

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

-v-

ISAI SCHEINBERG,  
RAYMOND BITAR,  
SCOTT TOM,  
BRENT BECKLEY,  
NELSON BURTNICK,  
PAUL TATE,  
RYAN LANG,  
BRADLEY FRANZEN,  
IRA RUBIN,  
CHAD ELIE,  
and  
JOHN CAMPOS,

Defendants.

SUPERSEDING  
INDICTMENT

S3 10 Cr. 336 (LAK)

CERTIFIED AS A TRUE COPY ON

THIS DATE 3-10-11

BY

( ) Clerk

(-) Deputy

COUNT ONE

(Unlawful Internet Gambling Enforcement Act Conspiracy)

The Grand Jury charges:

Introduction

1. From at least in or about November 2006, and continuing through in or about March 2011, the three leading internet poker companies doing business in the United States were PokerStars, Full Tilt Poker and Absolute Poker/Ultimate Bet (collectively the "Poker Companies"). Because United States banks were largely unwilling to process payments for an illegal activity such as internet gambling, the three Poker Companies used fraudulent methods to avoid these restrictions and to

receive billions of dollars from United States residents who gambled through the Poker Companies. The principals of the Poker Companies, including defendants ISAI SCHEINBERG and PAUL TATE of PokerStars, SCOTT TOM and BRENT BECKLEY of Absolute Poker, and RAYMOND BITAR and NELSON BURTNICK of Full Tilt Poker, deceived or directed others to deceive United States banks and financial institutions into processing billions of dollars in payments for the Poker Companies, by, among other things, arranging for the money received from United States gamblers to be disguised as payments to hundreds of non-existent online merchants and other non-gambling businesses.

2. To accomplish this deceit, ISAI SCHEINBERG, RAYMOND BITAR, BRENT BECKLEY, NELSON BURTNICK and PAUL TATE, the defendants, relied on highly compensated third party payment processors (the "Poker Processors") who lied to United States banks about the nature of the financial transactions they were processing and covered up those lies through the creation of phony corporations and websites to disguise payments to the Poker Companies. These Poker Processors included, among others, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN, and CHAD ELIE, the defendants, who, at various times relevant to this Indictment, processed and helped disguise payments to each of the three Poker Companies.

3. Working together, the Poker Companies and Poker Processors deceived United States banks and financial

institutions - including banks insured by the Federal Deposit Insurance Corporation - into processing billions of dollars in gambling transactions for the Poker Companies. Approximately one-third or more of the funds deposited by gamblers went directly to the Poker Companies as revenue through the "rake" the Poker Companies charged players on almost every poker hand played online.

The Defendants and Their Associated Entities

4. At all times relevant to this Indictment, ISAI SCHEINBERG, the defendant, was a founder, owner, and principal decision-maker for PokerStars, an internet poker company founded in or about 2001 with headquarters in the Isle of Mann. Through its website, pokerstars.com, PokerStars provided real-money gambling on internet poker games to United States customers. At various times relevant to this Indictment, PokerStars did business through several privately held corporations and other entities, including but not limited to Oldford Group Ltd., Rational Entertainment Enterprises Ltd., Pyr Software Ltd., Stelekram Ltd. and Sphene International Ltd. (collectively, "Pokerstars").

5. At all times relevant to this Indictment, RAYMOND BITAR, the defendant, was a founder, owner, and principal decision-maker for Full Tilt Poker, an internet poker company founded in or about 2004 with headquarters in Ireland. Through

its website, fulltiltpoker.com, Full Tilt Poker provided real-money gambling on internet poker games to United States customers. At various times relevant to this Indictment, Full Tilt Poker did business through several privately held corporations and other entities, including but not limited to Tiltware LLC, Kolyma Corporation A.V.V., Pocket Kings Ltd., Pocket Kings Consulting Ltd., Filco Ltd., Vantage Ltd., Ranston Ltd., Mail Media Ltd., and Full Tilt Poker Ltd. (collectively, "Full Tilt Poker"). As of March 2011, Full Tilt Poker was the second-largest poker operator offering gambling on poker games to United States residents.

6. At certain times relevant to this Indictment, SCOTT TOM, the defendant, and his step-brother, BRENT BECKLEY, the defendant, were founders and/or principal decision-makers for Absolute Poker, an internet poker company founded in or about 2003 with headquarters in Costa Rica. Through its websites, absolutepoker.com and ultimatebet.com, Absolute Poker provided real-money gambling on internet poker games to United States customers. At various times relevant to this Indictment, Absolute Poker did business through several privately held corporations and other entities, including but not limited to SGS Systems Inc., Trust Services Ltd, Fiducia Exchange Ltd., Blue Water Services Ltd., and Absolute Entertainment, S.A. In or around October 2006, Tokwiro Enterprises was identified as the

owner of record of Absolute Poker and a companion poker and blackjack gambling website, Ultimate Bet. In around August 2010, ownership of Absolute Poker and Ultimate Bet was transferred to Blanca Games, Inc. of Antigua (collectively, these entities are "Absolute Poker").

7. At certain times relevant to this Indictment, NELSON BURTNICK, the defendant, was an executive in the payment processing departments of PokerStars and Full Tilt Poker. From in or about October 2006 through in or about November 2008 BURTNICK was an employee in the payment processing department of PokerStars, where he ultimately served as the head of payment processing. From in or about January 2009 up to and including in or about March 2011, BURTNICK served as head of the payment processing department for Full Tilt Poker.

8. From at least in or about the summer of 2006 up to and including in or about March 2011, PAUL TATE, the defendant, was an employee of PokerStars, including in the payment processing department. From in or about early 2009, up to and including in or about March 2011, TATE served as the head of the payment processing department for PokerStars.

9. From at least in or about October 2006, up to and including at least in or about the spring of 2010, RYAN LANG, the defendant, worked with the Poker Companies to identify Poker Processors willing to process payments for the Poker Companies,

including through deceptive means. In this capacity, LANG acted as an intermediary between principals of the Poker Companies, including defendants ISAI SCHEINBERG, RAYMOND BITAR, BRENT BECKLEY, NELSON BURTNICK and PAUL TATE, and the Poker Processors.

10. From at least in or about 2007, up to and including on or about March 2011, BRADLEY FRANZEN, the defendant, worked with internet gambling companies including the Poker Companies, to identify Poker Processors willing to process payments for the Poker Companies, including through deceptive means. In this capacity, FRANZEN acted as an intermediary between principals of the Poker Companies, including defendants BRENT BECKLEY and NELSON BURTNICK, and the Poker Processors.

11. From at least in or about 2007, up to and including in or about March 2011, IRA RUBIN, the defendant, processed payments for various internet gambling companies, including each of the Poker Companies, by disguising the payments as payments to dozens of phony internet merchants.

12. From at least in or about the summer of 2008, up to and including in or about March 2011, CHAD ELIE, the defendant, together with others, opened bank accounts in the United States, including through deceptive means, through which each of the Poker Companies received payments from United States-based gamblers.

