

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - -x
UNITED STATES OF AMERICA :
 : SUPERSEDING
 : INFORMATION
-v- :
 :
RYAN LANG, : S5 10 Cr. 336 (LAK)
 :
Defendant. :
- - - - -x

COUNT ONE

(Bank Fraud and Unlawful Internet Gambling Enforcement
Act Conspiracy)

The United States Attorney charges:

Background

1. From at least in or about 2007, up through and including on or about April 14, 2011, the three leading internet poker companies doing business in the United States were PokerStars, Full Tilt Poker and Absolute Poker/Ultimate Bet (collectively, the "Poker Companies"). Because United States banks were largely unwilling to process payments for an illegal activity such as internet gambling, the three Poker Companies used fraudulent methods to avoid these restrictions and to receive billions of dollars from United States residents who gambled through the Poker Companies. To accomplish this deceit, 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. In

order to find payment processors, the Poker Companies relied on self-described "middlemen" who would match the Poker Companies with payment processors who could obtain access to the United States Banking system.

2. RYAN LANG, the defendant, is a former employee of Neteller, PLC, which, in October 2006, was the dominant payment processor for the internet gambling industry. While employed at Neteller, LANG established close working relationships with the heads of Pokerstars and Full Tilt Poker, as well as with other senior executives from all three Poker Companies.

3. On or about October 13, 2006, the United States enacted the Unlawful Internet Gambling Enforcement ("UIGEA"), making it a federal crime for gambling businesses to "knowingly accept" most forms of payment "in connection with the participation of another person in unlawful Internet gambling." After the enactment of UIGEA, Neteller stopped processing payments for internet gambling companies that continued to do business in the United States. RYAN LANG, the defendant, then left Neteller and began searching for other payment processing methods that the Poker Companies could utilize to obtain access to the United States financial system. From at least in or about 2007, up through and including in or about May 2010, RYAN LANG, the defendant, brokered a series of relationships between the senior executives of all three Poker Companies and various

payment processors who had the ability to electronically transfer funds to or from United States customer bank accounts as "electronic checks" or "e-checks." As LANG knew - and discussed with executives from the Poker Companies - payment processors working for the Poker Companies created phony shell companies to disguise the poker transactions so that banks would not learn that the payments were connected to gambling.

Statutory Allegations

4. From at least on or about 2007, up through and including in or about May 2010, in the Southern District of New York and elsewhere, RYAN LANG, the defendant, together with others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit, violations of Section 5363 of Title 31 of the United States Code, and Section 1344 of Title 18 of the United States Code.

5. It was a part and an object of the conspiracy that RYAN LANG, the defendant, and others known and unknown, willfully and knowingly, with persons engaged in the business of betting and wagering, would and did knowingly accept, in connection with the participation of another person in unlawful internet gambling, to wit, gambling in violation of New York Penal Law Sections 225.00 and 225.05 and the laws of other states where the gambling businesses operated, credit, and the proceeds of credit, extended to and on behalf of such other person, including credit

extended through the use of a credit card, and an electronic fund transfer and the proceeds of an electronic fund transfer from and on behalf of such other person, and a check, draft and similar instrument which is drawn by and on behalf of such other person and is drawn on and payable at and through any financial institution, in violation of Title 31 United States Code, Sections 5363 and 5366.

6. It was further a part and an object of the conspiracy that RYAN LANG, the defendant, and others known and unknown, willfully and knowingly would and did execute and attempt to execute a scheme and artifice to defraud a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation, and to obtain monies, funds, credits, assets, securities, and other property owned by and under the custody and control of that financial institution by means of false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344.

OVERT ACTS

7. In furtherance of the conspiracy and to effect the illegal objects thereof, RYAN LANG, the defendant, and others known and unknown, committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. On or about January 20, 2009, PokerStars, Full Tilt Poker, and Absolute Poker each received an electronic transfer of funds from a gambler located in the Southern District of New York.

b. On or about April 3, 2009, LANG met in Nevada with representatives of Full Tilt Poker to discuss a potential payment processing arrangement.

(Title 18, United States Code, Section 371.)

COUNT TWO

(Unlawful Internet Gambling Enforcement Act)

The United States Attorney further charges:

8. Paragraphs 1 through 3 and paragraph 7 of this Information are repeated and realleged as if fully set forth herein.

9. From in or about 2007 up to and including in or about May 2010, in the Southern District of New York and elsewhere, RYAN LANG, the defendant, aiding and abetting persons engaged in the business of betting and wagering, did knowingly accept, in connection with the participation of another person in unlawful internet gambling, to wit, gambling in violation of New York Penal Law Sections 225.00 and 225.05 and the laws of other states, credit, and the proceeds of credit, extended to and on behalf of such other person, including credit extended through the use of a credit card, and an electronic fund transfer and the proceeds of an electronic fund transfer from and on behalf of

such other person, and a check, draft and similar instrument which was drawn by and on behalf of such other person and was drawn on and payable at and through any financial institution.

(Title 31, United States Code, Sections 5363 and 5366; Title 18 United States Code, Section 2).

COUNT THREE

(Money Laundering Conspiracy)

The United States Attorney further charges:

10. Paragraphs 1 through 3 and paragraph 7 of this Information are repeated and realleged as if fully set forth herein.

11. From at least in or about 2003, up to and including in or about May 2010, in the Southern District of New York and elsewhere, RYAN LANG, the defendant, and others known and unknown, willfully and knowingly did combine, conspire, confederate and agree together and with each other to violate Title 18, United States Code, Sections 1956 and 1957.

12. It was a part and an object of the conspiracy that RYAN LANG, the defendant, and others known and unknown, would and did transport, transmit, transfer and attempt to transport, transmit, and transfer a monetary instrument and funds from a place in the United States to and through a place outside the United States, with intent to promote the carrying on of specified unlawful activity, to wit, the operation of an illegal

gambling business, in violation of Title 18, United States Code, Section 1956(a)(2)(A).

13. It was a further a part and an object of the conspiracy that RYAN LANG, the defendant, and others known and unknown, in an offense that took place in the United States, willfully and knowingly, would and did engage in monetary transactions in criminally derived property of a value greater than \$10,000 and which was derived from specified unlawful activity, to wit, the operation of an illegal gambling business, in violation of Title 18, United States Code, Section 1957(a).

(Title 18, United States Code, Section 1956(h)).

FORFEITURE ALLEGATION

14. As a result of committing the offense of conspiring to commit bank fraud as alleged in Count One of this Information, RYAN LANG, the defendant, shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C), 28 U.S.C. § 2461(c), and 18 U.S.C. § 982(a)(2)(A), all property constituting or derived from proceeds obtained directly and indirectly as a result of the offense alleged in Count One.

15. As a result of committing the offense of conspiring to commit money laundering as alleged in Count Three of this Information, RYAN LANG, the defendant, shall forfeit to

the United States, pursuant to 18 U.S.C. § 982(a)(1), all property, real and personal, involved in the offense alleged in Count Three, and all property traceable to such property.

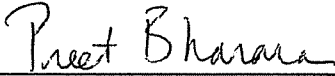
Substitute Asset Provision

16. If any of the above-described forfeitable property, 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 person;
- 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 subdivided without difficulty;

it is the intent of the United States, pursuant to 18 U.S.C. § 982(b) and 21 U.S.C. § 853(p), to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Sections 981 and 982;
Title 21, United States Code, Section 853; Title 28, United
States Code, Section 2461.)


PREET BHARARA
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