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## Role of Ex-NFL Lobbyist in Push to Curb Online Gambling Faulted

By R. Jeffrey Smith Washington Post Staff Writer Wednesday, November 12, 2008; A03

A recent lobbyist for the <u>National Football League</u> who now works at the <u>White House</u> is playing a controversial role in the Bush administration's last-minute effort to implement a ban on many forms of Internet gambling before the end of the president's term, according to congressional and administration sources.



William Wichterman, who with others at the Covington & Burling law firm earned \$2.8 million lobbying for the NFL against Internet gaming and on other matters from 2004 through March, is working on the gambling restrictions in the White House Office of Public Liaison, White House spokesman <a href="Dana Perino">Dana Perino</a> confirmed yesterday.

"He appropriately sought and received clearance from ethics officers to be able to work on this rule," Perino said, adding, "I know our ethics officers to be professionals who know the law and the guidelines inside out." She said last night that she could not immediately reach the officers to learn their reasoning in this case.

The 2006 law at the center of the White House review has been of intense interest to the NFL. With the league's support, it was tacked onto unrelated legislation, meant to upgrade counterterrorism measures at U.S. ports, in the waning hours of the congressional session that year and approved without getting a separate vote in the House or Senate.

Ever since, the measure has been attacked as unwieldy or unworkable by banks and the Internet gambling industry, now based mostly overseas and bringing in many billions of dollars each year. A top official of the Federal Reserve Bank testified in April that, due to the difficulties of pinpointing illegal gambling transactions amid the huge flows of funds online, "the ability of the final [implementing] rule to achieve . . . [its goals] is uncertain."

Democrats such as Rep. <u>Barney Frank</u> (Mass.), chairman of the <u>House Financial Services Committee</u>, have sponsored alternative measures that would regulate and tax Internet gambling, rather than ban it altogether. But they have been thwarted by Republicans who have depicted the existing law as a way to safeguard morals and stop personal misspending.

"I am deeply disappointed to hear that your agency is proceeding with what I consider to be unseemly haste in issuing regulations" to implement the law, Frank wrote Monday in a letter to Treasury Secretary Henry M. Paulson Jr. He said the new regulations would "burden the financial services industry at a time of economic crisis" and tie the hands of the Obama administration.

The NFL's general counsel, Jeffrey Pash, urged lawmakers in March to "support the integrity of American athletics" by rejecting Frank's bill or any other alternative to the existing legislation. But

Internet gambling officials have long maintained that the NFL's real motivation is to block any competition for lucrative "fantasy football" gambling via the Internet, which was explicitly exempted from the 2006 ban.

The NFL provides statistics, logos and player information to fantasy leagues that pay substantial royalty fees, industry sources say. It backed the exemption on grounds that fantasy football is a game of skill, not chance.

Rep. Stephen I. Cohen (D-Tenn.) wrote to White House counsel Fred Fielding on Friday to express concern that the "impetus for the rule may have been a particular White House employee who has a clear and obvious conflict of interest." Cohen said he had been told that Wichterman "has been a source of considerable political pressure to speed this regulation through to finalization."

A phone call to Wichterman, seeking comment, was returned by a White House press aide, who declined to add to what Perino said.

Staff researcher Madonna Lebling contributed to this report.