## American Public Gives Consideration to Internet Gambling, With Stipulations

## Public Interest and Acceptance Builds, Raises Potential for New Sources of Entertainment and Revenue

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New York, NY, May 16, 2011 – True or false: Internet gambling is illegal in the United States? The answer is true to the extent that payment processors cannot process gambling transactions over their systems, but somewhat false in most cases in that there isn't much that prevents individuals from participating in this activity. Confused? You're not alone. According to a recent Ipsos survey conducted online as part of a lottery and gaming study, only 41% of Americans believe that Internet gambling is illegal. But with that knowledge, 46% would be willing to see it permitted as long as appropriate government regulations were in place, with as many 25% willing to permit it even without government regulations.

"While there are controversies and concerns, the idea of legalizing and regulating Internet gambling seems to have some possible upside for the gaming industry in America," says Paul Lauzon, Senior Vice President & Managing Director of the Lottery & Gaming Group at Ipsos. "Currently 9% of Americans admit to spending some money on internet gambling activities in the past year. If Internet gambling were to be permitted and regulated by some form of government, 13% agreed they probably or definitely would spend money on this type of activity during the next 12 months. This proportion goes up to 15% if Internet gambling were legally permitted and offered by their favorite land-based casino."



But who should regulate Internet gambling if it were made legal? Last year, 55% of respondents felt the federal government should be the regulator whereas 45% felt it should handled be at the state level. What a difference a year makes. The 2011 study shows a reversal of roles in U.S. public opinion, with only 45% favoring federal regulation and a more substantial 55% viewing this as a states matter.

Lauzon explains the shift in attitude: "Many states have tabled bills to introduce or regulate various types of Internet gambling. The U.S. Congress actually passed a bill for the DC Lottery to launch 'intranet' gaming. Some of this information has been in the media quite a bit in the past year and it could be starting to sway public opinion on who should regulate Internet gambling. It could also be argued that since the Republicans took over the House in last November's mid-term elections that there is momentum toward smaller federal government and for state regulators to assume more responsibilities."

Like all new forms of gaming that have come along over the years, Internet gambling is not without its controversies and scandals. And this is likely having an impact on public calls for regulation.

"When prompted, 19% of Americans were aware that recently, the founders of PokerStars, Full Tilt Poker, and Absolute Poker were among 11 people accused of alleged bank fraud, illegal gambling offences and money laundering in an indictment unsealed by federal prosecutors," adds Lauzon. "This event which took place Friday, April 15th, has now become known as 'Black Friday' among those in the industry that were or are operating within the

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U.S. outside legal and regulatory frameworks, but known as 'Gold Friday' among those waiting for the landscape to be cleared to set the stage for appropriate legal and regulatory implementation."

These are some of the findings of an Ipsos poll conducted between April 29 and May 1, 2011. A national sample of 1006 adults from Ipsos' U.S. online panel was interviewed online. Weighting was then employed to balance demographics and ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. A survey with an unweighted probability sample of this size and a 100% response rate would have an estimated margin of error of +/-3.09 percentage points 19 times out of 20 of what the results would have been had the entire population of adults in the United States been polled.

The 2010 study was conducted with 1006 U.S. adults between January 4 and January 7, 2010. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.

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