

Testimony of The Cordish Companies and Live! Casino Hotel Maryland

Presented by Mark Stewart, General Counsel

In SUPPORT of SB 652

Budget and Taxation Committee Hearing

March 9, 2026

On behalf of The Cordish Companies and Live! Casino Hotel Maryland, I respectfully submit this written testimony **in support** of SB 652, which would enact the Maryland Illegal Online Gambling Enforcement Act and bolster the State's enforcement efforts against illegal online gambling. We appreciate the Budget and Taxation Committee's attention to the growing issue of illegal online gambling and the need to ensure that Maryland's laws are effectively enforced.

Background on the Illegal Online Gambling Market

Illegal and unregulated online gambling is a significant and ongoing reality across the United States. The American Gaming Association's August 2025 report estimates that, nationally, gambling on illegal online slots and table games is substantial, and accounts for billions of dollars annually in state gaming tax revenue loss. This activity is occurring through websites and mobile platforms that accept wagers from U.S. residents without holding a U.S. state issued gaming license.

Concerns about the scope and impact of offshore operators have also been raised by a bipartisan coalition of state attorneys general. In an August 5, 2025, letter to the U.S. Department of Justice—signed by Maryland Attorney General Anthony Brown and attorneys general from across the country—the group requested coordinated enforcement efforts to address illegal offshore gaming operations. The letter describes operators that function without proper licensure, evade taxation, fail to verify age, and undercut regulated markets. A copy of the letter is enclosed with this testimony.

Importantly, the attorneys general urged use of enforcement tools such as website seizures, injunctions, asset forfeiture, and cooperation with financial institutions to block unlawful transactions. While their letter focused on federal enforcement authority, the underlying enforcement strategies it endorses—disrupting illegal operators' access to payment systems, digital infrastructure, and U.S. consumers—are directly relevant at the state level.

The Maryland Illegal Online Gambling Enforcement Act seizes on those same core strategies and implements them within Maryland's own enforcement framework. Rather than relying solely on federal action, the bill equips Maryland authorities with state-level civil tools designed to disrupt illegal operators' ability to market, host, and monetize their activities in this State.

Legislative Approaches in Other States

Maryland is not alone in examining legislative tools to address illegal online gambling. In 2025, several states enacted or advanced legislation aimed at banning and more effectively enforcing against illegal online sweepstakes and similar gaming models.

For example:

- New York (Senate Bill 5935) adopted legislation that not only prohibits operating or promoting illegal online sweepstakes games, but also extends potential liability to those who “support” such operations, including financial institutions, payment processors, geolocation providers, gaming content suppliers, platform providers, media affiliates, investors, and board members.
- California (Assembly Bill 831) similarly included geolocation providers, gaming content suppliers, platform providers, and media affiliates within the scope of potential liability for supporting illegal online gaming.
- Other states, including Nevada, Montana, and New Jersey, have adopted enhanced penalty structures, forfeiture provisions, and jurisdictional clarifications to strengthen enforcement tools.

A common theme across these measures is recognition that illegal online operators often rely on a network of third-party service providers—payment processors, hosting companies, content suppliers, and advertisers—to reach consumers and process transactions. By addressing not only the operator but also those who knowingly facilitate the operation, states have sought to create more effective enforcement mechanisms.

These examples demonstrate that states are experimenting with a range of civil and criminal tools to respond to illegal online gambling activity, and that SB 652 fits within a broader national policy conversation.

Maryland Law and the Purpose of This Bill

Online gambling that is not expressly authorized under Maryland law is already illegal. However, many illegal online gambling operators are located offshore or otherwise beyond the easy reach of traditional criminal enforcement.

As the multistate attorneys general letter underscores, offshore operators are often structured to evade direct enforcement and operate across jurisdictions. That reality presents practical challenges for state-level prosecution.

SB 652 is designed to strengthen Maryland’s ability to respond using tools that are familiar in the consumer protection context. Rather than relying solely on criminal prosecution of distant operators, the bill focuses on disrupting the ecosystem that allows illegal online gambling to function.

Specifically, the bill empowers the Attorney General to take action to impact illegal operators' ability to:

1. Market to and attract Maryland consumers – by authorizing cease and desist notices and enforcement against those who promote illegal online gambling.
2. Prop up websites and digital platforms – by enabling action directed at platform providers and others who host, transmit, or otherwise facilitate access to illegal gambling websites.
3. Receive payment from consumers – by prohibiting financial transaction providers from knowingly processing payments in connection with illegal online gambling and by authorizing enforcement measures against those who continue to facilitate such transactions.

These approaches mirror the enforcement strategies endorsed by the coalition of attorneys general—targeting websites, financial flows, and supporting infrastructure—but apply them through Maryland's own statutory authority.

