

Was Gary Kaplan and BETonSPORTS a Pawn in the War on Internet Gambling?

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 Sunday, 01 April 2007
 Last Updated Sunday, 01 April 2007

It was widely thought that BETonSPORTS CEO David Carruthers was Gary Kaplan's puppet. But was the puppet master's company actually a pawn in Washington's "War on Internet Gambling"?

News of Kaplan's arrest did not get released until a few hours after the compliance panel of the World Trade Organization announced that Washington failed to comply with their ruling in favor of Antigua. U.S. Attorney Catherine Hanaway purposely timed the release of this information to send a clear message to the internet gambling industry while Washington tried to downplay the WTO report.

"Nothing in the panel's report undermines the broad, favorable results that the United States obtained from the WTO in April 2005," stated Gretchen Hamel, a spokeswoman for the office of the U.S. Trade Representative

"I believe that the WTO decision will influence the way the U.S. Government goes forward in the BETonSPORTS case" commented Christopher Costigan, CEO of Gambling911.com. "Even though the individual defendants in the BETonSPORTS case cannot use the WTO ruling as a defense, the WTO decision will come up at any trial because it clearly makes UIGEA illegal under international trade laws. The US government has a strong case on some of the charges, but not in some of the more important charges. The last thing the US Government wants to do is lose a precedent setting case on the legality of internet gambling at this time."

Point-Spreads.com was able to confirm this afternoon that Gary Kaplan was not residing in the Dominican Republic and certainly was not there by chance. Multiple sources have told us that Kaplan was in Europe and the Middle East within the last six months. Gambling911.com already reported that Kaplan was in the Dominican Republic negotiating with the Feds over his surrender.

It is no coincidence that BETonSPORTS was targeted by the Department of Justice. The company was licensed in Antigua & Barbuda, a Caribbean island nation which is embroiled in a long standing dispute about the legality of internet gambling with the United States.

The financial disclosure documents from BETonSPORTS were filed with regulators on the London Stock Exchange and were freely available to anyone interested in reading them.Å

David Carruthers as CEO of BETonSPORTS was a vocal critic of Washington's prohibition stance. Carruthers along with directors from SportingBet including CEO Nigel Payne, another UK listed online sports betting company licensed in Antigua, actively lobbied for the American market to become regulated and urged US lawmakers to tax internet gambling similar to the United Kingdom and Australia.

In March 2007, SportingBet PLC was forced to pay \$400,000.00 to Louisiana in order to resolve all outstanding warrants the company's board of directors had in that state. SportingBet plc Chairman Peter Dicks was detained in a New York Airport in 2006 on an outstanding warrant from Louisiana. Governor George Pataki refused to extradite Dicks and he was released.

Lucky for the industry, Carruthers and Payne's calls for regulation did not fall on deaf ears. The Chairman of the House Financial Services Committee, Barney Frank of Massachusetts has called UIGEA the "stupidest law ever passed". Frank is looking into introducing legislation with the help of Southern Nevada Congresswoman, Shelley Berkley to reverse UIGEA in the upcoming session of Congress.

"Prohibition is generally used by governments that have lost control and do not respect the democratic process," stated Russ Hawkins, CEO of MajorWager.com. "They are pointless and futile to everyone except the people that stand to make millions of dollars profiteering from it, just like the Kennedy family did with the Alcohol prohibition. Prohibitions are not effective in any way shape or form. Online Gaming will continue to flourish whether run by governments or families like the Kennedy's."

Now that Washington has "got their man" will they decide to push forward in the "War on Internet Gambling" or negotiate a settlement with Antigua? That is the estimated \$6 billion dollar question the industry is asking itself.