

114TH CONGRESS
1ST SESSION

H. R. 2888

To establish a program for the licensing of Internet poker by States and federally recognized Indian tribes, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 25, 2015

Mr. BARTON (for himself, Mr. LANCE, and Mr. COHEN) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Financial Services, 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

A BILL

To establish a program for the licensing of Internet poker by States and federally recognized Indian tribes, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Internet Poker Freedom Act of 2015”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

TITLE I—PROHIBITION ON UNLICENSED INTERNET POKER AND
PROTECTIONS FOR INTERNET POKER CONSUMERS

- Sec. 101. Definitions.
 Sec. 102. Prohibition on unlicensed Internet poker.
 Sec. 103. Department of Commerce qualification and oversight of Qualified
 Regulatory Authorities.
 Sec. 104. Licensing by Qualified Regulatory Authorities.
 Sec. 105. Enforcement.
 Sec. 106. Compulsive gaming, responsible gaming, and self-exclusion program
 requirements.
 Sec. 107. Prohibitions and restrictions.
 Sec. 108. Safe harbor.
 Sec. 109. Relation to subchapter IV of chapter 53 of title 31, United States
 Code.
 Sec. 110. Cheating and other fraud.
 Sec. 111. Construction and relation to other law.
 Sec. 112. Regulations.
 Sec. 113. Annual reports.
 Sec. 114. Effective date.

TITLE II—STRENGTHENING OF UNLAWFUL INTERNET
GAMBLING ENFORCEMENT ACT OF 2006

- Sec. 201. Financial transaction providers.
 Sec. 202. List of unlicensed Internet gambling enterprises.
 Sec. 203. Regulations.
 Sec. 204. Conforming amendments.

1 SEC. 2. FINDINGS.

2 Congress finds the following:

3 (1) Since the development of the Internet, on-
 4 line Web sites offering Internet poker have raised
 5 numerous policy, consumer protection, and enforce-
 6 ment concerns for Federal, State, and tribal govern-
 7 ments as such Web sites are run by operators lo-
 8 cated in many different countries and have sought to
 9 attract customers from the United States.

10 (2) The Unlawful Internet Gambling Enforce-
 11 ment Act of 2006 (title VIII of Public Law 109–
 12 347; 120 Stat. 1952) was intended to aid enforce-

1 ment efforts against unlawful Internet operators and
2 to limit unlawful Internet gaming involving United
3 States persons. However, that Act has only been
4 partially successful in doing so.

5 (3) The Department of Justice has found that
6 it is legal for States to license Internet poker and
7 other forms of non-sports Internet gaming within
8 their borders, and to compact with each other for
9 interstate play. In response to this finding, three
10 States have enacted legislation to license commercial
11 operators to provide Internet poker or other Internet
12 gaming services, and several other states are pro-
13 viding lottery services over the Internet.

14 (4) Additional tools to assist law enforcement in
15 the prevention of unlawful Internet gaming activities
16 would be important and beneficial. Maintenance of a
17 list of unlicensed Internet poker enterprises and the
18 owners, operators, and key personnel of such enter-
19 prises (as well as entities and related personnel
20 found unsuitable) would aid those law enforcement
21 efforts and would make the Unlawful Internet Gam-
22 bling Enforcement Act more effective.

23 (5) Poker is distinct from the class of games of
24 chance traditionally defined as gambling in that
25 players compete against each other, and not the per-

1 son or entity hosting the game (sometimes called
2 “the house”), and that over any significant interval
3 the outcome of a poker game is predominantly deter-
4 mined by the skill of the participants.

5 (6) United States consumers would benefit from
6 a program of Internet poker regulation which recog-
7 nizes the interstate nature of the Internet, but nev-
8 ertheless preserves the prerogatives of States and
9 federally recognized Indian tribes. Such a system
10 would require strict licensing of Internet poker pro-
11 viders and would require licensee operators to—

12 (A) have effective means to prevent minors
13 from playing poker on-line;

14 (B) identify and help treat problem gam-
15 blers;

16 (C) prevent minors and players in non-par-
17 ticipating States;

18 (D) allow players to self-exclude and limit
19 losses; and

20 (E) prevent money laundering.

21 (7) Such a program would create a new indus-
22 try within the United States creating thousands of
23 jobs and substantial revenue for Federal, State, and
24 tribal governments.

1 **TITLE I—PROHIBITION ON UNLI-**
2 **CENSED INTERNET POKER**
3 **AND PROTECTIONS FOR**
4 **INTERNET POKER CON-**
5 **SUMERS**

6 **SEC. 101. DEFINITIONS.**

7 As used in this title, the following definitions apply:

8 (1) **APPLICANT.**—The term “applicant” means
9 any person who has applied for a license pursuant
10 to this title.

11 (2) **BET OR WAGER.**—

12 (A) **IN GENERAL.**—Except as provided in
13 subparagraph (B), the term “bet or wager” has
14 the meaning given the term in section 5362 of
15 title 31, United States Code.

16 (B) **EXCEPTION.**—The term “bet or
17 wager” does not include the following:

18 (i) **INTERSTATE HORSERACING.**—A
19 bet or wager that is permissible under the
20 Interstate Horseracing Act of 1978 (15
21 U.S.C. 3001 et seq.).

22 (ii) **CERTAIN INTRASTATE TRANS-**
23 **ACTIONS.**—Placing, receiving, or otherwise
24 transmitting a bet or wager—

1 (I) as described in subparagraph
2 (B) of section 5362(10) of title 31,
3 United States Code, and clarified by
4 subparagraph (E) of such section; and

5 (II) authorized under a license
6 that was issued by a regulatory body
7 of a State or federally recognized In-
8 dian tribe on or before the date of en-
9 actment of this Act.

10 (iii) INTRASTATE LOTTERY TRANS-
11 ACTIONS.—A bet or wager that is—

12 (I) a chance or opportunity to
13 win a lottery or other prize (which op-
14 portunity to win is predominantly sub-
15 ject to chance) authorized by a State
16 or federally recognized Indian tribe;
17 and

18 (II) a placing, receiving, or trans-
19 mitting of a bet or wager as described
20 in such subparagraph (B) and clari-
21 fied by subparagraph (E) of such sec-
22 tion 5362(10).

23 (iv) INTRATRIBAL TRANSACTIONS.—
24 Placing, receiving, or otherwise transmit-
25 ting a bet or wager as described in sub-

1 paragraph (C) of such section 5362(10), as
2 clarified by such subparagraph (E).

3 (3) CASINO GAMING.—

4 (A) IN GENERAL.—Except as provided in
5 subparagraph (B), the term “casino gaming”
6 means the full range of casino gaming activity
7 licensed by regulatory bodies of States or feder-
8 ally recognized Indian tribes that would be
9 qualified as class III gaming under section 4 of
10 the Indian Gaming Regulatory Act (25 U.S.C.
11 2703), if that Act were applicable to the gam-
12 ing.

13 (B) EXCEPTION.—The term “casino gam-
14 ing” does not include lotteries of States or fed-
15 erally recognized Indian tribes.

16 (4) CASINO GAMING FACILITY.—The term “ca-
17 sino gaming facility” means a facility that provides
18 casino gaming on a riverboat, at a race track, or in
19 another facility that hosts gaming devices in one
20 physical location pursuant to a duly authorized li-
21 cense issued by a gaming regulatory authority of a
22 State or Indian tribe and has not fewer than 500
23 slot machines.

24 (5) COMMISSION.—The term “Commission”
25 means the National Indian Gaming Commission.

1 (6) GAMING DEVICE.—

2 (A) IN GENERAL.—Except as provided in
3 subparagraph (B), the term “gaming device”
4 means any computer-based gambling machine,
5 including slot machines and video lottery termi-
6 nals that have been approved by a gaming regu-
7 latory authority of a State or federally recog-
8 nized Indian tribe.

9 (B) EXCEPTIONS.—The term “gaming de-
10 vice” does not include—

11 (i) machines that process bets or wa-
12 gers for parimutuel betting pools or class
13 II gaming devices qualified under section 4
14 of the Indian Gaming Regulatory Act (25
15 U.S.C. 2703); or

16 (ii) a personal computer.

17 (7) INDEPENDENT TESTING LABORATORY.—

18 The term “independent testing laboratory” means a
19 testing laboratory that is accredited by an inter-
20 national accreditation body approved by the Sec-
21 retary and is not owned or controlled by an Internet
22 gaming facility, an electronic gambling equipment
23 vendor, manufacturer, or retailer, or an Internet
24 gambling operator.

1 (8) INDIAN LANDS AND FEDERALLY RECOG-
2 NIZED INDIAN TRIBE.—The terms “Indian lands”
3 and “federally recognized Indian tribe” have the
4 meanings given the terms “Indian lands” and “In-
5 dian tribes”, respectively, in section 4 of the Indian
6 Gaming Regulatory Act (25 U.S.C. 2703).

7 (9) INTERNET.—The term “Internet” has the
8 meaning given the term in section 5362 of title 31,
9 United States Code.

10 (10) INTERNET POKER.—The term “Internet
11 poker” means a poker game, hand, tournament, or
12 other contest of poker offered through the use of an
13 Internet poker facility.

14 (11) INTERNET POKER FACILITY.—The term
15 “Internet poker facility” means an Internet Web
16 site, or similar communications facility in which
17 transmissions may cross State boundaries, through
18 which a bet or wager is initiated, received, or other-
19 wise made, solely with respect to a game, hand,
20 tournament, or other contest of poker, whether
21 transmitted by telephone, Internet, satellite, or other
22 wire or wireless communication facility, service, or
23 medium.

24 (12) LICENSEE.—The term “licensee” means a
25 person who operates an Internet poker facility under

1 a license issued by a qualified regulatory authority
2 pursuant to this title.

3 (13) OPERATE AN INTERNET POKER FACIL-
4 ITY.—The term “operate an Internet poker facility”
5 means to conduct, direct, manage, own, supervise, or
6 control an Internet poker facility.

7 (14) POKER.—The term “poker” means any of
8 several card games commonly known as poker in
9 which players compete against each other, and not
10 against any person, entity, or fellow player hosting
11 the game (sometimes called “the house”), the out-
12 come of which, over any significant interval, is pre-
13 dominantly determined by the skill of the players.

14 (15) QUALIFIED REGULATORY AUTHORITY.—
15 The term “qualified regulatory authority” means—

16 (A) a State agency or regulatory body that
17 has been designated as a qualified regulatory
18 authority under section 103(c);

19 (B) the designated regulatory authority of
20 a federally recognized Indian tribe authorized to
21 game under the Indian Gaming Regulatory Act
22 and designated as a qualified regulatory author-
23 ity under section 103(c); or

24 (C) the Office of Internet Poker Oversight
25 established under section 103(b).

1 (16) QUALIFIED CARD ROOM.—The term
2 “qualified card room” means a facility that has been
3 licensed by a State or federally recognized Indian
4 tribe to provide at least 175 tables in one physical
5 facility for bets or wagers on poker.

6 (17) REMOTE GAMING EQUIPMENT.—

7 (A) IN GENERAL.—Except as provided in
8 subparagraph (B), the term “remote gaming
9 equipment” means electronic or other equip-
10 ment principally used by or on behalf of an op-
11 erator of an Internet poker facility, including by
12 any significant vendor to such operator, to—

13 (i) register a person’s participation in
14 Internet poker and to store information re-
15 lating thereto;

16 (ii) present to persons who are partici-
17 pating or who may participate in Internet
18 poker the game that is to be played;

19 (iii) determine all or part of, or the ef-
20 fect of, a result relevant to a game, hand,
21 tournament, or other contest of Internet
22 poker and to store information relating
23 thereto;

24 (iv) accept payment with respect to
25 Internet poker from the player; or

1 (v) authorize payment of any winnings
2 in respect of Internet poker.

3 (B) EXCEPTION.—The term “remote gam-
4 ing equipment” does not include the following:

5 (i) Equipment used for business con-
6 tinuity, back-up, excess capacity, or other
7 secondary use.

8 (ii) A computer which is used by a
9 person to participate in Internet poker un-
10 less the computer is provided by or on be-
11 half of the person who is conducting or
12 providing the facilities for the game.

13 (iii) Equipment operated in the ordi-
14 nary course of providing banking, tele-
15 communications, or payment processing
16 services.

17 (iv) Such other equipment that pro-
18 vides ancillary services as the Secretary
19 considers appropriate.

20 (18) SECRETARY.—The term “Secretary”
21 means the Secretary of Commerce.

22 (19) SIGNIFICANT VENDOR.—The term “signifi-
23 cant vendor” means a person who—

24 (A) on behalf of a licensee, knowingly man-
25 ages, administers, or controls bets or wagers

1 that are initiated, received, or otherwise made
2 within the United States;

3 (B) on behalf of a licensee, knowingly
4 manages, administers, or controls the games
5 with which such bets or wagers are associated;

6 (C) on behalf of a licensee, develops, main-
7 tains, or operates the software or other system
8 programs or hardware on which the games or
9 the bets or wagers are managed, administered,
10 or controlled;

11 (D) provides the trademarks, trade names,
12 service marks, or similar intellectual property
13 under which a licensee identifies its Internet
14 poker facility to its customers in the United
15 States;

16 (E) sells, licenses, or otherwise receives
17 compensation for selling or licensing informa-
18 tion via a database or customer list on individ-
19 uals in the United States selected in whole or
20 in part because they made bets or wagers with
21 an Internet poker facility not licensed either
22 pursuant to this title or by a State or federally
23 recognized Indian tribe as permitted under this
24 title;

1 (F) provides any products, services, or as-
2 sets to a licensee and is paid a percentage of
3 gaming revenue or Internet poker commission
4 fees by the licensee (not including fees to finan-
5 cial institutions and payment providers for fa-
6 cilitating a deposit by a customer); or

7 (G) with respect to an applicant, proposes
8 to provide any of the activities, services, or
9 items identified in subparagraphs (A) through
10 (E).

