

Bob Hall
5706 Old Stony Way
Durham, NC 27705
sprc@mindspring.com

May 30, 2023

Karen Brinson Bell
State Board of Elections
430 N. Salisbury St., 3rd Floor, Dobbs Building
Raleigh, NC 27603

Dear Ms. Bell,

Based on the information below, I am asking the State Board of Elections to investigate campaign finance violations related to the eye-popping \$885,000 that donors in the video poker industry gave to North Carolina candidates and party committees in 2019-2022. Compared to any other four-year period, that is a record amount from video poker operators in this politically active yet scandal-plagued industry, and it coincides with the industry's beefed-up effort to gain legitimacy through unsuccessful NC legislation in 2021 and the current, controversial HB-512.

For comparison, \$885,000 exceeds the combined total of all the contributions that the PACs of Wells Fargo, Bank of America, and the NC Automobile Dealers Association handed out to North Carolina politicians and party committees in the same four-year period.

Among other issues, this complaint alleges that members and firms affiliated with [the NC Coin Operators Association](#) conspired to deliver unprecedented sums to key state legislators in a coordinated manner that (1) apparently violated their obligation to form a political committee and (2) circumvented the contribution limits and reporting requirements imposed on a PAC.

NC General Statute 163-278.6(74) says, "*The term 'political committee' means a combination of two or more individuals, such as any person, committee, association, organization, or other entity that makes, or accepts anything of value to make, contributions or expenditures and has one or more of the following characteristics: . . . (d) Has the major purpose to support or oppose the nomination or election of one or more clearly identified candidates. . . .*"

By not forming a political committee (PAC), this group of operators avoided registering and disclosing their fundraising activity, and also avoided the limits on when and how much a PAC may give a legislator. I note that many of these individuals were leaders of the NC Amusement Machine Association PAC and its earlier lobbying efforts, before that PAC disbanded in 2008. They know the rules. The NC Coin Operators Association (NCCOA) began in 2019 when the industry launched a new push to pass legislation that would provide legitimacy and growth.

Based on the evidence in this complaint, it appears that NCCOA leaders and/or their agents collected and bundled together checks from video poker donors across the state and on multiple occasions delivered the contributions as a package to legislators. Each bundle totaled well over the \$5,600 contribution limit that a PAC could give to a legislative candidate in the 2022 general election. Here are six examples from the many cases included in the spreadsheet attached to this complaint. These examples, from the legislators' campaign committee reports, show the committee receiving multiple donations from video poker donors in different parts of the state, all on the same day:

