

## **FBI Inquiry Response Demonstrates Technology Exists to Regulate Internet Gambling**

In response to an inquiry by House Financial Services Committee Ranking Member Spencer Bachus (R-AL) about Internet gambling, FBI Cyber Division Assistant Director Shawn Henry provides further evidence to demonstrate that technology to protect consumers already exists and can be implemented to effectively regulate the industry in the U.S.

### **Protecting Against Fraud & Cheating**

Question: Does technology exist to address cheating in online poker?

FBI Response: “Technically, the online poker vendors could detect this activity and put in place safeguards to discourage cheating...”

Fact: Technology to protect against fraud and cheating exists and would be a condition of license under Chairman Frank’s proposed legislation. The vendor risks losing its license if it fails to put in place adequate safeguards against fraud.

### **Guarding Against Money Laundering**

Question: Could technology be used to launder money?

FBI Response: “Once again, this activity could be detected by the vendors...”

Fact: As has been validated in testimony provided before the House Financial Services Committee, technology to guard against money laundering exists and has proven successful. There are more risks in allowing money laundering to flourish in the current underground and unregulated marketplace.

### **Blocking Minors from Gambling Online**

Question: Do vendors have technology solutions to validate the age of potential players?

FBI Response: The FBI does not directly answer the question other than to state that spoofing is possible. It does not appear that the FBI has met with vendors to review the technologies already in use in these compliance areas.

Fact: Many companies, including those in the U.S. that offer online pari-mutuel horse racing wagering, have put in place technologies that can accurately identify the user and block minors from placing a wager. Moreover, Chairman Frank’s legislation would punish licensed operators that fail to curb underage gambling activity.

### **Requiring Proper Safeguards**

Question: Has U.S. law enforcement discussed potential vulnerabilities of online poker with foreign counterparts?

FBI Response: “The FBI has not engaged in this discussion with our foreign partners.”

Fact: If the FBI had discussed potential vulnerabilities with foreign counterparts, it would learn from that the U.K., Italy and other countries about the steps that online gambling operators take to ensure that online games are fair and include safeguards required under H.R. 2267 and already put in place by U.S. horse racing operators.