

THE NATIONAL COALITION
NCAAGE
AGAINST GAMBLING EXPANSION

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

Christmas, 2006

Dear friends of NCALG,

Rejoice! 2006 has been a year of outstanding victories.

The National Coalition Against Legalized Gambling experienced a dramatic victory in the passage of the Online Gambling bill. Just before their adjournment on September 30, the Senate voted unanimously to end Online Gambling in the U.S. The House of Representatives confirmed the Senate vote, 409-2. As a result, banks, credit card companies and other financial institutions are banned from transmitting funds overseas to pay for gambling losses.

The importance of this victory can be measured by the wailing and whining of publications of the online gambling industry. *CasinoGamblingWeb.com* reported, "Internet Gambling World in Chaos." *The Times* called it "a Meltdown." Gambling stocks fell dramatically. The value of stock in PartyGaming was down 56%. Sportingbet shares dropped 64%. *Paradise Poker* lost 60%. *U.S. Today* reported that the value of gambling stocks in London, where many of the online firms are located, lost \$6.5 billion in one day!

America is better, healthier and more prosperous because of this Online Gambling bill. The press reported that 60% of all Internet gambling stems from America. The Senate action will put a major crimp in all the poker that originates in college dormitories. The flow of funds from American citizens into foreign gambling conglomerates will shrivel, as it should. The action of Congress will boost legitimate businesses in the U.S. Congress' courageous action closes the door to the plans of American casinos to offer Internet wagering.

Senate Jon Kyl (AZ) was the sponsor of the online gambling legislation. Said Senator Kyl, "the enforcement provisions provided by this bill will go a long way to stop these illegal online operations." Essential to the Senate passage were key decisions by Senate Republican leader, Senator Bill Frist, who said, "Gambling is a serious addiction that undermines the family, dashes dreams and frays the fabric of society."

Dr. Guy Clark, chairman of the National Coalition Against Legalized Gambling, stated in a press release, "It was a 'vote heard 'round the world.' You can almost hear the doors slamming on virtual casinos from Antigua to London." He concluded his statement, "We plan to work with Congress to see future legislation finishing the job."

State Issues:

Rhode Island: With the exception of two Indian casinos in Connecticut, New England has been free of metastasizing casinos. With foresight, NCALG conducted our 2004 Annual Conference in Providence, RI. We received good publicity. Our meeting reached the State Legislature and the local press. The *Providence Journal* published a guest editorial that I wrote. It helped set the tone for the battle ahead.

Our fears materialized when Harrah's tried to re-write the Rhode Island Constitution to include themselves and the Narragansett Tribe they rented to build and operate a casino in West Warwick, RI. Harrah's spent a record \$12 million on the Rhode Island campaign. Opposition was led by Rev. Eugene McKenna and Don Booth, leaders of our Newport, RI, organization that was founded in 1977. Here is the *Providence Journal's* description of election day: "Harrah's had a large mobilization effort, transporting voters to the polls in a fleet of vans and buses and even setting up a toll-free phone number for people looking for a ride." The result on Nov. 7: **63%** of Rhode Islander voted "NO" to Harrah's casino.

Ohio was the second major defeat for the gambling predators. The stakes were even higher as a handful promoters succeeded in getting enough signatures to put "Issue 3" on the Nov. 7 ballot. Issue 3 proposed to legalize 3500 slot machines at each of seven Ohio racetracks, plus two stand-alone slot machine parlors in Cleveland. The promoters spent \$20 million dollars on a saturation campaign. They named their campaign "Earn and Learn." Their constitutional amendment kept 55% for themselves, and promised 45% for college scholarships and other projects.

In the heart of the battle was a Cleveland debate on October 24 between Frank Fahrenkopf, president of the American Gaming Association, and myself, representing NCALG. 400 business leaders attended the banquet and debate. It was an outstanding evening. I was well prepared to warn on what gambling does to business, how it hurts the economy and creates costly social problems. When I held up a bottle of snake oil, the crowd responded in a way in which I knew I had connected with this influential crowd.

During the question-and-answer period, a question was asked how Mr. Fahrenkopf could reconcile his claim that only 15% of the population opposed gambling, in the light of the consistency by which voters were defeating gambling proposals. He blamed their defeats on the NIMBY (not-in-my-backyard) reaction, and went on to state that he did not want a casino in his hometown of McLean, VA. My low-tech truth had trumped Mr. Fahrenkopf's power-point puffery, and in the process had flushed out gambling's million-dollar lobbyist.

Both the candidates for the governorship urged a NO vote on Issue 3. The churches of Ohio were organized to oppose Issue 3. The final result on Nov. 7: **58%** of Ohio voters said "NO" to Issue 3. Another great victory! A copy of my Cleveland speech will be sent to all who have or will support our future NCALG program.

Nebraska is the third state to contend with the efforts of a few vocal entrepreneurs to enrich themselves by blanketing their state with more gambling. Again, the issue was created through soliciting names on petitions, which was called "Initiative 421." The Initiative would have enabled 613 keno locations to install unlimited Video Keno Machines, which operate like slot machines.

