

National Coalition Against Legalized Gambling

Briefs and clips . . .

Accountant and former company controller, Stanley Szagola recently admitted that he stole more than \$7 million from his former employer, garden equipment maker Schiller-Pfeiffer, and lost most of it at casino blackjack tables at Atlantic City. He has paid back a little more than \$71,000, according to Philadelphia news reports. A prosecutor there said casino records show Szagola was gambling hundreds of thousands of dollars at a time.
<http://www.philly.com/mld/dailynews/news/local/10481434.htm>

A St. Louis area woman got almost three years in prison for embezzling more than \$630,000 from her employer to pay her online gambling debts, the U.S. attorney's office and local media report. Natalie Birmingham, 35, pleaded guilty to one felony charge of wire fraud in September. She got 33 months in prison and will have to repay the \$631,704 she stole, the U.S. attorney's office said. Birmingham worked as an account manager at Automated Installment Systems Inc.
<http://www.stltoday.com/stltoday/news/stories.nsf/stlouiscitycounty/story/59EF6FBDA CF3EEEF86256F73001738A9?OpenDocument&Headline=Embezzler+is+sentenced+to+33+months+in+prison>

Once-prominent Florida lawyer Robert Eisen admitted last year to stealing \$843,000 from a trust account to fuel his gambling addiction. He was sentenced to 2 1/2 years in prison for grand theft. It took Robert Eisen decades to turn a gambling habit into an addiction that led him to steal money, ruin his

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'Addicts R' Us' games invade childrens' shelves

Gambling turns up in places few would expect, but children's toy stores surprised even NCALG/NCAGE chairman Guy Clark. "These are the candy cigarettes of gambling," he grumbled as he surveyed "Golden Nugget" games in the children's entertainment section of the local WalMart in Albuquerque.

The recent expansion of gambling has made its games nearly ubiquitous on television prime time, cable and game shows. Now high-tech presentations of everything from Texas Hold-em tournaments to slot machines and roulette are turning up at Toys R Us and beyond. And they're rated "E" for "everyone!"

That rating comes from the Entertainment Software Rating Board, (<http://www.esrb.org>) which says, "Titles rated 'Everyone' (E) have content suitable for people ages 6 and older. These titles will appeal to people of many ages and tastes. They may contain minimal violence, some comic mischief or some crude language."

It appears they may also contain training and encouragement for young people to become engaged in dangerous and addictive behavior.

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Unsafe at any age . . .

Nestled between the Teddy bears and Tonka® trucks at Utah's Costco stores this pre-Christmas season were Japanese slot machines. Though display panels claimed they were "token only skill machines" they were devices clearly akin to common slots, easily adapted to token-purchase gambling operation. Priced just under \$400, they were clearly placed among children's toys and family entertainment. Though Utah is one of only two states in the union where gambling is still illegal, the ownership of such machines is apparently not. Idaho law enforcement had the machines removed from their Costco stores.
http://seattlepi.nwsource.com/local/aplocal_story.asp?category=6420&slug=ID%20Slot%20Recall

Briefs and clips . . .

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law career and land him in prison. Eisen has spent about a year in the Everglades Correctional Institution, according to press reports there. He has now been assigned to a work-release program and goes to a day job answering phones for a local homebuilder.

http://www.palmbeachpost.com/business/content/business/epaper/2004/11/07/a1f_alexcol_1107.html

Former bank employee Marta Prida, 37, was arrested as she attempted to rob the Continental Bank in Hialeah, Fla., which was the same bank she robbed at the beginning of her spree in April, according to police. Reports from there quote detectives saying Prida told them she was desperate for money because she has a gambling problem. Prida is a former bank employee, which explains her knowledge of bank protocol, investigators said.

<http://www.local10.com/news/3928702/detail.html>

In Iowa, a now “former Cedar Rapids police officer” accused of getting a home equity bank loan to pay off his gambling debt has been placed on two years probation. Forty-year-old Christopher Usher pleaded guilty in August, and as part of the plea arrangement, Usher must stay away from casinos, lottery games and other forms of gambling. He must also pay nearly \$20,000 in restitution to the credit union where he got the loan.

