

Georgia Gambling Company Says Former Workers Ran Criminal Scheme

Bloomberg Law

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January 5, 2022 The Georgia slot machine operator previously known as Lucky Bucks is suing several former employees for engaging in an alleged conspiracy to defraud the company before it collapsed into bankruptcy.

The company, now Arc Gaming and Technologies, is accusing former employees led by founder Anil Damani of illegally draining Lucky Bucks of money before it went bankrupt last year. The company's new owners are demanding the group return \$200 million allegedly siphoned from the business.

The lawsuit relies on the same state law that prosecutors in Georgia are using in criminal cases against former President Donald Trump and rapper Young Thug, whose legal name is Jeffery Williams.

The Racketeering Influenced and Corrupt Organizations statute was originally designed to break up organized crime groups, but over the years has evolved to be used in business fraud claims because it gives winners up to triple damages and judges authority to strip businesses of various operating licenses. Critics say companies have overused the law for that reason, according to the Poole Huffman law firm.

An attorney for Damani called the allegations baseless and said his client looks forward to defeating the claims in court. "Mr. Damani is a successful businessman and a pillar of his community," the lawyer, Scott R. Grubman, said in an emailed statement.

Lucky Bucks based its lawsuit on RICO in part to block the company's former owner and employees from continuing to use any licenses related to the business, company lawyer **Joshua Mayes** said in an interview.

Lucky Bucks will "ask court to shut these guys down and prevent them from doing this in the future," Mayes said.

The company's new chief executive officer, Bill Nader, said it's important for the company to push ahead with the suit after it emerged from Chapter 11 bankruptcy last year under new owners.

"We need to try to clean up our own house," Nader said.

Allegations in the suit range from complex fraud to simple theft. In one example, the company accuses the former employees of redirecting contracts away from Lucky Bucks, then selling them back at marked-up rates. Elsewhere, however, they simply chiseled serial numbers off machines and sold them, according to the suit.

The alleged fraud was uncovered during an analysis of Lucky Bucks operations and subsequent probe commissioned by its new owners, according to a company statement. The company characterizes the defendants as nine “former high-ranking employees and one independent contractor.”

Before filing for bankruptcy in June, Lucky Bucks was backed by private equity firm Trive Capital. The firm didn’t respond to a request for comment Friday.