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SUBCOMMITTEE ON  
CRIME, TERRORISM, HOMELAND  
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Congress of the United States  
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The Honorable Rod J. Rosenstein  
Deputy Attorney General  
U.S. Department of Justice  
950 Pennsylvania Avenue, N.W.  
Washington, D.C. 20530

Dear Mr. Rosenstein:

On September 27, the Judiciary Subcommittee on Crime, Terrorism, Homeland Security, and Investigations, which I chair, held a hearing titled “Post-PASPA: An Examination of Sports Betting in America.”

After hearing from a panel of experts representing a broad range of positions related to sports betting, it is clear that Congress has work to do to ensure the public is protected, and any potential for exploitation by criminals is minimized in this post-PASPA era.

The panel presented what I see as three viable options for Congress: (1) re-enact a federal ban on sports betting; (2) defer completely to states to regulate the activity; or, (3) adopt uniform federal standards.

The worst option for Congress is to do nothing. However, because of the breadth of issues involved in establishing a federal framework for sports wagering, and the number of interested parties, it will likely take Congress months, if not years, to develop and enact comprehensive legislation.

During the hearing, we heard testimony that a significant portion of sports betting is projected to occur over the Internet on mobile devices.<sup>1</sup> Such wagering—combined with the issuance of an opinion by the previous administration’s Office of Legal Counsel reinterpreting the Wire Act—will allow for exploitation of Internet gambling by criminal and terrorist organizations to obtain funds, launder money, and engage in identity theft and other cybercrimes.

As you are well aware, until 2011, the federal government consistently interpreted the Wire Act to prohibit all forms of gambling involving interstate wire transmissions—including transmissions over the

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<sup>1</sup> Post-PASPA: An Examination of Sports Betting in America. Hearing before the House Subcommittee on Crime, Terrorism, Homeland Security, and Investigations. (115<sup>th</sup> Congress)

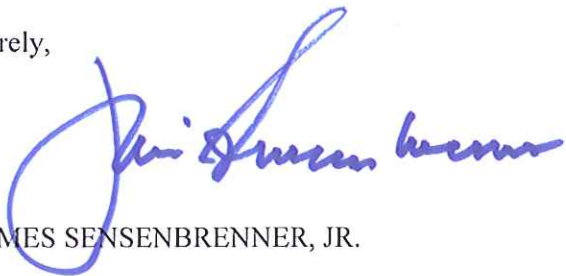
Internet. Reversing its own longstanding interpretation, the Office of Legal Counsel issued a legal opinion stating the Wire Act only bans sports betting and does not apply to online gambling.<sup>2</sup>

To protect the American public and limit the ability of nefarious organizations from exploiting Internet gambling, I believe Congress will develop a legislative response to the issues created by the Supreme Court's decision striking down PASPA. Since Congress is examining the totality of sports betting in light of the Supreme Court's PASPA decision, it would be beneficial to have answers to the following questions:

- Do you support the 2011 Office of Legal Counsel's opinion that reinterpreted the Wire Act to permit online gambling?
- What guidance, if any, is the Department of Justice currently providing to states that are entering the sports betting realm?
- What issues do you foresee in sports betting (both legal and illegal) if Congress does not act in response to the Supreme Court's PASPA decision?

As Chairman of the Subcommittee on Crime, Terrorism, Homeland Security and Investigations, I look forward to working with you and your Department to prevent unlicensed and illegal online gambling sites from taking advantage of vulnerable populations. Thank you for your consideration, and I look forward to your response.

Sincerely,

A handwritten signature in blue ink, appearing to read "F. James Sensenbrenner, Jr.", is written over the typed name.

F. JAMES SENSENBRENNER, JR.

Member of Congress

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<sup>2</sup> United States Department of Justice Office of Legal Counsel Memorandum (2011) Whether Proposals by Illinois and New York to Use the Internet and Out-of-State Transaction Processors to Sell Lottery Tickets to In-State Adults Violate the Wire Act.