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Can the world of online poker chase out the cheats?

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Pokerstars refunded \$2m to 25,000 customers after it uncovered cheating

"I had no idea I was being cheated when I was playing," says online poker enthusiast Tom Broadbent ruefully.

"I then saw other players chatting online about 'Chinese collusion' and people were getting compensation.

"So I asked Pokerstars about it and the next day I got a refund."

Mr Broadbent is one 25,000 players recently awarded compensation after falling victim to Chinese card sharps on the world's largest internet poker site, Pokerstars.

In July of this year, the Isle of Man based company refunded \$2.1m (£1.63m) to disgruntled customers and has now pledged to step up its security.

The case is not an isolated one. Previously, Pokerstars refunded \$80,000 (£52,000) to players who unwittingly went up against poker "bots" - automatic card-playing software programmes.

In the recent Pokerstars case, a group of players based in China colluded by "going easy" with each other in high-stakes games.

By being less aggressive when other members of their ring were at risk of being expelled from the game, they were able to collectively stay in tournaments longer and win more cash from rival players who were oblivious to the fact they were being cheated.

Rapid expansion

The problem for the authorities and the gaming companies is that it is virtually impossible to prevent collusion like this, because players can share information about their hands via the phone or internet messenger without being detected.

Cheating is usually only discovered by the poker companies retrospectively when security experts establish regular patterns of behaviour involving the same players, although software is also used to flag up suspicious plays.

While most online poker games are safe, the scope for fraud is considerable, and the rapid growth of the online poker industry has left some companies struggling to keep on top of security issues.

A former Pokerstars employee, speaking anonymously to the 5 live Investigates programme, said that the site's rapid expansion caused problems.

"We had a hard job keeping up, just because of the volume of complaints from players [about suspected cheating]," he said.

"Not that all of the complaints were legitimate - 95% were just bitter [customers] because they lost, and there was no collusion. But Pokerstars still pledged to investigate them all."

However, the former employee also claims that during his time working for Pokerstars, staff switched off the automatic alerts that flagged up possible cases of collusion because they were so overwhelmed by the number of alerts popping up.

In a statement, PokerStars said "it is somewhat true that our response time to player collusion complaints increased during 2009, however, we have always investigated every single player complaint of collusion."

However, the company says claims from the former employee that the auto-alert system was switched off is untrue: "They were not turned off. Automated collusion alerts are addressed in order of priority.

"It is true to say that some alerts at the bottom of the queue are not addressed immediately, but as the suspected colluders become more suspicious, they filter their way to the top of the queue."

Booming business

According to Forbes Magazine, Pokerstars brings in an estimated \$1.4bn (£911.6m) per year, making it a key player in a worldwide industry worth more than \$5bn (£3.25bn) annually.

The global online poker industry is estimated to be worth more than \$5billion. After the incident involving the Chinese gang, Pokerstars said: "This case has highlighted the need for us to improve our proactive systems and to improve the rule set that we will use to monitor the games in future."

The company went on to say it was satisfied that the accounts involved were frozen quickly.

Despite paying compensation to players who lost out, the company has not reported those responsible to the Chinese authorities, but said it would co-operate fully with any investigation.

With the company not willing to report the case to the Chinese police, poker player Tom Broadbent took it upon himself to do so.

Mr Broadbent - who was refunded \$16.90 in compensation but believes he is owed a lot more - recently travelled to Beijing to report the incident in person to the local police in the hope of securing a prosecution.

Mostly rebuffed, the police eventually told him they would look into the case, but often foreign gangs know they can get away with cheating players around the world because of the lack of conviction in some countries to tackle the problem.

Security standards

As a case in point, the 5 live Investigates team read conversations taking place on Russian online poker forums, and found open discussion about collusion - or "team play" as it is known in thinly veiled code.

In one instance, a Russian player openly advertises for four or five players to join him so they can collectively cheat other unwitting poker players.

In another, players swap usernames for poker websites and their Skype addresses, so they can get together in a game for "team play".

Poker experts and journalists say that security standards have improved as the industry has moved into the mainstream.

"There are varying degrees to which collusion happens but it is pretty easy to figure out when it's going on, and it's not extremely common," says Aaron Todd, senior editor of the Casino City Times website.

"The vast majority of games, at least 95% and probably more, are completely above board."

"Cheating can happen in live poker, too, but the one advantage that you have if you play online is that the sites keep track of every single poker hand played, so it's easy to go back and investigate."

Little come-back

Many online poker companies are regulated by authorities outside the UK, as gambling firms often register in tax havens, but agreements with jurisdictions including the Isle of Man, Alderney and Gibraltar allow offshore sites to advertise to British players.

Poker player Tom Broadbent is pursuing the cheaters in China
The UK Gambling Commission said that in the past year it has received 400 inquiries relating to gambling sites licensed overseas - including poker and other forms of gaming.

"We only regulate gambling operators based in Great Britain," the commission said in a statement.

"When we receive an inquiry relating to an operator regulated in an offshore jurisdiction the consumer is advised to directly contact the operator concerned."

The Gambling Commission will also supply the consumer with contact details for the local regulator, but has no power to regulate or fine offshore operators.

With so little come-back, has the experience of being bilked put off poker players like Tom Broadbent?

"Not at all," he laughs and neither has he given up on bringing those who cheated him to justice, as he plans on making another trip to China to check on the progress made by the local police investigating the case of the Pokerstars colluders.