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**TWENTY-SIX CHARGED IN \$10 MILLION DOLLAR GAMBINO ORGANIZED CRIME
FAMILY GAMBLING, LOAN SHARKING AND PROSTITUTION OPERATION**

*Reputed Capo, Soldiers and Associates Among Those Arrested;
Ring Allegedly Ran Wire Rooms in Queens and Off-Shore In Costa Rica*

Queens District Attorney Richard A. Brown, joined by Police Commissioner Raymond W. Kelly, today announced the indictment of 26 individuals – including reputed Gambino organized crime family “capo” or captain Nicholas Corozzo – on charges of operating a highly sophisticated illegal gambling enterprise in Queens County and elsewhere that booked nearly \$10 million in wagers over a two-year period on professional and college basketball and football, professional baseball and hockey and other sporting events. Twenty of the defendants are in custody and six are presently being sought.

District Attorney Brown said, “Illegal gambling has always been the bread and butter moneymaker for organized crime because of the huge profits that it generates which can then be used to fund other more insidious forms of criminal activity, such as labor racketeering, drug trafficking, prostitution, auto theft, insurance fraud and loan sharking. Illegal gambling is by no means a victimless crime – it provides the fuel that allows organized crime to operate and is often accompanied by threats, intimidation and violence in the collection of gambling debts.”

District Attorney Brown continued, “In keeping up with modern technology, the illegal gambling enterprise in this case is alleged to have gone online, supplementing the traditional wire room and street corner bookie who penciled in wagers in a little black book with offshore-based internet websites – designed for sports betting and casino-style gambling – and toll-free telephone numbers through which they were able to manage numerous gambling accounts, out of which criminal proceeds were collected and distributed throughout the New York City-metropolitan area. Such computerized wire rooms operate around the clock and can handle a large volume of bettors at any one time, thus allowing the organizers to increase their illicit profits without having to bother with the time-consuming record-keeping aspects of a more traditional, paper-based bookmaking operation. Unfortunately for the defendants, the law enforcement community is just as adept in using new technology to stop those involved in such criminal activity. Today’s arrests close down a highly lucrative gambling operation that benefitted the Gambino crime family to the tune of millions of dollars each year and send a loud and clear message that law enforcement will keep up the pressure.”

Police Commissioner Kelly said, “New York City detectives today arrested top Gambino crime family members and scores of other organized crime suspects for murders that spanned three decades, and

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for gambling that helped fuel the bloodshed. Detectives have long memories, as was evident in these investigations. I want to commend the members of the Vice Enforcement Division for their tenacity in smashing this multi-million dollar gambling ring, along with the support they received from Queens prosecutors. I also want to commend our Cold Case detectives and their FBI counterparts, who made sure Corozzo and his lieutenants did not get away with murder.”

District Attorney Brown said that earlier today detectives assigned to the New York City Police Department’s Vice Enforcement Division’s Major Case Team arrested the defendants on charges of enterprise corruption – a violation of New York State’s Organized Crime Control Act – as well as promoting gambling, criminal usury, grand larceny and conspiracy. The defendants face up to 25 years in prison, if convicted.

A 29-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 in traditional gambling wire rooms located at 85-50 Forest Parkway in Woodhaven and non-traditional computerized wire rooms in Costa Rica. Six of the defendants are also being sued civilly and have been named as respondents in a \$9.8 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 the investigation leading to today’s arrests began in September 2005 when the NYPD’S Vice Enforcement Division’s Major Case Team, in conjunction with the Queens County District Attorney’s Office’s Organized Crime and Rackets Bureau, began looking into criminal usury and loan sharking activities in Queens County and developed information about an illegal betting ring. The investigation included physical surveillance, intelligence information and court-authorized electronic eavesdropping that intercepted hundreds of hours of incriminating conversations.

The criminal enterprise – generally known as the “Nicky Corozzo Crew of the Gambino Crime Family” – allegedly handled thousands of wagers each month that generated hundreds of thousands of dollars in monthly gross revenue or approximately \$9.8 million between November 6, 2005, and January 8, 2008. It is alleged to have relied on modern technology to generate its criminal proceeds, including toll-free telephone numbers and four known gambling websites – www.BETMSG.com; www.BETALLSPORTS.com; www.BETWSI.com; and www.BETOFFSHORE.net – which, in effect, served as computerized wire rooms through which the enterprise conducted much of its illegal gambling activity.