11 (20) STATE.—The term “State” means each of
12 the several States of the United States, the District
13 of Columbia, and any commonwealth, territory, or
14 possession of the United States.

15 **SEC. 102. PROHIBITION ON UNLICENSED INTERNET POKER.**

16 (a) PROHIBITION.—

17 (1) IN GENERAL.—It shall be unlawful for a
18 person to operate an Internet poker facility without
19 a license in good standing issued to such person by
20 a qualified regulatory authority under this title.

21 (2) EXCEPTION.—Paragraph (1) shall not
22 apply to the operation of an Internet poker facility
23 by a person located outside the United States in
24 which bets or wagers are initiated, received, or oth-

1 erwise made by individuals located outside the
2 United States.

3 (b) CRIMINAL PENALTIES.—Any person who violates
4 this section shall be fined under title 18, United States
5 Code, imprisoned for not more than 5 years, or both.

6 **SEC. 103. DEPARTMENT OF COMMERCE QUALIFICATION**
7 **AND OVERSIGHT OF QUALIFIED REGU-**
8 **LATORY AUTHORITIES.**

9 (a) COMMERCE RESPONSIBILITIES AND POWERS.—
10 The Secretary, in the case of a State, and the Commission,
11 in the case of a federally recognized Indian tribe, shall
12 have responsibility and authority for the following activi-
13 ties:

14 (1) Reviewing and qualifying regulatory au-
15 thorities to issue licenses under this title.

16 (2) Exercising oversight over qualified regu-
17 latory authorities to ensure that such authorities—

18 (A) comply with the requirements of this
19 title; and

20 (B) carry out their regulatory and enforce-
21 ment functions under this title with appropriate
22 diligence.

23 (3) Investigating and taking appropriate reme-
24 dial action with respect to any qualified regulatory
25 authority.

1 (4) Prescribing such regulations as may be nec-
2 essary to administer and enforce the provisions of
3 this title.

4 (b) OFFICE OF INTERNET POKER OVERSIGHT.—

5 (1) ESTABLISHMENT.—The Secretary shall es-
6 tablish an office in the Department of Commerce to
7 be known as the “Office of Internet Poker Over-
8 sight” (in this subsection referred to as the “office”)
9 to exercise the functions of the Secretary set out in
10 this title.

11 (2) DIRECTOR AND DELEGATION OF AUTHOR-
12 ITY.—The Secretary shall appoint a Director of the
13 office from among individuals who have dem-
14 onstrated experience and expertise in regulating
15 gaming activities and may delegate to the Director
16 any authority, duty, or responsibility conferred upon
17 the Secretary by this title.

18 (c) DESIGNATION OF QUALIFIED REGULATORY AU-
19 THORITIES.—

20 (1) QUALIFICATION OF REGULATORY AUTHORI-
21 TIES.—The Secretary, in the case of a State, or the
22 Commission, in the case of a federally recognized In-
23 dian tribe, shall qualify any regulatory authority
24 that is designated to the Secretary or the Commis-
25 sion by a State or federally recognized Indian tribe,

1 respectively, that wishes to participate in the licens-
2 ing program to carry out the licensing and other
3 functions under this title if the Secretary, in the
4 case of a State, or the Commission, in the case of
5 a federally recognized Indian tribe, determines that
6 such regulatory authority meets the minimum stand-
7 ards for qualification prescribed under paragraph
8 (2).

9 (2) MINIMUM STANDARDS FOR QUALIFIED REG-
10 ULATORY AUTHORITIES.—The Secretary, in con-
11 sultation with the Commission, shall prescribe min-
12 imum standards for qualifying a qualified regulatory
13 authority under this subsection, including minimum
14 standards—

15 (A) relating to the size and qualification of
16 staff of the regulatory authority to ensure a
17 sufficient number of enforcement agents with
18 experience in gaming regulatory enforcement
19 areas to discharge its intended functions and
20 that the applicant have the sophistication and
21 resources necessary to evaluate issues unique to
22 the Internet environment;

23 (B) relating to the length of time the ap-
24 plicant has regulated other forms of gaming to
25 ensure designations of only those applicants

1 that have a history of demonstrated regulatory
2 enforcement and oversight commensurate with
3 the responsibilities imposed under this title;

4 (C) for assessing the applicant's experience
5 and willingness to work with Federal authori-
6 ties, including the Financial Crimes Enforce-
7 ment Network;

8 (D) prohibiting conflicts of interest to en-
9 sure that qualified regulatory authorities are
10 not controlled, directly or indirectly, by persons
11 that have any significant ownership interest in
12 entities regulated under this title;

13 (E) for the capacity and experience of a
14 qualified regulatory authority in conducting rig-
15 orous suitability reviews;

16 (F) for the enforcement and regulatory au-
17 thorities provided to the applicant under the
18 law of the applicable State or federally recog-
19 nized Indian tribe, including investigative au-
20 thority, authority to impose requirements on li-
21 censees, and authority to impose civil or other
22 penalties; and

23 (G) the Secretary, in consultation with the
24 Commission considers relevant to the ability of

1 a regulatory authority to serve as an effective
2 qualified regulatory authority.

3 (3) WITHDRAWAL OF QUALIFICATION.—

4 (A) IN GENERAL.—Beginning on the date
5 that is 1 year after the date on which the Sec-
6 retary prescribes final regulations under this
7 title, the Secretary, in the case of a State, or
8 the Commission, in the case of a federally rec-
9 ognized Indian tribe, may, after providing 60
10 days notice to a qualified regulatory authority,
11 withdraw the qualification of such regulatory
12 authority under this section if the Secretary or
13 Commission, respectively, determines that the
14 regulatory authority is not in compliance with
15 the minimum standards established under para-
16 graph (2) or other requirements of this title.

17 (B) OPPORTUNITY TO COMPLY.—The Sec-
18 retary, in the case of a State, or the Commis-
19 sion, in the case of a federally recognized In-
20 dian tribe, may provide a qualified regulatory
21 authority who receives notice under subpara-
22 graph (A) with an opportunity to come into
23 compliance for a period of not more than 180
24 days. The Secretary, in the case of a State, or
25 the Commission, in the case of a federally rec-

1 ognized Indian tribe, may extend such period by
2 not more than 180 additional days if the quali-
3 fied regulatory authority has made substantial
4 progress toward compliance as of the expiration
5 of the first 180-day period.

6 (C) EFFECT OF NOTICE.—A qualified reg-
7 ulatory authority that receives notice under
8 subparagraph (A) may not issue any new li-
9 censes under this title until the Secretary, in
10 the case of a State, or the Commission, in the
11 case of a federally recognized Indian tribe, de-
12 termines that the qualified regulatory authority
13 is in compliance with the requirements of this
14 title and regulations prescribed thereunder.

15 (D) RIGHT TO APPEAL.—A qualified regu-
16 latory authority that has had its qualification
17 withdrawn under this paragraph may appeal to
18 the United States District Court for the Dis-
19 trict of Columbia that such withdrawal was an
20 abuse of discretion.

21 (4) ACTION UPON WITHDRAWAL OF QUALIFICA-
22 TION.—

23 (A) IN GENERAL.—Except as provided in
24 subparagraph (B), not later than 30 days after
25 the date on which the Secretary, in the case of

1 a State, or the Commission, in the case of a
2 federally recognized Indian tribe, withdraws the
3 qualification of a qualified regulatory authority
4 under paragraph (3), each person with a license
5 issued by the qualified regulatory authority
6 shall—

7 (i)(I) cease offering, accepting, and
8 providing services with respect to bets or
9 wagers from persons located in the United
10 States under such license; and

11 (II) return all customer deposits or
12 place those sums the return of which to
13 United States customers is not feasible due
14 to change in customer address, bank de-
15 tails, or similar difficulty, in escrow in an
16 account with a financial institution in the
17 United States for safekeeping and orderly
18 disposition by the Secretary; or

19 (ii) apply for a new license from a dif-
20 ferent qualified regulatory authority.

21 (B) INTERIM OPERATION.—If a person ap-
22 plies for a new license under clause (ii) of sub-
23 paragraph (A), the person need not cease offer-
24 ing, accepting, and providing services in accord-
25 ance with clause (i)(I) of such subparagraph

1 until final action is taken on the license applica-
2 tion by the qualified regulatory authority.

3 (C) INTERIM REGULATORY OVERSIGHT.—

4 Until final action is taken under subparagraph
5 (B) with respect to a person, the Secretary, in
6 the case of a State, or the Commission, in the
7 case of a federally recognized Indian tribe, shall
8 have enforcement and regulatory authority over
9 the licensed activities of such person.

10 (d) OVERSIGHT OF QUALIFIED REGULATORY AU-
11 THORITIES.—The Secretary, in the case of a State, or the
12 Commission, in the case of a federally recognized Indian
13 tribe, may investigate and take such action as the Sec-
14 retary or Commission, as applicable, considers appropriate
15 with respect to any qualified regulatory authority that ap-
16 pears, based upon the Secretary's or Commission's own
17 inquiry or based upon credible information provided by
18 other persons, including licensees or law enforcement offi-
19 cials, to be deficient or substantially less rigorous than
20 other qualified regulatory authorities in the discharge of
21 its responsibilities under this title.

22 (e) CONSULTATION WITH FEDERALLY RECOGNIZED
23 INDIAN TRIBES.—In implementing this title, the Sec-
24 retary and the Commission shall conduct meaningful con-
25 sultation with federally recognized Indian tribes regarding

1 all aspects of this title which affect federally recognized
2 Indian tribes.

3 **SEC. 104. LICENSING BY QUALIFIED REGULATORY AU-**
4 **THORITIES.**

5 (a) INTERNET POKER FACILITY LICENSING PRO-
6 GRAM.—

7 (1) AUTHORITY TO OPERATE INTERNET POKER
8 FACILITY UNDER VALID LICENSE.—Notwithstanding
9 any other provision of law and subject to the provi-
10 sions of this title, a licensee may accept a bet or
11 wager with respect to Internet poker from an indi-
12 vidual located in the United States and may offer re-
13 lated services so long as the license of the licensee
14 issued under this title remains in good standing.

15 (2) SIGNIFICANT VENDORS.—If a person seeks
16 a certificate of suitability from a qualified regulatory
17 authority to provide services to a licensee or appli-
18 cant as a significant vendor with respect to an Inter-
19 net poker facility, such person shall not be required
20 to obtain a license under this title to provide such
21 services with respect to that Internet poker facility.

22 (3) PROHIBITIONS IMPOSED BY STATES OR
23 FEDERALLY RECOGNIZED INDIAN TRIBES.—

24 (A) ACTION BY A STATE.—No licensee
25 may engage, under any license issued under

1 this title, in the operation of an Internet poker
2 facility that knowingly accepts bets or wagers
3 initiated by persons who reside in any State
4 which provides notice that it will prohibit such
5 bets or wagers, if the Governor or other chief
6 executive officer of such State informs the Sec-
7 retary of such prohibition in a letter that identi-
8 fies the nature and extent of such prohibition.

9 (B) CHANGES TO STATE PROHIBITIONS.—

10 The establishment, repeal, or amendment by a
11 State of any prohibition described in subpara-
12 graph (A) shall apply, for purposes of this title,
13 beginning on the day that occurs after the end
14 of the 60-day period beginning on the later of—

15 (i) the date a notice of such establish-
16 ment, repeal, or amendment is provided by
17 the Governor or other chief executive offi-
18 cer of such State in writing to the Sec-
19 retary; or

20 (ii) the effective date of such estab-
21 lishment, repeal, or amendment.

22 (C) APPLICATION OF STATE ACTION TO
23 TRIBAL LANDS OF FEDERALLY RECOGNIZED IN-
24 DIAN TRIBES.—Any State prohibition described
25 in subparagraph (A) shall not apply to the ac-

1 ceptance by a licensee of bets or wagers from
2 persons located within the tribal lands of a fed-
3 erally recognized Indian tribe that—

4 (i) has itself not opted out pursuant
5 to subsection (b); or

6 (ii) would be entitled pursuant to
7 other applicable law to permit such bets or
8 wagers to be initiated and received within
9 its territory without use of the Internet.

10 (D) ACTIONS BY A FEDERALLY RECOG-
11 NIZED INDIAN TRIBE.—No Internet poker li-
12 censee knowingly may accept a bet or wager
13 from a person located in the tribal lands of any
14 federally recognized Indian tribe which pro-
15 hibits such activities or other contests if the
16 principal chief or other chief executive officer of
17 such federally recognized Indian tribe informs
18 the Secretary of such prohibition in a letter
19 that identifies the nature and extent of such
20 prohibition.

21 (E) CHANGES TO STATE AND FEDERALLY
22 RECOGNIZED INDIAN TRIBE PROHIBITIONS.—
23 The establishment, repeal, or amendment by
24 any federally recognized Indian tribe of any
25 prohibition referred to in subparagraph (D)

1 shall apply, for purposes of this title, beginning
2 on the day that occurs after the end of the 60-
3 day period beginning on the later of—

4 (i) the date a notice of such establish-
5 ment, repeal, or amendment is provided by
6 the principal chief or other chief executive
7 officer of such federally recognized Indian
8 tribe in writing to the Secretary; or

9 (ii) the effective date of such estab-
10 lishment, repeal, or amendment.

