

**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 facilities  
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 authority through all ap-  
13                   propriate means provided under this subchapter  
14                   and other provisions of law.”.

Page 30, line 1, insert “**CONSUMER SAFE-  
GUARDS,**” 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 enter-  
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 sec-  
tion: (and redesignate the subsequent section accord-  
ingly):

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.

