

116TH CONGRESS  
2D SESSION

# S. 3322

To prevent the unlawful use of financial instruments in the United States for online slot machines, lotteries, table games, and similar offerings, including games and applications that are deceptively marketed or designed to be attractive to children, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 13, 2020

Mr. COTTON introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To prevent the unlawful use of financial instruments in the United States for online slot machines, lotteries, table games, and similar offerings, including games and applications that are deceptively marketed or designed to be attractive to children, 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 “Prevention of Decep-  
5 tive or Child-Targeted Advertising in Violation of the Un-  
6 lawful Internet Gambling Enforcement Act”.

1 **SEC. 2. SENSE OF CONGRESS.**

2 It is the Sense of Congress that—

3 (1) Congress enacted subchapter IV of chapter  
4 53 of title 31, United States Code, because tradi-  
5 tional law enforcement mechanisms proved often in-  
6 adequate for enforcing gambling prohibitions or reg-  
7 ulations on the internet.

8 (2) Congress intended subchapter IV of chapter  
9 53 of title 31, United States Code, to generally pre-  
10 vent the use of financial instruments in the United  
11 States for online slot machines, lotteries, table  
12 games, and similar offerings.

13 (3) The proliferation of smart devices has in-  
14 creased the number of casino and lottery websites  
15 offering online gambling websites and mobile appli-  
16 cations that are designed to be attractive to children,  
17 including by featuring cartoon characters, themes  
18 based on children’s fairy tales, and similar content,  
19 or by including gambling activities disguised as other  
20 content.

21 (4) The continued development and prolifera-  
22 tion of online gambling websites and mobile applica-  
23 tions in defiance of Federal law prohibiting such ac-  
24 tivity necessitates that Congress understand the ex-  
25 tent of such attempts to evade the law and the op-  
26 tions available to improve enforcement.

1 **SEC. 3. REPORTS.**

2 (a) REPORT BY THE SECRETARY OF THE TREAS-  
3 URY.—Not later than 180 days after enactment of this  
4 Act, the Secretary of the Treasury, in consultation with  
5 the Chair of the Board of Governors of the Federal Re-  
6 serve System, shall submit to Congress a report on compli-  
7 ance with subchapter IV of chapter 53 of title 31, United  
8 States Code, including—

9 (1) a summary of the online slot machines, lot-  
10 teries, table games, and similar offerings that are of-  
11 fered by online casinos and lotteries operating in the  
12 United States, including a list of such offerings that  
13 feature cartoon characters, themes based on chil-  
14 dren’s fairy tales, or other content that may appear  
15 to be targeted toward children;

16 (2) an assessment of the means by which online  
17 casino and lottery gambling websites or mobile appli-  
18 cations receive funds from players for gambling ac-  
19 tivities in light of the prohibition on the use of fi-  
20 nancial instruments in the United States for unlaw-  
21 ful internet gambling under subchapter IV of chap-  
22 ter 53 of title 31, United States Code; and

23 (3) an assessment of the effectiveness of efforts  
24 by the Department of the Treasury and the Board  
25 of Governors of the Federal Reserve System to en-  
26 sure compliance with subchapter IV of chapter 53 of

1 title 31, United States Code, by online slot ma-  
2 chines, lotteries, table games, and similar offerings,  
3 including steps that the Department of the Treasury  
4 and the Board of Governors can take to improve  
5 compliance.

6 (b) REPORT BY THE FEDERAL TRADE COMMIS-  
7 SION.—Not later than 180 days after the date of enact-  
8 ment of this Act, the Chairman of the Federal Trade Com-  
9 mission (referred to in this subsection as the “Commis-  
10 sion”) shall provide a report to Congress regarding decep-  
11 tive advertising related to unlawful internet gambling, in-  
12 cluding—

13 (1) an assessment of—

14 (A) the prevalence of both targeted and  
15 non-targeted advertising for online slot ma-  
16 chines, lotteries, table games, and similar offer-  
17 ings that are offered by online casinos and lot-  
18 teries and—

19 (i) are displayed within mobile appli-  
20 cations and games that are available on  
21 common mobile application webstores in  
22 the United States; and

23 (ii) employ content that is targeted to-  
24 ward children, such as through the use of

1 cartoon characters or themes based on  
2 children's fairy tales; and

3 (B) efforts by internet website and mobile  
4 application developers to deceptively present un-  
5 lawful internet gambling opportunities, includ-  
6 ing online slot machines, lotteries, table games,  
7 and similar offerings—

8 (i) as part of non-gambling gameplay  
9 or application use within websites and mo-  
10 bile applications offered to users in the  
11 United States; and

12 (ii) to users of websites and mobile  
13 applications that are targeted toward or  
14 known to be frequently accessed by chil-  
15 dren; and

16 (2) a summary of the Commission's efforts to  
17 prevent deceptive marketing of in-app purchases  
18 within mobile applications, including efforts related  
19 to the prevention of in-app gambling opportunities  
20 that violate subchapter IV of chapter 53 of title 31,  
21 United States Code, the effectiveness of those ef-  
22 forts, and steps that the Commission can take to im-  
23 prove enforcement.

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