11 (F) NOTIFICATION AND ENFORCEMENT OF
12 STATE AND TRIBE PROHIBITIONS.—

13 (i) NOTIFICATION AND MEASURES TO
14 ENSURE COMPLIANCE.—The Secretary
15 shall notify all licensees and applicants of
16 all States and federally recognized Indian
17 tribes that have provided notice pursuant
18 to subparagraph (A) or (D), as the case
19 may be, promptly upon receipt of such no-
20 tice and in no event fewer than 30 days be-
21 fore the effective date of such notice. The
22 Secretary shall take effective measures to
23 ensure that any licensee under this sub-
24 chapter, as a condition of the license, com-
25 plies with any limitation or prohibition im-

posed by any State or federally recognized Indian tribe to which the licensee is subject.

(ii) VIOLATIONS.—A violation of subparagraph (A) or (D) shall be a violation of this title enforceable under section 105.

(b) APPLICATION FOR LICENSE.—

(1) APPLICATION.—A person seeking to operate an Internet poker facility under this title shall submit to the qualified regulatory authority of the State or federally recognized Indian tribe where servers for such Internet poker facility are located or will be located an application for a license at such time, in such form, and in such manner as the qualified regulatory authority considers appropriate, including at a minimum the following:

(A) Complete financial information about the applicant.

(B) Documentation showing the organization of the applicant and all related businesses and affiliates.

(C) The criminal and financial history of—

(i) the applicant;

(ii) each of the senior executives and directors of the applicant;

1 (iii) any other person who is in control
2 of the applicant; and

3 (iv) such other persons as the quali-
4 fied regulatory authority considers appro-
5 priate.

6 (D) Such other information as may be nec-
7 essary for the suitability analysis required
8 under subsection (c).

9 (E) Disclosure of all other applications for
10 licenses previously or simultaneously submitted
11 under this paragraph to other qualified regu-
12 latory authorities and whether those applica-
13 tions are pending, were granted, or were denied.

14 (F) A detailed description of the appli-
15 cant's plan for complying with all applicable re-
16 quirements and regulations prescribed pursuant
17 to this title.

18 (G) A certification by the applicant that
19 the applicant agrees to be subject to—

20 (i) jurisdiction in Federal courts and
21 in the courts of the State or federally rec-
22 ognized Indian tribe of the qualified regu-
23 latory authority to which the applicant has
24 applied; and

1 (ii) all applicable provisions of Federal
2 law.

3 (2) NOTICE TO THE SECRETARY.—Each quali-
4 fied regulatory authority shall report all applicants
5 for licensure and the dispositions of their applica-
6 tions to the Secretary promptly upon disposition of
7 each application or in such intervals as the Secretary
8 may prescribe. Such report shall include such infor-
9 mation or documentation as the Secretary may re-
10 quire.

11 (c) STANDARDS FOR LICENSE ISSUANCE; SUI-
12 TABILITY QUALIFICATIONS AND DISQUALIFICATION
13 STANDARDS.—

14 (1) SUITABILITY FOR LICENSING.—No appli-
15 cant shall be eligible to obtain a license under this
16 title unless a qualified regulatory authority, with
17 whom the applicant has filed an application for a li-
18 cense, has determined, upon completion of a back-
19 ground check and investigation, that the applicant,
20 any person deemed to be in control of the applicant,
21 all significant vendors of the applicant, and any
22 other person determined by the qualified regulatory
23 authority as having significant influence on the ap-
24 plicant are suitable for licensing or for receiving a
25 certificate of suitability as applicable.

(2) INVESTIGATION.—

(A) DETERMINATION OF SUITABILITY.—

Prior to issuing a license under this section, a qualified regulatory authority shall conduct the investigation and analysis described in paragraph (1) to determine whether the applicant or person—

(i) is a person of good character, honesty, and integrity;

(ii) is a person whose prior activities, criminal record, if any, reputation, habits, and associations do not—

(I) pose a threat to the public interest or to the effective regulation and control of Internet poker facilities; or

(II) create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of Internet poker facilities or the carrying on of the business and financial arrangements incidental to such facilities;

(iii) is capable of and likely to conduct the activities for which the applicant is li-

1 censed or receives a certificate of suit-
2 ability in accordance with the provisions of
3 this title, any regulations prescribed under
4 this title, and all other applicable laws;

5 (iv) with respect to applicants, has or
6 guarantees acquisition of adequate busi-
7 ness competence and experience in the op-
8 eration of casino gaming facilities or Inter-
9 net poker facilities;

10 (v) with respect to applicants, has or
11 will obtain sufficient financing for the na-
12 ture of the proposed operation and from a
13 source that the qualified regulatory author-
14 ity has not found unsuitable under the cri-
15 teria established under subparagraph (B);
16 and

17 (vi) has disclosed to the qualified reg-
18 ulatory authority all known affiliations or
19 relationships, whether direct or indirect.

20 (B) UNSUITABLE.—An applicant or any
21 other person may not be determined to be suit-
22 able under this subsection if the applicant or
23 such person—

24 (i) has failed to provide information
25 and documentation material to a deter-

1 mination of suitability for licensing under
2 paragraph (1);

3 (ii) has supplied information which is
4 untrue or misleading as to a material fact
5 pertaining to any such determination;

6 (iii) has been convicted of an offense
7 that is punishable by imprisonment of
8 more than 1 year;

9 (iv) is delinquent in the payment of
10 any applicable Federal or State tax, tax
11 penalty, addition to tax, or interest owed
12 to a jurisdiction in which the applicant or
13 person operates or does business, unless
14 such payment has been extended or is the
15 subject of a pending judicial or administra-
16 tive dispute;

17 (v) has not certified in writing that
18 the person submits to personal jurisdiction
19 in the United States; or

20 (vi) fails to comply with such other
21 standard as the applicable qualified regu-
22 latory authority considers appropriate.

23 (C) INELIGIBILITY DUE TO PRIOR ENGAGE-
24 MENT IN UNLAWFUL INTERNET POKER.—

1 (i) No applicant nor any other person
2 may be eligible for a license or certificate
3 of suitability under this section if such ap-
4 plicant or person has been convicted of ac-
5 cepting bets or wagers from any other per-
6 son through an Internet poker facility in
7 felony violation of Federal or State law.
8 The ineligibility of an applicant or other
9 person under this subparagraph shall ter-
10minate on the date that is 5 years after
11the date on which the first license is issued
12under this section.

13 (ii) No applicant or person who has
14 purchased the assets of a person described
15 in clause (i) subsequent to the enactment
16 of this Act shall be eligible for a license or
17 certificate of suitability under this section
18 until the date that is 5 years after the date
19 on which the first license is issued.

20 (3) ONGOING REQUIREMENT.—A licensee (and
21 any other person who is required to be determined
22 to be suitable for licensing in connection with such
23 licensee) shall meet the standards necessary to be
24 suitable for licensing or to receive a certificate of

1 suitability, as the case may be, throughout the term
2 of the license.

3 (4) CERTIFICATE OF SUITABILITY FOR SIGNIFI-
4 CANT VENDORS.—

5 (A) IN GENERAL.—If a qualifying body de-
6 termines under paragraph (1) that a significant
7 vendor of an applicant is suitable under such
8 paragraph, the qualifying body shall issue a cer-
9 tificate to such vendor that certifies the suit-
10 ability of such vendor.

11 (B) REVOCATION OF CERTIFICATE.—A
12 qualified regulatory authority that issues a cer-
13 tificate to a significant vendor under subpara-
14 graph (A) shall revoke the certificate if at any
15 time the significant vendor no longer meets the
16 standards necessary for a determination of suit-
17 ability.

18 (C) CERTIFICATES ISSUED BY OTHER
19 QUALIFIED REGULATORY AUTHORITY.—A quali-
20 fied regulatory authority may, but need not, ac-
21 cept a certificate issued to a significant vendor
22 by another qualified regulatory authority as evi-
23 dence of the suitability of the significant ven-
24 dor.

25 (5) OTHER VENDORS.—

1 (A) NOTICE.—A licensee shall promptly
2 notify the qualified regulatory authority that
3 issued the license to the licensee of all persons
4 that are not significant vendors that—

5 (i) direct, provide, or solicit customers
6 to or for the licensee’s Internet poker facil-
7 ity, or materially assist in any of those
8 tasks, in return for a commission or other
9 fee;

10 (ii) hold themselves out to the public
11 as offering bets or wagers on licensee’s be-
12 half;

13 (iii) offer bets or wagers under their
14 own names or brands but using and rely-
15 ing on licensee’s Internet poker facilities;

16 (iv) license trademarks, trade names,
17 service marks, or other similar intellectual
18 property to the licensee; or

19 (v) own a substantial interest in or
20 control a person described in clause (i),
21 (ii), (iii), or (iv).

22 (B) SUITABILITY OF OTHER VENDORS AND
23 PERSONS.—A qualified regulatory authority
24 that reviews an application of an applicant for
25 a license or issues a license to a licensee may,

1 at the sole discretion of the qualified regulatory
2 authority and on a case-by-case basis, require
3 as a condition of such license that a person
4 meet suitability requirements under paragraph
5 (1) if the person—

6 (i) is described in subparagraph (A)
7 with respect to the applicant or licensee;

8 (ii) provides services to an applicant
9 or licensee and the qualified regulatory au-
10 thority determines that with respect to
11 such services, there is a substantial risk of
12 circumvention of the suitability require-
13 ments applicable to significant vendors; or

14 (iii) is associated with the applicant or
15 licensee or one of the significant vendors of
16 the applicant or licensee and the qualified
17 regulatory authority determines such per-
18 son may pose a threat to the integrity of
19 Internet poker facilities operated by the
20 applicant or licensee.

21 (C) INFORMATION.—A qualified regulatory
22 authority may require such information from an
23 applicant, licensee, significant vendor or other
24 person identified in this paragraph as the quali-

1 fied regulatory authority considers necessary to
2 carry out this paragraph.

3 (6) ENFORCEMENT ACTIONS.—

4 (A) IN GENERAL.—If the Secretary or the
5 qualified regulatory authority that issued a li-
6 cense to a licensee finds that the licensee, or
7 any other person that is subject to a required
8 determination of suitability in connection with
9 such licensee, fails to meet the suitability re-
10 quirements of this subsection at any time dur-
11 ing the tenure of the license, the Secretary or
12 the qualified regulatory authority may take ac-
13 tion to protect the public interest, including, if
14 the Secretary or qualified regulatory authority
15 considers necessary, the suspension or termi-
16 nation of the license.

17 (B) IMPOSITION OF CONDITIONS INCLUD-
18 ING REMOVAL OF PARTIES.—Notwithstanding a
19 determination under subparagraph (A), the
20 Secretary or the qualified regulatory authority
21 that issued a license to a licensee may allow the
22 licensee to continue engaging in licensed activi-
23 ties by imposing conditions on the person to
24 which subparagraph (A) is applicable under

1 penalty of revocation or suspension of a license
2 or certificate of suitability, including—

3 (i) the identification of any person de-
4 termined to be unsuitable; and

5 (ii) the establishment of appropriate
6 safeguards to ensure such person is ex-
7 cluded from any management or involve-
8 ment in operation of the licensed activities.

9 (7) ADMINISTRATIVE PROVISIONS.—

10 (A) BACKGROUND CHECK AND INVESTIGA-
11 TION.—Each qualified regulatory authority
12 shall establish standards and procedures for
13 conducting background checks and investiga-
14 tions for purposes of this subsection.

15 (B) PRIVILEGE.—Any written or oral
16 statement made in the course of an official pro-
17 ceeding of the Secretary or a qualified regu-
18 latory authority, by any member thereof, or any
19 witness testifying under oath which is relevant
20 to the purpose of the proceeding and relates to
21 the review of an application for a license under
22 this title, is privileged and shall not give rise to
23 liability for defamation or relief in any civil ac-
24 tion.

1 (C) ADDITIONAL PRIVILEGE.—Notwith-
2 standing section 552 of title 5, United States
3 Code, or any other Federal, State, or tribal law
4 to the contrary, any communication or docu-
5 ment of an applicant, licensee, significant ven-
6 dor, or affiliate thereof, which is made or trans-
7 mitted pursuant to this title to the Secretary or
8 a qualified regulatory authority or any of their
9 agents or employees, except information that is
10 already public, shall be privileged and shall not
11 be disclosed by the Secretary or the qualified
12 regulatory authority without the prior written
13 consent of the applicant, licensee, significant
14 vendor, or affiliate thereof (as applicable), or
15 pursuant to a lawful court order, grand jury
16 subpoena, or similar procedure. To the extent
17 practicable, the Secretary or qualified regu-
18 latory authority shall provide timely notice of
19 the proceedings to the applicant, licensee, sig-
20 nificant vendor, or affiliate thereof (as applica-
21 ble).

22 (D) PRESERVATION OF PRIVILEGE RECOG-
23 NIZED UNDER OTHER PROVISIONS OF LAW.—
24 Any privilege recognized under any other appli-
25 cable provision of Federal, State, or tribal law,

1 including attorney-client, physician-patient, and
2 accountant-client privileges, shall not be waived
3 or lost because a document or communication
4 otherwise protected by the privilege is disclosed
5 to the Secretary or a qualified regulatory au-
6 thority.

