

# FBI checks gambling in Second Life virtual world

New York (Reuters) – FBI investigators have visited Second Life's Internet casinos at the invitation of the virtual world's creator Linden Lab, but the U.S. government has not decided on the legality of virtual gambling.

„We have invited the FBI several times to take a look around in Second Life and raise any concerns they would like, and we know of at least one instance that federal agents did look around in a virtual casino,“ said Ginsu Yoon, until recently Linden Lab's general counsel and currently vice president for business affairs.

Second Life is a popular online virtual world with millions of registered users and its own economy and currency, known as the Linden dollar, which can be exchanged for U.S. dollars.

Yoon said the company was seeking guidance on virtual gaming activity in Second Life but had not yet received clear rules from U.S. authorities.

The FBI and the U.S. Attorney's Office for Northern California declined comment.

Hundreds of casinos offering poker, slot machines and blackjack can easily be found in Second Life. While it is difficult to estimate the total size of the gambling economy in Second Life, the three largest poker casinos are earning profits of a modest USD 1,500 (760 pounds) each per month, according to casino owners and people familiar with the industry.

The surge in Second Life gambling coincides with a crackdown in the real world by the U.S. government, which has arrested executives from offshore gambling Web sites.

Most lawyers agree that placing bets with Linden dollars likely violates U.S. anti-gambling statutes, which cover circumstances in which „something of value“ is wagered. But the degree of Linden Lab’s responsibility, and the likelihood of a any crackdown, is uncertain.

### **„Set of Unknowns“**

„That’s the risk; we have a set of unknowns and we don’t know how they’re going to play out,“ said Brent Britton, an attorney specialising in emergent technology at the law firm Squire, Sanders & Dempsey in Tampa, Florida.

Britton said Linden Lab could potentially face criminal charges under the 1970 Illegal Gambling Business Act or the Unlawful Internet Gambling Enforcement Act. The latter law, passed last year, takes aim at credit card companies and other electronic funds transfers that enable Internet gambling.

„What they did was go after the processors, and made it a crime to process payments that relate to online gambling sites. Linden could potentially be held as the same sort of processor,“ said Sean Kane, a lawyer at New York’s Drakeford & Kane who has studied the legal issues of virtual worlds.

„If you’re buying money on the Lindex (a virtual currency exchange) and utilising it for gambling purposes, Linden could have a much higher level of responsibility,“ he added. „If they would be found in violation, that’s difficult to say, but I can see a much stronger case being made.“

Linden Lab’s rules prohibit illegal activity.

„It’s not always clear to us whether a 3-D simulation of a casino is the same thing as a casino, legally speaking, and it’s not clear to the law enforcement authorities we have asked,“ Yoon said.

Even if the law were clear, he said the company would have no

way to monitor or prevent gambling in Second Life.