

# Democracy North Carolina

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## VIDEO POKER AND POLITICAL CORRUPTION

Democracy North Carolina respectfully asks the State Board of Elections to use its statutory authority 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. We respectfully ask the Board of Elections to notify the relevant county district attorneys, State Bureau of Investigation, and federal authorities of the information provided to the Board.

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.

### **BACKGROUND**

Democracy North Carolina is a nonpartisan, nonprofit corporation that focuses on campaign financing, voting rights, and electoral reforms in order to help our state fulfill the promise of

“one person, one vote.” In our watchdog capacity, we track the flow of political money and alert the public when special interests abuse or threaten the democratic process. In our advocacy role, we recommend the adoption of “voter-owned,” public campaign financing programs that offer candidates a real alternative to the pressures of the money chase. Without a public financing alternative, politicians in competitive races are often trapped – they are charged with making decisions in the public interest, but are dependent on wealthy special interests to get elected. We played an active role in winning a public financing program for appellate court elections, and believe similar programs would benefit other officials, taxpayers and voters by removing the corrosive and costly effects of special-interest money dominating elections and policy debates.

The video-poker industry in North Carolina is a special interest on the move. It takes in more than \$100 million a year in reported revenues through more than 10,000 machines. The machines are mostly leased to store owners by scores of independent, modest-sized distributors. State law requires that the machines (a) involve a minimum level of skill to operate, (b) pay out no more than \$10 in merchandise to a player per day (no cash prizes), (c) be registered with the county sheriff, and (d) not be in a “location” with more than two other machines. In reality, cash prizes are often paid to customers lured by the hypnotic play; critics call it “the crack cocaine of gambling.”

Law enforcement officials have seized hundreds of machines rigged for gambling and point to the “devastation it does to the family.” After a bust in Haywood County, Detective Kenneth Aldridge told a reporter, “The reason we did this is because we had wives calling in here saying, ‘My husband just spent his entire week’s paycheck on this machine.’” But industry efforts to weaken gaming laws have made prosecution difficult.

All 100 county sheriffs have asked the N.C. General Assembly to ban video poker.

“Video-poker machines are technically legal in North Carolina,” U.S. Attorney Frank Whitney told *The News & Observer* in December 2003, “but that technical legality of allowing possession of a machine for a non-cash prize is used as a cover for large-scale gambling.” The U.S. Department of Justice has an active investigation of the industry underway in this state. Last year, former Transportation Secretary Garland Garrett Jr. went to prison after admitting his

family's video-poker business broke federal anti-gambling laws and, according to the charges, reaped nearly \$2 million in illegal profits.

In 2002 and 2003, the state Senate passed bills aimed at banning video poker, but the state House has yet to take a vote on a ban, much to the dismay of law enforcement officials. In the past several years, the industry has dramatically increased its political giving to state politicians. The N.C. Amusement Machine Association (NCAMA) began a PAC in 2000, and by the end of 2002 it ranked among the top 30 PACs for giving to state legislative candidates. NCAMA and its member-distributors have hired a half dozen lobbyists. Disclosure reports filed with the Internal Revenue Service by NCAMA reveal that it spent an impressive \$369,633 on "lobbying activities" and "legislative services" in three years, 2001 through 2003.

Democracy North Carolina found that donors linked with video-poker interests contributed at least \$650,000 to state politics in the 2000 and 2002 election cycles, while their lobbyists (who have multiple clients) gave an additional \$160,000. The combined total is over \$800,000. The money has gone in abundance to candidates of both major parties and to the parties themselves. The pattern of giving to legislative candidates indicates the industry believes it should focus its donations 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. Both proponents and opponents of a ban seem to believe Speaker Jim Black is pivotal in what happens to video poker. "I'm convinced that if we could get it to the House floor, it would be banned overwhelmingly," Mecklenburg County Sheriff Jim Pendergraph told *The Charlotte Observer* (December 21, 2003). "We never could get the Speaker to put it on the House floor."

Democracy North Carolina's analysis of Black's campaign reports show that his 2002 reelection committee received at least \$108,000 from donations related to the video-poker industry, plus an additional \$13,000 from lobbyists working for the industry. The \$120,000-plus total is about twice what the industry gave Black's campaign in the 2000 cycle, which was itself a record for any legislator. The list of donations is attached.