7 (E) CONFIDENTIALITY.—Any communica-
8 tion or document, except information that is al-
9 ready public, shall be treated as confidential
10 and may not be disclosed, in whole or part, by
11 the Secretary or a qualified regulatory authority
12 without a lawful court order or as otherwise ex-
13 pressly required by law, if the communication
14 or document is—

15 (i) required by the Secretary or quali-
16 fied regulatory authority to be disclosed by
17 the applicant, licensee, or significant ven-
18 dor, including applications, financial or
19 earnings information, and criminal records,
20 whether of the applicant or licensee or of
21 any affiliate, employee, officer, director, or
22 significant vendor thereof, or of any other
23 third party; or

24 (ii) prepared or obtained by an agent
25 or employee of the Secretary or qualified

1 regulatory authority that contains informa-
2 tion described in clause (i).

3 (d) ADDITIONAL REQUIREMENTS FOR A LICENSE.—

4 In order to obtain a license under this section, an Internet
5 poker facility shall demonstrate to the qualified regulatory
6 authority that such facility maintains appropriate safe-
7 guards and mechanisms, in accordance with standards es-
8 tablished by the qualified regulatory authority, including
9 appropriate safeguards and mechanism to—

10 (1) ensure, to a reasonable degree of certainty,
11 that the individual placing a bet or wager is not less
12 than 21 years of age;

13 (2) ensure, to a reasonable degree of certainty,
14 that the individual placing a bet or wager is phys-
15 ically located in a jurisdiction that has not prohib-
16 ited such bets or wagers at the time the bet or
17 wager is placed;

18 (3) ensure, to a reasonable degree of certainty,
19 that all taxes relating to Internet poker from per-
20 sons engaged in bets or wagers relating to such
21 Internet poker are collected or reported, as required
22 by law, at the time of any payment of proceeds of
23 such bets or wagers;

24 (4) ensure that all taxes relating to the oper-
25 ation of an Internet poker facility from any licensee

1 are collected and disbursed as required by law and
2 that adequate records to enable later audit or
3 verification are maintained;

4 (5) prevent, to a reasonable degree of certainty,
5 fraud, money laundering, and terrorist financing;

6 (6) ensure, to a reasonable degree of certainty,
7 compliance with the requirements of section 106;

8 (7) protect, to a reasonable degree of certainty,
9 the privacy and online security of any person en-
10 gaged in bets or wagers with the licensee's Internet
11 poker facility;

12 (8) ensure that any user fee required under
13 subsection (e) is paid to the qualified regulatory au-
14 thority;

15 (9) ensure, to a reasonable degree of certainty,
16 that Internet poker games are fair and honest, and
17 to prevent, to a reasonable degree of certainty,
18 cheating, including collusion, and use of cheating de-
19 vices, including use of software programs (sometimes
20 referred to as "bots") that make bets or wagers ac-
21 cording to algorithms; and

22 (10) such other mechanisms and safeguards as
23 the qualified regulatory authority shall require, in-
24 cluding independent testing of hardware, software,
25 communication equipment, and other necessary de-

1 vices to ensure the integrity, accountability, random-
2 ness of play and security of the network.

3 (e) FEES FOR ADMINISTRATIVE EXPENSES.—

4 (1) USER FEES.—

5 (A) IN GENERAL.—The cost of admin-
6 istering this title with respect to each applicant,
7 licensee, and significant vendor, including the
8 cost of any review or examination of a licensee
9 or its significant vendors to ensure compliance
10 with the terms of the license and this title, shall
11 be assessed by the qualified regulatory author-
12 ity receiving an application or issuing a license
13 against the applicant, licensee, or significant
14 vendor, as the case may be, by written notice in
15 an amount that the qualified regulatory author-
16 ity determines is necessary to—

17 (i) meet the qualified regulatory
18 authority's expenses in carrying out such
19 administration, review, or examination;
20 and

21 (ii) to cover the qualified regulatory
22 authority's share of the amount deter-
23 mined by the Secretary under paragraph
24 (3) to cover the expenses incurred by the

1 Secretary in carrying out the provisions of
2 this title.

3 (B) EXPENSES FOR REVIEW OR EXAMINA-
4 TION.—Expenses that are attributable to review
5 or examination of a particular applicant, li-
6 censee, or significant vendor shall be assessed
7 under subparagraph (A) against that applicant,
8 licensee, or significant vendor.

9 (C) EXPENSES FOR GENERAL ADMINISTRA-
10 TION.—Expenses for general administration
11 shall be assessed against all licensees equally.

12 (D) DISPOSITION OF USER FEES.—
13 Amounts assessed by a qualified regulatory au-
14 thority as user fees under this paragraph
15 shall—

16 (i) be remitted to the Secretary, in the
17 amount of that State’s or federally recog-
18 nized Indian tribe’s share as determined
19 under paragraph (3) for deposit in the
20 Treasury in accordance with subparagraph
21 (B) of such paragraph; and

22 (ii)(I) be available to the qualified reg-
23 ulatory authority to cover expenses in-
24 curred by the qualified regulatory author-

1 ity in carrying out the provisions of this
2 title; and

3 (II) not be construed to be Govern-
4 ment funds or appropriated monies, or
5 subject to apportionment for the purposes
6 of any other provision of law.

7 (E) COLLECTION.—

8 (i) REFERRAL.—If a licensee or sig-
9 nificant vendor fails to pay a user fee to a
10 qualified regulatory authority under this
11 paragraph after the assessment of the fee
12 has become final—

13 (I) the qualified regulatory au-
14 thority may recover the amount as-
15 sessed by action in any State or tribal
16 court in the jurisdiction of the quali-
17 fied regulatory authority, or in any
18 appropriate United States district
19 court, along with any costs of collec-
20 tion and attorney fees; and

21 (II) such failure may be grounds
22 for denial of an application for a li-
23 cense under this title or revocation of
24 a license or certificate of suitability
25 under this title.

1 (ii) ASSESSMENT REVIEWABLE.—In
 2 any civil action under clause (i), a court
 3 may review the validity and adjust the
 4 amount of the user fees.

5 (F) USER FEES OF SIGNIFICANT VENDORS
 6 MAY BE PAID BY APPLICANTS AND LICENS-
 7 EES.—A user fee assessed against a significant
 8 vendor may be paid by an applicant or licensee
 9 on behalf of the significant vendor.

10 (2) DIRECT AND EXCLUSIVE OBLIGATION OF
 11 LICENSEE.—With respect to a licensee, a user fee
 12 shall be the direct and exclusive obligation of the li-
 13 censee and may not be deducted from amounts avail-
 14 able as deposits to any person placing a bet or wager
 15 with the licensee.

16 (3) USER FEES ESTABLISHED BY SEC-
 17 RETARY.—

18 (A) IN GENERAL.—The Secretary shall de-
 19 termine the funding requirements necessary to
 20 meet the Secretary's cost of administering this
 21 title and notify each qualified regulatory au-
 22 thority of its proportional share to be collected
 23 by such regulatory authority under paragraph
 24 (1)(A).

1 (B) DISPOSITION OF USER FEES.—

2 Amounts remitted to the Secretary under para-
3 graph (1)(D)(i) shall—

4 (i) be deposited into a separate ac-
5 count in the Treasury to be known as the
6 “Internet Poker Oversight Fund”; and

7 (ii) be available to the Secretary in
8 such amounts, subject to appropriations, to
9 cover expenses incurred by the Secretary in
10 carrying out the provisions of this title.

11 (f) APPROVAL OF LICENSE.—

12 (1) IN GENERAL.—A qualified regulatory au-
13 thority may issue licenses under this title for the op-
14 eration of an Internet poker facility to any applicant
15 that—

16 (A) owns or controls a company that oper-
17 ates a casino gaming facility or qualified card
18 room and owned or controlled such facility or
19 card room on the date that is 10 days before
20 the date of enactment of this Act;

21 (B) for the duration of the 5-year period
22 ending on the date on which the applicant sub-
23 mits an application under subsection (b)(1),
24 owned or controlled a casino gaming facility or
25 qualified card room;

1 (C) is owned or controlled by a person
2 who—

3 (i) owns or controls a company that
4 operates a casino gaming facility or quali-
5 fied card room and owned or controlled
6 such facility or card room on the date that
7 is 10 days before the date of enactment of
8 this Act; or

9 (ii) for the duration of the 5-year pe-
10 riod ending on the date on which the appli-
11 cant submits an application under sub-
12 section (b)(1), owned or controlled a casino
13 gaming facility or qualified card room;

14 (D) for the duration of the 5-year period
15 ending on the date on which the applicant sub-
16 mits an application under subsection (b)(1),
17 under license issued by a State or federally rec-
18 ognized Indian tribe manufactured and supplied
19 to casino gaming facilities with not fewer than
20 500 slot machines; and

21 (E) meets other criteria established by the
22 Secretary or by the qualified regulatory author-
23 ity under this title.

24 (2) EXPANSION OF LICENSEES ONLY IF NO
25 RISK TO PUBLIC.—Beginning on the date that is 2

1 years after the date of first issuance specified in sec-
2 tion 115(b), the Secretary may, by rule, authorize
3 the issuance of licenses to applicants other than
4 those described in paragraph (1) if the Secretary de-
5 termines, after providing the public with notice and
6 an opportunity to comment, that such authorization
7 will not significantly increase the risk that the
8 standards described in subsection (d) will not be sat-
9 isfied by licensees.

10 (3) AUTHORITY OF SECRETARY TO REVOKE LI-
11 CENSES.—Notwithstanding any certificate of suit-
12 ability or license issued by a qualified regulatory au-
13 thority, the Secretary may suspend or revoke such
14 certificate or license if the Secretary has reason to
15 believe that the recipient does not meet the suit-
16 ability requirements established under subsection (c)
17 or, as applicable, any other requirement imposed on
18 a licensee under this title. The Secretary may not
19 overturn a decision by a qualified regulatory author-
20 ity to deny or to terminate a license or to deny or
21 revoke a certificate of suitability.

22 (4) CONFLICTS BETWEEN QUALIFIED REGU-
23 LATORY AUTHORITIES.—If a qualified regulatory au-
24 thority denies a license, terminates a license, denies
25 a certificate of suitability, or revokes a certificate of

1 suitability to a person and within 12 months of such
2 denial, termination, or revocation another qualified
3 regulatory authority grants such person a license or
4 certificate of suitability, the Secretary shall—

5 (A) commence a review of such license or
6 certificate of suitability; and

7 (B) not later than 90 days after such com-
8 mencement, determine whether to act under
9 paragraph (3).

10 (5) CONTROL DEFINED.—In this subsection,
11 the term “control” means, with respect to a person,
12 the possession, directly or indirectly, of the power to
13 direct or influence the direction of the management
14 or policies of the person, whether through the owner-
15 ship of voting securities, through a management, ex-
16 ecutive officer, or board position, by shareholders or
17 similar agreement, or otherwise.

18 (g) LOCATION OF REMOTE GAMING EQUIPMENT.—
19 A licensee shall maintain its remote gaming equipment
20 within the territory of the United States throughout the
21 term of its license. A qualified regulatory authority shall
22 require applicants that seek a license from such qualified
23 regulatory authority to locate that equipment within the
24 territory of the State or on the Indian land of the tribe
25 of the qualified regulatory authority.

1 (h) LICENSE IS A PRIVILEGE NOT A RIGHT.—A deci-
2 sion by a qualified regulatory authority not to grant a per-
3 son a license or certificate of suitability, or to terminate
4 a license, or revoke a certificate of suitability, is not re-
5 viewable under Federal law or the law of any jurisdiction
6 other than the jurisdiction of the qualified regulatory au-
7 thority. The State or federally recognized Indian tribe of
8 the jurisdiction of the qualified regulatory authority may,
9 but need not, provide an opportunity to appeal.

10 (i) TERM, RENEWAL, AND TRANSFER OF LICENSE.—

11 (1) TERM.—Any license issued under this title
12 shall be issued for a 5-year term beginning on the
13 date of issuance. A license may be renewed in ac-
14 cordance with requirements prescribed by the quali-
15 fied regulatory authority that issued the license
16 under this title.

17 (2) TRANSFER.—A transfer of a license, change
18 of control of a licensee, or change in significant ven-
19 dor shall require prior approval by the qualified reg-
20 ulatory authority that issued the license. The quali-
21 fied regulatory authority shall at a minimum ensure
22 the suitability requirements of subsection (c) con-
23 tinue to be satisfied before approving any such
24 transfer or change.

25 (j) ADMINISTRATIVE PROVISIONS.—

1 (1) DETERMINATION OF INTERNET POKER.—

2 (A) INITIAL DETERMINATION BY QUALI-
3 FIED REGULATORY AUTHORITY.—A determina-
4 tion of whether a game, hand, tournament, or
5 other contest of a licensee is Internet poker
6 shall be made in the first instance by the quali-
7 fied regulatory authority that issued the license
8 to such licensee under this title.

9 (B) CHALLENGES.—

10 (i) CHALLENGE MADE WITH SEC-
11 RETARY.—A licensee or qualified regu-
12 latory authority may file a challenge with
13 the Secretary regarding any determination
14 of the qualified regulatory authority under
15 subparagraph (A) that a game, hand, tour-
16 nament, or other contest of another li-
17 censee is Internet poker.

