

## Tripper's

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work to benefit the state's licensed casinos, indicating Gov. Rick Snyder had chosen one form of gaming over the other.

Cruce and Heather Schuchaski, owner of Aces Gaming, said the written agreements the gaming board found in violation of the Bingo Act had been on file for years — first at the Lottery and then at the board after Snyder transferred responsibility from one agency to the other in 2012.

"We said, 'Please review these agreements and let us know if you require any changes,'" Schuchaski said.

She said Aces' license was renewed without questions for two years but problems emerged when the gaming board took over.

"We never illegally diverted funds," she said. "All of that is a lie. That's not how it happened. ... They spin the story to make us all look like criminals because their ultimate goal is to shut this down."

Aces bills itself as the state's largest charitable gaming supplier and as the operator of "professional, well structured, Vegas-style poker fundraisers."

Tripper's Bar owner Steve Tripp said he loses money hosting the poker room in his sports bar.

"I do it for the charities," he said. "My num-

bers have always been transparent with the state."

Under Michigan law, charities can rent a location and hire a supplier to assist in poker fundraisers.

Problems occur when the supplier and the host location collude without oversight, said Richard Kalm, executive director of the gaming board.

He said the explosion in poker's popularity turned poker rooms into de facto casinos without the restrictions under which state-licensed casinos operate.

"You can't have a casino with no surveillance, no audit procedures, and no security and call it 'charity gaming' without having problems," he said. "To date we've

closed 23 of these places because of multiple fraud, criminal violations and falsifying state records."

He said legal violations occur when charities defer to the owners of host locations and to the suppliers of gambling paraphernalia to operate the games and account for the proceeds.

Kalm said all of the money from charity poker is supposed to go to the state-licensed charities.

From those proceeds, the charities are allowed to pay "necessary and reasonable expenses" up to 50 percent of revenues.

Hosts locations and operator-suppliers have translated the expense limit to, "we get half of everything" he said, "and that's not right."