

On the Internet, betting on Hussein's fate is heavy

Cyberspace wagering seen as good predictor

By Farah Stockman

GLOBE STAFF

Want to know the odds that Saddam Hussein will be dead by June? One-and-a-half to one, according to BETONSPORTS.com, an Internet gambling site. What about the odds that he will be ousted by the end of March? Two to one,

according to TradeSports.com. And the likelihood of him in exile, smoking Cuban cigars with Libyan leader Moammar Khadafy? Five to one.

In an era of frenzied speculation about a war in Iraq, for-profit websites have taken in millions of dollars in wagers on Hussein's fate. Two weeks ago, two MIT students added their political take to the fray. Believing that the real motive for war involves ensuring low-priced gasoline in America, their non-

BETS, Page B5

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► BETS

Continued from Page B1

profit gambling game pays its winner in gasoline and donates its profits to war victims in Iraq.

"Blood for oil? You bet!" reads www.marchtowar.com. "While the rest of the country eagerly anticipates war with Iraq, one lucky soul will reap the benefits right away."

If it all sounds like an off-color joke, consider those who are taking it seriously: investment banks, Ivy League academics, and even the Department of Defense.

Andrew Leigh, a student at Harvard's Kennedy School of Government, studied TradeSports and found its odds surprisingly good predictors of reality. "If a government that is not involved is really interested in knowing when Saddam will be ousted, [TradeSports] is as good an indicator as they are likely to get from experts."

The idea isn't new. For years, political analysts have found strong evidence that gambling odds are better indicators of election results than opinion polls. In sports, gamblers' odds are far more accurate than the best guess of any one expert.

Economists say this is because bettors are literally invested in their opinion, so they are more likely to make informed choices. Also, the odds reflect a large number of bettors and the vast amount of information they all processed before they bet.

Betting schemes can be such good predictors that the Pentagon "has inquired about the possibility of using these markets to provide advanced warning of future events," said Forrest Nelson, a professor at the University of Iowa who cofounded an experimental "political stockmarket." These

markets could help the military evaluate the risks of "everything from the overturn of some government to terrorist attacks," Nelson said.

Of course, predicting the future is not at all what any of these websites set out to do.

At MIT, Tad Hirsch and Ryan McKinley, put up their site as a political statement: When you can't prevent a war, you can at least bet on when one will happen.

"In December and January, it was pretty clear to everyone at that this war was largely inevitable," Hirsch said. "All the discussion seemed to focus on exactly what date is this going to start."

With that in mind, they designed a game that took bets on the exact moment the war would begin, down to the last second. Then they partnered with Boston Mobilization, a nonprofit group that applied for and received a permit for charity gambling.

Since the site opened Feb. 27, it has generated about 400 bets and a total of about \$2,000. Eighty percent of the pool will be donated to humanitarian aid groups in Iraq. The remaining 20 percent will be given to the bettor with the closest guess — in the form of gasoline gift cards.

"That's right, we're giving away free gasoline to the winner of our Baghdad Bonanza Betting pool," the site states. "So fire up the S.U.V. — it won't be long now."

Hirsch's site doesn't generate odds, but patterns do emerge: Most bets cluster around mid- to late March. Bettors had been guessing on dates as far away as October, but Thursday, after President Bush said Hussein had used up his last chance, bettors returned to nearer dates.

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ion poll because they are actually putting stakes in something," Hirsch said. "It's a fascinating slice of American popular opinion."

For-profit wagering on Hussein's fate has become so sophisticated that probabilities fluctuate like the stock market during current events. Betting around the time of Bush's speech saw the chances of Hussein's demise go from 21 to 35 percent on TradeSports.com, which operates like a "futures" trading market.

As trading opened Friday, the Iraqi dictator had a 35 percent chance of being out of power by the end of March, a 73 percent chance by the end of June and an 82 percent chance by the end of July. The market also saw brisk trading in Osama bin Laden "futures" after rumors of his capture this week.

Over 3,000 people from more than 20 countries have wa-

gaged about \$730,000 on Hussein since TradeSports offered the option last September alongside cricket and soccer teams. More Americans bet on his downfall than people from other countries, TradeSports CEO John Delaney said. Bettors, including Wall Street investors, stand to win "tens of thousands of dollars" on Hussein. It's not clear whether such betting is legal for gamblers in the United States, where Internet casinos are outlawed.

Although TradeSports, which takes 4 cents commission on every trade, was not set up to predict the

future, Delaney has been getting information requests from people who want to use it that way, most recently from Credit Suisse First Boston, a global investment bank.

David Carruthers, head of the Costa-Costa Rica-based BETONSPORTS.com, said more than \$700,000 in Hussein bets have been placed on his site, including bets on whether ground troops

will go into Iraq within a week of the start of the war. In early February, there was a one-to-one chance of it. Now it's one-to-three. Just to keep the mood light, the site also offers betting on whether "violent aliens will arrive on earth and claim" Hussein as one of their own. The odds? One to 150.

Popular as it is, thorny questions remain: Isn't there something macabre about wagering on war? Or, why don't war bookies just go wild and allow bets

on the obvious gamble: the number of civilian casualties?

"We're trying not to go beyond the bounds of good taste," Carruthers said. "There are no-go areas."

At MIT, the fledgling "Baghdad Bonanza" has received just a few nasty letters about the site. The most recent one: a US Marine Corps colonel complaining that the military US troops are barred from betting.

"He's very upset we're not letting him play," Hirsch said. "But we figure that they'll have an unfair advantage."

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TAD HIRSCH, MIT