

**AFRICAN AMERICAN MAYORS ASSOCIATION, INC.**

a District of Columbia nonprofit corporation

**RESOLUTION ADOPTED AT MEETING OF THE BOARD OF TRUSTEES**

**February 11, 2015**

**Coalition to Stop Internet Gambling**

WHEREAS, the Board deems it to be in the best interests of the Corporation to become a member of the Coalition to Stop Internet Gambling, a coalition as described in the overview attached hereto as Exhibit A.

NOW THEREFORE, IT IS HEREBY

RESOLVED, that the Board hereby authorizes and approves the Corporation to join and become a member of the Coalition to Stop Internet Gambling, the coalition described in the overview attached hereto as Exhibit A.

**General**

NOW, THEREFORE, IT IS HEREBY

RESOLVED, that the Trustees and officers of the Corporation be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, to perform such further acts and deeds as may be necessary, convenient or appropriate, in the judgment of such officers, to carry out the transactions contemplated in the foregoing resolutions, and to take or cause to be taken all such further actions, to execute and deliver or cause to be executed and delivered all such further instruments, certificates, undertakings and documents, and to incur all such fees and expenses as in their judgment shall be necessary, appropriate or advisable in order to carry into effect the purpose and intent of any and all of the foregoing resolutions.

Exhibit A

**COALITION TO STOP INTERNET GAMBLING**



190 Stoneridge Drive Columbia, SC 29210-8254

March 25, 2015

The Honorable Jason Chaffetz  
2236 Rayburn House Office Building  
Washington, DC 20515

Dear Members of the House Judiciary Committee,

My name is Mark Hendrick and I lead the South Carolina Baptist Convention's Office of Public Policy. We exist to educate, inform, and advocate on behalf of our 2,100 plus churches and seven ministry partners. We focus on the social, moral, ethical, and cultural issues of our day at the local, state, and federal levels.

I am writing you today with concern about where our nation could be headed in the way of online and internet gambling. I would ask that members of the House Judiciary Committee would please consider co-sponsoring the *Restore America's Wire Act* (H.R. 707).

I have great concerns that decisions from the Justice Department in recent years may very well undermine years of protections afforded by the Federal Wire Act. If Congress does not take action, I feel as if our country will suffer a huge black eye from this lucrative and addictive industry, and the impact on morality and the financial burdens on society will be grave.

In South Carolina, our citizens have spent countless years in the fight to keep casinos, video poker, and other forms of gambling out of our state. It is my understanding of the 10<sup>th</sup> Amendment, that we should have that right to regulate gambling within our borders and protect our families. If the floodgates were to be opened for online gambling and casinos, there would be no restrictions on the gambling that would now enter the Palmetto State. No longer would we have to address the dangers of one voluntarily traveling to other states to take part in these activities, but now the focus would shift to how we exterminate it from within our own homes.

To see the indicators of where this could lead, you can simply look at how the pornography industry has mastered this concept well. The days are gone where someone has to get in the car and drive to a XXX theater, video store, convenience store, or adult club to access pornography. Now, they can simply pull a smart phone out of the pocket, open up a browsing window at work, or settle in the comfort of their home with a tablet. It is my concern that the online gambling industry will slip its way into our homes in the same manner with the potential of entrapping its citizens with much higher financial binds.

If this shift in public policy eventually takes place, must we be naive enough to think that our most vulnerable citizens won't be the first and hardest hit? As the church, we are called to protect the most vulnerable amongst us. It is my concern that the children, the mentally handicapped, the poor, and the elderly will be the first to become entrapped to internet gambling. Without this bill we could face great challenges in protecting these individuals.

Scripture tells us, "For the love of money is a root of all kinds of evil. Some people, eager for money, have wandered from the faith and pierced themselves with many griefs" (1 Timothy 6:10). As the church, I feel it is our duty to teach the dangers and help those that have wandered, but you all can play a vital role in preventing this catastrophe through this legislation. Thank you for your service, and please consider supporting H.R. 707.

Sincerely,

A handwritten signature in cursive script that reads "J. Mark Hendrick III". The signature is written in dark ink and is positioned above the typed name.

Mark Hendrick  
Office of Public Policy  
South Carolina Baptist Convention

# United States Senate

WASHINGTON, DC 20510-4606

COMMITTEES:  
FINANCE  
BANKING, HOUSING, AND  
URBAN AFFAIRS  
BUDGET  
INTELLIGENCE  
RULES AND ADMINISTRATION

July 8, 2014

The Honorable Eric J. Holder, Jr.  
Attorney General  
U.S. Department of Justice  
950 Pennsylvania Ave, NW  
Washington, DC 20530

Dear Attorney General Holder:

I write today to request background and clarification from you on the Department's position concerning Internet gaming. As you may be aware, Virginia is one of a relatively small number of states which does not permit casino gambling. As a former Governor and now U.S. Senator for Virginia, I know that Virginians feel strongly about the issue of gaming and believe that states have a right to control gaming within their borders. I also have concerns about the potential implications of an opinion issued by the Department's Office of Legal Counsel (OLC) on December 23, 2011. That opinion asserts a new interpretation of the Wire Act, finding it no longer prohibits all forms of gambling involving wire communications but only sports betting.

Based on the OLC opinion, three states have already passed legislation authorizing non-sports related Internet gaming, and other states are considering similar action. This trend could lead to numerous states entering this space, creating a patchwork of regulatory regimes and ineffective enforcement mechanisms to ensure against taking bets from individuals within Virginia or other states that have not authorized Internet gaming. The OLC opinion could also usher in significant changes to how gambling is conducted in this country, taking it from an activity requiring physical presence at a bricks-and-mortar location and turning it into an activity nearly every American could access at all hours simply through an app on their cell phones.

Despite its broad implications, the OLC opinion appears to be based on legal interpretation alone and does not provide background on the extent to which consideration was given to social, economic and law enforcement implications. It is also unclear to me as to whether or not the opinion involved consultation with Congress; input from state and local law enforcement and governments; or opportunity for public comment.

I have concerns about Internet gambling in general, concerns that I believe we share. I appreciate the comments you made in 2010, for instance, in relation to offshore Internet gambling that "[w]hen one looks at the negative impact that that has had on the lives of individuals, potential that it has for problems that it might create, even on a community-wide basis, it just seems to...us that that is not something that we necessarily want to support."

Given my constituents' concerns about Internet gaming, my own concerns about its potential impact on Virginians, and the need for Congress to play a role in shaping the laws governing interstate commerce and communications, I ask that you provide insight into the methodology and reasoning behind issuing the OLC opinion. I also ask that you provide additional detail on the process involved in issuing the opinion, what stakeholders were involved and how their input was considered, as well as how you plan to work with Congress in the future to develop a federal policy on this issue. Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in black ink that reads "Mark R. Warner". The signature is written in a cursive, slightly slanted style.

MARK R. WARNER  
United States Senator



PHYLLIS SCHLAFLY  
PRESIDENT

March 4, 2015

## EAGLE FORUM

*Leading The Pro-Family Movement Since 1972*

**EDUCATION CENTER:** 7800 BONHOMME AVE., ST. LOUIS, MO 63105, (314) 721-1213, fax: (314) 721-3373

**CAPITOL HILL OFFICE:** 316 PENNSYLVANIA AVE., S.E., WASHINGTON, D.C. 20003, (202) 544-0353, fax: (202) 547-6996

**OPERATIONS CENTER:** P.O. BOX 618, ALTON, IL 62002, (618) 462-5415, fax: (618) 462-8909, [eagle@eagleforum.org](mailto:eagle@eagleforum.org)

Dear Chairmen Goodlatte and Grassley, and Ranking Members Conyers and Leahy,

I write to you today in support of Congressman Jason Chaffetz's important bill, the Restoration of America's Wire Act. I encourage you to support his bill because I believe it will assist our nation and allow our families to protect themselves.

On December 23, 2011, Eric Holder's Department of Justice unilaterally reversed a long-held position that federal law prohibits Internet gambling. He effectively changed a law which had been on the books for 50 years, and did so without seeking Congressional input, consulting with law enforcement, or allowing for public comment. Since then, three states have legalized some form of Internet gambling and many others are actively considering following suit.

The legislation sponsored by Rep. Chaffetz and Senator Lindsey Graham will restore the law undermined by the Justice Department and, by so doing, will prevent every smartphone, tablet, and laptop across the country from being turned into a portable, virtual casino available 24 hours a day, seven days a week. Protecting the young, the poor, and the elderly from being targeted by Internet casinos and gambling apps is reason enough to pass this legislation immediately. But there are other serious concerns that have been raised as well.

Sen. Graham and Rep. Chaffetz, along with their co-sponsors, Sens. Mike Lee, Kelly Ayotte, Dianne Feinstein, and Reps. Tulsi Gabbard, Lamar Smith, Trent Franks, and George Holding should be applauded for their actions to protect families across the country. We hope that you and your colleagues in both the House and Senate will see the common-sense wisdom of this legislation and act upon it quickly.

Sincerely,

A handwritten signature in black ink that reads "Phyllis Schlafly". The signature is written in a cursive, flowing style.

Phyllis Schlafly



March 26, 2014

The Honorable Bob Goodlatte  
Chairman, Committee on the Judiciary  
United States House of Representatives  
2138 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Patrick Leahy  
Chairman, Committee on the Judiciary  
United States Senate  
224 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable John Conyers, Jr.  
Ranking Member, Committee on the Judiciary  
United States House of Representatives  
B-351 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Chuck Grassley  
Ranking Member, Committee on the Judiciary  
United States Senate  
224 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairmen Goodlatte and Leahy, and Ranking Members Conyers and Grassley,

On December 23, 2011, Eric Holder's Department of Justice unilaterally reversed a long-held position that federal law prohibits Internet gambling. He effectively changed a law which had been on the books for 50 years, and did so without seeking Congressional input, consulting with law enforcement, or allowing for public comment. Since then, three states have legalized some form of Internet gambling and many others are actively considering following suit.

Today, Senator Lindsey Graham and Representative Jason Chaffetz took the first steps toward stopping the scourge of Internet gambling by restoring the longstanding interpretation of the Wire Act with the introduction of the Restoration of America's Wire Act.

Sen. Graham and Rep. Chaffetz's legislation will restore the law undermined by the Justice Department and, by so doing, will prevent every smartphone, tablet, and laptop across the country from being turned into a portable, virtual casino available 24 hours a day, seven days a week. Protecting the young, the poor, and the elderly from being targeted by Internet casinos and gambling apps is reason enough to pass this legislation immediately. But there are other serious concerns that have been raised as well.

The FBI has warned in letters to Congress that online casinos are vulnerable to a "wide array of criminal schemes," including identify theft and money laundering by "transnational organized crime." Moreover, the FBI warns that age and location verification technology "can be spoofed."

Sen. Graham and Rep. Chaffetz, along with their co-sponsors, Sens. Mike Lee, Kelly Ayotte, Dianne Feinstein, and Reps. Tulsi Gabbard, Jim Matheson, Lamar Smith, Emanuel Cleaver, Jim Jordan, Trent Franks, George Holding, Frank Wolf, and James Lankford, should be applauded for their actions to protect families across the country. We hope that you and your colleagues in both the House and Senate will see the common-sense wisdom of this legislation and act upon it quickly.

Sincerely,



**Tim Wildmon, President**  
American Family Association



**Micah Clark, Executive Director**  
American Family Association of Indiana



**Marion Boteju, Executive Director**  
American Principles Project



**Gary L. Bauer, President**  
American Values



**Andy Blom, President**  
Center for Civic Virtue



**Anthony Verdugo, Founder and Executive Director**  
Christian Family Coalition



**Rev. Bill Owens, Founder and President**  
Coalition of African American Pastors



**Penny Nance, President and CEO**  
Concerned Women For America Legislative Action Committee



**Carrie Gordon Earll, Senior Director of Public Policy**  
Focus on the Family



**Sandy Rios, Vice President**  
Family-Pac Federal



**George Landrith, President**  
Frontiers of Freedom



**Colin Hanna, President**  
Let Freedom Ring



**Mat Staver, Chairman**  
Liberty Counsel



**Gene Mills, President**  
Louisiana Family Forum Action



Massachusetts  
Family Institute

**Andrew Beckwith, President**  
Massachusetts Family Institute



Minnesota Family Council  
**Tom Prichard, President**  
Minnesota Family Council and Institute



**Joe Ortwerth, Executive Director**  
Missouri Family Policy Council



**FAITH & FREEDOM COALITION OF OHIO**  
**Ken Blackwell, Chairman Emeritus**  
Ohio Faith and Freedom Coalition



**Oran Smith, President**  
Palmetto Family Alliance



**Michael Geer, President**  
Pennsylvania Family Council



**Sam Rohrer, President**  
Pennsylvania Pastors Network



**Allen Gutierrez, National Executive Director**  
**Hector Barreto, Chairman**  
The Latino Coalition



**C. Preston Noel III, President**  
Tradition, Family, Property



*A Vision SO BIG, we are  
destined to accomplish something great!*

**Regina Brown, Founder**  
Transforming Florida

**David Nygaard, President**  
Common Sense Virginia

**Colleen Holmes, Former Executive Director**  
Eagle Forum

**Paul Caprio, President**  
Patriotic Veterans

**Deal Hudson, Chairman**  
Pennsylvania Catholics Network

**Miles Terry, Chairman**  
South Carolina Faith and Freedom Coalition

**Patrick Demmer, Superintendent**  
Graham Memorial Community Church

**Pastor Paul Burleson**  
Friendship Baptist Church of Christ Jesus

**Pastor Dwayne Taylor**  
Lighthouse Missionary Baptist

**Pastor Kraits Burleson**  
Loving Saints Christian Fellowship

**Dr. Anne Rice-James**  
Rose of Sharon Tabernacle

**Pastor Miriam Rosa**  
The City of Refuge Restoration Church

**Rev. Gholston**  
The Greater Denver Ministerial Alliance

**Pastor Kimble**  
Universal Baptist Church



ADVANCING FAITH, FAMILY AND FREEDOM

April 1, 2014

Representative  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative:

On behalf of the Family Research Council (FRC) and the families we represent, I urge you to cosponsor the bipartisan Restoration of America's Wire Act of 2014 (H.R. 4301) sponsored by Representative Jason Chaffetz (R-UT). This bill would restore the long standing federal ban on internet gambling and protect the vulnerable and their families from the 24-7 easy access of online gambling. Congress needs to act now.

On December 23, 2011, the Justice Department unilaterally gutted the Wire Act, the 50 year old prohibition against the transmission of information related to bets and wagers, by reinterpreting its application to only apply to sports-related betting. They did so without input from Congress, law enforcement or the American public. Overnight, gambling interests in cash strapped states were given an avenue to pursue online gambling without fully appraising its consequences.

There is overwhelming evidence that the prevalence of compulsive gambling is three to four times higher among online gamblers than non-internet gamblers. The 24-7 ease of access, the speed of the game, the solitary nature of play and the ability to play multiple games at once, make online gambling inherently more dangerous than other forms of gambling.

In 1999, the National Gambling Impact Study Commission (NGISC) released its three year findings recommending an explicit moratorium on gambling expansion and a complete ban of internet gambling. The NGISC reported receiving "abundant testimony and evidence that compulsive gambling introduces a greatly heightened level of stress and tension into marriages and families, often culminating in divorce and other manifestations of familial disharmony," and that "respondents representing 2 million adults identified a spouse's gambling as significant factor in a prior divorce."

While online gambling initiatives are billed as a boon to state budgets, voters and policymakers should be aware that there is no proof expanding gambling positively impacts net state revenues. In fact, there's evidence to the contrary. Gambling functions like a regressive tax that disproportionately impacts the poor, diverting money away from local businesses and displacing existing sales tax revenue while fueling societal ills.

FAMILY RESEARCH COUNCIL

801 G STREET NW, WASHINGTON, D.C. 20001 • 202-393-2100 • 202-393-2134 FAX • (800) 225-4008 ORDER LINE • FRC.ORG

The increase in crime, financial hardship, lost work and the break-up of families have lead professor and economist at Baylor University, Earl L. Grinols to estimate the costs of gambling outweighing its benefits 3 to 1.

Online gambling vendors claim they will be able to screen out minors, ensure player's identities and validate they are physically located within proper jurisdictions. However, the FBI countered this claim in a 2009 letter to the Financial Services Committee stating, "While the [online gambling] vendors may claim that they can validate age and location, they are more than likely relying on credit card information and geolocation to gather this information. Both can be spoofed."

Again, I urge you to cosponsor the Restoration of America's Wire Act of 2014 (H.R. 4301) sponsored by Representative Chaffetz (R-UT). This bill would protect families by restoring the Wire Act, the federal prohibition against online gambling.

Sincerely,



David Christensen  
Vice President of Government Affairs



## ADVANCING FAITH, FAMILY AND FREEDOM

April 2, 2014

Senator  
U.S. Senate  
Washington, DC 20510

Dear Senator:

On behalf of the Family Research Council (FRC) and the families we represent, I urge you to cosponsor the bipartisan Restoration of America's Wire Act of 2014 (S. 2159) sponsored by Senator Lindsey Graham (R-SC). This bill would restore the long standing federal ban on internet gambling and protect the vulnerable and their families from the 24-7 easy access of online gambling. Congress needs to act now.

On December 23, 2011, the Justice Department unilaterally gutted the Wire Act, the 50 year old prohibition against the transmission of information related to bets and wagers, by reinterpreting its application to only apply to sports-related betting. They did so without input from Congress, law enforcement or the American public. Overnight, gambling interests in cash strapped states were given an avenue to pursue online gambling without fully appraising its consequences.

There is overwhelming evidence that the prevalence of compulsive gambling is three to four times higher among online gamblers than non-internet gamblers. The 24-7 ease of access, the speed of the game, the solitary nature of play and the ability to play multiple games at once, make online gambling inherently more dangerous than other forms of gambling.

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The increase in crime, financial hardship, lost work and the break-up of families have lead professor and economist at Baylor University, Earl L. Grinols to estimate the costs of gambling outweighing its benefits 3 to 1.

