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(Original Signature of Member)  
111TH CONGRESS

1ST SESSION **H. R. 11**

To amend title 31, United States Code, to provide for the licensing of Internet gambling activities by the Secretary of the Treasury, to provide for consumer protections on the Internet, to enforce the tax code, and for other purposes.

**IN THE HOUSE OF REPRESENTATIVES**

Mr. FRANK of Massachusetts introduced the following bill; which was referred to the Committee on **IIIIIIIIIIII**

**A BILL**

To amend title 31, United States Code, to provide for the licensing of Internet gambling activities by the Secretary of the Treasury, to provide for consumer protections on the Internet, to enforce the tax code, and for other purposes.

*1 Be it enacted by the Senate and House of Representa2  
tives of the United States of America in Congress assembled,*

**3 SECTION 1. SHORT TITLE.**

**4 This Act may be cited as the “Internet Gambling  
5 Regulation, Consumer Protection, and Enforcement Act”.**

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**1 SEC. 2. FEDERAL LICENSING REQUIREMENT FOR INTER2  
NET GAMBLING OPERATORS.**

**3 (a) IN GENERAL.—**Chapter 53 of title 31, United  
**4 States Code, is amended by adding at the end the fol5  
lowing new subchapter:**

**6 “SUBCHAPTER V—REGULATION OF LAWFUL  
7 INTERNET GAMBLING**

**8 “§ 5381. Congressional findings**

**9 “The Congress finds the following:**

**10 “(1) Since the development of the Internet, mil11  
lions of people have chosen to gamble online, and  
12 today Internet gambling is offered by operators lo13  
cated in many different countries under a variety of  
14 licensing and regulatory regimes.**

**15 “(2) Despite the increasing use of the Internet**

16 for gambling by persons in the United States, there  
17 is no Federal or State regulatory regime in place to  
18 protect United States citizens who choose to engage  
19 in this interstate activity, or to oversee operators to  
20 establish and enforce standards of integrity and fair21  
ness.

22 “(3) In the United States, gambling activities,  
23 equipment, and operations have been subject to var24  
ious forms of Federal and State control, regulation,  
25 and enforcement, with some form of gambling being

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1 permitted in nearly every State and by many Indian  
2 tribes.

3 “(4) Internet gambling in the United States  
4 should be controlled by a strict Federal licensing and  
5 regulatory framework to protect underage and other6  
wise vulnerable individuals, to ensure the games are  
7 fair, to address the concerns of law enforcement,  
8 and to enforce any limitations on the activity estab9  
lished by the States and Indian tribes.

10 “(5) An effective Federal licensing system  
11 would ensure that licenses are issued only to Inter12  
net gambling operators which meet strict criteria to  
13 protect consumers, and which—

14 “(A) are in good financial and legal stand15  
ing, and of good character, honesty, and integ16  
rity;

17 “(B) utilize appropriate technology to de18  
termine the age and location of users;

19 “(C) adopt and implement systems to pro20  
tect minors and problem gamblers;

21 “(D) adopt and implement systems to en22  
force any applicable Federal, State, and Indian  
23 tribe limitations on Internet gambling; and

24 “(E) have in place risk-based methods to  
25 identify and combat money laundering and

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1 fraud relating to Internet gambling, and to pro2  
tect the privacy and security of users.

3 “(6) There is a need to extend the regulatory  
4 provisions of this Act to all persons, locations, equip5  
ment, practices, and associations related to Internet  
6 gambling, with each State and Indian tribe having  
7 the ability to limit Internet gambling operators from  
8 offering Internet gambling to persons located within  
9 its territory by opting out of the provisions of this  
10 Act.

11 “§ 5382. Definitions

12 “For purposes of this subchapter, the following defi13  
nitions shall apply:

14 “(1) APPLICANT.—The term ‘applicant’ means  
15 any person who has applied for a license pursuant  
16 to this subchapter.

17 “(2) BET OR WAGER.—The term ‘bet or wager’  
18 has the same meaning as in section 5362(1).

19 “(3) ENFORCEMENT AGENT.—The term ‘en20  
forcement agent’ means any individual authorized by  
21 the Secretary to enforce the provisions of this sub22  
chapter and regulations prescribed under this sub23  
chapter.

24 “(4) INDIAN LANDS AND INDIAN TRIBE.—The  
25 terms ‘Indian lands’ and ‘Indian tribe’ have the

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1 same meanings as in section 4 of the Indian Gaming  
2 Regulatory Act.

3 “(5) INTERNET.—The term ‘Internet’ has the  
4 same meaning as in section 5362(5).

5 “(6) LICENSEE.—The term ‘licensee’ means an  
6 entity authorized to operate an Internet gambling  
7 facility in accordance with this subchapter.

8 “(7) OPERATE AN INTERNET GAMBLING FACIL9  
ITY.—The term ‘operate an Internet gambling facil10  
ity’ or ‘operation of an Internet gambling facility’

11 means the direction, management, supervision, or  
12 control of an Internet site through which bets or wa13  
gers are initiated, received, or otherwise made,  
14 whether by telephone, Internet, satellite, or other  
15 wire or wireless communication.

16 “(8) SECRETARY.—The term ‘Secretary’ means  
17 the Secretary of the Treasury, or any person des18  
ignated by the Secretary.

19 “(9) STATE.—The term ‘State’ means any  
20 State of the United States, the District of Columbia,  
21 or any commonwealth, territory, or other possession  
22 of the United States.

23 “(10) SPORTING EVENT.—The term ‘sporting  
24 event’ means any athletic competition, whether pro25  
fessional, scholastic, or amateur.

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1 “§ 5383. Establishment and administration of licens2  
ing program

3 “(a) TREASURY RESPONSIBILITIES.—The Secretary  
4 shall have responsibility for the following activities:

5 “(1) Exercising full regulatory jurisdiction  
6 over—

7 “(A) the operation of Internet gambling fa8  
cilities by licensees; and

9 “(B) the licensure of all applicants.

10 “(2) Prescribing such regulations as may be  
11 necessary to administer and enforce the require12  
ments of this subchapter.

13 “(3) Employing enforcement agents with suffi14  
cient training and experience to administer the re15  
quirements of this subchapter and the regulations  
16 prescribed under this subchapter.

17 “(4) Enforcing the requirements of this sub18  
chapter through all appropriate means provided  
19 under this subchapter and other provisions of law.

20 “(b) INTERNET GAMBLING LICENSING PROGRAM.—

21 “(1) LICENSING REQUIRED FOR CERTAIN

22 INTERNET GAMBLING.—No person may operate an  
23 Internet gambling facility that knowingly accepts  
24 bets or wagers from persons located in the United  
25 States without a license issued by the Secretary in  
26 accordance with this subchapter.

