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Shamed Texan billionaire Sir Allen Stanford in hospital after prison fight

Fight with inmate adds to Stanford's woes after top lawyer refuses to defend him against claims of £5bn fraud

Staff and agencies

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Texan billionaire Allen Stanford. Photograph: Joe Skipper/Reuters

Sir Allen Stanford, best known in Britain as a sports impresario who bankrolled cricket's Twenty20 tournaments, is in hospital following a fight with another prison inmate.

The Texas billionaire was involved in an incident at the Joe Corley Detention Facility in Conroe about 40 miles north of Houston. The 59-year-old was charged in February by the US Securities and Exchange Commission with fraud and multiple violations of securities laws for alleged "massive ongoing fraud" involving \$8bn (£5bn) relating to the now defunct Stanford Financial Group.

At the time, England had been due to play five Twenty20 internationals with a West Indies all-star XI with a total prize fund of \$20m. England lost the opening game by 10 wickets and when the fraud investigation became public the England and Wales Cricket Board cut all ties and cancelled all contracts with Stanford.

Stanford was given a court-appointed public defender earlier this month to fight charges of orchestrating fraud after a US judge ruled he had insufficient funds to pay for his own lawyer.

The prominent Texan lawyer, Dick DeGuerin, had been representing Stanford but DeGuerin told a judge at a hearing in Houston he wanted to withdraw, largely because there was no guarantee he would be paid.

Unshaven and wearing an orange prison jumpsuit in court, Stanford said he wanted to replace DeGuerin with Robert Luskin, a top Washington lawyer who defended President

George Bush's adviser, Karl Rove, against claims he was involved in leaking the identity of a CIA spy.

But judge David Hittner asked whether Luskin might run into the same problem, as Stanford's assets have been frozen by a liquidator.

Deputy US marshal Alfredo Perez said Stanford was being treated after a fight on Thursday in jail. He said the injuries are not life threatening but declined to discuss details. He said the incident is under investigation.

The US justice department has accused Stanford of using misleading advertising, false claims about returns and inaccurate statements about his investment strategy to lure thousands of Americans into purchasing so-called certificates of deposit, which purported to be low-risk savings instruments.

According to prosecutors, Stanford siphoned the proceeds offshore and used some of the money to finance a lavish lifestyle of private jets, Caribbean retreats and international cricket events.

Stanford has been in poor health. He spent five days in hospital last month undergoing treatment for an aneurysm in his leg, which caused an accelerated heartbeat, before returning to jail. The judge has refused him bail on the grounds that he amounts to a flight risk, owning homes in Antigua and the US Virgin Islands.

A senior lieutenant in Stanford's business empire, former finance chief James Davis, has pleaded guilty and is helping prosecutors build a case against the tycoon. Adding to Stanford's predicament, a Las Vegas casino, the Bellagio, is suing him for \$258,480 in gambling debts.

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