FAMILY RESEARCH COUNCIL

801 G STREET NW, WASHINGTON, D.C. 20007 • 202-393-2100 • 202-393-2134 FAX • (800) 225-4008 ORDER LINE • FRC.ORG

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Again, I urge you to cosponsor the Restoration of America's Wire Act of 2014 (S. 2159) sponsored by Senator Graham (R-SC). This bill would protect families by restoring the Wire Act, the federal prohibition against online gambling.

Sincerely,



David Christensen  
Vice President of Government Affairs



March 19, 2015

The Honorable  
U.S. House of Representatives  
Washington D.C. 20515

Dear Representative,

On behalf of our 500,000 members nationwide, Concerned Women for America Legislative Action Committee (CWALAC) wishes to express our support for Representative Jason Chaffetz's (R-Utah) Restoration of America's Wire Act, H.R. 707. This legislation will ensure that the longstanding federal ban on Internet gambling is restored and will prevent every smartphone, tablet, and laptop across the country from being turned into a portable, virtual casino available 24-hours a day, seven days a week.

In December 2011, Attorney General Eric Holder gutted the Wire Act when he unilaterally reinterpreted the Act to only apply to sports-related betting.

The Justice Department lawyers did not consider the threat to children or to individuals vulnerable to a gambling problem and to their families. There was no opportunity for public comment, nor was Congress made aware of what the Justice Department lawyers were doing. There was no consultation with law enforcement agencies that already have their hands full combating terrorist threats and cybercrimes.

The Internet is inherently interstate. It does not recognize state borders. Once something is online, it cannot be controlled or contained – just ask the dozens of blue chip American companies who have had their sites hacked and the millions of Americans whose personal information has been stolen.

Internet gambling represents the most invasive and addictive form of gambling in history. Speed, accessibility, availability and anonymity make Internet gambling the perfect storm for gambling addiction.

It also poses a number of dangers for our culture in general and the overall well-being of families in particular. Compulsive gambling threatens families with a variety of financial, physical, and emotional problems, including divorce, domestic violence, child abuse and

neglect, and a range of problems stemming from the severe financial hardship that commonly results from pathological gambling.

According to the National Council on Problem Gambling, among problem gamblers ages 45 to 64, women outnumber men. "Women tend to be 'escape gamblers,' meaning they're more drawn to machines that are based on luck to distract themselves from problems in their personal life," said Sam Skolnik, author of *High Stakes: The Rising Cost of America's Gambling Addiction*. According to the California Council on Problem Gambling, the easy access of Internet gambling has a greater appeal to escape gamblers.

While there are significant dangers posed by gambling, there is no proof that it will help states financially. Gambling proponents have claimed that it will bolster state budgets. However, the evidence suggests gambling disproportionately impacts the poor and fuels societal ills.

CWA firmly believes the Restoration of America's Wire Act provides the best means to restore the federal Internet gambling ban so that American families are protected. Please support legislative work on this bill.

Sincerely

A handwritten signature in black ink that reads "Penny Nance". The signature is written in a cursive, flowing style.

Penny Nance  
President and CEO  
Concerned Women for America Legislative Action Committee

# United States Senate

WASHINGTON, DC 20510

July 28, 2014

The Honorable Eric H. Holder, Jr.  
Attorney General of the United States  
U.S. Department of Justice  
Washington, D.C. 20530

Dear Attorney General Holder:

In December 2011, the Department of Justice issued a legal opinion reversing 50 years of interpretation of the Wire Act. Lawyers there concluded the Act no longer bans gambling over the Internet as long as the betting is not on the outcome of a sporting event.

Left on its own, the DOJ opinion could usher in the most fundamental change in gambling in our lifetimes by turning every smart phone, tablet, and personal computer in our country into a casino available 24 hours a day, 7 days a week. The FBI has warned it will open the door to money laundering and other criminal activity. And, it is bound to prey on children and society's most vulnerable. We note that a number of states are now considering authorizing Internet gambling, which poses a significant threat to states that have banned or limited gambling.

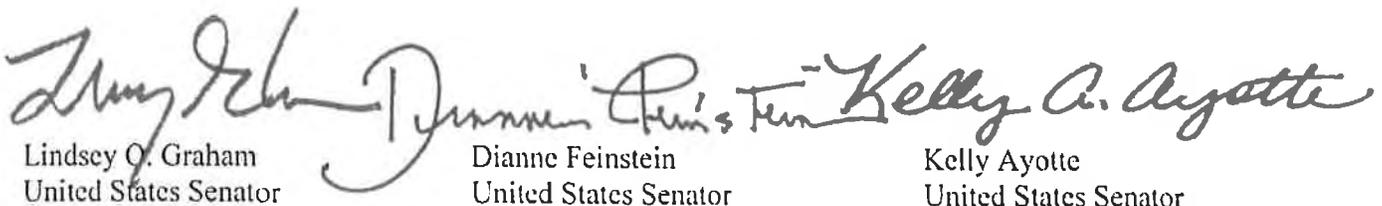
We have introduced legislation to restore the Act to the way it had been interpreted for the five decades preceding the DOJ opinion. Since you have changed DOJ's interpretation of the Wire Act, opining that it only applies to sports-related betting, will you support the legislation we have introduced to respond to your re-interpretation of the statute?

The clock is ticking. We must act before we find virtual casinos making gambling pervasive in our society, invading living rooms, bedrooms, and dorm rooms across the country; a result we know the DOJ does not want to see.

We fully expect the Senate will act on our legislation this year, and it is our intent to do whatever we can to make that happen. With your help, and the backing of the DOJ, we are confident we can succeed in this effort.

We look forward to working with you on this matter.

Sincerely,

  
Lindsey O. Graham  
United States Senator

Dianne Feinstein  
United States Senator

Kelly Ayotte  
United States Senator

**State Attorneys General**

**A Communication from the Chief Legal Officers  
of the Following States and Territories:**

**Arizona \* Florida \* Guam \* Hawaii \* Kansas  
Michigan \* Missouri \* Montana \* Nebraska \* North Dakota  
South Carolina \* South Dakota \* Texas \* Utah  
Vermont \* Wyoming**

February 4, 2014

The Honorable Bob Goodlatte  
Chairman, Committee on the Judiciary  
United States House of Representatives  
2138 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Patrick Leahy  
Chairman, Committee on the Judiciary  
United States Senate  
224 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable John Conyers, Jr.  
Ranking Member, Committee on the Judiciary  
United States House of Representatives  
B-351 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Chuck Grassley  
Ranking Member, Committee on the Judiciary  
United States Senate  
224 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairman Goodlatte, Chairman Leahy, Ranking Member Conyers, and Ranking Member Grassley:

We write to request that Congress carefully consider the policy implications of a recent reversal of the U.S. Department of Justice's (DOJ) interpretation of the Wire Act, 19 U.S.C. Section 1084, as it applies to Internet gambling.

For years, the federal government had consistently deemed the Wire Act to prohibit all forms of gambling involving interstate wire transmissions – including transmissions over the Internet. In late 2011, reversing its own longstanding interpretations, the DOJ's Office of Legal Council issued a legal opinion stating that the Wire Act only bans sports betting, and that it does not apply to online lottery sales.

The impact of this opinion – which in effect opens the door to the spread of Internet gambling – will have a potentially significant impact on state and local law enforcement. As such, we urge Congress to fully review, assess, understand and debate the significant policy implications entailed in the spread of Internet gambling, including concerns related to money laundering; access by minors; fraud; exploitation of individuals with a gambling addiction; and terrorist financing.

Since the 2011 opinion, Nevada, New Jersey and Delaware have already passed legislation legalizing various forms of internet gambling. The rules now vary in each of these jurisdictions, and given the inherently *interstate* nature of internet gambling transactions, we anticipate that it will become increasingly difficult to effectively regulate such conduct as additional jurisdictions consider legalizing internet gambling.

Given the expected enforcement challenges to various state laws, we ask that Congress restore the decades-long interpretation of the Wire Act to allow Congress and the states to more fully consider the public policy ramifications of the DOJ's reinterpretation of the Wire Act and to give federal and state law enforcement agencies time to fully assess and report on the implications Internet gambling has on our respective charges to protect the citizens of our states.

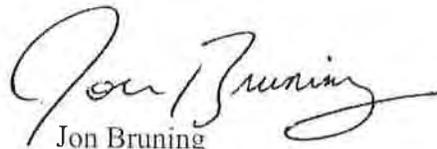
To be sure, we believe Congress may only regulate transactions which are interstate in nature, consistent with fundamental constitutional principles. Our system of government commands that other matters be left to the state authorities. To the extent Internet gambling is interstate in nature, federal oversight, in addition to state regulation, is appropriate.

We appreciate your consideration of this request, and stand ready to assist as you more fully consider the public policy implications raised by this recent decision.

Sincerely,



Chris Koster  
Missouri Attorney General



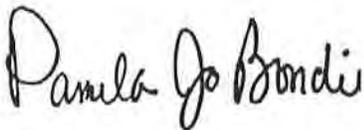
Jon Bruning  
Nebraska Attorney General



Alan Wilson  
South Carolina Attorney General



Tom Horne  
Arizona Attorney General



Pamela Jo Bondi  
Florida Attorney General



Lenny Rapadas  
Guam Attorney General



David Louie  
Hawaii Attorney General



Derek Schmidt  
Kansas Attorney General



Bill Schuette  
Michigan Attorney General



Wayne Stenehjem  
North Dakota Attorney General



Greg Abbott  
Texas Attorney General



William H. Sorrell  
Vermont Attorney General



Tim Fox  
Montana Attorney General



Marty J. Jackley  
South Dakota Attorney General



Sean D. Reyes  
Utah Attorney General



Peter K. Michael  
Wyoming Attorney General

Copy: The Honorable John Boehner, Speaker, United States House of Representatives  
The Honorable Nancy Pelosi, Minority Leader, United States House of Representatives  
The Honorable Harry Reid, Majority Leader, United States Senate  
The Honorable Mitch McConnell, Minority Leader, United States Senate

NATIONAL ASSOCIATION OF ATTORNEYS GENERAL  
750 FIRST STREET NE SUITE 1100  
WASHINGTON, D.C. 20002  
(202) 326-6259  
(202) 349-1922  
<http://www.naag.org>

LYNNE M. ROSS  
*Executive Director*

March 21, 2006

PRESIDENT  
STEPHEN CARTER  
*Attorney General of Indiana*

PRESIDENT-ELECT  
THURBERT BAKER  
*Attorney General of Georgia*

VICE PRESIDENT  
LAWRENCE WARDEN  
*Attorney General of Idaho*

IMMEDIATE PAST PRESIDENT  
WILLIAM H. SORRELL  
*Attorney General of Vermont*

Via Facsimile

The Honorable J. Dennis Hastert, Speaker  
United States House of Representatives  
H-232, The Capitol  
Washington, DC 20515

The Honorable Nancy Pelosi, Minority Leader  
United States House of Representatives  
H-204, The Capitol  
Washington, D.C. 20515

The Honorable Bill Frist, Majority Leader  
United States Senate  
S-230, The Capitol  
Washington, DC 20510

The Honorable Harry Reid, Minority Leader  
United States Senate  
S-321, The Capitol  
Washington, DC 20510

We, the undersigned Attorneys General, wish to express our strong support for the efforts of the 109th Congress to pass legislation seeking to combat illegal Internet gambling in the United States. While we do not support federal preemption of our state laws related to the control of gambling, Internet gambling transcends state and jurisdictional boundaries and requires that all segments of the law enforcement community (state, federal and local) work together to combat its spread.

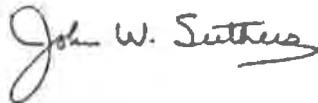
NAAG has historically supported federal efforts to clarify federal prohibitions on Internet gambling. As we stated in a similar letter in 1999, gambling laws and regulations have more state-to-state variety than almost any other area of law. For example, gambling policies range from the absolute prohibition of any gambling, as found in the States of Utah and Hawaii, to full casino gaming as allowed in Nevada and Atlantic City, New Jersey. The myriad of regulatory schemes related to gambling is constructed within the framework of each jurisdiction's moral, law enforcement, consumer protection and revenue concerns. Most jurisdictions believe that they have established the most appropriate combination of law and policy to address their own population's needs and desires.

Internet gambling is a threat to this carefully crafted system. Moreover, the potential problems associated with the availability of gambling activities on the Internet are exacerbated because the inability of technology to reliably guard against many of the same hazards that led to the policy considerations used by jurisdictions to construct their

gambling regulations. These policy considerations include moral attitudes towards gaming, issues of game integrity, effective consumer dispute resolution procedures, access to gambling by minors, cash controls to hinder money laundering and other criminal activity, as well as efforts to recognize and treat problem gamblers.

We encourage the United States Congress to help combat the skirting of state gambling regulations by enacting legislation which would address Internet gambling, while at the same time ensuring that the authority to set overall gambling regulations and policy remains where it has traditionally been most effective: at the state level.

Sincerely,



John Suthers  
Attorney General of Colorado



Troy King  
Attorney General of Alabama



David Márquez  
Attorney General of Alaska



Terry Goddard  
Attorney General of Arizona



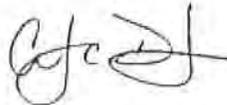
Mike Beebe  
Attorney General of Arkansas



Bill Lockyer  
Attorney General of California



Richard Blumenthal  
Attorney General of Connecticut



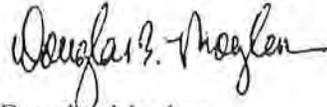
Carl Danberg  
Attorney General of Delaware



Charlie Crist  
Attorney General of Florida



Thurbet E. Baker  
Attorney General of Georgia



Douglas Moylan  
Attorney General of Guam



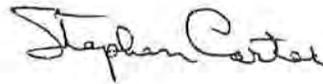
Mark J. Bennett  
Attorney General of Hawaii



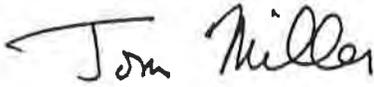
Lawrence Wasden  
Attorney General of Idaho



Lisa Madigan  
Attorney General of Illinois



Steve Carter  
Attorney General of Indiana



Tom Miller  
Attorney General of Iowa



Phill Kline  
Attorney General of Kansas



Charles C. Foti, Jr.  
Attorney General of Louisiana



G. Steven Rowe  
Attorney General of Maine



J. Joseph Curran, Jr.  
Attorney General of Maryland



Tom Reilly  
Attorney General of Massachusetts



Mike Cox  
Attorney General of Michigan



Mike Hatch  
Attorney General of Minnesota



Jim Hood  
Attorney General of Mississippi



Jeremiah W. Nixon  
Attorney General of Missouri



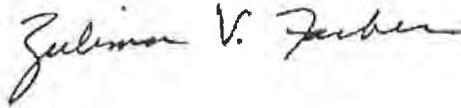
Mike McGrath  
Attorney General of Montana



Jon Bruning  
Attorney General of Nebraska



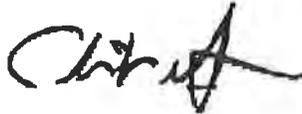
Kelly Ayotte  
Attorney General of New Hampshire



Zulima V. Farber  
Attorney General of New Jersey



Patricia A. Madrid  
Attorney General of New Mexico



Eliot Spitzer  
Attorney General of New York



Roy Cooper  
Attorney General of North Carolina



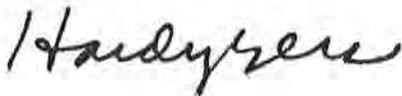
Wayne Stenehjem  
Attorney General of North Dakota



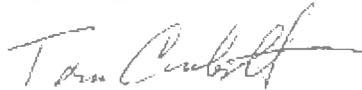
Jim Petro  
Attorney General of Ohio



W. A. Drew Edmondson  
Attorney General of Oklahoma



Hardy Myers  
Attorney General of Oregon



Tom Corbett  
Attorney General of Pennsylvania



Patrick Lynch  
Attorney General of Rhode Island



Henry McMaster  
Attorney General of South Carolina



Lawrence Long  
Attorney General of South Dakota



Paul G. Summers  
Attorney General of Tennessee



Greg Abbott  
Attorney General of Texas



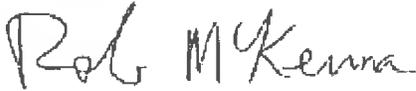
Mark Shurtleff  
Attorney General of Utah



William H. Sorrell  
Attorney General of Vermont



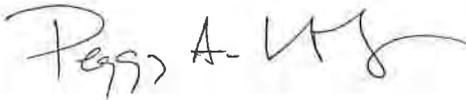
Robert McDonnell  
Attorney General of Virginia



Rob McKenna  
Attorney General of Washington



Darrell McGraw, Jr.  
Attorney General of West Virginia



Peg Lautenschlager  
Attorney General of Wisconsin



Pat Crank  
Attorney General of Wyoming



## OFFICE OF THE GOVERNOR

RICK PERRY  
GOVERNOR

March 24, 2014

The Honorable Bob Goodlatte  
Chairman, Committee on the Judiciary  
U.S. House of Representatives  
2138 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Patrick Leahy  
Chairman, Committee on the Judiciary  
U.S. Senate  
224 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable John Conyers, Jr.  
Ranking Member, Committee on the Judiciary  
U.S. House of Representatives  
B-351 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Chuck Grassley  
Ranking Member, Committee on the Judiciary  
U.S. Senate  
224 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairmen Goodlatte and Leahy and Ranking Members Conyers and Grassley:

I write you to express my concern at the U.S. Department of Justice's (DOJ) reversal of its long-standing interpretation of the Wire Act, 18 U.S.C. § 1084, as that statute applies to Internet gambling.

The regulation of gambling, subject to broad federal limitations (such as the Wire Act) and requirements (such as those found in UIGEA), has properly been the domain of the states — and should remain so. But, when gambling occurs in the virtual world, the ability of states to determine whether the activity should be available to its citizens and under what conditions — and to control the activity accordingly — is left subject to the vagaries of the technological marketplace. This seriously compromises the ability of states to control gambling within their borders.

