

Crime In The Suites

An Analysis of Current Issues in White Collar Defense

## D.C. Becomes First Place in U.S. to Legalize Online Poker

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Yesterday, April 7, 2011, saw a historic moment in igaming as the District of Columbia became the first American jurisdiction to enact a law that allows online poker wagering. The amendment, called the "Lottery Modernization Act of 2010" for the year it was introduced, is part of a larger budget bill passed by the D.C. Council in December 2010 and enacted after passing through Congress unblocked. This amendment changes prior D.C. gaming law by redefining the term "lotteries" to include not only games of chance, but also games of skill such as poker.

The law allows the D.C. Lottery to offer poker over the Internet to players located within the District. While additional steps must be taken by the D.C. government to actually implement online poker play, this law is a promising first step that opens the door for other states, as well as the federal government, to follow suit in legalizing online poker.

The law provides the basic enabling legislation that authorizes the D.C. Lottery to offer online poker, but there are additional hurdles still to come. The D.C. municipal government must enact regulations outlining the exact terms of play to ensure that all potential offerings comply with appropriate federal laws. Other D.C. regulations that refer to a lottery as a "game of chance" must be amended to conform to the new definition of "lottery." Regulations regarding the administration of online gaming must be drafted and pass through a public comment period. Finally, the D.C. Lottery will have to decide which online



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games to introduce, and work with approved lottery contractors and vendors to implement the games.

The work remaining to be done does not diminish the significance of this new law. Regardless of when the D.C. Lottery begins offering online poker, it is momentous that a U.S. jurisdiction now has a law on the books that authorizes online poker. We hope this changing legal landscape will give prosecutors pause before bringing new online poker-related lawsuits, and that D.C.'s new law will provide inspiration and momentum for the passage of similar state and federal laws.

*Crime in the Suites is authored by the <u>Ifrah Law Firm</u>, 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.* 

The commentary and cases included in this blog are contributed by Jeff Ifrah and firm associates Rachel Hirsch, Jeff Hamlin, Steven Eichorn and Sarah Coffey. These posts are edited by Jeff Ifrah and Jonathan Groner, the former managing editor of the Legal Times. We look forward to hearing your thoughts and comments!