

a. Traveling in interstate commerce and using the mail or any facility in interstate commerce with intent to further unlawful activity and to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of an unlawful activity, to wit: a criminal enterprise involving gambling and the breeding, selling, betting, and fighting of pit bull fighting dogs and thereafter performing and attempting to perform acts to further unlawful activity and to promote, manage, establish, carry on, and to facilitate the promotion, management, establishment, and carrying on of the unlawful activity, in violation of Title 18, United States Code, Section 371; and Title 7, United States Code, Section 2156.

b. Knowingly sponsoring and exhibiting an animal in an animal fighting venture, in which an animal was moved in interstate commerce, in violation of Title 7, United States Code, Section 2156(a)(1).

c. Knowingly buying, transporting, delivering, and receiving for purposes of transportation, in interstate commerce, any dog for purposes of having the dog participate in an animal fighting venture, in violation of Title 7, United States Code, Section 2156(b).

MANNER AND MEANS OF THE CONSPIRACY

The members of the conspiracy used various manners and means to effect the object and purpose of the conspiracy, including, but not limited to, the following:

- a. Purchased pit bulls for use in dog fighting competitions.
- b. Trained and bred pit bulls for participation in dog fighting competitions.
- c. Traveled in interstate commerce to other locations to participate in dog fighting competitions.

- d. Sponsored and fought dogs that had traveled in interstate commerce in animal fighting competitions.
- e. Provided funding for the expenses associated with the ongoing dog fighting venture, including conducting financial transactions in interstate commerce to pay forfeit money in anticipation of dog fighting competitions.
- f. Used instruments of interstate commerce to set up and conceal dates, times, and locations of dog fights.
- g. Placed thousands of dollars in bets on dog fights.
- h. Provided property in secluded locations to host dog fighting ventures in and affecting interstate commerce.

OVERT ACTS

In furtherance of the conspiracy and to effect the objects thereof, and to accomplish its purposes and objectives, at least one of the following overt acts, among others, were committed and caused to be committed by the Defendants and other unindicted co-conspirators in the Eastern District of Texas and elsewhere :

1. Between October 14, 2008 and January 14, 2009 , thirteen telephone calls between **JERRY S. CHISM** and a confidential informant (CI) were consensually recorded by law enforcement. The content of these calls involved the breeding of fighting dogs and the setting up of a dog fighting match between **CHISM**'s dogs and the CI's dogs in Oklahoma. **CHISM** also attempted to move the Oklahoma fight to East Texas and offered to host the event. During the November 4, 2008 call, **CHISM** obtained the address for the third party who held the forfeit money for the dog fights and subsequently mailed the forfeit payment to an individual known to the United States Grand Jury.

2. On or about January 17, 2009, **JERRY S. CHISM** and **KARL S. COURTNEY** traveled in interstate commerce from East Texas to Oklahoma with pit bull fighting dogs to bet money on a dog fight and to fight **CHISM**'s dogs at the dog fight which was being hosted at a secret location near Tahlequah, Oklahoma.

3. On January 17, 2009, **JERRY S. CHISM** called the CI to meet prior to the dog fight so **CHISM** and co-conspirators could escort the CI to the fight, which was located about 7 miles outside of Tahlequah, Oklahoma. **CHISM** met with the CI, who was also with two undercover FBI task force officers, and **CHISM** and co-conspirators escorted them to the location of the fight. The CI and the two FBI task force officers had audio and video recorders hidden on their person. The group turned into a private road and co-conspirators locked a gate behind them. The group continued down a country road where they were escorted into a parking area by flashlight.

4. The CI and the two undercover FBI task force officers were the last participants to arrive at the dog fight. The CI and two undercover agents met the co-conspirators in person, collected audio and video surveillance, and later positively identified **JERRY S. CHISM**, **KARL S. COURTNEY**, **JERRY L. BEENE**, and numerous other co-conspirators from several states present at this dog fight.

5. The CI and two undercover agents were directed to a red building and once inside observed a scale hanging from the rafter of the building. **JERRY S. CHISM** and **KARL S. COURTNEY** approached the CI and the undercover agents and said they (**CHISM** and **COURTNEY**) wanted to fight their thirty-seven pound pit bull.

