

Video poker is coming to a vote

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But it's not necessarily the kind that N.C. gaming foes hoped for

House co-speaker is pushing bill to keep machines and charge industry to help sheriffs

BY MARK JOHNSON
Raleigh Bureau

RALEIGH — The spectrum of video poker opponents, from the conservative moralists to the liberal do-gooders to the Republican and Democratic sheriffs, are about to get what they wanted — and possibly what they dreaded.

For at least three years, critics of the electronic gambling machines have fought to get the N.C. House of Representatives to vote on banning video poker.

As the General Assembly opened its 2004 session this week, Democratic House Co-Speaker Jim Black of Matthews promised a video poker vote, but not necessarily on outlawing the machines. Black praised a bill that would keep them legal and require the video poker industry to pay \$1,000 per machine to county sheriffs to help



ALAN MARLER - SPECIAL TO THE OBSERVER

Some in the General Assembly say a vote banning video poker is being blocked by members supporting the machines.

pay for regulating the games.

Video poker, outlawed in South Carolina and fleeing one state north to gross more than \$85 million a year, could be rescued in North Carolina.

It is a case study in the role that campaign dollars, old-fashioned public support and the power of the speaker play in rescuing or killing legislation.

"I feel certain the votes are on the floor to ban video poker, if we had that opportunity," said

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Rep. Joe Kiser of Lincoln County, who is the House Republican leader and a former sheriff.

The N.C. Senate twice has voted to ban video poker, only to see that prohibition shelved in the House of Representatives.

Black and Republican Co-Speaker Richard Morgan determine what bills make it out of committee and to the floor of the House for a vote, and Black has repeatedly said he opposes banning video poker.

Critics of the games charge that Black had roadblocked the ban because he is beholden to that industry. In the last election cycle, Black took more than \$100,000 from businesses with ties to video poker, including

convenience stores, truck stops and strip clubs, according to a study by the watchdog group Democracy North Carolina.



Black

The contributions to Black were among \$400,000 that those businesses and their lobbyists pumped to candidates and political committees in 2001 and 2002, a cash flow that opponents say bought the influence to block a vote on banning the games.

"I don't know what other conclusion you can draw," said Sen. David Hoyle, D-Gaston. "They have influence for some reason or at least it would come up for a vote."

Black contends that the video poker industry employs 2,000 people repairing and maintaining the machines.

"We're doing everything we can to save jobs, whether it's a mechanic or textile jobs," Black said. "These are those kinds of jobs."

He said he has not blocked a vote on a video poker ban. And he said the Democracy North Carolina numbers are inflated by including convenience stores that contact him about myriad issues, such as the increase in customers driving off before paying for gas.

Black also said sheriffs, who complain they lack the resources



LEE MCLEOD - SPECIAL TO THE OBSERVER

Democratic House Co-Speaker Jim Black praises the bill requiring the video poker industry to pay \$1,000 per machine to county sheriffs to help pay for regulating the games. Above are seized machines stored in a police warehouse.

to police video poker, will be hard-pressed to reject the \$1,000 per machine.

Some lawmakers, including video poker critics, said Black is not the only factor explaining why the House hasn't voted on a ban. House members have not heard a public outcry against the machines as they did against a state lottery.

Over the past two years, House leaders have considered voting on legislation that would let state

voters approve or reject a lottery. Each time, a well-organized coalition of conservative and liberal groups deployed an effective lobbying campaign against the lottery. Many of those same groups oppose video poker, but lawmakers hardly hear about it.

For one thing, it's not an activity that smacks the public in the face and prompts them to complain. That's a contrast to South Carolina, where neon-lit poker palaces gave opponents ammo to warn of Vegas-style strips. South Carolina's regulations were initially so lax there was no age limit to play and no tax on video poker profits, and video poker casinos were allowed.

"It's not as visible as you would have with the lottery," said Rep. Connie Wilson, R-Mecklenburg, who opposes both a lottery and video poker. "If it's in a convenience store, it's in a backroom area ... You don't have billboards saying, 'Stop here and play video poker.'"

