

United States Senate

WASHINGTON, DC 20510

July 14, 2011

The Honorable Eric Holder
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530-0001

Dear Attorney General Holder:

As you know, several weeks ago, the U.S. Attorney in the Southern District of New York indicted various individuals associated with online poker sites for violations of various laws. Additional indictments were unveiled in Baltimore at the end of May.

These indictments came after many years in which the entities operated Internet poker websites to Americans in an open and notorious way with apparently no repercussions from law enforcement. Leading up to the indictments, this lack of activity by law enforcement led to a significant and growing perception that operating Internet poker and other Internet gambling did not violate U.S. laws, or at least that the Department of Justice thought that the case was uncertain enough that it chose not to pursue enforcement actions. In turn, this perception allowed this activity to spread substantially, so that at least 1,700 foreign sites continue to offer Internet gambling to U.S. players. We think it is important that the Department of Justice pursue aggressively and consistently those offering illegal Internet gambling in the United States.


In addition, we have two further concerns: the spread of efforts to legalize intra-state Internet gambling and the spread of efforts to offer such intra-state Internet gambling through state-sponsored lotteries.

We believe that the Department of Justice's longstanding position has been that all forms of Internet gambling are illegal — including intra-state Internet gambling, because activity over the Internet inherently crosses state lines, implicating federal anti-gambling laws such as the Wire Act. Yet efforts are underway in about a dozen states to legalize some form of intra-state Internet gambling. In many cases, Internet gambling advocates in those states cite the silence of the Department of Justice in the face of these efforts as acquiescence. In fact, we have heard that at a major conference in May, several officials from various state lotteries boasted that they have obtained the Department of Justice's effective consent by writing letters of their plans that stated that if no objection was received they would proceed with their Internet gambling plans — and no objection has been received despite many months or years.

This is troubling. We respectfully request that you reiterate the Department's longstanding position that federal law prohibits gambling over the Internet, including intra-state gambling (e.g., lotteries). Conversely, if for some reason the Department is reconsidering its longstanding position, then we respectfully request that you consult with Congress before finalizing a new position that would open the floodgates to Internet gambling.

Finally, we would like to work with you to strengthen the penalties for those who violate the law and to see what modifications would be helpful to the Department to enhance its ability to fight Internet gambling.

Sincerely,



HARRY REID
U.S. Senator



JON KYL
U.S. Senator