

The Toll

Harvard's gambling addiction publication *"The Wager"* recently published "inconclusive" evidence that gambling triggers an increase in suicide rates, citing several studies with conflicting results or inadequate data. Their quandary points again to the need for better research before gambling is allowed to expand anywhere. Those affected by gambling related crime, suicide and addiction have evidence enough.

(AP Nov. 21, 2000) A gambling debt led a Farmington Hill, Mich., man to kill his pregnant wife and three young children and then commit suicide. According to police, a suicide note left by Jihad Hassan Moukalled, 42, on his kitchen counter expressed remorse about gambling debts. Farmington Hills Police Chief William Dwyer said Moukalled's gambling problems started four years ago. "Over the past two years, he's been making weekly trips to Las Vegas and Atlantic City, gambling large sums of money,"

RAPID CITY, S.D. (AP) - A former Newell Middle School teacher and coach accused of making counterfeit \$100 bills received a suspended imposition of sentence on Thursday but also lost his teaching certificate.

According to authorities, Cooper made small purchases with the bogus \$100 bills to get legal currency in change, some of which was used for gambling.

(*The Kansas City Star* Jan 13) "A priest has been charged with stealing more than \$44,000 from the Olathe church he served.

The Rev. Anthony Williams, 50, was charged in a warrant Friday with felony theft. He surrendered Sunday

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Nevada Stumbles

Gambling Mecca's false economy fails, Citizens crushed by local addictions

Nowhere in America is the broken promise of gambling becoming more apparent than in the glaring lights of Nevada. And no more powerful condemnation has come than from the lips of its own governor, Kenny C. Guinn.

Nevada is gambling's uncontested Mecca, and if imported dollars could make any economy shine, it would be there. But there is little shining in this year's State of the State message.

In Guinn's own words, "Nevada ranks near the bottom in per pupil spending on education, and spends less per capita on Medicaid than any other state. If those two areas don't concern you, take a look at where Nevada ranks in high school dropout rates, teenage pregnancy, and children living in poverty.

"For the last two years, we have been dealing with a \$300 million budget

shortfall. For the next two years the shortfall is projected to be even worse, over \$700 million."

Guinn explains, "For years, our economy has depended almost exclusively on tourism and gaming, rather than by exporting goods and services. Three out of every four of our tax dollars are collected from sales and gaming taxes; taxes vulnerable to swings in the economy."

The governor now knows what NCALG has been teaching for years. Stealing from one's neighbors will not forever sustain an economy. "Another contributing factor to our decline was a result of increased competition from tribal gaming in other states. In the last year, tribal gaming in California alone grossed over \$5 billion, compared to Nevada's \$10 billion. It is predicted that tribal gaming

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Indian casino gambling at odds with states

Not since the legendary Lenape Tribe's \$24 sale of Manhattan in 1626 have Native Americans really had a chance to get even. But they're working on it now!

Speaking at a California tribal gambling conference, Pechanga tribe member Victor Rocha proclaimed, "You get the justice you can afford." Quoted in the LA Times, he concluded, "We can finally afford justice."

The concept that money equals power is becoming ever more clear from coast to coast as states begin to understand the threats they face.

In New York, "A group of Long Island Indians are considering opening a Hamptons casino on tribal land - which

would make it the closest gambling establishment to the city. The Shinnecock Indian Nation and casino developer Ong Enterprises are reported to be planning a \$20 million gaming palace on 15 acres in Hampton Bays.", according to newspaper reports there. Ong has pledged \$1.5 million in legal fees to win federal recognition of the tribe's status.

Clearly gambling developers are using the tribes to wedge their way into formerly forbidden ground. And many tribes are overwhelmingly willing to lend their heritage to the invasion.

Tribal status roils in a deadly brew of historic injustices mingled with expensive

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Nevada Gov. says gambling income 'regressive, unstable'. . .

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will double in just the next few years. My fellow Nevadans, the lesson from the last 20 years is clear; our revenue system is broken because it has relied on regressive and unstable taxes."

"Regressive and unstable." No one could have said it better, or with more authority than the chief executive of the first, biggest and worst gambling state in the nation.

Nevada's "human rights" record glows as darkly as does its economic woes. In a report published this month, researchers clearly show problem and pathological gamblers in southern Nevada alone are producing more social costs than the gambling industry pays in taxes throughout Nevada.

Problem gambling among Southern Nevadans has a social cost conservatively pegged between \$300 million to \$450 million a year, according to the report. "It's a high cost for recreation," said Keith Schwer, director of the University of Nevada, Las Vegas' Center for Business and Economic Research and co-author of the report." Schwer said his team was trying to be conservative, and the actual costs are probably more in the neighborhood of \$900 million a year!

