Senator Harry Reid Denies Lame Duck Alliance With Sheldon Adelson

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In the first part of an exclusive interview with GamblingCompliance, U.S. Senate Minority Leader Harry Reid, a Democrat from Nevada, says he has no intention of enacting a federal ban on Internet gambling during the final few months of his formidable congressional career.

After serving more than a third of a century in Congress—four years in the United States House of Representatives and 30 years in the Senate where he rose to become majority leader from 2007 through 2014—Senate Democratic Leader Harry Reid of Nevada will retire in January as arguably the most significant politician in the history of the gambling industry.

Reid, who will turn 77 on December 2, talked to GamblingCompliance on October 6 in an exclusive interview in his office.

This is the first of a two-part series.

RAWA

One of the hottest rumors on Capitol Hill is that Senate Minority Leader Reid already has cut a deal with Las Vegas Sands chairman Sheldon Adelson to shepherd an Internet gambling ban through Congress during the lame duck session after the November 8 elections.

"I, personally, don't plan on doing anything," Reid told GamblingCompliance when asked if he intends to work on any gambling-related legislation during the lame duck session.

Reid quickly added he was aware of the Restoration of America’s Wire Act (RAWA), legislation proposed by Republican Senator Lindsey Graham of South Carolina to institute a federal Internet gambling ban.

"It's interesting to me it came about when Adelson gave $20m to the Republican Senate," Reid said.

Reid also noted that Adelson gave the money to the political action committee of his Republican counterpart, Senate Majority Leader Mitch McConnell of Kentucky.

"So I think it's possible that [Adelson's contribution] could have had something to do with [RAWA]," Reid said.
If those comments are any indication, Reid seems hardly in the mood to do any favors for Adelson in his remaining days in the Senate.

Reid flatly rejected the widespread belief of many gambling lobbyists in Washington that he collaborated with Adelson on a serious but ultimately futile attempt to pass an Internet gambling ban in 2014 during the previous lame duck session of Congress.

Only twice before — during the lame duck sessions of 2010 and 2012 — did he work on Internet gambling legislation, Reid said.

In both cases, Reid drafted but did not introduce bills to regulate online poker.

There will not be a third time.

“I’m not going to be able to get the [Internet] poker [bill] done. That’s the decision I’ve reached. It’s gone,” he said. “It’s not the time to do it.”

Reid said he never formally introduced either of his Internet poker bills because “I couldn’t get help — even from the Nevada senators.”

**Political Partnerships**

Each state has two senators, and the other Nevada senator in 2010 was Republican John Ensign, who was mired in a sex scandal because of an extramarital affair that led to his resignation in 2011.

In 2012, the other Nevada senator was Republican Dean Heller, with whom Reid has a strained relationship.

Frank Fahrenkopf, co-chairman of the Commission on Presidential Debates and former chairman of the Republican National Committee, pointedly criticized Reid in 2013 for never introducing an Internet poker bill.

Fahrenkopf is a fellow Nevadan whose relationship with Reid goes back to high school when they competed against each other on opposing baseball teams for the state championship.

As he prepared to retire in 2013 as the first president and CEO of the American Gaming Association (AGA), Fahrenkopf told GamblingCompliance that Reid’s decision not to introduce an Internet poker bill was the biggest disappointment in his 18 years at AGA.

“If Frank said that, he’s being disingenuous,” Reid said.

“Everyone saw the bill; they reviewed the bill. I just couldn’t get any Republican support for it. I could have introduced it anytime I wanted, but I wasn’t going to introduce something that [didn’t] have some Republican support.”

Reid said either of his online poker bills would have benefited not only Nevada but the entire country.

“I think it would have been a shot in the arm for Nevada— the whole industry wanted it,” he said. “It would have been good for the country to control it because there is a lot of Internet poker that goes on that is unregulated.”

Reid said he learned the hazards of unregulated gambling while serving as chairman of the Nevada Gaming Commission from 1977 through 1981.

