

[DISCUSSION DRAFT]

1 Title: To acknowledge the rights of States with respect to sports wagering and to maintain a
2 distinct Federal interest in the integrity and character of professional and amateur sporting
3 contests, and for other purposes.
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6 Be it enacted by the Senate and House of Representatives of the United States of America in
7 Congress assembled,

8 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

9 (a) Short Title.—This Act may be cited as the [“ _____ Act of 2018”].

10 (b) Table of Contents.—The table of contents for this Act is as follows:

11 Sec.1.Short title; table of contents.

12 Sec.2.Findings.

13 Sec.3.Definitions.

14 **TITLE I—SPORTS WAGERING**

15 Sec.101.General prohibition on sports wagering.

16 Sec.102.State sports wagering program.

17 Sec.103.State sports wagering program standards.

18 Sec.104.Anti-money laundering provisions.

19 Sec.105.Interstate sports wagering compacts.

20 Sec.106.National Sports Wagering Clearinghouse.

21 **TITLE II—WAGERING TRUST FUND**

22 Sec.201.Findings.

23 Sec.202.Wagering Trust Fund.

24 **TITLE III—WIRE ACT AND SPORTS BRIBERY ACT**
25 **AMENDMENTS**

26 Sec.301.Wire Act clarification and authorization of civil enforcement.

27 Sec.302.Sports Bribery Act improvements.

28 **TITLE IV—GAMBLING ADDICTION PREVENTION AND**
29 **TREATMENT**

30 Sec.401.Authority to address gambling in department of health and human services authorities.

31 Sec.402.Advisory committee.

32 Sec.403.Surveillance of gambling addiction.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) In 1992, Congress enacted the Professional and Amateur Sports Protection Act
4 (Public Law 102–559; 106 Stat. 4227) to ban sports wagering in most States, finding that
5 “sports gambling conducted pursuant to State law threatens the integrity and character of,
6 and public confidence in, professional and amateur sports, instills inappropriate values in
7 the Nation’s youth, misappropriates the goodwill and popularity of professional and
8 amateur sports organizations, and dilutes and tarnishes the service marks of such
9 organizations.”.

10 (2) On May 14, 2018, the Supreme Court of the United States held in *Murphy v. NCAA*,
11 138 S. Ct. 1461 (2018), that the prohibition of State authorization and licensing of sports
12 wagering schemes under the Professional and Amateur Sports Protection Act (Public Law
13 102–559; 106 Stat. 4227) violates the 10th Amendment to the Constitution of the United
14 States.

15 (3) After the decision in *Murphy v. NCAA*, 138 S. Ct. 1461 (2018), any State may
16 legalize and regulate sports wagering, as determined by the State, consistent with section
17 1084 of title 18, United States Code (commonly known as the “Wire Act”), section 1955 of
18 that title (commonly known as the “Illegal Gambling Business Act”), subchapter IV of title
19 31, United States Code (commonly known as the “Unlawful Internet Gambling
20 Enforcement Act of 2006”), and other Federal law.

21 (4) Since the decision in *Murphy v. NCAA*, 138 S. Ct. 1461 (2018), the States of
22 Delaware, Mississippi, New Jersey, New Mexico, and West Virginia have joined the State
23 of Nevada in accepting sports wagers, and more than 2 dozen other States are considering
24 legislation to legalize sports wagering.

25 (5) Even before the decision in *Murphy v. NCAA*, 138 S. Ct. 1461 (2018), there was a
26 significant legal sports wagering market in the United States, with \$4,870,000,000 wagered
27 on sports in the State of Nevada in 2017, and the legal sports wagering market will continue
28 to grow as legal sports wagering becomes more widely available.

29 (6) Overshadowing the legal sports wagering market is a much larger illegal sports
30 wagering market that circumvents the taxation, anti-money laundering controls, and other
31 regulations of the legal sports wagering market.

32 (7) The American Gaming Association estimates that people of the United States illegally
33 bet over \$150,000,000,000 annually on United States sporting events.

34 (8) The laws and enforcement efforts that for decades have sought to curtail the illegal
35 sports wagering market have come up short.

36 (9) The expansion of legal sports wagering after the decision in *Murphy v. NCAA*, 138 S.
37 Ct. 1461 (2018), presents an opportunity to significantly reduce the illegal sports wagering
38 market by pairing enhanced authority for law enforcement to shut down the illegal sports
39 wagering market with policies that incentivize participants in the illegal sports wagering
40 market to shift their activity into the legal sports wagering market, as available, so that such
41 activity can be appropriately regulated and taxed.

[DISCUSSION DRAFT]

1 (10) All forms of gaming have historically been regulated at the State level, and legal
2 sports wagering markets are and should be established and regulated principally by the
3 States, but sports wagering affects interstate commerce more than most other forms of
4 gaming.

5 (11) While each State may decide whether to permit sports wagering and how to regulate
6 sports wagering, there is an important role for Congress in setting minimum standards for
7 sports wagering that affects interstate commerce and providing law enforcement with
8 additional authority to target the illegal sports wagering market and bad actors in the
9 growing legal sports wagering market.

10 **SEC. 3. DEFINITIONS.**

11 In this Act:

12 (1) AMATEUR ATHLETIC COMPETITION.—

13 (A) IN GENERAL.—Except as provided in subparagraph (B), the term “amateur
14 athletic competition” has the meaning given the term in section 220501 of title 36,
15 United States Code.

16 (B) EXCEPTIONS.—The term “amateur athletic competition” does not include—

17 (i) the Olympic Games;

18 (ii) the Paralympic Games;

19 (iii) the Pan-American Games; or

20 (iv) any intercollegiate sport (as defined in the Sports Agent Responsibility and
21 Trust Act (15 U.S.C. 7801)).

22 (2) GOVERNMENTAL ENTITY.—The term “governmental entity” means—

23 (A) a State;

24 (B) a political subdivision of a State; and

25 (C) an entity or organization, including an Indian Tribe, that has governmental
26 authority within the territorial boundaries of the United States, including Indian lands
27 (as defined in section 4 of the Indian Gaming Regulatory Act (25 U.S.C. 2703)).

28 (3) INDIAN TRIBE.—The term “Indian Tribe” has the meaning given the term “Indian
29 tribe” in section 4 of the Indian Gaming Regulatory Act (25 U.S.C. 2703).

30 (4) INTERACTIVE SPORTS WAGERING PLATFORM.—The term “interactive sports wagering
31 platform” means a person or entity that offers licensed sports wagering over the internet,
32 including through an internet website and mobile devices, on behalf of a licensed gaming
33 facility.

34 (5) INTERNATIONAL REGULATORY ENTITY.—The term “international regulatory entity”
35 means any entity responsible for the regulation of sports wagering outside the United States.

36 (6) INTERNATIONAL SPORTS WAGERING OPERATOR.—

37 (A) IN GENERAL.—Except as provided in subparagraph (B), the term “international
38 sports wagering operator” means any person that—

[DISCUSSION DRAFT]

- 1 (i) accepts sports wagers; and
- 2 (ii) is located outside the United States.

3 (B) EXCEPTION.—The term “international sports wagering operator” does not
4 include a sports wagering operator.

5 (7) INTERSTATE SPORTS WAGERING COMPACT.—The term “interstate sports wagering
6 compact” means a compact to offer sports wagering in accordance with this Act between—

7 (A) 2 or more States with a State sports wagering program;

8 (B) 1 or more States with a State sports wagering program and 1 or more Indian
9 Tribes; or

10 (C) 2 or more Indian Tribes.

11 (8) NATIONAL SPORTS WAGERING CLEARINGHOUSE.—The term “national sports wagering
12 clearinghouse” means the entity designated by the Attorney General under section 106(b).

13 (9) SPORTS ORGANIZATION.—The term “sports organization” means—

14 (A) a person or governmental entity that—

15 (i)(I) sponsors, organizes, schedules, or conducts a competitive game in which
16 1 or more amateur athletes participate; and

17 (II) with respect to an amateur sporting event and the participants in the
18 sporting event—

19 (aa) prescribes final rules; and

20 (bb) enforces a code of conduct; or

21 (ii)(I) sponsors, organizes, schedules, or conducts a competitive game in which
22 1 or more professional athletes participate; and

23 (II) with respect to a professional sporting event and the participants in the
24 sporting event—

25 (aa) prescribes final rules; and

26 (bb) enforces a code of conduct; and

27 (B) a league or association of 1 or more persons or governmental entities described
28 in subparagraph (A).

29 (10) SPORTS WAGER.—

30 (A) IN GENERAL.—Except as provided in subparagraph (C), the term “sports wager”
31 means the staking or risking by any person of something of value upon the outcome of
32 a sporting event, including the outcome of any portion or aspect thereof, upon an
33 agreement or understanding that the person or another person will receive something of
34 value in the event of a certain outcome.

35 (B) INCLUSION.—With respect to an amateur or professional sporting event, the term
36 “sports wager” includes—

- 37 (i) a straight bet;

[DISCUSSION DRAFT]

- 1 (ii) a teaser;
- 2 (iii) a variation of a teaser;
- 3 (iv) a parlay;
- 4 (v) a total or over-under;
- 5 (vi) a moneyline;
- 6 (vii) a betting pool;
- 7 (viii) exchange wagering;
- 8 (ix) in-game wagering, including in-game wagering on—
 - 9 (I) a final or interim game score;
 - 10 (II) statistics; or
 - 11 (III) a discrete in-game event;
- 12 (x) a sports lottery; and
- 13 (xi) a proposition bet.

14 (C) EXCEPTIONS.—The term “sports wager” does not include—

15 (i) any activity excluded from the definition of the term bet or wager under
16 section 5362 of title 31, United States Code; or

17 (ii) any activity that does not violate a provision of the Interstate Horseracing
18 Act of 1978 (15 U.S.C. 3001 et seq.).

19 (11) SPORTS WAGERING.—The term “sports wagering” means the acceptance or placing
20 of a sports wager.

21 (12) SPORTS WAGERING OPERATOR.—The term “sports wagering operator” means—

22 (A) a gaming facility that—

- 23 (i) offers sports wagering; and
- 24 (ii) is licensed in accordance with this Act; and

25 (B) a interactive sports wagering platform that—

- 26 (i) offers sports wagering on behalf of a licensed gaming facility; and
- 27 (ii) is licensed in accordance with this Act.

28 (13) SPORTS WAGERING OPT-IN STATE.—The term “sports wagering opt-in State” means a
29 State that administers a State sports wagering program.

30 (14) STATE.—The term “State” means—

- 31 (A) a State;
- 32 (B) the District of Columbia; and
- 33 (C) any commonwealth, territory, or possession of the United States.