18 (ii) DETERMINATION MADE BY SEC-
19 RETARY WITHIN 30 DAYS.—If a challenge
20 is made under clause (i), the Secretary
21 shall make a determination of whether the
22 game, hand, tournament, or other contest
23 is Internet poker not later than 30 days
24 after the date on which the challenge is
25 made.

1 (iii) OPERATION UNTIL DETERMINA-
2 TION.—A licensee that offers a game,
3 hand, tournament, or other contest that is
4 challenged under clause (i) may continue
5 to offer such game, hand, tournament, or
6 other contest until the Secretary makes a
7 determination under clause (ii).

8 (C) APPEALS.—Not later than 30 days
9 after the date on which the Secretary makes a
10 determination under subparagraph (B)(iii), a li-
11 censee or a qualified regulatory authority may
12 appeal such determination to the United States
13 District Court for the District of Columbia.
14 Such court shall set aside the Secretary's deter-
15 mination if the court determines that the Sec-
16 retary's determination was—

17 (i) arbitrary, capricious, an abuse of
18 discretion, or otherwise not consistent with
19 law; or

20 (ii) without observance of procedure
21 required by law.

22 (2) CHALLENGES UNDER STATE OR FEDERALLY
23 RECOGNIZED INDIAN TRIBAL LAW.—Except as pro-
24 vided in paragraph (1) and unless otherwise specifi-
25 cally provided in this title, actions taken by a quali-

1 fied regulatory authority may be challenged by appli-
2 cants and licensees only as permitted under the law
3 of the State or federally recognized Indian tribe in
4 which the qualified regulatory authority is located.

5 (3) SUMMONS.—

6 (A) IN GENERAL.—The Secretary may
7 issue a summons with respect to an applicant
8 or licensee necessary to carry out the provisions
9 of this title.

10 (B) PRODUCTION AT DESIGNATED SITE.—

11 A summons issued by the Secretary pursuant to
12 this paragraph may require that books, papers,
13 records, or other data stored or maintained at
14 any place be produced at any—

15 (i) business location of a licensee or
16 applicant for a license;

17 (ii) designated location in the State or
18 Indian lands of the applicable qualified
19 regulatory authority; or

20 (iii) designated location in the District
21 of Columbia.

22 (C) NO LIABILITY FOR EXPENSES.—The
23 Secretary shall not be liable for any expense in-
24 curred in connection with the production of

1 books, papers, records, or other data under this
2 paragraph.

3 (D) 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 determined by
7 the Secretary.

8 (E) AUTHORIZATION TO INVOKE AID OF
9 COURTS.—The Secretary may invoke the aid of
10 any court of the United States to compel com-
11 pliance with the summons within the jurisdic-
12 tion of which—

13 (i) the investigation which gave rise to
14 the summons or the examination is being
15 or has been carried on;

16 (ii) the person summoned is an inhab-
17 itant; or

18 (iii) the person summoned carries on
19 business or may be found.

20 (F) POWER OF COURTS TO COMPEL AP-
21 PEARANCE.—The court may issue an order re-
22 quiring the person summoned to appear before
23 the Secretary—

24 (i) to produce books, papers, records,
25 and other data;

1 (ii) to give testimony as may be nec-
 2 essary to explain how such material was
 3 compiled and maintained;

4 (iii) to allow the Secretary to examine
 5 the business of a licensee; and

6 (iv) to pay the costs of the proceeding.

7 (G) CONTUMACY OR REFUSAL.—Any fail-
 8 ure to obey the order of the court under this
 9 paragraph may be punished by the court as a
 10 contempt thereof. All process in any case under
 11 this subsection may be served in any judicial
 12 district in which such person may be found.

13 **SEC. 105. ENFORCEMENT.**

14 (a) DISCIPLINARY ACTION.—

15 (1) IN GENERAL.—A licensee may be subject to
 16 disciplinary action, including suspension or revoca-
 17 tion of its license, by a qualified regulatory authority
 18 that issued a license to the licensee or by the Sec-
 19 retary if the licensee fails to comply with any provi-
 20 sion of this title, any regulation prescribed there-
 21 under, or any other applicable provision of State or
 22 tribal law.

23 (2) INITIATING ENFORCEMENT.—Only the Sec-
 24 retary or the qualified regulatory authority which

1 granted the license may initiate disciplinary action
2 under this title.

3 (3) SAVINGS PROVISION.—Nothing in this sub-
4 section shall be construed to prohibit a law enforce-
5 ment authority or regulatory body that has authority
6 over a licensee or an affiliated person, independent
7 from this title, from taking action under the law of
8 that law enforcement authority or regulatory body.

9 (4) DISCIPLINARY PROCEDURES.—

10 (A) IN GENERAL.—A qualified regulatory
11 authority shall commence disciplinary action
12 under this subsection against a licensee upon
13 service of a formal written complaint upon the
14 licensee, with a copy forwarded to the Sec-
15 retary, that sets forth the grounds for the dis-
16 ciplinary action and the proposed penalty that
17 is being sought, which may include any or all
18 of the imposition of a fine as provided pursuant
19 to subsection (m)(1) or limitation, condition,
20 suspension, or revocation of the license.

21 (B) IN ACCORDANCE WITH LAW OF JURIS-
22 DICTION OF QUALIFIED REGULATORY AUTHOR-
23 ITY.—The disciplinary process shall proceed ac-
24 cording to the law of the jurisdiction of the ap-
25 plicable qualified regulatory authority.

1 (5) FINALITY OF ACTION AND APPEALS.—

2 (A) FINALITY.—Any disciplinary action
3 shall be treated as a final action.

4 (B) ACTION BY QUALIFIED REGULATORY
5 AUTHORITIES.—A licensee aggrieved by discipli-
6 nary action by a qualified regulatory authority
7 may file an appeal in the jurisdiction where the
8 qualified regulatory authority taking such ac-
9 tion is located only to the extent permitted by
10 the law of such jurisdiction.

11 (C) ACTION BY SECRETARY.—A licensee
12 aggrieved by disciplinary action by the Sec-
13 retary may file an appeal in the United States
14 District Court for the District of Columbia.
15 Such court shall set aside the action if it deter-
16 mines that the action was—

17 (i) arbitrary, capricious, an abuse of
18 discretion, or otherwise not consistent with
19 law; or

20 (ii) without observance of procedure
21 required by law.

22 (6) PENDING APPEAL.—During the period in
23 which a suspension or revocation of an existing li-
24 cense is being challenged through a pending judicial
25 proceeding, the court handling the challenge may

1 allow the licensee to continue offering bets and wa-
2 gers in full compliance with the terms of its existing
3 license and any other conditions the court considers
4 necessary, if the court determines that—

5 (A) the appellant has a reasonable likeli-
6 hood of success on the merits; and

7 (B) allowing the appellant to continue of-
8 fering bets and wagers while the appeal is pend-
9 ing will not threaten the public interest.

10 (7) RETURN OF CUSTOMER FUNDS.—If a li-
11 censee’s license is revoked and no appeal pursuant
12 to paragraph (5) is pending, the licensee shall—

13 (A) return all customer funds in an orderly
14 manner not later than 30 days after the date
15 of the revocation of the license; or

16 (B) place in escrow those sums return of
17 which to United States customers is not feasible
18 due to change in customer address, bank de-
19 tails, or similar difficulty, in an account with a
20 financial institution in the United States for
21 safekeeping and orderly disposition by the Sec-
22 retary.

23 (8) REFERRAL TO ATTORNEY GENERAL.—If, in
24 the course of carrying out the provisions of this title,
25 the Secretary or a qualified regulatory authority

1 finds a substantial basis to believe that a person has
2 violated section 103, the Secretary or qualified regu-
3 latory authority shall refer such matter to the Attor-
4 ney General.

5 (b) CIVIL MONEY PENALTIES.—

6 (1) IN GENERAL.—

7 (A) PENALTIES ASSESSED BY QUALIFIED
8 REGULATORY AUTHORITIES.—A qualified regu-
9 latory authority may assess upon any licensee
10 or other person subject to the requirements of
11 this title for each violation of this title or any
12 regulation prescribed or order issued under this
13 title, a civil penalty of not more than the great-
14 er of—

15 (i) the amount involved in the viola-
16 tion, if any;

17 (ii) \$250,000 for an individual and
18 \$750,000 for a corporation; or

19 (iii) such other amount as provided
20 under the applicable State or tribal law of
21 the qualified regulatory authority.

22 (B) PENALTIES ASSESSED BY SEC-
23 RETARY.—The Secretary may assess upon any
24 licensee or other person subject to the require-
25 ments of this title for each violation of this title

1 or any regulation prescribed or order issued
2 under this title, a civil penalty of not more than
3 the greater of—

4 (i) the amount involved in the viola-
5 tion, if any; or

6 (ii) \$250,000 for an individual and
7 \$750,000 for a corporation.

8 (C) NOT CUMULATIVE.—

9 (i) IN GENERAL.—The penalties au-
10 thorized under subparagraphs (A) and (B)
11 shall not be cumulative and only one such
12 penalty may be assessed per violation.

13 (ii) CONSTRUCTION.—Clause (i) shall
14 not be construed to limit the authority of
15 a qualifying body or the Secretary, as the
16 case may be, to pursue a civil penalty for
17 each violation of a related series of viola-
18 tions.

19 (D) FAILURE TO OBTAIN A LICENSE.—

20 Notwithstanding any other provision of law, the
21 Secretary may assess upon a person that is re-
22 quired to obtain a license under this title, but
23 fails to obtain a license under this title, a civil
24 penalty of not more than the greater of—

1 (i) the amount of bets or wagers
2 taken by the person from players in the
3 United States during the period that a li-
4 cense was needed but not held by the per-
5 son; or

6 (ii) \$1,000,000 per day that the per-
7 son accepts bets or wagers from players in
8 the United States during the period that a
9 license was needed but not held by the per-
10 son.

11 (E) CONSTRUCTION.—Nothing in this
12 paragraph shall be construed to affect the abil-
13 ity of a law enforcement official to seek crimi-
14 nal penalties against a person.

15 (2) ASSESSMENT.—

16 (A) ENFORCEMENT BY QUALIFIED REGU-
17 LATORY AUTHORITIES.—Qualified regulatory
18 authorities and such other entities as are au-
19 thorized by applicable State and tribal law shall
20 enforce the provisions of this title under the law
21 of the applicable State or federally recognized
22 Indian tribe, and penalties shall be determined,
23 reviewable, collectable, and disposed of as pro-
24 vided under such law.

25 (B) ENFORCEMENT BY SECRETARY.—

1 (i) WRITTEN NOTICE.—Any penalty
2 imposed under paragraph (1)(B) shall be
3 assessed and collected by the Secretary by
4 written notice.

5 (ii) FINALITY OF ASSESSMENT.—If,
6 with respect to any assessment under para-
7 graph (1)(B), a hearing is not requested
8 pursuant to clause (v) within the period of
9 time allowed under such clause, the assess-
10 ment shall constitute a final agency order.

11 (iii) AUTHORITY TO MODIFY OR
12 REMIT PENALTY.—The Secretary may
13 compromise, modify, or remit any penalty
14 which the Secretary may assess or has al-
15 ready assessed under paragraph (1)(B).

16 (iv) MITIGATING FACTORS.—In deter-
17 mining the amount of any penalty imposed
18 under paragraph (1)(B), the Secretary
19 shall take into account the appropriateness
20 of the penalty with respect to the fol-
21 lowing:

22 (I) The size of the financial re-
23 sources and the good faith of the per-
24 son against whom the penalty is as-
25 sessed.

1 (II) The gravity of the violation.

2 (III) The history of previous vio-
3 lations.

4 (IV) Such other matters as jus-
5 tice may require.

6 (v) HEARING.—The person against
7 whom any penalty is assessed under para-
8 graph (1)(B) shall be afforded an agency
9 hearing if such person submits a request
10 for such hearing not later than 20 days
11 after the date of the issuance of the notice
12 of assessment.

13 (vi) COLLECTION.—

14 (I) REFERRAL.—If any person
15 fails to pay an assessment after any
16 penalty assessed under this subpara-
17 graph has become final, the Secretary
18 shall recover the amount assessed by
19 action in the appropriate United
20 States district court.

21 (II) SCOPE OF REVIEW.—In any
22 civil action under subclause (I), the
23 validity and appropriateness of the
24 penalty shall be subject to review for
25 abuse of agency discretion.

1 (vii) DISBURSEMENT.—All penalties
2 collected under authority of paragraph
3 (1)(B) shall be deposited into the Treasury
4 of the United States.

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

9 **SEC. 106. COMPULSIVE GAMING, RESPONSIBLE GAMING,**
10 **AND SELF-EXCLUSION PROGRAM REQUIRE-**
11 **MENTS.**

12 (a) REGULATIONS REQUIRED.—Each qualified regu-
13 latory authority shall, before issuing any licenses under
14 this title, establish requirements for the development of
15 a gambling addiction, responsible gaming, and self exclu-
16 sion program that each licensee of that qualified regu-
17 latory authority shall implement as a condition of licen-
18 sure. Such requirements shall also provide for the estab-
19 lishment of a program to alert the public to the existence,
20 consequences, and availability of the self-exclusion list es-
21 tablished under subsection (c).