13. From at least in or about September 2009, up to and including in or about March 2011, JOHN CAMPOS, the defendant, was the Vice Chairman of the Board of Directors and part owner of SunFirst Bank in St. George, Utah, which processed payments for PokerStars and Full Tilt Poker.

#### The Enactment of the UIGEA

14. On or about October 13, 2006, the United States enacted the Unlawful Internet Gambling Enforcement Act ("UIGEA"), making it a federal crime for gambling businesses to "knowingly accept" most forms of payment "in connection with the participation of another person in unlawful Internet gambling." Following the passage of the UIGEA, leading internet gambling businesses - including the leading internet poker company doing business in the United States at that time - terminated their United States operations.

15. On various dates in October 2006, notwithstanding the passage of the UIGEA, the Poker Companies issued public statements indicating that they intended to continue offering gambling on internet poker in the United States. For example, in an October 16, 2006 press release, Absolute Poker - whose United States citizen founders had relocated to Costa Rica - noted that Absolute Poker was a "privately held operation, which gives our business model more flexibility and creativity in operating." Absolute Poker also claimed that its payment transactions were

done "within the framework of the international banking system, which the U.S. Congress has no control over."

#### The Scheme to Defraud

16. As set forth more fully below, at most times relevant to this Indictment, because internet gambling businesses such as those operated by the Poker Companies were illegal under United States law, internet gambling companies, including the Poker Companies, were not permitted by United States banks to open bank accounts in the United States to receive proceeds from United States gamblers. Instead, both prior to and particularly after the passage of the UIGEA, the principals of the Poker Companies, including ISAI SCHEINBERG, RAYMOND BITAR, SCOTT TOM, BRENT BECKLEY, NELSON BURTNICK and PAUL TATE, the defendants, operated through various deceptive means designed to trick United States banks and financial institutions into processing gambling transactions on the Poker Companies' behalf.

#### Fraudulent Credit Card Processing

17. Beginning in or about 2001, credit card companies Visa and MasterCard introduced regulations requiring member banks that processed credit card transactions for merchants (so-called "acquiring banks") to apply a particular transaction code to internet gambling transactions. Thereafter, certain U.S. banks that issued credit cards to U.S. consumers (so-called "issuing banks") elected not to extend credit to customers for internet

gambling purposes and as a matter of policy automatically declined transactions bearing that internet gambling transaction code. The number of U.S. issuing banks declining such transactions increased significantly over time such that, even prior to the passage of the UIGEA in October 2006, most United States banks blocked transactions containing the internet gambling code.

18. In order to circumvent the Visa and MasterCard regulations and trick U.S. banks into authorizing their internet gambling transactions, ISAI SCHEINBERG, RAYMOND BITAR, BRENT BECKLEY, NELSON BURTNICK and PAUL TATE, the defendants, worked with and directed others to apply incorrect transaction codes to their respective Poker Companies' internet gambling transactions in order to disguise the nature of those transactions and create the false appearance that the transactions were completely unrelated to internet gambling.

19. One method used by the members of the conspiracy to trick the United States banks into approving internet gambling charges involved the creation of phony non-gambling companies that the Poker Companies used to initiate the credit card charges. At various times alleged in this Indictment, RAYMOND BITAR, BRENT BECKLEY, and NELSON BURTNICK, the defendants, worked with other members of the conspiracy to create such fictitious companies - including phony online flower shops and pet supply

stores - that established Visa and MasterCard merchant processing accounts with offshore banks. When Full Tilt Poker and Absolute Poker processed a transaction through one of these phony companies without applying a gambling code to the transaction, the United States issuing bank would be tricked into approving the gambling transaction even if its policy was to not allow the extension of credit for internet gambling. Because the credit card networks were often able to detect the fraudulent nature of these phony merchants after a period of time and to shut down processing for those phony merchants, BITAR, BECKLEY and BURTNICK, and their co-conspirators, arranged for a supply of stand-by phony merchants to be used when a particular phony merchant was discovered. For example, an Absolute Poker document from in or around the fall of 2007 identifies approximately twenty phony internet shopping companies then being used by Absolute Poker to disguise credit card transactions, including, among others, [www.petfoodstore.biz](http://www.petfoodstore.biz) and [www.bedding-superstore.tv](http://www.bedding-superstore.tv).

20. A second method used by the members of the conspiracy to trick United States banks involved the use of certain pre-paid credit cards. At various times alleged in this Indictment, the Poker Companies, through, among others, ISAI SCHEINBERG, RAYMOND BITAR, BRENT BECKLEY, NELSON BURTNICK, and PAUL TATE, the defendants, and their co-conspirators developed so-called "stored value cards" - such as pre-paid debit cards or

even pre-paid "phone" cards - that could be "loaded" with funds from a U.S. customer's credit card without using a gambling transaction code. Once "loaded" in this way, the stored value cards were used by gamblers almost exclusively to transfer funds to Poker Companies and other gambling companies. To avoid detection, SCHEINBERG, BITAR, BECKLEY, BURTNICK, and TATE, and their co-conspirators, arranged for fake internet web sites and phony consumer "reviews" of the stored value cards so that it would appear that the stored value cards had some other legitimate purpose.

#### Fraudulent E-Check Processing

21. Because Visa and MasterCard sought to identify and block attempts to circumvent their rules requiring internet gambling transactions to be correctly identified - so that banks could decline to accept them if they wished - the Poker Companies were unable to process credit card transactions consistently, even through their use of fraudulent means. Accordingly, ISAI SCHEINBERG, RAYMOND BITAR, BRENT BECKLEY, NELSON BURTNICK, and PAUL TATE, the defendants, and others, worked with and directed others to develop yet another method of deceiving United States banks and financial institutions into processing their respective Poker Companies' internet gambling transactions, through fraudulent e-check processing.

22. At all times relevant to this Indictment, the Automated Clearinghouse (or "ACH") system was an electronic network, administered by the Federal Reserve, that allowed for electronic fund transfers to and from United States bank accounts through "e-checks" or "electronic checks." At various times relevant to this Indictment, the Poker Companies, through among others ISAI SCHEINBERG, RAYMOND BITAR, BRENT BECKLEY, NELSON BURTNICK, and PAUL TATE, the defendants, increasingly focused their payment systems on e-checks.

23. A principal difficulty for the Poker Companies in e-check processing was that the ACH system required the merchant to open a processing account at a United States-based Originating Depository Financial Institution (or "ODFI"). Because the Poker Companies were not legally able to offer gambling in the United States, the Poker Companies could not - and did not - seek to open bank accounts for e-check processing in the names of their businesses. Instead, the Poker Companies found third parties - the Poker Processors - willing to open the bank accounts and process these e-check transactions on behalf of the Poker Companies using the names of phony companies.

