

# Exhibit B

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

- - - - -x

UNITED STATES OF AMERICA

- v. -

ISAI SCHEINBERG,  
RAYMOND BITAR,  
SCOTT TOM,  
BRENT BECKLEY,  
NELSON BURTNICK,  
PAUL TATE,  
RYAN LANG,  
BRADLEY FRANZEN,  
IRA RUBIN,  
CHAD ELIE,  
and  
JASON CAMPOS,

Defendants.

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

DECLARATION OF ROSEMARY KARAKA  
IN SUPPORT OF POST-INDICTMENT  
RESTRAINING ORDER

S3 10 Cr. 336 (LAK)

I, ROSEMARY KARAKA, pursuant to Title 28, United States Code, Section 1746, declare, under penalty of perjury, that I am a Special Agent with the Federal Bureau of Investigation and further declare under penalty of perjury the following:

1. I am a special agent with the Federal Bureau of Investigation ("FBI"), and have so been employed for over 19 years. I am presently assigned to a squad that investigates, among other things, financial institution fraud, illegal gambling, and money laundering. The information contained in this declaration is based upon my personal knowledge and my review of documents and records gathered during the course of

this investigation, as well as information obtained, directly or indirectly, from other sources and agents. Because this declaration is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation.

Where the contents of documents and the actions, statements and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

2. I make this declaration in support of the application by the United States of America for a post-indictment order restraining ISAI SCHEINBERG, RAYMOND BITAR, SCOTT TOM, BRENT BECKLEY, NELSON BURTNICK, PAUL TATE, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN, CHAD ELIE, and JASON CAMPOS, the defendants, and others from engaging in the transfer, sale, assignment, pledge, hypothecation, encumbrance, dissipation, distribution or movement of the contents of the bank accounts identified in Schedule A of this declaration (the "Target Accounts"). Because funds in many of these accounts can be quickly and easily transferred, the requested Restraining Order is necessary and essential to preserve these assets pending the resolution of this matter. Without such an Order, these funds could be quickly dissipated or concealed.

3. There is probable cause to believe that the Target Accounts contain property that constitutes or is derived from

proceeds traceable to the operation of illegal gambling businesses, in violation of 18 U.S.C. § 1955, and constitutes property used in the operation of illegal gambling businesses and the commission of gambling offenses. As such, the contents of the Target Accounts are subject to forfeiture to the United States pursuant to 18 U.S.C. §§ 981(a)(1)(C), 1955(d), and 28 U.S.C. § 2461.

4. In addition, there is probable cause to believe that the Target Accounts contain property involved in a conspiracy to commit money laundering, or property traceable to such property, in violation of 18 U.S.C. § 1956(h). As such, the contents of the Target Accounts are subject to forfeiture to the United States pursuant to 18 U.S.C. § 982(a)(1).

5. In addition, there is probable cause to believe that the Target Accounts contain the proceeds of a conspiracy to commit bank and wire fraud in violation of 18 U.S.C. §§ 1343, 1344 and 1349 affecting financial institutions. As such, the contents of the Target Accounts are subject to forfeiture to the United States pursuant to 18 U.S.C. § 982(a)(2)(A).

## BACKGROUND

6. This matter arises out of an investigation by the FBI and other law enforcement agencies of 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. § 1955 (making it illegal to operate an illegal gambling business), § 1956 (money laundering), and § 1349 (conspiring to commit bank and wire fraud).

7. Although illegal internet gambling companies keep their computer servers, management and support staff offshore, they must rely on the United States financial system both to obtain money from gamblers and to pay those gamblers who wish to withdraw funds from the online gambling companies. However, because United States financial institutions generally refuse to handle financial transactions that they know to be related to internet gambling, the offshore internet gambling companies and the payment processors who serve them must, as a matter of course, make false representations to United States financial institutions in order to conduct these transactions and to conceal the nature, source, ownership, and control of the funds.

### The Indictment

8. On or about March 10, 2011, a superseding indictment, S3 10 Cr. 336 (LAK) (the "Indictment") was filed under seal in the Southern District of New York, charging ISAI SCHEINBERG, RAYMOND BITAR, SCOTT TOM, BRENT BECKLEY, NELSON BURTNICK, PAUL TATE, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN, CHAD ELIE, and JASON CAMPOS, the defendants, with conspiring to violate the Unlawful Internet Gambling Enforcement Act ("UIGEA"), 31 U.S.C. § 5363, in violation of Title 18, United States Code, 371; violating the UIGEA; operating illegal gambling businesses, in violation of Title 18, United States Code, Sections 1955 and 2; conspiring to commit wire fraud and bank fraud, in violation of Title 18, United States Code, Section 1349; and conspiring to launder money, in violation of Title 18, United States Code, Section 1956(h). A true and correct copy of the Indictment is attached to the accompanying Application for Restraining Order as Exhibit A.

9. The Indictment contains forfeiture allegations providing notice of the Government's intent to seek the forfeiture of all of the defendants' right, title, and interest in, among other things, the contents of many of the Target Accounts. The remaining Target Accounts are listed in a Bill of Particulars that has been subsequently filed.

### The Poker Companies

10. As set forth in the Indictment, from at least in or about November 2006, the three leading internet poker companies doing business in the United States were PokerStars, Full Tilt Poker, and Absolute Poker/Ultimate Bet. (Ind. ¶ 1). PokerStars, headquartered in the Isle of Mann, provides real-money gambling through its website, pokerstars.com, to United States customers. PokerStars does business through several privately held corporations and other entities, including, but not limited to, Oldford Group Ltd., Stelekram Ltd., and Sphene International Ltd. (Ind. ¶ 4). ISAI SCHEINBERG, the defendant, was a founder, owner, and principal decision-maker for PokerStars. (Id.).

11. Full Tilt Poker, headquartered in Ireland, provides real-money gambling through its website, fulltiltpoker.com, to United States customers. Full Tilt Poker does business through several privately held corporations and other entities, including, but not limited to, Tiltware LLC, Kolyma Corporation A.V.V., Pocket Kings Ltd., Pocket Kings Consulting Ltd., Filco Ltd., Vantage Ltd., Ranston Ltd., Mail Media Ltd., and Full Tilt Poker Ltd. (Ind. ¶ 5). As of March 2011, Full Tilt Poker was the second-largest poker operator offering gambling on poker games to United States residents.

(Id.). RAYMOND BITAR, the defendant, was a founder, owner, and principal decision-maker for Full Tilt Poker. (Id.).

12. Absolute Poker, headquartered in Costa Rica, provides real-money gambling through its websites, absolutepoker.com and ultimatebet.com, to United States customers. Absolute Poker does business through several privately held corporations and other entities, including Blue Water Services Ltd. (Ind. ¶ 6). In or about October 2006, Tokwiro Enterprises was identified as the owner of record of Absolute Poker and a companion poker and blackjack gambling website, Ultimate Bet. (Id.). In or around August 2010, ownership of Absolute Poker and Ultimate Bet was transferred to Blanca Games, Inc. of Antigua. (Id.). SCOTT TOM and BRENT BECKLEY, the defendants, were founders and/or principal decision-makers for Absolute Poker. (Id.).

13. From in or about October 2006 through in or about November 2008, NELSON BURTNICK, the defendant, was an employee in the payment processing department of PokerStars, where he ultimately served as head of payment processing. From in or about January 2009 up to and including in or about March 2011, BURTNICK has served as head of the payment processing department for Full Tilt Poker. (Ind. ¶ 7).

14. From at least in or about the summer of 2006 up to and including in or about March 2011, PAUL TATE, the defendant,



was an employee of PokerStars, including in the payment processing department. From in or about Early 2009, up to and including in or about March 2011, TATE has served as the head of the payment processing department for PokerStars. (Ind. ¶ 8).

#### The Poker Processors

15. As described in the Indictment, because United States banks were largely unwilling to process payments for an illegal activity such as internet gambling, the Poker Companies used fraudulent methods to avoid restrictions imposed by the banks in order to receive billions of dollars from United States residents who gambled through the Poker Companies. (Ind. ¶ 1). The Poker Companies relied on highly compensated third-party payment processors, who lied to United States banks about the nature of the financial transactions they were processing and covered up those lies through the creation of phony corporations and websites to disguise payments to the Poker Companies. (Ind. ¶ 2).

16. From at least in or about October 2006, up to and including at least in or about the spring of 2010, RYAN LANG, the defendant, worked with the Poker Companies to identify poker processors willing to process payments for the Poker Companies, including through deceptive means. In this capacity, LANG acted as an intermediary between principals of the Poker Companies and the poker processors. (Ind. ¶ 9). On or about July 19, 2010,

the Honorable Kevin Nathaniel Fox, United States Magistrate Judge, issued warrants to seize, among other things, accounts of a payment processor that processed poker payments for Redfall International, another poker processor created by LANG and others to process payments for PokerStars and Full Tilt Poker, as property involved in the operation of an illegal gambling business, property traceable to the proceeds of the operation of an illegal gambling business and to bank fraud, and involved in or traceable to money laundering.

17. From at least in or about 2007, BRADLEY FRANZEN, the defendant, worked with internet gambling companies, including the Poker Companies, to identify poker processors willing to process payments for the Poker Companies, including through deceptive means. In this capacity, FRANZEN acted as an intermediary between principals of the Poker Companies and the poker processors. (Ind. ¶ 10).

18. From at least in or about 2007, up to and including in or about March 2011, IRA RUBIN, the defendant, processed payments for various internet gambling companies, including each of the Poker Companies, by disguising the payments as payments to dozens of phony internet merchants. (Ind. ¶ 11).

19. From at least in or about the summer of 2008, up to and including in or about March 2011, CHAD ELIE, the defendant, together with others, opened bank accounts in the

United States, including through deceptive means, through which each of the Poker Companies received payments from United States-based gamblers. (Ind. ¶ 12). The companies that ELIE operated in order to process payments for the Poker Companies included Viable Marketing Corp. and Viable Processing Solutions. On or about October 26, 2009, the Honorable Frank Maas, United States Magistrate Judge for the Southern District of New York, issued warrants to seize the contents of Viable Marketing accounts held at Fifth Third Bank and Bank of America, N.A., as property involved in the operation of an illegal gambling business, property traceable to the proceeds of the operation of an illegal gambling business, and involved in or traceable to money laundering. On or about February 19, 2010, the Honorable Kevin Nathaniel Fox, United States Magistrate Judge for the Southern District of New York, issued warrants to seize two accounts in the name of Viable Processing Solutions held at the National Bank of California as property involved in the operation of an illegal gambling business, property traceable to the proceeds of the operation of an illegal gambling business, and involved in or traceable to money laundering.