22 (b) MINIMUM REQUIREMENTS.—At a minimum, each
23 qualified regulatory authority shall require that licens-
24 ees—

1 (1) provide informational materials written in
2 plain language about responsible gaming, including
3 information about the self-exclusion list established
4 under subsection (c) and how a player may request
5 placement on the list, each time a player signs in to
6 make a bet or wager, which materials shall be pro-
7 vided via a prominently displayed hyperlink or com-
8 parable mechanism;

9 (2) provide informational materials about re-
10 sponsible gaming to any player that requests such
11 materials;

12 (3) make continuously available individualized
13 responsible gaming options that any customer may
14 choose, including allowing customers to self-limit
15 their deposit, time and bet amounts, as well as self-
16 limit their access to the issuance of credit, check
17 cashing, or direct mail marketing by the licensee, in
18 each case as and to the extent that the qualified reg-
19 ulatory authority may consider appropriate;

20 (4) ensure to a reasonable degree of certainty
21 that persons on the list of self-excluded persons es-
22 tablished pursuant to subsection (c) are prevented
23 from initiating any bets or wagers within the scope
24 of this title;

1 (5) ensure that the information required under
2 this subsection is clearly and prominently made
3 available by the licensee in each language in which
4 services of the Internet poker facility of the licensee
5 are offered; and

6 (6) ensure that the qualified regulatory author-
7 ity adopt any practices that the Secretary rec-
8 ommends to protect consumers, taking into account
9 the National Council on Problem Gambling Internet
10 Responsible Gambling Standards.

11 (c) LIST OF PERSONS SELF-EXCLUDED.—

12 (1) ESTABLISHMENT.—

13 (A) LISTS MAINTAINED BY QUALIFIED
14 REGULATORY AUTHORITIES.—Each qualified
15 regulatory authority shall establish and main-
16 tain a list of persons self-excluded from playing
17 Internet poker through Internet poker facilities
18 licensed by the qualified regulatory authority.
19 Each week, each qualified regulatory authority
20 shall submit to the Secretary a current copy of
21 the list.

22 (B) MASTER LIST MAINTAINED BY SEC-
23 RETARY.—The Secretary shall establish and
24 maintain a master list of all persons self-ex-
25 cluded from playing Internet poker through

1 Internet poker facilities licensed under this title.
2 Such list shall consist of all persons submitted
3 under subparagraph (A). The Secretary shall
4 make the master list available to all qualified
5 regulatory authorities and licensees.

6 (C) PLACEMENT REQUEST.—Any person
7 may request placement on the list of self-ex-
8 cluded persons by—

9 (i) acknowledging in a manner to be
10 established by each qualified regulatory au-
11 thority with respect to its licensees that
12 the person wishes to be denied gaming
13 privileges within the scope of this title; and

14 (ii) agreeing that, during any period
15 of voluntary exclusion, the person may not
16 collect any winnings or recover any losses
17 resulting from any gaming activity at any
18 Internet poker facility of a licensee.

19 (2) LIMITATION ON LIABILITY.—

20 (A) IN GENERAL.—Except as provided in
21 subparagraph (B), the United States, the Sec-
22 retary, a qualified regulatory authority, the
23 State, or federally recognized Indian tribe in
24 which that qualified regulatory authority is lo-
25 cated, an enforcement agent, licensee, or any

1 employee or agent thereof, shall not be liable to
2 any self-excluded person or to any other party
3 in any judicial or administrative proceeding for
4 any harm, monetary or otherwise, which may
5 arise as a result of—

6 (i) any failure to withhold gaming
7 privileges from, or to restore gaming privi-
8 leges to, a self-excluded person;

9 (ii) otherwise permitting a self-ex-
10 cluded person to engage in gaming activity
11 while on the list of self-excluded persons;

12 or

13 (iii) disclosure of information about
14 individuals placed on the list of self-ex-
15 cluded persons.

16 (B) LICENSEES.—A licensee or employee
17 or agent thereof may be liable to a self-excluded
18 person in a judicial or administrative pro-
19 ceeding for a harm described in subparagraph
20 (A) to the extent provided under the law of the
21 State or federally recognized Indian tribe of the
22 qualified regulatory authority that issued the li-
23 cense.

24 (C) RULE OF CONSTRUCTION.—Nothing in
25 this paragraph shall be construed to prevent the

1 Secretary or a qualified regulatory authority
2 from assessing a regulatory sanction against a
3 licensee or person for failing to comply with a
4 provision of this section or a regulation pre-
5 scribed thereunder or for misuse of any list of
6 self-excluded persons for purposes not author-
7 ized under this section.

8 (3) DISCLOSURE PROVISIONS.—

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

13 (B) AFFILIATE DISCLOSURE.—If necessary
14 to effectuate the self-exclusion purposes of this
15 subsection, any licensee may disclose the identi-
16 ties of persons on the self-excluded list to any
17 significant vendor, service provider, or affiliated
18 company to the extent that the significant ven-
19 dor, service provider, or affiliated company
20 maintains such information under confiden-
21 tiality provisions comparable to those in this
22 subsection.

23 (d) GAMING BY PROHIBITED PERSONS.—

24 (1) PROHIBITION ON BENEFITTING FROM PRO-
25 HIBITED GAMING ACTIVITY.—A person who is pro-

1 hibited from gaming with a licensee by law, or by
2 order of the Secretary, a qualified regulatory author-
3 ity, or any court of competent jurisdiction, including
4 any person on the self-exclusion list under subsection
5 (c), shall not collect, in any manner or proceeding,
6 any winnings or recover any losses arising as a re-
7 sult of any prohibited gaming activity.

8 (2) FORFEITURE.—In addition to any other
9 penalty provided by law, any money or thing of value
10 that has been obtained by, or is owed to, any prohib-
11 ited person by a licensee as a result of bets or wa-
12 gers made by a prohibited person after the applica-
13 ble prohibition has become effective shall be subject
14 to forfeiture by order of the Secretary or a qualified
15 regulatory authority, following notice to the prohib-
16 ited person and opportunity to be heard.

17 (3) DEPOSIT OF FORFEITED FUNDS.—Any
18 funds forfeited pursuant to this subsection shall be
19 deposited into the Treasury of the United States, or,
20 in the case of a forfeiture to a qualified regulatory
21 authority, as provided by the applicable State or
22 tribal law.

23 (e) REQUIREMENTS WITH RESPECT TO CHILD SUP-
24 PORT DELINQUENTS.—

1 (1) IN GENERAL.—When it is made known to
2 the Secretary or a qualified regulatory authority by
3 a Federal or State court or a competent qualified
4 regulatory authority involved with the administration
5 or enforcement of a court-ordered child support pay-
6 ment that a particular individual is delinquent with
7 respect to court-ordered child support payments, the
8 Secretary shall include that individual on the list es-
9 tablished under subsection (c).

10 (2) REMOVAL FROM LIST.—Individuals placed
11 on the list pursuant to paragraph (1) shall be re-
12 moved from such list if the court or agency that
13 made such individual’s delinquency known to the
14 Secretary notifies the Secretary that such individual
15 is no longer delinquent.

16 (f) AUTHORITY TO ADDRESS GAMBLING ADDICTION
17 IN SAMHSA AUTHORITIES.—Section 501(d) of the Pub-
18 lic Health Service Act (42 U.S.C. 290aa(d)) is amended—

19 (1) by striking “and” at the end of paragraph
20 (17);

21 (2) by striking the period at the end of para-
22 graph (18) and inserting “; and”; and

23 (3) by adding at the end the following:

1 “(19) establish and implement programs for the
2 identification, prevention, and treatment of patholog-
3 ical and other problem gambling.”.

4 (g) COMPILATION OF DATASETS ON PLAYER BEHAV-
5 IOR.—The Secretary shall compile and make available to
6 the public, on the Web site of the Secretary, datasets on
7 player behavior from customer tracking data collected or
8 generated by loyalty programs, player tracking software,
9 online gambling transactions, or any other information
10 system. The Secretary shall ensure that personally identi-
11 fying information, including player name, street address,
12 and bank or credit information is removed from the data.
13 The data shall retain information on player characteristics
14 including gender, age and region of residence, player be-
15 havior including frequency of play, length of play, speed
16 of play, denomination of play, amounts wagered and, if
17 applicable, number of lines or hands played and character-
18 istics of games played.

19 (h) ADMINISTRATIVE PROVISIONS.—

20 (1) RULE OF CONSTRUCTION.—No provision of
21 this section shall be construed as creating a legal
22 duty in the Secretary, a qualified regulatory author-
23 ity, a licensee, or any employee or agent thereof to
24 identify or to exclude compulsive players not on the
25 list of self-excluded persons.

1 (2) NO CAUSE OF ACTION.—The Secretary, a
2 qualified regulatory authority, a licensee, and any
3 employee or agent thereof, shall not be liable to any
4 person in any proceeding for losses or other damages
5 of any kind arising out of that person’s gaming ac-
6 tivities based on a claim that the person was a com-
7 pulsive, problem, or pathological player.

8 **SEC. 107. PROHIBITIONS AND RESTRICTIONS.**

9 (a) PROHIBITION ON BETS OR WAGERS ON GAMES
10 OTHER THAN INTERNET POKER.—No provision of this
11 title shall be construed to authorize any licensee to accept
12 a bet or wager on any game, event, or activity that is not
13 Internet poker.

14 (b) PROHIBITION ON THE USE OF CREDIT CARDS
15 FOR INTERNET POKER.—No licensee, no person operating
16 on behalf of a licensee, and no person accepting payment
17 for or settlement of a bet or wager who intends to transmit
18 such payment to a person licensee, may accept a bet or
19 wager or payment for or settlement of a bet or wager that
20 is transmitted or otherwise facilitated with a credit card
21 (as defined in section 5362(11) of title 31, United States
22 Code).

23 (c) PUBLIC INTERNET POKER PARLORS PROHIB-
24 ITED.—

1 (1) IN GENERAL.—It shall be considered a vio-
2 lation of this title to operate an unlicensed place of
3 public accommodation, club (including a club or as-
4 sociation limited to dues-paying members or similar
5 restricted groups), or similar establishment in which
6 computer terminals or similar access devices are
7 made available to be used principally for the purpose
8 of accessing Internet poker facilities.

9 (2) CRIMINAL PENALTIES.—Any person who
10 violates subsection (a) shall be fined under title 18,
11 United States Code, imprisoned for not more than
12 5 years, or both.

13 (3) CONSTRUCTION.—Nothing in this title shall
14 be construed to authorize or otherwise to permit the
15 operation of places of public accommodation, clubs
16 (including clubs or associations limited to dues-pay-
17 ing members or similar restricted groups) and simi-
18 lar establishments that permit access to Internet
19 poker facilities.

20 (4) RELATION TO STATE, LOCAL, AND TRIBAL
21 LAW.—Places of public accommodation, clubs, or
22 similar establishments described in paragraph (1)
23 shall be subject to all otherwise applicable State,
24 local, and tribal laws.

1 **SEC. 108. SAFE HARBOR.**

2 It shall be an affirmative defense to any prosecution
3 or enforcement action under any provision of Federal,
4 State, or tribal law that the activity forming the basis of
5 such prosecution or enforcement action is authorized
6 under and has been carried out lawfully in accordance with
7 and under the terms of this title.

8 **SEC. 109. RELATION TO SUBCHAPTER IV OF CHAPTER 53 OF**
9 **TITLE 31, UNITED STATES CODE.**

10 Subchapter IV of chapter 53 of title 31, United
11 States Code, shall not apply to any bet or wager occurring
12 pursuant to a license issued under this title, subject to
13 section 110.

14 **SEC. 110. CHEATING AND OTHER FRAUD.**

15 (a) CHEATING AND CHEATING DEVICES PROHIB-
16 ITED.—

17 (1) CHEATING PROHIBITED.—No person initi-
18 ating, receiving, or otherwise making a bet or wager
19 with a licensee, or sending, receiving, or inviting in-
20 formation assisting with a bet or wager with a li-
21 censee shall knowingly violate, attempt to violate, or
22 assist another in violating the rules of play estab-
23 lished by the licensee for the purpose of obtaining
24 prohibited or unfair advantage in any game author-
25 ized under this title.

1 (2) CHEATING DEVICES.—Except as provided in
2 paragraph (3), no person initiating, receiving, or
3 otherwise making a bet or wager with a licensee, or
4 sending, receiving, or inviting information assisting
5 with a bet or wager with a licensee shall knowingly
6 use, possess, or assist another in the use of, an elec-
7 tronic, electrical, or mechanical device or software or
8 other program or tool which is designed, con-
9 structed, or programmed specifically for use in ob-
10 taining an advantage in any game authorized under
11 this title, where such advantage is prohibited or oth-
12 erwise violates the rules of play established by the li-
13 censee.

14 (3) PERMISSIBLE USES.—It shall not be a vio-
15 lation of this subsection for a licensee, its agents, a
16 qualified regulatory authority, or its agent to use or
17 possess a device described in the preceding sentence
18 if—

19 (A) such use or possession is solely for
20 purposes of testing an Internet poker facility;

21 (B) such device is not used in live play in-
22 volving actual bets or wagers; and

23 (C) such device is registered with the Sec-
24 retary and the qualified regulatory authority
25 that issued the applicable license.

1 (4) DISCLOSURE TO PUBLIC NOT REQUIRED.—

2 Notwithstanding any other provision of law, a reg-
3 istration under paragraph (3)(C) is not required to
4 be made available to the public.

5 (b) ADDITIONAL OFFENSE.—

6 (1) IN GENERAL.—Except as provided in para-
7 graph (3), no person initiating, receiving, or other-
8 wise making a bet or wager with a licensee, or send-
9 ing, receiving, or inviting information assisting with
10 a bet or wager with a licensee, shall knowingly use,
11 possess, or assist another in the use of any cheating
12 device with intent to cheat or defraud any licensee
13 or other persons placing bets or wagers with such li-
14 censee.