For decades, the U.S. government consistently deemed the Wire Act to prohibit all forms of Internet gambling. However, on December 23, 2011, with Congress out of session, DOJ, acting on an opinion provided by its Office of Legal Counsel (OLC) and without input from Congress, state and local officials, or the public, abruptly overturned years of precedence.<sup>1</sup> This reversal directly conflicted with the long-standing position of DOJ itself and with a 2010 opinion of DOJ Criminal Division.<sup>2</sup> OLC stated that only online *sports* betting is barred by the Wire Act and that the Act does not apply to online state lottery sales. I believe the reasoning behind this

---

<sup>1</sup> See Memorandum for Lanny A. Breuer, Assistant Attorney General, Criminal Division, from Virginia A. Seitz, Assistant Attorney General, Office of Legal Counsel (September 20, 2011)

<sup>2</sup> See Memorandum for David Barron, Acting Assistant Attorney General, Office of Legal Counsel, from Lanny A. Breuer, Assistant Attorney General, Criminal Division (July 12, 2010) ("USDOJ 2010 Memo")

The Honorable Bob Goodlatte  
The Honorable Patrick Leahy  
The Honorable John Conyers, Jr.  
The Honorable Chuck Grassley  
March 24, 2014  
Page 2

alarming reversal by DOJ is flawed and that congressional action is necessary to resolve this issue. Additionally, I believe DOJ did not adequately account for all of the policy concerns surrounding the expansion of gaming to the Internet. I think these policy concerns are for the U.S. Congress and other law enforcement interests to study and analyze before Internet gaming is unleashed on the states.

Allowing Internet gaming to invade the homes of every American family, and be piped into our dens, our living rooms, our workplaces and even our kids' bedrooms and dorm rooms, is a major decision. We must carefully examine the short- and long-term social and economic consequences before Internet gambling spreads.

The law enforcement community has identified the risks associated with Internet gambling, although more investigation is needed. The FBI in 2009 warned that Internet gambling could be used by criminal elements for money laundering and fraud. The agency questioned whether the technology exists to guarantee that children and people with gambling problems are kept off, countering claims that such technology was available. In the same letter, it also rattled off a litany of potential abuses.

Congress needs to step in now and call a "time-out" by restoring the decades-long interpretation of the Wire Act.

Congress, the states, law enforcement, and the public need — and deserve — an opportunity to fully review, assess, understand and debate the significant policy implications entailed in the spread of Internet gambling before it becomes pervasive in our society. I appreciate your consideration and look forward to working with you on developing a sensible policy that protects Americans and preserves the traditional role of the states in controlling gambling within their borders.

Sincerely,

A handwritten signature in black ink that reads "Rick Perry". The signature is written in a cursive, slightly slanted style.

Rick Perry  
Governor

RP:lnp

cc: The Honorable John Boehner, Speaker, U.S. House of Representatives  
The Honorable Nancy Pelosi, Minority Leader, U.S. House of Representatives  
The Honorable Harry Reid, Majority Leader, U.S. Senate  
The Honorable Mitch McConnell, Minority Leader, U.S. Senate  
Texas Congressional Delegation



## State of South Carolina Office of the Governor

NIKKI R. HALEY  
GOVERNOR

1205 PENDLETON STREET  
COLUMBIA 29201

March 24, 2014

The Honorable Patrick Leahy  
Chairman, Committee on the Judiciary  
United States Senate  
437 Russell Senate Office Building  
Washington, D.C. 20510

The Honorable Bob Goodlatte  
Chairman, Committee on the Judiciary  
United States House of Representatives  
2309 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Chuck Grassley  
Ranking Member, Committee on the Judiciary  
United States Senate  
135 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable John Conyers, Jr.  
Ranking Member, Committee on the Judiciary  
United States House of Representatives  
2426 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Leahy, Chairman Goodlatte, Senator Grassley, and Congressman Conyers,

I write you to express my concern at the U.S. Department of Justice's (DOJ) abrupt reversal of its long-standing interpretation of the Wire Act, 18 U.S.C. § 1084, as that statute applies to Internet gambling.

The regulation of gambling, subject to broad federal limitations (such as the Wire Act) and requirements (such as those found in UIGEA) has properly been the domain of the states – and should remain so. But, when gambling occurs in the virtual world, the ability of states to determine whether the activity should be available to its citizens and under what conditions – and to control the activity accordingly – is left subject to the vagaries of the technological marketplace. This seriously compromises the ability of states to control gambling within its borders.

For decades, the United States government consistently deemed the Wire Act to prohibit all forms of Internet gambling. However, on December 23, 2011, with Congress out of session, the DOJ, acting on an opinion provided by its Office of Legal Counsel (OLC) and without input from Congress, state and local officials, or the public, abruptly overturned years of precedence.<sup>1</sup> This reversal directly conflicted with the longstanding position of DOJ itself *and* with a 2010 opinion of the DOJ Criminal

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<sup>1</sup> See Memorandum for Lanny A. Breuer, Assistant Attorney General, Criminal Division, from Virginia A. Seitz, Assistant Attorney General, Office of Legal Counsel (September 20, 2011).

The Honorable Leahy, Goodlatte, Grassley, and Conyers

March 24, 2014

Page 2

Division.<sup>2</sup> OLC stated that only online *sports* betting is barred by the Wire Act and that the Act does not apply to online state lottery sales. I believe the reasoning behind this alarming reversal by the DOJ is flawed and that Congressional action is necessary to resolve this issue. Additionally, I believe DOJ did not adequately account for all of the policy concerns surrounding the expansion of gaming to the Internet. I think these policy concerns are for the U.S. Congress and other law enforcement interests to study and analyze before Internet gaming is unleashed on the states.

Allowing Internet gaming to invade the homes of every American family, and to be piped into our dens, living rooms, workplaces, and even our kids' bedrooms and dorm rooms, is a major decision. We must carefully examine the short and long-term social and economic consequences before Internet gambling spreads.

The law enforcement community has identified the risks associated with Internet gambling, although more investigation is needed. The Federal Bureau of Investigation in 2009 warned that Internet gambling could be used by criminal elements for money laundering and fraud. The agency questioned whether the technology existed to guarantee that children and people with gambling problems are kept off, countering claims that such technology was available. In the same letter, it also rattled off a litany of potential abuses, including money laundering.

Congress needs to step in now and call a "time-out" by restoring the decades-long interpretation of the Wire Act.

Congress, the states, law enforcement, and the public need – and deserve – an opportunity to fully review, assess, understand, and debate the significant policy implications entailed in the spread of Internet gambling before it becomes pervasive in our society. I appreciate your consideration, and I look forward to working with you on developing a sensible policy that protects Americans and preserves the traditional role of the states in controlling gambling within their borders. God bless.

My very best,



Nikki R. Haley

NRH/jdb

cc: The Honorable Harry Reid, Majority Leader, United States Senate  
The Honorable Mitch McConnell, Minority Leader, United States Senate  
The Honorable John Boehner, Speaker, United States House of Representatives  
The Honorable Nancy Pelosi, Minority Leader, United States House of Representatives  
South Carolina Congressional Delegation

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<sup>2</sup> See Memorandum for David Barron, Acting Assistant Attorney General, Office of Legal Counsel, from Lanny A. Breuer, Assistant Attorney General, Criminal Division (July 12, 2010) ("USDOJ 2010 Memo").

# STATE OF UTAH

GARY R. HERBERT  
GOVERNOR

OFFICE OF THE GOVERNOR  
SALT LAKE CITY, UTAH  
84114-2220

SPENCER J. COX  
LIEUTENANT GOVERNOR

March 19, 2015

The Honorable Jason Chaffetz  
Representative  
2236 Rayburn House Office Building  
Washington, D.C. 20515

Dear Representative Chaffetz,

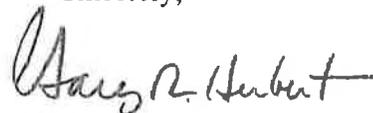
I join a long list of Utah leaders, past and present, who oppose gambling in our state. In December 2011, the Obama administration issued new guidance on the federal Wire Act, which interpreted the act differently than every previous administration. This new interpretation deviates from decades of precedent, allowing online gambling.

I support the right of each state to determine its own laws with regard to gambling. I am also very concerned about online gambling that can be accessible via interstate commerce through phones and computers, where state enforcement is difficult or impossible.

For these reasons, I support returning to the original intent and interpretation of the federal Wire Act. If you have any questions or concerns about my position on this issue, please contact my Director of State and Federal Relations Wesley Smith at [Wesley.Smith@utah.gov](mailto:Wesley.Smith@utah.gov).

Thank you for your service to our state and nation. I look forward to working with you on this issue.

Sincerely,



Gary R. Herbert  
Governor



**RICK SCOTT**  
GOVERNOR

April 22, 2014

The Honorable Bob Goodlatte  
Chairman, Committee on the Judiciary  
United States House of Representatives  
2138 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Patrick Leahy  
Chairman, Committee on the Judiciary  
United States Senate  
224 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable John Conyers, Jr.  
Ranking Member, Committee on the  
Judiciary  
United States House of Representatives  
B-351 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Chuck Grassley  
Ranking Member, Committee on the  
Judiciary  
United States Senate  
224 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairman Goodlatte, Chairman Leahy, Ranking Member Conyers, and Ranking Member Grassley:

I write you to express my concern at the U.S. Department of Justice's abrupt reversal of its long-standing interpretation of the Wire Act, 18 U.S.C. § 1084, as that statute applies to Internet gambling.

The regulation of gambling, subject to broad federal limitations (such as the Wire Act) and requirements (such as those found in UIGEA) has properly been the domain of the states - and should remain so. But, when gambling occurs in the virtual world, the ability of states to determine whether the activity should be available to its citizens and under what conditions - and to control the activity accordingly - is left subject to the vagaries of the technological marketplace. This seriously compromises the ability of states to control gambling within its borders.

The Honorable Bob Goodlatte; The Honorable Patrick Leahy; The Honorable John Conyers, Jr.; and The Honorable Chuck Grassley  
April 22, 2014  
Page Two

For decades, the United States government consistently deemed the Wire Act to prohibit *all* forms of Internet gambling. However, with Congress out of session, the Department of Justice (DOJ), acting on an opinion provided by its Office of Legal Counsel (OLC), and without input from Congress, state and local officials, or the public, abruptly overturned years of precedence<sup>l</sup>. This reversal directly conflicted with the longstanding position of DOJ itself *and* with a 2010 opinion of the DOJ Criminal Division<sup>u</sup>. The OLC stated that only online *sports* betting is barred by the Wire Act and that the Act does not apply to online state lottery sales. I believe the reasoning behind this alarming reversal by the DOJ is flawed and that Congressional action is necessary to resolve this issue. Additionally, I believe the DOJ did not adequately account for all of the policy concerns surrounding the expansion of gaming to the Internet. I think these policy concerns are for the U.S. Congress and other law enforcement interests to study and analyze before Internet gaming is unleashed on the states.

Allowing Internet gaming to invade the homes of every American family, and be piped into our dens, our living rooms, our workplaces, and even our kids' bedrooms and dorm rooms is a major decision. We must carefully examine the short and long-term social and economic consequences before Internet gambling spreads.

The law enforcement community has identified the risks associated with Internet gambling, although more investigation is needed. The FBI in 2009 warned that Internet gambling could be used by criminal elements for money laundering and fraud. The agency questioned whether the technology exists to guarantee that children and people with gambling problems are kept off, countering claims that such technology was available. In the same letter, it also rattled off a litany of potential abuses, including money laundering.

Congress needs to step in now and call a "time-out" by restoring the decades long interpretation of the Wire Act.

Congress, the states, law enforcement, and the public need - and deserve - an opportunity to fully review, assess, understand, and debate the significant policy implications entailed in the spread of Internet gambling before it becomes pervasive in our society. We appreciate your consideration of our views and look forward to working with you on developing a sensible policy that protects Americans and preserves the traditional role of the states in controlling gambling within their borders.

The Honorable Bob Goodlatte; The Honorable Patrick Leahy; The Honorable John  
Conyers, Jr.; and The Honorable Chuck Grassley  
April 22, 2014  
Page Three

Thank you for your consideration of this important measure to ensure the safety,  
security, and well-being of Florida families and families throughout our nation.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Scott". The signature is fluid and cursive, with a large initial "R" and a distinct "S".

Rick Scott  
Governor

cc: The Honorable John Boehner, Speaker, United States House of Representatives  
The Honorable Nancy Pelosi, Minority Leader, United States House of  
Representatives  
The Honorable Harry Reid, Majority Leader, United States Senate  
The Honorable Mitch McConnell, Minority Leader, United States Senate  
Florida Congressional Delegation

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<sup>1</sup> Memorandum for Lanny A. Breuer, Assistant Attorney General, Criminal Division, from Virginia A. Seitz, Assistant Attorney General, Office of Legal Counsel (September 20, 2011).

<sup>2</sup> Memorandum for David Barron, Acting Assistant Attorney General Office of Legal Counsel, from Lanny A. Breuer, Assistant Attorney General, Criminal Division (July 12, 2010) (USDOJ 2010 Memo).

# United States Senate

WASHINGTON, DC 20510

July 14, 2011

The Honorable Eric Holder  
Attorney General  
U.S. Department of Justice  
950 Pennsylvania Avenue, N.W.  
Washington, D.C. 20530-0001

Dear Attorney General Holder:

As you know, several weeks ago, the U.S. Attorney in the Southern District of New York indicted various individuals associated with online poker sites for violations of various laws. Additional indictments were unveiled in Baltimore at the end of May.

These indictments came after many years in which the entities operated Internet poker websites to Americans in an open and notorious way with apparently no repercussions from law enforcement. Leading up to the indictments, this lack of activity by law enforcement led to a significant and growing perception that operating Internet poker and other Internet gambling did not violate U.S. laws, or at least that the Department of Justice thought that the case was uncertain enough that it chose not to pursue enforcement actions. In turn, this perception allowed this activity to spread substantially, so that at least 1,700 foreign sites continue to offer Internet gambling to U.S. players. We think it is important that the Department of Justice pursue aggressively and consistently those offering illegal Internet gambling in the United States.

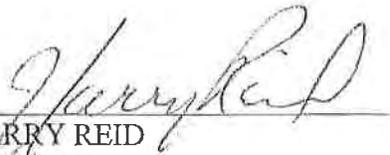
In addition, we have two further concerns: the spread of efforts to legalize intra-state Internet gambling and the spread of efforts to offer such intra-state Internet gambling through state-sponsored lotteries.

We believe that the Department of Justice's longstanding position has been that all forms of Internet gambling are illegal — including intra-state Internet gambling, because activity over the Internet inherently crosses state lines, implicating federal anti-gambling laws such as the Wire Act. Yet efforts are underway in about a dozen states to legalize some form of intra-state Internet gambling. In many cases, Internet gambling advocates in those states cite the silence of the Department of Justice in the face of these efforts as acquiescence. In fact, we have heard that at a major conference in May, several officials from various state lotteries boasted that they have obtained the Department of Justice's effective consent by writing letters of their plans that stated that if no objection was received they would proceed with their Internet gambling plans — and no objection has been received despite many months or years.

This is troubling. We respectfully request that you reiterate the Department's longstanding position that federal law prohibits gambling over the Internet, including intra-state gambling (e.g., lotteries). Conversely, if for some reason the Department is reconsidering its longstanding position, then we respectfully request that you consult with Congress before finalizing a new position that would open the floodgates to Internet gambling.

Finally, we would like to work with you to strengthen the penalties for those who violate the law and to see what modifications would be helpful to the Department to enhance its ability to fight Internet gambling.

Sincerely,



---

HARRY REID  
U.S. Senator



---

JON KYL  
U.S. Senator



STATE OF INDIANA  
OFFICE OF THE GOVERNOR  
State House, Second Floor  
Indianapolis, Indiana 46204

Michael R. Pence  
Governor

May 1, 2014

Dear Members of the Indiana Congressional Delegation:

I write regarding Internet gambling, which I have long opposed. When I served in Congress, I was pleased to support the Unlawful Internet Gambling Enforcement Act of 2006 ("UIGEA").

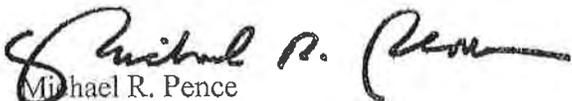
Indiana does not currently permit any forms of Internet gambling, and it is a felony under Indiana law to engage in Internet gambling. Until recently, Internet gambling was consistently deemed by the federal Wire Act (18 U.S.C. § 1084) to be prohibited across the nation. However, on December 23, 2011, the Department of Justice issued a reinterpretation of the Wire Act that changed the long-standing prohibition of Internet gambling by the Wire Act to state that only online sports betting is barred. While I do not intend to allow Internet gambling in Indiana, some states have since moved forward with Internet lottery sales and other forms of Internet gambling.

Generally, states have the ability to regulate gambling within their borders, subject to broad federal limitations and requirements, such as those found in the Wire Act and UIGEA. It is imperative that states retain this power so they can decide for themselves what is right for their state. Indiana, for example, has decided over the course of the past decades to maintain a state lottery and allow 10 riverboat casinos, one land-based casino, and limited land-based horse racing venues with casinos. Indiana has carefully scrutinized and routinely denied expansion of gambling beyond these statutorily authorized activities.

I believe it is necessary for Congress to restore the original interpretation of the Wire Act that prohibited Internet gambling nationwide, and I encourage you to support legislation that would accomplish this end. Internet gambling crosses state lines and impacts the ability of a state to regulate and control gambling within its borders. By its very nature, the Internet involves interstate commerce. Internet gambling relies on technology, such as GPS location monitoring and other controls, that may be compromised. Internet gambling also relies on verification procedures for participant ages and payment information that are subject to similar vulnerabilities. Taken together with the mobility of our society and the widespread access to the Internet, a federal prohibition of Internet gambling is necessary. Otherwise the ability of states like Indiana to prevent and control Internet gambling within its borders, despite our best efforts, will be greatly diminished.

I appreciate your consideration and look forward to working with you on this issue. Thank you for your service to our state and nation.

Sincerely,

  
Michael R. Pence  
Governor of Indiana

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ASSURED GUARANTY

December 22 Issue



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Business Insider



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Vanity Fair

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MAY 21, 2014 4:00 AM

## Online Gambling's Other Cost

Proponents of Internet gambling are seeking government oversight of the Internet.

