

IRS Seizes USD 24M from Gambling Payment Processors

The Internal Revenue Service has seized over USD 24 million from two companies that were processing payments for an Internet gambling site, Bodog.

The seizures, detailed in recently released court documents, included USD 14.2 million from JBL Services in January and February, and USD 9.87 million from ZipPayments in early July. However, Bodog, more recently known as Bodoglife, continues to operate and process payments.

The site has been using a number of different services to process payments for customers in addition to JBL and ZipServices. The IRS seized money held in accounts with Wachovia, Bank of America, Regions Bank, SunTrust and Nevada State Bank.

Bodog first attracted IRS scrutiny in 2003, and the IRS launched a formal investigation in 2006. The site was founded by a Canadian tycoon, Calvin Ayre, who was on the Forbes list of billionaires in 2006. He claims to have sold the North American operations to the Morris Mohawk Group, which runs its servers on the Kahnawake Reserve Indian reservation in Quebec.

According to an FBI affidavit, however, Ayre, who lives in Costa Rica, still owns the company, and part of the physical infrastructure of the site operates from Costa Rica. The site purportedly takes in over USD 250,000 per day from sports bets alone.