

Lawmakers Disagree Over Defining Online Gambling

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By THE ASSOCIATED PRESS

WASHINGTON (AP) -- Lawmakers failed Wednesday to agree on setting a clear definition of illegal Internet gambling to go along with a ban on online betting passed in 2006.

The Federal Reserve and the Treasury Department have been unable to finalize rules to implement the ban because Congress didn't clearly define online gambling when it passed legislation less than two years ago.

The House Financial Services Committee voted Wednesday on legislation to require federal regulators to write a uniform definition of which types of gambling should and should not be allowed on the Internet, followed by new rules implementing the ban. The tie vote, 32-32, meant the legislation failed under committee rules.

Senate Republicans, pushed by then-Majority Leader [Bill Frist](#) of Tennessee, had attached the online gambling ban to an unrelated port security bill in a rush of year-end legislation in 2006.

Banks and other financial institutions have complained that they are being forced into a law enforcement role because the Internet gambling ban prohibits them from accepting payments to settle online wagers without giving them a clear set of rules.

"The financial institutions are in the position of being told not process bets, but it's not clear what is legal and what is illegal," said Rep. [Barney Frank](#), D-Mass., the committee's chairman. He said financial institutions had been given "a job that is undoable."

The committee's top Republican, Rep. Spencer Bachus of Alabama, argued that gambling is the fastest-growing addiction in the United States and having it online makes it accessible to children.

"The banks have decided that this is a financial burden," Bachus said. "We have decided, on the other hand, that our children are worth protecting."

Internet gambling already was considered mostly illegal in the U.S., but the games are played by many U.S. residents on sites hosted overseas in a business worth more than \$15.5 billion a year. U.S. bettors have been estimated to provide at least half that revenue.

The 2006 congressional ban sought to outlaw Internet gambling by blocking payment methods for it, but didn't offer a clear definition everyone could agree on, instead referring to existing federal and state laws which themselves provoke differing interpretations.

The measure that fell to defeat Wednesday was by Rep. Peter King, R-N.Y.