By Rick Perry

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The debate over Internet gambling has focused on the negative effects that widespread Internet gambling will have on families, state economies and state budgets, and the policing of criminal enterprises and terrorist organizations. But aside from these important concerns, there is a fundamental

question that affects the future of Internet regulation and that supporters of Internet gambling are trying to hide and obfuscate.

Internet-gambling proponents are seeking to create, for the first time, formal government oversight and enforcement of a specified class of Internet content. The expansion of Internet gambling will result in the expansion of government and raise more questions about the government presence in our daily lives.

At both the state and the federal levels, Internet-gambling proponents are aggressively lobbying to establish the most far-reaching government regulations of the Internet. One bill calls for the creation of an Office of Internet Gambling Oversight in the Department of the Treasury and would "empower the federal government for overall oversight." Another calls for an Office of Internet Poker Oversight.

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We already know the government has tracked our political activities, monitored our phone calls, and will soon have access to our most personal medical information. Once the government starts actively monitoring one aspect of our Internet commerce, is it credible to believe that it will stop there?

This may start with monitoring age and location for purposes of regulating Internet gambling, but it will not stop there. The gambling industry is already heavily regulated, and rightfully so. Legalizing Internet gambling would expand this heavy regulation to the Internet and create a new breed of government Internet-content cops.

I believe in the U.S. Constitution and in the rights of states as spelled out by the Tenth Amendment. But by its nature, the Internet is a global network transcending state boundaries. Fifty states with 50 different laws regulating the Internet would put up digital roadblocks at every state border, putting a huge burden on commerce.

Let's look at it another way. What if the FAA didn't exist and there were 50 different sets of aircraft regulations? Airplanes would have to stop at every state border to ensure they were in compliance with the next state's rules. The cost of compliance with every state's rules would be burdensome and the cost of air travel would skyrocket. The same applies to Internet gambling. State-by-state regulations would smother innovation and growth.

It goes without saying that I think that the federal government ought to stay out of states' business as much as possible. But, for a reason, the Constitution gives Congress the power to regulate commerce among the states. The Founding Fathers believed, as I do, in limiting federal powers, but they also recognized that we must



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take care to avoid barriers to commerce between the states for our state and national economies to flourish.

The proponents of Internet gambling are at the edge of a slippery slope, the bottom of which is a Federal Department of Internet Regulation with broad and intrusive powers. Internet-gambling advocates like to style themselves as "defenders of the Internet," but their legislative solutions tell another story.

— Rick Perry is the governor of Texas.

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**Richard J Henning**

Poker players support regulation because it is the only way to do things like ensure the integrity of the games and prevent minors from playing, the reasons many give for wanting to ban. Don't like regulation? We'd be just as happy to scrap the Wire Act and UIGEA so we could go back to playing on the offshore sites. The Isle of Man did a good job regulating Poker Stars from our point of view,



**DrWayner**

You people talk and rant yet the "song remains the same." The voter turnout for today's Primary in Lib Central CA is the worst in history. You will all get what you deserve because you do not vote or get out the vote to end this madness. When it comes time to fight for your lives you will crawl into a hole and die. Wake Up, it's already too late!



**Jay Star**

Don't we have enough government intrusion now? Do really want even less privacy than we have now? I say enough already, leave the internet alone!



**Winston**

I second that motion.



**Old Ga Dawg**

This Government needs to stay out of all American's lives and their business. Less Government and more POWER TO THE PEOPLE to rule their lives without Government intrusion.



**Ironwulf**

The single greatest fear of the founding fathers was a strong central government.



**onelordwon**

I don't want pornography, or bestiality or child pornography legalized on line either. The reason we have stop lights and speed limits is so we can all know where the boundary lines are and those lines keep us safe.

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## United States Senate

WASHINGTON, DC 20510-0504

<http://feinstein.senate.gov>

March 3, 2015

The Honorable F. James Sensenbrenner, Jr.  
Chair  
House Judiciary Committee  
Subcommittee on Crime, Terrorism,  
Homeland Security, and Investigations  
U.S. House of Representatives  
B-370 Rayburn House Office Building  
Washington, DC 20515

The Honorable Sheila Jackson Lee  
Ranking Member  
House Judiciary Committee  
Subcommittee on Crime, Terrorism,  
Homeland Security, and Investigations  
U.S. House of Representatives  
B-370 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Sensenbrenner and Ranking Member Jackson Lee:

As your Subcommittee prepares for a hearing on the damaging effects on society of gambling played online, I am writing to share my strong opposition to efforts to legalize Internet gambling. I also want to convey my full support for the "Restoration of America's Wire Act," which would ban nearly all forms of Internet gambling.

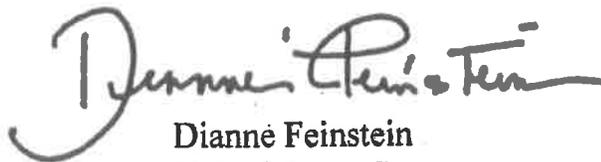
I have long had concerns about the harms caused by Internet gambling. Internet gambling leads to crime and aggravates gambling addiction. In a letter to then-Congressman C.W. Bill Young of Florida, the Federal Bureau of Investigation (FBI) concluded that "[o]nline casinos are vulnerable to a wide array of criminal schemes," provide opportunities for money laundering, and facilitate transnational organized crime. The FBI further stated that "[o]nline gambling . . . may provide more opportunities for criminals to launder illicit proceeds with increased anonymity." For your reference, I have attached the FBI's letter to Congressman Young. Internet gambling also gives minors and gambling addicts access to gambling with just a few clicks on their computers or smartphones.

Opposition to Internet gambling is not a Democratic or Republican position. I am a Democrat and have long opposed Internet gambling because I believe it would impose significant, negative social costs on our society. I stand ready to work with

you and others on the House Judiciary Committee—Republicans and Democrats alike—to pass legislation to protect our families and children from the threats posed by Internet gambling.

Thank you for giving me an opportunity to share my views.

Sincerely,

A handwritten signature in cursive script that reads "Dianné Feinstein". The signature is written in black ink and is positioned above the printed name.

Dianné Feinstein  
United States Senator

DF/fy/jt

# Internet gambling is a bad bet: Our view

The Editorial Board, USATODAY 7:08 p.m. EST November 20, 2013

***As New Jersey rolls out online gaming, time for Congress to halt play.***



(Photo: Wayne Parry, AP)

## Story Highlights

- Thursday, New Jersey begins a five-day trial run of Internet gambling.
- Delaware has already begun online gaming, and Nevada has it for poker only.
- Clarify that the 2006 law applies to all forms of online gaming, not just sports betting.

In 2006 Congress passed, and President George W. Bush signed, legislation to stop the spread of internet gambling. At the time, no one was sure whether a law could deter shady offshore operators. But by targeting the money flows and

banks that facilitated these businesses, the law worked far better than most people imagined. Until now, that is.

The doors to the virtual casino are reopening, this time with the gambling sites based here in the USA, thanks to a 2011 Justice Department finding that earlier bans applied only to sports betting.

Thursday, New Jersey begins a five-day trial run of Internet gambling, with a full launch scheduled for next Tuesday. Existing Atlantic City casinos will be licensed to offer electronic versions of all casino games online to people within the borders of the Garden State.

Delaware has already begun online gaming, and Nevada has it for poker only. From there, who knows where it will go? Gambling tends to spread fast, fueled by state governments desperate for new revenue or desperate to protect existing revenue streams.

With legal gambling headed for an electronic device near you, it's time for Congress to rise above its current dysfunction and pull the plug. The only thing lawmakers have to do is clarify that the 2006 law, and a 1961 law from which it drew, apply to all forms of online gaming.

That cause is receiving support from an unlikely source: Las Vegas Sands CEO (and Republican superdonor) Sheldon Adelson, who plans to launch an anti-Internet gambling lobby next month. The rest of the gaming industry, aided by an activist community of poker players, will likely mount a furious counterattack.

The nation has enough social pathologies to worry about without unleashing a new form of domestic gambling that is all but impossible to police or keep contained in one place. People with addictive personalities would either have to give up their smartphones, tablets and computers, or have a casino at arms reach 24/7.

Whatever one might think of brick-and-mortar casinos, they do some things right. They are pretty good at checking IDs to keep minors out. And they at least require people to get dressed and into a vehicle if they want to gamble. Internet gambling advocates say they have screening programs designed to keep minors out, and geolocation software designed to limit play to people physically located within a particular jurisdiction.

Does anyone seriously think that these firewalls wouldn't be circumvented? The FBI doesn't. It told a House committee in 2009 that age verification programs were easily beaten because they generally relied on credit card numbers, easily purchased on the black market.

Parents worried that their kids off at college will fritter away time and money on Internet gambling will be at the mercy of casinos' technological solutions. States like Utah can only hope that technology will prevent its strict anti-gambling laws from being undermined.

For everyone but the casinos and a smattering of skilled poker players, online gambling is a very bad bet.

*USA TODAY's editorial opinions are decided by its Editorial Board, separate from the news staff. Most editorials are coupled with an opposing view — a unique USA TODAY feature.*

**The New York Times**

November 25, 2013

# New Jersey Goes All In, Online

By THE EDITORIAL BOARD

Internet gambling goes live in New Jersey on Tuesday. It's the biggest expansion of the casino business in the state since the 1970s. For gamblers with addiction problems, the process of tapping a paycheck and maxing out a credit card has just become infinitely easier.

Unlike the casino referendum recently approved in New York State, New Jersey's law is not intended for regional economic development. It's just a lifeline to the ailing brick-and-mortar casinos of Atlantic City, which are losing their shirts to out-of-state and offshore competitors.

Online gamblers will have to be physically present in New Jersey (players must install software on their computers that checks their location), but once they register, they can play the same games offered in Atlantic City. Roulette, poker, slots — there are lots of ways to lose.

Gov. Chris Christie, who signed the legalization bill in February, used to worry about this. "I'm also really concerned about setting up a whole new generation of addicted gamblers," he said on a radio show in January. "If you can sit on the edge of your bed with your laptop and gamble away the paycheck, that's a lot different than making the decision to go down to Atlantic City to gamble in a casino."

But after weighing the interests of a vulnerable fraction of the population against those of a powerful industry, Mr. Christie folded. Defenders insist that the casinos will monitor online activity and offer help to gamblers spinning out of control, but no law requires them to do that. And with Internet gambling legalized by Nevada and Delaware this year, and bills pending in California, Massachusetts and six other states, the prospect of many thousands more addicted gamblers is a dismal certainty.

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# Newsweek

08.22.2014



HOW WASHINGTON  
OPENED THE  
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ONLINE GAMBLING.  
OK, WHO'S IN?

# POKER FACE



**POKER**



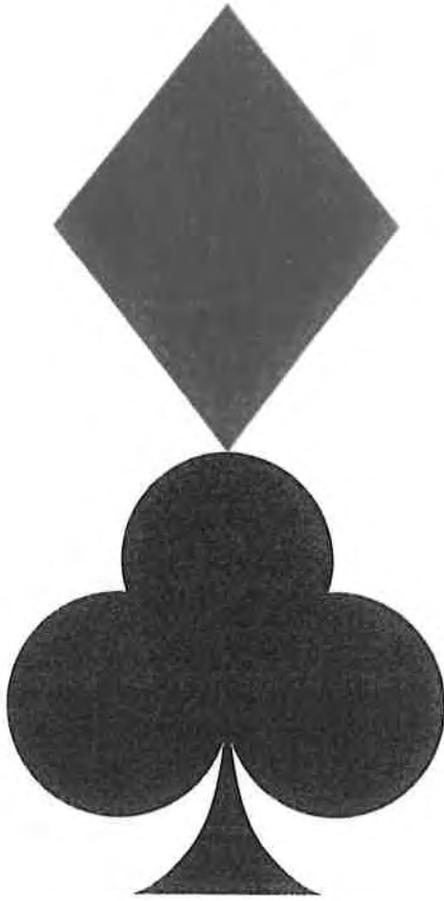
**FACE**

WITH LITTLE MORE THAN A FLICK OF THE PEN,  
AN OBAMA APPOINTEE LEGALIZED ONLINE POKER—  
TO THE HORROR OF MANY PARENTS



BY LEAH MCGRATH GOODMAN  
PHOTOGRAPH BY JILL GREENBERG





IN 2007, the head of the FBI's Cyber Crime Fraud unit, Leslie Bryant, issued a stern warning to Americans: "You can go to Vegas. You can go to Atlantic City. You can go to a racetrack. You can go to those places and gamble legally. But don't do it online. It's against the law."

Four years later, with much fanfare, the U.S. Department of Justice (DOJ) unsealed sweeping indictments against the online poker industry's Big Three—PokerStars, Full Tilt Poker and Absolute Poker. The companies, all located offshore, were hit with a raft of charges, including wire fraud, bank fraud, money laundering and operating in the U.S. in willful violation of the Unlawful Internet Gambling Enforcement Act (UIGEA).

A mere eight months later, on the Friday before Christmas Eve 2011, then-U.S. assistant attorney general Virginia Seitz quietly issued a 13-page legal opinion that changed everything. She reinterpreted the federal Wire Act of 1961, which, until that time, had been viewed by U.S. courts—and the DOJ's own Criminal Division—as prohibiting all forms of online gambling.

Seitz's opinion found that only wagers on a "sporting event or contest" were prohibited by the Wire Act ("wire" is interpreted as extending to the Internet). The effect was to lift a long-standing federal ban on non-sport betting on the Internet,

such as poker and slots—some of the most popular and profitable games online—razing the foundation of the UIGEA, passed by Congress in 2006.

The opinion was issued in response to requests from the states of New York and Illinois to rule on whether proposed lotteries using the Internet to sell tickets would violate the Wire Act. But it ended up having much broader implications. The only federal restriction Seitz preserved was the ban against online betting on such events as horse racing or March Madness. Otherwise, she found, the states were allowed to decide individually if they wanted to offer online gambling within their borders or team up with other states.

For Seitz, reversing 50 years of legal precedent came down to the placement of a comma. In the key passage of the Wire Act, the description of the ban on gambling over state or international lines applies to "bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest, or for the transmission of a wire communication which entitles the recipient to receive money or credit as a result of bets or wagers, or for information assisting in the placing of bets or wagers."

The first comma, for Seitz, was crucial. The question, she said, boiled down to whether "sporting event or contest" modified each instance of "bets or wagers" or only the instance it directly followed. She decided the former, writing, "We conclude that the [DOJ] Criminal Division's premise is incorrect and that the Wire Act prohibits only the transmission of communications related to bets or wagers on sporting events or contests."

She also noted that on the same day as the Wire Act was enacted in 1961, Congress passed a separate law regulating other forms of gambling, supporting the view that the Wire Act was aimed specifically at gambling on sports.

Punctuation aside, Seitz opened wide the door to online gambling—and in the process, critics say, may have opened a Pandora's box. Lawmakers and experts warn that online gambling is dangerously addictive for some, especially children raised in a culture of online gaming and smartphones.

Seitz, who came from the DOJ's Office of Legal Counsel (the same office that wrote the legal justifications for drones and waterboarding), was appointed in June 2011 by President Barack Obama and previously worked at Chicago law firm Sidley Austin, where Obama and the



Virginia Seitz, who was U.S. assistant attorney general in the Office of Legal Counsel in 2011, wrote the opinion that effectively legalized most online gambling.



Representative Jason Chaffetz (center) wants a federal ban on online gambling restored.

first lady, Michelle Obama, met and worked until they married.

“That a single, relatively unknown person in an office at the Justice Department can just bring about such massive change to our economy in direct contradiction to what Congress sees as the governing law signals a gravitational shift in power that is very concerning,” says Jonathan Turley, a professor of public interest law at George Washington University.

“The Office of Legal Counsel once held a unique and revered position within the DOJ and government as a whole,” he says. “This office was once tasked with the job of saying no to the president. Its job was to objectively interpret the intent of our laws passed by Congress. It had a tradition of independence and excellence, and that tradition was viewed as inviolate by past presidents. This was heavily damaged by the Bush administration, and this has only continued with Obama.”

What has not changed about that tradition, says Turley, who voted for Obama, is that once the Office of Legal Counsel has spoken, its word is treated as sacrosanct by the other government agencies. (Reached by *Newsweek*, the DOJ, as well as the FBI, both confirmed that, as a result of Seitz’s opinion, they have ceased cracking down on online gambling.)

“It’s problematic that this office’s opinions are treated as legally binding, as if they came down from Mount Olympus,” Turley says.

Seitz declined to comment on the reasons for her opinion or its impact.

So far in the U.S., the online gambling phenomenon is still new enough that only a handful of states have had a chance to approve it and roll it out. Nevada and Delaware—two states that have already teamed up over online gambling,

sharing users and territory—and New Jersey have led the way, offering real-money gambling through websites and apps that can be downloaded straight to smartphones.

“This is just the beginning,” predicts Jason Chaffetz, a Republican representative from Utah, the only state other than Hawaii that prohibits all forms of gambling, even the lottery. “I am afraid that if we don’t move quickly and get some decent regulations in place, which we really don’t have right now, it will be too late to stop it from reaching all the states.”

Chaffetz is wary of claims that geolocation technology, which works better in cities than in rural areas and vast expanses of desert (due to their reliance on hot spots and cellular towers to triangulate players), can keep poker out of his state: “Many parents already can see how easy it is for a kid to get addicted to a video game that does not involve money. You put them on the Internet and they are gambling with money, now you have a real problem.”

Chaffetz, a 47-year-old father of three (ages 21, 18 and 13), is one of the shrinking pool of politicians—Republican or Democratic—who do not rely on money from the gaming industry to fund his political activities. This past July, he wrote a letter (signed by 17 other representatives) to House Judiciary Committee Chairman Bob Goodlatte, a Virginia Republican, calling for hearings as soon as September on the nation’s “policy on the expansion of gambling” to ensure it is “established through legislative process.”

