

## Adelson's political beneficiaries adopt casino magnate's cause to ban Internet gambling

Written by Administrator  
Thursday, 08 May 2014 02:53 -

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But less noted at the time was Adelson's largesse in Florida, where he contributed hundreds of thousands of dollars to political committees supportive of Gov. Rick Scott (R). Adelson also gave \$20 million to the Republican Governors Association and directed millions more to candidates for attorney general and other state-level offices across the country.

Many of the beneficiaries of Adelson's state donations are now siding with the billionaire as he [seeks to outlaw a practice](#) he views as a threat to the economic health of the casino industry on which he built his fortune.

Scott, who is facing a competitive reelection campaign this year, sent a letter late last month to congressional leaders at Adelson's request calling on lawmakers to prevent states from legalizing Internet betting, saying the practice lets gambling "invade the homes of every American family, and be piped in to our dens, living rooms, workplaces and even our kids bedrooms and dorm rooms."

The efforts by Adelson, who has [vowed to play a big role](#) in boosting another Republican for the White House in 2016, reveal the unusual role being played by the GOP mega-donor as he balances a largely conservative ideological agenda with his business interests. In doing so, he has triggered what may become one of the costliest lobbying battles of the year, in Washington and state capitals, as he combats rival gambling companies favoring a move to the Internet.

The expanding debate has prompted Adelson to add Democrats to his orbit of influence.

In recent months, he hired two well-connected California Democrats — former state House speaker Fabian Núñez and longtime party strategist Chris Lehane — as he opposes a bill in Sacramento that would legalize Internet gambling. They join other prominent Democrats on Adelson's payroll, including former senator Blanche Lincoln of Arkansas and former Denver mayor Wellington Webb.

The bipartisan [coalition](#) is designed to help Adelson, who controls Las Vegas Sands Corp., resist a push by rivals such as MGM Resorts International and Caesars Entertainment to sell state legislators and governors on the expansion of gambling online as a potentially lucrative

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source of tax revenue. Adelson and his team are shaping an aggressive counteroffensive, with television ads and high-priced lobbyists, to argue that Web-based gambling would hurt children, invite criminal activity and produce [little actual revenue](#) for the states.

Adelson is “playing three levels of chess,” Lehane said in an e-mail-, including “mapping the terrain to determine who are the key players; assembling the right team that is purple in terms of overall blend; and focused on the disciplined bi-partisan/non-partisan message of kids safety.”

[The letter](#) sent last month by Scott was a blow to Internet gambling proponents, who see Florida as a potentially large market for the industry and had begun talks with some lawmakers about pushing legislation in Tallahassee.

But Adelson, who has expressed interest in opening a large casino in Miami, forged a rapport with Scott.

Between 2010 and 2012, Adelson contributed \$750,000 to committees supporting Scott and his political agenda, according to Florida campaign finance records. That included a \$250,000 contribution to the Republican Governors Association PAC in Florida, made in September 2010, just before Scott's election, and two additional \$250,000 contributions in June 2012 — one to the Republican Party of Florida and the other to Let's Get to Work, Scott's independent political action committee.

A spokesman for Scott declined to comment on his relationship with Adelson.

The same phrasing used in Scott's letter appeared word for word in letters signed a few weeks earlier by two other Republican governors, [Nikki Haley](#) of South Carolina and [Rick Perry](#) of Texas.

More support came in a newspaper op-ed written earlier this year by Gov. Bobby Jindal (La.), who helped lead the RGA when Adelson made his \$2 million donation to the group.

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Then, last week, Gov. Mike Pence (R-Ind.) formally expressed [his opposition](#) . Like Jindal and Perry, Pence has received Adelson's financial support — at least indirectly — in the past, and he might be after it again. All three are contemplating running for [president in 2016](#)

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“A federal prohibition of Internet gambling is necessary,” Pence wrote in a letter to the Indiana congressional delegation last week. “Otherwise the ability of states like Indiana to prevent and control Internet gambling within its borders, despite our best efforts, will be greatly diminished.”

