

POST WAR AMERICA

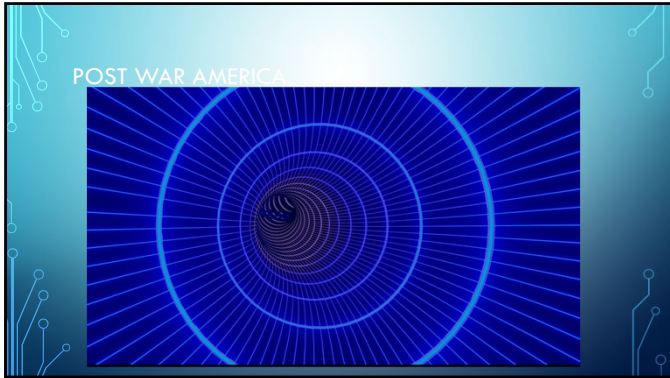
- But threats remained...

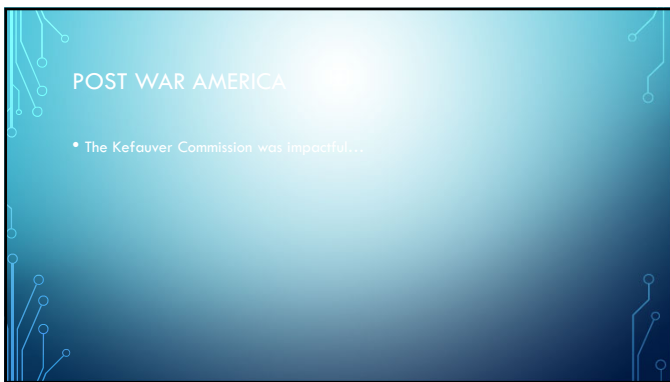
POST WAR AMERICA

- But threats remained...

POST WAR AMERICA

- But threats remained...
 - Communism
 - Organized Crime







POST WAR AMERICA

- Following the Kefauver hearings, the McClellan Committee hearings on labor rackets(1957-1959) also addressed gambling ties to organized crime.

POST WAR AMERICA

McClellan Committee
Robert F. Kennedy - Committee Counsel
James R. Hoffa - Witness

POST WAR AMERICA

- 1961
 - January 3, 1961 - Eisenhower and relations with Cuba
 - January 20, 1961 - John F. Kennedy sworn in as the 35th President of the United States
 - January 21, 1961 - Robert F. Kennedy confirmed as U.S. Attorney General
 - May 17, 1961 - Robert F. Kennedy testifies before the House Committee on the Judiciary to call for enactment of the Wire Act (HR 7039)

FEDERAL WIRE ACT

- 18 USC §1084
 - (a) Whoever being engaged in the business of betting or wagering knowingly uses a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest, or for the transmission of a wire communication which entitles the recipient to receive money or credit as a result of bets or wagers, or for information assisting in the placing of bets or wagers, shall be fined under this title or imprisoned not more than two years, or both.

FEDERAL WIRE ACT

- 18 USC §1084
 - (a) **Whoever being engaged in the business of betting or wagering** knowingly uses a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest, or for the transmission of a wire communication which entitles the recipient to receive money or credit as a result of bets or wagers, or for information assisting in the placing of bets or wagers, shall be fined under this title or imprisoned not more than two years, or both.

FEDERAL WIRE ACT

- 18 USC §1084
 - (a) **Whoever being engaged in the business of betting or wagering** knowingly uses a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest, or for the transmission of a wire communication which entitles the recipient to receive money or credit as a result of bets or wagers, or for information assisting in the placing of bets or wagers, shall be fined under this title or imprisoned not more than two years, or both.

FEDERAL WIRE ACT

- 18 USC §1084
 - (a) **Whoever being engaged in the business of betting or wagering** knowingly uses a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest, or for the transmission of a wire communication which entitles the recipient to receive money or credit as a result of bets or wagers, or for information assisting in the placing of bets or wagers, shall be fined under this title or imprisoned not more than two years, or both.

FEDERAL WIRE ACT

- 18 USC §1084
 - (a) **Whoever being engaged in the business of betting or wagering** knowingly uses a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest, or for the transmission of a wire communication which entitles the recipient to receive money or credit as a result of bets or wagers, or for information assisting in the placing of bets or wagers, shall be fined under this title or imprisoned not more than two years, or both.

FEDERAL WIRE ACT

- 18 USC §1084
 - (a) **Whoever being engaged in the business of betting or wagering** knowingly uses a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest, or for the transmission of a wire communication which entitles the recipient to receive money or credit as a result of bets or wagers, or for information assisting in the placing of bets or wagers, shall be fined under this title or imprisoned not more than two years, or both.

FEDERAL WIRE ACT

- 18 USC §1084
 - (a) **Whoever being engaged in the business of betting or wagering** knowingly uses a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest, or for the transmission of a wire communication which entitles the recipient to receive money or credit as a result of bets or wagers or for information assisting in the placing of bets or wagers, shall be fined under this title or imprisoned not more than two years, or both.

