

Sportingbet sells US division for USD 1

Beleaguered Sportingbet has sold its US sports betting and casino business for USD 1, it revealed last night. The decision by the online gaming company came as President George Bush prepares to sign into law the Unlawful Internet Gambling Enforcement Bill today.

Sportingbet's share price has been in freefall since US authorities arrested Peter Dicks, its then chairman, in New York last month in a crackdown on internet gaming. Last night, the company said the deal with Jazette Enterprises allows it to discharge excess liabilities of USD 13.2m (GBP 7m) and avoid a closure bill of USD 14m.

The revelation came as one of the world's largest internet gambling companies prepared to take on the US government over its ban on online gaming, claiming that it does not apply to games of skill such as poker.

PokerStars, which shelved plans for a GBP 1.6bn float scheduled for next year, said the proposed laws „do not alter the US legal situation with respect to online poker. Furthermore, it is important to emphasise that the act does not in any way prohibit you from playing online poker.“

It pledged business as usual, telling customers: „You may play on our site as you did prior to the act.“

On its website, PokerStars boasts of its credibility by insisting that „all player money is secured in the Royal Bank of Scotland“ but RBS, along with other major banks, has written to its corporate clients asking whether they intend to abide by the new US regulations.

It will sever all ties with companies that continue to operate

internet gambling operations in the US.