20. From at least in or about September 2009, up to and including in or about March 2011, JOHN CAMPOS, the defendant, was the Vice Chairman of the Board of Directors and part owner of

SunFirst Bank in St. George, Utah, which processed payments for PokerStars and Full Tilt Poker. (Ind. ¶ 13).

Overview Of the Scheme To Defraud

21. As described in the Indictment, because internet gambling businesses such as those operated by the Poker Companies were illegal under United States law, internet gambling companies, including the Poker Companies, were not permitted by United States banks to open bank accounts in the United States to receive proceeds from United States gamblers. Instead, the principals of the Poker Companies operated through various deceptive means designed to trick United States banks and financial institutions into processing gambling transactions on the Poker Companies' behalf. (Ind. ¶ 16).

22. For example, as described more fully in the Indictment, ISAI SHEINBERG, RAYMOND BITAR, BRENT BECKLEY, NELSON BURTINICK, and PAUL TATE, the defendants, and others, worked with and directed others to deceive credit card issuers and to disguise poker payments made using credit cards so that the issuing banks would process the payments. (Ind. ¶¶ 17-18). These deceptive and fraudulent practices included, for example, creating phony non-gambling companies that the Poker Companies used to initiate the credit card charges (Ind. ¶ 19), and creating pre-paid cards designed for United States gamblers to use to transfer funds to the Poker Companies and other gambling

companies, with the purpose of the cards disguised by fake internet web sites and phony consumer "reviews" of the cards making it appear that the cards had some other, legitimate, purpose. (Ind. ¶ 20).

23. In addition, as described more fully in the Indictment, ISAI SHEINBERG, RAYMOND BITAR, BRENT BECKLEY, NELSON BURTNICK, and PAUL TATE, the defendants, and others, worked with and directed others to develop another method of deceiving United States banks and financial institutions into processing their respective Poker Companies' internet gambling transactions through fraudulent e-check processing. (Ind. ¶ 21). The Poker Companies used poker processors to establish payment processing accounts at various United States banks and disguised from the banks the fact that the accounts would be used to process payments for internet poker transactions by making the transactions appear to relate to phony internet merchants. (Ind. ¶¶ 22-26). RYAN LANG, BRADLEY FRANZEN, and CHAD ELIE, the defendants, among others, introduced poker processors to the Poker Companies and in some instances operated poker processors themselves. (Id.).

24. As described further in the Indictment, in or around late 2009, following the collapse of multiple e-check processing operations used by the Poker Companies and the judicially ordered seizure of funds, ISAI SCHEINBERG, RAYMOND

BITAR, PAUL TATE, and NELSON BURTINICK the defendants, began looking for banks that would knowingly process online poker transactions. (Ind. ¶ 27). The Poker Companies turned to poker processors RYAN LANG, BRADLEY FRANZEN, and CHAD ELIE, the defendants, among others, to arrange for so-called "transparent processing." (Ind. ¶ 28). ELIE, for example, induced JOHN CAMPOS, the defendant, to agree to process gambling transactions through Sunfirst Bank with promises of a \$10 million investment in Sunfirst, a small, financially troubled bank; with sizeable fee income from the processing; and with a \$20,000 payment directly to CAMPOS himself. (Ind. ¶¶ 29-31).

PROBABLE CAUSE THAT THE CONTENTS OF  
THE TARGET ACCOUNTS ARE SUBJECT TO FORFEITURE

25. Below, I describe facts establishing probable cause to believe that the contents of the Target Accounts are subject to forfeiture and that a restraining order is appropriate to preserve those accounts for criminal forfeiture in this case. First, I address certain accounts owned or controlled by the Poker Companies (the "Poker Company Accounts") and accounts owned or controlled by principals of the Poker Companies (the "Poker Company Principal Accounts") that contain 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 property used in the operation of an illegal gambling business and commission of the gambling offense.

Second, I address accounts that were used by poker processors and that received funds from poker processors that fraudulently processed online poker transactions (the "Poker Processor Accounts"), which contain property traceable to the illegal gambling businesses, property traceable to the bank and wire fraud offenses, and property traceable to actual or attempted money laundering.

#### Poker Company Accounts

##### The PokerStars Accounts

26. As described more fully below, from my participation in this investigation, including my discussions with other law enforcement agents, my review of reports written by other law enforcement agents, and my review of records of bank accounts and financial transactions, I have learned in substance and in part that Oldford Group Ltd., Stelekram Ltd., and Sphene International Ltd., among others, are entities involved in the operation of PokerStars. (Ind. ¶ 4).

##### The Sphene Accounts

27. I have reviewed a report of an interview by law enforcement agents with a former employee of PokerStars (the "PokerStars Employee") who was familiar with the entities used to process payments for PokerStars. From that report of interview, I learned in substance and in part that the PokerStars Employee described "everything" going through Sphene International Ltd. in

or about 2008, after Intabill, an Australian poker processor, stopped processing poker payments. (See Ind. ¶ 26(a)).

28. As discussed more fully below, poker processor Elite Debit processed online payments for PokerStars and Full Tilt Poker through Triple Seven LP accounts at Sunfirst Bank, St. George, Utah, from at least in or about December 2009 through at least in or about May 2010. From my review of records from Sunfirst Bank concerning these processing accounts, I have learned the following in substance and in part:

a. From at least on or about December 11, 2009, through at least on or about April 27, 2010, at least approximately \$31,749,242.04 was transferred from the Sunfirst poker processing accounts to an account numbered 27351910081015 held at Credit Agricole (Suisse) SA in the name of Sphene (International) Limited, IBAN CH8908741014319300001.

b. From at least on or about April 28, 2010, through at least on or about May 28, 2010, at least approximately \$6,681,425.99 was transferred from the Sunfirst poker processing accounts to an account numbered held at Credit Agricole (Suisse) SA in the name of Sphene (International) Limited, IBAN CH6208741014319300002.

29. As discussed more fully below, poker processor 21 Debit LLC, a payment processor operated by CHAD ELIE, the defendant, processed online poker payments for PokerStars and



Full Tilt Poker through All American Bank, Illinois. A cashier's check dated December 29, 2010, in the amount of \$2,000,000 was drawn on account numbered 200003291 held at All American Bank in the name of 21 Debit LLC, for payment to "Sphene." The check appears to have been deposited into an account held at the Banque Hapoalim (Suisse) SA, Luxembourg, in the name of Sphene International Limited.

#### The Oldford Group Account

30. From reports of interviews with the PokerStars Employee, I learned in substance and in part that the PokerStars Employee described the Oldford Group as the parent company of PokerStars' Isle of Mann operations.

31. I have reviewed wire transfer instructions for payments for PokerStars from Intabill, an Australian company that processed online poker payments (see Ind. ¶ 26(a)) and emails concerning those wire transfer instructions from in or about 2008 through in or about 2009. These wires, which total several millions Euros, are to an account held at Credit Agricole (Suisse) SA in the name of the Oldford Group Limited, IBAN CH1508741014093800001.

#### The Full Tilt Accounts

32. As described more fully below, from my participation in this investigation, including my discussions with other law enforcement agents, my review of reports written

by other law enforcement agents, and my review of records of bank accounts and financial transactions, I have learned in substance and in part that Tiltware LLC, Kolyma Corporation A.V.V., Pocket Kings Ltd., Pocket Kings Consulting Ltd., Filco Ltd., Vantage Ltd., Ranston Ltd., Mailmedia Ltd., and Full Tilt Poker Ltd. are entities involved in the operation of Full Tilt Poker. (Ind. ¶ 5).

#### The Tiltware Accounts

33. I have reviewed, among other things, a civil complaint filed in 2010 by Tiltware LLC against a former employee of that company in the United States District Court for the District of Nevada. In the complaint, Tiltware LLC alleges that it is a software and licensing company, which develops and provides exclusive software, development, and consulting services to Full Tilt Poker.

34. I have spoken with a Special Agent with the Department of Homeland Security, Immigration and Customs Enforcement ("ICE") who learned from Comerica Bank that accounts numbered 1892947126 and 1892947134 at Comerica Bank are held in the name of Tiltware.

#### The Kolyma Corporation Accounts

35. I have reviewed an affidavit filed in an Australian court by a former executive (the "Poker Processor Executive") at Intabill, an Australian company that processed

online poker payments. (See also Ind. ¶ 26(a)). The affidavit alleges that Kolyma Corporation is part of the Full Tilt Poker group of companies.

36. I have also reviewed wire transfer instructions for payments from Intabill to Full Tilt Poker and emails concerning those wire transfer instructions from in or about 2008 through in or about 2009. These wires, which total several millions Euros, are to accounts numbered E34512308000000007283 (the "Kolyma 7283 Account") and E79512308000000007249 (the "Kolyma 7249 Account") held at Wirecard Bank AG, Germany, in the name of Kolyma Corporation.

37. As discussed more fully below, poker processor Elite Debit processed online payments for PokerStars and Full Tilt Poker through Triple Seven LP accounts at Sunfirst Bank, St. George, Utah, from at least in or about December 2009 through at least in or about May 2010. From my review of records from Sunfirst Bank concerning these processing accounts, I have learned in substance and part that from at least on or about February 3, 2010, through at least on or about March 8, 2010, at least approximately \$2,904,025.94 was wired from an account numbered 121015408 held at Sunfirst Bank in the name of Triple Seven LP d/b/a Netwebfunds.com to the Kolyma 7283 Account. I have also reviewed a letter from CAMPOS, as Vice Chairman of the Board of Directors of Sunfirst Bank, to Kolyma Corporation, dated

April 13, 2010. The letter acknowledges that Sunfirst Bank has agreed to process remotely created checks and related transactions on behalf of Kolyma Corporation through Elite Debit and that Sunfirst Bank has been informed that a portion of the transactions involve Full Tilt Corporation, an internet poker operator.

#### The Ranston Accounts

38. I have reviewed an affidavit dated May 10, 2010, by Special Agent Paul Serson, Department of Homeland Security, Immigration and Customs Enforcement ("ICE"). From that affidavit, I learned in substance and in part that Special Agent Serson reviewed documents from JP Morgan Chase Bank ("JPMC") relating to Ranston Ltd. and discussed Ranston Ltd. with JPMC personnel, and learned that for several years, Ranston had been making payments to JPMC customers who were associated with online gaming or poker web sites. Moreover, Special Agent Serson and other law enforcement agents interviewed two individuals in late 2009 and early 2010, both of whom stated in substance and in part that they played poker on Full Tilt Poker's website, fulltiltpoker.com, and both of whom identified payments from Ranston totaling several tens of thousands of dollars as payments from poker winnings on Full Tilt Poker.

