

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**UNITED STATES OF AMERICA** : **CRIMINAL NO. 11-**  
 : **DATE FILED: February 10, 2011**  
 :  
 **v.** :  
 : **VIOLATIONS:**  
 **DONALD HELLINGER** : **18 U.S.C. § 371 (conspiracy – 1 count)**  
 **RONALD HELLINGER** : **18 U.S.C. § 1960 (operating an illegal money**  
 **MICHAEL WEISBERG** : **transmission business – 1 count)**  
 **RANDY TROST** : **18 U.S.C. § 1955 (operating an illegal gambling**  
 **JAMI PEARLMAN** : **business – 1 count)**  
 **MICHELE QUIGLEY** : **18 U.S.C. § 1084 (transmission of wagers and**  
 : **wagering information – 8 counts)**  
 : **18 U.S.C. § 1956(a)(2)(A) (international money**  
 : **laundering – 3 counts)**  
 : **Notice of forfeiture**

**INDICTMENT**

**COUNT ONE**

**THE GRAND JURY CHARGES THAT:**

At all times relevant to this indictment:

**BACKGROUND**

1. Defendants DONALD HELLINGER, RONALD HELLINGER, MICHAEL WEISBERG, RANDY TROST, JAMI PEARLMAN, and MICHELE QUIGLEY owned and operated Payment Processing Center, Inc. (“PPC”), a business that illegally made payments on behalf of internet gambling businesses located outside of the United States, among other businesses. PPC’s headquarters were at 1262 Wood Lane, Langhorne, PA, and later 121 Friends Lane, Newtown, PA.

2. Defendants DONALD HELLINGER, RONALD HELLINGER, MICHAEL WEISBERG, RANDY TROST, JAMI PEARLMAN, and MICHELE QUIGLEY

owned an operated PPC. Between 2002 and 2004, the defendants owned, operated, or were associated with Netchex/Universal Payment Solutions, a company in the business of processing internet gambling payments.

3. PPC operated as a money transmission business even though it did not have a license from the Commonwealth of Pennsylvania, and was not registered with the United States Department of the Treasury, both of which were required by law.

### **THE CONSPIRACY**

4. From approximately January 2005 to approximately February 21, 2006, in the Eastern District of Pennsylvania, defendants

**DONALD HELLINGER,  
RONALD HELLINGER,  
MICHAEL WEISBERG,  
RANDY TROST,  
JAMI PEARLMAN, and  
MICHELE QUIGLEY**

conspired and agreed, together and with others known and unknown to the grand jury, to commit offenses against the United States, that is, to: (a) transmit wagers and wagering information; (b) operate an illegal gambling business; (c) launder funds internationally to promote illegal gambling; and (d) operate an unlicensed money transmission business, in violation Title 18, United States Code, Sections 1084, 1955, 1956(a)(2), and 1960.

### **MANNER AND MEANS**

5. The defendants maintained bank accounts in the United States that they used to receive tens of millions of dollars from internet gambling and other businesses located

outside of the United States. The defendants used these bank accounts to distribute gambling winnings to bettors and others in the United States.

6. The defendants received emails from internet gambling businesses with instructions for paying bettors in the United States. The emails included names and addresses of bettors and the amounts of money each bettor should receive as proceeds from internet gambling. The defendants used funds received from the internet gambling companies to pay bettors. The defendants sent bettors checks via United States mail and commercial interstate carriers.

7. The defendants promoted gambling businesses by, among other things, paying advertising expenses in the United States of foreign-based internet gambling companies.

8. The defendants concealed the nature and source of their gambling payments by, among other things, breaking up payments to bettors into amounts of less than \$5,000 and by assuring that no checks or other correspondence with the internet gambling companies and bettors mentioned gambling. The defendants and the defendants' customers used innocuous names like DTX/Cubepay, UC Safetx, and IEE/9088-9437 QC, Inc., when dealing with PPC, but operated internet gambling sites with names such as [www.betonusa.com](http://www.betonusa.com), [www.bodog.com](http://www.bodog.com), [www.mvpsportsbook.com](http://www.mvpsportsbook.com), [www.sportsbook.com](http://www.sportsbook.com), [www.sportsbetting.com](http://www.sportsbetting.com), [www.betonsports.com](http://www.betonsports.com), among others.

9. In total, the defendants transferred approximately \$44 million to bettors in the United States.

### **OVERT ACTS**

In furtherance of the conspiracy and to accomplish its objectives, the defendants committed the following overt acts, among others, in the Eastern District of Pennsylvania:

1. In or about December 2004, defendant MICHAEL WEISBERG formed PPC.

2. In or about early 2005, defendants MICHAEL WEISBERG, DONALD HELLINGER, RONALD HELLINGER, RANDY TROST, JAMI PEARLMAN, and MICHELLE QUIGLEY, agreed to jointly own, operate, and manage PPC.