<http://www.woi-tv.com/Global/story.asp?S=2578640>

Beavers found a bag of bills stolen from a video poker casino, tore it open and wove the money into their dam on a Louisiana creek, according to New Orleans news reports. The money was apparently part of an estimated \$70,000 to \$75,000 taken from the Lucky Dollar Casino in Greensburg. About \$40,000 was recovered. Sheriff's

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‘These are the candy cigarettes of gambling’

- - NCAGE chairman Dr. Guy C. Clark

Though there is considerable argument over the accuracy of juvenile gambling addiction rates, nearly all writers agree the changing attitudes of adults and government are having an impact on children.

That impact is greater participation in gambling, and with that comes greater addiction. The National Gambling Impact Study Commission final report concluded young people may have an addiction rate as much as two to three times as high as adults!

The federally-funded commission concluded, “Clearly, adolescents are a segment of the population who are at particular risk of developing problems with gambling. This also is clearly an area in which targeted prevention efforts should be launched to curtail youth gambling.”

“I don’t think this ‘Addictions R us’ approach is what the commission had in mind,” Clark said. “We surely can’t be telling parents and children that six years old is an appropriate time for children to start learning to play slot machines.”

The Golden Nugget game, which is licensed under an agreement with the Las Vegas casino by the same name, “features on-the-go versions of classic games like Blackjack, Craps, Roulette, Slots, and Video Poker. A password-based save feature lets you come back into the game with your accrued balance intact,” according to the game’s own marketing information.

The Play Station “Slots” game at Toys R Us features “more than 40 authentic Bally Gaming slot machines including reel spinners, multiline, and video slots all rolled up into one interactive gambling extravaganza. Join the slots club membership and win prizes such as cars, cash and boats. The machines featured in this game are exact replicas of some of the most popular slots in the world. . . Real lights, real sounds, and authentic machines. This game is so close to the real thing, you’ll think you’re in Vegas,” according to its packaging.

“DD Tournament Poker,” on sale at big-box children’s stores “has a tournament manager for managing your own live home poker tournaments.” The manufacturer says, “We are currently in the planning phases for DD Tournament Poker 2.0, which is slated to include features such as Internet/LAN play.”

“Surely WalMart and Toys R Us understand they’re making virtual casinos out of every home in America. Even in Vegas the trend is toward ‘cashless’ machines. Youth and adults alike can turn these games into real gambling devices. Worse, we’re training our children to imagine

When you're down
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-- NCAGE Chairman Clark

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deputies have accused a security guard at the truck stop casino of disabling its security cameras. The guard faces felony theft charges. <http://www.theneworleanschannel.com/news/3918458/detail.html>

“A judge urged a despondent man still suffering from the suicide of his gambling-addicted wife to move on and find ways to heal himself and help his family.” Writes Robert Koopmans of the *Kamloops Daily News*, in British Columbia.

Stanley Dilling, 56, agreed to enter into a one-year peace bond — a restraining order — prohibiting him from going near B.C. casinos, their employees or B.C. Lottery Corp. offices.

The court was told how, in a grief-induced night of drinking, Dilling fashioned a crude bomb from a large propane tank and a torch and for a brief moment, considered driving it into a casino. He hoped, however, that police would first intervene and shoot him, bringing an end to his emotional suffering, the judge was told.”

Dilling’s wife Dorothy had killed herself after a long battle with a gambling addiction.

For the complete story, contact Koopman at www.kamloopsnews.ca The story was published Nov. 24, 2004.

A popular Grand Rapids priest has been relieved of duties at St. Alphonsus Catholic Church after revealing he squandered parish funds to feed a casino-gambling addiction. The Rev. Thomas Donaldson, 53, recently told superiors about his problem and is being treated in Canada, according to church officials. <http://www.mlive.com/news/grpress/index.ssf?/base/news-18/1102347939299230.xml>

The former president of a Michigan youth baseball league has been sentenced to one year on a work detail for what authorities say was the embezzling of \$169,000, used to

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Big box stores build profits teaching children to gamble

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winning and improving their lives through gambling. We’re setting them up for failure and addiction.

