

### Briefs and clips . . .

A Broward County, Fla., detention deputy was fired after an investigation showed she pawned her service revolver to help cover gambling debts, officials said.

Tracey Schuler has been cleared of criminal wrongdoing by state officials, although an investigation revealed she also pawned another deputy's weapon and at least 46 other items over a six-year period.

The investigation stemmed from a February 2003 complaint by an inmate, who reported some personal property was stolen.

A month later, when county officials asked Schuler to surrender her badge, weapon, and county identification, Schuler acknowledged her duty weapon was at the pawnshop.

[www.miami.com/mlid/miamiherald/news/breaking\\_news/7770779.htm](http://www.miami.com/mlid/miamiherald/news/breaking_news/7770779.htm)

An identity thief who racked up \$177,000 in credit card charges using other people's names said he committed the crime to feed his gambling addiction. It was a story that didn't go over well with a federal judge who sentenced him to 37 months in prison and informed Haitham S. Al-Zareini that he'd be deported to his native Jordan as soon as he served his time. Al-Zareini, 32, admitted to investigators that he stole the identities of 32 people to secure credit cards in their names and run up charges.

[www.myinky.com/ep/news/article/0.1626.ECP\\_734\\_2601377.00.html](http://www.myinky.com/ep/news/article/0.1626.ECP_734_2601377.00.html)

A Super Bowl gambler who lost big allegedly took a dive off the Whitestone Bridge - but doctors wager

(Continued on Page 2)

### Asks Bush for BIA moratorium

## NCAGE letter leads calls for investigation, reforms

The National Coalition Against Gambling Expansion led a series of challenges to the spread of Indian casinos with a call for a national moratorium on gambling-driven tribal recognition and off-reservation casinos.

In a January letter to President George Bush, NCAGE chairman Guy Clark charged "The Bureau of Indian Affairs has transformed itself into a national facilitator for the uncontrolled and inexcusable proliferation of casino gambling." (Clark's letter to Bush is reprinted in this bulletin.)

Clark said, "The last straw was the 'Christmas Eve Surprise' wherein the BIA granted land in trust to the Jena Band of Choctaw Indians for a casino in Louisiana without allowing hearings and procedures promised to Louisiana citizens."

Within days of the NCAGE letter, Congressmen Frank Wolf (R-VA) and Christopher Shays (R-CT) introduced the Tribal and Local Community Relationship Improvement Act, which will require state legislatures to approve new Indian casinos. "This legislation will help our communities control their fate when it comes to the expansion of Indian gaming," Shays explained. "Federal tribal recognition should not mean the end of local participation in decisions about casino expansion -- especially because those decisions have enormous

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## Americans lose \$68.7 Billion!

Consumer losses on U.S. commercial gambling reached \$68.7 billion in 2002, a \$3.4 Billion, 5.3% increase over 2001, according to Christiansen Capital Advisors. That's more than seven times the amount (\$9.3 billion in 2002) consumers spent on movie tickets.

<http://www.cca-i.com/Primary%20Navigation/Online%20Data%20Store/Free%20Research/2002%20Revenue%20by%20Industry.pdf>

A study compiled by one of America's largest casino companies again confirmed a minority of victims fuel the majority of the losses.

"In 1994 Harrah's hired a chief marketing officer named Brad Morgan, ex-Procter & Gamble, ex-Visa, to mine its massive customer database. Mr. Morgan found, to no one's surprise in retrospect, that some Harrah's customers were very much more valuable than others. Twenty-six percent of its players were contributing 82% of its gaming revenue and nearly all of its profits. In 1997 Harrah's launched its Total Gold frequent-gambler card and began compiling detailed profiles of each of these valuable customers."

( "Casinos in 2010 - Part 1," Insight, Christiansen Capital Advisors, Version 1, Issue 12, Dec. 31, 2003, p. 13)

The 26% is particularly significant, in view of Dr. Earl Grinols' research and testimony to Congress this past year:

"30-50 % of revenues derive from problem and pathological gamblers (e.g. 48.2% of gaming machine revenue, Aus. Inst. for Gambling Research, 2001; 37 % Montana keno machines; 1/3 Australia National Productivity Commission study, 1999.)"

