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Southern District of New York
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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA :

Plaintiff, :

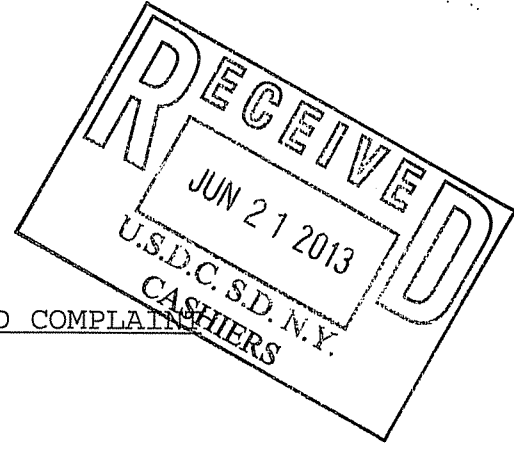
- v - :

\$105,000,000.000 IN UNITED STATES :
CURRENCY :

Defendant-*in-rem*. :
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VERIFIED COMPLAINT

13 Civ.



Plaintiff United States of America, by its attorney
Preet Bharara, United States Attorney for the Southern District
of New York, for its verified complaint, alleges, upon
information and belief, as follows:

I. JURISDICTION AND VENUE

1. This action is brought pursuant to Title 18,
United States Code, Section 981 by the United States of America
seeking the forfeiture of approximately \$105,000,000 in United
States currency (the "Defendant Funds" or the "defendant-in-
rem").

2. This Court has jurisdiction pursuant to Title 28,
United States Code, Section 1355.

3. Venue is proper under Title 28, United States Code, Section 1355(b)(1)(A) because certain actions and omissions giving rise to forfeiture took place in the Southern District of New York and pursuant to Title 28, United States Code, Section 1395 because the defendant-in-rem has been transferred to the Southern District of New York.

4. The Defendant Funds constitute property constituting and derived from proceeds of wire fraud, bank fraud and conducting an illegal gambling business, in violation of Title 18, United States Code, Sections 1343, 1344, and 1955, respectively, and property traceable to such property; and are thus subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C).

II. PROBABLE CAUSE FOR FORFEITURE

5. On April 6, 2009, PartyGaming, an Internet gambling company incorporated in Gibraltar and publicly traded on the London Stock Exchange under the ticker symbol PRTY, entered into a Non-Prosecution Agreement, wherein, *inter alia*, the company agreed to forfeit a total of \$105 million, *i.e.* the Defendant Funds, to the United States. The Defendant Funds represent proceeds of PartyGaming's United States Internet gambling operations.

6. PartyGaming offered Internet gaming to players in the United States from 1997 until October 13, 2006. Most of

PartyGaming's customers during that time were located in the United States, and at the time PartyGaming began trading on the London Stock Exchange in 2005, United States players constituted approximately 88% of its' customer base.

7. Beginning in 2001, PartyGaming employed a variety of methods to misrepresent the nature of its customers' transactions to United States credit card issuers who did not permit their credit cards to be used for Internet gambling.

8. PartyGaming also took steps to disguise payments of winnings to United States customers.

9. In its 2005 IPO prospectus, PartyGaming recognized that "[t]here is uncertainty as to the legality of online gaming in most countries and in many countries, including the U.S., the Group's [PartyGaming's] activities are considered to be illegal by relevant authorities."

10. As part of the Non-Prosecution Agreement, PartyGaming acknowledged that its conduct violated certain United States criminal laws, including, sections 1955 (illegal gambling), 1343 (fraud by wire communications), and 1344 (bank fraud) of Title 18 of the United States Code.

11. Furthermore, as part of PartyGaming's Non-Prosecution Agreement, PartyGaming agreed to forfeit \$105 million to the United States as proceeds derived from wire fraud, bank fraud, and an illegal gambling business, in violation of Title

18, United States Code, Sections 1343, 1344, and 1955, respectively.

12. PartyGaming has remitted the full \$105 million to the United States Marshals Service. The Defendant Funds are currently being held in the United States Marshal Service Seized Assets Deposit Fund.

III. CLAIM FOR FORFEITURE

13. Incorporated herein are the allegations contained in paragraphs one through twelve of this Verified Complaint.

14. Title 18, United States Code, Section 981(a)(1)(C) subjects to forfeiture "[a]ny property, real or personal, which constitutes or is derived from proceeds traceable to . . . any offense constituting 'specific unlawful activity' (as defined in section 1956(c)(7) of this title), or a conspiracy to commit such offense."

15. "Specified unlawful activity" is defined in Title 18, United States Code, Section 1956(c)(7), and the term includes, among other things, any offense listed under Title 18, United States Code, Section 1961(1). Section 1961(1) lists, among other offenses, violations of Title 18, United States Code, Sections 1343 (relating to wire fraud), 1344 (relating to financial institution fraud) and 1955 (related to the prohibition of illegal gambling businesses).

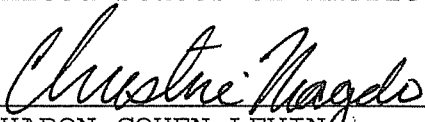
16. By reason of the foregoing, the defendant-in-rem is subject to forfeiture to the United States of America pursuant to Title 18, United States Code, Section 981(a)(1)(C), because there is probable cause to believe that the defendant-in-rem constitutes property derived from wire fraud, bank fraud, and an illegal gambling business, in violations of Title 18, United States Code, Sections 1343, 1344, and 1955, respectively.

WHEREFORE, plaintiff United States of America prays that process issue to enforce the forfeiture of the defendant-in-rem and that all persons having an interest in the defendant-in-rem be cited to appear and show cause why the forfeiture should not be decreed, and that this Court decree forfeiture of the defendant-in-rem to the United States of America for disposition according to law, and that this Court grant plaintiff such further relief as this Court may deem just and proper, together with the costs and disbursements of this action.

Dated: New York, New York
June 20, 2013

PREET BHARARA
United States Attorney for the
Southern District of New York
Attorney for the Plaintiff
United States of America

By: _____

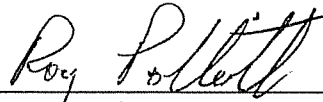

SHARON COHEN LEVIN
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VERIFICATION

STATE OF NEW YORK)
COUNTY OF NEW YORK :
SOUTHERN DISTRICT OF NEW YORK)

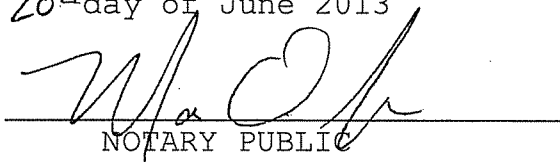
Roy Pollitt, being duly sworn, deposes and says that he is a Special Agent with the Federal Bureau of Investigation ("FBI"), and as such has responsibility for the within action; that he has read the foregoing complaint and knows the contents thereof, and that the same is true to the best of his knowledge, information, and belief.

The sources of deponent's information on the ground of his belief are official records and files of the United States, information obtained directly by the deponent, and information obtained by other law enforcement officials, during an investigation of alleged violations of Title 18, United States Code.



Roy Pollitt
Special Agent
Federal Bureau of Investigation

Sworn to before me this
20th day of June 2013



NOTARY PUBLIC

MARCO DASILVA
Notary Public, State of New York
No. 01DA6145603
Qualified in Nassau County
My Commission Expires May 9, 2014