24. In furtherance of this aspect of the scheme, ISAI SCHEINBERG, RAYMOND BITAR, BRENT BECKLEY, NELSON BURTNICK, and PAUL TATE, the defendants, relied on various middlemen, including RYAN LANG and BRADLEY FRANZEN, the defendants, to connect their

respective Poker Companies with payment processors willing to handle internet poker e-check transactions. Following these introductions, SCHEINBERG, BITAR, BECKLEY, BURTNICK, and TATE entered into processing agreements with certain of the e-check processors. The agreements provided the e-check processors with fees for processing each e-check transaction that were substantially higher than fees paid for standard e-check processing for legitimate, non-gambling merchants. The Poker Companies, including through SCHEINBERG, BITAR, BECKLEY, BURTNICK, and TATE, then worked with the e-check processors and other co-conspirators to disguise the Poker Companies' receipt of gambling payments so that the transactions would falsely appear to United States banks as non-gambling transactions.

25. At all times relevant to this Indictment, the Poker Companies, through ISAI SCHEINBERG, RAYMOND BITAR, BRENT BECKLEY, NELSON BURTNICK, and PAUL TATE, the defendants, and others, and the e-check processors, typically accomplished fraudulent e-check processing as follows:

a. First, the e-check processors - sometimes directly, and sometimes through third parties - opened bank accounts at United States-based ODFI banks in order to process the Poker Companies' e-check transactions through the ACH system. The e-check processors typically lied to the ODFI bank about the purpose of the account, falsely claiming that the account would

be used to process e-checks for a wide variety of e-commerce merchants without disclosing that, in fact, they would be used to process internet gambling transactions. In some cases, the e-check processors offered specific lies about the identity of these purported e-commerce merchants. In several cases, for example, the e-check processors falsely told the banks that the transactions were for particular purported internet shopping sites, such as an online store selling watches, when, in reality, as the e-check processors well knew, the transactions were for the Poker Companies.

b. Second, the e-check processors worked with the Poker Companies, including with ISAI SCHEINBERG, RAYMOND BITAR, BRENT BECKLEY, NELSON BURTNICK, and PAUL TATE, the defendants, in the creation of dozens of phony corporations and corresponding websites so that the money debited from U.S. customer's banks would falsely appear to United States banks to be consumer payments to non-gambling related businesses. For example, in or about mid-2008, IRA RUBIN, the defendant, together with co-conspirators, created dozens of phony e-commerce websites purporting to sell everything from clothing to jewelry to golf clubs to bicycles which, in reality, and as RUBIN and his co-conspirators well knew, would in fact be used to disguise PokerStars's gambling transactions. In another example, in or around June 2009, BRADLEY FRANZEN, the defendant, working with

multiple co-conspirators, created a phony business called "Green2YourGreen" to be used to disguise payments from U.S. gamblers destined for each of the Poker Companies. FRANZEN's co-conspirators falsely told multiple United States banks insured by the FDIC, including Citibank and Wells Fargo Bank, among others, that "Green2YourGreen" was a "direct sales" business that allowed consumers to buy environmentally friendly household products and sell them to other consumers in return for commissions. Indeed, the phony Green2YourGreen website that FRANZEN's co-conspirators created to disguise the gambling transactions listed numerous products that were purportedly for sale and contained "testimonials" about the benefits of green living.

c. The development and selection of phony merchants and websites to serve as cover for the poker processing was conducted in close coordination with the Poker Companies themselves, including with ISAI SCHEINBERG, RAYMOND BITAR, BRENT BECKLEY, NELSON BURTNICK, and PAUL TATE, the defendants. When a U.S. gambler entered his or her checking account information on one of the Poker Company's websites, the e-check transaction was submitted through the ACH system using the name of one of the phony businesses rather than the name of the Poker Company, and the charge appeared on the customer's bank account under this phony name. The e-check processors' computer systems communicated with the computer systems of the Poker Companies so

that when a gambler entered e-check information on one of the Poker Operator's websites, the gambler and Poker Operator received notice of the name of the phony merchant that would appear on the customer's bank account statement, in lieu of the name of the Poker Company, as having initiated the charge. For example, in or around February 2009, two gamblers ("Gambler 1" and "Gambler 2") made e-check payments to PokerStars and received e-mails immediately thereafter from PokerStars that "oneshopcenter" and "mygolflocations," respectively, would appear as the party initiating the charge on their respective bank statements. At the time, "oneshopcenter.com" and "mygolflocation.com" were purported internet merchants that falsely claimed to sell clothing and jewelry (for oneshopcenter.com) and golf clubs (for mygolflocation.com).

d. Similarly, the Poker Companies worked with the Poker Processors to coordinate responses to customer inquiries to the phony merchants, including the complaints of gamblers confused by the phony merchant name appearing on their checking account statement. For example, in or around March 2009, Gambler 1 and Gambler 2 sent e-mails to purported customer service addresses listed by oneshopcenter.com and mygolflocation.com regarding attempts to purchase particular items. Gambler 1 and Gambler 2 received responses not from these websites, but from individuals identifying themselves as customer service employees

of PokerStars replying from e-mail addresses associated with PokerStars.

e. Tracking all of the phony merchants used to disguise gambling transactions created administrative and technical difficulties for the Poker Companies. For example, a PokerStars document from in or about May 2009 provided as follows:

It's not unusual for PokerStars to have their [sic] transactions identified by 30+ descriptors [the name of the merchant appearing on the consumer's credit card or checking account] at any point in time. The purpose of a descriptor is to help the customer identify the source of the transaction, be it credit card or electronic funds transfer. Unfortunately PokerStars does not have this luxury; relying on whatever descriptor the processor can get approved by the bank. These descriptors are diverse, often vague and rarely reflect the nature of the transaction in any way. In fact most descriptors strongly imply the transaction has nothing to do with PokerStars (i.e. BICYCLEBIGSHOP.COM, GOLFSHOPCENTER.COM, VENTURESHOPPING.COM etc). Whilst some players read confirmation emails and understand the process, many do not and it is all too easy for a player to say to their bank "I've never made a purchase at BICYCLEBIGSHOP.COM". As a result chargebacks (Not Auth & Stop Payments) are increasing which in turn jeopardizes the relationship with the processor and their banks.

To address the issue, PokerStars modified its software so, where possible, a consistent phony descriptor would appear on the bank statements of a given U.S. customer.