(□  
Committee (30 April 2003, 9:00 am, Room 8E-B, East Wing, Main Capitol), House Finance Committee (30 April 2003, 1:30 p.m., Room 205, Ryan Office Building)

## Briefs and clips . . .

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he'll pull through after landing in a pile of snow. Cops did not say how much Adrian Conde, 25, lost on the game, but it was enough to make him want to cash in his chips. So around 11 p.m., less than an hour after the New England Patriots beat the Carolina Panthers, 32-29, Conde stopped his girlfriend's station wagon in the bridge's far right Bronx-bound lane and leaped, cops said. Conde, who lives with his parents in Morris Park, landed 100 feet below, in a 10-foot pile of snow in Ferry Points Park in the Bronx. EMTs, called by witnesses, found him writhing in pain just a stone's throw from the edge of the East River."

*New York Daily News* 2/3/2004

A KEEN, Aus., gambler accused of the state's biggest stamp duty swindle has been ordered to stand trial. Keith Jonathan Fernandez, 34, has pleaded not guilty to 124 charges of giving false information and 127 of obtaining financial advantage by deception. He is accused of a \$10 million fraud after abusing his role as a stamp duty collector. Police allege cash was spent on horse racing, phone betting and gambling at the casino. Mr Fernandez, of Flemington, Australia, was released on bail and ordered to appear in the County Court in April.

*The Herald Sun*, Australia.

A GRANDMOTHER who stole almost \$3 million from her employer was yesterday jailed for at least 4 1/2 years. Denise Margaret Racovitis gambled more than \$1.8 million at Crown casino from 1997 to 2003 and lost \$409,000. She also made extravagant purchases for herself and her family, despite living in modest rented accommodation and having little equity in a "very modest" Rye home.

[www.heraldsun.news.com.au/common/story\\_page/0,5478,8801222%25E2862,00.html](http://www.heraldsun.news.com.au/common/story_page/0,5478,8801222%25E2862,00.html)

# Wisconsin Win!

MADISON – Dane County voters turned back casino gambling by a 2-1 margin in a high turnout election last month despite being outspent more than 20 to 1. Proponents of turning a bingo parlor in the progressive college community into a full fledged casino had spent about \$1.3 million promoting the election, or about \$29.10 per vote.

The Ho-Chunk Nation has an option to a fourth casino in Wisconsin, but the No Dane Casino group, using e-mail, flyers and town meetings, convinced voters it shouldn't be in Madison. The grass roots opposition group raised about \$60,000 to combat the casino, spending about 54 cents per vote.

The win was a significant example of grass roots organization and public education. Business, civic and student groups all joined to defeat the casino. NCAGE executive director Tom Grey and board member Cynthia Abrams both spoke at Madison citizen rallies to bolster the cause.

[http://www.badgerherald.com/vnews/display.v/ART/2004/02/25/403bff5c38bca?in\\_archive=1](http://www.badgerherald.com/vnews/display.v/ART/2004/02/25/403bff5c38bca?in_archive=1)

Gamblers lose about \$1 Billion a year in Wisconsin with 11 tribes opening casinos in the past decade. Casino financial records are kept "confidential," though, and there is a growing dissatisfaction with that secrecy. The state collects about \$100 Million from the tribes, some from a flat fee and some from percentages of losses. But the state has rebuffed calls for an audit to see if those amounts are fair, claiming confidentiality granted by former administrations. <http://www.jsonline.com/news/metro/feb04/210296.asp>

The costs of gambling in Wisconsin are, however, no secret. Bankruptcies rose 12 percent in the state last year. Job losses and reduced income are key factors for three straight years of record bankruptcy filings in the state, but professionals who deal with bankruptcies say gambling debts have a growing significance. [www.jsonline.com/bym/news/feb04/205777.asp](http://www.jsonline.com/bym/news/feb04/205777.asp)

Gambling addictions have led to at least 10 cases of large-scale embezzlements in  
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# Wisconsin social costs grow

## Grass Roots effort posts 2-1 victory!

(Continued from Page 2)

the state's Shawano County over the past three years, according to District Attorney Gary Bruno, quoted in the *Shawano Leader*.

"We've probably had 10 big embezzlement type cases where the people have come in and said the only reason they did it is because of their gambling problems," Bruno said. "We're talking thousands of dollars -- anywhere from \$20,000 to \$50,000 that these people are stealing from their employers," he said. "Most of it is going into gambling."

The most recent, high-profile case in this area involved Patricia Brunker, 61, who served as office manager for the Legend Lake Property Owner's Association and was convicted this year of embezzling nearly \$71,000 from the organization.

Whether it is happening more frequently or just getting more attention, the number of cases of gambling problems leading to theft seems to be on the increase, the paper reported.

<http://www.shawanoleader.com/articles/2003/12/29/news/news2.txt>

Stories of growing addictions in Wisconsin illustrate the kinds of social problems which accompany a "mature" gambling market.