34 (15) STATE REGULATORY ENTITY.—The term “State regulatory entity” means the 1 or

[DISCUSSION DRAFT]

1 more entities established or designated by a sports wagering opt-in State under section
2 102(a)(2)(A)(ii).

3 (16) STATE SOCIAL GAMBLING LAW.—The term “State social gambling law” means a
4 State law that allows sports wagering that—

5 (A) is not conducted as a business;

6 (B) involves 2 or more players who compete on equal terms; and

7 (C) does not provide a benefit to—

8 (i) a player, other than the winnings of the player; or

9 (ii) a person who is not involved in a sports wager.

10 (17) STATE SPORTS WAGERING PROGRAM.—The term “State sports wagering program”
11 means a program administered by a State pursuant to an application approved by the
12 Attorney General under subsection (b) or (e) of section 102.

13 (18) SUSPICIOUS TRANSACTION.—The term “suspicious transaction” means a financial
14 transaction—

15 (A) with respect to which the submission of a suspicious activity report is required
16 under section 103(b)(13); or

17 (B) that a sports wagering operator or the national sports wagering clearinghouse, as
18 applicable, knows or has reason to know, as determined by a director, officer,
19 employee, or agent of the sports wagering operator or national sports wagering
20 clearinghouse, is or would be if completed—

21 (i) a violation of, or part of a plan to violate or evade, any Federal, State, or
22 local law (including regulations); or

23 (ii) sports wagering by or on behalf of—

24 (I) an athlete, coach, referee, or employee of a sports organization, with
25 respect a to sporting event sponsored, organized, or conducted by the sports
26 organization; or

27 (II) an employee of a player or referee union of a sports organization, with
28 respect to a sporting event sponsored, organized, or conducted by the sports
29 organization.

30 **TITLE I—SPORTS WAGERING**

31 **SEC. 101. GENERAL PROHIBITION ON SPORTS**
32 **WAGERING.**

33 (a) In General.—Except as provided in subsection (b), it shall be unlawful for any person to
34 knowingly accept a sports wager.

35 (b) Exceptions.—It shall not be a violation of subsection (a) for—

36 (1) a person located in a sports wagering opt-in State to accept a sports wager in
37 accordance with State law; or

[DISCUSSION DRAFT]

1 (2) a person to accept a sports wager in accordance with an applicable State social
2 gambling law.

3 (c) Injunctions.—

4 (1) JURISDICTION.—The district courts of the United States and appropriate United States
5 courts of the territories and possessions of the United States shall have jurisdiction in
6 proceedings in accordance with the Federal Rules of Civil Procedure to enjoin a violation of
7 subsection (a).

8 (2) JURY TRIAL.—In the case of an alleged violation of an injunction or restraining order
9 issued under paragraph (1), trial shall be, on demand of the accused, by a jury in accordance
10 with the Federal Rules of Civil Procedure.

11 (d) Civil Penalties.—

12 (1) IN GENERAL.—Any person who violates this subsection (a) shall be, with respect to
13 any such violation, subject to a civil penalty of not more than the greater of \$10,000 or 3
14 times the amount of the applicable sports wager.

15 (2) SEPARATE VIOLATIONS.—A separate violation occurs for each sports wager accepted
16 in violation of subsection (a).

17 (3) JURISDICTION.—The district courts of the United States and appropriate United States
18 courts of the territories and possessions of the United States shall have jurisdiction to
19 enforce this subsection in accordance with section 1355 of title 28, United States Code.

20 (4) EFFECT OF LAW.—A violation of subsection (a) shall not constitute a crime, and a
21 judgment for the United States and imposition of a civil penalty pursuant to paragraph (1)
22 shall not give rise to any disability or legal disadvantage based on conviction for a criminal
23 offense.

24 (e) Civil Penalty Not Exclusive of Criminal Penalty.—A civil penalty, injunction, or
25 temporary restraining order imposed under this section shall be independent of, and not in lieu
26 of, criminal prosecutions or any other proceedings under any other law of the United States,
27 including sections 1084 and 1955 of title 18, United States Code.

28 **SEC. 102. STATE SPORTS WAGERING PROGRAM.**

29 (a) Initial Application.—

30 (1) IN GENERAL.—To request approval to administer a State sports wagering program, a
31 State shall submit an application to the Attorney General at such time, in such manner, and
32 accompanied by such information as the Attorney General may require.

33 (2) CONTENTS.—An application under paragraph (1) shall include—

34 (A) a full and complete description of the State sports wagering program the State
35 proposes to administer under State law, including—

- 36 (i) each applicable State law relating to sports wagering; and
37 (ii) an identification of the State regulatory entity; and

38 (B) an assurance from the attorney general or chief legal officer of the State that the
39 laws of the State provide adequate authority to carry out the proposed State sports

[DISCUSSION DRAFT]

1 wagering program.

2 (b) Approval by Attorney General.—

3 (1) IN GENERAL.—Not later than 180 days after the date on which the Attorney General
4 receives a complete application under this section, the Attorney General shall approve the
5 application unless the Attorney General determines that the proposed State sports wagering
6 program does not meet the standards set forth in section 103.

7 (2) DENIAL OF APPLICATION.—A decision of the Attorney General to deny an application
8 submitted under this section shall—

9 (A) be made in writing; and

10 (B) specify the 1 or more standards under section 103 that are not satisfied by the
11 proposed State sports wagering program.

12 (c) Notice of Material Changes.—In the case of a material change to a State law relating to
13 sports wagering, the State regulatory entity, or other information included in an application
14 submitted pursuant to subsection (a) or (e), not later than 30 days after the date on which the
15 change is made, the State shall submit to the Attorney General a notice of such change.

16 (d) Duration.—A State sports wagering program shall be valid for a fixed 3-year period
17 beginning on the date on which the Attorney General approves the application of the applicable
18 State under subsection (a) or (e).

19 (e) Renewal Application and Approval.—Not later than the date on which the 3-year period
20 referred to in subsection (d) ends, a State seeking to renew the approval of the State sports
21 wagering program may submit to the Attorney General a renewal application that—

22 (1) includes the information described in subsection (a); and

23 (2) shall be subject to the approval process under subsection (b).

24 (f) Revocation and Review.—

25 (1) EMERGENCY REVOCATION OF APPROVAL.—The Attorney General shall promulgate
26 regulations that provide procedures by which the Attorney General may revoke the approval
27 of a State to administer a State sports wagering program before the date on which the 3-year
28 term described in subsection (d) expires if the Attorney General finds that the sports
29 wagering program does not meet 1 or more standards set forth in section 103.

30 (2) ADMINISTRATIVE REVIEW.—The Attorney General shall promulgate regulations that
31 provide procedures by which a State may seek administrative review of any decision by the
32 Attorney General—

33 (A) to deny an application under subsection (b);

34 (B) to deny a renewal application under subsection (e); or

35 (C) to revoke an approval under paragraph (1).

36 **SEC. 103. STATE SPORTS WAGERING PROGRAM**
37 **STANDARDS.**

38 (a) In General.—The Attorney General shall approve an application under section 102 unless

[DISCUSSION DRAFT]

1 the Attorney General determines that the proposed State sports wagering program does not meet
2 the standards set forth in subsection (b).

3 (b) Standards for State Sports Wagering Programs.—A State sports wagering program shall
4 meet each of the following standards:

5 (1) STATE REGULATORY ENTITY.—Establish or designate a public entity in the applicable
6 State as the State regulatory entity for the purposes of regulating sports wagering operators
7 and enforcing sports wagering laws in the State.

8 (2) PERMISSIBLE SPORTS WAGERING.—

9 (A) IN-PERSON SPORTS WAGERING.—Provide that in-person sports wagering may be
10 offered only at a licensed gaming facility.

11 (B) INTERNET SPORTS WAGERING.—

12 (i) IN GENERAL.—With respect to any authorization of sports wagering on an
13 interactive sports wagering platform, provide that such sports wagering is
14 available only to—

15 (I) individuals located in the State; and

16 (II) in the case of an interstate sports wagering compact approved by the
17 Attorney General pursuant to section 105, individuals located in States that
18 are party to the compact.

19 (ii) LOCATION VERIFICATION.—Include location verification requirements
20 reasonably designed to prevent an individual from placing a sports wager on an
21 interactive sports wagering platform from a location other than a location
22 described in clause (i).

23 (C) SPORTS WAGER APPROVAL.—

24 (i) IN GENERAL.—Provide that a sports wagering operator shall not accept a
25 sports wager unless sports wagers are expressly approved by the State regulatory
26 entity.

27 (ii) APPROVAL CRITERIA.—Direct the State regulatory entity to establish criteria
28 for decisions with respect to the approval of a sports wager, such as whether the
29 outcome of the event or contingency on which the sports wager is placed is—

30 (I) verifiable;

31 (II) generated by a reliable and independent process; and

32 (III) unlikely to be affected by any sports wager placed.

33 (D) PROHIBITION OF SPORTS WAGERING ON CERTAIN AMATEUR SPORTS.—Prohibit the
34 State regulatory entity from approving or a sports wagering operator from accepting a
35 sports wager on any amateur athletic competition.

36 (3) RESTRICTIONS ON SPORTS WAGERING TO PROTECT CONTEST INTEGRITY.—

37 (A) DEFINITION OF NECESSARY TO MAINTAIN CONTEST INTEGRITY.—In this
38 paragraph, the term “necessary to maintain contest integrity” means that, in the
39 absence of a restriction, there is a reasonably foreseeable risk that the outcome of the

[DISCUSSION DRAFT]

1 sporting event or contingency on which the wager is placed would be affected by the
2 wager.

3 (B) CONTEST INTEGRITY.—Prohibit a sports wagering operator from accepting a
4 sports wager in violation of a notice of restriction received by the sports wagering
5 operator under subparagraph (E)(i).

6 (C) REQUEST TO RESTRICT SPORTS WAGERING.—

7 (i) IN GENERAL.—With respect to a sporting events sponsored, organized, or
8 conducted by a sports organization, permit the sports organization to submit to the
9 State regulatory entity a request to restrict, limit, or exclude wagers on 1 or more
10 performances of an athlete in 1 or more sporting events in which such athlete
11 participates if the applicable sports organization determines that such restriction is
12 necessary to maintain contest integrity.

13 (ii) DEADLINES FOR SUBMISSION.—Provide that the State regulatory entity shall
14 establish reasonable deadlines for the submission of a request under clause (i) in
15 advance of the applicable sporting event.

