

**Testimony of Mr. Danny Sheridan before the Senate Commerce Committee  
Amateur Sports Integrity Act (S. 718)  
April 26, 2001**

Chairman McCain, I would like to thank you and the members of the Commerce Committee for allowing me the opportunity to express my opinions on S. 718, the Amateur Sports Integrity Act.

My name is Danny Sheridan, and I have been involved with sports and the sports promotion business for more than 25 years. I have published college and pro football magazines, written about sports in a variety of national publications, and have been the host of a number of sports TV and radio shows. I am a lifelong resident of Mobile, Alabama, and a graduate of the University of Alabama School of Business.

I have written exclusively for USA Today since its inception in 1982. For USA Today, I set the daily odds on every sport along with political and esoteric odds – for example, will Alan Greenspan lower the interest rate, and if so, by how much. My sports and political predictions have been featured on every major network and nearly every major newspaper and radio station in the country. I plan to continue setting these odds and providing them to USA Today even if this legislation is passed.

However, I'm not just a sports — and sometimes political — analyst. I am friends with many high profile college and NFL coaches as well as many NFL and NBA owners. I have spoken at or visited most of the colleges and universities in the United States, and have talked to thousands of students about their concerns about sports betting on their campuses. I've also interviewed many of the world's biggest legal, illegal, and offshore bookmakers.

I'm sure there are a lot of people brighter than me at this hearing; however, I'm confident in saying that my predictions, contacts and knowledge of the sports world would stack up against anyone in this room.

That's why I'm here today.

I do not bet on sports, don't smoke or drink alcohol, but I do recognize, like you, that in a free society people do these things, sometimes to excess.

I commend you for having the courage to take on the tough issue of fighting illegal gambling. However, I want to warn you of the serious, unintended, and adverse consequences that will surely result from the passage and implementation of this legislation. Your attempt to eliminate legal college sports wagering — while well intentioned — would only result in an increase in illegal college sports gambling and an increase in the amount of fixing and point shaving schemes and scandals.

Currently, approximately 99 percent of all sports gambling takes place illegally outside of Nevada. In 1999, the National Gaming Impact Study Commission estimated that illegal sports wagering was as much as \$380 billion – but I think that it’s higher. An estimated 40 million Americans currently wager \$6 billion illegally every weekend during the entire 20-week college and pro football season alone.

Comparatively, legal and regulated sports wagering in Nevada is only 1 percent – a tiny fraction – of all of the betting that occurs on sports in this country. And of the approximately \$2.3 billion that is legally wagered in Nevada, only about one-third — an even smaller percentage — is bet on college sports.

These figures just show that there is no persuasive evidence that legal sports betting in Nevada is responsible for the betting scandals and illegal gambling everywhere else.

Nevada’s legal sports books serve as a legal watchdog for college sports. The point shaving scandals 5 years ago surfaced only because there is a legal authority that exists to watch over the game and betting activity. So in essence, the proposed legislation would remove the only viable enforcement mechanism to monitor and report the fixing of college sports games.

If you take college sports wagering out of Nevada, 100 percent of all NCAA betting would go on illegally. The Nevada Gaming Commission has an incentive to report the fixing of games and to continue to police sports betting to ensure that it’s clean. It is legally required to monitor and report suspicious activity, and has done an excellent job

monitoring college sports betting. But if you get rid of legal college sports wagering, a person who wants to fix a game will no longer have to worry about the Nevada Gaming Commission, but only about the bookie he placed the bet with and the players involved.

The proposed legislation would make it impossible to monitor and report the fixing of games. The effect of this legislation would be like removing the Securities and Exchange Commission (SEC) from monitoring and policing the stock market. Does the SEC prevent all insider trading? Of course not, but it lets would be criminals know that they'll be prosecuted. In Nevada, you can't bet on a college game through a dummy corporation – you have to do so in person and be 21 or over – and most people know if you fix a sporting event, you'll eventually get caught and prosecuted.

The NCAA and its supporters also argue that legal betting in Nevada sends a mixed message about gambling to young people. But I'm not sure what mixed message they are talking about.

Gambling and betting is a widely accepted form of recreation in this country and has been an integral part of our history. When our founding fathers needed money to finance the American Revolution, they held a lottery. Today, 47 states permit lotteries, horse and dog racing, commercial and Indian casinos, and/or video poker. Only Hawaii, Utah, and Tennessee have no form of legalized gambling. Since our culture sends the message that gambling is mainstream recreation, it will only make matters worse to deal with illegal sports gambling by making it illegal in Nevada, the one state where these activities are legal and closely monitored. Finally, it's simply not reasonable to assume that the

impulse to gamble can be controlled or reduced by legislation, particularly in this age of Internet gambling, which allows anyone to bet through an offshore sports betting site or casino or both just by the flick of a key on their computer.

So yes, the passage of this legislation would send a clear message to this country's young people. That message is: We want to cut down on sports gambling and game-fixing so let's ignore the real problem and the impact this legislation would have on college sports. Now that is a scary mixed message.

Again, I believe that the NCAA and its supporters are well intentioned and are only trying to do the best to protect students and college sports. But the idea that Nevada is to blame for the spread of illegal gambling in this country is preposterous. If the NCAA and its proponents think that the passage of this legislation would have any effect on illegal college sports wagering – by young people or adults – they are completely wrong.

Finally, opposing this legislation goes against my financial interests. If it were to pass, it would benefit me financially. I also have no financial interest in any casinos or Nevada-dependent companies. With this in mind, I hope that this also shows you that my testimony is unbiased and honest.

So I leave you with these odds and a prediction: pass this legislation and I am 100 percent certain that there will be an increase in game fixing and other point shaving schemes and major college sports scandals – exactly the opposite from what I know you are trying to accomplish.