

US curbs on online poker compared to Prohibition

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Alphonse D'Amato also told a hearing of the House Subcommittee on Commerce, Manufacturing and Trade that legalizing and regulating online poker would help prevent abuses by the offshore companies that currently dominate the industry.

US law prohibits US [financial institutions](#) from knowingly accepting payments for online gambling made through credit cards, electronic

transfers and checks, but bills have been introduced in Congress to ease the restrictions.

In April, 11 people were charged with [bank fraud](#), money laundering and other offenses in a crackdown on the three largest online poker companies -- Absolute Poker, PokerStars and Full Tilt Poker.

US prosecutors compared Full Tilt Poker to a "[Ponzi scheme](#)" last month and said the site stole \$440 million from players around the world.

"Had we had legislation we could have prevented players from being taken advantage of," said D'Amato, a former senator from New York who now chairs the [Poker Players Alliance](#).

"The problem that we have now seems to me very parallel to what we had in Prohibition," D'Amato said, referring to the 1919-1933 US ban on alcohol that gave rise to a flourishing underground liquor industry.

"Billions of dollars that today flow across our borders and onto offshore websites could be kept here... yielding billions of dollars in revenue for the federal government, all without having to raise taxes," D'Amato said.

Parry Aftab, an advisor to FairPlayUSA, which advocates legalized [online poker](#), estimated that Americans are gambling between \$4 billion and \$6 billion offshore annually and the "vast majority" of sites are unregulated.

"The lack of proper regulation leaves Americans at risk," Aftab said. "Offshore sites can endanger minors and expose adult consumers to fraud.

"Offshore sites also leave consumers with no legal recourse in disputes with unregulated operators," she said.

"State-of-the-art technology, coupled with strict regulation, will enforce our laws, protect players and children, and create tens of thousands of American jobs," Aftab said.

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