CAMPBELL 003

AMENDMENT TO H.R. 2267

OFFERED BY MR. CAMPBELL OF CALIFORNIA

Page 3, line 6, after "Federal" insert ", State, and tribal".

Page 3, line 12, after "Federal" and insert ", State, and tribal".

Page 6, line 12, insert "and regulation" after "licensure".

Page 6, line 12, insert ", except to the extent that powers have been delegated to qualified State and tribal regulatory bodies pursuant to this subchapter" before the period at the end.

Page 9, line 2, after "Secretary" insert "or an appropriate State officer or agency".

Page 9, line 15, strike the comma and all that follows through line 16 and insert "or any appropriate State or tribal officer or agency.".

Page 10, line 1, after "Secretary" insert "or appropriate State or tribal officer or agency".

Page 13, strike line 2 and insert "the suspension of the authority of the licensee to engage in licensed activities".

Page 13, line 9, strike "a license" and insert "the authority of the licensee to engage in licensed activities".

Page 15, line 22, strike "shall receive and retain under this section" and insert "may operate an Internet gambling facility in accordance with this subchapter".

Page 18, beginning on line 24, strike "each applicant" and insert "licensee".

Page 19, after line 11, insert the following new paragraph (and redesignate subsequent subparagraphs accordingly):

1 "(D) Require licensees to maintain All facili-
2 ties within the United States for processing of
3 bets or wagers made or placed from the United
4 States.".

Page 25, strike line 22, and all that follows through page 26, line 13, and insert the following:

5 "(n) SUITABILITY FOR LICENSING REQUIREMENTS
6 FOR CERTAIN SERVICE PROVIDERS.—
7 "(1) IN GENERAL.—Any person that know-
8 ingly—

1 "(A) manages, administers, or controls
2 bets or wagers that are initiated, received, or
3 otherwise made within the United States;
4 "(B) otherwise manages or administers the
5 games with which such bets or wagers are asso-
6 ciated; or
7 "(C) develops, maintains or operates, or
8 distributes or makes available for downloading
9 software, other system programs or hardware
10 that create, operate, or otherwise affect the out-
11 come of a game
12 shall meet all of the suitability for licensing criteria
13 established under this section in the same manner
14 and to the same extent as if that person were itself
15 a licensee.
16 "(2) SUITABILITY FOR LICENSING REQUIRE-
17 MENTS FOR CERTAIN SERVICE PROVIDERS.—Any
18 failure on the part of person described in any sub-
19 paragraph of paragraph (1) to remain suitable for li-
20 censing shall be grounds for revocation of the au-
21 thority of the licensee for whom such service is pro-
22 vided to operate an Internet gambling facility, in the
23 same manner and in accordance with subsection
24 (i).".

Page 29, line 13, insert "INCLUDING EXAMINATION AND ENFORCEMENT" after "OTHER PURPOSES".

Page 29, line 14, strike "may" and insert "shall".

Page 29, line 19, insert ", including authority under paragraph (6)".

Page 29, after line 19, insert the following new paragraph (and redesignate the subsequent paragraph accordingly):

1 "(6) ADDITIONAL AUTHORITY OF QUALIFIED
2 STATE OR TRIBAL AUTHORITIES.—The qualified
3 state or tribal authorities may—
4 "(A) examine licensees who are licensed
5 under a State or tribal program referred to in
6 paragraph (1);
7 "(B) employ enforcement agents with suf-
8 ficient training and experience to administer the
9 requirements of this subchapter; and
10 "(C) enforce any requirement of this sub-
11 chapter that is within the jurisdiction of the
12 qualified state or tribal authoriy through all ap-
13 propriate means provided under this subchapter
14 and other provisions of law.".

Page 30, line 1, insert "**CONSUMER SAFEGUARDS,**" after "**GAMBLING,**".

Page 30, line 7, insert "Consumer Safeguards," after "Gambling".

Page 30, strike line 10, and all that follows through page 31, line 14 and insert the new subsections (and redesignate subsequent subsections and cross references to such subsections accordingly):

1 "(b) MINIMUM REQUIREMENTS.—

2 "(1) IN GENERAL.—Any application for a li-
3 cense shall include a submission to the Secretary or
4 qualified State or tribal regulatory body setting forth
5 a comprehensive program that is intended—

6 "(A) to verify the identity and age of each
7 customer through the use of commercially avail-
8 able data sources or any approved government
9 database that is available for access in real-time
10 through an automated process;

11 "(B) to ensure that no customers under
12 the legal age 21 may initiate or otherwise make
13 any bets or wagers for real money;

14 "(C) to verify the State or tribal land in
15 which the customer is located at the time the
16 customer attempts to initiate a bet or wager;

17 "(D) to ensure that no customer who is lo-
18 cated in a State or tribal land that opts out
19 pursuant to section 5386 can initiate or other-

