

Internet Gambling Prohibition Act

• SECTION 1. SHORT TITLE.	1
• SEC. 2. DEFINITIONS.	1
• SEC. 3. TRANSMISSION OF WAGERING INFORMATION; PENALTIES.	3
• SEC. 4. SENSE OF THE CONGRESS.	4
• SEC. 5. REPORT.	4

105th CONGRESS

1st Session

H. R. 2380

To amend title 18 of the United States Code with respect to gambling on the Internet, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

September 3, 1997

Mr. GOODLATTE (for himself and Mr. LOBIONDO) introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To amend title 18 of the United States Code with respect to gambling on the Internet, and for other purposes.

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

SECTION 1. SHORT TITLE. ➡

This Act may be cited as the `Internet Gambling Prohibition Act of 1997'.

SEC. 2. DEFINITIONS. ➡

Section 1081 of title 18, United States Code, is amended--

(1) in the matter immediately following the colon, by designating the first 5 undesignated paragraphs as paragraphs (1) through (5), respectively, and moving the indentation of each

paragraph 2 ems to the right;

(2) in paragraph (5), as so designated--

(A) by striking 'wire communication' and inserting 'communication';

(B) by striking 'transmission of writings' and inserting 'transmission or receipt of data, writings'; and

(C) by striking 'or other like' and all that follows before the period and inserting 'radio, electromagnetic, photo-optical, photoelectric, or other similar facility'; and

(3) by adding at the end the following:

'(6) BETS OR WAGERS- The term 'bets or wagers'--

'(A) means the staking or risking by any person of something of value (other than in a de minimis amount, such as postage, filling out a form or survey, or visits to a place where no charge is made for such visits) upon the outcome of a contest of chance or a future contingent event which contest or event is predominantly subject to pure chance, upon an agreement or understanding that the person or another person will receive something of greater value than the amount staked or risked in the event of a certain outcome;

'(B) includes--

'(i) the purchase of a chance or opportunity to win a lottery or other prize if the opportunity to win is subject to pure chance and the purchase requires a consideration that is not in a de minimis amount as described in subparagraph (A) and

'(ii) information that is intended by the sender to be used by a person engaged in the business of betting or wagering to accept or place a bet or wager; and

'(C) does not include--

'(i) a bona fide business transaction governed by the securities laws (as that term is defined in section 3(a)(47) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(47))) for the purchase or sale at a future date of securities (as that term is defined in section 3(a)(10) of the

Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(10)));

'(ii) a contract of indemnity or guarantee; or

'(iii) a contract for life, health, or accident insurance.

'(7) INFORMATION ASSISTING IN THE PLACING OF BETS OR WAGERS- The term 'information assisting in the placing of bets or wagers means information that is sent by a person engaged in the business of betting or wagering that is necessary in order for the recipient to place a bet or wager by means of a communication facility being used in interstate or foreign commerce.'.

SEC. 3. TRANSMISSION OF WAGERING INFORMATION; PENALTIES.



(a) IN GENERAL- Section 1084 of title 18, United States Code, is amended by striking subsections (a) through (c) and inserting the following:

`(a) IN GENERAL-

`(1) PERSONS ENGAGED IN THE BUSINESS OF BETTING OR WAGERING- Whoever, being engaged in the business of betting or wagering knowingly uses a communication facility for the transmission or receipt in interstate or foreign commerce of bets or wagers, information assisting in the placing of bets or wagers, or a communication that entitles the transmitter or receiver to the opportunity to receive money or credit as a result of bets or wagers made using a communication facility in interstate or foreign commerce, shall be fined under this title or imprisoned not more than 4 years, or both.

`(2) OTHER PERSONS- Whoever (other than a person described in paragraph (1)) knowingly uses a communication facility for the transmission or receipt in interstate or foreign commerce of bets or wagers, information assisting in the placing of bets or wagers, or a communication that entitles the transmitter or receiver to the opportunity to receive money or credit as a result of bets or wagers, shall be fined under this title or imprisoned not more than 6 months, or both.

`(b) EXCEPTIONS-

`(1) NEWS REPORTING; LEGAL BETS AND WAGERS- Nothing in this section shall be construed to prohibit the transmission or receipt in interstate or foreign commerce of any information--

`(A) for use in the news reporting of any activity, event, or contest upon which bets or wagers are based;

`(B) assisting in the placing of bets or wagers, if betting or wagering on such activity, event, or contest--

`(i) is not illegal in the State or foreign country in which the transmission originates; and

`(ii) is not illegal in each State and each foreign country in which the sender intends the transmission to be received for the purposes of betting or wagering; or

`(C) advertising, promotion, or other communication by, or authorized by, anyone licensed to operate a gambling business in a State in which such business is lawful and in which the recipient of the information must be physically present at the licensed business establishment in order to place a bet or wager or engage in a contest which is conducted at such establishment.

`(2) STATE LAW- Nothing in this section shall be construed to preempt any State law.'.

(b) DUTIES OF COMMON CARRIERS AND INTERACTIVE COMPUTER SERVICE PROVIDERS- Subsection (d) of section 1084 of title 18, United States Code, is amended--

(1) by striking `(d) When' and inserting the following:

`(c) DUTIES OF COMMON CARRIERS AND INTERACTIVE COMPUTER SERVICE PROVIDERS-

`(1) IN GENERAL- If';

(2) by inserting `or interactive computer service provider' after `common carrier' each place that term appears;

(3) by striking `Nothing' and inserting the following:

`(3) JUDICIAL ACTION- Nothing'; and

(4) by inserting after paragraph (1), as amended by subparagraph (1), the following:

`(2) INJUNCTIVE RELIEF- Any State or local law enforcement agency acting within its jurisdiction, may, following the issuance of a notice under paragraph (1), in a civil action, obtain an injunction or other appropriate relief preventing the use of such facility for the purpose of transmitting or receiving gambling information in interstate or foreign commerce in violation of State or local law.'.

(c) STYLISTIC AMENDMENT- Section 1084(e) of title 18, United States Code, is amended by inserting ` - Definition'.

SEC. 4. SENSE OF THE CONGRESS. ➡

It is the sense of the Congress that the Federal Government should have extraterritorial jurisdiction over the transmission to or receipt from the United States of--

(1) bets or wagers (as that term is defined in section 1081 of title 18, United States Code);

(2) information assisting in the placing of bets or wagers; and

(3) any communication that entitles the transmitter or recipient to the opportunity to receive money or credit as a result of bets or wagers.

SEC. 5. REPORT. ➡

Not later than one year after the date of enactment of this Act, the Attorney General shall submit a report to Congress that includes--

(1) an analysis of the problems, if any, associated with enforcing section 1084 of title 18, United States Code, as amended by this Act; and

(2) recommendations for the best use of the resources of the Department of Justice to enforce that section.