District Attorney Brown said that law enforcement crackdowns over the years on traditional mob-run wire rooms have led to an increased use by illegal gambling rings of offshore gambling websites where action is available around the clock. Bettors can click on an offshore 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 “runners” and “agents” accounts. These gambling websites typically store their information on computer servers outside the United States – often in such Central American countries as Costa Rica – and “bounce” their data through a series of server nodes in efforts to evade law enforcement detection through traditional methods.

According to the indictment, reputed Gambino captain Nicholas Corozzo was the boss of the enterprise who controlled and oversaw the entire operation and profited from each criminal pursuit by a

member of the enterprise. The indictment also charges that Neil Altstatt – a reputed Gambino Family associate and the owner of Lorri’s Lounge and Bikini Bar in Brooklyn – was the “controller” for the ring who 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. It is also alleged that Altstatt utilized a back room at his establishment to promote prostitution, a portion of the profits of which were paid up through the organization and ultimately to Nicholas Corozzo, who is alleged to have been paid a total of \$500 per week from proceeds earned at the club. Females at the club allegedly charged \$130 for intercourse, retained \$100 and paid the “house” the remaining \$30.

The indictment additionally charges that Altstatt, as well as Michael Scarola and Todd Segarra, were “agents” who managed one or more offshore-based accounts. In this role, the agent checks the accounts daily – either online or via a toll-free telephone number – in order to tally individual bettors’ wins or losses. In this way, the agent can better assess the weekly figures for the operation and can dictate to runners the current amounts that are due. Scarola and Segarra also allegedly assumed the role of bookmakers of the gambling enterprise, meeting with the controller on a weekly basis either to receive money for the bettors’ losses or to pay out money for the bettors’ winnings.

The indictment also alleges that Robert Marietta worked as a “clerk” who accepted wagers over the telephone and recorded the bets – both on audio tape and on paper. He is the only clerk operating, it is alleged, because the remainder of the criminal enterprise was run via the offshore websites, thus eliminating the need for more local clerks.

The indictment also charges that six defendants – Michael Grillo, William Peel, Pasquale Guarino, James Rossetti, Raffaele Rosella and Charles Hacker – 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 further charges that thirteen defendants – Rocco Calderola, Vincenzo Giusto, Paul Torres, Ricardo Baird, Antonio Gonzalez, Robert Vita, Vincent Caravello, Frank Mancini, Benedict Delleani, Joseph Mantone, Timothy Gleason, John Backer and Chris Lanser – were “runners” in the gambling ring. It is alleged that each of these “runners” in exchange for a share of the ring’s gambling profits managed his own group of bettors by accepting and relaying bets or by providing bettors with a phone number and runner’s code for a particular wire room and/or website, then settling up their bettors’ won-loss amounts.

Sharing in the criminal enterprise’s illicit profits, according to the indictment, were two reputed Gambino soldiers – Blaise Corozzo, the brother of Nicholas Corozzo, and Louis Scida. It is alleged that Blaise Corozzo assisted in setting wagering limits for individual bettors, as well as profiting from the defendant Segarra’s traditional gambling wire room in Queens, and that Scida had directed the defendant Altstatt to establish an offshore gaming account and to manage the account on his behalf. Scida also allegedly oversaw Altstatt’s managerial responsibilities regarding the opening of new accounts and provided direction to Altstatt in the manner as to which certain accounts were to be handled.

Finally, the indictment alleges that, as part of the gambling enterprise, Nicholas Corozzo and Scida lent money to borrowers and charged interest rates of more than 200 percent per year – well in excess of the

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25 percent permitted by law – and that Corozzo and Sergarra instilled fear in borrowers by threatening them with physical violence if they missed payments.

The civil forfeiture action alleges that six of the defendants engaged in a criminal enterprise which promoted illegal gambling activities and generated illegal bets amounting to about \$9.8 million from November 6, 2005, to January 8, 2008.

The investigation was conducted by Detectives Richard Lyons, Tracy Quakkes, William Powell, William Perez and John Kopack, Lieutenant Robert Hoyt, Chief Brian Conroy of the NYPD's Vice Enforcement Division under the overall supervision of Chief Anthony Izzo of the Organized Crime Control Bureau.

