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**27 INDIVIDUALS AND 3 CORPORATIONS INDICTED**  
**IN \$3.3 BILLION INTERNATIONAL INTERNET GAMBLING ENTERPRISE**

*Landmark Prosecution Results in Arrest of Website Designer, Costa Rica-based Internet Company  
and Dozens of Individuals in Las Vegas, Florida, New Jersey and New York;  
District Attorney Initiates \$500 Million Asset Forfeiture Case*

Queens District Attorney Richard A. Brown, joined by Police Commissioner Raymond W. Kelly, today announced the indictment of twenty-seven individuals and three corporations on charges of unlawfully operating a highly sophisticated online gambling operation in Queens County and elsewhere in the world that booked more than \$3.3 billion in wagers over a 28-month period on a wide variety of sporting events – ranging from horse-racing, football, baseball, basketball and hockey to NASCAR, PGA golf and professional tennis, among others.

District Attorney Brown said, “Internet gambling is a multi-billion dollar worldwide industry that for too long has operated with impunity. Today’s case represents the first time Internet gambling charges have been brought against anyone in this country since President Bush signed into law last month the Unlawful Internet Gambling Enforcement Act which prohibits American online gamblers from using electronic funds transfers, credit cards and checks in placing bets with gambling sites worldwide. The case also marks the first time that a web designer and an offshore based Internet company have been charged with directly participating in a criminal enterprise. In addition, the \$500 million asset forfeiture case commenced against the defendants is among the largest such cases ever filed.”

The District Attorney continued, “The defendants are accused of running a tightly knit and an incredibly lucrative – and illegal – global gambling operation. It is alleged that they were as savvy and adept in the use of computer technology as they were proficient in the art of secreting and laundering untold millions of dollars in unlawfully earned proceeds through casinos, shell corporations and bank accounts in a variety of locations around the globe, including Central America, the Caribbean, Switzerland, Hong Kong and elsewhere. So massive was the enterprise that only with the assistance of federal law enforcement, police authorities in sister states and other nations have we been able to bring these defendants to justice.”

Commissioner Kelly said, “New York City detectives and Queens prosecutors, with extraordinary assistance from the FBI, have smashed the largest illegal gambling operation we have ever encountered.”

A 33-count Enterprise Corruption indictment filed in Queens County Supreme Court charges that the gambling ring promoted illegal sports betting in Queens County and elsewhere and that the defendants were involved with gambling wire rooms in both Miami and St. Maarten. Twenty of the defendants are also being sued civilly and have been named as respondents in a historic \$500 million civil forfeiture action filed in Queens Supreme Court by the District Attorney’s Special Proceedings Bureau which alleges that they engaged in a criminal enterprise that promoted illegal gambling activities and generated illegal wages.

District Attorney Brown said that detectives assigned to the New York City Police Department’s Organized Crime Control Bureau, as well as federal agents throughout the country arrested the defendants over the past few days on charges of Enterprise Corruption – a violation of New York State’s Organized Crime Control Act – as well as Money Laundering, Promoting Gambling, Possession of Gambling Records and Conspiracy.

District Attorney Brown said that the investigation leading to today’s indictment began in July 2004 when NYPD officers assigned to the Queens Major Case Squad and the Queens Narcotics District developed information about an illegal betting ring and began a joint investigation with the District Attorney’s Organized Crime and Rackets Bureau. The investigation included physical surveillance, intelligence information and court-authorized electronic eavesdropping on nearly thirty different telephones

that intercepted tens of thousands of conversations.

According to the indictment, between July 14, 2004, and November 2, 2006, the thirty defendants conspired to acquire money illegally through the operation of an unlawful gambling enterprise involving the use of an Internet website.

The indictment also alleges that the ring used a non-traditional “wire room” in the form of an off-shore, Internet-based gambling service used by bettors and runners to actually place their wagers. It is alleged that the ring used the off-shore wire room to maintain the gambling accounts of numerous runners and bettors through the Internet website in an effort to evade law enforcement detection through traditional methods.