Typically, an incumbent House Speaker attracts contributions – often without asking – from political committee (PACs) and donors from across the state, as well as from his home territory. In Black's case, 67% of the \$1.3 million he raised in 2002 came from special-interest PACs,

party and candidate committees, or from donors in the Mecklenburg/Gaston/Union/Cabarrus County region. Amazingly, of the \$437,450 his campaign received from other identified donors around the state, fully 25% can be traced to the video-poker sector.

### ***FOCUS FOR INVESTIGATION***

Early in the 2000 election cycle, we criticized Speaker Jim Black for failing to provide adequate occupational information for a large number of his \$100+ donors; then we awarded him an A- for his dramatic improvement and compliance in completing a subsequent disclosure report. Some of Black's campaign reports for the 2002 cycle are incomplete, but he has submitted amendments to augment earlier reports, so the content of the reports is not the focus of this complaint.

**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.

**While every donation related to the video-poker business is clearly not illegal, the evidence points to a pattern of corrupt behavior that extends beyond the acts of one individual or company. The level of corruption appears to permeate 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 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.

The industry’s abuses in the private sphere are important to understand for an examination of the industry’s behavior in the public sphere. Indeed, many of the donors on this list, like others making money from video-poker machines, are not distinguished by their adherence to the law. Local, state, and federal authorities have charged scores of distributors, lessees, and employees with various offenses. Several of them show up as political donors on Speaker Black’s 2002 campaign reports. For example:

**Otis T. Harrison** – Harrison owns Harrison’s Music Company, based in Bennettsville, S.C., but he leases video-poker machines in North Carolina, particularly in counties along the S.C. border. In 2001, three of his machines were seized by the Wadesboro Police Department after the manager at the store told the police, “I have seen people win in excess of \$6,000 in jackpots. A representative from Harrison’s Music Company will come pay the winner.” In April 2004, Otis Harrison pleaded guilty to felony charges connected with the warehousing and distribution of illegal video-poker machines in the town of Rockingham. At the time of his arrest in Nov. 2003, Police Chief Robert Voorhees said, “When we have made arrests for the illegal use of video-poker machines in the past in Rockingham, the majority of them were owned by the Harrisons.” Otis Harrison contributed \$1,000 to Black’s campaign on Nov. 12, 2002.

**Leon Johnson** – Among other businesses, Johnson owns L J’s Convenience Store #3 in Rockingham, which was the subject of “numerous complaints in regards to illegal cash payoffs on video-poker machines,” according to local police. After an undercover operation that led to seizure of three video-poker machines, Johnson was arrested on July 18, 2002, on charges of operating gambling devices. On July 28, 2002, the Black campaign shows it received \$1,000

from Johnson, plus another \$4,000 from Johnson friends and associates Barbara Gathing, Thomas Crowley, Anthony Bullard, and Faye Maness (see page 12). Johnson had already donated \$1,500 to the committee earlier in 2001 and 2002.

**Jamie Barfield** – Barfield has operated different convenience stores in the Scotland County area where video-poker games have been seized or employees arrested for paying cash to winners. As recently as August 2003, machines were seized and the Laurinburg police arrested an employee for illegal gambling operations. Barfield contributed \$2,500 to Black's 2002 campaign.

**Clarence Ray "Bucky" Jernigan** – Jernigan made the front page of Triad newspapers in May 2004 for his arrest and subsequent confession that he placed video-poker machines in stores, profited from illegal cash payouts, and provided free attorneys for store clerks caught paying cash – as long as they denied he knew about the payouts. Jernigan's wife (Trudy Wade) is a Guilford County commissioner; he is a Republican candidate for the state House, running against incumbent Arlie Culp (R-Randolph). Jernigan runs Heath Cigarette & Music Service, which the Randolph County Sheriff charges is at the center of "an organized gambling operation." Jernigan originally denied any wrongdoing, telling a reporter, "I'd say that this company is run as straight as any in North Carolina." But in a subsequent affidavit, Jernigan admitted his role in cash payoffs and said the industry's lobbying effort is aimed at making them legal in exchange for paying a \$1,000-per-machine licensing fee. "If we pay \$1,000 to register a machine, then we want something out of it," Jernigan said in the affidavit. Although he is a Republican, Jernigan gave Black's campaign \$500 in November 2002.

