### Public consultation on the Green Paper on on-line gambling in the Internal Market

You are invited to reply to the on-line questionnaire. The questions listed in the Green Paper are reproduced in the same order hereunder. A pdf version of the <u>Green Paper</u> is available in all EU languages for guidance to the questions.

There are 51 questions in the consultation document. You may reply to those questions in any one of the EU languages. You may focus your contributions on the areas of most interest to you; you are not obliged to answer all the questions.

Please save this document on your computer. Once you have completed the questionnaire, come back to the on-line questionnaire. You will be able to upload your answers on page 3 of the on-line questionnaire.

The consultation will close on 31/07/2011.

We thank you for your participation.

#### Your name / Your organisation:

Helmut Kafka, President, Automatenverband.at, AUSTRIA

### Questions from the Green Paper on on-line Gambling in the Internal Market

- 1. Regulating on-line gambling in the EU: Recent developments and current challenges from the Internal Market standpoint
- 1.1. Purpose of the consultation
- 1.2. On-line gambling in the EU: current situation
- (1) Are you aware of any available data or studies on the EU on-line gambling market that would assist policy-making at EU and national level? If yes, do the data or study include licensed non-EU operators in the EU market?

There are very good and also pointless studies with erroneous numbers and "modified" conclusions circulating. Also parts of some studies are recommendable, however, there are often national studies written in the interest of certain parties or they are not sufficiently scientifically scrutinized and approved.

One bad example for instance is the Commission's study of 2006: Its numbers are useless, for instance, where football tables, darts and videogames where counted together as gambling machines with real gambling machines and then gambling "conclusions" where drawn from those numbers!

Another bad example is the new Austrian "Player's Protection" survey, indirectly paid for by the Austrian lotteries, which comes up with incorrect details and partly very unrealistic results, maybe due to the fact, that an insufficient number of persons were interviewed. However, it also warns, that too severe or drastic restrictions for online gambling, for whatever reasons, could mean, that players would shift their focus to (more attractive) unregulated markets.

## (2) Are you aware of any available data or studies relating to the nature and size of the black market for on-line gambling services? (Unlicensed operators)

A market research study (2009, regioplan) of the overall expenditure of Austrian households for all types of gambling showed that it amounts to  $\notin$ 1025.- per household per year. From this amount already 37,5% are spent online. It is estimated that only aprox. 50% of this money goes to the one national online gambling operator with the single national online gambling extension of the lottery concession. The other aprox. 50% disappear over the national and EU borders.

According to Statistics Austria, there are 3.624.300 households in Austria. 50% of the yearly €384,36 per household spent for all forms of online gambling is therefore an amount (2009) of more than €696 millions, which are completely lost for the country. Neither providing jobs, nor paying taxes in Austria - it simply means: Profits overseas and only the problems remain within the national borders!

Due to the new restrictions on the number of landbased gambling possibilities in Austria and the various, artificially introduced, restrictions of the attractivity of the games outside of the Casinos, ( the increase of stakes from 50 Cents to  $\leq 10$ .- and prizes from  $\leq 20$ .- to  $\leq 10.000$ .- will therefore not help), the uncontrollable expenditures for foreign online gambling can be expected to drastically increase.

Especially the fast-paced spreading of ownership of smart phones with online capabilites at all levels of the population will support this development even if politicians choose to blatantly ignore and suppress this.

INTERESTING DETAIL: When talking to the representative of one of the major players on the world market for online gambling on computers and mobil phones at a conference this year, he expressed his surprise, that the Commission does not have more realistic numbers of the online gambling GGR, gross gaming revenue, for all of Europe. " I wonder for which studies they pay money, because we are collecting more online profits from 10 EU member states than the Commission estimates for all of Europe and we are not the only "players" in the markets of those 10 countries"

The statement could not be verified with any hard facts yet, but it should be considered that maybe the size and value of the already existing European online/remote gambling market could have been dramatically underestimated so far.

(3) What, if any, is your experience of EU-based on-line gambling operators licensed in one or more Member State and providing and promoting their services in other EU Member States? What are your views on their impact on the corresponding markets and their consumers?