“When you have something like gambling [and] the commodity is cash, it’s so easy to cheat,” he said. “In my opinion, a person would have to be crazy to play poker online.”

As much as Reid loathes Internet gambling, however, fantasy sports really make him want to vent his spleen.

“You talk about something that is ripe for cheating ... If there were ever anything in the world that should be regulated, it’s that,” Reid said.

“There is no doubt in my mind that fantasy sports is a walk into a place where - if you think you’re not being cheated — you’re a fool.”

**Sports Betting**

Although the AGA has recently become increasingly aggressive in advocating the expansion of sports betting nationwide, Reid said he remains reluctant to support the spread of legal wagering beyond Nevada.

Both Reid and then Democratic Senator Richard Bryan of Nevada voted for the Professional and Amateur Sports Protection Act (PASPA) in 1992, primarily because it preserved Nevada’s monopoly on sports betting while banning wagering in all the other states except in limited forms in Delaware, Montana and Oregon.

“What I don’t want is the spread of sports betting unless there is some regulatory means for it. There isn’t one now,” Reid said.

As for the AGA’s campaign against PASPA, Reid said: “I’m not going to be here. They can do whatever they want to do.”

There was a closer alignment for Reid and the AGA in 2001 when they teamed up to achieve one of the gambling industry’s most significant victories in Congress.
Republican Senator John McCain of Arizona, who may have been at the zenith of his political career and made no secret of his presidential ambitions, sought to burnish his conservative credentials by introducing a bill to stop Nevada sportsbooks from taking bets on college sporting events.

Even casino lobbyists conceded privately that McCain’s bill seemed certain to pass.

“It was an uphill battle because you had all these great coaches coming here and saying how bad [sports betting on college games] was, but honestly, they didn’t know what they were talking about,” Reid said.

Reid and Ensign, who was serving his first year in the Senate, joined forces with the AGA and somehow managed to prevent McCain from even passing his sports-betting ban in the very committee he chaired.

In an astonishing epilogue in 2015, McCain declared that Congress should schedule hearings on the feasibility of expanding sports betting outside Nevada.

Nevada’s triumph over McCain led to a surprisingly cohesive partnership between Reid and Ensign, the adopted son of a casino executive.

“I miss him every day,” Reid said of his disgraced former colleague. “Every day of my legislative career with John Ensign was a pleasant day.”

Their partnership was all the more remarkable because Ensign came within a mere 401 votes of ending Reid’s career in the closest Senate race in the country in 1998.

When Ensign succeeded Senator Richard Bryan, who retired in 2000, he and Reid agreed on a pact to never criticize each other, something unheard of in Washington politics.

Reid said they developed the best working relationship he has had among the four Nevada senators he has served with in the Senate.

“Richard Bryan and I are very close friends, but our staffs did not work as closely together,” Reid said.

Indeed, the fact that Reid and Bryan were both Democrats galvanized the intense competition between their staffs. Reid’s bitter feud with a long-time chief of staff for Bryan was an open secret on Capitol Hill.

A Reluctant Champion

When he retires in January, Reid will leave as the longest serving U.S. senator from Nevada by three days.

During his exit interview with GamblingCompliance, Reid seemed to go out of his way to emphasize his concerns about gambling.

It may not be an exaggeration to say Reid’s comments about the gaming industry were reminiscent of the farewell address of President Dwight D. Eisenhower.

Despite being a five-star general who launched the D-Day invasion of Normandy in World War II, Eisenhower warned Americans to guard against the unwarranted influence of the nation’s military industrial complex.

Reid voiced similar concerns about the industry he has so vigorously defended in Congress for 34 years.

“I’m not sure it’s good for America or the world to have all this spread of gaming,” he said.

Reid cited a decades-old empirical study which concluded the poor are more likely to gamble but the primary beneficiaries of gaming are government and the companies that own casinos.

“That pretty well sums it up, doesn’t it?” he said.

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