



NATIONAL FRATERNAL ORDER OF POLICE®

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NATIONAL PRESIDENT

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26 November 2012

The Honorable Harry M. Reid
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Nancy P. Pelosi
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Senator Reid, Mr. Speaker, Senator McConnell and Representative Pelosi,

I am writing on behalf of the members of the Fraternal Order of Police to bring your attention to our ongoing interest and the critical need for congressional action to combat online fraud, money laundering and illegal gaming during the upcoming lame duck session. For too long, we have allowed criminals to take advantage of the currently lax framework we have to battle these issues. Last year, the Subcommittee on Commerce, Manufacturing and Trade held a hearing entitled, "Internet Gaming: Is there a Safe Bet?" The hearing examined the many different aspects of online gaming and gambling, and highlighted the need for Congress to take swift action by giving law enforcement the necessary tools to fight fraud and shut down unlawful websites operating offshore.

This hearing, combined with a Memorandum Opinion for the Assistant Attorney General of the Criminal Division in the U.S. Department of Justice on the inapplicability of the Wire Act to most forms of Internet gambling, demonstrates that we have an antiquated law, ill-suited to addressing current problems. The Interstate Wire Act was enacted in 1961--a time when the Internet was in its embryonic stage. It is time for our nation's legal framework to catch up to the technology it seeks to regulate. We have been in contact with the Attorney General on this issue. Absent congressional action, law enforcement will be at a severe disadvantage in dealing with illegal Internet gambling consumer protection issues with which we will be confronted. The patchwork of State laws are unable to deal with what is clearly interstate commerce.

In 2006, the FOP supported the enactment of the "Unlawful Internet Gambling Enforcement Act." The law did not address what is currently legal and illegal but required financial transaction providers to block and refuse transactions associated with illegal gambling. The aim of law enforcement in supporting this legislation was not only to enforce gambling laws--like the Wire Act-- already on the books, but also help combat the use of these offshore gambling

— BUILDING ON A PROUD TRADITION —

operations to launder money for criminal enterprises. It is clear from the testimony given at the hearing mentioned above and the Memorandum Opinion from the Justice Department, that Congress must provide law enforcement with an improved and clear framework, if we are to achieve those ends.

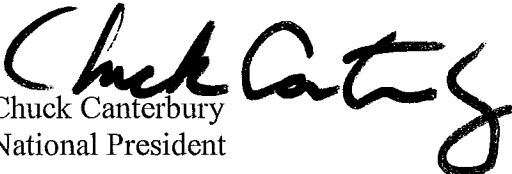
Millions of Americans wager regularly on offshore Internet gambling sites beyond the reach of the Federal government. Today, due to the lack legislation, U.S. consumers have no assurances operators will provide prompt and accurate payments; no protections are in place to prevent or detect money laundering; no firm and transparent licensing of operators exists; and no regulatory controls are in place to prevent criminals from entering the marketplace, rigging games, or misusing customer financial data. This has created a situation in which U.S. law enforcement authorities cannot shut down illegal activities, nor is there any way for those victimized by fraud or other criminal acts to seek redress.

The FOP strongly believes that Congress needs to modernize the Wire Act, create a strong regulatory framework for legal gaming that provides law enforcement the tools necessary to put illegal offshore sites out of business and protect consumers from operators who engage in criminal activity.

The problems of online fraud, money laundering and illegal gaming can be fixed. The solutions outlined above of creating a regulatory framework, updating archaic legislation and giving law enforcement the necessary tools are easy fixes to this serious problem. It is laughable that the U.S. continues to regulate dynamic, ever-changing technology with legislation from 1961. In 1961, we were dealing with the Bay of Pigs, racial tensions were mounting, the Beatles were first performing and President Obama was born. Time certainly has marched forward and it is vital we address this issue before we fall even further behind. Continuing to wait on this issue will only cause it to become more serious. The beginning of the 113th Congress will have a very busy schedule. We hope, with your leadership, we can address this solvable issue this next month.

The FOP looks forward to working with you to develop a comprehensive strategy to address this issue. On behalf of the more than 330,000 members of the Fraternal Order of Police, thank you for giving this issue the attention it deserves. If I can be of any assistance, please do not hesitate to contact me or Executive Director Jim Pasco in my Washington office.

Sincerely,


Chuck Canterbury
National President

CC: Senator Patrick J. Leahy, Chairman of the U.S. Senate Judiciary Committee
Representative Lamar Smith, Chairman of the U.S. House of Representatives Judiciary Committee