Nebraska is a large state, and a map showing slot machine sites looked like the Cornhusker State had caught the measles. Teams of speakers drove thousands of miles to speak to service clubs and church groups and to discuss gambling on radio and TV stations. They made contacts with local editors. Churches cooperated, including a strong letter opposing Initiative 421 from Roman Catholic Bishop Elden Francis Curtiss.

Ten days before the election, I spoke to a dinner meeting in Omaha. The next day I conducted a press conference where doctors, professional counselors and gambling victims made a compelling case about the pain caused by gambling. They predicted big dangers ahead if Initiative 421 succeeded. I pay great tribute to Pat Loontjer, and her fellow Cornhuskers for defeating Initiative 421, with a 61% NO vote. Pat is a member of the NCALG Board of Directors.

Guam is not a State, but very much a U.S. Territory with citizenship and a non-voting Representative in Congress. Guam is also a target of gamblers' unlimited greed. U.S. promoters sought this year to legalize slot machines at the Guam dog track. The promoters, as expected, promised jobs, a revitalization of the economy, and more tourism. It was a spirited debate with colorful posters and predictions of prosperity. Congratulations to organized groups that produced a **55%** NO vote on Nov. 7.

The backlash emerging in our **Pacific Coast States** was evident in the following local elections: **Tacoma, WA**, has been deluged by small businesses known as minicasinos. The problems became so great that a proposal was put on their September 19 primary ballot to end minicasinos. The vote was **53%** to outlaw minicasinos and 47% to retain them. Minicasinos have closed their doors. Hard work, intelligence and votes settled the issue. . . . **Petaluma, CA**, voted on "Measure H" on Nov. 7, and by a **79%** vote requested their City Council to take "all lawful steps to oppose" a 227-acre Indian casino proposed for adjacent suburb **Rohnert Park**. Anti-gambling candidates were winners in nearby City Councils. U.S. Senator Dianne Feinstein has opposed new California casinos. With 56 Indian casinos operating in California, plus pressure for more casinos in all West Coast population centers, casino gambling is a major regional issue.

2006 has been a very good year. Local volunteer groups have functioned well. The press has been on our side. We cannot match the money the gambling promoters spend, but citizens are increasingly concerned, they are doing the math, determining who wins and loses, who plays and who pays, and arriving at informed decisions to vote NO to gambling expansion. We are well on the road to containing the gambling flood that threatens to engulf us. The Declaration of Independence makes "the consent of the governed" the law of the land, and the people are speaking loud and clear.

2007 – The Future:

The passage of the Online Gambling bill and the victorious elections were well worth the effort and work they required. We are pleased that people are joining in the needed crusades. In October, Citizens Against Casino Gambling in Erie County held a regional conference in Buffalo. B. Thomas Colisano, owner of the Buffalo Sabres hockey team, was so impressive in his address to the anti-gambling forum, that he was headlined in the *Buffalo News* with a front-page picture and a long report on his remarks. Colisano accused pro-

gambling forces of creating a “monopoly of vice between government and gambling.” Colisano will not sign new contracts with the New York State Lottery for advertising during games in the Buffalo Area, challenging the deceptive interpretation of athletics and the New York Lottery. He is committed to spending a million dollars in an advertising campaign to save Buffalo from the destructive impacts of more gambling.

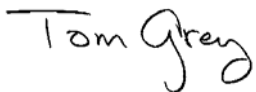
We will need more business, civic, religious and political leaders to join with us in the many battles ahead. Kentucky, California, Maryland, Illinois, Kansas and perhaps other states will face attempts to put slot machines in their racetracks. Horseracing is having a difficult time attracting customers. Slot machines transform tracks into casinos, with all the attendant problems of addiction, crime and embezzlement. “Cell phone gambling” is being developed by existing casinos. Some countries now sell lottery tickets via the Internet. Sports pool wagering could produce billions. Tribal casinos want to move into the hearts of our large cities with off-reservation casinos.

Between battles past and battles to come, I am In the midst of a family move to Spokane, WA, to be nearer to our children and grandchildren, so this has been a challenging and demanding year for me personally. Our best days are ahead. The mood of our nation is to seek solutions, not “snake oil.” When it comes to financial resources, gambling enterprises outspend us many times over. But when it comes to results and progress, they are in default. We call for hard work, good stewardship, managing our resources responsibly, and building on our fellow citizens’ strengths.

The holiday season is ahead. Much of what NCALG will accomplish in 2007 is in your hands. Last year’s Christmas gifts gave NCALG momentum during 2006. Our limited resources (of only \$120,000) have produced significant results. Never have so few done so much for so many with so little resources for so long.

I salute you and thank you on behalf of our Board of Directors. We invite you to join with us in the fights ahead. Please use the enclosed enlistment card and self-addressed envelop to be a part of a crusade that is on the march.

Battle on,

A handwritten signature in cursive script that reads "Tom Grey".

Tom Grey,
NCALG Field Director