



CANADIAN GAMING ASSOCIATION

Monday, October 15, 2012

Members of the Senate Legal and Constitutional Affairs Committee:

Please find enclosed a study commissioned by the Canadian Gaming Association on Single Event Sports Wagering in Canada.

Also Appended are letters from the Attorneys General of British Columbia, Manitoba, Ontario and Saskatchewan, written to Federal Minister of Justice and Attorney General Rob Nicholson.

Sincerely,

The Canadian Gaming Association



MINISTER
RESPONSIBLE FOR LOTTERIES

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable Robert Douglas Nicholson, P.C., Q.C.
Minister of Justice and Attorney General of Canada
284 Wellington Street
Ottawa, Ontario K1A 0H8

FEB 06 2012

Dear Minister Nicholson:

As the Minister Responsible for Lotteries in the Province of Manitoba, I am writing in support of the deletion of section 207(4)(b) of the Criminal Code of Canada, which reads as follows:

Definition of "lottery scheme"

(4) In this section, "lottery scheme" means a game or any proposal, scheme, plan, means device, contrivance or operation described in any of paragraphs 206(1)(a) to (g), whether or not it involves betting, pool selling or a pool system of betting other than

...

(b) bookmaking, pool selling or the making or recording of bets, including bets made through the agency of a pool or pari-mutuel system on any race or fight, or on a single sport event or athletic contest...

The reason for this request is two fold: (1) as time has passed since section 207(4)(b) was enacted, wagering on single sporting events has become pervasive through various illegal online gaming websites; and (2) related to the above, significant revenues are being lost by our Province which could be used for important Provincial programs.

With respect to point (1) above, the intention of enacting this provision in the Criminal Code was premised on single sport events being vulnerable to being "fixed" or interfered with, to produce favourable outcomes on wagers. While this appears to have had an initial purpose, as a result of the evolution of gaming and technology, particularly the introduction of online gaming, the restriction is no longer effective. Many of these illegal websites operate with little or no regulatory oversight which presents the risk of both misconduct and compromised integrity.

Legalization and regulation would serve to provide Canadians interested in this form of gaming with more confidence. Regulation would include monitoring of betting patterns which could be a useful tool in evaluating any mischief arising from single event sports wagers.

As you are aware, Manitoba Lotteries Corporation ("MLC") is the Crown Corporation agent responsible for the conduct and management of gaming in our Province. As a leader in Responsible Gaming initiatives, MLC has always advocated with success the responsible use of its gaming products. In the event that it was able to extend its conduct and management authority to single sport event wagers, MLC would bring its same diligence.

As to point (2) above, the potential economic benefits would appear to be highly significant. For context, we note the Canadian Gaming Association cites sports wagering as the single most popular form of gaming for Canadians. Wagering of this nature is estimated to exceed \$10 billion annually, with only \$450 million of that wagered through current legally regulated provincial sports lottery products.

Respectfully, in advancing our request, it is our position that the prohibition of wagers on single sport events is no longer necessary as it fails to deter Canadians, to a satisfactory extent, from engaging in this illegal form of gaming. Elimination of the restriction will allow the Province of Manitoba, through MLC, to engage in the necessary regulation of single sport event wagers while realizing consequential economic benefits.

We thank you for considering our comments. If you require additional information, please do not hesitate to contact me.

Yours sincerely,

ORIGINAL SIGNED BY:

Steve Ashton
Minister



September 30, 2011



The Honourable Robert Douglas Nicholson, P.C., Q.C.
Minister of Justice and Attorney General of Canada
284 Wellington Street
Ottawa, Ontario K1A 0H8

Dear Minister Nicholson:

I am writing on behalf of the Government of Saskatchewan in support of amending Section 207(4)(b) of the *Criminal Code of Canada*, which currently excludes "bookmaking, pool selling or making or recording of bets" on a single sport event or athletic contest from the definition of "lottery schemes" that are permissible under the Code. It is our position that s. 207(4)(b) does not effectively deter Canadians from wagering on single sporting events, but does create an environment in which the Provinces are prohibited from providing legal and responsibly regulated options to residents who wish to participate in this form of gaming.

