



# Washington State Gambling Commission

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## Federal Enforcement Actions

Federal prosecutors have successfully prosecuted United States citizens involved in illegal Internet gambling and related crimes, such as money laundering.

- In 2011, the FBI seized domain sites of three Internet poker sites: *Poker Stars*, *Full Tilt Poker*, and *Absolute/Ultimate Bet Poker*. 9 of the 11 suspects pled guilty to money laundering and violating the federal Unlawful Internet Gambling Enforcement Act. Two suspects remain fugitives. 76 bank accounts in 14 foreign countries and 9 U.S. States were seized. The U.S. Department of Justice is asking for \$3 billion in civil forfeitures. So far, there are settlement agreements of over \$783 million.
- In 2010, Anurag Dikshit, former owner of PartyGaming, pled guilty to violating the Wire Act of 1961 and agreed to pay \$300 million to avoid jail time. PartyGaming agreed to not provide Internet gambling to customers in the U.S.
- In 2010, Ahmad Khawaja was indicted on federal charges in New York for providing payment processing services for Internet gambling businesses through two automated clearing houses (ACHs). Khawaja agreed to forfeit \$33 million from Sportingbet, an Internet gambling website.
- In 2009, Douglas Rennick, a Canadian citizen, was indicted on federal charges in New York for conspiracy and bank fraud for allegedly laundering \$350 million for foreign Internet gambling businesses through his payment processing business. He agreed to forfeit \$17.1 million and received six months probation.
- In 2008, the Internal Revenue Service (Maryland) and the U.S. Attorney's Office (Washington D.C.) seized about \$24 million from two ACHs for providing payment processing services for Bodog, an Internet gambling website.
- In 2007, NETeller and two individuals were indicted on federal charges in New York for providing payment processing services to Internet gambling businesses. The two individuals pled guilty and a settlement was negotiated with fines and forfeitures of over \$249 million.
- In 2006, the DOJ indicted two individuals and the corporations through which they operated their illegal, off-shore gambling websites (WorldWide Telesports, Inc.). Those individuals and entities were also charged with money laundering over \$250 million worth of illegal Internet gambling wagers. One individual was sentenced to three years probation and forfeited almost \$6.8 million dollars. The other individual is a federal fugitive.
- In 2006, eleven members of BetOnSports PLC management and three affiliated companies were indicted by a federal grand jury in Missouri on racketeering, conspiracy and fraud charges. BetOn Sports and its affiliates were closed down by a federal injunction. Ten of the eleven members pled guilty to the indictments, two spent time in jail, one received a year probation. One member is a federal fugitive.
- In a 2005 settlement, the parent company of The Sporting News agreed to pay a \$4.2 million fine and spend \$3 million on public service announcements that online gambling is illegal.
- In 2004, the DOJ seized another \$3.2 million (from Discovery Communications) that ParadisePoker.com had prepaid for future advertising of its Internet gambling site.
- In 2003, the DOJ mounted a coordinated challenge to the advertising of Internet gambling sites. A DOJ official sent a letter to the National Association of Broadcasters stating that media businesses likely were "aiding and abetting" violations of federal law when they circulated such advertising.