26. ISAI SCHEINBERG, RAYMOND BITAR, BRENT BECKLEY, NELSON BURTNICK, and PAUL TATE, the defendants, worked with multiple e-check processors introduced to them by defendants RYAN LANG, BRADLEY FRANZEN, and others, many of which the Poker

Companies used simultaneously. These e-check providers included the following:

a. Intabill In or around the spring of 2007, LANG introduced SCHEINBERG, BITAR, and BECKLEY to a method of e-check processing offered by Intabill, an Australia-based payment processing company. Because Intabill did not have direct access to United States ACH processing accounts, Intabill "sub-contracted" its processing to various United States based e-check processors. With the knowledge and approval of SCHEINBERG, BITAR, BECKLEY, BURTINICK and TATE, Intabill disguised the gambling transactions as the transactions of dozens of phony financial services merchants. Intabill processed at least \$543,210,092 of transactions for the Poker Companies from mid-2007 through March 2009. In or around March 2009, the Poker Companies ceased processing through Intabill, in part because Intabill owed them tens of millions of dollars for past processing.

b. CHAD ELIE In 2008 and 2009, CHAD ELIE, the defendant, had worked with Intabill to establish processing accounts for internet gambling that were disguised as accounts set up to process repayments of so-called "payday loans," which were high-interest, high-risk loans unrelated to gambling transactions. In or about August and September 2009, working with FRANZEN, ELIE processed transactions on behalf of Full Tilt

Poker. Also in or about August and September 2009, working with BECKLEY, ELIE processed transactions on behalf of Absolute Poker through a bank account at Fifth Third Bank that ELIE told the bank was an account to be used for internet marketing transactions. ELIE's deceptive processing through Fifth Third Bank terminated in September 2009 when the bank froze the funds, which were subsequently seized by U.S. law enforcement through a judicial warrant.

c. Intabill's U.S. Representative In or around March 2009, Intabill's former U.S.-based representative, Andrew Thornhill, began seeking to process transactions for the Poker Companies himself, communicating at various times with SCHEINBERG, TATE, FRANZEN, and ELIE, among others, about potential processing. In or around June 2009, Thornhill and FRANZEN began processing e-checks for each of the Poker Companies disguised as payments to the phony "Green2YourGreen" environmentally friendly household products company described in paragraph 25(b) of this Indictment. The Green2YourGreen processing lasted only a few months, until approximately August 2009, when Citibank and Wells Fargo Bank, among others, discovered that the transactions were, in fact, for internet gambling and terminated the accounts. At that time, the proceeds of these accounts were then seized by U.S. law enforcement pursuant to a judicial warrant.

d. The Arizona Processor In or around December 2008, after learning that Intabill was unlikely to continue processing, SCHEINBERG, BITAR, BECKLEY, BURTNICK and TATE began processing payments through an Arizona payment processor (the "Arizona Processor"), which was assisted at times by a company operated by LANG. From in or about December 2008 through on or about June 1, 2009, the Arizona Processor processed more than \$100 million in payments primarily from U.S. gamblers to each of the Poker Companies; all of these transactions were processed using the names of phony merchants so as falsely to appear unrelated to internet gambling. On or about June 1, 2009, the Arizona Processor ceased processing transactions for the Poker Companies following the seizure of its bank accounts by U.S. law enforcement pursuant to a judicial warrant.

e. IRA RUBIN At various times relevant to this Indictment, each of the Poker Companies employed IRA RUBIN, the defendant, his company E-Triton, and various of RUBIN's associates, including an e-check processor in California (the "California Processor"), to process their internet gambling transactions disguised as legitimate online merchant transactions, in order to trick U.S. banks into authorizing the transactions. For example, in or about mid-2008, SCHEINBERG and BURTNICK hired RUBIN's company E-Triton to process PokerStars transactions disguised as payments to dozens of phony web stores,

including oneshopcenter.com and mygolflocation.com, which RUBIN sub-contracted to the Arizona Processor. In another example, in or about June 2009, following the Arizona Processor's termination of its processing activities, BURTNICK and FRANZEN arranged for two of RUBIN's associates to process payments for Full Tilt Poker disguised as payments to a medical billing company, until accounts related to that processing were seized by judicial order in or about September 2009. In a final example, at various times from approximately 2008 up to and including in or about March 2011, BECKLEY hired RUBIN to process e-checks for Absoluté Poker disguised as, among other things, payroll processing, affiliate marketing, and online electronics merchants.

"Transparent Processing"

27. In or around late 2009, following the collapse of multiple e-check processing operations used by the Poker Companies and the judicially ordered seizure of funds, ISAI SCHEINBERG and RAYMOND BITAR, the defendants, begin exploring a new payment processing strategy - so-called "transparent processing" - and directed the heads of their payment processing departments, PAUL TATE and NELSON BURTNICK, the defendants, to find, at least where possible, processing solutions that did not involve lies to banks. Despite their expressed desire for "transparent" processing, PokerStars and Full Tilt Poker

continued to rely on processors who disguised the poker transactions.

28. In order to find "transparent" processors, ISAI SCHEINBERG, RAYMOND BITAR, NELSON BURTNICK and PAUL TATE, the defendants, turned to processors who had worked with the Poker Companies before, including defendants RYAN LANG, BRADLEY FRANZEN, and CHAD ELIE. The Poker Companies had previously sued ELIE for allegedly stealing \$4 million of the Poker Companies' money. ELIE was accepted as a source for "transparent" processing following a conversation between ELIE and SCHEINBERG in or about the fall of 2009 in which ELIE agree to repay some of this money.

29. Because it was illegal to process their internet gambling transactions, the Poker Companies had difficulty in identifying "transparent" processors. CHAD ELIE, the defendant, and his associates were, however, able to persuade the principals of certain small, local banks that were facing financial difficulties to engage in such processing. In exchange for this agreement to process gambling transactions, the banks received sizeable fee income from processing poker transactions as well as promises of multi-million dollar investments in the banks from ELIE and his associates. In at least one case, a payment to a bank official who approved the processing was made as well.

30. For example, in or around September 2009, CHAD ELIE, the defendant, together with Andrew Thornhill and a partner of ELIE's ("Elie's Partner") approached JOHN CAMPOS, the defendant, the Vice Chairman of the Board and part-owner of SunFirst Bank, a small, private bank based in Saint George, Utah. CAMPOS, while expressing "trepidations" about gambling processing, proposed in a September 23, 2009 e-mail to accept such processing in return for a \$10 million investment in SunFirst by ELIE and Elie's Partner, which would give ELIE and Elie's Partner more than 30% ownership of the bank. ELIE and Elie's Partner made an initial investment in SunFirst Bank of approximately \$3.4 million in approximately December 2009. On or about November 29, 2009, Andrew Thornhill told an associate "things are going well with the bank we purchased in Utah and my colleagues and I are looking to purchase another bank for the purpose of repeating our business plan. We probably could do this for a grand total of 3 or 4 banks."

31. On or about December 14, 2009, SunFirst Bank began processing payments for Pokerstars and FullTilt Poker. On or about April 8, 2010, JOHN CAMPOS, the defendant, sent an "invoice" to Elie's Partner requesting that \$20,000 be paid to a corporate entity that CAMPOS controlled as a "bonus" for "Check and Credit Card Processing Consulting." SunFirst Bank processed over \$200 million of payments for PokerStars and Full Tilt Poker

through on or about November 9, 2010, when, at the direction of the FDIC, it ceased third party payment processing. SunFirst Bank earned approximately \$1.6 million in fees for this processing.

#### Statutory Allegations

32. From at least on or about October 13, 2006, up through and including in or about March 2011, in the Southern District of New York and elsewhere, ISAI SCHEINBERG, RAYMOND BITAR, SCOTT TOM, BRENT BECKLEY, NELSON BURTNICK, PAUL TATE, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN, CHAD ELIE, and JOHN CAMPOS, the defendants, together with others known and unknown, unlawfully, 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 Title 31, United States Code, Section 5363.

