iGaming continues to grow in leaps and bounds since the first sites were going live in the mid 90's. There are now countless numbers of lucrative sites operating worldwide, with a combined turnover of several billion British Pounds.

It is clear that this industry is not a short-term fad that will simply fade away, and parties in US congress are showing a renewed interest in legalizing iGaming, in opposition of the Unlawful Internet Gambling Enforcement Act (UIGEA) enacted in 2006.

Although legalized iGaming would surely present an array of technical hurdles for US Government regulators to overcome, jurisdictions around the world such as UK, Australia, Alderney, the Isle of Man and the Philippines have all demonstrated that legal iGaming can be safely and effectively regulated.

With such compelling examples of successful regulation to build upon, a great opportunity presents itself for the US to make the switch to legalized iGaming. Not to mention the vast proceeds to be gained from taxation, legalized iGaming would allow the US Government to sanction the return of many US operators, since uprooting their operations back in 2006.

The regulation of legal iGaming in the US could be a feasible reality. In examining each of the technical hurdles facing regulators, solutions readily present themselves.

Game Fairness

Regulators typically require that the games operating within their jurisdiction accurately follow approved rules and demonstrate expected payouts, and that the players will be correctly paid for their wins. In this regard, the iGaming industry is no different from the traditional 'bricks and mortar' gaming industry, with the key exception being that software on a remote server processes and calculates the game outcomes and transmits this data to the player's home computer.

This exception should pose no insurmountable challenge for US regulators. Since a game is a game whether it runs on a slot machine or over the Internet, game fairness can be assured by implementing technical standards similar to those already enforced in traditional gaming environments.

Game functionality, win frequency, payout percentage and visual display can all be kept to a specified minimum standard of quality and compliance through the enforcement of iGaming technical standards. Accredited Testing Facilities (ATFs) can perform any testing necessary to approve games for compliance with these standards.

Some US regulators fear that the remote nature of iGaming makes it impossible to verify that operators are actually using approved game versions. True, with iGaming assuring the ongoing integrity of the games is a little more complex, but the fact remains that there are proven technologies that can be used to accomplish this.

Dedicated software programs and control environments can be put in place to watch over the games, and ensure that only approved versions are running live. These same systems can even watch over the development versions of the games, ensuring that any changes are being tracked for subsequent compliance testing.

Independent auditing can be performed to ensure that these control systems can be trusted.

It has been proven by legal iGaming jurisdictions around the world that enforcing appropriate technical standards allows regulators to safely and securely monitor gaming operations.

Player Protection

UIGEA supporters would suggest that the best way to protect US citizens is to ban iGaming altogether. Others argue that these laws actually put citizens who wish to gamble at increased risk by forcing them to wager on sites hosted by unscrupulous operators in unregulated jurisdictions.

Legalized iGaming in the US would allow regulators to enforce technical requirements to protect US citizens against the dangers of underage gambling and problem gambling.

There is a well-publicized myth that iGaming is conducted in the privacy of one's home without restriction or exclusion. This may be the case in unregulated jurisdictions, but not so under the guidelines of a strong regulatory regime.

Under regulation, there can be detailed design requirements and stringent procedures that must be closely followed by operators. These include software design and operational procedures for account establishment, such as player identity, age and location verification, as well as account access procedures such as usernames and passwords.

In addition, since all iGaming players must be uniquely identified before participating, regulators can impose requirements to help players limit their own gambling losses. In many regulated jurisdictions, players can set self-limitations on bets and deposits, and even impose temporary or permanent self-exclusions on their entire iGaming account.

These harm reduction methods are supported by many of the world's leading experts on problem gambling, who agree that regulation will serve to protect the public better than prohibition.

Criminal Activity

No one wants a repeat of the US prohibition era of the early 20th century, which proved ineffective at restricting the consumption of alcohol, and consequently resulted in a financial boom for illegitimate suppliers. Accordingly, many suggest that the US prohibition on iGaming will only benefit unscrupulous operators.

The issue of 'shady' operators in unregulated jurisdictions has been an industry concern for some time. Also legitimate, are concerns about the use of iGaming sites for money laundering. Without regulation in place, these allegations continue to negatively impact public perception of iGaming. However, legalizing and regulating iGaming in the US would significantly reduce the opportunity for criminals to capitalize on these ventures.

Verifying the probity of iGaming operators is not particularly different from the same assurances sought in traditional gaming environments, where unscrupulous operators will fail to pass exhaustive background checks. Probity of operators keeps out the undesirable element, and player account establishment and tracking controls make iGaming sites the last place one would want to launder money.

US regulators can effectively capitalize on their existing experience and infrastructure for probity checks, and thereby ensure that iGaming would also conducted by the letter of the law.

Integrity of Systems

iGaming websites must be protected through comprehensive security controls both from outside and from within. This protection should include proper administrative controls, technical controls, and physical & environmental controls.

Fortunately, there are readily available methodologies to ensure this security, just as there are existing methods for US regulators to verify compliance with appropriate standards. In this regard, the iGaming industry is no different from any other high-security online business, such as eBanking and eCommerce.

With a veritable army of network security specialists flooding the market today, and libraries of existing technical standards to draw from, US regulators would have all the tools and resources they need to ensure that iGaming sites running live in their jurisdiction are locked-down and protected by the operators.

By implementing and enforcing these technical standards, US regulators could assure the security and integrity of their iGaming operations.

Today and Tomorrow…

Many operators with a potential interest in iGaming in the US are forced to play the waiting game to see what happens next. For those individuals, it is important to remember that the market is evolving at light speed.

In the Internet world, product life cycles are short, often measured in months or even weeks, yet the necessary technology can take years to develop and implement. Caution is sensible and clearly appropriate when it comes to the US market, but being too cautious could mean missing the boat!

The advantage of regulation over prohibition is a fact not lost on many jurisdictions worldwide, where paramount concerns for player fairness and protection are successfully addressed. While the US Government continues to debate what to do, there are a vast number of alternative regulated jurisdictions waiting to receive applications from potential new operators!

While iGaming in the US hangs in the balance, the rest of world is moving forward full steam ahead.

Bio

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