



# Will Facebook Become a Key Player in U.S. Online Gaming?

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Arguably the most popular social media platform in the world, Facebook appears poised to expand its ever-growing empire into the online gaming industry. Rumors circulated in early December 2011 that Facebook was developing a platform for its United Kingdom users to gamble online for real money, perhaps even as soon as in the first quarter of 2012. With millions of users worldwide, Facebook would be poised to accomplish what other online gaming sites could only achieve at a much smaller scale — reaching a large and constantly growing database of players. And with intrastate poker gaining traction in the United States, Facebook, and the new technology that it is developing, may end up as a leading player in the online gaming industry in the United States if and when legalization arrives.

Facebook is no stranger to online gaming. For some time now, it has offered its users the option of playing online games for Facebook credits as an alternative to real money. Earlier this year, Facebook changed its advertising policies, allowing online gambling companies to advertise in jurisdictions where such services are permitted. In the past, Facebook has been extremely strict when it comes to advertising online gambling business on its website. Now, Facebook's Advertising Guidelines web page has a specific online gambling clause under the Gambling and Lotteries subsection of the Ad Content section, which reads: "Ads that promote or facilitate online gambling, games of skill or lotteries, including online casino, sports books, bingo, or poker, are only allowed in specific countries with prior authorization from Facebook."

Initiating its launch of its real-money online gaming platform in the UK seems to be the most logical choice, given that the UK boasts one of the most permissive online gambling markets in the world. It appears from available information that Facebook is looking to award eight licenses to online gambling operators in the existing market. Sources for [egrmagazine.com](http://egrmagazine.com) have reported that Facebook has drawn up preliminary licenses for UK-based operators, including Gamesys (which owns sites like [jackpotjoy.com](http://jackpotjoy.com), [botemania.com](http://botemania.com) and [iwi.com](http://iwi.com)) and online casino, poker, and bingo gaming giant 888 Holdings. If the UK deal goes through, it will likely be a test run other



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countries, opening up an entirely new platform for operators with outreach to a wider market and database of players than ever before.

As Facebook “befriends” the online gaming world and vice versa, the question becomes whether the U.S. will ever appear on that friends list. With [Nevada recently becoming the first state in the country to adopt online gaming regulations](#) and the [Justice Department recently changing its stance on the legality of Internet gaming under the Wire Act](#), new hope has arisen that there may be a market for online gaming in the U.S. after all. Of course, Facebook would need to overcome a few hurdles before launching its online gaming platform in any country, including implementing a system to keep minors from accessing the service. Nevertheless, if rumors of a launch are true, Facebook’s new online gaming platform will immediately give it a dominating position in the market. Let’s just hope the United States does not deny that friend request.

*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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