

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION

UNITED STATES OF AMERICA)
)
 v.) SECOND SUPERSEDING INDICTMENT
)
)
 DAVID RICKY GODWIN) Case No. 5:15-CR-115-1D
 DAVID RICKY GODWIN JR.) Case No. 5:15-CR-115-2D
 RGB, INC. now known as) Case No. 5:15-CR-115-3D
 REGIONAL AMUSEMENTS, INC.)

The Grand Jury charges that:

COUNT ONE
Conspiracy
18 U.S.C. § 371

1. Beginning on or about January 3, 2013, and continuing until on or about May 6, 2014, Defendants DAVID RICKY GODWIN (GODWIN SR.), DAVID RICKY GODWIN JR. (GODWIN JR.), and RGB, INC. (RGB), now known as REGIONAL AMUSEMENTS, INC., owned and operated an illegal gambling business.

2. RGB conducted its business through two trade names, Godwin Music, with an office located in Selma, NC, and Raleigh Amusements, with an office located in Garner, NC.

3. GODWIN SR. and GODWIN JR. owned and managed the operations of RGB. Their offices were in RGB's headquarters in Selma, NC. GODWIN SR. lived in an apartment that was part of RGB's Selma office.

4. RGB provided gambling devices, juke boxes, pool tables, arcade games, and other amusement devices to businesses in eastern North Carolina.

5. RGB referred to the gambling devices it provided as sweepstakes machines ("sweepstakes") and quarter pushers.

6. The sweepstakes were stand up consoles often contained in a black plastic and fiberboard cabinet with a touch screen style monitor. Most of them were either Sweet Carolina or Pot O Gold machines. These devices contained a variety of games, including video poker, video keno, and eight liner. They were not connected to the internet. A player had the chance to win a payout that could be hundreds of dollars.

7. The sweepstakes required payment to activate play of the games. Customers paid store clerks or other employees, who inserted the money into bill receivers, which then activated credits.

8. The bill receiver also had a receipt printer, which was designed to print long distance phone codes. For every dollar paid, the user was supposed to receive one long distance code, which could be used to make one call.

9. The quarter pushers were coin-operated devices that were illegal under N.C. Gen. Stat. 14-304, 14-306. A customer played by depositing a quarter into a machine containing other

quarters and United States Currency that are randomly located on a shelf or shelves. The goal was for the player's quarter to dislodge other quarters and start a chain reaction through the machine's operation, resulting in one or more quarters being dispensed to the player. The player, through the use of a slide, had some control over where the coin is initially deposited in the machine. Once a quarter was deposited, however, the player had no control over the operation of the quarter pusher. He could not control the movement of the quarter or the movement of the other quarters, if or how they fell, or whether quarters were actually dispensed to the player as a result of any chain reaction.

10. RGB placed the sweepstakes and quarter pushers in restaurants, bars, convenience stores, sweepstakes parlors, and other businesses in the Eastern District of North Carolina. These businesses agreed to collect money from the sweepstakes, to make payouts relating to the sweepstakes, and to otherwise supervise the operation of the sweepstakes and quarter pushers in their businesses in exchange for a share of the profits, usually 50 percent. RGB continued to own the machines.

11. On a regular basis, usually weekly or biweekly, a route man, an employee of RGB, would visit each business with

sweepstakes or a quarter pusher, determine how much each machine had made and split profits with the store owner.

12. GODWIN SR. and GODWIN JR. supervised at least twelve employees who were involved with sweepstakes and/or quarter pushers either as route men, in repairing the machines, or in moving the machines into locations for operation. They also supervised a secretary who helped keep track of the proceeds, planned routes, and coordinated repairs of the quarter pushers and sweepstakes.

13. GODWIN JR. and GODWIN SR. were also involved in counting the money collected from sweepstakes locations and depositing it into the bank.

14. From on or about January 3, 2013, and continuously thereafter up to and including on or about May 6, 2014, in the Eastern District of North Carolina and elsewhere, the defendants did unlawfully and knowingly combine, conspire, confederate, and agree with their employees, businesses with sweepstakes and quarter pushers owned by RGB, and others to conduct, finance, manage, supervise, direct, and own all or part of a gambling business, to wit a gambling business involving sweepstakes and quarter pushers, which gambling business was a violation of the laws of the State of North Carolina, to wit, N.C. Gen. Stat. § 14-306.4 (sweepstakes through entertaining display), § 14-

306.1A (video gaming machines), and N.C. Gen. Stat. §§ 14-304, 14-306 (slot machines), and which involved five or more persons who conducted, financed, managed, supervised, directed, and owned all or part of said illegal gambling business, and which remained in substantially continuous operation for a period in excess of thirty days, in violation of Title 18, United States Code, Section 1955.

