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Attorney General Steve Marshall Announces \$76 Million Victory for Alabama Taxpayers Against Illegal Gambling Enterprise

(MONTGOMERY)—Attorney General Steve Marshall announced today a major court victory allowing the State of Alabama to collect over \$76 million in unpaid taxes and interest from Greenetrack, Inc., a for-profit casino and racetrack in Greene County, Alabama.

In the case of *Alabama Department of Revenue v. Greenetrack, Inc.*, the Alabama Supreme Court unanimously held that Greenetrack owed taxes on money made from its illegal casino-style enterprise.

From 2004 to 2008, Greenetrack reaped vast profits from its illegal gambling enterprise under a scheme that employed a revolving slate of nonprofit organizations to evade Alabama’s laws and taxes. Greenetrack entered into agreements with nonprofit organizations to allow them, on paper, to “lease” and “operate” Greenetrack’s enterprise. In return for serving as a shield from paying taxes, the nonprofits received a tiny fraction of Greenetrack’s illegal gambling proceeds as a kick back—and Greenetrack kept the rest, tax free. For example, in 2007, nonprofit organizations received a meager 2.5 percent of the nearly \$69 million that Greenetrack netted from its illegal gambling enterprise.

“Every day, all across our great state, the people of Alabama get up, work hard to make an honorable living, obey the law, and pay their taxes,” said Attorney General Steve Marshall. “And then there are the likes of Greenetrack, which scheme to make a dishonorable profit, break the law, and evade their taxes. Such a sordid state of affairs is more than merely unjust—it is hateful to the rule of law. And, under my watch, it will *not* be tolerated.”

The Alabama Supreme Court agreed with the Attorney General’s Office, concluding that Greenetrack’s scheme “did not immunize it from taxes” and “did not comply with [Alabama law],” rendering a judgment for the State of Alabama that will allow over \$76 million in unpaid taxes and interest to be collected.

The Alabama Supreme Court’s slip opinion in *Alabama Department of Revenue v. Greenetrack, Inc.*, no. 1200841, can be viewed at [this link](#).

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