

***THE HOUSE NEVER LOSES AND
MARYLAND CANNOT WIN:
WHY CASINO GAMING IS A BAD IDEA***

***REPORT OF
ATTORNEY GENERAL J. JOSEPH CURRAN, JR.***

***ON THE
IMPACT OF CASINO GAMING ON CRIME***

**PRESENTED TO THE
JOINT EXECUTIVE-LEGISLATIVE TASK FORCE TO
STUDY COMMERCIAL GAMING ACTIVITIES IN MARYLAND**

October 16, 1995

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EXECUTIVE SUMMARY

The Joint Executive-Legislative Task Force requested that I examine the impact casino gaming could be expected to have on crime in Maryland. The impact would be this: casinos would bring a *substantial* increase in crime to our State. There would be more violent crime, more crimes against property, more insurance fraud, more white collar crime, more juvenile crime, more drug and alcohol-related crime, more domestic violence and child abuse, and more organized crime. Casinos would bring us exactly what we do not need - a lot more of all kinds of crime.

In responding to the Task Force's request, my staff and I reviewed studies and statistics from other jurisdictions, academic writing, newspaper articles, and other periodicals. We also spoke with law enforcement, and state and local officials in Colorado, Michigan, Nevada, California, Mississippi, Missouri, Louisiana, Pennsylvania, Rhode Island, Iowa, South Dakota, Massachusetts and Connecticut, as well as with analysts and attorneys from the U.S. Department of Justice and the National Association of Attorneys General. Finally, in a visit to Atlantic City, we met with law enforcement and regulatory officials in the New Jersey Division of Gaming Enforcement, the Atlantic County prosecutor, Atlantic City police officers, social services officials, and casino security.

In conducting this study, I posed the following questions. Based on the experiences of other states, does crime increase with the introduction of casino gaming? What would the causes be of any increase in crime? Would there be attendant costs and other implications? Finally, how well would Maryland be able to handle any potential effects on criminal activity?

This report addresses these issues and presents the data which is the basis of my own unequivocal conclusion that casinos are a bad idea for Maryland.

The experiences of other states paint a grim picture. The details vary, but both the statistics and the experience of responsible officials convey a consistent and oppressive message. A wide range of evidence is set forth in the report, but a few examples are illustrative.

In the last year, crime on the Mississippi Gulf Coast has increased in every category, with murder, rape, robbery and car theft at least doubling. Juvenile violent crime has shot up 65% in the last two years, alcohol-related accidents increased 101% in the first half of 1994, and police describe a staggering increase in fraud and embezzlement.

In the first fifteen years Atlantic City had casinos, violent crime rose by 199%, and larceny skyrocketed 481%. In Black Hawk, Colorado, calls for service went from about 25 a year before gaming, to between 15,000 and 20,000 today. In Deadwood, South Dakota, arrests have increased 262% since the advent of casinos.

In a hearing before Congress on September 29th of this year, a former Chicago mobster revealed how Chicago organized crime "welcomed" the introduction of legalized gaming into Illinois; it "created a brand new market for us." In Biloxi, Mississippi, two former President Casino employees were indicted last year on federal racketeering charges in connection with an organized crime scheme that allegedly bilked the casino out of more than \$500,000. In New Orleans, 13 people pled guilty this year to charges that they used a video poker company to skim profits into the coffers of the Marcello, Genovese, and Gambino mob families of Louisiana and New York.

As these examples and the full report make clear, casino gaming would unquestionably bring more crime to Maryland.

We could, of course, take certain steps to attempt to minimize this disaster. We would certainly try to take a percentage of casino profits and use it for increased law enforcement resources - more police on the streets, more prosecutors, prisons, and courts, strict regulatory mechanisms, extensive background checks of all casino-related industries. But even if we were able to do all that and more, the fact is that crime in this State would still rise. We would still have many, many more victims of crime, and we already have far too many. It is simply a fiction to delude ourselves that it is possible to have casinos without more crime.

As outlined in the report, casinos would bring increases in virtually every area of criminal activity. These increases would be caused in part by the greater volume of people and money flowing through the State. Yet introducing casinos is not, as some proponents maintain, the equivalent of bringing Disney World to Maryland. The surge in crime would be greater than that which would result from a new Disney park because crime increases from casinos are attributable to more than simply heightened tourism. Crime would rise because of the crime-related problems of compulsive gamblers, the constant exposure of casino workers to substance abuse and other social ills, the pervasive availability of alcohol to casino patrons, and the growing problem of teenage gambling addiction.

The effect of casinos on crime is also different because of the interest of organized crime. Known mob figures frequent casinos to gamble and launder money, and organized crime families attempt continually to infiltrate ancillary industries and to capitalize on an increased market for drugs, illegal gambling, and other ills.

These increases in all types of criminal activity would, in turn, impose tremendous costs on Marylanders. There would be the daunting costs of bolstering every segment of our criminal justice system. There would be the incalculable costs to crime victims in losses of economic, health, and emotional well-being, as well as, too often, loss of life. Finally, there would be loss of the perception, and I like to believe still the reality, that Maryland remains a place to live, visit, and raise families safely.

We do not need to bring this upon ourselves. We already have crime problems in this State that sometimes seem insurmountable, and law enforcement all over the State works every day to try to get them under control. Violent crime and drugs are destroying some of our communities and threatening others. Domestic violence and child abuse are scourges upon women and children. Our criminal justice system is bursting at the seams. A decision to legalize casino gambling would be a deliberate public policy decision that would make this crisis worse. That simply makes no sense.

Once we let casinos in, there is no going back. If we ever allow ourselves to become dependent on the relatively small percentage of casino profits we would be allotted, we would never be able to give it up. We would be trapped - trapped in a dependency on uncertain revenue in exchange for a precipitous decline in the quality of life for all Marylanders. This is too great a price to pay.

Our problems demand of us that we find solutions. Casinos are not a solution to anything. Instead, they will exacerbate existing problems and create new ones. Casinos create more crime. They create more victims of theft, of domestic violence, of drunken driving. They cause the loss of more teenagers to gambling, drug abuse, and crime.

Whatever dubious financial benefits might flow from casino gaming are outweighed by the tremendous social costs. Casinos would forever damage the quality of Maryland life. I urge the Task Force and the people of this State to resist the temptation of money that would benefit too few at the cost of too many.

In a day and age when a paramount concern of our citizens is crime, it is nothing short of incredible to think that our State would seriously consider opening its arms to an industry that would only increase this terrible problem.

And that is the nub of it: a vote for casino gaming in Maryland is a vote for more crime in Maryland. I vote nay, and I urge you to do the same.

