

Metaverse, Crypto Currencies, and iGaming: A story of new business models, explosive growth, and fraud

What makes Crypto Casinos so Popular?

The cryptocurrency movement is apparent. As a result of this development, crypto gambling is now a reality. And, in some ways, it's understandable why crypto gaming will become popular. To think about it, when you bet with cryptocurrency, you receive various benefits that you wouldn't ordinarily get with standard fiat cash. Crypto gaming at Internet casinos is gradually becoming the new industry standard. New crypto casinos open up now and again, enabling customers to gamble using cryptocurrency and get free spins no deposit bonus.

Faster Transactions: Cryptocurrencies allow online casinos that offer crypto gaming to execute transactions more quickly. This is due to the rapidity with which Blockchain technology operates. Conventional fiat currencies take days, if not weeks, to conduct transactions, whether they are withdrawals or deposits.

Anonymity and Secureness: Another reason why many gamblers prefer to utilise a bitcoin casino is the ability to stay anonymous while playing their preferred casino games. Most Internet casinos have regulations to help them get to know their consumers. While crypto casinos continue to exist to some extent, your financial records will remain anonymous. So, if you don't want anybody knowing the origin of your deposit or tracking your financial record, bitcoin is the way to go. When you invest into a casino card from a crypto wallet, the only maintained record is the quantity of token you transferred and nothing more.

Less Stringent Constraints: This is the main challenge that many gamblers experience when visiting an online casino to have some fun and excitement. Some nations have regulations that limit the foreign financial activity of their residents. On the other hand, Crypto casinos allow players to wager from wherever in the globe. This is one of the main reasons why so many people join a crypto casino.

Unlike regular online casinos that employ fiat currencies, cryptocurrencies have fewer limitations. Because certain cryptocurrencies are decentralised, the state has little to no control over how they are utilised. This implies that even if your nation does not allow you to use one transaction option to gamble owing to legislation or another, you can always rely on accessing cryptocurrencies. ■

5 US States Issue Emergency Orders to Shut Down Metaverse Casino with Alleged Russian Ties

A multi-state cease-and-desist letter issued Wednesday calls the Flamingo Casino Club "simply a high-tech scam"

Regulators in five U.S. states (Alabama, New Jersey, Texas, Kentucky and Wisconsin) issued emergency orders on Wednesday requiring a metaverse casino with alleged Russian ties to immediately halt the sale of its non-fungible tokens (NFT), citing fraud, deceit and registration violations.

The Flamingo Casino Club began operating in Russia in March, regulators say, and has been soliciting investors through the sale of securitized NFTs. Regulators say the Flamingo Casino Club operators took steps to conceal its connection to Russia, "using a phony office address, providing a telephone number that is not in service, [and] concealing its actual physical location and hiding material about its principals."

The metaverse casinos reportedly act as real casinos except they operate in virtual worlds. Gamblers, acting through avatars, can enter the metaverse casinos and play poker and other games using cryptocurrencies. Purchasers of the Gambler NFTs profit from these operations. Not only do they become owners of the metaverse casinos, but they also purportedly share in half of the profits generated from the metaverse casinos—including profits from gambling and profits from the sale of digital assets representing drinks and cigarettes.

Potential investors were further enticed by what regulators say were fraudulent claims of association with the Flamingo Las Vegas Hotel and Casino, a legitimate casino, which regulators say has "no affiliation" or partnership with the Flamingo Casino Club. Flamingo Casino Club's operators told investors in April they were negotiating with rapper Snoop Dogg to purchase a plot of land in the Sandbox metaverse – but regulators say there is no evidence of this negotiation ever occurring. ■

Why US Regulators are issuing cease-and-desist orders against Crypto-Currencies

Earlier last month, state securities regulators in Alabama and Texas issued cease-and-desist orders against a Cyprus-based company that's been hawking non-fungible tokens (NFTs) for the purpose of operating crypto casinos in the metaverse. The enforcement actions are both the first of their kind and likely not the last.

Crypto-casinos operate in a particularly gray (market) area that's becoming a kind of "Whack-A-Mole" phenomenon. Still under construction in the metaverse, the Sand Vegas casino, according to its YouTube channel, will feature bright lights, slot machines, card games, drinks — basically all of the perks and amenities available in a real casino. Most online casinos still use US dollars to gamble. In jurisdictions where they operate legally, they're regulated.

Although some see the Sand Vegas scheme as an age-old scam, the case raises myriad other issues. What is money, really? As of now, for example, the US Securities and Exchange Commission (SEC) has yet to provide formal guidance on where and when NFTs would be considered securities. The IRS declared it "virtual currency" back in 2014, and still classifies it as "property," not currency. But then in 2020, a federal court ruled that, in the District of Columbia, Bitcoin qualifies as "money." The main reason crypto casinos aren't yet definitively legal or illegal hinges on the issues raised by cryptocurrency.

If cryptocurrency is legal and classified as "currency", then unregulated crypto casinos would clearly become illegal, as would any third-party company facilitating the transfer of currency on and off them. It's defined under the Unlawful Internet Gambling Enforcement Act of 2006 (UIGEA). That's one law used to regulate online gambling. ■