

FILED

United States District Court

JUN 23 2006

NORTHERN

DISTRICT OF

CALIFORNIA
RICHARD W. WIEKING
U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA

v.

DAVID LEE DUCKART

CRIMINAL COMPLAINT

WDB

CASE NUMBER:

(Name and Address of Defendant)

4-06-70405

I, the undersigned complainant being duly sworn state the following is true and correct to the best of my knowledge and belief. On or about 9/02 to 6/06 in Contra Costa county, in the

Northern District of California defendant(s) did, (Track Statutory Language of Offense)

see attachment

in violation of Title 18 United States Code, Section(s) 1955, 1956(a)(2)(A), 401(3)

I further state that I am a(n) IRS Special Agent and that this complaint is based on the following

Official Title

facts:

See Affidavit of IRS Special Agent Carol Ann Quigley

NO PROCESS IS NECESSARY; DEFENDANT HAS AGREED TO APPEAR BEFORE THE MAGISTRATE ON JUNE 26, 2006.

Continued on the attached sheet and made a part hereof: Yes No

Approved
As To
Form:

George L. Bevan Jr. 6/23/06
AUSA: GEORGE L. BEVAN JR.

Carol Ann Quigley
Name/Signature of Complainant:

Sworn to before me and subscribed in my presence,

June 23, 2006
Date

at San Francisco, CA
City and State

HON. NANDOR J. VADAS

Name & Title of Judicial Officer

[Signature]

Signature of Judicial Officer

ATTACHMENT TO COMPLAINT

COUNT ONE: 18 U.S.C. § 1955

Beginning on a date unknown, but no later than in or about September 2002 and continuing until June 2006, in the Northern District of California, the defendant

DAVID LEE DUCKART

did knowingly conduct, finance, manage, supervise, and direct an illegal gambling business, as defined by 18 U.S.C. § 1955(b), in violation of Title 18, United States Code, Section 1955.

Maximum penalties: 5 years imprisonment, a \$250,000 fine, 3 years supervised release, and a \$100 special assessment.

COUNT TWO: 18 U.S.C. § 1956(a)(2)(A)

On or about September 12, 2005, in the Northern District of California, the defendant

DAVID LEE DUCKART

did knowingly transmit and transfer funds in the amount of \$ 4,010 from his account at Bank of America, account number 0531508827, in the United States, to a place outside the United States, namely Costa Rica, designating Darwin Mobley as the beneficiary of said transfer, with the intent to promote the carrying on of specified unlawful activity,

namely, conducting an illegal gambling business in violation of 18 U.S.C. § 1955, all in violation of Title 18, United States Code, Section 1956(a)(2)(A).

Maximum penalties: 20 years imprisonment, a \$500,000 fine, 5 years supervised release, and a \$100 special assessment.

COUNT THREE: 18 U.S.C. § 1956(a)(2)(A)

On or about September 13, 2005, in the Northern District of California, the defendant

DAVID LEE DUCKART

did knowingly transmit and transfer funds in the amount of \$ 4,510 from his account at Bank of America, account number 0531508827, in the United States, to a place outside the United States, namely Costa Rica, designating Darwin Mobley as the beneficiary of said transfer, with the intent to promote the carrying on of specified unlawful activity, namely, conducting an illegal gambling business in violation of 18 U.S.C. § 1955, all in violation of Title 18, United States Code, Section 1956(a)(2)(A).

Maximum penalties: 20 years imprisonment, a \$500,000 fine, 5 years supervised release, and a \$100 special assessment.

COUNT FOUR: 18 U.S.C. § 401(3)

Commencing on a date unknown, but no later than in or about September 2002, and continuing until June 2006, in the Northern District of California, the defendant

DAVID LEE DUCKART,

by conducting an illegal gambling business in violation of 18 U.S.C. § 1955 as charged in Count One herein, and by laundering funds in violation of 18 U.S.C. § 1956 as charged in Counts Two and Three herein, and by engaging in illegal bookmaking in violation of Section 337a of the California Penal Code, did willfully disobey the lawful order of the United States District Court in and for the Northern District of California, made on or about June 29, 1998, in a secured bond containing his conditions of release in the case of United States v. David Duckart, 3-98-30173, later indicted as CR-98-40120-SBA, that he not commit any federal or state crime, all in violation of Title 18, United States Code, Section 401(3).