An Austrian market research study from 2009 (regioplan) showed that it is for a part of the consumers more attractive to play with some EU or foreign based online operators than with the national lotteries online extension.

Austrian lotteries operate a quite attractive, professionally organized, online gambling business, based on a decree from the ministry of finance which was issued without public tender in 1997 as an extension of the existing lottery concession.

It can be observed that a certain part of the gambling community, experience shows that those people are aprox. 20 - 30 % of the most active players, sometimes responsible for up to 50% of the Gross Gaming Revenue, abhore to be identified, at least not at national level. They are looking for alternative offers, where their privacy, identity and/or expenditures are not a possible subject of direct or indirect surveillance of national authorities or national private companies, especially that those are not subject to cross referencing.

## (4) What, if any, is your experience of licensed non-EU on-line gambling operators providing and promoting their services in EU Member States? What are your views on their impact on the EU market and on consumers?

There is dramatic, unstoppable, impact of all kind of online gambling operators on the EU internal market.

Contrary to common belief, statements and wishful thinking, any online gambling operator, whether licensed or not can provide his services, without any technical problems at all, into any member state of the EEA !

Only traditional advertising and promotion can be in some ways restricted on national level. In reality this will restrict mainly legally licensed operators, offering across borders online gambling/betting offers, but cannot restrict other online operators from anywhere within the EU (or the world) using new forms of advertising e.g. via social networks, spam or banners. In Austria most online newspapers show advertising for "free of charge" gambling games, like roulette, fruit machines etc., from which websites it is easy to change into real money games.

No consumer has a problem to avoid national restrictions, like payment prohibition ( in Austria an unenforcable law since 1997) and alleged website blocking. By using foreign online gambling offers, the consumer also escapes the limitations like entry identification, playtime restrictions, lower payout percentages, play interruptions after certain time, small stakes and prices, with which the traditional landbased gambling business is overregulated and artificially made less competitive.

All these restrictions, including very high taxes, only force players to look for more attractive, drastically less restrictive, alternatives online, where small overhead costs, no or little tax and lack of overregulation allows very high payout percentages and thrilling games.

An important impact will also be, for instance, the new gambling law in Austria, where the availability of newly introduced, extremly more restricted, landbased gambling offers will be accompanied with an even more reduced number of land based gambling sites. This will force consumers to look even more aggressivly for more readily available online gambling possibilities.

By increasing numbers of restrictions for the landbased gambling, the consumers will be forced to search for more comfortably accessible gambling alternatives, like online gambling

and betting, easily and undetectably played from their home computers, netbooks, laptops, smart or mobile phones and especially tablet PCs in various sizes. A nice, small, tablet PC with gambling capabilities via WLAN costs already less than  $\in 100.$ -, wholesale.

Extra paid lobbyists of foreign online gambling operators could not have done a better job of leading the consumers away from the regulated, taxed national gambling offers, as the authors of the new Austrian gambling law!

#### (5) If any, which are the legal and/or practical problems that arise, in your view, from the jurisprudence of national courts and the CJEU in the field of online gambling? In particular, are there problems of legal certainty on your national and/or the EU market for such services?

The Commission should be the Guardian of the Treaty - however too many governments simply ignore the Treaty, EU-regulations and judgments of the CJEU in the lucrative field of games of chance intentionally, knowing that they will have nothing to fear - at least for a few years.

The Commission leaves to often the "action" in the hands of the CJEU, which can take years and some national governments, as well as local administrations "interpret" decisions to their own liking, while securing their profits, blocking their local markets against competition and circumventing the principles of the single market.

In Austria, for instance, the former minister of justice even issued a decree on 7<sup>th</sup> April 2011 (BMJ-S145.017/0001-IV 3/2011) in which she stated, that of course her judges are free in their decisions, but, that the decision of the CJEU in the "Engelmann" case, C-64/08, could be interpreted in such a way, that of course sentencing is expected. An interesting step, taken, while several such cases are open and pending judgements in Austria, thereby misinterpreting, almost waiving details of the Gambelli case and other decisions of the CJEU without any fear of consequences.

