

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
) No.
 v.)
)
) Violations: Title 18, United States Code,
 ANTHONY BUTTITTA and) Sections 371 and 1955
 DOMINIC BUTTITTA)

COUNT ONE

The UNITED STATES ATTORNEY charges:

1. At times material to this information:

(a) G.W. Dakota's, doing business as Blackjacks Gentlemen's Club, (hereafter "G.W. Dakota's" or "Blackjacks") was an Illinois corporation located in Elgin, Illinois, and was engaged in the business of providing adult entertainment.

(b) "Individual A" was the President of G.W. Dakota's, however, ANTHONY BUTTITTA and DOMINIC BUTTITTA ran the day to day operations of the business.

(c) ANTHONY BUTTITTA and DOMINIC BUTTITTA incorporated Elgin Entertainment Enterprises, Inc., doing business as Elgin Entertainment (hereafter "Elgin Entertainment") as an Illinois corporation located in Streamwood, Illinois, with ANTHONY BUTTITTA as president.

(d) Elgin Entertainment was responsible for the day to day management of Blackjacks which included hiring, collecting income, maintaining bank accounts, paying bills, maintaining business records, and preparing tax returns for the business.

(e) ANTHONY BUTTITTA and DOMINIC BUTTITTA retained the services of a tax preparer located in Streamwood, Illinois, for the purpose of preparing corporate federal income tax returns (Forms 1120) for Blackjacks on an annual basis.

(f) Between approximately 2005 and continuing through approximately 2009, defendants ANTHONY BUTTITTA and DOMINIC BUTTITTA ran an internet gambling business in the Northern District of Illinois and elsewhere utilizing internet websites which included Skybook.com, Largejoe.com, Theredhotel.com, and others which generated substantial taxable income to them.

2. Beginning no later than January 2002 and continuing through approximately March 15, 2010, in the Northern District of Illinois, Eastern Division, and elsewhere,

ANTHONY BUTTITTA and
DOMINIC BUTTITTA,

defendants herein, did willfully and knowingly conspire, and agree with each other to defraud the United States by impeding, impairing, obstructing, and defeating the

lawful functions of the Internal Revenue Service to ascertain, compute, assess, and collect income taxes.

3. It was a part of the conspiracy that defendants ANTHONY BUTTITTA and DOMINIC BUTTITTA engaged in a pattern and practice of diverting cash from the operation of Blackjacks, and obtaining funds from the operation of their internet gambling business, and concealing the existence of these funds from their tax preparers and the Internal Revenue Service.

4. It was further part of the conspiracy that defendants ANTHONY BUTTITTA and DOMINIC BUTTITTA used unreported income obtained from Blackjacks and their internet gambling business to acquire personal assets and to pay personal expenses.

5. It was further part of the conspiracy that defendants ANTHONY BUTTITTA and DOMINIC BUTTITTA knowingly filed and caused to be filed false federal corporate income tax returns (Forms 1120) for G.W. Dakota's which substantially under-reported the total gross receipts for the business for calendar years 2002 through 2009.

6. It was further part of the conspiracy that defendants ANTHONY BUTTITTA and DOMINIC BUTTITTA filed and caused to be filed false federal individual income tax returns (Forms 1040) for themselves which listed "total income" for the calendar years 2002 through 2009, knowing that the total income they each received in each of those years exceeded the amounts they reported, in

that they willfully failed to include additional income they diverted from the operation of Blackjacks as well as income they obtained from the operation of their internet gambling business.

7. It was further part of the conspiracy that defendants ANTHONY BUTTITTA and DOMINIC BUTTITTA committed the following overt acts:

OVERT ACTS

(a) Beginning no later than January 2002 and continuing through approximately December 2009, defendant ANTHONY BUTTITTA instituted a system of “house fees” in which he required women who performed as dancers at Blackjacks to pay a fee for each shift they worked.

(b) Beginning no later than approximately January 2002 and continuing through approximately December 2009, defendant ANTHONY BUTTITTA directed Blackjacks’ employees responsible for the collection of house fees (“house moms”) to maintain logs entitled “Blackjacks Gentlemen’s Club Mom’s Entertainer Log” (“log sheets”) listing the names of dancers, and the amount of house fees paid per dancer, during each shift on each day that Blackjack’s was open for business.