39. I have also reviewed wire transfer records from Citibank, N.A., the U.S. correspondent bank for Basler Kantonal

Bank, Switzerland. From those records, I learned the following in substance and in part:

a. In approximately November 2009, at least four wires totaling approximately \$9,000,000 were sent from an account held at Basler Kantonal Bank in the name of Ranston Ltd., IBAN CH4900770016542263375, to an account at Danske Bank A/S, Denmark, held in the name Pocket Kings Ltd., IBAN IE07DABA95151340074209.

b. In approximately November 2009, at least two wires totaling approximately \$12,000,000 were sent from an account held at Allied Irish Bank in the name of Filco Ltd, IBAN IE85AIBK93006727971082, to an account held at Basler Kantonal Bank, Switzerland, in the name of Ranston LTD, IBAN CH7000770016542254461.

40. I have reviewed the website of FINMA, the Swiss regulatory body overseeing banks, insurance companies, stock exchanges, securities dealers and collective investment schemes. According to FINMA, Ranston Ltd. was added to FINMA's list of "unauthorized institutions" or "black list" on or about October 14, 2009, based on Ranston's apparent involvement in activities that require FINMA authorization, without appropriate authorization for those activities.

#### The Mailmedia Account

41. From my review of a summary of wire transfers prepared by a Special Agent with ICE, I have learned in substance

an in part that, after Ranston's blacklisting by FINMA, an account held at Basler Kantonal Bank in the name of Mailmedia, numbered CH7300770252534932001 (the "Mailmedia Account"), began wiring funds through the Citibank, N.A., correspondent account for Basler Kantonal Bank. Wire transfer records show the same address for Mailmedia as Ranston Ltd., a post office box in the Bahamas. Numerous wire transfers from the Mailmedia Account include, among other things, references to "FTP Sponsorship" of various individuals involving what appear to be mixed martial arts events. As discussed more fully below, the Mailmedia Account received wires from, among others, Filco and Vantage Ltd.

#### The Vantage Account

42. I have reviewed records from wire transfer records from Citibank, N.A., the U.S. correspondent bank for Basler Kantonal Bank, Switzerland. From that review, I learned in substance and in part that funds were wired from an account held at Banque Invik SA, Luxembourg, in the name of Vantage Limited, IBAN LU811944013080000USD (the "Vantage Invik Account"), to the Mailmedia Account as follows:

Date	Amount
June 25, 2010	\$1,999,974.00
July 2, 2010	\$3,199,974.00
July 9, 2010	\$1,999,974.00
July 16, 2010	\$1,999,974.00
July 29, 2010	\$2,999,974.00

August 17, 2010	\$2,999,974.00
September 2, 2010	\$1,999,974.00
September 17, 2010	\$2,999,974.00
September 29, 2010	\$28,957,974.00
<b>TOTAL:</b>	<b>\$49,157,766.00</b>

43. As discussed more fully below, poker processor Elite Debit processed online payments for PokerStars and Full Tilt Poker through Triple Seven accounts at Sunfirst Bank in St. George, Utah, from at least in or about December 2009 through at least in or about May 2010. From my review of records from the Federal Reserve relating to Sunfirst Bank wires, I have learned in substance and in part that from on or about July 2, 2010, through on or about September 22, 2010, at least approximately \$16,843,345.01 was wired to the Vantage Invik Account from accounts at Sunfirst Bank held in the names of Powder Monkeys, LLC, Triple Seven, LLP, Triple Seven, LP, and Mastery Merchant, LLC.

44. As discussed further below, poker processor Trinity Global Commerce Corp. processed online poker payments on behalf of Full Tilt Poker through Vensure Federal Credit Union ("Vensure"). I have reviewed a letter dated November 30, 2010, to the president of Vensure from Garry Galon. The letter states in substance and in part that Trinity is a bank account holding company charged with the responsibility of holding a bank account

at Vensure and "collect[ing] funds on behalf of Blackford and the ultimate originator Vantage Ltd aka Full Tilt. Blackford is the entity that has a processing contract with Vantage."

45. As discussed more fully below, poker processor 21 Debit LLC, a payment processor operated by CHAD ELIE, the defendant, processed online poker payments for PokerStars and Full Tilt Poker through All American Bank, Illinois. A cashier's check dated December 29, 2010, in the amount of \$1,000,000 was drawn on account numbered 200003291 held at All American Bank in the name of 21 Debit LLC, for payment to "Vantage." From All American Bank's records, it appears that the check cleared on or about February 14, 2011, and was deposited into an account at Basler Kantonal Bank, Switzerland.

#### The Filco Accounts

46. I have reviewed wire transfer records from Citibank, N.A., the U.S. correspondent bank for Basler Kantonal Bank, Switzerland. From those records, I learned the following in substance and in part:

a. As discussed above with respect to the Ranston Accounts, in approximately November 2009, at least two wires totaling approximately \$12,000,000 were sent from an account held at Allied Irish Bank in the name of Filco Ltd, IBAN IE85AIBK93006727971082 (the "Filco ANIB Account"), to an account



held at Basler Kantonal Bank, Switzerland, in the name of Ranston LTD, IBAN CH7000770016542254461.

b. On or about November 17, 2009, approximately \$1,500,000 was wired from Ranston Ltd. account numbered CH4900770016542263375 at Basler Kantonal Bank to an account held at WestLB AG, Germany, in the name of Filco Ltd, IBAN DE19512308000000007262.

c. On or about January 15, 2010, approximately \$11,250,000 was wired from the Filco ANIB Account to the Mailmedia Account.

d. The address given for Filco Ltd. on the Citibank, N.A. records concerning the two November 2009 wire transfers to Ranston is the same as the address given for Vantage Limited in the Citibank, N.A. records concerning the wire transfers described in paragraph 42, supra.

#### **The Absolute Poker Accounts**

47. As described more fully below, from my participation in this investigation, including my discussions with other law enforcement agents, my review of reports written by other law enforcement agents, and my review of records of bank accounts and financial transactions, I have learned in substance and in part that Blue Water Services Ltd., Tokwiro Enterprises (which acquired Absolute Poker), Disora Investment, Inc., and

Rintrade Finance SA are entities involved in the operation of Absolute Poker. (Ind. ¶ 6).

#### The Blue Water Account

48. From my review of reports of interviews of a former employee of Absolute Poker and a former payment processor who worked with Absolute Poker, I learned in substance and in part that both the former employee and the former processor stated that Blue Water Services was a corporate entity through which Absolute Poker conducted business.

49. From my review of wire transfer instructions for payments from Intabill to Absolute Poker and emails concerning those wire transfer instructions from in or about 2007 through in or about 2009, I learned in substance and in part that wire records show a payment of \$131,900.00 to the Blue Water account at Sparkasse Bank Malta, account number MT23SBMT5550500000001108 on or about October 12, 2007. The accompanying email's subject header reads: "Absolute." The records reflect March 28, 2008, transfers of € 71,572.24 and € 100,168.45 into the account. The subject header of the accompanying email reads: "RE: Absolute - release holds."

#### The Towkiro Account

50. In or about 2007, an officer of Tokwiro Enterprises ("Tokwiro") posted videos on the internet that stated, in substance and in part, that Joseph Tokwiro Norton, the

former chief of the Kahnawake tribe in Canada, had purchased Absolute Poker and Ultimate Bet and established Tokwiro as the parent company for those entities with Norton as the sole owner.

51. I have also reviewed an email dated in or about March 2009 from the principal of a poker payment processor to RYAN LANG, the defendant. In that email, the principal of the poker payment processor forwarded to LANG an email that the poker payment processor received from BRADLEY FRANZEN, the defendant. In his email, FRANZEN stated "This is what I got back from AP [Absolute Poker] today" and included an email stating in part: "We are in the process of setting up bank accounts for HJH, meanwhile, we would like to use the settlement account for the company Tokwiro Enterprises, ENRG. The beneficial owner of both companies is Joseph Tokwiro Norton."

52. I have reviewed Intabill wire transfer instructions for payments for Absolute Poker from Intabill, which include instructions to transfer funds to account numbered MT14SBMT55505000000011451GAEURO held at Sparkasse Bank Malta in the name of Tokwiro Enterprises ENRG (the "Tokwiro Account"). For example, on March 19, 2009, an internal Intabill email attached instructions for two transfers of € 100,000.00 to the Tokwiro Account. The instructions are saved as "Absolute.pdf" and "Ultimate.pdf."

### The Disora Accounts

53. I have reviewed a summary prepared by another FBI agent concerning the contents of a thumb drive provided to law enforcement by a former close associate ("TOM's close associate") of SCOTT TOM, the defendant, a founder and principal at Absolute Poker. The thumb drive included numerous wire transaction instructions. Among these was an instruction to transfer \$200,000 to account numbered 61-12-9436-6 held at Banco Panameno De La Vivienda SA, Panama, in the name of Disora Investment, Inc.

54. The thumb drive also includes instructions for a transfer of € 400,000 "from Disora" and a transfer of € 250,000 from "the Disora Investments account" to account numbered 0011271083 held at Citibank London, England, in the name of Mundial Valores, for the benefit of Disora Investment, Inc., MAM000804, and all funds traceable thereto.

### The Rintrade Account

55. The thumb drive provided by TOM's associate also contained (a) an instruction to wire \$400,000 "from the Disora Investments account" to account numbered CH4308755011432400000 held at Pictet and Co., Switzerland, in the name of Rintrade Finance SA (the "Rintrade Account"); and (b) an instruction, purportedly from TOM's close associate, to transfer € 265,457 "from the True Color main account" to the Rintrade Account.

TOM's close associate denied to law enforcement that the close associate had issued this instruction.

Poker Company Principal Accounts

The Bitar and Pocket Kings Accounts

56. As set forth in the Indictment, RAYMOND BITAR, the defendant, was a founder, owner, and principal decision-maker for Full Tilt Poker. From my participation in this investigation and my discussions with other law enforcement agents who have participated in this investigation, I am not aware of any significant source of income for BITAR other than his earnings from Full Tilt Poker and its related entities.

