

# The Case Against Casino Gambling



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# INTRODUCTION

## Casino gambling is bad public policy.

- ✓ *It has been promoted as a tool for economic development.* But time and again, it has failed to deliver on that promise.
- ✓ *It has been promoted as harmless entertainment.* But in fact it has led to great harm, as problems such as compulsive gambling, crime and corruption have risen dramatically in casino areas.
- ✓ *It has been promoted as an easy way to raise tax revenues.* But there is nothing “easy” about a policy that causes more problems than it solves.

Finally, casino gambling has been promoted as something Pennsylvania should have because other states have it. But in fact, most states are now turning their backs on casino gambling — and on legalized gambling in general — after a burst of expansion a few years ago.

Between 1988 and 1993, Indian casinos spread to many states, and riverboat casinos were legalized in six states along the Mississippi River. Then the bandwagon came to a halt as Virginia, Texas, Florida and other key states all rejected casino bills. In 1994-95 no new state approved non-Indian casinos. In 1996 only Michigan did, and only in Detroit.

Elsewhere in 1996, Ohio voters rejected casinos by 62% to 38% in a statewide referendum, measures for casinos or for gambling machines failed in 19 other states and the District of Columbia, and the US Congress voted to begin a federal study of legalized gambling.

**Opposition to casinos comes from every part of the political and economic spectrum. By no means is it limited to church groups, or to people who believe that gambling is immoral.**

## You do not have to be “anti-gambling” to be against casinos (or slot machines, or video gambling) for Pennsylvania.

Most people — including most casino opponents — gamble in some form at least occasionally.

Yet most of us also know that it’s naive to think of gambling as just another pastime, like baseball or the movies. The potential for abuse is significant. So is the potential for economic and social damage. Thus gambling has long been a **controlled activity**, with various forms regulated or prohibited as societies try to strike a sensible balance.

And the truth is that large-scale commercial gambling generally proves to be a bad tradeoff. Yes, it can generate profits and taxes. But someone has to pay the price.

Turn the page for a look at some results of the nation’s experiments with casino gambling.



# NEGATIVE IMPACTS

## — In Major Casino States —

**IOWA** — Problem gambling has more than tripled since casinos opened, with rates rising from 1.7% to 5.4% of all adults, said a 1995 state-sponsored survey. A similar jump in Pennsylvania (which has about 8.4 million adults) would mean over 300,000 new problem gamblers.

**ILLINOIS** — Gov. Jim Edgar admitted riverboat gambling “hasn’t increased tourism or generated new income.” The state’s Economic and Fiscal Commission found little evidence of spinoff benefits, and an independent study in June 1996 estimated the casinos actually produce \$239 million per year in *net losses* for local economies — even counting tax revenues as gains.

**MINNESOTA** — The state’s Restaurant and Hotel Association reported business down 20% to 50% at establishments near Indian casinos. Gambling-related personal bankruptcies have soared to an estimated 1,000+ per year, and a state that previously had just one Gamblers Anonymous chapter now has 53.

**WISCONSIN** — A 1995 survey of customers at Indian casinos found: “More than 10% of the locals would spend more on groceries if it were not for the casino, while nearly one-fourth would spend more on clothes. 37% said that their savings had been reduced.”

**LOUISIANA** — Political scandals and organized-crime raids led gubernatorial candidate Phil Preis to joke in 1995, “The only growth industry we’ve got right now is the FBI.” Other negatives include a very high 7% problem gambling rate, and a study showing that riverboat casinos drained \$102 million from the metro New Orleans economy through 1994.

**MISSISSIPPI** — Thefts and other crimes roughly doubled in the towns of Gulfport and Bay St. Louis after casinos opened. In Biloxi, divorces rose 250%, crisis calls to a local women’s shelter doubled, and total violent crimes rose from 5,072 incidents in 1993 to 7,413 in 1994.

**NEVADA** — With over 300 casinos, Nevada consistently ranks at or near the top among all states in per capita suicide rate, incarceration rate, high school dropout rate, deaths per vehicle mile, and child death by abuse.

**NATIONWIDE** — *US News & World Report* (Jan. 15, 1996) computer-analyzed data from casino areas across the country. In terms of economic growth, the magazine found *no significant difference* between casino areas and the rest of the US. But crime rates in casino areas were nearly twice as high — 1,092 incidents per 10,000 population vs. 593 — and “towns with casinos have experienced an upsurge of crime at the same time it was dropping for the nation as a whole.”

**A final note:** Ten years ago, problem gambling among teenagers in the US was considered a rarity. In 1995 about 12% of the calls to the nationwide 1-800-GAMBLER helpline involved people under 21.

*(Sources not cited nor taken from public records: Edgar quote, Chicago Tribune. Illinois study, Better Government Association of Chicago. Minnesota figures, Minneapolis-St. Paul Star Tribune. Wisconsin survey, Wisconsin Policy Research Institute. New Orleans study, Policy & Management Associates for URA of Pittsburgh.)*



# BACKGROUND & HISTORY

## TERMS DEFINED

**GAMBLING** is betting money on a chance event.

A **CASINO** is a commercial gambling house located on a boat, on a docked barge, or in a building. Most US casinos have both “table games” (like craps or black-jack) and machine gambling (such as slots or video poker). Some racetracks have a mix of dog or horse races and machines; for all practical purposes they are casinos, too.

Establishments with just one form of gambling, such as card rooms, normally are not classified as casinos.

**MACHINE GAMBLING** is considered the most addictive form. Iowa’s 1995 study pegs it as “the greatest contributor to increases in the prevalence of problem gambling” nationwide. But machine gambling is also becoming the dominant form.

“Its irresistible attraction to players has made the slot machine the king of the casino and the biggest profit center in the US,” the trade magazine *International Gaming and Wagering Business* enthused in May 1996. Slots, video poker machines and the like are often called **EGDs** (electronic gaming devices). Nationally, EGDs account for about 80% of the floor space in casinos and 65% of casino profits. In 1995, the Par-A-Dice riverboat in Peoria, IL had a mix of 43 table games and 834 EGDs — up from 697 the year before — and earned 75% of its gross from the machines.

## Casinos in the US: A Brief Summary

Legalized gambling has come and gone in waves throughout the nation’s history. In 1900, after a series of scandals and reforms, no gambling was legal anywhere in the US.

Nevada decided to permit casinos in 1931, with Bugsy Siegel’s Flamingo in Las Vegas being the first to open. Atlantic City casinos opened in 1978. Then two events led to a wave of growth:

- The federal Indian Gaming Regulatory Act (IGRA) of 1988 authorized gambling on Native American lands. Today 26 states have at least one Indian casino; states like Minnesota and Wisconsin (about 17 each) have them statewide. Most Indian casinos are in non-urban areas.

