

Abramoff all about gambling

Corruption proves need for change in campaign finance & IGRA

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“Nothing is quite as predictable as history repeating itself,” quips NCAAG chairman Dr. Guy C. Clark as the Jack Abramoff scandal continues to unfold before America.

Twice before in history gambling proved so corrupting that it was almost entirely criminalized. After the American Revolution and again following the Civil War, gambling all but disappeared. “Corruption was the reason then, and it is happening again,” Clark said.

Abramoff’s escapades were entirely dependent on and connected with gambling, Clark noted. “Gambling gave him the money, and money gave him the power. From the President of the United States who feigns amnesia, to Christian Coalition wonder-boy Ralph Reed who wound up exposed, to the owner of a Florida cruise ship who turned up dead, they’re all tied to gambling.”

Three big issues drive the scandal, Clark charges:

- Loopholes in the McCain-Feingold campaign finance legislation
- Congress’s failure to rein in the Indian Gaming Regulatory Act
- and the proven history of gambling’s ability to corrupt government.

McCain-Feingold left loopholes that made Native American tribes both victims and power brokers in government corruption.

Tribes can donate the same maximum amounts as individuals to candidates and committees, but they can give to as many of those candidates as they wish. Tribes can give as much as they want to Political Action Committees (PACs), but unlike individuals and corporations, the tribes don’t have to report any of those donations to the Federal Election Commission.

And, like everyone else, tribes can funnel money through “front groups” to gain influence in government.

What makes the issue so provocative is the sheer force of numbers. Jack Abramoff was able to extract more than \$82 million dollars from six tribes over the course of three years! Abramoff even took money from both sides of competing tribal interests. In effect, he took money from one tribe to stop a second tribe from getting a casino, and then took money from the second to try to get the casino proposal restored.

The Wall Street Journal recently called Indian gambling the “least transparent industry in America.” (Fergus M. Bordewich editorial, WSJ, Jan. 5, 2006) The paper notes, “Constitutional protections reach only feebly onto Indian land, where tribal governments enjoy a degree of secrecy that would never be tolerated in any other American community. Gigantic sums disappear

‘A minor revision of IGRA will not be sufficient’

‘Tribes can give as much as they want to PACs, but unlike individuals and corporations, the tribes don’t have to report any of those donations to the Federal Election Commission’

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from public view as soon as they leave tribal gaming tables. This money is shielded from outside regulation by the principle of tribal sovereignty, upheld by the Supreme Court, which regards tribes as autonomous "nations," enjoying self-regulation, immunity from lawsuits and independence from state laws. In practical terms, the casinos are also spared scrutiny by investigative journalism and citizen watchdog groups, which are almost completely absent from Indian reservations.”

Senator John McCain, co-author of the McCain Feingold campaign finance reform bill, is the current chair of the Senate committee reviewing the Indian Gaming Regulatory Act (IGRA). NCAGE recently submitted testimony to that committee, including a call for major reforms to both campaign finance laws and the IGRA.

In the testimony, NCAGE chairman Clark wrote, “Tweaking campaign financing law, or a minor revision of IGRA will not be sufficient to prevent similar scandals in the future.

“A major rewrite of campaign financing law needs to be accomplished. NCAGE recommends that the tribes should be held to the same aggregate cap as other individuals, or fall under the same regulations and restrictions that apply to PACs or Corporations. Reporting requirements should be the same for tribal or non-tribal entities. If sovereignty is flexible enough to allow tribes to vote in state and federal elections and contribute to candidates, it should also be flexible enough to submit to necessary campaign finance regulations.

“IGRA needs a major revision to help prevent corruption of the political process and other major problems from recurring.

- Tribal gambling needs every bit as much regulation and oversight as commercial gambling. This should be carried out by state and/or federal agencies.
- Tribal recognition needs a specific statutory protocol that requires historical, political and genealogical continuity to govern the issuing of tribal recognitions.
- The process of setting land in trust for the purpose of establishing off-reservation casinos needs to be systematized, and allow for state

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Teetering on the 'Tipping Point' for America's homes and offices

Congress faces crucial moment for Internet gambling

'I can't think of a better time than right now for any citizen to call or write their Senators and Representatives.'