57. I have reviewed a summary prepared by a Special Agent with ICE concerning Reports of Foreign Bank and Financial Accounts ("FBARs") filed with the IRS by RAYMOND BITAR, the defendant, for the tax years 2007 through 2010, obtained through the IRS's Currency and Banking Retrieval System. The IRS requires U.S. persons to file an FBAR when that person has a financial interest in or signature authority or other authority over any financial account in a foreign country, if the aggregate value of these accounts exceeds \$10,000 at any time during the calendar year. From that summary, I learned in substance and in part that BITAR claimed a financial interest in or signature authority or other authority over the following accounts:

- a. account numbered 60092074136054 held at Natwest, Jersey, in the name of Raymond Bitar;
- b. account numbered 95434087766 held at Natwest, Channel Islands, in the name of Raymond Bitar;
- c. account numbered 91707289 held at Bank of Ireland, Ireland, in the name of Raymond Bitar;
- d. account numbered 99045014745206 held at Bank of Scotland Ireland, Inc., Ireland, in the name of Raymond Bitar;
- e. account numbered 95151380025186 held at National Irish Bank, Ireland, in the name of Raymond Bitar;
- f. account numbered 95151340062618 held at National Irish Bank, Ireland, in the name of Raymond Bitar;
- g. account numbered 26257031 held at Allied Irish Bank, Ireland, in the name of Raymond Bitar;
- h. account numbered 7262 held at Wirecard Bank AG, Germany, in the name of Raymond Bitar;
- i. account numbered 7244 held at Wirecard Bank AG, Germany, in the name of Raymond Bitar;
- j. account numbered 99045014801116 held at Bank of Scotland Ireland, Inc., Ireland, in the name of Pocket Kings Consulting LTD;
- k. account numbered 99022000439546 held at National Irish Bank, Ireland, in the name of Pocket Kings Ltd, IBAN;

1. account numbered 99022000440162 held at National Irish Bank, Ireland, in the name of Pocket Kings Ltd;

m. account numbered IE58IPBS9906291390203 held at Irish Permanent Treasury, PLC, in the name of Pocket Kings;

58. I have spoken with a Special Agent with the Department of Homeland Security, Immigration and Customs Enforcement ("ICE") who learned from Comerica Bank that accounts numbered 800801483 and 800922552 held at Comerica Bank, Dallas, Texas, are held in the name of Raymond Bitar.

59. I have reviewed records from the Federal Reserve Bank of New York relating to wire transfers involving Pocket Kings. From those records, I have learned in substance and in part that wires from the following Pocket Kings accounts have passed through the Federal Reserve since on or about January 4, 2010:

a. account numbered IE07DABA95151340074209 held at National Irish Bank (Part of Danske Bank Group) in the name of Pocket Kings Limited;

b. account numbered IE38DABA95151340025151 held at National Irish Bank (Part of Danske Bank Group) in the name of Pocket Kings Limited;

c. account numbered IE42DABA95151340062618 held at National Irish Bank (Part of Danske Bank Group) in the name of Pocket Kings Limited;

d. account numbered IE58IPBS99062913190203 held at Irish Permanent Treasury in the name of Pocket Kings Limited;

e. account numbered IE67AIBK93208626257031 held at Allied Irish Bank in the name of Pocket Kings (the "Pocket Kings 7031 Allied Account"); and

f. account numbered LU621944013130000USD held at Banque Invik in the name of Pocket Kings Limited.

60. On or about September 7, 2010, approximately \$250,000 was transferred from the Pocket Kings 7031 Allied Account to account numbered 8000801483 held at Comerica Bank in the name of Raymond Bitar.

#### Poker Processor Accounts

##### The Sunfirst Bank Accounts and Related Accounts

61. From my involvement in this investigation, including my review of documents obtained from Sunfirst Bank, I have learned the following in substance and in part:

a. I have reviewed an agreement between Sunfirst Bank and its corporate parent, Sunfirst Corp., and Triple Seven LP and Elite Debit, among others, dated as of October 3, 2009. In this agreement, Sunfirst Bank agreed in substance, among other things, to provide electronic payment transaction processing.



services, particularly Automated Clearinghouse ("ACH")<sup>1</sup> and "Check21" processing, to Triple Seven LP and Elite Debit.

b. I have also reviewed an "ACH Originator Using A Third Party Sender Agreement" between Sunfirst Bank and

- (a) EliteDebit, Inc., sending files for Net Web Funds, and
- (b) EliteDebit, Inc., sending files for A Web Debit. In this agreement, Sunfirst agreed in substance to provide ACH services to Net Web Funds and for A Web Debit through EliteDebit. The same individual signed these agreements on behalf of Triple Seven LP, EliteDebit Inc., Net Web Debit, and A Web Debit.

c. I have reviewed a letter from JOHN CAMPOS, the defendant, as Vice Chairman of the Board of Directors of Sunfirst Bank, to Sphene International Ltd., dated March 9, 2010. The letter acknowledges that Sunfirst Bank has agreed to process remotely created checks and related transactions on behalf of Sphene through Elite Debit and that Sunfirst Bank has been

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<sup>1</sup> From my participation in this investigation, I have learned that the ACH system, which is administered by the Federal Reserve, allows for fast and efficient electronic funds transfers to and from individuals' checking accounts through "e-checks" or "electronic checks." Payment processing companies with access to the ACH system can "pull" money from individual consumer bank accounts (i.e. debit the consumer's account) and route it to gambling companies (typically based abroad) and "push" money from the gambling companies into individual checking accounts to pay winnings (i.e. credit the consumer's account). Typically, a gambler simply logs onto the web site of an internet gambling company and chooses "e-check" or some similarly described option and enters his or her United States bank account information, which the payment processors use to complete these transactions.

informed that a portion of the transactions involve PokerStars, an internet poker operator.

d. I have also reviewed a letter from CAMPOS, as Vice Chairman of the Board of Directors of Sunfirst Bank, to Kolyma Corporation, dated April 13, 2010. The letter acknowledges that Sunfirst Bank has agreed to process remotely created checks and related transactions on behalf of Kolyma Corporation through Elite Debit and that Sunfirst Bank has been informed that a portion of the transactions involve Full Tilt Corporation, an internet poker operator.

e. I have reviewed daily tracking reports from Sunfirst Bank concerning Triple Seven, LP d/b/a "A Web Debit;" Triple Seven, LP d/b/a "NetWebFunds" or "netwebfunds.com;" Mastery Merchant, LLC d/b/a "Pstars;" and Powder Monkeys d/b/a "Full Tilt." These reports reflect that from on or about January 21, 2010, through on or about June 16, 2010, Sunfirst Bank received ACH deposits for Triple Seven, LP d/b/a A Web Debit and Triple Seven, LP d/b/a Netwebfunds or netwebfunds.com, typically in amounts totaling several hundred thousands of dollars daily for each merchant and in some cases in totaling over one million dollars. Beginning on or about June 22, 2010, there were no further deposits for A Web Debit or NetWebFunds, but from on or about June 22, 2010, through at least on or about July 23, 2010, daily deposits for Pstars and Full Tilt were typically in amounts

totaling several hundred thousands of dollars for each merchant and in some cases exceeded a million dollars a day.

f. From my review of international wire transfer agreements provided by Sunfirst Bank concerning account numbered 121015408 held at Sunfirst Bank, St. George, Utah, in the name of Triple Seven LP d/b/a Netwebfunds.com (the "Sunfirst Netwebfunds Account") and account numbered 121015390 held at Sunfirst Bank, St. George, Utah, in the name of Triple Seven LP d/b/a A WEB DEBIT (the "Sunfirst A Web Debit Account"), I have learned the following in substance and in part:

1) From on or about February 3, 2010, through on or about March 8, 2010, at least approximately \$2,904,025.94 was transferred by wire from the Sunfirst Netwebfunds Account to the Kolyma Wirecard account.

2) From on or about December 11, 2009, through on or about April 27, 2010, at least approximately \$31,749,242.04 in U.S. currency and Euros was transferred from the Sunfirst Netwebfunds Account and the Sunfirst A Web Debit Account to account numbered 27351910081015 held at Credit Agricole (Suisse) SA, IBAN CH8908741014319300001, in the name of Sphene (International) Limited.

3) From on or about April 28, 2010, through on or about May 28, 2010, at least approximately \$6,681,425.99 in Euros was transferred from the Sunfirst A Web Debit Account to

account numbered 14319300002 held at Credit Agricole (Suisse) SA, IBAN CH6208741014319300002, in the name of Sphene (International) Limited.

4) From on or about December 11, 2009, through on or about February 2, 2010, at least approximately \$359,279.88 was transferred by wire from the Sunfirst Netwebfunds Account to account numbered 27351910081015 held at Societé Generale Cyprus LTD, Cyprus, in the name of Golden Shores Properties Limited.

5) From on or about March 16, 2010, through on or about April 14, 2010, at least approximately \$3,481,589.51 was transferred by wire from the Sunfirst Netwebfunds Account and the Sunfirst A Web Debit Account to account numbered CY1211501001065983USDCACC002 held at FBME Bank LTD, Cyprus, in the name of Triple Seven Inc.

6) From on or about April 1, 2010, through on or about May 20, 2010, at least approximately \$2,900,000 was transferred by wire from the Sunfirst Netwebfunds Account and the Sunfirst A Web Debit Account to account numbered 5510045221 held at Wells Fargo, N.A., in the name of Triple Seven L.P.

7) On or about April 1, 2010, approximately \$1,025,000 was transferred by wire from the Sunfirst Netwebfunds Account to account numbered 7478010312 held at Wells Fargo, N.A., in the name of Kombi Capital.

g. From my discussion with a representative of the FDIC (the "FDIC Examiner"), I learned in substance and in part that in or about late 2010, Sunfirst Bank was examined by the Federal Deposit Insurance Corporation ("FDIC"), its federal regulator. In or about November 9, 2010, the FDIC issued a cease-and-desist order to Sunfirst Bank concerning processing for online poker companies because of the risk to the bank's solvency, required the bank to establish poker processing reserve accounts if the bank was to continue processing, and ordered that the poker processing funds at the bank be frozen. Sunfirst Bank created three processing accounts for its PokerStars processing in the name of Mastery Merchant and three processing accounts for its Full Tilt processing in the names of Powder Monkeys. Sunfirst Bank established reserve accounts for its Pokerstars and Full Tilt processing as follows:

- 1) account numbered 12900584 held at Sunfirst Bank, St. George, Utah, formerly in the name of Sunfirst Bank ITF Powder Monkeys/Full Tilt, now in the name of Sunfirst Bank (the "Powder Monkeys Sunfirst Account"); and

- 2) account numbered 129000576 on deposit at Sunfirst Bank, St. George, Utah, formerly in the name of Sunfirst Bank ITF Mastery Merchant/Pstars, now in the name of Sunfirst Bank (the "Mastery Merchant Sunfirst Account").

h. According to the FDIC Examiner, all poker processing funds at Sunfirst Bank have been transferred to the Powder Monkeys Sunfirst Account and the Mastery Merchant Sunfirst Account, where they are subject both to the FDIC cease-and-desist order and a separate restraining order issued by the FTC in connection with an action against Elite Debit Inc. and others.