(6) Do you consider that existing national and EU secondary law applicable to online gambling services adequately regulates those services? In particular, do you consider that coherence / consistency is ensured between, on one hand, the public policy objectives pursued by Member States in this field and, on the other hand, the national measures in force and/or the actual behaviour of public or private operators providing on-line gambling services?

No - in many cases national regulations are misused to keep competition away from traditionally state owned or influenced companies. Pretending coherence, player's protection and alleged consistency is together with claims to keep criminality away and to defend against money laundering (there are no such cases in Austria since the competent policing was created years ago!) quite openly used as camouflage to protect national profiteers and the economic benefits of state monopolies against any (outside) competition.

This, of course, offers no real protection for the consumers, in some cases it even clearly supports the exploitation of the players.

To offer online gamblong services in Austria, you must show a paid in capital of  $\in 109$  millions (without suffiscient reasons what actually for), if you would gave a chance for the only license. Nothing, but ways and means to keep unwanted competition away.

### Other comments on issues raised in section 1

The best protection against the exploitation of the consumers by too few operators or monopolies is a healthy competition among many various companies operating without national discriminations. Only when the consumers can take their own choice in an open, competitive and liberally regulated online market, there is a chance to keep the money within European Union coffers and the consumers can play, where they get the best value for their money, instead of being subjugated by national exploitation.

At the same time the traditional, already for tens of years well regulated, land based gambling business, cannot be discriminated against by higher taxes and overregulation, but must be liberalised the same way and be made more attractive to keep consumers spending within the EU. This way contributing to society by supporting jobs as well as paying taxes.

- 2. Key policy issues subject to the present consultation
- 2.1. Definition and organisation of on-line gambling services

## (7) How does the definition of on-line gambling services in the Green Paper differ from definitions at national level?

Considerably. In Austria the definition of online gambling is reduced to "electronic lotteries" in order to have a plausible connection to the only lottery concession issued by the state monopoly. This way it is claimed that all the normal gambling offers on the online website of the Austrian lotteries are "electronic lotteries".

Therefore also common gambling machines, with normal gambling programms, which are connected by electronic means to a central server, are called Video "Lottery" Terminals (VLT), but are not terminals where you can play your lotto via the internet.

## (8) Are gambling services offered by the media considered as games of chance at national level? Is there a distinction drawn between promotional games and gambling?

Yes - as games of chance with incoherent taxation and different administrative requirements.

Yes - different administrative details and taxation.

## (9) Are cross-border on-line gambling services offered in licensed premises dedicated to gambling (e.g. casinos, gambling halls or a bookmaker's shop) at national level?

To a certain extent, by Green Book definition, in bookmaker's shops. Betting and Bookmakers are not subject of the national gambling law, but regulated individually in the 9 Länder of Austria.

## (10) What are the main advantages/difficulties associated with the coexistence in the EU of differing national systems of, and practices for, the licensing of on-line gambling services?

Absolutely no benefits and advantages by different national online regulations and licensing systems.

The "saga" of traditionally grown social differences and specialities serves the purpose to protect national, political, commercial and tax interests and are only plausible for certain landbased gambling businesses.

The Austrian single licensing system for the only private lottery company, which will cover about 2/3 of all kind of gambling offers of the Austrian market, including 5000 gamblingmachines, (camouflaged als "Videolotteryterminals" in order to artificially construct at least a verbal connection to "Lotteries"), is a perfect example how a gambling market will be blocked off, from any competition for 15 years, by specifically creating extra high hurdles. All this without a correct European Union wide public tender, but the claim that allegedly the necessary requirements and conditions for a "transparent search for interested parties" are instead fullfilled.

The main advantage would be to introduce scientifically based and recognized standards of player's protection, which are acceptable by the consumers and which also must be accepted by all members.

We should not forget that consumers decide where and what they read, buy and where they have played for many years already - and not governments, anymore.

The target should be to keep the player's money, also with the help of the traditional landbased gambling business in Europe. Therefore it is necessary to start the basis for a European Union wide valid, attractive and legal offer of online gambling and form this way the necessary defence against unregulated und untaxed, but highly attractive, online gambling offers from the rest of the world - if there is a liberal licensing system with low thresholds and to obtain a license, consumers are not turned away by overtaxtation and overregulation.