That terminology—“legislative process”—speaks to the consternation of a growing number of lawmakers who fear the Obama administration may have opened the floodgates to online gambling in the U.S. without ever intending it to be put to a congressional vote.

“The way this all unfolded and the parties involved, I think it raises a big question mark,” Chaffetz tells *Newsweek*. “I’d like to know a lot more about what happened, which is why I asked for a hearing. We can’t have an office in the bowels of the DOJ going against decades of legal precedent without Congress having any say.”

#### SLOTS FOR TOTS

CHAFFETZ, who has become a bit of a gaming connoisseur as he pushes to restrict the spread of online gambling, is only too aware that the line between real-money “gambling” and social-media “gaming” has all but disappeared, especially for the young.

**“WE CAN’T HAVE AN OFFICE IN THE BOWELS OF THE DOJ GOING AGAINST DECADES OF LEGAL PRECEDENT WITHOUT CONGRESS HAVING ANY SAY.”**

Among the sites Chaffetz does not like is "Slotomania" from Caesars Entertainment Corp. in Las Vegas, which features Disney-looking cartoons of comely young girls, evil villains and cuddly monsters, all beckoning users to play for free. This is what critics derisively call "slots for tots," which the Nevada Gaming Control Board has outlawed in casinos but has not yet been aggressive about addressing online.

"The millennials are greater risk takers; they've grown up on the technology of video games and watching other young people winning the World Series of Poker [also from Caesars], and they think they are smarter than everyone else," says Jeffrey Derevensky, a professor of applied child psychology and psychiatry at Montreal's McGill University and one of the world's leading authorities on youth gambling addiction. On average, he says, 5 to 8 percent of university students are what he would classify as "at-risk gamblers," with 2 to 4 percent suffering from "a serious gambling addiction."

"Online and mobile gambling is going to be a big thing, and those aged 18 to 25 have the highest prevalence of gambling-related problems among adults," says Derevensky, who has treated dozens of kids at McGill's International Centre for Youth Gambling Problems and High-Risk Behaviors.

One of the hardest parts of the job, Derevensky says, is "getting parents and teachers to realize the dangers of gambling are often no less severe and sometimes much greater than drinking, reckless driving, drugs and unprotected sex." Once hooked, kids can take years to recover—or never recover—with the most severe cases only able to substitute one high-risk behavior for another. Some kids even commit suicide. "Once they're addicted, these kids will take their parents' credit cards, gas cards, anything they can find to gamble with," he says. "I had one kid, being raised by a single mother, who stole two of her credit cards and lost \$20,000 on PokerStars in one month."

The fifth edition of the American Psychiatric Association's *Diagnostic and Statistical Manual of Mental Disorders*, released last year and commonly referred to as the *DSM*, sets up criteria for research into "Internet Gaming Disorder." The association said that studies of young Asian males indicated "that when these individuals are engrossed in Internet games, certain pathways to their brains are triggered in the same direct and intense way that a drug addict's brain is affected by a particular substance."

Marc Potenza, a professor of psychiatry at Yale University specializing in the neurobiology of gambling, impulse control and addictive disorders, has noticed the same link. "We're beginning to understand the condition and the potential treatments, but we need to investigate the neurobiology of the decision-making and

similarities between substance abuse and gambling disorders," he says.

He worked with two research groups for the DSM-5, which now recognizes gambling disorder as a behavioral addiction. One revelation thus far: While U.S. law makes a clear distinction between online gaming for real money and virtual money, the human brain may not make the same distinction when it comes to getting addicted. "This is something we are actively investigating," Potenza says.

Online gaming sites by the hundreds are already testing that theory among young players, says Keith Whyte, executive director of the National Council on Problem Gambling, in Washington, D.C. "For an activity to be legally considered gambling, it must have a prize, chance and payment to participate," he says. "So what many of the social casino games do is remove, at least for a time, one of these three elements." (One of the industry's tricks is offering players a chance to play for free and boosting their confidence by offering them overly favorable odds and hefty virtual winnings—then turning the tables when the players enter a credit card. Another, Whyte says, is for online games to accept real money in exchange for virtual coins but never offer any cash winnings, so as to sidestep being regulated.)

"The legal and technical distinctions between whether or not the poker you are playing is gambling don't really matter to us or to the kids who get addicted," Whyte says. "The definition of addiction does not depend on whether the real money you bet and lose is translated into virtual coins. You are still betting and losing money."

Derevensky says one male college student told him his addiction started with an offer for free chips to play Texas Hold'em. "A general progression starts with these Facebook entertainment games which are purely for fun, and some people take it to the next level, where it's for fun and money," the student told him. "Some people then take it to the next level, where the fun has disappeared and they are just doing it for the money."

In the U.S., the number of young people getting addicted to gambling "increases a little every year," with the 24-hour accessibility of online gaming a key culprit, notes a spokeswoman for the Nebraska Council on Compulsive Gambling, which recently released a PBS documentary, *Growing Up Gambling*. The film, aired in May, prominently featured a picture of what



**"THE MILLENNIALS ARE GREATER RISK-TAKERS; THEY'VE GROWN UP ON THE TECHNOLOGY OF VIDEO GAMES AND WATCHING OTHER YOUNG PEOPLE WINNING THE WORLD SERIES OF POKER AND THEY THINK THEY ARE SMARTER THAN EVERYONE ELSE."**

appears to be Obama filling in a March Madness bracket.

In March, Chaffetz signed on as lead sponsor of bipartisan legislation introduced in the House of Representatives challenging the spread of online gambling, the Restoration of America's Wire Act. Lindsey Graham, a Republican from South Carolina, introduced a similar bill in the Senate. In a statement, Graham said his state outlawed video poker machines back in 1999, ultimately removing more than 33,000 units from use. "Now, because of the Obama administration's decision, virtually any cellphone or computer can again become a video poker machine," he said. "It's simply not right."

States looking at legalizing online gambling include Illinois, New York, Iowa, Minnesota, Mississippi, Louisiana, California and Massachusetts. On the flip side, 16 state attorneys general wrote to Congress this year, asking it to restore the previous interpretation of the Wire Act and go back to a federal pro-

Children are easily hooked on games that offer virtual rewards.



hibition of online gaming. (They were from Arizona, Florida, Kansas, Michigan, Missouri, Montana, Nebraska, North Dakota, South Dakota, South Carolina, Texas, Utah, Hawaii, Vermont, Wyoming and Guam.) Governors Rick Perry of Texas, Nikki Haley of South Carolina and Rick Scott of Florida also support restoring the federal ban.

Without strong rules in place, Chaffetz fears young people will be able to log on and start placing bets without much trouble. Many sites assume players are old enough to play if they simply enter a credit card. "In the physical world of bricks-and-mortar casinos, it's easy to see a 13-year-old on a casino floor. On the Internet, there are no physical barriers, nothing stopping a child from becoming an addict," he says.

## BLACK FRIDAY

UNTIL SEITZ HANDED down her opinion in late 2011, agencies such as the FBI had forcefully cracked down on online gambling in the U.S. Only that spring, the DOJ, working closely with the FBI, had delivered what seemed to be a knockout blow to the major online poker companies, on what was dubbed "Black Friday" by many crestfallen poker enthusiasts across the country.

Among the companies targeted by the indictments were the most profitable online poker company in the world, PokerStars, owned by Rational Group, based in the Isle of Man; Full Tilt Poker, a competing company, based in Dublin; and Absolute Poker, based in Costa Rica. The DOJ unsealed criminal indictments against 11 of the online poker companies' executives and their agents and suspended more than 75 bank accounts used by the companies.

But by July 2012, little more than a year after the charges had been filed—and just seven months after the release of Seitz's opinion—the DOJ settled all the charges. A release issued that month by Preet Bharara, the U.S. attorney for the Southern District of New York, stated that PokerStars, Full Tilt Poker and Absolute Poker used the same third-party payment processor, "working together" to funnel hundreds of millions of "illegal Internet gambling transactions" to the poker companies.

The payment processor, a man in his 50s named Ira Rubin, was sentenced to three years in prison after pleading guilty to bank and wire fraud, money laundering and conspiracy to violate the UIGEA. All eight defendants the DOJ managed to arrest pleaded guilty. The remaining three defendants residing outside the U.S.—two of them from PokerStars—remain at large.

The role of the payment processor had been pivotal, as most U.S. banks refused to process payments from online gaming, which were—until Seitz handed down her opinion—considered illegal. To circumnavigate the problem, PokerStars, Full Tilt, Absolute Poker and their agents, according to Bharara, "lied to U.S. banks about the nature of the poker transactions they were processing" by "creating phony corporations and websites to disguise payments" and set up hundreds of "phony front companies with websites purporting to sell everything from clothing and jewelry to golf clubs and bicycles." The websites tricked bank officials who visited them into believing they were legitimate companies, processing what Bharara's office said eventually amounted to "billions of dollars in payments" by masquerading as anything other than poker businesses.

In an unusual move, the DOJ, as part of its settlement with PokerStars, brokered PokerStars's acquisition of the assets of Full Tilt, its former competitor,

which consisted of Full Tilt's database, software and client list, which the DOJ seized in 2011. In exchange for \$547 million, paid over three years, the DOJ handed over Full Tilt's assets to PokerStars and settled all civil and forfeiture claims against PokerStars. (The DOJ had initially planned on seizing PokerStars's assets too.)

PokerStars spokesman Eric Hollreiser tells *Newsweek*, "We never violated any U.S. law in our operations, and our settlement with the DOJ, in addition to acquiring Full Tilt, included no admission of wrongdoing and explicitly allowed for us to apply for licenses in the U.S."

Both the DOJ and PokerStars declined to disclose what dollar amount, if any, was paid by PokerStars of the \$547 million to settle its claims, which calls into question whether this wasn't just an asset purchase agreement that essentially left PokerStars a bigger, stronger company. "There was no specific separate payment for the purchase of the Full Tilt Poker assets or any breakdown," the DOJ says in a statement to *Newsweek*. The DOJ also declined to discuss the reasoning behind why it allowed PokerStars, a company it had accused of illegal gambling, wire fraud, bank fraud and money laundering, to purchase Full Tilt, a company it had accused of the same offenses, plus defrauding its players.

PokerStars, bolstered by Full Tilt's client list, now boasts more than 85 million players around the world. As part of the DOJ settlement, PokerStars agreed to return an additional \$184 million of funds to the defrauded Full Tilt players, as well as promise not to offer online poker in the U.S. "until it became legal," according to the DOJ. It did not have long to wait, as Nevada became the first state to legalize online gambling only months later, launching its first site in May 2013.

Rational Group, the parent company of PokerStars, just finalized a deal on August 1 to be acquired by the previously little-known Amaya Gaming Group, based in Pointe-Claire, Quebec, for \$4.9 billion. The transaction has created the largest gaming company in the world—and it considers offering online gambling throughout the U.S. a top priority.

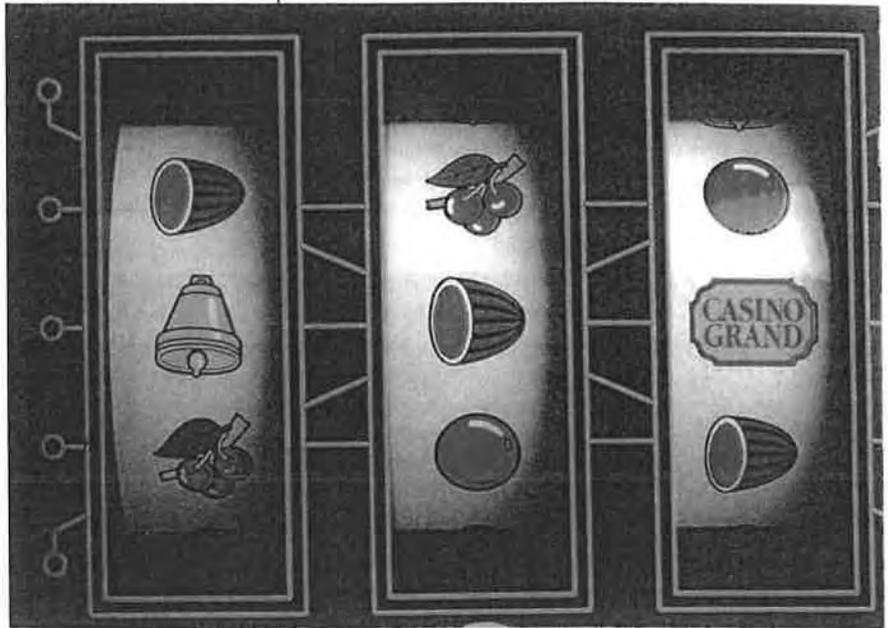
## FOLLOW THE MONEY

**SEITZ'S OPINION HAS** essentially opened the U.S. market to what some estimate could be a \$1 trillion global industry. The Center for Public Integrity has reported on the battle between offshore companies and brick-and-mortar casinos over how to regulate online gambling, with both sides investing heavily in lobbying and campaign spending. Among the most prominent opponents of online gambling are Sheldon Adelson, chairman of the Las Vegas Sands, and casino mogul Steve Wynn of Las Vegas-based Wynn Resorts, while casino companies such as MGM Resorts International and

Caesars Entertainment support it.

Grassroots poker advocacy groups such as the Poker Players Alliance have also played a role, although Executive Director John Pappas has confirmed that most of the group's funds come from offshore companies, including PokerStars.

As an Illinois state senator, Obama told National Public Radio in 1999 that he refused to take any



money from the gambling industry, even though there were no limits on contributions in Illinois or on tribal donors. "It is very hard to separate yourself from the interests of the gaming industry if you're receiving money," Obama said. The president, who enjoys poker and blackjack, has often gone on the record stating his concerns about "the moral and social cost of gambling."

Yet by 2007 Obama cracked the U.S. Senate's top 10 recipients of gaming money, and by 2008 he had risen to become the Senate's No. 3 recipient. During his 2012 re-election campaign, he accepted more money from the gambling industry and tribal casinos than any individual politician now in Washington. (Adelson spent tens of millions of dollars in support of Mitt Romney and other Republicans, but most of that went to Super PACS and outside groups.) In fact, with the Seitz decision throwing the entire U.S. gaming industry into play, 2012 was a record year for casino and gaming contributions, which reached \$72 million, according to the Center for Responsive Politics, a nonpartisan nonprofit group tracking money in politics. About \$50 million of the total came from Adelson, while donations to individual candidates were split almost evenly between Democrats and Republicans.

STEPHEN MARKS/GETTY

In 2012, Obama, in conjunction with the Democratic National Committee, received more than \$1.7 million in reported donations from the industry, according to the Center for Responsive Politics. Against other special interest groups, that's a tidy sum, but well below what larger industry sectors contributed to him—the biggest ones being law firms and education, which donated more than \$20 million each.

McGill's Derevensky, a consultant to international online gaming companies, says it's not just campaign finance that's at issue. Only a decade or two ago, most politicians would have been loath to cozy up to the gambling industry, he observes. But the financial crisis has brought a new urgency to raise revenue at both the state and federal levels, where the proceeds of gambling can provide valuable contributions. In the U.S., an online gambling license alone can cost hundreds of thousands of dollars annually, in addition to the proceeds states can reap from the winnings of casinos and online gambling companies.

"Since the economy tanked around the world, you're seeing the greatest move to gambling ever," Derevensky says. "Three states have online gambling, and you will see it proliferated throughout the United States. We're never going back. The governments are just too dependent on it for tax revenue."

The Obama administration's ties to the industry go beyond money. Jim Messina, Obama's 2012 campaign manager and a close confidant, earlier this year signed on as a consultant to the American Gaming Association, a powerful pro-gaming lobby in Washington that is pushing to make gambling more commonplace and less taboo.

Since Seitz handed down her 2011 opinion, Sidley Austin, her former employer, has expanded its deal-making practice

sector," she says. "It is really a normal lawyer job." Seitz contributed \$2,300 in 2007 to Obama and \$1,300 in 2008.

The White House declined to comment to *Newsweek* on the legalization of online gambling, deferring to the DOJ opinion written by Seitz. When pressed, a White House representative pointed to a statement issued in 2012 by Brian Deese, then-deputy director of the National Economic Council and now the deputy director of the Office of Management and Budget. The statement, issued in response to a petition in 2012, echoed many of the concerns that Chaffetz and others have raised.

It observed that online gambling posed "distinct challenges" when compared with gambling in physical locations such as casinos, since players might sidestep "restrictions on online gambling that can allow individuals from countries where gambling is illegal, or even minors, to play using real currency." It also noted the use of online gambling portals as a conduit "for money-laundering schemes, because of the volume, speed, anonymity and international reach made possible by Internet transactions."

Nonetheless, it said, "it is left to each state to determine whether it wishes to permit such activity between its residents and an online poker business authorized by that state to accept such wagers."

In the meantime, the DOJ estimates that total settlement payments from fraudulent online poker companies have, as of July, reached more than \$1 bil-

## "I HAD ONE KID, BEING RAISED BY A SINGLE MOTHER, WHO STOLE TWO OF HER CREDIT CARDS AND LOST \$20,000 ON POKERSTARS IN ONE MONTH."

in the gambling space, which now includes major markets in North America, Europe and Asia. In July, it advised Las Vegas-based International Game Technology on its merger with Italian lottery operator Gtech, which was valued at \$4.7 billion in cash and stock. A Sidley Austin spokeswoman in Chicago said the firm declined to discuss its work in the gambling niche, including whether it had ever worked with Rational Group, PokerStars, Full Tilt or Amaya.

Seitz, who left the DOJ's Office of Legal Counsel in December 2013, plans to return to Sidley Austin to practice law, the firm's Washington office tells *Newsweek*. In addition to being the place where the Obamas met, Sidley Austin has been one of the most generous contributors to Obama's two election campaigns, donating \$606,260 to his 2008 campaign and \$400,883 to his 2012 campaign, according to the Center for Responsive Politics.

Reached at her home in Washington, Seitz tells *Newsweek* she had no comment on her Wire Act opinion, other than to say, "It is just that—an opinion." She confirmed she will be returning to Sidley Austin but hasn't decided when. "I will be working on appeals, without a focus on a particular

lion (\$1,027,511,816.52, to be precise), rivaling only the financial settlements paid by big banks.

