

SUMMARY OF INTERNET GAMBLING REGULATION & ENFORCEMENT ACT OF 2007

SUMMARY

The Internet Gambling Regulation & Enforcement Act would establish a federal regulatory and enforcement framework under which Internet gambling operators could obtain licenses authorizing them to accept bets and wagers from individuals in the U.S., on the condition that they maintain effective protections against underage gambling, compulsive gambling, money laundering and fraud, and enforce prohibitions or restrictions on types of gambling prohibited by states, Indian Tribes, and sporting leagues.

LICENSING

This bill would provide the Director of the Financial Crimes Enforcement Network (FinCEN) with the exclusive authority to establish regulations and license Internet gambling operators. License applicants would be:

1. Subject to review of their financial condition and corporate structure, business experience and criminal background checks, and agree to be subject to U.S. jurisdiction
2. Prohibited from accepting any type of bet or wager that is initiated or terminated in a state or tribal land that prohibits that type of Internet gambling, or any sports league that opted out of authorizing online gambling activities

ENFORCEMENT

This bill would provide the Director of FinCEN the authority to revoke or terminate the license of any operator who fails to comply with the bill's provisions. Violators could be fined or imprisoned for up to five years, or both.

SAFEGUARDS AND PROTECTIONS

Any Internet gambling operator receiving a license would be required to have the appropriate safeguards in place to:

Ensure an individual placing a bet or wager is 18 years of age or older

Ensure an individual placing a bet or wager is physically located in a jurisdiction that permits Internet gambling at the time a bet or wager is placed.

Combat fraud and money laundering as prescribed by regulations issued by the Director or designee

Combat compulsive Internet gambling

FINANCIAL INSTITUTIONS

Investment banks, financial institutions and payment processors that provide services to Internet gambling operators licensed under the Act would be protected from liability for such services.

STATES AND INDIAN TRIBES

Individual states and Indian tribes would have the option to prohibit or impose limits in whole or in part on Internet gambling within their borders.

SPORTING LEAGUES

Sporting leagues would have the option of prohibiting Internet gambling on sporting events or contests on league activities.