

Time for product labeling?

The National Coalition Against Legalized Gambling has long insisted the gambling "product" is flawed and dangerous.

We have likened the struggle to the evolution of the tobacco industry, which for years claimed no one could "prove" cigarettes cause cancer. Likewise, the gambling industry claims suicides, bankruptcies, crime and corruption are anecdotal. They pay some of the biggest names in America, including Harvard Medical School's addictions program, to gloss their image and obfuscate the obvious. They promote "responsible gaming" and sponsor research to find a "cure" for addiction, screens of smoke as they suck their victims dry.

Consider, however, the marketing impact of two time-honored concepts: Truth in Advertising, and Warning Labels.

Imagine the casino marquis, "WIN \$100,000! (or, lose \$140,845. This casino pays back 71 percent of gross gambling receipts as customer winnings. The average customer must lose \$141 to win \$100."

Or, listen to the Power Ball advertisement disclaimer. "JACKPOT \$60 Million, (Those who play this lottery will pay \$67 million in order for one person to win)

Imagine lottery tickets which included, "Warning: The Surgeon General has determined gambling may be hazardous to your health, and has determined approximately 1.5% of persons who gamble will develop an addiction for which there is no known cure. Gambling addicts have a high percentage of criminal behavior and the addiction has been known to contribute to early death through suicide and stress related diseases."

Imagine an equal number of signs that read, "You can't lose if you don't play."

Plant a seed. Share with a legislator.

Internet gambling bills pit tribes, tracks, states

Few issues on the "front burner" of the U.S. Congress are likely to equal the impact of pending internet gambling bills. As this newsletter is being sent, Senate and House politicians are juggling a complex series of bills and amendments dealing with the dangerous and burgeoning Internet gambling business.

One house bill (HR-21) ran aground of an amendment by Rep. Cannon of Utah, which would have stripped it of exemptions for gambling now allowed in several states. That would be good, except it effectively killed the bill! There are battles over enforcement, penalties and jurisdiction as well as exemptions.

Further compounding the issue is Resources Committee Chair Richard Pombo (R-Calif) who wants to give Indian tribes the same exemptions that horse racing and state lotteries would enjoy. Essentially, that would open the internet to casino gambling.

That amendment is "unacceptable to the mainstream casino industry," according to Frank Fahrenkopf, president of the American Gaming Association said. Fahrenkopf's comments could be the public volley of a political war splitting "mainstream," tribal, track and state interests.

"The problem for the (Congressional) leadership is that they can't (work over) the tribes because they are too powerful, and they won't (work over) AGA because it is a very influential lobbying group," according to a source quoted by *Las Vegas Review-Journal* Washington correspondent Tony Batt.

http://www.reviewjournal.com/lvrj_home/2003/Jun-06-Fri-2003/business/21476516.html.

The issues are huge. Perhaps *Detroit Free Press* columnist Mike Wendland said it best, "Forget porn. The hottest

action online these days is gambling, with an estimated 1,800 Web casinos and gaming sites offering the promise of easy money -- and all the action of Las Vegas or Churchill Downs -- right from a personal computer."

Never mind that it's illegal. It is happening.

Wendland notes, "An estimated 1 million Americans place bets online daily, enough to make Internet gambling an estimated \$6-billion annual industry by the end of the year, according to the Interactive Gaming Council, a trade group of some 70 online gambling businesses. Studies indicate 4.5 million Americans have tried it -- nearly 5 percent of the online population. "Residents of 12 states -- including California, Ohio, Kentucky and New York, -- can legally bet on horse races online through TVG."

http://www.freep.com/money/tech/mwend4_20030604.htm

The big questions are:

- 1) Should the Internet Gambling Prohibition Act permit Internet gambling on state-licensed gambling, including horse racing, jai alai, and dog racing?
- 2) If exemptions are granted, how should state-run lotteries be treated?
- 3) If exemptions are granted, how should Indian gambling be treated?

It appears Congress must deal with a deadly potential mix of issues in the coming days.

The NCALG board supports the Bachus bill (HR2143), believing it is the best place to begin in the battle against Internet gambling. We encourage citizens to contact your Senators and Representatives through e-mail, fax and phone numbers listed at www.senate.gov and www.house.gov.

Legislators still dangerous!

Coalitions against legalized gambling won some grand battles in 30 states where budget deficits have tempted legislators to expand gambling. So far, NCALG and a cadre of highly effective state groups have stopped them all. Beware, however, the special sessions, petitions and waning sessions that are still open.

It's not over even when it's over!