The Chad Elie Accounts and Related Accounts

62. From my involvement in this investigation, including my review of records from All American Bank relating to accounts held at that institution in the name of 21 Debit LLC, I have learned the following in substance and in part:

a. In or about November 2010, 21 Debit LLC opened three accounts at All American Bank, Des Plaines, Illinois numbered 200003291 (the "21 Debit 3291 AAB Account"), 200003317 (the "21 Debit 3317 AAB Account"), and 200003325 (the "21 Debit 3325 AAB Account"). CHAD ELIE, the defendant, is the account signatory on each of the accounts.

b. On or about November 18, 2010, approximately \$149,974.00 was wired from the Vantage Invik Account to All American Bank, with the reference "FFC [for further credit] 2L [sic] Debit LLC 200003291."

c. On or about November 18, 2010, ELIE sent an email to personnel at All American Bank asking in part to open three more accounts: an operating account (already opened), a

reserve account, an account to be used for checks to deposit, and an account to be used for checks that are written.

d. On or about November 18, 2010, a representative of All American Bank sent ELIE an email stating in part that "We received a wire in the amount of \$419,974.00. Today, I also received a deposit via UPS in the amount of \$2,9637.18 (29 checks) . . . ."

e. On or about December 29, 2010, three cashier's checks totaling \$4.1 million were drawn on the 21 Debit 3291 AAB Account (\$3.5 million) and account number 200003309 in the name of 21 Debit LLC at All American Bank (the "21 Debit AAB 3309 Account"). One cashier's check in the amount of \$2,000,000 was made payable to "Sphene." A second cashier's check in the amount of \$1,000,000 was made payable to "Vantage" and deposited in Basler Kantonal Bank. The third cashier's check in the amount of \$1.1 million was made payable to 21 Debit LLC and, as discussed below, was deposited into a 21 Debit LLC account held at New City Bank.

f. From my review of the 21 Debit accounts at All American Bank, the activity in the 21 Debit 3291 AAB Account is consistent with the account being a pay-in account for online poker players. The activity in the 21 Debit AAB 3309 Account is consistent with that account being both a pay-in account for

online poker players and a payout account paying winnings to online poker players.

g. On or about January 14, 2011, All American Bank and the FDIC entered into a consent order directing the bank, among other things, to cease providing third party payment processing for deposit customers and their associated accountholders, customers, and clients and otherwise to sever its relationship with such customers.

63. Funds were transferred from the 21 Debit accounts at All American Bank as follows:

a. At least two wires of approximately \$400,000 each, totaling \$800,000, was made to Hotwire Financial LLC, account number 201002907 at Barclays Bank, UK. The wire records include the reference "FC Chad Elie."

b. At least nine wires of approximately \$400,000 each, totaling \$3,600,000, were made to Hotwire Financial LTD, account number GB26BARC20473563472044 at Barclays Bank, UK. The wire records include the reference "FFC [for further credit] 20100 2097 Chad Elie" or "FFC 2010 02097 Chad Canary."

c. At least approximately \$1,000,000 was wired to 4 A Consulting, account number 953500105 at Bank One Utah.

d. At least approximately \$50,000 was wired to Ndeka LLC, account number 730666271, at Whitney National Bank, New Orleans, Louisiana.



e. At least approximately \$74,919 was wired to Credit Capital Funding, account number 2919208124 at Bank of America, N.A.

64. From my involvement in this investigation, including my review of records from New City Bank, Chicago, Illinois, relating to accounts held at that institution in the name of 21 Debit LLC, I have learned the following in substance and in part:

a. 21Debit LLC and New City Bank entered into an operations agreement regarding the processing of merchant transactions dated as of January 6, 2011. CHAD ELIE, the defendant, appears to have signed on behalf of 21Debit LLC.

b. 21Debit LLC opened at least three accounts at New City Bank: account numbered 32433 in the name of 21Debit LLC dba PS Payments (the "21 Debit PokerStars NCB Account"); account numbered 32441 in the name of 21Debit LLC dba FLT Payments (the "21 Debit Full Tilt NCB Account"); and account number 32506 in the name of 21Debit LLC (the "21 Debit NCB Account"). ELIE is the account signatory on each of these accounts. It appears that the account opening records were signed on or about December 22, 2010.

c. New City Bank wrote a letter dated December 21, 2010, to Stelekram with an address in the Isle of Man that stated in substance and in part that New City Bank was "aware

that the ACH/demand draft/Check21/wire transfers/card transactions/paper checks sent through the mail or courier services and other related transactions being processed by New City Bank on behalf of Stelekram ('Stelekram') through 21 Debit LLC constitute transactions involving the internet Poker operator, PokerStars."

d. New City Bank wrote a letter dated December 23, 2010, to Vantage LTD c/o an address in Los Angeles, CA, that stated in substance and in part that New City Bank was "aware that transactions to be processed directly by 21Debit, LLC on behalf of Vantage LTD ('FullTilt Poker'), are for the benefit of the worldwide internet virtual online peer-to-peer poker card room for iPoker operator, FullTilt Poker."

e. On or about December 29, 2010, a cashier's check in the amount of \$1,100,000 from All American Bank, 21 Debit, LLC, was deposited into the 21 Debit NCB Account.

f. From my review of minutes of a January 20, 2011, meeting of the board of directors of New City Bank with representatives of the FDIC, I learned in substance and in part that the FDIC directed the bank not to process transactions for 21Debit LLC and that the FDIC and the bank were in discussions about a consent order prohibiting the bank from engaging in third party payment processing.

### The Griting Accounts

65. On or about December 1, 2010, the Honorable Ronald Ellis, United States Magistrate Judge for the Southern District of New York, issued seizure warrants for, inter alia, the contents of account numbered 972402309 held at UMPQUA Bank, Roseburg, Oregon, in the name of "ULTRA SAFE PAY" (the "UMPQUA Account"), and all property traceable thereto, as 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.

66. The seizure warrant for the UMPQUA Account was issued based on my affidavit describing how the UMPQUA Account received funds from Electronic Payment Exchange ("EPX"), a payment processor with accounts at First Bank of Delaware. EPX acted as a payment processor for MAS, Inc., which was a poker processor for Full Tilt Poker. A true and correct copy of my prior affidavit is attached to this Declaration as Exhibit A and its contents are incorporated by reference as if fully set forth herein.

67. As described in my affidavit, from on or about February 12, 2010, through on or about November 5, 2010, EPX processed ACH transactions crediting the UMPQUA Account with a net amount of approximately \$102,835,174.67 from MAS. From in or

about August 12, 2009, through on or about November 9, 2010, approximately \$122,945,451.78 was transferred from the UMPQUA Account to account numbered 004-411-346034-838 held at Hong Kong and Shanghai Banking Corporation, Hong Kong, in the name of Griting Investments LTD (the "Griting Account"). . . On or about November 15 and 16, 2010, an additional \$1,713,663.23 was wired from the UMPQUA Account to the Griting Account.

#### The Vensure Accounts

68. From my participation in this investigation, including my review of documents relating to account numbered 1093 held at Vensure Federal Credit Union, Mesa, Arizona, in the name of Trinity Global Commerce Corp. (the "Trinity Account") and my discussions with an investigator for the National Credit Union Administration ("Investigator-1"), I have learned the following in substance and in part:

a. I have reviewed an ACH Origination Agreement dated as of March 30, 2010, between Vensure Federal Credit Union ("Vensure") and Trinity Global Commerce Corp. ("Trinity"). In this agreement, Vensure agreed in substance and in part to act as the Originating Depository Financial Institution ("ODFI") for Trinity for ACH transactions. The agreement is signed by Garry M. Galon on behalf of Trinity, which has an address in British Columbia, Canada.

b. I have also reviewed an ACH Third Party Sender Agreement between Trinity and Vensure dated December 1, 2010. Schedule G to the agreement identifies the originators for which Trinity intends to process payments as Stelekram LTD and Vantage LTD. The company description for each is "Online Poker."

c. I have also reviewed a letter dated November 30, 2010, to the president of Vensure from Garry Galon. The letter states in substance and in part that Trinity is a bank account holding company charged with the responsibility of holding a bank account at Vensure and "collect[ing] funds on behalf of Blackford and the ultimate originator Vantage Ltd aka Full Tilt. Blackford is the entity that has a processing contract with Vantage."

d. From my review of records from the Federal Reserve relating to Trinity wire transfers, I learned that between at least on or about January 4, 2010, and March 3, 2011, at least approximately \$326,866,000 was wired from the Trinity Account to account numbered 1200402039 held at Banca Privada D'Andorra, Andorra, in the name of Trinity Global Commerce Corp. These wire transfers typically include the description "Payment Processing Settlement."

e. Furthermore, between at least on or about January 5, 2010, and January 4, 2011, at least approximately \$194,459,000 was transferred from the Trinity Account to account

numbered MT54SBMT55505000000016782GAUSD0 held at Sparkasse Bank Malta PLC, Malta, in the name of Trinity Global Commerce Corp. These wire transfers typically include the description "Payment Processing Settlement."

The Terricorp Inc. d/b/a/ TLC Global Accounts

69. From my participation in this investigation, including my review of documents relating to accounts numbered account numbered 27554003786, 27554003760, 27554001038, and 27551017789 held at Royal Bank of Canada, Canada, in the in the name of Terricorp Inc. d/b/a TLC Global (the "Terricorp 3786 Account," the "Terricorp 3760 Account," the "Terricorp 1038 Account," and the "Terricorp 7789 Account"), I have learned the following in substance and in part:

a. The Terricorp accounts were opened at a branch of the Royal Bank of Canada located in Kirkland, Quebec. Terricorp described its business as "Advertising -> Mailing House." Terricorp described its need for cross-border banking services as "current operations and disbursement auditor services."

b. The account statements for the Terricorp 3786 Account for the statements periods October 30, 2009, through January 29, 2010, reflect the payment of numerous checks from the account, typically in amounts ranging from approximately \$25 to approximately \$2,500. From my participation in this

investigation, this is consistent with the account operating as a payout account for online poker customers to receive their online poker winnings. Beginning in or about January 29, 2010, the statements appear to reflect batched transactions and the individual checks are no longer itemized.

c. The Terricorp 3786 Account appears to be funded primarily by transfers from the Terricorp 3760 Account. The Terricorp 3760 Account, in turn, appears to typically be funded with wire transfers in amounts in the hundreds of thousands of dollars from accounts held in the names of Terricorp and Voltrex.

70. A cooperating witness ("CW") who has previously provided reliable and corroborated information in connection with this investigation,<sup>2</sup> requested a payout of approximately \$35.00 from the CW's online poker account at www.pokerstars.com to the CW's bank account and a payout of approximately \$100.00 from the CW's online poker account at www.fulltilt.com to the CW's bank account in or about the summer of 2010. Afterwards, the CW received by mail to the CW's address in the Southern District of New York, a check in the amount of \$35 and a check in the amount of \$100.20, each drawn on account numbered 0275503786 at the Royal Bank of Canada, bearing the name "TLC Global" (the

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<sup>2</sup> The CW previously pled guilty to gambling and money laundering-related offenses in the United States District Court for the Southern District pursuant to a cooperation agreement.

