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**THIRTY INDIVIDUALS INDICTED IN MULTI-MILLION DOLLAR  
OFF-SHORE SPORTS BETTING OPERATION**

*Charged With Enterprise Corruption, Promoting Gambling and Money Laundering*

Queens District Attorney Richard A. Brown, joined by New York City Police Commissioner Raymond W. Kelly and Patricia J. Haynes, Special Agent-in-Charge of the New York Field Office of the Internal Revenue Service (IRS), today announced the indictment of 30 individuals and one corporation on charges of unlawfully operating a sports betting enterprise that stretched from Queens County to Nevada and from Rochester to Florida. It is estimated that the ring took in more than \$567 million over a 28-month period by accepting wagers on a wide variety of sporting events – ranging from professional football, basketball, hockey and baseball to college basketball, among others.

District Attorney Brown said, “The defendants are accused of operating an incredibly lucrative gambling operation – taking in more than \$20 million a month, on average. Such unlawfully earned profits are often – and easily – diverted to more insidious criminal enterprises. In fact, the investigation uncovered evidence that the enterprise had links to both the Gambino and Genovese crime families.”

The District Attorney continued, “Illegal gambling is not a victimless crime. Those who participate in these criminal enterprises often use threats, intimidation and even physical force to collect debts and oftentimes charge usurious interest rates on outstanding debts. In addition to our NYPD and IRS partners, I want to thank our federal law enforcement colleagues and police authorities in other states for their cooperation and efforts in this investigation. So massive was the enterprise that only with their assistance could we bring these defendants to justice.”

Commissioner Kelly said, “Gambling proceeds is the fuel that drives organized crime. The staggering amount of money in this case demonstrates just that. In this instance, however, the bookies ran out of luck.”

IRS Special Agent-in-Charge Haynes said, “Illegal gambling is a complex financial crime. Violators often use computers as tools to conduct financial transactions to launder money. Our agents use their unique financial and forensic computer skills to trace the flow of the money and unravel these financial transactions.”

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One of the ring's alleged bookmakers – Joseph J. Fafone – was arrested yesterday at the airport in Rochester New York, where he was waiting to board a flight to Panama. He was carrying nearly \$24,000 in cash on his person. Of the other ring members, seventeen were arrested locally today and are awaiting arraignment in Queens Supreme Court. Nine other individuals were arrested in upstate New York, Florida, Nevada and Illinois. Three others – including two in Panama – are presently being sought and search warrants are being executed across the country to track down assets connected to the ring. Presently, more than \$3 million in cash has been seized. The arrests stem from a 38-month investigation known as “Operation Betting It All.”

The defendants are charged with enterprise corruption – a violation of New York State's Organized Crime Control Act – as well as money laundering, promoting gambling and conspiracy. If convicted, the individual defendants each face up to 25 years in prison. The corporate defendant faces a fine of up to \$10,000 or double the amount of the illegal gain.

In addition to the criminal charges, twenty of the defendants are being sued civilly and have been named as respondents in a \$125 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, according to a 131-count indictment filed in Queens County Supreme Court the gambling ring promoted illegal sports betting in Queens County and elsewhere and that the top two defendants – alleged bookmakers Joseph J. Fafone and Eric Davis Harp – used various Internet websites, including *betallsportshere.com*, *justwagers.com*, *betmsg.com*, *betonline.com*, and *betrr.com*, as well as toll-free telephone numbers to accept wagers. The defendants also allegedly controlled a non-traditional “wire room” in the form of an off-shore, Internet gambling service used by bettors and runners to actually place their wagers. It is alleged that the ring used the off-shore wire room – located in Panama – to maintain the gambling accounts of numerous runners and bettors through the Internet websites in an effort to evade law enforcement detection through traditional methods.

Law enforcement crackdowns on traditional mob-run wire rooms have led to the use by illegal gambling rings of off-shore gambling websites where action is available around the clock. Bettors can click on an off-shore 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 the accounts of “runners” and “agents.” These gambling websites typically store their information on computer servers located outside the United States – such as in Panama – and “bounce” their data through a series of server nodes in an effort to evade law enforcement.