“In the candy cigarette days, research proved giving sweet candy cigarettes to children increased the likelihood of those children becoming addicted to tobacco later in life. Investigators also found tobacco companies were directly involved with the confection companies because they knew that would happen. They loaned the candy companies their looks, names and logos. Now gambling companies are doing exactly the same thing to entice future customers,” Clark charged.

“The back of the Golden Nugget Casino game says ‘When you’re down on your luck, visit the ATM, then hit the tables for more action.’ That’s not good advice for anyone, much less entertainment appropriate for everyone!” Clark charged.

“The worst part is that the ESRB doesn’t even seem to be aware that this is a problem, and neither does the Federal Trade Commission. The FTC has electronic forms for complaining about marketing violence to children, but nothing on either the ESRB or FTC sites seems offer an opportunity to raise other concerns. That’s nuts,” Clark concluded.

With that, he penned appeals to the big box chains, the FTC and the ESRB to change their ratings and sales policies for gambling related games.

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www.ncalg.org

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pay off gambling debts. Harry Hill Jr., 53, took the money from the Canton Community Junior Baseball/Softball Association (west of Detroit) between January and November 2003, police say. The judge also ordered him to refrain from gambling, maintaining business bank accounts and holding positions of trust according to local news accounts.

http://www.freep.com/news/statewire/sw107744_20041125.htm

Melody S. Schuler, 41, turned herself in after she was indicted by a federal grand jury on two counts of mail fraud and one count of interstate transmission of stolen money. Schuler, a trusted bookkeeper for Hytek Investments, Inc. d/b/a First Choice Homes and Hytek Mobile Home Services, was charged with forging the business owner's signature on company checks and depositing money into her own accounts. Local reports say she is accused of spending approximately \$200,000 of company funds on personal expenditures, including thousands of dollars at St. Louis-area casinos. Authorities said more than \$15,000 of the stolen money was withdrawn through ATM transactions at the Casino Queen in East St. Louis.

<http://www.stltoday.com/stltoday/neighborhoods/stories.nsf/news/story/0>

A Philadelphia businessman who is already facing 15 months in prison in a gambling case now faces additional time for bankruptcy fraud, according to AP reports. George Atiyeh, a former athlete convicted in 2002 of running an illegal bookmaking operation, pleaded guilty to embezzling about \$280,000 from his real estate business at a time when the assets were supposed to be under the control of a bankruptcy court. Atiyeh spent three seasons playing professionally in the now-defunct United States Football League.

<http://www.centredaily.com/mld/centredaily/news/politics/10029831.htm>

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'23 is Enough!' wins

Michigan voters spark turn to stop 'approved' casino

A voter-driven turnaround has sparked a unique reversal of tribal casino plans in Michigan. It's another example of the voters deciding "Enough is enough!" says NCAGE chairman Guy Clark.

In fact, the movement to stop the Gun Lake Band of Pottawatomi Indians from building a nearly 200,000 square-foot full-blown class III casino in Wayland, MI, is called "23 is Enough!"

In Michigan, all of the existing casinos have been built with the approval of the state legislature and governor. In 2002, the legislature approved the Gun Lake group's casino, but the governor never signed the resulting compact.

Then came Proposal 1, which requires all new casinos (other than tribal casinos) to have the approval of the legislature, the governor, the state's voters and the community that would host a proposed new casino. The proposal won by a nearly 2-1 landslide. Though the proposal did not address Indian casinos, the overwhelming support of the voters sent a clear message they have had "enough" of gambling expansion.

That prompted Senate Majority Leader Ken Sikkema to count noses and he found his peers were no longer in support of the casino. They quickly voted 24-13 to rescind their approval. The state's House of Representatives has not yet undertaken the same discussion, but that may be largely irrelevant since approval of both bodies and the governor have historically been required before a casino can be built.

The "23 is Enough!" group is confident the BIA can no longer force the casino into the state against its will, citing recent Supreme Court decisions based on similar Florida issues.

