

# Gavel to Gavel: Rules of gaming

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Efforts to legalize Internet gaming such as online poker are gaining traction. Last month, the Justice Department released a legal opinion reversing its long-standing view that the Wire Act prohibits all forms of Internet gaming. Instead, the Justice Department now views the Wire Act as prohibiting only the transmission of communications related to bets or wagers on sporting events or contests. This opinion paves the way for state lotteries to sell electronic lottery tickets over the Internet to people within the state, without fear of federal enforcement action. It also opens the door to online poker conducted within a state's boundaries.

During the last year, several jurisdictions, including Nevada and Washington, D.C., made plans to permit some form of online wagering as a way to raise revenues without raising taxes. Other states, including New York and Illinois, have expressed interest in expanding their lotteries to permit Internet sales. As a result, states and gaming companies have an opportunity to innovate and expand gaming revenues in a way not seen since the explosion of tribal gaming over the past decade.

In Oklahoma, any rush to expand Internet gaming may be tempered by the state's gaming compacts with Indian tribes. Nearly every Indian tribe in the state has agreed to the model compact passed by the voters of Oklahoma in 2004. In the compact, the tribes agree to pay a percentage of their net gaming revenue to the state as an exclusivity fee. But if the state changes its laws to permit additional electronic gaming, the tribal obligation to pay the exclusivity fee ends. That could give rise to contentious disputes between the tribes and the state if the state moves to authorize Internet lottery games or intrastate online poker.

The issues are not insurmountable, however. Tribal governments may aim to harness Internet gaming to increase tribal gaming revenues. Tribal casinos could potentially develop an Internet gaming presence to compete with commercial casinos and online poker websites. Tribes may also wish to incorporate games utilizing Internet technologies at their casinos. If Oklahoma moves forward with an expansion of Internet gaming, whether through Internet lottery games or authorization of online poker, it should work closely with tribal governments and gaming companies to protect the delicate jurisdictional balance achieved by the 2004 model compact.

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