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GLOBAL GAMBLING GUIDANCE GROUP

G4 Newsletter

U.S. Senate Passes H.R. 4411, Online Gambling Bill But Americans Still Free To Gamble Online

This is a copy of a media release put out by the Interactive Gaming Council. While G4 neither endorses nor opposes the content, the release does cover the major points of what appears to be a very weak attempt to block Americans from engaging in Internet Gambling.

9 October 2006 - After a decade of false starts, anti-gambling forces in the U.S. Congress have finally succeeded in passing a specific ban on Internet gambling. Literally in the dark of night, without debate and far from public scrutiny, Republican leaders in Congress added an Internet gambling prohibition bill to completely unrelated, but important, legislation on port security. Without even reading the tacked-on provisions, legislators passed the entire measure before adjourning Saturday, Sept. 30, for their election recess.

But it is important to note, the Interactive Gaming Council says, that individual American players are still free to gamble online. The prohibition bill does not make it a crime for the individual participant. The focus of the bill is on the financial transaction – the transmission of money from the player to the operator of the gambling site. American players, who are believed to account for half of all online gambling activity, can continue to play without fear of federal prosecution. However, some of their favourite sites may no longer accept their wagers, as many of the publicly traded online gambling companies announced that they would stop taking American bets following the recent action of Congress.

“This bill doesn’t do anything to protect American consumers who choose to enjoy Internet poker and other games,” said Keith Furlong, deputy director of the IGC. “But the immediate effect is to drive the industry further underground. Gambling sites will devise new methods for getting money from / to a market where players have shown a resilient demand for this type of entertainment. The sad thing is, however, that many of the largest and most responsible companies, some of whom are major public companies listed on the London Stock Exchange, are being forced to stop providing real-money games.

“This will prove to be a classic case of unintended consequences. In the guise of protecting vulnerable Americans – minors who want to gamble and adults who can’t control their gambling – Congress has actually heightened the risk to these groups. It has driven away the operators who followed the most socially responsible practices. It has also increased the possibility of online gambling being used for money laundering, because it has outlawed the most easily tracked methods of payment.”

“With few exceptions, U.S. states have demonstrated over many years that they can successfully regulate the bricks-and-mortar gambling industry,” added Rick Smith, executive director of the IGC. “That industry employs thousands of people and generates millions of dollars in tax revenue. The same principles could have been followed in the Internet gambling industry. With licensing and rigorous regulation of online gambling sites, rather than futile attempts at prohibition, governments can ensure that games are fair, operators are honest and solvent and vulnerable players are protected. And the governments could have reaped millions in taxes.”

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....from Russia

Actors dress as tramps to fight gambling

Russian actors are being paid to pretend to be destitute beggars in a government scheme to discourage people from gambling.

They will tell passers-by how they were once rich executives who lost everything after becoming addicted to gambling.

Vladimir Platonov from Moscow city council said the plan would see the actors sent to stand outside casinos dressed as beggars.

The move comes as fears grow that the city could be overrun with gambling addicts after a recent ruling by the Moscow Supreme Court overturned a law that casinos could only be built outside the city.

Under the scheme, which Moscow city officials claim is a world-first, actors will be selected at a special casting session in front of a city council committee.

It is unclear how much the actors will be paid, but it is thought they will be given at least the average monthly wage in Russia of £220 to work five evenings a week.

Some will even be given an instrument, such as an accordion, to turn the story into a sorrowful lament.

Actor David Kirikoff, who makes a living as an extra in domestic films as well as appearing in theatre productions, said he wanted to play one of the beggars to do the city a service.

He said: "I have seen friends and even members of my own family become addicted to gambling and I know how it ruins lives." *Ananova, 25th October 2006*

....and from Belgium

No more gambling on Belgian prison breakouts.

In Belgium the Internet company Betway has put a stop to a controversial bet last Thursday. Belgians could place a bet on the total number of prisoners they thought would escape this year. The reason for this was a long record of break outs. Most significant was the breakout of 28 prisoners from Dendermonde this month. Because of "objections by the government" the company removed the 'bet of the week' from its Internet site and apologised to all betters. *De Telegraaf 31st August 2006*

....and they say Aussies will bet on two flies crawling up a wall—a Belgian prison wall I presume!

True Story?