The "tipping point" of online gambling will be this, the second session of the 109th Congress, contends NCAGE chairman Dr. Guy C. Clark. "The gambling industry itself estimates worldwide Internet gambling at \$12 billion, with well over half of that coming from illegal US bets. This is the year America will put its foot down, or watch the devastating phenomenon spin out of control."

On one side of the balance is the growing online gambling community, but on the other are a series of bills that could truly tip the issue back toward sanity. Clark said "I can't think of a better time than right now for any citizen to call or write their Senators and Representatives and tell them to support legislation to stop Internet gambling! If states and communities want gambling, they can chose that. But if Internet gambling gets a foothold, the choice is gone. When it's on the Internet, it is everywhere. It's a pretty clear choice. Do we want to make a slot machine out of every computer in America or not? Do we really want a casino in every home and office cube across our nation?"

Taking the issue head-on, Representative Robert Goodlatte (R-VA) and a host of 118 co-sponsors have offered H.R. 4777, short titled the "Internet Gambling Prohibition Act." Goodlatte's bill amends and modernizes the hotly disputed "Wire Act" and makes all interstate Internet gambling illegal.

Goodlatte has introduced the legislation before, but he's a lot more hopeful of passage this year with the possible elimination of political corruption that stalled the legislation before. "I have previously introduced similar legislation in both the 106th and 107th Congresses only to have them both derailed by Jack Abramoff's campaign of misinformation."

Goodlatte says, "The Internet Gambling Prohibition Act cracks down on illegal gambling by updating the Wire Act to cover all forms of interstate

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Gambling '...has more of a history of corruption than any other industry.'"

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legislatures and local communities to have veto power over the process.

- Class II and Class III games need to have definitions reworked to prevent a blurring of the distinctions between the two. If a game looks and plays like a slot machine, it should be a Class III gambling device, regardless of whether or not the internal wiring or software is a bit different.
- Tribes should only be allowed the same specific type and scope of gambling that is legal in the rest of the state in question. One night "Las Vegas" nights for charities, with small prizes and profits, should not be the basis to allow tribes to develop full-blown casinos. Lotteries shouldn't justify slot machines. "Exclusivity" should be an unacceptable standard for tribal gambling, and should be recognized as illegal monopoly power.

Simon stated that gambling "...has more of a history of corruption than any other industry."

In the past few decades scores of state legislators in Kentucky, Arizona and South Carolina have been convicted or pleaded guilty to various gambling related charges. Legislative leaders in Missouri, Maryland and Florida were similarly charged. In the Mahoning County of Ohio, police officers, sheriffs, judges, and mayors were investigated by the FBI for Mob related gambling. Louisiana had dozens of state lawmakers investigated by the FBI, gaming control board members indicted, and the governor convicted and imprisoned on gambling related charges.

"Gambling is not just another industry on the business landscape. Government attempts to allow and control gambling in order to feed itself revenue, and invariably becomes complicit. Gambling is a corrupting influence - a business based on selfishness and greed." Clark said.

GAMBLING AND POLITICAL CORRUPTION

The mixture of politics and gambling comprise a long-proven recipe for political corruption. Illinois Senator Paul

Internet Gambling: *In truth, there is only one way to regulate it and that is to kill it'*



MBNA sinking the hook . . .

It's a new charge card aimed at students and gambling. This Harrah's rewards oriented ad, collected from a family-oriented Internet site this month, offers to buy its customers into the \$10,000 World Series of Poker. The accompanying application has a student section, gleaning campus telephone numbers and student majors.

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gambling and account for new technologies. Under current federal law, it is unclear whether using the Internet to operate a gambling business is illegal. The closest useful statute currently is the Wire Act, which prohibits gambling over telephone wires. The Wire Act, which was written well before the invention of the World Wide Web, has become outdated. My legislation amends the Wire Act to make it clear that the prohibitions include Internet gambling and the use of other new technologies."

Additionally, the Internet Gambling Prohibition Act allows states to continue to regulate gambling within their borders with tight controls to be sure that it does not extend beyond their borders or to minors. This bipartisan legislation increases the maximum prison term for a violation from 2 years to 5 years.

In supporting this bill, Chark noted, "To this point, a lot of off shore gambling houses have tried to pretend their bets from the US are legal. They've cited ambiguity in the Wire Act. The Goodlatte bill would make that very hard to do."

Cutting the money . . .

