

Gambling and the Law®

# Lotteries

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Prepared for  
International Masters  
of Gaming Law  
Spring Conference

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# The Three Waves Of Legal Gambling

- First Wave - Colonial period to mid-19th century:  
**Legal Debris:** “Lotteries” prohibited in state constitutions and Canada (except Quebec)
- Second Wave - Wild West; South after the Civil War , new inventions. Crash - Victorian morality  
**Legal Debris:** Statutes prohibit bookmaking, slot machines; U.S. federal and Quebec anti-lottery laws
- Third Wave - Depression to present:  
**Legal Debris:** Piecemeal legalization by states, provinces

# What is a Lottery?

- All games of prize, chance and consideration
- Has a paper ticket
- 100% chance
- Prize from a pooling of players' bets
- Government runs
- What the general public thinks
- Don't have to go to a place to play
- No player participation
- Can't be a banking game

# Major Gaming Cases

- **Knight v. Mississippi:** Bingo is not a lottery. State legislature may legalize Bingo (casinos).
- **Harris v. Missouri Gaming Commission:** Bingo is a lottery. State legislature may not legalize (Bingo) casinos.

# The DoJ's Gift to the States

- DoJ took 2 extreme positions re: Wire Act
  - Applies to all gambling
  - Applies if wire crosses thru another state
- Now DoJ backed off on both, mainly that Wire Act is limited to sports bets

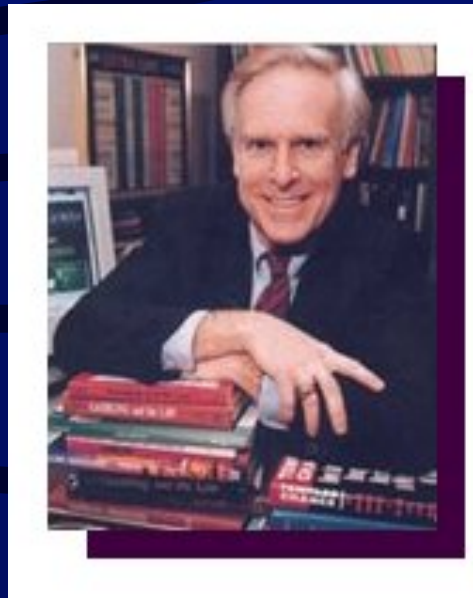
# The DoJ's Gift to the States

- Must be legal under state law
- Some state lotteries can act fast, with traditional games, & maybe poker
- State legislatures may authorize intra-state, inter-state & international
- Only limits: PASPA, Compact provision of US Constitution

# Lotteries Around the World

- Some like Portugal and Michigan enforce anti-gambling laws
- Almost all take sports bets
- Almost all sell tickets online
- Canadian provincial lotteries run Internet poker & casino games
- VLTs and Internet games = clash with casinos





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