Under the terms of the 2012 post-Seitz settlement, the DOJ is still returning money to defrauded customers of Full Tilt Poker—including Americans who had money in their Full Tilt Poker accounts on Black Friday, even though at the time those people should have known it was illegal to gamble online in the U.S. Turns out their bet paid off. ❏



U. S. House of Representatives  
Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, DC 20515

October 19, 2009

The Honorable Robert Mueller, Director  
Federal Bureau of Investigation  
J. Edgar Hoover Building  
935 Pennsylvania Avenue, NW  
Washington, D.C. 20535-0001

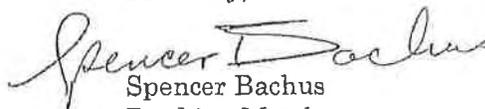
Dear Director Mueller:

As you know, legislation has been introduced to legalize online gambling in the United States, and other measures have been pursued to delay the implementation of the Unlawful Internet Gambling Enforcement Act, particularly as it relates to online games of poker. It is my understanding that congressional committees will convene hearings on these measures soon. To assist in the preparation for these hearings, I respectfully request your assistance in answering the following questions:

- Does technology exist that could facilitate undetectable manipulation of an online poker game?
- Could technology be used to illicitly transfer or launder money in the guise of "innocent" participation in an online poker game, or the undetectable theft of money from one participant in such a game, by others acting in concert? If yes, to what degree?
- Does the Federal government have the ability in terms of qualified personnel and financial resources to regulate Internet poker if it is legalized?
- Do you believe the claims of vendors who say they have technology solutions that would validate the age of a potential player in an online poker game, or the physical location, beyond a shadow of doubt?
- Has U.S. law enforcement discussed potential vulnerabilities of online poker with foreign counterparts? If so, what views have been expressed?
- Please detail any known or alleged incidents of online cheating, particularly efforts by online casinos themselves, to manipulate the outcome of games using technology such as "pokerbots," for example.

I would greatly appreciate your timely response to this inquiry.

Sincerely,



Spencer Bachus  
Ranking Member  
House Financial Services Committee

cc: Hon. Timothy Geithner, Secretary of the Treasury  
Hon. Eric Holder, Attorney General  
Hon. Ben Bernanke, Chairman, Board of Governors of the Federal Reserve



U.S. Department of Justice

Federal Bureau of Investigation

Washington, D. C. 20535-0001

November 13, 2009

Honorable Spencer Bachus  
Ranking Member  
Committee on Financial Services  
House of Representatives  
Washington, DC 20515

Dear Congressman Bachus::

I am writing in response to your letter to Director Robert S. Mueller, dated October 19, 2009, concerning your questions relating to Internet gambling. I will address these as you mentioned them in your initial correspondence:

- Does technology exist that could facilitate undetectable manipulation of an online poker game?

Yes, the technology exists to manipulate online poker games in that it would only take two or three players working in unison to defeat the other players who are not part of the team. Technically, the online poker vendors could detect this activity and put in place safeguards to discourage cheating, although it is unclear what the incentive would be for the vendor. It really comes down to a cost analysis for the vendor. How much money will I make or lose by detecting cheating and implementing the safeguards?

- Could technology be used to illicitly transfer or launder money in the guise of "innocent" participation in an online poker game, or the undetectable theft of money from one participant in such a game, by others acting in concert? If yes, to what degree?

Yes, online poker could be used to transfer ill gotten gains from one person to another, or several other people. Private tournaments exist on several online poker programs which would allow a subject to create a private game with his/her money mules. Once the game is created, the subject could raise the pot, to whatever maximum amount is allowed, and then fold before the hand is finished. This would allow the subject to transfer the money from his account to the mule account. This activity could repeat itself several times, virtually "washing the money." Once again, this activity could be detected by the vendors, but at what cost? Also, there are several ways to cheat at online poker, none of which are illegal. Teams of players could work in

unison, revealing to each other what cards they have in their hands. Based on the known cards, the team could use this knowledge to raise the pot. The players who are not part of the team would be at a distinct disadvantage because they do not have the knowledge of what cards are already in play. Several bots, software programs, have been created to play online poker. These bots are programmed to take in all the information about a given hand and use that information to formulate the chances of the bot having the winning hand. Most online poker sites have a specific section of their user agreement that bans bots from their poker rooms. Bots have a distinct advantage over real players in that they can use the processing power of the computer to determine the chances of winning.

- Does the Federal government have the ability in terms of qualified personnel and financial resources to regulate Internet poker if it is legalized?

FBI investigative resources are focused on our highest priorities, that being Counterterrorism, Counterintelligence, and Cyber threats to critical infrastructures.

- Do you believe the claims of vendors who say they have technology solutions that would validate the age of a potential player in an online poker game, or the physical location, beyond a shadow of doubt?

While the vendors may claim that they can validate age and location, they are more than likely relying on credit card information and geolocation to gather this information. Both can be spoofed. For age verification, the possession of a credit card is usually the only validation these sites require. Credit card numbers are easily compromised and can be bought by the hundreds on several "underground" websites. Therefore, the simple act of owning a credit card number does nothing to validate someone's age. For location verification, the vendors are more than likely going to rely on geolocation. While geolocation can be accurate when used to determine the physical country of residence, it becomes exponentially less accurate when determining the city or zip code. Additionally, the use of Internet Protocol (IP) address based information for geolocation allows for the manipulation of geolocation information. By changing the IP address information, someone can make it appear that their residence is in a different location.

- Has U.S. law enforcement discussed potential vulnerabilities of online poker with foreign counterparts? If so, what views have been expressed?

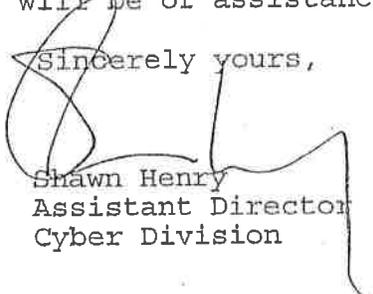
The FBI has not engaged in this discussion with our foreign partners.

- Please detail any known or alleged incidents of online cheating, particularly efforts by online casinos themselves, to manipulate the outcome of games using technology such as "pokerbots", for example.

While casino software could very easily be employed to manipulate games, the FBI has no data in this area.

I hope this information will be of assistance to you.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Shawn Henry", is written over the typed name and title. The signature is stylized and somewhat cursive.

Shawn Henry  
Assistant Director  
Cyber Division



SEP - 3 2002

G.C.B. CARSON CITY  
EXECUTIVE OFFICES*Assistant Attorney General**Washington, D.C. 20530*

August 23, 2002

Exhibit 2

Mr. Dennis K. Neilander, Chairman  
Nevada Gaming Control Board  
P.O. Box 8003  
Carson City, Nevada 89706

Dear Chairman Neilander:

Your office recently spoke to Mr. Matthew Martens, who is the Criminal Division's Chief of Staff to the Assistant Attorney General, regarding the application of federal law to Internet gambling and the article on Internet gambling in Nevada that was prepared by Mr. Jeffrey R. Rodefer, who is an Assistant Chief Deputy Attorney General for the Nevada Attorney General's Office. The Criminal Division was recently informed by the Department of Justice's Office of Intergovernmental Affairs that your office is also requesting a written response.

As a general rule, the Department of Justice is limited by statute to providing legal advice within the federal government and the Criminal Division does not issue advisory opinions with respect to the legality of specific gambling operations. This allows the Department to defer the resolution of legal questions until it is confronted with a concrete situation requiring action in a judicial forum.

We may, however, provide general guidance as to relevant statutory provisions that are applicable to Internet gambling. As set forth in prior Congressional testimony, the Department of Justice believes that federal law prohibits gambling over the Internet, including casino-style gambling. While several federal statutes are applicable to Internet gambling, the main statutes are Sections 1084, 1952, and 1955, of Title 18, United States Code. As stated in Mr. Rodefer's article, Section 1084 of Title 18, United States Code, prohibits one in the business of betting or wagering from knowingly using a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or information assisting in the placing of bets or wagers. Section 1952 of Title 18, United States Code, prohibits traveling in interstate or foreign commerce, or using the mails, or using a facility in interstate or foreign commerce with intent to distribute the proceeds of an unlawful activity or otherwise promoting, managing, establishing, carrying on, or facilitating the promotion, management, establishment, or carrying on, of any unlawful activity and thereafter performing or attempting to perform such act. The term "unlawful activity" is defined in Section 1952(b) to mean "any business enterprise involving gambling . . . in violation of the laws of the State in which they are committed or of the United States." Section 1955 of Title 18, United States Code, prohibits illegal gambling businesses, which involve 1) a violation of state law, 2) five or more persons who conduct, finance, manage,



March 31, 2014

The Honorable Lindsey Graham  
290 Russell Senate Office Building  
Washington, DC 20510-4003

Dear Senator Graham:

On behalf of the National Association of Convenience Stores (NACS), I'm writing to convey our industry's strong support for your legislation, the Restoration of America's Wire Act. This issue is of vital importance to NACS members.

Since 1961, NACS has represented the interests of the convenience store industry. NACS is an international trade association representing more than 2,200 retail company members doing business in nearly 40 countries around the world, with the majority of members based in the United States. Many of our members are small, family-owned businesses. In fact, 70 percent of NACS members operate 10 stores or less. The industry as a whole employs more than 1.5 million people across the United States.

Several years ago, Congress took steps to limit the abuses of Internet gambling and protect Americans, including children, from what promised to be a rapid explosion of gambling on the Internet. Unfortunately, in late 2011 the Department of Justice changed nearly 50 years of legal precedent and decided that the Wire Act does not prevent gambling on the Internet (other than sports betting). Because of this dramatic change, the Internet is poised to be the Wild West of gambling with individual states allowing gambling businesses of all kinds to set up shop online and prey upon vulnerable Americans without any federal check or consistency.

Not only would this put kids at risk and dramatically increase gambling addiction and related problems, but it would devastate NACS member businesses throughout the country. Among the products NACS members offer are lottery tickets. NACS members spend substantial time and money ensuring that they verify age before customers can buy lottery tickets. No website will be able to replicate that. And, for problem gamblers and those who cannot afford to lose the money, just the need to leave home, go to a store and deal with another person in a face-to-face transaction can create some friction on decisions that they would later regret – certainly more friction than clicking a mouse in the privacy of home would cause. All of that will be lost if there are no federal limits on lotteries and other online gambling.

In Europe, where Internet gaming is legal, "lotteries" offer everything from slot machines to card games and more. And all too often these games are accessed and played by minors.

Convenience Stores depend upon lottery ticket sales to get foot traffic. Purchasers tend to purchase other products while in the store and these ancillary purchases are a key piece of the economic viability of convenience stores. Now is not the time to put brick-and-mortar small businesses in jeopardy by closing our eyes to a coming explosion of gambling on the Internet.

The Restoration of American's Wire Act would address these problems. If Congress does not act to pass this legislation, states will open the floodgates to Internet gambling and it will become difficult or impossible to turn it back. We appreciate your work in getting this legislation introduced and we look forward to seeing it become law.

Thank you for your efforts to help protect Americans from the problems of Internet gambling.

Sincerely,

A handwritten signature in black ink that reads "Lyle Beckwith". The signature is written in a cursive style with a large, looping initial "L".

Lyle Beckwith  
Senior Vice President,  
Government Relations

# Bad Juju

For many years, NACS has respectfully disagreed with assertions made by lottery officials that the sale of lottery tickets via the Internet would not harm convenience stores. This is the basis for our support of federal legislation that would prohibit online gaming (and online lottery sales). It's OK to disagree with your customers (I guess), but you had better have your facts buttoned-up when you do.

The National Association of State and Provincial Lotteries (NASPL) has circulated a paper claiming that there will be more than \$5.5 billion in losses if Congress passes the bipartisan, bicameral legislation known as the Restoration of America's Wire Act, which would restore the long-standing inter-

pretation of the 1961 Wire Act and reverse an abrupt Department of Justice (DOJ) decision in December 2011 to expand online gaming. Remarkably, and without support, NASPL asserts that the legislation would prohibit the use of electronic "vending machine" terminals in retail lottery outlets. Here's the only problem with NASPL's claim — it isn't true.

**“Lottery representatives misleading legislators is particularly troubling because they are potentially hurting their own customers — licensed retailers.**

The communication of lottery information electronically to these machines to facilitate lottery purchases has always been legal under the Wire Act. That was the case before DOJ reversed 50 years of legal interpretation to weaken the law and it has been true since that opinion. The Restoration of America's Wire Act simply makes clear that all gaming (and not just sports gaming, as DOJ theorized) is illegal on the Internet. It does nothing to change the status of lottery machines in retail locations.

In fact, to get ahead of the misleading claims NASPL is now making, Restoration of America's

Wire Act authors added a provision that makes clear retail terminals will remain legal if the bill becomes law. That provision states that nothing in the bill will “alter, limit, or extend . . . the ability of a State licensed lottery retailer to make in-person, computer-generated retail lottery sales under applicable Federal and State laws in effect on the date of the enactment of this Act.” This provision ensures that licensed retailers will not be negatively impacted by the proposed legislation and can use electronic terminals to aid lottery ticket sales. Again, the provision was added specifically for this purpose.

The willingness of lottery representatives to mislead legislators about the legislation is unfortunate. That is particularly troubling because they are doing so in a way that could potentially hurt their own customers — licensed retailers. It is clear that NASPL has made its goal of blocking legislation to prevent Internet gambling a higher priority than good relations with licensed lottery retailers.

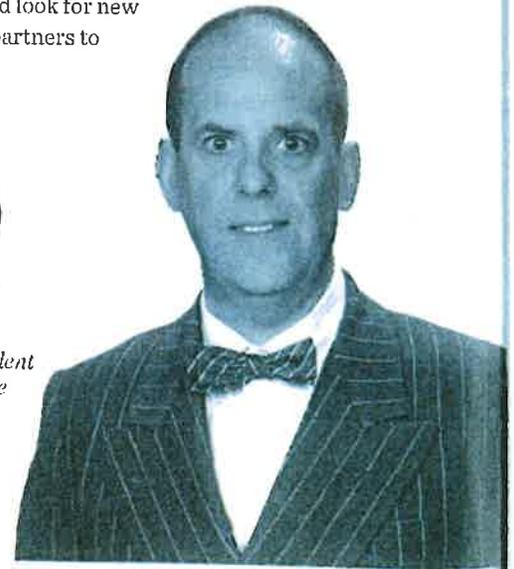
The other thing that NASPL's misleading claim shows is desperation, and that is good news for convenience store owners. NASPL recognizes that the 2014 Wire Act is gaining momentum and has a chance to become law. And that has made NASPL desperate enough to try to mislead people in order to derail the bill.

This all seems so unnecessary. State lotteries and convenience store operators can and should have a symbiotic working relationship. We need each other to be successful. Rather than disseminating misleading information to obtain an artificial legislative victory that creates an adverse environment for cooperation, lotteries should look for new ways to work with their retail partners to everyone's benefit.

From Capitol Hill,



*Lyle Beckwith is senior vice president of government relations. He can be reached at (703) 518-4220 or at [lbeckwith@nacsonline.com](mailto:lbeckwith@nacsonline.com).*





September 12, 2014

The Honorable Kelly Ayotte  
144 Russell Senate Office Building  
Washington, D.C. 20510-2907

**Re: The Restoration of America's Wire Act (S. 2159)**

Dear Senator Ayotte:

On behalf of Cumberland Farms, Inc. and its subsidiary, Gulf Oil Limited Partnership, I am writing to thank you for your co-sponsorship of S. 2159, the Restoration of America's Wire Act. This bill is needed to prevent a rush of states selling lottery tickets online – and a rush of other gambling businesses offering online games of every kind. The potential for this onslaught of internet gaming can create problems for children, increase addiction issues, and hurt Main Street businesses like ours. Your leadership on this issue is truly appreciated.

As you know, Cumberland Farms has been serving customers in New England since 1939. Today, we have 46 company-operated Cumberland Farms stores in New Hampshire, plus an additional 80 outlets in the state through which Gulf sells our branded fuels. We directly employ 475 people in New Hampshire, remit \$28 million in federal and state taxes annually from our New Hampshire operations, and have invested millions more in the state toward renovations and new construction in recent years.

One of the reasons for our success in New Hampshire and throughout the United States is our adherence to a simple philosophy: in an on-the-go world, we provide the products that our customers demand. This includes everything from food and beverages to gasoline. We try to make our customers' lives easier and respond to the fast pace of their daily routines.

Among the items that we offer in our stores are lottery tickets. While we don't make much money selling the tickets, we depend upon the customers they bring into our stores. Those customers buy other items and help keep us going. Many stores in our industry throughout New Hampshire and across the country depend on these sales just like we do. Indeed, industry data shows that customers that purchase lottery games in a store will also purchase at least one non-lottery product 95% of the time. Almost by definition, convenience stores strive to offer one-stop shopping, and the competition to do so is fierce. Therefore, if a customer purchases lottery tickets elsewhere, we stand an increased chance of losing their business for food, beverages, motor fuels, and other items as well.

Your support for S. 2159 will go a long way toward allowing our stores in New Hampshire to continue to thrive. We remain concerned, however, that some will try to create carve-outs to allow the sale of lottery tickets online. We urge you to do whatever you can, working with the cosponsors of S. 2159 and Senate leadership, to prevent that from happening. We need the bill to pass and we need it to pass without carve-outs.

Thank you for your efforts to-date championing New Hampshire businesses like ours. We hope these efforts will be successful and that you will be able to get S. 2159 passed this year.

Sincerely,

Ari N. Hascotes  
Chief Executive Officer

MEMORANDUM

**TO:** LAS VEGAS SANDS CORPORATION  
**FROM:** DAVE SACKETT  
**RE:** VOTER ATTITUDES TOWARDS INTERNET GAMBLING  
**DATE:** OCTOBER 9, 2013

The Tarrance Group is pleased to present the Las Vegas Sands Corporation with the key findings from a survey of voter attitudes in four states – California, Kentucky, Virginia, and Pennsylvania – regarding internet gambling. These key findings are based on telephone interviews with a total of N=2,216 “likely” registered voters throughout these four states. Responses to this survey were gathered during the period between June-October, 2013. The margin of error associated with the sample for each of these studies is  $\pm 4.3\%$  in 95 out of 100 cases.