John Rustin, of the conservative Family Policy Council, said the lottery generated more vocal support because "it adds the element that it's the state, not only sanctioning the activity, but operating it."

The state's sheriffs association voted in support of banning the games, warning of ancillary criminal activity and that they don't have the deputies to enforce the state law limiting payouts to \$10 in replays or merchandise.

The S.C. Supreme Court outlawed video poker effective in July 2000 after the state spent years trying to regulate the machines. Federal officials in North Carolina are deep into a criminal investigation of the industry that already has brought 16 indictments and convictions.

Black, tired of the accusations that he's doing the gambling industry's bidding, said he will not advocate either the video poker ban or the \$1,000-per-machine legislation. Both are in the same committee.

"The one thing I'm going to insist on," he said, "is *something* coming out" for a vote.

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Video poker plays a gambit

Sheriffs study hand as industry deals

BY DAN KANE
STAFF WRITER

As state legislators return to Raleigh this month to again consider a ban on video poker, the industry is trying to woo its main opposition — sheriffs — by pitching them an annual \$12 million windfall.

A draft bill written by the industry would give sheriffs \$1,000 for every machine within their county to help pay for regulating the machines. Industry officials say there are about 12,000 licensed machines in the state.

An additional \$2 million might go to the state Alcohol Law Enforcement Division, which also enforces video poker regulations. The bill includes tighter restrictions to weed out operators who break the law.

"The industry is just as disgusted with the illegal activities that are taking place in the name of video poker as anybody else is," Theresa Kostrzewa, one of three

lobbyists representing the N.C. Amusement Machine Association, said this week. "And they are committed to pay their own money to get it cleaned up so the legal people can stay in business."

The proposal is aimed at the heart of the opposition to video poker. The N.C. Sheriffs' Association has professed unanimous opposition — a stand that helped build support for state Senate votes in 2002 and 2003 to ban the machines.

But the House has yet to move on the bill, mostly because Democratic Speaker Jim Black opposes it. That has caused some sheriffs to support the industry's latest gambit. They say that if the machines aren't going away, law enforcement ought to get some money from the industry to regulate them.

"I am not pushing these ma-

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chines," Guilford County Sheriff B.J. Barnes said. "What I am pushing is, if we are going to have these machines and the legislature is not going to do anything about them, then [video poker operators] should be paying for themselves."

Guilford has roughly 500 machines, which would translate to a \$500,000 annual payment.

Rockingham County has about 220 machines, and Sheriff Sam Page said he would be hard pressed to turn down \$220,000.

"When times are tough, it would be hard to tell my county, 'I've just turned down \$220,000 in enforcement money, and I'm going to go to you for tax dollars,'" he said.

Some unimpressed

But some sheriffs who are familiar with the proposal say they can turn down the payouts. They say the revenue isn't worth the hassle of trying to stop the illegal payoffs and chronic gambling that the machines bring.

Sheriff Eddie Cathey of Union County said he has had to seize nine of the 100 or so machines in his county during his 18 months in office. He has taken calls from wives who are tired of seeing their husbands gamble their paychecks away.

"To accept the money would be the easy way out — to accept that gambling can't be controlled," he said. "Maybe until I got a taste of the gaming industry I might could have been persuaded, but after a year and a half, it's no way."

The draft bill circulating among some sheriffs keeps in place the limit on the number of machines that the legislature passed in 2000. And it would not change the payouts: The machines can offer only as much as \$10 in prizes. But it would require machines to register how much money they take in and pay out.

The state Revenue Department is trying to catch up on how much the industry reports, and so far it has data only for the first nine months of 2001. During that period, the machines

took in \$85 million and paid out nearly \$43 million in prizes.

Each machine also would have a permanent serial number, and machine owners would be required to undergo criminal background checks.

The money's uses

The bill anticipates that money given to sheriffs would be more than enough to enforce the law. It requires them to use the money for enforcement but allows any surplus to go toward "any other law enforcement purposes."