16 (D) DETERMINATION BY THE STATE REGULATORY ENTITY.—Provide that the State
17 regulatory entity shall—

18 (i) approve a request described in subparagraph (C)(i) unless the State
19 regulatory entity determines, considering any information provided by the sports
20 organization and any other relevant information, that a restriction is not necessary
21 to maintain contest integrity;

22 (ii) provide a written explanation of a determination under clause (i) to approve
23 or deny a request;

24 (iii) make such written explanation available to the public; and

25 (iv) provide a process by which the sports organization that submitted the
26 request may seek review of such determination.

27 (E) NOTICE OF RESTRICTION.—Provide that the State regulatory entity shall establish
28 a process—

29 (i) to provide to sports wagering operators notice of any restriction approved by
30 the State regulatory entity; and

31 (ii) to make such notice publicly available.

32 (4) PREVENTION OF SPORTS WAGERING BY PROHIBITED INDIVIDUALS.—

33 (A) PROHIBITED INDIVIDUALS.—Prohibit a sports wagering operator from accepting
34 sports wagers from—

35 (i) an individual younger than the legal minimum age for sports wagering in the
36 State;

37 (ii) an individual on the national self-exclusion list;

38 (iii) an athlete, coach, referee, or employee of a sports organization, with
39 respect to a sporting event sponsored, organized, or conducted by the sports

[DISCUSSION DRAFT]

1 organization; or

2 (iv) an employee of a player or referee union of a sports organization, with
3 respect to a sporting event sponsored, organized, or conducted by the sports
4 organization.

5 (B) PROHIBITED INDIVIDUALS LIST.—

6 (i) IN GENERAL.—Provide that sports wagering operators shall have access to
7 the prohibited individuals list maintained by the national sports wagering
8 clearinghouse.

9 (ii) REVIEW.—Establish procedures by which a resident of the State may seek
10 review by the State regulatory entity of a decision to include the individual on—

11 (I) the prohibited individuals list; or

12 (II) any other list—

13 (aa) maintained by the State regulatory entity or a sports wagering
14 operator; and

15 (bb) used to deny the individual access to sports wagering in the
16 State.

17 (5) AUTHORIZED DATA.—

18 (A) RESULT OF A SPORTS WAGER.—

19 (i) MARKET TRANSITION PERIOD.—With respect to any sports wager accepted
20 on or before December 31, 2022, provide that a sports wagering operator shall
21 determine the result of a sports wager only with data that is licensed and provided
22 by—

23 (I) the applicable sports organization; or

24 (II) an entity expressly authorized by the applicable sports organization to
25 provide such information.

26 (ii) POST-TRANSITION PERIOD.—With respect to any sports wager accepted after
27 December 31, 2022, provide that a sports wagering operator shall determine the
28 result of a sports wager only with data that is obtained from a source that the State
29 regulatory entity has—

30 (I) found to provide—

31 (aa) data of substantially similar speed, accuracy, and consistency to
32 the data available under clause (i); and

33 (bb) only data that is—

34 (AA) legally obtained; and

35 (BB) in full compliance with the terms of any applicable contract
36 or license; and

37 (II) expressly authorized to provide such data to sports wagering
38 operators.

[DISCUSSION DRAFT]

1 (B) OTHER PURPOSES.—Provide that the statistics, result, outcome, or other data
2 used by a sports wagering operator for a purpose other than to determine the result of a
3 sports wager shall be in the public domain or otherwise legally obtained.

4 (6) CONSUMER PROTECTIONS.—

5 (A) SELF-EXCLUSION.—

6 (i) STATE SELF-EXCLUSION LIST.—Provide a process by which an individual
7 may restrict himself or herself from placing a sports wager with a sports wagering
8 operator located in the State, including by imposing sports wager limits.

9 (ii) NATIONAL SELF-EXCLUSION LIST.—Provide, through the State regulatory
10 entity acting in cooperation with the national sports wagering clearinghouse, a
11 process by which an individual may restrict himself or herself from placing a
12 sports wager with a sports wagering operator located in any sports wagering opt-
13 in State, including by imposing sports wager limits, and placing himself or herself
14 on the prohibited individuals list described in paragraph (4)(B).

15 (iii) REASONABLE STEPS REQUIRED.—Provide that a sports wagering operator
16 shall take reasonable steps to prevent from placing a sports wager an individual
17 who is—

18 (I) described in clause (i); or

19 (II) included on the prohibited individuals described in paragraph (4)(B).

20 (B) WITHDRAWAL RESTRICTIONS.—Prohibit a sports wagering operator from—

21 (i) requiring an individual engaged in sports wagering to participate in a
22 publicity or an advertising activity of the sports wagering operator as a condition
23 of withdrawal of the winnings of the individual; and

24 (ii) imposing on any individual engaged in sports wagering—

25 (I) a minimum or maximum withdrawal limit for the account of the
26 individual;

27 (II) any restriction on the right of the individual to make a withdrawal
28 from the account of the individual based on the extent of the sports wagering
29 by the individual;

30 (III) an unreasonable deadline for the provision of information relating to
31 the identity of the individual as a condition of withdrawal from the account
32 of the individual; or

33 (IV) a dormancy charge for an account of the individual that is not used to
34 place a sports wager.

35 (C) DISCLOSURE.—

36 (i) RESTRICTIONS OR CONDITIONS.—Provide that a sports wagering operator
37 shall provide an individual with adequate and clear information relating to any
38 applicable restriction or condition before the individual opens an account with the
39 sports wagering operator.

[DISCUSSION DRAFT]

1 (ii) BONUSES OFFERED.—Provide that a sports wagering operator shall provide
2 to an individual engaged in sports wagering clear information relating to any
3 bonus offered, including the terms of withdrawal of the bonus.

4 (D) TREATMENT FUNDING.—Provide that a sports wagering operator shall allocate
5 an appropriate percentage of the revenue from sports wagering to treatment for
6 gambling disorder.

7 (E) RESERVE REQUIREMENT.—Provide that a sports wagering operator shall maintain
8 a reserve in an amount not less than the sum of—

9 (i) the amounts held by the sports wagering operator for the account of patrons;

10 (ii) the amounts accepted by the sports wagering operator as sports wagers on
11 contingencies the outcomes of which have not been determined; and

12 (iii) the amounts owed but unpaid by the sports wagering operator on winning
13 wagers [during] the period for honoring winning wagers established by State law
14 or the sports wagering operator.

15 (7) ADVERTISING.—Provide that advertisements for a sports wagering operator—

16 (A) shall—

17 (i) disclose the identity of the sports wagering operator; and

18 (ii) provide information about how to access resources relating to gambling
19 addiction; and

20 (B) shall not target problem gamblers or individuals who are ineligible to place a
21 sports wager, including individuals younger than the legal minimum age for sports
22 wagering in the State.

23 (8) LICENSING REQUIREMENT.—

24 (A) IN GENERAL.—Provide that a sports wagering operator located in the State shall
25 be licensed by the State regulatory entity.

26 (B) SUITABILITY FOR LICENSING.—

27 (i) IN GENERAL.—Provide that before granting a license to a prospective sports
28 wagering operator, the State regulatory entity shall, make a determination, based
29 on a completed background check and investigation, with respect to whether the
30 prospective sports wagering operator and any person considered to be in control
31 of the prospective sports wagering operator is suitable for license in accordance
32 with suitability standards established by the State regulatory entity.

33 (ii) ASSOCIATES OF APPLICANTS.—Provide that if a prospective sports wagering
34 operator is a corporation, partnership, or other business entity, a background
35 check and investigation shall occur with respect to—

36 (I) the president or other chief executive of the corporation, partnership, or
37 other business entity; and

38 (II) any other partner or senior executive and director of the corporation,
39 partnership, or other business entity, as determined by the State regulatory

[DISCUSSION DRAFT]

1 entity.

2 (iii) BACKGROUND CHECK AND INVESTIGATION.—Establish standards and
3 procedures for conducting the background checks and investigations described in
4 this subparagraph.

5 (C) UNSUITABILITY FOR LICENSING.—With respect to the suitability standards under
6 in subparagraph (B)(1), provide that a prospective sports wagering operator shall not
7 be determined to be suitable for licensing as a sports wagering operator if the
8 prospective sports wagering operator—

9 (i) has failed to provide information and documentary material for a
10 determination of suitability for licensing as a sports wagering operator;

11 (ii) has supplied information which is untrue or misleading as to a material fact
12 pertaining to any such determination;

13 (iii) has been convicted of an offense punishable by imprisonment of more than
14 1 year;

15 (iv) is delinquent in—

16 (I) filing any applicable Federal or State tax returns; or

17 (II) the payment of any taxes, penalties, additions to tax, or interest owed
18 to the United States or a State;

19 (v) on or after October 13, 2006—

20 (I) has knowingly participated in, or should have known the prospective
21 sports wagering operator was participating in, an illegal internet gambling
22 activity, including—

23 (aa) taking an illegal internet wager;

24 (bb) payment of winnings on an illegal internet wager;

25 (cc) promotion through advertising of an illegal internet gambling
26 website or service; or

27 (dd) collection of any payment on behalf of an entity operating an
28 illegal internet gambling website; or

29 (II) has knowingly been owned, operated, managed, or employed by, or
30 should have known the prospective sports wagering operator was owned,
31 operated, managed, or employed by, any person who was knowingly
32 participating in, or should have known the person was participating in, an
33 illegal internet gambling activity, including an activity described in items
34 (aa) through (dd) of subclause (I);

35 (vi) has—

36 (I) received any assistance, financial or otherwise, from a person who has,
37 before the date of enactment of this Act, knowingly accepted bets or wagers
38 from any other person who is physically present in the United States in
39 violation of Federal or State law; or

[DISCUSSION DRAFT]

(II) provided any assistance, financial or otherwise, to a person who has, before the date of enactment of this Act, knowingly accepted bets or wagers from any other person who is physically present in the United States in violation of Federal or State law;

(vii) with respect to any other entity that has accepted a bet or wager from any individual in violation of United States law, has purchased or otherwise obtained—

(I) such entity;

(II) a list of the customers of such entity; or

(III) any other part of the equipment or operations of such entity; or

(viii) fails to certify in writing, under penalty of perjury, that the applicant or other such person, and all affiliated business entities (including all entities under common control), during the entire history of such applicant or other such person and all affiliated business entities—

(I) have not committed an intentional felony violation of Federal or State sports wagering law; and

(II) have used diligence to prevent any United States person from placing a sports wager on an internet site in violation of Federal or State sports wagering laws.

(D) REVOCATION AND SUSPENSION.—Establish standards and procedures for suspending or revoking the license of a sports wagering operator.

(9) EMPLOYEE BACKGROUND CHECKS.—Provide that a sports wagering operator—

(A) shall ensure that each existing and newly-hired employee of the sports wagering operator undergo an annual criminal history background check; and

(B) shall not employ any individual who has been convicted of a Federal or State crime relating to sports wagering.