J. JOSEPH CURRAN, JR.
Attorney General of Maryland
October 16, 1995

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***I. BASED ON THE EXPERIENCES OF OTHER STATES, CASINO
GAMING DOES INCREASE CRIME***

Law enforcement and public officials in both urban and rural jurisdictions, as well as actual crime statistics before and after the introduction of casino gaming, bear witness to a consistent view that bringing casino gaming into an area will result in more crime. Moreover, with few exceptions, the surge in criminal activity is not limited to a few categories of crime. Rather, most jurisdictions experience an increase in virtually all kinds of offenses. Some types of crime present greater problems than others, but all criminal activity is affected.

The following conveys a picture of the experiences of jurisdictions all over the country.

A. MISSISSIPPI

Riverboat casino gaming was introduced to the Mississippi Gulf Coast in mid-1992. There are 13 casinos currently operating along the coast in what is known as "casino row."¹ Gulfport and Biloxi are the sites of 11 out of the 13. Det. Sgt. Thomas Johnson of the Gulfport, Mississippi Police Department explains that Mississippians who supported casinos believed they would be quiet, unobtrusive, old-style riverboats, but they are actually huge, stationary buildings as long as three football fields. He says that casinos have completely altered the quality of life and character of the area, and he cautions that "you cannot envision what you are going to get." *Id.*

◆ Law enforcement and social services workers state that casinos on the Gulf Coast have "fueled a crime wave and aggravated social problems." Even with "beefed-up" police forces, law enforcement is "barely keeping up with the jump in crime."²

◆ Crime increased in every category in 1994, with murder, rape, robbery and car theft at least doubling.³

◆ Ten categories of violent crime increased by 64% in Gulfport and 46% in Biloxi in 1994. In actual numbers, Biloxi went from 5,072 violent crimes in 1993 to 7,413 in 1994. Gulfport went from 5,416 to 8,887.⁴

◆ Bank robberies plagued 16 banks along "casino row" in 1993, breaking an all-time record and representing a 300% increase over the previous year.⁵

¹ Interview with Det. Sgt. Thomas Johnson, Gulfport Police Department, September 22, 1995 (hereinafter "Johnson Interview").

² "Boom and Gloom", *Times Picayune*, March 16, 1995.

³ "Gulf Coast: Gambling and Crime", *Times Picayune*, March 29, 1995.

⁴ Mississippi Coast Crime Commission Statistics.

⁵ *Gambling in Alabama: Should We take the Chance?*, The Alabama Family Alliance, August, 1994 (hereinafter "Alabama Family Alliance Report") at 13.

◆ Juvenile violent crime has shot up 65% in the last two years, and gangs are spreading, reports Executive Director of the Mississippi Coast Crime Commission Bob Waterbury.⁶

1. Gulfport

Gulfport's first casino opened in May, 1993.

◆ Gulfport Police Chief George Payne states that casinos will bring an increase in crime "across the board." Between 1988 and 1993, Gulfport's overall crime rate declined 42%. Since the opening of the first casino, the number of offenses and calls for service have gone up "dramatically." Although the Police Department has doubled in size from 75 to 150 officers, it is so overloaded that virtually all crime prevention and proactive community services have been terminated. Having reduced much of its investigative force to "paper police," the Department's crime clearance rate has plummeted.⁷

The following table indicates the percent change in index crimes in the first 7 months of 1993 before casinos, and the first 7 months of 1994 after casinos.⁸

⁶ "Boom and Gloom", *supra* note 2.

⁷ Interview with Gulfport Police Chief George Payne, September 22, 1995 (hereinafter "Payne Interview"); *Casinos and Crime: Is it Worth the Gamble?*, Florida Department of Law Enforcement, October 10, 1994 (hereinafter "FDLE Summary Report") at 5-8.

⁸ Gulfport annexed 33 square miles and 22,000 residents at the end of 1993. Some of the crime increases are thus attributable to the annexation. Chief Payne estimates, however, that at least 50% of the increases are directly attributable to the casinos. Payne Interview.

**CHANGE IN GULFPORT, MISSISSIPPI CRIME RATES
BETWEEN JAN-AUG, 1993 AND JAN-AUG, 1994**

CRIME	1993	1994	PERCENT CHANGE
Murder	4	7	+75%
Rape	14	42	+200%
Robbery	43	177	+311%
Assaults	793	1302	+64%
Larceny	1259	2414	+91%
Burglary	310	623	+100%
Vehicle Theft	97	253	+160%
Arson	12	31	+158%
TOTAL	2532	4849	+92%

SOURCE:
GULFPORT POLICE DEPARTMENT

◆ Alcohol-related crime, from DUI's to family violence, has become a significant problem. Det. Sgt. Johnson explains that "what people don't realize is that casinos are essentially nothing more than huge bars . . . gamblers get as much to drink as they want free of charge, 24-hours a day, and then they leave, get in cars, and get on the road . . . the casinos admit they use alcohol as a tool."⁹ Chief Payne states that "every crime that is fueled by alcohol and drugs is way up."¹⁰

● Alcohol-related accidents increased 101% between the first 7 months of 1993 and the same period in 1994.¹¹

⁹ Johnson Interview; Gulfport Police Department Report, August 11, 1995 (hereinafter "Gulfport PD Report") at 3.

¹⁰ "Boom and Gloom", *supra* note 2.

¹¹ Gulfport PD Report, Appendix.

- Domestic violence increased 69% between 1992 and 1994, from almost 3,000 incidents to more than 5,000. *Id.* Calls to the Gulf Coast Women's Center, a haven for battered women, have doubled, from 400 per month in 1992 to 700-900 per month this year.¹²

- Jane Philo, executive director of the Gulf Coast Women's Center, explains that for men who have a predisposition toward violence, free alcohol and gambling losses can fuel the rage that produces violence. *Id.*

- ◆ Homelessness has increased "dramatically." The time required to find housing for residents has increased from 3 weeks to 3 months, and 26% of shelter residents are from Mississippi, reports Charles Dinwiddle, director of the Salvation Army homeless shelter in Gulfport.¹³

- One social worker describes how the casinos routinely call to let the shelter know that a gambler has lost all of his money and to ask if the shelter can provide room and board. *Id.*

- ◆ Gamblers' Anonymous groups have grown from 1 with 2 members, to 8 with 10-20 members each; "now you can attend one any night of the week." Hundreds of other problem gamblers seek private counseling.¹⁴

- Those seeking help for pathological gambling have typically lost between \$20,000 and \$100,000, although isolated cases have been as high as \$700,000, reports Gini Fellows, director of Recovery Resources. Ms. Fellows describes gambling addiction as "an equal opportunity disease - [affecting both] people on welfare and people who have lost businesses."¹⁵

- Some shelter residents gamble away their welfare checks and are thus forced to remain at the shelter. *Id.*

¹² "Boom and Gloom", *supra* note 2.