**KEY FINDINGS**

- Voters in these four states are largely “pro-gaming.” Sixty percent (60%) of voters in these four states approve of their state allowing gaming as a way to generate revenue for the state, and only thirty-five percent (35%) are opposed.

		<u>PA</u>	<u>CA</u>	<u>KY</u>	<u>VA</u>	<u>Mean</u>
Allow gaming to generate revenue:	Approve	66%	57%	61%	54%	60%
	Disapprove	29%	37%	35%	40%	35%

- It is also the case that a majority of voters in both California and Pennsylvania favor their state expanding gambling as a way to generate additional revenue for the state to help deal with budget issues.

		<u>PA</u>	<u>CA</u>	<u>KY</u>	<u>VA</u>	<u>Mean</u>
New gambling to deal with deficit	Favor	54%	48%	---	---	51%
	Oppose	41%	48%	---	---	45%

- In three of the four states, the fundamental view that voters have of “casinos with Las Vegas style gaming” are quite positive, with fifty-three percent (53%) indicating that they have a positive view of these casinos and only thirty-nine percent (39%) indicating that they have a negative view.

		<u>PA</u>	<u>CA</u>	<u>KY</u>	<u>VA</u>	<u>Mean</u>
Casinos with Las Vegas style gaming	Positive	57%	58%	53%	44%	53%
	Negative	35%	34%	41%	48%	39%

- However, voters in all four states have a universally different (and far more negative) view of internet gambling and internet poker. As you can see from the chart below, over 60% of voters in each of these four states indicate that they have a negative view of internet gambling/poker.

		<u>PA</u>	<u>CA</u>	<u>KY</u>	<u>VA</u>	<u>Mean</u>
Internet gambling/poker	Positive	21%	26%	24%	18%	22%
	Negative	69%	61%	63%	72%	66%

- Further confirming evidence of the fact that voters view internet gambling/poker very differently than they do traditional forms of gambling was found in the results of the “competing thematic” that respondents were exposed to.

*Some people say/*

*Other people say that internet gambling is no different than the other types of gambling that already exist, and that it is simply a natural extension of gambling options in this technological age.*

*Other people say/*

*Some people say that internet gambling is very different from other types of gambling that already exist and that there are a number of key problems and potential abuses with online gambling that do not exist with traditional casino gambling.*

		<u>PA</u>	<u>CA</u>	<u>KY</u>	<u>VA</u>	<u>Mean</u>
Online vs. traditional gambling	No difference	27%	30%	32%	31%	30%
	Very different	63%	58%	51%	56%	57%

- The data from the surveys in Kentucky and Virginia found strong support for the current ban on internet gambling, with almost sixty percent (60%) indicating that they favor the current ban on internet gambling.

		<u>PA</u>	<u>CA</u>	<u>KY</u>	<u>VA</u>	<u>Mean</u>
Current Ban on internet gambling	Favor	---	---	63%	55%	59%
	Oppose	---	---	27%	33%	30%

- Finally, the data from these four states shows a universal opposition to any proposal that would legalize internet gambling or internet poker. As you can see from the chart below, over 60% of voters in these four states are opposed to any proposal to legalize internet gambling or internet poker, and this opposition is strong in each state.

		<u>PA</u>	<u>CA</u>	<u>KY</u>	<u>VA</u>	<u>Mean</u>
Legalizing Internet gambling/poker	Favor	32%	30%	35%	27%	31%
	Oppose	64%	63%	58%	66%	63%

- Even among those voters in each of these four states that self-identify as “active gamblers”, a solid majority in each of the four states indicate that they would be opposed to allowing internet gambling or internet poker.

###

# Poll: Americans split on recreational marijuana, but against online gambling

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RJ [reviewjournal.com](http://reviewjournal.com/business/casinos-gaming/poll-americans-split-recreational-marijuana-against-online-gambling) /business/casinos-gaming/poll-americans-split-recreational-marijuana-against-online-gambling

ASSOCIATED PRESS

ATLANTIC CITY — Americans are split over whether marijuana should be legalized for recreational use, according to a poll released Thursday. But the same poll finds them solidly opposed to online gambling.

The Fairleigh Dickinson University PublicMind poll finds that 50 percent of Americans favor legalizing marijuana use, while 27 percent support legalizing Internet gambling in the 47 states that don't allow it.

Although only New Jersey, Nevada and Delaware currently allow Internet gambling, at least 10 other states are or recently considered legalizing it.

"Right now online gambling looks to be a long shot in the court of public opinion," said Krista Jenkins, the poll's director and a professor of political science at the university.

The poll examined public attitudes about two activities that Jenkins said are taking place whether legal or not.

It found that 65 percent of respondents are not closely following news about Internet gambling.

But when asked if they favor or oppose allowing casinos to run online gambling for people in their states, 63 percent are opposed, with 27 percent approving. The numbers are largely unchanged from when similar questions were asked in 2012 and 2010.

In contrast, far more Americans are paying attention to news on marijuana legalization, with 86 percent saying they've heard of or read about legalization efforts.

By a ratio of 2-to-1, Democrats (63 percent) favor legalization more than Republicans (32 percent), with independents (58 percent) more closely aligned with Democrats.

Young people also are far more supportive of legalization, with 65 percent of the millennial generation and over half of Gen Xers (56 percent) in favor, compared with fewer than half (48 percent) of baby boomers and around a third (36 percent) of the World War II generation.

"Democrats see getting high as a lifestyle choice, whereas Republicans are more likely to understand it through the prism of morality and social deviance," Jenkins said. "However, the age differences we're seeing suggest that legal (pot) smoking in the future is more a question of 'when' rather than 'if.'"

Washington and Colorado have legalized recreational marijuana use, and several other states are considering it. Numerous others have approved medical marijuana use.

The nationwide poll of 1,151 adults ages 18 and older who reside in the United States was conducted by telephone with both landline and cellphones from April 21-27. It has a margin of error of

plus or minus 2.9 percentage points.

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## Why the chips are down for Internet gambling

Three states jumped into online gaming last year with high hopes. But so far their take is very low. The inherent problems in this addictive form of gambling should give pause to other states and to Congress if they are tempted to follow suit.

By the Monitor's Editorial Board | JULY 21, 2014

Last year, three states became the first to launch Internet gambling – but only for people within each state in order to avoid breaking federal law.

In New Jersey, by far the largest of the three, Gov. Chris Christie predicted \$180 million in revenue by July 1.

But like a gambler who believes in the mirage of luck, he was sadly disappointed. Online gambling revenue turned out to be \$10.7 million, far below the predicted \$180 million.

At the same time, the number of problem gamblers seeking help from the state went up, a clue to how 24-hour access to online gambling in the privacy of one's home can lead to trouble, especially for young people.

And to add to New Jersey's dashed dreams, a poll revealed a sharp rise in the disapproval of Internet gambling among residents – from 46 percent to 57 percent – in less than a year.

Internet gambling is off to a slow start in the three states – New Jersey, Delaware, Nevada – and rightly so. The inherent problems of protecting problem gamblers and other necessary regulations give it a troublesome future. In Europe, too, which has nearly half of the world market, online poker traffic is down while concern about the industry's effect is rising.

Last week, the European Union recommended to member states that gambling websites be required to check players' ages and identities when they open accounts. The EU also wants the industry to tell players about the risks of gambling and enable them to set spending limits.

"We must better protect all citizens, and in particular our children, from the risks associated with gambling," said an EU commissioner, Michel Barnier.

The online gambling industry in the United States is worried. It needs one big state to succeed in order to break open the market nationwide and also convince Congress to drop a federal law against Internet gambling across state lines. As hopes fade for New Jersey's experiment, the industry is turning its sights on Pennsylvania as the next big state to jump on board.

About 4 to 8 percent of young adults are vulnerable to compulsive gambling, according to New Jersey officials. And a Canadian think tank, the Alberta Gambling Research Institute, estimates that problem gambling touches about 10 percent of families in North America.



This photo shows gambling chips from four Atlantic City N.J. casinos that have either already gone out of business this year, or could do so by September, in part because of their low earnings after their entry into the new business of online gaming. (AP Photo)

As more elected leaders make big predictions about the revenue from Internet gambling, voters must not only puncture those rosy predictions but also tally up the social costs of expanding gambling to the Web. The winnings are often an illusion, but the costs from gambling addiction are real.

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QUESTION: On Passage

BILL TITLE: Unlawful Internet Gambling Enforcement Act

	<u>AYES</u>	<u>NOES</u>	<u>PRES</u>	<u>NV</u>
REPUBLICAN	201	17		12
DEMOCRATIC	115	76		10
INDEPENDENT	1			
<b>TOTALS</b>	<b>317</b>	<b>93</b>		<b>22</b>

1. Votes on UIGEA by Current RSC Members Serving in 2006

---- AYES – 42 among current RSC Members ---

*Aderholt	*Garrett (NJ)	*Miller (FL)
*Barton (TX)	*Gingrey	*Neugebauer
*Bishop (UT)	*Gohmert	*Pearce
*Blackburn	*Goodlatte	*Pitts
*Brady (TX)	*Granger	*Price (GA)
*Burgess	*Graves	*Rogers (AL)
*Carter	*Hensarling	*Royce
*Chabot	*Issa	*Shimkus
*Cole (OK)	*Johnson, Sam	*Smith (TX)
*Conaway	*King (IA)	*Thornberry
*Culberson	*Kline	*Turner
*Fortenberry	*Lucas	*Westmoreland
*Foxx	*Marchant	*Wilson (SC)
*Franks (AZ)	*McCaul (TX)	
	*McMorris	

(note: also voting AYE -- Chocola (club for growth))

---- NOES - 1 among current RSC members ---

		*Poe
--	--	------

---- NOT VOTING – 4 among current RSC members ---

*Forbes	*McHenry	*Sessions
---------	----------	-----------

	*Ryan (WI)	
--	------------	--

2. Full Roll Call vote on UIGEA (note: \*current Members)

---- AYES 317 ----

*Aderholt	Gallegly	Myrick
Akin	*Garrett (NJ)	*Neugebauer
*Alexander	Gerlach	Northup
<i>Allen</i>	Gilchrest	Norwood
Bachus	Gillmor	*Nunes
<i>Baird</i>	Gingrey	<i>Oberstar</i>
Baker	*Gohmert	<i>Obey</i>
Barrett (SC)	Goode	<i>Ortiz</i>
<i>Barrow</i>	*Goodlatte	Osborne
Bartlett (MD)	<i>Gordon</i>	Otter
*Barton (TX)	*Granger	Oxley
Bass	*Graves	*Pallone
<i>Bean</i>	*Green, Al	*Pascrell
Beauprez	*Green, Gene	<i>Payne</i>
<i>Berry</i>	Gutknecht	*Pearce
Biggert	Hall	*Pelosi
Bilbray	<i>Harman</i>	Pence
Bilirakis	*Harris	*Peterson (MN)
*Bishop (GA)	Hart	Peterson (PA)
<i>Bishop (NY)</i>	Hayes	Petri
*Bishop (UT)	Hayworth	Pickering
*Blackburn	Hefley	*Pitts
*Blumenauer	*Hensarling	Platts
Blunt	Herger	<i>Pomeroy</i>
Boehlert	<i>Herseth</i>	*Price (GA)
*Boehner	*Higgins	*Price (NC)
Bonilla	Hobson	Pryce (OH)
Bonner	Hoekstra	Putnam
Bono	<i>Holt</i>	Radanovich
Boozman	<i>Hooley</i>	<i>Rahall</i>
<i>Boren</i>	Hostettler	Ramstad
<i>Boswell</i>	Hulshof	Regula
<i>Boucher</i>	*Hunter	Rehberg
Boustany	Hyde	*Reichert
<i>Boyd</i>	Inglis (SC)	Renzi

Bradley (NH)	*Issa	Reynolds
*Brady (PA)	Jefferson	*Rogers (AL)
*Brady (TX)	Jindal	*Rogers (KY)
Brown (OH)	Johnson (CT)	Rogers (MI)
Brown (SC)	Johnson (IL)	Ross
Brown-Waite, Ginny	*Johnson, Sam	*Royce
*Burgess	*Jones (NC)	*Ruppersberger
Burton (IN)	Jones (OH)	*Ryan (OH)
*Butterfield	Kanjorski	Ryun (KS)
Buyer	*Kaptur	Sabo
*Calvert	Keller	Salazar
Camp (MI)	*Kelly	Sanders
Campbell (CA)	Kennedy (MN)	Saxton
Cannon	*King (IA)	Schmidt
Cantor	*King (NY)	Schwartz (PA)
Capito	Kingston	Schwarz (MI)
Cardin	Kirk	*Scott (GA)
Cardoza	*Kline	*Sensenbrenner
*Carter	Knollenberg	Shadegg
Case	Kuhl (NY)	Shaw
Castle	LaHood	Shays
*Chabot	*Langevin	*Sherman
Chandler	Lantos	Sherwood
Chocola	*Larsen (WA)	*Shimkus
*Cleaver	*Larson (CT)	*Shuster
*Clyburn	Latham	Simmons
Coble	LaTourette	*Simpson
*Cole (OK)	Leach	Skelton
*Conaway	*Levin	*Smith (TX)
*Cooper	Lewis (CA)	*Smith (WA)
Costa	*Lewis (GA)	Snyder
Costello	Lewis (KY)	Sodrel
Cramer	Linder	Souder
*Crenshaw	Lipinski	Spratt
*Crowley	*Lowey	Stearns
Cubin	*Lucas	Stupak
Cuellar	Lungren, Daniel E.	Sullivan
*Culberson	*Lynch	Sweeney
Davis (AL)	*Maloney	Tancredo
*Davis (CA)	Manzullo	Tanner
Davis (KY)	*Marchant	Taylor (MS)
Davis (TN)	Marshall	Taylor (NC)
Davis, Tom	Matheson	*Thornberry
Deal (GA)	*McCarthy	*Turner
*DeFazio	*McCaul (TX)	Udall (CO)
*DeGette	*McCollum (MN)	*Upton

* <i>DeLauro</i>	McCotter	* <i>Van Hollen</i>
*Dent	McCrery	* <i>Visclosky</i>
Diaz-Balart, L.	McHugh	*Walden (OR)
*Diaz-Balart, M.	<i>McIntyre</i>	Walsh
<i>Dicks</i>	McKeon	Wamp
* <i>Doggett</i>	*McMorris	* <i>Wasserman Schultz</i>
Doolittle	<i>Meehan</i>	* <i>Waters</i>
Drake	<i>Meek (FL)</i>	<i>Waxman</i>
Duncan	* <i>Meeks (NY)</i>	Weldon (FL)
* <i>Edwards</i>	<i>Melancon</i>	Weldon (PA)
Ehlers	*Mica	Weller
<i>Emanuel</i>	<i>Michaud</i>	*Westmoreland
Emerson	<i>Millender-McDonald</i>	*Whitfield
English (PA)	*Miller (FL)	Wicker
<i>Etheridge</i>	*Miller (MI)	Wilson (NM)
Everett	<i>Miller (NC)</i>	*Wilson (SC)
<i>Fattah</i>	Miller, Gary	Wolf
Feeney	<i>Mollohan</i>	<i>Wu</i>
Ferguson	<i>Moore (KS)</i>	<i>Wynn</i>
*Fitzpatrick (PA)	* <i>Moore (WI)</i>	Young (FL)
<i>Ford</i>	Moran (KS)	
*Fortenberry	<i>Moran (VA)</i>	
*Foxy	*Murphy	
*Franks (AZ)	<i>Murtha</i>	
*Frelinghuysen	Musgrave	

--- NOES 93 ---

<i>Abercrombie</i>	<i>Hastings (FL)</i>	<i>Owens</i>
<i>Ackerman</i>	*Hastings (WA)	* <i>Pastor</i>
* <i>Andrews</i>	<i>Holden</i>	Paul
<i>Baca</i>	* <i>Honda</i>	*Poe
<i>Baldwin</i>	* <i>Hoyer</i>	Pombo
* <i>Becerra</i>	<i>Inslee</i>	Porter
<i>Berkley</i>	* <i>Israel</i>	* <i>Rangel</i>
<i>Berman</i>	<i>Jackson (IL)</i>	<i>Reyes</i>
* <i>Brown, Corrine</i>	* <i>Jackson-Lee (TX)</i>	*Rohrabacher
* <i>Capps</i>	* <i>Johnson, E. B.</i>	<i>Rothman</i>
* <i>Capuano</i>	<i>Kennedy (RI)</i>	* <i>Roybal-Allard</i>
<i>Carnahan</i>	<i>Kildee</i>	* <i>Rush</i>
* <i>Carson</i>	<i>Kilpatrick (MI)</i>	* <i>Sánchez, Linda T.</i>
* <i>Clay</i>	* <i>Kind</i>	* <i>Sanchez, Loretta</i>
* <i>Conyers</i>	Kolbe	* <i>Schakowsky</i>
* <i>Cummings</i>	<i>Kucinich</i>	* <i>Schiff</i>
* <i>Davis (IL)</i>	* <i>Lee</i>	* <i>Scott (VA)</i>

<i>Delahunt</i>	*LoBiondo	*Serrano
* <i>Dingell</i>	* <i>Lofgren, Zoe</i>	<i>Solis</i>
<i>Dreier</i>	<i>Mack</i>	<i>Stark</i>
* <i>Engel</i>	* <i>Markey</i>	<i>Tauscher</i>
* <i>Eshoo</i>	* <i>Matsui</i>	* <i>Tiberi</i>
* <i>Farr</i>	* <i>McDermott</i>	* <i>Tierney</i>
<i>Filner</i>	* <i>McGovern</i>	<i>Towns</i>
<i>Flake</i>	<i>McKinney</i>	<i>Udall (NM)</i>
<i>Foley</i>	* <i>Miller, George</i>	* <i>Velázquez</i>
<i>Fossella</i>	* <i>Nadler</i>	<i>Watson</i>
<i>Frank (MA)</i>	* <i>Napolitano</i>	* <i>Watt</i>
<i>Gibbons</i>	* <i>Neal (MA)</i>	<i>Weiner</i>
<i>Gonzalez</i>	<i>Ney</i>	<i>Woolsey</i>
* <i>Grijalva</i>	<i>Olver</i>	* <i>Young (AK)</i>