Worse, Nevada is doing less to help the disease it spawns than anyone. Marvin Karlins, Ph.D. and associate editor of The Journal of Gambling Studies, recently chided Nevada's legislature for refusing to appropriate \$250,000 in public money

to help fund problem gambling programs. Texas spends \$4 million. Minnesota \$2.6 million on problem gamblers

Writing in the *Las Vegas Review Journal* (June 13, 2001), columnist John L. Smith sums things up thusly: "The Legislature manages to embrace every idea, no matter how craven or boneheaded, presented by the gaming industry, but it can't recognize the problem of compulsive gambling in a casino culture. That \$250,000 was chump change, but to those afflicted it would have provided a beacon of hope in a desert of desperation. Its failure says more about the heart of Nevada than any statistic ever could."

Nevada legislators refuse to help problem gamblers because they assume they're all from other states.

Tribes claim casinos exempt from states' laws . . .

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litigation. States have rolled over one after another rather than face suits that could return cities, highways, towns and universities back to reservations.

The Golden Hill Paugussets Tribe, frustrated in their attempt to gain tribal recognition and open a casino in Connecticut has retaliated with land-grab litigation. They're suing to recover more than 700,000 acres of property stretching from Middletown, Conn., to Westchester County in New York. *Kent Tribune*

reporters noted "One claim goes all the way from downtown Stamford to Wilton and includes about five towns." Estimated land values are above \$50 billion, not including buildings!

"Sovereignty" has become the buzzword of tribal leaders across the country as they defy laws in one state after another. In Florida, the *St. Petersburg Times* reports, "As a sovereign nation, the Seminole Tribe is free of many government encumbrances" including building permits for its \$100-million Hard Rock Hotel and Casino in Tampa."

In California, the Associated Press wrote, "The state's top law enforcement official, acting on behalf of Gov. Gray Davis, wasn't enough to stop the River Rock Casino from opening last fall, once the Dry Creek Rancheria Band of Pomo Indians refused to halt construction over alleged building, safety and environmental violations. 'The tribe just said "Stuff it. Stuff it, governor, stuff it, attorney general," ' said Alexander Valley Association President Karen Passalacqua, who has led local opposition."

The Pomos have set up a tent with 269 slots powered by a diesel generator until power lines can be installed. Gamblers' waste goes into a temporary septic system and senior citizens are bussed 75 miles north from San Francisco past construction workers into a complex banned by the local agricultural zoning code, the AP reported.

Another important test erupted when the Agua Caliente Band of Chuiilla Indians, operating casinos at Palm Springs, claimed it is exempt from following California campaign contribution laws. The state contends the tribe was late in disclosing more than \$8 million in donations to candidates and causes. The tribe contends they are a sovereign nation and exempt from state laws. The magnitude of that legal argument, if the tribe wins, will reverberate throughout the United States.



Then Common Cause CEO Scott Harshbarger joined NCALG chair Guy Clark at the national conference in Arlington, Tex., discussing campaign finance and product liability as they relate to the gambling industry. Gambling and tribal money influence legislators across the nation.

States willing to gamble with deficits

State governors and legislators across the country are entertaining gambling in desperate attempts to close what appears to be a nearly \$90 billion cumulative budget deficit.

The National Governors Association within the past month released a report showing the states are facing “the most dire fiscal situation since World War II.” That’s in addition to the estimated \$12.6 billion trimmed from 2002 budgets in special sessions or by states simply closing their checkbooks when revenues declined last year.

According to the states’ organization, 26 used across-the-board cuts, 26 states tapped rainy day funds, 15 laid off employees, and Kentucky led what has become a trend as it released more than 300 felons from prisons.

Failing to see that increasing costs, crowded prisons and failing businesses are often related to gambling expansion, many states have looked to slots and casinos as delivering angels.

Maryland is a compelling study. Gambling there has at least been a boon to the campaign industry, as slot machine proponents piped about \$500,000 into Maryland’s politics in the past four years. Maryland’s governor Bob Erlich and his running mate received more than \$120,000 in contributions from gambling advocates, even from some in Las Vegas, to propel his pro-gambling platform into office. His plot is to infuse 10,500 slot machines into the faltering racetrack industry, and garner an optimistic \$350 million dollars needed to help close his projected \$1.3 billion budget deficit.

Erlich has been surprised as his plan is being ambushed by political uprisings on both ends of the issue. Erlich wants to siphon a whopping 64 percent of the slot profits into a state education trust. (Once again trying to turn educators into gambling lobbyists.) Erlich’s proposed take has the racing industry whinnying, since most states have been happy with 25 to 30 percent of the action.

Erlich’s most formidable opposition, however, is from the grassroots. The state’s Muslim community recently called for a defeat of his slot scheme,

and just last week opponents galvanized into a new organization called StopSlotsMaryland.com. Comprising interests from religious leaders to bar owners, this movement shows a groundswell of people who are beginning to understand the damage slots could bring to their state. This week Erlich’s administration was racing to find outside gambling experts to help him recover in



NCALG's Tom Grey has been busy on the speaking and talk show circuit coast to coast convincing citizens and legislators to oppose gambling as a budget solution.

time for his bill’s upcoming hearings.

