

Casino owners, senators charged in Ala bingo probe - The Associated Press

Written by Administrator
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By PHILLIP RAWLS (AP) – 5 hours ago

MONTGOMERY, Ala. — After the governor began raiding the state's electronic bingo halls, casino owners sent lobbyists to the Capitol with orders to make their Vegas-style parlors legal. Part of the plan, federal authorities said Monday, was to offer lawmakers

millions of dollars in bribes.

The Justice Department unveiled an indictment accusing the owners of two of Alabama's largest casinos, four state senators and several lobbyists of a scheme to buy and sell votes in the Legislature. One defendant has pleaded guilty to offering a senator \$2 million to vote for a bill to keep the bingo machines operating.

Since Republican Gov. Bob Riley began his raids nearly two years ago, the issue has set off angry statehouse rallies and complaints by local officials that casino closures cost poor counties much-needed jobs. Against this backdrop and with the pro-gambling bill on the verge of passage, the Justice Department announced last spring that it was looking into corruption at the statehouse.

On Monday, federal agents spread out across the state to arrest 11 people on federal charges of conspiracy, bribery and honest services fraud.

The head of the Justice Department's criminal division, Lanny Breuer, said the corrupt scheming was "astonishing in scope ... a full-scale campaign to bribe legislators and others."

Electronic bingo games, which have flashing lights and sound effects similar to slot machines, were a rapidly growing business in Alabama until Riley formed his task force to shut them down.

The task force raided bingo halls, seized machines and won court battles that resulted in the closure of all privately operated electronic bingo casinos. Three operated by the Poarch Creek Indians, who aren't under state control, have thrived amid the shutdowns.

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State legislators tried to pass bills in 2009 and 2010 to allow the games to operate, but both bills failed. Behind the scenes, federal prosecutors said, operators of the two largest private casinos and teams of lobbyist were offering millions in campaign contributions, benefit concerts by country music artists, free polling and hidden \$1 million-a-year payments in return for votes.

Ronnie Gilley, developer of the Country Crossing casino in Dothan, and Milton McGregor, owner of VictoryLand casino in Shorter and a financial backer of Country Crossing, were indicted along with three of their lobbyists and state Sens. Harri Anne Smith of Slocomb, James Preuitt of Talladega, Larry Means of Attalla, and Quinton Ross Jr. of Montgomery.

All four senators voted for an unsuccessful bill to legalize the machines.

McGregor's lawyer, Joe Espy, said his client is innocent and looks forward to proving it.

Smith called the indictments "a nakedly political move, coordinated by prosecutors in cahoots with the governor's office" to influence November elections. All except Preuitt are seeking re-election.

The 11 defendants made their first court appearance Monday afternoon, and all were released on bond.

After the hearing, Gilley's attorney, Doug Jones, said the indictments are tied to politics and the November gubernatorial election, in which the biggest issue is Democratic nominee Ron Sparks' plan to legalize and tax electronic bingo.

Federal authorities said Monday that a 12th defendant — an employee of one of the indicted lobbyists — pleaded guilty Sept. 28 to conspiracy. Jennifer Pouncy of Montgomery admitted that at Massey's direction, she offered Preuitt \$2 million for his vote and that Massey authorized her to offer \$100,000 to Means for his vote.

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Electronic bingo developed slowly in Alabama, with about 30 casinos operating around the state two years ago, often out of storefronts or modest cinderblock buildings. But the landscape changed dramatically in 2009.

McGregor expanded his dog track 15 miles east of Montgomery to include 6,000 machines and added a luxury hotel and upscale restaurant.

Last year, Gilley and several country music artists — including George Jones and Darryl Worley — opened Country Crossing in Dothan, with a casino, concert amphitheater, restaurants and inn. It became a regular stop for tourists headed to the Florida Panhandle beaches until it was forced to close in January.

Operators argued that their machines were nothing more than a high-tech version of traditional paper bingo, which is legal in some Alabama counties. Riley maintained the machines were essentially slot machines, which are illegal in Alabama. The last non-Indian casino, VictoryLand, closed its games in August.

The federal investigation into allegations of vote buying began in 2009. It came to light last spring, before the final votes on the bingo bill, which died when sponsors could not line up enough for passage.

Backers of the bill accused Riley of derailing the measure with the announcement of the probe. State and federal authorities, though, countered that the Justice Department was running the investigation.

The governor's spokesman, Jeff Emerson, said that last spring, Riley had labeled the gambling bill "the most corrupt piece of legislation ever considered by the Senate."

"Today's action by the Justice Department shows he was, sadly, right," Emerson said.

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If convicted, the defendants face up to five years in prison for conspiracy, 10 years for bribery, and 20 years for honest services fraud.

Associated Press writers Pete Yost in Washington and Bob Johnson in Montgomery contributed to this report.

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