¹³ "Boom & Gloom", *supra* note 2.

¹⁴ Johnson Interview; Gulfport PD Report at 2; "Gulf Coast: Gambling and Crime", *supra*, note 3.

¹⁵ "Boom and Gloom", *supra* note 2.

◆ Prostitution arrests increased 85% between 1992 and 1994, although actual numbers remain relatively low. *Id.* The Gulfport Police Department has investigated six escort services on prostitution charges.¹⁶

◆ Drug arrests shot up 152% between 1992 and 1994. Police Department officials identify heroin, LSD, cocaine, ecstasy, and other drugs as growing in prevalence.¹⁷

◆ Insurance fraud is on the rise, with gamblers "falsely report[ing] that they were abducted, robbed or both."¹⁸

◆ Fraud and embezzlement have increased sharply. Chief Payne reports that "[i]n one week we had 15 cases of internal theft and embezzlement, 90% of it gambling-related . . . they're getting in trouble, and they're trying to win it back." He cautioned that "anybody who has an employee who handles cash had better improve their internal audit . . . those who gamble become desperate."¹⁹

● In one case, an assistant manager of a nearby Louisiana Winn-Dixie grocery store stole \$30,000 and lost almost \$6,000 of it gambling at Mississippi casinos.²⁰

● In another embezzling case, eight employees of an appliance store, "sucked dry by the casinos," robbed their employer by "pull[ing] up a truck and load[ing] it in."²¹

¹⁶ FDLE Summary Report at 8.

¹⁷ FDLE Summary Report at 8; Gulfport PD Report at 2.

¹⁸ Gulfport PD Report at 2.

¹⁹ "Boom and Gloom", *supra* note 2; Gulfport PD Report at 2; Gulf Coast: Gambling and Crime", *supra* note 3.

²⁰ "La. Man gambles with store funds", *Clarion Ledger*, October 6, 1994.

²¹ "Boom and Gloom", *supra* note 2.

◆ Pawn shops have doubled in size and tripled in number. They are open 24 hours, and some are "Car Hocks" where a gambler can "hock [his] car for a few hundred dollars in a hurry."²²

◆ Attempted suicides went up 213% between 1992 and 1994, going from 24 to 75. *Id.*

2. Biloxi

Biloxi's first three casinos opened in August, 1992.

◆ The Biloxi Police Department has had to create new specialized units for drunken driving, drug distribution, and traffic to cope with the growth in these areas.²³

◆ Divorces increased 250% in Harrison County in the first two years of casino gaming.²⁴

◆ Suicide attempts skyrocketed 1100% in the first year of casinos, going from 6 to 66. *Id.*

◆ State social workers investigated 15 reports of child neglect, where children were left in cars or home alone while parents gambled. In one case, four children were left for nine hours in a car with no food or water.²⁵

◆ Prostitution has increased by 55%. Biloxi Police Chief Tommy Moffett explains that "people don't like to talk about the prostitution, but it's there."²⁶

²² Johnson Interview; Gulfport PD Report at 4.

²³ "Gulf Coast: Gambling and Crime", *supra* note 3.

²⁴ "Gambling Brings Big Changes to the Mississippi Gulf Coast", *The Clarion Ledger*, April, 1993.

²⁵ Betty Elias of the State Department of Human Services, as quoted in "Gambling with our safety?", *Word & Way*, October 13, 1994.

²⁶ "Gulf Coast: Gambling and Crime", *supra* note 3.

3. Hancock County

A single casino opened in Bay St. Louis in Hancock County in late September, 1992. The entire county has since experienced serious increases in crime. The following table compares January-July, 1993 to January-July 1994.

HANCOCK COUNTY CRIME RATES JANUARY TO JULY 1993 - JANUARY TO JULY 1994

CRIME	1993	1994	PERCENT CHANGE
Aggravated Assault	20	57	+185%
Burglary	69	137	+99%
Larceny	79	252	+219%
Vehicle Theft	13	36	+177%

SOURCE:

HANCOCK COUNTY SHERIFF'S OFFICE

4. Tunica County

Tunica County's first casino opened in October, 1992.

◆ DUI's increased 500% by 1994, reported Tunica Police Chief Chuck Bolen. Eighteen traffic fatalities occurred in the county in 1994, up from only 1 in 1990. At least 7 involved drunk driving.²⁷

● The family of a woman killed in an alcohol-related accident sued President Casino for allegedly serving the driver free liquor after he was visibly intoxicated. President denied wrongdoing but later settled for \$2.5 million. Casinos serve free alcohol 24-hours a day. They are the top purchasers of liquor in Mississippi.²⁸

²⁷ Alabama Family Alliance Report at 13; "Suit Spotlights Casino Drinking", *Clarion Ledger*, February 7, 1995.

²⁸ "President Casino Settles Lawsuit", *The Sun Herald*, June 27, 1995.

◆ **Chief Payne and Mississippi Coast Crime Commission Executive Director Bob Waterbury agree that the worst is still to come for the Gulf Coast.** They expect still more increases in crime both because of anticipated increases in unemployment from the closing of some unsuccessful casinos, and because of the anticipated proliferation of casinos in other areas. They fear particularly the advent of land-based casinos. Bob Waterbury warns, "if they ever allow land-based casinos, look out."²⁹

B. COLORADO

The State of Colorado has had casino gaming in the three small communities of Cripple Creek, Central City, and Black Hawk since October, 1991.

1. Black Hawk

Prior to casinos, Black Hawk was an historic mining town with a population of about 300. It did not have a police department. Police Chief Jerry Yokom, who worked in the Gilpin County Sheriff's office before 1991, recalls that there were never any more than 25 calls a year for Black Hawk, and they were "mostly dog calls." Since the opening of the casinos, which now number 22, the newly-constituted police department receives between 15,000 to 20,000 calls a year.³⁰

Regarding crime increases, Chief Yokom says they have "seen everything" except homicides and robberies. He highlights the following:

◆ Sexual assaults and domestic violence have shot up. Chief Yokom attributes this rise to "people spending their last \$20 in the casinos when it should have been spent on groceries, and it turns into a fight." *Id.*

◆ DUI's are a huge problem on the one and one-half mile stretch of highway. Chief Yokom points to the free-flowing alcohol in the casinos and the casinos "overserving" it. The casinos close at 2:00 a.m., but he would rather see them stop serving alcohol at 2:00 but stay open. With the 2:00 close, there is a "mass exodus of drunks" spilling out onto the highway. *Id.*

²⁹ "Boom and Gloom", *supra* note 2.

³⁰ Interview with Black Hawk Police Chief Jerry Yokom, October 4, 1995 (hereinafter "Yokom Interview").