3. On or about January 19, 2005, defendant RANDY TROST signed an agreement on behalf of PPC with DTX Solutions, a Panamanian company, to provide pay-out services for illegal internet gambling.

4. On or about January 21, 2005, defendants MICHAEL WEISBERG and RANDY TROST opened a bank account at Commerce Bank for the deposit of funds received from DTX/Cubepay, and became the signatories for the account.

5. On or about March 10, 2005, defendant MICHAEL WEISBERG, on behalf of PPC, entered into an agreement with a trade association for internet gambling companies. The agreement, which was negotiated by defendant RONALD HELLINGER, provided that the trade association would introduce PPC to foreign internet gambling companies so that PPC could offer the foreign internet gambling companies payment services in the United States. Under the agreement, PPC agreed to pay a 10-percent commission to the trade association for transactions on behalf of company's that the trade association referred to PPC to provide payment services.

6. In or about May 2005, defendant MICHAEL WEISBERG signed an agreement on behalf of PPC with UC Safetx, an English company, to provide pay-out services for illegal internet gambling.

7. On or about May 24, 2005, defendants MICHAEL WEISBERG and RANDY TROST opened a bank account at Commerce Bank for the deposit of funds for UC Safetx, and became the signatories for the account.

8. In or about September 2005, defendant MICHAEL WEISBERG signed an agreement with 9088-9437 Quebec, Inc., a Canadian company, to provide pay-out services for illegal internet gambling.

9. On or about September 8, 2005, defendants MICHAEL WEISBERG and RANDY TROST opened a bank account at Commerce Bank for the deposit of funds for IEE/9088-9437 QC, Inc., and became the signatories for the account.

10. On or about June 1, 2005, defendants MICHAEL WEISBERG and RANDY TROST opened a bank account at Commerce Bank for the deposit of funds for Manchester Holdings, another of PPC's pay-out clients, and became the signatories for the account.

11. Numerous times during the conspiracy, defendant RANDY TROST permitted her signature to be used on checks issued by PPC to internet gamblers, and managed day-to-day communications with the gambling companies. Each time is alleged here as an overt act in furtherance of the conspiracy.

12. On or about October 21, 2005, defendant DONALD HELLINGER communicated with defendants RONALD HELLINGER, MICHAEL WEISBERG, and JAMI PEARLMAN concerning developing PPC's money transmitting and gambling business.

13. On or about December 23, 2005, defendant DONALD HELLINGER communicated with defendants RONALD HELLINGER, MICHAEL WEISBERG, and JAMI PEARLMAN concerning developing PPC's money transmitting and gambling business.

14 On or about February 17, 2006, defendant MICHELLE QUIGLEY prepared or caused to be prepared a periodic report to a gambling company detailing, among other things, the funds wired into PPC's accounts, the number of checks issued by PPC and the value of the checks, PPC's fees, and the payout account balance.

15. On the dates listed below, the defendants caused PPC to issue the following checks which were winnings from illegal gambling:

Overt Act	Date	Gambling Co.	Bettor's location	Amount
15A	2/14/06	DTX	Carrollton, TX	\$4,990
15B	2/14/06	DTX	Cannonsburg, PA	\$1,500
15C	2/14/06	IEE	Birmingham, AL	\$3,955
15D	2/15/06	UC Safetx	Torrance, CA	\$1,350

All in violation of Title 18, United States Code, Section 371.

**COUNT TWO**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs One through Nine of Count One are incorporated here.
2. From in or about January 2005 through on about February 21, 2006, in the

Eastern District of Pennsylvania, and elsewhere, defendants

**DONALD HELLINGER,  
RONALD HELLINGER,  
MICHAEL WEISBERG,  
RANDY TROST,  
JAMI PEARLMAN, and  
MICHELE QUIGLEY**

knowingly conducted, controlled, managed, supervised, directed, or owned all or part of a money transmitting business, which business affected interstate or foreign commerce in some manner or degree, while failing to comply with the money transmitting business registration requirements under Title 31, United States Code, Section 5330, or regulations prescribed under that section.

In violation of Title 18, United States Code, Section 1960.

**COUNT THREE**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs One through Nine of Count One are incorporated here.
2. From about January 2005 through about February 21, 2006, in the Eastern

District of Pennsylvania, and elsewhere, defendants

**DONALD HELLINGER,  
RONALD HELLINGER,  
MICHAEL WEISBERG,  
RANDY TROST,  
JAMI PEARLMAN, and  
MICHELE QUIGLEY**

conducted, financed, managed, supervised, directed, and owned all or part of an illegal gambling business, that is, a gambling business involving sports betting and other forms of betting, which gambling business was a violation of the laws of the Commonwealth of Pennsylvania, and which involved five or more persons who conducted, financed, managed, supervised, directed and owned all or part of said illegal gambling business, and which remained in substantially continuous operation for a period in excess of thirty days, or had a gross revenue of \$2,000 or more on any single day.

In violation of Title 18, United States Code, Section 1955.