(c) Between January 2002 and approximately December 2009, house fees were collected from dancers and log sheets were completed for each shift.

(d) From approximately January 2002 and continuing through approximately September 2009, defendants ANTHONY BUTTITTA and DOMINIC BUTTITTA received approximately \$3,704,959 from house fees they collected, and concealed the existence of these funds from G.W. Dakota's bookkeeper, G.W. Dakota's tax preparer, their personal tax preparers, and the Internal Revenue Service.

(e) Between approximately January 2002 and approximately December 2009, defendants ANTHONY BUTTITTA and DOMINIC BUTTITTA destroyed and caused to be destroyed all log sheets detailing funds collected from dancers during the evening shifts.

(f) Between approximately January 2005 and August 2009, defendants ANTHONY BUTTITTA and DOMINIC BUTTITTA operated an internet gambling business which employed individuals as agents and collectors, earned income in the form of losing wagers paid by bettors to their gambling business, and failed to report the receipt of this income to their tax preparers and the Internal Revenue Service.

(g) Between approximately January 2006 and approximately December 2009, defendants ANTHONY BUTTITTA and DOMINIC BUTTITTA placed agents of their gambling business on the payroll of G.W. Dakotas in order to provide the agents with the appearance of a "legitimate" source of income and benefits; but in return, solicited and received kickbacks in the form of cash from

the agents and concealed the existence of these kickbacks from their personal tax preparers, G.W. Dakotas' bookkeeper, G.W. Dakota's tax preparer, and the Internal Revenue Service.

(h) Between approximately 2005 and 2009, defendants ANTHONY and DOMINIC BUTTITTA received approximately \$1,000,000 in gross receipts from the operation of the gambling business.

(i) Between September and November 2005, defendants ANTHONY BUTTITTA and DOMINIC BUTTITTA obtained approximately \$140,000 in income from "Individual B" as payment of losing wagers by Individual B to defendants' internet gambling business.

(j) On or about September 30, 2005, defendant ANTHONY BUTTITTA directed Individual B to pay losing wagers to the gambling business by wire transferring funds in the amount of \$50,000 to an escrow account at Chicago Title and Trust in Las Vegas, Nevada to fund the purchase of a \$2.9 million condominium unit to be owned by ANTHONY BUTTITTA and DOMINIC BUTTITTA and a third individual.

(k) On or about October 11, 2005, defendant ANTHONY BUTTITTA directed Individual B to pay losing wagers to the gambling business by wire transferring funds in the amount of \$50,000 to an escrow account in Las Vegas, Nevada to fund the purchase of a \$2.9 million condominium unit to be

owned by ANTHONY BUTTITTA and DOMINIC BUTTITTA and a third individual.

(l) On or about November 15, 2005, defendant ANTHONY BUTTITTA directed Individual B to pay losing wagers to the gambling business by wire transferring funds in the amount of \$40,000 to an escrow account in Las Vegas, Nevada to fund the purchase of a \$2.9 million condominium unit to be owned by ANTHONY BUTTITTA and DOMINIC BUTTITTA and a third individual. Ultimately, the condominium purchase was not completed and the escrow funds were returned to defendants.

(m) Between approximately August 7, 2006, and October 13, 2006, defendants ANTHONY BUTTITTA and DOMINIC BUTTITTA obtained approximately \$64,698 in income from "Individual C" in payment of losing wagers by Individual C to defendants' internet gambling business.

(n) On approximately August 7, 2006, defendant ANTHONY BUTTITTA directed individual C to pay a portion of his losing wagers by wire transferring \$31,444 to a bank account in San Jose, Costa Rica to purchase a condominium in Costa Rica for the benefit of ANTHONY BUTTITTA, DOMINIC BUTTITTA and a third individual.

(o) On or about October 13, 2006, defendant ANTHONY BUTTITTA directed Individual C to pay a portion of his losing wagers to their gambling business by wire transferring funds totaling \$33,254 to a bank account in

San Juan, Costa Rica to purchase a condominium in Costa Rica for the benefit of ANTHONY BUTTITTA, DOMINIC BUTTITTA and a third individual.

