

# BetOnSports fined \$28 million, gets probation

December 2 2009

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(AP) -- Defunct online gambling site BetOnSports.com has been sentenced to probation and a \$28.2 million fine that lawyers on both sides say probably will never be paid.

Company founder Gary Kaplan was sentenced last month to 51 months in prison and he agreed to forfeit \$43.65 million. He pleaded guilty in August to conspiracy, racketeering conspiracy and violating the Wire Wager Act for running what once was one of the world's largest offshore sports [gambling](#) companies.

On Tuesday, a [federal judge](#) placed BetOnSports on probation for five years and issued the fine. But the company says it has more liabilities than assets, and its lawyer says it still owes U.S. gamblers \$7 million to \$8 million.

Assistant U.S. Attorney Steve Holtshouser told the St. Louis Post-Dispatch that the real amount of money owed to U.S. gamblers probably is much higher. He estimated that only about half of those gamblers went through the steps to verify money owed to them.

Others, he said, may have been concerned about whether their bets were legal or were skeptical of ads and e-mails asking the gamblers to provide the company with proof of what they were owed.

In 2006, Kaplan, the company and other employees were indicted in St. Louis on federal charges accusing them of running an illegal gambling

operation. Prosecutors said the business handled more than \$1 billion in wagers a year through Web sites and phone lines.

In a civil settlement that year, the company agreed to stop taking U.S. bets. In 2007, the company pleaded guilty to a racketeering conspiracy charge.

Former CEO David Carruthers pleaded guilty in April to racketeering conspiracy, but hasn't been sentenced. Kaplan's brother and sister pleaded guilty in June to two felony conspiracy charges and were sentenced to 10 months house arrest. They also agreed to turn over more than \$6 million held in Swiss bank accounts.

Federal prosecutors had been investigating offshore sports gambling since 1997 and BetOnSports since 2001.

Online gambling is illegal in the U.S., but prosecutors said BetOnSports misled gamblers into believing that money transferred to the company was safe and available to withdraw at any time.

Instead, investigators said, the money was used to expand operations, including the purchase of a rival betting firm.

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Citation: BetOnSports fined \$28 million, gets probation (2009, December 2) retrieved 7 May 2024 from <https://phys.org/news/2009-12-betonsports-fined-million-probation.html>

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