Tribal representatives say the battle is far from over, but the issue does illustrate a turning point in public opinion. This is the first known case of a once-approved Indian casino being cancelled.

The vote of the people against gambling expansion triggered the Senate action. The casino, which would have been built in Allegan County, about 20 miles south of Grand Rapids, had the support of the Allegan (county) Area Chamber of Commerce and other nearby chambers. But Allegan county voters supported the anti-gambling provision 64%-36%. That is despite an economic impact study that showed Allegan businesses may have profited from the casino at the expense of businesses in neighboring counties.

"23 is Enough!" said the negative impacts of the proposed casino were an important part of the reversal. A study commissioned by the Grand Rapids Chamber of Commerce showed, "the net economic loss to the state over the next decade would be over \$316 million. The same study also showed the casino would result in the loss of 3,100 jobs over the same time period."

Briefs and clips . . .

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A FORMER Malaysian princess is alleged to have racked up millions in gambling debts at the Ritz casino in London. In September 2003, Datin Arina Binti Abdullah apparently blew nearly \$6.14 million in the casino. The casino alleges that the ex-princess, who was known as Chuah Kim Keok before her marriage, has not paid up. http://mathaba.net/x.htm?http://mathaba.net/0_index.shtml?x=84454

British Gambler Jason New set fire to a slot machine after losing about \$340 and ended up causing \$13.5 million damage. He used an 85 cent lighter to set the one-armed bandit alight in a bid to get his money back, according to the (London) *Daily Mirror*. Seventy-four firefighters from 13 stations spent almost four hours tackling the fire, which ripped through the shopping and restaurant areas. New, 31, of Blackpool, England was jailed for three-and-a-half years after pleading guilty to arson. http://www.mirror.co.uk/news/allnews/tm_objec tid=14925850%26method=full%26siteid=50143%26headline=gambler%2djailed%2dfor%2dar son%2dattack%2d-name_page.html

A former school superintendent was one of four people arrested in northeast Ohio during a law enforcement crackdown on illegal gambling. Police officers seized gambling paraphernalia related to sports betting. <http://www.newsnet5.com/news/4010627/detail.html>

PennsylVEGAS illegal?

Citizens sue to stop overnight slot attack

Pennsylvanians are pushing back against what some have called the state's "midnight massacre" of their legislative process and constitution last July.

The Pennsylvanians Against Gambling Expansion Fund has filed a lawsuit asking the state supreme court to strike down the Pennsylvania Slot Machine Law¹. That law proposes to allow up to 61,000 slot machines in the commonwealth. Wily senator Vince Fumo orchestrated the all-night machination, mutating an innocuous page-and-a-half housekeeping bill into a 145-page gambling expansion tome – with not one single public hearing, no open readings and no debate.

Pennsylvanians woke up Independence Day locked into a government funding mechanism devised to suck billions of "stealth tax" dollars out of the economy in the coming years. The state's governor, Ed Rendell, had run on a pro-gambling platform. He repeatedly pressured the legislature to replace some of the state's property taxes with a cut of the action from state-enabled gambling. The Independence Day legislation earned him the ire of national editorialists and the nickname "Slot Ready Eddie." In an editorial titled "Lemons in a Row," the *New York Times* called slot proliferation a "fool's bargain" fast becoming "America's preferred way to tax the poor."²

The legislation, which Fumo and his fellows apparently had planned, written and rehearsed well ahead, included a provision allowing legislators to own up to one percent of gambling operations — a windfall that could be worth millions to pro-gambling lawmakers.

The legislation, if upheld, will give Pennsylvania the second highest concentration of one-armed bandits in the nation, second only to Nevada. Some of the citizens' projected losses will go to the state as taxes, some will go to replace sagging bets at racetracks³, and it appears much of the rest could be going to out-of-state gambling promoters.