- Alcohol-related traffic accidents to and from Black Hawk and Central City increased 79% in the first year after gaming began. Traffic accidents generally are up 250% since gaming began.³¹

- DUI's shot up from 5 to 305 in two years.³²

- ◆ Check fraud is "incredible." The Police Department has a huge backlog, and credit card fraud is also a growing problem.³³

- ◆ Gilpin County, where Black Hawk is located, has also felt the impact. It experienced huge increases in arrests, felonies and incarcerations between 1991 and 1993. Deputy Sheriff Stephanie Behymer reported that arrests went up from 18 to 92 per month, or 411%. Incarcerations rose from 2 to 35 per month, or 1,650%.³⁴

The following table shows increases in cases filed and number of offenses reported both in Black Hawk and Gilpin County between 1991 and 1993. The offense figures reflect only the last three months of 1991 because records were not kept prior to creation of the Police Department. Chief Yokom estimates, however, that there "may have been 25 offenses total, but that's probably overstating it."³⁵

³¹ "Danger on Roads to Riches", *The Denver Post*, August 30, 1995.

³² Black Hawk Police Department Report (hereinafter "BHPD Report") at 6, 10.

³³ Yokom Interview.

³⁴ Deputy Sheriff Stephanie Behymer, *as cited in* "Gambling with our Safety?", *supra* note 25.

³⁵ Yokom interview.

**GILPIN COUNTY AND BLACK HAWK CASES FILED
AND OFFENSES REPORTED BETWEEN 1991 AND 1993**

TYPE OF CASE	1991		1992		1993		PERCENT CHANGE	
	Gilpin	Black Hawk	Gilpin	Black Hawk	Gilpin	Black Hawk	Gilpin	Black Hawk
Misdemeanors	122	8	387	84	372	119	+205%	+1388%
Felony	20	2	70	22	89	35	+345%	+1650%
Traffic	305	25	1244	400	1649	702	+440%	+2708%
TOTAL CASES	447	35	1701	506	2110	856	+372%	+2345%
Number of Offenses Reported		126		1554		2112		+1576%

SOURCE:
BLACK HAWK POLICE DEPARTMENT

◆ Citizens of Black Hawk lament not only the surge in crime, but also other ways in which their quality of life has declined, expressing the view that "gambling generates as many crises as it solves."³⁶

- Aside from the post office and bank, gambling is the only game in town. Properties are too valuable for local business to afford rent. Chief economist for the Colorado National Bank Tucker Adams explains, "If a factory came in, you'd get a housing development and a grocery store and a drug store. With gambling, you don't." *Id.*

- The Mayor of Black Hawk admits, "We thought we'd studied the problem thoroughly; I don't think we studied it enough." *Id.*

³⁶ "Fool's Gold in Black Hawk? Gambling: A look at one town shows the unexpected consequences of the casino business.", *Newsweek*, March 28, 1994.

- Another citizen who profited enormously from selling land to a casino says, "I should be real happy with [gambling], but what they've done to my town, I just don't like." *Id.*

- Still another admits to making a better salary than ever before, but says vehemently, "I wouldn't wish this on anybody's town." *Id.*

2. Cripple Creek

- ◆ Calls for service went from 40 *per month* to 45 *per day* after October, 1991, and the Police Department more than quadrupled in size, reported Cripple Creek Police Chief Stauffer.³⁷ DUI's increased from about 4 *per year* to 1 *per week*. The Department also identified two organized prostitution rings attempting to establish themselves. *Id.*

- ◆ Total index crimes increased 287% between 1991 and 1994. Aggravated assault rose 75%, and larceny went up 329%.³⁸

3. Central City

- ◆ With a population of only 350, Central City experienced a 228% increase in larceny, a 400% increase in burglary, a 100% increase in motor vehicle theft, and a 162% increase in total index crimes in the first year after casinos were introduced. In the same year, the city went from 91 arrests to 331, representing a 275% increase.³⁹

- ◆ The Police Department received more calls for service in the first three months of 1992 than in all of 1990, and calls increased 423% from 1991 to 1992, reported Central City Police Chief Gatlin in 1992. He also identified "skyrocketing incidents" of disorderly conduct, fights, and DUI's. Finally, he noted the presence of Asian gang members frequenting the casinos.⁴⁰

³⁷ FDLE Summary Report at 10; *How Casino Gambling Affects Law Enforcement*, Illinois State Police, April 16, 1992 (hereinafter "Illinois State Police Report") at 6.

³⁸ Colorado Department of Public Safety, Bureau of Investigation; Uniform Crime Statistics.

³⁹ Colorado Department of Public Safety, Bureau of Investigation; Uniform Crime Statistics..

⁴⁰ FDLE Summary Report at 10; Illinois State Police Report at 6.

C. *SOUTH DAKOTA*

Deadwood, South Dakota, a small mountain community of about 1800 and the county seat of Lawrence County, first allowed casinos in 1989.

◆ "No one predicted the dramatic changes" in Deadwood when casino gaming began, recalls Jeffrey L. Bloomberg, State's Attorney for Lawrence County from 1986 to 1994. Within 2-3 months, a "mainstreet typical of any small town was converted to a four-block strip of small casinos. Gone were the clothing and the shoe and the hardware and the grocery stores . . . many of the necessities of life . . . are no longer available in our town."⁴¹

◆ For several years prior to the casinos, crime had been decreasing steadily. With casinos, it "turned up dramatically." There was an increase in "virtually every category of offense." Case filings for class one misdemeanors and felonies "jumped a whopping 69%" in the first ten months after casinos opened. Overall increases are reflected in the following table, which tracks total number of case filings in Lawrence County from 1986 to 1993. *Id.*

⁴¹ Interview with former Lawrence County State's Attorney, Jeffrey Bloomberg, September 22, 1995 (hereinafter "Bloomberg Interview"); "The Prosecutor's Response to Gambling," *NDAA Bulletin*, Volume 10, Issues 3&4 (1991) (hereinafter "Bloomberg NDAA Article") at 21; Testimony Before A Hearing of the House Committee On Small Business Concerning the National Impact of Casino Gambling Proliferation in the United States (hereinafter "Bloomberg Congressional Testimony") at 1-2; Presentation to the Law Enforcement Coordinating Committee, Baton Rouge, Louisiana, March 22, 1995 (hereinafter "Bloomberg LECC Presentation") at 39.