Two bills that seek to criminalize the use of bank instruments and credit cards for illegal Internet gambling are being offered by Representative James A Leach (R-IA) and Senator Jon Kyl (R-AZ) (The Goodlatte bill mentioned above also seeks to criminalize the use of bank instruments and credit cards for Internet gambling in similar language.)

Clark noted, "It has long been NCAE's hope that federal legislation would cut the money flow – the life blood – of Internet gambling. When credit card companies and banks can't collect gambling debts and winners can't use banks to receive their 'wins,' the monster will wither and die.

Though Leach and Kyl bills seek to cut the funding for illegal Internet gambling, they allow existing legal Internet gambling to continue, though there is considerable debate about whether ANY Internet gambling is currently legal. The Leach bill, H.R. 4411, for example, claims it "makes nothing illegal that is already legal." It supposes Internet gambling between states may remain legal if the form of gambling is already allowed in both states.

Leach's bill has earned support from the National Football League, NCAE and other groups concerned with the corrupting influence of Internet gambling.

"These bills face strong opposition, but just about everybody has a reason to stop Internet gambling," says Clark. "If gambling is available on every computer in the country, then state lotteries, casinos, race tracks – all the high-overhead operations – get thrown into a dismal morass of a greedy free-for-all. In that case, not even the casinos can win.

"The Internet gambling promoters argue that it's pointless to try to stop the growing industry because the Internet can't be regulated. Then, in the next breath, they say we ought to 'legalize it so we can regulate it.' In truth, there is only one way to regulate it and that is to kill it. If it's all illegal, it can be stopped."

For details on these bills, visit the Thomas Library of Congress site at

<http://thomas.loc.gov/>

Search for:

Goodlatte Bill: H.R. 4777 and Leach Bill: H.R. 4411

A school, a town, a county

Citizens picking up the tab

Stories dot America's economic landscape where small businesses, cities, schools and counties have been ruined by long-trusted employees who became gambling addicts and then embezzled company, client or public funds. These solid "pillars of the community turned criminal" are hard to detect. As NCAGE field director Tom Grey often says, "They don't come to work with dice on their breath." More importantly, they are mostly people who have earned their positions of trust through dedication, hard work and strength of character – until gambling turned them into something else.

There is a growing list of cities, counties, organizations, churches, schools and clubs that also find themselves destitute because gambling has poisoned the character of their most trusted servants.

It appears no one has yet tried to calculate how much business insurance has gone up, or how much municipal bond ratings have gone down since the explosion of legalized gambling in America. But the numbers are known to be enormous. Renowned economist Earl Grinols has estimated gambling's negative externalities are equal to a major recession every seven years or so. It's a cost that everyone pays, but some communities get hit harder than others.

- In a small school district in Kansas, teachers buy pencils for children out of their own paychecks, because the district has no money. Staff members were laid off, and programs and classes cancelled.

Later, the superintendent of schools wept in a courtroom and begged for forgiveness for embezzling \$854,699 between 2000 and 2004. The district of some 200 students ran on an annual budget of under \$2 million a year. Feeding a gambling addiction, the superintendent had stolen a stunning portion of that to pay racetracks and fancy Nevada casinos.

The racetracks did not offer to help the students recover the losses in their learning. Nor did the Vegas casinos step up to replace the jobs and programs lost.

"I just hope somewhere down the road they'll forgive me," the superintendent said. "If they don't, I'll understand. I can't forgive myself."

It was a stunning breach of trust, and, as the judge in the case noted, "This is a significant

violation of community standards."

<http://www.kansascity.com/mlid/kansascity/12468344.htm>

- Nassau County in Florida suffered two consecutive reductions in its bond ratings last year following the theft of at least a million dollars by a former county employee who took her own life.

Fitch, the bond rating company, cited "serious internal control and budgetary weaknesses," questioning checks and balances in the county clerk's office under the previous administration.

Part of the firm's concern is how the county allowed former Clerk of Court employee Julie Mixon to embezzle more than a million dollars. In May, Mixon committed suicide two months before authorities revealed she admitted to gambling all of the money away in Las Vegas.

Nassau County's lower credit score could mean paying a higher interest rate on its loans and taxpayers worry that could only mean high taxes.

