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NEWS RELEASE

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August 14, 2009
For Immediate Release

**BETONSPORTS FOUNDER PLEADS GUILTY TO FEDERAL RACKETEERING CHARGES -
AGREES TO THE FORFEITURE OF OVER \$43 MILLION**

St. Louis, MO: Gary Stephen Kaplan, founder of BetonSports (BoS), a large illegal offshore sports wagering business, entered guilty pleas to multiple federal charges, Acting United States Attorney Michael W. Reap announced today.

Pursuant to a complex plea agreement, Gary Stephen Kaplan entered pleas of guilty to charges of conspiracy to violate the RICO statute, conspiring to violate the Wire Wager Act and violating the Wire Wager Act. He appeared before United States District Judge Carol E. Jackson in St. Louis, Missouri. As part of the plea, Kaplan will forfeit to the United States \$43,650,000 in criminal proceeds. Kaplan caused the wire transfer of that amount of funds from a Swiss bank account to a U.S. District Court bank account approximately one week prior to entering his guilty pleas. If the Court ultimately accepts the terms of the plea agreement, Kaplan will be sentenced to no less than 41 months and no more than 51 months.

Kaplan admitted in Court today that beginning in the mid to late 1990s, he set up business entities offshore in Aruba, Antigua and eventually Costa Rica to provide sportsbook services to U.S. residents through Internet websites and toll-free telephone numbers. He founded, operated and controlled, with other co-conspirators, the enterprise known as "BetOnSports." BetOnSports advertised heavily in the U.S. to solicit U.S. residents to place sports wagers by telephone and over the Internet. BetOnSports-related entities controlled toll free numbers and domain names advertised by BetOnSports. Technologically, Kaplan's toll-free telephone lines terminated in Houston, Texas, or Miami, Florida, and then were forwarded to Costa Rica by satellite transmitter or fiber-optic cable. Some of Kaplan's web servers were located in Miami and were remotely controlled from Costa Rica. U.S. residents became customers of BetOnSports by depositing funds on account and placing wagers over U.S. toll-free telephone lines and via the Internet using the deposited funds. Funds were sent from the U.S. customers to BoS operations outside the U.S. and BoS sent winnings from outside the U.S. to its U.S. customers.

BetOnSports was highly successful and attracted a large number of U.S. customers. By 2004, the BETONSPORTS organization's principal base of operations in Costa Rica employed

approximately 1,700 people. During the year ended January 31, 2004, BetOnSports had close to 1 million registered customers, accepted over 10 million sports bets in a cumulative gross amount that exceeded one billion dollars. In mid-2004, Kaplan made a successful public offering of the stock of BetOnSports on the London Alternative Investment Market that netted him over \$100,000,000. Those funds eventually found their way into various Isle of Jersey trusts, which invested the funds in Swiss bank accounts.

The guilty pleas conclude a lengthy investigative and prosecution effort by several law enforcement agencies, including the IRS and the FBI. Kaplan has been in custody without a bond set since his arrest in March, 2007. Sentencing has been set for October 27, 2009.

"Taking away the assets from these illegal organizations hits criminals where it hurts most - it deprives them of their profits," said Toni Weirauch, Special Agent in Charge of IRS-Criminal Investigation.

"Gary Kaplan made millions of dollars by making it too easy for people to gamble away their hard earned money without having to leave their homes," said John V. Gillies, Special Agent in Charge of the FBI in St. Louis. "Today's guilty plea should have a lasting effect, because Kaplan was not only the founder of BetonSports, he was also one of the pioneers of illegal online gambling. As we get closer to successfully ending this investigation, the FBI will continue to work toward catching the remaining two subjects. We will follow all leads, no matter how far, to bring to justice those involved in this scheme."

Reap commended the work performed on the case by the Federal Bureau of Investigation, Internal Revenue Service-Criminal Investigation and the Chesterfield Police Department. Assistant United States Attorneys Steve Holtshouser, Steven Muchnick and John Bodenhausen and Special Assistant United States Attorney Charles Birmingham are handling the case for the U.S. Attorney's Office. Reap also thanked the governments of the Isle of Jersey and Switzerland for their assistance with successfully concluding this prosecution.