33. It was a part and an object of the conspiracy that ISAI SCHEINBERG, RAYMOND BITAR, BRENT BECKLEY, SCOTT TOM, NELSON BURTNICK, PAUL TATE, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN, CHAD ELIE, and JOHN CAMPOS, the defendants, and others known and unknown, unlawfully, 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.

#### OVERT ACTS

34. In furtherance of said conspiracy and to effect the illegal object thereof, ISAI SCHEINBERG, RAYMOND BITAR, SCOTT TOM, BRENT BECKLEY, NELSON BURTNICK, PAUL TATE, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN, CHAD ELIE, and JOHN CAMPOS, the defendants, 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 October 20, 2008, LANG sent an e-mail to principals of Intabill, reminding them that BURTNICK would soon leave PokerStars and that they had promised to "kick him back" 5 cents for every dollar on Intabill's processing revenue from PokerStars.

b. On or about January 20, 2009, PokerStars, Full Tilt Poker, and Absolute Poker each received an electronic transfer of funds from a gambler located in the Southern District of New York.

c. On or about February 11, 2009, BECKLEY sent an e-mail to a co-conspirator not named as a defendant herein requesting that the co-conspirator obtain e-check and credit card processing for Absolute Poker.

d. On or about April 2, 2009, SCHEINBERG sent an e-mail to a co-conspirator not named as a defendant herein about a PokerStars processing account shut down by a United States bank.

e. On or about April 3, 2009, LANG, BURTNICK, and BITAR met in Nevada with a co-conspirator not named as a defendant herein about processing payments through tribal banks.

f. On or about June 4, 2009, FRANZEN sent an e-mail to a co-conspirator not named as a defendant here in and asked for a "payout company ID" for Full Tilt Poker consisting of "something on the shelf with a basic web presence."

g. On or about June 23, 2009, an unidentified individual at Full Tilt Poker sent an e-mail to FRANZEN that included comments on a call center script used by a payment processor that discussed the importance of not mentioning online poker to anyone calling customer service about a charge on a bank statement.

h. On or about September 22, 2009, ELIE forwarded to BECKLEY and FRANZEN an e-mail from a bank representative stating that funds in an account opened by ELIE for processing internet

marketing payments were being frozen by the bank as gambling funds.

I. On or about September 29, 2009, CAMPOS sent an e-mail to an attorney in which CAMPOS called the attorney a "wet blanket" for cautioning CAMPOS about processing gambling payments.

j. On or about October 15, 2009, RUBIN sent an e-mail to TATE about processing PokerStars transactions through a Bank of America account opened in the name of a supposed internet shop selling electronics and other items.

k. On or about July 20, 2010, CAMPOS flew from New York to Ireland to a meeting regarding processing of poker transactions.

l. In or around August 2007, Full Tilt Poker processed credit card payments for gambling transactions under the name "PS3SHOP," using a non-gambling credit card code for the transactions, through a credit card network with headquarters in the Southern District of New York.

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

COUNT TWO

(Unlawful Internet Gambling Enforcement Act: PokerStars)

The Grand Jury further charges:

35. Paragraph 1 through 31 of this Indictment are repeated and realleged as if fully set forth herein.

36. From in or about October 2006 up to and including in or about March 2011, in the Southern District of New York and elsewhere, ISAI SCHEINBERG, NELSON BURTNICK, PAUL TATE, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN, CHAD ELIE, and JOHN CAMPOS, the defendants, persons engaged in the business of betting and wagering and persons aiding and abetting persons in the business of betting and wagering, did knowingly 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 Grand Jury further charges:

37. Paragraph 1 through 31 of this Indictment are repeated and realleged as if fully set forth herein.

38. From in or about October 2006 up to and including in or about March 2011, in the Southern District of New York and elsewhere, RAYMOND BITAR, NELSON BURTNICK, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN, CHAD ELIE, and JOHN CAMPOS, the defendants, persons engaged in the business of betting and wagering and persons aiding and abetting persons in the business of betting and wagering, did knowingly 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).

COUNT FOUR

(Unlawful Internet Gambling Enforcement Act: Absolute Poker)

The Grand Jury further charges:

39. Paragraph 1 through 31 of this Indictment are repeated and realleged as if fully set forth herein.

40. From in or about October 2006 up to and including in or about March 2011, in the Southern District of New York and elsewhere, SCOTT TOM, BRENT BECKLEY, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN and CHAD ELIE, the defendants, persons engaged in the business of betting and wagering and persons aiding and abetting persons in the business of betting and wagering, did knowingly accept, in connection with the participation of another person in unlawful internet gambling, to wit, gambling through Absolute Poker in violation of New York Penal Law Sections 225.00 and 225.05 and the laws of other states where Absolute 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).

COUNT FIVE

(Operation of an Illegal Gambling Business: PokerStars)

The Grand Jury further charges:

41. Paragraph 1 through 31 of this Indictment are repeated and realleged as if fully set forth herein.

42. From at least in or about 2001 up to and including in or about March 2011, in the Southern District of New York and elsewhere, ISAI SCHEINBERG, NELSON BURTNICK, PAUL TATE, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN, CHAD ELIE, and JOHN CAMPOS, the defendants, unlawfully, willfully, and knowingly did conduct, finance, manage, supervise, direct, and own all and part of an illegal gambling business, namely a business that engaged in and facilitated online poker, in violation of New York State Penal Law Sections 225.00 and 225.05 and the law of other states in which the business operated, and which business involved five and more persons who conducted, financed, managed, supervised, directed, and owned all and part of that business, and which business had been and had remained in substantially continuous operation for a period in excess of thirty days and had gross revenues of \$2,000 in a single day, to wit, the defendants operated and aided and abetted the operation of Pokerstars.

(Title 18, United States Code, Sections 1955 and 2.)

COUNT SIX

(Operation of an Illegal Gambling Business: Full Tilt Poker)

The Grand Jury further charges:

43. Paragraphs 1 through 31 of this Indictment are repeated and realleged as if fully set forth herein.

44. From in or about 2004 up to and including in or about March 2011, in the Southern District of New York and

elsewhere, RAYMOND BITAR, NELSON BURTNICK, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN, CHAD ELIE, and JOHN CAMPOS, the defendants, unlawfully, willfully, and knowingly did conduct, finance, manage, supervise, direct, and own all and part of an illegal gambling business, namely a business that engaged in and facilitated online poker, in violation of New York State Penal Law Sections 225.00 and 225.05 and the law of other states in which the business operated, and which business involved five and more persons who conducted, financed, managed, supervised, directed, and owned all and part of that business, and which business had been and had remained in substantially continuous operation for a period in excess of thirty days and had gross revenues of \$2,000 in a single day, to wit, the defendants operated and aided and abetted the operation of Full Tilt Poker.

(Title 18, United States Code, Sections 1955 and 2.)