Machine owners also would be charged an annual \$5,000 privilege tax, and establishments that have the machines would pay an annual \$500 tax. That money would go to the state Alcohol Law Enforcement Division.

Legislators who want to ban video poker say they aren't swayed by the industry proposal. They said they doubt that sheriffs would aggressively enforce violations if it meant cutting their own agency's income.

"I can't believe the sheriffs of the state would let the industry pay them some kind of bounty to let them operate," said Rep. Edd Nye, a Bladen County Democrat.

But the industry has a powerful supporter in Black, a Matthews Democrat. The public interest group Democracy North Carolina reported in December that Black got more than \$100,000 in political contributions from the industry in the 2002 election cycle. Black disputes that total.

Black said he is inclined to support legislation that would let the industry pay for its regulation rather than ban it altogether.

"Just recklessly eliminating three- or four thousand jobs is kind of stupid," Black said, citing the industry estimate for how many jobs it supports. "If there's somebody breaking the law, you deal with them. Some folks say that's not the kind of jobs we need, but if it's your job, you might have a different opinion."

Nye said that likely sets up a stalemate this session that might give the industry what it wants: no ban and no fees for regulation.

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WATCHDOG GROUP ANALYZES DONATIONS RECEIVED BY HOUSE CO-SPEAKER

Video poker generous to Black in last election

BY SCOTT DODD,
JIM MORRILL
AND RICHARD RUBIN
Staff Writers

The embattled video poker industry pumped more than \$100,000 into the campaign coffers of N.C. House Co-Speaker Jim Black during the last election cycle, according to a political

watchdog group.

The donations came at a time when opponents, including the N.C. Sheriffs' Association, were fighting to outlaw the gaming machines. The state Senate passed a ban twice, but both attempts stalled in the House.

Black, who helps control which legislation reaches the House

floor, received far more video-poker related donations in 2001-02 than any other N.C. lawmaker, according to Democracy North Carolina, which tracks campaign contributions.

Black said money from video poker interests has not affected legislation. He said a bill that would tighten regulations on the

industry will be considered during next year's session.

"I never, never do anything for money," said the Mecklenburg County Democrat. "If that's being implied, that's a bald-faced lie."

Owners of truck stops, strip clubs, bars and convenience stores were among more than 100

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Black contributors identified by Democracy North Carolina with connections to video poker. Black received 30 percent of the \$393,980 the industry and its lobbyists gave to candidates and committees in 2001-02.

Among the contributors were half a dozen donors contacted by The Observer who said they weren't aware they had given.

"Is he Democrat, Republican or what?" said Jean Jarvis of Wilkesboro, whose husband is in the amusement machine business. Records show she gave Black \$500 on Nov. 12, 2002.

"Five hundred?" she asked. "And who is this guy?"

Black says he's aware of no irregularities among his campaign contributions, and said donations from video poker are no different from banking, health care or any of the other industries that give heavily to political candidates.

"That's the way our system works," he said.

The industry's contributions represent 9 percent of Black's overall fund raising of \$1.3 million during the last election. But they account for almost a quarter of the money he raised outside the Charlotte area, according to Democracy North Carolina.

Among the \$1,000-plus donors on Black's list are video poker operators who have been charged with illegally storing machines and making illegal payouts.



Black

Video poker is legal in North Carolina, although machines cannot pay out more than \$10 in merchandise or replays. No cash prizes are allowed.

Across the state, sheriffs say they don't have the resources to enforce the law, so criminals run the games and offer big payouts with little fear of being caught.

After years of trying to regulate the games, S.C. lawmakers banned them in 2000. The N.C. Senate approved a ban in 2002 and again in 2003. Gov. Mike Easley says he would sign it.

"I'm convinced that if we could get it to the House floor, it would be banned overwhelmingly," said Mecklenburg County Sheriff Jim Pendergraph, a Democrat. "We never could get the speaker to put it on the House floor."

The debate comes amid a two-year federal investigation of N.C. video poker operators, dubbed Double Black Diamond, which has netted 16 indictments and convictions, including a former state transportation secretary.

