


UNITED STATES DISTRICT COURT 2004 AUG -9 A 11:13  
MIDDLE DISTRICT OF LOUISIANA  
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CASINO CITY, INC.

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CIVIL ACTION

VERSUS

NO. 04-557-B-M3

UNITED STATES DEPARTMENT  
OF JUSTICE

SECTION

Judge Polozola  
Magistrate Dalby

COMPLAINT

Plaintiff, Casino City, Inc., complains of defendant, United States Department of Justice,  
as follows:

1. This Court has original jurisdiction over this action pursuant to 28 U.S.C. Section 1331, as this action involves a federal question.
2. Venue properly rests with this Court, pursuant to 28 U.S.C. Section 1391(e), as the Defendant is an agency of the United States and the Plaintiff resides in this judicial district.

PARTIES

3. The Plaintiff Casino City, Inc., (hereinafter "Casino City"), is a for profit corporation organized under the laws of the State of Louisiana.
4. Casino City operates the Casino City Network, a collection of portal sites, including [www.CasinoCity.com](http://www.CasinoCity.com) and <http://Online.CasinoCity.com>, which disseminate information about land based and online casinos, casino style games and sports betting.

5. The Defendant is the United States Department of Justice, (hereinafter “DOJ”), an agency of the United States.

### NATURE OF ACTION

6. Pursuant to 28 U.S.C. Sections 2201 and 2202, Casino City seeks a declaration as to its constitutional rights to engage in lawful commercial speech.

### FACTS

7. The DOJ has conducted and continues to conduct an active investigation into United States businesses that sell and place advertisements for legal overseas online casino and sports book companies.

8. In June 2003 the DOJ sent a letter to the National Association of Broadcasters (“NAB Letter”, copy attached as Exhibit A), and other similar advertising associations, wherein the DOJ warned that entities and individuals placing advertisements for offshore sports books and online casinos may be violating various state and federal laws, including 18 U.S.C. §§ 1084, 1952 and 1955, and further warned that the entities or individuals that accept and run such advertisements may be *aiding and abetting* illegal activities, a Class E felony, pursuant to 18 U.S.C. § 2.

9. The statutes cited by the DOJ impose severe penalties consisting of substantial fines and imprisonment.

10. Based upon information and belief, several months after the NAB Letter, numerous subpoenas were issued by the DOJ to media outlets, internet portals, public relations companies and technology companies seeking commercial and financial information in relation to advertisements purchased and placed by online casinos and sports book companies.

11. The aforesaid subpoenas and the NAB Letter have been the subject matter of numerous media reports.

12. Prior to the foregoing actions by the DOJ, the advertising industry was selling and running advertisements for online casino and sports book businesses that legally operate in the jurisdictions in which they are located. The NAB Letter and subpoenas, however, have created a fear of prosecution within the advertising community resulting in a chilling effect upon the exercise of free speech. On information and belief, as a direct result of the DOJ threats, a number of internet advertising portals based in the United States have ceased to accept advertising of legal casino and sports betting.

13. Casino City is a United States company that disseminates information on its internet sites such as interviews with professional gamblers, advice and expert columns, directories, playing strategies and tips, weekly news publications and news clips.

14. A portion of Casino City's revenues are derived from the sale and running of advertisements on its informational internet sites for lawful overseas companies that offer online casino or sports book gambling. The sale and placement of the advertisements is not contrary to the law of Louisiana.

15. The advertisements are not misleading and concern lawful activity.

16. Casino City does not conduct or participate in online casino or sports book activities. Casino City does not knowingly accept, in payment for running online casino or sports book advertisements, proceeds that come from illegal bets, deposits or wagers placed by persons located in the United States or anywhere world-wide, and the company has taken reasonable steps to ensure that such proceeds are not received.

17. The advertisements that Casino City sells and runs are of the same content and nature as those that the DOJ warned may constitute the offense of aiding and abetting a violator of 18 U.S.C. Sections 1084, 1952 and/or 1955. Thus, a reasonable and imminent threat of prosecution exists if Casino City continues to sell and run advertisements for overseas online casino and sports book operations.

