

CHAMBERS OF HONORABLE LAURA TAYLOR SWAIN  
UNITED STATES DISTRICT JUDGE  
SOUTHERN DISTRICT OF NEW YORK  
500 PEARL STREET  
NEW YORK, NEW YORK 10007  
TELEPHONE: (212) 805-0417  
FAX: (212) 805-0426



## FAX COVER SHEET

Date: 8-14-09

To: Barack Weiss, ESQ (212) 484-3990

Jeff Albut, AUSA (212) 637-0421

Re: 09 mag 1320

09 mag 1496

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X

UNITED STATES,

Plaintiff,

-v-

No. 09 Mag. 1320

ALL FUNDS ON DEPOSIT AT WELLS  
FARGO BANK IN SAN FRANCISCO,  
CALIFORNIA, IN ACCOUNT NO.  
7986104185, HELD IN THE NAME OF  
ACCOUNT SERVICES INC., AND ALL  
PROPERTY TRACEABLE THERETO,

Defendant *In Rem*.

-----X

UNITED STATES,

Plaintiff,

-v-

No. 09 Mag. 1496

ALL FUNDS ON DEPOSIT AT UNION  
BANK IN SAN FRANCISCO, CALIFORNIA,  
IN ACCOUNT NO. 3530000248, HELD IN  
THE NAME OF ACCOUNT SERVICES  
CORP., AND ALL PROPERTY  
TRACEABLE THERETO, and

ALL FUNDS ON DEPOSIT AT UNION  
BANK IN SAN FRANCISCO, CA., IN  
ACCOUNT NO. 3530000256, HELD IN THE  
NAME OF ACCOUNT SERVICES CORP.,  
AND ALL PROPERTY TRACEABLE  
THERETO, and

Defendants *In Rem*.

-----X


ORDER

On August 10, 2009, and August 11, 2009, the Court issued orders directing the Government to submit, *ex parte* and under seal, an explanation of the effect of the indictment of Douglas Rennick on the interests that it asserted in support of its opposition to Costigan Media's motions to unseal affidavits filed in connection with certain seizure warrants. The Government made its submission on August 12, 2009, and the Court held an *ex parte* hearing with the Government on August 13, 2009, in which it questioned the Government with respect to its asserted need to maintain certain portions of the affidavits and related materials under seal. The Court ordered that the transcript of the hearing be filed under seal with access provided only to the Government and the Court until further order.

For the reasons given in the Court's August 11, 2009, sealed order, the Government's August 12, 2009, submission (which will be filed under seal pending further order of the Court because of the investigative and law enforcement information detailed therein), and on the record at the *ex parte* hearing held on August 13, 2009, the Court finds that the continued sealing of certain previously redacted portions of the materials is necessary to protect the Government's compelling interest in effectively conducting its ongoing investigation. The Court also finds that certain other previously redacted portions of the materials should now be unsealed. Accordingly, the seizure warrant affidavits are hereby further unsealed in redacted form, as reflected in the attached Exhibits A and B. The Government is directed promptly to file a redacted copy of the Conte Declaration and exhibits consistent with the instructions given during the August 13, 2009, *ex parte* hearing.

SO ORDERED.

Dated: New York, New York  
August 14, 2009

  
\_\_\_\_\_  
LAURA TAYLOR SWAIN  
United States District Judge  
Part I

**EXHIBIT A**

Redacted pursuant to August 11, 2009, Opinion and Order

LEV L. DASSIN  
Acting United States Attorney for the  
Southern District of New York

Redacted pursuant to August 14, 2009,  
Order

By: JEFF ALBERTS

ARLO DEVLIN-BROWN

JONATHAN NEW

One St. Andrew's Plaza  
New York, New York 10007  
(212) 637-1038/2506/1049

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

- - - - - x

UNITED STATES OF AMERICA

-v.-

ALL FUNDS ON DEPOSIT AT WELLS FARGO  
BANK IN SAN FRANCISCO, CALIFORNIA, IN  
ACCOUNT NUMBER 7986104185, HELD IN  
THE NAME OF ACCOUNT SERVICES INC.,  
AND ALL PROPERTY TRACEABLE THERETO,

:  
:  
: SEALED AFFIDAVIT IN  
: SUPPORT  
: OF SEIZURE WARRANT  
: PURSUANT TO  
: 18 U.S.C. §§ 981, 984 &  
: 1955  
: REDACTED BY COURT

Defendant-in-rem.