- The first state-licensed riverboat casinos were launched in Iowa in 1991. Illinois, Mississippi and Louisiana soon followed, as did Missouri and Indiana, although obstacles arose in those two states and their boats were still being phased in as of 1996. Floating casinos per state range from about 6 in Iowa to over 30 in Mississippi, with the exact number varying as casinos open and close. State gaming taxes range from 8% to 20% of the casino’s AGR (adjusted gross receipts).

Two states have land-based casinos in isolated small towns: South Dakota in Deadwood, and Colorado in three locations. Michigan voters in 1996, by 51% to 49%, authorized three casinos for Detroit.

EGDs at racetracks are a recent innovation. Various tracks in Delaware, West Virginia, and Iowa have them.

## The Turning of the Tide

Since 1993, casinos have largely failed to gain ground despite intensive lobbying efforts and millions spent on PR campaigns. Some key reversals: The **Virginia** legislature voted down a riverboat bill. A push for racetrack casinos died in **Kentucky** after House Speaker Don Blandford went to prison for taking bribes. **Florida** voters rejected casino



gambling by 62% to 38% in a 1994 referendum, and many states with Indian casinos — from Wyoming to Connecticut — decided against adding non-Indian gambling.

In December 1995, *International Gaming and Wagering Business* noted that “the expansion of non-Indian casino gambling has been stopped dead in its tracks. . . . Election day this year resembled a bloodbath for the gaming industry.”

1996 was hardly better for the industry. While Michigan allowed casinos in Detroit, other major results were all anti-legalized gambling:

- **Ohio** voters said no to casinos, like Florida by 62% to 38%, in the biggest 1996 statewide referendum.

- Casino bills were defeated by various means in **Alabama, Arkansas, California, Hawaii, Kansas, Oklahoma, Rhode Island, Virginia** (again) and **Washington DC**. Measures to expand casinos in existing states failed in **Colorado, Iowa** and **Illinois**.

- Bills for machine gambling at racetracks and other sites, such as bars, failed in **Maryland, Nebraska, New Hampshire, North Dakota, New Mexico, Wisconsin, the state of Washington, and Vermont**.

- The US Congress and President Clinton agreed to launch a federal study of legalized gambling. And the first modern-day referenda to abolish legal gambling succeeded, as 35 **Louisiana** parishes (ie, counties) voted to get rid of their video gambling machines.

## Casino initiatives in Pennsylvania

Over the years, our state has been asked to consider virtually every kind of casino gambling.

- *In the 1970s, land-based casinos in the Poconos were proposed.*
- *From 1987 to 1995, several riverboat bills were introduced.*
- *Early in 1996, HB 2308 called for casinos on docked barges.*
- *Late in 1996, bills were introduced for machine gambling at racetracks, OTB parlors and bars.*

All these have failed, but the issue continues to be raised for two reasons: With 12 million people, Pennsylvania is a key target market for gambling companies. And some public officials still see legalized gambling as an acceptable method of raising taxes.

## FREQUENTLY ASKED QUESTIONS:

***Why not use gambling to raise tax revenues? After all, a lot of people want to gamble, so why not let them pick up part of our tax burden?***

It can be a tempting thought. But a big part of gambling revenue comes from problem gamblers — about one-fourth of the total dollars, says Henry Lesieur, editor of the *Journal of Gambling Studies*. Others estimate that up to one-half of the revenue comes from problem gamblers.

**This is money taken from people who have lost control and can't afford it.** It is money taken from their families.

Combined with the fact that legalized gambling dramatically raises the *number* of problem gamblers, the whole picture adds up to misguided public policy: You are shifting tax burden to a group of distressed people that your policy has helped to create.

***Should we legalize casinos to keep gambling money from flowing out of state?***

The idea may sound practical at first. But there are three problems.

1) It can be a losing strategy. With casinos at home, some dollars are recaptured but many more local people gamble and lose — which puts a new drain on local economies. A 1996 study sponsored by the Better Government Association of Chicago found that Illinois casino towns are net economic losers despite the recapture effect.

2) Interstate gambling competition quickly becomes a “race to the bottom.” Regulations are lifted and new games are legalized with little regard to negative social impact. Bruce LaFleur, co-editor of *LaFleur's World Gambling Abstract*, has called it “a war whose fodder may well be the citizens of the states competing for market share.”

3) Money is constantly flowing into and out of states through many kinds of business, and it doesn't always make sense to respond to a given outflow with a me-too product — especially if the product has serious downsides, as legalized gambling does.

**A wiser approach is to decide what's best for our state, seeking businesses that create real wealth and competitive advantage.**



# THE CASE AGAINST CASINO GAMBLING

## — *In Brief, and in Detail* —

### THE CASE IN BRIEF

The economic benefits of casinos are overrated, and in many cases nonexistent. Meanwhile, the negatives — including problem gambling, crime and corruption — are serious and costly.

- **Economic data from Illinois**, a northern state similar to ours, suggest that Pennsylvania would get poor results. News reports and research studies show that many casino towns are not enjoying “spinoff” benefits; that net job growth and tourism are disappointing; and that casinos are actually draining money from local economies — even counting tax revenues as gains.

Reports from other places, as well, indicate that job and tourism claims for casinos should be taken with a grain of salt.

- **Problem gambling rates in Iowa** rose from 1.7% to 5.4% of all adults after casinos opened. This is bad news for a big state like Pennsylvania (over 8 million adults), where just a 1% increase would translate to over 80,000 new problem gamblers.

Cost estimates from places like Wisconsin and Minnesota suggest that the expenses of problem gambling — which include social-service and criminal-justice costs, bad debts, and other items — could run to hundreds of millions of dollars per year in Pennsylvania.

Worse, problem gambling among young people is rising across the US.

- **Crime rates in casino areas nationwide** are nearly twice as high as in the rest of the US. Some areas (like southern Mississippi) have seen dramatic increases. While we can’t predict that crime would double in Pennsylvania, several types of crime — including street crime, gambling-related crime such as embezzlement and fraud, and organized crime — are serious concerns.

- **Gambling-related corruption scandals**, such as bribery and undue influence of public officials, are common. Another concern is simply failure to govern in the public interest, as governments and gambling firms both have a vested interest in maximizing the dollar flow from legalized gambling.

Many states “have shifted from the role of gambling regulator to that of gambling promoter,” wrote researcher Robert Goodman in his 1994 United States Gambling Study report, funded by the Ford Foundation and the Aspen Institute.