The investigation, focused mainly on bribery and corruption, has included interviews of current and former public officials, said Chris Swecker, special agent in charge of the FBI's N.C. office. "We are focused on where the money's going."

FBI and state Alcohol Law Enforcement agents have seized more than 600 machines and \$10 million in cash, property and bank accounts, Swecker said.

Diverse donor list

Black received video poker industry money from across the

state. Donors range from Robert Huckabee III, owner of Southland Amusements, a video poker machine supplier, to small convenience store owners who say the gaming machines help keep them in business.

"I think it's an example of special interests using their influence to gain advantage," said Democracy North Carolina's research director, Bob Hall. "They think by sending their money to the big house, they can gain special favors, whether it's true or not."

Hall called for an investigation into possible violations of campaign-finance laws.

"We can't let gambling interests hijack our elections," he said.

Wanda Ripa, a Wilmington real estate broker, said she opposes efforts to ban video poker. But she says she didn't donate to Black.

"I didn't make any contributions to him, not directly," Ripa said. Black's campaign finance reports show her contributing \$400 on July 28, 2002.

Ripa said she's a Republican and usually donates to Republican candidates. But she did give money, she said, to Huckabee's company, Southland Amusements, which supplies three machines in a building she owns.

"I don't know who I wrote the check out to," Ripa said. "They come around every year for a political donation, and I give. ... If (Black) received a donation from me, it was probably through Southland Amusements. I donate when they ask me to."

Asked about Ripa's donation,

Black said, "If her name was listed on the campaign report, the money came from her."

Donations from corporate bank accounts and giving in someone else's name are illegal.

Several other convenience store owners that Huckabee's company supplies also gave to Black, according to campaign reports, as did other associates of the Wilmington businessman.

Huckabee is also legislative chairman for the N.C. Amusement Machines Association. He gave Black \$4,000.

The amusement association referred questions to Huckabee and its attorney, Rep. Leo Daughtry.

Huckabee did not return calls last week to his office.

Daughtry, R-Johnston, said he does not lobby on the industry's behalf and recuses himself from votes on video poker. He said he could not comment on the political action committee's donations.

Lobbyists for the association also said they could not comment and referred calls to Huckabee.

Donations up since S.C. ban

Since South Carolina banned the machines in 2000, video poker operators have stepped up their contributions to N.C. lawmakers. Of the 170 current legislators, 36 received \$1,000 or more

from the N.C. Amusement Machine Association in 2002.

The industry, including its political action committee, lobbyists and the Eastern Band of Cherokees, which has video poker interests, gave \$393,980 in 2001-02 and \$417,974 the cycle before, when Gov. Mike Easley was their top recipient, according to Democracy North Carolina.

Hall has identified \$118,500 in donations to Black from groups, lobbyists or individuals associated with video poker. That includes \$4,000 from the industry's political action committee - the largest check it gave to any legislator. The co-speaker uses his donations, in part, to help fund the campaigns of other Democrats.

In some cases, the donors' relationships to the gaming industry were hard to verify, Hall said, because contributors gave incomplete occupation information.

Such donors include David Breeden of Laurinburg and his wife, Betty Lee, who gave Black \$3,000 in 2002. Although Breeden owns a convenience store with three video poker machines, according to Scotland County records, he lists his other occupation - farmer - on his campaign contributions and his employer as "crop production." Reports list Lee as a teacher.

Breeden wouldn't comment about the couple's donations. But his sister, Mildred Hudson of Laurinburg, who operates another convenience store with three video poker machines, told The Observer she met Black through her brother.

Hudson gave Black two \$1,000 donations, on April 30, 2002 and again on July 28, 2002. Black visited Breeden's store while "passing through" town, Hudson said.

Black disputed some of Democracy North Carolina's findings. He said the Eastern Band of Cherokees, which donated \$4,000, and their lobbyist, who gave \$2,500, should be excluded because they were on both sides of the video poker debate, opposing one bill that would ban the games and supporting another.