:  
: ORIGINAL FILED UNDER  
: SEAL

- - - - - x

STATE OF NEW YORK )  
COUNTY OF NEW YORK ) ss:  
SOUTHERN DISTRICT OF NEW YORK )

DANA CONTE, being duly sworn, deposes and says:

1. I am a Special Agent with the Federal Bureau of Investigation ("FBI") and have been so employed for approximately five years. I am assigned to a squad that investigates financial crimes, which includes financial institution fraud and money laundering. I am familiar with the facts and circumstances set forth below from my personal participation in the investigation, my review of bank records and other documents, and my conversations with civilian witnesses and other law enforcement

officers. Where the actions, statements, and conversations of others are recounted herein, they are recounted in substance and in part, unless otherwise indicated. Because this affidavit is for the limited purpose of establishing probable cause for a seizure warrant, it does not set forth every fact learned in the course of this investigation.

2. This affidavit is submitted in support of the Government's application for the issuance of warrants to seize and forfeit the following:

- a. ALL FUNDS ON DEPOSIT AT WELLS FARGO BANK IN SAN FRANCISCO, CALIFORNIA, IN ACCOUNT NUMBER 7986104185, HELD IN THE NAME OF ACCOUNT ~~SERVICES INC., AND ALL PROPERTY TRACEABLE~~ THERETO,

(the "Defendant Account").

3. As set forth below, there is probable cause to believe that the Defendant Account contains property involved in actual or attempted money laundering transactions, or property traceable to such property, in violation of 18 U.S.C. § 1956(a)(2)(A). As such, the contents of the Defendant Account are subject to forfeiture to the United States pursuant to 18 U.S.C. §§ 981(a)(1)(A) and 984.

4. In addition, there is probable cause to believe that the Defendant Account contains property that constitutes or is derived from proceeds traceable to the operation of an illegal gambling business, in violation of 18 U.S.C. § 1955, and the

illegal transmission of gambling information, in violation of 18 U.S.C. § 1084, and property used in the operation of an illegal gambling business and commission of the gambling offense. As such, the contents of the Defendant Account are subject to forfeiture to the United States pursuant to 18 U.S.C. §§ 981(a)(1)(C), 984, and 1955(d).

#### BACKGROUND

5. For approximately three years FBI agents have been investigating illegal internet gambling businesses which, although typically based offshore, predominantly serve players based in the United States. These gambling businesses offer "real money" casino games, poker, and sports betting to United States players, in violation of multiple federal criminal statutes including but not limited to 18 U.S.C. § 1084 (making it unlawful to use a wire in connection with placing a bet or wager), § 1955 (making it illegal to operate an illegal gambling business) and §§ 1956 and 1957 (money laundering). Although these gambling businesses are based offshore, the vast majority of their customers are in the United States. Consequently, these internet gambling businesses necessarily rely on the United States financial system to move funds between the offshore accounts of the gambling businesses and the United States bank accounts of their customers. And because the internet gambling is illegal in the United States, the gambling companies must, in

most instances, deceive United States financial institutions about the nature of their accounts in the United States and the purposes of their financial transactions.

6. Internet gambling businesses based offshore use the United States financial system to transfer payments to United States customers who have "won" more money than they "lost" while gambling online. One method that internet gambling businesses use to transfer funds to United States customers is to transfer large amounts of money from offshore accounts into a United States bank account and then mail payout checks from this account to the United States bank account to their United States customers.

