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ERIC L. WILSON

November 6, 2007

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve
System
20th Street and Constitution Ave., NW
Washington, DC 20551

**Re: Comments to Notice of Joint
Proposed Rulemaking; Prohibition On
Funding Of Unlawful Internet Gambling
Docket Number R-1298**

Department of the Treasury
Office of Critical Infrastructure Protection
and Compliance Policy
Room 1327
Main Treasury Building
1500 Pennsylvania Ave., NW
Washington DC 20220

**Re: Comments to Notice of Joint
Proposed Rulemaking; Prohibition On
Funding Of Unlawful Internet Gambling
Agency Name: Treas-DO
Docket Number: Treas-DO-2007-0015**

Dear Madam Secretary and the Department of Treasury's Office of Compliance Policy:

On behalf of Greene Group, Inc. I am writing to convey my strong concerns that your proposed regulation, titled: "Prohibition On Funding Of Unlawful Internet Gambling", would have on my business.

Our company currently owns or manages three pari-mutal facilities. Two are in Texas. One is in Idaho. All three have been licensed by the appropriate state Racing Commissions to provide pari-mutal wagering on live greyhound racing and simulcast signals featuring both horse and greyhound racing. One of our tracks in Texas has been in existence for over 15 years, and has 320 employees. It is located in LaMarque. We are open year around and will conduct over 4000 live races in 2007. We are actively involved in Chamber of Commerce activities in the Texas City/LaMarque area, the city of Galveston and north Galveston county. We donate

approximately \$25,000.00 to area non-profit organizations. We have a smaller facility in Fredericksburg, Texas that has been open since April of 2003. We employ 23 people at this facility and make sizable donations to the Gillespie County Fair and Festivals, the longest running state Fair in Texas. Our facility in Idaho is located in Post Falls, and has been in operation since 1988. We employ over 35 people in this facility and donate over \$25,000.00 yearly to local non-profits.

If the proposed regulation is not amended, it will put my business, and therefore the livelihood of my employees, in jeopardy.

Congress specifically stated that legal greyhound pari-mutuel betting was beyond the scope of the Unlawful Internet Gambling Enforcement Act of 2006. The Congressional Record clearly states that if the use of the Internet in connection with dog racing is approved by state regulatory agencies and does not violate any Federal law, then it is allowed under the new section 5362(10)(A) of title 31. (*152 Cong. Rec. H8026-04; Sept. 29, 2006*). However, your proposed regulation fails to reiterate this position, and when taken in conjunction with some of the other sections, the banking institutions will not have the ability to properly distinguish between legal and unlawful transaction, and therefore they will go beyond the scope of the statute and block legal transaction.

Pari-mutuel betting, account wagering, and common pool wagering is lawful in several States including, New York, Connecticut, Oregon, Kentucky, Louisiana, California, Virginia, New York, New Jersey, and Pennsylvania. These transactions use the internet, and are authorized and regulated without regard to whether the race meet is a horse race or dog race. In fact the only difference between a horse race and a dog race is the animal. The technology is identical for each. Moreover, in many horse tracks, you will get a dog race simulcasted and visa versa. The final regulation must address the substantial risk of over blocking these legal transactions, which is in violation of the Act.

I, along with other members of the Greyhound racing industry, suggested that the final rule include clarification in the definition of "unlawful internet gambling" to provide clarity to the situation. We urge you to include language that would specifically state that legal interstate pari-mutuel wagering transactions are not a violation of the Act. One option could be to direct the banking institutions and payment processors to institute procedures to ensure that they are not blocking legal transactions. For example, a new merchant category code ("MCC") can be created for legal transactions, such as those in the state sanctioned pari-mutuel industry, to ensure that the processors are not blocking transactions beyond what the Act requires. This change could significantly reduce compliance burdens, protect against over blocking, and allow credit card issuers to create policies and procedures which reject payments for unlawful on-line gambling activities, while accepting internet and account wagers on pari-mutuel races. While I understand that the proposed regulation makes reference to the fact that the regulation does not exclude legal state licensed transactions, this cursory reference is not enough. More explicit explanations are necessary. The final regulation must reiterate the Congressional position that the regulation does not limit legal and fully sanctioned pari-mutuel betting. This clarification is needed to ensure that the banking and payment processors have the needed understanding of what is considered a legal transaction, and therefore do not inadvertently block such transactions.

Sincerely,

A handwritten signature in black ink that reads "Eric L. Wilson". The signature is written in a cursive, flowing style.

Eric L. Wilson
Director of Compliance

CC: Hon. Richard C. Shelby
United States Senate
110 Hart Building
Washington, D. C. 20510

Hon. Spencer Bachus
Member of Congress
6th Congressional District
3500 McFarland Blvd.
Northport, AL 35476