

## Crime In The Suites

An Analysis of Current Issues in White Collar Defense



## Black Friday Chills Legislative Momentum in Nevada and Elsewhere

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Just a couple of months ago, there was considerable optimism after the introduction of an interactive-gaming bill in the Nevada legislature that that state could be the first to legalize online poker.

However, in the wake of last month's "Black Friday" indictments, it now appears that the optimism was premature. The state legislature is clearly waiting for the issue of online gaming to be resolved at the federal level before it takes steps to legalize online poker within its borders.

Recent amendments to the draft Nevada bill send a clear signal that even the proponents of online gaming in that state are waiting for federal action.

The current draft provides that any license issued by the Nevada Gaming Commission to operate interactive gaming will not become effective until (1) federal legislation is passed that authorizes the specific type of interactive gaming for which the license was issued, or (2) the Department of Justice provides written notification to the Nevada Gaming Commission that the specific type of interactive gaming covered by the license is permissible under federal law.

In view of the ongoing prosecution of major participants in the online poker industry after last month's "Black Friday," it is highly unlikely that that the Department of Justice will provide any form of written notification that online poker is permissible under federal law. Likewise, federal legislation to authorize interactive gaming is not currently on the front burner. Nevada state legislators know this, and they amended the bill to let the feds go first.

We expect that other states like California and Florida that have moved forward with online gaming bills will also slow down and await federal action. The consequences of "Black Friday" are being felt all over the nation.

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.

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