Saskatchewan residents can currently wager on single sporting events through a number of online gaming websites which are not subject to Provincial or Federal regulatory scrutiny. According to a 2010 Ipsos Reid survey conducted on behalf of the Canadian Gaming Association, two per cent of Canadians place sports wagers or bet on sports outcomes on the Internet for real money once a month or more. Saskatchewan residents can also wager on single sporting events while visiting jurisdictions such as Nevada in which this activity has been legalized, or they can choose to place wagers with illegal bookmakers.

Our Government believes that there are numerous benefits that could be realized through the amendment of s. 207(4) (b). Obviously, single event sports betting represents a significant source of potential revenue to the Provinces and their respective operating partners. According to the American Gaming Association, \$2.76 billion was legally wagered in Nevada's sports books in 2010, resulting in gross revenues of \$151.1 million. While it is highly unlikely that any Canadian jurisdiction, including Saskatchewan, would be able to generate similar revenue figures, this market still represents millions of dollars annually that could be used to bolster our provincial economies.

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In addition to the direct revenue that they generate, the presence of a sports book also helps drive additional guest traffic within land-based casinos, resulting in increased revenue from traditional gaming offerings, live entertainment and food and beverage services. In particular, this service appeals to the 19-35 year old age demographic who typically exhibit lower participation rates in traditional casino gaming offerings.

Moreover, permitting the provincial governments and their licensees to conduct and manage single event sports betting may reduce the amount of illegal sports betting that currently occurs in Canada. It would also allow the Provinces to introduce regulatory oversight to an activity that is currently occurring without regulation.

Our Government has made it a priority to pursue innovative new sources of gaming revenue while maintaining both the integrity of our gaming operations and an appropriate balance between revenue generation and social responsibility. At this time, gaming officials in Saskatchewan have begun gathering preliminary information on the feasibility of entering the single event sports betting market. This evaluation is at a very preliminary stage, and there are still many questions surrounding how to mitigate risks and ensure an appropriate regulatory framework is in place. As such, no decisions have been made regarding whether Saskatchewan would or would not enter this market were it legally permitted to do so. Nevertheless, we believe that the provincial governments should be permitted to conduct and manage single event sports betting if, in their determination, doing so serves the interests of their people and the activity can be managed with integrity.

Sincerely,

Original Signed By

Ken Cheveldayoff
Minister Responsible for SaskGaming Corporation

cc: Honourable Don Morgan, Q.C.
Minister of Justice and Attorney General

Honourable Tim McMillan
Minister responsible for the Saskatchewan Liquor and Gaming Authority

Barry Lacey
President and CEO, Saskatchewan Liquor and Gaming Authority

Twyla Meredith, CMA, FCMA
President and CEO, SaskGaming Corporation



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APR 22 2010

The Honourable Robert Nicholson
Minister of Justice and the Attorney General of Canada
284 Wellington Street
Ottawa, Ontario
K1A 0H8

Dear Minister Nicholson:

I am writing on behalf of the Government of Ontario regarding a proposed federal amendment to the *Criminal Code of Canada* that would provide provincial governments with the flexibility to consider and allow for the introduction of single-sport wagering. I understand that my predecessor wrote to you in 2007 regarding this issue and I wanted to take the opportunity to reiterate the government's position.

There are several key benefits that could result if provinces were allowed to make their own determination regarding whether or not they wish to allow single-sport wagering within their own jurisdiction. Firstly, in the case of Ontario, the province would be able to consider the introduction of single-sport wagering in facilities such as the border casinos of Fallsview Casino, Casino Niagara and Caesars Windsor. This would provide these facilities with a competitive advantage over competing United States border casinos, legally serving a customer market not met in Ontario and other U.S. states. This would in turn increase tourism and economic activity.

