



Republicans Still Seeking Casino Cronyism

Congress has done little to demonstrate that it can solve the nation's most pressing problems. The health care system continues to deteriorate after the failure to repeal Obamacare; tax reform is off to a rocky and uninspiring start because of the initial counterproductive fixation on imposing a border adjustment tax; and the debt limit is fast approaching yet again, with little hope that federal spending will be brought under control. With such significant matters to resolve, it's particularly odd for members of Congress to keep trying to meddle in state efforts to legalize intrastate online gambling. Unfortunately, it seems that cronyism never sleeps.

Two efforts are underway to undermine state authorities who want to set their own rules for online gaming and lottery sales. The issue is a fixation of GOP megadonor Sheldon Adelson, whose bricks-and-mortar Las Vegas casinos are threatened by competition from online gambling.

Always eager to do the bidding of interest groups, Rep. Charlie Dent, R-Pa., is expected to try yet again to attach language to an upcoming appropriations bill that would accomplish by other means what the multiple failed efforts to pass the Restoration of America's Wire Act could not: to stop the advancement of state efforts to legalize and regulate online gaming within their borders as they see fit.

While Dent is hoping to slip language into an appropriations bill, Rep. Brian Fitzpatrick, R-Pa., is working on a letter that calls for the Department of Justice to allow Adelson's army to sidestep the pesky legislative process altogether and unilaterally declare state efforts illegal.

The point of contention is a 2011 memo from the DOJ's Office of Legal Counsel concluding that the 1961 Wire Act actually means what it says. Although it was enacted before the internet existed and specifically addresses only "interstate or foreign commerce of bets or wagers ... on any sporting event or contest," for a long time the Wire Act was used much more broadly.

In a move that was long overdue, the DOJ finally reversed course in 2011 and began to apply the Wire Act correctly by noting that intrastate, non-sports-related gambling is clearly not prohibited by it. Adelson has been on the warpath ever since as multiple states — e.g., Pennsylvania, Illinois and New York — seek to expand licensed online gambling for their residents.

Attorney General Jeff Sessions gave a troubling answer to a question from Sen. Lindsey Graham, R-S.C. — himself a full-throated supporter of an online gambling ban in 2014 — during his confirmation



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hearing that indicated his desire to revisit the DOJ's 2011 reinterpretation. This is hardly surprising, as Sessions is well-known for his lack of qualms about federal overreach to stop behaviors that don't sit well with his conservative preferences — for example, marijuana consumption — even though they don't affect or hurt anyone but the people engaged in them. However, he was forced to recuse himself from the issue after it was disclosed that the attorney he hired to represent him on issues related to investigations of Russian interference in the election was also a Restoration of America's Wire Act lobbyist.

Losing an ally like Sessions doesn't mean this blatant effort at cronyism is going to stop, not when a billionaire like Adelson is willing to go to any lengths to keep the pressure on. Unfortunately, it's rather telling that as Republicans struggle to implement their agenda, they continue to waste time pursuing corporate handouts that run counter to their frequently cited federalist principle of noninterference in state affairs.

It also runs counter to the preference of conservative voters. According to polling data collected during the Conservative Political Action Conference last February in Maryland, 91 percent of respondents opposed congressional intrusion on states' rights when it comes to online gambling. These voters could also see right through Congress' dirty tricks, with 89 percent viewing such efforts as "crony capitalism."

Instead of wasting precious legislative time trying to trample states' rights and impose their conservative agenda on people simply pursuing their right to do and play as they see fit with their own money without hurting anyone, Republicans in Congress should focus on reforming the tax code and fixing health care. That's what they got elected to do.

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