contractors. Mr. Leone served in this position until 1977.

Mr. Leone ran for the U.S. Senate against Bill Bradley and lost in the Democratic primary race in 1978. Mr. Leone became President for the New York Mercantile Exchange where he stayed from 1980 - 1982, and then moved over as President for Atlantic Commodities, Inc., a trading company with ties to the oil company Amerada-Hess. He served in this position from 1982-1984.

Mr. Leone became Walter Mondale's senior advisor during the 1984 presidential campaign where he was responsible for coordinating issue development, speech writing, television advertising and public opinion polling into the message for the campaign. Mr. Leone is credited for crafting Mondale's message to appeal to the younger voters that had been the base for Gary Hart.

Mr. Leone was appointed to the Port Authority of New York and New Jersey Board in 1989 by Governor Thomas H. Kean and was promoted to Chairman by Governor Jim Florio in 1990. Considered one of the most powerful governmental authorities in the nation, the Port Authority Chairman and Executive Director run the daily operations of the bi-state agency that has responsibility for a \$2 billion annual budget and the operations of train and bus complexes, tunnels and bridges, the World Trade Center, marine terminals and three international airports - Kennedy, La Guardia and Newark.

Mr. Leone continued his reform movement by opening the Board meetings and its committee meetings to the public and carrying out regular reviews of capital program performance. He led the agency through the difficult aftermath of the World Trade Center bombing, and began an capital improvement investment program that took the agency's infrastructure off life-support.

Mr. Leone is currently the President of the Twentieth Century Fund, a public policy research institution. He is a frequent syndicated columnist and he comments on national issues, including FAA/airline industry issues and supportive editorials for the Clinton Administration programs. Mr. Leone holds an A.B. from the University of Rochester, and he received his MPA and Ph.D. from Princeton University. He is married to Sue Cox, a reporter for the Wall Street Journal.

Richard Bryan

U.S. Senator • Nevada

FOR IMMEDIATE RELEASE

CONTACT: Jean Neal
202/224-6244

DATE: August 20, 1997

74/97

BRYAN BLASTS GAMING COMMISSION INVOLVEMENT IN LA SENATE RACE

WASHINGTON, D.C. -- United States Senator Richard Bryan (D-Nevada) today said an attempt by Chairwoman Kay Cole James of the new National Gambling Impact Study Commission to inject the Commission into the Louisiana Senate political situation is "a blatant effort to work with the Christian Coalition and inject a taxpayer funded commission into their partisan politics."

Bryan said Commission Chair Kay James, a Dean of the Robertson School of Government at Regent University, planned to take the commission to Louisiana in October to study "political corruption" on behalf of defeated Republican candidate Woody Jenkins, the candidate backed by the Christian Coalition and other related groups.

"The protests by the Christian Coalition and Mr. Jenkins have been found to be without merit by bipartisan investigators," Bryan said. "Those with partisan interests at this point are struggling to keep the investigation alive."

Following two days of closed hearings conducted by Senate Rules Committee Chairman John Warner (R-Virginia) in New Orleans, Warner said neither the witnesses nor the subpoenaed documents given the committee provided "the quantum of evidence that would be needed for the Senate to consider overturning," the election of Democrat Mary Landrieu, as reported in The Times-Picayune.

"The protest by Mr. Jenkins is on the verge of being dismissed," Bryan said. "It's become an embarrassment to the Senate and even the Republican party. It appears Ms. James was part of a plan to revitalize that effort. It's a disgusting and arrogant abuse of taxpayer funds. It not part of the role of the study commission and today commission members told her that."

The National Gambling Impact Study Commission was created by Congress last year to conduct a two-year study of the gaming industry and has at least a \$4 million budget.

During their second meeting, occurring in Washington, D.C., Commission members told Chairwoman James to rework her proposed plan for site visits. They also turned down her proposed rules under which the Commission will operate.

