NETeller stiffing Players and Operators

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Saturday, 27 January 2007
Last Updated Saturday, 27 January 2007

The dust is beginning to settle in the online gambling industry from the aftermath of the arrests of NETeller founders and the company’s subsequent exit of the US market. Several other e-wallet’s including Citadel Commerce pulled out of the US market as well following NETeller’s move. Reports from players and operators indicate that NETeller is having a major run on the bank with funds expected to be returned to both groups as late as the end of February 2007.

Here is a exert from an email correspondence the company sent out to it’s US members on January 25th, 2007:

US member NETELLER accounts will NOT be closed. Your funds will continue to be securely held, and you will remain having full access to the funds held by NETELLER. Currently NETELLER is experiencing unprecedented volumes through our withdrawals department. Due to this volume, there may be delays of up to four (4) to six (6) weeks for an EFT withdrawal to your bank account, and six (6) to eight (8) weeks for a check withdrawal.

One irate reader of Point-Spreads.com, Robert B****** emailed us to say, “These mother fu**ers are holding on to my PAYCHECK from another NETeller member, I don’t even gamble online! I emailed NETeller and am waiting for their response. I will forward to you so you can alert your readers of this STIFF JOB by NETeller!”

Less than one business day later, NETeller Contact Center Agent (1051) responded to Robert with this not so reassuring message:

Dear Mr. Robert B******,

Regardless to where the money came from your withdrawal will still be subject to the withdrawal delay. This delay may be up to 8 weeks in length. We apologize for any delay this may have caused you.

Best regards,

Contact Center Agent (1051)

The arrests of NETeller founders Stephen Lawrence and John Lefebvre was done at a calculated time by the US Government. With less than a month before the Super Bowl, which happens to be the single biggest day of wagering all year, the DOJ has sent a clear message to offshore gambling operators that they are dead serious about going after the industry.

Heading into the Super Bowl and with March Madness around the corner every offshore operator was caught off guard and has since scrambled to secure additional funding options to offer their clients. Without the e-wallets, especially NETeller, some online gambling operators are going to have a tough time getting deposits in and we expect to see a few either merge with stronger outfits, leave the US market or close down altogether.

Professional gamblers based out of the United States will be affected the most by the recent witch hunt by the DOJ. Professional gamblers, also known as “Sharps”, primarily used e-wallets to shuffle large sums of money in and out of online sports books. “Sharps” lost their preferred funding option (NETeller) and they lost their preferred betting website, Pinnacle Sports which offered very high limits ($50,000.00 on sides) and reduced juice –105 style pricing. Pinnacle Sports decided to exit the US market a week before the arrests in order to focus on growing their European and Asian client base.

In the short term, the DOJ has won a battle in the war on internet gambling. However, history has already proven that prohibition will not work. Gamblers will continue to bet and savvy operators will continue to find ways to receive customer deposits. In the end, the US Government has only driven the industry more in the shadows instead of making the industry more transparent and safe for consumers.

Point-Spreads.com will continue to monitor the progress of Robert’s NETeller payment and report back to our readers.