*The following pages give a detailed look at these arguments.*





# CASINO ECONOMICS

**“We’re just rearranging dollars,  
and it’s a question of who wins and who loses.  
And who wins is the casino operator.”**

— Urban planning consultant Clifton Henry,  
speech to Urban Land Institute, June 21, 1994

**“You simply cannot grow an economy  
by taking money out of it.”**

— Researcher William Thompson,  
University of Nevada-Las Vegas

**“The whole idea behind the casino business is to  
keep the bettor transfixed, spending and spending  
in one place ... If we had gambling in Hawaii, it  
would seriously undercut our tourist industry,  
rather than support it.”**

— Hawaii Gov. John Waihee, in *Travel Holiday* magazine

**Are casinos profitable?** Often wildly so: The Empress riverboat in Joliet, Ill. paid out \$87 million in dividends to nine key shareholders *in its first 18 months*, the *Washington Post* discovered.

Do they generate taxes? Yes. Illinois casinos produced a total of \$285 million in state and local tax revenue in 1995, according to the state Gaming Board’s annual report.

But whether casinos are good for local and state economies is another matter. There is a catch: The money has to come from somewhere. Of course it comes from the customers, who lose at the slot machines and craps tables, but where are the customers from?

- If most gamblers are tourists, the local economy can be a net winner. New dollars are brought into the region by outsiders who visit and lose.

- If most gamblers are local, the region itself stands to lose. People in the region literally have less money than they did before — less to spend or invest at other places; less in their bank accounts and lines of credit.

## Areas that win

Some overseas countries understand casino economics very well. Monaco and South Korea use casinos strictly as tourist traps: their own citizens are forbidden to gamble in them. In the US, the states of Nevada and Mississippi are recognized as net economic winners. Each is a low-population state that draws most of its gamblers from out of state — an estimated 80%-90% in Nevada and about 2/3 in Mississippi, according to widely-cited figures.

But Pennsylvania is not a low-population state. With 12 million people, we offer a big home market. Our luck would probably be more like that of Illinois, another state of 12 million.

## Areas that lose: ‘we have unintentionally created a strip mine through the heart of Illinois’

Illinois has 10 riverboat casino licenses (some with more than one boat), mostly in mid-sized cities like Aurora, Joliet and Peoria.

- The *Chicago Tribune* visited Aurora in 1994, one year after that city’s two boats opened. Only 3 of 25 merchants surveyed in downtown Aurora said they had profited from casino traffic — one was a fast-food outlet — while others complained of sales drops and staff cuts. Four businesses that had closed blamed the casinos, and most new ones were “struggling because gamblers rarely leave the roulette wheels,” the paper noted. The casinos’ own figures showed 70% of the gamblers were from nearby and just 1% to 2% were from out of state.

- The Illinois Economic and Fiscal Commission combed through data such as hotel bookings and sales tax receipts in the state’s casino areas, searching for evidence of spinoff benefits. “When we tried to look at secondary impact on the economies, it was not there,” Commission director William Hall said in a 1996 phone interview. “Our study is consistent with the notion that economic develop-



ment can't be demonstrated."

- As for jobs, 14 Illinois boats had a total of 10,498 licensed employees in 1995, says the state Gaming Board. But they don't seem to have created much net job growth, according to a 1996 study by Earl Grinols of the University of Illinois, a former senior economist to President Reagan's Council of Economic Advisors.

Grinols compared total employment rates for Illinois casino areas to statewide numbers pre- and post-casino, to see if casinos improved the areas' job performance relative to the rest of the state. Only the two smallest areas by far, tiny Massac County (total pop. 14,700) and Jo Daviess County (pop. 21,800), showed any noticeable job impact. In other places, relative job growth actually flattened out after having improved before the casinos opened.

- A 1996 study led by William Thompson of the University of Nevada-Las Vegas found even more disappointing results in Illinois. Thompson, cited in *Casino Executive* magazine (April 1996) as one of the "independent, credible voices" in the gambling debate, reported:

- ◆ Field surveys show that most Illinois gamblers are local, with 61% from within 35 miles of the casinos. Altogether, 83% are from in-state — the reverse of the in-state/out-of-state ratio that has fueled an economic boom in Nevada.

- ◆ In terms of dollar flow, Illinois casinos produce *net economic losses* both for local areas and the state as a whole. Total local losses per year: \$239 million — *even counting tax revenues as gains. Even allowing for the "recapture" of money that would have flowed to casinos in nearby states, had the Illinois casinos not been there.*

Thompson's study compared money put into local economies by casinos to money taken out by them. Money put in included: the local share of gaming taxes, local wages and benefits paid to casino employees, local purchases by the casino, any casino profits retained locally, and money spent by out-of-town casino patrons at other local businesses. Money taken out consisted of just one flow: dollars lost in the casino by local people.

Dollar flows often had to be estimated, but if anything the study seemed to err on the side of making economic impact look positive. For instance, to account for the recapture of gambling money that might have gone out of state, the study "looked at 30% of the resident gaming activity as actually imported activity. That is, the money gambled was a positive factor for the state and local economies, as if the

players were from out of state." Also, the study did *not* include any calculation of the related social costs of casino gambling, which are estimated at hundreds of millions of dollar per year even in states smaller than Illinois.

And still the casinos turned out to be a net loss. Where did the lost money go? Presumably where it always does: into out-of-town casino purchases, taxes and other overhead — and into profits for out-of-town casino owners.

The study, titled "Monetary Impacts of Riverboat Casino Gambling in Illinois," was sponsored by the Better Government Association of Chicago, a civic watchdog group. BGA director Terry Brunner commented:

"We have unintentionally created a strip mine through the heart of Illinois — a system which strip-mines the economies of areas surrounding riverboat towns . . . We badly need a [change of ] direction for a fundamentally flawed public policy."

Meanwhile Illinois Gov. Jim Edgar told the *Washington Post* (Mar. 4, 1996) that "based on what he knows now . . . he would have vetoed the legislation."

## Other studies; more losers

In March 1995 the Boston consulting firm Policy & Management Associates prepared, for the Urban Redevelopment Authority of Pittsburgh, a "Socio-Economic Analysis" that included dollar-flow studies on three riverboat gambling areas: Peoria, Illinois; Davenport, Iowa and New Orleans. The findings:

- In Peoria from 1991-94, the Par-A-Dice riverboat casino produced a net loss of "\$28.5 million out of local circulation."