6. The two dogs were both checked for illegal sprays that would impair the opponent dog's ability to fight prior to the event, and the \$1,000 in forfeit money was returned

by a co-conspirator. The dog fight would be the first of three and **JERRY S. CHISM** and the undercover agents bet \$1,500 each on the first fight. **JERRY L. BEENE** also placed a small \$100 side bet with the CI. **JERRY L. MATLOCK** served as a referee in the ring for all three fights and paid the winners. **CHISM** and **KARL S. COURTNEY**'s dog was declared the winner after the other dog would no longer fight. **CHISM** was paid \$3,000 by **MATLOCK** for winning the first fight. The CI also paid **BEENE** \$100 for the side bet. The first dog fight lasted for one hour and nine minutes.

7. The second fight involved two thirty-three pound pit bulls operated by the undercover agents and **JERRY L. BEENE** and **JERRY S. CHISM**. During conversation it was determined that **BEENE** was part owner of both dogs fought in the second fight. Both dogs for the second fight made weight and were checked for illegal sprays prior to the fight. **CHISM** and the undercover agents bet \$1,000 each. **CHISM** and **BEENE**'s dog won the fight and **CHISM** was paid another \$2,000 by **JERRY L. MATLOCK**. The second fight lasted for approximately thirty-nine minutes.

8. The third fight involved two thirty-two pound pit bulls owned by **JERRY L. BEENE** and the undercover agents. The same procedures were followed and **CHISM** and the undercover agents bet \$500 each. **BEENE**'s dog won the fight and the undercover agent paid **BEENE** \$500.

9. During the night the undercover agents and the CI collected intelligence and observed a pickup truck with dog cages in the truck bed bearing Texas license plates 380-KHS, registered to **KARL S. COURTNEY** of Beckville, Texas.

10. Between February 6, 2009 and May 2, 2009, **JERRY S. CHISM** and the CI and undercover agents had a series of nine consensually recorded telephone calls. The content of

these calls involved discussing dog weights, breeding fighting dogs, selling and purchasing pit bull fighting dogs, sending forfeit money, and scheduling for the upcoming dog fight **CHISM** wanted to host in East Texas on May 2, 2009. **CHISM** ensured the CI that his fight would be very professional and better than the Oklahoma fight.

11. In preparation for the May 2, 2009 East Texas dog fight, on or about March 24, 2009, the undercover agents sent two money orders for \$500 each through U.S. registered mail to **JERRY S. BEENE**, who signed for the money on March 24, 2009. This money was forfeit money **BEENE** held for the May 2, 2009 East Texas dog fight.

12. On May 2, 2009, **KARL S. COURTNEY** hosted the dog fight on this property, located at 1128 CR 241, Beckville, Eastern District of Texas.

13. On or about May 2, 2009, **JERRY L. MATLOCK** traveled in interstate commerce from Oklahoma to Texas, and **JERRY L. BEENE** and **MICHAEL L. BEENE** traveled in interstate commerce from Arkansas to Texas to participate in the East Texas dog fight and to return the forfeit money. **JERRY L. BEENE** and **MICHAEL L. BEENE** also transported a fighting dog across the state line.

14. On May 2, 2009, **JERRY L. BEENE** returned the forfeit money for the dog fight to the fighters.

15. The May 2, 2009 East Texas dogfight consisted of two contract dog fights with weights of fifty-two pounds and forty-four pounds, respectively, at **KARL S. COURTNEY**'s property. The undercover agents won \$1,500 on the first fight and lost \$1,000 on the second fight.

16. On May 2, 2009, **HAROLD D. STEWART** and **JERRY S. CHISM** met the CI, another CI which had been introduced to the group, and the undercover agents in Beckville, Texas, and escorted them to the location of the dogfight.

17. **HAROLD D. STEWART** locked the gate behind the group after they were inside the perimeter fence of **KARL S. COURTNEY**'s property.

18. The CI and the undercover agents identified the following individuals, among several other co-conspirators as being present at the May 2, 2009 East Texas dog fight: **KARL S. COURTNEY, JERRY S. CHISM, JERRY L. BEENE, CHAD A. COURTNEY, DEVIN L. PELZL, MICHAEL L. BEENE, HAROLD D. STEWART, CHASE M. COURTNEY** and **JERRY L. MATLOCK**.

