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Former Las Vegas Strip Club Owner Sentenced To Prison For Conspiring To Defraud The United States

LAS VEGAS — Las Vegas strip club owner Frederick John "Rick" Rizzolo, age 48, was sentenced today in U.S. District Court to one year and one day in prison, three years of supervised release and a \$250,000 fine, for conspiring to defraud the United States of taxes, announced Daniel G. Bogden, United States Attorney for the District of Nevada. The Power Company, Inc., the parent corporation of Rizzolo's strip club, "The Crazy Horse Too," was sentenced to five years probation and a \$500,000 fine, for conspiring to participate in an enterprise through a pattern of racketeering through acts of extortion involving threats of violence, access device fraud, and mail and wire fraud.

"With today's sentencings, the Court wrote the final chapter of defendant Rizzolo's long control over what many believed was an impenetrable criminal enterprise involved in violence, fear and fraud," said U.S. Attorney Bogden. "The Court also took important steps toward ensuring Kirk Henry and his family received through our justice system, the restitution they need to cope and deal with the brutal and tragic attack Crazy Horse Too employees inflicted upon Kirk Henry in September 2001. In rendering its sentence, the Court took particular care to note in the context of its 26 years on the Nevada federal bench, the 'enormity' of the financial responsibilities defendants assumed as part of their sentences as negotiated by our office as part of their plea agreements. I am proud of the work of our office and the investigative agencies which allowed us to effectively negotiate and reach a plea agreement with defendant Rizzolo, the Crazy Horse Too and 15 other defendants involved in the illegal operations of the strip club," said U.S. Attorney Bogden.

Both defendants were ordered jointly responsible for payment of approximately \$1.73 million in restitution to the IRS. The Power Company, Inc. was also ordered to pay \$10 million in restitution to Kirk and Amy Henry for injuries and damages to Kirk Henry caused at the Crazy Horse Too in September 2001. Kirk Henry, a customer of the Crazy Horse Too from Kansas, was left a quadriplegic as a result of his injuries at the Crazy Horse Too. The Power Company, Inc. must also forfeit \$4.25 million, acquired unlawfully from racketeering activity or unlawful debt collection at The Crazy Horse Too.

Rizzolo pleaded guilty last June to one count of Conspiracy to Defraud the United States of Taxes. The Power Company, Inc. pleaded guilty last June to Conspiracy to Participate in an Enterprise Through a Pattern of Racketeering. Rizzolo must self-surrender to federal prison no later than May 22, 2007.

Sixteen others, all of whom were or are employees of the Crazy Horse Too, also pleaded guilty last May to felony charges. Fourteen pleaded guilty to Conspiracy to Defraud the United States of Taxes; former shift manager Robert D'Apice pleaded guilty to Conspiracy to Participate in an Enterprise Through a Pattern of Racketeering; and former waitress Paula McBride pleaded guilty to making a false statement before a federal grand jury. One defendant, Michael Muscato, 54, was sentenced on January 17, 2007, before United States District Judge Kent Dawson to five years probation for his involvement in the conspiracy to defraud the United States of taxes. The remaining defendants will be sentenced before Judge Dawson starting with defendant Vincent Ferozi tomorrow, January 24, 2007, and continuing on a weekly basis through March 2007.