LAWRENCE COUNTY CASE FILINGS

Population 21,000

Casinos Opened November, 1989

TYPE OF CASE	1986	1989	PERCENT CHANGE FROM 1986-1989	1990	1993	PERCENT CHANGE FROM 1989
Class 2	3997	3578	-12%	4325	5262	+47%
Class 1	629	507	-24%	569	1008	+99%
Felony	127	132	4%	197	225	+71%
TOTAL	4753	4387	-8%	5091	6142	+40%

SOURCE:

SOUTH DAKOTA SUPREME COURT'S ANNUAL REPORTS, "BENCHMARK"

◆ Calls for service "jumped about 300% in the first year and have continued to increase," reports Sgt. Russell Eisenbraun of the Deadwood Police Department.⁴²

◆ Serious crimes, including theft, assaults, and DUI's, increased 93% between 1989 and 1994, less serious offenses increased 40%, and the police department has doubled in size.⁴³

◆ The following table shows the pattern of increase in calls for service, arrests, and traffic citations between 1989 and 1994.

⁴² Interview with Sgt. Russell Eisenbraun, Deadwood Police Department, September 25, 1995 (hereinafter "Eisenbraun Interview").

⁴³ FDLE Summary Report at 10; Illinois State Police Report at 6; Eisenbraun Interview.

DEADWOOD POLICE DEPARTMENT ACTIVITY 1988-1994

ACTIVITY	1988	1989	1990	1991	1994	PERCENT CHANGE 1989-94
Calls for Service	1259	1380	2555	3295	5072	+268%
Arrests	Not avail.	229	469	449	829	+262%
Traffic Citations	Not avail.	411	926	430	861	+109%
TOTAL	1259	2020	3950	4174	6762	+235%

SOURCE:
DEADWOOD POLICE DEPARTMENT

D. NEW JERSEY

Atlantic City has the longest history of relevant data of any single jurisdiction. Aside from Las Vegas, it has had casino gaming for the longest time, and yet, unlike Las Vegas, it also has modern statistical data on crime before casinos. Some casino proponents, and certainly the casino industry itself, propound the view that Atlantic City is not a valid example because it "did it all wrong." Other jurisdictions could avoid the problems it has faced by ensuring adequate regulation and funneling sufficient resources from casino profits into increased law enforcement.

It is certainly true that Maryland might benefit to a certain extent from what Atlantic City has learned. Yet increasing law enforcement and devising state-of-the-art regulatory mechanisms would only take the State so far. Even if Maryland were able to guarantee itself the necessary resources to beef up law enforcement and to adopt the Cadillac of regulatory schemes, which would be highly problematic, *see* Section IV, *infra*, it still could not avoid many of the problems Atlantic City suffers from today. Atlantic City's regulatory scheme is quite impressive, and it receives funds from the casino industry for law enforcement. Yet despite these efforts, these are the facts of Atlantic City.

◆ In the first ten years the city had casinos, the total crime index rose a staggering 258%. Non-violent index crimes increased 272%. Between 1978 and 1993, violent crime rose by 199%, and larceny skyrocketed 481%. During this same period, Atlantic City's population declined by about 12%.⁴⁴

◆ These statistics are particularly startling when compared to other major U.S. cities, including Baltimore City, over the same period. The following table shows the percent change in crime indexes for certain crimes between 1977, the year before casinos came to Atlantic City, and 1990. What this table also shows is that while an increase in population, including temporary visitors, does result in an increase in crime, *e.g.*, Orlando with Disney and other tourist attractions, that increase is far less than the increase which results from casinos, *e.g.*, Atlantic City.

**PERCENT CHANGE IN CRIME RATES OF MAJOR
U.S. CITIES BETWEEN 1977 AND 1990**

	CHICAGO	ORLANDO	BALTIMORE CITY	ATLANTIC CITY	US
Aggravated Assault	-27%	+218%	+24%	+327%	+97%
Rape	+174%	+113%	+38%	+159%	+62%
Larceny	+22%	+96%	+19%	+504%	+35%
Crime Rate Per 100,000 Population	+103%	+53%	+31%	+235%	+15%

SOURCE:

FEDERAL BUREAU OF INVESTIGATION UNIFORM CRIME REPORTS

New Jersey law enforcement officials make the following observations:

◆ Atlantic County Prosecutor Jeffrey S. Blitz states that bringing casinos into an area "will affect crime - there will be a lot more crime." He recounts that with the advent of casinos in Atlantic City, crime increased "dramatically" in the first 6-7 growth years, leveled off at about 30 million visitors, and has been decreasing slightly since 1991. The effects are felt in all areas of crime with only two exceptions - burglaries have

⁴⁴ Interview with Atlantic County Prosecutor Jeffrey S. Blitz, July 27, 1995 (hereinafter "Blitz Interview"); Uniform Crime Reports.

decreased because there are fewer homes in the city, and motor vehicle thefts have also gone down.⁴⁵

◆ Mr. Blitz highlights the following as areas where the city has seen particularly large increases in numbers of arrests and offenses:

- Narcotics-related crimes, with heroin "becoming a major problem in the city." Between 1977 and 1984, drug abuse and distribution arrests shot up 91%, from 980 to 1,870. A county-wide narcotics task force now exists to attempt to respond to this growing problem. *Id.*⁴⁶

- Activities of gangs, or "criminal racketeering enterprises," which include selling drugs and carrying guns, have increased the number of shootings in the city. *Id.*

- Credit card fraud, bad checks, and similar financial crimes are huge problems. Forgery and counterfeiting skyrocketed 206% between 1977 and 1990. Fraud offenses followed suit, increasing 215%. The prosecutor's office now has a specialized fraud unit. *Id.*

- Domestic violence and child abuse have gone up. Offenses against family and children ballooned by 343% between 1977 and 1994. The prosecutor's office now has a special child abuse unit. *Id.*

- Loansharking and illegal gambling have increased substantially, with offenders often targeting juveniles. *Id.*

◆ New Jersey State police officers in the Division of Gaming Enforcement are responsible for dealing with crimes in the casinos themselves.

⁴⁵ Blitz Interview; Uniform Crime Reports.

⁴⁶ See also, *The Social Impact of Casino Gaming on Atlantic City*, New Jersey State Police Intelligence Bureau (hereinafter "New Jersey State Police Report") at 17.

