

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA : **CRIMINAL NO. 14-**
v. : **DATE FILED: 1- -14**
LEONARD STANGO : **VIOLATIONS:**
: **31 U.S.C. § 5324(a)(3) (aggravated**
: **structuring - 1 count)**
: **26 U.S.C. § 7206 (filing a false tax return –**
: **4 counts)**
:

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

1. Defendant LEONARD STANGO participated in a sports bookmaking operation in the Philadelphia area from at least 2006 through 2009, accepting bets from others on various sporting events, collecting debts, and distributing winnings.
2. Defendant LEONARD STANGO accepted payments in the form of checks from gamblers who had lost money placing bets with him. From one bettor, STANGO accepted over 200 checks made out to STANGO to settle gambling debts totaling more than \$5 million.
3. Defendant LEONARD STANGO deposited those checks into his personal and business bank accounts.
4. Defendant LEONARD STANGO then withdrew in cash some of the money he had collected from others for their gambling debts. Most of defendant STANGO's cash withdrawals were in amounts close to, but no more than \$10,000.

5. After depositing checks from bettors, defendant LEONARD STANGO made approximately 345 cash withdrawals in amounts ranging from \$5,000 to \$10,000, eventually withdrawing in the form of cash approximately \$2.5 million.

6. Defendant LEONARD STANGO was aware that his banks would have to report to the government any cash transactions in amounts greater than \$10,000.

7. From on or about February 4, 2008, through on or about February 3, 2009, in the Eastern District of Pennsylvania and elsewhere, defendant

LEONARD STANGO,

for the purpose of evading the reporting requirements of Title 31, United States Code, Section 5313(a) and the regulations promulgated thereunder, knowingly structured and assisted in structuring transactions with Bank of America, TD Bank, and Citizens Bank, domestic financial institutions, as part of a pattern of illegal activity involving transactions of more than \$100,000 in a twelve-month period, that is, making approximately 114 cash withdrawals, each for no more than \$10,000 and totaling approximately \$907,100.

In violation of Title 31, United States Code, Sections 5324(a)(3) and (d)(2).

COUNTS TWO THROUGH FIVE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 6 of Count One of this indictment are incorporated here.

2. During 2006, defendant LEONARD STANGO received approximately \$1,400,940 and retained in his personal and business accounts at least approximately \$566,000 in proceeds from participating in the sports bookmaking operation. On his original 2006 federal income tax return Form 1040, he did not declare any of the gambling income he received from participating in the sports bookmaking operation. After he received a notice from the Internal Revenue Service regarding additional income in 2006, he filed an amended 2006 federal income tax return, Form 1040X and again failed to report any of his income from participating in the sports bookmaking operation.

3. During 2007, defendant LEONARD STANGO received approximately \$1,474,900 and retained in his personal and business accounts at least approximately \$332,000 in proceeds from participating in the sports bookmaking operation. On his original 2007 federal income tax return Form 1040, he did not declare any of the gambling income he received from participating in the sports bookmaking operation. After he received a notice from the Internal Revenue Service regarding additional income in 2007, he filed an amended 2007 federal income tax return, Form 1040X and again failed to report any of his income from participating in the sports bookmaking operation.

4. During 2008, defendant LEONARD STANGO received approximately \$2,464,700 and retained in his personal and business accounts at least approximately \$911,000 in

proceeds from participating in the sports bookmaking operation. On his 2008 federal income tax return, he did not declare any of the gambling income he received from participating in the sports bookmaking operation.

5. On or about the dates set forth below, in Philadelphia, in the Eastern District of Pennsylvania, defendant

LEONARD STANGO

willfully made and subscribed the United States income tax returns below, for the calendar years set forth below, which were verified by a written declaration that they were made under the penalty of perjury and filed with the Internal Revenue Service which defendant LEONARD STANGO did not believe to be true and correct as to every material matter, in that each return underreported income from the defendant's bookmaking operation by at least \$332,000.

COUNT	FORM	DATE	CALENDAR YEAR
2	1040X	July 16, 2008	2006
3	1040	April 7, 2008	2007
4	1040X	July 23, 2009	2007
5	1040	July 24, 2009	2008

All in violation of Title 26, United States Code, Section 7206(1).

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. The allegations contained in Count One of this indictment are hereby realleged and incorporated by reference for the purposes of alleging forfeiture pursuant to Title 31, United States Code, Section 5317.

2. Pursuant to Title 31, United States Code, Section 5317, upon conviction of an offense in violation of Title 31, United States Code, Section 5324, the defendant,

LEONARD STANGO,

shall forfeit to the United States of America, the currency involved in the commission of such offense, including, but not limited to: \$2,544,200 in United States currency.

3. If any of the property described above, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

it is the intention of the United States, pursuant to Title 31, United States Code, Section 5317(c)(1)(B), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 31, United States Code, Section 5317(c).

A TRUE BILL:

GRAND JURY FOREPERSON

ZANE DAVID MEMEGER
UNITED STATES ATTORNEY