FEDERAL WIRE ACT

- 18 USC §1084
 - (a) **Whoever being engaged in the business of betting or wagering** knowingly uses a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest, or for the transmission of a wire communication which entitles the recipient to receive money or credit as a result of bets or wagers or for information assisting in the placing of bets or wagers, shall be fined under this title or imprisoned not more than two years, or both.

What do you think it means to be in the "BUSINESS OF BETTING OR WAGERING"?

FEDERAL WIRE ACT

- The Barborian Opinion
 - Facts?.

FEDERAL WIRE ACT

- The Barbarian Opinion
- Bettor and bookmaker charged under the wire act
- Barbarian was placing bets with co-defendant Lauro
- Barbarian was betting \$800-\$1000 per day on sports events
- At least 8 calls were intercepted in which Barbarian placed bets by calling Lauro
- At least once Barbarian called his father to place bets with Lauro on his behalf

FEDERAL WIRE ACT

- The Barbarian Opinion
- What is the issue?

FEDERAL WIRE ACT

- The Barbarian Opinion
- The major question presented is whether or not the activities of the defendant Barbarian constituted the "business of betting or wagering."

FEDERAL WIRE ACT

- The Barbarian Opinion
- What are the arguments that Barbarian is in the BUSINESS OF BETTING OR WAGERING?

FEDERAL WIRE ACT

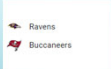
- The Barbarian Opinion
- Is the issue resolved by the plain language of the statute?
- Where does the court look for guidance?

FEDERAL WIRE ACT

- The Barbarian Opinion
- How does the court approach the "professional" gambler issue
- Does the court believe that the statute encompasses discussions between friends regarding their opinions about the outcome of sporting events?
- What is a "lay off" bet?

FEDERAL WIRE ACT

• LAYOFF BET ----



FEDERAL WIRE ACT

• LAYOFF BET ----

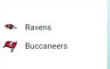


Everyone has \$1000 to bet on this game.

- Both teams are 4 and 2
- Tampa Bay won its last game in a blowout by 24 points
- The Baltimore won its last game by 7 points
- The game is a home game for Tampa Bay

FEDERAL WIRE ACT

• LAYOFF BET ----



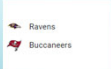
A bookmaker in Tampa, home of the Buccaneers takes wagers on the Ravens vs. Buccaneers game.

He takes \$500,000 in bets on the Buccaneers and
He takes \$500 in bets on the Ravens

What is the problem for the bookmaker?

FEDERAL WIRE ACT

- LAYOFF BET ----



Ravens
Buccaneers

If the bookmaker is at risk of losing \$499,500 if the Buccaneers win (actually \$499,450 with the vig)

THIS IS A BIG PROBLEM FOR THE TAMPA BAY BOOKMAKER

FEDERAL WIRE ACT

- LAYOFF BET ----



Ravens
Buccaneers

A bookmaker in Baltimore has taken wagers on this game as well

This bookmaker has taken \$300,000 on the Ravens (-5) and \$500 on the Buccaneers.

This bookmaker has a similar problem

FEDERAL WIRE ACT

- LAYOFF BET ----



Ravens
Buccaneers

If the Tampa Bay Bookmaker can place a \$300,000 wager with the Baltimore Bookmaker, both bookmakers manage their exposure (risk).

In essence the bookmakers are "laying off" their risk by placing a bet amongst themselves as bookmakers.

THIS IS A LAYOFF BET - A bet made to lay off risk for a bookmaker

FEDERAL WIRE ACT

- Business of Betting or Wagering – The Barbarian Opinion
 - Discussion Points
 - Must there be a sale of a product or services?
 - Must the person charged be providing an essential function for the business?
 - Can merely providing occasional or nonessential services qualify one as being in the business of betting or wagering?

FEDERAL WIRE ACT

- Business of Betting or Wagering – The Barbarian Opinion
 - As I see it, the legislative language indicates that **"being engaged in the business of betting or wagering"** requires the sale of a product or service to a fee involving third parties, i.e., customers and clients, or the performance of "a function which is an integral part of such business." The defendant need not be exclusively engaged in such business. If he is an agent or employee of the business he need not share in the profits or losses of the business or receive compensation for his services, but **"the function he performs must provide a regular and essential contribution to the (overall operation of) that business."** If an individual performs only an occasional or nonessential service or is a mere bettor or customer, (regardless of the amount bet,) he cannot properly be said to engage in the business." There must be a "continuing course of conduct," and if associated with another, their joint conduct must be to achieve a common objective and purpose. U. S. v. Scavo, 593 F.2d 837, 842-43 (8th Cir. 1979)

FEDERAL WIRE ACT

- Is Barbarian in the business of betting or wagering?

FEDERAL WIRE ACT

- DISCUSSION
 - Do you think any of the following qualifies as being in the business of betting or wagering?
 - Accepting and booking wagers on football?
 - Setting lines for football games?
 - Handicapping baseball games?
 - Providing a publication that compares odds of different bookmakers on common events?
 - Placing wagers with a bookie for your friends at work?
 - Offering an online sportsbook in Nevada?
 - Providing a service to let bettors bet amongst each other?
