

Caesars CEO: Poker indictments present opportunity

April 26 2011, By OSKAR GARCIA , Associated Press

(AP) -- Federal indictments targeting the three largest online poker companies present an opportunity for the United States to fully legalize and regulate the \$6 billion industry, the chief executive of the world's largest casino company said Tuesday.

Caesars Entertainment Corp. CEO Gary Loveman said in an opinion piece Tuesday on CNNmoney.com that the legal actions against PokerStars, Full Tilt Poker and Absolute Poker won't change whether millions of Americans want to play online poker.

"Instead, the question is this: Should we seize the moment to legalize online poker, permit a safe and legitimate industry in the U.S., and bring these jobs and revenues home?" Loveman said. "Unequivocally, the answer is yes."

The indictments of 11 people accuse the online poker operators of fraud and money laundering to trick banks into processing funds for illegal gambling.

PokerStars and Full Tilt have said they plan to defend themselves on the issue, while Absolute said last week it is reviewing court filings with its lawyers.

Loveman's comments are the first public statements about the indictments from the company that owns the World Series of Poker, a prestigious series of card tournaments that attracts thousands of players

each year. It's not immediately clear how the indictments will affect this year's series, as many players win the \$10,000 needed to buy into its main event by winning smaller tournaments hosted by online poker sites.

Last year, the main event attracted 7,319 entries and was won by Jonathan Duhamel, an online professional from Canada who was sponsored by PokerStars. He won \$8.9 million.

Caesars has pushed for the legalization of online gambling for several years, hoping to cash in on the series' popularity as well as its other brands.

Online poker operators and companies that run physical casinos in Las Vegas and elsewhere are nowhere near united over how to handle online gambling.

A federal effort pushed by Harry Reid at the end of last year fell short without being attached to a bill, but included provisions that would have required sites like PokerStars and Full Tilt to give up their American business for several years before being allowed back into the marketplace.

The District of Columbia is the first jurisdiction within the United States to allow online poker, but it would be up to lottery officials to come up with regulations and decide which games to permit.

In Nevada, one of several states that has considered the issue, Caesars opposed a PokerStars-backed bill to require state gambling regulators to regulate online poker and not deny any operators just because they offered poker to Americans after a 2006 law made it technically illegal. That bill has since been stripped down to limit who could enter the marketplace and say online poker wouldn't be implemented until Congress or the Justice Department sanctions the activity.

Loveman said Tuesday in the opinion piece that federal legislation is the only way to create a well-regulated system.

"Only federal legislation can clear up the current ambiguities in U.S. law and crack down on other online gambling like sports betting and casino games," Loveman said.

While the three companies indicted have moved away from taking American customers, other sites are still offering online [poker](#) in the U.S.

Loveman compares the current market to alcohol prohibition in the 1920s, saying adults are being hamstrung by a law keeping them from activities they consider appropriate.

"Business is being diverted from legitimate, respected companies that employ thousands of people to fly-by-night, underground (and in this case, foreign) operations," Loveman said.

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