

The Commonwealth of Massachusetts
Department of the State Treasurer
Alcoholic Beverages Control Commission
Boston, Massachusetts 02114

Deborah B. Goldberg
Treasurer and Receiver General

Kim J. Gainsboro, Esq.
Chairman

NOTICE OF SUSPENSION

May 4, 2016

BEVERLY FRANCO-AMERICAN CLUB, INC.
44 PARK ST
BEVERLY, MA 01915
LICENSE#: 010000022
VIOLATION DATE: 07/15/2015
HEARD: 04/19/2016

After a hearing on April 19, 2016, the Commission finds Beverly Franco-American Club, Inc. violated:

- 1) M.G.L. C. 23K § 37 (a): operating, or permitting to be operated a game or gaming device;
- 2) 204 CMR 2.05 (2): Permitting an Illegality on the licensed premises, to wit: M.G.L. C. 140 § 177A (6) No person keeping or offering for operation or allowing to be kept or offered for operation, any automatic amusement device licensed under this section shall permit the same to be used for the purpose of gambling.
- 3) 204 CMR 2.05 (2) Permitting an Illegality on the licensed premises, to wit: M.G.L. C. 271 § 17 Keeping a building or room, or any part thereof, with apparatus, books or any device, for registering bets, upon the result of machine: knowingly permitting the same to be used or occupied for such purpose; knowingly permitting to be therein kept, exhibited, used or employed, any device or apparatus for registering such bets.

Therefore, the Commission suspends the license for five (5) days of which two (2) days will be served and three (3) days will be held in abeyance for a period of two (2) years provided no further violations of Chapter 138 or Commission Regulations occur. In addition, the Licensee must not possess in or on the licensed premises any automatic amusement devices or video poker machines.

The suspension shall commence on Wednesday, June 29, 2016 and terminate on Thursday, June 30, 2016. The license will be delivered to the Local Licensing Board or its designee on Wednesday, June 29, 2016 at 9:00 A.M. It will be returned to the Licensee Friday, July 1, 2016.

You are advised that pursuant to the provisions of M.G.L. c. 138 §23, you may petition the Commission to accept an offer in compromise in lieu of suspension within twenty (20) calendar days following such notice of such suspension. If accepted, you may pay a fine using the enclosed form, which must be signed by the Licensee and a Massachusetts Licensed Accountant.

You are advised that you have the right to appeal this decision under M.G.L. c. 30A to Superior Court within thirty (30) days upon receipt of this notice.

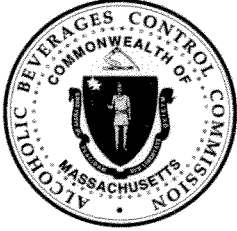
ALCOHOLIC BEVERAGES CONTROL COMMISSION



Kim S. Gainsboro
Chairman

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Το έγγραφο αυτό είναι σημαντικό και θα πρέπει να μεταφραστούν αμέσως.
这份文件是重要的，应立即进行翻译。

cc: Local Licensing Board
Frederick G. Mahony, Chief Investigator
Nicholas Velez, Investigator
Michael Teehan, Investigator
Scott Dullea, Esq. via facsimile 978-922-4055
Administration, File



The Commonwealth of Massachusetts
Department of the State Treasurer
Alcoholic Beverages Control Commission
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DECISION

BEVERLY FRANCO-AMERICAN CLUB, INC.
44 PARK ST
BEVERLY, MA 01915
LICENSE#: 010000022
VIOLATION DATE: 07/15/2015
HEARD: 04/19/2016

Beverly Franco-American Club, Inc. (the "Licensee") holds an alcohol license issued pursuant to M.G.L. c. 138, §12. The Alcoholic Beverages Control Commission (the "Commission") held a hearing on Tuesday, April 19, 2016, regarding alleged violations of:

- 1) M.G.L. C. 23K § 37 (a): operating, or permitting to be operated a game or gaming device;
- 2) 204 CMR 2.05 (2): Permitting an Illegality on the licensed premises, to wit: M.G.L. C. 140 § 177A (6) No person keeping or offering for operation or allowing to be kept or offered for operation, any automatic amusement device licensed under this section shall permit the same to be used for the purpose of gambling.
- 3) 204 CMR 2.05 (2) Permitting an Illegality on the licensed premises, to wit: M.G.L. C. 271 § 17 Keeping a building or room, or any part thereof, with apparatus, books or any device, for registering bets, upon the result of machine: knowingly permitting the same to be used or occupied for such purpose; knowingly permitting to be therein kept, exhibited, used or employed, any device or apparatus for registering such bets.

Prior to the commencement of the hearing, the Licensee stipulated to the violations alleged in Investigator Velez's Report.

The following documents are in evidence:

1. Investigator Velez's Investigative Report dated November 30, 2015;
2. Pictures of eight electronic gambling devices;
3. Picture of Device #1;
4. Picture of Device #1 printed ticket;
5. Picture of Device #1 electronic board;
6. Picture of Device #1 internal meters;

7. Picture of Device #1 U.S. Currency;
8. Picture of Device #2;
9. Picture of Device #2 printed ticket;
10. Picture of Device #2 electronic board;
11. Picture of Device #2 internal meters;
12. Picture of Device #2 U.S. Currency;
13. Picture of Device #3;
14. Picture of Device #3 printed ticket;
15. Picture of Device #3 electronic board;
16. Picture of Device #3 internal screen data;
17. Picture of Device #4;
18. Picture of Device #4 printed ticket;
19. Picture of Device #4 electronic board;
20. Picture of Device #4's U.S. Currency;
21. Picture of Device #5;
22. Picture of Device #5 printed ticket;
23. Picture of Device #5 electronic board;
24. Picture of Device #5 internal screen data;
25. Picture of Device #5 U. S. Currency;
26. Picture of Device #6 printed ticket;
27. Picture of Device #6 electronic board;
28. Picture of Device #6 internal meters;
29. Picture of Device #6 U.S. Currency;
30. Picture of Device #7;
31. Picture of Device #7 printed ticket;
32. Picture of Device #7 electronic board;
33. Picture of Device #7's U.S. Currency;
34. Picture of Device #8;
35. Gronk Standup Pool;
36. Pats Football Pool;
37. Pats Football Pool (Denver);
38. Super Bowl Pool;
39. Dynasty Pool;
40. Super Bowl Squares Pool;
41. Frog Pool;
42. Survival Pool;
43. Bin of Pull-Tabs;
44. Cash box containing U. S. Currency;
45. Manila envelopes containing U. S. Currency;
46. Licensee's Stipulation of Facts.

- A. Licensee's Memorandum;
- B. List of Club's 2016 Officers and Directors;
- C. Flyer for Club's Charity Fundraiser;
- D. Photocopies Showing Licensee's Support of Teams/Children in Local Community;

- E. Payment Confirmation for Secretary of the Commonwealth's Annual Reports, 2012-2015.

The Commission took Administrative Notice of the Licensee's Commission files.

There is one (1) audio recording of this hearing.