19. As the group arrived, the CIs and undercover agents observed **DEVIN L. PELZL** preparing the pit the dogs were to fight in. **PELZL** also served as a "sponge man," the individual who washed the dogs down in their corners between the fighting.

20. **KARL S. COURTNEY** called the participants together and instructed everyone to turn their cell phones off and place them inside their vehicles. **COURTNEY** also instructed anyone with a digital watch to turn them off and place them in their vehicles.

21. **KARL S. COURTNEY** asked his brother, **CHAD A. COURTNEY**, if he wanted to place a bet on his fifty-two pound pit bull named "Junkyard," who was to fight in the first fight. **CHAD A. COURTNEY** decided to place a \$200 bet on "Junkyard."

22. **MICHAEL L. BEENE** served as the time keeper for the first fight, which lasted for approximately one hour and five minutes.

23. **JERRY L. MATLOCK** served as the referee for the first fight and was in the pit with the dogs. **MATLOCK** also held the bets for both fights until winners were paid out.

24. For the second fight, **JERRY L. BEENE** retrieved a pit bull fighting dog named "Jack" from his truck and **KARL S. COURTNEY** weighed the dog.

25. **JERRY L. BEENE**'s dog won the second fight and **JERRY L. MATLOCK** paid **BEENE** \$2,000 for winning the fight. The second fight lasted for approximately thirty-four minutes and **MATLOCK** again refereed the fight and **MICHAEL L. BEENE** served as the timekeeper.

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

COUNT 2

Title 7 U.S.C. § 2156(a) and Title 18 U.S.C. §§ 2 and 49
Sponsoring or Exhibiting an Animal in an Animal Fighting
Venture; Aiding and Abetting

On or about May 2, 2009, in Panola County, Texas in the Eastern District of Texas,
KARL S. COURTNEY, also known as "Shane," JERRY L. BEENE, and JERRY S.
CHISM, also known as "Scotty," Defendants herein, did knowingly and intentionally sponsor
and exhibit a pit bull fighting dog in an animal fighting venture at which a participating dog had
previously moved in interstate commerce.

All in violation of Title 7 United States Code Section 2156(a) and Title 18, United States
Code Sections 2 and 49.

COUNT 3

Title 7 U.S.C. § 2156(b) and Title 18 U.S.C. §§ 2 and 49
Buying, Selling, Delivery or Transporting Animals for
Participating in an Animal Fighting Venture; Aiding and
Abetting

On or about May 2, 2009, in Panola County, Texas in the Eastern District of Texas,
KARL S. COURTNEY, also known as "Shane," JERRY L. BEENE, JERRY S. CHISM,
also known as "Scotty," and MICHAEL L. BEENE, Defendants herein, did knowingly and
intentionally buy, sell, deliver, possess, train, and transport animals in interstate commerce for
participation in an animal fighting venture.

All in violation of Title 7, United States Code Section 2156(b) and Title 18, United States
Code, Sections 2 and 49.

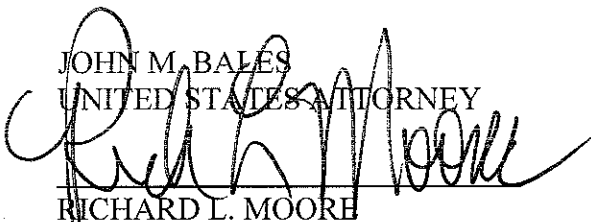
A TRUE BILL,

Date: 6/30/09



FOREPERSON OF THE GRAND JURY

JOHN M. BALES
UNITED STATES ATTORNEY


RICHARD L. MOORE
ASSISTANT U.S. ATTORNEY
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Tyler, Texas 75702
903-590-1400
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COUNT 3

Violation: Title 7 U.S.C. § 2156(b) and Title 18 U.S.C. §§ 2 and 49 - Buying, Selling, Delivery or Transporting Animals for Participating in an Animal Fighting Venture; Aiding and Abetting

Penalty: Imprisonment for a term of not more than 5 years, a fine not to exceed \$250,000, or both. A term of supervised release of not more than 3 years in addition to such term of imprisonment.

Special Assessment: \$100.00