COUNT SEVEN

(Operation of an Illegal Gambling Business: Absolute Poker)

The Grand Jury further charges:

45. Paragraphs 1 through 31 of this Indictment are repeated and realleged as if fully set forth herein.

46. From in or about 2003 up to and including in or about March 2011, in the Southern District of New York and elsewhere, BRENT BECKLEY, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN and CHAD ELIE, the defendants, unlawfully, willfully, and

knowingly did conduct, finance, manage, supervise, direct, and own all and part of an illegal gambling business, namely a business that engaged in and facilitated online poker, in violation of New York State Penal Law Sections 225.00 and 225.05 and the law of other states in which the business operated, and which business involved five and more persons who conducted, financed, managed, supervised, directed, and owned all and part of that business, and which business had been and had remained in substantially continuous operation for a period in excess of thirty days and had gross revenues of \$2,000 in a single day, to wit, the defendants operated and aided and abetted the operation of Absolute Poker.

(Title 18, United States Code, Sections 1955 and 2.)

COUNT EIGHT

(Conspiracy to Commit Bank and Wire Fraud)

The Grand Jury further charges:

47. Paragraphs 1 through 31 and 34 of this Indictment are repeated and realleged as if fully set forth herein.

48. From at least in or about 2006, up to and including on or about March 2011, in the Southern District of New York and elsewhere, ISAI SCHEINBERG, RAYMOND BITAR, BRENT BECKLEY, NELSON BURTNICK, PAUL TATE, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN, and CHAD ELIE, the defendants, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate, and agree together and with each other to commit bank

fraud, in violation of Title 18, United States Code, Section 1344, and wire fraud, in violation of Title 18, United States Code, Section 1343.

49. It was a part and an object of the conspiracy that ISAI SCHEINBERG, RAYMOND BITAR, BRENT BECKLEY, NELSON BURTNICK, PAUL TATE, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN, and CHAD ELIE, the defendants, and others known and unknown, unlawfully, 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.

50. It was further a part and an object of the conspiracy that ISAI SCHEINBERG, RAYMOND BITAR, BRENT BECKLEY, NELSON BURTNICK, PAUL TATE, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN, and CHAD ELIE, the defendants, and others known and unknown, unlawfully, willfully, and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire, radio, and television

communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343, to wit, the defendants participated in a scheme involving wire communications to deceive financial institutions and other financial intermediaries into processing and authorizing payments to and from the Poker Companies and United States gamblers by disguising the transactions to create the false appearance that they were unrelated to gambling, and thereby to obtain money of, or under the custody and control of, those financial institutions and intermediaries.

(Title 18, United States Code, Section 1349).

COUNT NINE

(Money Laundering Conspiracy)

The Grand Jury further charges:

51. Paragraphs 1 through 31 and 34 of this Indictment are repeated and realleged as if fully set forth herein.

52. From at least in or about 2006, up to and including in or about March 2011, in the Southern District of New York and elsewhere, ISAI SCHEINBERG, RAYMOND BITAR, SCOTT TOM, BRENT BECKLEY, NELSON BURTNICK, PAUL TATE, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN, CHAD ELIE, and JOHN CAMPOS, the defendants, and others known and unknown, unlawfully, willfully and knowingly did combine, conspire, confederate and agree together and with each

other to violate Title 18, United States Code, Sections 1956 and 1957.

53. It was a part and an object of said conspiracy that ISAI SCHEINBERG, RAYMOND BITAR, SCOTT TOM, BRENT BECKLEY, NELSON BURTNICK, PAUL TATE, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN, CHAD ELIE, and JOHN CAMPOS, the defendants, 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 a place in the United States from 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).

54. It was a further a part and an object of the conspiracy that ISAI SCHEINBERG, RAYMOND BITAR, SCOTT TOM, BRENT BECKLEY, NELSON BURTNICK, PAUL TATE, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN, CHAD ELIE, and JOHN CAMPOS, the defendants, and others known and unknown, in an offense that took place in the United States, unlawfully, willfully and knowingly, would and did engage in monetary transactions in criminally derived property of a value greater than \$10,000 and which was derived from specified unlawful activity, to wit, the operation of an illegal gambling business, in violation of Title 18, United States Code, Section 1957(a).

(Title 18, United States Code, Section 1956(h)).

FORFEITURE ALLEGATION AS TO COUNTS FIVE, SIX, AND SEVEN

55. As a result of committing one or more of the gambling offenses alleged in Counts Five, Six, and Seven of this Indictment, ISAI SCHEINBERG, RAYMOND BITAR, SCOTT TOM, BRENT BECKLEY, NELSON BURTNICK, PAUL TATE, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN, CHAD ELIE, and JOHN CAMPOS, the defendants, shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)<sup>©</sup> and 28 U.S.C. § 2461, all property, real and personal, that constitutes and is derived from proceeds traceable to the commission of these gambling offenses, and, pursuant to 18 U.S.C. § 1955(d), all property, including money, used in committing these gambling offenses, including but not limited to the following:

a. A sum of money representing the amount of proceeds obtained as a result of operation of the unlawful gambling businesses alleged in Counts Five through Seven and the amount of property used in committing the gambling offenses alleged in Counts Five through Seven, delineated as follows:

1) with respect to Count Five, the operation of PokerStars, at least approximately \$1.5 billion in U.S. currency;

2) with respect to Count Six, the operation of Full Tilt Poker, at least approximately \$1 billion in U.S. currency; and

3) with respect to Count Seven, the operation of Absolute Poker, at least approximately \$500 million in United States currency;

b. All of the defendants' right, title, and interest in the following entities and businesses:

1. PokerStars,
2. Full Tilt Poker,
3. Absolute Poker,
4. Ultimate Bet,
5. Oldford Group Ltd.,
6. Rational Entertainment Enterprises Ltd.,
7. Pyr Software Ltd.,
8. Stelekram Ltd.,
9. Sphene International Ltd.,
10. Tiltware LLC,
11. Kolyma Corporation A.V.V.,
12. Pocket Kings Ltd.,
13. Pocket Kings Consulting Ltd.,
14. Filco Ltd.,
15. Vantage Ltd.,
16. Ranston Ltd.,
17. Mail Media Ltd.,
18. Full Tilt Poker Ltd.,
19. SGS Systems Inc.,
20. Trust Services Ltd,
21. Fiducia Exchange Ltd.,
22. Blue Water Services Ltd.,
23. Absolute Entertainment, S.A., and

24. Blanca Games, Inc. of Antigua;

c. All of the defendants' right, title, and interest in funds and other property held in the following domestic accounts:

1. all funds formerly on deposit in account numbered 121015390 held at Sunfirst Bank, St. George, Utah, in the name of Triple Seven LP d/b/a A WEB DEBIT, presently held in escrow, and all funds traceable thereto;

2. all funds formerly on deposit in account numbered 121015408 held at Sunfirst Bank, St. George, Utah, in the name of Triple Seven LP d/b/a Netwebfunds.com, presently held in escrow, and all funds traceable thereto;

3. all funds formerly on deposit in account numbered 121015333 held at Sunfirst Bank, St. George, Utah, in the name of Triple Seven LP d/b/a Netwebfunds.com, presently held in escrow, and all funds traceable thereto;