And he said the other lobbyists on the list, who gave \$13,000, represent several interests besides video poker. Convenience store and truck stop owners have other concerns as well, Black said.

"They're trying to tie anything remotely connected to video poker to this," he said.

Why no House action on bill?

As the House co-speaker, Black has substantial influence over what legislation gets considered. For the past year he has shared that position with Republican Richard Morgan of Moore County, who received \$1,500 from video poker interests in the 2002 election cycle, according to Democracy North Carolina.

The main Senate sponsor of the bill to ban video poker is frustrated that it hasn't been taken up in the House.

"I know that there've been a lot of people that have talked to (Black) about it," said Sen. Charlie Albertson, D-Duplin. "It hasn't been brought to a vote, so you have to draw your own conclusions."

But Rep. Paul Luebke, D-Durham, said there seems to be a lack of public support, at least in terms of what legislators hear.

"I'm sure the proponents of video poker are giving money to whoever would take it," he said. "But the advocates of the ban are not doing their homework. ... Part of what moves a bill at the General Assembly is public support. Very few people see this as a major policy problem in this state."

N.C. sheriffs and police chiefs say the problems are growing, however, and video poker operators are using their influence to keep themselves in business.

Sheriffs say poker machines come with a variety of problems that encourage illegal gambling. They can easily be made to pay out cash. Registration tags can be switched. Machines can be hidden. Few departments have the manpower to find them.

"The law was written in a manner that's very difficult to enforce," said Pendergraph, the Mecklenburg sheriff. "There's so

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much untaxed, unregulated money that goes through these machines. It causes corruption."

Rockingham Police Chief Robert Voorhees' department made cracking down on video poker a priority after receiving complaints from family members of people who lost their life savings gambling on the machines.

Rockingham police have made 15 video poker arrests during the past two years and seized more than 70 machines. Many moved into the state illegally from South Carolina after lawmakers banned the games there, Voorhees said.

Last month, Rockingham police seized 34 machines from Harrison Music Co., owned by Otis Harrison of Bennettsville, S.C. Harrison and his son were charged with possessing more than five video poker machines at the same location, a felony in North Carolina. Their court date is set for January.

Harrison is among Black's donors, listed as giving \$1,000 on Nov. 12, 2002.

Also on Black's list: Leon Johnson Sr., a convenience store owner arrested in July 2002 on charges of video poker-related violations. He pleaded guilty to one and two others were dismissed. Johnson gave a total of \$2,500 to Black during the 2002 election cycle.

Voorhees said he's disappointed that lawmakers won't get behind law enforcement on banning video poker.

"The video poker lobby in North Carolina is obviously a very powerful, well-funded lobby," he said.

Black worried about jobs

Black said he's not opposed to tougher regulations of video poker and hasn't blocked past efforts to pass a ban. But he said getting rid of the games entirely could cost the state jobs.

"Not everybody running video poker machines in North Carolina is violating the law," Black said, "and anytime you pass a bill that puts maybe 5,000 people out of a job, that's pretty important."

He said he thought the implications need to be studied, which is why bills banning poker were referred to committee. He supports stricter regulations and more money for the sheriffs to police it.

"I prefer that to just wiping out the whole industry," he said.

Regardless, Black said it's wrong to infer that campaign contributions influenced him.

"The implication is that I didn't bring up the bill because I got all these contributions," he said. "I have clearly stated that I will bring it up in the next session."

Black, a Matthews optometrist, said he has made no effort to raise money from video poker interests and sees it as no different than any other industry that gives substantially to his campaign or other political candidates.

"I always tell everyone who gives to me, 'I don't do anything for money except examine and treat eyes,'" Black said. "I take great offense to anyone who says otherwise."

Albertson, the main sponsor of past attempts to ban the games, said Black has promised him that the House will consider a video poker bill when it reconvenes next spring.

"He has given his word," Albertson said, "... that there'll be a vote on video poker in the House in May."