Secondly, legalized single-sport wagering has the potential to reduce organized crime by providing an alternative to illegal sports books and illegal internet sports wagering.

Finally, it is important to recognize that amending the *Criminal Code* to allow single-sport wagering would not obligate participation of any province that was not interested in pursuing single-sport wagering. Rather, provinces would be granted the flexibility to determine how they wish to proceed based on their own unique circumstances.

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Ontario continues to be open to considering opportunities to protect and enhance the significant contribution gaming makes to the prosperity of the province and Canada. Should amendments to the *Criminal Code* be adopted, Ontario would consider implementation strategies within the context of social responsibility and its commitment to ensure the competitiveness of Ontario's gaming industry.

I look forward to your response on this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Duncan', with a horizontal line extending to the right from the end of the signature.

Dwight Duncan
Minister

c: The Honourable Chris Bentley, Attorney General of Ontario
The Honourable Jim Flaherty, Minister of Finance, Canada
The Honourable Tony Clement, Minister of Industry, Canada

April 21, 2010

The Honourable Rob Nicholson, P.C., Q.C.
Minister of Justice and Attorney General of Canada
284 Wellington Street
Ottawa, Ontario
K1A 0H8

Dear Minister Nicholson,

I am writing to urge you to consider amendments to the *Criminal Code* with respect to sports betting in Canada.

As you know, the *Criminal Code*, under section 207(4)(b), prohibits wagering "on a single sporting event or athletic contest," ostensibly with the intent to discourage fixing or interference with sporting events. In my opinion, this provision in the Code no longer mitigates these risks. In addition to the lawful single sports betting offered in regulated jurisdictions like Nevada and the United Kingdom, many gambling websites that are not subjected to regulatory scrutiny or enforcements offer sports betting on single events. For the most part, these sports betting opportunities became available after s. 207(4)(b) was introduced in 1985 and twenty-five years later it is no longer a deterrent for individuals wagering on individual sporting events over the Internet. However, it is a deterrent for Canadians to place their sports wagers in Canada at provincially-regulated casinos or legitimate websites operated by lottery corporations.

According to H2 Gambling Capital, total internet gaming revenues in Canada in 2009 were \$800 million (USD). Worldwide it's estimated about 47% of internet gaming revenues come from sports betting, so in Canada, about \$320 million (USD) is spent on sports wagering. By comparison, revenue from the British Columbia Lottery Corporation's Sports Action suite of sports betting lottery products was \$49 million (CDN) last year.

Provincial lottery corporations and Canadian casinos cannot compete for the potential Canadian sports betting market because s. 207(4)(b) of the Code prohibits single event wagers while no longer protecting the public in the manner originally conceived in 1985. Without the ability to offer the types of bets prohibited by the Code, lawful gaming offerings in Canada cannot compete with online gaming offered from outside Canada or Nevada tourist destinations like Las Vegas.

In this regard, the provincially-regulated gaming industry needs a level playing field in order to compete and to offer a lawful alternative to the Canadian public. Allowing provinces to extend their regulatory regimes to include the regulation of the types of betting currently prohibited by ss. 207(4)(b) of the code will bring higher standards in responsible gambling, player protection, fairness, integrity and security to this aspect of the gaming industry as well as offer a lawful alternative to Canadian sports bettors

Moreover, legalizing single event betting would allow in depth and current reporting to regulators facilitating the response to suspicious activity. This would provide a much more effective way to detect and prevent attempts to "fix" sporting events. In regulated jurisdictions such as Nevada and the United Kingdom, such cooperation between sports books and regulators has led to both the prevention and detection of sports event fixing.

For these reasons, I urge you to consider amending the Code to eliminate s. 207(4)(b), thereby permitting wagering on individual sporting events in Canada.

I would be pleased to make myself available for discussions on this important issue. I look forward to your reply.

Sincerely,

Minister Rich Coleman
Ministry of Housing and Social Development
Government of British Columbia

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