

Union Calendar No. 65

108TH CONGRESS
1ST SESSION

H. R. 21

[Report No. 108-51, Parts I and II]

To prevent the use of certain bank instruments for unlawful Internet gambling, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 2003

Mr. LEACH (for himself, Mr. OXLEY, Mr. ROGERS of Michigan, Mr. PICKERING, Mr. NORWOOD, Mr. GOODLATTE, Mr. BACHUS, Mrs. KELLY, Mr. WOLF, Mr. SPRATT, Mr. OSBORNE, Mr. PITTS, Mr. BERRY, and Mr. GILLMOR) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

MAY 27, 2003

Additional sponsors: Mr. BOUCHER, Mr. GREEN of Wisconsin, Mr. LIPINSKI, Mr. TERRY, Mr. FRANKS of Arizona, Mr. KENNEDY of Minnesota, Ms. HOOLEY of Oregon, Mr. DUNCAN, Mr. AKIN, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. SOUDER, Mr. SCHROCK, Mr. UPTON, Mr. GORDON, Mr. BARRETT of South Carolina, Mr. CASE, Ms. HART, Mr. ISAKSON, Mr. PLATTS, Mr. KING of New York, Mr. LATHAM, and Mr. WICKER

MARCH 27, 2003

Reported from the Committee on Financial Services

MARCH 27, 2003

Referral to the Committee on the Judiciary extended for a period ending not later than May 16, 2003

MAY 16, 2003

Referral to the Committee on the Judiciary extended for a period ending not later than June 2, 2003

MAY 22, 2003

Reported from the Committee on the Judiciary with an amendment

[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on January 7, 2003]

A BILL

To prevent the use of certain bank instruments for unlawful Internet gambling, 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 “Unlawful Internet Gam-*
5 *bling Funding Prohibition Act”.*

6 **SEC. 2. FINDINGS.**

7 *The Congress finds as follows:*

8 (1) *Internet gambling is primarily funded*
9 *through personal use of bank instruments, including*
10 *credit cards and wire transfers.*

11 (2) *The National Gambling Impact Study Com-*
12 *mission in 1999 recommended the passage of legisla-*
13 *tion to prohibit wire transfers to Internet gambling*
14 *sites or the banks which represent them.*

15 (3) *Internet gambling is a major cause of debt*
16 *collection problems for insured depository institutions*
17 *and the consumer credit industry.*

1 (4) *Internet gambling conducted through offshore*
2 *jurisdictions has been identified by United States law*
3 *enforcement officials as a significant money laun-*
4 *dering vulnerability.*

5 **SEC. 3. PROHIBITION ON ACCEPTANCE OF ANY BANK IN-**
6 **STRUMENT FOR UNLAWFUL INTERNET GAM-**
7 **BLING.**

8 (a) *IN GENERAL.*—*No person engaged in the business*
9 *of betting or wagering may knowingly accept, in connection*
10 *with the participation of another person in unlawful Inter-*
11 *net gambling—*

12 (1) *credit, or the proceeds of credit, extended to*
13 *or on behalf of such other person (including credit ex-*
14 *tended through the use of a credit card);*

15 (2) *an electronic fund transfer or funds trans-*
16 *mitted by or through a money transmitting business,*
17 *or the proceeds of an electronic fund transfer or*
18 *money transmitting service, from or on behalf of the*
19 *other person;*

20 (3) *any check, draft, or similar instrument*
21 *which is drawn by or on behalf of the other person*
22 *and is drawn on or payable at or through any finan-*
23 *cial institution; or*

24 (4) *the proceeds of any other form of financial*
25 *transaction as the Secretary may prescribe by regula-*

1 *tion which involves a financial institution as a payor*
2 *or financial intermediary on behalf of or for the ben-*
3 *efit of the other person.*

4 (b) *DEFINITIONS.—For purposes of this Act, the fol-*
5 *lowing definitions shall apply:*

6 (1) *BETS OR WAGERS.—The term “bets or wa-*
7 *gers”—*

8 (A) *means the staking or risking by any*
9 *person of something of value upon the outcome of*
10 *a contest of others, a sporting event, or a game*
11 *subject to chance, upon an agreement or under-*
12 *standing that the person or another person will*
13 *receive something of greater value than the*
14 *amount staked or risked in the event of a certain*
15 *outcome;*