18. Application of the aforesaid criminal statutes against the plaintiff and others similarly situated, as threatened by the DOJ, would constitute a violation of such entities' rights under the First Amendment to the United States Constitution in that:

(a) The United States does not have a substantial interest sufficient to justify the imposition upon the exercise of free expression resulting from such application and the threat of such application;

(b) The threatened application would not effectively serve any purported government interest; and

(c) The application is not narrowly drawn to effectuate any purported government interest.

**WHEREFORE**, for the above and foregoing reasons, Casino City prays for a judgment declaring:

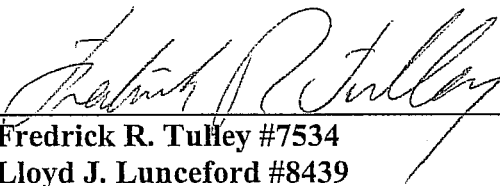
1. That the application of 18 U.S.C. Sections 1084, 1952 and/or 1955 to Casino City and others similarly situated violates the First Amendment to the United States Constitution;

2. That the application of 18 U.S.C. Section 2 to Casino City and others similarly situated, as aiding and abetting a violator of 18 U.S.C. sections 1084, 1952 and/or 1955, violates the First Amendment to the United States Constitution; and

3. The actions of DOJ in threatening Casino City and others similarly situated with criminal prosecution as detailed above, violate the First Amendment to the United States Constitution.

Casino City further prays for any other necessary or proper relief.

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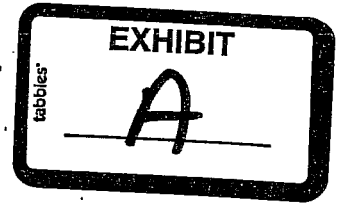
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**ATTORNEYS FOR CASINO CITY, INC.**



U.S. Department of Justice  
Criminal Division



Office of the Deputy Assistant Attorney General

Washington, D.C. 20530

June 11, 2003

National Association of Broadcasters  
1771 N Street, NW  
Washington, DC 20036

Re: Advertising for Internet Gambling and Offshore Sportsbook Operations

Dear Sir or Madam:

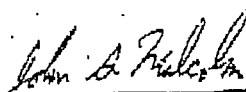
As you are no doubt aware, advertisements for Internet gambling and offshore sportsbook operations are ubiquitous on the Internet, in print ads, and over the radio and television. The sheer volume of advertisements for offshore sports books and online casinos is troubling because it misleads the public in the United States into believing that such gambling is legal, when in fact, it is not. Because of the possibility that some of your organization's members may be accepting money to place such advertisements, the Department of Justice, as a public service, would like you to be aware that the entities and individuals placing these advertisements may be violating various state and federal laws, and that, entities and individuals that accept and run such advertisements may be aiding and abetting these illegal activities.

With very few exceptions limited to licensed sportsbook operations in Nevada, state and federal laws prohibit the operation of sportsbooks and Internet gambling within the United States, whether or not such operations are based offshore. United States Attorneys' Offices in several districts have successfully prosecuted offshore sportsbookmaking and Internet gambling operations, and the Department of Justice will continue to pursue such cases.

Notwithstanding their frequent claims of legitimacy, Internet gambling and offshore sportsbook operations that accept bets from customers in the United States violate Sections 1084, 1952, and 1955 of Title 18 of the United States Code, each of which is a Class E felony. Additionally, pursuant to Title 18, United States Code, Section 2, any person or entity who aids or abets in the commission of any of the above-listed offenses is punishable as a principal violator of those statutes. The Department of Justice is responsible for enforcing these statutes, and we reserve the right to prosecute violators of the law.

Broadcasters and other media outlets should know of the illegality of offshore sportsbook and Internet gambling operations since, presumably, they would not run advertisements for illegal narcotics sales, prostitution, child pornography or other prohibited activities. We'd appreciate it if you would forward this public service message to all of your member organizations which may be running such advertisements, so that they may consult with their counsel or take whatever other actions they deem appropriate.

Very truly yours,



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JOHN G. MALCOLM  
Deputy Assistant Attorney General  
Criminal Division  
United States Department of Justice

cc: Ms. Lori Sharpe-Day, Director, OIPL