"\$lot\$ylvania" and "PennsylVEGAS" are predictions often cited by Dianne Berlin, vice-chair of NCALG/NCAGE and a PAGE steering committee member. Berlin charges the legislature has sold the soul of her state and the lives of thousands of its citizens for a "mess of cold pottage." She notes, "Nevada leads the nation in the number of slot machines. They also lead the nation in divorces, suicides, gambling addiction, high school dropouts and the number of women killed by men. Nevada is the most dangerous state in the nation in which to live. Our governor and legislature seem hell-bent on making Pennsylvania sink right down next to Nevada in all of that."

Since the passage of the legislation, gambling industry power brokers

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Legalization fuels Ontario's illegal dens

Reports from Ontario confirm once again that legalizing gambling increases illegal gambling.

When legalized gambling was introduced in 1994, the government argued that it would decrease the existence of organized illegal gambling. But Rob McKinney, a former head of an OPP organized-crime unit focusing on illegal gambling, said any increase in legal gambling only helps boost the market for underground wagering.

"I'd say it's a known fact that, with an increase in legalized gambling, there'll certainly be an increase in illegal gambling, because of the exposure," he said. McKinney said serious gamblers are attracted to the high stakes, no-limit games offered by the illegal operations.

Pat Davies, an addiction counsellor at Bellwood Health Services in Toronto, said her clients often flock to the 24-hour underground dens instead of to casinos.

"Well, from what I hear the odds are better, and the game is more enticing," she said. "They've got the credit there that they don't have in a casino. The loan sharks are willing to lend money that they may not get other places if they are running out of funds."

http://ottawa.cbc.ca/regionalnews/caches/ot_gambling20041108.html

Addictions soar near Seneca Niagara Casino

Social costs are climbing in Buffalo and Erie County, New York, just as research forecasts.

With the Seneca Niagara casino opening just two years ago, the *Buffalo News* reports the Gambling Recovery Program of Jewish Family Service of Buffalo and Erie County received a 53% increase in calls in 2003, corresponding with the opening of the Seneca Niagara Casino and more state lottery play.

<http://www.casinocitytimes.com/news/article.cfm?contentID=147237>

Late-night transformation violates constitution!

(Continued from page 5)

ranging from the Mohegan and Pequot tribes in Connecticut⁴ to the Las Vegas Sands Inc⁵ have been applying to turn racetracks into casinos and Bethlehem into a "Steal Mill," as Berlin puts it. "The citizens have also been finding that tax relief was an empty promise, and there is going to be precious little new money for schools coming out of this. Plus, there is a preposterous potential for corruption in the oversight this bill created. The people would never have approved this if we would have had a chance to argue this bill in the way legislation is supposed to be processed."

The lawsuit is based on just that problem. The legislation, PAGE Fund argues, violates two important provisions of the Pennsylvania Constitution. The complaint argues the process by which the law was passed violated the "Original Purpose" and "Single Subject" rules of the Pennsylvania Constitution. The legislature avoided the normal process by attaching the massive new enabling legislation as an amendment to a tiny and almost entirely irrelevant bill. The new slots law started life as a measure to prescribe fingerprinting and background checks for certain persons involved in harness track racing. The bill went through three required hearings in the House and two of the three required hearings in the Senate. Then, at the 11th legislative hour, late into the night on the eve of Independence Day adjournment, the entire original bill, title and all, was replaced by a bill comprising six chapters and 83 sections with 184 lettered subsections and 228 numbered subsections. The bill that turned Pennsylvania into a casino state bore no resemblance to the original legislation.

The suit also charges the process violated Article II of the Constitution, and that certain provisions of the law infringe upon constitutionally mandated separation of powers.

Among those joining with PAGE Fund in the case are the Pennsylvania League of Women Voters, Pennsylvania Family Institute, Sen. Gibson E Armstrong, Reps. Paul Clymer, Greg Vitali, Jerry Stern, and Gibson C. Armstrong, A United Methodist Witness of Pennsylvania and other officials, individuals and organizations representing citizens, taxpayers, businesses, churches and schools that would be impacted by the implementation of this law.

Tom Shaheen of Pennsylvania Family Institute⁶ noted the PAGE Fund suit also asks for quick action⁷ to stop the ongoing process of selecting gambling overseers and casino sites. He said the bill's sponsors want to get the unconstitutional process stopped before any more economic harm and confusion are created.

