

3 plead guilty in BetOnSports online gambling case

June 23 2009, By JIM SALTER , Associated Press Writer

(AP) -- Three former executives of the online sports gambling Web site BetOnSports, including two of the company founder's siblings, pleaded guilty to federal racketeering charges.

Company founder Gary Kaplan's brother and sister - Neil Scott Kaplan, 43, and Lori Beth Kaplan-Multz, 48 - and former personal assistant, Penelope Ann Tucker, 64, pleaded guilty Monday to racketeering charges in U.S. District Court in St. Louis.

All three agreed to forfeit money held in Swiss Bank accounts. For the siblings, that is expected to amount to millions of dollars.

Formal sentencing is Sept. 15. None of the three are expected to serve jail time.

The U.S. Attorney's office did not immediately respond to phone messages seeking more information about the plea deals. The St. Louis Post-Dispatch reported that Neil Kaplan's deal entails him serving two months in a halfway house and eight months under house arrest; Kaplan-Multz's deal calls for her to serve 2-4 months in the halfway house and 6-8 months under house arrest; and Tucker's entails her serving a year of probation.

Lawyers for Neil Kaplan did not return phone calls seeking comment. Robert Katzberg, an attorney for Lori Beth Kaplan-Multz, declined comment.

Neil Kaplan and Kaplan-Multz both placed ads for BetOnSports. Tucker told the judge she helped Gary Kaplan with banking and payment operations.

BetOnSports, based in Costa Rica, was founded by Gary Kaplan in 1995. By 2006, it was among the largest online gambling firms, handling \$1.8 billion annually in bets. But online gaming is illegal in the U.S., and later in 2006, a federal grand jury indicted Gary Kaplan, his company and several associates.

Prosecutors said the company falsely advertised that its Web-based and phone-based gambling operations were legal, and misled gamblers into believing that money transferred to BetOnSports was safe and available to withdraw at any time. In fact, they said, the money was used to expand operations, including purchase of a rival betting firm. When BetOnSports ceased operation in 2006, customers lost more than \$16 million.

Kaplan was arrested in March 2007 and is being held in a jail in nearby St. Charles County. He is scheduled for trial in September.

The case was prosecuted out of St. Louis because some of the victims were from here, because BetOnSports advertised near the Edward Jones Dome during St. Louis Rams games, and because some assistant U.S. attorneys here have expertise in going after those involved in Internet gambling.

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