One day a derelict approached Mark Twain on the street of Hartford and asked him for a handout. Mark Twain sympathized with the unfortunate fellow and offered to buy him a drink. The tramp said he didn't drink.

"How about a cigar?" suggested Mark Twain.

"Sir I'm hungry", said the tramp, "but I don't smoke".

"How would you like me to place a couple of dollars for you tomorrow on a sure-winner horse?" Mark Twain proposed. "Sir, I may not be the most righteous man, but I never gamble," said the beggar, somewhat haughtily.

"Please, can't you spare a quarter for something to eat?"

"I'll stake you to a whole dinner if you let me introduce you to Mrs. Clemens," said Twain. "I want to show her what becomes of a man who doesn't smoke, drink or gamble."

G4 - READY FOR THE CHINESE MARKET

Thursday 25 May 2006 was a BIG day for G4 expanding their services.

On that day during an international conference on Gambling and Risk Taking at Harrah's Lake Tahoe, Nevada, G4 President Pieter Remmers signed a contract with Gracemary Leung.

Ms Leung is Associate Professor at the University of Hong Kong and helped to set up services for problem gamblers in Hong Kong that served as an example for other regional treatment services.

With all G4 materials, including the self assessment test, having been translated into Mandarin, we can announce that G4 is now ready for the implementation of their accreditation and certification project as well as both offline and online gambling and the wagering industry.

We enthusiastically welcome Gracemary as the new senior consultant for the Asian market.

News from the Netherlands

Lottery won't pay out grand prize

In the first drawing of the provincial lottery, the grand prize of 50,000 euro has not been paid out. The organisation has not awarded the grand prize, because there were fewer tickets sold than there are prizes. The Ministry of Justice is investigating if this is breaking the law. The lottery has been set up by people living in one of the provinces of Holland with the goal of supporting good causes in their own province.

The grand prize was guaranteed by spokesmen of the lottery for the drawing on 29 September.

P. Kraak, the lottery manager, let us know that the grand prize has not been paid out as fewer tickets were sold than there were prizes. In total there are 1571 prizes, whereas only 1486 lottery tickets were sold. At the drawing the notary started with the lowest prizes. When arriving at the higher prizes there were simply no lottery tickets left. *Haarlems Dagblad, 12 October 2006*

Holland Casino allowed to trial online gambling.

Holland Casino is authorized to trial the operation and management of a gambling site on the Internet for the next three years. After the trial, it will be decided if online gambling will be officially permitted in the Netherlands. On Wednesday a majority of the House of Commons agreed upon a verifiable test. At this moment it is still illegal to participate in online gambling in the Netherlands.

The experiment is a proposal of the Minister of Justice Piet Hein Donner (CDA) and according to the Minister fits right in within the Dutch policy that has been aimed at discouraging games of chance. At this moment there are already many foreign online gambling sites where you can place bets. According to Donner, research shows that 300,000 Dutch try their luck on an online gambling site at least once a year.

A small parliamentary majority of the CDA (Christian Democratic Party) and PvdA (Labour Party) agreed with the test. The VVD (Liberal Party) is not in favour of the proposal, because the party believes that more gambling providers must have access to the Dutch market. This test is an extension of the monopoly of Holland Casino on the gambling market, according to their view.

The SP (Socialist Party), SGP (Politically Reformed Party) and the Christian Union is also against this experiment. They are worried that permitting gambling on the Internet will eventually lead to more problem gamblers. *TROUW 13th September 2006*

1 million dollars in lottery twice to the same USA woman

For the second time, an American woman has, against all odds, won 1 million dollars in a lottery. The 56 year old delicatessen employee scratched the jackpot on a scratch card for the second time in 4 years.

According to experts the chance of this happening is 1 in 3.7 billion. *Haarlems Dagblad 11 September 2006*

Conference Reports

GREGRI Conference held in Amsterdam 31 August and 1 September 2006

The mission of the Global Remote and E-Gambling Research Institute (GREGRI) is to identify areas of interest for research investigation and to bring them to the attention of researchers to conduct, promote and build high quality research into the following areas:

historical, economical, mathematical. Legal., social and psychological aspects of remote and e-gambling,

development, execution and evaluation of the regulation of remote and e-gambling, and

ethical marketing and management of gambling opportunities.

The Institute shall achieve its mission by funding research as part of the Institute's mandate to build research capacity. GREGRI encourages the formation of research partnerships and the entry of new perspectives and disciplines to the field.