In addition to Fafone and Harp – who allegedly were the bookmakers of the enterprise who controlled and oversaw the entire operation – the indictment charges that nine other defendants – Joseph Fafone, Sr., Thomas Farley, Gail Harris, Edward P. Kenny, Lester Klein, Louis P. Lippa, Amanda Mercer, Robert Rasmussen and David Valerio – worked as “money collectors” and “distributors” 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.

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Four other defendants – Jerry Dicresce, Edward LaRocco, David Strickland and Robert Wehnert – are alleged to have been “master agents” with several subordinate agents/runners reporting directly to them.

The indictment additionally charges that thirteen of the defendants worked as “agents/runners” – Robert Agliodoro, Andrew Berg, John Bowling, Louis Cassero, Joseph Catalanotto, Philip Cesario, David Goldman, Jonathan Piansky, Joseph Pontarelli, Matthew Schmalacker, Louis Todisco, Michael Rizzi and Robert Stampf – and were responsible for soliciting new bettors to the organization, maintaining existing bettor relationships and meeting with bettors to collect gambling losses and payout winnings.

While bookmakers Fafone and Harp allegedly visited the Panama wire room on occasion, it is alleged that two other defendants in the ring – Andre Lepiz and Mike Sheridan – were in charge of the day-to-day running of the room and allegedly acted as intermediaries with others involved in the operation.

The corporation, JJF Consulting Services, Inc., is allegedly owned by Joseph J. Fafone and operated out of his personal residence. The corporation was allegedly a shell corporation that was used as a “money launder” to funnel and obscure the illegal gambling proceeds.

District Attorney Brown said that the investigation leading to today’s indictment began in September 2006 when detectives from the NYPD’s Organized Crime Investigation Division developed information about an illegal sports betting operation and began a joint investigation with the District Attorney’s Organized Crime and Rackets Bureau. The investigation included physical surveillance, intelligence information, use of an undercover officer and court-authorized electronic eavesdropping.

According to the indictment, between September 2006 and January 2009, the defendants conspired to make money illegally through the operation of an unlawful gambling enterprise that accepted bets on sporting events ranging from as little as \$5 to as much as \$20,000 on a single game.

According to the indictment, after a bettor placed a bet either through the website or through one of the organization’s toll-free telephone numbers, the bettor collected his winnings or paid any losses by interacting with an agent/runner either in person or through interstate commerce. The agent/runner, in turn, met with a money collector to turn over any gambling debts the agent/runner collected from his bettors and/or to receive any money from the money collectors that the agent/runner’s bettors won. The money collector/distributors, in turn, were responsible for the collection and distribution of illegal gambling proceeds between the bookmakers and the agents/master-agents.

The investigation was conducted by the NYPD Detective Joseph Chimienti of the Organized Crime Investigation Division of the Organized Crime Control Bureau, under the supervision of Lieutenant Jack Iacovou and Detective Matthew Murphy of the NYPD’s Asset Forfeiture Unit under the supervision of Sergeant Stephen Scalza.

Also assisting in the investigation were IRS Special Agent John D. Lopez and IRS Supervisory Special Agent Russ Richardson; State of Nevada Gaming Control Board Enforcement Division Special Agents James Taylor and Anthony Vincent and Agent Jesse Prieto; Sean O’Malley,

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Deputy Chief Investigator, Enforcement Division, Federal Reserve Bank of New York; and Assistant United States Attorney Yasmin Best of the United States Attorney's Office for the Northern District of Illinois and Assistant United States Attorney Tanya Y. Hill of the United States Attorney's Office for the Eastern District of New York.