- In Davenport, where The President riverboat drew heavily from Illinois before the Illinois boats came on line, the local economy showed an accumulated net gain of \$2.1 million from 1991-94. But by 1994, results had tipped negative: "The 1994 net local impact was a loss of \$12.8 million."

- In New Orleans, four riverboats operating in or near the city for various periods put about \$133.7 million into the local economy and took out \$250.4 million, for a net loss of "\$116.7 million shifted from other spending. Based on these calculations, existing businesses and households are net losers," the report said.

Tunica County, Mississippi is often cited as an economic success story for casinos. This small rural area, for years so



poor it was called “America’s Ethiopia,” is now a center for tourist-based casino gambling. *The Atlantic Monthly* visited Tunica County, reporting in January 1996:

“Although with eight casinos the county of 8,300 people now has more jobs than residents, most of those jobs, particularly the better-paying ones, have gone to people from outside the county. And whereas boosters claim that the casinos have dramatically reduced unemployment, in fact the average unemployment rate for October of 1994 through September of 1995 was 14.5 percent — only slightly lower than the average rate of 15.1 percent for 1991, the year before the first casino opened.”

*Atlantic* reporters Benjamin and Christina Schwarz found that poorly educated people in Tunica County often “lack the math skills not only to be dealers but, according to the casinos, even to make change,” while others lack the social skills needed to work in food service.

**Conclusion:** If we in Pennsylvania want to get our most disadvantaged citizens involved in the state’s economy, underlying factors need to be addressed. Simply opening casinos won’t solve the problem.

Other caveats on casinos and jobs: Many casino areas claim unemployment has gone down in recent years, but the US economy as a whole has improved. Comparative figures are the key. And be wary of projections of very high numbers of jobs per casino: Recall that Illinois in 1995 had 14 riverboats and 10,498 occupational licenses *in the entire state*, for an average of 750 licensed employees per boat. At a good-sized floating casino, a total workforce of 1200 or so is typical.

Finally, many casino jobs are, in fact, “not the kinds of jobs we need.” Many are in food service, hospitality and custodial work — job categories that often tend to have a shortage of good applicants, not a shortage of openings.

## Casinos and tourism

For most places, the notion that casinos will bring legions of curious visitors who stay overnight, shop at the stores and visit other local sites is simply not true. There are three main problems:

**1) “Most places overestimate the amount of tourism they eventually get,”** says William Hall of the Illinois Economic and Fiscal Commission — as has been the case in Illinois.

**2) Casinos often draw people away from other local attractions.** Stories of casinos “cannibalizing” the local tourist trade are common:

- In Biloxi, Mississippi, a charter fishing boat operator described a typical cancelled reservation: “So the phone rings at 4 a.m. and the people are calling from the casino. They’d lost every penny they had and were driving home.” (*Clarion Ledger*, July 22 1993)

- The Minnesota Restaurant, Hotel and Resort Associations surveyed casino impact in that state and found nearly 40% of respondents claiming lost business. The survey was done in 1993 and since then, Association vice president Arnold Hewes said in 1995, “things have gotten much, much worse . . . Restaurants within a 40-mile radius of casinos offering food service have been hit the hardest. Their sales have dropped anywhere from 20 to 50 percent.” (*Restaurants USA* magazine, Feb. 1995)

**3) Casino regulars tend not to visit other establishments.** They are usually “focused gamblers” rather than “cultural shoppers.” When Steve Wynn, the outspoken president of the Mirage casino in Las Vegas, was pitching a potential casino project in Connecticut, he lectured a group of local merchants:

“Get it straight . . . There is no reason on earth for any of you to expect for more than one second that just because there are people here, they’re going to run into your store, or restaurant, or bar.” (*NY Times*, Nov. 13, 1992)

In late 1994 the Greater Pittsburgh Convention and Visitors Bureau surveyed casino areas in the US and Canada. Local tourism officials in Natchez, Mississippi reported that their casino “targets a different clientele than the typical Natchez tourist . . . significantly younger, less educated and less affluent.” (“Riverboat Gaming Briefing Paper,” Dec. 1994)



# PROBLEM GAMBLING

## In a casino area, 'just about everyone knows somebody' who has a problem

Riverboat gambling began in Davenport, Iowa when the floating casino The President opened in April 1991. At first it seemed innocuous. There was no sudden wave of street crime, as some had feared. Many of the gamblers were senior citizens who came in busloads; the locals cheerfully called them "the prune platoon."

But by 1994, police chief Steve Lynn was saying in a phone interview, "I hear once or twice a week of somebody spending the family's paycheck or gambling their life's savings away." By 1995, Davenport had become a place where "just about everyone knows somebody who has a gambling problem," addictions counselor Tom Fennelly told the *New York Times* (Sept. 25, 1995). One problem gambler was a teenager who shot himself, leaving a note that said, "I'm out of control."

Often the poor are hit hardest. In the Mississippi Delta, "casinos routinely call to let the [local homeless] shelter know that a gambler has lost all of his money and to ask if the shelter can provide room and board," reported the *New Orleans Times-Picayune* (Mar. 16, 1995). But people in all walks of life are affected: Patrons of the renowned Guthrie Theater in Minnesota were shocked when that cultural institution closed the 1994 fiscal year with a shortfall of \$418,000, embezzled by an employee who lost the money at a casino.

**Problem gamblers are, literally, people whose gambling causes problems for themselves and others.** Their numbers grow when casinos (or other new forms of gambling) are legalized. All who rely on the gambler — spouse, children, employer and co-workers, creditors — may be harmed. And we all help to bear the costs.

In its series "Dead Broke" (Dec. 3-6, 1995), the Minneapolis-St. Paul *Star Tribune* concluded that "legalized gambling in Minnesota has created a broad new class of addicts, victims and criminals whose activities are devastating families and costing taxpayers and businesses millions of dollars." The paper's cost estimate: \$300 million per year, in a state with less than half the population of Pennsylvania.

Arguments about free will and fault (such as whether the problems are "the casino's fault" or "the gambler's fault") are beside the point. The simple fact is that when a major new form of gambling is introduced, more people gamble more often, and more get in trouble. We can choose to take our state down this road. Or we can choose not to.

## A look at the statistics: Problem gambling more than triples in Iowa

In 1995, the Iowa Department of Human Services commissioned a random phone survey of 1500 adults in all parts of the state. The survey — led by Rachel Volberg of Gemini Research in Roaring Springs, PA — used the widely-accepted South Oaks Gambling Screen (SOGS), with questions like: Have you gambled more than you intended? Missed work or school due to gambling? Borrowed money to gamble and not paid it back? Results were compared to a SOGS survey in 1989, before Iowa's six riverboats and three Indian casinos opened.

