

THE NATIONAL COALITION  
**NCA**GE  
AGAINST GAMBLING EXPANSION

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100 Maryland Avenue NE, Room 311, Washington, DC, 20002 ~ (307) 587-8082 ~ 800-664-2680

May-June, 2006

Dear friends of NCALG,

It is always good when help comes unexpectedly. Such was Andy Rooney's commentary on the March 19<sup>th</sup> *Sixty Minutes*. Rooney suggested that all announcements of lottery winners should be accompanied by a listing of all the losers and how much money each lost. His advice was not only logical and based on his common sense, but could deflate the public relations bubble that lottery promoters work so hard to create.

Every lottery in our nation is conducted with the understanding that most of the customers must lose. There is absolutely no way that lotteries can produce funds for any cause except that most of the tickets are worthless. Why doesn't the press talk about this universal waste of wages on losing purchases? Why does the press publicize the one individual who wins \$365,000,000, but say nothing about the 700,000,000 losers who provide this obscene jackpot? Doesn't human compassion and truth-telling require that lotteries confess that most patrons will become losers?

Behind the lottery scandal is the tragic fact that *governments* alone are sponsoring, promoting and advertising lotteries. Lotteries are not private industries trying to generate profits. Lotteries are monopolies, operated by a branch of the government for the sole purpose of producing maximum revenues for some popular cause. Unfortunately, state-run lotteries often become the excuse for legalizing other forms of gambling.

Government lotteries violate one of the basic protections of society – consumer protection laws. State laws require other businesses to warn their customers on being exploited, misled or defrauded. State lotteries spend millions to convince consumers they can easily become millionaires by purchasing "*the one lucky ticket*." By marketing lottery tickets, states violate the consumer protection laws that they are bound to enforce on others. Rooney is absolutely right – to be fair, honest and truthful, lotteries should warn customers that they are going to be fleeced of their money through misleading advertising.

State lotteries are searching for additional devices to drain more money from the public. On December 2, 2005, in a hearing conducted in a California court, Judge Lloyd Connolly asked the state's Deputy Attorney General if it were "a true statement" that the California Lottery Commission "could authorize a lottery game with England?" Replied the Deputy Attorney General, "That is a true statement." Even the court reporters expressed shock at the callousness of the lottery attorney's claim.

Lottery officials are super sales agents. The only way for a government lottery to stay in business is for vast hordes of buyers to lose their wages. Promoting lotteries involves advertising, publicizing a few winners, and an army of sales representatives that canvas convenience stores and liquor markets with promotions and ideas to increase sales.

In April of this year the Massachusetts Lottery began marketing \$5 tickets under an arrangement with the Red Sox baseball team. Tickets will feature the Red Sox logo and offer million dollar prizes. California's Lottery has tied ticket promotion with movies such as "King Kong" and "Star Wars." California tried to enhance the sale of lottery tickets by selling "Star Wars" coins. Many lotteries have television shows that hype winners and their prizes. New games are constantly being introduced with advertising about "better odds." Lottery suppliers have an army of researchers devising new games, catchy slogans, and bigger prizes.

Do lotteries provide meaningful revenues to worthy causes? Jack O'Connell, who is the current Superintendent of Public Instruction in California, has repeatedly said the Lottery is "one of the worst things for education." I have yet to converse with any school personnel who defend lotteries as beneficial to education. Lotteries promise more than they deliver. Lotteries do not make a state rich. They drain vast sums of purchasing power from the very people who can least afford it. Lotteries impoverish.

The U.S. Constitution states that "promoting the general welfare of the people" is a primary function of government. How can selling billions of worthless lottery tickets fulfill that high and worthy function? The National Gambling Impact Study Commission labels lottery benefits as "exceedingly modest." Government should encourage citizens to manage their funds, invest wisely and prepare for the future. Politicians betray their leadership responsibilities by sponsoring lotteries that siphon billions of dollars from the very citizens they are supposed to protect.

And who is spending their wages on these tickets? Andy Rooney was very blunt when he said, "You see people buying lottery tickets all the time and it's obvious that most lottery money comes from the poorest people. They don't look too smart either. Some of them cash their unemployment checks and buy lottery tickets with that money."

Said Rooney, "A lottery is a stupid, inefficient way to raise money. Governments are supposed to do things that we can't do for ourselves – like fight wars, enforce laws, prevent crimes and put out fires. It's outrageous when a government agency advertises to encourage anything as damaging to society as gambling is."

In my last letter, I listed states where gambling predators are trying to expand their grip on America. I also shared the names of volunteer groups that are opposing the gamblers' clutches. Hopefully, I wrote, "It is possible that we will win in each of the above battles." The news is good! 2006 is now an unbroken series of state victories.

