

Morongo Testimony Misunderstands Intent of Frank Legislation

There are a number of statements in the Testimony of Robert Martin, Chairman of the Morongo Band of Mission Indians, regarding H.R. 2267 and federal gambling law that are based on inaccurate assumptions about federal law and the proposed legislation.

Assertion 1:

H.R. 2267 would restrict tribes from offering internet gambling only to persons on Indian lands.

Fact:

H.R. 2267 allows Indian tribes the same ability to become licensed federal operators as any other potential operator, with the same geographic scope and reach. The statement by Mr. Martin that the Tribes would be discriminated against under the law is not accurate. To the contrary, Indian tribal operators would be treated identically with any other federally licensed operator.

Assertion 2:

The Unlawful Internet Gaming Enforcement Act allows intrastate or intertribal online gambling.

Fact:

The Department of Justice takes the position that no online gambling is allowed in the United States, and that all forms of it are prohibited. It has asserted this position in response to efforts by the U.S. Virgin Islands and Nevada to offer online gambling within their jurisdictions. There is no place in the United States in which online gambling currently takes place, except relating to horseracing, as a result of non-enforcement by the Department of Justice of the federal Wire Act against domestic providers offering gambling services on domestic horseracing pursuant to the Interstate Horseracing Act.

Assertion 3:

HR2267 will “do nothing but legalize off-shore gaming, at the expense of American jobs.”

Fact:

HR2267 will require all federally-licensed operators to have operations in the United States, even those that are foreign owned, and contains strict penalties against illegal unlicensed off-shore gambling operations. HR2267 would legalize online gambling operations involving any Indian tribe that qualifies for a federal license, on a national – and potentially global – basis. The Morongo effort in California promoted a monopoly consortium.

Assertion 4:

HR2267 would deprive the states of tax revenues.

Fact:

For the first time, states would receive tax revenues from online gambling activities, which currently are untaxed and unregulated, and sending billions of U.S. dollars overseas and offshore. States would not be prevented from taxing online gambling under HR2267 or its companion tax bills.