

Founder of BetonSports.com arrested

by Bend_Weekly_News_Sources

Dominican Republic - Gary Stephen Kaplan was arrested late Wednesday, March 28, in the Dominican Republic, U.S. Attorney Catherine L. Hanaway for the Eastern District of Missouri announced today.

The arrest stems from a federal grand jury indictment returned in the Eastern District of Missouri on June 1, 2006. The indictment names Kaplan and 10 other individuals and four corporations. In 22 counts, the indictment alleges that the defendants engaged in racketeering, conspiracy and fraud, arising from the operation of Costa Rica-based internet gambling businesses, including BetonSports.com. Kaplan, 48, is personally charged with 20 felony violations of federal laws including, the wire act, racketeer influenced and corrupt organizations (RICO) conspiracy, interstate transportation of gambling paraphernalia, interference with the administration of Internal Revenue laws, and tax evasion.

After Kaplan's arrest in the Dominican Republic, he was sent by Dominican authorities to Puerto Rico for an initial appearance before a U.S. Magistrate Judge. The Magistrate Judge will be asked to order that Kaplan be sent to St. Louis immediately or be held in custody pending a removal hearing to remove him to St. Louis, and for a detention hearing to hold him without bond.

"This case helps to establish the effectiveness of the Interpol System of executing international arrest warrants. Officials at Interpol as well as officials with the Dominican Republic are to be commended for their cooperation with U.S. authorities," said U.S. Attorney Hanaway. "This was a worldwide search, and thanks to the assistance of many law enforcement agencies this fugitive will soon be back in St. Louis to face the charges against him."

BetonSports PLC, a British publicly-traded holding company that owns a number of Internet sportsbooks and casinos, was among the companies charged in the indictment. It is under a federal injunction to halt its illegal gambling business activities in the U.S. and to return its U.S. based depositor funds.

The indictment alleges that Gary Kaplan and Norman Steinberg, as the owners and operators of BetonSports affiliated websites and sportsbooks, took, or caused their employees to take, bets from undercover federal agents in St. Louis, who used undercover identities to open wagering accounts. The indictment also alleges

that Kaplan and a Florida business, Mobile Promotions, illegally transported equipment used to place bets and transmit wagering information across state lines and that a related Florida business, DME Global Marketing and Fulfillment, shipped equipment to Costa Rica from Florida, for BetonSports.com.

The racketeering conspiracy charge alleges that the defendants agreed to conduct an enterprise through a pattern of racketeering acts, including repeated mail fraud, wire fraud, operation of an illegal gambling business and money laundering.

Co-owner Norman Steinberg is still at large, as is co-defendant Peter Wilson. Other defendants, including former BetonSports PLC director, David Carruthers, were arrested in 2006. Carruthers was arrested in Texas, on July 17, 2006. The case is assigned to U.S. District Judge Carol E. Jackson and no trial date has been set.

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