**Tommy Ray Burris** – Burris ran Waynesville Pool Room in Waynesville for three decades. He has been convicted on numerous occasions of offenses related to "gambling and possession of gambling devices," including in 2001, 2000, 1992, 1988, 1985, 1979 and 1977. He agreed to pay a \$500 fine in February 2001 for allowing gambling at his business, and five months later, he agreed to settle another incident with a compromise plea of "possessing gambling devices" and a fine of \$750. In a telephone conversation with Democracy North Carolina, Burris said he donated \$300 to Black's campaign at the request of the owner of his gaming machines because he was told Black could help change the laws affecting video poker.

**Vernon Majors** – Majors' High Falls Oil Company also has a chain of convenience stores, some with video-poker machines that are not properly operated; for example, his Randleman Quick & Easy #6 was given an "official warning" in 1998 for "possession of a slot machine." He gave Black's campaign \$500 on Nov. 12, 2002.

**Debra Farrish** - Debra and Keith Farrish run Truck Stop Games, which was barred by a judge from placing video-poker machines in McDowell County after the sheriff discovered their machines were not properly registered. Based in Virginia, Truck Stop Games has operations in several states and some of its lessees appear to coordinate their giving to N.C. politicians with the Farrishes. For example, lessees **Herman Sadler** of Emporia, Virginia, who owns truck stops in N.C. and Virginia, and **James P. Testa**, owner of the Roadside Truck Plaza in Cleveland County, gave a total of \$10,000 to Jim Black's 2000 and 2002 campaigns. Testa is a Republican

candidate running against Sen. Walter Dalton in the 2004 election. Farrish and an associate (Sandra Hughes) of Truck Stop Games have donated \$12,000 to Black's campaigns since 2000.

**Jerry Yates** – Yates owns Carroll's Fine Foods & Game World in Waynesville, as well video-poker amusement machines. In the past decade, he has been charged with numerous offenses, from gambling to communicating threats to assault with a deadly weapon. Carroll's Fine Foods was one of several Waynesville-area businesses busted for illegal gambling in 2001. Yates donated \$500 to the Black campaign on Nov. 12, 2002.

**Steven Hebert** – Hebert is the manager and co-owner of Break Time Sports Bar and Billiards in Wilmington. In 2000, he was given an "official warning" by the Alcohol Law Enforcement (ALE) Division of the N.C. Department of Crime Control and Public Safety for possessing gambling devices on the premises of the Sports Bar. Hebert gave Black's campaign \$1,500.

**The Burleson Family** – Jeff, Darryl, and Dona Burleson own an amusement machine business (Carolina Coin Inc.) and a bar in Asheville called Mack Kells that was cited by an ALE officer in 2002 for gambling. Rather than have their liquor license suspended for five days, the Burlesons' company paid a \$500 penalty. Jeff and Dona Burleson donated \$500 to Black's 2002 campaign.

**Walter David (Slim) Baucom Jr.** – Baucom runs several strip clubs in Charlotte and the Carolinas under MAL Entertainment and stocks them with video-poker machines. He has 18 machines at eight Charlotte locations alone, including at the Crazy Horse, VIP Showgirls, Leather & Lace, and Twin Peaks. His nightclubs have been cited for numerous violations including sale of marijuana and other drugs, simulated acts of sexual intercourse, and "entertainment by a person whose private parts were exposed." Baucom, who also has a keen interest in laws governing nude dancing, contributed \$10,000 to state politicians in 2000 and 2001, including \$4,000 to Black's campaigns.

**Wallace Cox** – Cox owns the Food Plus store in Elizabethtown, as well as an amusement machine distribution business. He was given an "official warning" by the ALE for possessing an illegal gambling machine in July 2003. He received an earlier "official warning" in August 2002 for "paying off more than \$10 merchandise on video-poker machines" at the Food Plus store. In November 2002, he contributed \$500 to the Black campaign. Cox's A & L Fashions, based in Lumberton, is the umbrella for his six stores and his amusement machine business, sometimes known as A & L Amusement.