Maximum penalties: Life imprisonment, \$250,000 fine, 5 years supervised release, and a \$100 special assessment.

AFFIDAVIT IN SUPPORT OF APPLICATION FOR CRIMINAL COMPLAINT

I, Carol Ann Quigley, declare and state the following:

1. I am currently employed as a Special Agent with the Criminal Investigation Division of the Internal Revenue Service (IRS-CID), Department of Treasury, and have been so employed since May 1988. Prior to my employment as a Special Agent, I worked as a Tax Auditor for the IRS for three years, conducting audits of individuals and small businesses. I have received substantial basic and advanced training in tax law, accounting, financial investigation, financial analysis, and law enforcement techniques.

2. In my 18 years as a Special Agent, I have conducted and assisted in numerous complex investigations involving tax evasion, money laundering, and currency violations. The majority of these cases have been conducted in conjunction with other federal, state and local law enforcement agencies, during which I have gained knowledge and experience in the investigation and prosecution of various other criminal offenses, including Title 18 violations. I have also participated in the execution of numerous search warrants.

3. This affidavit is in support of a criminal complaint charging **David Lee Duckart** ("**Duckart**") with the offenses set forth in the attachment to the complaint, namely, conducting an illegal gambling business in violation of 18 U.S.C. § 1955; laundering funds between the United States and Costa Rica in violation of 18 U.S.C. § 1956(a)(2)(A); and contempt of court in violation of 18 U.S.C. § 401(3).

4. On June 21, 2006, United States Magistrate Judge Nandor J. Vadas authorized a search warrant, filed under seal in case number 4-06-70386-WDB, authorizing and commanding the search of Duckart's residence at 2622 Derby Drive in San Ramon, California; the person of David Duckart; and all vehicles under his control. My affidavit for this search warrant, and the search warrant, are incorporated herein by reference as if fully set forth.

5. On June 22, 2006, this search warrant was executed by IRS-CID special agents at Duckart's residence in San Ramon. Duckart was present when entry was made, and throughout the execution of the warrant.

6. Currency in the amount of **\$768,889** was seized from inside Duckart's residence. In addition, three computers and a substantial number of documents were also seized from inside the residence. This evidence has not been fully analyzed, but based on our review to this point, this evidence establishes probable cause that Duckart committed the offenses set forth in the accompanying criminal complaint.

7. The evidence seized from Duckart's residence establishes that no later than September 2002, and continuing up to the time of the execution of the search warrant, Duckart engaged in illegal bookmaking in violation of Section 337a of the California Penal Code, and that he conducted an illegal gambling business in violation of 18 U.S.C. § 1955.

8(a). Assistant United States Attorney (AUSA) George Bevan Jr. has advised me that Section 337a of the California Penal Code prohibits, inter alia, bookmaking, and receiving, holding, or forwarding bets or wagers upon the result of any contest of person or animal, or between persons or animals.

(b) AUSA Bevan has further advised me that Section 1955 of Title 18, United States Code, prohibits any person from conducting, financing, managing, supervising, directing, or owning all or part of an illegal gambling business. Section 1955(b) defines the term "gambling business" as meaning a gambling business which (1) is a violation of the law of the state in which it is conducted; (2) involves 5 or more persons who conduct, finance, manage, supervise, direct, or own all or part of such business; and (3) has been or remains in substantially continuous operation for a period in excess of 30 days or has a gross revenue of \$2,000 in any single day. AUSA Bevan has advised me that the 5-person requirement does not include customers, commonly referred to as "players."

