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PRESS RELEASE

**Three Arrested for Operating
Illegal Gambling Machines**

The Chester County District Attorney's Office announced the arrest of three individuals in Southern Chester County for the operation of illegal gambling machines. During the execution of search warrants, Chester County Detectives seized five illegal gambling machines, gambling ledgers, and over \$37,000 in illegal cash proceeds from two business locations.

The allegations from the criminal complaints¹ are as follows:

The Chester County Detectives received information that there were illegal gambling machines being operated out of two businesses in Southern Chester County. These businesses were: (1) Taqueria Guadalajara Express, Kennett Square, Pennsylvania; and (2) El Nayarit Mexican Store 2, Oxford, Pennsylvania.

The Detectives assigned to the Chester County Drugs and Organized Crime Unit (the "DOC Unit") includes a Detective trained and working under a grant from the Pennsylvania Gaming Control Board. The DOC Unit had a cooperating individual enter the stores and play the illegal gaming machines to confirm that the stores were collecting cash or making illegal payouts. The cooperator was able to enter each store and confirm the gambling operations. At one store, the cooperator informed the Detectives that machine would never pay out (*i.e.*, that it was rigged to prevent winning).

On March 18, 2016, the DOC Unit executed search warrants at both stores. In both locations, Detectives found the gambling machines and further evidence of illegal gambling operations.

¹ A criminal defendant is presumed innocent until proven guilty in court.

Specifically, in Taqueria Guadalajara Express, Detectives seized four gambling machines named "Instant Access" and over \$37,000 in gambling proceeds. At El Nayarit Mexican Store 2, Detectives seized one "Crazy Bugs" gambling machine.

These types of gambling machines are illegal in Pennsylvania due to how easily they can be manipulated. Commonly, possessors of these gambling machines -- typically, video poker or video slot machines -- "knock off" or erase all of the accumulated credits from the machine. Under the "knock off" method, the player receives money for the remaining credits on the machine and then the machine is reset to zero credits for the next player to begin. This allows the owner of the machine to operate without regulation, which can lead to further "rigging" or having a gambling machine that does not ever pay out winnings. The operators of the machines have people pay to play, then keep off-the-record gambling ledgers to record the "take" on profits, as well as any money paid out. The "take" traditionally is split between the business owner and whoever supplied the machines.

The defendants charged were: Jaime Sandoval, 48, El Nayarit Mexican Store 2; Hugo Sandoval, 22, El Nayarit Mexican Store 2; and Elizabeth Sandoval, 30, Taqueria Guadalajara Express. Jaime Sandoval is the father of Hugo Sandoval and the uncle of Elizabeth Sandoval,

The defendants are charged with violations of 18 Pa.C.S. § 5513, related to illegal gambling machines; and 18 Pa.C.S. § 5511, Dealing in Proceeds of Unlawful Activities.

Chester County DOC Unit Sgt. Robert Dougherty stated, "Given the location and customers of these stores, these machines were used to target and take money from economically disadvantaged people. Nobody appreciates unscrupulous business owners running an illegal gambling operation to fleece a vulnerable population."

Pennsylvania Gaming Control Board Executive Director Kevin O'Toole added, "The intended use of the local law enforcement grant is to identify and thwart illegal gambling, and we are pleased with the efforts in Chester County to meet this goal."

The Chester County Detectives' investigation was assisted by the Kennett Square, New Garden, and Oxford Police Departments; the Department of Homeland Security; and the Pennsylvania Gaming Control Board. The cases will be prosecuted by Assistant District Attorney Kevin Pierce. This investigation was financed in part by a grant from the Pennsylvania Gaming Control Board. Anybody with information should contact Chester County Detective Christine Bleiler at 610-344-4263.

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Approved for release:

Thomas P. Hogan