

Four Canadians indicted on US gambling charges

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US authorities seized the gambling website Bodog on Tuesday and announced the indictment of four Canadians on charges of illegal sports betting and money laundering, including founder Calvin Ayre.

The federal grand jury indictment of Ayre, James Philip, David Ferguson, Derrick Maloney and the Bodog Entertainment Group was unsealed in Baltimore, Maryland, and is the latest blow by US prosecutors against online gambling.

"Sports betting is illegal in Maryland, and federal law prohibits bookmakers from flouting that law simply because they are located

outside the country," US Attorney Rod Rosenstein said in a statement.

"Many of the harms that underlie gambling prohibitions are exacerbated when the enterprises operate over the Internet without regulation," Rosenstein said.

US law prohibits US financial institutions from knowingly accepting payments for online gambling made through credit cards, electronic transfers and checks, but bills have been introduced in the US Congress to ease the restrictions.

In April, 11 people were charged with bank fraud, money laundering and other offenses in a crackdown on the three largest online poker companies -- Absolute Poker, PokerStars and Full Tilt Poker.

A spokeswoman for the US Attorney's Office told AFP that none of the four accused Canadians is in custody but warrants have been issued for their arrests and the United States would seek their extradition.

The indictment accuses Bodog and the defendants of conducting an illegal online sports gambling business and conspiring to commit money laundering between June 2005 and January 2012.

"The defendants and their conspirators allegedly moved funds from Bodog's accounts located in Switzerland, England, Malta, Canada and elsewhere to pay winnings to gamblers, and to pay media brokers and advertisers located in the United States," the US Attorney's Office said.

"The conspirators directed payment processors to send at least \$100 million by wire and by check to gamblers located in Maryland and elsewhere," it said.

Internal Revenue Service special agent Eric Hylton said "laundering

money from illegal activity such as illegal Internet gambling is a crime.

"Regardless of how the money changes hands -- via cash, check, wire transfers or credit cards -- and regardless of where the money is stored -- in a United States financial institution or an offshore bank -- we will trace the funds," Hylton said.

In an affidavit supporting a seizure warrant for the Bodog.com website domain name, a former employee of Bodog was quoted as saying the gambling operation has hundreds of employees in Canada and Costa Rica.

A visitor to Bodog.com is met with a message reading "This domain name has been seized" and pictures of the official seals of the Department of Justice and Department of Homeland Security.

In a statement on his website, Ayre, who is described by Forbes magazine as a "former billionaire," said the Bodog.com domain name has been dormant for some time.

"Not sure what to say," Ayre said. "The brand left the market last year and the domain in question has been dormant globally for longer than that."

Ayre, 50, who launched Bodog.com in 1994 and operates several other gaming websites, also said he was a victim of "abuse of the US criminal justice system for the commercial gain of large US corporations.

"It is clear that the online gaming industry is legal under international law," he said. "It is also clear that the rule of law was not allowed to slow down a rush to try to win the war of public opinion."

The gambling charges are punishable by up to five years in prison while

a conviction for money laundering conspiracy can bring 20 years behind bars.

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