

Ethical Issues in Online Gambling

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Gambling Evolves

- Introduction roulette in the US in the 1800s and coin operated gambling machines in 1885
- First true slot machine in 1905 and electronic slots in 1979
- Online gambling sites start to appear in the 1990s
- 2010s simulated gambling games appear on the app store



Gambling Laws

- Idleness statute of 1633
- 1748 - New Jersey cites gambling as a source of fraud and corruption of youth
- 1790 - northwest territory act voided all gambling contracts
- All lotteries banned from 1830-1860
- Nevada outlaws gambling 1861-1869
 - bans gambling again from 1910-1913 (1931 commercial gambling is legalized)
- 1951 - Johnson act passed by congress

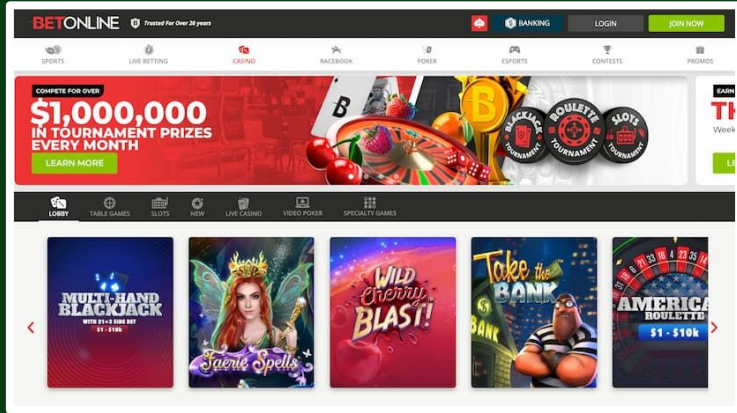


Gambling as an Addiction

“Gambling can stimulate the brain's reward system much like drugs or alcohol can, leading to addiction.”

- Can lead to spending increasing amounts of money to get the same thrill
- Being unable to control, cutback, or stop gambling successfully
- Can lead to extreme cases in which one might lie, steal, or make decisions that they would not otherwise make.





Gambling in the Internet Age

- online lotteries - sports/race betting
- online casinos
- Can be difficult to enforce rules
- Easily accessible for the sake of convenience

"the more available and accessible you make gambling, the more you compound the problem."

- Tom Grey (National coalition against legalized gambling)



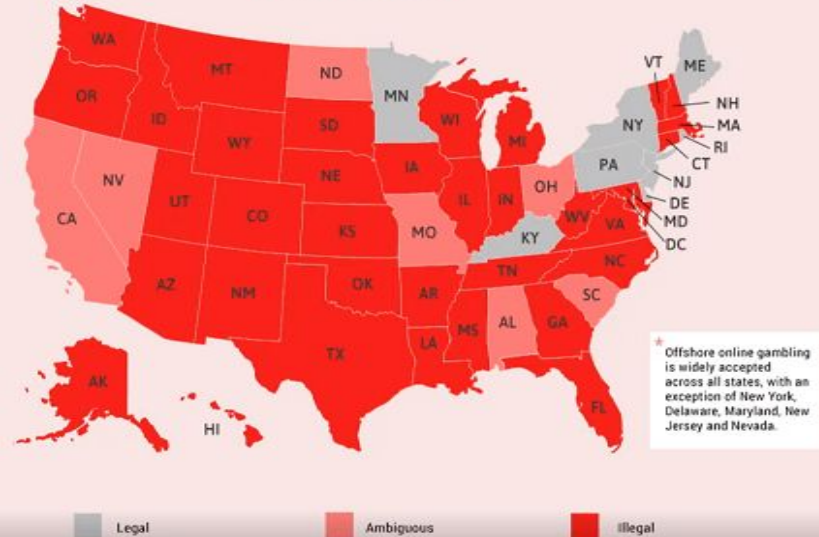
Online Gambling Regulated

- Each state can determine its own laws for online gambling
 - (Johnson act 1951)
- The Interstate Wire Act of 1961
 - 2011 - ruled to pertain to sporting events & contests
- Unlawful Internet Gambling Enforcement Act of 2006



GAMBLING LAWS IN THE USA

Online Gambling



Simulated Gambling: Fostering the Addiction

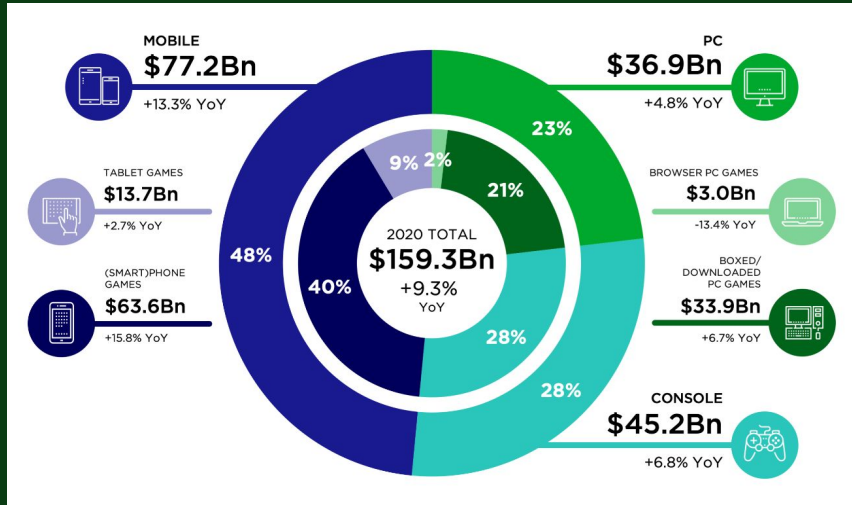
- Children and teens who play free online gambling games are more likely to gamble as adults
- Offer practice gambling. No money is wagered or won.
 - Microtransactions recharge in game currency
 - not classified as real gambling.
- labeled as video games - allows skirting around the U.S. gambling market.



Gacha and Loot boxes: Predatory Marketing



- Employs tactics to get players to spend money and keep spending money
 - First purchase bonuses
 - Consecutive login bonuses build habits



- Genshin Impact made an estimated 3.7 billion dollars in its first year
 - reported to be highest ever for a game in its first year
- Marketing tactics from mobile games have been making their way onto other platforms

As Applied to Ethical Frameworks

Kantianism - gambling is built on using others as a means to an end - betting on sports for an example or the house/business

using unfair rates or marketing tactics to separate you from your money

Utilitarianism - getting a gambling addiction is a bad consequence - getting into debt is bad consequence

- the negative outcomes of gambling outweigh the good making gambling unethical. This is the case for both act utilitarianism. With rule utilitarianism this might not be the case due to how gambling addictions aren't held by a majority of people