



LUCY LANG
Inspector General

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October 12, 2022

Robert T. Williams
Executive Director
New York State Gaming Commission
One Broadway Center
Schenectady, New York 12305

Re: NYS IG 1883-342-2021

Dear Executive Director Williams:

In July 2021, the Offices of the New York State Inspector General received an anonymous complaint alleging that AMVETS Post 48 (Post), located at 660 Hawkins Avenue, Lake Ronkonkoma, New York 11779, was operating illegal gambling devices in a “secure back room.” Pursuant to Pari-Mutuel Wagering and Breeding Law sections 130 and 131 and Executive Law Article 4-A, this Office undertook a review of the matter.

The investigation was initially conducted with the assistance of the New York State Police (NYSP), but it was subsequently determined that the matter would be best addressed administratively. In February 2022, this Office requested that the Division of Charitable Gaming (Division) conduct a bell jar inspection of the Post to ensure compliance with Division rules and regulations.

On March 8, 2022, an inspection was conducted. During the inspection, investigators observed nine slot machines inside a private room, March Madness box sheets behind the bar, and NASCAR and Super Bowl box sheets on a bulletin board. Moreover, Post Founder, Trustee, and Member-in-Charge ██████████ admitted to the investigators that there were “slot machines” inside a private room and shared that the Post was hoping to use the proceeds to pay off its mortgage. He informed investigators that four of the machines were supplied by a Massachusetts-based business named “Sunrise Entertainment,” but claimed that he could not remember the name of the business that supplied the other machines. ██████████ said that every two weeks, an individual named “██████” from Brooklyn picked up the money for the four machines. He stated that those proceeds were split 60-40 in the Post’s favor. At the conclusion of the inspection, ██████████ and Post Trustee ██████████ informed investigators that they would have the machines removed immediately.

On March 14, 2022, an investigator returned to the site and observed that the slot machines were removed from the private room and did not observe any other illegal gambling devices.

It is of import to note that, in March 2016, the former Office of the Gaming Inspector General (OGIG) referred to the Division a similar allegation, in that, over 30 slot machines were being operated by the Post.¹ In September 2016, the Division referred the allegation to the NYSP, and in February 2017, a search warrant was executed at the Post. Among the items seized that day were 13 gambling devices, gambling records, two surveillance systems, and almost \$10,000 in cash. At the time, the NYSP interviewed several members of the Post, including ██████. Although the illegal gambling devices were being operated by the Post, charges were not brought against the organization or any of its members, and the NYSP returned the cash seized.²

Soon thereafter, on March 3, 2017, the Post applied for a bell jar registration number with the Division, and in May 2017, the Division reissued to the Post its original registration number and advised that it contact the Town of Brookhaven to obtain a town license. There are, however, no notes or records in the Division's licensing or investigative databases reflecting OGIG's March 2016 referral to the Division, the Division's September 2016 referral to the NYSP, or the findings of the NYSP's investigation. On May 22, 2017, the Town of Brookhaven issued the Post a bell jar license.

Of importance, General Municipal Law section 191(1) states that "[t]he clerk or [Commission] shall make an investigation of the qualifications of each applicant and the merits of each application, with due expedition after the filing of the application." Additionally, the Division's GC-4 Findings and Determination for Games of Chance License form specifically asks if "[a]ll the members-in-charge designated in the application to conduct games of chance are of good moral character and have never been convicted of a crime." However, from 2017 through 2022, the Town Clerk and Registrar for the Town of Brookhaven has never responded to that question with regard to the Post, nor has the Division rejected the incomplete form or conducted its own investigation of the Post's application despite its awareness of the prior NYSP investigation.

Relatedly, as part of the Division's GC-2 Application for Games of Chance, a Members' Affidavit of Good Moral Character must be submitted, wherein each member-in-charge declares under penalty of perjury that they are "of *good moral character* and [have] never been convicted of a crime" (emphasis added). See General Municipal Law § 191(1)(a)(ii). ██████ has been listed as a member-in-charge on the Post's bell jar license application since 2017 and is not only a founder, but also a trustee and long-standing active member of the Post. As the Post and its leadership has continued to engage in illegal conduct, ██████ current declaration of good moral character should be subjected to closer scrutiny.

¹ A review of Commission records revealed that the Post was issued a registration number by the Division in 2001, but at the time of the 2016 matter, the organization was not licensed by the Town of Brookhaven, the municipality in which it is located.

² One of the suppliers was charged and convicted for providing illegal gambling devices in Massachusetts, but no one was charged for providing illegal gambling devices to the Post.

In sum, given that the Post has conducted illegal gambling on its premises twice within the last five years, the Commission should review the organization's and [REDACTED] suitability to conduct charitable gaming. Further, the Commission should ensure that Division staff properly document complaints, investigations, and referrals related to charitable organizations, as well as require that municipal clerks fully and properly complete licensing forms.

Kindly notify this Office of what action, if any, is taken regarding this referral within 60 days of the date of this letter. If you should have any questions or concerns, please contact Deputy Inspector General for Gaming Lisa Lee at 212.635.3150.

Sincerely,

A large black rectangular redaction box covering the signature area.

Lucy Lang
Inspector General

cc: Stacy Harvey, Esq.
Director
Division of Charitable Gaming