4. account numbered 129000576 on deposit at Sunfirst Bank, St. George, Utah, formerly in the name of Sunfirst Bank ITF Mastery Merchant/Psars, now in the name of Sunfirst Bank, and all funds traceable thereto;

5. account numbered 12900584 on deposit at Sunfirst Bank, St. George, Utah, formerly in the name of Sunfirst Bank ITF Powder Monkeys/Full Tilt, now in the name of Sunfirst Bank, and all funds traceable thereto;

6. account numbered 1093 held at Vensure Federal Credit Union, Mesa, Arizona, in the name of Trinity Global Commerce Corp., and all funds traceable thereto;

7. account numbered 898039077711 held at Bank of America, N.A., Charlotte, North Carolina, in the name of ASC Management Services Group, and all funds traceable thereto;

8. account numbered 200003309 held at All American Bank, N.A., Des Plaines, Illinois, in the name of 21 Debit LLC, and all funds traceable thereto;

9. account numbered 200003291 held at All American Bank, Des Plaines, Illinois, in the name of 21 Debit LLC, and all funds traceable thereto;

10. account numbered 200003325 held at All American Bank, Des Plaines, Illinois, in the name of 21 Debit LLC, and all funds traceable thereto;

11. account numbered 200003317 held at All American Bank, Des Plaines, Illinois, in the name of 21 Debit LLC, and all funds traceable thereto;

12. account numbered 0200003358 held at All American Bank, Des Plaines, Illinois, in the name of Kemp & Grzelakowski Ltd., escrow agent, for the benefit of 21 Debit LLC, and all funds traceable thereto;

13. account numbered 23000101 held at All American Bank, Des Plaines, Illinois, in the name of Kemp & Grzelakowski

Ltd., escrow agent, for the benefit of 21 Debit LLC, and all funds traceable thereto;

14. account numbered 32441 held at New City Bank, Chicago, Illinois, in the name of 21 Debit LLC, and all funds traceable thereto;

15. account numbered 32506 held at New City Bank, Chicago, Illinois, in the name of 21 Debit LLC, and all funds traceable thereto;

16. account numbered 32433 held at New City Bank, Chicago, Illinois, in the name of 21 Debit LLC, and all funds traceable thereto;

17. account formerly numbered 953500105 held at Bank One, Utah, N.A., now JPMorgan Chase Bank, N.A., in the name of 4 A Consulting, and all property traceable thereto;

18. account numbered 730666271 held at Whitney National Bank, New Orleans, Louisiana, in the name of Ndeka LLC, and all funds traceable thereto;

19. account numbered 09300053086 held at Mutual of Omaha Bank in the name of ASC Management Services, and all funds traceable thereto;

20. account numbered 148348510 held at Branch Banking & Trust in the name of ASC Management Services Group, and all funds traceable thereto;

21. account numbered 9117162742 held at Citibank, N.A., in the name of ASC Management Services Group, and all funds traceable thereto;

22. account numbered 7600710425 formerly held at Mercantile Bank, Florida, now TD Bank, N.A., in the name of Payonix, and all funds traceable thereto;

23. account numbered 229023757111 held at Bank of America, N.A., in the name of Buyvo Inc., and all funds traceable thereto;

24. account numbered 266086554 held at Citibank, N.A., in the name of ASC Management Services Group, and all funds traceable thereto;

25. account numbered 4203790 held at First Tier Bank, Colorado, in the name of Omega Systems Group, and all funds traceable thereto;

26. account numbered 103678753536 held at US Bank Co. In the name of Omega Systems Group, and all funds traceable thereto;

27. account numbered 0049901761 held at BankUnited, Florida, in the name of Omega Systems Inc., and all funds traceable thereto;

28. account numbered 00052606411 held at M&I Marshall and Ilsley Bank, Milwaukee, Wisconsin, in the name of Omega Systems Group, Inc., and all funds traceable thereto;

29. account numbered 1892947126 held at Comerica Bank, Dallas, Texas, in the name of Tiltware, and all funds traceable thereto;

30. account numbered 1892947134 held at Comerica Bank, Dallas, Texas, in the name of Tiltware, and all funds traceable thereto;

31. account numbered 800801483 held at Comerica Bank, Dallas, Texas, in the name of Raymond Bitar, and all funds traceable thereto; and

32. account numbered 800922552 held at Comerica Bank, Dallas, Texas, in the name of Raymond Bitar, and all funds traceable thereto;

d. All of the defendants' right, title, and interest in funds and other property held in the following foreign accounts:

1. account numbered 27894506164 held at Bank of Montreal, Canada, in the name of Axiom Foreign Exchange Intl, for the benefit of Redfall International, and all funds traceable thereto;

2. Credit Agricole (Suisse) SSA, Switzerland, Account no. 27351910081015, in the name of Sphene (Intl) LTD, and all funds traceable thereto;

3. account numbered 27351910081015 held at Societ  Generale Cyprus LTD, Cyprus, in the name of Golden Shores Properties LTD, and all funds traceable thereto;

4. account numbered 7283 held at Wirecard Bank AG, Germany, in the name of Kolyma Corporation, and all funds traceable thereto;

5. account numbered CY1211501001065983USDCACC002 held at FBME Bank LTD, Cyprus, in the name of Triple Seven Inc., and all funds traceable thereto;

6. account numbered 004-411-346034-838 held at Hong Kong and Shanghai Banking Corporation, Hong Kong, in the name of Griting Investments LTD, and all funds traceable thereto;

7. account numbered MT54 SBMT 5550 50000000 1678 2GAU SDO, held at Sparkasse Bank Malta PLC, Malta, in the name of Trinity Global Commerce Corp., and all funds traceable thereto;

8. account numbered 1200402039 held at Banca Privada D'Andorra, Andorra, in the name of Trinity Global Commerce Corp., and all funds traceable thereto;

9. account numbered 0815305390803077 held at Caisse Centrale Des Jardines, a/k/a Caisse Populaire Kahnawake, Canada, in the name of TMC Financial Services, and all funds traceable thereto;

10. at Union Bank of the Philippines, Philippines, held in the name Krores Cards, Inc., and all funds traceable thereto;

11. account numbered 201002907 held at Barclay's Bank, England, Hotwire Financial LLC, and all funds traceable thereto;

12. account numbered GB26BARC20473563472044 held at Barclay's Bank, England, Hotwire Financial LLC, and all funds traceable thereto;

13. at Banque Hapoalim (Suisse) SA, Luxembourg, in the name of Sphene (Intl) LTD, and all funds traceable thereto;

14. account numbered 27554003786 held at Royal Bank of Canada, Canada, in the in the name of Terricorp Inc. d/b/a TLC Global, and all funds traceable thereto;

15. account numbered 27554003760 held at Royal Bank of Canada, Canada, in the in the name of Terricorp Inc. d/b/a TLC Global, and all funds traceable thereto;

16. account numbered 27554001038 held at Royal Bank of Canada, Canada, in the in the name of Terricorp Inc. d/b/a TLC Global, and all funds traceable thereto;