The Defendant Account is Used to  
Transmit Gambling Payout Checks

7. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Signer On The Defendant Account Has Previously Disbursed Gambling  
Proceeds Through Similar Accounts

12. Additionally, there are multiple links between the Defendant Account and Douglas Rennick, a Canadian citizen with who has previously processed winnings for the internet gambling industry. Rennick is one of the signers of the Defendant Account. Rennick is also associated with Alenis Limited, [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

13. Rennick has processed payments for internet gambling companies through other corporate entities, at other financial institutions. [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED] in an e-mail I have reviewed, Rennick stated that the Washington Mutual Account would receive money from offshore

companies, including Alenis, via wire, and disburse the funds via check. Rennick stated that the checks would be for such purposes as rebate checks, affiliate promotion checks, and the like but claimed in the e-mail that "none of them can be for any illegal reasons defined under U.S. and Canadian law." [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] J.P. Morgan Chase Bank ultimately closed the account in December 2008.

---

STATUTORY AUTHORITY

14. The statutory provisions pursuant to which the contents of the Defendant Accounts are subject to seizure and forfeiture are described below.

---

15. Title 18, United States Code, Section 981(a)(1)(A) subjects to forfeiture "[a]ny property, real or personal, involved in a transaction or attempted transaction in violation of . . . section 1956 . . . of this title, or any property traceable to such property."

16. Title 18, United States Code, Section 1956 provides, in pertinent part, that

(a)(2) Whoever transports, transmits, or transfers, or attempts to transport, transmit, or transfer a monetary instrument or funds from a place in the United States to or through a place

outside the United States or to a place in the United States from or through a place outside the United States--

(A) with the intent to promote the carrying on of specified unlawful activity . . . .

shall be guilty of a crime.

17. Title 18, United States Code, Section 1956(c)(7)(A) provides that the term "specified unlawful activity" includes "any act or activity constituting an offense listed in section 1961(1) of this title". Included among the enumerated offenses in 18 U.S.C. § 1961(1) is 18 U.S.C. § 1955, which prohibits the operating of illegal gambling businesses, 18 U.S.C. § 1084, and racketeering activity, which includes any act or threat involving gambling, which is chargeable under State law and punishable by imprisonment for more than one year.

18. Furthermore, 18 U.S.C. § 981(a)(1)(C) subjects to forfeiture:

Any property, real or personal, which constitutes or is derived from proceeds traceable to . . . any offense constituting 'specific unlawful activity' (as defined in section 1956(c)(7) of this title), or a conspiracy to commit such offense.

19. Again, as noted in paragraph 21, supra, 18 U.S.C. § 1956(c)(7)(A) provides that the term "specified unlawful activity" includes "any act or activity constituting an offense listed in section 1961(1) of this title," and § 1961(1) includes 18 U.S.C. §§ 1955 and 1084 among the enumerated offenses.

20. In addition, 18 U.S.C. § 1955 has its own forfeiture provision. Specifically, § 1955(d) provides that "[a]ny property, including money, used in violation of the provisions of this section may be seized and forfeited to the United States."

21. Furthermore, 18 U.S.C. § 984 provides, in relevant part, that:

(a) (1) In any forfeiture action in rem in which the subject property is . . . funds deposited in an account in a financial institution . . .

(A) it shall not be necessary for the Government to identify the specific property involved in the offense that is the basis for the forfeiture; and

(B) it shall not be a defense that the property involved in such an offense has been removed and replaced by identical property.

(2) Except as provided in subsection (b), any identical property found in the same place or account as the property involved in the offense ~~that is the basis for the forfeiture shall be~~ subject to forfeiture under this section.

(b) No action pursuant to this section to forfeit property not traceable directly to the offense that is the basis for the forfeiture may be commenced more than 1 year from the date of the offense.

22. Section 981(b)(1) of Title 18, United States Code, provides that any property subject to forfeiture to the United States under 18 U.S.C. § 981(a) may be seized by the Attorney General. Section 981(b)(2) provides that such a seizure may be made "pursuant to a warrant obtained in the same manner as

provided for a search warrant under the Federal Rules of Criminal Procedure."

23. In addition, Section 981(b)(3) provides that, notwithstanding the provisions of Federal Rule of Criminal Procedure 41(a), a seizure warrant may be issued pursuant to Section 981(b) by a judicial officer in any district in which a forfeiture action against the property may be filed under Title 28, United States Code, Section 1355(b). Under Section 1355(b)(1)(A), a forfeiture action or proceeding may be brought in the district in which any of the acts or omissions giving rise to the forfeiture occurred.