16 (B) *includes the purchase of a chance or op-*
17 *portunity to win a lottery or other prize (which*
18 *opportunity to win is predominantly subject to*
19 *chance);*

20 (C) *includes any scheme of a type described*
21 *in section 3702 of title 28, United States Code;*

22 (D) *includes any instructions or informa-*
23 *tion pertaining to the establishment or movement*
24 *of funds in an account by the bettor or customer*
25 *with the business of betting or wagering; and*

1 (E) does not include—

2 (i) any activity governed by the securi-
3 ties laws (as that term is defined in section
4 3(a)(47) of the Securities Exchange Act of
5 1934) for the purchase or sale of securities
6 (as that term is defined in section 3(a)(10)
7 of such Act);

8 (ii) any transaction conducted on or
9 subject to the rules of a registered entity or
10 exempt board of trade pursuant to the Com-
11 modity Exchange Act;

12 (iii) any over-the-counter derivative
13 instrument;

14 (iv) any other transaction that—

15 (I) is excluded or exempt from
16 regulation under the Commodity Ex-
17 change Act; or

18 (II) is exempt from State gaming
19 or bucket shop laws under section 12(e)
20 of the Commodity Exchange Act or sec-
21 tion 28(a) of the Securities Exchange
22 Act of 1934;

23 (v) any contract of indemnity or guar-
24 antee;

25 (vi) any contract for insurance;

1 (vii) any deposit or other transaction
2 with a depository institution (as defined in
3 section 3(c) of the Federal Deposit Insur-
4 ance Act); and

5 (viii) any participation in a simula-
6 tion sports game or an educational game or
7 contest that—

8 (I) is not dependent solely on the
9 outcome of any single sporting event or
10 nonparticipant's singular individual
11 performance in any single sporting
12 event;

13 (II) has an outcome that reflects
14 the relative knowledge and skill of the
15 participants with such outcome deter-
16 mined predominantly by accumulated
17 statistical results of sporting events;
18 and

19 (III) offers a prize or award to a
20 participant that is established in ad-
21 vance of the game or contest and is not
22 determined by the number of partici-
23 pants or the amount of any fees paid
24 by those participants.

1 (2) *BUSINESS OF BETTING OR WAGERING.*—*The*
2 *term “business of betting or wagering” does not in-*
3 *clude, other than for purposes of subsection (e), any*
4 *creditor, credit card issuer, insured depository insti-*
5 *tution, financial institution, operator of a terminal*
6 *at which an electronic fund transfer may be initiated,*
7 *money transmitting business, or international, na-*
8 *tional, regional, or local network utilized to effect a*
9 *credit transaction, electronic fund transfer, stored*
10 *value product transaction, or money transmitting*
11 *service, or any participant in such network, or any*
12 *interactive computer service or telecommunications*
13 *service.*

14 (3) *DESIGNATED PAYMENT SYSTEM DEFINED.*—
15 *The term “designated payment system” means any*
16 *system utilized by any creditor, credit card issuer, fi-*
17 *nancial institution, operator of a terminal at which*
18 *an electronic fund transfer may be initiated, money*
19 *transmitting business, or international, national, re-*
20 *gional, or local network utilized to effect a credit*
21 *transaction, electronic fund transfer, or money trans-*
22 *mitting service, or any participant in such network,*
23 *that the Secretary, in consultation with the Board of*
24 *Governors of the Federal Reserve System and the At-*
25 *torney General, determines, by regulation or order,*

1 *could be utilized in connection with, or to facilitate,*
2 *any restricted transaction.*

3 (4) *INTERNET.*—*The term “Internet” means the*
4 *international computer network of interoperable pack-*
5 *et switched data networks.*

6 (5) *INTERACTIVE COMPUTER SERVICE.*—*The*
7 *term “interactive computer service” has the same*
8 *meaning as in section 230(f) of the Communications*
9 *Act of 1934.*

10 (6) *RESTRICTED TRANSACTION.*—*The term “re-*
11 *stricted transaction” means any transaction or trans-*
12 *mittal involving any credit, funds, instrument, or*
13 *proceeds described in any paragraph of subsection (a)*
14 *which the recipient is prohibited from accepting*
15 *under subsection (a).*

16 (7) *UNLAWFUL INTERNET GAMBLING.*—*The term*
17 *“unlawful Internet gambling” means to place, receive,*
18 *or otherwise transmit a bet or wager by any means*
19 *which involves the use, at least in part, of the Inter-*
20 *net where such bet or wager is unlawful under any*
21 *applicable Federal or State law in the State in which*
22 *the bet or wager is initiated, received, or otherwise*
23 *made.*

