

# Internet Gambling and ATFCU (Reg GG)

With the dramatic increase in Internet-based wagering, Congress has acted to ensure that illegal Internet gambling is thwarted, and has enlisted credit unions to assist in this effort. Congress concluded that new mechanisms for enforcing gambling laws on the Internet were necessary because traditional law enforcement mechanisms are often inadequate for enforcing gambling prohibitions or regulations on the Internet, especially when it crosses state or national borders.

Whether an individual engages or a business engages in Internet gambling processes, it is important to know what Alcoa Tenn Federal Credit Union is now doing to ensure that these activities are not being conducted unlawfully. The Unlawful Internet Gambling Enforcement Act (UIGEA) **requires** us to do certain things, and **permits** us to do others.

## What Alcoa Tenn Federal Credit Union MUST Do

Under Federal rules, credit unions must have policies and procedures to block transactions that finance Internet gambling by **credit and debit cards**.

- Alcoa Tenn Federal Credit Union is permitted to rely on the procedures established by credit card operators (VISA) to block illegal gambling transactions. While it is up to VISA to determine their specific procedure, it is possible that they may not differentiate between lawful and unlawful gambling, choosing instead to block all gambling transactions.
- Alcoa Tenn Federal Credit Union must screen business customers at the time of an account opening to establish the level of risk that the new account holder might be for participating in restricted activities.
- Alcoa Tenn Federal Credit Union is required to notify our business customers that illegal Internet gambling transactions are prohibited and cannot be processed through the bank.
- When Alcoa Tenn Federal Credit Union receives a report from a law enforcement or regulatory agency that an account is processing restricted transactions, we must first determine whether the transactions are legal or illegal, and if illegal, take appropriate actions (such as closing the account).

## What Alcoa Tenn Federal Credit Union is Permitted to Do

We or our credit card operators are permitted to "over block" transactions, which means that we can block Internet gambling transactions whether legal or illegal.

## What You Should Do

The UIGEA does not change the legality of any gambling activity. Individuals and businesses should never participate in illegal gambling activities of any kind. Just as important is to know which activities are lawful and permitted, and which are not. There are a myriad of Federal, state and Tribal laws prohibiting or regulating gambling, and you should be knowledgeable about those that affect your particular activities.

Alcoa Tenn Federal Credit Union maintains written policies and procedures for how it will comply with the Unlawful Internet Gambling Enforcement Act.

**This policy last updated: September 2010**