Law enforcement crackdowns on traditional mob-run wire rooms have led to the use by illegal gambling rings of off-shore gambling websites where action is available around the clock. Bettors can click on an off-shore gambling website over the Internet and be assigned individual login codes and passwords. Their wagers and win-loss amounts are recorded in “sub-accounts” maintained in the accounts of “runners” and “agents.” These gambling websites typically store their information on computer servers outside the United States – such as in Costa Rica – and “bounce” their data through a series of server nodes in an effort to evade law enforcement.

In carrying out the alleged conspiracy, it is charged that Primary Development, Inc., and its chief executive officer, Maurice Freeman, developed a sports betting website – [www.playwithal.com](http://www.playwithal.com) – specifically tailored to meet the needs of James W. Giordano and his son-in-law, Daniel B. Clarin. The website – which is literally a computerized betting sheet – is known as “Playwithal Sportsbook” and is advertised as an “innovative sports gaming company.” Playwithal is accessible both online and via an “800” toll-free telephone number. Although the web page is hosted in Tampa, Florida, its web servers and wire room terminal are situated outside the United States – on St. Maarten in the Caribbean or, more recently, in Costa Rica.

In furtherance of the alleged conspiracy, Prolexic Technologies, Inc., allegedly provided security of Playwithal’s web servers by screening bettors’ Internet protocol addresses to search for viruses or tracking programs that could be used to hack into Playwithal’s servers. Digital Solutions, S.A., a company incorporated under the laws of Costa Rica, and its American counterpart, D.S. Networks, S.A., Inc., allegedly provided the site with its servers, data and software.

The indictment charges that Giordano was the “bookmaker” and boss of the enterprise who controlled and oversaw the entire operation. The indictment further charges that Clarin worked as the “controller” and was responsible for managing the day-to-day operations and handling bettor disputes and accounting discrepancies, as well as managing account information of the various runners and bettors. According to the indictment, Giordano’s wife, Priscilla Ann Giordano, and their daughter, Melissa Clarin – who is Clarin’s wife – worked as “financial officers” and facilitated the transfer of monetary instruments representing gambling proceeds through accounts under their control in financial institutions overseas and elsewhere.

The indictment also charges that five defendants – Frank Lobascio, Frank LaMonica, Ralph Piccirilli, Monte Weiner, and Steven C. Tarantino – worked as “money collectors” and were responsible for exchanging, distributing, delivering and transferring gambling proceeds between members of the organization, including to and from agents/runners. Some of the collectors were also allegedly involved in exchanging, distributing, delivering and transferring gambling proceeds through various financial institutions.

The indictment additionally charges that:

- Robert H. McGrath worked as a “clerk” and managed the daily operations of the website, including regularly updating and adjusting different point spreads for sporting events;
- John M. Ducato, Arnold Fuchs, and Conrad J. Panza worked as “agents/runners” and were responsible for soliciting new bettors to the organization, maintaining existing bettor relationships and meeting with bettors to collect gambling losses and payout winnings;
- Donald L. Clarke, Frank Falzarano, Eric L. Weiner, Stuart J. Kempner, Ellen S. Adeline, Rocco J. Renelle, Daniel Corrar, Lawrence Samele, Nicola Cavacini, Guy Gemore, Peter Mastrandrea and Thomas Gehlhaus worked as “distributors,” who were, in effect, “super-agents/super runners” as each distributor had several subordinate agents/runners reporting directly to them;

- Louis Andrew Moed worked as an “accountant” and provided assistance and counseling to the organization with regard to the transfer of monetary instruments representing gambling proceeds.

According to the indictment, after a bettor placed a bet either through the website or through one of the organization’s toll-free telephone numbers, the bettor collected his winnings or paid any losses by interacting with an agent/runner either in person or through interstate commerce. The agent/runner, in turn, met with a money collector to turn over any gambling debts the agent/runner collected from his bettors and/or to receive any money from the money collectors that the agent/runner’s bettors won. The money collector then allegedly met with a distributor to turn over any gambling proceeds they may have collected and also to receive any winnings that the collector would then pass on to the agent with the winning bettor. The bookmaker, financial officers, accountant and other members of the organization then allegedly conducted various financial transactions with the gambling proceeds to, in part, conceal or disguise the nature, location, source or control of the gambling proceeds or to avoid any transaction reporting requirement imposed by law.

