

Op-Ed/Editorials - Don't Tug on Superman's Cape

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It is possible to get in trouble with gray market gambling, but you really have to work at it. One good way is to thumb your nose at the cops.

The latest to learn this sad lesson are three Internet gambling websites: Alohacasino.com, Royalclubcasino.com, and 7sultans.com. They were sued by New Jersey Attorney General's divisions of Gaming Enforcement and Consumer Affairs.

The allegations in the complaint include everything from violating the State Constitution's ban on gambling to the "unconscionable commercial practice" of advertising to minors with an "improper or unreliable age verification and/or no method to prevent underage gambling."

But these operators' real "crime" was posting their advertising on billboards across the street from Atlantic City's licensed casinos.

The website operators were not even the main targets of these legal actions. Sure, they were named as defendants. But the A.G. did not serve them with copies of the summons and complaint. In fact, he does not know who they are!

Paragraph six of the complaint entitled "State of New Jersey v. 7sultans.com, Bob Fontain and John and Jane Doe," reads, "Defendants John and Jane Doe are the owners and operators of Sultans who are unknown to Plaintiff at this time." Suing Bob Fontain is not going to be much help. He registered the name, 7sultans.com, but probably sold it. In any case, he is in South Africa, and is unlikely to come back to New Jersey to defend this suit.

So why did the A.G. have this suit filed against individuals he cannot serve or who live in foreign countries where they cannot be reached? And why these three Internet gambling sites, among the hundreds that take bets from New Jersey

citizens?

He wanted those billboards taken down. And he succeeded.

The A.G.'s office issued a press release when the suits were filed. It proudly declared, "During the investigation, companies providing billboard advertising to Alohascasino.com, Royalclubcasino.com, and 7sultans.com were contacted by the State. The billboards were subsequently removed."

New Jersey does not have an explicit prohibition on Internet gambling, and going after any form of advertising is always tricky, because the U.S. Constitution's First Amendment right to free speech and free press become involved. The A.G.'s lawyers spent hours researching the law, to come up with legal claims which might work, and hours more drafting these complaints. My guess is the billboards would have been ignored as being not worth the effort, if they had not been in Atlantic City.

But, they were in Atlantic City, flaunting their legally questionable gambling. The complaints about the billboards' locations are carefully worded. Here's an example: "a billboard on Schiff's Central Pier, 1400-14 Boardwalk, across from St. James Place, Atlantic City, New Jersey, advertised Sultans' illegal activity. Anyone walking east on the Boardwalk could easily view this billboard."

Notice it does not say the obvious, that the billboards would be seen by anyone entering or leaving Atlantic City casinos licensed by the state.

This location was an open challenge to the casino regulators. It is never a good idea to dare law enforcement agents to come and get you, especially if you are not 100% legal.

Going after even blatantly illegal gambling is never a high priority, unless it appears that organized crime is involved, or the operator does something stupid.

The largest illegal sports betting ring in history was run by Ron "The Cigar" Sacco. Sacco made the mistake of going on CBS's TV show "60 Minutes" to brag about his telephone bookie operation and how the federal government could not touch him.

The F.B.I. and U.S. Department of Justice took up his challenge. Sacco was a difficult target, because he was living abroad. But the feds put pressure on his

host country, the Dominican Republic. The police of that country arrested him. The technical charges were violating local gambling laws, not American laws. The Dominican Republic, at that time, only allowed local betting, and Sacco was taking phone bets from the U.S.

Sacco was an American citizen. The Dominican Republic declared him to be an undesirable alien and deported him, right into the arms of the F.B.I. He was arrested and eventually charged with more major crimes, including money laundering.

The saddest case is Michael J. Stuebben. In 1985, before Louisiana had a State Lottery, Stuebben ran a profitable little business, selling Illinois State Lottery tickets, for a 50% markup, at restaurants and bars in New Orleans. Stuebben gained great notoriety in the city, even making the local T.V. news.

Unfortunately for Stuebben, the F.B.I. also watches T.V. He was charged with six counts, including the illegal mailing of lottery tickets and transporting wagering paraphernalia across a state line.

Stuebben was convicted on all six counts and his conviction was upheld by the U.S. 5th Circuit Court of Appeals. For flaunting his sales of legal Illinois State Lottery tickets in Louisiana, Stuebben was sentenced to one year in federal prison.

Which just goes to show that song-writer Jim Croce was right when he sang: "You don't pull the mask off that old Lone Ranger."