"Somebody has to pay," says resident Bill Cripps. "It's kind of like somebody who cheats on the insurance company. You realize it raises your rates and therefore the same group of people always pays."

http://www.wtev.com/news/local/story.aspx?content_id=8FB81EBF-8698-4A42-8E11-73AC842A8DE0

- "Gone is the D.A.R.E. anti-drug program at the school district, a victim of layoffs at the Galion, Ohio, Police Department. Civic groups chipped in to pay for fireworks on the Fourth of July. The city is selling off police cruisers and computers to raise cash. Residents have volunteered to clean parks, road projects have been scrapped, and taxes and utility charges have soared."

So reported the Associated Press in relating the story of the Ohio town's former finance chief, William Bauer, who told the court he had "gambling addiction and credit-card problem." Bauer, a popular and trusted member of the community, was blinded in a suicide attempt.

The city council was raising income taxes to pay off city debts, and as one citizen put it, "It's like we're being punished for a crime we didn't commit."

AP "Ohio Town Struggles with Legacy of a Duly Appointed Thief" *New York Times*, Aug. 9, 2005,

"It's like we're being punished for a crime we didn't commit."

*The best hope of government and commerce is that they might impart that which will improve society – that what they do will “make good men great and bad men better.”
That, in itself, is the greatest condemnation of the spread of legalized gambling in America. In truth, it makes good men bad and bad men worse.*

Gambling . . . Making good men bad and bad men worse

NJ -- A popular Burlington County priest accused of misusing more than \$300,000 in parish funds admitted in federal court yesterday that he had made false statements on his federal tax returns.

Diocese officials suspended Sullivan in October 2002, maintaining that he had misappropriated more than \$300,000 - much of that from a church account earmarked for helping the needy. They alleged that the charismatic priest, beloved by most of his parishioners and known around the region for his homilies, had used church money to support a gambling addiction.

<http://www.philly.com/mld/philly/13346528.htm>

KS -- “She was a thinker and a dreamer about what this community can be,” said lawyer John Kurtz. “She has been a comforter to young people. . . . She has been an uplifter.” But Former Kansas City Municipal Court Judge Deborah Neal has been sentenced to more than two years in prison for accepting loans from lawyers to fuel her gambling addiction. Some of those lawyers represented cases before her court.

In a sentencing memo, her lawyers revealed that she had begun gambling frequently in 1994, about the time the first casinos opened in Kansas City, and lost well over \$500,000.

From a story by Mark Morris, The Kansas City Star, Oct. 01, 2005

US Missile secrets pawned for casino debts

England -- Top-secret Cruise missile information ended up in a second-hand shop after a sailor sold Ministry of Defence computers to fund his gambling habit, a court martial was told. The thefts came to light only when senior American officials visited the Cruise Missile Support Agency, at Northwood, military headquarters, Middlesex, concerned that a submarine exercise had not been properly supported by computer software.

Chief Petty Officer Paul Crookes, a weapons engineer, was interrogated and confessed to selling agency computers and other equipment to pay off his casino debts.

Among the items were three laptops that contained sensitive files marked “Top Secret - for UK/USA eyes only”.

<http://www.telegraph.co.uk/news/main.jhtml?xml=/news/2005/10/01/nsecrets01.xml&sSheet=/news/2005/10/01/ixhome.html>

Across America, month after month, this bulletin has paraded before its readers the broken lives of trusted people – people given positions of confidence because of their inherent good qualities and proven dependability – but who have turned to destructive behavior because of gambling. As one Midwestern prosecutor lamented, there is a surprising rise in the number of “30 something women” and middle aged people with positions of trust that are being prosecuted for crimes.

Priests and Sheriffs, a coach, the treasurer of a motorcycle club, a school superintendent, bankers, lawyers and accountants have destroyed the trust of family, community, clients and themselves, making sacrifices to the clanking, shuffling, spinning false hopes of a gambling god that somehow took power over their lives.

To be sure, it’s a small percentage, perhaps two or three percent of all adults in a gambling market who do become addicted, and a smaller portion who become criminal. But that is still a huge number. The incidence of active cancers in America would have to increase four fold to equal the current estimated national average of gambling addiction.

No caring Christian society should ever tolerate that kind of damage for the feeble excuses of easy taxes and specious entertainment. No commerce in an evolved society should allow itself to feed upon the lost character of good citizens. For us to be in the position we are, headed in the direction we are, is beyond reason and beneath the contempt of any such nation as envisioned by Washington and Madison and Lincoln.