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1 “(2) AUTHORITY UNDER VALID LICENSE.—A li2  
censee may accept bets or wagers from persons lo3  
cated in the United States, subject to the limitations  
4 set forth in this subchapter, so long as its license re5  
mains in good standing.

6 “(c) APPLICATION FOR LICENSE.—

7 “(1) IN GENERAL.—Any person seeking author8  
ity to operate an Internet gambling facility offering  
9 services to persons in the United States may apply  
10 for a license issued by the Secretary.

11 “(2) INFORMATION REQUIRED.—Any applica12  
tion for a license under this subchapter shall contain  
13 such information as may be required by the Sec14  
retary, including the following:

15 “(A) The criminal and credit history of the  
16 applicant, any senior executive and director of  
17 the applicant, and any person deemed to be in  
18 control of the applicant.

19 “(B) The financial statements of the appli20  
cant.

21 “(C) Documentation showing the corporate  
22 structure of the applicant and all related busi23  
nesses and affiliates.

24 “(D) Documentation containing detailed  
25 evidence of the applicant’s plan for complying

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1 with all applicable regulations should a license  
2 be issued, with particular emphasis on the ap3  
plicant’s ability to—

4 “(i) protect underage and problem  
5 gamblers;  
6 “(ii) ensure games are being operated  
7 fairly; and  
8 “(iii) comply with and address the  
9 concerns of law enforcement.  
10 “(E) Certification that the applicant  
11 agrees to submit to United States jurisdiction  
12 and all applicable United States laws relating to  
13 acceptance by the applicant of bets or wagers  
14 over the Internet from persons located in the  
15 United States and all associated activities.  
16 “(d) STANDARDS FOR LICENSE ISSUANCE; SUIT17  
18 ABILITY QUALIFICATIONS AND DISQUALIFICATION  
19 STANDARDS.—  
20 “(1) SUITABILITY FOR LICENSING STAND20  
21 ARDS.—  
22 “(A) IN GENERAL.—No person shall be eli22  
23 gible to obtain a license unless the Secretary  
24 has determined, upon completion of a back24  
ground check and investigation, that the appli-

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1 cant, and any person deemed to be in control  
2 of the applicant, is suitable for licensing.  
3 “(B) ASSOCIATES OF APPLICANTS.—If the  
4 applicant is a corporation, partnership, or other  
5 business entity, a background check and inves6  
7 tigation shall occur with respect to the presi7  
8 dent or other chief executive of the corporation,  
9 partnership, or other business entity and other  
10 partners or senior executives and directors of  
11 the corporation, partnership, or entity, as deter11  
12 mined appropriate by the Secretary, in the Sec12  
13 retary’s sole discretion.  
14 “(C) BACKGROUND CHECK AND INVES14  
15 TIGATION.—The Secretary shall establish  
16 standards and procedures for conducting back16

ground checks and investigations for purposes  
17 of this subsection.

18 “(2) SUITABILITY FOR LICENSING STANDARDS

19 DESCRIBED.—For purposes of this subchapter, an  
20 applicant and any other person associated with the  
21 applicant, as applicable, is suitable for licensing if  
22 the applicant demonstrates to the Secretary by clear  
23 and convincing evidence that the applicant (or indi24  
vidual associated with the applicant, as applicable)—

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1 “(A) is a person of good character, hon2  
esty, and integrity;

3 “(B) is a person whose prior activities,  
4 reputation, habits, and associations do not—

5 “(i) pose a threat to the public inter6  
est or to the effective regulation and con7  
trol of the licensed activities; or

8 “(ii) create or enhance the dangers of  
9 unsuitable, unfair, or illegal practices,  
10 methods, and activities in the conduct of  
11 the licensed activities or the carrying on of  
12 the business and financial arrangements  
13 incidental to such activities;

14 “(C) is capable of and likely to conduct the  
15 activities for which the applicant is licensed in  
16 accordance with the provisions of this sub17  
chapter and any regulations prescribed under  
18 this subchapter;

19 “(D) has or guarantees acquisition of ade20  
quate business competence and experience in  
21 the operation of Internet gambling facilities;  
22 and

23 “(E) has or will obtain sufficient financing  
24 for the nature of the proposed operation and  
25 from a suitable source.

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1 “(3) UNSUITABLE FOR LICENSING.—An appli2  
cant or any other person may not be determined to  
3 be suitable for licensing within the meaning of this  
4 subchapter if the applicant or such person—

5 “(A) has failed to provide information and  
6 documentation material to a determination of  
7 suitability for licensing under paragraph (1);

8 “(B) has supplied information which is un9  
true or misleading as to a material fact per10  
taining to any such determination;

11 “(C) has been convicted of an offense pun12  
ishable by imprisonment of more than 1 year;  
13 or

14 “(D) is delinquent in filing any applicable  
15 Federal or State tax returns or in the payment  
16 of any taxes, penalties, additions to tax, or in17  
terest owed to a State or the United States.

18 “(4) ONGOING REQUIREMENT.—A licensee (and  
19 any other person who is required to be determined  
20 to be suitable for licensing in connection with such  
21 licensee) shall meet the standards necessary to be  
22 suitable for licensing throughout the term of the li23  
cense.

24 “(5) PROTECTION OF THE PUBLIC TRUST.—

25 The Secretary may take such action as is necessary

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1 to protect the public trust, including the implemen2  
tation of such safeguards as may be necessary to en3  
sure the operation of an Internet gambling facility  
4 licensed under this subchapter is controlled only by  
5 persons who are suitable for licensing.

6 “(6) ENFORCEMENT ACTIONS.—

7 “(A) DETERMINATION OF UNSUITABILITY

8 FOR CONTINUED LICENSURE.—If the Secretary  
9 finds that an individual owner or holder of a se10  
curity of a licensee, or of a holding or inter11



mediary company of a licensee or any person  
12 with an economic interest in a licensee or a di13  
rector, partner, or officer of a licensee is not  
14 suitable for licensing, the Secretary may deter15  
mine that the licensee is not qualified to con16  
tinue as a licensee.

17 “(B) ACTION TO PROTECT THE PUBLIC IN18  
TEREST, INCLUDING SUSPENSION.—If the Sec19  
retary may determine that the licensee is not  
20 qualified to continue as a licensee, the Secretary  
21 shall propose action necessary to protect the  
22 public interest, including, if deemed necessary,  
23 the suspension of the licensee.