**Mark E. Johnson** – Johnson owns Johnson Equipment Services in Mt. Airy, a supplier of video poker and other amusement machines. He was charged with operating an illegal slot machine in November 2000. He donated \$500 to Black's campaign in November 2002.

**Robert E. Huckabee III** – Huckabee is president of Southland Amusements & Vending Inc. of Wilmington and has gaming machine interests outside North Carolina as well, including a company that supplies video terminals for government-run lotteries. Inside North Carolina, his video-poker machines have been seized in a number of busts, as recently as in April 2004 in

Pender County and, during the 2001-2002 period, at such locations as Leon Johnson's L J's in Rockingham in July 2002 and the Back Alley Lounge and Astor Lounge in Carolina Beach in October 2001. Huckabee contributed \$4,000 to Black's campaign committee in 2001.

**James O. Henderson** – Henderson is president of Henderson Amusement Inc. He lives in Spartanburg, South Carolina, but operates a video-poker and amusement machine distribution business in North Carolina. In 2001, James Henderson and Henderson Amusement were charged with making false statements on registration forms regarding video gaming machines the company placed in North Carolina. In Nov. 2002, James Henderson donated \$3,000 to Black's campaign.

### ***CAMPAIGN CORRUPTION***

James Henderson's donation of \$3,000 was the largest in a group of contributions given to Black's campaign in early November 2002 from more than 40 donors with ties to the video-poker industry; they totaled \$26,200 on one day. On another day, in February 2002, the Black campaign reported receiving \$16,650 from 22 industry-related donors. It is not uncommon or illegal for an industry to "bundle" many contributions together and present them to a politician as evidence of their support and financing clout. The problem comes when a special interest uses bundling to funnel money from illegal sources or in illegal amounts into a campaign.

Interviews conducted by Democracy North Carolina – confirmed and amplified in many cases by newspaper reporters – reveal a troubling pattern of donors listed on Speaker Black's disclosure report who say they are not aware that a contribution was made in their name or who admit that the money given was not their own or was not intended for Black. The scope of the problem, including the geographic spread of activity, raises concerns about the existence of a large-scale plan or conspiracy to corrupt the election process.

It appears that certain operators, particularly those associated with *Southland Amusements*, made a concerted effort to channel funds into the Black campaign through legal or illegal means, far in excess of what they could give on their own. **Robert E. "Bobby" Huckabee III**, owner of Southland Amusements, is also listed as a member of the board of directors of the N.C.

**Amusement Machine Association** for 2003-2004 and as **Chair of the NCAMA's Legislative Committee**, which manages activities "to accomplish the association's objectives in the legislative arena."



By June 21, 2001, Huckabee had already “maxed out” by donating the legal limit of \$4,000 to Black’s campaign before the primary election of 2002. From June 2001 until the September 2002 primary, the period during which he could give no more, other employees of Southland or of businesses with Southland video-poker machines (or their associates) are listed as giving at least \$28,000 to Black’s re-election effort.

Many of the donations during that period illustrate the urgency of undertaking a full investigation into video-poker related contributions. Here are some of the details:

**\*\* Pamela H. James** is a Wilmington interior designer; her brother is **Robert E. Huckabee III**, owner of *Southland Amusements*. She and her brother own a rental house on the beach. When asked about the \$1,000 donation listed to her on July 28, 2002, she repeatedly said we had her confused with another Pamela James, because she “never made any such donation.” Later, she said the same thing to a reporter for *The News & Observer*, but she changed her story the next day, although she refused to discuss any details. As with several of the transactions described here, a thorough investigation of bank records will help clarify what actually occurred.

**\*\* Wanda Ripa**, a Wilmington real estate broker, owns a “gift shop” that is essentially a store with three video-poker machines that she leases from *Southland Amusements*. She is listed on Black’s campaign report as giving two donations on July 28, 2002, that total \$400. She told us she gave money to **Joseph Allen** of Southland Amusements, at his request, as she had done in the past. She told *The Charlotte Observer*, “They come around every year for a political donation and I give.” She didn’t think she wrote a check payable to Black’s campaign. “I didn’t make any contribution to him, not directly,” she said; she is a registered Republican. “If [Black] received a donation from me, it was probably through Southland Amusements,” she said. In addition to possible illegal use of corporate assets and illegal solicitation of contributions, there are questions about how long this practice has continued and where previous money went. **Joseph F. Allen** of Wilmington, who works with **Robert Huckabee** at *Southland Amusements*, is listed as giving \$1,000 to Black on May 7, 2002.

