

Prosecutions turn online poker into a shaky bet

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Professional online poker player Robert Fellner is seen on the roof of his apartment building north of the Las Vegas Strip, Tuesday, April 19, 2011, in Las Vegas. Fellner, who left his job at a New Jersey dry cleaners four years ago to move to Las Vegas and play online poker professionally, has seen his bankroll grow to \$280,000. But since the government essentially shut down the poker industry with a prosecution against executives of the main companies, Fellner and others like him worry they'll never see their money again. (AP Photo/Julie Jacobson)

(AP) -- America's multibillion-dollar run at the online poker tables has been interrupted by what could be a killer hand: federal prosecutions of the three biggest websites.

The government has blocked U.S. gamblers from logging on to the offshore sites, which are accused of tricking and bribing banks into

processing billions of dollars in illegal profits. Now gamblers who dreamed of enormous prizes in Las Vegas, or even used online poker to make a living, can't access online bankrolls that in some cases reach six figures.

Some predict the American online poker industry, estimated to be worth up to \$6 billion, may fold under the weight of the investigations as it threatens amateur and professional players, televised tournaments and the marketing machine that helped Texas Hold 'em emerge from smoky casinos to become a dominant form of gambling on the Internet.

"It just cut the head off of everything," said Robert Fellner, a 27-year-old Las Vegas poker pro whose roughly \$250,000 bankroll on PokerStars was frozen after the indictments. "It's scary. It's much more scary."

Pay-to-play poker sites have been on shaky legal ground for years in the U.S., but the government hadn't prevented gamblers from playing on the three biggest sites - PokerStars, Full Tilt Poker and Absolute Poker - before last week's indictments of 11 executives and bank officials.

More than 75 company bank accounts in 14 countries have been frozen, and authorities are seeking \$3 billion in fines and restitution.

Poker players, meanwhile, now see an FBI notice where the websites once were. Some of them had treated their poker accounts like savings accounts, leaving significant portions of their net worth online and ready to wager anytime.

It appears that they will get that money back, though it's not clear when. The government said Wednesday it had reached agreements with PokerStars and Full Tilt Poker to restore the companies' [domain names](#) so they can return money to U.S. players.

Full Tilt said in a statement that the agreement was a good first step, but that it won't be able to give players refunds until the government gives up control of those funds. But U.S. Attorney Preet Bharara of the Southern District of New York said in a statement that "no individual player accounts were ever frozen or restrained."

Fellner, who won more than \$57,000 at a small World Series of Poker tournament in 2007, is more concerned about how he would make a living without online poker. He said cards have been his only source of income since he was 19, when he matched his annual salary working at a dry cleaner by playing online poker for three months.

Since then, he said he's made more money each year and now plays for stakes that require \$5,000 to \$15,000 just to comfortably buy in and compete. He wouldn't specify how much he has earned so far this year.

Fellner relies on online poker because the Omaha game he prefers isn't normally offered at his stakes in the vast majority of Sin City casinos. He said he could support himself with savings while he waits for things to play out, but doesn't know what he'll do if he can't replace his income.

"I have friends on Wall Street - they could always get me an interview," he said.

Federal authorities consider the poker sites illegal and follow a 2006 law that made it a crime to process financial transactions related to illegal online gambling. But last week's indictments are the government's first attempt to hold poker site operators to that law.

Players and companies have long argued that the 2006 law didn't properly define illegal gambling or outlaw online poker, which many consider a game that involves more skill than luck.

Unlike games such as blackjack, players gamble against each other, not the casino. Casinos and Internet sites that host poker collect a small percentage of each pot for running the game.

PokerStars and Full Tilt have stopped offering real-money play in the United States, while Absolute has not, according to PokerScout.com, a site that tracks traffic and real-money play on online poker sites. All three sites have free sites using ".net" domain names, and have switched to European domains to keep the gambling flowing outside the United States.

PokerStars did not respond to requests for comment from The Associated Press, though it and Full Tilt have been telling players through Twitter and other means that their balances are safe.

A customer service representative for Absolute who did not provide a last name said in an email to the AP that the company has suspended deposits, withdrawals and transfers for customers based in the United States.

After the indictments, dubbed "Black Friday" in poker circles, worldwide online poker traffic dropped 22 percent from the prior week, said Dan Stewart, the owner of PokerScout.com.

Before Friday, an average of more than 77,000 players were playing poker for real money in cash games online at any given moment over four days last week. That number dropped to just over 60,000 between Saturday and Tuesday, Stewart said.

PokerStars traffic fell 24 percent, Full Tilt traffic fell 49 percent and traffic on the network that includes Absolute fell 45 percent.

Other sites like Bodog.com and CarbonPoker.com have remained open

to American players and saw spikes in traffic in the past week, but their increases are meager compared with the number of players that have stayed offline, Stewart said.

Alexander Ripps, a legal analyst in Washington for independent gambling market analysis firm Gambling Compliance, said it's not yet clear who might step in to take over the U.S. market. The firm estimates the market to be worth \$4 billion to \$6 billion, but the government's pursuit of the top companies suggests the entire industry is in danger.

Brian Balsbaugh, an agent for famous poker professionals including Daniel Negreanu, Tom Dwan and Phil Hellmuth, said the effects go far beyond players. Full Tilt and PokerStars have spent some \$200 million per year on marketing, he said, directly or indirectly funding almost all poker-related television shows, news websites, magazines and several live tournaments.

"These companies, Full Tilt and PokerStars, were wholly responsible for the poker economy and its growth over the last five years," Balsbaugh said.

Cable network ESPN, which counted Full Tilt and PokerStars among its sponsors for poker programming, said in a statement that it has moved quickly to remove TV shows and Web content related to the companies, though it still plans to air the World Series of Poker, by far the most popular tournament for fans and players. An airing of part of the North American Poker Tour - a live tournament organized by PokerStars - was pulled on Monday.

World Series of Poker officials declined to comment, and it's not immediately clear how the indictments will affect its attendance. The 2011 series in Las Vegas includes 58 bracelet tournaments that cost at least \$1,500 to enter, including the main event, poker's richest

tournament.

Last year's \$10,000 buy-in main event attracted 7,319 players and was won by a previously unknown Canadian professional, Jonathan Duhamel, who took home \$8.9 million.

For Michael Borg, the loss of online poker has meant he's already started sending resumes for 9-to-5 jobs just three months after deciding to try to make it as a full-time pro. Like Fellner and many others, he is more frustrated with the U.S. government than the companies that hold his \$3,000 bankroll.

"It's like we're collateral damage in a war," he said. "What it comes down to is the government wants a piece of that money."

The 25-year-old Sacramento, Calif., community college student said he planned to use [poker](#) income to put himself through college without debt, but now he thinks he'll have to find another way.

"It's been stripped away from me," he said. "It's actually really frustrating because I'm pretty good at it."

Fellner said he's not in a rush because he's saved and invested money elsewhere. He said he's waiting to see how the industry will react, and trying to stay optimistic.

As a last resort, Fellner said he'll consider moving out of the country to keep playing online.

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