24 (8) *OTHER TERMS.*—

1 (A) *CREDIT; CREDITOR; AND CREDIT*
2 *CARD.—The terms “credit”, “creditor”, and*
3 *“credit card” have the meanings given such*
4 *terms in section 103 of the Truth in Lending*
5 *Act.*

6 (B) *ELECTRONIC FUND TRANSFER.—The*
7 *term “electronic fund transfer”—*

8 (i) *has the meaning given such term in*
9 *section 903 of the Electronic Fund Transfer*
10 *Act; and*

11 (ii) *includes any fund transfer covered*
12 *by Article 4A of the Uniform Commercial*
13 *Code, as in effect in any State.*

14 (C) *FINANCIAL INSTITUTION.—The term “fi-*
15 *nancial institution” has the meaning given such*
16 *term in section 903 of the Electronic Fund*
17 *Transfer Act.*

18 (D) *MONEY TRANSMITTING BUSINESS AND*
19 *MONEY TRANSMITTING SERVICE.—The terms*
20 *“money transmitting business” and “money*
21 *transmitting service” have the meanings given*
22 *such terms in section 5330(d) of title 31, United*
23 *States Code.*

24 (E) *SECRETARY.—The term “Secretary”*
25 *means the Secretary of the Treasury.*

1 (c) *CIVIL REMEDIES.*—

2 (1) *JURISDICTION.*—*The district courts of the*
3 *United States shall have original and exclusive juris-*
4 *isdiction to prevent and restrain violations of this sec-*
5 *tion by issuing appropriate orders in accordance with*
6 *this section, regardless of whether a prosecution has*
7 *been initiated under this section.*

8 (2) *PROCEEDINGS.*—

9 (A) *INSTITUTION BY FEDERAL GOVERN-*
10 *MENT.*—

11 (i) *IN GENERAL.*—*The United States,*
12 *acting through the Attorney General, may*
13 *institute proceedings under this subsection*
14 *to prevent or restrain a violation of this sec-*
15 *tion.*

16 (ii) *RELIEF.*—*Upon application of the*
17 *United States under this subparagraph, the*
18 *district court may enter a preliminary in-*
19 *junction or an injunction against any per-*
20 *son to prevent or restrain a violation of this*
21 *section, in accordance with Rule 65 of the*
22 *Federal Rules of Civil Procedure.*

23 (B) *INSTITUTION BY STATE ATTORNEY GEN-*
24 *ERAL.*—

1 (i) *IN GENERAL.*—*The attorney general*
2 *of a State (or other appropriate State offi-*
3 *cial) in which a violation of this section al-*
4 *legedly has occurred or will occur may in-*
5 *stitute proceedings under this subsection to*
6 *prevent or restrain the violation.*

7 (ii) *RELIEF.*—*Upon application of the*
8 *attorney general (or other appropriate State*
9 *official) of an affected State under this sub-*
10 *paragraph, the district court may enter a*
11 *preliminary injunction or an injunction*
12 *against any person to prevent or restrain a*
13 *violation of this section, in accordance with*
14 *Rule 65 of the Federal Rules of Civil Proce-*
15 *dure.*

16 (C) *INDIAN LANDS.*—

17 (i) *IN GENERAL.*—*Notwithstanding*
18 *subparagraphs (A) and (B), for a violation*
19 *that is alleged to have occurred, or may*
20 *occur, on Indian lands (as that term is de-*
21 *fined in section 4 of the Indian Gaming*
22 *Regulatory Act)—*

23 (i) *the United States shall have*
24 *the enforcement authority provided*
25 *under subparagraph (A); and*

1 (ii) *the enforcement authorities*
2 *specified in an applicable Tribal-State*
3 *compact negotiated under section 11 of*
4 *the Indian Gaming Regulatory Act*
5 *shall be carried out in accordance with*
6 *that compact.*

7 (i) *RULE OF CONSTRUCTION.—No pro-*
8 *vision of this section shall be construed as*
9 *altering, superseding, or otherwise affecting*
10 *the application of the Indian Gaming Regu-*
11 *latory Act.*