(10) RECORDKEEPING REQUIREMENTS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), with respect to each sports wager accepted by a sports wagering operator or attempted to be placed by an individual with a sports wagering operator, provide that the sports wagering operator shall secure and maintain a record of the following:

(i) The name, permanent address, and social security number or passport number of the individual who placed, or attempted to place, the sports wager, which the sports wagering operator shall verify in accordance with the requirements for verification of identity in parts 1010.312 and 1021.312 of title 31, Code of Federal Regulations [(or successor regulations/as in effect on the date of enactment of this Act)] [SLC Note: Please let me know which of these 2 choices aligns with your intent].

(ii) The amount and type of the sports wager.

(iii) The time at which the sports wager was placed or attempted to be placed.

[DISCUSSION DRAFT]

1 (iv) The location at which the sports wager was placed or attempted to be
2 placed, including the internet protocol address, if applicable.

3 (v) The outcome of the sports wager.

4 (B) EXCEPTION.—Provide that a sports wagering operator shall not be required to
5 maintain a record of the information described in subparagraph (A) if—

6 (i) the sports wager is not placed by an individual through an account with the
7 sports wagering operator;

8 (ii) the amount of the sports wager does not exceed \$10,000;

9 (iii) the sports wagering operator and any officer, employee, or agent of the
10 sports wagering operator does not have knowledge, or would not in the ordinary
11 course of business have reason to have knowledge, that the sports wager is one of
12 multiple sports wagers placed by an individual or on behalf of an individual
13 during one day that are, in the aggregate, in excess of \$10,000; and

14 (iv) the sports wagering operator is not required, pursuant to section
15 31.3402(q)-1 of title 26, Code of Federal Regulations (or a successor regulation),
16 to furnish a Form W-2G to the individual who placed the sports wager with
17 respect to winnings from the sports wager.

18 (C) RECORDS RELATING TO SUSPICIOUS TRANSACTIONS.—Provide that, in addition to
19 the records required to be maintained pursuant paragraph (A), a sports wagering
20 operator shall be required to maintain any other records relating to a suspicious
21 transaction, including video recordings, in the possession, custody, or control of the
22 sports wagering operator.

23 (D) DURATION OF RECORDKEEPING OBLIGATION.—Provide that a sports wagering
24 operator shall be required to maintain each record required under this paragraph for not
25 less than 5 years after the date on which the record is created.

26 (11) DATA SECURITY.—Provide that a sports wagering operator shall take reasonable
27 steps to prevent unauthorized access to, or dissemination of, sports wagering and customer
28 data.

29 (12) REAL-TIME INFORMATION SHARING.—

30 (A) IN GENERAL.—Provide that a sports wagering operator shall provide to the
31 national sports wagering clearinghouse anonymized sports wagering data in real-time
32 or as soon as practicable, but not later than 24 hours after the time at which a sports
33 wager is accepted by the sports wagering operator.

34 (B) INCLUSIONS.—The data provided under subparagraph (A) shall include, for each
35 sports wager—

36 (i) a unique identifier for the transaction and, if available, the individual who
37 placed the sports wager, except that such identifier shall not include any
38 personally identifiable information of such individual;

39 (ii) the amount and type of sports wager;

40 (iii) the date and time at which the sports wager was accepted;

[DISCUSSION DRAFT]

1 (iv) the location at which the sports wager was placed, including the internet
2 protocol address, if applicable; and

3 (v) the outcome of the sports wager.

4 (13) SUSPICIOUS TRANSACTION REPORTING.—

5 (A) REPORTING TO STATE REGULATORY ENTITY.—Provide that each sports wagering
6 operator located in the State shall promptly report any suspicious transaction to the
7 State regulatory entity, in such manner and accompanied by such information as the
8 State regulatory entity may require.

9 (B) REPORTING TO THE NATIONAL SPORTS WAGERING CLEARINGHOUSE AND SPORTS
10 ORGANIZATIONS.—

11 (i) IN GENERAL.—Subject to clause (ii), provide that a sports wagering operator
12 shall simultaneously transmit to the national sports wagering clearinghouse and
13 applicable sports organization any suspicious transaction report submitted to a
14 State regulatory entity under subparagraph (A).

15 (ii) PERSONALLY IDENTIFIABLE INFORMATION.—A suspicious transaction report
16 submitted to the national sports wagering clearinghouse or a sports organization
17 shall not contain any personally identifiable information relating to any individual
18 who placed, or attempted to place, a sports wager.

19 (14) MONITORING AND ENFORCEMENT.—

20 (A) IN GENERAL.—Provide that the State regulatory entity, in consultation with law
21 enforcement, shall develop and implement a strategy to enforce the sports wagering
22 laws of the State.

23 (B) AUTHORITY TO MONITOR AND ENFORCEMENT.—Provide adequate authority to the
24 State regulatory entity and law enforcement, as appropriate, to monitor compliance
25 with and enforce the sports wagering laws of the State, including—

26 (i) the authority to conduct periodic audits and inspect the books and records of
27 each sports wagering operator located or operating in the State; and

28 (ii) a requirement that the State regulatory entity shall refer evidence of
29 potential criminal violations to the appropriate law enforcement entity.

30 (15) COOPERATION WITH INVESTIGATIONS.—

31 (A) SPORTS WAGERING OPERATORS.—Provide that any sports wagering operator
32 located or operating in the State shall cooperate with any lawful investigation
33 conducted by—

34 (i) the State regulatory entity; or

35 (ii) Federal or State law enforcement.

36 (B) STATE REGULATORY ENTITY.—Provide that the State regulatory entity shall
37 cooperate with any lawful investigation conducted by—

38 (i) Federal or State law enforcement; or

39 (ii) a sports organization, with respect to a sports wager—

[DISCUSSION DRAFT]

1 (I) on a sporting event sponsored, organized, or conducted by the sports
2 organization;

3 (II) accepted by a sports wagering operator located or operating in the
4 State; and

5 (III) that the sports organization demonstrates, by clear and convincing
6 evidence, relates to a breach of the internal rules or code of conduct relating
7 to sports wagering of the sports organization.

8 (16) INTERNAL CONTROLS.—

9 (A) IN GENERAL.—Provide that each sports wagering operator shall devise and
10 maintain a system of internal controls sufficient to provide reasonable assurances that
11 sports wagers are accepted in accordance with all applicable laws, regulations, and
12 policies.

13 (B) MINIMUM STANDARDS.—Provide that the State regulatory entity shall adopt and
14 publish minimum standards for internal control procedures.

15 (C) REPORT.—Provide that each sports wagering operator shall submit to the State
16 regulatory entity not less frequently than annually the written system of internal
17 controls of the sports wagering operator.

18 (D) AUDIT.—Provide that system of internal controls of a sports wagering operator
19 shall be evaluated on a periodic basis by the State regulatory entity or a third party
20 auditor.

21 **SEC. 104. ANTI-MONEY LAUNDERING PROVISIONS.**

22 (a) Bank Secrecy Act.—Section 5312(a)(2)(X) of title 31, United States Code, is amended—

23 (1) in the matter preceding clause (i), by inserting “sports wagering operator (as defined
24 in section 3 of the [_____ Act of 2018]),” after “gambling casino,”; and

25 (2) in clause (i), by inserting “sports wagering operator,” after “gambling casino.”

26 (b) Rules for Sports Wagering Operators.—Not later than 180 days after the date of enactment
27 of this Act, the Secretary of the Treasury shall amend—

28 (1) part 1021 of title 31, Code of Federal Regulations, to provide that sports wagering
29 operators shall be treated the same as casinos with respect to any requirement under that
30 part; and

31 (2) sections 1010.312, 1021.311, and 1021.312 of title 31, Code of Federal Regulations,
32 to specifically address the means by which a sports wagering operator shall, under each
33 such section, verify the identity of an individual who conducts a transaction described in
34 that section over the internet.

35 (c) Application.—

36 (1) DEFINITION.—In this subsection, the term “Bank Secrecy Act” means subchapter II of
37 chapter 53 of title 31, United States Code.

38 (2) EFFECT OF COMPLIANCE WITH STATE REQUIREMENTS.—The submission of a suspicious
39 transaction report to a State regulatory entity or the National Sports Wagering

[DISCUSSION DRAFT]

1 Clearinghouse shall not be considered to violate—

2 (A) any provision of the Bank Secrecy Act; or

3 (B) any regulation promulgated under the Bank Secrecy Act that limits the
4 disclosure of information that would reveal the existence of a suspicious activity report
5 filed with the Financial Crimes Enforcement Network under chapter X of title 31,
6 Code of Federal Regulations.

7 **SEC. 105. INTERSTATE SPORTS WAGERING COMPACTS.**

8 (a) In General.—Each sports wagering opt-in State and each Indian Tribe located in each such
9 State may enter into such interstate sports wagering compact as may be necessary to provide for
10 sports wagering on an interactive sports wagering platform between and among individuals
11 located in any State or within the jurisdiction of any Indian Tribe that is party to such compact.

12 (b) Effective Date.—The effective date of an interstate sports wagering compact entered into
13 under subsection (a), or any amendment of such interstate sports wagering compact, shall be not
14 earlier than 90 days after the date on which such interstate sports wagering compact or
15 amendment is approved by the Attorney General under subsection (c).

16 (c) Attorney General Review.—

17 (1) IN GENERAL.—The parties to an interstate sports wagering compact shall submit to the
18 Attorney General a copy of the interstate sports wagering compact at such time, in such
19 manner, and accompanied by such information as the Attorney General may require.

20 (2) EFFECT ON STATE SPORTS WAGERING PROGRAMS.—In addition to any other
21 information required by the Attorney General, each party to an interstate sports wagering
22 compact submitted to the Attorney General under paragraph (1) shall provide to the
23 Attorney General a full and complete description of any changes or proposed changes to be
24 made to the sports wagering program of the State to comply with the terms of the interstate
25 sports wagering compact.

26 (3) APPROVAL BY ATTORNEY GENERAL.—Not later than 180 days after the Attorney
27 General receives an interstate sports wagering compact and any other information required
28 under this subsection, the Attorney General shall approve the interstate sports wagering
29 compact unless the Attorney General determines that—

30 (A) the terms of such interstate sports wagering compact conflict with this Act or
31 any other Federal law;

32 (B) any change to a State sports wagering program submitted to the Attorney
33 General under paragraph (2) does not meet the standards set forth in section 103; or

34 (C) such interstate sports wagering compact would permit a sports wagering
35 operator or an individual located in any State or on land under the jurisdiction of an
36 Indian Tribe party to the compact to accept or place a sports wager from or in another
37 State through an interactive sports wagering platform that the sports wagering operator
38 or individual would have been prohibited from accepting or placing in the State in
39 which the individual is located, but for the interstate sports wagering compact.