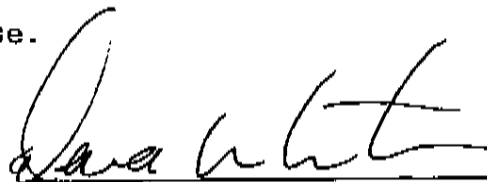
---

CONCLUSION

24. For the foregoing reasons, I submit that there is probable cause to believe that the funds on deposit in the Defendant Account are (a) monies involved in a money laundering transaction or attempted money laundering transaction, in violation of 18 U.S.C. § 1956(a)(2)(A); and (b) the proceeds of illegal internet gambling and property involved in illegal internet gambling, in violation of 18 U.S.C. § 1955. Accordingly, the Defendant Account is subject to forfeiture to the United States of America pursuant to 18 U.S.C. §§ 981(a)(1)(A) and (C) and 1955, and I respectfully request that the Court issue a seizure warrant for the funds on deposit in the Defendant Accounts, as described in paragraph 2, supra.



25. I also respectfully request that this Affidavit be sealed until further order of the Court, so as not to jeopardize the investigation of this case.



Dana Conte, Special Agent  
Federal Bureau of Investigation

Sworn to before me this

*2nd* day of June, 2009:



Hon. Theodore H. Katz  
United States Magistrate Judge  
Southern District of New York

This Affidavit remains under seal until further Order of the Court.

SO ORDERED



Hon. Theodore H. Katz  
United States Magistrate Judge  
Southern District of New York

**EXHIBIT B**

Redacted pursuant to August 11, 2009, Opinion and Order

LEV L. DASSIN  
 Acting United States Attorney for the  
 Southern District of New York  
 By: JEFF ALBERTS  
 ARLO DEVLIN-BROWN  
 JONATHAN NEW  
 One St. Andrew's Plaza  
 New York, New York 10007  
 (212) 637-1038/2506/1049

Redacted pursuant to August 14, 2009,  
 Order

UNITED STATES DISTRICT COURT  
 SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

-v.-

ALL FUNDS ON DEPOSIT AT UNION BANK IN :  
 SAN FRANCISCO, CALIFORNIA, IN ACCOUNT :  
 NUMBER 3530000248 HELD IN THE NAME OF :  
 ACCOUNT SERVICES CORP.;

ALL FUNDS ON DEPOSIT AT UNION BANK IN :  
 SAN FRANCISCO, CALIFORNIA, IN ACCOUNT :  
 NUMBER 3530000256 HELD IN THE NAME OF :  
 ACCOUNT SERVICES CORP.;

AND ALL PROPERTY TRACEABLE THERETO,

Defendants-in-rem.

SEALED AFFIDAVIT IN  
 SUPPORT OF SEIZURE  
 WARRANT PURSUANT TO

18 U.S.C. §§ 981, 984 &  
1955

REDACTED BY COURT

ORIGINAL FILED UNDER  
 SEAL

STATE OF NEW YORK )  
 COUNTY OF NEW YORK ) ss:  
 SOUTHERN DISTRICT OF NEW YORK )

DANA CONTE, being duly sworn, deposes and says:

1. I am a Special Agent with the Federal Bureau of  
 Investigation ("FBI") and have been so employed for approximately  
 five years. I am assigned to a squad that investigates financial  
 crimes, which includes financial institution fraud and money  
 laundering. I am familiar with the facts and circumstances set

forth below from my personal participation in the investigation, my review of bank records and other documents, and my conversations with civilian witnesses and other law enforcement officers. Where the actions, statements, and conversations of others are recounted herein, they are recounted in substance and in part, unless otherwise indicated. Because this affidavit is for the limited purpose of establishing probable cause for a seizure warrant, it does not set forth every fact learned in the course of this investigation.