### Other comments on issues raised in section 2.1

In view of technical progress and development the term "on-line" needs to be replaced by "remote".

- 2.2. Related services performed and/or used by on-line gambling services providers
- (11) With focus on the categories mentioned in the Green Paper, how are commercial communications for (on-line) gambling services regulated for at national level? Are there specific problems with such cross-border commercial communications?

n/a

#### (12) Are there specific national regulations pertaining to payment systems for online gambling services? How do you assess them?

Theoretically any payments for foreign gambling are forbidden in Austria since 1997. In reality it cannot be enforced and controlled and the consumers do what ever they want.

## (13) Are players' accounts a necessary requirement for enforcement and player protection reasons?

It can be an instrument to observe unusual behavior of players and this way can be used to identify possible pathological gamblers.

To use this as instrument in order to identify psychological problem cases, it will run into serious problems with data protection - because especially such people require special and more extensive data protection.

If it is used as an instrument to force consumers to play nationally, the consumers have many uncontrollable choices to evade any surveillance.

(14) What are the existing national rules and practices relating to customer verification, their application to on-line gambling services and their consistency with data protection rules? How do you assess them? Are there specific problems associated with customer verification in a cross-border context?

n/a

### Other comments on issues raised in section 2.2

- 2.3. Public interest objectives
- 2.3.1. Consumer protection

#### (15) Do you have evidence that the factors listed in the Green Paper are linked to and/or central for the development of problem gambling or excessive use of online gambling services? (if possible, please rank them)

Event frequency and payout interval: Another exaggeration without any real internationally and scientifically recognized background ? Too many of the presentations, where this is repeated again and again, lack any real scientific evidence and are extra paid for by various lotteries and other less competitive participants of the gambling market!

The only thing that counts for the player's protection is:

how much does it cost on average per hour to play ! The less it costs on average per hour, measured of course over long periods and with large number of games, the better it protects especially those players, who play for too long or for too much.

Even slow plays, with few hits can ruin a player quickly. This stories of speed and hit or near miss frequencies are repeated again and again and usually by the same circle of people. But then it is e.g. conveniently ignored, when it should target (state owned) casinos, with unlimited stakes and prices.

Fact is that very high stakes and extremly high prizes (Best example Eurolotto or the Casino Jackpots) are the most tempting for psychologically vulnerable people. But the actual number of pathological gamblers, they are the ones who need treatment, is extremly small. The quite often intentionally inflated numbers of pathological gamblers, by obfuscating the definitions and ignoring diagnostic thresholds, are of course based on the fact, that gambling addiction treatment is big business in some countries for the treatment industry.

In UK for instance, the gambling industry pays millions for the attempts of the treatment businesses to put Problem Gamblers, who are not diagnosed as addicted Pathological Gamblers and may never become one, into up to 6 month of stationary treatment. Something that is luckily not been copied til now in other EU countries.

## (16) Do you have evidence that the instruments listed in the Green Paper are central and/or efficient to prevent or limit problem gambling relating to on-line gambling services? (if possible, please rank them)

No

## (17) Do you have evidence (e.g. studies, statistical data) on the scale of problem gambling at national or EU level?

The best and most thorough studies in this field are the comparable British Prevalence Studies from 1999 and 2007(and 2010), showing no increase of the percentage of problem gamblers,

while there was an impressive increase of gambling machine offers (Fixed Odds Betting Terminals with high stakes and prices).

There are several studies from Switzerland, before and after all gambling machines in cafes and pubs were prohibited (1.4.2005), showing no difference in the number of pathological gamblers even years after the prohibition.

In Norway there were studies made, before and after the gambling machine prohibition, by SINTEF, even showing a slight increase of addicted gamblers after the prohibition and where the players started to play at (theoretically illegal) online gambling sites instead.

It seems to confirm, that there is a certain and very small percentage of the population, which seems to be prone for gambling addiction. However, neither prohibitions nor expansions of the gambling market seem to have much influence at this basic percentages of gambling addicts.