40 (4) DENIAL BY ATTORNEY GENERAL.—A decision of the Attorney General not to approve

[DISCUSSION DRAFT]

1 an interstate sports wagering compact submitted under paragraph (3) shall—

2 (A) be made in writing; and

3 (B) specify the reason that the interstate sports wagering compact was not approved.

4 (5) MODIFICATION.—Any proposed amendment to an interstate sports wagering compact
5 shall be submitted by the parties and reviewed by the Attorney General in the same manner
6 as an interstate sports wagering compact under this subsection.

7 (6) ADMINISTRATIVE REVIEW.—The Attorney General shall promulgate regulations that
8 provide procedures by which a party to an interstate sports wagering compact may seek
9 administrative review of any decision by the Attorney General not to approve an interstate
10 sports wagering compact or amendment under this subsection.

11 **SEC. 106. NATIONAL SPORTS WAGERING**
12 **CLEARINGHOUSE.**

13 (a) In General.—An entity designated as the National Sports Wagering Clearinghouse shall—

14 (1) be a nonprofit organization that—

15 (A) is not owned by any other entity; and

16 (B) is established for the purpose of carrying out the activities described in
17 subsection (c);

18 (2) have articles of incorporation, a constitution, bylaws, or any other governing
19 document that establishes and maintains provisions with respect to the governance and
20 conduct of the affairs of the National Sports Wagering Clearinghouse for reasonable
21 representation of—

22 (A) sports wagering operators;

23 (B) sports organizations;

24 (C) State regulatory entities;

25 (D) Federal and State law enforcement; and

26 (E) 1 or more individuals not affiliated or associated with an entity described in
27 subparagraphs (A) through (D) who, in the judgment of the Attorney General,
28 represent the interests of the United States public in the activities of the National
29 Sports Wagering Clearinghouse;

30 (3) demonstrate to the Attorney General that the National Sports Wagering Clearinghouse
31 has or will have the administrative and technological capabilities to carry out the activities
32 described in subsection (c); and

33 (4) be designated by the Attorney General in accordance with subsection (b).

34 (b) Designation of National Sports Wagering Clearinghouse.—

35 (1) INITIAL DESIGNATION.—

36 (A) SOLICITATION OF INFORMATION.—Not later than 90 days after the date of
37 enactment of this Act, the Attorney General shall publish in the Federal Register a

[DISCUSSION DRAFT]

1 notice soliciting information to assist in identifying an appropriate entity to serve as the
2 National Sports Wagering Clearinghouse.

3 (B) DESIGNATION.—Not later than 270 days after the date of enactment of this Act
4 and after reviewing the information requested under subparagraph (A), the Attorney
5 General shall make an initial designation of the National Sports Wagering
6 Clearinghouse.

7 (C) PUBLICATION.—Not later than 300 days after the date of enactment of this Act,
8 the Attorney General shall publish in the Federal Register a notice setting forth the
9 identity of, and contact information for, the National Sports Wagering Clearinghouse
10 designated under subparagraph (B).

11 (2) PERIODIC REVIEW OF DESIGNATION.—

12 (A) IN GENERAL.—Not less frequently than every fifth January beginning in the fifth
13 calendar year after the initial designation under paragraph (1)(B), the Attorney General
14 shall publish in the Federal Register a notice soliciting information relating to
15 whether—

16 (i) the existing designation should be continued; or

17 (ii) a different entity meeting the criteria described in paragraphs (1) through
18 (3) of subsection (a) should be designated as the National Sports Wagering
19 Clearinghouse.

20 (B) PUBLICATION.—After the publication of the notice under subparagraph (A), a
21 review of the information submitted pursuant to the notice, and any additional
22 proceedings as the Attorney General considers appropriate, the Attorney General shall
23 publish in the Federal Register a notice—

24 (i) continuing the existing designation; or

25 (ii) designating another entity as the National Sports Wagering Clearinghouse.

26 (C) EFFECTIVE DATE OF NEW DESIGNATION.—A new designation under subparagraph
27 (B)(ii) shall be effective as of the first day of the month that is not less than 180 days
28 and not more than 270 days after the date of publication of the notice under
29 subparagraph (B), as specified by the Attorney General.

30 (c) Authorities and Functions.—The National Sports Wagering Clearinghouse may—

31 (1) operate the official national resource center and information clearinghouse for sports
32 wagering integrity;

33 (2) coordinate public and private programs and resources relating to sports wagering
34 integrity;

35 (3) disseminate, on a national basis, information relating to best practices and model
36 programs and resources that benefit sports wagering integrity;

37 (4) operate a national repository of anonymized sports wagering data and suspicious
38 transaction reports;

39 (5) receive from sports wagering operators anonymized sports wagering data and
40 suspicious transaction reports;

[DISCUSSION DRAFT]

1 (6) make available to State regulatory entities anonymized sports wagering data and
2 suspicious transaction reports received from sports wagering operators;

3 (7) with respect to sporting events sponsored, organized, or conducted by a sports
4 organization, make available to the applicable sports organization anonymized sports
5 wagering data and suspicious transaction reports received from sports wagering operators;

6 (8) enter into memoranda of understanding or such other agreements with public or
7 private third parties as may be necessary to provide for the sharing of anonymized sports
8 wagering data and suspicious transaction reports under paragraphs (5) through (7) and other
9 information between the National Sports Wagering Clearinghouse and—

10 (A) sports wagering operators;

11 (B) sports organizations;

12 (C) State regulatory entities; and

13 (D) Federal and State law enforcement;

14 (9) receive from international sports wagering operators, international regulatory entities,
15 or international law enforcement any information such entities make available to the
16 National Sports Wagering Clearinghouse;

17 (10) analyze anonymized sports wagering data received under paragraph (5) for the
18 purpose of identifying patterns, trends, and irregularities that represent statistically
19 significant deviations from historical sports wagering activity which may indicate potential
20 violations of Federal or State law, which shall be referred to an appropriate State regulatory
21 entity and Federal or State law enforcement; and

22 (11) provide technical assistance and consultation to sports wagering operators, sports
23 organizations, State regulatory entities, and Federal and State law enforcement to assist in—

24 (A) the identification of suspicious sports wagering activity; and

25 (B) the prevention, investigation, and prosecution of cases relating to unlawful
26 sports wagering;

27 (12) in cooperation with State regulatory entities, maintain and administer—

28 (A) the national self-exclusion list; and

29 (B) the process by which an individual may add or remove himself or herself from
30 the national self-exclusion list;

31 (13) in cooperation with State regulatory entities and sports organizations, maintain and
32 make available to sports wagering operators a national exclusion list, which shall include
33 any individual—

34 (A) identified to the National Sports Wagering Clearinghouse by an appropriate
35 sports organization as an athlete, coach, official, or employee of the sports
36 organization;

37 (B) included on the national self-exclusion list;

38 (C) identified to the National Sports Wagering Clearinghouse by the Attorney
39 General as having been convicted of any offense under section 224(a) or (b) of title 18,

[DISCUSSION DRAFT]

1 United States Code; or

2 (D) identified to the National Sports Wagering Clearinghouse by a State regulatory
3 entity as being prohibited by State law, for any reason other than age, from placing a
4 sports wager;

5 (14) establish procedures by which any individual may determine—

6 (A) whether the individual is included on the national exclusion list; and

7 (B) the reason the individual is included on the national exclusion, including, as
8 applicable, the sports organization or State regulatory entity that provided the name of
9 the individual for inclusion on the national exclusion list; and

10 (15) any other activity considered by the National Sports Wagering Clearinghouse to be
11 necessary to carry out an activity described in this subsection.

12 (d) Permitted Disclosures by the National Sports Wagering Clearinghouse.—The National
13 Sports Wagering Clearinghouse may only disclose information received under subsection (c)(5)
14 to—

15 (1) a State regulatory entity;

16 (2) a Federal or State law enforcement agency; and

17 (3) with respect to sporting events sponsored, organized, or conducted by a sports
18 organization, the sports organization.

19 (e) Annual Report.—

20 (1) IN GENERAL.—Not less frequently than annually, the National Sports Wagering
21 Clearinghouse shall submit to the Attorney General, the Committee on the Judiciary and the
22 Committee on Commerce, Science, and Transportation of the Senate, and the Committee on
23 the Judiciary and the Committee on Energy and Commerce of the House of Representatives
24 a report on the operations of the National Sports Wagering Clearinghouse.

25 (2) PUBLIC AVAILABILITY.—The reports required under paragraph (1) shall be made
26 available to the public.

27 (f) Annual Grant to National Sports Wagering Clearinghouse.—

28 (1) IN GENERAL.—Not less frequently than annually, the Attorney General shall make a
29 grant to the National Sports Wagering Clearinghouse for the purposes described in
30 subsection (c).

31 (2) FUNDS.—The grants required under paragraph (1) shall be made with amounts made
32 available under section 9511(c)(3)(A) of the Internal Revenue Code of 1986.

33 (g) Authorization of Appropriations.—

34 (1) IN GENERAL.—There are authorized to be appropriated [for each of fiscal years [___]
35 and [___],] such sums as may be necessary to carry out this section, but not more than the
36 amount that is the lesser of—

37 (A) [___]; and

38 (B) the revenue collected during the preceding fiscal year pursuant to the Federal

[DISCUSSION DRAFT]

1 excise tax on sports wagering under sections 4401 and 4411 of the Internal Revenue
2 Code of 1986.

3 (2) SENSE OF CONGRESS.—It is the sense of Congress that—

4 (A) any funds appropriated to carry out this section shall not be the sole or primary
5 source of funding to operate the National Sports Wagering Clearinghouse; and

6 (B) the National Sports Wagering Clearinghouse should primarily be funded through
7 voluntary contributions by, or reasonable fees assessed by the National Sports
8 Wagering Clearinghouse to participating entities, such as sports wagering operators,
9 sports organizations, and State regulatory entities.

10 **TITLE II—WAGERING TRUST FUND**

11 **SEC. 201. FINDINGS.**

12 Congress makes the following findings:

13 (1) A Federal excise tax on sports wagering was established in [____].

14 (2) Over time, the Federal excise tax has ranged from a high of [____] to a low of [____], at
15 which level the Federal excise tax has remained since [____].