15. In furtherance of the conspiracy and to promote its unlawful objects, the defendants and their coconspirators committed and caused to be committed overt acts in the Eastern District of North Carolina, including but not limited to:

a. Placing sweepstakes and quarter pushers in businesses, each placement constituting a separate overt act.

b. Collecting money and making payouts to customers who played sweepstakes and quarter pushers, each collection or payout constituting a separate overt act.

c. Collecting money from business owners who had one or more sweepstakes or quarter pusher belonging to RGB in their stores, each collection constituting a separate overt act.

d. Repairing and maintaining the sweepstakes and quarter pushers belonging to RGB, each repair or act of maintenance constituting a separate overt act.

e. Counting and depositing money earned from sweepstakes and quarter pushers, each deposit constituting a separate overt act.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO
Conducting an Illegal Gambling Business
18 U.S.C. §§ 1955 and 2

From on or about January 3, 2013 through on or about May 6, 2014, in the Eastern District of North Carolina and elsewhere, the defendants, DAVID RICKY GODWIN, DAVID RICKY GODWIN JR., and RGB, INC., now known as REGIONAL AMUSEMENTS, INC., aiding and abetting each other and others, did knowingly conduct, finance, manage, supervise, direct, and own all or part of a gambling business, to wit, a gambling business involving sweepstakes machines and quarter pushers, which gambling business was a violation of the laws of the State of North Carolina, to wit, N.C. Gen. Stat. § 14-306.4 (sweepstakes through entertaining display), § 14-306.1A (video gaming machines), and N.C. Gen. Stat. §§ 14-304, 14-306 (slot machines), and which involved five or more persons who conducted, financed, managed, supervised, directed, and owned all or part of said illegal gambling business, and which remained in substantially continuous

operation for a period in excess of thirty days, in violation of Title 18, United States Code, Sections 1955 and 2.

COUNT THREE

**Engaging in Gambling Device Business Without Registering - 2013
15 U.S.C. §§ 1173(a), 1176 and 18 U.S.C. § 2**

From in or around January 1, 2013 through in or around December 31, 2013, in the Eastern District of North Carolina and elsewhere, without registering with the Attorney General as required under 15 U.S.C. § 1173(a), the defendants, DAVID RICKY GODWIN, DAVID RICKY GODWIN JR., and RGB, INC., now known as REGIONAL AMUSEMENTS, INC., aiding and abetting each other and others, knowingly engaged in the business of repairing, reconditioning, buying, selling, leasing, using, and making available for use by others any gambling device, and in such business the defendants bought and received any such device, knowing that it had been transported in interstate commerce after the effective date of the Gambling Devices Act of 1962, in violation of Title 15, United States Code, Sections 1173(a) and 1176 and Title 18 United States Code, Section 2.

COUNT FOUR

**Engaging in Gambling Device Business Without Registering - 2014
15 U.S.C. §§ 1173(a), 1176 and 18 U.S.C. § 2**

From in or around January 1, 2014 through in or around May 6, 2014, in the Eastern District of North Carolina and elsewhere, without registering with the Attorney General as required under 15 U.S.C. § 1173(a), the defendants, DAVID RICKY GODWIN, DAVID RICKY GODWIN JR., and RGB, INC., now known as REGIONAL AMUSEMENTS, INC., aiding and abetting each other and others, knowingly engaged in the business of repairing, reconditioning, buying, selling, leasing, using, and making available for use by others any gambling device, and in such business the defendants bought and received any such device, knowing that it had been transported in interstate commerce after the effective date of the Gambling Devices Act of 1962, in violation of Title 15, United States Code, Sections 1173(a) and 1176 and Title 18 United States Code, Section 2.

COUNTS FIVE THROUGH EIGHT

Failure to Maintain a Record of Gambling Devices

15 U.S.C. §§ 1173(c), 1173(d), 1176 and 18 U.S.C. § 2

For each calendar month identified below, in the Eastern District of North Carolina and elsewhere, the defendants, DAVID RICKY GODWIN, DAVID RICKY GODWIN JR., and RGB, INC., now known as REGIONAL AMUSEMENTS, INC., aiding and abetting each other and others, having been required to register under 15 U.S.C. § 1173(a) for any calendar year, failed to maintain and retain a record by calendar month of each gambling device they knowingly

owned, possessed, and had custody of, such record including serial number, manufacturer name, trade name, date of manufacture, name and address of the person from whom such device was purchased or acquired, name and address of the carrier, catalog listing, description, and location:

Count	Calendar Month
5	January 2014
6	February 2014
7	March 2014
8	April 2014

Each entry constituting a separate violation of Title 15, United States Code, Sections 1173(c), 1173(d), and 1176, and Title 18 United States Code, Section 2.

