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**FATHER AND SON OPERATORS OF ELGIN ADULT ENTERTAINMENT CLUB AND
INTERNET GAMBLING BUSINESS SENTENCED TO PRISON TERMS FOR
CONCEALING MORE THAN \$4.6 MILLION OF INCOME FROM THE IRS**

CHICAGO — The father and son operators of an adult entertainment club in Elgin were sentenced today to serve federal prison terms for 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 diverting more than \$4.6 million in unreported income to themselves from the two businesses. The cash diversion caused a federal tax loss of more than \$1.3 million. One defendant, ANTHONY BUTTITTA, was sentenced to 30 months in prison, and his father, DOMINIC BUTTITTA, was sentenced to 18 months prison. Both men pleaded guilty last February to two felony counts filed against them in U.S. District Court.

Anthony Buttitta, 43, of St. Charles, and Dominic Buttitta, 69, of South Barrington, who operate Blackjacks Gentlemen's Club in Elgin, were also ordered to pay \$1,306,187 in restitution to the IRS, and forfeit an additional \$400,000 to the United States. Both men were ordered to begin serving their sentences on Jan. 8, 2013, by U.S. District Judge Milton Shadur.

The sentences were announced by Gary S. Shapiro, Acting United States Attorney for the Northern District of Illinois; Thomas Jankowski, Acting Special Agent-in-Charge of the Internal

Revenue Service Criminal Investigation Division in Chicago; and William C. Monroe, Acting Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation.

According to court documents, the Buttittas operate and manage Blackjacks through Elgin Entertainment Enterprises, Inc. Between 2005 and 2009, they also ran an Internet gambling business, including the websites Skybook.com, Largejoe.com, Theredhotel.com., and others based in Costa Rica.

According to their guilty pleas, 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 under-reported by \$4,664,959 the total income they received from the operation of Blackjacks and the gambling business. They 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 diversion resulted in a federal tax loss of more than \$1.3 million.

The defendants admitted that they skimmed approximately \$3,704,959 in cash from the operation of Blackjacks, and later destroyed records of the cash they diverted from the business. 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, 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 admitted they received approximately \$1 million in gross wagers from the gambling business between 2005 and 2009, and made approximately \$400,000 in net profits, which is the amount of the forfeiture judgment.

In addition to the sentence imposed today, defendants remain liable to the IRS for any and all back taxes, as well as a civil fraud penalty of 75 percent of the underpayment plus interest.

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

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