STANDARDS

...for public school accreditation
...on low-performing schools and
...have criticized parts of the plan

...the 70 percent rule.
...ments

...schools will have to spend 75 percent of
...school day on English, math, science

...s will have to spend 57 percent of the
...day on those basic subjects.

...students will have to take additional
...th, history and science.

...education

...nger will require local districts to offer
...classes or elementary school guidance.

...schools will be allowed to replace the
...counselors with reading specialists.

SOURCE: Virginia Board of Education

THE WASHINGTON POST

Va. Mental Health Chief Leaving Troubled System

Kelly to Work for U.S. Gambling Commission

By Mike Allen and Spencer S. Hsu
Washington Post Staff Writers

Virginia's mental health commissioner resigned yesterday as head of a system that drew federal scrutiny following patient deaths and reports of abuse, but he said he leaves changes that have improved care.

Timothy A. Kelly, appointed by Gov. George Allen (R) in June 1994, said he will leave Sept. 17 to direct research for the National Gambling Impact Study Commission, which was created by Congress last year and began work this summer.

Kelly's departure heartened advocates for Virginia's mentally ill, although they said blame for the troubled system lies more with Allen than with Kelly.

Kelly would have done better under a more compassionate administration, said Edward J. Brazill, of Fairfax County, president of the Northern Virginia Alliance for the Mentally Ill. They were mostly focused on building more prisons.

Kelly's salary was \$99,000, and he oversaw a system that had a \$588 million budget last year. Scott C. Oostdyk, Allen's deputy secretary of health and human resources, said that Kelly's move surprised the administration and that it "had nothing to do with his performance. He's been a very steady and competent director."

Kelly, 46, was an assistant professor of clinical psychology at American University before becoming head of the state Department of Mental Health, Mental Retardation and Substance Abuse Services. The federal gambling commission is headed by Kay Coles James, the former Virginia secretary of health and human resources, who hired Kelly for the commissioner's job.

In June, the Justice Department issued a report detailing "numerous conditions that lead us to conclude that constitutional and federal statutory rights of patients are being violated" at Central State Hospital, in Petersburg, the state's only mental hospital with a maximum-security unit.

The federal action followed investigations into the deaths of four mental patients at three hospitals in 1994 and 1995. Under Kelly, the state won dismissal of three Justice Department lawsuits alleging that patients had been abused at Eastern State Hospital, in Williamsburg; the Northern Virginia Training Center, in Fairfax County; and the Northern Virginia Mental Health Institute, in Falls Church.

State Sen. Joseph V. Garlan Jr. (D-Fairfax), co-chairman of a General Assembly commission studying Virginia's mental health services, said Kelly had given him "less than full cooperation" that "from time to time impeded" the commission.

Kelly asserted he and the commission had "a very good working relationship."

Many of the problems with the system were inherited, Kelly said, adding that the Allen administration is working to avoid a lawsuit in the case of Central State by increasing staffing, changing procedures and building another unit. Responding to the Justice investigations, the state has hired about 280 employees in answer to charges that its 15 facilities are severely understaffed.

During his tenure, Kelly said, he expanded the treatment offered to patients, leaving a "tighter, more efficient" department.

"Mental health system reform has been launched in Virginia," he said. "We have applied the governor's principles and priorities successfully to mental health."

Valerie L. Marsh, executive director of the Virginia Alliance for the Mentally Ill, said a drive by Allen to downsize has hurt. "Dramatic changes are going to have to be made, which include an infusion of money, closing some hospitals and finally bringing community care to Virginia, 25 years late," she said.

Allen spokesman Greg Crist said the governor will name an acting commissioner to serve for the remaining four months of the administration.

WASH
POST
9/5/97

Disney Theme Park

fought against Disney, said she has mixed feelings about the Boy Scouts potentially camping so close to an interstate.

"I think it's great if the Boy Scouts want to use the land," Rankin said. "But if they're looking to provide a good camping experience to the Scouts, then it's not the right site. I know I don't want my Scout camping next to I-66."