The individual defendants, who were arraigned late yesterday before Queens County Supreme Court Justice Stephen Knopf, have been variously charged with Enterprise Corruption, a Class B felony punishable by a minimum of five years and a maximum of 25 years in prison; Grand Larceny in the Second Degree, a Class C felony punishable by up to 15 years in prison; and Possession of Gambling Records in the First Degree, Promoting Gambling in the First Degree and Conspiracy in the Fourth Degree, all Class E felonies, each punishable by up to four years in prison. The corporate defendants face fines of up to \$10,000 or double the amount of their illegal gains.

In addition to the criminal charges, a number of search warrants were executed which resulted in the seizure of gambling records, computers and hundreds of millions of dollars in real and personal property – including four Manhattan condos, millions of dollars in cash, tens of thousands of dollars worth of casino chips from the Bellagio, a rare art collection, jewelry, gold coins, and a football signed by the 1969 championship New York Jets following their victory in Super Bowl III.

District Attorney Brown expressed his appreciation to the Federal Bureau of Investigation Special Agents Robert Willingham, Christopher Mangiaracini, Stuart Reynolds and Supervisory Special Agent Paul Sciolino of the Miami Office, Special Agent Dan Coxon of the Las Vegas Office and Special Agent Rick Orr of the New Jersey Office; the United States Attorney’s Office for the Southern District of Florida; Special Agents James Taylor and Olin Pierce of the Nevada Gaming Control Board Enforcement Division, the Miami-Dade Police Department, the Las Vegas Metro Police Department, the New Jersey State Police and the Connecticut State Police.

The investigation was conducted by Detectives Gerard McNally, Joseph Chimienti and Luis Flores of the New York City Police Department’s Organized Crime Investigation Division under the supervision of Lieutenant Jack Iacovou and Deputy Inspector Brian O’Neill. The seizure of assets was conducted by Detective John Tansey and Sergeant Steve Scalzo of the Asset Forfeiture Unit under the supervision of Lieutenant William Hermance . Both the investigation and seizure of assets are under the overall supervision of Chief Anthony Izzo of the Organized Crime Control Bureau. Also involved in the investigation were Detective Steve Kim and former Detective Richard Sullivan of the NYPD Computer Crimes Squad under the command of Lieutenant John Otero under the overall supervision of Chief George Brown of the Detective Bureau.

Assistant District Attorney Ishak Akyuz of the District Attorney’s Organized Crime and Rackets Bureau is prosecuting the case under the supervision of Assistant District Attorney Gerard A. Brave, Bureau Chief, Marc P. Resnick, Deputy Chief. The civil action is being litigated by Assistant District Attorney David S. Zadnoff of the District Attorney’s Special Proceedings Bureau under the supervision of Assistant District Attorneys Anthony M. Communiello, Bureau Chief, and Oscar W. Ruiz, Deputy Bureau Chief. Both the criminal prosecution and the civil litigation are under the overall supervision of Executive Assistant District Attorney for Investigations Peter A. Crusco and Deputy Executive Assistant District Attorney for Investigations Linda M. Cantoni.

It should be noted that an indictment is merely an accusation and that defendants are presumed innocent until proven guilty.

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Note to Editors: E-version of this press release posted at [www.queensda.org](http://www.queensda.org).

**NOTE: SEE ADDENDUM ON NEXT PAGE FOR ADDITIONAL DETAILS ON DEFENDANTS**

## **ADDENDUM**

### **CRIMINAL DEFENDANTS (27 individuals and 3 corporations)**

#### **BOOKMAKER (1)**

James W. Giordano, 52, of 6501 SW 92<sup>nd</sup> Street in Pine Crest, Florida.