Assistant District Attorney Benjamin J. Mantell, of the District Attorney's Organized Crime and Rackets Bureau, with the assistance of Assistant District Attorney Dana L. Brubaker, is prosecuting the case under the supervision of Assistant District Attorneys Gerard A. Brave, Bureau Chief, and Marc P. Resnick, Deputy Bureau Chief, and the overall supervision of Executive Assistant District Attorney for Investigations Peter A. Crusco and Deputy Executive Assistant District Attorney for Investigations Linda M. Cantoni. 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, and the overall supervision of Executive Assistant District Attorney Crusco and Deputy Executive Assistant District Attorney 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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ADDENDUM

NAME/ADDRESS	IN CUSTODY	ALLEGED ROLE IN GAMBLING RING	ALLEGED ROLE IN GAMBINO CRIME FAMILY
NICHOLAS COROZZO, 67 2430 Legion Street in Bellmore, LI	NO	Enterprise Boss	Captain
BLAISE COROZZO, 59, 155-50 79 th Street in Howard Beach, Queens	YES		Soldier
LOUIS SCIDA, 71 69-20 Loubet Street in Forest Hills, Queen,	YES		Soldier
MICHAEL SCAROLA, 44 401 West 19 th Street in Manhattan	YES	Bookmaker/Agent	Soldier
NEIL ALTSTATT, 58, 111 41 st Street in Lindenhurst, LI Owner of Lorri's Lounge 8922 Avenue D in Brooklyn.	YES	Controller/Agent	Associate
TODD SEGARRA, 40 140 Sagamore Road in Island Park, LI	YES	Bookmaker/Agent	Associate
ROBERT MARIETTA, 71 65-08 Central Avenue in Glendale, Queens	NO	Clerk	Associate

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NAME/ADDRESS	IN CUSTODY	ALLEGED ROLE IN GAMBLING RING	ALLEGED ROLE IN GAMBINO CRIME FAMILY
MICHAEL GRILLO, 46 43-14 21 st Avenue in Astoria, Queens	YES	Money Collector	Associate
PASQUALE GUARNIERO, 42 470 Tuckahoe Road in Yonkers, NY	NO	Money Collector	Associate
CHARLES HACKER, 36 21-06 33 rd Street in Astoria, Queens	YES	Money Collector	Associate
WILLIAM PEEL, 27 35A Heritage Hills in Somers, NY	YES	Money Collector	Associate
JAMES ROSSETTI, 36 79-12 Furmanville Ave in Middle Village, Queens	YES	Money Collector	Associate
RAFFAELE ROSELLA, 40 782 Anderson Avenue in Franklin Square, LI	YES	Money Collector	Associate
JOHN BACKER, 37, 133-36 87 th Street in Ozone Park, Queens	NO	Runner	Associate
RICARDO BAIRD, 44, 22-59 79 th Street in East Elmhurst, Queens	NO	Runner	Associate
ROCCO CALDAROLA, 44, 8 Paradise Court in New Fairfield, CN	YES	Runner	Associate
VINCENT CARAVELLO, 43, 637 Ashford Avenue in Ardsley, NY	NO	Runner	Associate
BENEDICT DELLEANI, 45 18-55 Corporal Kennedy Blvd in Bayside, Queens	YES	Runner	Associate
VINCENZO GIUSTO, 41, 75-04 156 th Avenue in Howard Beach, Queens	YES	Runner	Associate
TIMOTHY GLEASON, 39 81-13 133 rd Ave in Ozone Park, Queens	YES	Runner	Associate
ANTONIO GONZALEZ, 30 14 Silver Street in Bayonne, NJ.	YES	Runner	Associate
CHRIS LANSER, 58 1427 Peters Boulevard in Bayshore, LI.	YES	Runner	Associate
FRANK MANCINI, 41 96-11 Pitkin Avenue in Ozone Park, Queens	YES	Runner	Associate
JOSEPH MANTONE, 45 81-16 153 rd Avenue in Howard Beach, Queens	YES	Runner	Associate
PAUL TORRES, 39 30 Juniper Avenue in Ronkonkoma, LI	YES	Runner	Associate
ROBERT VITA, 38 77-13 Ditmars Blvd. in East Elmhurst, Queens	YES	Runner	Associate