FACTS

1. From Wednesday, July 15, 2015 through Monday, November 30, 2015, members of the Massachusetts State Police Gang Unit Metro conducted an undercover operation at the Beverly Franco-American Club, Inc.
2. During this investigation, the Undercover Trooper ("UC") reported on July 15, 2015, he was paid out for winnings on the electronic video gambling machines located on the licensed premises. The bartender on duty made the payouts to the UC.
3. The bartender informed the UC that he should not show the winning tickets in the bar area and, in future, the UC should meet the bartender at the corner of the bar, towards the back room, where the bartender would make the payouts. The UC observed the bartender go to the cash register and take out \$25.00, which he handed to the UC.
4. The UC reported later on that day, he received another payout for winnings on the electronic gambling device. The UC took the printed ticket to the bartender at the pre-arranged meeting spot. The UC observed the bartender go to the cash register and remove \$35.00, which he then discretely handed to the UC.
5. On Monday, November 30, 2015, Investigators Teehan, and Velez (the "Investigators") arrived at the Beverly Franco-American Club, Inc. to determine the manner in which their business was being conducted.
6. Investigators entered the licensed premises, identified themselves to the bartender on duty, Mark Larocque, and informed him of the inspection.
7. Investigators observed a room in the rear of the building which contained eight automatic amusement devices. The devices were labeled as: Crazy Bugs (#1); Astro (#2); Triple Fever (#3); Astro (#4); Fruit Bonus 96 (#5); Platinum Touch II (#6); Spy Games (#7); and Captain Jack (#8).
8. Investigators observed the following characteristics which, based on their training and experience, indicated these electronic devices were being used as gambling devices:
 - Device accepted dollar bills ranging from \$1, \$5, \$10, \$20, with an electronic currency receptor;
 - Device had markings that indicated "for amusement only";
 - Device had the capability to select the number of points (the amount to bet);
 - Device "registered" the bet by displaying the number of credits selected;
 - Device had the capability to double up the bet by selecting a double-up button;

- Device had meters to record credits purchased and credits paid out;
 - Device had Differential Interface Program ("DIP") switches to set retention ratios ("Odds")
9. Investigator Teehan inserted one U.S. dollar into machine #1, Crazy Bugs, and received twenty credits. He selected eight credits and the machine registered the bet, displaying eight credits to play and 12 credits remaining. Investigator Teehan then pressed the play button, and the device indicated a loss. Investigator Teehan repeated this process to bet and when the play button was pressed the device indicated "Win 2" on the bottom right of the screen.
 10. Investigator Teehan pressed the print ticket / knock-off button, and heard the internal meters clicking as the device reset to the credits reset to zero. The printed ticket indicated one point with the date and time.
 11. Investigator Velez inspected inside the front cabinet of device #1 and observed an electronic board with three black and white Differential Interface Program ("DIP") switches. Device #1 was equipped with two meters, one for credits purchased displayed 649150 and the other for credits paid out displayed 604527. Device #1 contained \$495.00 in U.S. Currency.
 12. Investigator Teehan proceeded to test device #2 Astros in the same manner as the first device, with the same result.
 13. Investigator Velez inspected the cabinet of device #2 and found the same type of meters and DIP. The credits purchased meter displayed 24552 and credit out meter displayed 084425. Device #2 contained \$432.00 in U.S. Currency.
 14. Investigator Teehan proceeded to test device #3 Triple Fever in the same manner as the first device, with the same result.
 15. Investigator Velez inspected the cabinet of device #3 and found it contained \$492.00 in U.S. Currency.
 16. Investigator Teehan proceeded to test device #4 Astro in the same manner as the first device, with the same result.
 17. Investigator Velez inspected inside the front cabinet of device #4 and it contained \$492.00 in U.S. Currency.
 18. Investigator Teehan proceeded to test device #5 Fruit Bonus 96 in the same manner as the first device, with the same result.
 19. Investigator Velez inspected inside the front cabinet of device #5 and it contained \$216.00 in U.S. Currency.
 20. Investigator Teehan proceeded to test device #6 Platinum Touch II in the same manner as the first device, with the same result.
 21. Investigator Velez inspected inside the front cabinet of device #6 and found the same type of meters and DIP. The credits purchased meter displayed 234223 and credit out meter displayed 196493. Device #3 contained \$664.00 in U.S. Currency.