- Landscaper Ricky Driese, 38, blames the loss of his business and his marriage on compulsive gambling, which led to his conviction last July for theft and violating unfair trade laws.

"I had everything. I had a perfect marriage," Driese said in a recent interview at the Dane County Huber Center, where he is jailed with work release privileges after gambling away about \$150,000 of other people's money.

Driese got money by collecting pay for landscaping contracts he didn't fulfill, seeking investors to help him buy assets of other landscaping companies and selling his own business over and over.

Dane County assistant district attorney Ann Sayles said she prosecutes between five and 10 gambling-related cases each year. "Very often, they've stolen a lot of money and used a lot of it to support their gambling habit," Sayles said.

Madison lawyer Tim Peyton's practice has seen an uptick in gambling-related bankruptcies. "When they run out of their own money, they run to the ATM at the casino, get money and go gamble it away, trying to win back their losses," he said.

Driese, who was prosecuted by Sayles, remembers a day in 1997 as the first time he gambled and the day he got hooked: "I thought to myself as I was driving past the Ho-Chunk Casino, 'I've never been in there,'" he said. "I had \$100 on me at the time and I could afford to lose or turn it into a win."

He slipped a twenty-dollar bill into a machine and won \$900. Elated, he went home and told his wife. "She said to me, 'I hope you don't go there all the time.' I still remember it to this day."

Driese was sentenced July 3 to four years in prison followed by six years of supervision, but the judge stayed the sentence and ordered Driese to serve seven years of probation, with the first year in jail. He wanted Driese to have a chance to pay back his victims.

[www.madison.com/wisconsinstatejournal\\_local/65971.php](http://www.madison.com/wisconsinstatejournal_local/65971.php)

- Patricia Brunker never pictured herself where she is now -- at the Shawano Work Release Center. She is a convicted felon for embezzling from her employer.

"As I was leaving the courthouse, I wondered how I could tell my grandsons that I was going to jail," Brunker recalled. "How could a 61 year old law-abiding, civic-minded lady be going to jail?"

Brunker, who moved to Keshena in 1999, was the office manager at the Legend Lake Property Owner's Association. She was convicted of taking nearly \$71,000 from the fall of 2001 until November of 2002.

"I knew people who had gone bankrupt," she said, "and here I am going bankrupt thinking I didn't have a problem. I never thought I couldn't quit. I have found out that women just don't stop gambling until they are either in legal trouble, dead broke or go to get help, someone makes them stop or they commit suicide."

<http://www.shawanoleader.com/articles/2003/12/28/news/news1.txt>

- WAUKESHA - A Brookfield woman allegedly stole hundreds of thousands of dollars from her employer and her husband encouraged the activity so the couple could gamble at a Milwaukee casino.

Sharon L. Wertz, 38, was charged in October for allegedly stealing \$607,948 from City of Pewaukee-based Aladdin Engineering & Manufacturing Inc. Now her husband, Bert Wertz, 39, faces a felony charge of receiving stolen property.

According to the criminal complaint filed against Bert Wertz: He learned about his wife's alleged thefts shortly after they started happening when he found some money in their house. Bert Wertz allegedly cautioned his wife "not to get caught."

From May 2001 to May 2002, he allegedly would call his wife at work and ask her to steal more money to gamble with at Potawatomi Bingo & Casino in Milwaukee. Sharon Wertz allegedly told police he knew she stole more than \$300,000 and used between \$200,000 and \$250,000 for his personal use.

Investigators found Sharon Wertz allegedly lost more than \$94,700 gambling in 2001 and 2002 at the casino. Bert Wertz allegedly lost more than \$332,000 gambling during that same time.

Bert Wertz faces up to 15 years in prison if convicted. Sharon Wertz is charged with theft by virtue of employment and also could spend 15 years in prison if convicted.

[http://www.gmtoday.com/news/local\\_stories/December\\_03/12202003\\_02.asp](http://www.gmtoday.com/news/local_stories/December_03/12202003_02.asp)

Wisconsin is also among the states wrestling with legal contradictions posed by Indian casinos. One such case, brought by competing gambling interests including dog tracks, threatens to invalidate the state's tribal gambling compacts. Supreme Court Justice Jon Wilcox flatly asked the state's attorney, "If Wisconsin wanted to eliminate Indian gambling, could we do it?"

The answer from Assistant Attorney General John Greene was maybe. Through legislation or referendum, Wisconsin might be able to turn back the clock, but only if all types of gambling were banned, Greene said. <http://www.jsonline.com/news/state/jan04/203104.asp>

# Chicago mob tied to tavern slot machines

Legalized gambling has not helped to stem illegal gambling in Chicago where there has been a disturbing expansion of mob-controlled video gambling, according to the Cook County sheriff's office.