The Institute aims to get international recognition for its research in this rather new area.

The first Conference attracted 100 participants from 18 countries including USA, Australia and Canada. Of course Europe was very well represented. Participants included policy makers, industry representatives, regulators, consultants, legal advisors, researchers and treatment experts.

The lead speakers included: Mark Griffiths, Jeffrey Derevensky, Philippe Vlaemminck, Peter Wilson, Alan Littler, Per Binde and representatives from State owned companies like Veikkaus (Finland), Holland Casino (The Netherlands) and Svenska Spel (Sweden).

The first Conference will definitely have a follow up in the near future as further research is absolutely needed in an industry developing as fast as this one.

For further info on this topics and possible sponsorship, please visit www.gregri.org. Amsterdam, 26 September 2006 Text: Pieter Remmers

G2E Conference Report

G4's President Pieter Remmers attended arguably the world's largest gambling conference in Las Vegas, Nevada USA from 11th November followed by the Gaming Expo and, by all accounts, the G2E Conference was a great success as was the Expo.

One of the lead speakers, Pieter spoken of Responsible Gambling Programs currently in use around the world for internet gaming and other gambling sites/establishments. G4 therefore had a prominent presence at this very important Conference and, without diminishing the importance of being seen to be heard, this Conference provided Pieter and therefore G4, with the opportunity to further the cause for the gambling industry to measure their continued successes against the need to provide responsible gambling programs to service those who cannot cope with or handle a product which, whilst legal, may cause problems in some parts of their lives.

It's a measure of the growing need for corporations to provide corporate and social responsibility that a larger number of sessions than is usually the case were directed towards responsible gambling and the need for the industry to provide programs addressing the social issues concerned with the delivery of their legal product.

Send your news to G4
Send your news to G4

info@gx4.com

More Netherlands News

Leaving the casino with a profit each evening—yeah sure!!!!

Yesterday a woman from Heerhugowaard, whose visitation rights to Holland Casino in Zandvoort were being restricted, filed a lawsuit that the restraint on her visitation rights should be cancelled immediately. She denies having a problem and says she mostly enjoys the casino for its cosiness and artists who perform in the evenings.

The woman could count on the casino's love of mockery during the meeting. They were in possession of camera footage which would prove to demonstrate the opposite of her statements. "We have pictures of you having a hard time breaking away from the gaming table and complaints about being hungry", the company lawyer of the casino states. "You ask; Don't we get a biscuit along with the coffee?". And to satisfy your hunger a friend has to bring you some snacks. According to the casino's recording system the woman first visited the casino in September 2005. Since then she visited practically every evening till closing time

(3 o'clock in the morning).

Employees approached her several times about this. At one point the woman agreed voluntarily to a limitation of her visits to eight times per month. Afterwards she started to have regrets, but the casino stood firm. To be clear; In the Netherlands, casinos must have a policy to assist in the prevention of gambling addiction in their guests.

Solicitor Spanjer asserted that the conversations held between the employees of Holland Casino and his client were not of an official status. Ironically, he referred to the Subaru accountant who lost 23.3 million euros by gambling at Holland Casino without the staff taking any action whatsoever to prevent it. "My client does not have a gambling problem. According to her it's an arbitrary matter. Other guests who also sit their on a daily basis and sometimes squander ten thousand euros on one evening, are left undisturbed".

The casino's legal counsel responded with "We try to prevent the possibility of her taking a fall in the end. That is why we intervene now". Interesting detail: The woman belongs to a small group of only eighteen visitors of all Holland Casinos in the country who, out of a total of 1.1 million visitors per year, come daily.

The woman, who despite her so-called glamorous evenings, looked extremely ordinary in a t-shirt and cotton quarter trousers, and claimed that she left the casino each evening with a profit. With this statement Judge Monster became suspicious: "Only addicts would say that. According to the law of the great numbers, by definition, you always end up with a loss. An alcoholic also always claims that he drinks on a regular basis, but never too much."

The verdict will be handed down in two weeks. *Haarlems Dagblad – 14 September 2006*

(Surprise! Surprise! On 28 September 2006 the Court ruled in favour of Holland Casino)

Half million Koreans suffer from digital addiction

In South Korea, 2.4 percent of the population between the age of 9 and 39 years is in need of professional help because of their Internet and game addiction. A psychiatrist from Seoul, who already assisted about a thousand game addicts the previous year, spoke of a national problem. Already some of his colleagues claim that this new addiction is bigger than the alcohol, drug and gambling problems.