22. Investigator Teehan proceeded to test device #7 Spy Games in the same manner as the first device, with the same result.
23. Investigator Velez inspected inside the front cabinet of device #7 found it contained two blue DIP switches. Device #7 contained \$95.00 in U.S. Currency.
24. Investigator Teehan proceeded to test device #8 Captain Jack in the same manner as the first device, with the same result.
25. Investigator Velez inspected inside the front cabinet of device #8 found it contained \$309.00 in U.S. Currency.
26. In the room with the electronic gambling devices, Investigators observed a locked wooden box with a sign posted above it, "Tickets/Slips Are Redeemed for Monthly Raffle Tickets!"
27. Investigators inspected behind the bar area and observed several 8.5 inches by 11 inches white papers marked in squares with various hand written markings (\$2.00 per square or \$1.00 per square). Based on their training and experience, these documents were being utilized for illegal gambling on sporting events. (Exhibits 35 to 42)
28. Investigators also observed beneath the bar area a bin which contained numerous Pull-Tabs, valued at \$1.00 each. These Pull-Tabs were not issued by the Massachusetts State Lottery.
29. A Pull-Tab is a gambling ticket. The object of the game is to open the perforated windows on the back of the ticket and match the symbols inside to the winning combinations on the front of the ticket. A winning Pull-Tab ticket is turned in for a monetary prize.
30. Investigators observed a green metal box next to the bin of Pull-Tabs. The box contained \$526.00 in U.S. Currency.
31. Investigators interviewed the bartender, Mark Larocque. Mr. Larocque stated that members place the ticket from the electronic gambling devices in a manila envelope, write their club member number on the outside of the envelope, and drop it into the locked wooden box which is located in the room with the devices.
32. Mr. Larocque stated that Bill Gates, Treasurer of the club, had access to the locked wooden box, and Gates paid members based upon the number of points on the printed ticket, by placing the money won into the envelope. The envelopes with the members' winnings are stored behind the bar, and the bartender on duty pays out to the members.
33. Mr. Larocque informed Investigators that the green metal box beneath the bar next to the Pull-Tabs was used to pay out the Pull-Tabs winning tickets.
34. Mr. Larocque indicated the manila envelopes behind the bar next to the cash register and stated these envelopes are poker machines payouts for winnings on the electronic gambling devices. Investigators inspected the 12 manila envelopes and found they contained a total of \$576.00 in U. S. Currency.
35. Investigators informed Mr. Larocque of the violation and that a report would be submitted to the Commission for review.

CONCLUSION

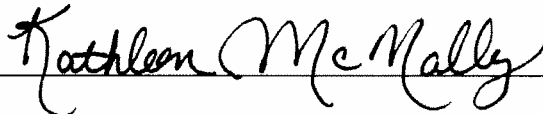
Based on the evidence, the Commission finds the Licensee violated:

- 1) M.G.L. C. 23K § 37 (a): operating, or permitting to be operated a game or gaming device;
- 2) 204 CMR 2.05 (2): Permitting an Illegality on the licensed premises, to wit: M.G.L. C. 140 § 177A (6) No person keeping or offering for operation or allowing to be kept or offered for operation, any automatic amusement device licensed under this section shall permit the same to be used for the purpose of gambling.
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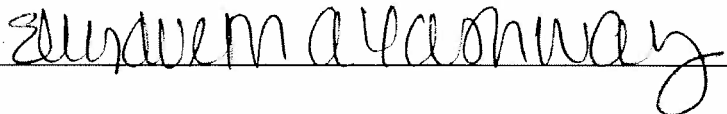
Therefore, the Commission **suspends the license for five (5) days of which two (2) days will be served and three (3) days will be held in abeyance for a period of two (2) years provided no further violations of Chapter 138 or Commission Regulations occur. In addition, the Licensee must not possess in or on the licensed premises any automatic amusement devices or video poker machines.**

ALCOHOLIC BEVERAGES CONTROL COMMISSION

Kathleen McNally, Commissioner



Elizabeth A. Lashway, Commissioner



Dated: May 4, 2016

You have the right to appeal this decision to the Superior Courts under the provisions of Chapter 30A of the Massachusetts General Laws within thirty (30) days of receipt of this decision.

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