November 30, 2015

U.S. Representative Jason Chaffetz, Chair
House Comm. on Oversight and Government Reform
2157 Rayburn House Office Building
Washington, DC 20515

Dear Chair Chaffetz,

In 2006 I testified as an expert witness in favor of the Unlawful Internet Gambling Enforcement Act (UIGEA) during the 4/5/06 Congressional Hearing before the House Subcommittee on Crime, Terrorism, and Homeland Security. At that time and subsequently, I have continued to concur with UIGEA’s sponsor, former U.S. Representative James Leach, that the concept of daily fantasy sports (DFS) as currently being conducted is not legal per the alleged loophole in UIGEA.

During my statement/testimony on 3/25/15 on the Restoration of America’s Wire Act (RAWA) before the House Subcommittee on Crime, Terrorism, Homeland Security, and Investigations, I took the liberty of noting the illegality of DFS and indicated that the alleged loophole should be closed, specifically:

[T]he arguable UIGEA loophole may have totaled 30-100 million gamblers in 2014 according to sportscaster Bryant Gumbel, who queries whether these gamblers are “doing the same thing as a day trader, but in a different kind of market.” Real Sports with Bryant Gumbel, Home Box Office Network, Sept. 24, 2014 (original airdate). …[F]antasy sports gamblers talk about athletes like commodities. They’re able to track past performance, see how … [the athletes] operate or perform in various patterns, and … [the sports gamblers] know if I want to sell … or buy …. That’s how you trade a stock. Id.

The trend is to “[i]nvest in a sort of hedge fund that trades fantasy sports.” Id.

The national socio-economic dangers of this type of gambling are manifest in the 60 Minutes investigative report “Financial WMDs,” a.k.a. “The Bet That Blew-Up Wall Street” (still available on YouTube and Google).
As my colleagues and I frequently reference the 3/25/15 RAWA hearing to demonstrate the continuity of gambling issues, I am taking the liberty of forwarding to the OGR Committee Members from Illinois and Georgia, copies of my recent statements before state legislative committees in Illinois (5/11/15 statement) and Georgia (11/2/15 statement).

In addition, follow-up questions to the 3/25/15 RAWA hearing raised DFS-related questions indirectly impacting upon the OGR Committee’s scheduled hearing for December 9, 2015.

The decades of research by colleagues and myself on these issues is exemplified by the attached book publications list (with 3 volumes related to Internet gambling), the abbreviated law review/law journals publications list, and a law journal article on sports gambling (published shortly after the U.S. National Gambling Impact Study Commission, Final Report which condemned Internet gambling and sports gambling, see, e.g., Recs. 3-6, 3-7, 5-1 to 5-4).

Thank you for allowing my office to bring these materials to the attention of the OGR Committee.

Sincerely,

Prof. John Warren Kindt, Em.
MBA, J.D., LL.M., SJD

Cc: U.S. Representative Jody Hice
U.S. Representative Buddy Carter
U.S. Representative Tammy Duckworth
U.S. Representative Robin Kelly

Illinois Legislature Comm. Statement 5/11/15
Books Publications List
Abbreviated Law Reviews/Journals List
Law Journal Article on Sports Gambling