24 “(C) IMPOSITION OF CONDITIONS INCLUD25  
ING REMOVAL OF PARTIES.—Notwithstanding a

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1 determination under subparagraph (A), the  
2 Secretary may allow a licensee to continue en3  
gaging in licensed activities by imposing condi4  
tions on the licensee under penalty of revocation  
5 or suspension of a license, including—

6 “(i) the identification of any person  
7 determined to be unsuitable for licensing;  
8 and

9 “(ii) the establishment of appropriate  
10 safeguards to ensure such person is ex11  
cluded from any interest in the licensed ac12  
tivities.

13 “(e) ASSESSMENTS FOR ADMINISTRATIVE EX14  
PENSES.—

15 “(1) USER FEES.—

16 “(A) IN GENERAL.—The cost of admin17  
istering this subchapter with respect to each li18  
censee, including the cost of any review or ex19  
amination of a licensee to ensure compliance  
20 with the terms of the license and this sub21  
chapter, shall be assessed by the Secretary

22 against the licensee institution by written notice  
23 in an amount appropriate to meet the Sec24  
retary's expenses in carrying out such adminis25  
tration, review, or examination.

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1 “(B) DISPOSITION.—Amounts assessed by  
2 the Secretary as user fees under subparagraph  
3 (A) shall—

4 “(i) be maintained by the Secretary  
5 solely for use in accordance with clause  
6 (ii);

7 “(ii) be available to the Secretary to  
8 cover all expenses incurred by the Sec9  
retary in carrying out this subchapter; and

10 “(iii) not be construed to be Govern11  
ment funds or appropriated monies, or  
12 subject to apportionment for the purposes  
13 of chapter 15 or any other authority.

14 “(C) HEARING.—Any licensee against  
15 whom an assessment is assessed under this  
16 paragraph shall be afforded an agency hearing  
17 if such person submits a request for such hear18  
ing within 20 days after the issuance of the no19  
tice of assessment.

20 “(D) COLLECTION.—

21 “(i) REFERRAL.—If any licensee fails  
22 to pay an assessment under this paragraph  
23 after the assessment has become final, the  
24 Secretary shall recover the amount as-

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1 sessed by action in the appropriate United  
2 States district court.

3 “(ii) APPROPRIATENESS OF ASSESS4  
MENT NOT REVIEWABLE.—In any civil ac5  
tion under clause (i), the validity and ap6

propriateness of the assessment shall not  
7 be subject to review.

8 “(2) DIRECT AND EXCLUSIVE OBLIGATION OF  
9 LICENSEE.—The user fee shall be the direct and ex10  
clusive obligation of the licensee and may not be de11  
ducted from amounts available as deposits to any  
12 person placing a bet.

13 “(f) APPROVAL OF LICENSE.—The Secretary shall  
14 grant licenses under this subchapter if the applicant meets  
15 the criteria set by the Secretary set forth in this sub16  
chapter and in any regulations promulgated thereunder.

17 “(g) SAFEGUARDS REQUIRED OF LICENSEE.—No  
18 person shall receive or retain a license under this section  
19 unless the person maintains or requires mechanisms so  
20 that the following requirements, and the standards estab21  
lished under section 5384, are met with respect to any  
22 Internet bet or wager:

23 “(1) LEGAL AGE.—Appropriate safeguards to  
24 ensure that the individual placing a bet or wager is  
25 of legal age as defined by the law of the State or

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1 tribal area in which the individual is located at the  
2 time the bet or wager is placed.

3 “(2) PERMISSIBLE LOCATION.—Appropriate  
4 safeguards to ensure that the individual placing a  
5 bet or wager is physically located in a jurisdiction  
6 that permits Internet gambling at the time the bet  
7 or wager is placed.

8 “(3) COLLECTION OF CUSTOMER TAXES.—Ap9  
propriate mechanisms to ensure that all taxes relat10  
ing to Internet gambling from persons engaged in  
11 Internet gambling are collected at the time of any  
12 payment of any proceeds of Internet gambling.

13 “(4) COLLECTION OF TAXES OF LICENSEE.—  
14 Appropriate mechanisms to ensure that all taxes re15  
lating to Internet gambling from any licensee are  
16 collected and disbursed as required by law, and that

17 adequate records to enable later audit or verification  
18 are maintained.

19 “(5) SAFEGUARDS AGAINST FINANCIAL  
20 CRIME.—Appropriate safeguards to combat fraud,  
21 money laundering, and terrorist finance.

22 “(6) SAFEGUARDS AGAINST COMPULSIVE GAM23  
BLING.—Appropriate safeguards to combat compul24  
sive Internet gambling.

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1 “(7) PRIVACY SAFEGUARDS.—Appropriate safe2  
guards to protect the privacy and security of any  
3 person engaged in Internet gambling.

4 “(8) PAYMENT OF ASSESSMENTS.—Appropriate  
5 mechanisms to ensure that any assessment under  
6 subsection (e) is paid to the Secretary.

7 “(9) OTHER REQUIREMENTS.—Such other re8  
quirements as the Secretary may establish by regula9  
tion or order.

10 “(h) TERM AND RENEWAL OF LICENSE.—

11 “(1) TERM.—Any license issued under this sec12  
tion shall be issued for a 5-year term beginning on  
13 the date of issuance.

14 “(2) RENEWAL.—Licenses may be renewed in  
15 accordance with the requirements prescribed by the  
16 Secretary pursuant to this subchapter.

17 “(i) REVOCATION OF LICENSE.—

18 “(1) IN GENERAL.—Any license granted under  
19 this subchapter may be revoked by the Secretary  
20 if—

21 “(A) the licensee fails to comply with any  
22 provision of this subchapter; or

23 “(B) the licensee is determined to be un24  
suitable for licensing, within the meaning of  
25 this subchapter.

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1 “(2) FINAL ACTION.—Any revocation of a li  
2 cense under paragraph (1) shall be treated as a final  
3 action by the Secretary.

4 “(j) REGULATIONS.—The regulations prescribed by  
5 the Secretary under this subchapter shall include regula  
6 tions to fully implement—

7 “(1) safeguards required for licensees under  
8 subsection (g); and

9 “(2) the requirements for programs relating to  
10 the Problem Gambling, Responsible Gambling, and  
11 Self-Exclusion Program under section 5384.

12 “(k) ADMINISTRATIVE PROVISIONS.—

13 “(1) GENERAL POWERS OF SECRETARY.—The  
14 Secretary shall have the authority to engage in the  
15 following:

16 “(A) Investigate the suitability of each ap  
17 plicant to ensure compliance with this sub  
18 chapter and regulations prescribed under this  
19 subchapter.

20 “(B) Require licensees to maintain appro  
21 priate procedures to ensure compliance with  
22 this subchapter and regulations prescribed  
23 under this subchapter.

24 “(C) Examine any licensee and any books,  
25 papers, records, or other data of licensees rel-

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1 evant to any recordkeeping or reporting require  
2 ments imposed by the Secretary under this sub  
3 chapter.