16 (3) Revenue from the Federal excise tax—

17 (A) is estimated to be [\$____] annually and is expected to increase as legal sports
18 wagering becomes more widely available; and

19 (B) on sports wagering should be dedicated to purposes relating to sports wagering,
20 specifically to—

21 (i) the enforcement of Federal law relating to sports wagering; and

22 (ii) programs for the prevention and treatment of gambling addiction.

23 **SEC. 202. WAGERING TRUST FUND.**

24 (a) In General.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 is amended
25 by adding at the end the following new section:

26 **“SEC. 9511. WAGERING TRUST FUND.**

27 “(a) Creation of Trust Fund.—There is established in the Treasury of the United States a trust
28 fund to be known as the ‘Wagering Trust Fund’, consisting of such amounts as may be
29 apportioned or credited to such Trust Fund as provided in this section or section 9602(b).

30 “(b) Transfers to Trust Fund.—There are hereby appropriated to the Wagering Trust Fund
31 amounts equivalent to the taxes received in the Treasury under sections 4401 and 4411 for
32 taxable years beginning after December 31, 2017.

33 “(c) Expenditures.—

34 “(1) NATIONAL SPORTS WAGERING COMMISSION.—There shall be available without
35 further appropriation an amount not to exceed \$2,000,000 to the [National Sports Wagering
36 Commission established under section [402] of the [____ Act of 2018]] [SLC Note: You

[DISCUSSION DRAFT]

1 did not request this text establishing the National Sports Wagering Commission from
2 MCC18831 to be added to this version of the draft - do you wish to add it?], to remain
3 available until the termination of such Commission under section [408(b)] of such Act.

4 “(2) SURVEILLANCE OF GAMBLING ADDICTION.—There shall be available without further
5 appropriation an amount not to exceed \$5,000,000 for each of fiscal years 2019 [through
6 ____] to the Secretary of Health and Human Services to carry out section 317U of the
7 Public Health Service Act, to remain available until expended.

8 “(3) DEPARTMENT OF JUSTICE.—

9 “(A) NATIONAL SPORTS WAGERING CLEARINGHOUSE.—There shall be available
10 without further appropriation an amount not to exceed \$3,000,000 for each of fiscal
11 years [2019] through [2021] to the Attorney General for the purpose of making grants
12 to the National Sports Wagering Clearinghouse established under section 106(b) of the
13 [____ Act of 2018], to remain available until expended.

14 “(B) OTHER PURPOSES.—Amounts in the Wagering Trust Fund not appropriated
15 under paragraph (1) or (2) or subparagraph (A) shall be available, as provided in
16 appropriation Acts, only for use by the Attorney General for the investigation and
17 prosecution of—

18 “(i) violations of the standards for the acceptance of sports wagers under
19 section [101] of the [____ Act of 2018],

20 “(ii) bribery to which section 224 of title 18, United States Code, applies,

21 “(iii) illegal transmission of wagering information to which section 1084 of
22 such title applies,

23 “(iv) activities to which section 1955 of such title applies,

24 “(v) violation of any provision of subchapter IV of chapter 53 of title 31,
25 United States Code,

26 “(vi) violations under the Bank Secrecy Act (Public Law 91–508; 84 Stat.
27 1114) which involve sports wagering, and

28 “(vii) any other crime which is committed incident to or is part of a scheme
29 involving any crime or violation described in the preceding clauses.”.

30 (b) Clerical Amendment.—The table of sections for subchapter A of chapter 98 of the Internal
31 Revenue Code of 1986 is amended by adding at the end the following new item:

32 “Sec.9511.Wagering Trust Fund.”.

33 **TITLE III—WIRE ACT AND SPORTS BRIBERY ACT**
34 **AMENDMENTS**

35 **SEC. 301. WIRE ACT CLARIFICATION AND**
36 **AUTHORIZATION OF CIVIL ENFORCEMENT.**

37 Section 1084 of title 18, United States Code, is amended—

[DISCUSSION DRAFT]

1 (1) in subsection (b)—

2 (A) by striking “for the transmission of information assisting” and inserting “for the
3 transmission of a layoff bet or wager or information assisting”; and

4 (B) by adding at the end the following: “For purposes of this section, the
5 intermediate routing of electronic data shall not determine the location or locations in
6 which a bet or wager, or information assisting in the placing of a bet or wager, is
7 initiated, received, or otherwise made.”;

8 (2) by redesignating subsection (e) as subsection (g);

9 (3) by inserting after subsection (d) the following:

10 “(e) State Cause of Action.—

11 “(1) IN GENERAL.—In any case in which a State has reason to believe that an interest of
12 the residents of the State has been or is being threatened or adversely affected by the
13 conduct of a person that violates this section, the State may bring a civil action on behalf of
14 those residents in an appropriate district court of the United States to enjoin the conduct.

15 “(2) SERVICE, INTERVENTION.—

16 “(A) SERVICE.—

17 “(i) PRIOR SERVICE.—Before filing a complaint under paragraph (1), the State
18 shall serve a copy of the complaint upon the Attorney General and the United
19 States Attorney for the judicial district in which the complaint is to be filed.

20 “(ii) CONCURRENT SERVICE.—If prior service under clause (i) is not feasible,
21 the State shall serve the complaint on the Attorney General and the appropriate
22 United States Attorney on the day on which the State files the complaint in an
23 appropriate district court of the United States.

24 “(iii) RELATION TO CRIMINAL PROCEEDINGS.—A proceeding under paragraph
25 (1) shall be independent of, and not in lieu of, a criminal prosecution or any other
26 proceeding under this section or any other law of the United States.

27 “(B) INTERVENTION.—The United States may—

28 “(i) intervene in a civil action brought by a State under paragraph (1); and

29 “(ii) upon intervening—

30 “(I) be heard on all matters arising in the civil action; and

31 “(II) file petitions for appeal of a decision in the civil action.

32 “(C) FEDERAL RULES OF CIVIL PROCEDURE.—The Federal Rules of Civil Procedure
33 shall apply to service of a complaint on the United States under this paragraph.

34 “(3) POWERS CONFERRED BY STATE LAW.—For purposes of a civil action brought under
35 paragraph (1), nothing in this chapter shall prevent an attorney general of a State from
36 exercising the powers conferred on the attorney general by the laws of the State to—

37 “(A) conduct investigations;

38 “(B) administer oaths or affirmations; or

[DISCUSSION DRAFT]

1 “(C) compel—

2 “(i) the attendance of witnesses; or

3 “(ii) the production of documentary or other evidence.

4 “(4) VENUE; SERVICE OF PROCESS.—

5 “(A) VENUE.—A civil action brought under paragraph (1) may be brought in—

6 “(i) the district court of the United States for the judicial district in which the
7 defendant—

8 “(I) is found;

9 “(II) is an inhabitant; or

10 “(III) transacts business; or

11 “(ii) any judicial district in which venue is proper under section 1391 of title
12 28.

13 “(B) SERVICE OF PROCESS.—In an action brought under paragraph (1), process may
14 be served in any judicial district in which the defendant—

15 “(i) is an inhabitant; or

16 “(ii) may be found.

17 “(5) NO PRIVATE RIGHT OF ACTION.—Nothing in this subsection shall be construed to
18 create any private right of action.

19 “(6) LIMITATION.—A civil action may not be brought under paragraph (1) against—

20 “(A) the United States; or

21 “(B) any employee or agent of the United States if the employee or agent is acting—

22 “(i) in the usual course of business or employment; and

23 “(ii) within the scope of the official duties of the employee or agent.

24 “(f) Enhancing Enforcement Against Unlicensed, Offshore Sports Wagering Websites.—

25 “(1) COMMENCEMENT OF AN ACTION.—

26 “(A) IN PERSONAM.—The Attorney General may bring an action against—

27 “(i) a registrant of a nondomestic domain name used by an internet site
28 dedicated to unlicensed sports wagering; or

29 “(ii) an owner or operator of an internet site dedicated to unlicensed sports
30 wagering accessed through a nondomestic domain name.

31 “(B) IN REM.—If through due diligence the Attorney General is unable to find a
32 person described in clause (i) or (ii) of subparagraph (A), or no such person found has
33 an address within a judicial district of the United States, the Attorney General may
34 bring an in rem action against a nondomestic domain name used by an internet site
35 dedicated to unlicensed sports wagering.

36 “(C) IDENTIFICATION OF ENTITIES.—In an action brought under this paragraph, the

[DISCUSSION DRAFT]

1 Attorney General shall, in the complaint or an amendment thereto, identify the entities
2 that may be required to take actions under paragraph (4) if an order issues under
3 paragraph (2).

4 “(2) ORDERS OF THE COURT.—

5 “(A) IN GENERAL.—On application of the Attorney General following the
6 commencement of an action under paragraph (1), the court may issue a temporary
7 restraining order, a preliminary injunction, or an injunction, in accordance with rule 65
8 of the Federal Rules of Civil Procedure, against the nondomestic domain name used by
9 an internet site dedicated to unlicensed sports wagering, or against a registrant of that
10 domain name, or the owner or operator of the internet site dedicated to unlicensed
11 sports wagering, to cease and desist from undertaking any further activity as an internet
12 site dedicated to unlicensed sports wagering, if—

13 “(i) the domain name is used within the United States to access the internet site;
14 and

15 “(ii) the internet site—

16 “(I) conducts business directed to residents of the United States; and

17 “(II) violates this section.

18 “(B) DETERMINATION BY THE COURT.—For purposes of determining whether an
19 internet site conducts business directed to residents of the United States under
20 subparagraph (A)(ii)(I), a court may consider, among other indicia, whether—

21 “(i) there is evidence that the internet site is not intended to provide unlicensed
22 sports wagering to users located in the United States;

23 “(ii) the internet site has reasonable measures in place to prevent unlicensed
24 sports wagering from being accessed from the United States; and

25 “(iii) the internet site offers unlicensed sports wagering on sporting events that
26 take place in the United States.

27 “(3) NOTICE AND SERVICE OF PROCESS.—

28 “(A) IN GENERAL.—Upon commencing an action under paragraph (1), the Attorney
29 General shall send a notice of the alleged violation and intent to proceed under this
30 subsection to the registrant of the domain name of the internet site—

31 “(i) at the postal and e-mail address appearing in the applicable publicly
32 accessible database of registrations, if any and to the extent those addresses are
33 reasonably available;

34 “(ii) via the postal and e-mail address of the registrar, registry, or other domain
35 name registration authority that registered or assigned the domain name, to the
36 extent those addresses are reasonably available; and

37 “(iii) in any other such form as the court finds necessary, including as may be
38 required by rule 4(f) of the Federal Rules of Civil Procedure.

39 “(B) RULE OF CONSTRUCTION.—For purposes of this subsection, the actions
40 described in subparagraph (A) shall constitute service of process.

