



## United States Senate

WASHINGTON, DC 20510-0504

<http://feinstein.senate.gov>

April 28, 2016

The Honorable Kevin de León  
Senate President Pro Tem  
California State Senate  
State Capitol, Room 205  
Sacramento, CA 95814

The Honorable Anthony Rendon  
Speaker of the Assembly  
California State Assembly  
State Capitol, Room 219  
Sacramento, CA 95814

Dear President de León and Speaker Rendon,

I write to strongly oppose legislation that has been introduced in the State Assembly – Assembly Bill 2863 – to authorize online poker in California.

I urge you to consider the potential widespread harmful implications of online gambling, particularly for young people in California. It is my strong belief that the bill should not be enacted and that internet poker should be prohibited in California, because of its potentially harmful effects.

A recent BioMed Central Public Health study found that there was an increase of online gambling opportunities for youth in Canada, indicating a possible impact on the health of adolescents there. I am enclosing the study here, so that you can review it. There is no reason to believe that the dangers of online gambling would be any different for children in California.

In addition, the Federal Bureau of Investigation (FBI) has concluded that “[o]nline casinos are vulnerable to a wide array of criminal schemes,” including money laundering and ventures by transnational organized crime groups.

The FBI has also noted that internet gamblers can “use a wide array of mechanisms to conceal their physical location, or give the appearance of operating in

a different jurisdiction, when accessing a website.” Online gambling further gives minors and addicts access to gambling with just a few easy steps on their smartphones.

Take, for example, a case study out of New York. In 2011, a federal grand jury returned an indictment of a man named Isai Scheinberg, the founder of the online gambling site “PokerStars.” Scheinberg and others were charged with an assortment of federal banking, gambling, and money laundering violations.

The massive internet gambling investigation led not only to criminal charges to multiple defendants, but also to the seizure and shutting down of the internet addresses for “PokerStars.com” and other sites.

Ultimately, nearly a year after charges were filed against Scheinberg, PokerStars reached a settlement with authorities where PokerStars agreed to forfeit \$547 million to the government, and return \$184 million to customers. Then, in 2014, some two years after the forfeiture, Scheinberg sold his interest in PokerStars to Amaya Gaming, a Canadian gaming company, for some *\$4.9 billion*, while he still remained under indictment.

Sites such as PokerStars – now owned by Amaya Gaming – therefore provide a ready avenue for money laundering and other possible offenses. And, they are harmful to children. For these reasons, I am firmly against internet gambling, and strongly oppose legislation to legalize it under California law.

Thank you for considering my views on this subject. Please let me know if there is anything I can do to be of further assistance.

Sincerely,



Dianne Feinstein  
United States Senator

Encl.

DF/ph