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FOUR INDICTED IN \$8.0 MILLION QUEENS GAMBLING OPERATION

Queens District Attorney Richard A. Brown today announced that four individuals have been indicted on charges of unlawfully running a sports gambling operation – both in Queens County and through offshore accounts based on a gambling website – that took in more than \$8.0 million over the past two and one-half years.

District Attorney Brown said, “It is alleged that this small operation was able to effectively compete for the illegal gambling dollars of bettors by availing themselves of modern technology. By utilizing an offshore-based gambling website that possessed automated bookkeeping software that acted as ‘bookkeeper’ and ‘clerk,’ the defendants allegedly were able to reap huge profits through their unlawful gambling operation.”

The District Attorney continued. “Illegal gambling is not a victimless crime. Those who participate in these criminal operations often use threats, intimidation and even physical force to collect debts and oftentimes charge usurious interest rates on outstanding debts. Today’s indictments will send a clear signal that when it comes to illegal gambling in Queens County, all bets are off.”

The District Attorney identified the defendants as Michael Palmaccio, 39, of 91st Street in Howard Beach, Queens; Gerry Gullotti, 45, of Woods Avenue in Oceanside, Long Island; Cono Natale, 46, of 69th Street in Maspeth, Queens; and Ronald Salerno, 33, of 85th Street in Howard Beach, Queens.

The defendants were arraigned this afternoon before Queens Supreme Court Justice James P. Griffin on an indictment variously charging them with the crimes of first-degree promoting gambling, fourth-degree conspiracy (to commit criminal usury), fifth-degree conspiracy (to commit promoting gambling), first-degree criminal usury and second-degree grand larceny (by extortion). Bail was set at \$35,000 for Palmaccio and Gullotti and \$2,500 for Natale and Salerno. The defendants are scheduled to return to court on May 4, 2011. (See addendum for additional details on the defendants)

District Attorney Brown said that the investigation leading to today’s arrests began in October 2008 when the District Attorney’s Organized Crime and Rackets Bureau developed information about a betting ring operating in Queens County and elsewhere. The investigation included physical surveillance, intelligence information and court-authorized electronic eavesdropping that intercepted incriminating conversations.

District Attorney Brown said that, according to the indictments, the defendants conspired to make

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money illegally through the operation of an unlawful gambling operation that accepted bets on sporting events. It is alleged that Michael Palmaccio acted in the capacity of the ‘bookmaker’ and, as such, controlled and oversaw the entire operation and profited from each criminal pursuit by the other defendants. It is also alleged that Palmaccio oversaw the gambling ring’s loan sharking operation.

According to the charges, in his supervisory role as bookmaker for the operation, Palmaccio recruited Gerry Gullotti to manage the usurious loans, as well as offshore accounts based on the gambling website: www.arrowaction.net. It is further alleged that Palmaccio and Gullotti loaned money to people and charged usurious interest in violation of New York’s criminal usury statute and that Gullotti used threats of physical harm to get individuals to pay the monies they owed.

The indictments also charge that Cono Natale worked as a “runner” for the gambling ring. As a runner, it is alleged that Natale recruited bettors and managed individual accounts belonging to bettors under him in exchange for a share of the ring’s gambling profits. Ronald Salerno, it is alleged, was primarily tasked with collecting and distributing money from borrowers and bettors.

The investigation was conducted by Detective David F. Gilbert, who is the lead detective, and the other members of the District Attorney’s NYPD Squad, under the supervision of Sergeants Francis X. Teran and Frank J. Horvath, Lieutenant Keith P. Gallagher and Captain John M. Zanfardino, and under the overall supervision of Deputy Chief Louis M. Croce Jr. and Chief of Detectives Phil T. Pulaski, and by Lieutenant Franco Russo, of the Queens District Attorney’s Detective Bureau, under the supervision of Chief Investigator Lawrence J. Festa and Deputy Chief Investigator Albert D. Velardi.

Assistant District Attorney Benjamin J. Mantell, of the District Attorney’s Organized Crime and Rackets Bureau, is prosecuting the case under the supervision of Assistant District Attorneys Gerard A. Brave, Bureau Chief, and Mark L. Katz, 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.

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: Press release e-version posted on www.queensda.org.

ADDENDUM

Michael Palmaccio is charged with two counts of first-degree criminal usury, 64 counts of first-degree promoting gambling, one count of fourth-degree conspiracy (to commit criminal usury) and one count of fifth-degree conspiracy (to commit promoting gambling). If convicted, he faces up to 15 years in prison.

Gerard Gullotti is charged with two counts of second-degree grand larceny (by extortion), two counts of first-degree criminal usury, 64 counts of first-degree promoting gambling, one count of fourth-degree conspiracy (to commit criminal usury) and one count of fifth-degree conspiracy (to commit promoting gambling). If convicted, he faces up to 15 years in prison.

Cono Natale is charged with 64 counts of first-degree promoting gambling and one count of fifth-degree conspiracy (to commit promoting gambling). If convicted, he faces up to four years in prison.

Ronald Salerno is charged with 64 counts of first-degree promoting gambling and one count of fifth-degree conspiracy (to commit promoting gambling). If convicted, he faces up to four years in prison.

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