(c) AUSA Bevan has further advised me that Section 1956(a)(2)(A) of Title 18, United States Code, provides that whoever transmits or transfers funds from a place in the United States to a place outside the United States, with the intent to promote the carrying on of specified unlawful activity, is guilty of a felony offense. The term "specified unlawful activity" includes any act which is indictable under, inter alia, 18 U.S.C. § 1955 (relating to the prohibition of illegal gambling businesses).

(d) Finally, AUSA Bevan has advised me that a willful violation of any condition of a defendant's pretrial release, ordered by a federal judge or magistrate, is a contempt of court actionable under 18 U.S.C. § 401(3).

Illegal Gambling Business

9. As set forth in my affidavit for the search warrant, Duckart has two prior state convictions from Contra Costa County – one a misdemeanor and the second a felony – involving illegal gambling. Moreover, Duckart is currently awaiting sentencing by District Judge Sandra Brown Armstrong in CR-98-40120-SBA, on five felony offenses, including conducting an illegal gambling business in violation of 18 U.S.C. § 1955.

10. Exhibit A to my search warrant affidavit was a list of cash deposits to Duckart's account at Bank of America during the period between February 2005 and March 2006. These deposits totaled \$358,518. Exhibit B to my search warrant was a list of wire transfers of funds from this bank account to Costa Rica, totaling \$252,950..

11. During the search of Duckart's residence, as noted above, substantial currency was recovered. Most of it was hidden in false compartments within the residence. Given the fact that (1) gambling is a cash business, (2) this currency was concealed, and (3) Duckart had one or more bank accounts during the period between 2002 and 2006 to which this currency could have been deposited, a strong inference is that this currency represents the proceeds of Duckart's illegal gambling/bookmaking activity.

12. Documents were recovered from Duckart's residence that confirm that Duckart acted as a bookmaker, receiving wagers/bets from many persons. His bookmaking activity, receiving wagers from other persons, is a violation of California law, which the state in which Duckart conducted this business.

Attached as Exhibit A to this affidavit are 3 pages recovered during the search. The first two pages list names of people, or their "code" name or player name, and they list amounts. IRS-CID Supervisory Special Agent Steve Howard has told me that, in his opinion based on his experience, these pages represent Duckart's "pay-owe" sheets. The dollar amounts listed on these pages pertain to wagers/bets placed with Duckart, aka "Duck." By receiving bets/wagers from these persons, Duckart is acting as a bookmaker.

Page 3 of Exhibit A is a computer-generated gambling "pay-owe" sheet. The left hand column is a coded list of players. The top of the page refers to "customer daily figures" for "Agent PIN: duck." Duckart's nickname of "Duck" appeared on many gambling-related documents in his residence. The bottom of this page refers to a web site called "bettheduck.com," verbalized as "bet the Duck."

13. As noted above, three computers were seized from Duckart's residence. They included many gambling-related emails.

14. Evidence recovered during the search establishes that more than 5 persons, not counting Duckart, were involved in conducting his illegal gambling business. Based on our review of search evidence thus far, the following persons were involved in conducting his business – (1) Darwin Mobley; (2) George Hall, aka Jorge Hall; (3) Diane Larson; (4) Vivian Parker; (5) Greg LNU, whose email address is CTA25or624@aol.com; (6) Phillip Ronis; (7) Alex LNU; (8) Ed Attanasio; (9) Mark Nelson, and (10) Norm Foisy.

Darwin Mobley appears to be an employee of Duckart. Mobley is listed on at least one document as receiving a salary. Mobley was the named beneficiary (recipient) of multiple wire transfers from Duckart's Bank of America account to Costa Rica in 2005-

2006. See Exhibit B to my search warrant affidavit. Emails were also recovered from Duckart's computer which were sent by Mobley to Duckart in which he discusses the condition of the office, he complains about other persons working with him, and advises Duckart of "players" who have been deleted, listing the players by their code numbers. Two such emails are attached hereto as Exhibit B.

