

110<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6663

To amend title 31, United States Code, to provide additional clarification with regard to the implementation of the Unlawful Internet Gambling Enforcement Act of 2006, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 30, 2008

Mr. SESSIONS (for himself, Mr. BERRY, Mr. JACKSON of Illinois, and Mr. DELAHUNT) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend title 31, United States Code, to provide additional clarification with regard to the implementation of the Unlawful Internet Gambling Enforcement Act of 2006, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Unlawful Internet  
5 Gambling Enforcement Clarification and Implementation  
6 Act of 2008”.

1 **SEC. 2. CONGRESSIONAL FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—Congress finds the following:

3 (1) Prior to the passage of the Unlawful Inter-  
4 net Gambling Enforcement Act of 2006 (hereafter in  
5 this section referred to as the “UIGEA”), Public  
6 Law 109–347, on October 13, 2006, Federal law  
7 was both vague and outdated regarding Internet  
8 gambling activities, as Federal criminal gambling  
9 statutes were passed decades before the commercial  
10 use of the Internet.

11 (2) To date, all Federal Internet gambling pros-  
12 ecutions have involved sports betting, creating a lack  
13 of authoritative court decisions on the applicability  
14 of other federal criminal statutes to Internet poker  
15 and casino-style gambling.

16 (3) Sports betting, which is illegal in 49 of the  
17 50 States, is viewed as particularly harmful because  
18 its potential adverse impact on the integrity of pro-  
19 fessional and amateur sports, and is the one form of  
20 gambling where there is settled Federal case law  
21 clarifying it as illegal on the Internet.

22 (4) Many European Internet gambling compa-  
23 nies offering services not including sports betting to  
24 persons in the United States were fully listed on the  
25 London Stock Exchange, and thereby subject to high  
26 standards of transparency and scrutiny, but upon

1 receiving clarification of United States law regarding  
2 Internet gaming through the enactment of the  
3 UIGEA, these companies closed their sites to per-  
4 sons in the United States.

5 (5) Continued legal jeopardy for companies that  
6 made a good faith effort to comply voluntarily with  
7 clarified United States law following the passage of  
8 the UIGEA punishes behavior that the law intended  
9 to foster and inadvertently rewards continued non-  
10 compliance by other foreign entities.

11 (6) In light of the foregoing and in deference to  
12 long-standing constitutional requirements of fair no-  
13 tice and transparency in the criminal law, the Con-  
14 gress finds it necessary to clarify that criminal stat-  
15 utes applicable to gambling do not apply to any per-  
16 son who offered Internet gambling services that did  
17 not include sports betting prior to October 13, 2006,  
18 and who ceased offering Internet gambling services  
19 to persons in the United States upon passage of the  
20 UIGEA.

21 (7) To effect the purposes and intent of the  
22 UIGEA, it is the sense of the Congress that the At-  
23 torney General should focus any prosecutorial efforts  
24 on those persons who—

1 (A) offer Internet sports betting in the  
2 United States; or

3 (B) process payments for illegal Internet  
4 sports betting in the United States.

5 **SEC. 3. UIGEA CLARIFICATION AND IMPLEMENTATION.**

6 (a) IN GENERAL.—Subchapter IV of chapter 53 of  
7 title 31, United States Code, is amended by adding at the  
8 end the following new section:

9 **“§ 5368. Voluntary compliance**

10 “(a) IN GENERAL.—Notwithstanding any other pro-  
11 vision of law—

12 “(1) except as provided in paragraphs (2) and  
13 (3), no person shall be subject to criminal liability  
14 arising out of—

15 “(A) the offering, receipt or facilitation of  
16 bets or wagers by means of the Internet;

17 “(B) financial transactions in connection  
18 with or involving the consideration for, or pro-  
19 ceeds of, bets or wagers by means of the Inter-  
20 net;

21 “(C) the administration, advising, audit,  
22 direction, operation, lending, management, mar-  
23 keting or supplying of a business or services in-  
24 volving activities or transactions referred to in  
25 subparagraph (A) or (B); or

1           “(D) the banking, brokerage, custody,  
2           issuance, placement, promotion, sale or transfer  
3           of shares or proceeds from a business involving  
4           activities or transactions referred to in subpara-  
5           graph (A), (B), or (C);

6           “(2) paragraph (1) shall not apply to any per-  
7           son who knowingly—

8           “(A) offered illegal bets or wagers to, or  
9           received bets or wagers from, any person within  
10          the United States by means of the Internet  
11          after October 13, 2006;

12          “(B) in violation of section 1084 of title  
13          18, United States Code, used the Internet for  
14          the transmission in interstate or foreign com-  
15          merce of bets or wagers on any sporting event  
16          or sporting contest, or information assisting in  
17          the placing of bets or wagers on any sporting  
18          event or contest, by any person within the  
19          United States; or

20          “(C) processed or facilitated financial  
21          transactions in connection with or involving the  
22          consideration for, or proceeds of, involving ac-  
23          tivities or transactions referred to in subpara-  
24          graph (A) or (B); and

1           “(3) paragraph (1) shall not apply to conduct  
2           that violated sections 1956 or 1957 of title 18,  
3           United States Code, by a financial or monetary  
4           transaction, or the transfer or transportation of  
5           funds, with the intent to promote unlawful activity  
6           other than the offering, receipt, or facilitation of  
7           bets or wagers by means of the Internet, or to con-  
8           ceal or disguise the nature, location, source, owner-  
9           ship, or control of the proceeds of unlawful activity  
10          other than the offering, receipt, or facilitation of  
11          bets or wagers by means of the Internet.

12          “(b) CRIMINAL LIABILITY DEFINED.—For purposes  
13          of subsection (a), the term ‘criminal liability’ includes ac-  
14          tions against real or personal property that arise from or  
15          depend upon the allegedly criminal nature of the bet or  
16          wager or of the transmission or receipt of funds in connec-  
17          tion with that bet or wager.”.

18          (b) CLERICAL AMENDMENT.—The table of sections  
19          for subchapter IV of chapter 53 of title 31, United States  
20          Code, is amended by inserting after the item relating to  
21          section 5367 the following new item:

          “5368. Voluntary compliance.”.

22          **SEC. 4. RULE OF CONSTRUCTION.**

23          No provision of this Act, or any amendment made  
24          by this Act, shall be construed as clarifying or implying  
25          that Internet bets or wagers, other than sports bets or

1 wagers, which were accepted subsequent to October 13,  
2 2006, are in violation of Federal law.