The total lifetime prevalence of problem and probable pathological gambling in the 1995 sample was 5.4%, up from 1.7% in 1989. From questions about types of gambling, the report pegged "gambling on machines (including slot machines at casinos and video gaming devices)" as chief culprits, along with instant lottery tickets. From comparisons to surveys throughout the US, it suggested that "casino gambling, and especially gambling on machines, is the greatest contributor to increases in the prevalence of problem gambling."



Finally, from the number of Iowans who didn't score as problem gamblers but did mention some difficulties, the report noted that "there may be even greater increases ... in the future."

### Other figures

A host of evidence shows that problem gambling is rising elsewhere. For instance:

- In the mid-1980s, the entire state of Minnesota had one Gamblers Anonymous group meeting regularly. In late 1995, according to the *Star Tribune*, it had 53.
- Louisiana, with about 15 casinos plus video gambling machines statewide, commissioned a problem gambling survey (also by Rachel Volberg) in 1995. Although Louisiana didn't have a baseline to determine increase, its 7% total lifetime prevalence rate was the highest yet on a statewide SOGS survey in the US — much higher than, say, the 4.2% found in New Jersey in 1988.
- The nonprofit Council on Compulsive Gambling of New Jersey runs a nationwide 24-hour helpline (1-800-GAMBLER). Calls from states outside New Jersey increased from 11,068 in 1991 to 75,805 in 1995.

### How much could problem gambling cost us in Pennsylvania?

The social cost of problem gambling is hotly debated. Estimates of average total cost range from \$13,000 to \$52,000 per year per pathological gambler — ie, someone at the extreme stage, who meets the medical criteria for gambling addiction as a mental illness. Various costs that are figured in include criminal justice and social-service expenses, lost productivity at work, and "abused money" and "bailout costs" — ie money provided by others to keep the gambler going.

Often the numbers are drawn from studies of gamblers in recovery. Some argue they're too high to be extrapolated to active pathological gamblers. On the other hand, such estimates don't address costs run up by the many problem gamblers who fall short of the extreme "pathological" stage.

William Thompson of the University of Nevada-Las Vegas concedes the costs are hard to measure, but writes that "in no way should that difficulty be used as a rationale for excluding these concerns from our attention." Thompson's calculations for Wisconsin show why.

### A Wisconsin estimate

In a 1995 economic study, Thompson ran a very rough but conservative estimate. He assumed Wisconsin's Indian casinos had led to a rise of 0.7% in pathological gambling rates. Taking 0.7% of the adults in Wisconsin, he then applied a range of social costs per gambler starting with \$6,500 per year — half of the low-end \$13,000 figure commonly used. Results (from "The Economic Impact of Native American Gaming in Wisconsin," Thompson et al, for Wisconsin Policy Research Institute, Milwaukee):

Estimated social cost per pathological gambler	Total added social cost to Wisconsin (per year) of introducing casino gambling
\$6,500	<b>\$160 million</b>
\$13,000	<b>\$320 million</b>
\$18,500	<b>\$456 million</b>

Pennsylvania has over twice as many people as Wisconsin, so a 0.7% increase in the pathological gambling rate would have far greater impact. Doubling the Wisconsin figures, we would get:

Estimated social cost per pathological gambler	Total added social cost to Pennsylvania (per year) of introducing casino gambling
\$6,500	<b>\$320 million</b>
\$13,000	<b>\$640 million</b>
\$18,500	<b>\$912 million</b>

### A Minnesota estimate

In Minnesota — a state about the size of Wisconsin, with about as many casinos — the Minneapolis-St. Paul *Star Tribune* estimated an overall social cost (\$300 million) very close to Thompson's mid-range number. The paper used pathological gambling rates from a University of Minnesota study, cutting them by 40% to be conservative.

For its "Dead Broke" series Dec. 3-6, 1995, the *Star Tribune* also tried to field-track and compute various individual costs:

- Gambling-related bankruptcies in the state now stand at more than 1,000 per year, the paper figured, based on court records and interviews with attorneys — about 20 times the number of 10 years ago. The average bankrupt gambler had \$40,000 in *unsecured* debt.



- The criminal justice costs of processing a single embezzlement case — that of Reva Wilkinson, who gambled away \$418,000 from the Guthrie Theater — were calculated at over \$100,000.

### A unique study of social-service costs

In 1994, when Alabama was considering casinos, a group of 40 public and nonprofit agencies in Mobile County issued a report titled “Social Impact of Gaming.” Noting that “the health and social service system in Mobile is already overextended and underfunded,” the report asked for an extra \$15 million per year within the county to cover “the projected increase in needs if gaming is legalized.” Agency heads had arrived at the projection by talking to their counterparts in areas that already had casinos.

The group was chaired by Charles White, CEO of Franklin Memorial Primary Health Care Center in Mobile, and included agencies such as the local Red Cross, United Way, and Mobile County Public Schools. Some of their findings:

- “[T]he need for school aides and tutors increases. The schools in New Orleans have noted a marked increase in the number of students who come to school unprepared, hungry and sleepy. Many report they were up late because their parents were out gambling.”
- The YWCA of Mobile recommended “start-up funding for a 24 hour childcare program,” since casino employees working late hours create a need for care at “nontraditional times.”
- The Family Counseling Center in Mobile noted that “similar agencies in the Biloxi/Gulfport area . . . report that their case load of clients needing both family counseling and consumer credit counseling services has soared.”
- At Franklin Memorial, Charles White warned of “an increase in uninsured and underinsured persons seeking health care.”

Mobile County has a population of 378,000, about the same as Pennsylvania’s Chester or Westmoreland Counties. Granting that the Mobile report is nonscientific, but assuming its \$15 million cost projection to be in the ballpark, rough extrapolations to larger counties in our state can be made.

- **Philadelphia County (1.5 million people) might need an extra \$60 million per year for social services alone.**

- **Pittsburgh’s Allegheny County (1.3 million people) could need \$51 million for social services alone.**

### Casino gambling and young people

Not long ago, problem gambling among youth was so rare as to be unmeasurable. Today 12% of the calls to the national 1-800-GAMBLER helpline involve gamblers under 21. A recent public-service billboard in New Jersey featured a photo of a teenage girl with the words: “She’s only 16. She doesn’t do drugs. But she does have a dealer.”

One problem is that underage people regularly sneak into casinos or video gambling areas, much as they sneak into bars. *Sports Illustrated* (Apr. 3, 1995) followed four college students on a visit to the Par-A-Dice casino in Illinois; the two who were underage “easily pass[ed] through the riverboat’s neon-framed entrance.” All four lost big.