VIDEO POKER DONOR	DONOR'S CITY	DONOR'S BUSINESS	RECIPIENT COMMITTEE	DATE	AMOUNT\$
BRANDON BARNES	WAKE FOREST	CAPITAL GAMES	CITIZENS FOR DESTIN HALL	11/8/2022	\$ 1,000.00
BROOKES EAKES	GREENVILLE	TAR HEEL AMUSEMENTS	CITIZENS FOR DESTIN HALL	11/8/2022	200.00
DONALD BOYD	ELM CITY	PREMIER AMUSEMENTS	CITIZENS FOR DESTIN HALL	11/8/2022	1,000.00
DONALD MILLER	JACKSONVILLE	NOT EMPLOYED	CITIZENS FOR DESTIN HALL	11/8/2022	200.00
DONNIE SPRINGS	GREENSBORO	COIN DROP AMUSEMENTS	CITIZENS FOR DESTIN HALL	11/8/2022	500.00
JASON HEFNER	WIN-SALEM	[Coin Drop Amusements]	CITIZENS FOR DESTIN HALL	11/8/2022	1,000.00
JONATHAN SUTTON	GREENVILLE	SUTTON HOLDINGS	CITIZENS FOR DESTIN HALL	11/8/2022	2,000.00
TAMMY SNODGRASS	HOLLY RIDGE	MUSIC VENDORS INC	CITIZENS FOR DESTIN HALL	11/8/2022	200.00
TRADD BURN	GOLD HILL	SOUTH ATLANTIC DISTRIB	CITIZENS FOR DESTIN HALL	11/8/2022	500.00
Brandon Barnes	Wake Forest	Capital Games LLC	FRIENDS OF TIM MOORE	11/7/2022	1,000.00
Donald Boyd	Elm City	self	FRIENDS OF TIM MOORE	11/7/2022	1,000.00
Donald Miller	Jacksonville	Music Vendors Inc	FRIENDS OF TIM MOORE	11/7/2022	1,000.00
Jason Hefner	Win-Salem	Coin Drop Amusements	FRIENDS OF TIM MOORE	11/7/2022	1,000.00
Jonathan K Sutton	Greenville	Self	FRIENDS OF TIM MOORE	11/7/2022	2,000.00
Tammy Snodgrass	Holly Ridge	Music Vendors Inc	FRIENDS OF TIM MOORE	11/7/2022	1,000.00
BROOKS EAKES	GREENVILLE	TARHEEL AMUSEMENTS	JASON SAINÉ COMM	11/21/2022	200.00
DONALD F MILLER	JACKSONVILLE	MUSIC VENDORS INC	JASON SAINÉ COMM	11/21/2022	200.00
DONALD W BOYD	ELM CITY	SELF EMPLOYED	JASON SAINÉ COMM	11/21/2022	1,000.00
DONNIE G SPRINGS	GREENSBORO	COIN DROP AMUSEMENTS	JASON SAINÉ COMM	11/21/2022	500.00
JASON HEFNER	WIN-SALEM	[Coin Drop Amusements]	JASON SAINÉ COMM	11/21/2022	1,000.00
JOHN B BARNES	WAKE FOREST	CAPITAL GAMES LLC	JASON SAINÉ COMM	11/21/2022	1,000.00
JONATHAN SUTTON	GREENVILLE	AMUSEMENT VENDING	JASON SAINÉ COMM	11/21/2022	2,000.00
TAMMY SNODGRASS	HOLLY RIDGE	MUSIC VENDORS INC	JASON SAINÉ COMM	11/21/2022	200.00
TRADD M BURN	GOLD HILL	SELF EMPLOYED	JASON SAINÉ COMM	11/21/2022	500.00
BROOKS EAKES	GREENVILLE	TARHEEL AMUSEMENTS	JOHN BELL COMM	11/10/2022	500.00
DANIELLE SPRINGS	GREENSBORO	COIN DROP AMUSEMENT	JOHN BELL COMM	11/10/2022	500.00
DONALD BOYD	ELM CITY	SELF	JOHN BELL COMM	11/10/2022	1,000.00
DONALD MILLER	JACKSONVILLE	MUSIC VENDORS, INC	JOHN BELL COMM	11/10/2022	200.00
GARRY D STRADER	ELON	CENTRAL AMUSEMENTS	JOHN BELL COMM	11/10/2022	1,000.00
JOHN BARNES	WAKE FOREST	CAPITAL GAMES LLC	JOHN BELL COMM	11/10/2022	500.00
JONATHAN SUTTON	GREENVILLE	SELF	JOHN BELL COMM	11/10/2022	2,000.00
TAMMY SNODGRASS	HOLLY RIDGE	MUSIC VENDORS, INC	JOHN BELL COMM	11/10/2022	200.00
TRACY HEFNER	WIN-SALEM	COIN DROP AMUSEMENT	JOHN BELL COMM	11/10/2022	1,000.00
TRADD BURN	GOLD HILL	CARDINATE STATE DIST.	JOHN BELL COMM	11/10/2022	500.00
Brooks Eakes	Greenville	Tar Heel Amusement	PHILIP E BERGER COMM	12/12/2022	500.00
Donald F Miller Jr.	Jacksonville	[Music Vendors]	PHILIP E BERGER COMM	12/12/2022	1,000.00
Donald W Boyd	Elm City	Premier Amusement	PHILIP E BERGER COMM	12/12/2022	1,000.00
Donnie G Springs	Greensboro	Coin Drop Amusements	PHILIP E BERGER COMM	12/12/2022	500.00
Frank Foushee III	Sanford	Self	PHILIP E BERGER COMM	12/12/2022	1,000.00
Garry D Strader	Elon	Retired	PHILIP E BERGER COMM	12/12/2022	1,000.00
John B Barnes	Wake Forest	Retired	PHILIP E BERGER COMM	12/12/2022	2,000.00
Jonathan K Sutton	Greenville	Self	PHILIP E BERGER COMM	12/12/2022	2,000.00
Tammy Snodgrass	Holly Ridge	Music Vendors Inc	PHILIP E BERGER COMM	12/12/2022	1,000.00
Tradd M Burn	Gold Hill	South Atlantic Distrib	PHILIP E BERGER COMM	12/12/2022	500.00
BROOKS EAKES	GREENVILLE		RABON FOR SENATE	11/16/2022	200.00
DONALD BOYD	ELM CITY		RABON FOR SENATE	11/16/2022	1,000.00
DONALD MILLER	JACKSONVILLE		RABON FOR SENATE	11/16/2022	200.00
GARRY STRADER	ELON COLLEGE		RABON FOR SENATE	11/16/2022	1,000.00
JOHN BARNES	WAKE FOREST		RABON FOR SENATE	11/16/2022	2,000.00
JONATHAN SUTTON	GREENVILLE		RABON FOR SENATE	11/16/2022	2,000.00
TAMMY SNODGRASS	HOLLY RIDGE		RABON FOR SENATE	11/16/2022	200.00
TRADD BURN	GOLD HILL		RABON FOR SENATE	11/16/2022	500.00

Note that in each of these cases, and in others listed in the attached spreadsheet, the bundles were delivered in late October and in November, after the due date for the final campaign disclosure report preceding the 2022 election. A disturbingly large amount – \$230,600 – was logged in after October 25, 2022. Because these contributions were not disclosed until January 2023, it was impossible for the media or public to take note of their size and frequency before the election.