Importantly, the bill does not alter or affect gaming activities that are expressly authorized and regulated under Maryland law. Instead, it is designed to ensure that the State has practical, enforceable mechanisms to address activity that is already unlawful.

Key Provisions of the Maryland Illegal Online Gambling Enforcement Act

The Maryland Illegal Online Gambling Enforcement Act applies to (1) operators that offer illegal online gambling to individuals located in Maryland and (2) individuals and entities that promote or provide support to operators of illegal online gambling (for example, financial institutions, platform providers, gaming content providers, promoters, media affiliates, and endorsers).

- The Attorney General or other prosecuting attorney is empowered to:
 - Issue cease-and-desist notices to violators.
 - Seek temporary or permanent injunctions to restrain illegal conduct.
 - Maintain a public list of offending websites.
- Operators offering illegal online gambling can be fined \$50,000 for the first violation and \$100,000 for each subsequent violation.
 - Each illegal wager or promotion is treated as a separate violation.
 - Penalties include possible imprisonment up to three years and forfeiture of profits.
- Supporters of illegal online gambling (e.g., banks, advertisers, platforms) can be fined \$25,000 fine for the first violation and \$50,000 for each subsequent violation. Each act of support constitutes a separate violation.

- Financial institutions are prohibited from processing payments related to illegal online gambling.
- Platform providers are prohibited from hosting or transmitting illegal gambling content and must verify operator licensure before hosting advertisements.
- Financial institutions and platform providers may block or refuse transactions or transmissions without liability.
- Courts may issue injunctions to:
 - Remove or disable access to illegal gambling websites.
 - Freeze associated bank or credit accounts.
 - Stop payment processing or advertising support.
- Violation of an order against a supporter of illegal online gambling results in a fine of \$50,000 for the first offense and \$100,000 for each subsequent violation.
- Out-of-state violators targeting Maryland residents are subject to Maryland jurisdiction.
- The Maryland Attorney General is authorized to adopt rules, regulations, and standards for enforcement.

Conclusion

SB 652 is a needed and important measure to enhance enforcement against illegal online operators, and those who would enable them, and to protect Marylanders. Contrary to the claims of some, legalizing more online gambling does not shrink or stop the illegal market.¹ Indeed, just the opposite is the case – the illegal market thrives and grows.² Enforcement against illegal activities, not sanctioning them, is sound policy. We respectfully urge a favorable report on SB 652.

¹ *The Washington Post*, “Legal sports betting was supposed to end the black market. It didn’t,” (Sept. 12, 2024); see <https://cdn.sanity.io/files/42ezp3kj/production/3c51bcc5f56e9f4e49be0d36910c0db943805877.pdf>; *Sportsbookreview.com*, “Latest Report Says 74% of Online Gambling Revenue in the US Comes from Illegal Sites” (June 17, 2025); https://www.fairergambling.com/wp-content/uploads/2025/04/GYS_YS_CFG-REPORT_USA-NATIONAL-2024_04.08.2025_FINAL_NO-EM.pdf.

² In Pennsylvania, which has both online sports betting and iGaming, participation in the illegal market nearly doubled year over year, according to a new study by Penn State University. <https://www.pa.gov/content/dam/copapwp-pagov/en/ddap/documents/documents/agency-reports/interactive-gaming-reports/psu-2025-online-gambling-report.pdf>



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August 5, 2025

The Honorable Pamela Bondi
United States Attorney General
United States Department of Justice
950 Pennsylvania Avenue NW
Washington, D.C. 20530

Submitted via email

Dear Attorney General Bondi:

We, the undersigned State Attorneys General, write to request assistance from the United States Department of Justice (“USDOJ”) to address the rampant spread of illegal offshore gaming operations across the United States. Our States have heard reports concerning growth in the illicit offshore gambling markets that could be harming our citizens. While we as States do all we can to protect our citizens, such unlawful enterprises undermine the rule of law, threaten consumer protection, and deprive our States of significant tax revenues and economic benefits. We seek the USDOJ’s cooperation in ensuring these companies are brought to justice to the fullest extent available under state and federal law, both criminal and civil, for any potential violations.

Background of Illegal Offshore Gaming

Illegal online sports betting and gaming operations—largely run by massive, foreign-based companies— reportedly pervade our jurisdictions. These offshore entities routinely operate without proper licensure, offer limited or non-existent consumer protections, fail to verify user age, ignore state boundaries, and evade taxation obligations potentially to both the Internal Revenue Service and our States.

These unlawful platforms expose residents—particularly young people and vulnerable adults—to fraudulent schemes and highly addictive gambling without any oversight or accountability. Moreover, these

operations undercut state-regulated markets and have been linked to money laundering, human trafficking, and other nefarious conduct.

Recent estimates show that the volume of illegal online gaming exceeds more than \$400 billion annually, leading to more than \$4 billion in lost tax revenue for state governments.¹ Despite these staggering figures, enforcement has been scarce, only emboldening these illegal operators.

