
Court Extends Reporting Requirements to Online Gaming Accounts

Legal Alert

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A federal court has recently held that an individual's failure to report to the federal government the accounts he maintained with PokerStars.com, PartyPoker.com, and FirePay.com was a violation of the Federal FBAR reporting laws. *United States v. Hom*, N.D. Cal. (6/4/14).

Under the Federal Bank Secrecy Act, U.S. persons are required to file a Foreign Bank and Financial Accounts Report ("FBAR") by June 30 of each year if, during the prior year, they had a financial interest in, or signature or other authority over, a bank, securities, or other financial account, that is in a foreign country, and the aggregate amount in the account exceeds \$10,000 in U.S. currency at any time during the year. The court in *Hom* held that the above online gambling accounts met these requirements and were therefore reportable. The penalties for failure to comply can be both civil and criminal, and the amount of the penalty can far exceed even the balance that was maintained in the accounts.

As online gaming becomes ever more popular, those who do participate through these and similar sites need to be aware of these FBAR reporting requirements.

To learn more about the reporting requirements, we invite you to contact Alan Zuckerman or any member of Flaster Greenberg's Taxation Practice Group.

ATTORNEYS MENTIONED

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