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DALLAS, TEXAS  
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**SEXUALLY ORIENTED BUSINESS OWNER  
CHARGED WITH FEDERAL FIREARMS OFFENSE, CONSPIRACY,  
AND FEDERAL TAX OFFENSES**

***BUSINESS PARTNER ALSO CHARGED IN CONSPIRACY AND TAX OFFENSES***

United States Attorney Richard B. Roper announced that an indictment, returned by a federal grand jury in Dallas last week, and unsealed yesterday, charges Leroy Moore, Sr. and business partner, Beverly Kay Van Dusen, with conspiracy and various federal tax offenses, including tax evasion and aiding and assisting in the preparation of a fraudulent tax return. Also unsealed yesterday, was a separate indictment charging Leroy Moore, Sr., with one count of felon in possession of a firearm.

It is alleged that from November 1990 to the present, Leroy Moore, Sr. was the owner of five sexually oriented businesses — four in the Dallas/Fort Worth, Texas, area and one in Austin, Texas, and that Beverly Kay Van Dusen operated and managed the sexually oriented businesses that Moore owned. Those businesses were: New Video, 6704 Lindale Road, Kennedale, Texas; Bright Lights, 12313 I-30 West, Fort Worth, Texas; Star Adult Video, Highway 377 South, Wheatland, Texas; Bright Lights II, I-35 North, Fort Worth, Texas; and New Video II, 7901 I-35 South, Austin, Texas.

The firearms indictment alleges that on August 19, 2000, Moore, who had at least two prior felony convictions for a controlled substance offense, knowingly possessed 12 different firearms, in violation of 18 U.S.C. § 922(g). If convicted on this charge, Moore faces a maximum statutory sentence of 10 years imprisonment and a \$250,000 fine. According to public records, Moore, age 64, is an Arlington, Texas, resident.

The sexually oriented businesses owned by Moore and operated by Van Dusen consisted of bookstores with video arcades in the rear and adult magazine sales, novelty sales, video sales and video rentals in the front portion of the businesses. Cash payments representing 25% of the

cash receipts from the adult video arcades in the businesses were made to Goalie Entertainment for servicing the adult video arcades. Moore received 30% of the cash income from the adult video arcades and Van Dusen received 45%.

The tax indictment alleges that Moore directed Van Dusen's operation of the adult bookstore businesses. Van Dusen performed all bookkeeping tasks in connection with the businesses and provided information to Moore's tax return preparers in order for the tax returns to be prepared

The indictment alleges that Moore and Van Dusen conspired with each other, and with others, to avoid the collection of income tax owed by Moore. In addition, Moore did not want to apply for licenses to operate sexually oriented businesses in Tarrant and Travis county in his own name. So, in order to conceal the fact that Moore did own and operate the businesses, and to conceal Moore's true taxable income, Van Dusen used her company, B&V Enterprises, to give the appearance that she owned and operated the sexually oriented businesses. Moore directed Van Dusen's operations and used his company, L&M Management, to give the appearance that he leased the real property where the businesses were operated to B&V Enterprises, and that he acted as a business consultant to B&V Enterprises.

To conceal Moore's true taxable income, Moore and Van Dusen provided to Moore's tax preparers documents which omitted information about the cash payments to Moore from the businesses and cash payments to Moore's creditors, thereby understating Moore's true taxable income.

Moore is charged with four counts of tax evasion. The indictment charges that Moore understated his taxable income for calendar years, 1996, 1997, 1998, and 1999, which resulted in a total additional tax of nearly \$420,000 due to the Internal Revenue Service. The indictment alleges that Moore used sophisticated means to impede the discovery of the existence and extent of the offense.

Van Dusen is charged with four counts of aiding and assisting in the preparation of a fraudulent tax return, relating to the preparation of Moore's tax returns for calendar years 1996, 1997, 1998, and 1999. The indictment alleges that she committed the offenses as part of a pattern and scheme from which she derived a substantial portion of her income and that she, like Moore, used sophisticated means to impede the discovery of the existence and extent of the offense.

An indictment is an accusation by a grand jury and a defendant is entitled to the presumption of innocence unless proven guilty. However, if convicted on all counts of the tax indictment, Leroy Moore, Sr. faces a maximum statutory sentence of 25 years imprisonment and a \$1.25 million fine. Beverly Kay Van Dusen faces a maximum statutory sentence of 12 years imprisonment and a \$1 million fine, if convicted on all charges.

U.S. Attorney Roper praised the investigative efforts of the Internal Revenue Service - Criminal Investigation and the Bureau of Alcohol, Tobacco, Firearms and Explosives. The case is being prosecuted by Assistant United States Attorney Linda C. Groves.