- The State Police handle over 2,000 crimes a year on the casino floors, with casino security responding to an additional 5,000.⁴⁷

- Laundering drug money is a big problem; the casinos are "good meeting places for drug dealers." *Id.*

- Financial crimes and corruption within the casino work force are also a problem. Three out of the last six managers at one casino have been incarcerated. Casino security must institute 24-hour surveillance to attempt detection not only of crimes against gamblers, but also crimes by employees against the casino. *Id.*

- The State Police "Special Investigation Unit," which investigates major crimes, currently has 3,000 pieces of evidence, such as weapons and counterfeit chips, and is tracking \$400,000 on a daily basis. Resorts Casino recently lost \$1.1 million in a sixty-day period through theft. *Id.*

- Despite the huge volume of crimes against casino patrons and the theft and embezzlement suffered by the owners themselves, the casinos have reduced State Police staff by more than 50% in the last six years. This reflects in part the casino industry's relative lack of concern over theft; it is written off as "leakage." The casinos also do not want outside law enforcement examining their operations too closely. As such, while the State Police used to have enough manpower to have a significant presence on the floor of the casinos, they no longer have enough officers to patrol the floors. *Id.*

- ◆ Atlantic City Police Department officials describe huge increases in certain crimes which their department was and remains wholly unequipped to handle. Many of these crimes are simply reported and that is the end of it, because they "do not have the manpower to investigate them."⁴⁸ The police officers highlight the following:

- The city went from under 10 to 450 prostitutes "overnight." *Id.*

- Pawn shops proliferated, increasing from 2 to over 100. *Id.*

⁴⁷ Interviews with Lt. William Madden, Captain Edward Pitko, and Captain Edward Johnson of the New Jersey State Police, July 28, 1995 (hereinafter "New Jersey State Police Interviews").

⁴⁸ Interviews with Atlantic City Police Captain Richard Andrews, Sgt. Steven Mangam, and Detectives Gene Evans, William Falkinburg, and Daniel Ristoli (hereinafter "Atlantic City Police Interviews").

- Entire busloads of pickpockets come in regularly, work the whole city for the day and then leave. Casino security's videotapes show sophisticated pickpocketers targeting one unsuspecting senior citizen after another, stealing wallets, buckets of chips, etc. *Id.*

- Increases in drug-related crimes have also driven up the incidences of drive-by shootings. *Id.*

- Insurance fraud is rampant. When investigating an alleged theft, officers often have no idea whether it actually occurred. A gambler who has lost everything will report stolen jewelry or money, often trying to deceive a spouse. *Id.*

E. CONNECTICUT

Foxwoods Resort Casino opened in February, 1992 in Ledyard, Connecticut, a town of about 14,890. The casino is virtually "carved out of the woods . . . in the middle of nowhere," with only one road providing access.⁴⁹ This relative isolation is offered as the reason crime has not increased much, if at all. *Id.* The town of Ledyard and the Connecticut Gaming Authority have also been cited as a good example of how to institute adequate controls to minimize crime and other social ills experienced elsewhere.⁵⁰

Nevertheless, the following table shows that Ledyard has in fact experienced serious increases in index crimes.

⁴⁹ Interview with William Gary Lopez, Connecticut Department of Public Safety, Division of State Police, Crimes Analysis Unit, September 23, 1995 (hereinafter "Lopez Interview").

⁵⁰ Interview with Kevin Jack Riley, Ph.D., Analyst, U.S. Department of Justice, National Institute of Justice, September 5, 1995 (hereinafter "Riley Interview").

TOWN OF LEDYARD, CONNECTICUT
Population 14,890
Foxwoods Casino - opened February, 1992

CRIME RATES 1991-1994

INDEX CRIMES	1991	1992	1993	1994	PERCENT CHANGE
Rape	1	2	5	7	+600%
Robbery	0	1	8	9	+900%
Aggravated Assault	21	26	36	37	+76%
Motor Vehicle Theft	5	15	15	27	+440%
Larceny	137	216	319	708	+417%
TOTAL INDEX CRIMES	220	299	428	838	+281%

SOURCE:
CONNECTICUT DEPARTMENT OF PUBLIC SAFETY
DIVISION OF STATE POLICE
CRIMES ANALYSIS UNIT

◆ The Connecticut State Police provide primary police services to Foxwoods. Records of State police activity in Ledyard and in the casino again show substantial increases in criminal activity since the opening of Foxwoods. Because the Mashantucket-Pequots tribe maintains its own, independent police department, these figures do not reflect any of its enforcement activity in or around the casino.⁵¹

⁵¹ *Criminal and Traffic Statistics: Town of Ledyard and Foxwoods Resort Casino, 1991 through 1994*, Connecticut Department of Public Safety, Division of State Police, Bureau of Criminal Investigations (1995) (hereinafter "Connecticut Report") at 1.

**CONNECTICUT STATE POLICE ACTIVITY
IN LEDYARD AND FOXWOODS**

STATE POLICE ACTIVITY	1991	1992	1993	1994	PERCENT CHANGE
Arrests	229	399	558	669	+192%
Accident Investigations	293	338	430	484	+65%
Motor Vehicle Enforcement	773	1005	839	1116	+44%
Misc. Service Reports	2118	4026	4197	4807	+127%
TOTAL	3413	5768	6024	7076	+234%

SOURCE:
CONNECTICUT DEPARTMENT OF PUBLIC SAFETY
DIVISION OF STATE POLICE
BUREAU OF CRIMINAL INVESTIGATIONS

◆ Other nearby communities of North Stonington and Preston have also seen "sharp increases" in theft, larceny, forgery, counterfeiting, vandalism, and drunk driving, as well as "bad checks, credit card fraud, shop lifting and prostitution," reported the Honorable Jeffrey B. Pine, Attorney General of Rhode Island, in a presentation at the Casino Development Symposium held by the Federal Reserve Bank of Boston on June 1, 1995.⁵² He also recounted that "assaults have risen by over 200%" and car theft has doubled. *Id.*

In addition, the impact on crime has not been confined to Connecticut, but has also spread to Rhode Island. In nearby Westerly, one of Rhode Island's "most beautiful seaside towns," local police report increases in burglary, domestic violence, and juvenile crime. Hopkington, Rhode Island also reports similar increases in DUI's and domestic violence offenses. *Id.*

⁵² *Casino Development: How Would Casinos Affect New England's Economy?*, Federal Reserve Bank of Boston, Transcript of Symposium, June 1, 1995 at 115-118.

F. LOUISIANA

Louisiana legalized video poker games and 15 casino riverboats in 1991, and a land-based New Orleans casino in 1992. The land casino has not yet opened.

