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FOR IMMEDIATE RELEASE
MAY 11, 2010

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**INTERNET GAMBLING PAYMENT PROCESSOR PLEADS GUILTY
IN MANHATTAN FEDERAL COURT TO ILLEGAL GAMBLING OFFENSE**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that DOUGLAS RENNICK pleaded guilty today in Manhattan federal court before United States District Judge SIDNEY H. STEIN to charges that he used the wires to transmit bets and wagering information in interstate commerce, stemming from his role in processing more than \$350 million for Internet gambling companies.

According to the documents filed and RENNICK's plea allocution in Manhattan federal court:

From 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. RENNICK and others used the accounts to receive funds from offshore Internet gambling companies that offered, variously, poker, blackjack, slots, and other casino games. RENNICK and his associates then disbursed those funds via checks to United States residents seeking to cash out their gambling winnings. In total, RENNICK and his associates processed more than \$350 million transferred from a Cyprus bank account to various United States bank accounts for this purpose.

RENNICK, 34, of Canada, pleaded guilty to one count of using the wires to transmit bets and wagering information in interstate commerce. RENNICK faces a maximum sentence of 2 years in prison and a fine of \$250,000, or twice the gross gain or loss from the offense. RENNICK also admitted to forfeiture allegations requiring him to forfeit approximately \$565,908,288, which represents the amount of proceeds obtained as a result of the illegal gambling offense. He is scheduled to be sentenced by Judge STEIN on September 15, 2010.

Mr. BHARARA praised the investigative work of the Federal Bureau of Investigation 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.

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.

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