

The following article quoting Congressman Bachus was published in the Alabama Baptist on May 24, 2012.

ATTEMPTS TO LEGALIZE ONLINE GAMBLING RESURFACE

Reeling from slowed business and smaller coffers in the wake of a 2006 law to clamp down on the illegal practice of online gambling, the gambling lobby is roaring back. This time its focus is an effort to convince the government to license and regulate betting on Internet poker.

All online games involving wagering are currently illegal.

The renewed inspiration comes from a recent Justice Department opinion arguing that a major federal law on Internet gambling applies only to sports betting. The rallying point is legislation introduced last summer by Rep. Joe Barton, R-Texas. Cosponsored by 30 representatives, the "Internet Gambling Prohibition, Poker Consumer Protection, and Strengthening UIGEA Act of 2011" (H.R. 2366) would legalize online wagering of poker and place the cyber activities under government regulation.

UIGEA is short for Unlawful Internet Gambling Enforcement Act, which President Bush signed into law in 2006, but some argue the Barton bill would weaken the UIGEA instead of strengthen it as the title suggests.

The purpose of UIGEA was to clarify that Internet gambling is illegal, reinforcing a 1961 law that banned gambling via wireless communication. It also put enforcement teeth to the law by requiring banks and financial institutions to block transactions between U.S.-based customer accounts and offshore gambling merchants, the biggest profiteers of the industry.

The effect of UIGEA on the online gambling industry's bottom line was immediate and pronounced. Stocks in online gambling websites plummeted almost overnight. Some sites shut down altogether. Last year, others still in operation offshore suffered yet another blow. In an

April 2011 raid that has been dubbed “Black Friday,” the government indicted the three biggest online poker profiteers — PokerStars, Full Tilt Poker and Absolute Poker — for bank fraud, money laundering and illegal gambling, freezing more than 75 bank accounts in 14 countries.

The pro-gambling lobby, however, remains undeterred. As one example, the Poker Players Alliance spent \$1.4 million last year lobbying Washington power brokers in support of Internet gambling initiatives such as Barton’s bill, the Roll Call newspaper reported. This alliance, along with multiple other gambling special interest groups, shows no intention of stepping away from the table this year, either.

U.S. Rep. Spencer Bachus, R-Alabama, chairman of the financial services committee, was an author of UIGEA and recalls when the bill came close to being repealed, a move he said would have “opened the floodgates” to gambling on every computer.

Bachus, along with now House Ways and Means Committee Chairman Dave Camp, R-Michigan and now House Judiciary Chairman Lamar Smith, R-Texas, also worked to block Sen. Harry Reid’s, D-Nevada, efforts to legalize online gambling in December 2010.

Bachus remains committed to opposing any bill that would weaken the ban on illegal Internet gambling, including the Barton bill, Bachus told The Alabama Baptist, noting he is working to prevent the bill from gaining any traction.

The Barton bill primarily deals with the legalization of Internet poker and, according to the bill, the government would collect “substantial revenue.” But the gambling purveyors also would rake in additional billions each year.

While Bachus does not disagree that government money can be made, “our values should not change or ... be able to be bought off,” he stated, adding that the Barton bill “would really knock a giant hole in UIGEA” and would make online gambling difficult to enforce.

Bachus focuses particular concern on the younger generation. “The younger you start with an addiction, the harder it is to break,” he explained, citing various institutions that have warned

Internet gambling is “by far the most addictive form of gambling.”□