LISTED ON CAMPAIGN FINANCE REPORTS

Several donors deny giving

2 people named on list say they don't even know who co-speaker is

By SCOTT DODD,
JIM MORRILL
AND RICHARD RUBIN
Staff Writers

Several donors with video poker-related connections told The Observer that they don't remember giving money to N.C. House Co-Speaker Jim Black - although they're listed on his cam-

paign finance reports.

"I don't know what to make of that," said Black, a Mecklenburg County Democrat. "I can't imagine anybody giving to me who doesn't know who I am."

■ Jean Jarvis of Wilkesboro said she doesn't know Black. "Is he Democrat, Republican or what?"

When told she's listed as contributing \$500 to Black's campaign on Nov. 12, 2002, she replied: "Five hundred? And who is this guy? I don't know anything about it. ... I definitely haven't given anything like that."

Jarvis, whose husband Roland has an amusement machine busi-

ness, said she doesn't regularly make contributions. "I don't know anything about it."

■ "You got me mixed up with somebody else," said Thomas Crowley of Rockingham, when asked about a contribution listed in his name on July 28, 2002. The address listed on the report is for his used-car dealership, he said, but he never gave to Black.

"I know for a fact that I did not," he said. "The day I gave \$1,000 to somebody, hoo boy. I don't have that much to give."

■ Pat Moss of Rockingham gave Black \$1,000 on July 28, 2002, according to campaign reports.

"I don't recollect that," he said. "I'd have to check on that."

He hung up when asked about his relationship to Wayne Moss of Rockingham - his father, who gave \$1,000 to Black on the same day as his son, and made an earlier contribution, also of \$1,000.

The Mosses own Tri-County Tobacco, a cigarette distributor, and Cigarette World, a retail store with three video poker machines.

Wayne Moss told The Observer that he and several other Rockingham-area businessmen - including his son, Pat - contributed to Black's campaign because the representative from their area

didn't support him for speaker.

"There was no kind of conspiracy to get him to vote something for us," Moss said.

■ Barbara Gathings of Hamlet, recalls giving \$1,000 to Black on July 28, 2002, because "I didn't want them to take the poker machines out."

But Gathings gathered contributions from friends, she said, and put the donation in her name. "I wrote it up and gave it to Mr. (Leon) Johnson," she said.

She said Johnson, a longtime friend and convenience store owner, suggested she contribute.

It's illegal to give contributions

from others in your name. Black said he would contact Gathings about her donation.

■ Rita Cowart of Gastonia is listed as a donor on Nov. 12, 2002, but said she has no idea about any contribution. She says she has never met Black and didn't know the name, even when told that he is the N.C. House co-speaker.

"I'm not a history person, so no, I don't know him," she said.

Cowart's employer is listed on the form as Amusements Only, but she said she doesn't work there, although a friend does. The company could not be reached.

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VIDEO POKER HELPS POLS

By Craig Jarvis, Staff Writer

The trail of gambling profits that begins with video poker in stores and bars doesn't end with the companies that own the machines.

Some of it also ends up in the hands of politicians -- and that has attracted the attention of federal investigators and a group that analyzes campaign contributions.

The amusement machine industry has contributed heavily to political campaigns in North Carolina since video poker was outlawed in South Carolina in 1999: as much as \$800,000 in the past two election cycles, according to the campaign finance watchdog group Democracy North Carolina.

In some cases, the nature of the contributions makes it difficult to trace the money to video poker interests. The FBI and the U.S. Attorney's Office in Raleigh are also tracking how the money flows from large-scale operators to politicians.

"We can't say where the investigation will take us, but we'll follow whatever credible leads there are," U.S. Attorney Frank Whitney said. "Does that mean it will lead to public corruption? I don't know; it might."

Democracy North Carolina recently analyzed the 2002 election contributions and concluded that state Rep. Jim Black, co-speaker of the House, received more than \$100,000 from interests it identifies as connected to video poker. That's about one-tenth of Black's total contributions for that period.

A bill that would outlaw poker machines has languished in the House for a year and a half, and critics blame Black for preventing the bill from coming to a vote.