But to pretend to protect players and to fight gambling addiction is also the perfect alibi in several countries for overregulation and misused for blatant market manipulations to avoid normal competition and to promote selected companies.

## (18) Are there recognised studies or evidence demonstrating that on-line gambling is likely to be more or less harmful than other forms of gambling for individuals susceptible to develop a pathological gaming pattern?

Not to our knowledge, there are some unscientific, but very often repeated claims in both directions.

There is a difference to make between regulated or selfregulated responsible gambling offers from online operators and those who only pretend or ignore responsible gambling.

A real pathological gambler will always find ways to circumvent any restrictions in order to "quench" his addiction.

## (19) Is there evidence to suggest which forms of on-line gambling (types of games) are most problematic in this respect?

No

### (20) What is done at national level to prevent problem gambling? (E.g. to ensure early detection)?

For more than 25 years, the landbased gambling industry has actively promoted responsible gambling in Austria not only with limited stakes and prizes and minimum payouts, technical machine and programm testing, but also with strict age limits, restrictions on gambling locations and appropriate stickers on gambling machines with warnings and telephone numbers of different helplines. Also personnel at gambling arcades and in many betting shops was briefed and educated by professionell institutions to identify probable pathological gambling behaviour.

There are specific different diagnostic thresholds of what is already a pathological or only a problem gambler - a problem gambler is somebody who is NOT diagnosed with pathological gambling. Only a small percentage of problem gamblers will ever become addicted pathological gamblers, which will need treatment. The clearly different diagnostic thresholds can be found at the DSM IV and ICD 10 diagnostic criteria for instance.

However to create dramatic and impressive numbers, the term problem gamblers will often be misused to give the impression, that there is a large number of gambling addicts.

In Austria the term "people affected by gambling addiction" is used, but it is usually not sufficiently explained that it includes all realtives and friends. But it provides large numbers to impress the public, politicians and is useful whenclaiming subsidy.

## (21) Is treatment for gambling addiction available at national level? If so, to what extent do on-line gambling operators contribute to the funding of such preventive actions and treatment?

Treatment yes, funding heard of.

## (22) What is the required level of due diligence in national regulation in this field? (e.g. recording on-line players' behaviour to determine a probable pathological gambler?).

n/a

### (23) What is the statutory age limit for having access to on-line gambling services in your Member State? Are existing limits adequate to protect minors?

A few years ago the Austrian lotteries raised the age limit for access to online gambling with possible prizes of  $\notin$  50.000.- from 16 to now 18 years.

## (24) Are on-line age controls imposed and how do these compare to off-line 'face-to-face' identification?

(25) How are commercial communications for gambling services regulated to protect minors at national or EU level? (e.g. limits on promotional games that are designed as on-line casino games, sports sponsorship, merchandising (e.g. replica jerseys, computer games etc) and use of social on-line networks or videosharing for marketing purposes.

n/a

(26) Which national regulatory provisions on license conditions and commercial communications for on-line gambling services account for the risks described in the Green Paper and seek to protect vulnerable consumers? How do you assess them?

The new Austrian gambling law ignores usual online gambling so far.

But an amendment later is expected later this year.

### Other comments on issues raised in section 2.3.1

n/a

(27) Are you aware of studies and/or statistical data relating to fraud and on-line gambling?

No

(28) Are there rules regarding the control, standardisation and certification of gambling equipment, random generators or other software in your Member State?

For landbased gambling machines only.

## (29) What, in your opinion, are the best practices to prevent various types of fraud (by operators against players, players against operators and players against players) and to assist complaint procedures?

Publicity of any such acts, in order for consumers to make qualified choices.

A consumer protection agency at EU level should collect such reports, complaints and court decisions and publish them.

(30) As regards sports betting and outcome fixing - what national regulations are imposed on on-line gambling operators and persons involved in sport events/games to address these issues, in particular to prevent 'conflicts of interest'? Are you aware of any available data or studies relating to the magnitude of this problem?

No

### (31) What issues should in your view be addressed in priority?

Unfair competition with direct or indirect state subsidies, lack of correct EU wide public tenders according to EU law, hardly camouflaged illegal protectionism for state or selected private companies.