[DISCUSSION DRAFT]

1 “(C) OTHER NOTICE.—Upon commencing an action under paragraph (1), the
2 Attorney General shall also provide notice to entities identified in the complaint, or any
3 amendments thereto, that may be required to take action under paragraph (4).

4 “(4) REQUIRED ACTIONS BASED ON COURT ORDERS.—

5 “(A) SERVICE.—

6 “(i) IN GENERAL.—A Federal law enforcement officer, with the prior approval
7 of the court, may serve a copy of a court order issued under paragraph (2) on
8 similarly situated entities within each class described in that paragraph, that have
9 been identified in the complaint, or any amendments thereto, filed under
10 paragraph (1).

11 “(ii) PROOF OF SERVICE.—Proof of service made under clause (i) shall be filed
12 with the court.

13 “(B) REASONABLE MEASURES.—

14 “(i) OPERATORS.—

15 “(I) IN GENERAL.—After being served with a copy of an order under this
16 paragraph, an operator of a nonauthoritative domain name system server
17 shall take the least burdensome technically feasible and reasonable measures
18 designed to prevent the domain name described in the order from resolving
19 to that domain name’s internet protocol address, except that—

20 “(aa) the operator shall not be required—

21 “(AA) other than as directed under this subclause, to modify its
22 network, software, systems, or facilities;

23 “(BB) to take any measures with respect to domain name lookups
24 not performed by its own domain name server or domain name
25 system servers located outside the United States; or

26 “(CC) to continue to prevent access to a domain name to which
27 access has been effectively disabled by other means; and

28 “(bb) nothing in this subclause shall affect the limitation on the
29 liability of such an operator under section 512 of title 17.

30 “(II) TEXT OF NOTICE.—

31 “(aa) IN GENERAL.—The Attorney General shall prescribe the text of
32 the notice displayed to users or customers of an operator taking an
33 action under this paragraph.

34 “(bb) REQUIREMENT.—The text prescribed under item (aa) shall
35 specify that the action is being taken pursuant to a court order obtained
36 by the Attorney General.

37 “(ii) FINANCIAL TRANSACTION PROVIDERS.—After being served with a copy of
38 an order under this paragraph, a financial transaction provider shall take
39 reasonable measures, as expeditiously as possible, designed to prevent, prohibit,
40 or suspend its service from completing payment transactions involving customers

[DISCUSSION DRAFT]

1 located within the United States and the internet site associated with the domain
2 name set forth in the order.

3 “(iii) INTERNET ADVERTISING SERVICES.—After being served with a copy of an
4 order under this paragraph, an internet advertising service that contracts with the
5 internet site associated with the domain name set forth in the order to provide
6 advertising to or for that site, or that knowingly serves advertising to or for that
7 site, shall take technically feasible and reasonable measures, as expeditiously as
8 possible, designed to—

9 “(I) prevent its service from providing advertisements to the internet site
10 associated with the domain name; or

11 “(II) cease making available advertisements for that site, or paid or
12 sponsored search results, links or other placements that provide access to the
13 domain name.

14 “(iv) INFORMATION LOCATION TOOLS.—After being served with a copy of an
15 order under this paragraph, a service provider of an information location tool shall
16 take technically feasible and reasonable measures, as expeditiously as possible,
17 to—

18 “(I) remove or disable access to the internet site associated with the
19 domain name set forth in the order; or

20 “(II) not serve a hypertext link to the internet site described in subclause
21 (I).

22 “(C) COMMUNICATION WITH USERS.—Except as provided under subparagraph
23 (B)(i)(II), an entity taking an action described in this paragraph shall determine
24 whether and how to communicate the action to the entity’s users or customers.

25 “(D) RULE OF CONSTRUCTION.—For purposes of an action brought under paragraph
26 (1)—

27 “(i) the obligations of an entity described in this paragraph shall be limited to
28 the actions set out in each clause of subparagraph (B) of this paragraph that
29 applies to the entity; and

30 “(ii) an order issued under paragraph (2) may not impose any additional
31 obligation on, or require any additional action by, the entity.

32 “(E) ACTIONS PURSUANT TO COURT ORDER.—

33 “(i) IMMUNITY FROM SUIT.—No cause of action shall lie in any Federal or State
34 court or administrative agency against any entity served with a copy of an order
35 under this paragraph, or against any director, officer, employee, or agent thereof,
36 for any act reasonably designed to comply with this subsection or reasonably
37 arising from the order, other than in an action under paragraph (5).

38 “(ii) IMMUNITY FROM LIABILITY.—Any entity served with a copy of an order
39 under this paragraph, and any director, officer, employee, or agent thereof, shall
40 not be liable to any party for any acts reasonably designed to comply with this
41 subsection or reasonably arising from the order, other than in an action under

[DISCUSSION DRAFT]

1 paragraph (5), and any actions taken by customers of the entity to circumvent any
2 restriction on access to the internet domain instituted pursuant to this subsection
3 or any act, failure, or inability to restrict access to an internet domain that is the
4 subject of a court order issued under paragraph (2) despite good faith efforts to do
5 so by the entity shall not be used by any person in any claim or cause of action
6 against the entity, other than in an action under paragraph (5).

7 “(5) ENFORCEMENT OF ORDERS.—

8 “(A) IN GENERAL.—In order to compel compliance with this subsection, the
9 Attorney General may bring an action for injunctive relief against any party served
10 with a copy of a court order under paragraph (4) that knowingly fails to comply with
11 the order.

12 “(B) RULE OF CONSTRUCTION.—The authority granted the Attorney General under
13 subparagraph (A) shall be the sole legal remedy for enforcing the obligations under
14 this subsection of any entity described in paragraph (4).

15 “(C) DEFENSE.—

16 “(i) IN GENERAL.—It shall be an affirmative defense in an action under
17 subparagraph (A) that—

18 “(I) the defendant does not have the technical means to comply with the
19 order without incurring an unreasonable economic burden; or

20 “(II) the order is inconsistent with this section.

21 “(ii) SCOPE.—A showing under subclause (I) or (II) of clause (i) shall serve as a
22 defense only to the extent of such inability to comply or inconsistency,
23 respectively.

24 “(6) MODIFICATION OR VACATION OF ORDERS.—

25 “(A) IN GENERAL.—At any time after the issuance of an order under paragraph (2), a
26 motion to modify, suspend, or vacate the order may be filed by—

27 “(i) any person, or owner or operator of property, bound by the order;

28 “(ii) any registrant of the domain name, or the owner or operator of the internet
29 site subject to the order;

30 “(iii) any domain name registrar or registry that has registered or assigned the
31 domain name of the internet site subject to the order; or

32 “(iv) any entity that has received a copy of an order under paragraph (4)
33 requiring the entity to take action prescribed under that paragraph.

34 “(B) RELIEF.—Relief under this paragraph shall be proper if the court finds that—

35 “(i) the internet site associated with the domain name subject to the order is no
36 longer, or never was, an internet site dedicated to unlicensed sports wagering; or

37 “(ii) the interests of justice require that the order be modified, suspended, or
38 vacated.

39 “(C) CONSIDERATION.—In making a relief determination under subparagraph (B), a

[DISCUSSION DRAFT]

1 court may consider whether the domain name has expired or has been reregistered by a
2 different party.

3 “(D) INTERVENTION.—

4 “(i) IN GENERAL.—An entity identified under paragraph (1) as an entity that
5 may be required to take action under paragraph (4) if an order issues under
6 paragraph (2) may intervene at any time in any action brought under paragraph
7 (1), or in any action to modify, suspend, or vacate an order under this paragraph.

8 “(ii) PRESERVATION OF RIGHTS.—Failure to intervene in an action shall not
9 prohibit an entity notified of the action from subsequently seeking an order to
10 modify, suspend, or terminate an order issued by the court under paragraph (2).

11 “(7) RELATED ACTIONS.—The Attorney General, if alleging that an internet site
12 previously adjudicated to be an internet site dedicated to unlicensed sports wagering is
13 accessible or has been reconstituted at a different domain name, may bring a related action
14 under paragraph (1) against the additional domain name in the same judicial district as the
15 previous action.”; and

16 (4) in subsection (g), as so redesignated—

17 (A) by striking “as used in this section, the term ‘State’ means” and inserting the
18 following: “Definitions.—As used in this section—

19 “(11) the term ‘State’ means”; and

20 (B) by inserting before paragraph (11), as so designated, the following:

21 “(1) the term ‘domain name’ has the meaning given the term in section 45 of the
22 Trademark Act of 1946 (15 U.S.C. 1127);

23 “(2) the term ‘domain name system server’ means a server or other mechanism used to
24 provide the internet protocol address associated with a domain name;

25 “(3) the term ‘financial transaction provider’ has the meaning given the term in section
26 5362 of title 31, United States Code;

27 “(4) the term ‘internet information location tool’ has the meaning given the term in
28 section 231(e) of the Communications Act of 1934 (47 U.S.C. 231(e));

29 “(5) the term ‘internet advertising service’ means a service that for compensation sells,
30 purchases, brokers, serves, inserts, verifies, or clears the placement of an advertisement,
31 including a paid or sponsored search result, link, or placement that is rendered in viewable
32 form for any period of time on an internet site;

33 “(6) the term ‘internet site’ means the collection of digital assets, including links, indexes,
34 or pointers to digital assets, accessible through the internet that are addressed relative to a
35 common domain name;

36 “(7) the term ‘internet site dedicated to unlicensed sports wagering’ means an internet site
37 that, with respect to its business directed toward residents of the United States—

38 “(A) has no significant use other than engaging in, enabling, or facilitating sports
39 wagering in violation of this section; or

[DISCUSSION DRAFT]

1 “(B) is designed, operated, or marketed by its operator or persons operating in
2 concert with the operator, and facts or circumstances suggest is used, primarily as a
3 means for engaging in, enabling, or facilitating sports wagering in violation of this
4 section;

5 “(8) the term ‘layoff bet or wager’ means a sports wager (as defined in section 3 of the
6 [_____ Act of 2018]) placed by a sports wagering operator (as defined in such section)
7 with another sports wagering operator.

8 “(9) the term ‘nondomestic domain name’ means a domain name for which the domain
9 name registry that issued the domain name and operates the relevant top level domain, and
10 the domain name registrar for the domain name, are not located in the United States;

11 “(10) the term ‘owner’ or ‘operator’, when used in connection with an internet site,
12 include, respectively, any owner of a majority interest in, or any person with authority to
13 operate, the internet site; and”.