MISSOURI - Missouri's General Assembly is back in business this week in a special session called by Gov. Bob Holden. The governor says he needs \$367 million more, though Republicans say it's more like \$12 million. The governor wants to repeal the state's gambling loss limit and bump up the state's 20 percent casino tax rate a point or two. The governor hasn't mentioned the repeal would cost his citizens up to a half a billion dollars in additional gambling losses.

<http://www.kansascity.com/mld/kansascity/business/5998928.htm>

FLORIDA -- It was just a month ago that Florida legislators turned down slot machines at dog and horse tracks, but a coalition of Florida tracks is mounting a petition campaign to put the issue on the 2004 ballot, according to the *Miami Herald*.

The secretary of state's office verified the group had collected more than one-tenth of the 488,722 voter signatures it will need to collect to qualify for the ballot. The paper quoted Daniel Adkins, coalition chairman and vice president of Hollywood Greyhound Track, saying, "Never give up."

Florida's supreme court struck down the groups effort 14 months ago, but their new proposal has been revised to avoid the prior legal problems. The new proposal seeks to ask voters statewide to allow the county governments of Miami-Dade and Broward to hold local elections that could legalize slot machines at seven existing pari-mutuels.

They've also learned how to turn teachers and parents into gambling lobbyists. The petition earmarks gambling taxes for education.

MAINE – Bangor voters will decide this week if they will allow slot machines at Bass Park's Bangor Raceway, and the developer has pledged a "million-dollar minimum" for the city if the measure passes.

<http://www.bangornews.com/editorialnews/article.cfm/ID/402095/cfid/5950426/cfoken/37325231>

WISCONSIN – Beware of "decriminalization creep."

Wisconsin has reduced illegal operation of video poker machines at taverns from a felony to a misdemeanor, and now legislators are proposing to shift enforcement from police and the justice department to its state tax collectors, reports the *Madison Journal Sentinel*.

Tavern owners there see big profits at the tribal casinos and they want video gambling machines legalized. So far, they've significantly reduced the size of the state's gambling watchdog and removed most of its teeth.

MASSACHUSETTS -- State senators are finalizing a proposal to establish slot machine gambling at several sites in Massachusetts, a measure that could also clear the way by year's end for a full-scale Indian casino. Gambling supporters claim the state can generate between \$200 million and \$300 million per year just by authorizing slot machines, all to help the state manage a \$3 billion budget gap next year. The move

could pave the way, however, for at least one recognized tribe to open a casino. There is at least one more tribe trying to establish recognition in Massachusetts and that tribe would also be expecting approval to operate a casino.

http://www.boston.com/dailyglobe2/148/metro/State_Senate_eyeing_slot_machines+.shtml

NEBRASKA – Gambling interests lost their bid for six casinos in Nebraska, but petitions are on the way in an attempt to put slots and casinos in Omaha, reports the *Omaha World-Herald*.

PENNSYLVANIA – With less than a month to go in its scheduled legislative session, special interest money pouring into the state has proven intoxicating.

Two out-of-state businessmen who had never previously been involved in Pennsylvania politics each contributed \$55,000 last year to a political action committee administered by Gov. Ed Rendell's closest advisor.

The reason behind their \$110,000 donation to the Philadelphia Future PAC only became apparent on Dec. 27 when their company, Centaur Inc. of Indiana, applied for a license to build a \$40 million harness racetrack in Beaver County, near Pittsburgh.

http://www.zwire.com/site/news.cfm?newsid=8188662&BRD=2280&PAG=461&dept_id=468520&rfti=6

Their interests represent only one of dozens of dizzying proposals to expand gambling in Pennsylvania under the encouragement of Gov. Rendell. The governor's plan is to add up to 5,000 slot machines into each of the state's four racetracks plus four more that could be licensed if the slot proposal passes. Track owners say they're swimming in red ink and may have to close if the slots aren't allowed, costing the state an unverified 35,000 jobs. <http://www.post-gazette.com/localnews/20030530slots0530p6.asp>

The proposal has sparked a land rush of proposed new tracks, and at least two lawsuits filed by existing tracks to stop new tracks from coming into the market. The issue gains complexity as the state tries to maximize its profits. One legislative proposal suggests a \$50 million licensing fee for the "racinos."

A spate of other proposals have suggested opening Pennsylvania to widespread gambling via riverboats and even state-owned gambling parlors and "slots barns."

If Maryland's recent history repeats itself, confusion and greed may prevent any Pennsylvania gambling expansion from being approved – at least in the regular session.

OKLAHOMA – Magna Entertainment Corp. says it has lost almost \$12 million since it purchased the state's largest racetrack, Remington Park in Oklahoma City. Group vice president Corey Johnsen says the company will close the track if the state doesn't allow gambling machines.

