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Online Gambling Don't Roll the Dice

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If you've ever thought about visiting a cyber casino, here's something you should know: it's illegal to gamble online in the United States.

"You can go to Vegas. You can go to Atlantic City. You can go to a racetrack. You can go to those places and gamble legally. But don't do it online. It's against the law," says Leslie Bryant, head of our Cyber Crime Fraud unit at FBI Headquarters.

That means:

...No placing cyber bets on sporting events or in virtual card games;

...No transferring money electronically for gambling; and

...No wagers in offshore Internet casinos even if you live in the U.S.

What's allowed? Some free online games, fantasy leagues, and Indian gaming sites that aren't strictly defined as Internet gambling.

It's also illegal for businesses to run gambling websites and to solicit online bets. Even companies handling transactions for cyberspace bettors can face federal charges.

Cracking down. Our strategy for tackling illegal online gambling—as a key enforcement agency—is to start with the companies providing the services in the first place. "We're going after the people making the money—the owners of these virtual casinos, gaming rooms, and off-track betting parlors," Bryant says.

We currently have about a dozen of these cases in motion. One of the biggest came last July when a federal grand jury in St. Louis returned a 22-count indictment against 11 individuals and four companies for their involvement in illegal online gaming and related activities. On May 24, one of the companies—BetonSports—pled guilty to racketeering charges in the case.

We've also had success against companies supporting the money flows behind virtual gambling. In January, for example, two Canadians were charged with operating an Internet payment services company that transferred billions of dollars in illegal gambling proceeds between U.S. citizens and the owners of online gambling sites outside the country.

In 2003, another Internet financial services company paid \$10 million in a civil agreement to settle allegations that it aided illegal offshore and online gambling agreements. The U.S. government has also settled several cases with online businesses that have accepted money to market virtual gambling operations.

Think a little online gambling can't cost you? Don't bet on it. Even if you don't get caught gambling, you could well lose the money you have in an online gaming account if the company faces charges, since the U.S. government seizes assets in these cases whenever possible.

FYI, here are the primary federal laws that govern online gambling:

- Transmission of wagering, betting by use of a wire communication
- Broadcasting lottery information
- Fraud by wire
- Mail fraud: Attempt and Conspiracy

For more information on our cyber investigations and operations, see our [Cyber Investigations website](#).

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