

of approximately \$1,235,374,000.00 in taxable wagers were had and received. That is over \$3.5 billion in three years, and Internet betting has increased significantly in the last two years.

I would like to point out that significant income taxes and excise taxes appear to be owed by numerous persons. Collecting these amounts would be an important component of the Administration's efforts to address the "tax gap."

Further, with such large sums at issue, the IRS and the Department of Justice should see if money laundering is involved.

The State Department has expressed strong concern that Internet gambling operations could be used not only for tax evasion, but also for other criminal activities such as money laundering and terrorist financing:

Internet gambling is particularly well-suited for the laying and integration stages of money laundering, in which launderers attempt to disguise the nature or ownership of the proceeds by concealing or blending transactions within the mass of apparently legitimate transactions. Due in large measure to the volume and speed of transactions, as well as the virtual anonymity offered by the Internet, offshore gambling websites are an area of considerable money laundering concern. The Internet gambling operations are, in essence, the functional equivalent of wholly unregulated offshore banks with the better accounts serving as bank accounts for account holders who are, in the virtual world, virtually anonymous. For these reasons, Internet gambling operations are vulnerable to be used, not only for money laundering, but also for criminal activities ranging from terrorist financing to tax evasion. (State Department, International Narcotics Control Strategy Report, released March 2004.)

The Department of Justice has echoed these concerns. At a hearing before the Senate Banking Committee, John G. Malcolm, Deputy Assistant Attorney General, Criminal Division, testified:

Another major concern that the Department of Justice has about on-line gambling is that Internet gambling businesses provide criminals with an easy and excellent vehicle for money laundering, due in large part to the volume, speed, and international reach of Internet transactions and the offshore locations of most Internet gambling sites, as well as the fact that the industry itself is already cash-intensive.

It is a fact that money launderers have to go to financial institutions either to conceal their illegal funds or recycle those funds back into the economy for their use. Because criminals are aware that banks have been subjected to greater scrutiny and regulation, they have—not surprisingly—turned to other non-bank financial institutions, such as casinos, to launder their money. On-line casinos are a particularly inviting target because, in addition to using the gambling that casinos offer as a way to hide or transfer money, casinos offer a broad array of financial services to their customers, such as providing credit accounts, fund transmittal services, check cashing services, and currency exchange services.

Individuals wanting to launder ill-gotten gains through an on-line casino can do so in a variety of ways. For example, a customer could establish an account with a casino

using illegally-derived proceeds, conduct a minimal amount of betting or engage in off-setting bets with an overseas confederate, and then request repayment from the casino, thereby providing a new "source" of the funds. If a gambler wants to transfer money to an inside source in the casino, who may be located in another country, he can just play until he loses the requisite amount. Similarly, if an insider wants to transfer money to the gambler, perhaps as payment for some illicit activity, he can rig the game so the bettor wins.

The anonymous nature of the Internet and the use of encryption make it difficult to trace the transactions. The gambling business may also not maintain the transaction records, in which case tracing may be impossible. While regulators in the United States can visit physical casinos, observe their operations, and examine their books and records to ensure compliance with regulations, this is far more difficult, if not impossible, with virtual casinos. (John G. Malcolm, Deputy Assistant Attorney General, Criminal Division, Department of Justice, March 18, 2003.)

Again, there should be strong enforcement efforts to ensure that Internet gambling entities are not violating the law.

#### AMERICA COMPETES ACT

Mr. OBAMA. Mr. President, I congratulate Senator BINGAMAN and Senator ALEXANDER for the passage of America COMPETES, legislation which they crafted carefully to enhance American innovation and competitiveness. I also thank them for accepting three amendments which I offered, which will help expand the range of innovative possibilities by which America faces its competitive challenges.

Let me explain this. The president of the National Academy of Engineering once said that innovation is a profoundly creative process, and that like other creative processes, it depends on the life experiences of the people involved. If we include a more diverse sample of our population, we will derive more varied and more innovative design options. We become more competitive by embracing our diversity, by involving a more representative cross-section of our populace in science, technology, and engineering endeavors.

To increase participation, I have offered three amendments that have been accepted into America COMPETES. The first establishes a mentoring program to support women and underrepresented groups as they progress through science and technology education programs, increasing the likelihood of their success. I also propose that groups representing women and minority scientists and engineers be involved as strategies are developed to increase America's competitiveness.

Also accepted was an amendment to increase the math and problem solving skills of young learners, by providing summer learning opportunities for students in elementary grades. This amendment springs from legislation I introduced earlier, with Senator MIKULSKI, the STEP UP Act, S. 116. This legislation responds to evidence show-

ing that students may lose several months equivalent of math skills during the summer, if not provided learning opportunities when not in school. This is particularly important for children of poverty, for whom summer learning losses are greatest. Summer programs combat this loss in knowledge and skills, and well-designed programs can fuel the curiosity of children, helping them become active problem solvers and learners when they return to school in the fall.

I thank my colleagues for their support of these amendments.

#### FOOD AND DRUG ADMINISTRATION REVITALIZATION ACT

Mr. GREGG. Mr. President, the Food and Drug Administration, FDA, plays a major role in ensuring that the American people have access to the safe and effective medicines that they need. In fact, FDA-regulated products account for about 25 cents of every consumer dollar spent. At the heart of all FDA's regulatory activities is a judgment about whether a product's benefits to users will outweigh its risks. These judgments must be science-based to allow the agency to provide the most health promotion and protection at the least cost to the public. As we work on FDA legislation this year, we need to keep that science-based mission at the forefront of our decision making.

Last week, the HELP Committee reported S. 1082, the Food and Drug Administration Act, FDARA. The bill couples must-pass reauthorizations of the Prescription Drug User Fee Act, PDUFA, and the Medical Device User Fee and Modernization Act, MDUFMA, with four additional pieces of legislation that I am unable to support at this time. It is my hope that we can continue to work in a bipartisan way to improve this bill as it moves to the floor.

The Prescription Drug User Fee Act, PDUFA, first enacted in 1992, gives the FDA the authority to collect user fees from pharmaceutical manufacturers in order to enhance their ability to ensure timely access to safe and effective medicines. By reducing the length of review time required to approve a drug, PDUFA has clearly been a success.

Following the success of PDUFA, Congress enacted the Medical Device User Fee and Modernization Act; MDUFMA in 2002. Like with prescription drugs, MDUFMA funds have been essential to reducing the length of time of the approval process and other improvements critical to the success of the device review process.

This year, both the PDUFA and MDUFMA reauthorizations have been negotiated between the FDA and industry and are worthy of support. In fact, I believe these agreements improve both programs and will improve the safety of these products in the marketplace. If we do not renew these programs by September 30, we risk losing this essential source of funding and patients will face longer review times and