



## **Restoration of America's Wire Act**

### **Introduction**

Legislation has been introduced in Congress to amend the 1961 Federal Wire Act to ban all forms of interstate wagering, except horse racing. The bill, named the Restoration of America's Wire Act, was introduced by Congressman Jason Chaffetz (R-UT) (H.R. 707) in the House and Senator Lindsay Graham (R-SC) (S. 1668). The legislation would amend the Federal Wire Act – the 1961 federal law that prohibits interstate wagering - to in effect prohibit interstate Internet gaming.

### **Background**

The bill is a response to the Department of Justice's (DOJ) change in its previous interpretation of what the Wire Act prohibits. Since 1961, the DOJ had maintained that the Wire Act banned the interstate transmission of all bets or wagers or information assisting in the placing of bets or wagers. But in December, 2011, the Department issued a ruling that the Wire Act applied only to sports betting, not all wagering. This effectively broadened what gambling could be offered to include all forms of gambling so long as it did not involve a sporting event or contest. Since then several states have legalized Internet wagering, including Nevada, New Jersey, and Delaware, and others are considering it.

### **Legislation**

This legislation would amend the Wire Act to broaden the prohibitions on interstate wagering once again to include all forms of gaming, except horse racing. It would outlaw Internet wagering on poker, casino games, lotteries, even in those states that have already legalized it. In effect, the bill would roll back the prohibitions of the Wire Act to where they were before the DOJ changed its position in December, 2011. Indeed, it would be even more restrictive because at that time there were those who argued that the Wire Act did not apply to interstate wagering on any gambling except sports. Such an argument could no longer be made if this bill is passed.

The bill would not change, limit or broaden the relationship between the Interstate Horseracing Act of 1978 (IHA). What is legal now would remain legal with respect to racing activities under the IHA.

### **Congressional Action**

The bill was referred to the House Judiciary Committee and the Senate Judiciary Committee.