2. This affidavit is submitted in support of the Government's application for the issuance of warrants to seize and forfeit the following:

- a. ALL FUNDS ON DEPOSIT AT UNION BANK IN SAN FRANCISCO, CALIFORNIA, IN ACCOUNT NUMBER 3530000248 HELD IN THE NAME OF ACCOUNT SERVICES CORP. ("UB Acct-1"); and
- b. ALL FUNDS ON DEPOSIT AT UNION BANK IN SAN FRANCISCO, CALIFORNIA, IN ACCOUNT NUMBER 3530000256 HELD IN THE NAME OF ACCOUNT SERVICES CORP ("UB Acct-2");

(collectively, the "Defendant Accounts.")

3. As set forth below, there is probable cause to believe that the Defendant Accounts contain property involved in actual or attempted money laundering transactions, or property traceable to such property, in violation of 18 U.S.C. § 1956(a). As such, the contents of the Defendant Accounts are subject to

forfeiture to the United States pursuant to 18 U.S.C. §§ 981(a)(1)(A) and 984.

4. In addition, there is probable cause to believe that the Defendant Accounts contains property that constitutes or is derived from proceeds traceable to the operation of an illegal gambling business, in violation of 18 U.S.C. § 1955, and the illegal transmission of gambling information, in violation of 18 U.S.C. § 1084, and property used in the operation of an illegal gambling business and commission of the gambling offense. As such, the contents of the Defendant Accounts are subject to forfeiture to the United States pursuant to 18 U.S.C. §§ 981(a)(1)(C), 984, and 1955(d).

RELATED SEIZURE WARRANT

5. On June 2, 2009, the Government sought a seizure warrant for all funds in an account held in the name of Account Services, Inc. at Wells Fargo Bank in San Francisco, California ("Wells Fargo Account Services Account") on the grounds that those funds (like the Defendant Accounts) consist of property involved in actual or attempted money laundering transactions, or property traceable to such property, and consist of property that constitutes or is derived from proceeds traceable to the operation of an illegal gambling business, and the illegal transmission of gambling information, and property used in the operation of an illegal gambling business and commission of the

gambling offense. In support of the application for a seizure warrant, the Government submitted the Affidavit of FBI Special Agent Dana Conte (the "Conte Wells Fargo Affidavit"), which is attached hereto as Exhibit 1 and incorporated by reference herein, except as expressly noted below. On the basis of the Conte Wells Fargo Affidavit, the Honorable Theodore H. Katz, United States Magistrate Judge, Southern District of New York, issued a seizure warrant for the Wells Fargo Account Services Account, which is attached hereto as Exhibit 2.

#### GENERAL BACKGROUND

6. For approximately three years FBI agents have been investigating illegal internet gambling businesses which, although typically based offshore, predominantly serve players based in the United States. These gambling businesses offer "real money" casino games, poker, and sports betting to United States players, in violation of multiple federal criminal statutes including but not limited to 18 U.S.C. § 1084 (making it unlawful to use a wire in connection with placing a bet or wager), § 1955 (making it illegal to operate an illegal gambling business) and §§ 1956 and 1957 (money laundering). Although these gambling businesses are based offshore, the vast majority of their customers are in the United States. Consequently, these internet gambling businesses necessarily rely on the United States financial system to move funds between the offshore

accounts of the gambling businesses and the United States bank accounts of their customers. And because the internet gambling business is illegal in the United States, the gambling companies must, in most instances, deceive United States financial institutions about the nature of their accounts in the United States and the purposes of their financial transactions.

7. Internet gambling businesses based offshore use the United States financial system to transfer payments to United States customers who have "won" more money than they "lost" while gambling online. One method that internet gambling businesses use to transfer funds to United States customers is to transfer large amounts of money from offshore accounts into a United States bank account and then mail payout checks from this account to the United States bank account to their United States customers.