The other problem is that legalized gambling legitimizes the activity generally. “For adolescents there is no longer any social immunity to gambling. Young people graduate from high school believing that it is their patriotic duty to gamble,” says Howard Shaffer, director of the Zinberg Center for Addiction Studies at Harvard. Of the growing pervasiveness of legal gambling, Shaffer told the *Columbia Journalism Review* (Jan/Feb 1994): “It’s like crack was to cocaine. It’s becoming too easy to gamble.”

William K. Pinsonnault, director of human services in Carlton County, Minnesota, wrote in an editorial in the *Duluth News-Tribune* (July 10, 1993):

“[W]e are inadvertently conditioning our children to be predisposed toward gambling . . . Unless swift action is taken . . . it is not hard to imagine gambling addiction far exceeding chemical dependency in the years ahead.”



# CASINOS & CRIME

Nationwide, crime rates in casino areas are nearly twice the national average, said a *US News & World Report* study published Jan. 15, 1996. The magazine also found that “towns with casinos have experienced an upsurge in crime at the same time it was dropping for the nation as a whole.” The *US News* figures, based on FBI Uniform Crime Reports for 1994:

## OVERALL CRIME RATES

Casino areas . . . **1,092 incidents** per 10,000 population

US as a whole . . . **593 incidents** per 10,000 population

## CHANGES IN CRIME RATES IN 1994

Casino areas . . . . . **+ 5.8%**

US as a whole . . . . . **- 2.0%**

## The crime picture varies from place to place

Some casino areas see big rises in crime rather quickly. The Biloxi/Gulfport corridor on the Mississippi Gulf Coast is known as “casino row,” with 11 barge-type casinos. In Biloxi, total violent crimes rose from 5,072 in 1993 to 7,413 in 1994 and prostitution became a growing concern. In Gulfport — where crime had been dropping steadily since 1988 — the trend turned back upward after casinos opened in the fall of 1992. Gulfport annexed 33 square miles at the end of 1993, raising its population from about 40,000 to 60,000, but even adjusting for this a crime surge is apparent:

### Gulfport, Mississippi (from Police Department figures):

	Jan-July 93	Jan-July 94	% Increase	% Increase (adjusted for population increase)
<b>Rapes</b>	<b>13</b>	<b>37</b>	<b>185%</b>	<b>90%</b>
<b>Robberies</b>	<b>35</b>	<b>105</b>	<b>200%</b>	<b>100%</b>
<b>Assaults</b>	<b>691</b>	<b>1,114</b>	<b>61%</b>	<b>7.5%</b>
<b>Burglaries</b>	<b>262</b>	<b>551</b>	<b>110%</b>	<b>40%</b>

In nearby Hancock County, Miss., with one casino, burglaries doubled and assaults nearly tripled in the same period. Patterns in other casino areas have varied widely, from big increases to virtually none. Many factors may come into play, including demographics and location of the casino(s). A 1995 review of Illinois riverboat areas found that nonviolent crime dropped in some places and went up in others, while violent crime indexes generally increased across the board. (Illinois State Police, response to query by Maryland State Police, 1995)



### Is it just the visitor traffic?

Gambling supporters argue that high crime rates in some casino areas are due mainly to visitor traffic, noting that crime may have shot up in Atlantic City after casinos opened, but so did crime in Orlando after Disney World opened. The so-called "Disney World" argument is easily refuted as follows:

#### INCREASE IN OVERALL PER CAPITA CRIME RATES, 1977-1990 (from FBI Uniform Crime Reports)

Orlando .....	+53%
Atlantic City .....	+235%

But the visitor-traffic issue is largely beside the point. If DUIs go up several hundred percent and motor vehicle fatalities in your community rise from one per year to 18 — as they did in Tunica County, Mississippi after casinos opened — it does little good to know that the drunk driver who hit you was a visitor.

Also, the types of "ambient" or street crime reflected in most crime indexes are not the only concern. Perhaps a bigger concern are crimes associated with problem gambling. These include financial crimes (such as embezzlement and fraud), domestic violence and child abuse.

### Problem gambling and crime

#### Financial crimes

• Henry Lesieur, professor of criminal justice at Illinois State University and co-developer of the South Oaks Gambling Screen, led a survey of Gamblers Anonymous members in Illinois. He found 44% had stolen from work, 18% had gambling-related arrests and 17% had been sued for gambling-related debts. (Phone interview, June 10, 1996).

• In Minnesota, the *Minneapolis-St. Paul Star Tribune* reported a rising frequency of financial crimes. Loss Prevention Specialists, Inc. of Minneapolis, a firm that helps employers cope with internal theft, told the paper that prior to casinos it had "zero cases of gambling-related embezzlements," but since then it has had cases running "well over \$500,000." Those imprisoned for such crimes in Minnesota include an assistant bank manager and a woman who lost

over \$120,000 stolen from her Catholic church.

• Gulfport, Miss. police chief George Payne told of a single week with 15 cases of internal theft and embezzlement, warning that businesses in casino areas "had better improve their internal audit." (*New Orleans Times Picayune*, Mar. 29, 1995)

• Sheriff Randy J. Maxwell of Concordia Parish in Louisiana told the *Washington Post*, "I have friends of mine who call me up with false reports of theft, so they can collect on insurance and gamble." More than 10 years ago Henry Lesieur estimated that gambling-related insurance fraud was costing over \$1 billion per year in the US; Lesieur has not updated the figure but merely ventures that the total nationwide cost of problem gambling is "in the billions."

#### Domestic violence and child abuse/neglect

• In Biloxi, crisis calls to the Gulf Coast Women's Center rose from about 400 per month in 1992 to between 700 and 900 per month in 1995. "Free alcohol and gambling losses can fuel the rage that produces violence," director Jane Philo noted (*N.O. Times Picayune*, Mar. 16, 1995). Biloxi's Harrison County saw divorce rates jump 250% after casinos opened, from about 400 to nearly 1100 cases per year.

• In Lawrence County, SD, home of the Deadwood casinos, States Attorney Jeffrey Bloomberg told the US House Committee on Small Business (Sept. 21, 1994): "Our office has seen an increase in the number of child abuse and neglect cases ... These run the spectrum from the children left in their cars all night while their parents gamble ... to the children left at home alone while single mothers work the casino late shift, to the household without utilities or groceries because one or both parents have blown their paycheck gambling."

