



Department of Justice

United States Attorney Carter M. Stewart
Southern District of Ohio

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CONTACT: Fred Alverson
614-469-5715

WEST CARROLLTON CLUB OWNER PLEADS GUILTY TO OPERATING ILLEGAL GAMBLING BUSINESS, COMMITTING TAX CRIMES

DAYTON – Stanley W. Combs III, age 42, of Union, Ohio, pleaded guilty in United States District Court today to one count of conducting an illegal gambling business and one count of making false statements on an income tax return for operating the illegal business and under-reporting income he derived as the owner and operator of Fraternal Order of Orioles, Nest 293 located at 842 Watertower Lane, West Carrollton, Ohio and a related entity located at 10955 Lower Valley Pike, Medway, Ohio.

Carter M. Stewart, United States Attorney for the Southern District of Ohio, Jose A. Gonzalez, Special Agent in Charge, Internal Revenue Service, Criminal Investigation, and West Carrollton Police Chief Rick Barnhart announced the plea entered today before United States District Judge Michael Barrett.

According to the statement of facts filed in court, Combs and at least five others conducted, financed, managed, directed or owned all or part of an illegal gambling business that was organized for the express purpose of operation as a social/charitable organization that received federal tax exempt status. Court documents revealed that the business operated from January, 2004 through March, 2008 and generated daily gross revenues in excess of \$2,000 on more than one occasion.

Combs reported his 2007 gross income to the IRS as \$34,095 but investigation of his actual income for that year showed earnings of over \$242,000. Court documents also indicate that Combs under-reported his personal income in tax years 2004 through 2006, resulting in a total net loss to the IRS of between \$80,000 and \$200,000.

Combs faces a maximum penalty of five years imprisonment for operating an illegal gambling business, a fine of \$250,000 and three years of supervised release. The maximum penalty for making false statement on income tax returns is three years imprisonment, a fine of \$100,000 and one year of supervised release. Combs will be sentenced by Judge Barrett at a later date.

Stewart commended the cooperative investigation conducted by West Carrollton police officers and IRS agents, with assistance provided by the police departments in Kettering, Miamisburg, Moraine, Oakwood, Germantown, Centerville, Springboro, Clay Township, German Township, Perry Township, Clark County Sheriff Gene Kelley's Office and guidance from the Ohio Organized Crime Investigations Commission. Stewart also commended Assistant U.S. Attorney Dwight Keller, who is prosecuting the case.

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