14 **SEC. 302. SPORTS BRIBERY ACT IMPROVEMENTS.**

15 (a) In General.—Section 224 of title 18, United States Code, is amended—

16 (1) in the section heading, by striking “Bribery in sporting contests” and inserting
17 “Bribery, extortion, and blackmail in sporting contests; sports wagers based on nonpublic
18 information”;

19 (2) in subsection (a)—

20 (A) by striking “Whoever” and inserting “Bribery, Extortion, and Blackmail in
21 Sporting Contests.—Whoever”; and

22 (B) by inserting “, extortion, or blackmail” after “bribery” each places it appears;

23 (3) by redesignating subsections (b) and (c) as subsections (c) and (g), respectively;

24 (4) by inserting after subsection (a) the following:

25 “(b) Sports Wagers Based on Nonpublic Information.—

26 “(1) IN GENERAL.—It shall be unlawful for any person, directly or indirectly, to place or
27 accept, attempt to place or accept, or conspire with any other person to place or accept
28 through any scheme in commerce a sports wager if the person—

29 “(A) is in possession of material nonpublic information relating to the sports wager
30 or the market for the sports wager; and

31 “(B) knows, or recklessly disregards, that—

32 “(i) the material nonpublic information has been obtained wrongfully; or

33 “(ii) the placement or acceptance would constitute a wrongful use of the
34 material nonpublic information.

35 “(2) PENALTY.—Any person who violates paragraph (1) shall be fined under this title,
36 imprisoned for not more than 5 years, or both.

37 “(3) OBTAINED WRONGFULLY OR WRONGFUL USE.—For purposes of this subsection,
38 material nonpublic information is obtained wrongfully or wrongfully used only if the

[DISCUSSION DRAFT]

1 information has been obtained by, or its use would constitute, directly or indirectly—

2 “(A) theft, bribery, misrepresentation, or espionage;

3 “(B) a violation of any Federal law protecting computer data or the intellectual
4 property or privacy of computer users;

5 “(C) conversion, misappropriation, or other unauthorized or deceptive taking or use
6 of such information; or

7 “(D) a breach of any fiduciary duty or any other personal or other relationship of
8 trust and confidence.”;

9 (5) in subsection (c), as so redesignated, by striking “This section” and inserting “Rule of
10 Construction.—This section”;

11 (6) by inserting after subsection (c), as so redesignated, the following:

12 “(d) Extraterritorial Jurisdiction.—There is extraterritorial Federal jurisdiction over an offense
13 under this section.

14 “(e) Venue.—A prosecution under this section may be brought in the judicial district in which
15 the sporting contest (including the sporting contest to which a sports wager relates) occurred or
16 was scheduled to occur, or in which the conduct constituting the alleged offense occurred.

17 “(f) Civil Action to Protect Against Retaliation.—

18 “(1) WHISTLEBLOWER PROTECTION.—A sports wagering operator or sports organization
19 may not discharge, demote, suspend, threaten, harass, or in any other manner discriminate
20 against an employee because of any lawful act done by the employee to provide
21 information, cause information to be provided, or otherwise assist in an investigation
22 regarding any conduct which the employee reasonably believes constitutes a violation of
23 this section, if the information or assistance is provided to or the investigation is conducted
24 by—

25 “(A) a Federal law enforcement agency;

26 “(B) any Member of Congress or any committee of Congress; or

27 “(C) a person with supervisory authority over the employee, or such other person
28 working for the sports wagering operator or sports organization, as applicable, who has
29 the authority to investigate, discover, or terminate misconduct.

30 “(2) ENFORCEMENT ACTION.—

31 “(A) IN GENERAL.—A person who alleges action or conduct by any person in
32 violation of paragraph (1) may seek relief under paragraph (3), by bringing an action at
33 law or equity in the appropriate district court of the United States, which shall have
34 jurisdiction over such an action without regard to the amount in controversy.

35 “(B) PROCEDURE.—

36 “(i) BURDENS OF PROOF.—In an action under subparagraph (A), a district court
37 may find that a violation of paragraph (1) occurred and award judgment for the
38 plaintiff only if—

39 “(I) the employee demonstrates by a preponderance of the evidence that

[DISCUSSION DRAFT]

1 the actions of the employee to provide information or assist in an
2 investigation were a contributing factor to the discharge or other
3 discrimination; and

4 “(II) the employer does not demonstrate, by clear and convincing
5 evidence, that the employer would have taken the same unfavorable
6 personnel action in the absence of behavior.

7 “(ii) STATUTE OF LIMITATIONS.—An action under subparagraph (A) shall be
8 commenced not later than 180 days after the later of—

9 “(I) the date on which the violation occurs; or

10 “(II) the date on which the employee became aware of the violation.

11 “(iii) JURY TRIAL.—A party to an action brought under subparagraph (A) shall
12 be entitled to trial by jury.

13 “(3) REMEDIES.—

14 “(A) IN GENERAL.—An employee prevailing in an action under paragraph (2) shall
15 be entitled to all relief necessary to make the employee whole.

16 “(B) COMPENSATORY DAMAGES.—Relief for any action under paragraph (2) shall
17 include—

18 “(i) reinstatement with the same seniority status that the employee would have
19 had, but for the discrimination;

20 “(ii) the amount of back pay, with interest; and

21 “(iii) compensation for any special damages sustained as a result of the
22 discrimination, including litigation costs, expert witness fees, and reasonable
23 attorney fees.

24 “(4) RIGHTS RETAINED BY EMPLOYEE.—Nothing in this subsection shall be deemed to
25 diminish the rights, privileges, or remedies of any employee under any Federal or State law,
26 or under any collective bargaining agreement.

27 “(5) NONENFORCEABILITY OF CERTAIN PROVISIONS WAIVING RIGHTS AND REMEDIES OR
28 REQUIRING ARBITRATION OF DISPUTES.—

29 “(A) WAIVER OF RIGHTS AND REMEDIES.—The rights and remedies provided for in
30 this subsection may not be waived by any agreement, policy form, or condition of
31 employment, including by a predispute arbitration agreement.

32 “(B) PREDISPUTE ARBITRATION AGREEMENTS.—No predispute arbitration agreement
33 shall be valid or enforceable, if the agreement requires arbitration of a dispute arising
34 under this subsection.”; and

35 (7) in subsection (g), as so redesignated—

36 (A) in the matter preceding paragraph (1), by striking “As used in this section—”
37 and inserting “Definitions.—As used in this section.”;

38 (B) by redesignating paragraphs (1), (2), and (3) as paragraphs (3), (4), and (2),
39 respectively;

[DISCUSSION DRAFT]

1 (C) by transferring paragraph (2), as so redesignated, to appear before paragraph (3),
2 as so redesignated;

3 (D) by inserting before paragraph (2), as redesignated and transferred, the following:

4 “(1) The term ‘employee’ includes—

5 “(A) an employee of a sports wagering operator or sports organization; and

6 “(B) an athlete, coach, or official of a sports organization.”; and

7 (E) by adding at the end the following:

8 “(5) The terms ‘sports organization’, ‘sports wager’, and ‘sports wagering operator’ have
9 the meaning given those terms in section 3 of the [_____ Act of 2018].”.

10 (b) Technical and Conforming Amendments.—

11 (1) Section 1961(1) of title 18, United States Code, is amended by striking “sports
12 bribery” and inserting “bribery, extortion, and blackmail in sporting contests and sports
13 wagers based on nonpublic information”.

14 (2) Section 2516(1)(c) of title 18, United States Code, is amended by striking “bribery in
15 sporting contests” and inserting “bribery, extortion, and blackmail in sporting contests and
16 sports wagers based on nonpublic information”.

17 (3) The table of sections for chapter 11 of title 18, United States Code, is amended by
18 striking the item relating to section 224 and inserting the following:

19 “224. Bribery, extortion, and blackmail in sporting contests; sports wagers based on nonpublic
20 information.”.

21 **TITLE IV—GAMBLING ADDICTION PREVENTION AND**
22 **TREATMENT**

23 **SEC. 401. AUTHORITY TO ADDRESS GAMBLING IN**
24 **DEPARTMENT OF HEALTH AND HUMAN SERVICES**
25 **AUTHORITIES.**

26 Section 501(d) of the Public Health Services Act (42 U.S.C. 290aa(d)) is amended—

27 (a) by striking “and” at the end of paragraph (24);

28 (b) by striking the period at the end of paragraph (25) and inserting “; and”; and

29 (c) by adding at the end the following:

30 “(26) establish and implement programs for prevention and treatment of gambling
31 addiction.”.

32 **SEC. 402. ADVISORY COMMITTEE.**

33 (a) Establishment.—The Secretary of Health and Human Services may establish a Gambling
34 Research Advisory Committee (in this section referred to as the “Committee”) within the
35 National Institutes of Health to coordinate research conducted or supported by the Department of

[DISCUSSION DRAFT]

1 Health and Human Services on gambling addiction.

2 (b) Membership.—The Committee shall include representatives of the National Institute on
3 Drug Abuse, the National Institute of Mental Health, the National Institute on Alcohol Abuse
4 and Alcoholism, the Indian Health Service, the Substance Abuse and Mental Health Services
5 Administration, and the Centers for Disease Control and Prevention.

6 (c) Annual Report.—The Committee shall prepare and submit to the Secretary of Health and
7 Human Services an annual report on the research described in subsection (a).

8 **SEC. 403. SURVEILLANCE OF GAMBLING ADDICTION.**

9 Title III of the Public Health Service Act is amended by inserting after section 317T (42
10 U.S.C. 247b-22) the following:

11 **“SEC. 317U. SURVEILLANCE OF GAMBLING**
12 **ADDICTION.**

13 “(a) In General.—The Secretary, acting through the Director of the Centers for Disease
14 Control and Prevention and in coordination with other appropriate agencies, shall, as
15 appropriate—

16 “(1) enhance and expand infrastructure and activities to track the epidemiology of
17 gambling addiction; and

18 “(2) incorporate information obtained through such infrastructure and activities into an
19 integrated surveillance system, which may consist of or include a registry, to be known as
20 the National Gambling Addiction Surveillance System.

21 “(b) Research.—The Secretary shall ensure that the National Gambling Addiction
22 Surveillance System, if established, is designed in a manner that facilitates further research on
23 gambling addiction.

24 “(c) Public Access.—Subject to subsection (d), the Secretary shall ensure that information and
25 analysis in the National Gambling Addiction Surveillance System, if established, are available,
26 as appropriate, to the public, including researchers.

27 “(d) Privacy.—The Secretary shall ensure that information and analysis in the National
28 Gambling Addiction Surveillance System, if established, are made available only to the extent
29 permitted by applicable Federal and State law, and in a manner that protects personal privacy, to
30 the extent required by applicable Federal and State privacy law, at a minimum.”.