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## **OPERATOR OF SEXUALLY ORIENTED BUSINESS PLEADS GUILTY TO FEDERAL OBSCENITY CHARGE**

WASHINGTON, D.C. – Acting Assistant Attorney General John C. Richter of the Criminal Division and Richard B. Roper, U.S. Attorney for the Northern District of Texas, announced that Leroy Moore, Sr., of Arlington, Texas, has pleaded guilty to conspiracy to engage in the business of selling or transferring obscene matter.

Moore, 64, of Arlington, Texas, entered the plea this morning in federal court in Dallas, Texas, before U.S. District Judge Ed Kinkeade. Moore, the operator of four adult bookstores in Tarrant County, Texas, faces a maximum statutory sentence of five years in prison, a \$250,000 fine and restitution. Sentencing is scheduled for Sept. 29, 2005.

Moore pleaded guilty to one count of a 23-count indictment, returned in March 2005 by a federal grand jury in Dallas, that charged Moore and other individuals, including Edward Joseph Wedelstedt, of Littleton, Colorado, and Colorado-based Goalie Entertainment Holdings, Inc., with racketeering, obscenity and tax charges. Moore pleaded guilty today to the only count in which he was charged in the indictment. Generally, the indictment charges criminal activities related to the operation of dozens of video arcades across the United States where customers can pay with tokens or coins to view clips of obscene videos or DVDs. Moore has agreed to cooperate with the government's prosecution in this case, and trial for the remaining defendants is set for January 2006.

Moore also pleaded guilty on June 22, 2005 to a separate indictment, filed in the Fort Worth, Texas, Division of the Northern District and unsealed in October 2004, charging him with conspiracy to evade federal taxes. Moore previously entered a guilty plea in yet another case in federal court in Fort Worth, Texas in which he was charged with being a felon in possession of a firearm, and is awaiting sentencing on that charge.

According to documents filed with the district court in Dallas, Moore managed and operated adult bookstores including the following businesses located in Tarrant County, Texas: Bright Lights I, Bright Lights II, Star Video and New Video. Each of Moore's stores contained a video arcade or "peep show," consisting of a dozen or more small, private booths containing video screens with channel controls and devices which accept coins or tokens. The video players permitted customers to view sexually explicit videos by placing money or tokens into a slot which activated the screen for a finite length of time, usually one minute or less. The customers could select from a variety of sexually explicit videos by pushing various channel buttons. Customer viewing time could be extended by inserting additional coins, currency or tokens. The adult bookstores and the video arcades operated 24 hours per day, seven days a week.

Moore has admitted that the six videos named in the indictment, which were displayed in his video arcades, are obscene. After reviewing the materials, Judge Kinkeade made a finding on

the record that none of the materials in question were constitutionally protected. These videos are described as depicting hard core sexual intercourse, including genital-genital, oral-genital, anal-genital, and oral-anal sexual contact between persons of the same or opposite sex, or lascivious simulated sexual intercourse where the genitals, breast, or pubic area of the performer was exhibited.

The case is being prosecuted by Trial Attorneys Steve Grocki and Alexandra Gelber of the Child Exploitation and Obscenity Section, Criminal Division, Department of Justice; Assistant U.S. Attorneys Linda Groves and Erin Nealy Cox and Special Assistant U.S. Attorney Tim Gallagher, United States Attorney's Office for the Northern District of Texas; and Trial Attorney Bob Kemins of the Tax Division, Department of Justice. Assistance was also provided by the Organized Crime and Racketeering Section and the Asset Forfeiture and Money Laundering Section, both part of the Criminal Division of the Department of Justice.

The RICO-obscenity investigation was spearheaded by U.S. Immigration and Customs Enforcement, and the tax evasion investigation was handled by the Criminal Investigations Division of the Internal Revenue Service. Investigative assistance was also provided by several police departments and prosecutors' investigators from several states, including the Dallas District Attorney's Office.

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