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## U.S. Open Chess Championship is Illegal In AZ, Poker Advocate Contends

RAY STERN | JUNE 15, 2015 | 1:32PM

For years, Arizona authorities have been telling poker enthusiast John Schnaubelt that he can't host poker tournaments that include cash prizes for the winners.

The same authorities have no intention of hindering the upcoming [U.S. Open Chess Championship](#) – an event that's older than the state – even though it also appears to violate Arizona's gaming laws.

The 116th annual chess championship put on by the [United States Chess Federation](#) (USCF) will take place at the [Arizona Biltmore resort](#) from August 1-9, with the main event alone expected to offer \$50,000 in cash prizes. Entry fees for participants range from \$145 to \$190.

In a press statement dripping with satire, Schnaubelt says that the [Arizona Department of Gaming](#) won't properly investigate his formal complaint about the chess match:

"Since the 1970s, when the USCF first infiltrated Arizona, this criminal cabal has been openly promoting cash prize pools created by entry fees in a game of intellectual skill. This is no different than a poker tournament, except the game is chess. Both are predominantly skill games. Both deserve equal protection of the law.

Chess for money is a far more nefarious gambling conspiracy than the combined danger the dozens of relatively harmless card rooms that ADG has seen raided, indicted or otherwise intimidated into closure in recent years."

One of Schnaubelt's previous business ventures, the defunct [Tilted Jack](#) poker club on 19th Avenue probably falls into the "intimidated" category. The Phoenix resident would like to see the state ease up on enforcement against off-reservation, for-profit poker playing, in part so he could move forward with his business idea.

But it's not just about the money with Schnaubelt. He and activist Harold Lee, a former Arizona justice-of-the-peace, are obsessed with the game of poker. They say poker isn't gambling, it's a betting game in which a more skillful player will nearly always win in spite of a lucky or unlucky draw of the cards. The poker offered on Indian reservations isn't the same,

they maintain, due to dealer takes of the jackpots and per-hand fees to stay in the games. They're also obsessed with the restrictions of gaming compacts that give Native American communities a monopoly on running poker rooms.



John Schnaubelt, poker enthusiast, wants to know why chess matches for money are being allowed in Arizona, but not off-reservation poker tournaments.

New Times

As the *Phoenix New Times* detailed in a 2012 feature article, Lee and Schnaubelt have been a years-long crusade to change minds about poker and Arizona law. You'd think they'd fold, having had so many defeats. Lee was convicted of three felonies for his role in operating poker rooms, (though his punishment was a mere one year of probation.) Schnaubelt has petitioned cities across Arizona and **battled existing poker rooms** in a long-term strategy that has so far been unsuccessful.

The state bolstered its crackdown on poker rooms about a year after our feature was published. Last year, **we wrote of how poker-room operator Glendale Mike Talerico** was one of several men charged after a raid. He later pleaded guilty and was sentenced to probation, court records show.

The tactic to point out the potentially unlawful activities planned for the August chess championship probably won't charm anyone, either.

Still, Schnaubelt has a point.

If the US Open tournament is not illegal, "then tournament poker players must have the same right to gamble in their chosen game of skill," he argues.

**Information published by the gaming department** states that, gambling "means one act of risking or giving something of value for the opportunity to obtain a benefit from a game or contest of chance or skill..."

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The state concept of "amusement gambling" could provide a legal exception as long as "winnings are limited to replays of the game, merchandise prizes or, in the case of athletic events, distribution of winnings to the players only." To use that exception, the chess championship would still have to register with the state Attorney General's office as an "intellectual contest gambling" event. The AG's office confirms the chess tournament isn't registered.

Schnaubelt says the ADG "determined" that the chess event isn't illegal under Arizona law.

But Amanda Jacinto, spokesperson for the ADG, tells *New Times* the department didn't actually determine whether or not the chess event wasn't illegal.

The department did respond to Schnaubelt's formal complaint, she says, but told him only that concern over the chess event "doesn't rise to a level where it needs an investigation."

The gaming department has to use its resources "wisely," she tells us. Investigating whether the US Open Chess Championship is illegal, she goes on, was deemed an unnecessary use of resources and therefore wasn't done.

Of course, our cynical brain imagined a couple of other reasons for the lack of investigation into Schnaubelt's chess complaint: If the ADG found the chess event possibly violated Arizona law and the state AG's Office backed that up with a formal opinion, that would be international news of the extremely negative variety for Arizona.

Alternatively, if the state found such events were perfectly legal under state law, that could open the door for the small poker rooms, which would possibly run afoul of Indian-gaming compacts. A chess-match investigation would be a lose-lose proposition for ADG, in other words.

In 2012, former ADG Director Mark Brnovich – now state Attorney General – told *New Times* that poker rooms "can attract cheaters, crooks, and corrupting influences like moths to a flame."

According to Schnaubelt, that's no more true for poker than it is for chess.

He vows to keep fighting for the rights of Arizona poker enthusiasts – and hopeful poker entrepreneurs like himself.

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