**\*\* Lois Locklear**, a South Carolina resident, is listed as giving \$1,500 on April 30, 2002. At the time, she worked in a Scotland County convenience store owned by **Jamie Barfield**, which had video-poker machines. In an interview with Democracy North Carolina, Locklear said she was

given \$1,500 in cash and asked to write a check for \$1,500 payable to “Blackmon or Black” (she couldn’t recall the exact name). She said she didn’t think what she was doing was quite right, but did it – and was asked to do it one more time – because her boss, **Jamie Barfield**, wanted her to cooperate with a fundraising effort that involved *Southland Amusements* and Southland’s agent in the area, **Robert Dunlap**. Only one donation is listed from Locklear on Black’s disclosure report. There is also one listed to “convenience store operator” **J. Barfield** on the same day (\$1,500 on 4/30/2002), plus a later one from **Jamie Barfield** (\$1,000 on 7/28/2002.)

**\*\* Deborah Jean Autry** of Hamlet, who is a school teacher, is listed as making a \$3,500 donation to Black’s campaign on June 21, 2001, the same day that donations were logged in from **Robert E. Huckabee III** and **Leon Johnson**, a lessee of *Southland Amusement* machines. Autry’s husband, **Robert Dunlap**, works for *Southland Amusements* and was apparently involved in raising funds from the Richmond County area to give to Black’s campaign.

**\*\* Steven Hebert** and **Clayton Goins**, who each own sports bars in Wilmington which were stocked with video-poker machines from *Southland Amusement*, are listed as each making a \$500 donation to Black’s campaign on June 20, 2001, the day before those from Autry, Huckabee and Johnson were recorded. Both men are also listed as donating on May 8, 2002, another day with several donations from lessees of machines from *Southland Amusement*.

**\*\* Holly Abbuhl**, a real estate broker in Wilmington, is listed as giving \$1,500 on July 24, 2002. The only other donation listed on Black’s campaign report that day is \$1,000 from **Betty Lee Breeden**, a school teacher from Laurinburg. In the previous decade, neither Abbuhl nor Breeden had ever given enough to be recorded as a donor to any state candidate or party. It turns out Abbuhl is the wife (then the fiancée) of **Steven Hebert**, the Wilmington bar owner; and Breeden is the wife of **David Breeden**, a farmer and convenience store owner. The husbands are also donors to Black and both have poker machines in their businesses from *Southland Amusements*. David Breeden’s sister, **Mildred Hudson**, also owns a convenience store with poker machines from *Southland Amusement*; she gave the Black campaign \$2,000 on other dates in 2002.

**\*\* Pat K. Moss** runs a building supply business in Richmond County and is listed as giving \$1,000 on July 28, 2002. When we asked him why he made a political contribution, he said, “You have the wrong Moss. You want Wayne Moss.” It turns out his father, **Wayne Moss**, owns

Tobacco World, which has three video-poker machines from *Southland Amusements*. Wayne Moss is listed as giving \$1,000 on May 8, 2002 and \$1,000 on July 28, 2002, but apparently unbeknownst to Pat, another \$1,000 was given in his name.

**\*\* Rita Cowart** of Gaston County is listed as giving Black's campaign \$500 on November 12, 2002, but she told *The Charlotte Observer* that she knew nothing about the contribution, nor did she know the name Jim Black. Her employer on the disclosure report is Amusements Only, but she said she does not work there, although she has a friend who does.

**\*\* Gene Howell** of Haywood County is listed as giving \$300 on November 12, 2002, along with two other individuals from Haywood County with ties to the video-poker business (**Jerry Yates** and **Tommy Ray Burris**). When reached at the address given on the amended campaign disclosure report, Gene Howell said he had nothing to do with the \$300 donation and was sure it was not from him. His wife also said she had no idea why her husband's name would be listed.

**\*\* Jean Jarvis** of Wilkes County is listed as giving \$500 on November 12, 2002, but she told us and *The Charlotte Observer* that she knew nothing about the contribution, nor did she know the name Jim Black. "I definitely haven't given anything like that," she said. Her husband, Roland, is in the amusement machine business; however, he told us he also doesn't know anything about the contribution. Neither he nor Jean Jarvis shows up as having made a contribution of over \$100 to any state candidate or party committee in the last 10 years.