Some call them “anecdotes,” but they are, in fact, good lives broken under the weight of weak government and selfish commerce.

--by Carl Bechtold

GA -- “I could stand here talking for hours,” said former Augusta State University dean Roscoe Williams, a longtime friend former Georgia Senate Majority Leader Charles Walker. “Senator Walker has a good heart, a good soul.”

Other character witnesses, recounted times when Walker helped the poor of Augusta, paying people’s rent or utility bills and getting mentally and physically ill people into care facilities. But Walker will be sentenced for fraud and theft for stealing at least \$425,000 from a charity he created and bilking newspaper advertisers out of another \$200,000,

according to a sentencing report being used to help determine how much time he will serve in prison.

Though Walker became a millionaire and one of the most powerful political figures in Georgia, prosecutors charged he needed money to feed a gambling habit.

<http://www.ajc.com/metro/content/metro/1105/29metwalker.html>

N.Y. --Two state workers have been charged in connection with the alleged operation of a sports gambling ring that raked in \$900,000 in a span of two months, authorities said.

Richard Suwinski, 53, of Schenectady was charged with 10 counts of felony first-degree promoting gambling, Albany County sheriff’s deputies said. Suwinski, an auditor with the state Office of Temporary Disabilities, was released on \$10,000 bail following his arraignment.

Also charged was Todd Victor, 42, of Green Island. Victor, a state Education Department licensing clerk, was charged with misdemeanor possession of a gambling device and sixth-degree conspiracy, deputies said.

All three men are awaiting future court action.

<http://www.newsday.com/news/local/wire/newyork/ny-bc-ny-gamblingbust1216dec16.0.779795.story?coll=ny-region-apnewyork>

NE -- Fred Cappellano, a trusted officer in the Douglas County Treasurers Office, faces 10 years in prison and up to \$250,000 fines for each of four counts of fraud. Cappellano said he flushed the approximately \$120,000 he stole from public coffers down penny and nickel slot machines.

"Cappellano said he was careful not to gamble any of his \$74,500 annual salary as head of the motor vehicle division for the Treasurer's Office - so as not to tip off family members to his gambling addiction or jeopardize their well-being."

Omaha World Herald Sept. 22, 2005

PA -- A "trusted and well compensated" sales executive and his friend have been charged with embezzling \$6.4 million -- and losing it all to gambling. Henry Machinski reportedly admitted to the theft from his ex-employer, Nestle USA.

The two men had been friends for 20 years, and Machinski had spent 15 years becoming a highly trusted sales manager for Nestle. Machinski allegedly made up reasons to pay the money to a friend and confidant, Vincent Marchese, a grocery store operator in Allentown, PA. They split the money, and then lost it all.

Machinski could write a check of up to \$20,000 at a time, the highest amount possible in the Nestle sales division, because he'd reached "a level of trust and seniority" in the company, court records state.

Marchese is also a defendant in two lawsuits in Atlantic City involving alleged gambling debts. In July, Trump Plaza Hotel and Casino and Trump Taj Mahal Casino Resort sued him for allegedly passing \$152,000 in worthless checks, according to local news reports. At last word, his grocery store's assets were frozen, effectively closing the Allentown store and leaving about 65 employees out of work.

http://www.thetimes-tribune.com/site/printerFriendly.cfm?brd=2185&dept_id=415898&newsid=15149780 ; <http://www.philly.com/mld/dailynews/news/nation/12520275.htm> and <http://www.mcall.com/news/local/all-5food4lessnov23.0.3757478.story>

PA -- A Camden County businessman has been indicted on charges that he stole more than \$2.6 million from his company to gamble at Atlantic City casinos, according to Pennsylvania authorities.

David Angelo - the president, the chief executive officer, and a major stockholder of the Tiger Settlement Agency in Cherry Hill - was charged in a state grand-jury indictment with money-laundering and embezzlement, according to a spokesman for the state Division of Criminal Justice.

Angelo, 36, faces up to 30 years in state prison and fines of up to \$350,000 if convicted.