• Nevada has the highest rate of child death by abuse in the US. And in Atlantic City, offenses against family and children rose 343% from 1977 to 1994; the county prosecutor's office now has a special child abuse unit. (Special report by Maryland Attorney General J. Joseph Curran Jr. on casino gambling and crime, Oct. 16, 1995)

Many researchers and criminal-justice officials agree that crimes related to problem gambling are only beginning to show up statistically in the newer casino areas. And a disturbing note is that, as Bloomberg put it, many of the crimes involve solid citizens "who, prior to their exposure





to gambling, had no criminal history ... [yet who] began committing some type of crime to support their addiction.”

## Organized crime

Conventional wisdom says organized crime is no longer a concern in the legal end of the gambling business, now that most operations are run by large firms. Conventional wisdom is wrong. Just a few examples:

- In Atlantic City, the federal government took control of Local 54 of the Hotel Employees and Restaurant Employees Union in 1991, after charges that the union representing thousands of casino workers was infiltrated by a Philadelphia-based crime family.
- In Mississippi, the former president of Bayou Caddy's Jubilee Casino pled guilty in 1995 to helping launder purported cocaine money, and two former employees of the President Casino in Biloxi were indicted on federal racketeering charges.
- In Louisiana, 11 people were sentenced in 1996 for skimming video poker profits for three organized crime families.
- In California, the FBI and local police have uncovered numerous links between organized crime and various Indian gambling operations.

All of the above have been widely reported in the news media; a good general source is Maryland Atty. Gen. Joe Curran's 1995 report, compiled to discourage his state from allowing casinos. In the summary to the report — titled “The House Never Loses and Maryland Cannot Win: Why Casino Gaming Is a Bad Idea” — Curran wrote:

**“We already have crime problems in this state that sometimes seem insurmountable ... A decision to legalize casino gambling would be a deliberate public policy decision that would make this crisis worse. That simply makes no sense.”**



# CASINOS & CORRUPTION

## A ‘classic prescription’ for trouble

On the political front, casinos and other new forms of gambling pose a dangerous combination. They are extremely lucrative, and they are state-licensed and regulated — a mix the *Washington Post* has called “a classic prescription for influence peddling.”

The gambling industry is now the largest special-interest campaign contributor in states such as Illinois and Louisiana, and among the top five in the US, according to *US News & World Report*. Influence scandals are common. A few examples:

- In Chicago, during a 1992 push to expand casinos to that city, WMAQ-TV aired an investigative series titled “Secret Casino Papers.” One of the key finds was a “crib list” on which casino supporters had written what it might take to sway various legislators — this one has “judicial aspirations,” for instance.
- In Kentucky, a movement to permit racetrack casinos died in 1994 after House Speaker Don Blandford went to prison for taking bribes from the racing lobby.
- In Missouri, House Speaker Bob Griffin was removed from office due to links to casino interests.
- In Louisiana, incidents have included bribes offered to state legislators to kill a measure letting the public vote on video gambling machines; gifts and loans to public officials in New Orleans from a casino group; and envelopes with campaign contributions openly doled out to legislators on the floor of the State House before a key vote.

But while scandals make headlines, the greatest danger in terms of “influence” is more subtle. Legalizing casinos (or other new forms of gambling) — and depending on them for tax revenue — puts a government in a compromised position. That government now has a vested interest in encouraging its citizens to lose money.

***“When she played ‘real fast,’ Betty Yakey believed she could outsmart the video poker machine ... ‘There was one machine that I could confuse the most,’ recalled Yakey, a 65-year-old widow with three children and four grandchildren. After months of confusing that machine, Yakey lost \$190,000 ... The state of Louisiana has decided that prudent government at the end of the 20th century means cashing in on dreamers like Betty Yakey.”***

— *Washington Post*,  
“Addiction: Are States Preying on the Vulnerable?”,  
Mar. 4, 1996



## Failure to govern in the public interest

### A gambling tax is “a tax on the ignorant and the addicted.”

— Henry Lesieur,  
Illinois State University,  
co-developer of the South Oaks Gambling  
Screen for surveys of gambling behavior.  
*Lesieur calculates that 1/4  
of all gambling tax revenues come  
from problem gamblers.*

Governments are becoming “gambling promoters” rather than “gambling regulators,” researcher Robert Goodman warned in his 1994 United States Gambling Study. Once casinos are in place, regulations and controls are loosened to increase revenue.

Iowa removed the bet and loss limits on its riverboats, dropped the rule that boats must cruise while gambling, and then allowed the opening of the state’s first racetrack casino — at Prairie Meadows in Des Moines — while the state government’s own study was showing that problem gambling in Iowa had more than tripled.

The former slogan for the Pennsylvania Lottery, “Don’t Forget to Play Every Day,” is infamous nationwide. It is frequently cited in news stories and research studies as a blatant case of a government promoting unhealthy gambling behavior.

Casinos would be an extension of this process, with the addition of a private partner — gambling companies that also have a strong interest in maximizing dollar flow.

Terry Brunner, executive director of the Better Government Association of Chicago, describes the public/private casino partnership as an inbred system that perpetuates an ongoing cycle of poor public policy. As Brunner sees it, the cycle works like this:

- **Casino licenses go to “political insiders” and large firms with political clout.**
- **As gambling taxes flow in, public officials “do not have to vote to raise property taxes or income taxes. To them, it is like free money falling out of the sky.”**
- **Casino owners reap hefty profits, kicking some back to political leaders in the form of campaign contributions.**
- **All parties “then explain to national media outlets how wonderful riverboat gambling is.”**



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# WHO OPPOSES CASINOS?

**“Chamber members have weighed the odds and decided overwhelmingly that riverboat gaming should not be in the future of Pennsylvania.”**

— Pennsylvania Chamber of Commerce  
in its magazine *Advocate for Pennsylvania Business*, Dec. 1995

**“The League finds no merit in arguments that extending opportunities for legal gambling is an acceptable method of enhancing state and local government revenue, stimulating economic development, preventing gambling dollars from leaving the state, or reducing illegal gambling.”**

— Pennsylvania League of Women Voters  
position paper

**“We don’t want to see our members blowing their paychecks.”**

— John P. Morris, President  
Pennsylvania Conference of Teamsters,  
*Harrisburg Patriot-News*, Mar. 5, 1995

## ***Other opponents of casino gambling in Pennsylvania include:***

Common Cause  
Lancaster County ACTION  
Pennsylvania Family Institute  
Pennsylvania Restaurant Association  
Philadelphia Family Policy Council  
Sierra Club, Pennsylvania Chapter  
Statewide church groups including PA Council of Churches, Lutheran Advocacy, Presbyterian Church (USA), Salvation Army, and United Methodist Witness in PA; plus many local groups such as Metropolitan Christian Council of Philadelphia.  
Ad hoc citizens’ groups such as NO DICE (Pittsburgh), Erie Citizens Against Gambling Expansion, and many others.

