



# BUREAU OF GAMBLING CONTROL

**KAMALA D. HARRIS**  
**Attorney General**

**MARTIN J. HORAN IV**  
**Acting Bureau Chief**

**NUMBER 9**

**GAMBLING ESTABLISHMENT ADVISORY**

**JULY 25, 2011**

## **Licensed Gambling Enterprises' Associations With Illegal Internet Gambling Websites**

It has been brought to the attention of the Bureau of Gambling Control (Bureau) that some California licensed gambling enterprises have an interest in entering into business associations, directly or indirectly, with illegal Internet gambling websites that openly accept wagers from U.S. citizens in violation of federal law. The Bureau is also aware that during the month of April 2011, a number of illegal Internet gambling websites, which openly accept wagers from U.S. citizens, were federally indicted in the Southern District of New York for bank fraud, money laundering, and illegal gambling offenses.

As a result of the Bureau's review of this issue, the Bureau has determined that licensed gambling enterprises are prohibited from entering into business associations, directly or indirectly, with any illegal Internet gambling business that openly accepts wagers from U.S. citizens, in violation of federal law. Such business associations are contrary to the provisions of the California Gambling Control Act, specifically Business and Professions Code sections 19801, subdivision (g), 19857, and 19920, in that California requires all gambling enterprises to be operated in a manner suitable to protect the public health, safety, and general welfare of the residents of the state, and that permissible gambling be free from criminal and corruptive elements and conducted honestly and competitively.

The purpose of an advisory is informational. An advisory does not constitute legal advice.

*For more information regarding this advisory, contact the California Department of Justice, Bureau of Gambling Control at (916) 263-3408*