◆ A survey of Louisiana's 41 district attorneys this past summer reveals that "legalized gaming is adding to Louisiana's crime problems."⁵³ The District Attorneys offered the following insights into the impact riverboat and video poker gambling is having in their state:

- 26 prosecutors reported their crime rates up, with 18 citing gambling as a factor in the increase. Two D.A.'s said their rates likely would have gone down without gaming. *Id.*

- The crime increases linked with gaming "run the gamut," from embezzlement, theft and burglary to insurance fraud and child abuse, among others. *Id.*

- Worthless check cases are showing the most growth, with some D.A.'s reporting "dramatic increases," and numbers reaching "all time highs." *Id.*

- One D.A. of a rural parish of 35,000 reported that his office had 123 worthless checks turned over in just one day. *Id.*

- Another cited the combination of gambling and alcohol as particularly harmful, resulting in "an immediate impact in property crimes and family violence increases." Embezzlement cases are new to his district, with some involving up to \$250,000. *Id.*

- D.A. Edward Tarpley, Jr. noted that because gaming is in its infancy in Louisiana, "we are just seeing the tip of the iceberg as far as gambling-related crime in Louisiana is concerned." *Id.*

- East Baton Rouge D.A. Doug Moreau agreed, adding that "[i]t's not a static situation. . . [gambling] is going to have a major impact. You will not know, statistically, the effect until it's too late." *Id.*

◆ The effect of the land-based casino in New Orleans is particularly feared because of its proximity to typically high levels of pre-existing urban crime. Rafael Goyeneche, Managing Director of the Metropolitan Crime Commission of New Orleans,

⁵³ "Crime rising with gambling", *The Advocate*, July 30, 1995.

expresses this concern, saying, "New Orleans will be the guinea pig for what the impact of casinos will be - not in a resort area - but in a major urban area with major urban problems."⁵⁴

G. NEVADA

Because casinos opened in Las Vegas in the early 1930's, no valid comparisons are possible between pre-casino and post-casino crime rates. Until recently, however, Nevada had the highest per capita crime rate in the country.⁵⁵

◆ Nevada has the highest suicide rate in the nation, more than double the national average, and one of the highest suicide rates in the world. The state also has the highest divorce rate, the highest rate of child death by abuse in recent years, and among the highest rate of accidents per vehicle mile driven.⁵⁶

◆ Comparing crime rates between Nevada and neighboring states is also revealing. Among the states of Idaho, Montana, New Mexico, Utah, and Nevada, Nevada ranks squarely in the middle with respect to population, with little variation among the five states. With respect to number of armed robberies, however, Nevada boasts of 100% more than New Mexico, the second contender, and 1,220% more than Idaho, the lowest ranking state. Nevada also has about 266% more murders than Montana and Utah, the lowest ranking states in that category. *Id.*, Figures 2 and 3.

◆ In Laughlin, Nevada, calls for service have increased as the number of casinos has risen. In 1988, 1,228 out of 2,198, or 56% of calls for service were attributable to casinos in a town with a population of 6,000. By 1991, 1,904 calls were because of casinos, representing a 55% increase over 1988.⁵⁷

H. ILLINOIS

⁵⁴ Interview with Managing Director Rafael Goyeneche of the Metropolitan Crime Commission of New Orleans, October 5, 1995 (hereinafter "Goyeneche Interview").

⁵⁵ The Alabama Family Alliance Report at 12.

⁵⁶ Grinols, Earl L., *Income and Jobs Impact of Casino Gambling*, Presented to Federal Reserve Bank of Boston Conference; *Casino Development: How Would Casinos Affect New England's Economy?*, June 1, 1995, at 4.

⁵⁷ FDLE Summary Report at 9; Illinois State Police Report at 5.

◆ The Illinois Criminal Justice Information Authority conducted a study in 1992 of the projected impact a proposed land-based casino would have in Chicago. It concluded that Chicago "could expect to spend anywhere between \$41 million and \$100 million annually in increased criminal justice costs related specifically to the impact of the land-based casino."⁵⁸

◆ In May, 1994, the Authority conducted a second, "less systemic" study of the impact of riverboat gambling on crime and law enforcement in Joliet, in part to determine distinctions between riverboat and land-based casinos. The report concluded that calls for service and crime incidents have increased slightly in selected beats close to the riverboats in Joliet, but overall patterns have remained stable.⁵⁹

◆ The report sounds the following cautionary notes:

● The riverboats in Joliet are relatively small, the actual gambling occurs away from land during scheduled boat cruises, and there is little room for a "criminal subculture" to spring up around the boats because the sites are located in previously developed areas of the city and are thus well-controlled. *Id.* at 3.

● The study did not examine "a variety of long range issues," like "organized crime infiltration [and] impact on addictive gambling." The Authority "strongly recommends" that such studies be done. *Id.* at 2.

◆ A recent report by the Illinois State police finds that the non-violent crime indexes in cities with riverboats are "inconclusive;" some have shown decreases, while other have shown increases of up to 28%.⁶⁰

● An examination of violent index crimes, including murder, rape, robbery and aggravated assault, however, "reveals a different picture" attributable to both casinos and other causes. Rape increased 8% in the first year of riverboat gaming, murders increased by 19%, and robberies by 30%. *Id.* at 4.

⁵⁸ *Riverboat Gambling and Crime in Illinois: Preliminary Report on Riverboat Gambling in Joliet*", Illinois Criminal Justice Information Authority, May, 1994 (hereinafter "Illinois Riverboat Gambling Study") at 1, *citing Casino Gambling and Crime In Chicago*, Illinois Criminal Justice Information Authority (1992).

⁵⁹ Illinois Riverboat Gambling Study at 1.

⁶⁰ *Gambling in Illinois*, Illinois State Police Response to Maryland State Police Inquiry, Feb.-Mar. 1995 at 3.

In sum, although the details vary, the stories told by both the statistics and the local government officials in cities with casino gaming convey an oppressive and consistent message. Whatever its benefits, casino gaming will bring a widespread increase in crime, and that increase will be substantial.

II. CAUSES OF THE INCREASED CRIME THAT COMES WITH CASINO GAMING

The most simple reason crime goes up with the introduction of casino gaming is that the whole point of casinos is to attract lots of transient people who will gamble lots of money. People lose money gambling and then look for ways, often illegal, to get it back. In addition, criminal elements prey upon people in casinos for the simple reason that the criminals know that people in casinos have cash.

Casino proponents attempt to dismiss the evidence showing that casinos increase crime, arguing that more tourists is all there is to it. They point to Orlando, Florida as the quintessential example. Because of Disney World, Orlando has more tourists, and thus more crime, in the same way as cities with casinos see increases in crime.

A. INCREASED VOLUME OF TOURISTS IS NOT THE WHOLE STORY.

The casino industry's argument is simply wrong. Part of the increase in crime with casinos is due to the increased number of people, but a certain percentage is "directly related to gambling."⁶¹

This is borne out by Orlando and Atlantic City crime rates. Between 1977 and 1990, Atlantic City's population declined by at least 12%, while Orlando's population increased 39%. The following statistics show relative crime rates and increases during that period.

