

## **iMEGA Files Lawsuit v. US Attorney General, FTC & Federal Reserve**

Temporary Restraints Requested to Halt Enforcement of the Unlawful Internet Gambling Enforcement Act of 2006 (UIGEA) and Resume Internet Gambling

**Newark, NJ** – June 5, 2007 –The Interactive Media Entertainment & Gaming Association (iMEGA) is seeking judgment restraining the United States from enforcing the “Unlawful Internet Gambling Enforcement Act of 2006” (UIGEA). The current law prevents U.S. credit-card companies and banks from processing payments to online gambling businesses. According to the Act, violators are subject to civil and/or criminal penalties including imprisonment.

The suit filed today in U.S. District Court outlined how the Unlawful Internet Gambling Enforcement Act infringes upon basic constitutional rights and sets a dangerous precedent for I-commerce by criminalizing the transmission of money if the end result is illegal in some unspecified place. The injunction, if granted, will prevent the government from enforcing the UIGEA and pave the way for Internet gambling to resume pending further order of the court.

“The purpose of the Unlawful Internet Gambling Enforcement Act is to prevent Americans from engaging in their fundamental rights to conduct their lives in the manner they wish to live it - to be free from the government imposing public morality in the privacy of one’s home”, says Eric M. Bernstein, Esq., attorney for iMEGA.

The lawsuit also seeks to stop the enforcement of the UIGEA based on the recent ruling of the World Trade Organization in a final appeal which found the United States in contempt of treaty obligations regarding Internet gambling. Washington spokesmen recently said the United States would not appeal the ruling in favor of Antigua and Barbuda, the Caribbean nation which won the WTO challenge against the US and one nation where Internet gambling is legal. Instead, Washington says, the US will try to modify its treaty obligation to eliminate Internet gambling. The WTO ruling permits sanctions to be imposed against the US.

The Interactive Media Entertainment & Gaming Association was established to be a voice of reason in Washington and around the world for the fair, equitable, and rational governance of interactive Internet commerce and communications. Edward Leyden, President of iMEGA, hopes the lawsuit will open the eyes of Legislators encouraging regulation and taxation of Internet gaming. Without transparency, American consumers who gamble online are left without standards of practice or consumer protections.

“Two major benefits come immediately from U.S. recognition and regulation of Internet gaming; transparency and tax revenues,” said Leyden. “As with the U.S. financial markets, transparency assures that broad access to relevant data and the balancing forces of a free market all operate to maintain fairness and prevent corruption. Similarly, in this age of a yawning federal “tax gap,” U.S. taxation of Internet gaming transactions and

companies could generate, more than \$20 billion during the next several years—all while saving federal law enforcement dollars for the fight against terrorism and other dire issues.”

The Interactive Media Entertainment & Gaming Association is a not-for-profit organization founded in 2007 with the goal of working constructively and cooperatively with government at all levels, and other concerned citizens and corporations, to continue the remarkable growth of the Internet, and to promote innovation, openness and freedom as the path to even greater benefit of this medium.

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