



# Washington State Gambling Commission

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## Online Gambling

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**RCW 9.46.240** prohibits Internet gambling in Washington State. Additionally, the [Washington State Constitution \(Article II Section 24\)](#) prohibits all gambling activities unless the activity is specifically authorized in State law. Internet gambling has never been authorized in Washington State. It is illegal to:

- Operate an Internet gambling site.
- Gamble on the Internet.
- Install or maintain equipment to send or receive gambling information.
- Facilitate Internet gambling in any way.

### Online Fantasy Sports Wagering

Online fantasy sports wagering is not authorized for play in Washington State.

The federal [Unlawful Internet Gambling Enforcement Act \(UIGEA\)](#) provides an exemption for fantasy sports; however, the UIGEA also states it does not alter State law prohibiting fantasy sports wagering. Washington State does not allow online fantasy sports wagering and the UIGEA does not change this.

Fantasy sports wagering falls under Washington State law's definition of gambling - risking something of value on the outcome of a contest of chance or a future contingent event not under the person's control or influence to receive something of value in the event of a certain outcome ([RCW 9.46.0237](#)).

Fantasy sports wagering usually takes place online and online gambling is not authorized in Washington State ([RCW 9.46.240](#)).

[SB 5284/HB 1301](#) were introduced during the 2015 legislative session to classify fantasy sports as contests of skill. Although the bills died, we expect fantasy sports will continue to be of interest.

### Risks Linked to Internet Gambling

Gambling has a history being connected to crime and corruption. As a result, it is strictly controlled virtually everywhere. Just because gambling occurs on the Internet doesn't change this potential or the concern. Some Internet gambling sites may say they are approved, secure, or regulated, but that may not be true.

Unlike other licensed and regulated gambling activities, Internet gamblers don't know:

- Who is operating the gambling site;
- If the games are honest;
- If winnings will be paid;
- If the money wagered will be used for criminal purposes.



Players put themselves at risk of credit card fraud, identity theft, or other financial crimes by disclosing information that should be kept secure.

Players have no recourse if they are not paid or cheated.

Internet gambling creates an uncontrolled environment for problem gamblers and minors.

### Penalties

- Penalties for Internet gambling range from a gross misdemeanor to a felony, depending on the factual circumstances.
- The actual punishment for any felony conviction is controlled by the State's sentencing guidelines. Punishment for a conviction is from zero days to one year in a county jail (the same possible jail sentence as a gross misdemeanor).

- The standard range sentence that a court is authorized to impose on a “first offender,” absent aggravating circumstances is 0 – 90 days in jail.
- Violators could also be charged with Professional Gambling in the First, Second or Third Degree, depending upon the amount of money and the number of people involved (See page 4).

### State Enforcement

- Enforcement is focused on larger, higher level Internet gambling activities, such as gambling sites and service providers. For example, in 2008, we seized computers, records and money from EZPay, an automated clearing house located in Chehalis, Washington for providing payment services for Internet gambling websites.
- Although there is not an active campaign against players, players gambling on the Internet also run the risk of prosecution.

### Advertising

Gambling activities may be advertised on the Internet, as long as the ads are for authorized gambling activities (such as, card games, bingo and tribal casinos. However, other agencies, such as the Federal Communications Commission, may have restrictions.

It is illegal to solicit or induce Washington State citizens to participate in illegal Internet gambling. In most instances, advertising Internet gambling would be considered soliciting or inducing someone to participate in illegal Internet gambling and is a gross misdemeanor under the professional gambling statute ([RCW 9.46.222](#)).

### Internet Gambling is Legal in Some Countries

Internet gambling is legal in some countries, such as Costa Rica, Antigua, Barbuda, Malta, and the United Kingdom. However, it is illegal to gamble on those sites while in the United States. It is also illegal for operators of those sites to solicit, induce, or accept wagers from people in the United States.

### Department of Justice Opinion

In 2011, the U.S. Dept. of Justice changed its long standing interpretation of the Wire Act and stated in a memorandum that the Wire Act only applies to “sporting events and contests” and not lottery tickets. The memorandum was in response to requests from New York and Illinois to clarify whether the Wire Act of 1961, which prohibits wagering over telecommunications systems that cross state or national borders, prevented those states from using the Internet to sell lottery tickets to in-state adults.

Since the memo was issued, Intranet gambling has been authorized in three states; however, the memo does not impact Washington State because Internet gambling is specifically prohibited in State law.