12 (3) *EXPEDITED PROCEEDINGS.—In addition to*
13 *any proceeding under paragraph (2), a district court*
14 *may, in exigent circumstances, enter a temporary re-*
15 *straining order against a person alleged to be in vio-*
16 *lation of this section upon application of the United*
17 *States under paragraph (2)(A), or the attorney gen-*
18 *eral (or other appropriate State official) of an af-*
19 *fected State under paragraph (2)(B), in accordance*
20 *with Rule 65(b) of the Federal Rules of Civil Proce-*
21 *dure.*

22 (4) *LIMITATION RELATING TO INTERACTIVE COM-*
23 *PUTER SERVICES.—*

1 (A) *IN GENERAL.*—*Relief granted under this*
2 *subsection against an interactive computer serv-*
3 *ice shall—*

4 (i) *be limited to the removal of, or dis-*
5 *abling of access to, an online site violating*
6 *this section, or a hypertext link to an online*
7 *site violating this section, that resides on a*
8 *computer server that such service controls or*
9 *operates; except this limitation shall not*
10 *apply if the service is subject to liability*
11 *under this section pursuant to subsection*
12 *(e);*

13 (ii) *be available only after notice to the*
14 *interactive computer service and an oppor-*
15 *tunity for the service to appear are pro-*
16 *vided;*

17 (iii) *not impose any obligation on an*
18 *interactive computer service to monitor its*
19 *service or to affirmatively seek facts indi-*
20 *cating activity violating this section;*

21 (iv) *specify the interactive computer*
22 *service to which it applies; and*

23 (v) *specifically identify the location of*
24 *the online site or hypertext link to be re-*
25 *moved or access to which is to be disabled.*

1 (B) *COORDINATION WITH OTHER LAW.*—An
2 interactive computer service that does not violate
3 this section shall not be liable under section 1084
4 of title 18, except this limitation shall not apply
5 if an interactive computer service has actual
6 knowledge and control of bets and wagers and—

7 (i) operates, manages, supervises, or
8 directs an Internet website at which unlaw-
9 ful bets or wagers may be placed, received,
10 or otherwise made or at which unlawful bets
11 or wagers are offered to be placed, received,
12 or otherwise made; or

13 (ii) owns or controls, or is owned or
14 controlled by, any person who operates,
15 manages, supervises, or directs an Internet
16 website at which unlawful bets or wagers
17 may be placed, received, or otherwise made
18 or at which unlawful bets or wagers are of-
19 fered to be placed, received, or otherwise
20 made.

21 (5) *FACTORS TO BE CONSIDERED IN CERTAIN*
22 *CASES.*—In considering granting relief under this
23 subsection against any payment system, or any par-
24 ticipant in a payment system that is a creditor, cred-
25 it card issuer, financial institution, operator of a ter-

1 *minal at which an electronic fund transfer may be*
2 *initiated, money transmitting business, or inter-*
3 *national, national, regional, or local network utilized*
4 *to effect a credit transaction, electronic fund transfer,*
5 *or money transmitting service, or a participant in*
6 *such network, the court shall consider the following*
7 *factors:*

8 *(A) The extent to which such person is ex-*
9 *tending credit or transmitting funds knowing the*
10 *transaction is in connection with unlawful*
11 *Internet gambling.*

12 *(B) The history of such person in extending*
13 *credit or transmitting funds knowing the trans-*
14 *action is in connection with unlawful Internet*
15 *gambling.*

16 *(C) The extent to which such person has es-*
17 *tablished and is maintaining policies and proce-*
18 *dures in compliance with regulations prescribed*
19 *under subsection (f).*

20 *(D) The feasibility that any specific remedy*
21 *prescribed in the order issued under this sub-*
22 *section can be implemented by such person with-*
23 *out substantial deviation from normal business*
24 *practice.*

1 (E) *The costs and burdens the specific rem-*
2 *edy will have on such person.*

3 (6) *NOTICE TO REGULATORS AND FINANCIAL IN-*
4 *STITUTIONS.—Before initiating any proceeding under*
5 *paragraph (2) with respect to a violation or potential*
6 *violation of this section by any creditor, credit card*
7 *issuer, financial institution, operator of a terminal at*
8 *which an electronic fund transfer may be initiated,*
9 *money transmitting business, or international, na-*
10 *tional, regional, or local network utilized to effect a*
11 *credit transaction, electronic fund transfer, or money*
12 *transmitting service, or any participant in such net-*
13 *work, the Attorney General of the United States or an*
14 *attorney general of a State (or other appropriate*
15 *State official) shall—*