ACCOUNT SERVICES' HISTORY OF PROVIDING PAYMENT SERVICES  
FOR ONLINE GAMBLING COMPANIES

8. Account Services has previously provided payment services for companies providing online gambling services, including Pokerstars and FullTilt Poker, the largest internet poker businesses in operation. As set forth in greater detail in the Conte Wells Fargo Affidavit, there is probable cause to believe that the Wells Fargo Account Services Account was

providing payment services for these online gambling companies in 2008 and 2009, including the following:

- a. [REDACTED]
- b. [REDACTED]
- c. [REDACTED]



[REDACTED]  
[REDACTED]  
[REDACTED]  
d. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

DOUGLAS RENNICK'S HISTORY OF DISBURSING GAMBLING PROCEEDS

9. Douglas Rennick is a Canadian citizen who has previously processed winnings for the internet gambling industry. Rennick was one of the authorized signers on the Wells Fargo Account Services Account. Rennick is also associated with Alenis Limited, [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]

10. Rennick has processed payments for internet gambling companies through other corporate entities, at other financial institutions. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] in an e-mail that I have reviewed, Rennick stated that the Washington Mutual Account would receive money from offshore companies, including Alenis, via wire, and disburse the funds via check. Rennick stated that the checks would be for such purposes as rebate checks, affiliate promotion checks, and the like but claimed in the e-mail that "none of them can be for any illegal reasons defined under U.S. and Canadian law." [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

J.P.

Morgan Chase Bank ultimately closed the account in December 2008.

THE DEFENDANT ACCOUNTS WERE USED TO PROVIDE PAYMENT SERVICES  
FOR ONLINE GAMBLING COMPANIES

11.

[illegible]

[REDACTED]

12. The Defendant Accounts also showed additional signs of suspicious activity and efforts to conceal the true nature of the accounts. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] the individuals who applied to have the Defendant Accounts opened that the Defendant Accounts would be funded only by domestic transfers, but that, in fact, the Defendant Accounts were funded largely through international transfers from Cyprus, as described in the preceding paragraph. I also learned that in April 2009, the individuals who applied to have the Defendant Accounts opened instructed Union Bank to list "Check Payment Financial Co." as the entity issuing checks from the Defendant Accounts, rather than "Account Services Corp."

13. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

14. Under Title 18, United States Code, Section 984, "any identical property found in the same place or account as the property involved in the offense that is the basis for the

forfeiture shall be subject to forfeiture" in "any forfeiture action in rem in which the subject property is . . . funds deposited in an account in a financial institution." 18 U.S.C. § 984. [REDACTED]

STATUTORY AUTHORITY

15. The statutory provisions pursuant to which the contents of the Defendant Accounts are subject to seizure and forfeiture are described below.

16. Title 18, United States Code, Section 981(a)(1)(A) subjects to forfeiture "[a]ny property, real or personal, involved in a transaction or attempted transaction in violation of . . . section 1956 . . . of this title, or any property traceable to such property."

17. Title 18, United States Code, Section 1956 provides, in pertinent part, that

(a)(1) Whoever, knowing that the property involved in a financial transaction represents the proceeds of some form of unlawful activity, conducts or attempts to conduct such a financial transaction which in fact involves the proceeds of specified unlawful activity—

(A)(i) with the intent to promote the carrying on of specified unlawful activity; or . . . .

(B) knowing that the transaction is designed in whole or in part—

(i) to conceal or disguise the nature, the location, the source, the ownership, or the

control of the proceeds of specified unlawful activity . . . .[or]

(a)(2) Whoever transports, transmits, or transfers, or attempts to transport, transmit, or transfer a monetary instrument or funds from a place in the United States to or through a place outside the United States or to a place in the United States from or through a place outside the United States--

(A) with the intent to promote the carrying on of specified unlawful activity . . . .

shall be guilty of a crime.

18. Title 18, United States Code, Section 1956(c)(7)(A) provides that the term "specified unlawful activity" includes "any act or activity constituting an offense listed in section 1961(1) of this title". Included among the enumerated offenses in 18 U.S.C. § 1961(1) is 18 U.S.C. § 1955, which prohibits the operating of illegal gambling businesses, 18 U.S.C. § 1084, and racketeering activity, which includes any act or threat involving gambling, which is chargeable under State law and punishable by imprisonment for more than one year.

19. Furthermore, 18 U.S.C. § 981(a)(1)(C) subjects to forfeiture:

Any property, real or personal, which constitutes or is derived from proceeds traceable to . . . any offense constituting 'specific unlawful activity' (as defined in section 1956(c)(7) of this title), or a conspiracy to commit such offense.