4 “(D) When determined by the Secretary to  
5 be necessary, summon a licensee or an appli  
6 cant for a license, an officer or employee of a  
7 licensee or any such applicant (including a  
8 former officer or employee), or any person hav  
9 ing possession, custody, or care of the reports  
10 and records required by the Secretary under  
11 this subchapter, to appear before the Secretary

12 or a designee of the Secretary at a time and  
13 place named in the summons and to produce  
14 such books, papers, records, or other data, and  
15 to give testimony, under oath, as may be rel16  
evant or material to any investigation in con17  
nection with the enforcement of this subchapter  
18 or any application for a license under this sub19  
chapter.

20 “(E) Investigate any violation of this sub21  
chapter and any regulation under this sub22  
chapter and any other violation of law relating  
23 to the operation of an Internet gambling facil24  
ity.

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1 “(F) Conduct continuing reviews of appli2  
cants and licensees and the operation of Inter3  
net gambling facilities by use of technological  
4 means, onsite observation of facilities, including  
5 servers, or other reasonable means to assure  
6 compliance with this subchapter and any regu7  
lations promulgated hereunder.

8 “(2) ADMINISTRATIVE ASPECTS OF SUM9

MONS.—

10 “(A) PRODUCTION AT DESIGNATED

11 SITE.—A summons issued pursuant to this sub12  
section may require that books, papers, records,  
13 or other data stored or maintained at any place  
14 be produced at any business location of a li15  
censee or applicant for a license or any des16  
ignated location in any State or in any territory  
17 or other place subject to the jurisdiction of the  
18 United States not more than 500 miles distant  
19 from any place where the licensee or applicant  
20 for a license operates or conducts business in  
21 the United States.

22 “(B) NO LIABILITY FOR EXPENSES.—The

23 United States shall not be liable for any ex24

pense incurred in connection with the produc-

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1 tion of books, papers, records, or other data  
2 under this subsection.

3 “(C) SERVICE OF SUMMONS.—Service of a  
4 summons issued under this subsection may be  
5 by registered mail or in such other manner cal  
6 culated to give actual notice as the Secretary  
7 may prescribe by regulation.

8 “(3) CONTUMACY OR REFUSAL.—

9 “(A) REFERRAL TO ATTORNEY GEN10

ERAL.—In case of contumacy by a person  
11 issued a summons under this subsection or a  
12 refusal by such person to obey such summons  
13 or to allow the Secretary to conduct an exam14  
ination, the Secretary shall refer the matter to  
15 the Secretary of the Treasury for referral to the  
16 Attorney General.

17 “(B) JURISDICTION OF COURT.—The At18  
torney General may invoke the aid of any court  
19 of the United States to compel compliance with  
20 the summons within the jurisdiction of which—

21 “(i) the investigation which gave rise  
22 to the summons or the examination is  
23 being or has been carried on;

24 “(ii) the person summoned is an in25  
habitant; or

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1 “(iii) the person summoned carries on  
2 business or may be found.

3 “(C) COURT ORDER.—The court may issue  
4 an order requiring the person summoned to ap5  
pear before the Secretary or a delegate of the  
6 Secretary to produce books, papers, records,  
7 and other data, to give testimony as may be

8 necessary to explain how such material was  
9 compiled and maintained, to allow the Secretary  
10 to examine the business of a licensee, and to  
11 pay the costs of the proceeding.

12 “(D) FAILURE TO COMPLY WITH ORDER.—

13 Any failure to obey the order of the court may  
14 be punished by the court as a contempt thereof.

15 “(E) SERVICE OF PROCESS.—All process  
16 in any case under this subsection may be served  
17 in any judicial district in which such person  
18 may be found.

19 “(I) CIVIL MONEY PENALTIES.—

20 “(1) IN GENERAL.—The Secretary may assess  
21 upon any licensee or other person subject to the re22  
quirements of this subchapter for any willful viola23  
tion of this subchapter or any regulation prescribed  
24 or order issued under this subchapter, a civil penalty  
25 of not more than the greater of—

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1 “(A) the amount (not to exceed \$100,000)  
2 involved in the violation, if any; or

3 “(B) \$25,000.

4 “(2) ASSESSMENT.—

5 “(A) WRITTEN NOTICE.—Any penalty im6  
posed under paragraph (1) may be assessed and  
7 collected by the Secretary by written notice.

8 “(B) FINALITY OF ASSESSMENT.—If, with  
9 respect to any assessment under paragraph (1),  
10 a hearing is not requested pursuant to subpara11  
graph (E) within the period of time allowed  
12 under such subparagraph, the assessment shall  
13 constitute a final and unappealable order.

14 “(C) AUTHORITY TO MODIFY OR REMIT  
15 PENALTY.—The Secretary may compromise,  
16 modify, or remit any penalty which the Sec17  
retary may assess or has already assessed  
18 under paragraph (1).



19 “(D) MITIGATING FACTORS.—In deter20  
mining the amount of any penalty imposed  
21 under paragraph (1), the Secretary shall take  
22 into account the appropriateness of the penalty  
23 with respect to—

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1 “(i) the size of the financial resources  
2 and the good faith of the person against  
3 whom the penalty is assessed;  
4 “(ii) the gravity of the violation;  
5 “(iii) the history of previous viola6  
tions; and  
7 “(iv) such other matters as justice  
8 may require.

9 “(E) HEARING.—The person against  
10 whom any penalty is assessed under paragraph  
11 (1) shall be afforded an agency hearing if such  
12 person submits a request for such hearing with13  
in 20 days after the issuance of the notice of  
14 assessment.

15 “(F) COLLECTION.—

16 “(i) REFERRAL.—If any person fails  
17 to pay an assessment after any penalty as18  
sessed under this paragraph has become  
19 final, the Secretary shall recover the  
20 amount assessed by action in the appro21  
priate United States district court.

22 “(ii) APPROPRIATENESS OF PENALTY  
23 NOT REVIEWABLE.—In any civil action  
24 under clause (i), the validity and appro-

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1 priateness of the penalty shall not be sub2  
ject to review.

3 “(G) DISBURSEMENT.—All penalties col4  
lected under authority of this subsection shall

5 be deposited into the Treasury.

6 “(3) CONDITION FOR LICENSURE.—Payment by  
7 a licensee of any civil penalty assessed under this  
8 subsection that has become final shall be a require9  
ment for the retention of its license.

10 “(m) TREATMENT OF RECORDS.—In light of busi11  
ness competition, confidentiality, and privacy concerns,  
12 the Secretary shall protect from disclosure information  
13 submitted in support of a license application under this  
14 subchapter and information collected in the course of reg15  
ulating licensees to the full extent permitted by sections  
16 552 and 552a of title 5, United States Code.

