

ANTIGUA REACTS TO INDICTMENTS OF GAMING OPERATORS

ST. JOHNS. Antiguan government officials reacted angrily today to news that the United States Department of Justice has released indictments of two Antiguan residents on money laundering charges related to their operation of an Antigua based and licensed gaming service provider. The charges, contained in an indictment dated 7 April 2005, accuse William Scott and Jessica Davis of violating United States anti-money laundering laws through their operation of World Wide Telesports, or WWTS. Ironically, the allegations hinge on purported violations by the two of United States legislation known as the "Wire Act" and the "Travel Act," the application of both of which to gaming operators from Antigua was found last year by the World Trade Organisation to be contrary to the American obligations under WTO law.

Antigua's Ambassador to the WTO, Dr John W. Ashe, doesn't see the indictments and Antigua's WTO victory to be unrelated. **"These indictments, coming down at a time when the United States is supposed to be undertaking efforts to comply with the rulings of the WTO, are surely no coincidence. It is more than just a little ironic that the United States Department of Justice has chosen to single out for prosecution a well-known gaming service provider from Antigua, a jurisdiction that has been leading global efforts to license, regulate, supervise and oversee a robust yet clean and safe gaming industry over the Internet—and the only jurisdiction to take on the United States at the World Trade Organisation—and win—on this exact issue."**

Under WTO procedures, the United States had until 3 April 2006 to comply with the rulings of the WTO in the gambling case. Having initially stated that coming into compliance would involve significant legislative efforts, the United States made a surprise announcement at the WTO meeting last month that it was already in compliance with the adverse ruling, despite having taken no apparent corrective action at all. The parties are in the early stages of a process at the WTO whereby a panel will review the current situation and assess the status of United States compliance. **"We are looking forward to this review process,"** said Dr Ashe, **"and we feel very confident that once again the WTO will agree with us that the United States' position on Internet gaming from our country is simply trade discrimination—disguised restrictions on trade in services in violation of the WTO agreements. In the year since we won our case, facts have only gotten better for Antigua and worse for the United States."**

The indictments do not allege that Mr Scott and Ms Davis engaged in any money laundering conduct other than by virtue of conducting the ordinary business of a licensed Antiguan gaming company, conduct that not only is lawful in Antigua, but much of which is clearly lawful in the United States as well.

The Antiguan Solicitor General and Chairman of Antigua's Financial Services Regulatory Commission, Mr Lebrecht Hesse, announced that the Antiguan government would be contacting the United States directly to lodge a protest over the latest action of the Department of Justice. **"Coming at a time when Antigua and the United States are expected to be working together on a reasonable solution to our dispute, these**

indictments announced by the Americans yesterday—which I note have been laying unsealed, in secret, since they were returned over a year ago—are pretty incredible. We trust that these indictments do not represent the official position of the United States government and rather represent the work of some over-zealous prosecutor. We look forward to the US administration’s prompt clarification of this most unfortunate incident.”

Turning to the subjects of the indictments, Mr Hesse observed as Chairman of the FSRC **“both of these individuals have been through the extensive due diligence process we subject all major participants in our gaming industry to, and both have been found fit and proper to conduct this kind of regulated business in Antigua. To our knowledge, Mr Scott and Ms Davis-Dyett have been law-abiding citizens since coming to this country some years ago.”**