1 wise make a bet or wager prohibited by such
2 opt-out;;
3 "(E) to ensure that responsible gambling
4 materials including materials on problem gam-
5 bling, services and resources to address problem
6 gambling, descriptions of games offered by the
7 licensee, and when appropriate, odds of winning
8 or payout rates of games, and any other mate-
9 rials that the Secretary or qualified State or
10 tribal regulatory body may deem appropriate
11 are made available to customers;
12 "(F) to make available player-selectable re-
13 sponsible gambling options that may include, as
14 appropriate to specific gambling games, a stake
15 limit, loss limit, time-based loss limits, deposit
16 limit, session time limit, time-based exclusion
17 from all gambling and other similar options
18 that the Secretary or qualified State or tribal
19 regulatory body may deem appropriate and re-
20 quire to be made available;
21 "(G) to require each customer, before mak-
22 ing or placing any bet or wager, to establish
23 personal limits as a condition of play that apply
24 across all betting sites, which may be in hourly,

1 daily, weekly or monthly increments, at the dis-
2 cretion of the customer;
3 "(H) to protect the privacy and security of
4 any customer in connection with any lawful
5 Internet gambling activity;
6 "(I) to protect against fraud and to pro-
7 vide for dispute resolution relating to internet
8 gambling activity through programs to insure
9 the integrity and fairness of the games; and
10 "(J)) to protect against money laundering
11 relating to Internet gambling activities.
12 "(2) REQUIREMENTS FOR PROGRAMS ENSURING
13 INTEGRITY AND FAIRNESS.—The programs referred
14 to in paragraph (1)(I) to insure the integrity and
15 fairness of the games shall include requirements
16 for—
17 "(A) real-time, multiparty cryptographic
18 protocols for random number generation where
19 1 of the parties is the player;
20 "(B) secure audit trails;
21 "(C) detailed player betting logs that
22 record and store each wager placed by the play-
23 er;
24 "(D) real time confirmation of high value
25 bets or wagers, where appropriate; or

1 "(E) equally effective options that the Sec-
2 retary or qualified State or tribal regulatory of-
3 ficer or agency may determine to be appro-
4 priate.
5 "(c) PERIODIC REVIEW.—
6 "(1) IN GENERAL.—The Secretary shall, on a
7 regular basis, review the minimum requirements
8 under this section and may, based on the best avail-
9 able technology, update the standards that each li-
10 censee shall implement as a condition of licensure.
11 "(2) CONSULTATION.—In conducting the review
12 required under paragraph (1), the Secretary shall
13 consult with——
14 "(A) State and tribal gaming regulatory
15 officials;
16 "(B) law enforcement officials;
17 "(C) experts in underage and problem
18 gaming;
19 "(D) experts on individual privacy;
20 "(E) consumers;
21 "(F) on-line retailers of other age re-
22 stricted materials such as tobacco and alcohol
23 products;
24 "(G) licensees and other representatives of
25 the gaming industry;

1 "(H) software developers with expertise in
2 gaming, privacy, the payments systems avail-
3 able, and other relevant areas; and
4 "(I) such other relevant individuals as the
5 Secretary may determine to be appropriate.".

Page 38, after line 20, insert the following new section (and redesignate the subsequent sections and cross references to such sections accordingly):

6 **"§ 5386. List of unlawful Internet gambling enter-**
7 **prises**
8 "(a) DEFINITIONS.—For purposes of this section, the
9 following definitions shall apply:
10 "(1) UNLAWFUL INTERNET GAMBLING ENTER-
11 PRISE.—The term 'unlawful Internet gambling en-
12 terprise' means any person who, more than 10 days
13 after the date of the enactment of this section—
14 "(A) violates a provision of section 5363;
15 "(B) knowingly receives or transmits funds
16 intended primarily for a person described in
17 subparagraph (A); or
18 "(C) knowingly assists in the conduct of a
19 person described in subparagraph (A) or (B).
20 "(2) DIRECTOR.—The term 'Director' means
21 the Director of the Financial Crimes Enforcement
22 Network.

1 "(b) LIST OF UNLAWFUL INTERNET GAMBLING EN-
2 TERPRISES.—
3 "(1) IN GENERAL.—Not later than 120 days
4 after the date of the enactment of this section, the
5 Director shall submit to the Secretary a list of un-
6 lawful Internet gambling enterprises and shall regu-
7 larly update such list in accordance with the proce-
8 dures described in paragraph (3).
9 "(2) CONTENTS OF LIST.—The list prepared
10 under paragraph (1) shall include the following in-
11 formation for each such unlawful Internet gambling
12 enterprise:
13 "(A) All known Internet website addresses
14 of the enterprise.
15 "(B) The names of all known owners and
16 operators of the enterprise.
17 "(C) To the extent known, information
18 identifying the financial agents and account
19 numbers of the enterprise and the persons list-
20 ed under subparagraph (B).
21 "(3) DISTRIBUTION OF LIST BY SECRETARY.—
22 The Secretary shall make available—
23 "(A) a copy of the information provided
24 under subparagraphs (A) and (B) of paragraph

