

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.

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## 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

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## A BILL

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

1       *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Internet Gambling  
5 Prohibition Act of 1997”.

6 **SEC. 2. DEFINITIONS.**

7       Section 1081 of title 18, United States Code, is  
8 amended—

9           (1) in the matter immediately following the  
10       colon, by designating the first 5 undesignated para-

1 graphs as paragraphs (1) through (5), respectively,  
2 and moving the indentation of each paragraph 2 ems  
3 to the right;

4 (2) in paragraph (5), as so designated—

5 (A) by striking “wire communication” and  
6 inserting “communication”;

7 (B) by striking “transmission of writings”  
8 and inserting “transmission or receipt of data,  
9 writings”; and

10 (C) by striking “or other like” and all that  
11 follows before the period and inserting “radio,  
12 electromagnetic, photo-optical, photoelectric, or  
13 other similar facility”; and

14 (3) by adding at the end the following:

15 “(6) BETS OR WAGERS.—The term ‘bets or wa-  
16 gers’—

17 “(A) means the staking or risking by any  
18 person of something of value (other than in a  
19 de minimis amount, such as postage, filling out  
20 a form or survey, or visits to a place where no  
21 charge is made for such visits) upon the out-  
22 come of a contest of chance or a future contin-  
23 gent event which contest or event is predomi-  
24 nantly subject to pure chance, upon an agree-  
25 ment or understanding that the person or an-

1 other person will receive something of greater  
2 value than the amount staked or risked in the  
3 event of a certain outcome;

4 “(B) includes—

5 “(i) the purchase of a chance or op-  
6 portunity to win a lottery or other prize if  
7 the opportunity to win is subject to pure  
8 chance and the purchase requires a consid-  
9 eration that is not in a de minimis amount  
10 as described in subparagraph (A) and

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

15 “(C) does not include—

16 “(i) a bona fide business transaction  
17 governed by the securities laws (as that  
18 term is defined in section 3(a)(47) of the  
19 Securities Exchange Act of 1934 (15  
20 U.S.C. 78c(a)(47))) for the purchase or  
21 sale at a future date of securities (as that  
22 term is defined in section 3(a)(10) of the  
23 Securities Exchange Act of 1934 (15  
24 U.S.C. 78c(a)(10)));

1 “(ii) a contract of indemnity or guar-  
2 antee; or

3 “(iii) a contract for life, health, or ac-  
4 cident insurance.

5 “(7) INFORMATION ASSISTING IN THE PLACING  
6 OF BETS OR WAGERS.—The term ‘information as-  
7 sisting in the placing of bets or wagers means infor-  
8 mation that is sent by a person engaged in the busi-  
9 ness of betting or wagering that is necessary in  
10 order for the recipient to place a bet or wager by  
11 means of a communication facility being used in  
12 interstate or foreign commerce.”.

13 **SEC. 3. TRANSMISSION OF WAGERING INFORMATION; PEN-**  
14 **ALTIES.**

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

18 “(a) IN GENERAL.—

19 “(1) PERSONS ENGAGED IN THE BUSINESS OF  
20 BETTING OR WAGERING.—Whoever, being engaged  
21 in the business of betting or wagering knowingly  
22 uses a communication facility for the transmission  
23 or receipt in interstate or foreign commerce of bets  
24 or wagers, information assisting in the placing of  
25 bets or wagers, or a communication that entitles the

1 transmitter or receiver to the opportunity to receive  
2 money or credit as a result of bets or wagers made  
3 using a communication facility in interstate or for-  
4 eign commerce, shall be fined under this title or im-  
5 prisoned not more than 4 years, or both.

6 “(2) OTHER PERSONS.—Whoever (other than a  
7 person described in paragraph (1)) knowingly uses a  
8 communication facility for the transmission or re-  
9 ceipt in interstate or foreign commerce of bets or  
10 wagers, information assisting in the placing of bets  
11 or wagers, or a communication that entitles the  
12 transmitter or receiver to the opportunity to receive  
13 money or credit as a result of bets or wagers, shall  
14 be fined under this title or imprisoned not more  
15 than 6 months, or both.

16 “(b) EXCEPTIONS.—

17 “(1) NEWS REPORTING; LEGAL BETS AND WA-  
18 GERS.—Nothing in this section shall be construed to  
19 prohibit the transmission or receipt in interstate or  
20 foreign commerce of any information—

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

1           “(B) assisting in the placing of bets or wa-  
2           gers, if betting or wagering on such activity,  
3           event, or contest—

4                   “(i) is not illegal in the State or for-  
5                   eign country in which the transmission  
6                   originates; and

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

11                  “(C) advertising, promotion, or other com-  
12                  munication by, or authorized by, anyone li-  
13                  censed to operate a gambling business in a  
14                  State in which such business is lawful and in  
15                  which the recipient of the information must be  
16                  physically present at the licensed business es-  
17                  tablishment in order to place a bet or wager or  
18                  engage in a contest which is conducted at such  
19                  establishment.

20                  “(2) STATE LAW.—Nothing in this section shall  
21                  be construed to preempt any State law.”.

22                  (b) DUTIES OF COMMON CARRIERS AND INTER-  
23                  ACTIVE COMPUTER SERVICE PROVIDERS.—Subsection (d)  
24                  of section 1084 of title 18, United States Code, is amend-  
25                  ed—

1           (1) by striking “(d) When” and inserting the  
2 following:

3           “(c) DUTIES OF COMMON CARRIERS AND INTER-  
4 ACTIVE COMPUTER SERVICE PROVIDERS.—

5           “(1) IN GENERAL.—If”;

6           (2) by inserting “or interactive computer service  
7 provider” after “common carrier” each place that  
8 term appears;

9           (3) by striking “Nothing” and inserting the fol-  
10 lowing:

11           “(3) JUDICIAL ACTION.—Nothing”; and

12           (4) by inserting after paragraph (1), as amend-  
13 ed by subparagraph (1), the following:

14           “(2) INJUNCTIVE RELIEF.—Any State or local  
15 law enforcement agency acting within its jurisdic-  
16 tion, may, following the issuance of a notice under  
17 paragraph (1), in a civil action, obtain an injunction  
18 or other appropriate relief preventing the use of such  
19 facility for the purpose of transmitting or receiving  
20 gambling information in interstate or foreign com-  
21 merce in violation of State or local law.”.

22           (c) STYLISTIC AMENDMENT.—Section 1084(e) of  
23 title 18, United States Code, is amended by inserting  
24 “.—Definition”.

1 **SEC. 4. SENSE OF THE CONGRESS.**

2 It is the sense of the Congress that the Federal Gov-  
3 ernment should have extraterritorial jurisdiction over the  
4 transmission to or receipt from the United States of—

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

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

9 (3) any communication that entitles the trans-  
10 mitter or recipient to the opportunity to receive  
11 money or credit as a result of bets or wagers.

12 **SEC. 5. REPORT.**

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

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

19 (2) recommendations for the best use of the re-  
20 sources of the Department of Justice to enforce that  
21 section.

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