A Path Forward: Joint USDOJ and AG Enforcement of Federal Law

Since 2013, USDOJ enforcement actions against illegal offshore gambling sites have been extremely limited. We seek USDOJ's cooperation and coordination to deploy robust legal tools to curb these unlawful enterprises. For instance, under the Unlawful Internet Gambling Enforcement Act, USDOJ can pursue injunctive relief to block access to illegal websites and payment processing mechanisms. See 31 U.S.C. § 5365(b). Additionally, under 18 U.S.C. § 1955(d), USDOJ has the authority to seize assets—including servers, domains, and proceeds—that illegal gambling operations use. Because the websites owned by unlawful offshore operations violate federal law, USDOJ can and should seize the websites and domain names of operators and retain any proceeds recovered as part of the seizure.

USDOJ has used its authority to seize online assets in analogous cases. On "Black Friday" in 2011, it seized websites, servers, and domain names of companies that sold counterfeit products.² In April 2024, the USDOJ successfully seized domains connected to a Russian cybercrime network engaged in large-scale identity theft and fraud.³ Those same mechanisms can and should be applied to illegal offshore gaming platforms.

Furthermore, the USDOJ and our offices should work in partnership with major payment processors to implement a national enforcement and compliance strategy to cut off access to the U.S. financial system. Both Visa and Mastercard have already signaled their willingness to investigate and address unlawful use of their networks for gambling transactions.⁴ We should capitalize on this willingness to shut down illegal offshore gaming operations.

¹ *Sizing the Illegal and Unregulated Gaming Markets in the United States*, Am. Gaming Ass'n (Nov. 2022), <https://perma.cc/FPA8-7ADB>.

² Press Release, U.S. Dep't of Just., Federal Courts Order Seizure of 150 Website Domains Involved in Selling Counterfeit Goods as Part of DOJ, ICE HSI and FBI Cyber Monday Crackdown (Nov. 28, 2011), <https://perma.cc/UR9S-Z2YR>.

³ Press Release, U.S. Secret Service, Justice Department Seizes Four Web Domains Used to Create Over 40,000 Spoofed Websites and Store the Personal Information of More Than a Million Victims (Apr. 4, 2018), <https://perma.cc/NCD8-5B8N>.

⁴ *Mastercard and Visa Pledge Vigilance Following Gambling Investigation*, PYMNTS (Mar. 10, 2025), <https://perma.cc/AS3X-ATJH>.

Request for Cooperation

We strongly encourage USDOJ to prioritize enforcement against illegal offshore gaming operations. In its FY24 appropriations directive, Congress emphasized the importance of this issue.⁵ Under your leadership, we urge the USDOJ to coordinate with our offices to:


- Pursue injunctive relief and website seizures under federal law;
- Seize assets and domain names of illegal offshore gaming operators; and
- Coordinate with financial institutions to block unlawful transactions and dismantle the financial infrastructure supporting these enterprises.

We stand ready to collaborate with the USDOJ to protect our residents and uphold the laws of our country and of our States.

Sincerely,



Mike Hilgers
Nebraska Attorney General



William Tong
Connecticut Attorney General



Andrea Joy Campbell
Massachusetts Attorney General



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Utah Attorney General



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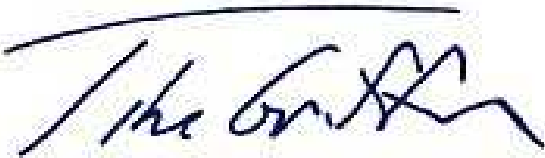
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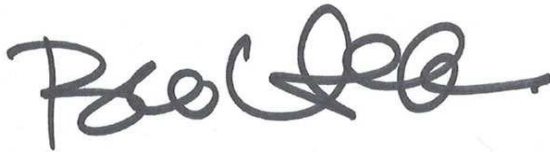
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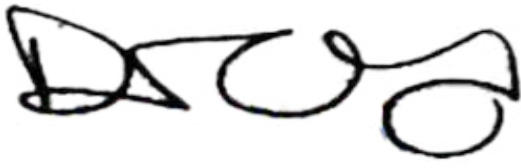
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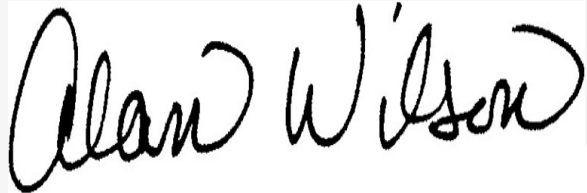
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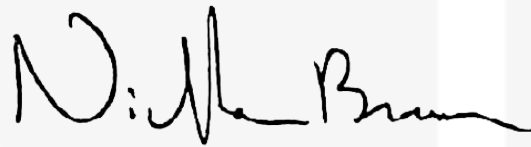
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