After a long legislative battle, our friends in **Massachusetts** delivered a 100 to 55-vote defeat of legislation to legalize 8000 slot machines at their four dog tracks. It was a long battle that pitted the *people vs. gambling predators* with political muscle. In the end, the people won. Massachusetts now faces a statewide vote on November 7 to totally ban pari-mutuel wagering on dog racing.

After some agitated for a casino in Sheboygan, **Wisconsin**, the City Council held a non-binding referendum on April 4 on gambling. The vote was 56%-44% *opposed*.

Gambling opponents in **Kentucky** again defeated legislation to legalize slot machines at their horse racing tracks. It is a significant victory to defeat “racinos” at the heart of our nation’s horseracing industry.

**Kansas** lawmakers waited until the final day of their session to defeat slots for their horse and dog tracks. On May 10, the vote as 44 for and 72 against slots. Congratulations to Glenn Thompson and his support group, Stand Up for Kansas.

**Nebraska** is another win. Casinos were again on their legislative agenda. Congratulations to Pat Loontjer and *Gambling With the Good Life* for defeating electronic pari-mutuel betting on previously run horse races! How far can gamblers go?

Despite the efforts of Governor Robert Ehrlich, *No Casinos Maryland* delivered another blow to putting 9500 slot machines in **Maryland** tracks. Gambling defeated.

**West Virginia** tracks already have slot machines, but one type of betting is not enough for the greedy predators. Opposition organized, spoke up, and proposals for legalizing table games (poker, craps and roulette) went down to legislative defeat.

**Iowa’s** legislature voted to remove all 6000 “TouchPlay” faux slot machines that had been installed by the Iowa Lottery in stores and bars without government approval. Now the manufacturers are threatening to sue the state over their financial investments.

The **Oregon** Secretary of State rejected a ballot measure to allow a non-tribal casino near Portland.

It has been five years since any state has voted to legalize casinos. The *people* have spoken, but the gambling fraternity never gives up. Deadlines are approaching, and wagering promoters are now spending money to buy signatures to qualify gambling referendums on November ballots. Efforts to qualify initiatives are being made in **Ohio**, **Nebraska** and **Arkansas**. These are desperation moves to expand gambling in America. NCALG is ready for these challenges. We can win. *We will win.*

I am sometimes asked, “Has the tide changed in regards to gambling? Is our country turning its back on the promises of easy wealth, painlessly acquired? My answer is two-fold:

On the basis of my travels, my correspondence, my interviews on television and radio, and my many contacts with reporters, the answer is definitely “**Yes**, the tide has turned against gambling.” The record of recent state victories indicates that citizens have spoken. I am very encouraged that in 2004, California voters (who represent one-eighth of our nation’s population) decisively defeated a “slots at the track” proposal by an 84%-16% vote, and turned down an Indian proposal to extend their compacts from 20-year leases to 99-year leases by a 76%-24% decision. The gamblers poured \$60 million into these statewide campaigns and failed miserably when the *people* voted.

But when I examine the massive lobbying efforts of the gambling industry, I fear that money speaks and the battle is still **not settled**. Lobbyist Jack Abramoff confessed to mail

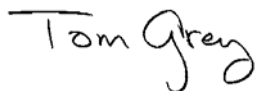
fraud, conspiracy and tax evasion and will serve 7 years in prison. What was the source of Abramoff's money? \$82,000,000 came from Indian casinos. What happened to these millions? More than 300 members of Congress (of both political parties) received these dollars from Abramoff and his associates through direct contributions, or through fictitious charities.

Every state Capitol in our nation is besieged by an army of gambling lobbyists. I have personally confronted them in hearings and debates. They are suave, well paid and have ample contributions for their political friends. They represent every type of gambling interest, but *never the people*. They are willing to promote casinos, slot machines, horse racing, jai alai, dog racing, electronic gambling, Internet wagering, ad nauseam. Is the tide turning? There is an ongoing battle of the *people vs. the gambling industry*. In the nation's Capitol and in every state Capitol, the National Coalition Against Legalized Gambling continues to represent common ordinary citizens in their battle against a greedy, selfish gambling fraternity.

NCALG is a non-profit, tax-exempt organization that articulates the goal of a gambling-free America. We invite your support and your contributions to our vision of a strong, industrious, responsible society liberated from predatory gambling. Your gift will enable us to testify in Washington, to assist state groups in their legislative goals, to reach out to the media, and to encourage a prosperous, law-abiding nation.

Thank you in advance for your contribution. Please use the enclosed enlistment card and pre-addressed envelope for a generous gift to this great cause.

Battle on,

A handwritten signature in black ink that reads "Tom Grey". The signature is written in a cursive, slightly slanted style.

Tom Grey,  
NCALG Field Director