

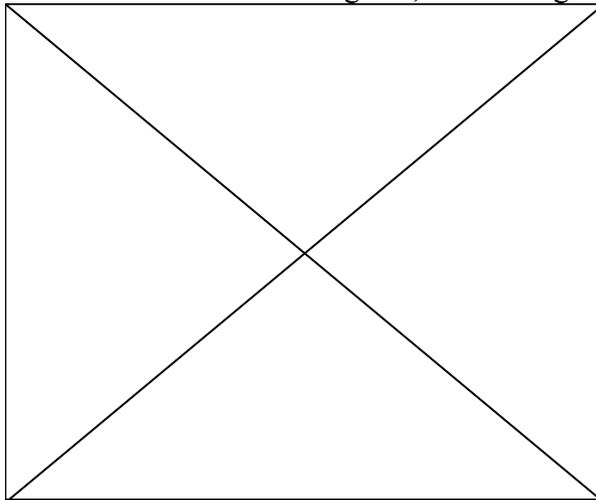


Legislation pushed to legalize and regulate online poker sites

By Gautham Nagesh - 06/24/11 01:55 PM ET

A bipartisan group of lawmakers introduced a bill Friday that would legalize and license online poker sites, two months after the Obama administration shut down sites used by an estimated 10 million Americans.

“Poker is an all-American game, and it’s a game that requires strategy and skill. Millions of Americans play poker online,” said Rep. Joe Barton (R-Texas), who authored the bill.



The bill would create a licensing regime for online poker, with the Commerce Department creating specific standards under which state and tribal gaming commissions could license poker sites.

For the first two years of the program only race tracks, card rooms and casinos of a certain size would be able to secure licenses, meaning the corporations that currently control the U.S. gambling industry will likely dominate online in

the short term.

The sites would have to prove that they are fair, able to screen out minors, ensure tax collection and prevent money laundering in order to secure licenses. States would be able to opt out of legalizing online poker through legislative means.

“We want to have an iron-clad system to make sure that those who play for money are playing in an honest, fair system where they can reap the benefits of their winnings,” Barton added. “To put it simply, this bill is about having the personal freedom to play a skill-based game you enjoy without fear of breaking the law.”

Barton said it is legal to play poker for money but illegal to process the transactions that allow players to collect their earnings. The administration's "[Black Friday](#)" led to arrests and charges of bank fraud and money laundering against the three largest online poker sites.

He was joined by co-sponsors Shelley Berkley (D-Nev.), John Campbell (R-Calif.), Steve Cohen (D-Tenn.), Pete King (R-N.Y.) and Linda Sanchez (D-Calif.). The bill will likely head to the House Energy and Commerce Committee.

"The discussion surrounding the legalization of online gaming in this country needs to move forward. At this moment, we have otherwise law-abiding American citizens committing a crime simply by playing poker online," Campbell said, adding that he doesn't gamble himself.

"Clearly, Americans want to gamble on the Internet, and policymakers need to provide both the freedom to do so and ensure appropriate consumer protections are in place."

Barton's bill was drafted in consultation with the Poker Players Alliance, which represents a significant chunk of online poker players, including 50,000 who claim to depend on the game for their livelihood. Other groups that have pushed for the legalization of online gambling cheered the bill, which makes it a crime to cheat at Internet poker.

"Although the American Gaming Association has not endorsed any specific legislation on this issue, we are pleased that Rep. Barton wants to protect American consumers and understands the need for regulating online poker in our country," the AGA said in a statement.

"The millions of Americans who are playing poker online deserve to know they are playing safely with law-abiding operators, but strong enforcement of illegal operators and unambiguous U.S. laws governing online gambling are equally vital."

The bill would expressly prohibit accepting any form of betting over the Internet without a license, exempting operations outside the U.S. It would require the Financial Crimes Enforcement Network to create a list of illegal offshore Internet gambling operators that would be blocked from receiving transfers from U.S. financial institutions.

Source:

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