15 (2) BOTS.—A software program that makes
16 bets or wagers according to an algorithm shall con-
17 stitute a type of cheating device under this sub-
18 section.

19 (3) PERMISSIBLE USES.—It shall not be a vio-
20 lation of this subsection for a licensee, its agents, a
21 qualified regulatory authority, or its agent to use or
22 posses a device described in paragraph (1) or (2)
23 if—

24 (A) such use or possession is solely for
25 purposes of testing an Internet poker facility;

1 (B) such device is not used in live play in-
2 volving actual bets or wagers; and

3 (C) such device is registered with the
4 qualified regulatory authority that issued the
5 applicable license.

6 (4) DISCLOSURE TO PUBLIC NOT REQUIRED.—
7 Notwithstanding any other provision of law, a reg-
8 istration under paragraph (3)(C) is not required to
9 be made available to the public.

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

16 (d) CRIMINAL PENALTY.—Whoever violates sub-
17 section (a) or (b) shall be fined under title 18, United
18 States Code, or imprisoned for not more than 3 years, or
19 both.

20 (e) REPORTS.—

21 (1) RECOMMENDED MINIMUM STANDARDS.—
22 Not later than 180 days after the date of enactment
23 of this Act, the Secretary shall submit to Congress
24 a report containing the recommendations of the Sec-
25 retary on what minimum standards qualifying bodies

1 should adopt to carry out the requirements of sub-
2 section (a).

3 (2) IDENTIFICATION OF THREATS TO OPER-
4 ATION OF INTERNET POKER FACILITIES.—Not later
5 than 1 year after the date that licenses are first
6 issued under section 118(a), the Director of the Na-
7 tional Institute of Standards and Technology shall
8 submit to Congress a report that identifies threats
9 to the integrity of Internet poker facilities operated
10 by licensees, including identification of technologies
11 that could be used to hack computer networks, fa-
12 cilitate cheating, or otherwise place consumers at
13 risk of fraud or monetary loss.

14 **SEC. 111. CONSTRUCTION AND RELATION TO OTHER LAW.**

15 (a) NO IMPACT ON EXISTING LAWFUL GAMES.—

16 (1) IN GENERAL.—If bets or wagers on certain
17 games of skill are not regarded as gambling under
18 all provisions of Federal, State, or tribal law in ef-
19 fect as of the date of enactment of this Act—

20 (A) nothing in this title shall be construed
21 to require licensing under this title with respect
22 to such games; and

23 (B) fees paid to participate in such games
24 shall not be regarded as bets or wagers for pur-
25 poses of this title.

1 (2) RELIANCE.—Nothing in this title may be
2 relied on as support for the legality or permissibility
3 of games described in paragraph (1) without compli-
4 ance with the licensing and other requirements of
5 this title.

6 (b) NO EFFECT ON EXISTING LAW.—Nothing in this
7 section shall be construed to repeal, to amend, or to affect
8 the interpretation of any provision of State, or tribal law
9 that was in effect before the date of enactment of this
10 Act that—

11 (1) prohibits, restricts, or otherwise addresses
12 bets or wagers; or

13 (2) prohibits fraud, unfair or deceptive acts or
14 practices, or other criminal activity.

15 (c) PREEMPTION OF STATE AND TRIBAL LAWS.—

16 (1) IN GENERAL.—Except as otherwise ex-
17 pressly provided in this title and excluding any pro-
18 hibitions described in section 104(a)(3), the provi-
19 sions of this title shall supersede any provisions of
20 the law of any State or federally recognized Indian
21 tribe expressly relating to the permitting, prohib-
22 iting, licensing, or regulating of Internet poker facili-
23 ties, except to the extent such State or tribal laws
24 are not inconsistent with this title.

1 (2) LOTTERIES.—No provision of this title shall
2 be construed to have any effect on the rights, privi-
3 leges, or obligations of a State or tribal lottery as
4 may be provided under other applicable Federal,
5 State, or tribal law.

6 (3) SAVINGS PROVISION.—Nothing in this title
7 may be construed to limit the applicability or en-
8 forcement of any State or tribal consumer protection
9 law or preempt the applicability of State or tribal
10 trespass, contract, or tort law.

11 (d) RELATION TO GAMBLING DEVICES TRANSPORTATION ACT.—Equipment used by a licensee or significant
12 vendor in the furtherance of licensed activities pursuant
13 to this title (but not to the extent it is used for other pur-
14 poses) shall not be considered a gambling device within
15 the meaning of section 1 of the Act of January 2, 1951,
16 prohibiting the transportation of gambling devices in
17 interstate and foreign commerce (15 U.S.C. 1171).

18 (e) NO IMPACT ON INDIAN GAMING REGULATORY
19 ACT.—

20 (1) IN GENERAL.—No provision of this title or
21 decision or action taken by a federally recognized In-
22 dian tribe or State pursuant to this title shall have
23 any effect on non-Internet gaming activities within
24 the scope of the Indian Gaming Regulatory Act (25
25

1 U.S.C. 2710) or any successor provisions or on any
2 tribal-State compacts or authorities pursuant there-
3 to.

4 (2) TRIBAL STATUS OR CATEGORY NOT AF-
5 FECTED.—Tribal operation of Internet poker facili-
6 ties under this title shall not be considered class II
7 or class III gaming under such section, and a feder-
8 ally recognized Indian tribe's status, category, or
9 class under such section shall not impact its status
10 or ability to offer bets or wagers pursuant to this
11 title.

12 (3) NEW NEGOTIATIONS NOT REQUIRED.—

13 (A) FEDERALLY RECOGNIZED INDIAN
14 TRIBES.—The fact that a federally recognized
15 Indian tribe is operating under a license issued
16 pursuant to this title or that a tribal regulatory
17 body is acting as a qualified body pursuant to
18 this title shall not require a federally recognized
19 Indian tribe to negotiate a new agreement, limi-
20 tation, or other provision of tribal-State com-
21 pact, agreement, or other understanding with
22 respect to gaming or revenue-sharing, with re-
23 gard to any bet or wager occurring pursuant to
24 a license issued under this title.

1 (B) STATES.—The fact that a State has
2 prohibited or limited Internet bets or wagers
3 under section 104(a)(3) or that a State regu-
4 latory body is acting as a qualified body pursu-
5 ant to this title shall not require the State to
6 negotiate a new agreement, limitation, or other
7 provision of tribal-State compact, agreement, or
8 other understanding with respect to gaming or
9 revenue-sharing, with regard to any bet or
10 wager occurring pursuant to a license issued
11 under this title.

12 (f) NO IMPACT ON INTRASTATE REGULATORY RE-
13 GIMES.—Nothing in this Act shall be construed to prevent
14 or limit a State from establishing or maintaining regula-
15 tions to permit wagering on Internet poker where partici-
16 pation is limited to individuals within the physical borders
17 of that State.

18 **SEC. 112. REGULATIONS.**

19 Not later than 180 days after the date of enactment
20 of this Act, the Secretary shall prescribe such regulations
21 as the Secretary considers necessary and where expressly
22 required or authorized to carry out this title.

23 **SEC. 113. ANNUAL REPORTS.**

24 (a) LICENSING AND REGULATION OF INTERNET
25 POKER FACILITIES.—Not later than 1 year after the date

1 that licenses first issue under this title and annually there-
2 after, the Secretary shall transmit to Congress a report
3 on the licensing and regulation of Internet poker facilities
4 under this title, including—

5 (1) the amount of fees collected under section
6 104(e) and, in cooperation with the Secretary of the
7 Treasury, an estimate of the amount of income tax
8 revenue that is attributable to the operation of
9 Internet poker facilities during the period covered by
10 the report;

11 (2) a list of qualified regulatory authorities, the
12 number of licensees reviewed by the qualified regu-
13 latory authorities under this title, and the outcomes
14 of such reviews;

15 (3) a description of the efforts the Secretary
16 has undertaken to ensure that qualified regulatory
17 authorities are properly issuing licenses and regu-
18 lating licensees under this title;

19 (4) a detailed description of each type of game
20 offered by licensees and how each type is consistent
21 with the definition of poker under section 102; and

22 (5) any other information the Secretary deter-
23 mines may be useful to Congress.

24 (b) CONSUMER PROTECTION.—Not later than 1 year
25 after the date that licenses first issue under this title and

1 annually thereafter, the Secretary shall transmit to the
2 Committee on Energy and Commerce of the House of
3 Representatives and the Committee on Commerce,
4 Science, and Transportation of the Senate a report on
5 commercial and regulatory practices carried out to protect
6 consumers with respect to Internet poker, including the
7 practices carried out pursuant to the requirements of sec-
8 tion 106 and the regulations prescribed pursuant to such
9 section. Such report shall include—

10 (1) a detailed description of the efforts of each
11 qualified regulatory authority to protect consumers
12 from unfair or deceptive acts or practices, including
13 deceptive advertising and marketing to minors;

14 (2) a description of the practices that the Sec-
15 retary recommends a qualified regulatory authority
16 to adopt to protect consumers;

17 (3) such recommendations as the Secretary may
18 have for legislative action as the Secretary considers
19 necessary to protect consumers with respect to
20 Internet poker; and

21 (4) such other information as the Secretary
22 considers appropriate.

23 **SEC. 114. EFFECTIVE DATE.**

24 (a) IN GENERAL.—Except as otherwise provided in
25 this title, the provisions of this title shall take effect on

1 the date that is 30 days after the date of enactment of
 2 this Act.

3 (b) REGULATIONS REQUIRED BEFORE ISSUING LI-
 4 CENSES.—Notwithstanding any other provision of this
 5 title, a qualified regulatory authority may not issue a li-
 6 cense under this title before the later of—

7 (1) the date on which the Secretary prescribes
 8 final regulations under section 113;

9 (2) the date on which the Secretary of the
 10 Treasury prescribes final regulations pursuant to
 11 subsections (a) and (d) of section 203; and

12 (3) the date on which the Director of the Fi-
 13 nancial Crimes Enforcement Network submits to the
 14 Secretary of the Treasury a list of unlicensed Inter-
 15 net gambling enterprises pursuant to section
 16 5369(a)(1)(B) of title 31, United States Code, as
 17 added by section 202(a).

18 **TITLE II—STRENGTHENING OF**
 19 **UNLAWFUL INTERNET GAM-**
 20 **BLING ENFORCEMENT ACT**
 21 **OF 2006**

22 **SEC. 201. FINANCIAL TRANSACTION PROVIDERS.**

23 (a) IN GENERAL.—Subchapter IV of chapter 53 of
 24 title 31, United States Code, is amended by adding at the
 25 end the following:

1 **“§ 5368. Liability of financial transaction providers**

2 “(a) LIABILITY FOR CERTAIN FINANCIAL ACTIVITIES
3 AND TRANSACTIONS.—A financial transaction provider
4 shall not be held liable for engaging in a financial activity
5 or transaction, including a payments processing activity,
6 in connection with a bet or wager permitted by the Inter-
7 net Poker Freedom Act of 2015 or the Interstate Horse-
8 racing Act of 1978 (15 U.S.C. 3001 et seq.) unless the
9 financial transaction provider has actual knowledge that
10 the financial activity or transaction was conducted in vio-
11 lation of either such Act or any other applicable provision
12 of Federal or State law.

13 “(b) NO LIABILITY FOR BLOCKING OR REFUSING TO
14 HONOR CERTAIN TRANSACTIONS.—

15 “(1) IN GENERAL.—A financial transaction pro-
16 vider that takes an action described in paragraph
17 (2) with respect to a transaction shall not be liable
18 to any party for that action if the financial trans-
19 action provider takes the action because the origi-
20 nator of the transaction or a party to the trans-
21 action is—

22 “(A) a person or entity that is included in
23 the list of unlicensed Internet gambling enter-
24 prises required by section 5369(a);

25 “(B) a person or entity that is included in
26 a list of unlicensed Internet gambling enter-

1 prises made available to the financial trans-
 2 action provider by the Secretary under section
 3 5369(a)(3);

4 “(C) a person or entity that the financial
 5 transaction provider reasonably believes is in-
 6 cluded in a list described in subparagraph (A);
 7 or

8 “(D) a person or entity that is dem-
 9 onstrated to be an unlicensed Internet gambling
 10 enterprise based on information, other than a
 11 list described in subparagraph (A), that is made
 12 available to the financial transaction provider.

13 “(2) ACTIONS DESCRIBED.—A financial trans-
 14 action provider takes an action described in this
 15 paragraph if the financial transaction provider—

16 “(A) identifies and blocks a transaction;

17 “(B) prevents or prohibits the acceptance
 18 of its products or service in connection with a
 19 transaction or otherwise refuses to honor a
 20 transaction; or

21 “(C) closes an account or ends a financial
 22 relationship.”.

23 (b) CLERICAL AMENDMENT.—The table of sections
 24 for chapter 53 of title 31, United States Code, is amended
 25 by adding at the end the following:

“5368. Liability of financial transaction providers.”.

1 (c) TECHNICAL CORRECTION.—Section
 2 5362(11)(B)(i) of title 31, United States Code, is amend-
 3 ed by striking “section 903(6)(E)” and inserting “section
 4 903(7)(E)”.

