



Repeal May Not Be End of Story for Online Gaming in D.C.

February 8, 2012

On February 7, 2012, the D.C. Council voted 10-2 to repeal the city's iGaming program, which would have made the District of Columbia the first U.S. jurisdiction to permit the playing of online poker for money.

In April 2011, [the District had become the first U.S. jurisdiction](#) to enact a law that permitted online poker wagering. The amendment was part of a larger budget bill passed by the D.C. Council in December 2010 and was enacted after passing through Congress unblocked.

The process by which the bill was approved drew fire from many critics, who said that many council members didn't know that they were voting to approve online poker when they voted for the budget bill, nor were most city residents informed about the bill.

Those procedural concerns played a major role in the repeal. On February 1, 2012, however, the Council's Committee on Finance and Revenue voted 3-2 to repeal the bill, sending it to the full council for a repeal vote. Council Chairman Kwame Brown asked that the repeal bill be placed on the legislative agenda for a quick vote, which occurred on February 7. Mayor Vincent Gray had formerly indicated that he thought the iGaming program had been given a proper vetting before passage but changed his mind in favor of repeal this week.

The law would have allowed anyone over the age of 19 who registers on the site and is physically located in the District to play from a verified IP address. Players would not have been allowed to wager more than \$250 a week.

One major hurdle the law faced was the belief of some lawmakers that intrastate online gaming was forbidden under the federal Wire Act. D.C. Attorney General Irvin Nathan testified in a hearing last June that in his opinion the iGaming law [would be legal under](#)



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[federal law](#) if the District stuck to its plan of implementation. In December, the Department of Justice issued an opinion stating that [intrastate online gaming was in fact legal under federal law](#).

Economic projections from the city's finance officials projected that iGaming would have brought in about \$13.1 million in revenue through September 2015. The District is required by Congress to balance its spending three years into the future, and that \$13.1 million has already been used in the city's future financial planning. [Now city lawmakers will have to find \\$13.1 million](#) in new revenue or spending cuts to account for the lost revenue from iGaming.

Previously, Council Member Michael Brown, who spearheaded efforts to bring iGaming to D.C., said that if the iGaming bill was repealed that he would reintroduce a stand-alone bill to revive the program. A spokesman for Mayor Gray said that [he is "not necessarily opposed" to the Council taking up new legislation](#) authorizing Internet gambling. Other council members have indicated that they are open to further exploring online gaming if it is introduced in a standalone bill.

It is unfortunate that the bill to allow the District to become the first U.S. jurisdiction to legalize online gaming was repealed before any games were even played. We hope that the bill is reintroduced with a more transparent process. Given the potential to generate revenue for the city and the support that existed among many city residents, this is an issue that the Council should continue to explore.

Crime in the Suites is authored by the [Ifrah Law Firm](#), a Washington DC-based law firm specializing in the defense of government investigations and litigation. Our client base spans many regulated industries, particularly e-business, e-commerce, government contracts, gaming and healthcare.

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