(Endnotes)

¹ <http://www.sitemerit.com/> and http://www.sitemerit.com/Petition_for_Review_as_filed_12-10-04.pdf

² <http://www.nytimes.com/2004/07/13/opinion/13TUE1.html?ex=1090726452&ei=1&en=4796f6a55a04cd9> NYT

³ <http://www.philly.com/mld/inquirer/8719319.htm>

⁴ <http://www.postgazette.com/pg/04352/428169.stm>

⁵ <http://www.pennlive.com/news/express/pa/index.ssf?base/news-14/1103278009180750.xml>

⁶ <http://www.pafamily.org/>

⁷ http://www.sitemerit.com/Motion_to_Expeditate_as_filed_12-10-04.pdf

THE NATIONAL COALITION
NCAGE
AGAINST GAMBLING EXPANSION

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

January 16, 2005

(Letters sent to Target, Wal-Mart,
K-Mart Toys “R” Us and Costco stores,
plus the ESRB and Federal Trade Commission)

Dear Friends;

We have learned with some alarm that big-box stores across the nation are selling a dangerous and addictive product to children. We believe that when you become informed of this danger you will assist us in limiting their availability to children.

We are a national organization working to stem the growing tide of gambling addiction in America. Among our greatest concerns is the alarming growth of gambling and addiction among our country’s young people.

As public acceptance and government sponsorship of gambling expands across the nation, the press is replete with stories of children spending their lunch money, college savings accounts and parents’ credit cards on gambling. Poker parties and mock casinos spring up in basements and bedrooms across the country. Addiction replaces study and stress destroys positive social interaction with family and friends.

The results are devastating. Gambling is an activity which becomes pathological for a significant percentage of Americans. In fully developed markets, compulsive gambling reaches five or six times the incidence rate of cancer. Gambling addicts have unusually high bankruptcy and suicide rates.

Worse yet, youth are two to three times more likely to become addicted to gambling than are adults.

A massive federally funded study, the National Gambling Impact Study Commission Final Report, published in 1999, concluded, “Clearly, adolescents are a segment of the population who are at particular risk of developing problems with gambling. This also is clearly an area in which targeted prevention efforts should be launched to curtail youth gambling.”

Despite these facts, there is a dangerous and growing interest in gambling among our youth. This is accelerated and fostered by games such as “Golden Nugget Casino” Play Station “Slots” and “DD Tournament Poker” offered in the major retail stores across the country. Many stores offer gambling devices and paraphernalia mingled with Teddy bears and Tonka trucks.

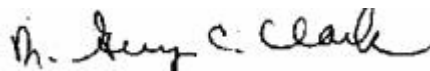
Moreover, these games are rated “E” for “Everyone.” That rating comes from the Entertainment Software Rating Board, (<http://www.esrb.org>) which says, “Titles rated ‘Everyone’ (E) have content suitable for people ages 6 and older. These titles will appeal to people of many ages and tastes. They may contain minimal violence, some comic mischief or some crude language.”

Surely we can't be telling parents and children that six years old is an appropriate time for kids to start learning to play slot machines. The back of the Golden Nugget Casino game says, “When you're down on your luck, visit the ATM, then hit the tables for more action.” That's not good advice for anyone, much less entertainment appropriate for everyone!

Surely retailers and the ESRB understand they're making virtual casinos out of every home in America. Even in Vegas the trend is toward 'cashless' machines. Youth and adults alike can turn these games into real gambling devices. Worse, we're training our children to imagine winning and improving their lives through gambling. We're setting them up for failure and addiction.

We strongly encourage the FTC, the ESRB and all of the nation's retailers to become aware of the growing social consequences of youth gambling addiction and make these games unavailable to persons who are not old enough to legally gamble in their states.

Please help us make gambling as rare in America's toy departments as candy cigarettes.



Dr. Guy C. Clark
Chairman of the Board,
National Coalition Against Gambling Expansion
And the National Coalition Against Legalized Gambling, www.ncalg.org