Internet Gambling: Alberto Gonzales will not commit to Jon Kyl

Contributed by Thomas Jensen
Friday, 20 April 2007
Last Updated Friday, 20 April 2007

A desperate Arizona Senator Jon Kyl tried to force a commitment from Attorney General Alberto Gonzales on the enforcement of the Unlawful Internet Gambling Act (UIGEA) yesterday in hearings about the "Firing of US Attorneys” scandal. UIGEA makes it illegal for financial institutions to knowingly allow transactions to internet gambling companies.
Jon Kyl started out on topic with his first question to Gonzales which was about the firing of the United States attorneys.

In his second question, the Republican Senator asked Alberto Gonzales for a meeting to discuss "crime victims" and Gonzales agreed to a meeting with Kyl. What do you think they are going to be discussing in that meeting besides "crime victims"?

Finally, he could not wait to get through the first two topics to talk about his crusade to strip away freedoms from American citizens by trying to cut off funds to internet gambling websites.

Kyl started off praising Alberto and the Justice Department for their performance in the recent crackdown against the industry. Executives of two publicly traded AIM listed companies, BETonSPORTS and NETeller, were recently indicted by the Department of Justice.

After a long diatribe by Jon Kyl about the mechanics of the Unlawful Internet Gambling Enforcement Act was completed and entered into the record, he asked Gonzales to give a list of internet gambling company bank account numbers to the Treasury Department. Gonzales stated there were "operational issues" with turning over the information and that his team was ""trying to work through this...to figure out if we even can do this".

"It needs to occur quickly," stated Kyl.

Kyl was unsuccessful in securing a commitment from Gonzales to turn the information over to the Treasury Department. This is a signal that the Arizona Senator is losing an uphill battle to garner support for enforcement of UIGEA.

Gonzales is clearly concerned with turning over any detailed information that the FBI has uncovered about payment methods currently being used by internet gambling operators. This could be intrepreted a few different ways:

1.) He is concerned with turning over this information in fear of jeopardizing ongoing investigations.

2.) He believes that the Treasury Department will be unable to enforce UIGEA so he wants to resist sharing the information until it is too late using “operational issues” as his cover. Gonzales's resistance is on the record however it is uncertain if the acting United States Attorney General will be able to survive the "Firing of US Attorneys" scandal.

3.) Perhaps there is concern from people in the current adminstration about the recent WTO ruling. The World Trade Organization released a 215 page report declaring that the United States failed to change legislation that unfairly targets online gambling websites. While the news is a clear victory for Antigua, Washington is still resisting the WTO ruling. That could all be changing with the United States looking to challenge China at the WTO.

Keep in mind, for all intents and and purposes, the Department of Justice got their trophy already. BETonSPORTS founder Gary Kaplan and company CEO David Carruthers have been arrested. Both are awaiting trial on charges of money laundering and tax evasion.

This was the first time I have watched the Senate Judiciary Committee in action since the Republicans lost control of Congress last November. It appears Kyl’s colleagues on the Judiciary Committee will not give him a hearing to discuss UIGEA on the record and he did not even get it when the Republicans controlled Congress.

It caught everyone off-guard and really irritated members of both sides of Congress when the framework of UIGEA was tacked on to unrelated Port Security Legislation by a Republican congress led by Senate Majority Leader Bill Frist and his good ole buddy Arizona Senator Jon Kyl. Knowing that legislation to prevent online gambling would fail on its own, the pair used a "bait and switch" style tactic to add UIGEA to a bill designed to protect our National Security at the ninth hour of the last session of congress.

Meanwhile, Chairman of the House Financial Services Committee Barney Frank of Massachusetts has called UIGEA the "stupidest law ever passed" and is looking to introduce the legislation with the help of Southern Nevada Congresswoman, Shelley Berkley and others. "I want to get it undone," Frank told reporters.

Barney Frank has been strategizing on how he will introduce a bill to repeal UIGEA and the industry is beginning the first stages of mobilization to support Frank’s efforts. The political momentum in favor of regulating and taxing internet gambling is clearly shifting and Point-Spreads.com is urging its readers to take this as a “call to arms” to fight for your rights and freedoms. Soon you will be asked to make your voice heard in the "War on Internet Gambling" and with your help we might be able to get the "stupidest law ever passed" overturned.