



*United States Attorney
Southern District of New York*

FOR IMMEDIATE RELEASE

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**INTERNET GAMBLING PAYMENT PROCESSOR CHARGED WITH BANK
FRAUD, MONEY LAUNDERING, AND ILLEGAL GAMBLING OFFENSES**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, and JOSEPH M. DEMAREST, JR., the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced today the filing of an Indictment charging DOUGLAS RENNICK with bank fraud and other offenses stemming from his role in processing more than \$350 million for Internet gambling companies. According to the Indictment filed yesterday in Manhattan federal court:

Since at least 2007 through June 2009, RENNICK opened a number of bank accounts in the United States under various corporate names, such as KJB Financial Corporation, Account Services Corporation, and Check Payment Financial Co. In opening the accounts he and his co-conspirators falsely represented that the accounts would be used for such purposes as issuing rebate checks, refund checks, sponsorship checks, affiliate checks, and minor payroll processing. In fact, RENNICK and his co-conspirators used the accounts to receive funds from offshore Internet gambling companies that offered, variously, poker, blackjack, slots, and other casino games. RENNICK and his co-conspirators then disbursed those funds via checks to United States residents seeking to cash out their gambling winnings. RENNICK and his co-conspirators provided false and misleading information to United States banks about the purpose of the accounts because the banks would not have processed the transactions had they known they were gambling-related. In total, RENNICK and his co-conspirators processed more than \$350 million transferred from a Cyprus bank account to various United States bank accounts for this purpose.

RENNICK is charged with one count each of conspiracy to commit bank fraud, conspiracy to engage in money laundering, and conspiracy to operate an illegal gambling business. If found guilty, RENNICK faces a maximum term of 30 years in prison and a \$1 million fine on the bank fraud charge, 20 years in prison and a \$500,000 fine on the money laundering charge, and 5 years in prison and a \$250,000 fine on the gambling charge. The Indictment also seeks the forfeiture of at least approximately \$565,908,288, which represents the amount of proceeds obtained as a result of the illegal gambling and bank fraud conspiracies. The case has been assigned to United States District Judge SIDNEY H. STEIN.

RENNICK, 34, currently resides in Canada.

Mr. DASSIN praised the investigative work of the FBI and thanked the Department of Homeland Security's U.S. Immigration and Customs Enforcement and the Internal Revenue Service for their assistance in the investigation. Mr. DASSIN added that the investigation is continuing.

Assistant United States Attorneys ARLO DEVLIN-BROWN and JONATHAN NEW are in charge of the prosecution, and Assistant United States Attorney JEFFREY ALBERTS is in charge of the forfeiture in this case.

The charges contained in the Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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