

## AG investigating casino selections

Written by Administrator

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Joseph Spector, Albany Bureau Chief 7:37 p.m. EST February 23, 2015



tioga downs

ALBANY – Attorney General Eric Schneiderman appears to be investigating a state siting board's Dec. 17 decision to select three upstate casinos for gaming licenses.

Jeff Gural, the owner of Tioga Downs in the Southern Tier, confirmed to Gannett's Albany Bureau on Monday that he met with Schneiderman's investigators Friday in Manhattan.

"I was, yes," Gural said. "My sense was that they wanted to make sure that nothing illegal happened in the process. And I think I made my point. I think that there was a conflict of interest that resulted in the selection of Lago in my opinion. But do I think anything illegal took place? I don't think so."

Schneiderman's office declined comment.

[The Press & Sun-Bulletin on Jan. 25 reported](#) that a consultant hired by the state Gaming Facilities Location Board also had ties to the three winning bidders.

Taft, Stettinius & Hollister LLP, which merged with law firm Shesky & Froelich last year, was the board's lead gambling consultant under a one-year, \$4.9-million contract. But of the 16 casino bids, five of them, including the three winning bidders, identified dealings with the firm as

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a potential conflict of interest in their applications, the paper reported.

Gural, whose bid for a casino at Tioga Downs was passed over for one in Tyre, Seneca County, called Lago Resort & Casino, said he has made the point that he contends there was a conflict with the consulting firm being used by the state. He said he believed Traditions, the other Southern Tier casino bidder who has since partnered with Gural, was also interviewed by Schneiderman's office. Traditions declined comment.

Crain's, [which first reported on Schneiderman's review](#) Monday citing unnamed sources, said the attorney general is also believed to be reviewing the issue of casino market saturation in the Northeast and has plans to interview the other casino bidders in New York.

A spokesman for the state Gaming Commission said they have not been contacted by the Attorney General's Office, and he defended the process.

"The casino siting process strictly followed the provisions of the Upstate New York Gaming Economic Development Act, which called for unprecedented transparency," Lee Park, the commission's spokesman said.

"All material regarding the process, including legally required disclosures of potential conflicts of interest are available on our Web site for anyone to examine. We have had no inquiries with any oversight authority on the casino siting process."

The siting board is scheduled to meet Friday to release its findings on its decision to pick three developers for casinos: in Tyre; Thompson, Sullivan County; and Schenectady.

The state Gaming Commission has yet to issue the final licenses to the bidders, who have promised economic development in hard-hit areas of the state if they can build the resorts.

After the picks were made, Southern Tier officials railed against the decision, and [Gov. Andrew](#)

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### [Cuomo on Dec. 26 pressed the board](#)

to reopen the bidding for the fourth and final casino license to be located in the Southern Tier. Tyre is about 90 miles from Binghamton and located in the Finger Lakes.

[The board agreed Jan. 13](#) to start a new request for application process for a casino in the Southern Tier, which initially had just two bidders — the lowest of any region in contention for a gaming license. The board on Friday is expected to release details about the new bidding.

Gural has been the only developer who has expressed interest in the rebid, saying he would invest in the Tioga Downs casino if he's awarded a gaming license. He ripped the board's original decision when it was made in Albany, saying he put up \$800,000, at the behest of Cuomo's office into a pro-casino ad campaign in 2013 to get a gaming referendum approved by voters.

The casino picks also angered the bidders in Orange County after they were rejected for a casino in the Catskills. Each bidder had to pay a \$1 million application fee, and only some of it may be reimbursed.

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JSPECTOR@Gannett.com

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