20. Again, as noted in paragraph 21, supra, 18 U.S.C. § 1956(c)(7)(A) provides that the term "specified unlawful

activity" includes "any act or activity constituting an offense listed in section 1961(1) of this title," and § 1961(1) includes 18 U.S.C. §§ 1955 and 1084 among the enumerated offenses.

21. In addition, 18 U.S.C. § 1955 has its own forfeiture provision. Specifically, § 1955(d) provides that "[a]ny property, including money, used in violation of the provisions of this section may be seized and forfeited to the United States."

22. Furthermore, 18 U.S.C. § 984 provides, in relevant part, that:

- (a) (1) In any forfeiture action in rem in which the subject property is . . . funds deposited in an account in a financial institution . . .
  - (A) it shall not be necessary for the Government to identify the specific property involved in the offense that is the basis for the forfeiture; and
  - (B) it shall not be a defense that the property involved in such an offense has been removed and replaced by identical property.
- (2) Except as provided in subsection (b), any identical property found in the same place or account as the property involved in the offense that is the basis for the forfeiture shall be subject to forfeiture under this section.
- (b) No action pursuant to this section to forfeit property not traceable directly to the offense that is the basis for the forfeiture may be commenced more than 1 year from the date of the offense.

23. Section 981(b)(1) of Title 18, United States Code, provides that any property subject to forfeiture to the United

States under 18 U.S.C. § 981(a) may be seized by the Attorney General. Section 981(b)(2) provides that such a seizure may be made "pursuant to a warrant obtained in the same manner as provided for a search warrant under the Federal Rules of Criminal Procedure."

24. In addition, Section 981(b)(3) provides that, notwithstanding the provisions of Federal Rule of Criminal Procedure 41(a), a seizure warrant may be issued pursuant to Section 981(b) by a judicial officer in any district in which a forfeiture action against the property may be filed under Title 28, United States Code, Section 1355(b). Under Section 1355(b)(1)(A), a forfeiture action or proceeding may be brought in the district in which any of the acts or omissions giving rise to the forfeiture occurred.

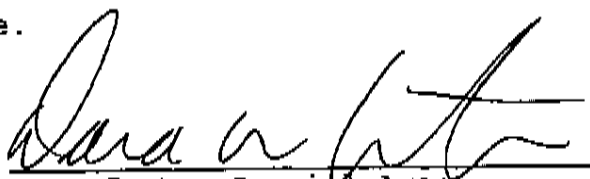
#### CONCLUSION

25. For the foregoing reasons, I submit that there is probable cause to believe that the funds on deposit in the Defendant Account are (a) monies involved in a money laundering transaction or attempted money laundering transaction, in violation of 18 U.S.C. § 1956(a); and (b) the proceeds of illegal internet gambling and property involved in illegal internet gambling, in violation of 18 U.S.C. § 1955. Accordingly, the Defendant Account is subject to forfeiture to the United States of America pursuant to 18 U.S.C. §§ 981(a)(1)(A) and (C) and



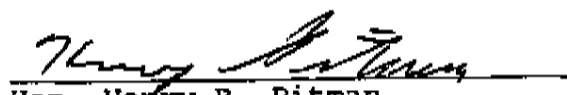
1955, and I respectfully request that the Court issue a seizure warrant for the funds on deposit in the Defendant Accounts, as described in paragraph 2, supra.

26. I also respectfully request that this Affidavit be sealed until further order of the Court, so as not to jeopardize the investigation of this case.

  
Dana Conte, Special Agent  
Federal Bureau of Investigation

Sworn to before me this  
24 day of June, 2009:

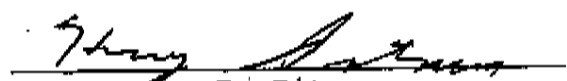
JUN 24 2009

  
Hon. Henry B. Pitman  
United States Magistrate Judge  
Southern District of New York

HENRY PITMAN  
UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK  
STATE JUDGE

This Affidavit remains under seal until further Order of the Court.

SO ORDERED

  
Hon. Henry B. Pitman  
United States Magistrate Judge  
Southern District of New York