



IfrahLaw

Strategic Defense in
Federal Investigations

WHEN THE GOVERNMENT COMES KNOCKING

October 5, 2010 Webinar

TRENDS IN U.S. iGAMING ENFORCEMENT

Increased Enforcement



Who is the Witness?

Who is the target?



WHO IS AFFECTED BY GAMING ENFORCEMENT?



U.S. LAWS AFFECTING GAMING

THE WIRE ACT OF 1961

ILLEGAL GAMBLING BUSINESS ACT OF 1970 (“IGBA”)

**UNLAWFUL INTERNET GAMBLING ENFORCEMENT ACT OF 2006
 (“UIGEA”)**

PENDING LEGISLATION – H.R. 2267



DOJ ENFORCEMENT ACTIONS

\$100 million
in online gambling assets
seized in 2009



SEIZURES AND FORFEITURES

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- X
UNITED STATES OF AMERICA

-v.-

ALL FUNDS ON DEPOSIT AT
WELLS FARGO BANK IN SAN
FRANCISCO, CALIFORNIA, IN
ACCOUNT NUMBER 7986104185,
HELD IN THE NAME OF ACCOUNT
SERVICES INC., AND ALL
PROPERTY TRACEABLE THERETO,

Defendant in rem.

----- X

WARRANT OF SEIZURE IN REM
PURSUANT TO 18 U.S.C. §§ 981,
984 & 1955

09
09 Mag. No.

WARRANT OF SEIZURE

TO: ANY DEPUTY UNITED STATES MARSHAL OR ANY OTHER LAW
ENFORCEMENT OFFICER AUTHORIZED BY LAW

An Affidavit having been made before me by Dana Conte,
a Special Agent of the Federal Bureau of Investigation ("FBI"),
that he has reason to believe that the funds specified in the
above-captioned bank account are subject to seizure and civil
forfeiture pursuant to 18 U.S.C. §§ 981(a)(1)(A) and (C), 981(b),
984, and 1955 and as I am satisfied that there is probable cause
to believe that the property so described is subject to seizure
and civil forfeiture pursuant to 18 U.S.C. §§ 981(a)(1)(A) and
(C), 981(b), 984, and 1955,

YOU ARE HEREBY COMMANDED AND AUTHORIZED to seize,
within ten (10) days of the date of issuance of this warrant, by

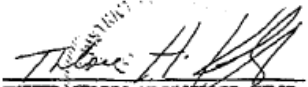
serving a copy of this warrant of seizure, upon the custodian of
the bank account, if any, the funds described as follows:

ALL FUNDS ON DEPOSIT AT WELLS FARGO BANK IN SAN
FRANCISCO, CALIFORNIA, IN ACCOUNT NUMBER 7986104185,
HELD IN THE NAME OF ACCOUNT SERVICES INC.

YOU ARE FURTHER COMMANDED AND AUTHORIZED to prepare a
written inventory of the property seized and promptly return this
warrant and inventory before this Court as required by law.

WELLS FARGO BANK IS HEREBY COMMANDED to effect the
seizure of the contents of the above-referenced accounts and to
refuse the withdrawal of any amount from said accounts by anyone
other than duly authorized law enforcement agents, promptly to
provide law enforcement officers with the current account
balance, and continue to accrue any deposits, interest,
dividends, and any other amount credited to said account until
the aforementioned law enforcement agents direct that the
contents of said account be finally liquidated.

