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Subject: Reg. GG -- Internet gambling

Identifying Payment Processors that are submitting unlawful gambling transactions is actually a fairly simple task. There are only a handful of Payment Processors and E-Wallets that are processing these transactions. They are all listed on the Casino websites. The e-wallets do not disguise their names when processing transactions but do misrepresent the what the charge or debit is for. The payment processors do however misrepresent(mis-code)the Merchant Category.

The biggest problem I see is that Visa(no knowledge of Master Card) is not complying with present Regulations. I have attempted to report one of the Webwallet/payment processors to Visa, they do not seem interested. When I advised Bank of America they said they do not report these matters to Visa. I called Visa USA Corporate offices and was told someone would get back to me. That did not happen.

This particular e-wallet/payment processor is part of an organization that includes a German bank that is "big business" for Visa and Master Card. I would imagine that blocking these transactions could be quite a loss of revenue.

Also, the proposal says nothing about Internet Gambling businesses using U.S. Collection Agencies to collect non-credit card debt(money not owed a Financial Inst). Once Banks start blocking transactions or charging them back due to fraudulent coding, etc, these businesses will place the account with a collection agency. They also may sell the unlawful debt. Given that the current laws do not specifically require itemization of the debt in order to initiate collection actions or sell the debt, Collection Agencies and Debt Collectors may not even be aware that the debt was acquired through an unlawful transaction. The third-party payment processor submits the account for collection, not the casino, this also makes identification of a gambling debt difficult. I am aware of one Collection Agency that IS aware that they are collecting NON-CREDIT CARD debt and that the amount they are collecting represents alledged unpaid gambling fees due Illegal Internet Casinos. They are also aware that the Web-wallet they are collecting for is concealing the true nature of transactions submitted to credit card companies/banks. This particular web-wallet codes the transaction merchant category code as "catalogue sales". I assume this would be considered a Rico Act Violation, but cannot find any documented case law supporting my assumption. Perhaps this also should be spelled out in Regulation GG and/or the Fair Credit Act.

Collection Agencies would also need to be advised of businesses processing gambling transactions. Collection of debt for Online Casinos or the business entity processing their transactions should be prohibited. Leave the collection of unpaid credit card charges to Visa and Master charge and the banks,if the transactions made involved charge cards.

Allow Visa and Master card and the banks to charge back the transactions if they discover they were submitted fraudulently by miscoding the merchant category.

ACH, EFT and Check Transactions are what the online gambling industry prefers. Gamblers also like ACH and EFT do to the ease of depositing and quicknest of payment from the casinos.. If there is no clear method for blocking these transactions the proposed Regulation is not going to be very effective.

If you want Online Casinos to stop doing business with U.S. Citizens, allow charge backs of gambling transactions. Knowing that the transaction can be chargedback , Casinos are less likely to allow U.S. Players to deposit via Credit/Debit Card, Ach or Electronic Checks. Australia has policies similar to this and it seems to be working for them.

Regarding College Students and those under 21 years of age, they are not using their Parents credit

cards to get into debt. These young Adults are bombarded with Credit Card applications the minute they graduate from High School. It is very easy for them to get these cards. While the credit limit per card may be low, they can easily get several cards.

How can these Companies extend credit to a student that has no job or means of making monthly payments? These Companies are preying upon this young Adults. When you are a poor College student, the temptation to apply for these cards is overwhelming.

These Companies should not be allowed to issue a credit card to a Student that has no income, unless they have a co-signer. They also should not be allowed to send unsolicited card applications.

Additionally, I believe for the Court system and the Banking system to enforce this law, you must be specific regarding what is legal and what is illegal. Otherwise, compliance by banks will not be effective and the legality issue will be debated in the courts, which is an additional unnecessary expense for tax payers. When laws are written they should be understandable by the Citizens that must comply with them and the Courts that must enforce them. When they are left to interpretation they are likely not to be complied with and enforced unequally.

Our legal system has enough laws that are written so badly that the Appeals Courts rule differently on the same statutes.

The Board should consult with the Attorney General and Department of Justice on what gambling should be or is considered to be illegal prior to issuing Regulation GG. If you cannot state for a fact what gambling is considered illegal, then this law is useless and should be repealed.

Thank you,
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