Taverns used to tuck a single machine in the corner. Now, they line up four or more machines "like a mini-casino," a sheriff's spokesman said. Most games are video poker or push-button slot machines.

In weekend gambling raids, sheriff's police seized 46 video gambling machines from 11 bars and restaurants. Most businesses had four or five machines.

## NY mayor, minority leaders oppose Pataki casinos

Black and Hispanic leaders from New York have rallied Sunday against Gov. George E. Pataki's proposal to fund education by opening gambling halls with thousands of video lottery terminals. In New York City, the New York State Black, Puerto Rican & Hispanic Legislative Caucus held a news conference Sunday outside City Hall in opposition of the governor's gambling proposal, calling the plan a shortsighted funding scheme that would ruin communities.

Buffalo-area members of the caucus echoed similar sentiments. "The poor and people with low incomes are the ones who are looking the hardest for the dream of being that big lottery winner," said

"It's a new trend where we see multiple machines in an establishment," said Bill Cunningham, a spokesman for Sheriff Michael Sheahan.

There's a lot of money to be made." Hundreds of machines operate in the Chicago area. One machine can make as much as \$100,000 in profits a year. Half goes to the bar, half to the mob.

Typically, a mobster collects a tax in exchange for protection and permission to use the machine. <http://www.suntimes.com/output/news/cst-nws-gamb26.html>

Assemblywoman Crystal D. Peoples, D-Buffalo. "We need to take a second look at this and find other ways to fund education, as opposed to encouraging people who can't afford to gamble." <http://www.buffalonews.com/editorial/20040126/1051633.asp>

New York City's mayor Michael R. Bloomberg said that he opposed Gov. George E. Pataki's proposal to use gambling money to comply with a court order requiring the state to come up with more aid for New York City schools, saying it would not provide a stable, predictable way of raising money. <http://www.nytimes.com/2004/01/27/nyregion/27MAYOR.html?ex=1075784400&en=dbe48b767b1932be&ei=5062>

## National Coalition calls for halt

# Indian casino opposition grows

(Continued from Page 1)

impacts on the communities in which casinos are built. The bottom line is, citizens should have the final word on casino expansion in their communities." <http://www.house.gov/shays/news/2004/january/janwolf.htm>

In February, Connecticut's congressional delegation asked the Government Reform Committee for hearings on the influence of "outside interests, especially wealthy gaming interests" on the tribal recognition process. <http://www.norwichbulletin.com/news/stories/20040214/localnews/410412.htm> That request was apparently sparked, in part, by the BIA's much disputed recognition of the Schaghticoke Tribal Nation, which hopes to build a casino despite intense local opposition in Connecticut. [www.zwire.com/site/news.cfm?newsid=10926279&BRD=1348&PAG=461&dept\\_id=432860&rft=6](http://www.zwire.com/site/news.cfm?newsid=10926279&BRD=1348&PAG=461&dept_id=432860&rft=6)

The BIA drew even more intense fire following an Associated Press report showing a group of agency employees pushing for California tribal recognitions would benefit personally from proposed casinos there. Wolf was again at the head of the issue.

The Feb. 24 AP story said Wolf "called on the government to investigate what he called 'shocking' alleged conflicts of interest by the regional office of the Bureau of Indian Affairs. "'The unseemliness of the entire process is contemptible,' Wolf wrote in letters to top federal officials urging a halt to any further tribal recognitions by the bureau until an investigation is finished.

Wolf called it "a potential scandal" that officials of the Interior Department's regional bureau allegedly padded the membership roll of the Ione Band of Miwok Indians, then authorized a new leadership election.

That maneuvering by the bureau officials, who stood to gain personally from their decisions, was outlined in a story by The Associated Press. The then-acting regional director who

approved the election was added to the tribal roll along with 68 relatives, including an uncle and a niece who also work for the bureau. A different bureau official who oversaw the election had three relatives added to the tribe.

The tribe's new leadership has been given \$1.9 million from the state's Tribal Revenue Sharing Trust Fund, and is pushing hard to build a \$100 million, 2,000-slot machine casino in Plymouth, in one of California's fast-growing wine regions, a casino that could bring in an estimated \$185 million a year. Wolf's Appropriations subcommittee oversees the budgets of the Justice Department and FBI, which he said should investigate the apparent conflicts.