"We can't gamble with our democracy," Bob Hall of Democracy North Carolina said in an interview. "It's an example of a special interest moving very large amounts of money into a campaign in an effort to gain favors."

Black said in an interview Thursday that the video poker bill would come to a vote when the legislature convenes in May. He attributed the delay in part to concerns that the version approved by the Senate included a little-noticed provision that would allow the Cherokee reservation, which contains the state's only legal casino, including video poker machines, to expand its gambling operations.

Black says the watchdog group has inaccurately tied some traditional donors to video poker, and he says it's unfair to suggest he has been influenced by the contributions. He notes that top elected officials receive substantial donations from most trade and professional groups, but that does not mean the groups receive special favors.

Black says he has been told there are 5,000 to 10,000 jobs associated with gaming machines. At a time when legislators are trying to bring jobs to the state, he said, it doesn't make sense to eliminate an entire industry.

"All of those people are not violating the law," Black said. "There are members of the House who have mom-and-pop operations in their communities. This is what keeps the lights on in their business. It seems harsh to totally ban the whole thing."

Whitney said it's not the mom-and-pop stores that federal agents are interested in.

"Video poker machines are technically legal in North Carolina," Whitney said, "but that technical legality of allowing possession of a machine for a modest non-cash prize is used as a cover for large-scale gambling."

North Carolina banned new video poker machines in 2001. No more than three machines are allowed in a location, prizes are limited to replays and \$10 gift certificates, and owners must register their machines. At last count, about 10,500 machines were registered with owners reporting \$100 million in receipts each year.

But cash payouts to trusted customers at stores and bars have led to federal indictments and seizures of hundreds of machines in the past two years.

Former state Transportation Secretary Garland Garrett Jr. was indicted and pleaded guilty to running an illegal gambling business and in June was sent to prison.

The federal indictment accused him, his father and his son of making nearly \$2 million in illegal profits from the family's Cape Fear Music Co., a video game supplier in the Wilmington area, where some of the video-poker fund-raising originates.

Some contributors to Black's 2002 campaign were the spouses, employees or friends of people in the video poker business. Several contacted by The News & Observer refused or were reluctant to talk about why they contributed to Black.

"Just because," said real estate agent Holly Abbuhl of her \$1,500 contribution. "The same reason everybody makes contributions."

Her husband, Steve Hebert, owns a pool hall and bowling alley in Wilmington with two video poker machines registered there. Hebert gave Black \$1,500.

Hebert's video poker machines are owned by Southland Amusement, which has registered 87 video poker machines in 66 locations in New Hanover County.

Southland's president, Robert E. Huckabee III, has given more than \$30,000 to state politicians in the past few years. In 2002, he contributed \$4,000 to Black, the maximum amount permitted by law. One of Huckabee's employees, Joseph F. Allen, donated \$1,000.

Huckabee's sister, Pamela H. James of Wilmington, was inconsistent when asked about her \$1,000 contribution to Black.

"That's a different Pam James," she said Monday.

When asked why Black's contribution disclosure form listed her home phone number and her interior decorating business, she asked the reporter to call back.

Then, on Tuesday, James said she did make the contribution but wouldn't discuss it.

Huckabee could not be reached for comment.

It's hard to find anyone from the N.C. Amusement Machine Association, which formed a political action committee in time to give \$54,500 to state and local politicians and parties in the last election cycle, to talk about its political agenda.

Les Bennett of Pilot Mountain, president of the association and a \$500 contributor to Black, declined to comment.

The association hired new lobbyists this year: Ann Duncan and former Secretary of State Rufus Edmisten.

Duncan, a former state legislator, said she didn't know why so much money went to Black, but she said the association's members have a real interest in politics.

"They would like to not be put out of business," Duncan said, "because they are small businessmen and women."

She said the group favors registration fees to pay for the expense to county sheriffs of keeping track of the machines and wants to rid the industry of unscrupulous operators.

"Like in any business, you have the good guys and the bad guys," Duncan said. "The people I've worked with are all real legitimate people. They do a lot of good for their community."