

(b) that on or after the date of enactment the Secretary of Labor is authorized to issue such rules and regulations as may be necessary to carry out its provisions.

APPROPRIATIONS

SEC. 16. There are hereby authorized to be appropriated such sums, not in excess of \$3,000,000 for any fiscal year, as may be necessary to carry out this Act.

Approved December 15, 1967.

Public Law 90-203

December 15, 1967
[H. R. 10595]

AN ACT

To prohibit certain banks and savings and loan associations from fostering or participating in gambling activities.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. (a) Chapter 1 of title LXII of the Revised Statutes is amended by inserting, immediately after section 5136, the following new section:

“SEC. 5136A. (a) A national bank may not—

“(1) deal in lottery tickets;

“(2) deal in bets used as a means or substitute for participation in a lottery;

“(3) announce, advertise, or publicize the existence of any lottery;

“(4) announce, advertise, or publicize the existence or identity of any participant or winner, as such, in a lottery.

“(b) A national bank may not permit—

“(1) the use of any part of any of its banking offices by any person for any purpose forbidden to the bank under subsection (a), or

“(2) direct access by the public from any of its banking offices to any premises used by any person for any purpose forbidden to the bank under subsection (a).

“(c) As used in this section—

“(1) The term ‘deal in’ includes making, taking, buying, selling, redeeming, or collecting.

“(2) The term ‘lottery’ includes any arrangement whereby three or more persons (the ‘participants’) advance money or credit to another in exchange for the possibility or expectation that one or more but not all of the participants (the ‘winners’) will receive by reason of their advances more than the amounts they have advanced, the identity of the winners being determined by any means which includes—

“(A) a random selection;

“(B) a game, race, or contest; or

“(C) any record or tabulation of the result of one or more events in which any participant has no interest except for its bearing upon the possibility that he may become a winner.

“(3) The term ‘lottery ticket’ includes any right, privilege, or possibility (and any ticket, receipt, record, or other evidence of any such right, privilege, or possibility) of becoming a winner in a lottery.

National banks.
Prohibited ac-
tivities.
12 USC 24.

Definitions.

“(d) Nothing contained in this section prohibits a national bank from accepting deposits or cashing or otherwise handling checks or other negotiable instruments, or performing other lawful banking services for a State operating a lottery, or for an officer or employee of that State who is charged with the administration of the lottery.

“(e) The Comptroller of the Currency shall issue such regulations as may be necessary to the strict enforcement of this section and the prevention of evasions thereof.”

Regulations.

(b) The table of sections at the beginning of that chapter is amended by inserting

“5136A. Participation in lotteries prohibited.”
immediately above

“5137. Power to hold real property.”

SEC. 2. The Federal Reserve Act is amended by inserting immediately after section 9 the following new section:

Federal Reserve
Act, amendment.
38 Stat. 259.
12 USC 321-338.

“SECTION 9A. PARTICIPATION IN LOTTERIES PROHIBITED

“(a) A State member bank may not—

“(1) deal in lottery tickets;

“(2) deal in bets used as a means or substitute for participation in a lottery;

“(3) announce, advertise, or publicize the existence of any lottery;

“(4) announce, advertise, or publicize the existence or identity of any participant or winner, as such, in a lottery.

“(b) A State member bank may not permit—

“(1) the use of any part of any of its banking offices by any person for any purpose forbidden to the bank under subsection (a), or

“(2) direct access by the public from any of its banking offices to any premises used by any person for any purpose forbidden to the bank under subsection (a).

“(c) As used in this section—

Definitions.

“(1) The term ‘deal in’ includes making, taking, buying, selling, redeeming, or collecting.

“(2) The term ‘lottery’ includes any arrangement whereby three or more persons (the ‘participants’) advance money or credit to another in exchange for the possibility or expectation that one or more but not all of the participants (the ‘winners’) will receive by reason of their advances more than the amounts they have advanced, the identity of the winners being determined by any means which includes—

“(A) a random selection;

“(B) a game, race, or contest; or

“(C) any record or tabulation of the result of one or more events in which any participant has no interest except for its bearing upon the possibility that he may become a winner.

“(3) The term ‘lottery ticket’ includes any right, privilege, or possibility (and any ticket, receipt, record, or other evidence of any such right, privilege, or possibility) of becoming a winner in a lottery.

Regulations.

Federal Deposit
Insurance Act,
amendment.
64 Stat. 893.
12 USC 1829.

"(d) Nothing contained in this section prohibits a State member bank from accepting deposits or cashing or otherwise handling checks or other negotiable instruments, or performing other lawful banking services for a State operating a lottery, or for an officer or employee of that State who is charged with the administration of the lottery.