1 (2) on the Internet website of the Secretary of
2 the Treasury;
3 "(B) to all persons who are required to
4 comply with the regulations prescribed under
5 the authority provided in section 5364 a copy of
6 all the information provided under paragraph
7 (1) in an electronic format compatible with the
8 Specially Designated Nationals list maintained
9 by the Office of Foreign Assets Control; and
10 "(C) any information required under this
11 paragraph not later than 10 days after receiv-
12 ing any new or updated list from the Director.
13 "(4) PROCEDURES.—The procedures described
14 in this paragraph are the following:
15 "(A) INVESTIGATION.—The Director shall
16 investigate entities that appear to be unlawful
17 Internet gambling enterprises. An initial inves-
18 tigation shall be completed before the end of the
19 60-day period beginning on the date of enact-
20 ment of this section. After the initial investiga-
21 tion, the Director shall regularly investigate en-
22 tities that appear to be unlawful Internet gam-
23 bling enterprises. If the Director discovers evi-
24 dence sufficient to prove a prima facie case that
25 any person is an unlawful Internet gambling

1 enterprise, the Director shall provide the notice
2 required under subparagraph (C).
3 "(B) REQUESTS.—Any Federal, State,
4 tribal, or local law enforcement official, any af-
5 fected sports organization, any person directly
6 harmed by unlawful Internet gambling, any fi-
7 nancial transaction provider, and any inter-
8 active computer service (as such terms are de-
9 fined in section 5362) shall have the right, but
10 not the obligation, to make a written request to
11 the Director for the addition of any person to
12 the list of unlawful Internet gambling enter-
13 prises. If the Director determines that the evi-
14 dence submitted is sufficient to prove a prima
15 facie case that such person is an unlawful
16 Internet gambling enterprise, the Director shall
17 provide the notice required under subparagraph
18 (C) to each person identified as an alleged un-
19 lawful Internet gambling enterprise. The Direc-
20 tor also shall provide written notice of its deci-
21 sion under this subparagraph, including a deci-
22 sion not to add a person to the list required
23 under paragraph (1), to the requesting party no
24 later than 30 days after the request is received.

1 "(C) NOTICE.—Not fewer than 30 days
2 before adding an unlawful Internet gambling
3 enterprise, or an owner or operator thereof, to
4 the list required under paragraph (1), the Di-
5 rector shall provide written notice to such en-
6 terprise, owner, or operator. Any enterprise,
7 owner, or operator receiving such notice may
8 contest the Director's determination by written
9 appeal to the Director not more than 30 days
10 after receiving notice.
11 "(D) OPPORTUNITY FOR HEARING.—If a
12 person properly submits a written appeal under
13 subparagraph (C), the Director shall not in-
14 clude such person in the list required under
15 paragraph (1) unless and until the Director
16 provides such person with an opportunity for a
17 hearing not more than 30 days after receiving
18 written notice of appeal. Not more than 10 days
19 after an opportunity for hearing is afforded,
20 whether or not the person requesting the hear-
21 ing appears at such hearing, the Director shall
22 proceed to add such person to the list of unlaw-
23 ful Internet gambling enterprises unless the Di-
24 rector determines, based on a preponderance of

1 the evidence, that such person is not an unlaw-
2 ful Internet gambling enterprise.
3 "(E) INJUNCTIVE RELIEF.—Any person
4 that the Director determines shall be included
5 in the list required under paragraph (1) after
6 such person appears at a hearing described in
7 subparagraph (D) and any person included in
8 such list who did not receive the notice required
9 under subparagraph (C), may petition for in-
10 junctive relief in the United States District
11 Court for the District of Columbia, which shall
12 have exclusive jurisdiction to hear challenges
13 pursuant to this section. The petitioner shall
14 have the burden of establishing by a preponder-
15 ance of the evidence that such person is not an
16 unlawful Internet gambling enterprise. Only
17 persons designated by the Director for inclusion
18 on the list of unlawful Internet gambling enter-
19 prises, and other owners or operators of an en-
20 terprise to be so listed, shall have standing to
21 contest the Director's determination. The court
22 may enjoin the Director and the Secretary not
23 to add or remove the petitioner from the list of
24 unlawful Internet gambling enterprises, and no
25 other judicial recourse shall be permitted.

1 "(c) EFFECT OF LIST.—A financial transaction pro-
2 vider shall be deemed to have actual knowledge that a per-
3 son is an unlawful Internet gambling enterprise to the ex-
4 tent that such person is identified on the list available to
5 the public, or on a non-public list made available to such
6 financial transaction provider, by the Secretary as de-
7 scribed in subsection (b)(2), provided that the list shall
8 not be deemed to be the sole source of actual knowledge.".

Page 44, line 22, strike "by the Secretary under" and insert "in accordance with".

Page 47, after line 26, insert the following new section: (and redesignate the subsequent section accordingly):

9 **SEC. 4. FEASIBILITY STUDY.**

10 The Secretary of the Treasury, in consultation with
11 appropriate State or tribal officers or agencies shall con-
12 duct a feasibility study on safeguards to address gambling
13 while impaired through programs such as periodic notices,
14 periodic testing of individuals to establish cognitive com-
15 petence and any other similar option that the Secretary
16 or appropriate State or tribal officers or agencies may de-
17 termine to be appropriate.