PartyGaming talking with US Authorities

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PartyGaming Plc released a statement saying that the company has started discussions with the Attorney's Office for the Southern District of New York and had been responding to the U.S. requests for information about the company.

The company stopped accepting American players after President George W. Bush signed the Unlawful Internet Gambling Act in October 2006. UIGEA does not make internet gambling illegal, however, it does make any financial transaction associated with internet gambling illegal.

"This has created some uncertainty as to what actions, if any, U.S. law enforcement agencies may take against industry participants, based on activity in the Unites States prior to Oct. 13," PartyGaming said.

The United States started its "War on Internet Gambling" back last July when the feds arrested BETonSPORTS CEO David Carruthers during a layover at the Dallas/Fort Worth airport.

Last month BETonSPORTS Plc pleaded guilty to U.S. racketeering charges and agreed to cooperate in a case against its founder Gary Kaplan, former CEO David Carruthers and other co-defendants.

The possibility of future indictments of internet gambling executives has slowed down industry consolidation and forced many operators to focus on markets outside the United States such as Asia and Europe.

Point-Spreads.com believes that if PartyGaming gets a clear signal that past executives from the industry will not be arrested, you could see several acquisitions or mergers take place. Land based casino operations will be interested in taking over established internet gambling businesses and other bigger internet gambling operators will look to gobble up small rivals.