16 (A) *notify such person, and the appropriate*
17 *regulatory agency (as determined in accordance*
18 *with subsection (f)(5)) for such person, of such*
19 *violation or potential violation and the remedy*
20 *to be sought in such proceeding; and*

21 (B) *allow such person 30 days to implement*
22 *a reasonable remedy for the violation or poten-*
23 *tial violation, consistent with the factors de-*
24 *scribed in paragraph (5) and in conjunction*

1 *with such action as the appropriate regulatory*
2 *agency may take.*

3 (d) *CRIMINAL PENALTY.*—

4 (1) *IN GENERAL.*—*Whoever violates this section*
5 *shall be fined under title 18, United States Code, or*
6 *imprisoned for not more than 5 years, or both.*

7 (2) *PERMANENT INJUNCTION.*—*Upon conviction*
8 *of a person under this subsection, the court may enter*
9 *a permanent injunction enjoining such person from*
10 *placing, receiving, or otherwise making illegal bets or*
11 *wagers or sending, receiving, or inviting information*
12 *assisting in the placing of bets or wagers.*

13 (e) *CIRCUMVENTIONS PROHIBITED.*—*Notwithstanding*
14 *subsection (b)(2), a creditor, credit card issuer, financial*
15 *institution, operator of a terminal at which an electronic*
16 *fund transfer may be initiated, money transmitting busi-*
17 *ness, or international, national, regional, or local network*
18 *utilized to effect a credit transaction, electronic fund trans-*
19 *fer, or money transmitting service, or any participant in*
20 *such network, or any interactive computer service or tele-*
21 *communications service, may be liable under this section*
22 *if such creditor, issuer, institution, operator, business, net-*
23 *work, or participant has actual knowledge and control of*
24 *bets and wagers and—*

1 (1) *operates, manages, supervises, or directs an*
2 *Internet website at which unlawful bets or wagers*
3 *may be placed, received, or otherwise made or at*
4 *which unlawful bets or wagers are offered to be*
5 *placed, received, or otherwise made; or*

6 (2) *owns or controls, or is owned or controlled*
7 *by, any person who operates, manages, supervises, or*
8 *directs an Internet website at which unlawful bets or*
9 *wagers may be placed, received, or otherwise made or*
10 *at which unlawful bets or wagers are offered to be*
11 *placed, received, or otherwise made.*

12 (f) *POLICIES AND PROCEDURES TO IDENTIFY AND*
13 *PREVENT RESTRICTED TRANSACTIONS IN PAYMENT FOR*
14 *UNLAWFUL INTERNET GAMBLING.—*

15 (1) *REGULATIONS.—Before the end of the 6-*
16 *month period beginning on the date of the enactment*
17 *of this Act, the Secretary of the Treasury, in consulta-*
18 *tion with the Board of Governors of the Federal Re-*
19 *serve System and the Attorney General, shall pre-*
20 *scribe regulations requiring any designated payment*
21 *system to establish policies and procedures reasonably*
22 *designed to identify and prevent restricted trans-*
23 *actions in any of the following ways:*

24 (A) *The establishment of policies and proce-*
25 *dures that—*

1 (i) allow the payment system and any
2 person involved in the payment system to
3 identify restricted transactions by means of
4 codes in authorization messages or by other
5 means; and

6 (ii) block restricted transactions identi-
7 fied as a result of the policies and proce-
8 dures developed pursuant to clause (i).

9 (B) The establishment of policies and proce-
10 dures that prevent the acceptance of the products
11 or services of the payment system in connection
12 with a restricted transaction.

13 (2) *REQUIREMENTS FOR POLICIES AND PROCE-*
14 *DURES.—In prescribing regulations pursuant to*
15 *paragraph (1), the Secretary shall—*

16 (A) identify types of policies and proce-
17 dures, including nonexclusive examples, which
18 would be deemed to be “reasonably designed to
19 identify” and “reasonably designed to block” or
20 to “prevent the acceptance of the products or
21 services” with respect to each type of transaction,
22 such as, should credit card transactions be so
23 designated, identifying transactions by a code or
24 codes in the authorization message and denying

1 *authorization of a credit card transaction in re-*
2 *ponse to an authorization message;*

3 *(B) to the extent practical, permit any par-*
4 *ticipant in a payment system to choose among*
5 *alternative means of identifying and blocking, or*
6 *otherwise preventing the acceptance of the prod-*
7 *ucts or services of the payment system or partici-*
8 *part in connection with, restricted transactions;*
9 *and*