17 “(n) SUITABILITY FOR LICENSING REQUIREMENTS  
18 FOR CERTAIN SERVICE PROVIDERS.—

19 “(1) IN GENERAL.—Any person that knowingly  
20 manages, administers, or controls bets or wagers  
21 that are initiated, received, or otherwise made within  
22 the United States or that otherwise manages or ad23  
ministers the games with which such bets or wagers  
24 are associated must meet all of the suitability for li25  
censing criteria established under this section in the

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1 same manner and to the same extent as if that per2  
son were itself a licensee.

3 “(2) SUBJECT TO SAME ENFORCEMENT JURIS4  
DICTION.—Any failure on the part of such person to  
5 remain suitable for licensing shall be grounds for  
6 revocation of the license of the licensee for whom  
7 such service is provided, in the same manner and in  
8 accordance with subsection (i).

9 “(o) RELIANCE ON STATE AND TRIBAL REGULATORY  
10 BODY CERTIFICATIONS OF SUITABILITY FOR APPLI11  
CANTS.—

12 “(1) QUALIFICATION OF STATE AND TRIBAL  
13 REGULATORY BODIES.—

14 “(A) APPLICATION FOR DETERMINA15  
TION.—Any State or tribal regulatory body with

16 expertise in regulating gambling may—  
17 “(i) notify the Secretary of its willing18  
ness to review prospective applicants to  
19 certify whether any such applicant meets  
20 the qualifications established under this  
21 subchapter; and  
22 “(ii) provide the Secretary with such  
23 documentation as the Secretary determines  
24 necessary for the Secretary to determine  
25 whether such State or tribal regulatory

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1 body is qualified to conduct such review  
2 and may be relied upon by the Secretary to  
3 make any such certification.

4 “(B) DETERMINATION AND NOTICE.—

5 Within 60 days after receiving any notice under  
6 subparagraph(A)(i), the Secretary shall—

7 “(i) make the determination as to  
8 whether a State or tribal regulatory body  
9 is qualified to conduct a review of prospec10  
tive applicants and may be relied upon to  
11 certify whether any such applicant meets  
12 the qualifications established under this  
13 subchapter; and

14 “(ii) notify the State or tribal regu15  
latory body of such determination.

16 “(2) ACTIONS BY QUALIFIED AUTHORITIES.—

17 During the period that any determination of quali18  
fication under paragraph (1)(B) is in effect with re19  
spect to any such State or tribal regulatory body,  
20 the State or tribal regulatory body—

21 “(A) may undertake reviews of any appli22  
cant to determine whether the applicant or any  
23 person associated with the applicant meets the  
24 criteria for suitability for licensing established  
25 under this subchapter;

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1 “(B) may impose on each such applicant  
2 an administrative fee or assessment for con3  
ducting such review in an amount the regu4  
latory body determines to be necessary to meet  
5 its expenses in the conduct of such review; and  
6 “(C) shall process and assess each appli7  
cant fairly and equally based on objective cri8  
teria, regardless of any prior licensing of an ap9  
plicant by the State or tribal regulatory body.

10 “(3) RELIANCE ON STATE OR TRIBAL CERTIFI11  
CATION.—Any applicant may provide a certification  
12 of suitability for licensing made by any State or trib13  
al regulatory body under paragraph (2), together  
14 with all documentation the applicant has submitted  
15 to any such State or tribal regulatory body, to the  
16 Secretary, and any such certification and docu17  
mentation shall be relied on by the Secretary as evi18  
dence that an applicant has met the suitability for  
19 licensing requirements under this section.

20 “(4) AUTHORITY OF SECRETARY TO REVIEW.—  
21 Notwithstanding any certification of suitability for  
22 licensing made by any State or tribal regulatory  
23 body, the Secretary retains the authority to review,  
24 withhold, or revoke any license if the Secretary has  
25 reason to believe that any applicant or licensee does

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1 not meet the suitability requirements for licensing  
2 established under this section, or any other require3  
ment of a licensee.

4 “(5) RELIANCE ON QUALIFIED REGULATORY  
5 BODY FOR OTHER PURPOSES.—At the discretion of  
6 the Secretary, the Secretary may rely on any State  
7 and tribal regulatory body found qualified under this  
8 subsection for such other regulatory and enforce9  
ment activities as the Secretary finds to be useful  
10 and appropriate to carry out the purposes of this

11 subchapter.

12 “(6) REVOCATION OF QUALIFICATION.—The  
13 Secretary may revoke, at any time and for any rea14  
14 son, the qualification of any State or tribal regu15  
15 latory body to certify or to conduct any other regu16  
16 latory or enforcement activity to carry out the pur17  
17 poses of this subchapter.

18 “§ 5384. **Problem Gambling, Responsible Gambling,**  
19 **and Self-Exclusion Program**

20 “(a) REGULATIONS REQUIRED.—The Secretary and  
21 any State or tribal regulatory body that has been qualified  
22 under subsection 5383(o) shall prescribe regulations for  
23 the development of a Problem Gambling, Responsible  
24 Gambling, and Self-Exclusion Program on the basis of

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1 standards that each licensee shall implement as a condi2  
2 tion of licensure.

3 “(b) MINIMUM REQUIREMENTS.—Any application for  
4 a license shall include a submission to the Secretary or  
5 qualified State or tribal regulatory body setting forth a  
6 comprehensive program that is intended—

7 “(1) to verify the identity and age of each cus8  
8 tomer;

9 “(2) to ensure that no customers under the  
10 legal age as defined by State or tribal law, as appli11  
11 cable, may initiate or otherwise make any bets or  
12 wagers;

13 “(3) to verify the State or tribal land in which  
14 the customer is located at the time the customer at15  
15 tempts to initiate a bet or wager;

16 “(4) to ensure that no customer who is located  
17 in a State or tribal land that opts out pursuant to  
18 section 5386 can initiate or otherwise make a bet or  
19 wager prohibited by such opt-out;

20 “(5) to ensure that responsible gambling mate21  
21 rials are made available to customers upon request;

22 “(6) to make available individualized respon23

sible gambling options that any customer may  
24 choose, including any stake limit, loss limit, deposit  
25 limit, and session time limit option, and any other

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1 similar option, that the Secretary or qualified State  
2 or tribal regulatory body may deem appropriate and  
3 require to be made available;

4 “(7) to protect the privacy and security of any  
5 customer in connection with any lawful Internet  
6 gambling activity; and

7 “(8) to protect against fraud and money laun8  
dering relating to Internet gambling activity.

