

US arrests head of online poker site

3 July 2012

US authorities have arrested the head of online betting website Full Tilt Poker and charged him with a scheme to defraud banks and misleading customers about the security of their funds.

The Justice Department said Raymond Bitar, the chief executive of the Irish-based firm, was arrested Monday at John F. Kennedy International Airport.

He had been charged last year with gambling, [bank fraud](#), and [money laundering](#) offenses in connection with the operation of Full Tilt Poker.

On his return, prosecutors unsealed a new indictment charging Bitar with defrauding poker customers by lying to them about the security of their funds.

Also named in the indictment was Nelson Burtnick, the head of Full Tilt Poker's payment processing department, who was originally charged on April 15, 2011.

Bitar said in an email to employees that was posted on an online betting forum that he had "returned to the US to deal with civil and [criminal case](#) that are pending against me in New York."

"We have all worked hard over the last 15 months to preserve Full Tilt's assets and potential in order to provide for the repayment of all players, and that continues to be our top priority," he said.

"It is as important as ever that we all do everything possible to make that happen and, hopefully our deal (to be purchased by) Poker Stars will very soon make our goal a reality. My return to the US is part of this process."

The charges against the betting site and several others were first announced in April 2011.

While [Internet gambling](#) has been illegal in the United States since 2006, online poker remains a multi-billion-dollar industry with companies using a

variety of ways to flout the law, including locating their operations offshore.

According to the indictment, the companies arranged for money received from US gamblers to be disguised as payments to non-existent websites purporting to sell merchandise such as jewelry and golf balls.

The [Justice Department](#) said Bitar is charged with promising players that their funds would be protected in segregated accounts when the company actually used them to pay for operations and to pay Bitar and other owners over \$430 million.

As a result of the scheme, customers lost some \$350 million.

"With today's arrest and the new charges brought against him, Raymond Bitar will now be held criminally responsible for the alleged fraud he perpetrated on his US customers that cost them hundreds of millions of dollars," US Attorney Preet Bharara said.

Bitar is the seventh of the eleven defendants to be arrested among those charged last year.

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