

Foreign gambling site for Israelis is illegal

A Tel Aviv court upheld a lower court ruling today, stating that any company operating a gambling website that targets Israelis is breaking the law, no matter if the site is run from abroad and if the company is registered outside Israel.

The ruling was handed down in the appeal of Michael Carlton, an English citizen and CEO of the website Victor Chandler Casino. Note that no charges have been filed in the case as yet: the case is undergoing investigation.

In the course of which, Carlton had been questioned by the Bat Yam fraud squad on suspicion of illegally running gambling operations in Israel. He was also asked about gambling on sporting events in which Israeli teams participated.

After being grilled, Carlton was remanded to house arrest. He was permitted to deposit NIS 300,000 in guarantees, as a condition for being free to leave the country. This is the point at which he appealed, against the need to deposit money to guarantee his return.

Victor Chandler is one of the most popular gambling facilities in Israel. It operates out of England and Gibraltar and pays Israelis NIS 70 million in winnings each year.

The question that the court faced was whether the gambling that Israelis carry out from Israel, via this international site, is a crime even though the company is not Israeli. That's a yes under Article 225 of the Criminal Code, the court ruled and now the District Court has upheld.

The fact that the server sits in Gibraltar does not complete the violation of Article 225, the judge explained today: what completes the violation happens in Israel, when an Israeli

gambles by means of a mouse click.