Nearby in Pennsylvania, Gov. Ed Rendell and some legislators are similarly considering slots to shore up what was thought to be a sagging racing industry and carve out a healthy share of “profits” for the state budget. Curiously, they have triggered a rush of new speculators hoping to build even more racetracks, providing they come with approval of slot machines.

Pennsylvanians also face a proposal to add eight riverboat casinos, each paying \$250,000 license fees plus a 15 percent tax that sponsors allege will bring in \$350 million a year. A California gambling promoter-turned-politician in Pennsylvania has sprouted perhaps this year’s most creative twist. Philadelphia Mayoral candidate Sam Katz is proposing

a government-spawned casino could fund the civic coffers. (Can slot machine parking meters and pull-tab parking tickets be far behind?)

But nowhere in the country is the budget deficit and the acrimony over gambling more apparent than California. There, Gov. Grey Davis is facing an estimated \$34 billion biennial budget deficit. Since California legalized Indian casinos two years ago, gambling skyrocketed beyond anyone’s estimations, and Davis is leveraging his power in an attempt to get the tribes to share the take.

California’s 20-year compact with the tribes anticipates a \$1 billion kickback to poor tribes and to mitigate impacts – total, while the tribes are raking in an estimated \$5 billion per year! What Davis would like to see is a \$1.5 billion annual contribution from the tribes.

Illinois this week found itself discussing a bill that would legalize gambling in every tavern in the state. A study commissioned by the Indiana Licensed Beverage Association estimates Indiana could receive \$96 million to \$268 million in revenue by taxing the machines at 25 to 30 percent, and local governments could take in \$48 million to \$134 million in taxes.

Connecticut, whose legislature recently voted to roll back gambling, is proposing a \$10 per car toll on roads leaving the massive Foxwoods and Mohegan Sun casinos. Jokes include, “If a gambler can’t afford the toll, he has to return to the casino until he can.” Nevertheless, the money is no laughing matter. The two tribal roadways host as many as 70,000 visitors a day!

New Massachusetts Gov. Mitt Romney has floated perhaps the most inventive gambling related solution to date. He proposes to accept \$20 million each from four gambling establishments in Connecticut and Rhode Island in exchange for banning gambling in his own state. He claims the \$80 million charge would be well below what tribal and racino facilities are pulling out of Massachusetts. So far, the gamblers in the two “competing” states haven’t warmed to his suggestions.

Toll . . .

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and was released on a personal-recognition bond.

Williams is accused of stealing \$44,620 from two bank accounts and a credit card that belonged to St. Paul's Catholic Church. The Archdiocese of Kansas City has said Williams has a gambling problem."

(*Courier-Journal* KY Jan. 31)

Sandra Kay Olson is charged in separate indictments with embezzling \$180,000 from Russell Printing in Louisville and \$129,000 from Brinly-Hardy of Jeffersonville, Ind.

In recent years, with the arrival of casino gambling to the area, police and prosecutors say they have seen an increase in the kinds of crimes Olson is alleged to have committed.

Allan Cobb, an assistant Jefferson County commonwealth's attorney, has said that "gambling is just a driving force behind embezzlements now." He said a disproportionate number of cases "have some link back to gambling."

Olson is being held in the Jefferson County jail, awaiting a May 20 trial.

(*New York Post*, Feb. 8) Prosecutors and relatives say that behind the doors of gambling addict Maria Villa's modest Queens home, she hatched a scheme to embezzle millions of dollars from the P.S. Marcato Elevator company in Long Island City while working there as a bookkeeper.

She is charged with embezzling millions from a Queens company she had previously scammed and lost nearly all the money on gambling and lottery tickets, family members said yesterday. "She has a gambling problem," said a niece.

The niece, who asked her name be withheld, said she accompanied Villa on weekend trips to Atlantic City where the casinos put them up in suites and chauffeured them around in limos.

Between trips to Atlantic City, Villa spent thousands of dollars at a time on lottery tickets, she said.

"She needs help. She doesn't need to be locked up," the niece said.

(Compiled from news reports)

Pennsylvanians hear Kindt warning of gambling costs

University of Illinois Professor John Kindt, got both time before the Pennsylvania legislature and extensive media coverage recently.

Quoted in the local press, "According to a large body of research presented today by University of Illinois professor John Kindt, the expansion of gambling in Pennsylvania would also likely produce a number of unintended and negative economic costs and consequences. Kindt, who has testified before Congress on the economics of gambling told Pennsylvanians the experience of other states suggests that betting on gambling to balance the budget is a bad bet. For every \$1 dollar in revenue, states ends up having to spend \$3 to deal with the increased problems such as bankruptcies, crime and incarceration."



John Kindt, shown here fielding questions at the September NCALG convention in Arlington, Tex.

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