

S. 1220

At the request of Mr. LEAHY, his name was added as a cosponsor of S. 1220, a bill to provide that Members of Congress shall not be paid during Federal Government shutdowns.

S. 1228

At the request of Mr. D'AMATO, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of S. 1228, a bill to impose sanctions on foreign persons exporting petroleum products, natural gas, or related technology to Iran.

S. 1247

At the request of Mr. GRASSLEY, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 1247, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for contributions to a medical savings account by any individual who is covered under a catastrophic coverage health plan.

S. 1289

At the request of Mr. KYL, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 1289, a bill to amend title XVIII of the Social Security Act to clarify the use of private contracts, and for other purposes.

S. 1342

At the request of Mr. AKAKA, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 1342, a bill to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to make loans to refinance loans made to veterans under the Native American Veterans Direct Loan Program.

S. 1346

At the request of Mr. ABRAHAM, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1346, a bill to require the periodic review of Federal regulations.

S. 1396

At the request of Mr. PRESSLER, the names of the Senator from South Carolina [Mr. HOLLINGS], the Senator from Hawaii [Mr. INOUE], the Senator from Texas [Mrs. HUTCHISON], and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of S. 1396, a bill to amend title 49, United States Code, to provide for the regulation of surface transportation.

#### NOTICE OF JOINT HEARING

SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES AND HOUSE COMMITTEE ON RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that the time of the hearing scheduled before the Senate Committee on Energy and Natural Resources, the House Committee on Resources and the Senate Committee on Indian Affairs has been changed.

The hearing will take place Thursday, November 16, 1995, at 10:30 a.m., instead of 11 a.m., in room 1324 of the Longworth House Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on the Alaska Natives Commission's report to Congress, transmitted in May 1994, on the status of Alaska's Natives.

Those wishing to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call Brian Malnak at (202) 224-8119 or Judy Brown at (202) 224-7556.

#### ADDITIONAL STATEMENTS

##### NEW ON-LINE CASINOS MAY THWART U.S. LAWS

• Mr. LUGAR. Mr. President, I ask that the following article be printed in the RECORD.

The article follows:

[From the Wall Street Journal May 10, 1995]  
NEW ON-LINE CASINOS MAY THWART U.S.

LAWS

(By William M. Bulkeley)

Two companies are setting up on-line betting emporiums in Caribbean countries to skirt U.S. laws that bar interstate gambling from home.

The cyberspace casinos, which will be available on the internet, won't have Paul Anka, scantily clad showgirls or cigar smoke. But they will offer a chance to win or lose money from the comfort of the bettor's own keyboard, using credit cards or money predeposited with the house.

The Justice Department says cyberspace casinos are illegal. But the companies' offshore venues may protect them. And authorities will have a tough time detecting who's actually betting because many other people will be playing the same games for free.

Internet gambling could be immensely popular. "If regulatory obstacles were put aside, gambling would be huge on the Internet," says Adam Schoenfeld, an analyst with Jupiter Communications, a New York market researcher. Jason Ader, an analyst with Smith Barney, says legalized on-line betting could be a \$10 billion-a-year industry.

Antigambling activists fear that addicted gamblers and children using credit cards will bankrupt themselves from their PCs. Rachel Volberg, president of Gemini Research. Roaring Spring, Pa., who studies problem gambling, says the young, affluent males who populate the Internet are people "we know from research are probably most likely to develop difficulties related to gambling."

Nonetheless, Warren B. Eugene, a 34-year-old Canadian, says he will open the Internet Online Offshore Electronic Casino this month using computers in the tax haven of the Turks and Caicos islands, Mr. Eugene, who says his business experience is in video games, already has a page on the Internet's World Wide Web where bettors can play blackjack with play money. "This can be a trillion-dollar world-wide business," he says.

Mr. Eugene predicts there will someday be a virtual Strip with dozens of different casinos offering different games, different odds and varying amenities such as direct deposit of winnings in offshore accounts and the acceptance of virtual checks. He's offering to sell the casino software he has developed to other would-be gambling tycoons for \$250,000 and a 15% cut of the profits.

Meanwhile, Kerry Rogers, a 38-year-old Las Vegas computer expert, is working on

WagerNet, a sports betting service that plans to locate its computers in Belize. WagerNet is awaiting enabling legislation there, but Mr. Rogers is optimistic. "This is a way for a country to make revenues off of gambling," he says. "Imagine the millions of dollars bet world-wide on the WorldCup" in soccer.

WagerNet is designed as a kind of gambler's Nasdaq, matching people who bet on sporting events rather than setting a line and taking bets. A bettor, who must deposit \$1,000, will put a proposition on the computer, and other bettors can take the bet if they want. WagerNet will charge a 2.5% transaction fee (far less than the 10% vigorish that Mr. Rogers says current sports books get), and it may bar U.S. gamblers if the legal risk is too great.

The planned betting parlors face huge obstacles in gaining consumer confidence. After all, if a bettor wins big, the cyberspace casino may disappear. And bettors will have little assurance that unregulated electronic roulette wheels aren't rigged.

U.S. laws prohibit people in the gambling business from transmitting by wire any wager information "in interstate or foreign commerce. "Violations are punishable by two years in prison and possible forfeiture of assets under organized crime statutes. Some states, such as California, have laws prohibiting individuals from placing bets by wire.

Mr. Eugene says that as Canadian citizen whose business is in a foreign country, he isn't subject to U.S. laws, even if his biggest market turns out to be U.S. gamblers. After he starts the real casino, he promises to keep taking play-money bets so that U.S. wire-tappers won't be able to tell which players are actually gambling.

I. Nelson Rose, a gambling law expert and law professor at Whittier School of Law in Los Angeles, says he gets several calls a week from people investigating the legal status of on-line gambling. He says Mr. Eugene's theory may be right: "If you are a foreign national sitting in a foreign country, there's a question whether the U.S. law would apply to you." He adds that "there may be a way to do it on an Indian reservation" as well.

Mr. Eugene styles himself as the Bugsy Siegel of cyberspace, harking back to the mobster who helped build Las Vegas into a gambling mecca. And his Electronic Casino is like the early Las Vegas casinos—a big flashy sign fronting a tiny drab facility. The casino's main screen, known as a home page in Internet parlance, is an enticing graphic display of a pirate chest full of booty. For now, only the blackjack game is operating.

Mr. Eugene says he is negotiating with an accounting firm to certify the legitimacy of his games and his bankroll. He says he has a \$1.5 million line of credit with a bank in St. Maarten, a Dutch island in the Caribbean, but he declines to name the bank. Mr. Eugene adds that casino authorities in St. Maarten "have the right to review our books. It's a new area. They said 'until you violate it, we like you. We trust you.'"

If nothing else, Mr. Eugene's Internet Casino plan shows how easily small operators can establish themselves in cyberspace. After he issued a news release in March, he received publicity from newspapers and TV stations in the U.S., England and Canada. "I became a multinational overnight," he says. Already, he adds, some 2,000 people have preregistered their interest in gambling at the Internet Casino.

Mr. Eugene says players will be able to wire funds to individual offshore bank accounts that the casino will establish or send cash through such companies as First Virtual Holdings Inc., of Arlington, Va., one of several companies trying to set up a secure payment system for the Internet.