#### **CONTROLLER (1)**

Daniel B. Clarin, 32, of 5795 SW 114 Terrace in Miami, Florida.

#### **FINANCIAL OFFICERS (2)**

Priscilla Ann Giordano, 53, of 6501 SW 92<sup>nd</sup> Street in Pine Crest, Florida.

Melissa Clarin, 31, of 5795 SW 114<sup>th</sup> Terrace in Miami, Florida.

#### **CLERK (1)**

Robert H. McGrath, 37, of 11869 Donlin Drive in Wellington, Florida.

#### **WEB DESIGNER (2)**

Primary Development, Inc., of 6 Dubon Court in Farmingdale, Long Island.

Primary's CEO Maurice Freeman, 37, of 528A 5<sup>th</sup> Street in East Northport, Long Island.

#### **WEB SERVER PROVIDERS (2)**

Prolexic Technologies, Inc., of 1930 Harrison Street in Hollywood, Florida.

Digital Solutions, S.A., of 6045 SW 45<sup>th</sup> Street in Davie, Florida.

#### **MONEY COLLECTORS (5)**

Frank Lobascio, 47, of 1536 Jerusalem Avenue in North Merrick, Long Island.

Frank LaMonica, 59, of 49 Crest Road East in North Merrick, Long Island.

Ralph Piccirilli, 72, of 5 Carr Street in Pomton Lakes, New Jersey.

Monte Weiner, 56, of 300 East 40<sup>th</sup> Street in Manhattan and 2503 Turtle Head Peak Drive in Las Vegas.

Steven C. Tarantino, 33, of 150 East 57<sup>th</sup> Street in Manhattan.

#### **DISTRIBUTORS (12)**

Donald L. Clarke, 55, of 135 Baylor Avenue in Hillsdale, New Jersey.

Frank Falzarano, 52, of 3813 Voohris Lane in Seaford, Long Island.

Eric L. Weiner, 27, of 300 East 40<sup>th</sup> Street in Manhattan and 701 Brick Key Boulevard in Miami.

Stuart J. Kempner, 60, of 568 Rockaway Street in Staten Island.

Ellen S. Adeline, 65, of 1754 60<sup>th</sup> Street in Brooklyn.

Rocco J. Renelle, 51, of 667 Yetman Avenue in Staten Island.

Daniel Corrar, 38, of 9 Ainsworth Avenue in Staten Island.

Lawrence Samele, 52, of 12 Knoll Lane in Smithtown, Long Island.

Nicola Cavacini, 40, of 9470 Peace 231 Way in Las Vegas.

Guy Gemore, 44, of 151 Vreeland Road in West Milford, New Jersey.

Peter Mastrandrea, 44, of 6 South 4<sup>th</sup> Street in New Hyde Park, Long Island.

Thomas Gehlhaus, 36, of 257 Newbridge Road in Levittown, Long Island.

#### **AGENTS/RUNNERS (3)**

John M. Ducato, 47, of 235 West 18<sup>th</sup> Street in Deer Park, Long Island.

Arnold Fuchs, 43, of 4 East 8<sup>th</sup> Street in Manhattan.

Conrad J. Panza, 28, of 196 Sedgewick Street in Huntington Station, Long Island.

#### **FINANCIAL ADVISOR (1)**

Louis Andrew Moed, 35, 19263 Skyridge Circle in Boca Raton, Florida.

### **CIVIL DEFENDANTS (17 individuals and 3 corporations)**

Daniel and Melissa Clarin

Donald Clarke

Daniel Corrar

Digital Solutions, S.A., of Costa Rica (and its American counterpart, D.S. Networks, S.A., Inc.)

Frank Falzarano

James and Priscilla Giordano

Stuart Kempner

Frank LaMonica

Frank Lobascio

Peter Mastrandrea

Louis Andrew Moed

Ralph Piccirilli

Primary Development, Inc., and its CEO Maurice Freeman

Prolexic Technologies, Inc.

Rocco Renelle

Eric L. Weiner

Monte Weiner