<http://www.philly.com/mld/philly/12759577.htm>

NJ -- New Jersey authorities are looking for a nursing-home executive accused of stealing \$1.7 million from various accounts at an Essex County facility. Peter Joseph Leus, 38, of Clifton, is accused of siphoning the money from accounts at the New Vista Nursing & Rehabilitation Center to bankroll his gambling habit, according to the State Division of Criminal Justice.

A state grand jury indictment alleges that from January 2003 through February 2005, Leus, the nursing home's controller, wrote checks from payroll and patient-needs accounts to 175 New Vista employees - checks the workers were unaware of and did not receive. Instead, those checks, totaling more than \$1.1 million, were deposited into Leus' personal bank account. He also wrote 185 payroll checks to himself totaling almost \$600,000. Leus is charged with money-laundering and theft by deception, and if convicted could be sentenced to 30 years in prison.

<http://www.philly.com/mld/inquirer/news/local/states/new-jersey/12608714.htm>

"some of the most difficult cases . . . are those involving people in a position of trust who violate that trust."

PA -- A man who "had been a sports coach and dedicated employee who sometimes worked two jobs to support his family, and had been respected in the community," according to his attorney, now faces 3 1/2 years in prison and more than \$1 million to repay.

Gary Huff has a gambling addiction, and what started with office pools and sports bets evolved into a compulsion that led him to steal from the company that employed him for 16 years, authorities said.

The 46-year-old man racked up more than \$100,000 worth of debt, and "unsavory characters" affiliated with a New York bookie threatened to harm him and his family, according to his attorney, Thomas Mading. Huff bought and diverted about \$1 million worth of office supplies to cover the debt at the expense of his employer of the past 16 years. At one point, Huff also borrowed about \$83,000 from his parents to try and pay the supplier, his attorney said.

"I lost respect, trust and the things that meant the most to me," Huff said.

Living with the damage he's inflicted on his friends, family and especially his three children is a "greater penalty than any court can impose," his attorney told the court.

<http://www.pennlive.com/search/index.ss?base/news-1/1134821106195750.xml?expressnews?mj&coll=2>

Ala. - A trusted accountant of 19 years tenure with the Chickasaw Housing Authority has pleaded guilty in federal district court to

embezzling about \$1.7 according to Associated Press reports.

Therese Brown, 53, could face up to 10 years imprisonment and a fine of up to \$250,000 dollars.

According to the indictment, Brown embezzled \$1,678,269 from the U.S. Department of Housing and Urban Development under the care of the Chickasaw Housing Authority. Investigators have said she gambled away most of the money she stole at the casinos on the Mississippi Gulf Coast.

PA -- In Lebanon, an otherwise upstanding citizen is mortgaging his house to make \$16,294 restitution and paying \$2,800 in fines after stealing money from a youth basketball league to support a gambling addiction.

Robert Wolfe, 50, will also spend 23 months on probation after pleading guilty to five counts of theft and two counts of forgery. His judge said some of the most difficult cases he decided are those involving people in a position of trust who violate that trust.

Wolfe has been attending counseling sessions five days a week for the gambling addiction that "snowballed," according to his attorney.

http://www.ldnews.com/news/ci_3178740

WI - In Wisconsin, a former nursing home manager has been sentenced to two years in prison for bilking \$372,000 from a dementia-afflicted resident in an 11-month span. Victoria Hall, 54, pleaded no contest in to a felony theft charge for taking the money from the accounts of an 88-year-old patient, then allegedly using the money to fund her own gambling habit and help her family and friends with their debts.

<http://www.posterscript.com/apps/pbcs.dll/article?AID=20060118/>

MO - In St. Louis, a 40 year-old former corporate chief financial officer pleaded guilty to embezzling more than \$844,000. His prosecutor told the judge, "This employee not only committed a crime, he used a position of trust to fund his lifestyle and gamble away stolen money," He faces up to 20 years in prison and a \$250,000 fine.

<http://www.kansascity.com/mld/kansascity/news/local/13786974.htm>

ME - A former manager of a convenience store in Maine has been charged with the theft of \$23,000 and apparently told police that he spent - and lost - all of the money at Bangor's new gambling racino. The 40-year-old man was charged with theft allegedly occurring over the course of two months. "He didn't admit to taking the money upfront, but once he did, he was upfront about where he had gone," the local police chief said. "He eventually admitted to spending the \$23,000 at Hollywood Slots in Bangor."