**COUNTS FOUR THROUGH SIX**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs One through Nine of Count One are incorporated here.
2. On or about the dates listed below, in the Eastern District of Pennsylvania,

and elsewhere, defendants

**DONALD HELLINGER,  
 RONALD HELLINGER,  
 MICHAEL WEISBERG,  
 RANDY TROST,  
 JAMI PEARLMAN, and  
 MICHELE QUIGLEY**

engaged in the business of betting and wagering, knowingly used a wire communication facility, for the transmission in interstate or foreign commerce, between Newtown, Pennsylvania, and the locations listed below, of bets and wagers, information assisting in the placing of bets and wagers on a sporting event or contest, of the below listed interstate wire communication that entitled the recipient to receive money and credit as a result of a bet and wager and for information assisting in the placing of bets and wagers:

<b>Count</b>	<b>Date</b>	<b>PPC Payout Client</b>	<b>PPC Payout Account</b>	<b>Amount</b>
4	2/14/06	9088-9437 QC, Inc. (Canada)	367577103	\$366,693.15
5	2/16/06	UC Safetx (England)	366864320	\$16,839.91
6	2/16/06	DTX (Costa Rica)	366864254	\$99,980

All in violation of Title 18, United States Code, Section 1084.

**COUNTS SEVEN THROUGH ELEVEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs One through Nine of Count One are incorporated here.
2. On or about the dates listed below, in the Eastern District of Pennsylvania,

and elsewhere, defendants

**DONALD HELLINGER,  
RONALD HELLINGER,  
MICHAEL WEISBERG,  
RANDY TROST,  
JAMI PEARLMAN, and  
MICHELE QUIGLEY**

engaged in the business of betting and wagering, knowingly used a wire communication facility, for the transmission in interstate or foreign commerce, between Newtown, Pennsylvania, and the locations listed below, of bets and wagers, information assisting in the placing of bets and wagers on a sporting event or contest, of the below listed interstate wire communication that entitled the recipient to receive money and credit as a result of a bet and wager and for information assisting in the placing of bets and wagers:

<b>Count</b>	<b>Date</b>	<b>Sender</b>	<b>Recipient</b>
7	2/13/06	DTX – <a href="mailto:sergio@cubepay.com">sergio@cubepay.com</a>	defendant TROST
8	2/14/06	DTX – <a href="mailto:sergio@cubepay.com">sergio@cubepay.com</a>	defendant TROST
9	2/15/06	DTX – <a href="mailto:sergio@cubepay.com">sergio@cubepay.com</a>	defendant TROST
10	2/15/06	DTX– <a href="mailto:sergio@cubepay.com">sergio@cubepay.com</a>	defendant TROST
11	2/17/06	DTX– <a href="mailto:sergio@cubepay.com">sergio@cubepay.com</a>	defendant TROST

All in violation of Title 18, United States Code, Section 1084.

**COUNTS TWELVE THROUGH FOURTEEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs One through Nine of Count One are incorporated here.
2. On or about the dates listed below, in the Eastern District of Pennsylvania,

and elsewhere, defendants

**DONALD HELLINGER,  
RONALD HELLINGER,  
MICHAEL WEISBERG,  
RANDY TROST,  
JAMI PEARLMAN, and  
MICHELE QUIGLEY**

transported, transmitted, transferred, and attempted to transport, transmit, and transfer, the below listed monetary instrument or funds, from or through a place inside the United States to or through a place outside the United States, or to a place inside the United States from or through a place outside the United States, with the intent to promote the carrying on of a specified unlawful activity, to wit, the operation of an illegal gaming business:

<b>Count</b>	<b>Date</b>	<b>PPC Client</b>	<b>PPC Account</b>	<b>Amount</b>
12	2/14/06	9088-9437 QC, Inc. (Canada)	367577103	\$366,693.15
13	2/16/06	UC Safetx (England)	366864320	\$16,839.91
14	2/16/06	DTX (Costa Rica)	366864254	\$99,980

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

**NOTICE OF FORFEITURE**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. As a result of the violation of Title 18, United States Code, Sections 371, 1084, 1955, 1956, and 1960 set forth in this indictment, defendants

**DONALD HELLINGER,  
RONALD HELLINGER,  
MICHAEL WEISBERG,  
RANDY TROST,  
JAMI PEARLMAN, and  
MICHELE QUIGLEY**

shall forfeit to the United States of America any property constituting, or derived from, proceeds obtained directly or indirectly from the commission of such offenses, including, but not limited to the sum of approximately \$44 million.

2. If any of the property described above, as a result of any act or omission of the defendants:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred to, sold to, or deposited with a third party;
- c. has been placed beyond the jurisdiction of this Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

it is the intention of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 981(a)(1)(C), 28 U.S.C.

§ 2461, and United States Code, Section 853.

**A TRUE BILL:**

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**GRAND JURY FOREPERSON**

  
**ZANE DAVID MEMEGER**  
United States Attorney