### Close connections

Legalization advocates, who argue that technological safeguards can protect children and ensure an aboveboard industry, have established their own well-funded organization in Washington, the Coalition for Consumer and Online Protection. The group hired former House Financial Services chairman Michael G. Oxley (R-Ohio) and former Obama campaign manager Jim Messina as consultants. One offshore betting site, PokerStars, has hired former House Democratic leader Richard A. Gephardt (Mo.) to lobby.

Three states — New Jersey, Nevada and Delaware — have authorized online betting.

Casino executives generally applauded in April 2011 when the Justice Department cracked down on the online poker market, closing three offshore sites in connection with allegations that they had violated the 2006 Unlawful Internet Gambling Enforcement Act.

More recently, though, amid a decline in revenues for U.S. casinos and an increase in global interest in online betting, the old consensus among the leading casinos has crumbled.

But Adelson, 80, is single-handedly funding the opposition, both by hiring lobbyists and tapping into political relationships forged through time and donations.

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The federal legislation to effectively ban Internet gambling is being sponsored by an Adelson beneficiary, Sen. Lindsey O. Graham (R-S.C.).

Graham raised nearly \$31,000 since 2009 from Adelson family members and Las Vegas Sands employees, according to a review of Federal Election Commission records. Adelson and his wife also hosted a fundraiser in Las Vegas last year for Graham.

The measure, introduced in March by Graham, was initially drafted by a Las Vegas Sands attorney, Darryl Nirenberg, then with the Washington firm of Patton Boggs.

Graham, in a recent appearance, did not shy away from his relationship with the casino magnate, but he rejected the idea that he came to this issue this election year because of Adelson.

"I would say that Sheldon has allied himself with most Baptists in South Carolina," Graham told reporters recently. "The fact that Sheldon is on board is a good thing — but I am doing this because this is what my governor, my attorney general suggested I do."

Adelson is also expanding his network to include influential religious groups whose constituencies tend to be anti-gambling.

His coalition now includes about a dozen state chapters of the Faith and Freedom Coalition, a national alliance of Christian conservatives headed by Ralph Reed, the former executive director of the Christian Coalition.

Adelson has hired two former Faith and Freedom officials, including Gary Marx, a former executive director of the organization. Marx helped build support for legislation that would outlaw Internet gambling.

Reed gained notice for his earlier work on gambling matters during the scandal around

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disgraced lobbyist Jack Abramoff. At the time, documents showed that Reed worked with Abramoff to block a proposed ban on Internet gambling, receiving funds indirectly from eLottery, a firm marketing online lottery ticket sales.

Reed declined to comment. Adelson advisers and a spokesman for Reed's group said Reed was not personally involved in signing up his state affiliates.

### **'A lot of clout'**

Much of Adelson's focus is in state capitals, where his team is showcasing bipartisan bona fides not traditionally associated with the work of a GOP billionaire.

During recent testimony before a California legislative committee in Sacramento, Adelson's top adviser, Andy Abboud, took pains to note his agreement on the issue with one of the state's most prominent Democrats, Sen. Dianne Feinstein. She has signed on to the legislation sponsored by Graham.

"If Sheldon Adelson and Dianne Feinstein can agree on something, it's time for people to pay attention," Abboud told the lawmakers.

In Lehigh, the California-based Democratic strategist, Adelson has hired a pugnacious advocate with deep ties to Bill and Hillary Clinton and other high-level Democrats across the country. As a staffer in the Clinton White House, Lehigh authored a famous dossier laying out the "vast right-wing conspiracy" that had mobilized to undermine the administration.

In Pennsylvania, Internet gambling supporters are optimistic. Adelson, however, may have a built-in advantage. Las Vegas Sands runs a large casino on the site of an abandoned steel mill in Bethlehem.

The Sands's lobbyist in the state Capitol, Joe Uliana, said the [Adelson arguments](#) on Internet

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betting will get a good hearing in Harrisburg, adding: "We have a lot of clout."

*Alice Crites contributed to this report.*

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