<http://www.bangornews.com/news/templates/?a=126946>

Click the mouse and lose your house . . .

Internet Gambling:

all the worst elements combined. . .

It is the perfect storm of gambling

▶ **Costs Jobs**

▶ **Net loss for all families**

▶ **No way to control, regulate or tax**

▶ **Breeding ground for gangs and crime**

▶ **Highly addictive**

▶ **Ultimately reduces public budgets**

In 1999, a congressionally funded National Gambling Impact Study final report published a number of findings from its extensive research. It concluded ALL Internet Gambling expansion should STOP! <http://govinfo.library.unt.edu/ngisc/reports/ngisc-frf.pdf>

Internet gambling features “all the worst elements combined. . . It is the perfect storm of gambling.” <http://www.ncalg.org/Internet%20Bill%20Scandals.htm>

From the business side, Internet gambling is all about trying to take money from other regions and markets while providing NOTHING in return. If this activity proliferates to market equilibrium, the best that can be hoped for is a zero sum game. Unfortunately, there are significant costs or “externalities” to be subtracted from zero, and the net result is an overall decline in the standard of living. <http://www.ncalg.org/Library/Studies%20and%20White%20Papers/Economics/GrinolsCutting%20Cards%20and%20Craps.pdf> and <http://www.ncalg.org/Library/Studies%20and%20White%20Papers/Economics/2004-06-stanfordjournal%20recriminalize.pdf>

Internet gambling creates few if any jobs. Software engineers and a couple of clerks are all that are necessary to sustain an online casino. <http://www.ncalg.org/Library/Studies%20and%20White%20Papers/Economics/GrinolsCutting%20Cards%20and%20Craps.pdf>

Internet gambling destroys jobs in the market regions by deflecting money that would have been spent on other items. That, in turn, reduces tax revenues and hurts city, town and state budgets. <http://www.ncalg.org/Library/Studies%20and%20White%20Papers/Economics/GrinolsCutting%20Cards%20and%20Craps.pdf>

Because proximity of gambling opportunity has been proven to double the prevalence of addiction, widespread Internet gambling is likely to create millions of new addicts. That could easily drive the national addiction rate to 3% or higher. (Nevada already has a higher addiction rate than that with casinos alone!) Social costs generated by those addictions would represent no less than a \$300 per person loss in the standard of living – or \$1200 per year for a family of four – even if no one in that family gambles.

<http://www.ncalg.org/Library/Studies%20and%20White%20Papers/Addiction%20and%20Health/Breen%20Rapid%20Onset.pdf>
and <http://www.ncalg.org/Library/Studies%20and%20White%20Papers/Economics/GrinolsCutting%20Cards%20and%20Craps.pdf>

Internet gambling is an all or none law enforcement issue. If some is legal, it becomes extremely difficult to regulate. If it’s all illegal, the issue is fairly simple. Bettors don’t have to pay; winners are subject to having their winnings confiscated. Everyone knows it’s illegal. If it happens, there are no questions.

Internet gambling expansionists claim there’s no way to control Internet gambling, so we should regulate and tax it – but there’s no way to regulate and tax something that can’t be controlled! It’s an oxymoron. The only way to control it is to criminalize it – ALL of it.

Internet gambling is a perfect recipe for money laundering and international organized crime. Imagine foreign hit men traveling the country intimidating and terrorizing American gambling addicts and their families. <http://www.ncalg.org/Library/Studies%20and%20White%20Papers/Economics/KindtJoyDenverLaw.pdf>

Gambling, criminal and legal alike, creates credit problems for its customers. When gamblers run out of credit at the legal games, many turn to the illegal operators. It’s a pattern that never fails. The sites with the biggest payoffs and the easiest credit will be the gang-run sites, operating beyond the reach of law, and with no taxes and fewer expenses than sites that follow the rules. It’s tough to arrest Internet sites – they can pop up and disappear like magic. <http://www.ncalg.org/Library/Studies%20and%20White%20Papers/Crime%20and%20Corruption/2004-06-kindtfailuretoregulate.pdf>

Internet gambling is the “perfect storm” of addiction. Computers generate an instantly variable variety of experience, rapid response, anonymity and unlimited hours.

There will be no refuge. Internet gambling can beckon users in their homes, at their offices, or from anywhere that will support a modern cell phone.