"(e) The Board of Governors of the Federal Reserve System shall issue such regulations as may be necessary to the strict enforcement of this section and the prevention of evasions thereof."

SEC. 3. The Federal Deposit Insurance Act is amended by redesignating sections 20 and 21 as 21 and 22, respectively, and by inserting immediately after section 19 the following new section:

"SEC. 20. (a) A State nonmember insured bank may not—

"(1) deal in lottery tickets;

"(2) deal in bets used as a means or substitute for participation in a lottery;

"(3) announce, advertise, or publicize the existence of any lottery;

"(4) announce, advertise, or publicize the existence or identity of any participant or winner, as such, in a lottery.

"(b) A State nonmember insured bank may not permit—

"(1) the use of any part of any of its banking offices by any person for any purpose forbidden to the bank under subsection (a), or

"(2) direct access by the public from any of its banking offices to any premises used by any person for any purpose forbidden to the bank under subsection (a).

Definitions.

"(c) As used in this section—

"(1) The term 'deal in' includes making, taking, buying, selling, redeeming, or collecting.

"(2) The term 'lottery' includes any arrangement whereby three or more persons (the 'participants') advance money or credit to another in exchange for the possibility or expectation that one or more but not all of the participants (the 'winners') will receive by reason of their advances more than the amounts they have advanced, the identity of the winners being determined by any means which includes—

"(A) a random selection;

"(B) a game, race, or contest; or

"(C) any record or tabulation of the result of one or more events in which any participant has no interest except for its bearing upon the possibility that he may become a winner.

"(3) The term 'lottery ticket' includes any right, privilege, or possibility (and any ticket, receipt, record, or other evidence of any such right, privilege, or possibility) of becoming a winner in a lottery.

"(d) Nothing contained in this section prohibits a State nonmember insured bank from accepting deposits or cashing or otherwise handling checks or other negotiable instruments, or performing other lawful banking services for a State operating a lottery, or for an officer or employee of that State who is charged with the administration of the lottery.

Regulations.

"(e) The Board of Directors shall prescribe such regulations as may be necessary to the strict enforcement of this section and the prevention of evasions thereof."

SEC. 4. Title IV of the National Housing Act is amended by adding the following new section at the end:

"SEC. 410. (a) An insured institution may not—

"(1) deal in lottery tickets;

"(2) deal in bets used as a means or substitute for participation in a lottery;

"(3) announce, advertise, or publicize the existence of any lottery;

"(4) announce, advertise, or publicize the existence or identity of any participant or winner, as such, in a lottery.

"(b) An insured institution may not permit—

"(1) the use of any part of any of its own offices by any person for any purpose forbidden to the institution under subsection (a), or

"(2) direct access by the public from any of its own offices to any premises used by any person for any purpose forbidden to the institution under subsection (a).

"(c) As used in this section—

"(1) The term 'deal in' includes making, taking, buying, selling, redeeming, or collecting.

"(2) The term 'lottery' includes any arrangement whereby three or more persons (the 'participants') advance money or credit to another in exchange for the possibility or expectation that one or more but not all of the participants (the 'winners') will receive by reason of their advances more than the amounts they have advanced, the identity of the winners being determined by any means which includes—

"(A) a random selection;

"(B) a game, race, or contest; or

"(C) any record or tabulation of the result of one or more events in which any participant has no interest except for its bearing upon the possibility that he may become a winner.

"(3) The term 'lottery ticket' includes any right, privilege, or possibility (and any ticket, receipt, record, or other evidence of any such right, privilege, or possibility) of becoming a winner in a lottery.

"(d) Nothing contained in this section prohibits an insured institution from accepting funds from, or performing any lawful services for, a State operating a lottery, or an officer or employee of that State who is charged with the administration of the lottery.

"(e) The Federal Home Loan Bank Board shall prescribe such regulations as may be necessary to the strict enforcement of this section and the prevention of evasions thereof."

SEC. 5. (a) Chapter 61 of title 18 of the United States Code is amended by adding the following new section at the end:

"§ 1306. Participation by financial institutions

"Whoever knowingly violates section 5136A of the Revised Statutes of the United States, section 9A of the Federal Reserve Act, section 20 of the Federal Deposit Insurance Act, or section 410 of the National Housing Act shall be fined not more than \$1,000 or imprisoned not more than one year, or both."

(b) The table of sections at the beginning of that chapter is amended by adding the following at the end:

"1306. Participation by financial institutions."

SEC. 6. The amendments made by this Act shall take effect on April 1, 1968.

Approved December 15, 1967.

National Housing
Act, amendment.
48 Stat. 1255.
12 USC 1724-
1730b.

Definitions.

Regulations.

Penalties.
62 Stat. 762.
18 USC 1301-
1305.

Effective
date.