George Hall likewise appears to be an employee of Duckart. He was the sender of two emails found on Duckart's computer – one in May 2006 and the other in June 2006, in which Hall requested that players be deleted. "George" is also listed on at least one document as receiving a salary. A "Jorge Esteban Hall Zumbado" is listed as the beneficiary of multiple wire transfers from Duckart to Costa Rica.

Diane Larson was the sender of two emails to Duckart, giving "pay-owe" numbers for multiple players. Hence, she appears to be an agent for Duckart in communicating with players, evidenced by one of the emails in which she is passing along information to Duckart from two players.

Vivian Parker is a woman who resides with Duckart in his San Ramon residence. Ms. Parker was interviewed during the execution of the search warrant. She acknowledged making cash deposits for Duckart, at his direction, into her account at Fremont Bank. Given the nature of Duckart's business, a strong inference is that this cash is from Duckart's illegal gambling.

Greg, last name unknown, appears to be an agent for Duckart, evidenced by an email that he sent to Duckart in June 2006 in which Greg asks Duckart for assistance in dealing with a player.

Phillip Ronis likewise appears to be agent for Duckart. A folder was found inside Duckart's residence labeled "Phil's People." Inside the folder, is a fax from him labeled "Players Management" in which coded numbers of players are listed, among other information, and appears to be a pay-owe sheet at least in part.

Alex, last name unknown, is believed to be an employee based on the fact that he is listed on a document as receiving a salary.

Ed Attanasio appears to be an agent for Duckart, evidenced by a handwritten note to Duckart in which he apologizes for the amount of a check, saying “collections were terrible this week.”

Mark Nelson appears to be agent based on an email on Duckart’s computer in February 2006, sent from a player to Duckart, in which the player stated, “I’ve paid you several of times before, mostly through Mark Nelson – without incident on demand.”

Norm Foisy appears to be agent as well. During the search, a handwritten note, dated May 25, 2005, was recovered. This note appears to be in Duckart’s hand-writing and is addressed to “Norm.” The note is a recap of players bets and the amounts due to Duckart. The note also refers to a “courtesy discount” to Norm. A second note, from Norm to Duckart, states that he is dropping two checks in the mail, and references an amount which “I’ll collect from my players.” Copies of these two notes are attached as Exhibit C.

15. There is clear evidence that the amount of revenue from Duckart’s bookmaking activity was substantial, easily exceeding the daily requirement of \$2,000 in a single day, and that operated continuously for several years. See 18 U.S.C. § 1955(b). For example, during the search of Duckart’s residence, an envelope was recovered that alone contained \$5,000 in cash.

16. Moreover, evidence was recovered establishing that Duckart has been conducting this gambling business as far back as September 2002. An email was recovered from Duckart’s computer from George Hall, sent September 15, 2002, in which Hall advised Duckart of the games that certain players had bet on, and the amount of their winnings or losses.

Laundering Funds To Promote Illegal Gambling

17. Counts 2 and 3 of the accompanying criminal complaint charge Duckart with transferring funds from his Bank of America account in the United States, to Costa Rica. These transfers are listed in Exhibit B to my search warrant affidavit. Counts 2 and 3 charge two of these transfers, both of which were sent to Darwin Mobley, who is listed as the beneficiary (recipient) of these transfers.

As noted above, Mobley is among the persons conducting Duckart's illegal gambling business, and was paid a salary for doing so. A strong inference, therefore, is that the wire transfers to Mobley were intended by Duckart to promote his illegal gambling business in violation of 18 U.S.C. § 1956(a)(2)(A).

Contempt of Court

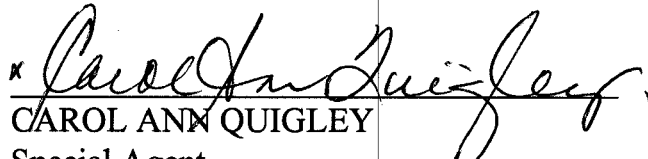
18. Count 4 of the accompanying criminal complaint charges Duckart with wilfully violating the condition of his secured bond/pretrial release conditions ordered by the Magistrate Judge in CR-98-40120-SBA, that he not commit any state or federal crime.