17. account numbered 27551017789 held at Royal Bank of Canada, Canada, in the in the name of Terricorp Inc. d/b/a TLC Global, and all funds traceable thereto;

18. account numbered 000759 held at Basler Kantonal Bank, Switzerland, in the name of Vantage, and all funds traceable thereto;

19. account numbered 2208887 held at Basler Kantonal Bank, Switzerland, in the name of Vantage, and all funds traceable thereto;

20. account numbered CH7300770252534932001 held at Basler Kantonal Bank, Switzerland, in the name of Mailmedia LTD, and all funds traceable thereto;

21. account numbered CH7000770016542254461 held at Basler Kantonal Bank, Switzerland, in the name of Ranston LTD, and all funds traceable thereto;

22. account numbered IE85AIBK93006727971082 held at Allied Irish Bank, Ireland, in the name of Filco Ltd., and all funds traceable thereto;

23. account numbered IE07DABA95151340074209 held at Danske Bank A/S, Denmark, in the name of Pocket Kings LTD, and all funds traceable thereto;

24. account numbered LU811944013080000USD held at Banque Invik, Luxembourg, in the name of Vantage Limited, and all funds traceable thereto;

25. account numbered CH4308755011432400000 held at Pictet and Co., Switzerland, in the name of Rintrade Finance SA, and all funds traceable thereto;

26. account numbered 61-12-9436-6 held at Banco Panameno De La Vivienda SA, Panama, in the name of Disora Investment, Inc., and all funds traceable thereto;

27. account numbered 0011271083 held at Citibank London, England, in the name of Mundial Valores, for the benefit of Disora Investment, Inc., MAM000804, and all funds traceable thereto;

28. account numbered  
MT14SBMT55505000000011451GAEURO held at Sparkasse Bank Malta,  
Malta, in the name of Tokwiro Enterprises Enrg, and all funds  
traceable thereto;

29. account numbered MT23SBMT5550500000001108 held  
at Sparkasse Bank Malta, Malta, in the name of Blue Water Services  
LTD, and all funds traceable thereto;

30. account numbered 60092074136054 held at  
Natwest, Jersey, in the name of Raymond Bitar, and all funds  
traceable thereto;

31. account numbered 95434087766 held at Natwest,  
Channel Islands, in the name of Raymond Bitar, and all funds  
traceable thereto;

32. account numbered 91707289 held at Bank of  
Ireland, Ireland, in the name of Raymond Bitar, and all funds  
traceable thereto;

33. account numbered 99045014745206 held at Bank  
of Scotland Ireland, Inc., Ireland, in the name of Raymond Bitar,  
and all funds traceable thereto;

34. account numbered 99045014801116 held at Bank  
of Scotland Ireland, Inc., Ireland, in the name of Pocket Kings  
Consulting LTD, and all funds traceable thereto;

35. account numbered IE58IPBS9906291390203 held at  
Irish Permanent Treasury, PLC, in the name of Pocket Kings, and  
all funds traceable thereto;

36. account numbered 95151380025186 held at National Irish Bank, Ireland, in the name of Raymond Bitar, and all funds traceable thereto;

37. account numbered 95151340062618 held at National Irish Bank, Ireland, in the name of Raymond Bitar, and all funds traceable thereto;

38. account numbered 99022000439546 held at Anglo Irish Bank, Ireland, in the name of Pocket Kings Consulting LTD, and all funds traceable thereto;

39. account numbered 99022000440162 held at Anglo Irish Bank, Ireland, in the name of Pocket Kings Consulting LTD, and all funds traceable thereto;

40. account numbered 26257031 held at Allied Irish Bank, Ireland, in the name of Raymond Bitar, and all funds traceable thereto;

41. account numbered 7262 held at Wirecard Bank AG, Germany, in the name of Raymond Bitar, and all funds traceable thereto;

42. account numbered 7244 held at Wirecard Bank AG, Germany, in the name of Raymond Bitar, and all funds traceable thereto;

43. account numbered 52409 held at Wirecard Bank AG, Germany, in the name of Relecomm Ltd., and all funds traceable thereto;

44. account numbered CH150874101409380000 held at Credit Agricole (Suisse) SA, Switzerland, in the name of Oldford Group LTD, and all funds traceable thereto; and

45. account numbered DE34512308000000007283 held at Wirecard Bank AG, Germany, in the name of Kolyma Corp., and all funds traceable thereto.

**FORFEITURE ALLEGATION AS TO COUNT EIGHT**

56. As a result of committing the offense of conspiring to commit bank fraud and wire fraud as alleged in Count Eight of this Indictment, ISAI SCHEINBERG, RAYMOND BITAR, BRENT BECKLEY, NELSON BURTNICK, PAUL TATE, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN, and CHAD ELIE, the defendants, shall forfeit to the United States, pursuant to 18 U.S.C. § 982, all property constituting or derived from proceeds obtained directly and indirectly as a result of the offense alleged in Count Eight, including but not limited to the following

a. A sum of money of at least \$2 billion in United States currency.

b. All of the defendants' right, title, and interest in the entities, businesses, and accounts described in paragraph 55(b), ©, and (d), which are incorporated by reference herein.

**FORFEITURE ALLEGATION AS TO COUNT NINE**

57. As a result of committing the offense of conspiring to commit money laundering as alleged in Count Nine of this Indictment, ISAI SCHEINBERG, RAYMOND BITAR, SCOTT TOM, BRENT

BECKLEY, NELSON BURTNICK, PAUL TATE, RYAN LANG, BRADLEY FRANZEN, IRA RUBIN, CHAD ELIE, and JOHN CAMPOS, the defendants, shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(1), all property, real and personal, involved in the offense alleged in Count Nine, and all property traceable to such property, including but not limited to the following:

a. A sum of money of at least \$2.5 billion in United States currency.

b. All of the defendants' right, title, and interest in the entities, businesses, and accounts described in paragraph 55(b), ©, and (d), which are incorporated by reference herein.

Substitute Assets Provision

58. If any of the forfeitable property described in paragraphs 55 through 57 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 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, 982, and 1955; Title 21, United States Code, Section 853; Title 28, United States Code, Section 2461.)



FOREPERSON

Preet Bharara  
PREET BHARARA  
United States Attorney

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

- v -

ISAI SCHEINBERG,  
RAYMOND BITAR,  
SCOTT TOM,  
BRENT BECKLEY,  
NELSON BURTNICK,  
PAUL TATE,  
RYAN LANG,  
BRADLEY FRANZEN,  
IRA RUBIN,  
CHAD ELIE, and  
JOHN CAMPOS,

Defendants.

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INDICTMENT

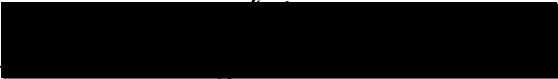
S3 10 Cr. 336 (LAK)

(18 U.S.C. §§ 371, 1349, 1955,  
1956(h), and 2.)

PREET BHARARA

United States Attorney.

A TRUE BILL

  
Foreperson.

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