COUNTS NINE THROUGH TWENTY-ONE
Possession of Unmarked Gambling Devices
15 U.S.C. §§ 1173(e), 1176 and 18 U.S.C. § 2.

On or about May 6, 2014, in the Eastern District of North Carolina and elsewhere, the defendants, DAVID RICKY GODWIN, DAVID RICKY GODWIN JR., and RGB, INC., now known as REGIONAL AMUSEMENTS, INC., aiding and abetting each other and others, having been required to be registered under 15 U.S.C. § 1173(a), knowingly owned, possessed, and had in their custody, each gambling device listed below, each of which was not marked as required by 15 U.S.C. § 1173(b), in that they were not permanently affixed in a clearly visible manner with the number,

manufacturer name, manufacturer trade name, and date of manufacture of the gambling device:

Count	Location Name	City	Type of Machine
9	B.B.T.S.	Kenly	Quarter Pusher
10	F.P.G.S.	Wilson	Quarter Pusher
11	G.S.P.	Goldsboro	Pot O Gold
12	G.S.P.	Goldsboro	Sweet Carolina
13	G.S.P.	Rocky Mount	
14	G.S.P.	Rocky Mount	Sweet Carolina
15	O.E.S.	Goldsboro	Sweet Carolina
16	P.A.S.C.	Raleigh	Quarter Pusher
17	T.I.T.G.	Garner	Pot O Gold
18	T.T.S.	Smithfield	Quarter Pusher
19	T.T.S.	Smithfield	Pot O Gold
20	T.T.S.	Smithfield	Pot O Gold
21	T.T.S.	Smithfield	Sweet Carolina

Each entry constituting a separate violation of Title 15, United States Code, Sections 1173(e) and 1176, and Title 18 United States Code, Section 2.

COUNT TWENTY-TWO

**Possession of Firearm By Convicted Felon (Godwin Sr. Only)
18 U.S.C. § 922(g)**

On or about May 7, 2014, in the Eastern District of North Carolina, DAVID RICKY GODWIN (GOWIN SR.), the defendant herein, having been convicted of a crime punishable by imprisonment for a term exceeding one (1) year, knowingly possessed, in and affecting commerce, a firearm, in violation of Title 18, United States Code, Sections 922(g)(1) and 924.

FORFEITURE NOTICE

Upon conviction of the offense alleged in Count One of this Second Superseding Indictment, defendants shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C), as made applicable by Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the said offense. The forfeitable includes but is not limited to a money judgment representing gross proceeds of the offense.

Upon conviction of the offense alleged in Count Two of this Second Superseding Indictment, defendants shall forfeit to the United States pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 1955(d), as made applicable by Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the said violation and any property, including money, used in commission of the said offense. The forfeitable property includes but is not limited to (a) a money judgment representing gross proceeds of the offense and (b) the gambling devices seized during the investigation of this matter.

Upon conviction of the offenses alleged in Counts Three through Twenty-One of this Second Superseding Indictment, the defendants shall forfeit to the United States pursuant to Title

15, United States Code, Section 1177, any gambling device transported, delivered, shipped, manufactured, reconditioned, repaired, sold, disposed of, received, possessed or used in commission of said offenses. The forfeitable property includes, but is not limited to, the gambling devices seized during the investigation of this matter.

Upon conviction of the offense alleged in Count Twenty-Two of this Second Superseding Indictment, defendant DAVID RICKY GODWIN (GODWIN SR.) shall forfeit to the United States pursuant to Title 18, United States Code, Section 924(d)(1), as made applicable by Title 28, United States Code, Section 2461(c), any and all firearms or ammunition involved in or used in a knowing violation of Title 18, United States Code, Section 922(g). The forfeitable property includes, but is not limited to, a Mossberg model 500A 12 gauge shotgun, serial number P343226 and related ammunition.

If any of the above-described forfeitable property, as a result of any act or omission of the defendants cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty; it is the intent of

the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of said defendants up to the value of the forfeitable property described above.

A TRUE BILL

FOREPERSON

DATE: _____

THOMAS G. WALKER
United States Attorney



BY: DAVID A. BRAGDON
Assistant United States Attorney