As set forth in my search warrant affidavit, Duckart has been on pretrial release in that case since June 1998. The evidence recovered during the search of his San Ramon residence reveals that Duckart, while on pretrial release, resumed his illegal bookmaking activity as early as September 2002. Moreover, there is no evidence that would suggest that Duckart discontinued this illegal activity during any period between September 2002 and the present date.

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Conclusion

19. Based on the foregoing evidence, and the evidence set forth in my affidavit for search warrant, together with the attached exhibits, there is probable cause to believe that David Duckart committed the offenses set forth in the attachment to the accompanying criminal complaint.


CAROL ANN QUIGLEY
Special Agent

Subscribed and sworn to before me
this 23rd day of June, 2006, at
San Francisco, California.



NANDOR J. VADAS
United States Magistrate Judge

W.E.SU. 10.09.05

DAY	DATE	NAME	NOTES	PTS GAIN BRUCE IS -	PTS THEY DROP BRUCE IS +	TOTAL
						* 110848
TU	10.11	DS	-	- 1307		109541
TU	10.11	ROCKY	-	- 2280		107261
TH	10.13	MASON	-		+ 2319	109580
		VOLKMAN	cy - 20,404		+ 12,000	121580
		FRED	cy - 1025		+ 5000	126580
		KEN	cy + 100			0
		VARGAS	-		+ 4018	130598
		HYMIE	cy - 1716		+ 5000	135598
						0
SU	10.16	ALAN	cy - 7886		+ 2500	138098
			[CORRECT cy RE: DEPOSIT]		0	0
					0	0
SU	10.16	JEANIE	AK Half	- 425		137673

TEXAS
 USC - 11
 04 33 -
 4528
 Hub
 POOPAR
 05/05
 05/02
 PW & ULLIA 3120
 907-547-648 AK
 USER NAME
 ACK ACK ACK
 SUE /
 SIO 776 - 48 1 + Ex. A
 p.1

MIKE JERRY

Big Dave send 2000 081630

(1)

5300's on hold now
126 JERRY

No CWS SERIES

ORLIVE.com

		3K Paul 16500	524 16211	PH 1500	1476
O. PARK	-16500				15000
JEAN	(94983)	✓ ← →			711K (524)
Di	9107				
Gil	18516			3K	
ASAP	Robbie				
Pinny	mark				
RID	Q496 (Rob)	+2593	-500 (pending)	+270	(+2863)
Platinum	FRANK miks - LF2007	-2600	(Pending) -500		(-3100) 2660
CHRIS	2103 BC - B.T.	(OLD) -60 -2010	B (Pending)	Best CHRIS -700	DICK +1088 PLAYERS -90
CASCADE	5753 DD Lenny	-11194			-1772
DE/MAR	monty - SKIP	+5922	4303 -4740 -2370 +118		+8174
Don Bailey	DD / TON of 21545 / 21546	Ø	Gil		
Play/Score	- Phil +1M-7500	-758 ✓	89-161 91 +570	+205 -205	(-10954) -962-93 4000 PAID
SPORT	ANN MARIE EXT 1696	+724	LAST WEEK ??	+690	(+1414)