Terricorp 3786 Account). The return address on the envelope enclosing the checks was a PO Box in Buffalo, New York (the "Buffalo PO Box").

71. From my review of records from the Federal Reserve relating to wire transfers relating to Terricorp Inc., I learned in substance and in part that an account numbered 4800198399 held at Harris Bank, Palatine, Illinois, received at least approximately \$546,523.00 from an account numbered GB81RBOS16630000368036 held at the Royal Bank of Scotland in the name of Voltrex Ltd.

72. In early 2011, the CW requested a payout of approximately \$100 from the CW's online poker account at www.fulltilt.com to the CW's bank account. Afterwards, the CW received by mail to an address in the Southern District of New York, a check in the amount of \$100.17, drawn on account numbered 2000059819596 at Wachovia Bank, a division of Wells Fargo Bank, N.A., bearing the name "Eastern Expressions" (the "Eastern Expressions Account"). The return address on the envelope was the Buffalo PO Box.

73. From my review of records from the Federal Reserve relating to wire transfers involving the Eastern Expressions Account, I learned in substance and in part that the Eastern Expressions Account received at least approximately \$1,048,004.00 in wire transfers between on or about November 18, 2010, and on



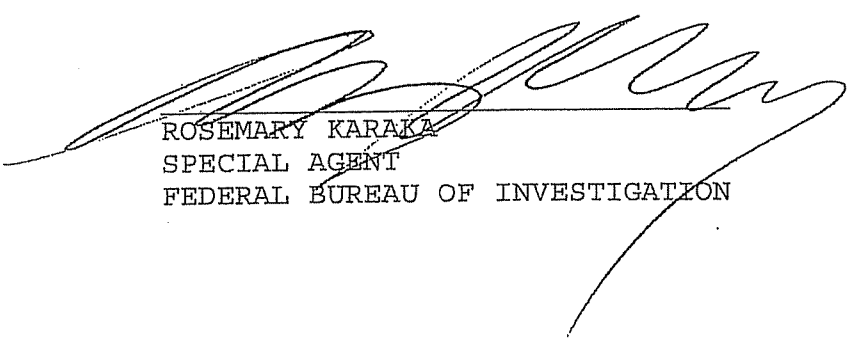
or about February 4, 2011, from account numbered 104773862842 held at Bendix Foreign Exchange, Toronto, Ontario. The wire transfers typically include the reference "B/O Terricorp Inc."

#### CONCLUSION

74. For the foregoing reasons, I submit that there is probable cause to believe that the Target Accounts contain (a) the proceeds of illegal internet gambling and property involved in illegal internet gambling, in violation of 18 U.S.C. § 1955; (b) the proceeds of a conspiracy to commit wire fraud and bank fraud, in violation of 18 U.S.C. §§ 1343, 1344, and 1349 which affected financial institutions; and (c) monies involved in a conspiracy to commit money laundering in violation of 18 U.S.C. § 1956(h). Accordingly, the contents of the Target Accounts are subject to forfeiture to the United States of America pursuant to 18 U.S.C. §§ 981(a)(1)(C), 982(a)(1) and (2)(A), and 1955, and 28 U.S.C. § 2461; and I respectfully request that the Court issue a Restraining Order for the contents of the Target Accounts, as described in paragraph 2, supra, and Schedule A hereto.

75. I also respectfully request that this Declaration be sealed until further order of the Court and any restraining order issued based on this Declaration be sealed until it is served, so as not to jeopardize the investigation of this matter. The Indictment is presently under seal and the charged defendants have not yet been arrested. Were this affidavit to be made public prior to the arrest of the defendants and the unsealing of the Indictment, it would interfere with the ability of law enforcement agents to execute arrest warrants for the defendants and would make it difficult, if not impossible, to serve the restraining order on the defendants and permit the defendants and those acting with them to transfer, conceal, or dissipate the funds sought to be restrained.

Pursuant to Title 28, United States Code, Section 1746, I declare under penalty of perjury that the foregoing is true and correct. Executed this 17th day of March, 2011:



ROSEMARY KARAKA  
SPECIAL AGENT  
FEDERAL BUREAU OF INVESTIGATION

SCHEDULE A TO KARAKA DECLARATION

Poker Company Accounts

The PokerStars Accounts

The Sphene Accounts

1. account numbered 27351910081015 held at Credit Agricole (Suisse) SA, Switzerland, in the name of Sphene International Limited, IBAN CH8908741014319300001, and all funds traceable thereto;
2. account held at Credit Agricole (Suisse) SA, Switzerland, in the name of Sphene (International) Limited, IBAN CH6208741014319300002, and all funds traceable thereto;
3. all accounts held at Bank Hapoalim (Suisse) SA, Luxembourg, in the name of Sphene International, and all funds traceable thereto;

The Oldford Group Account

4. account held at Credit Agricole (Suisse) SA, Switzerland, in the name of the Oldford Group Limited, IBAN CH1508741014093800001, and all funds traceable thereto;

The Full Tilt Accounts

The Tiltware Accounts

5. account numbered 1892947126 held at Comerica Bank, Dallas, Texas, in the name of Tiltware, and all funds traceable thereto;
6. account numbered 1892947134 held at Comerica Bank, Dallas, Texas, in the name of Tiltware, and all funds traceable thereto;

The Kolyma Corporation Accounts

7. account numbered E34512308000000007283 held at Wirecard Bank AG, Germany, in the name of Kolyma Corporation, and all funds traceable thereto;
8. account numbered E79512308000000007249 held at Wirecard Bank AG, Germany, in the name of Kolyma Corporation, and all funds traceable thereto;

#### The Ranston Accounts

9. account held at Basler Kantonal Bank, Switzerland, in the name of Ranston Ltd., IBAN CH4900770016542263375, and all funds traceable thereto;
10. account held at Basler Kantonal Bank, Switzerland, in the name of Ranston LTD, IBAN CH7000770016542254461, and all funds traceable thereto;

#### The Mailmedia Account

11. account held at Basler Kantonal Bank, Switzerland, in the name of Mailmedia, numbered CH7300770252534932001, and all funds traceable thereto;

#### The Vantage Account

12. account held at Banque Invik SA, Luxembourg, in the name of Vantage Limited, IBAN LU811944013080000USD, and all funds traceable thereto;
13. account held at Basler Kantonal Bank, Switzerland, in the name of Vantage Ltd. and all funds traceable thereto;

#### The Filco Accounts

14. account held at Allied Irish Bank in the name of Filco Ltd, IBAN IE85AIBK93006727971082, and all funds traceable thereto;
15. account held at WestLB AG, Germany, in the name of Filco Ltd, IBAN DE19512308000000007262, and all funds traceable thereto;

#### The Absolute Poker Accounts

#### The Blue Water Account

16. account numbered MT23SBMT5550500000001108 held at Sparkasse Bank Malta in the name of Blue Water Services LTD, and all funds traceable thereto;

#### The Towkiro Account

17. account numbered MT14SBMT55505000000011451GAEURO held at Sparkasse Bank Malta in the name of Tokwiro Enterprises ENRG, and all funds traceable thereto;

The Disora Accounts

18. account numbered 61-12-9436-6 held at Banco Panameno De La Vivienda SA, Panama, in the name of Disora Investment, Inc., and all funds traceable thereto;
19. account numbered 0011271083 held at Citibank London, England, in the name of Mundial Valores, for the benefit of Disora Investment, Inc., MAM000804, and all funds traceable thereto;

The Rintrade Account

20. account numbered CH4308755011432400000 held at Pictet and Co., Switzerland, in the name of Rintrade Finance SA and all funds traceable thereto;

Poker Company Principal Accounts

The Bitar and Pocket Kings Accounts

21. account numbered 60092074136054 held at Natwest, Jersey, in the name of Raymond Bitar, and all funds traceable thereto;
22. account numbered 95434087766 held at Natwest, Channel Islands, in the name of Raymond Bitar, and all funds traceable thereto;
23. account numbered 91707289 held at Bank of Ireland, Ireland, in the name of Raymond Bitar, and all funds traceable thereto;
24. account numbered 99045014745206 held at Bank of Scotland Ireland, Inc., Ireland, in the name of Raymond Bitar, and all funds traceable thereto;
25. account numbered 95151380025186 held at National Irish Bank, Ireland, in the name of Raymond Bitar, and all funds traceable thereto;
26. account numbered 95151340062618 held at National Irish Bank, Ireland, in the name of Raymond Bitar, and all funds traceable thereto;
27. account numbered 26257031 held at Allied Irish Bank, Ireland, in the name of Raymond Bitar, and all funds traceable thereto;

28. account numbered 7262 held at Wirecard Bank AG, Germany, in the name of Raymond Bitar, and all funds traceable thereto;
29. account numbered 7244 held at Wirecard Bank AG, Germany, in the name of Raymond Bitar, and all funds traceable thereto;
30. account numbered 99045014801116 held at Bank of Scotland Ireland, Inc., Ireland, in the name of Pocket Kings Consulting LTD, and all funds traceable thereto;
31. account numbered 99022000439546 held at National Irish Bank, Ireland, in the name of Pocket Kings Ltd, and all funds traceable thereto;
32. account numbered 99022000440162 held at National Irish Bank, Ireland, in the name of Pocket Kings Ltd, and all funds traceable thereto;
33. account numbered IE58IPBS9906291390203 held at Irish Permanent Treasury, PLC, in the name of Pocket Kings, and all funds traceable thereto;
34. account numbered 800801483 held at Comerica Bank, Dallas, Texas, in the name of Raymond Bitar and all funds traceable thereto;
35. account numbered 800922552 held at Comerica Bank, Dallas, Texas, in the name of Raymond Bitar and all funds traceable thereto;
36. account numbered IE07DABA95151340074209 held at National Irish Bank in the name of Pocket Kings Limited, and all funds traceable thereto;
37. account numbered IE38DABA95151340025151 held at National Irish Bank in the name of Pocket Kings Limited, and all funds traceable thereto;
38. account numbered IE42DABA95151340062618 held at National Irish Bank in the name of Pocket Kings Limited, and all funds traceable thereto;
39. account numbered IE58IPBS99062913190203 held at Irish Permanent Treasury in the name of Pocket Kings Limited, and all funds traceable thereto;
40. account numbered IE67AIBK93208626257031 held at Allied Irish Bank in the name of Pocket Kings, and all funds

traceable thereto;