This pattern of circumventing the law is not surprising given the history of the video poker industry. A few cases of wrongdoing from the past point to additional areas of possible illegal activity in the 2022 election that should be investigated:

- In the 2012 election, video sweepstakes vendor Chase Burns [wrote checks totaling over \\$270,000](#) to NC political party committees and dozens of state legislators, with many of the checks delivered by the lobbyists from Moore & Van Allen that Burns' company retained. At the time, it was not illegal for a lobbyist to collect and deliver one contribution to a legislative candidate; but after NCGS 163-278.13C was amended in 2013, it became illegal for a lobbyist to collect or deliver one or multiple contributions to a candidate or the candidate's committee. [How and by whom were the multiple contributions from NCCOA-related donors collected and delivered to candidates in the 2022 election cycle?](#)

- Similar to the late posting of video poker donations in 2022, the State Board of Elections discovered that most of Chase Burns' contributions were held by a law firm for weeks and then given to lobbyists to [deliver to legislators after the deadline](#) for the last campaign disclosure report before the 2012 election. [What was the involvement of NCCOA, its agents or a group of video poker donors acting together to hold checks and then deliver them late in 2022? Such activity would be further evidence that the association or the group acted as a political committee in violation of NCGS 163-278.6\(74\).](#)

- The largest single video poker donor during 2019-2022 is [Robert E. \(Bobby\) Huckabee III](#), president and chief executive officer of Southland Amusement based in Wilmington, NC. He and his wife gave a total of \$187,000 to dozens of legislators, other candidates and NC Republican committees. Twenty years ago, during the 2002 election, House Speaker Jim Black received more than \$100,000 from video poker-related donors, and much of it was illegally laundered through straw donors, hiding its true source. The complaint I filed concerning those 2002 donations led to an intense FBI-State Board investigation that eventually put Jim Black in prison. My complaint and the investigation indicated that [a large amount of the laundered money was tied to Southland Amusement](#) in Wilmington and its boss, Bobby Huckabee. Before and during the State Board's hearings involving Speaker Black, Huckabee left the country and was unable to be subpoenaed or testify; however, testimony at the hearing confirmed that money from Huckabee's agent was given to Black "in the name of another." [After effectively laying low and not making a recordable campaign contribution in NC for 15 years, Huckabee has returned as a major – and still questionable – political donor. He should not permanently evade accountability.](#)

- The video poker and sweepstakes industry in NC handles hundreds of millions of dollars in cash, which makes it "a [breeding ground](#) for crime," according to leaders of the NC Sheriffs Association. Even in a state like Florida, where the industry thrives in a regulated environment, social and political corruption seems inherent with the large volume of money. A scandal in Florida involving Chase Burns led to the [resignation of its lieutenant governor](#) related to her alleged corruption. In its current bid for regulated legitimacy in NC, the industry is apparently hoping to buy off opposition from the NC Sheriffs Association and promise through binding legislation to share its profits with educational institutions. Similarly, the industry gained legal status in Florida by sharing its profits with veterans' groups – but that did not stop the corruption.

• The large amounts of cash make it easy to move money from sweepstakes and video poker parlors into trusts, tax havens, limited partnerships, personal accounts and foreign-based entities. In the Chase Burns scandal mentioned above, the Oklahoma attorney general eventually determined that Burns’ contributions in NC, Florida and Oklahoma were the “laundered proceeds” of a “criminal gambling enterprise.” Based on previous examples, I urge the State Board to investigate if the money used for the contributions made by Bobby Huckabee and other NCCOA-related donors came from their companies or other business sources rather than from their personal funds, which would violate NC law. The testimony from the Jim Black hearings indicated that the money Huckabee’s agent gave “in the name of another” came from his business. Did video poker donors funnel money from their business accounts into NC politics in the 2022 election?

Based on the experience in other states and our own history, it is fanciful to believe that legalizing the video poker industry will substantially reduce its presence or number of machines, alter its addictive harm on customers and their communities, or end its entanglement in political and social corruption.

I know your job is not to weigh in on the statutory future of the industry now being debated in the NC General Assembly. I am only asking for a rigorous investigation of its campaign finance practices, including those described above, that may violate state law.

Sincerely,

Bob Hall

- - - - -

STATE OF NORTH CAROLINA
COUNTY OF _____

The undersigned, being first duly sworn, hereby certifies that he is a registered voter in NC and that the information in this letter is true and correct to the best of his knowledge and belief.

Signature

Date

Sworn to (or affirmed) and subscribed before me, this _____ day of _____, 2023.

Signature of Notary Public

Printed Name of Notary Public

(NOTARY STAMP OR SEAL)

My commission expires: _____