9 “(c) LIST OF PERSONS SELF-EXCLUDED FROM GAM10  
BLING ACTIVITIES.—

11 “(1) ESTABLISHMENT.—

12 “(A) IN GENERAL.—The Secretary shall  
13 provide by regulation for the establishment of a  
14 list of persons self-excluded from gambling ac15  
tivities at all licensee sites.

16 “(B) PLACEMENT REQUEST.—Any person  
17 may request placement on the list of self-ex18  
cluded persons by—

19 “(i) acknowledging in a manner to be  
20 established by the Secretary that the per21  
son wishes to be denied gambling privi22  
leges; and

23 “(ii) agreeing that, during any period  
24 of voluntary exclusion, the person may not  
25 collect any winnings or recover any losses

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1 resulting from any gambling activity at  
2 any licensee sites.

3 “(2) PLACEMENT AND REMOVAL PROCE4  
DURES.—The regulations prescribed by the Sec5  
retary under paragraph (1)(A) shall establish proce6

dures for placements on, and removals from, the list  
7 of self-excluded persons.

8 “(3) LIMITATION ON LIABILITY.—

9 “(A) IN GENERAL.—The United States,  
10 the Secretary, an enforcement agent, or a li11  
censee, or any employee or agent of the United  
12 States, the Secretary, an enforcement agent, or  
13 a licensee, shall not be liable to any self-ex14  
cluded person or to any other party in any judi15  
cial or administrative proceeding for any harm,  
16 monetary or otherwise, which may arise as a re17  
sult of—

18 “(i) any failure to withhold gambling  
19 privileges from, or to restore gambling  
20 privileges to, a self-excluded person; or

21 “(ii) otherwise permitting a self-ex22  
cluded person to engage in gambling activ23  
ity while on the list of self-excluded per24  
sons.

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1 “(B) RULE OF CONSTRUCTION.—No provi2  
sion of subparagraph (A) shall be construed as  
3 preventing the Director from assessing any reg4  
ulatory sanction against a licensee for failing to  
5 comply with the minimum standards prescribed  
6 pursuant to this subsection.

7 “(4) DISCLOSURE PROVISIONS.—

8 “(A) IN GENERAL.—Notwithstanding any  
9 other provision of Federal or State law, the list  
10 of self-excluded persons shall not be open to  
11 public inspection.

12 “(B) AFFILIATE DISCLOSURE.—Any li13  
censees may disclose the identities of persons on  
14 the self-excluded list to any affiliated company  
15 or, where required to comply with this sub16  
section, any service provider, to the extent that  
17 the licensee ensures that any affiliated company

18 or service provider maintains such information  
19 under confidentiality provisions comparable to  
20 those in this subsection.

21 “(5) LIMITATION ON LIABILITY FOR DISCLO22  
SURE.—A licensee or an employee, agent, or affiliate  
23 of a licensee shall not be liable to any self-excluded  
24 person or to any other party in any judicial pro25  
ceeding for any harm, monetary or otherwise, which

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1 may arise as a result of disclosure or publication in  
2 any manner.

3 “(d) GAMBLING BY PROHIBITED PERSONS.—

4 “(1) PROHIBITION BENEFITTING FROM PRO5  
HIBITED GAMBLING ACTIVITY.—A person who is  
6 prohibited from gambling with a licensee by law, or  
7 by order of the Secretary or any court of competent  
8 jurisdiction, including any person on the self-exclu9  
sion list as established in accordance with subsection  
10 (c), shall not collect, in any manner or proceeding,  
11 any winnings or recover any losses arising as a re12  
sult of any prohibited gambling activity.

13 “(2) FORFEITURE.—In addition to any other  
14 penalty provided by law, any money or thing of value  
15 that has been obtained by, or is owed to, any prohib16  
ited person by a licensee as a result of bets or wa17  
gers made by a prohibited person shall be subject to  
18 forfeiture by order of the Secretary, following notice  
19 to the prohibited person and opportunity to be  
20 heard.

21 “(3) DEPOSIT OF FORFEITED FUNDS.—Any  
22 funds forfeited pursuant to this subsection shall be  
23 deposited into the general fund of the Treasury.

24 “(e) PROBLEM OR COMPULSIVE GAMBLERS NOT ON  
25 THE LIST OF SELF-EXCLUDED PERSONS.—

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1 “(1) PUBLIC AWARENESS PROGRAM.—

2 “(A) IN GENERAL.—The Secretary and  
3 any State or tribal regulatory body that has  
4 been qualified under subsection 5383(o) shall  
5 provide by regulation for the establishment of a  
6 program to alert the public to the existence,  
7 consequences, and availability of the self-exclu8  
9 sion list, and shall prepare and promulgate  
10 written materials to be used in such a program.

11 “(B) LICENSEE-PROVIDED PUBLICITY.—

12 Regulations prescribed under subparagraph (A)  
13 may require a licensee to make available lit13  
14 erature or screen displays relating to the exist14  
15 ence of the program.

16 “(2) RULE OF CONSTRUCTION.—No provision  
17 of this subsection shall be construed as creating a  
18 legal duty in the Secretary, a qualified State or trib18  
19 al regulatory body, a licensee, or any representative  
20 of a licensee to identify or to exclude problem or  
21 compulsive gamblers not on the list of self-excluded  
22 persons.

23 “(3) IMMUNITY.—The United States, the Sec23  
24 retary, a qualified State or tribal regulatory body, a  
25 licensee, and any employee or agent of a licensee,  
shall not be liable to any person in any proceeding

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1 for losses or other damages of any kind arising out  
2 of that person’s gambling activities based on a claim  
3 that the person was a compulsive, problem, or patho4  
5 logical gambler.

6 “§ 5385. Financial transaction providers

7 “(a) IN GENERAL.—No financial transaction pro7  
8 vider shall be held liable for engaging in financial activities  
9 and transactions for or on behalf of a licensee or involving  
10 a licensee, including payments processing activities, if such  
11 activities are performed in compliance with this sub11  
chapter and with applicable Federal and State laws.

12 “(b) DEFINITIONS.—For purposes of this section, the  
13 following definitions shall apply:

14 “(1) FINANCIAL TRANSACTION PROVIDER.—

15 The term ‘financial transaction provider’ means a  
16 creditor, credit card issuer, financial institution, op17  
erator of a terminal at which an electronic fund  
18 transfer may be initiated, money transmitting busi19  
ness, or international, national, regional, or local  
20 payment network utilized to effect a credit trans21  
action, electronic fund transfer, stored value product  
22 transaction, or money transmitting service, or a par23  
ticipant in such network, or other participant in a  
24 payment system.