Dated: New York, New York
June 2, 2009


UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK



CASE STUDY 1

WHEN THE GOVERNMENT CAME KNOCKING

Canadian Online Gambling Payment Processor, Douglas Rennick Gets Slap on Hand

September 17, 2010 · Filed Under [Online Gambling News](#)



The New York federal court system saw fit to give out a very lenient sentence to Canadian e-cash processor Douglas Rennick in his sentencing for money laundering charges brought on by the New York federal court system. Mr. Rennick was given a six-month probation sentence for the crime of money laundering which he was convicted of and i

CASE STUDY 2 – SHUTTING THE DOOR ON GOVERNMENT INVESTIGATIONS



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🏠 Poker News > Civil Forfeiture Sought in Maryland Online Poker Funds Seizure

Civil Forfeiture Sought in Maryland Online Poker Funds Seizure

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YOUR SOURCE FOR

FREE

POKER

In a new twist involving the seizure of a purported **\$5 million in funds** destined for internet gambling customers in **Maryland**, the U.S. Attorney's Office in Baltimore is seeking a civil forfeiture, according to the **Baltimore City Paper**.

Documentation filed in the United States District Court for the District of Maryland targets several payment processors: **Electracash, Forshay Enterprises, HMD, and Direct Channel**. Banks affected by the U.S. Attorney's Office actions include Bank of America, Wachovia, Citibank, and Wells Fargo, four of the country's largest financial institutions. Also mentioned is Mercantile Bank. Upon seizure by federal authorities, the funds were transferred to the Department of Homeland Security and U.S. Immigration and Customs



GENERAL RECOMMENDATIONS FOR GOVERNMENT INVESTIGATIONS



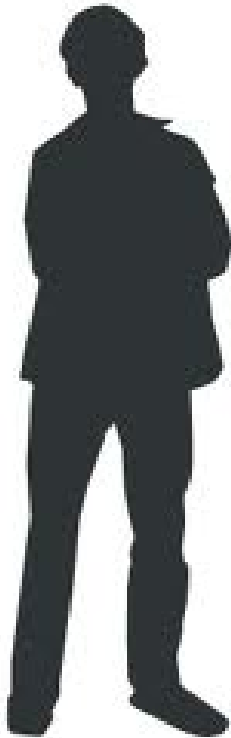
EMPLOYEE EDUCATION

BE COURTEOUS, BUT CAUTIOUS

- No Information Should Be Provided Until The Nature And The Significance Of The Visit Is Established.
- Employees Should Not Respond To Any Questions Unless Certain The Response Is Complete and Accurate And He Or She Has First Coordinated With The Company's Counsel.
- Employees Should Never Provide Tangible Evidence During The Service Of A Subpoena Or During An Interview—This May Waive Legal Protections.



PREPARING THE COMPANY REPRESENTATIVE



Designate A Single Contact Person
To Meet With Government Agents



IDENTIFY THE INVESTIGATOR

- Find Out The Agents' Names and Organizations.
- Request, Review, And Record Their Credentials.
- Determine Who, If Anyone, The Agents Have Contacted Previously.
- Know Before Proceeding What, If Any, Contractual Provision Exists To Authorize The Visit.



DETERMINE THE PURPOSE OF THE VISIT

- Ask The Agent The Purpose of the Contact.
- Be Wary of Visitors Who Say Their Purpose Is “To Talk” To Individuals.
- Sometimes, The Knock On The Door Comes With A Seizure Notice, Which Can Be Accompanied By An Affidavit That Presents To The Judge The Agent’s View Of The Case.

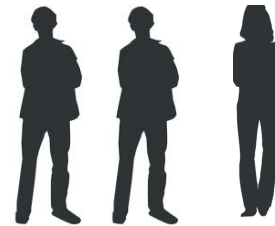


DETERMINE THE FOCUS OF THE INQUIRY

- **Individual Employee**



- **Company**



- **Third Party**



CONTACT COUNSEL

- Strategies For Selecting An Attorney
- Joint Defense Team



WHAT TO DO WHEN THE GOVERNMENT LEAVES



- Involve Counsel
- Conduct Internal Investigation
- Mark Privileged And Confidential Company Documents
- Comply Fully and Completely When Responding To Subpoena
- Let Counsel Decide Which Documents To Produce





Ifrah Law

Jeff@IfrahLaw.com

CrimeInTheSuites.com

