

Canadian charged in US in Internet gambling case

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A man plays poker on his computer connected to an internet gaming site in the United States in 2006. A Canadian resident was indicted in the United States on fraud and related charges for processing some 350 million dollars for Internet gambling firms, officials said Thursday.

A Canadian resident was indicted in the United States on fraud and related charges for processing some 350 million dollars for Internet gambling firms, officials said Thursday.

According to the indictment unsealed in New York, Douglas Rennick was charged with bank fraud and other offenses stemming from his role in a scheme to disguise the transactions to distribute gambling winnings to US residents.

The Justice Department said that from 2007 to June 2009, Rennick opened bank accounts in the United States under various corporate names and "falsely represented that the accounts would be used for such purposes as issuing rebate checks, refund checks, sponsorship checks, affiliate checks and minor payroll processing."

Authorities said Rennick, 34, and unnamed co-conspirators used the accounts "to receive funds from offshore Internet gambling companies that offered, variously, poker, blackjack, slots and other casino games."

Rennick and others "then disbursed those funds via checks to US residents seeking to cash out their gambling winnings."

The indictment charged that Rennick and others "provided false and misleading information to US banks about the purpose of the accounts because the banks would not have processed the transactions had they known they were gambling-related."

It said Rennick and the co-conspirators processed more than 350 million dollars transferred from a Cyprus bank account to various US bank accounts for this purpose.

If found guilty, Rennick faces a maximum term of 30 years in prison and fines of more than one million dollars for bank fraud, [money laundering](#) and other charges. The indictment also seeks the forfeiture of at least 565 million dollars.

American officials say Internet gambling by US residents is illegal even if the websites are owned by foreign operators, but has focused prosecution on those involved in financial transactions.

A law passed in 2006 bans US banks, credit card and financial companies from handling Internet gambling bets but rules have yet to be

implemented, amid criticism that it would be an enforcement nightmare.

It is set to go into effect December 1, 2009.

Some US trading partners have complained that the US ban violated World Trade Organization rules.

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