---- NOT VOTING 22 ----

<i>Davis (FL)</i>	* <i>Hinojosa</i>	* <i>Sessions</i>
<i>Davis, Jo Ann</i>	<i>Istook</i>	* <i>Slaughter</i>
* <i>Doyle</i>	<i>Jenkins</i>	* <i>Smith (NJ)</i>
<i>Evans</i>	* <i>McHenry</i>	<i>Strickland</i>
* <i>Forbes</i>	<i>McNulty</i>	<i>Tiahrt</i>
<i>Green (WI)</i>	<i>Nussle</i>	<i>Wexler</i>
* <i>Gutierrez</i>	* <i>Ros-Lehtinen</i>	
<i>Hinchee</i>	* <i>Ryan (WI)</i>	

### 3. Current RSC MEMBERSHIP

#### RSC Member List

<a href="#"><u>Robert Aderholt</u></a>	AL-04	<a href="#"><u>Steve King</u></a>	IA
<a href="#"><u>Justin Amash</u></a>	MI-03	<a href="#"><u>Jack Kingston</u></a>	GA
<a href="#"><u>Michele Bachmann</u></a>	MN-03	<a href="#"><u>John Kline</u></a>	MO
<a href="#"><u>Spencer Bachus</u></a>	AL-06	<a href="#"><u>Raul Labrador</u></a>	ID
<a href="#"><u>Andy Barr</u></a>	KY-06	<a href="#"><u>Doug LaMalfa</u></a>	CA
<a href="#"><u>Joe Barton</u></a>	TX-06	<a href="#"><u>Doug Lamborn</u></a>	CO
<a href="#"><u>Dan Benishek</u></a>	MI-01	<a href="#"><u>James Lankford</u></a>	OK
<a href="#"><u>Kerry Bentivolio</u></a>	MI-11	<a href="#"><u>Robert Latta</u></a>	OH
<a href="#"><u>Gus Bilirakis</u></a>	FL-12	<a href="#"><u>Billy Long</u></a>	MO
<a href="#"><u>Rob Bishop</u></a>	UT-01	<a href="#"><u>Frank Lucas</u></a>	OK
<a href="#"><u>Diane Black</u></a>	TN-06	<a href="#"><u>Blaine Luetkemeyer</u></a>	MO
<a href="#"><u>Marsha Blackburn</u></a>	TN-07	<a href="#"><u>Cynthia Lummis</u></a>	WY

<a href="#"><u>Kevin Brady</u></a>	TX-08	<a href="#"><u>Kenny Marchant</u></a>	TX-24
<a href="#"><u>Jim Bridenstine</u></a>	OK-01	<a href="#"><u>Tom Marino</u></a>	PA-10
<a href="#"><u>Mo Brooks</u></a>	AL-05	<a href="#"><u>Thomas Massie</u></a>	KY-04
<a href="#"><u>Susan Brooks</u></a>	IN-05	<a href="#"><u>Michael McCaul</u></a>	TX-10
<a href="#"><u>Paul Broun</u></a>	GA-10	<a href="#"><u>Tom McClintock</u></a>	CA-04
<a href="#"><u>Vern Buchanan</u></a>	FL-16	<a href="#"><u>Patrick McHenry</u></a>	NC-10
<a href="#"><u>Larry Bucshon</u></a>	IN-08	<a href="#"><u>Buck McKeon</u></a>	CA-25
<a href="#"><u>Michael Burgess</u></a>	TX-26	<a href="#"><u>David McKinley</u></a>	WV-01
<a href="#"><u>Dave Camp</u></a>	MI-04	<a href="#"><u>Cathy McMorris Rodgers</u></a>	WA-05
<a href="#"><u>John Campbell</u></a>	CA-45	<a href="#"><u>Mark Meadows</u></a>	NC-11
<a href="#"><u>Eric Cantor</u></a>	VA-07	<a href="#"><u>Luke Messer</u></a>	IN-06
<a href="#"><u>John Carter</u></a>	TX-31	<a href="#"><u>Jeff Miller</u></a>	FL-01
<a href="#"><u>Bill Cassidy</u></a>	LA-06	<a href="#"><u>Markwayne Mullin</u></a>	OK-02
<a href="#"><u>Steve Chabot</u></a>	OH-01	<a href="#"><u>Mick Mulvaney</u></a>	SC-05
<a href="#"><u>Jason Chaffetz</u></a>	UT-03	<a href="#"><u>Randy Neugebauer</u></a>	TX-19

<a href="#"><u>Tom Cole</u></a>	OK-04	<a href="#"><u>Kristi Noem</u></a>	SD
<a href="#"><u>Chris Collins</u></a>	NY-27	<a href="#"><u>Richard Nugent</u></a>	FL-11
<a href="#"><u>Doug Collins</u></a>	GA-09	<a href="#"><u>Alan Nunnelee</u></a>	MS-01
<a href="#"><u>Michael Conaway</u></a>	TX-11	<a href="#"><u>Pete Olson</u></a>	TX-22
<a href="#"><u>Tom Cotton</u></a>	AR-04	<a href="#"><u>Steven Palazzo</u></a>	MS-04
<a href="#"><u>Kevin Cramer</u></a>	ND	<a href="#"><u>Steve Pearce</u></a>	NM-02
<a href="#"><u>Rick Crawford</u></a>	AR-01	<a href="#"><u>Scott Perry</u></a>	PA-04
<a href="#"><u>John Culberson</u></a>	TX-07	<a href="#"><u>Robert Pittenger</u></a>	NC-09
<a href="#"><u>Steve Daines</u></a>	MT	<a href="#"><u>Joe Pitts</u></a>	PA-16
<a href="#"><u>Rodney Davis</u></a>	IL-13	<a href="#"><u>Ted Poe</u></a>	TX-02
<a href="#"><u>Jeff Denham</u></a>	CA-10	<a href="#"><u>Mike Pompeo</u></a>	KS-04
<a href="#"><u>Ron DeSantis</u></a>	FL-06	<a href="#"><u>Bill Posey</u></a>	FL-08
<a href="#"><u>Scott DesJarlais</u></a>	TN-04	<a href="#"><u>Tom Price</u></a>	GA-06
<a href="#"><u>Sean Duffy</u></a>	WI-07	<a href="#"><u>Trey Radel</u></a>	FL-19
<a href="#"><u>Jeff Duncan</u></a>	SC-03	<a href="#"><u>Tom Reed</u></a>	NY-23

<a href="#"><u>Renee Ellmers</u></a>	NC-07	<a href="#"><u>Jim Renacci</u></a>	OH-16
<a href="#"><u>Blake Farenthold</u></a>	TX-27	<a href="#"><u>Reid Ribble</u></a>	WI-08
<a href="#"><u>Stephen Fincher</u></a>	TN-08	<a href="#"><u>Tom Rice</u></a>	SC-07
<a href="#"><u>Chuck Fleischmann</u></a>	TN-03	<a href="#"><u>Scott Rigell</u></a>	VA-02
<a href="#"><u>John Fleming</u></a>	LA-04	<a href="#"><u>Phil Roe</u></a>	TN-01
<a href="#"><u>Bill Flores</u></a>	TX-17	<a href="#"><u>Mike Rogers</u></a>	AL-03
<a href="#"><u>Randy Forbes</u></a>	VA-04	<a href="#"><u>Todd Rokita</u></a>	IN-04
<a href="#"><u>Jeff Fortenberry</u></a>	NE-01	<a href="#"><u>Peter Roskam</u></a>	IL-06
<a href="#"><u>Virginia Foxx</u></a>	NC-05	<a href="#"><u>Dennis Ross</u></a>	FL-15
<a href="#"><u>Trent Franks</u></a>	AZ-08	<a href="#"><u>Keith Rothfus</u></a>	PA-12
<a href="#"><u>Cory Gardner</u></a>	CO-04	<a href="#"><u>Ed Royce</u></a>	CA-39
<a href="#"><u>Scott Garrett</u></a>	NJ-05	<a href="#"><u>Paul Ryan</u></a>	WI-01
<a href="#"><u>Bob Gibbs</u></a>	OH-07	<a href="#"><u>Matt Salmon</u></a>	AZ-05
<a href="#"><u>Phil Gingrey</u></a>	GA-11	<a href="#"><u>Mark Sanford</u></a>	SC-01
<a href="#"><u>Louie Gohmert</u></a>	TX-01	<a href="#"><u>Steve Scalise</u></a>	LA-01

<a href="#"><u>Bob Goodlatte</u></a>	VA-06	<a href="#"><u>David Schweikert</u></a>	AZ-06
<a href="#"><u>Paul Gosar</u></a>	AZ-04	<a href="#"><u>Austin Scott</u></a>	GA-08
<a href="#"><u>Trey Gowdy</u></a>	SC-04	<a href="#"><u>Pete Sessions</u></a>	TX-32
<a href="#"><u>Kay Granger</u></a>	TX-12	<a href="#"><u>John Shimkus</u></a>	IL-15
<a href="#"><u>Brett Guthrie</u></a>	KY-2	<a href="#"><u>Adrian Smith</u></a>	NE-03
<a href="#"><u>Sam Graves</u></a>	MO-06	<a href="#"><u>Jason Smith</u></a>	MO-08
<a href="#"><u>Tom Graves</u></a>	GA-14	<a href="#"><u>Lamar Smith</u></a>	TX-21
<a href="#"><u>Tim Griffin</u></a>	AR-02	<a href="#"><u>Steve Southerland</u></a>	FL-02
<a href="#"><u>Michael Grimm</u></a>	NY-11	<a href="#"><u>Chris Stewart</u></a>	UT-02
<a href="#"><u>Ralph Hall</u></a>	TX-04	<a href="#"><u>Steve Stivers</u></a>	OH-15
<a href="#"><u>Richard Hanna</u></a>	NY-22	<a href="#"><u>Steve Stockman</u></a>	TX-36
<a href="#"><u>Gregg Harper</u></a>	MS-03	<a href="#"><u>Marlin Stutzman</u></a>	IN-03
<a href="#"><u>Andy Harris</u></a>	MD-01	<a href="#"><u>Mac Thornberry</u></a>	TX-13
<a href="#"><u>Vicky Hartzler</u></a>	MO-04	<a href="#"><u>Scott Tipton</u></a>	CO-03
<a href="#"><u>Jeb Hensarling</u></a>	TX-05	<a href="#"><u>Mike Turner</u></a>	OH-10

<a href="#"><u>Jaime Herrera Beutler</u></a>	WA-03	<a href="#"><u>Ann Wagner</u></a>	MO-02
<a href="#"><u>George Holding</u></a>	NC-13	<a href="#"><u>Tim Walberg</u></a>	MI-07
<a href="#"><u>Richard Hudson</u></a>	NC-08	<a href="#"><u>Jackie Walorski</u></a>	IN-02
<a href="#"><u>Tim Huelskamp</u></a>	KS-01	<a href="#"><u>Randy Weber</u></a>	TX-14
<a href="#"><u>Bill Huizenga</u></a>	MI-02	<a href="#"><u>Daniel Webster</u></a>	FL-10
<a href="#"><u>Randy Hultgren</u></a>	IL-14	<a href="#"><u>Brad Wenstrup</u></a>	OH-02
<a href="#"><u>Duncan Hunter, Jr.</u></a>	CA-50	<a href="#"><u>Lynn Westmoreland</u></a>	GA-03
<a href="#"><u>Robert Hurt</u></a>	VA-05	<a href="#"><u>Roger Williams</u></a>	TX-25
<a href="#"><u>Darrell Issa</u></a>	CA-49	<a href="#"><u>Joe Wilson</u></a>	SC-02
<a href="#"><u>Lynn Jenkins</u></a>	KS-02	<a href="#"><u>Robert Wittman</u></a>	VA-01
<a href="#"><u>Bill Johnson</u></a>	OH-06	<a href="#"><u>Steve Womack</u></a>	AR-03
<a href="#"><u>Sam Johnson</u></a>	TX-03	<a href="#"><u>Rob Woodall</u></a>	GA-07
<a href="#"><u>Jim Jordan</u></a>	OH-04	<a href="#"><u>Kevin Yoder</u></a>	KS-03
<a href="#"><u>David Joyce</u></a>	OH-14	<a href="#"><u>Ted Yoho</u></a>	FL-03
<a href="#"><u>Mike Kelly</u></a>	PA-03	<a href="#"><u>Todd Young</u></a>	IN-09



Urban League of  
Greater Kansas City

1710 Paseo Blvd  
Kansas City, Missouri 64108

816 471 0550  
816 471 3064

March 17, 2015

Rep. Emanuel Cleaver II  
U.S. House of Representatives  
2335 Rayburn House Office Building  
Washington, D.C. 20515

*Empowering Communities.  
Changing Lives.*

Re: H.R.707, Restore America's Wire Act

Dear Congressman Cleaver:

As Chief Executive Officer of the Urban League of Greater Kansas City, I am writing to thank you for your past support of legislation to reinstate a longstanding ban on Internet gambling and provide Congress the chance to more fully consider the significant ramifications of legalizing such activities. H.R. 707, Restore America's Wire Act, is a bi-partisan bill which reinstates the longstanding view of the Justice Department and numerous federal courts that the Wire Act bans Internet gambling.

As you know, the Urban League of Greater Kansas City is a 95-year old, multi-racial organization dedicated to the economic advancement and empowerment of African Americans and other minorities. From time to time we take positions on legislation we believe will have an impact on the advancement of this mission. In our measured opinion, online gambling presents a special threat to African Americans and other minorities in our community, particularly the economically disadvantaged who may be lured by the prospect of winning "easy money" by gambling on their mobile phones, tablets, or computers. A 2009 study commissioned by the National Institute of Health (NIH) bears out such concerns. According to the NIH, African Americans are more likely than the general population to become what it calls "disaffected gamblers." Couple this with the fact that a recent Pew Institute study demonstrates that African Americans are more likely to use their cell phones for purposes other than making phone calls, and in our view we have a problem.

We are also concerned that Internet gambling may cut into our tax base and pose a direct threat to jobs and economic growth in our City. As you know, local brick and mortar casinos have become economic engines for job growth and tourism in our area. If online gambling were to be legalized, casino patrons would be less inclined to spend their money at our thriving local casinos. And our casinos – as well as the surrounding bars, restaurants and shops – would not have the hiring needs they currently enjoy.

**In advance of next Thursday's Judiciary Committee hearing on Internet gambling, the KC Urban League respectfully asks that you again co-sponsor this very important legislation.**

Respectfully,

Gwendolyn Grant  
President & CEO



Dear House Judiciary Committee Member,

Please co-sponsor the Restore America's Wire Act (H.R. 707) to protect the right of American families to keep gambling casinos, online poker and lotteries out of their homes and off their children's cell phones, and support the Judiciary Committee promptly reporting out this bill with no loopholes.

Two days before Christmas in 2011, a Justice Department lawyer issued a legal opinion that threatens to fundamentally change how gambling is conducted in this country – taking it from an activity which requires physical presence in a public destination and making it available on potentially every cell phone, mobile device, tablet, laptop and home computer in the country.

The Justice Department opinion reversed 50 years of interpretation of the anti-gambling Federal Wire Act, stating that it now applies only to sports bets and not to online slot machines, casino games, lotteries or poker. The opinion opened the door for states to authorize Internet gambling, threatening to make gambling pervasive in American society – even though, as the President's nominee to be Attorney General, Loretta Lynch, testified, the opinion does not carry the force of law.

This momentous change to our nation's gambling policy was concocted in secret and without public consent. There is absolutely no evidence that December 23, 2011, the date of the Justice Department opinion, was the date the Internet became safe for gambling. There is no evidence the Justice Department even considered whether it is safe to turn cell phones into mobile casinos.

Internet gambling is a bad idea at the wrong time. An estimated 40% of white collar crime is committed by gambling addicts. Should we expand gambling in America online, we can only expect this number to increase.

The American people do not want this. Poll after poll has shown that the public opposes Internet gambling by large margins – with the opposition cutting across all demographics and political party affiliations – and for good reason. The public instinctively knows there is something fundamentally different and dangerous about putting mobile gambling casinos available 24 hours a day, 7 days a week on people's cell phones, tablets, laptops and computers.

Please co-sponsor the Restore America's Wire Act to protect every Family's Right to keep gambling casinos, video poker and lotteries out of their homes and off their children's cell phones, and support the Judiciary Committee promptly reporting out this bill with no loopholes.

Sincerely,

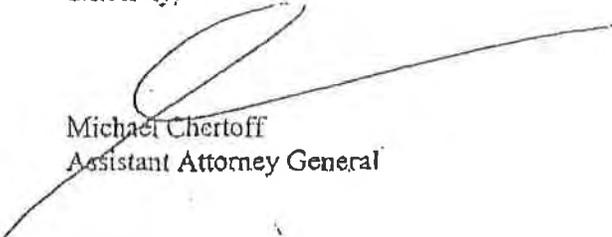
A handwritten signature in black ink that reads 'Regina Brown'.

Regina Brown  
President  
Transforming Florida, Inc.  
10233 130th St.  
Largo, Fl 33774

supervise, direct, or own all or part of such business, and 3) a business that has been or remains in substantially continuous operation for a period in excess of thirty days or has a gross revenue of \$2000 in any single day. In addition to criminal convictions, Section 1955 can be used to seek civil forfeiture of gambling proceeds. See United States v. \$734,578.82 in United States Currency, 286 F.3d 641 (3d Cir. 2002). Moreover, the federal money laundering statutes are applicable to unlawful Internet gambling businesses. Additionally, it is the Department's view that the gambling activity occurs both in the jurisdiction where the bettor is located and the state or foreign country where the gambling business is located.

I trust that this is responsive to your inquiry. Please do not hesitate to contact us if we can be of any further assistance in this or any other matter.

Sincerely,



Michael Chertoff  
Assistant Attorney General