

Online gambling chiefs hit by fresh arrest warning

The crackdown on internet gambling intensified yesterday after Louisiana police warned all online gaming companies to stop accepting bets in the state.

The move came as the Barclay brothers' gaming website, The Ritz Club Online, unexpectedly closed its site to new members with immediate effect.

Louisiana police said the state was pressing ahead with its clampdown, warning executives that they risked being arrested if they visited the US. It said it had issued four arrest warrants for individuals associated with Sportingbet, including its former chairman Peter Dicks who was arrested in New York three weeks ago.

Other online gambling groups are also being investigated. It is thought Louisiana has issued warrants against more than 50 people working for, or with connections to, more than 10 online gambling or related companies.

A short statement published on The Ritz Club Online said only: „In light of the current confusion and inconsistency in online gaming legislation worldwide, the owners of The Ritz Club London Online have, regretfully, decided to close the site to new customers with immediate effect.“

The website, a subsidiary of the Ritz Hotel in London, was launched in September 2002. The Ritz is owned by the billionaire Barclay brothers.

The news came less than 24 hours after another internet gambling company, World Gaming, revealed its chairman and another non-executive director had stood down from the board over the legal uncertainty in the online gambling sector.

Shares in the sector have fallen sharply in recent weeks, since Betonsports' then chief executive David Carruthers was arrested by US authorities in July. Since Mr Carruthers' arrest, Sportingbet's Mr Dicks has also been arrested and has since resigned.

Last week, French police arrested the two founders of another internet gaming outfit, Bwin, claiming they were in violation of European gambling laws.

Elsewhere yesterday, the UK-listed internet gaming company Empire Online hinted that it hoped to take advantage of the share price falls in its sector by making acquisitions while company values were low.

The group, which unveiled a tenfold rise in its first-half profits, said it planned to use much of the USD 250m (GBP 132m) it had received from the sale of its Empire Poker division to grow the business acquisitively. However, the chief executive, Noam Lanir, said the group would be cautious.

Shares in Empire closed almost 6 per cent higher at 64p, giving the company a market value of GBP 187m.