10 *(C) consider exempting restricted trans-*
11 *actions from any requirement under paragraph*
12 *(1) if the Secretary finds that it is not reason-*
13 *ably practical to identify and block, or otherwise*
14 *prevent, such transactions.*

15 (3) *COMPLIANCE WITH PAYMENT SYSTEM POLI-*
16 *CIES AND PROCEDURES.—A creditor, credit card*
17 *issuer, financial institution, operator of a terminal at*
18 *which an electronic fund transfer may be initiated,*
19 *money transmitting business, or international, na-*
20 *tional, regional, or local network utilized to effect a*
21 *credit transaction, electronic fund transfer, or money*
22 *transmitting service, or a participant in such net-*
23 *work, meets the requirement of paragraph (1) if—*

24 *(A) such person relies on and complies with*
25 *the policies and procedures of a designated pay-*

1 *ment system of which it is a member or partici-*
2 *part to—*

3 *(i) identify and block restricted trans-*
4 *actions; or*

5 *(ii) otherwise prevent the acceptance of*
6 *the products or services of the payment sys-*
7 *tem, member, or participant in connection*
8 *with restricted transactions; and*

9 *(B) such policies and procedures of the des-*
10 *ignated payment system comply with the re-*
11 *quirements of regulations prescribed under para-*
12 *graph (1).*

13 *(4) NO LIABILITY FOR BLOCKING OR REFUSING*
14 *TO HONOR RESTRICTED TRANSACTIONS.—A person*
15 *that is subject to a regulation prescribed or order*
16 *issued under this subsection and blocks, or otherwise*
17 *refuses to honor, a restricted transaction, or as a*
18 *member of a designated payment system relies on the*
19 *policies and procedures of the payment system, in an*
20 *effort to comply with this section shall not be liable*
21 *to any party for such action.*

22 *(5) ENFORCEMENT.—This subsection shall be en-*
23 *forced by the Federal functional regulators and the*
24 *Federal Trade Commission under applicable law in*

1 *the manner provided in section 505(a) of the Gramm-*
2 *Leach-Bliley Act.*

3 **SEC. 4. INTERNET GAMBLING IN OR THROUGH FOREIGN JU-**
4 **RISDICTIONS.**

5 (a) *IN GENERAL.*—*In deliberations between the United*
6 *States Government and any other country on money laun-*
7 *dering, corruption, and crime issues, the United States Gov-*
8 *ernment should—*

9 (1) *encourage cooperation by foreign govern-*
10 *ments and relevant international fora in identifying*
11 *whether Internet gambling operations are being used*
12 *for money laundering, corruption, or other crimes;*

13 (2) *advance policies that promote the cooperation*
14 *of foreign governments, through information sharing*
15 *or other measures, in the enforcement of this Act; and*

16 (3) *encourage the Financial Action Task Force*
17 *on Money Laundering, in its annual report on money*
18 *laundering typologies, to study the extent to which*
19 *Internet gambling operations are being used for*
20 *money laundering.*

21 (b) *REPORT REQUIRED.*—*The Secretary of the Treas-*
22 *ury shall submit an annual report to the Congress on the*
23 *deliberations between the United States and other countries*
24 *on issues relating to Internet gambling.*

1 **SEC. 5. AMENDMENTS TO GAMBLING PROVISIONS.**

2 (a) *AMENDMENT TO DEFINITION.*—Section 1081 of
3 title 18, United States Code, is amended—

4 (1) by designating the five undesignated para-
5 graphs that begin with “The term” as paragraphs (1)
6 through (5), respectively; and

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

8 (A) by striking “wire communication” and
9 inserting “communication”;

10 (B) by inserting “satellite, microwave,”
11 after “cable,”; and

12 (C) by inserting “(whether fixed or mobile)”
13 after “connection”.

14 (b) *INCREASE IN PENALTY FOR UNLAWFUL WIRE*
15 *TRANSFERS OF WAGERING INFORMATION AND CONFORMING*
16 *AMENDMENT.*—Section 1084(a) of title 18, United States
17 Code, is amended—

18 (1) by striking “two years” and inserting “5
19 years”; and

20 (2) by striking “wire” each place it appears.

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A BILL

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MAY 22, 2003

Reported from the Committee on the Judiciary with an amendment