Assistant District Attorney Christine M. Maloney, of the District Attorney's Organized Crime and Rackets Bureau, is prosecuting the criminal case under the supervision of Assistant District Attorney Gerard A. Brave, Bureau Chief, and Mark L. Katz, Deputy Chief, and Assistant District Attorney David S. Zadnoff, of the District Attorney's Special Proceedings Bureau, is handling the civil case under the supervision of Assistant District Attorneys Anthony M. Communiello, Bureau Chief, and Oscar W. Ruiz, Deputy Chief. Both the criminal and civil matters are under 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.

**Note to Editors: E-version of this press release posted at [www.queensda.org](http://www.queensda.org).**

## **ADDENDUM**

\* denotes those defendants presently not in custody.

### **ALLEGED BOOKMAKER (2)**

Joseph J. Fafone, 48, of 6226 Pheasants Crossing, Farmington, New York  
Eric Davis Harp, 36, of 230 East Flamingo Road, Las Vegas, Nevada

### **ALLEGED MONEY COLLECTOR (9)**

Joseph P. Fafone, 70, of 7495 La Paz Boulevard, Boca Raton, Florida  
Thomas P. Farley, 65, of 7 Ash Street, Floral Park, New York  
Gail R. Harris, 55, of 2445 NW 64<sup>th</sup> Street, Boca Raton, Florida  
Edward P. Kenny, 59, of 1155 Hillsboro Mile #708, Hillsboro Beach, Florida  
Lester J. Klein, 66, of 166-41 Powell Cove Boulevard, Whitestone, Queens \*  
Louis P. Lipa Jr., 61, of 26-3 Great Wood Court, Fairport, New York  
Amanda L. Mercer, 39, of 1058 Castiron Ridge Court, Henderson, Nevada  
Robert J. Rasmussen, 42, of 7432 West 161<sup>st</sup> Street, Tinley Park, Illinois  
David Valerio, 61, of 81 Meriden Street, Rochester, New York

### **ALLEGED MASTER AGENTS (4)**

Jerry Dicresce, 75, of 1 Vincent Road, Apt. 3J, Bronxville, New York  
Edward LaRocco, 61, of 68 Roger Drive, Port Washington, New York  
Robert Wehnert, 63, of 69-26 62<sup>nd</sup> Avenue, Middle Village, Queens  
David Strickland, 54, of 22837 Ponderosa Drive, Boca Raton, Florida

### **ALLEGED AGENTS/RUNNERS (13)**

Robert Aglialoro, 38, of 57-44 81<sup>st</sup> Street, Middle Village, Queens  
Andrew Berg, 48, of 60 Knollwood Road, Roslyn, New York  
John Bowling, 60, of 9425 Boardwalk Lane, Orland Park, Illinois

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**ALLEGED AGENTS/RUNNERS (continued)**

Louis Cassero, 36, of 1771 Washington Avenue, Seaford, New York  
Joseph Catalanotto, 52, of 66 East Shore Road, Huntington, New York  
Philip Cesario, 68, of 303 East 60<sup>th</sup> Street, New York, New York  
David Goldman, 67, of 401 East 80<sup>th</sup> Street, New York, New York  
Jonathan Piansky, 39, of 9-20 166<sup>th</sup> Street, Whitestone, New York  
Joseph Pontarelli, 66, of 19 East 80<sup>th</sup> Street, New York, New York  
Michael Rizzi, 38, of (home address unavailable), Brooklyn, New York  
Matthew Schmalacker, of 25, 215 Middle Neck Road, Great Neck, New York  
Robert Stampf, 74, of 30-61 49<sup>th</sup> Street, Astoria, Queens  
Louis Todisco, 42, of 166-07 20<sup>th</sup> Avenue, Whitestone, Queens

**ALLEGED WIRE ROOM MANAGER (1)**

Mike Sheridan, (age unknown), of Via Brasil, Calle 50, Display Plaza #1, Panama City, Panama \*

**ALLEGED WIRE ROOM ACCOUNTANT (1)**

Andre Lepiz, (age unknown), of Via Brasil, Calle 50, Display Plaza #1, Panama City, Panama \*

**ALLEGED CORPORATION (1)**

JJF Consulting Services, of 6226 Pheasants Crossing, Farmington, New York