25 “(2) OTHER TERMS.—

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1 “(A) CREDIT, CREDITOR, CREDIT CARD,  
2 AND CARD ISSUER.— The terms ‘credit’, ‘cred3  
itor’, ‘credit card’, and ‘card issuer’ have the  
4 meanings given the terms in section 103 of the  
5 Truth in Lending Act.

6 “(B) ELECTRONIC FUND TRANSFER.—The  
7 term ‘electronic fund transfer’—

8 “(i) has the meaning given the term  
9 in section 903 of the Electronic Fund  
10 Transfer Act, except that the term includes  
11 transfers that would otherwise be excluded  
12 under section 903(6)(E) of such Act; and

13 “(ii) includes any fund transfer cov14  
ered by Article 4A of the Uniform Com15  
mercial Code, as in effect in any State.

16 “(C) FINANCIAL INSTITUTION.—The term  
17 ‘financial institution’ has the meaning given the  
18 term in section 903 of the Electronic Fund  
19 Transfer Act, except that such term does not  
20 include a casino, sports book, or other business  
21 at or through which bets or wagers may be  
22 placed or received.

23 “(D) INSURED DEPOSITORY INSTITU24  
TION.—The term ‘insured depository institu25  
tion’—

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1 “(i) has the meaning given the term  
2 in section 3(c) of the Federal Deposit In3  
surance Act; and

4 “(ii) includes an insured credit union  
5 (as defined in section 101 of the Federal  
6 Credit Union Act).

7 “(E) MONEY TRANSMITTING BUSINESS  
8 AND MONEY TRANSMITTING SERVICE.—The  
9 terms ‘money transmitting business’ and  
10 ‘money transmitting service’ have the meanings  
11 given the terms in section 5330(d) (determined  
12 without regard to any regulations prescribed by  
13 the Secretary under such section).

14 “§ 5386. Limitation of licenses in States and Indian  
15 lands

16 “(a) STATE OPT-OUT EXERCISE.—

17 “(1) LIMITATIONS IMPOSED BY STATES.—

18 “(A) IN GENERAL.—No licensee may en19  
gage, under any license issued under this sub20  
chapter, in the operation of an Internet gam21  
bling facility that knowingly accepts bets or wa22  
gers initiated by persons who reside in any  
23 State which provides notice that it will limit  
24 such bets or wagers, if the Governor or other  
25 chief executive officer of such State informs the

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1 Director of such limitation, in a manner which  
2 clearly identifies the nature and extent of such  
3 limitation, before the end of the 90-day period  
4 beginning on the date of the enactment of the  
5 Internet Gambling Regulation, Consumer Pro6

tection, and Enforcement Act, or in accordance  
7 with paragraph (2), until such time as any no8  
tice of any amendment or repeal of such spe9  
cific limitation becomes effective under para10  
graph (2).

11 “(B) COORDINATION BETWEEN STATE AND  
12 TRIBAL OPT-OUT EXERCISES.—Any State limi13  
tation under subparagraph (A) shall not apply  
14 to the acceptance by a licensee of bets or wa15  
gers from persons located within the tribal  
16 lands of an Indian tribe that—

17 “(i) has itself opted out pursuant to  
18 subsection (b) (in which case the tribal  
19 opt-out exercise under such subsection  
20 shall apply); or

21 “(ii) would be entitled pursuant to  
22 other applicable law to permit such bets or  
23 wagers to be initiated and received within  
24 its territory without use of the Internet.

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1 “(C) COORDINATION WITH INDIAN GAMING  
2 REGULATORY ACT.—No decision by a State  
3 under this subsection shall be considered in  
4 making any determination with regard to the  
5 ability of an Indian tribe to offer any class of  
6 gambling activity pursuant to section 11 of the  
7 Indian Gaming Regulatory Act.

8 “(2) CHANGES TO STATE LIMITATIONS.—The  
9 establishment, repeal, or amendment by any State of  
10 any limitation referred to in paragraph (1) after the  
11 end of the 90-day period beginning on the date of  
12 the enactment of this subchapter shall apply, for  
13 purposes of this subchapter, beginning on the first  
14 January 1 that occurs after the end of the 60-day  
15 period beginning on the later of—

16 “(A) the date a notice of such establish17  
ment, repeal, or amendment is provided by the

18 Governor or other chief executive officer of such  
19 State in writing to the Secretary; or  
20 “(B) the effective date of such establish21  
ment, repeal, or amendment.  
22 “(b) INDIAN TRIBE OPT-OUT EXERCISE.—  
23 “(1) LIMITATIONS IMPOSED BY INDIAN  
24 TRIBES.—No Internet gambling licensee knowingly  
25 may accept a bet or wager from a person located in

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1 the tribal lands of any Indian tribe which limits such  
2 gambling activities or other contests if the principal  
3 chief or other chief executive officer of such Indian  
4 tribe informs the Secretary of such limitation, in a  
5 manner which clearly identifies the nature and ex6  
tent of such limitation, before the end of the 90-day  
7 period beginning on the date of the enactment of the  
8 Internet Gambling Regulation, Consumer Protection,  
9 and Enforcement Act, or in accordance with para10  
graph (2), until such time as any notice of any  
11 amendment or repeal of such specific limitation be12  
comes effective under paragraph (2).

13 “(2) CHANGES TO INDIAN TRIBE LIMITA14  
TIONS.—The establishment, repeal, or amendment  
15 by any Indian tribe of any limitation referred to in  
16 paragraph (1) after the end of the 90-day period be17  
ginning on the date of the enactment of this sub18  
chapter shall apply, for purposes of this subchapter,  
19 beginning on the first January 1 that occurs after  
20 the end of the 60-day period beginning on the later  
21 of—

22 “(A) the date a notice of such establish23  
ment, repeal, or amendment is provided by the  
24 principal chief or other chief executive officer of  
25 such Indian tribe in writing to the Secretary; or

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1 “(B) the effective date of such establish2  
ment, repeal, or amendment.

3 “(c) NOTIFICATION AND ENFORCEMENT OF STATE  
4 AND INDIAN TRIBE LIMITATIONS.—

5 “(1) IN GENERAL.—The Secretary shall notify  
6 all licensees and applicants of all States and Indian  
7 tribes that have provided notice pursuant to para8  
graph (1) or (2) of subsection (a) or (b), as the case  
9 may be, promptly upon receipt of such notice and in  
10 no event fewer than 30 days before the effective date  
11 of such notice.

12 “(2) COMPLIANCE.—The Secretary shall take  
13 effective measures to ensure that any licensee under  
14 this subchapter, as a condition of the license, com15  
plies with any limitation or prohibition imposed by  
16 any State or Indian tribe to which the licensee is  
17 subject under subsection (a) or (b), as the case may  
18 be.