While Magna pleads poverty in Oklahoma, the company spent a reported \$420,000 in lobbying expenses trying to convince legislators to allow slots at its track in Maryland.

NEVADA - Nevada has adjourned its legislature, and plans a special session, but one bill that is NOT on its special agenda is help for compulsive gamblers. Once again Nevada failed to pass a minimal \$250,000 for treatment of gambling addicts.

The State of Nevada provides no funding for any kind of gambling addiction assistance. In previous sessions, aid opponents have insisted addicted gamblers were from other states. This year, they claimed budget restraints.

Keeping tab . . .

EAST ST. LOUIS MO -- A longtime City Hall employee admitted to embezzling \$23,450 from two East St. Louis **Police** bank accounts Monday.

Margaret Ann Allen, 56, of East St. Louis pleaded guilty to a federal charge of stealing more than \$5,000 from an organization that receives at least \$10,000 in federal funding a year. . .

Allen spent the stolen money on personal expenses, including alcohol, lottery tickets and gambling trips, the documents show. (*Bellefonte News Democrat*)

MENASHA WI — A 27-year employee with Goodwill Industries was taken into custody by Menasha police after she admitted to embezzling large sums of money from the non-profit organization. Police confirmed Saturday that 63-year-old Carol Braun of Neenah is the subject of a criminal investigation into the missing funds. The stolen funds, which could reach hundreds of thousands of dollars, were used to fuel a gambling addiction. www.wisinfo.com/posterescent/news/archive/local_10567079.shtml

A Sault Ste. Marie bookkeeper admitted Friday she gambled away more than \$140,000 of an employer's money at local casinos. Christine Smallpiece, 45, said she embezzled the money over two years to feed a gambling addiction. "The first time I stole \$3,000, I went gambling. Two days later I won \$3,000 and I put it back." By September 2001, she said she realized she had stolen \$58,000. "You keep trying to win it back. That's part of the sickness, of the addiction," she told Superior Court Justice Ian McMillan. "You think you can win it back. It's crazy." <http://www.saultstar.com/webapp/sitepages/content.asp?contentID=33565&catname=Local+News>

A Jefferson County MO man arrested on charges that he embezzled more than \$130,000 from a former employer got cash advances on that employer's credit card at an Indiana riverboat casino, according to court records. It's not the first time Robert M. Stack has been allegedly linked to gambling in a criminal case. In 1990, Stack pleaded guilty to stealing more than \$1 million from St. Agnes Church, a business and two investors. He was sentenced to 15 years in prison that year and has been on parole since 1995. (*The Courier-Journal*)

A 36-year-old man was arrested Tuesday evening after he left his two small children strapped in their car seats in a locked van while he gambled at the Grand Victoria Casino in Elgin, according to police. http://www.dailyherald.com/cook/main_story.asp?intID=3775616

"You think you can win it back. It's crazy."

. . . convicted bookkeeper.

Register for NCALG annual conference!

"States can't gamble themselves rich," is the theme for this year's NCALG conference and workshops. Richard Leone, veteran of the National Gambling Impact Study Commission, is slated to be the keynote speaker. Industry lawsuits, state tactics and victories, Internet and Indian gambling plus many more important topics will be covered.

This, the tenth annual conference of the National Coalition Against Legalized Gambling, will be in Baltimore Maryland Sept. 26 and 27. Special room rates are available through August 25 at the convention site, the Holiday Inn BWI Airport. Call 1-800-HOLIDAY to make reservations.

NCALG chairman Guy Clark said a highlight of this year's convention will be a review of strategies and victories from various states. "Racetrack casinos and tribal gambling have posed difficult challenges for us in the past year, but we have proven there are ways to stem the tide. States across the nation are trying to implement gambling to balance their budgets. Education is our best weapon, and this conference is designed to help organizers spread the truth about gambling. Where voters and legislators understand the realities we win," he said.

Every little bit WINS!

Horse-racing and gambling interests spent more than \$1.5 million on lobbyists in a failed bid to persuade Maryland lawmakers to legalize slot machines at racetracks this year, about 50 times the amount reported by anti-gambling groups, records show.

<http://www.miami.com/mld/miamiherald/news/state/5972515.htm>

Sometimes we feel like the proverbial "stray dog barking at a fast-moving train," but it works! Even at 50 to 1 the right prevailed in Maryland. Think what we could do if we just doubled the effort! Use the convenient contribution form on the back of this newsletter, and share a copy with your friends.

Want to help? Your contribution to the
**National Coalition Against
Legalized Gambling**
is tax deductible under IRS Code 501.c.3

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