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**POTOMAC, MARYLAND MAN PLEADS GUILTY TO MONEY LAUNDERING AND
CONDUCTING AN ILLEGAL GAMBLING BUSINESS**

GREENBELT, Maryland - United States Attorney for the District of Maryland Rod J. Rosenstein announces that today Alvin Kotz, age 70, of Potomac, Maryland pleaded guilty before U.S. District Court Judge Deborah K. Chasanow to money laundering and conducting an illegal gambling business.

According to the agreed statement of facts presented to the court, from about late 2002 to January 2004, Kotz ran an illegal gambling business that solicited prospective bettors from the Washington, D.C. and Baltimore metropolitan areas. The organization provided prospective bettors with pamphlets and advertisements containing information about the bookmaking operation, a code number, a password, a toll-free telephone number for an offshore wire room located in the Dominica identified as World Wide Wagering, Inc., and an Internet website address. The organization directed the organization's bettors to place their wagers for sporting events with the offshore wire room. This offshore wire room accepted wagers for almost every sporting event including professional and college football games, professional and college basketball games and professional auto racing. Kotz's gambling organization paid a fee of \$35 per bettor to the offshore wire room for each bettor who placed a wager.

The agreed statement of facts further states that Kotz and other members of the organization met with bettors every Tuesday and Wednesday from September to January during the football season at Timpano's Italian Chop House restaurant located at 12021 Rockville Pike, Rockville, Maryland to collect or pay debts on winnings related to illegal gambling activities. Kotz and other members received a weekly facsimile from the offshore wire room containing information from the previous week's gambling activities.

On January 21, 2004, law enforcement agents executed search warrants at several locations. Among the items seized from Kotz's residence was a computer that contained a spreadsheet of

activity for the week of December 13, 2004. That spreadsheet listed in excess of 125 bettors with their codes and indicated that the Kotz organization had a profit of approximately \$330,000.

In January 2004, law enforcement agents seized in excess of \$103,000 from a Navy Federal Credit Union bank account controlled by co-defendant David McGowan that was used to deposit funds collected from bettors who owed money to Kotz's illegal gambling operation.

The statement of facts further states that from about November 2003 to May 2004, Kotz caused a bettor to wire approximately \$123,309 from a company known as Computer Systems Management into a Bank of America account. Kotz and another individual arranged to pay the owner of this bank account approximately 2% of all money wired into that account. The bulk of the money was later withdrawn from the account through a series of checks payable to fictitious names and cashed by Kotz at a liquor store in Hyattsville, Maryland.

Kotz faces a maximum sentence of 20 years in prison for money laundering and 5 years for conducting an illegal gambling business. Judge Chasanow has scheduled sentencing for October 31 at 10:00.

The case is a result of a three-year investigation by the Montgomery County Police Department and the Internal Revenue Service - Criminal Investigation Division. The case is being prosecuted by Assistant U.S. Attorney Bryan E. Foreman.