## (32) What risks are there that a (on-line) sports betting operator, which has entered into a sponsorship agreement with a sports club or an association, will seek to influence the outcome of a sports event directly or indirectly for profitable gain?

Criminal acts and behaviour cannot be completely avoided - but can be rendered more difficult by professional surveillance - especially through the competitors.

## (33) What concrete cases are there that have demonstrated how on-line gambling could be used for money laundering purposes?

The officer in charge of the Anti Money Laundering unit of the Austrian Federal Police office confirmed again this year, like last year, that there have been no cases of money laundering within the Austrian gambling market, neither online nor offline, ever since his division was created.

It would not make sense to do so, because it is very easy to detect and there are cheaper, more easy ways, to launder money effectivly.

## (34) Which micro-payments systems require specific regulatory control in view of their use for on-line gambling services?

Theoretically all of them if you want to control the financial "behavior" of all European citicens- in real life any (excessive) restrictions will drive consumers to easily accessible offers from outside the Union.

There should be at least thresholds below which no surveillance is necessary.

So far there are quite a few voices to be heard calling for all types of "better" surveillance, trying to treat every citizen of Europe as a possible criminal suspect - the EU Parliament, then presenting how many millions of suspected criminals turning Art. 6 ECHR into its opposite meaning.

And where, then, is the protection of the fundamental rights within the legal order of the European Union ?

## (35) Do you have experience and/or evidence of best practice to detect and prevent money laundering?

n/a

(36) Is there evidence to demonstrate that the risk of money laundering through online gambling is particularly high in the context of such operations set up on social web-sites?

No

(37) Are national e-commerce transparency requirements enforced to allow for illegally operated services to be tracked and closed? How do you assess this situation?

No

2.3.3. Financing of benevolent and public interest activities as well as events on which online sports betting relies

### (38) Are there other gambling revenue channeling schemes than those described in the Green Paper for the public interest activities at national or EU level?

n/a

### (39) Is there a specific mechanism, such as a Fund, for redistributing revenue from public and commercial on-line gambling services to the benefit of society?

No - in Austria the financial support for sports comes now from other sources.

### (40) Are funds returned or re-attributed to prevention and treatment of gambling addiction?

0,1% of the new gambling tax, only since 1<sup>st</sup> of January 2011 and only if applicable, e.g. for certain categories only.

(41) What are the proportions of on-line gambling revenues from sports betting that are redirected back into sports at national level?

n/a

## (42) Do all sports disciplines benefit from on-line gambling exploitation rights in a similar manner to horse-racing and, if so, are those rights exploited?

n/a

## (43) Do on-line gambling exploitation rights that are exclusively dedicated to ensuring integrity exist?

(44) Is there evidence to suggest that the cross-border "free-riding" risk noted in the Green Paper for on-line gambling services is reducing revenues to national public interest activities that depend on channelling of gambling revenues?

No, there is guaranteed sum of  $\in 80$  million for sports activities from the general tax.

But, due to the fact that most landbased gambling services, except for casinos, are extensivly made unattractive and the number of playing possibilities is artificially reduced, it must be expected, that even more consumers are actually pushed and forced to start playing online.

Therefore, even more money will be lost overseas and not in Austria.

### (45) Do there exist transparency obligations that allow for gamblers to be made aware of whether and how much gambling service providers are channelling revenues back into public interest activities?

No

### Other comments on issues raised in section 2.3.3

#### 2.4. Enforcement and related matters

## (46) Which form of regulatory body exists in your Member State and what are its competences, its scope of action across the on-line gambling services as defined in the Green Paper?

The existing regulatory body was dissolved many years ago and civil servants from the Ministry of Finance are drafting the gambling laws and soon the new online gambling law and are acting as state commissioners, controlling the casinos and the lottery, (one of them is presently on unpaid leave and acts as advisor for the private Casino company, which he controlled before and which will have to apply for new casino licenses from the Ministry of Finance soon)

### (47) Is there a national register of licensed operators of gambling services? If so, is it publicly accessible? Who is responsible for keeping it up to date?

No register, but the Ministry of Finance promotes the private companies operating with monopoly concessions on the Ministry's website.