### Intranet Gambling Is Legal in Some States

3 states have authorized Intranet gambling, restricted to residents within their borders:

- Nevada (2011)
- Delaware (2012)
- New Jersey (2013)



13 states considering legislation for Intranet gambling:

California	Florida	Hawaii	Illinois
Iowa	Maryland	Mississippi	Massachusetts
New York	Pennsylvania	Texas	West Virginia
Washington State	<a href="#">(HB 1114)</a>		

### Federal Internet Gambling Laws

In 2006, President Bush signed the [Unlawful Internet Gambling Enforcement Act \(Public Law 109-347 \(2006\)\)](#) prohibiting businesses, including banks, credit card companies, interactive computer service providers, and telecommunications services, from accepting or transferring money to offshore gambling sites. This includes credit cards, checks, and electronic fund transfers.

The Illegal Gambling Business Act (IGBA) is a component of the 1970 Organized Crime Control Act. The IGBA prohibits gambling businesses that are in violation of state law, from operating within that state.

### Federal Enforcement

Washington State Gambling Commission Special Agents initiated an investigation into illegal Internet gambling sites. In 2011, as a result of our investigation, the F.B.I. seized domain sites of three Internet poker sites: *Poker Stars*, *Full Tilt Poker*, and *Absolute/Ultimate Bet Poker*.

- 9 of the 11 suspects pled guilty to money laundering and violating the federal Unlawful Internet Gambling Enforcement Act. Two suspects remain fugitives.
- 76 bank accounts in 14 foreign countries and 9 U.S. States were seized. The U.S. Department of Justice is asking for \$3 billion in civil forfeitures.
- So far, there are settlement agreements of over \$783 million.

[Click here for more federal enforcement actions.](#)

### Lottery and Raffle Tickets

- Online raffles and online lotteries are prohibited under Washington State law.
- Lottery tickets must be purchased from licensees of the Washington State Lottery Commission.
- Citizens of other states should check with their own gambling regulatory agency.

## Horse Racing

- In 2004, advance deposit wagering for horse racing was authorized by the Washington State Legislature. This is a separate law from the Internet gambling prohibition.
- The Horse Racing Commission has three licensed vendors that provide advance deposit wagering and these sites are legal. For questions, contact the Horse Racing Commission: [www.whrc.wa.gov](http://www.whrc.wa.gov) or (360) 459-6462.

## Gambling Defined

Gambling involves three elements: prize, chance and consideration (entry fee, wager, or anything of value). Washington State law ([RCW 9.46.0237](http://www.wa.gov/legislature/RCW/9460237.htm)) defines gambling as risking something of value on the outcome of a contest of chance or a future contingent event not under the person's control or influence to receive something of value in the event of a certain outcome.

## Gambling with Free Play Points

Free play is ok. However, if points accumulated on a free play site are then used to play on an Internet gambling site, the points have taken on "value" and are consideration (a wager or fee). This would be considered illegal Internet gambling.

## Internet Gambling Task Force

In 2005, the Washington State Gambling Commission helped create a multi-state and federal task force that focuses on education, awareness, and coordinating enforcement activities, in order to deter illegal Internet gambling.

## Internet and Cyber Crime Training

We have trained 1,200 officials from the U.S. and 70 other countries on illegal Internet gambling and cyber crime.

## Internet Fraud Complaints

Once you choose to engage in illegal activities, there is very little, if any, recourse available. Although you may file a complaint with various agencies, it is unlikely that you will be able to obtain your winnings.

- If you know of an Internet gambling site operating in Washington State, contact us at (360) 486-3440.
- You can contact the regulatory and/or law enforcement agency responsible for overseeing Internet gambling in the country where the website operates its site.
- The Internet Crime Complaint Center, a partnership between the F.B.I. and the National White Collar Crime Center, accepts Internet fraud complaints at <http://www.ic3.gov/default.aspx>.

## Learn More

- The U.S. Department of Justice's Computer Crime & Intellectual Property Section: <http://www.justice.gov/criminal/cybercrime/>
- For tips on keeping safe when using the Internet, see the Washington State Attorney General's Office: <http://www.atg.wa.gov/internet-safety-collaboration>

## Relevant Laws:

- RCW 9.46.0237 "Gambling."
- RCW 9.46.240 Gambling information, transmitting or receiving.
- RCW 9.46.0245 "Gambling information."
- RCW 9.46.0269 "Professional gambling."
- RCW 9.46.220 Professional gambling in the first degree.
- RCW 9.46.221 Professional gambling in the second degree.
- RCW 9.46.222 Professional gambling in the third degree.