19 “(3) VIOLATIONS.—It shall be a violation of  
20 this subchapter for any licensee knowingly to accept  
21 bets or wagers initiated or otherwise made by per22  
sons located within any State or in the tribal lands  
23 of any Indian tribe for which a notice is in effect  
24 under subsection (a) or (b), as the case may be.

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1 “(4) STATE ATTORNEY GENERAL ENFORCE2  
MENT.—In any case in which the attorney general of  
3 a State, or any State or local law enforcement agen4  
cy authorized by the State attorney general or by  
5 State statute to prosecute violations of consumer  
6 protection law, has reason to believe that an interest  
7 of the residents of that State has been or is threat8  
ened or adversely affected by a violation by a li9  
censee pursuant to paragraph (2), the State, or the  
10 State or local law enforcement agency on behalf of  
11 the residents of the agency’s jurisdiction, may bring  
12 a civil action on behalf of the residents of that State

13 or jurisdiction in a district court of the United  
14 States located therein, to—  
15 “(A) enjoin that practice; or  
16 “(B) enforce compliance with this sub17  
chapter.

18 **“§ 5387. Professional and Amateur Sports Protection**  
19 **Act prohibitions**

20 “No provision of this subchapter shall be construed  
21 as authorizing any licensee to operate an Internet gam22  
bling facility that knowingly accepts bets or wagers on  
23 sporting events from persons located in the United States  
24 in violation of section 3702 of title 28, United States

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1 Code, except for fantasy or simulation sports games (as  
2 defined in section 5362 of this title).

3 **“§ 5388. Safe harbors**

4 “It shall be a complete defense against any prosecu5  
tion or enforcement action under any Federal or State law  
6 against any person possessing a valid license under this  
7 subchapter that the activity is authorized under and has  
8 been carried out lawfully under the terms of this sub9  
chapter.

10 **“§ 5389. Relation to section 1084 of title 18 and the**  
11 **Unlawful Internet Gambling Enforcement**

12 **Act**

13 “Section 1084 of title 18 and subchapter IV of this  
14 chapter shall not apply to any Internet bet or wager occur15  
ring pursuant to a license issued by the Secretary under  
16 this subchapter.

17 **“§ 5390. Cheating and other fraud**

18 **“(a) ELECTRONIC CHEATING DEVICES PROHIB19**  
**ITED.—**No person initiating, receiving, or otherwise mak20  
ing a bet or wager with a licensee, or sending, receiving,  
21 or inviting information assisting with a bet or wager with  
22 a licensee, knowingly shall use, or assist another in the  
23 use of, an electronic, electrical, or mechanical device which  
24 is designed, constructed, or programmed specifically for

## 25 use in obtaining an advantage in any game authorized

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1 under this subchapter, where such advantage is prohibited  
2 or otherwise violates the rules of play established by the  
3 licensee.

4 “(b) ADDITIONAL OFFENSE.—No person initiating,  
5 receiving, or otherwise making a bet or wager with a li6  
censee, or sending, receiving, or inviting information as7  
sisting with a bet or wager with a licensee, knowingly shall  
8 use or possess any cheating device with intent to cheat  
9 or defraud any licensee or other persons placing bets or  
10 wagers with such licensee.

11 “(c) PERMANENT INJUNCTION.—Upon conviction of  
12 a person for violation of this section, the court may enter  
13 a permanent injunction enjoining such person from initi14  
ating, receiving, or otherwise making bets or wagers or  
15 sending, receiving, or inviting information assisting in the  
16 placing of bets or wagers.

17 “(d) CRIMINAL PENALTY.—Whoever violates sub18  
section (a) or (b) of this section shall be fined under title  
19 18 of the United States Code or imprisoned for not more  
20 than 5 years, or both.”.

21 (b) RULES OF CONSTRUCTION.—

22 (1) TECHNICAL AND CONFORMING AMEND23

MENT.—Section 310(b)(2) of title 31, United States  
24 Code is amended—

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1 (A) by redesignating subparagraphs (J)  
2 and (K) as subparagraphs (K) and (L), respec3  
tively; and

4 (B) by inserting after subparagraph (I) the  
5 following new subparagraph:

6 “(J) Administer the requirements of sub7  
chapter V of chapter 53.”.

8 (c) CLERICAL AMENDMENT.—The table of sub9



chapters and sections for chapter 53 of title 31, United States Code, is amended by adding at the end the following:

“SUBCHAPTER V—REGULATION OF LAWFUL INTERNET GAMBLING

“ “5381. Congressional findings and purpose.

“ “5382. Definitions.

“ “5383. Establishment and administration of licensing program.

“ “5384. Minimum requirements: Problem Gambling, Responsible Gambling, and Self-Exclusion Program.

“ “5385. Financial transaction providers.

“ “5386. Limitation of licenses in States and Indian lands.

“ “5387. Professional and Amateur Sports Protection Act prohibitions.

“ “5388. Safe harbors.

“ “5389. Relation to section 1084 of title 18 and the Unlawful Internet Gambling Enforcement Act.

“ “5390. Cheating and other fraud.”.

**12 SEC. 3. REPORT REQUIRED.**

13 (a) **IN GENERAL.**—Before the end of the 1-year period beginning on the effective date of the regulations prescribed under section 4(a), and annually thereafter, the Secretary shall submit a report to the Congress on the licensing and regulation of Internet gambling operators.

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1 (b) **INFORMATION REQUIRED.**—Each report submitted under subsection (a) shall include the following information:

4 (1) A comprehensive statement regarding the prohibitions notified by the States and Indian tribes pursuant to section 5386 of title 31, United States Code.

8 (2) Relevant statistical information on applicants and licenses.

10 (3) The amount of licensing and user fees collected during the period covered by the report.

12 (4) Information on regulatory or enforcement actions undertaken during the period.

14 (5) Any other information that may be useful to the Congress in evaluating the effectiveness of the Act in meeting its purpose, including the provision of protections against underage gambling, compulsive gambling, money laundering, and fraud, and in

19 combating tax avoidance relating to Internet gam20  
bling.

21 **SEC. 4. EFFECTIVE DATE.**

22 (a) **REGULATIONS.**—The Secretary of the Treasury  
23 shall prescribe such regulations as the Secretary may de24  
termine to be appropriate to implement subchapter V of  
25 chapter 53 of title 31, United States Code (as added by

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1 section 2(a) of this Act) and shall publish such regulations  
2 in final form in the Federal Register before the end of  
3 the 180-day period beginning on the date of the enactment  
4 of this Act.

5 (b) **SCOPE OF APPLICATION.**—The amendment made  
6 by section 2(a) shall apply after the end of the 90-day  
7 period beginning on the date of the publication of the reg8  
ulations in final form in accordance with subsection (a).

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