

VIDEO POKER AND POLITICAL CORRUPTION

On June 29, 2004, Democracy North Carolina filed a COMPLAINT AND REQUEST FOR INVESTIGATION (see link at bottom of this page), asking the State Board of Elections to investigate "certain campaign contributions related to the video-poker industry which appear to involve political corruption, money laundering, and a possible conspiracy by members of the industry to violate campaign-finance statutes."

EXCERPTS FROM COMPLAINT CONTINUE:

"This complaint is based on research into more than \$100,000 in campaign contributions given during the 2002 election cycle by donors with ties to the video-poker industry (not counting its lobbyists). The donors include amusement machine distributors, as well as the owners of truck stops, strip clubs, pool halls, convenience stores, bars, and 'gift stores' that are basically video-poker game rooms. Our research shows that many of these contributions came from donors who have been cited, sometimes repeatedly, for engaging in various illegal gambling practices or whose illegal operations caused law enforcement officials to seize their poker machines. Other contributions came from donors who say they were unaware that a relative or friend in the video-poker business apparently made a political donation in their name. And others came from donors who admit they were paid or reimbursed for making a political donation to help an associate in the video-poker industry.

"Our research indicates that many of the problematic donations have ties to Southland Amusements of Wilmington or its owner Robert E. 'Bobby' Huckabee III. Huckabee chairs the Legislative Committee of the N.C. Amusement Machine Association, which is waging a vigorous fight to stop legislation that would ban video-poker machines in the state. . . ."

"The pattern of giving indicates that the industry believes it should focus its contributions on members of the N.C. House of Representatives and particularly on Rep. James B. Black of Matthews, the House Speaker in 2001-2002 and House Co-Speaker in 2003-2004. . . . We must emphasize that we have NO evidence or indication that Speaker Black has any involvement or knowledge of the apparent illegal campaign contributions described in this document. In fact, descriptions of numerous donors on his campaign disclosure reports suggest he did not realize they were connected to the video-poker industry."

"The focus of this call for an investigation is not on any recipient but on the political donors who appear to have violated numerous campaign finance laws in an effort to funnel tens of thousands of dollars into the 2002 election. The pertinent violations include:

- exceeding the contribution limit,
- making donations in the name of another,
- making anonymous donations,
- using corporate money for political donations,
- reimbursing individuals who made donations,
- making donations in cash in excess of \$100,
- making donations in exchange for material benefits,

- illegal solicitation of donations,
- providing false information,
- coercion of others to commit one or more of these offenses, and
- conspiracy to make illegal donations.”

“The focus of this call for an investigation is not on any recipient but on the political donors who appear to have violated numerous campaign finance laws in an effort to funnel tens of thousands of dollars into the 2002 election. . . . The pattern of corrupt behavior appears to extend beyond the acts of one individual or company in the video-poker business. The evidence points to a level of corruption that permeates the industry, from officials in key positions of its trade association to ‘mom-and-pop’ distributors to owners of the corner store that profits from the industry’s illegal gambling operations.”

“The priority focus should be on the industry, not the recipients, because the industry appears to be expanding from illegal schemes for making money to illegal schemes for gaining an advantage inside the General Assembly. Politicians trapped in a fundraising arms race with their political rivals, with no alternative except to rely on private sources of money, become the target of these schemes. We are concerned that an industry described as ‘the crack cocaine of gambling’ aims to use its illegal profits to gain political protection so it can expand and pose an even greater threat to our democracy.”

[CLICK HERE](#) to view the Complaint and Request for Investigation

[CLICK HERE](#) to view the \$121,000 of industry donations that we examined

[CLICK HERE](#) to view a sample of news articles

[CLICK HERE](#) to view documents from the NC Amusement Machine Association

[CLICK HERE](#) to view documents related to donors

[CLICK HERE](#) donor documents part 2

[CLICK HERE](#) donor documents part 3