*Contact PAGE for a complete updated list, including prominent individuals as well as groups.*

**“Gambling creates nothing. It reallocates resources from the desperate and the needful to the unspeakable and the inane ... Are we for it because we favor free markets? No, in the same way that we do not favor a free market for recreational drugs, legalized prostitution, [or] nuclear weapons ... Government’s job is to resist and suppress that which is destructive, not to form a partnership with it.”**

— *The Wall Street Journal*, editorial, Apr. 21, 1992

## ***Opponents across the US include:***

Archdiocese of Chicago, Catholic Bishops of Florida, Catholic Conference of Ohio  
...and many other state Catholic Conferences  
Florida Department of Commerce  
Greater Washington (DC) Board of Trade  
Governors and attorneys general of Ohio, Maryland, Florida  
...and many other states.  
*USA Today, Christian Science Monitor, Outdoor Life*  
...and hundreds more newspapers and magazines.

## ***In Ohio alone, groups opposing the state’s 1996 riverboat casino bill included:***

Buckeye State Sheriff’s Association  
National Association of Theater Owners of Ohio  
National Federation of Independent Business  
Native American Alliance of Ohio  
Ohio Association of Chiefs of Police  
Ohio Association of Community Action Agencies  
Ohio Chamber of Commerce  
Ohio Manufacturers Association  
Ohio Prosecuting Attorneys Association  
Ohio Restaurant Association  
Ohio Roundtable/Ohio Freedom Forum  
... *plus many religious groups,*  
*and the daily newspapers in all major cities.*



# SOURCE LIST

— Selected sources on casinos and other forms of legalized gambling —

## NEWS ARTICLES

*Minneapolis-St. Paul Star Tribune*, “Dead Broke,” Dec 3-6, 1995. Investigative series on gambling in Minnesota, co-authored by Pulitzer-winning reporter Chris Ison.

*Washington Post*, “America’s Gamble,” March 3-6, 1996. Excellent overview of the US scene.

*US News & World Report*, “How Casinos Empty Your Wallet,” March 11, 1994. Includes rare inside view of the business. Also: “America’s Gambling Fever,” Jan 15, 1996, with computer analysis of economic and crime data.

## GOVERNMENT HEARINGS

Hearing on the National Impact of Casino Gambling Proliferation, US House Committee on Small Business, Sept. 21, 1994. Copies: 202-224-3121.

## STUDIES

### *On Economics and Public Policy ...*

“Legalized Gambling as a Strategy for Economic Development,” Robert Goodman, 1994. Groundbreaking book-length study raises core policy issues; also referred to as the “United States Gambling Study” report. Copies (\$28): 413-586-4235.

“Monetary Impacts of Riverboat Casino Gambling in Illinois,” Wm. Thompson & Ricardo Gazel for Better Government Association of Chicago, 1996. Copies: 312-641-1181. *Compare 1994 study by Illinois Economic and Fiscal Commission (217-782-5320) and various studies by Earl Grinols, U. of Illinois (217-333-4595); also see Thompson & Gazel’s “Economic Impact of Native American Gaming in Wisconsin,” Wisconsin Policy Research Institute, 1995: 414-963-0600.*

### *On Problem Gambling ...*

Council on Compulsive Gambling of New Jersey — Nonprofit group has a wealth of free studies and background material. 609-599-3299.

“Gambling and Problem Gambling in Iowa: A Replication Survey,” Rachel A. Volberg, PhD for Iowa Department of Human Services, 1995. First solid statistical before-and-after-casino study. 515-281-8802.

“Wagering and Problem Wagering in Louisiana,” Rachel Volberg for Louisiana Economic Development and Gaming Corporation, 1995. 814-224-5960.

“Social Impact of Gaming,” by the ad-hoc Social Impact on Gaming Committee, Mobile, AL, 1994. Copies available from Alabama Family Alliance, 205-870-9900.

### *On Crime ...*

“The House Never Loses and Maryland Cannot Win: Why Casino Gaming Is a Bad Idea,” Maryland Attorney General J. Joseph Curran, Jr, 1995. Good all-around compendium of crime data, sources, and law-enforcement contacts across the US, 410-576-6300.

### *On Corruption ...*

Best sources are major daily papers in gambling states. Also try prosecuting attorneys and anti-casino legislators. For Illinois: Terry Brunner, executive director, Better Government Association of Chicago (longtime civic watchdog group), 312- 641-1181.

## GAMBLING EXPERTS

*Out of many respected independent sources, here are four of the best known:*

Robert Goodman, Hampshire College. 413-549-4600. The first researcher to systematically critique the growth of legalized gambling.

William Thompson, University of Nevada-Las Vegas. 702-895-3319. Widely quoted on economic and policy issues; has studied casinos worldwide and consulted to gambling firms & governments.

Henry Lesieur, Illinois State University. 309-438-8729. Edited *Journal of Gambling Studies*; co-developer of South Oaks Gambling Screen; solid authority on problem gambling and crime.

Arnie Wexler, executive director, Council on Compulsive Gambling of New Jersey. 609-599-3299. Described by IRE (trade group of Investigative Reporters & Editors) on their gambling source list as: “unbelievably quotable. Very knowledgeable.”

## BOOKS

*Temples of Chance: How America Inc. Bought Out Murder Inc. to Win Control of the Casino Business*, David Johnston (*Philadelphia Inquirer* reporter), Doubleday, 1992.

*The Luck Business*, Robert Goodman, Free Press, 1995.

## OPPONENTS OF GAMBLING EXPANSION

*For contacts in your area — or for references to other good sources on legalized gambling — call PAGE at 717-657-4990.*

### COIN WINNERS

7 7	1000
7 7	500
7	400
7	300
7	160
7	100
7	80
7	50

MACHINE

PLAY 2 COINS

BAR BAR BAR

7

WINNER PAD

COINS PLAYED

40
20
10
4
4
4
4
2

# Royal Flush

1 COIN 2 COIN 3 COIN

250	500	1000
50	100	150
25	50	75
9	18	27
6	12	18
4	8	12
3	6	9

ALL WINS PAID BY MACHINE

PAYLINE

ROYAL FLUSH

ROYAL FLUSH

JACKS OR BETTER

4 OF A KIND

25¢

2	4	6
1	2	3

# Royal