Customer Daily Figures (last week) for Agent PIN: duck

*** D ***

Customer ID	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Total	Cu
H122	0	0	0	0	0	0	2,280	2,280	/
H124	-153	838	-250	157	360	0	-395	557	/
H127	0	-220	0	-550	0	0	0	-770	/
H1277	1,000	-3,400	950	4,203	0	0	2,189	4,942	/
H137	0	0	0	0	0	7	-20	-13	/
H147	0	0	-100	500	497	-100	-100	697	/
H156	-1,320	-2,400	1,848	-1,764	-5,760	720	-1,200	-9,876	/
H170	0	-33	0	30	0	0	-33	-36	/
H189	0	0	0	-500	0	0	0	-500	/
H20	0	-880	0	2,000	0	0	1,980	3,100	/
H263	0	50	0	50	0	-270	-50	-220	/
H33	0	0	0	0	0	980	-200	780	/
H34	0	560	0	-110	0	0	-220	230	/
H368	0	0	0	-25	0	0	25	0	/
H369	0	0	0	25	-20	-20	25	10	/
H572	0	0	0	0	0	-670	0	-670	/
H6401	0	0	0	0	0	1,698	-610	1,088	/
H6404	0	0	0	0	300	-8,000	-1,200	-8,900	/
H6406	0	0	-31	44	0	0	0	12	/
H6425	0	0	34	-6	-62	-54	-111	-199	/
H6426	66	135	0	0	75	0	0	276	/
H6428	-2,200	-2,570	-4,128	0	0	-1,093	0	-9,991	/
H6444	47	-481	0	-48	350	-411	575	32	/
H6448	103	177	-338	175	0	-805	-365	-1,052	/
H6451	747	-790	497	1,026	-100	770	896	3,046	/
H6455	0	0	0	0	0	-33	0	-33	/
H6464	0	700	0	132	0	0	700	1,532	/
H6468	-20	-90	44	56	-101	-41	0	-152	/
H6471	0	0	-930	-880	0	0	-1,045	-2,855	/
H6474	0	0	0	-205	0	0	0	-205	/
H6478	0	-2	0	-85	0	0	250	162	/
H6480	0	0	0	-550	0	0	0	-550	/
H6522	0	8,500	0	-600	0	0	3,000	10,900	/
H718	0	1,215	0	-550	0	0	-2,200	-1,535	/
H82	0	0	0	0	0	0	-100	-100	/
H8545	0	0	0	-110	0	0	0	-110	/
H89	-119	12	-258	-145	-91	-170	-126	-896	/
H90	-2,000	1,000	-2,900	2,000	1,000	2,000	1,200	2,300	/

Duck

From: "darwin mobley" <darwinmobley@yahoo.com>
To: "Duck" <duck@silcon.com>
Sent: Thursday, April 27, 2006 6:14 PM
Subject: Re: Deleted players

They were deleted, Please let me know if you still see them.
agent D900A and customers H903, H916, H926, H930, H931, H943

Get amazing travel prices for air and hotel in one click on [Yahoo! FareChase](#)

Ex. B p.1

6/22/2006

Duck

From: "darwin" <darwin@mail.bettheduck.com>
To: <duck@silcon.com>
Sent: Monday, May 15, 2006 12:01 PM
Subject: DELETED PLAYERS

H2701, H2705, H2706, H2708 HAVE BEEN DELETED

Sent via the WebMail system at mail.bettheduck.com

05/25/05

Hey Norm

A RECAP:			Head Count
April 17	Players	- 22,980	6
April 24	Players	- 10,705	6
May 01	Players	- 690	7
May 08	Players	+ 50	7
May 15	Players	- 7,724	7
May 22	Players	- 5,015	7
<hr/>			<hr/>
- 47,064			40 x 30 ⁰⁰

ADVANCE ##
 DUE: DUCKART - 12,375
 CORTESY DISC. (375)
 Balance \$ 12,000

Payment Received \$ 4,000
~~\$ 7,000~~
 \$ 2,000 \$ 10,000

Cost of Store Bul 2,000
 → 1,200

Balance \$ 3,200
 DUE DUCKART
 THIS WEEK
 5/25/05

Profit 47,064
 less
 Duckart 13,200

 Net 33,864

OR \$ 5,644
WEEK

Ex. C
 P. 1

Hi Dave -

I'm dropping 2 checks in the mail today.
One for \$505 to clear last week & one for
\$426 which I'll collect from my players.

Thx
Mum

D 2899

510-545-1546

978 0091