"I will be raising this in the hearing when the Bureau comes before us. I'll be raising this when the attorney general comes in front of us," Wolf said. "We're not going to let this go." Wolf's letters to Attorney General John Ashcroft and FBI Director Robert Mueller also refer to a Sunday Washington Post story on \$45 million that four new gambling tribes paid for lobbying over three years.

Response from the National Indian Gaming Association has been colorful. Chairman Ernest Stevens Jr. told the National Congress of American Indians "We know that Frank Wolf is full of it,"

"These guys are lost; these guys are trying to steal our sovereignty," Stevens said.

Stevens also blasted University of Nevada at Las Vegas professor and acknowledged gambling industry expert Bill Thompson. Stephens called him "one of the most villainous liars about Indian gaming you'll ever know."

Thompson's recent writings point to significant legal contradictions between the Indian Gaming Regulatory Act and most state gambling compacts. [www.reviewjournal.com/lvrj\\_home/2004/Feb-25-Wed-2004/business/23295160.html](http://www.reviewjournal.com/lvrj_home/2004/Feb-25-Wed-2004/business/23295160.html)

THE NATIONAL COALITION  
**NCAGE**  
AGAINST GAMBLING EXPANSION

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100 Maryland Avenue NE, Room 311, Washington, DC, 20002 ~ (307) 587-8082

January 20, 2004

President George W. Bush  
The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

Mr. President:

While the nation and your administration have been concerned with war and the fight against terrorism, one of the nation's vital departments has set about the work of undermining states' rights and the health and welfare of all Americans.

The Bureau of Indian Affairs has transformed itself into a national facilitator for the uncontrolled and inexcusable proliferation of casino gambling. No longer concerned with the true health and welfare of Native Americans or their neighbors, the bureau has become a clearing house for unsubstantiated tribal recognition and circumvention of states' rights and laws.

The last straw was the "Christmas Eve Surprise" wherein the BIA granted land in trust to the Jena Band of Choctaw Indians for a casino in Louisiana without allowing hearings and procedures promised to Louisiana citizens. This is just the latest reward the BIA has given to tribes for "reservation shopping" to install casinos on land miles and sometimes states away from their actual tribal lands.

NCAGE supports the recognition of legitimate tribes, but the BIA has a sordid history of awarding tribal status for less than laudable cause and with less than due process. While legitimate groups are seeking tribal recognition to preserve heritage or language, or gathering on common ground to preserve their culture, others are merely serving as fronts for the gambling industry. They want casinos. BIA recognition of questionable groups as tribes has had more to do with political contributions, powerful lobbying, and influence peddling than with ancestry or historical setting. The process has been used to extort compacts from states in exchange for historic land claims. Frequently these legal maneuvers are coached and

funded by gambling interests who garner obscene profits behind the veil of Native American interests.

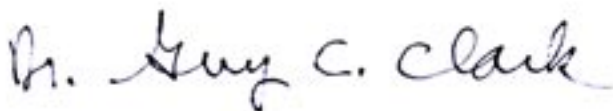
The Bush administration got off to a good start when it reversed two hasty tribal recognitions promulgated in the transition from the Clinton administration. But vested-interest regulation has returned. The loudest warning signal should have been the appointment of "Famous" Dave Anderson as the head of the BIA. Mr. Anderson is a proven advocate and promoter of gambling expansion. The actions of the BIA since his appointment indicate the BIA intends to pick up where the Clinton administration left off in expediting casino-driven tribal recognitions and off-reservation gambling.

Perhaps even more dangerous is the National Indian Gaming Commission's outrageous redefinition of gambling devices. The NIGC has ignored the intent of federal law when it certified video gaming devices nearly identical to Class III slot machines as Class II gaming devices. The intent is to allow tribes to avoid negotiating compacts, sharing revenues or following regulations within their states. This is likely to encourage hundreds of tribes to install pseudo-slot machines across the country without the states having any voice in the matter.

The gambling industry is using IGRA law and Native Americans as a battering ram to force gambling down the throats of America's states and communities. That is not what Congress had in mind with the IGRA legislation, and we are confident that you, as President, are not supporting the expansion of uncontrollable casinos across the nation.

We respectfully urge you as President to invoke a moratorium on tribal recognition and off-reservation casinos until the BIA can be directed to respect states' rights and operate within the intent of IGRA and the Congress of the United States of America. We also urge you to require that the NIGC reverse their decision on bogus Class II gaming devices.

Sincerely,

A handwritten signature in cursive script that reads "Dr. Guy C. Clark". The ink is dark and the handwriting is fluid and legible.

Dr. Guy C. Clark,  
Chairman of the Board  
The National Coalition Against Gambling Expansion