

Internet Gambling: iMEGA Appeal Filed in US 3rd Circuit

Contributed by Thomas Jensen
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Today, iMEGA filed its brief with the US Court of Appeals, 3rd Circuit, in the matter of iMEGA v. Keisler, et al. The suit challenges the constitutionality of the Unlawful Internet Gambling Enforcement Act of 2006 (UIGEA), which prohibits US financial institutions from processing transactions between online gambling sites and US players, while shifting the determination, burden and cost of enforcement onto the financial institutions.

"This is a very simple argument on which we ask the Court to overturn this law," said Joe Brennan Jr., iMEGA chairman and CEO. "UIGEA should be 'void for vagueness', in that Congress has not defined what an "unlawful Internet gambling transaction" is, as they are required. Congress cannot delegate that necessary determination as to what is 'lawful' or 'unlawful' to US banks and credit card companies. The Department of Treasury, which has been tasked with drafting the regulations for UIGEA, has testified before Congress that they themselves cannot make that determination. Because Congress refused to draft necessary standards, the law is so inherently flawed as to make it totally vague and unenforceable, and we are confident that the Court will overturn it."

iMEGA's appeal follows a ruling by Judge Mary Cooper (US District Court, Trenton) that established iMEGA's associational standing to challenge UIGEA on the behalf of its members and the Internet gambling industry, but was dismissed by Judge Cooper without considering the constitutional issues raised in iMEGA's challenge.

iMEGA is represented on this appeal by lead counsel Eric M. Bernstein (Bernstein & Associates; Warren, NJ); Stephen A. Saltzburg (George Washington Univ. School of Law, Washington DC); and Edward J. Leyden (iMEGA president and general counsel, Hollrah Leyden LLP, Washington DC).