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

January 2, 2000

MEMORANDUM FOR MARY SMITH
DOMESTIC POLICY COUNCIL

From: Lynda de la Vina *LdV*
Deputy Assistant Secretary
for Economic Policy

Subject: The Administration's Initiative on Gambling

A four-pronged Administration initiative on gambling finally appears to be taking shape. This initiative consists of: (1) restraints on credit card use for Internet gambling, (2) modifications to legislation outlawing Internet gambling, (3) research efforts on the economic impacts of gambling, and (4) public education for consumer issues related to gambling. This memo summarizes the issues remaining in each of these areas.

Restraints on use of credit cards for Internet Gambling: Several discussions with representatives of Visa and MasterCard involving technical issues associated with halting credit card transactions for Internet gambling have been held. Visa now appears willing to announce a ban of such transactions. A recent discussion with MasterCard centered on technological issues associated with allowing banks to block transactions in circumstances where such transactions are illegal and the potential that a total ban could take away legitimate business. That said, the atmospherics are that MasterCard remains on track to taking some action. A new lawsuit by an Internet gambler has been brought against both Discover Card and American Express. We believe the Administration should vigorously challenge these companies to adopt a total ban on transactions for Internet gambling because such a ban is in the best interests of the public and of the financial services industry.

Modification of Internet Gambling Legislation: The full Senate has passed Senator Kyl's bill on Internet gambling and the House of Representatives will consider a similar bill sponsored by Congressman Goodlatte in the spring. These bills, which make it illegal to gamble on Internet, contain an important exemption for pari-mutuel betting. A Department of Justice (DOJ) alternative to the Kyl bill, which would have applied racketeering laws to Internet gambling, has to date not found a Congressional sponsor; hence, the Administration needs to consider new approaches.

The bills in Congress prohibit gambling on the Internet but exempt wagering on pari-mutuels if such bet or wager: (1) is regulated by the state in which the wager is received; (2) placed on a closed-loop subscriber-based service; (3) initiated from a state with pari-mutuel racing; (4) received in a state in which such betting is lawful; (5) made in accordance with the Interstate Horseracing Act; and (6) made in accordance with the requirements, if any, established by the State in which the bet or wager originates. According to supporters of this exemption, the

Congressional record regarding the debate on this bill makes it clear that an individual state cannot establish rules that restrict interstate wagering in a way that burdens interstate commerce or otherwise violates the Commerce Clause of the Constitution. Moreover, since it is extremely difficult for states to regulate Internet transactions it is likely that these bills will bring Internet wagering on pari-mutuels to all states including states that do not currently allow wagering on pari-mutuels.

These bills, by creating a mechanism through which it is legal to bet on pari-mutuels from home and by expanding the scope of pari-mutuel wagering, pose substantial risks for problem and pathological gamblers. The Administration could propose to remove the pari-mutuel exemption, but this exemption has support from both parties. A politically and technologically feasible alternative would involve allowing limited-stakes pari-mutuel wagering through the Internet. Such a proposal would be more restrictive and would do more to protect problem and pathological gamblers than current legislation, which allows for unrestricted wagering on pari-mutuels through the Internet.

A research agenda on gambling issues: As per the recommendation in the Treasury report on gambling and bankruptcy, a research agenda on the social and economic impacts related to gambling should be administered by the National Science Foundation. We believe an initial fund of about \$250,000 should be sufficient to initiate this research agenda. We should explore a funding venue in the 2001 budget.

Public education efforts on financial impacts of gambling: There needs to be a public education program on financial impacts of gambling and the potential relation of gambling problems to bankruptcy. This program could be part of broader efforts to educate consumers about the use of credit.

We believe that the gambling initiative needs to be finalized and announced. The restraint on the use of credit cards for Internet gambling is in the best interests of the credit card companies and the credit industry. Our suggested revision to legislation on Internet gambling serves to protect individuals who might be harmed by the increased access to gambling that would become legal under pending bills. Our proposed research and education programs, while modest in scope, should provide useful information to policy makers and the public.

cc: Bruce Reed
David Wilcox
Jodi Sakol