

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - -x
:
UNITED STATES OF AMERICA : SUPERSEDING
: INFORMATION
-v- :
:
NELSON BURTNICK, : S9 10 Cr. 336 (LAK)
:
Defendant. :
- - - - -x

COUNT ONE

(Unlawful Internet Gambling Enforcement Act, Bank Fraud
and Money Laundering Conspiracy)

The United States Attorney charges:

1. From at least in or about December 2006, up through and including on or about April 15, 2011, in the Southern District of New York and elsewhere, NELSON BURTNICK, 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 Sections 1344 and 1956 of Title 18 of the United States Code, to wit BURTNICK, conspired with others at Pokerstars and Full Tilt Poker, two unlawful internet poker businesses, to accept payments in connection with the participation of others in unlawful internet gambling, deceive United States banks and financial institutions into processing hundreds of millions of dollars in transactions for the businesses, and transfer money from the United States to places offshore in order to promote the businesses.

2. It was a part and an object of the conspiracy that NELSON BURTNICK, 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.

3. It was a further part and an object of the conspiracy that NELSON BURTNICK, 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.

4. It was a further part and an object of the conspiracy that NELSON BURTNICK, 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).

OVERT ACTS

5. In furtherance of the conspiracy and to effect the illegal objects thereof, NELSON BURTNICK, 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 and Full Tilt Poker each received an electronic transfer of funds from a gambler located in the Southern District of New York.

b. On or about February 8, 2010, BURTNICK e-mailed a Full Tilt Poker colleague that the various internet poker processing options all involved "some form or another of 'misrepresentation,'" including methods used by rival Pokerstars.

c. On or about November 9, 2010, BURTNICK e-mailed colleagues at Full Tilt Poker that the only available payment

processing options left in the United States were "crap" and had "potential legal repercussions."

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

COUNT TWO

(Unlawful Internet Gambling Enforcement Act: Pokerstars)

The United States Attorney further charges:

6. From in or about December 2006 up to and including in or about September 2008, in the Southern District of New York and elsewhere, NELSON BURTNICK, the defendant, a person engaged in the business of betting and wagering and a person aiding and abetting persons in the business of betting and wagering, knowingly did accept, in connection with the participation of another person in unlawful internet gambling, to wit, gambling through Pokerstars in violation of New York Penal Law Sections 225.00 and 225.05 and the laws of other states where Pokerstars 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 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

(Unlawful Internet Gambling Enforcement Act: Full Tilt Poker)

The United States Attorney further charges:

7. From in or about February 2009 up to and including on or about April 15, 2011, in the Southern District of New York and elsewhere, NELSON BURTNICK, the defendant, a person engaged in the business of betting and wagering and a person aiding and abetting persons in the business of betting and wagering, knowingly did accept, in connection with the participation of another person in unlawful internet gambling, to wit, gambling through Full Tilt Poker in violation of New York Penal Law Sections 225.00 and 225.05 and the laws of other states where Full Tilt Poker 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 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).

FORFEITURE ALLEGATION

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

Substitute Asset Provision

9. 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
United States Attorney

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(18 U.S.C. § 371,
31 U.S.C. §§ 5363, 5366)

PREET BHARARA
United States Attorney.
