

Democracy North Carolina

1821 Green St., Durham, NC 27705 • 919-489-1931 or 286-6000 • democracy-nc.org

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Contact Bob Hall, 919-489-1931

Call for Investigation of Sweepstakes Donations, Lobbyists

On Monday, April 22, Democracy North Carolina's executive director Bob Hall filed a formal request with the State Board of Elections to investigate possible illegal behavior related to campaign contributions by donors connected with the sweepstakes café industry. A copy of the request or complaint is here:

<http://www.democracy-nc.org/downloads/SweepstakesComplaint.pdf>

The call for investigation follows two research reports released last month, on March 18 and March 26, by Democracy North Carolina.

One report details irregularities in the contributions from sweepstakes software firm owner Chase Burns, who Democracy NC determined was the largest single donor to legislative candidates in the 2012 election cycle. Burns has been arrested for gambling-related violations in Florida, and funds used for his NC contributions came from a bank account that received millions in illegal gambling proceeds from his business, according to Florida law enforcement investigators. Gov. Pat McCrory's employer during the 2012 campaign, Moore & Van Allen, was retained by Burns' company to lobby in NC and the lobbyists were subsequently involved in delivering donations to legislators.

The Associated Press ran a story on Tuesday that adds more details related to the Burns donations.

The second Democracy NC report details a series of donations from sweepstakes donors to candidate Pat McCrory that are mislabeled, tied to Burns or another operator arrested in Florida, and/or tied to another law and lobbying firm, McGuireWoods, in a suspicious pattern that indicates McGuireWoods lobbyists could possibly have had a role in their bundling.

The two reports are at these links:

<http://www.democracy-nc.org/downloads/ChaseBurnsVideoGamblingPR.pdf>

<http://www.democracy-nc.org/downloads/McCrorySweepstakesGambling.pdf>

The complaint or call for investigation highlights a number of potential violations that Hall said he believes require further investigation:

- Possible payee lines on the donations – similar in fashion to the donations that got Speaker Jim Black in trouble. Chase Burns appears to have signed and dated dozens of checks, but the payee line was filled out later and they were delivered, often by Moore & Van Allen lobbyists, weeks after he dated them.
- Possible illegal role of lobbyists in receiving, transferring or delivering contributions to a gubernatorial candidate and to legislative candidates.
- Possible use of business funds or corporate money in making campaign donations, a violation of NC law.

Other issues are described in the complaint. For questions, contact Bob Hall, 919-489-1931.