41. account numbered LU621944013130000USD held at Banque Invik, Luxemburg, held in the name of Pocket Kings Limited, and all funds traceable thereto;
42. Account numbered IE07DABA95151340074209 held at Danske Bank A/S, Denmark, held in the name Pocket Kings Ltd., and all funds traceable thereto.
43. account numbered 8000801483 held at Comerica Bank, Dallas, Texas, in the name of Raymond Bitar, and all funds traceable thereto;

#### Poker Processor Accounts

##### The Sunfirst Bank Accounts and Related Accounts

44. account numbered 121015408 held at Sunfirst Bank, St. George, Utah, in the name of Triple Seven LP d/b/a Netwebfunds.com, and all funds traceable thereto;
45. account numbered 121015390 held at Sunfirst Bank, St. George, Utah, in the name of Triple Seven LP d/b/a A WEB DEBIT, and all funds traceable thereto;
46. account numbered 27351910081015 held at Societé Generale Cyprus LTD, Cyprus, in the name of Golden Shores Properties Limited, and all funds traceable thereto;
47. account numbered CY1211501001065983USDCACC002 held at FBME Bank LTD, Cyprus, in the name of Triple Seven Inc., and all funds traceable thereto;
48. account numbered 5510045221 held at Wells Fargo, N.A., in the name of Triple Seven L.P., and all funds traceable thereto;
49. account numbered 7478010312 held at Wells Fargo, N.A., in the name of Kombi Capital, and all funds traceable thereto;
50. account numbered 12900584 held at Sunfirst Bank, St. George, Utah, formerly in the name of Sunfirst Bank ITF Powder Monkeys/Full Tilt, now in the name of Sunfirst Bank, and all funds traceable thereto;
51. account numbered 129000576 on deposit at Sunfirst Bank, St. George, Utah, formerly in the name of Sunfirst Bank ITF

Mastery Merchant/Psars, now in the name of Sunfirst Bank,  
and all funds traceable thereto;

The Chad Elie Accounts and Related Accounts

52. account numbered 200003291 held at All American Bank, Des Plaines, Illinois, in the name of 21 Debit LLC, and all funds traceable thereto;
53. account numbered 200003317 held at All American Bank, Des Plaines, Illinois, in the name of 21 Debit LLC, and all funds traceable thereto;
54. account numbered 200003325 held at All American Bank, Des Plaines, Illinois, in the name of 21 Debit LLC, and all funds traceable thereto;
55. Account numbered 200003309 held at All American Bank, Des Plaines, Illinois, in the name of 21 Debit LLC, and all funds traceable thereto;
56. account number 201002907 at Barclays Bank, UK in the name of Hotwire Financial LLC, and all funds traceable thereto;
57. account number GB26BARC20473563472044 at Barclays Bank, UK, in the name of Hotwire Financial LTD, and all funds traceable thereto;
58. account number 953500105 at Bank One Utah, in the name of 4 A Consulting, and all funds traceable thereto;
59. account number 730666271, at Whitney National Bank, New Orleans, Louisiana in the name of Ndeka LLC, and all funds traceable thereto;
60. account number 2919208124 at Bank of America, N.A. in the name of Credit Capital Funding, and all funds traceable thereto;
61. account numbered 32433 at New City Bank in the name of 21Debit LLC dba PS Payments, and all funds traceable thereto;
62. account numbered 32441 at New City Bank in the name of 21Debit LLC dba FLT Payments, and all funds traceable thereto;
63. account number 32506 at New City Bank in the name of 21Debit



LLC, and all funds traceable thereto;

The Griting Account and Related Account

- 64. account numbered 972402309 held at UMPQUA Bank, Roseburg, Oregon, in the name of "ULTRA SAFE PAY," and all property traceable thereto;
- 65. account numbered 004-411-346034-838 held at Hong Kong and Shanghai Banking Corporation, Hong Kong, in the name of Griting Investments LTD, and all funds traceable thereto;

The Vensure/Trinity Global Accounts

- 66. account numbered 1093 held at Vensure Federal Credit Union, Mesa, Arizona, in the name of Trinity Global Commerce Corp.
- 67. account numbered 1200402039 held at Banca Privada D'Andorra, Andorra, in the name of Trinity Global Commerce Corp., and all funds traceable thereto;
- 68. account numbered MT54SBMT55505000000016782GAUSD0 held at Sparkasse Bank Malta PLC, Malta, in the name of Trinity Global Commerce Corp., and all funds traceable thereto;

The Terricorp Inc. d/b/a/ TLC Global Accounts and Related Accounts

- 69. account numbered 27554003786 held at Royal Bank of Canada, Canada, in the in the name of Terricorp Inc. d/b/a TLC Global, and all funds traceable thereto;
- 70. account numbered 27554003760 held at Royal Bank of Canada, Canada, in the in the name of Terricorp Inc. d/b/a TLC Global, and all funds traceable thereto;
- 71. account numbered 27554001038 held at Royal Bank of Canada, Canada, in the in the name of Terricorp Inc. d/b/a TLC Global, and all funds traceable thereto;
- 72. account numbered 27551017789 held at Royal Bank of Canada, Canada, in the in the name of Terricorp Inc. d/b/a TLC Global, and all funds traceable thereto;
- 73. account numbered 4800198399 held at Harris Bank, Palatine, Illinois, and all funds traceable thereto;
- 74. account numbered GB81RBOS16630000368036 held at the Royal

Bank of Scotland in the name of Voltrex Ltd., and all funds traceable thereto;

75. account numbered 2000059819596 held at Wachovia Bank, a division of Wells Fargo Bank, N.A.; in the name "Eastern Expressions," and all funds traceable thereto;
76. account numbered 104773862842 held at Bendix Foreign Exchange, Toronto, Ontario, and all funds traceable thereto.

# Exhibit

# A

10 MAG 2701

PREET BHARARA  
United States Attorney for the  
Southern District of New York

By: MICHAEL D. LOCKARD  
Assistant United States Attorney  
(212) 637-2193

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

- - - - - X  
UNITED STATES OF AMERICA :

- v. - :

TO BE FILED UNDER SEAL

\$6,152,285.88 IN UNITED STATES  
CURRENCY ON DEPOSIT AT FIRST BANK  
OF DELAWARE, PHILADELPHIA,  
PENNSYLVANIA, IN ACCOUNT NUMBERED  
9016139;

: AFFIDAVIT IN SUPPORT  
: OF SEIZURE WARRANTS  
: PURSUANT TO 18 U.S.C.  
: §§ 981, 984 & 1955  
:

ALL FUNDS ON DEPOSIT AT UMPQUA  
BANK, ROSEBURG, OREGON, IN ACCOUNT  
NUMBER 972402309, HELD IN THE NAME  
OF "ULTRA SAFE PAY," AND ALL  
PROPERTY TRACEABLE THERETO; AND :

ALL FUNDS ON DEPOSIT AT HAWAII  
NATIONAL BANK, HONOLULU, HAWAII, IN  
ACCOUNT NUMBER 12008656, HELD IN  
THE NAME OF "MAS INC.", AND ALL  
PROPERTY TRACEABLE THERETO; :

Defendants-in-rem. :

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

ROSEMARY KARAKA, 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 over 19  
years. I am presently assigned to a squad that investigates,  
among other things, financial institution fraud, illegal

gambling, and money laundering. I am familiar with the facts and circumstances set forth below from my personal participation in the investigation, my review of law enforcement reports and other pertinent documents, and my conversations with other law enforcement officers. Where the actions, statements, and conversations of others are recounted herein, they are recounted in substance and 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. \$6,152,285.88 IN UNITED STATES CURRENCY ON DEPOSIT AT FIRST BANK OF DELAWARE, PHILADELPHIA, PENNSYLVANIA; IN ACCOUNT NUMBERED 9016139 (the "EPX Segregated Account");
- b. ALL FUNDS ON DEPOSIT AT UMPQUA BANK, ROSEBURG, OREGON, IN ACCOUNT NUMBER 972402309, HELD IN THE NAME OF "ULTRA SAFE PAY," (the "UMPQUA Account"), AND ALL PROPERTY TRACEABLE THERETO; AND
- c. ALL FUNDS ON DEPOSIT AT HAWAII NATIONAL BANK, HONOLULU, HAWAII, IN ACCOUNT NUMBER 12008656, HELD IN THE NAME OF "MAS INC." (the "HNB Account"), AND ALL PROPERTY TRACEABLE THERETO;

(the "Defendant Funds").

3. There is probable cause to believe that the Defendant Funds constitute or are 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 Defendant Funds are subject to forfeiture to the United States pursuant to 18 U.S.C. §§ 981(a)(1)(C), 984, and 1955(d).

4. In addition, there is probable cause to believe that the Defendant Funds are 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 Defendant Funds are subject to forfeiture to the United States pursuant to 18 U.S.C. §§ 981(a)(1)(A) and 984.

5. In addition, there is probable cause to believe that the Defendant Funds constitute proceeds of bank fraud, in violation of 18 U.S.C. § 1344. As such, the Defendant Funds are subject to forfeiture to the United States pursuant to 18 U.S.C. §§ 981(a)(1)(C) and 984.

#### BACKGROUND

6. For approximately four 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).

7. Although illegal internet gambling companies keep their computer servers, management and support staff offshore, they must rely on the United States financial system both to obtain money from gamblers and to pay those gamblers who wish to withdraw funds from the online gambling companies. However, because United States financial institutions generally refuse to handle financial transactions that they know to be related to internet gambling, the offshore internet gambling companies and the payment processors who serve them must, as a matter of course, make false representations to United States financial institutions in order to conduct these transactions.

8. The leading internet gambling companies hire processing companies who have the ability to withdraw funds directly from United States consumers' bank accounts through a process known as the Automated Clearinghouse (or "ACH") system. The ACH system, which is administered by the Federal Reserve, allows for fast and efficient electronic funds transfers to and

from individuals' checking accounts through "e-checks" or "electronic checks." Payment processing companies with access to the ACH system can "pull" money from individual consumer bank accounts (i.e. debit the consumer's account) and route it to gambling companies (typically based abroad) and "push" money from the gambling companies into individual checking accounts to pay winnings (i.e. credit the consumer's account). Typically, a gambler simply logs onto the web site of an internet gambling company and chooses "e-check" or some similarly described option and enters his or her United States bank account information to complete these transactions. The gambling companies rely on these payment processors with access to the ACH system because Visa and Mastercard make it difficult for the United States residents to fund gambling transactions with credit cards.