### (48) Which forms of cross-border administrative cooperation are you aware of in the domain of gambling and which specific issues are covered?

No "DNS filtering or website blocking" as it is proved to be a pointless effort and only promoted by still clueless people.

### (49) Are you aware of enhanced cooperation, educational programmes or early warning systems as described in the Green Paper that are aimed at strengthening integrity in sport and/or increase awareness among other stakeholders?

Only within the betting and bookmakers' business.

# (50) Are any of the methods mentioned in the Green Paper, or any other technical means, applied at national level to limit access to on-line gambling services or to restrict payment services? Are you aware of any cross-border initiative(s) aimed at enforcing such methods? How do you assess their effectiveness in the field of on-line gambling?

Any reports of successful website blocking or at least to make access more difficult are simply devoid of fact. The same is valid for payment blocking. But there are lots of "fairy tales" repeated by clueless people and even more wishful thinking.

Even at EU level massive and unscrupulous desinformation abounds on this matter - for instance:

During the "Conference on the role of authorities in regulating gambling" (12.10.2010) there was also a presentation by executives from the Italian AAMS, describing the success of blocking of 3000 websites by the Italian authorities and which benefits there were for the protection of the players and the market.

One month later, during the "Cybercrime Conference" in London, where a study of the computer security department of University of Cambridge about the efficiency of website blocking in EU member states was presented, Italy: actually only 287 websites are blocked, 40 % of those should not be blocked at all, because they are legitimate. Blocking can be circumvented with a few clicks, even by novice computer users. Conclusion of the presentation: Any reports on successful website blocking in any European country (incl. Norway) are simply untrue.

At the same conference, also attended by Interpol, Europol, British Police and the German Federal Police, those police agencies admitted that if the datatraffic is encrypted with a nowadays quite common and standard 256bit encryption, they are not equipped with the means to find out, what actually is being sent or received. Only very few secret services of some major countries would be capable to desincrypt, but have no time to waste.

If now, some seemingly clever politicians/civil servants come up with the idea to prohibit encryption for normal citizens, somebody should tell him that this is nonsense again: for

instance it has been possible to send encrypted data as part of innocent pictures for many years already. So pictures/fotos/graphics will be prohibited in the internet ? Also providers have no chance to know the content of traffic, if some simple, widely available, techniques are used.

It is highly recommended that politicians and civil servants consult reliable and neutral experts and listen to them carefully how the internet actually works and what its possibilities are (websites are only a small part of the internet) - even when the information will destroy their ficticious imagination, perception and wishful thinking of what they are actually able to control with any prohibition or surveillance.

The same is valid for payment blocking: There have been- for many years - easy ways to pay on the internet without credit cards or by direct bank transaction, even completely anonymously.

## (51) What are your views on the relative merits [in terms of suitability and efficiency] of the methods mentioned in the Green Paper as well as any other technical means to limit access to gambling services or payment services?

Futile and meaningless ambitions!

Whoever promotes a successful method to block or impede access to gambling websites or block and restrict the payments for them, either has not the faintest idea what they are talking about or tells blatant lies !!

Whoever does not want to believe it should make efforts to talk with reliable and neutral experts and not to people who want to sell them useless "censorship soft-or hardware and services" for a lot of money.

Not even totalitarian regimes like China or Iran are able to successfully censor the internet and the Commission should introduce a "more effective censorship" for the European citizens than there is in China or Iran ???

Reality: " Ignoring the Great Firewall of China " http://www.cl.cam.ac.uk/~rnc1/ignoring.pdf

### Other comments on issues raised in section 2.4

#### Suggestions:

1. Whoever fulfills minimum standards of players protection and is located within the EU should be allowed to offer their services within and outside the Union.

2. Whoever already has a national licence, permission or concession to offer certain gambling and betting games, should automatically be allowed to offer exactly the same games via all media (including interactive TV).

For instance: somebody with a national license for landbased gambling with limited stakes and prizes, should be allowed to offer exactly these games online to computers and mobile phones also - always with minimum standards of players' protection.

#### Other comments on issues raised in the Green Paper