**\*\* Monica Kirby** of Wayne County is another Black donor with no previous history as a contributor. She was an employee of **Gary Mitchell** of Mitchell Amusement in Goldsboro when her \$500 was logged in on November 12, 2002. Gary Mitchell donated \$1,000 to Black in 2001. Ms. Kirby did not return our messages.

**\*\* Leon Gurganus** of Duplin County manages a convenience store with three video-poker machines. He is listed as donating \$300 on May 9, 2002. However, he insists he has no knowledge of the donation and did not make it.

**\*\* Larry Gunter** of Durham is affiliated with Central Carolina Amusement. He says, "I'm not

involved in politics, not at all.” He has no history of making political donations and does not think he made the \$500 contribution listed to him on Black’s report. When asked if somebody might have used his name, he said, “Somebody might have done that, yeah.”

**\*\* Thomas Crowley** of Richmond County owns a used car dealership in Rockingham. He is listed as giving \$1,000 on July 28, 2002, but he told us he never made a donation to Jim Black and said the same thing to *The Charlotte Observer*. “You got me mixed up with somebody else,” he said. “I know for a fact that I did not [donate to Black].” Curiously, his business is across the street from L J’s, a store owned by **Leon Johnson**. Johnson’s store has three video-poker machines from *Southland Amusement*, and **Leon Johnson** is listed as giving Black’s committee \$500 on June 21, 2001, \$1,000 on April 24, 2002 and \$1,000 on July 28, 2002. When we asked Crowley if Johnson may have been involved in the donation listed to his name, he replied, “He may be the one involved.”

**\*\* Judy G. Johnson** of Wilmington is listed as giving \$500 to Black’s campaign on July 28, 2002, and her occupation is listed as “hair dresser.” She lives in a trailer park and she is another new donor on the list. This is the same day that the Black campaign received more than \$12,000 from donors related to *Southland Amusement*. It seems plausible to investigate the connection of Judy Johnson’s contribution to either Leon Johnson or Southland Amusement.

**\*\* Barbara Gathings** of Richmond County is listed as giving \$1,000 to the Black campaign on July 28, 2002. In interviews with Democracy North Carolina and *The Charlotte Observer*, she said she is a long-time friend of **Leon Johnson** and her donation was “sent to the White House” in order to keep video poker legal. “I didn’t want them to take the poker machines out.” She said she was helping **Leon Johnson** and *Southland Amusement*. She is on disability and admits she got money for the donation from others. “I wrote it up and gave it to Mr. Johnson,” she said.

**\*\* Anthony E. Bullard** and **Faye B. Maness**, like Gathings, are listed on Black’s campaign disclosure report with “textiles” as their employer. Each is listed as giving \$1,000 on July 28, 2002, with a Richmond County address. **Leon Johnson’s** \$1,000 donation on that date to Black also has “textiles” for his employer. Based on our research, it appears that Bullard and Maness were listed as donors because of their affiliation with Johnson. Maness says she is his friend, and

the address listed for Bullard is Johnson's post office box number. It is worth noting that Johnson was arrested for illegal operation of video-poker machines on July 18, 2002, and the machines (owned by *Southland Amusements*) were seized. In October 2003, the charges against Johnson were dismissed after he pleaded guilty to one charge. Video-poker machines from *Southland Amusements* are back at L J's.

### ***REQUEST FOR ACTION***

We believe the foregoing material provides ample reason for launching a comprehensive investigation of possible criminal activities, including a conspiracy to violate North Carolina's election laws. We also request that the State Board of Elections pursue civil penalties against any violators of state campaign finance statutes, up to three times the amount involved in any illegal transaction, in accordance with NCGS 163-278.34.

This complaint is respectfully submitted by me as an individual registered voter, in accordance with NCGS 163-278.22(7), and on behalf of Democracy North Carolina. Upon information and belief, I attest and affirm that it is a truthful statement of the facts as I know them.

Bob Hall  
Research Director  
Democracy North Carolina  
Orange County, North Carolina  
Submitted: June 29, 2004