9. Because United States banks cannot lawfully process ACH payments relating to online gambling, the payment processing companies hired by the offshore internet gambling companies must take steps to deceive financial institutions in order to induce them to allow such ACH processing. For example, external payment processors may create phoney non-gambling internet businesses (complete with web pages, and in many cases corporate formalities) and represent to banks that they are processing on behalf of these businesses, and may employ "descriptors" for the transactions that would be transmitted through the ACH system



that identified the transactions as being for various non-gambling web merchants. The "descriptors" would appear as text on the customer's bank statement--and be seen by the customer's bank--and would therefore make the transactions appear to relate to something other than gambling.

**PROBABLE CAUSE THAT THE  
DEFENDANT FUNDS ARE SUBJECT TO FORFEITURE**

10. I have reviewed records relating to accounts numbered 9012893 (the "EPX Settlement Account") and 9012907 (the "EPX Reserve Account") at First Bank of Delaware, held in the name of "EXP" (the "EPX Accounts"), the UMPQUA Account, and the HNB Account, and have spoken with representatives of First Bank of Delaware and with representatives of Electronic Payment Exchange ("EPX")<sup>1</sup> concerning the EPX Accounts. Furthermore, I have spoken with other FBI agents and have reviewed reports written by other FBI agents concerning the investigation of illegal online gaming businesses discussed above.

11. I have spoken with another FBI agent who has spoken with a cooperating witness ("CW") located in the Southern District of New York, who has previously provided reliable and corroborated information in connection with this investigation.<sup>2</sup>

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<sup>1</sup> Although the Electronic Payment Exchange goes by the acronym "EPX," the name on the EPX Accounts is "EXP."

<sup>2</sup> The CW previously pled guilty to a gambling- and money laundering-related offenses in the United States District Court

I have also reviewed records provided by the CW relating to the CW's bank account and online gambling transactions. In July 2010, the CW transferred \$21 to the CW's online poker account with Full Tilt Poker, one of the largest online real-money poker sites in the world. Afterwards, an ACH transaction in the amount of \$21 posted to the CW's bank account with the descriptor "AUTOMATED DEBIT MAS 8773094831." Also in July 2010, the CW withdrew \$100 from the CW's online poker account with Full Tilt Poker, and later received an ACH deposit to the CW's bank account with the descriptor "AUTOMATED CREDIT MAS 8773094831." The originating bank for both ACH transactions was the First Bank of Delaware.

12. From my review of records relating to the EPX Accounts, including records relating to "MAS Inc." provided by First Bank of Delaware and by EPX; and my discussions with representatives of First Bank of Delaware and of EPX; I have learned the following in substance and in part:

a. EPX is a company based in Wilmington, Delaware, that provides third-party payment processing services.

b. MAS, Inc. ("MAS") is a customer of EPX. According to EPX's records, MAS is an "e-commerce" company located in Honolulu, Hawaii. The address provided for MAS

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for the Southern District pursuant to a cooperation agreement.

appears to be the office of an accounting firm (the "Accounting Firm") located in Honolulu, Hawaii.

c. The materials provided by EPX to First Bank of Delaware concerning MAS include an Accountant's Report dated January 15, 2010, on letterhead from the Accounting Firm. The Accountant's Report notes that the report is a compilation "limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them." The Accountant's Report further notes that "Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the income tax basis of accounting." The letter states that "We [the Accounting Firm] are not independent with respect to MAS, Inc."

d. MAS is EPX's largest customer. In the month of July, MAS originated 338,914 transactions totaling \$15,264,414.05, out of \$59,954,678.30 by all EPX customers. In August, MAS originated 471,191 transactions totaling \$21,696,007.46, out of \$56,952,855.89 by all EPX customers. In September, MAS originated 487,123 transactions totaling \$21,047,054, out of \$55,660,215 by all EPX customers.

e. I have reviewed transaction detail reports for MAS transactions for the months of July, August, and September 2010. These reports include the date and amount of the transactions and the customer name, among other information. There are approximately thousands of transactions each business day, some debiting customer accounts (collecting money) and some crediting customer accounts (paying money out). The MAS transactions have characteristics consistent with transactions for other internet gambling payment processors that I have reviewed in the course of this investigation: The debit transactions are all identified with the ACH code "WEB" for internet-based transactions. The customer accounts are almost all in the names of individuals, rather than companies. The majority of transactions are in even dollar amounts, such as \$10, \$25, or \$50. The most common transaction size is a \$10 debit. The debits are typically in amounts from \$10 to \$100, ranging up to \$2,500. The credits range up to \$1500.

f. ACH transactions that EPX processes for credit to MAS are first credited to the EPX reserve account. The funds are then transferred to the EPX settlement account, where they are available to be transferred to other accounts, including customer accounts, the UMPQUA Account, or the HNB Account.

13. On or about September 21, 2010, a representative of First Bank of Delaware sent an email to a representative of

EPX asking for the originators of five MAS transactions. The EPX representative replied that MAS was the originator and that MAS owned several websites that sold different products. On or about September 27, 2010, the EPX representative provided a list of 88 websites that MAS purportedly owned and operated. From my discussions with the First Bank of Delaware representative, I learned that EPX never advised First Bank of Delaware that MAS was processing transactions for online gambling.

14. In my discussions with representatives of EPX, those representatives stated that they believed MAS was a third-party payment processor and did not know or believe that MAS processed transactions related to online gambling. According to the EPX representatives, had EPX known that MAS was processing transactions relating to online gambling, EPX would not have processed payments for MAS.

15. On or about November 12, 2010, the United States Attorney's Office for the Southern District of New York directed First Bank of Delaware, pursuant to Title 18, United States Code, Section 981(b)(2)(B), to freeze the EPX Accounts to prevent them from being dissipated or transferred by EPX or by MAS. On or about November 15, 2010, First Bank of Delaware transferred approximately \$6,823,874.90, representing the amount of funds in the accounts traceable to MAS, from the EPX Accounts to the EPX Segregated Account and lifted the restrictions on the EPX

Accounts. On or about November 18, 2010, at the Government's request, First Bank of Delaware released approximately \$671,589.02 to EPX from the EPX Segregated Account to offset ACH return transactions that effectively reversed prior ACH credits to the EPX Accounts for which the MAS customer had insufficient funds, provided an invalid bank account number, and similar reasons. Approximately \$6,152,285.88 from the EPX Accounts remains blocked and segregated in the EPX Segregated Account by First Bank of Delaware.

16. From my review of Hawaii National Bank records relating to the HNB Account, I learned in substance and in part that when MAS Inc. opened the HNB Account, it represented that it was an "Internet Retailer," and described its business as providing payment solutions for online retailers such as "Hotels, Bed and Breakfast, Travel Agents, Airlines, E-Marketing companies, and Activity Centers." The application materials do not disclose that MAS would process online gambling transactions.

17. From my review of EPX and First Bank of Delaware records relating to the EPX Accounts, UMPQUA records relating to the UMPQUA Account, and Hawaii National Bank records relating to the HNB Account, I have learned in substance and in part that since February 2010, MAS had transferred over approximately \$104 million from the EPX Accounts to the UMPQUA Account and the HNB Account. Most of the funds transferred to the UPMQUA Account

were then transferred to an account in Hong Kong in the name of "Griting Investments."

a. From on or about February 12, 2010, through on or about November 5, 2010, EPX processed ACH transactions crediting the UMPQUA Account with a net amount of approximately \$102,835,174.67 from MAS. This net number reflects approximately \$115,351,378.85 in ACH transfers to the UPMQUA Account and approximately \$12,516,204.18 in ACH transfers from the UPMQUA Account to the EPX Accounts.

b. From in or about August 12, 2009, through on or about November 9, 2010, approximately \$122,945,451.78 was transferred from the UMPQUA Account to an account in the name of "Griting Investments" in Hong Kong.

c. From on or about June 3, 2010, through on or about November 5, 2010, EPX processed ACH transactions crediting the HNB Account with a net amount of approximately \$1,497,473.41 from MAS. This net number reflects approximately \$1,827,304.11 in ACH transfers to the HNB Account and approximately \$329,830.70 in transfers from the HNB Account to the EPX Accounts.

d. From in or about January 29, 2010, when the HNB Account was opened, through on or about November 10, 2010, approximately \$3.7 million was transferred from the HNB Account to the UMPQUA Account.

STATUTORY AUTHORITY

18. The statutory provisions pursuant to which the Defendant Funds are subject to seizure and forfeiture are described below.

19. 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."

20. 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.

21. 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.

22. 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.

23. Again, as noted in paragraph 25, 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.

24. Section 1961(1) of Title 18, United States Code, also lists bank fraud in violation of Title 18, United States Code, Section 1344. Section 1344 provides, in pertinent part, that:

Whoever knowingly executes, or attempts to execute, a scheme or artifice (1) to defraud a financial institution; or (2) to obtain any of the moneys, funds, credits, assets, securities, or other property owned by, or under the custody or control of, a financial institution, by means of false or fraudulent pretenses, representations, or promises . . .

shall be guilty of a crime.

25. 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."

26. 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.

27. 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."

28. 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.

29. Were this affidavit to be made public at this time, it would interfere with an ongoing criminal investigation into certain individuals engaged in the criminal business of online gambling and money laundering. Making the affidavit public also would interfere with the ability of law enforcement officers to locate and seize the proceeds of criminal online gambling businesses.

30. Should the court issue a seizure warrant on the basis of this affidavit, making that warrant publicly available before it is executed could interfere with the ability of law


enforcement officers to seize the Defendant Funds before they are dissipated.

#### CONCLUSION

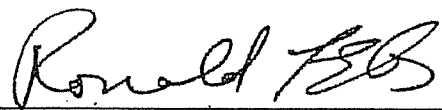
31. For the foregoing reasons, I submit that there is probable cause to believe that the Defendant Funds constitute (a) monies involved in a money laundering transaction or attempted money laundering transaction, in violation of 18 U.S.C. § 1956(a)(2)(A); and (b) the proceeds of illegal internet gambling and property involved in illegal internet gambling, in violation of 18 U.S.C. § 1955. Accordingly, the Defendant Funds are 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 Defendant Funds, as described in paragraph 2, supra.

32. I also respectfully request that this Affidavit be sealed until further order of the Court and any warrant issued based on this Affidavit be sealed until it is executed, so as not to jeopardize the investigation of this matter.

DEC 01 2010


  
Special Agent Rosemary Karaka  
Federal Bureau of Investigation

Sworn to before me this  
1<sup>st</sup> day of December, 2010

  
HONORABLE RONALD L. ELLIS  
UNITED STATES MAGISTRATE JUDGE  
SOUTHERN DISTRICT OF NEW YORK

This Affidavit must remain under seal until further Order of the Court and the accompanying Seizure Warrant must remain under seal until it is executed.

SO ORDERED

  
HONORABLE RONALD L. ELLIS  
UNITED STATES MAGISTRATE JUDGE  
SOUTHERN DISTRICT OF NEW YORK

DEC 01 2010