(p) Between approximately December 2006 and October 2008, defendant DOMINIC BUTTITTA and ANTHONY BUTTITTA directed “Individual D” to pay DOMINIC BUTTITTA’s personal credit card expenses totaling approximately \$57,830 in satisfaction of Individual D’s gambling losses to DOMINIC and ANTHONY BUTTITTAs’ internet gambling business.

(q) Between approximately 2005 and 2006, defendant ANTHONY BUTTITTA used approximately \$400,000 in cash to pay the costs of construction and acquisition of a personal residence in St. Charles, Illinois.

(r) Between approximately January 2005 and August 2009, defendants DOMINIC BUTTITTA and ANTHONY BUTTITTA’s internet gambling business took in approximately \$1,000,000 in gross wagers from which they realized approximately \$400,000 in net profits.

(s) Between approximately January 2003 and approximately March 15, 2010, defendants DOMINIC BUTTITTA and ANTHONY BUTTITTA caused to be filed United States Corporate Income Tax Return Forms 1120 (with schedules and attachments) for G. W. Dakotas for calendar years 2002, 2003, 2004, 2005, 2006, 2007, 2008 and 2009 each of which falsely reported the total gross receipts by failing to include funds obtained from house fees.

(t) Between approximately January 2003 and approximately April 15, 2009, defendant DOMINIC BUTTITTA caused to be filed United States Individual Income Tax Return Forms 1040 (with schedules and attachments) for calendar years 2002, 2003, 2004, 2005, 2006, 2007, and 2008 each of which falsely reported the total receipts by failing to include funds he obtained from the operation of G.W. Dakotas and from the operation of the internet gambling business.

(u) Between approximately January 2003 and approximately April 15, 2009 defendant ANTHONY BUTTITTA caused to be filed United States Individual Income Tax Return Forms 1040 (with schedules and attachments) for calendar years 2002, 2003, 2004, 2005, 2006, 2007, and 2008 each of which falsely reported the total receipts by failing to include funds he obtained from the operation of G.W. Dakotas and from the operation of the internet gambling business.

In violation of Title 18, United States Code, Section 371.

COUNT TWO

The UNITED STATES ATTORNEY further charges:

Beginning no later than January 2005, through in or about August 2009, in the Northern District of Illinois, and elsewhere,

**ANTHONY BUTTITTA,
DOMINIC BUTTITTA,**

defendants herein, and others known and unknown to the Grand Jury, did knowingly conduct, finance, manage, supervise, direct, and own all or part of an illegal gambling business, that is, a sports bookmaking operation, such business being in substantially continuous operation for a period in excess of thirty (30) days, and having a gross revenue of \$2,000 or more on one or more single days, involving five (5) or more persons who conducted, financed, managed, supervised, directed, and owned all or part of said business and being in violation of the following laws of the State of Illinois: Chapter 720, Illinois Compiled Statutes, Sections 5/28-1 (a)(2), (5) and (11), 5/28-1.1(a), (b);

In violation of Title 18, United States Code, Section 1955.

FORFEITURE ALLEGATION

The UNITED STATES ATTORNEY further charges:

1. The allegations of Counts One and Two of this information are hereby realleged and fully incorporated herein for the purpose of alleging forfeiture to the United States pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 981(a)(1)(C).

2. As a result of the violation alleged in Count Two of the foregoing information,

ANTHONY BUTTITTA, and
DOMINIC BUTTITTA,

defendants herein, shall forfeit to the United States any and all right, title, and interest they may have in any property, real and personal, which constitutes and is derived from proceeds traceable to the offense charged in the foregoing information.

3. The interests of defendants ANTHONY BUTTITTA and DOMINIC BUTTITTA subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) as incorporated by Title 28, United States Code, Section 2461(c), include but are not limited to approximately at least \$400,000.

4. If any of the forfeitable property described above, as a result of any act or omission by the defendant:

a. cannot be located upon the exercise of due diligence;

- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property pursuant to the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

All pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 981(a)(1)(C).

UNITED STATES ATTORNEY