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Feds Freeze Online Poker Accounts

Radley Balko | June 10, 2009, 12:56pm

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The feds may not be able to arrest people for gambling online (technically, it isn't illegal), but it looks like they plan to make life pretty difficult for them. **From the *Wall Street Journal*:**

In an apparent crackdown on Internet gambling, federal authorities in New York have frozen or seized bank accounts worth \$34 million belonging to 27,000 online poker players, according to representatives for the players and account holders.

In an operation that began last week, the office of the U.S. Attorney for the Southern District of New York froze or issued seizure orders for bank accounts in Los Angeles, San Francisco and Arizona held at Wells Fargo, Citibank, Goldwater Bank and Alliance Bank of Arizona.

A spokeswoman for the U.S. attorney's office had no comment.

The accounts are managed by Allied Systems Inc., and Account Services, which handle cash for popular online poker sites, including Full Tilt Poker, Poker Stars, Ultimate Bet and Absolute Poker. Though the money belongs to the poker players, it is held for them in accounts managed by the two service companies.

Account Services, which had an account worth \$15 million frozen in its San Francisco bank, doesn't accept deposits, but writes checks to players who are cashing out, said lawyer for the company, Jeff Ifrah. As a result, thousands of players receiving checks from the company won't be able to cash them, he said.

In the last week, the major poker sites have also shut down some of the main mechanisms for U.S. players to make deposits.

Prior *Reason* coverage of online poker and gambling [here](#).

(Via Sallie James)

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[Aresen](#) | June 10, 2009, 1:15pm | #

They had to seize the money because people couldn't be trusted to gamble responsibly.

Besides, the government wasn't getting its cut.

[JB](#) | June 10, 2009, 1:16pm | #

Las Vegas casinos don't want competition just like the women you date and marry don't want competition from prostitutes. They want to be the only game (whores) in town.

[hmm](#) | June 10, 2009, 1:18pm | #

I guess their first mistake was putting the bank accounts within reach of the government. I'd love to see the justification for doing this. What law is being used or what judge backed this. They should have their names plastered everywhere, they deserve the credit.

[J sub D](#) | June 10, 2009, 1:19pm | #

IIRC, Pete Townsend had something to say about this.

[ClubMedSux](#) | June 10, 2009, 1:29pm | #

I don't know about you guys, but I sure feel safer because of this.

[Warren](#) | June 10, 2009, 1:30pm | #

Son Of A Bitch!

J sub D,
Yes he did. And the titular question grows more relevant.
Who's Next?

"Compelling & Timely Reading Written For The Layman, Not Lawyers!"

- Glenn Beck, Fox News Channel

"The Best History Of The Law & Race I've Ever Read"

Juan Williams, NPR



THOMAS NELSON
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Mike M. | June 10, 2009, 1:36pm | #

Gee, and the Poker Players' Alliance (of which I'm a member) told me that with poker-playing Obama, Barney Frank, and the Democrats in charge now that things would get better.

So much for that B.S., I guess.

Jozef | June 10, 2009, 1:46pm | #

That's why it's nice to have family members living abroad. All they have to do is to open a bank account in your name, using their address for bank mailings, you transfer some money there and keep playing. I personally prefer sports betting over poker, but I'm sure this would work for poker players, too.

Michael | June 10, 2009, 2:15pm | #

I've never understood how poker played for money constitutes gambling. What makes it different from other skilled competition played for money? I'm sorry if these seem like stupid questions, but I know next to nothing about the subject. I have played poker probably no more than half a dozen times in my entire life.

SpongePaul | June 10, 2009, 2:19pm | #

What statue are they siezing under, seems like a unconst. power grab to me. what law/laws are they using to sieze citizens moneyies.

Tomcat1066 | June 10, 2009, 2:20pm | #

The argument is that there is an element of chance that minimizes the skill needed. Of course, those who've ever said that have obviously never played poker.

Aresen | June 10, 2009, 2:24pm | #

Tomcat1066 | June 10, 2009, 2:20pm | #

The argument is that there is an element of chance that minimizes the skill

You know, one could say something remarkably similar about congressmen.

;))

*I erased my
stretch
marks
obeying this
1 rule.*



*I was
unhappy
having
stretch
marks.*



as seen on

Malto Dextrin | June 10, 2009, 2:29pm | <#>

Gee, and the Poker Players' Alliance (of which I'm a member) told me that with poker-playing Obama, Barney Frank, and the Democrats in charge now that things would get better.

But Mike, things have gotten better. . . . for Obama, Frank et alia.

Scarcity | June 10, 2009, 2:47pm | <#>

I bailed out of online poker after the last large-scale fund freeze. At the time (3 years ago?) I said within 5 years online poker would be perfectly legal and we'd all be playing on Harrahs.com or MGM.com and having winnings documented with the IRS. Maybe my timeline was ambitious, but I still think that'll be the end result. It just got to big to be allowed to exist outside the coporate/state alliance.

John Thacker | June 10, 2009, 3:32pm | <#>

Barney Frank is pretty legitimately good on online poker. Bad on other things, but good on it.

Bad on misleading people that there would actually be a majority under the Democrats for repeal, perhaps. That's politics, though.

Obama? Well, a lot of people let their hope for change get ahead on any statements he made or plans he committed to. The Poker Players Alliance can take a number with that one.

R C Dean | June 10, 2009, 3:47pm | <#>

But Mike, things have gotten better. . . . for Obama, Frank et alia.

They got the Change they Hoped for, that's for sure. The rest of us? Not so much.

Fluffy | June 10, 2009, 4:41pm | <#>

What are the obstacles to putting your poker funds offshore?


Is there some regime in place to prevent players from making deposits at offshore banks that deal with poker sites?

NeonCat | June 10, 2009, 4:49pm | <#>

@ Fluffy, et al,

Wanna bet (poor choice of words, forgive me) that if you tried

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using offshore banks for your deposits that the Feds would go after you for tax evasion, RICO, who the hell knows what?

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