South Korea now seems to be paying the price after many years of campaigning to provide each household with a fast Internet connection. At this moment a quarter of households have such a connection. This makes the country the forerunner for online gaming. Last year Koreans spent 1.5 billion dollars on online games, almost half of what was sold worldwide.

Since 2002 the Korean government recognises the problem and publishes a yearly report concerning gaming addiction. Furthermore they have been setting up treatment centres in eight large cities. The addicts are offered help here.

Large game studios such as NCsoft also contribute; a couple of hundred thousand dollars are seeded to support these private clinics annually.

However NCsoft spokesman Kim Yoo Young let everyone know that he does not believe that online games are more addictive than other leisure activities.

Some maintain that the authorities must do more to help the 456,000 addicts.

Adolescents should only have restricted access to online games.

Programmes must be set up concerning the dangers of exuberant gaming and we must make sure that gamers who surpass a certain duration earn less points.

Research agency DFC Intelligence expects the sale of online games will be quadrupled by 2011, and this is why it will only be a question of time before the problems of 'trendsetter' South Korea will be emulated in other countries. Interestingly, Amsterdam is the first European city with a special rehabilitation centre for gaming addicts. *Business week, 10th September 2006*

(Editorial Note: My apologies for the vocabulary used but I can't change the context of a published article)

History of the Internet or Belgian Logic?

The Internet's history has been hidden underground for over a thousand years. While digging grounds in Russia, archaeologists discovered at a depth of 100 metres the remainder of copper wires with an estimated age of about 1000 years. The Russians drew the conclusion that their ancestors already possessed a copper network a millennium ago!

To avoid getting behind, American scientists also started digging and found glass fibres at a depth of 200 metres. After research these fibres proved to be about 2000 years old, from which the Americans concluded that 2000 years ago their Indian ancestors were already in possession of a very sophisticated optical fibre network. Note: that's a 1000 years before the Russians.....

Last week, an article appeared on the front page of "De Standaard"; a Belgian daily newspaper: *Belgian scientists have found nothing after digging up to a depth of 500 metres in Belgian soil. The conclusion of Belgian archaeologists: - 5000 years ago, ancient Belgians already possessed a wireless network.*



G4 Wishes you all a safe
holiday season and a very
prosperous 2007

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The IGC recognizes that the Internet provides unique challenges to the regulation of any activity, including simple retail transactions. But Congress demonstrated no interest in even studying such issues. In fact it specifically rejected attempts to include provisions to study the possibility of regulation. Political motives, including presidential aspirations, clearly drove its rush to pass a prohibition bill, as its members left Washington to hit the campaign trail.

“This was a sneaky election ploy,” Furlong said. “It’s no coincidence that a ban on Internet gambling is part of the ‘family values’ platform of the extreme right, which wants to distract voters from real problems, such as the war in Iraq, and at the same time impose its moral agenda on Americans, depriving them of their freedom of choice.”

The prohibition bill, the Unlawful Internet Gambling Enforcement Act of 2006, was criticized in an Oct. 4 editorial by the Seattle Post-Intelligencer. The newspaper quoted from a statement by Rep. Jim Leach, the Iowa Republican who was the bill’s main sponsor: “Gambling from your bedroom or living room or dormitory is not a socially useful activity.” As the editorial concluded, it’s an ominous development when the government dictates which activities in our homes or dormitories are “socially useful.”

Senate Majority Leader Bill Frist of Tennessee, who led the weekend maneuver to pass the ban, said, “Gambling is a serious addiction that undermines the family, dashes dreams and frays the fabric of society.”

But these moral crusaders showed their true political colours by exempting Internet wagering on horse races and lotteries from their bill. In many states, people are free to gamble online as much as they want on U.S. horse races and state lotteries. In fact, in a research report in March, an investment bank stated: “The U.S. horseracing industry now generates over 15% of its revenue from online wagers.” The horse racing lobby is simply too powerful for Congress to oppose.

“What a contrast between the U.S., which after all went through a notoriously unsuccessful attempt to ban alcohol, and Britain, which is methodically preparing to license and regulate online gambling, starting next year,” Smith said.

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IGC Contact: Rick Smith, Executive Director, executive.director@igcouncil.org