



U. S. Department of Justice

United States Attorney
Northern District of Illinois

Patrick J. Fitzgerald
United States Attorney

Federal Building
219 South Dearborn Street, Fifth Floor
Chicago, Illinois 60604
(312) 353-5300

FOR IMMEDIATE RELEASE
THURSDAY FEBRUARY 2, 2012
www.justice.gov/usao/iln

PRESS CONTACTS:
AUSA Patrick King 312- 353-5341
Randall Samborn 312-353-5318

**OPERATORS OF ELGIN ADULT ENTERTAINMENT CLUB AND ALLEGED
INTERNET GAMBLING BUSINESS CHARGED WITH CONCEALING
MORE THAN \$4 MILLION OF INCOME FROM THE IRS**

CHICAGO — The operators of an adult entertainment club in Elgin were charged today with conspiracy to impede the Internal Revenue Service in the collection of federal taxes, as well as separately operating an illegal Internet gambling business, in connection with allegedly diverting more than \$4 million in unreported income to themselves from the two businesses. The defendants, **Anthony Buttitta** and his father, **Dominic Buttitta**, were charged in a two-count criminal information filed in U.S. District Court, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Alvin Patton, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division in Chicago; and Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation.

Anthony Buttitta, 42, of St. Charles, and Dominic Buttitta, 69, of South Barrington, were each charged with one count of conspiracy to defraud the United States by obstructing the IRS in the collection of taxes and one count of operating an illegal gambling business. They will be ordered to appear for arraignment at a later date in U.S. District Court. The Buttittas operate Blackjacks Gentlemen's Club in Elgin through Elgin Entertainment Enterprises, Inc., which

manages Blackjacks. Between 2005 and 2009, they also ran an Internet gambling business, including the websites Skybook.com, Largejoe.com, and Theredhotel.com.

According to the charges, both Buttittas filed false federal corporate tax returns for calendar years 2002 through 2009, and false federal individual income tax returns for calendar years 2002 through 2008 that substantially under-reported the total income they received from the operation of Blackjacks and the gambling business. They allegedly concealed the diverted funds from their tax preparers and the IRS and used the unreported income to acquire personal property and to pay personal expenses.

The charges allege that the defendants received approximately \$3,704,959 from “house” fees they collected from women for each shift they worked as dancers at Blackjacks. Anthony Buttitta directed club employees to maintain logs of the house fee collections, and both defendants later destroyed and caused the destruction of the log sheets, the charges allege. They also placed agents of their Internet gambling business on the payroll of another company to provide the employees with the appearance of a legitimate source of income and benefits. In return, the charges allege that they solicited and received kickbacks in the form of cash from the agents and concealed the payments from their tax preparers, bookkeepers and the IRS.

The defendants allegedly received approximately \$1 million in gross wagers from the gambling business between 2005 and 2009, and made approximately \$400,000 in net profits. The charges seek forfeiture of \$400,000 as illegal proceeds.

At various times between 2005 and 2008, the defendants allegedly obtained unreported income from individuals as payment of losing wagers in the form of direct payments toward the purchase of a \$2.9 million condominium in Las Vegas and a condominium in Costa Rica, as well

as personal credit card payments. In 2005 and 2006, Anthony Buttitta used approximately \$400,000 in cash to pay for building and acquiring his home in St. Charles, according to the charges.

Each count carries a maximum penalty of five years in prison and a \$250,000 fine, and restitution is mandatory. In addition, defendants convicted of tax offenses must pay the costs of prosecution and remain liable for any and all back taxes, as well as a civil fraud penalty of 75 percent of the underpayment plus interest. If convicted, the Court must impose a reasonable sentence under federal statutes and the advisory United States Sentencing Guidelines.

The government is being represented by Assistant U.S. Attorney Patrick King.

The public is reminded that an information contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

#