5 **SEC. 202. LIST OF UNLICENSED INTERNET GAMBLING EN-**
 6 **TERPRISES.**

7 (a) IN GENERAL.—Subchapter IV of chapter 53 of
 8 title 31, United States Code, as amended by section
 9 201(a), is further amended by adding at the end the fol-
 10 lowing:

11 **“§ 5369. List of unlicensed Internet gambling enter-**
 12 **prises**

13 “(a) LIST OF UNLICENSED INTERNET GAMBLING
 14 ENTERPRISES.—

15 “(1) IN GENERAL.—The Director shall—

16 “(A) identify unlicensed Internet gambling
 17 enterprises in accordance with the procedures
 18 described in subsection (b);

19 “(B) not later than 120 days after the
 20 date of enactment of the Internet Poker Free-
 21 dom Act of 2015, submit to the Secretary a list
 22 of unlicensed Internet gambling enterprises that
 23 includes the information described in paragraph
 24 (2); and

1 “(C) not less frequently than every 60 days
2 thereafter, submit to the Secretary an updated
3 list that reflects the results of subsequent inves-
4 tigations carried out under this section.

5 “(2) INFORMATION REQUIRED.—The informa-
6 tion described in this paragraph is, with respect to
7 each unlicensed Internet gambling enterprise in-
8 cluded on the list required by paragraph (1), the fol-
9 lowing:

10 “(A) All known Internet Web site address-
11 es of the enterprise.

12 “(B) The name of any person who con-
13 trols, finances, manages, supervises, directs, or
14 owns all or part of the enterprise (as such
15 terms are used in section 1955 of title 18).

16 “(C) To the extent known, information
17 identifying the financial agents and account
18 numbers of the enterprise and the persons de-
19 scribed in subparagraph (B).

20 “(3) DISTRIBUTION OF LIST.—Not later than
21 10 days after receiving the list or an updated version
22 of the list required by paragraph (1) from the Direc-
23 tor, the Secretary shall—

24 “(A) post the information provided under
25 subparagraphs (A) and (B) of paragraph (2) on

1 the Internet Web site of the Department of the
2 Treasury; and

3 “(B) provide to each person that is re-
4 quired to comply with the regulations pre-
5 scribed pursuant to section 5364 a copy of the
6 information included with the list required by
7 paragraph (1) in an electronic format compat-
8 ible with the list of Specially Designated Na-
9 tionals and Blocked Persons maintained by the
10 Office of Foreign Assets Control.

11 “(b) PROCEDURES FOR IDENTIFYING UNLICENSED
12 INTERNET GAMBLING ENTERPRISES.—

13 “(1) INVESTIGATIONS.—

14 “(A) INITIAL INVESTIGATION.—Not later
15 than the date that is 60 days after the date of
16 enactment of the Internet Poker Freedom Act
17 of 2015, the Director shall complete an initial
18 investigation of entities that appear to be unli-
19 censed Internet gambling enterprises.

20 “(B) SUBSEQUENT INVESTIGATIONS.—
21 After completing the initial investigation re-
22 quired by subparagraph (A), the Director shall
23 regularly investigate entities that appear to be
24 unlicensed Internet gambling enterprises.

25 “(2) REQUESTS.—

1 “(A) IN GENERAL.—Any Federal, State,
2 tribal, or local law enforcement official, any af-
3 fected sports organization, any person directly
4 harmed by unlicensed Internet gambling, any fi-
5 nancial transaction provider, and any inter-
6 active computer service shall have the right, but
7 not the obligation, to make a written request to
8 the Director for the addition of any person to
9 the list of unlicensed Internet gambling enter-
10 prises required by subsection (a).

11 “(B) DETERMINATIONS; NOTICE TO PER-
12 SON THAT SUBMITTED A REQUEST.—Not later
13 than 30 days after receiving a request under
14 subparagraph (A), the Director shall—

15 “(i) determine if the request contains
16 information sufficient to constitute a prima
17 facie case that an entity is an unlicensed
18 Internet gambling enterprise; and

19 “(ii) notify the person that submitted
20 the request of the determination of the Di-
21 rector.

22 “(3) NOTICE.—Not later than 30 days before
23 including a person in the list of unlicensed Internet
24 gambling enterprises required by subsection (a), the
25 Director shall provide written notice to the person of

1 the determination of the Director to include the per-
2 son in the list.

3 “(4) OPPORTUNITY TO CONTEST.—

4 “(A) IN GENERAL.—A person that receives
5 notice under paragraph (3) that the Director
6 has determined to include the person in the list
7 of unlicensed Internet gambling enterprises re-
8 quired by subsection (a) may, not later than 30
9 days after receiving the notice, contest the de-
10 termination—

11 “(i) by submitting a written appeal to
12 the Director; and

13 “(ii) by agreeing in the written appeal
14 to submit to the jurisdiction of the United
15 States.

16 “(B) EFFECT OF NOT CONTESTING.—If a
17 person described in subparagraph (A) does not
18 contest the determination of the Director to in-
19 clude the person in the list of unlicensed Inter-
20 net gambling enterprises required by subsection
21 (a) in accordance with subparagraph (A), the
22 Director shall include the person in the list.

23 “(5) OPPORTUNITY FOR HEARING.—The Direc-
24 tor—

1 “(A) may not include a person that sub-
2 mits a written appeal pursuant to paragraph
3 (4) in the list of unlicensed Internet gambling
4 enterprises required by subsection (a) until the
5 Director provides the person with an oppor-
6 tunity for a hearing; and

7 “(B) shall provide the person the oppor-
8 tunity for a hearing not later than 30 days
9 after receiving the written appeal from the per-
10 son.

11 “(6) DETERMINATIONS AFTER HEARING.—Not
12 later than 10 days after the date of a hearing pro-
13 vided for a person under paragraph (5) (without re-
14 gard to whether the person appears at the hearing),
15 the Director shall—

16 “(A) determine if the person should be in-
17 cluded in the list of unlicensed Internet gam-
18 bling enterprises required by subsection (a);
19 and

20 “(B) if the Director determines that the
21 person should be included in the list, add the
22 person to the list.

23 “(7) INJUNCTIVE RELIEF.—

24 “(A) IN GENERAL.—A person described in
25 subparagraph (B) may petition for injunctive

1 relief in the United States District Court for
2 the District of Columbia, which shall have ex-
3 clusive jurisdiction to hear cases arising under
4 this section.

5 “(B) PERSON DESCRIBED.—A person de-
6 scribed in this subparagraph is a person that
7 the Director determines to include in the list of
8 unlicensed Internet gambling enterprises re-
9 quired by subsection (a)—

10 “(i) after the person appears at a
11 hearing described in paragraph (5); or

12 “(ii) that did not receive the notice re-
13 quired by paragraph (3).

14 “(C) BURDEN OF PROOF.—The petitioner
15 shall have the burden of establishing that the
16 person should not be included in the list of unli-
17 censed Internet gambling enterprises required
18 by subsection (a).

19 “(D) STANDING.—Only persons that the
20 Director determines to include in the list of un-
21 licensed Internet gambling enterprises required
22 by subsection (a) and owners or operators of
23 such enterprises shall have standing to contest
24 the determination of the Director.

1 “(E) AVAILABLE RELIEF.—The court may
2 direct the Director and the Secretary not to
3 add, or to remove, the petitioner from the list
4 of unlicensed Internet gambling enterprises.

5 “(F) UNAVAILABILITY OF OTHER REM-
6 EDIES.—There shall be no judicial review of a
7 determination under this section other than
8 pursuant to this paragraph.

9 “(c) EFFECT OF LIST.—A financial transaction pro-
10 vider shall be deemed to have actual knowledge that a per-
11 son or entity is an unlicensed Internet gambling enterprise
12 if—

13 “(1) the person or entity is included in the list
14 of unlicensed Internet gambling enterprises required
15 by subsection (a); or

16 “(2)(A) the person or entity is included in a list
17 of unlicensed Internet gambling enterprises made
18 available to the financial transaction provider by the
19 Secretary under subsection (a)(3); and

20 “(B) information in addition to the list de-
21 scribed in subparagraph (A) is available to the fi-
22 nancial transaction provider that demonstrates that
23 the person or entity is an unlicensed Internet gam-
24 bling enterprise.

25 “(d) DEFINITIONS.—In this section:

1 “(1) DIRECTOR.—The term ‘Director’ means
2 the Director of the Financial Crimes Enforcement
3 Network appointed under section 310(b).

4 “(2) SPORTS ORGANIZATION.—The term ‘sports
5 organization’ means an amateur sports organization
6 or a professional sports organization (as those terms
7 are defined in section 3701 of title 28).

8 “(3) UNLICENSED INTERNET GAMBLING EN-
9 TERPRISE.—The term ‘unlicensed Internet gambling
10 enterprise’ means any person who, on or after the
11 date of enactment of the Internet Poker Freedom
12 Act of 2015—

13 “(A) violates a provision of section 5363;

14 or

15 “(B) knowingly assists a person in conduct
16 described in subparagraph (A).”.

17 (b) CLERICAL AMENDMENT.—The table of sections
18 at the beginning of such chapter 53, as amended by sec-
19 tion 201(b), is further amended by adding at the end the
20 following:

 “5369. Unlicensed Internet gambling enterprises.”.

21 **SEC. 203. REGULATIONS.**

22 (a) REGULATIONS.—Not later than 180 days after
23 the date of enactment of this Act, the Secretary of the
24 Treasury shall—

1 (1) prescribe regulations to carry out sections
2 5368 and 5369 of title 31, United States Code, as
3 added by sections 201(a) and 202(a), and publish
4 such regulations in final form in the Federal Reg-
5 ister; and

6 (2) prescribe such regulations as the Secretary
7 of the Treasury considers necessary to ensure com-
8 pliance with chapter 2 of title I of Public Law 91–
9 508 (12 U.S.C. 1951 et seq.) and subchapter II of
10 chapter 53 of title 31, United States Code (com-
11 monly known, collectively, as the “Bank Secrecy
12 Act”), by licensees, significant vendors to such li-
13 censees, and financial service providers to such li-
14 censees (as such terms are defined in section 102).

15 (b) EXCLUSION OF BOARD OF GOVERNORS OF THE
16 FEDERAL RESERVE SYSTEM FROM REQUIREMENT TO
17 PRESCRIBE REGULATIONS CONCERNING PREVENTION OF
18 RESTRICTED TRANSACTIONS.—Subsection (a) of section
19 5364 of title 31, United States Code, is amended by strik-
20 ing “Before the end of the 270-day period beginning on
21 the date of enactment of this subchapter, the Secretary
22 and the Board of Governors of the Federal Reserve Sys-
23 tem, in consultation with the Attorney General, shall pre-
24 scribe regulations (which the Secretary and the Board

1 jointly determine to be appropriate)” and inserting “The
2 Secretary shall prescribe regulations”.

3 (c) TEMPORARY SUSPENSION OF CERTAIN REGULA-
4 TIONS.—

5 (1) IN GENERAL.—Subject to paragraph (2),
6 during the period beginning on the date of enact-
7 ment of this Act and ending on the date set forth
8 in subsection (d), part 233 of title 12, Code of Fed-
9 eral Regulations, and part 132 of title 31, Code of
10 Federal Regulations, shall have no force or effect to
11 the extent that those regulations require or impose
12 any obligation that is inconsistent with the provi-
13 sions of title I.

14 (2) PREVIOUS VIOLATION.—Paragraph (1) shall
15 not apply with respect to any violation of a regula-
16 tion described in such paragraph that occurred be-
17 fore the date of enactment of this Act.

18 (d) REVISION OF REGULATIONS.—Not later than 180
19 days after the date of enactment of this Act, the Secretary
20 of the Treasury shall revise part 233 of title 12, Code of
21 Federal Regulations, and part 132 of title 31, Code of
22 Federal Regulations, to conform with the provisions of
23 title I.

24 (e) ANNUAL REPORT.—Not later than 1 year after
25 the date on which the Secretary of the Treasury prescribes

1 regulations under this section, and annually thereafter,
2 the Secretary shall submit to Congress a report on the
3 list required by section 5369(a) of title 31, United States
4 Code, as added by section 202(a), including the following:

5 (1) The size of the list.

6 (2) The number of persons and Web sites
7 added to and removed from the list.

8 (3) The number and description of challenges to
9 inclusion on the list and a description of how such
10 challenges were resolved.

11 **SEC. 204. CONFORMING AMENDMENTS.**

12 (a) DUTIES AND POWERS OF THE DIRECTOR OF THE
13 FINANCIAL CRIMES ENFORCEMENT NETWORK.—Section
14 310(b)(2)(I) of title 31, United States Code, is amended
15 by striking “subchapter II” and inserting “subchapters II
16 and IV”.

17 (b) EXCLUSION OF LICENSED INTERNET POKER FA-
18 CILITY OPERATIONS FROM DEFINITION OF UNLAWFUL
19 INTERNET GAMBLING ENTERPRISE.—Section 5362(10)
20 of such title is amended—

21 (1) in subparagraph (D), by striking clause
22 (iii);

23 (2) by redesignating subparagraph (E) as sub-
24 paragraph (F); and

1 (3) by inserting after subparagraph (D) the fol-
2 lowing:

3 “(E) LICENSED INTERNET POKER FACILI-
4 TIES.—The term ‘unlawful Internet gambling’
5 does not include an activity carried out by an
6 Internet poker facility, as such term is defined
7 in section 102 of the Internet Poker Freedom
8 Act of 2015, operated by a person under a li-
9 cense provided under title I of such Act in ac-
10 cordance with the provisions of such title.”.

○