



***United States Attorney
Southern District of New York***

**FOR IMMEDIATE RELEASE
OCTOBER 21, 2010**

**CONTACT: U.S. ATTORNEY'S OFFICE
ELLEN DAVIS,
EDELI RIVERA,
JESSIE ERWIN
PUBLIC INFORMATION OFFICE
(212) 637-2600**

**FBI
JIM MARGOLIN,
RICHARD KOLKO
(212) 384-2720, 2715**

**USPS-OIG
RAFAEL MEDINA
(646) 296-7137**

**EMPLOYEE OF THE UNITED STATES POSTAL SERVICE FOUND
GUILTY IN MANHATTAN FEDERAL COURT FOR OPERATING
\$10 MILLION ILLEGAL GAMBLING RING**

PREET BHARARA, the United States Attorney for the Southern District of New York, JANICE K. FEDARCYK, the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), and JANE HUGHES, the Special Agent-in-Charge of the United States Postal Service, Office of Inspector General for the Northeast Area ("USPS-OIG"), announced that JAMES WASHINGTON, a/k/a "Harlem," was found guilty yesterday of conspiring to operate an illegal gambling business throughout USPS facilities and other government workplaces. WASHINGTON was found guilty yesterday by a federal jury after a three-day trial before U.S. District Judge RICHARD M. BERMAN.

According to the evidence presented at trial, and other documents previously filed in Manhattan federal court:

From 2005 to 2009, WASHINGTON, who was then a USPS supervisor, along with several co-conspirators who worked at the USPS and other state and local government agencies, operated a "Lotto"-type gambling business (the "Lottery") which tracked the numbers chosen for the New York State Lotto drawings and paid out

on a monthly basis prizes in the range of \$100,000 and more. Each month, thousands of players paid \$20 per entry in the Lottery. "Lottery books," which listed each player's name and the six numbers he or she chose to play per entry, were distributed to players from a central storage facility in Brooklyn. The winner was the first player or players to have all six numbers chosen in the New York State Lotto.

During the course of the conspiracy, WASHINGTON and his co-conspirators collected over \$10 million dollars in illegal wagers, many of which were collected from USPS employees, as well as employees of the Metropolitan Transit Authority ("MTA") and New York Department of Sanitation ("DSNY"). Much of the illegal activity took place on Government property and during work hours. The evidence at trial showed that WASHINGTON earned over \$100,000 in illegal profits from his role in the conspiracy.

The following co-conspirators have previously pled guilty in this case:

JAMES MONTELEONE, a former MTA employee, ANDREW TURELLI, a former USPS employee, JUAN DEJESUS, a USPS employee, JOHN ALFONZO, a DSNY employee, RUBEN CHAVES, an MTA employee, MICHAEL FARRAJ, an MTA employee, MAURICE PALMER, a former USPS employee, ROMUALDO MUNOZ, a former USPS employee, STEVEN GOLDSTEIN, a USPS employee, and FRANK LINSALATA.

Mr. BHARARA thanked the FBI and the USPS-OIG for their work in the investigation of this case. Mr. BHARARA also thanked the DSNY and the MTA for their assistance.

This case is being prosecuted by the Office's General Crimes Unit. Assistant U.S. Attorneys AIMEE HECTOR and DANIEL CHUNG are in charge of the prosecution.

10-334

#