ORLANDO AND ATLANTIC CITY CRIME RATES PER 100,000 POPULATION

	1977	1990	PERCENT CHANGE
ORLANDO	9,398	14,393	+53%
ATLANTIC CITY	11,374	38,147	+235%

SOURCE:
FBI UNIFORM CRIME REPORTS

Between 1977 and 1990:

- ◆ Aggravated assaults increased 218% in Orlando, but ballooned 327% in Atlantic City.
- ◆ Rapes went up 113% in Orlando, but up 159% in Atlantic City.
- ◆ Larceny rose 96% in Orlando, but skyrocketed 504% in Atlantic City.
- ◆ Orlando's number of police officers per 1,000 inhabitants declined from 3.35 to 3.11, while Atlantic City's number rose from 6.50 to 11.19.⁶²

⁶¹ Bloomberg Interview.

⁶² Illinois State Police Report at 29.

Thus, the two cities' crime rates show clearly that the increase in crime from casinos is attributable to more than simply heightened tourism. Atlantic City has more crime *per capita* than Orlando because Atlantic City has casinos, not Disney World.

B. REASONS FOR ADDITIONAL CRIME THAT ACCOMPANIES CASINOS

The additional crime that comes with casinos is attributable to several different factors: the crime-related problems of compulsive gamblers, the demographics and prevalence of free alcohol for gamblers, the constant exposure of casino workers to substance abuse and other problems, the criminal elements attracted to the casinos, and the presence of organized crime.

1. Compulsive Gambling

"Why does legalized gaming increase crime rates? Simply put, gambling is an addictive behavior which requires an endless source of money to fuel it."⁶³

a. Scope of the Problem

Estimates of the number of pathological gamblers in this country range from a conservative 1.7% to 6.3% of the population.⁶⁴ Recent studies have also shown what has long been suspected - that increasing the availability of gaming increases the prevalence of compulsive gambling. In a study released in July of this year, the "main purpose" of which was "to examine [this] hypothesis," the report concludes that it is "clearly demonstrated."⁶⁵ For example, the prevalence of problem gambling in Iowa jumped from 1.7% in 1989, prior to casinos, to 5.4% in 1995. *Id.* at 17.

Compulsive gambling also crosses socio-economic lines. It is an "equal opportunity disease - people on welfare and people who have lost businesses."⁶⁶ This truth is not lost on casinos. As Las Vegas casino owner Bob Stupak puts it, "[w]e target

⁶³ Bloomberg Interview; Bloomberg NDAA Article at 24.

⁶⁴ *The Need for a National Policy on Problem and Pathological Gambling in America*, The National Council on Problem Gambling, Inc., September 25, 1995 (hereinafter "NCPG, Inc. Report") at 2.

⁶⁵ *Gambling and Problem Gambling in Iowa*, Report to the Iowa Department of Human Services", Rachel A. Volberg, Ph.D., July 28, 1995 (hereinafter "Iowa Report") at 1.

⁶⁶ "Boom and Gloom", *supra* note 2.

everybody. That's the business I'm in. Money's money. What's the difference if it's a Social Security check, a welfare check, a stock dividend check?"⁶⁷

b. The Casino Industry's Exacerbation of the Problem

Casinos depend upon this addiction. While the casino industry is aware of compulsive gambling and does not attempt to deny the problem, "[t]he extent to which casino revenues are dependent on losses from pathological and problem gamblers . . . has not received much attention."⁶⁸ In a recent study, University of Illinois Professor of Economics Earl Grinols divides the population into pathological gamblers, problem gamblers, heavy bettors, light bettors, and nonbettors. His analysis shows that 39% of casino revenues comes from compulsive gamblers, 13% from problem gamblers, and 13% from heavy bettors. Pathological, problem, and heavy gamblers comprise 10% of the population and account for a total of 65% of all casino revenues. *Id.* at 5.

Casinos also make a science out of squeezing the last dollar out of those addicted. Some tricks are standard and obvious; casino lighting which creates a "dazzling atmosphere in which night is day," cheap buffets, alcohol, and entertainment to keep people inside.⁶⁹ Access to life savings is made as easy as possible, with casinos offering lines of credit to some, and ATM machines made available to all on the casino floors.⁷⁰

Other techniques are less apparent. The Las Vegas Hilton has hired a neurologist to test whether certain odors can influence slot machine players to bet more. *Id.* at 48. Other casinos have studied how the controversial psychologist B.F. Skinner altered the behavior of rodents. *Id.* Casinos also keep up-to-the-minute records of certain gamblers' losses, average bets, time spent gambling, "average worth," and personal data such as height and weight. *Id.* at 50.

⁶⁷ "Tricks of the Trade", *U.S. News & World Report*, March 14, 1994 at 49.

⁶⁸ Grinols, Earl and Omorov, J.D., *Development or Dreamfield Delusions?: Assessing Casino Gambling's Costs and Benefits*, September, 1995, Report prepared for the Congressional Hearing before the Committee of the Judiciary on "National Gambling Impact and Policy Commission Act," September 29, 1995 at 5.

⁶⁹ "Tricks of the Trade", *supra* note 67, at 50.

⁷⁰ For example, having just been authorized to extend credit in 1991, Illinois riverboats during 1993 were already extending \$115 million in credit. "Riverboats Give Gamblers \$115 Million in Credit in '93", *Peoria J. Star*, April 17, 1994, at A1.

c. Nature of the Costs of Compulsive Gambling

What are the costs of this addiction? In making an assessment, the initial focus tends to be on the problems the gamblers cause themselves. The stories are tragic - the loss of jobs, family life, the high incidence of suicide. A few examples convey a sense of the individual suffering:

◆ An Atlantic City social services worker describes how every few weeks someone shows up at the local shelter having lost everything, without money to return home, depressed, with no one to turn to and nowhere to go but a homeless shelter in a strange town.⁷¹

◆ A 19-year old from Elkader, Iowa took his life last June after running up huge gambling losses, leaving a suicide note that read simply, "I'm out of control."⁷²

◆ In Fort Madison, Iowa, a 51-year old man shot himself last August after losing large sums at a riverboat casino. *Id.*

◆ In Illinois, a 41-year old suburban salesman shot himself in the parking lot of the Grand Victoria Casino after losing more than \$50,000. *Id.*

d. Gamblers' Resort to Crime

In addition to their personal tragedies, compulsive gamblers also impose huge costs on others. Included in these costs is increased crime. Statistics on how many compulsive gamblers resort to crime range from 2 out of 3 up to as many as 86%

⁷¹ Interview with Shermaine Gunter-Gary, Director of Atlantic City Health & Human Services, July 28, 1995 (hereinafter "Gunter-Gary Interview").

⁷² "More Casinos, More Players Who Bet Until They Lose It All", *The New York Times National*, September 25, 1995.

admitting to having committed a felony.⁷³ "Crime and compulsive gambling are almost inseparably related," says clinical psychologist and pioneer in the treatment of compulsive gambling Durand F. Jacobs.⁷⁴

i. Violent crime

Some problem gamblers commit violent crimes.

◆ A South Dakota sergeant in the U.S. Air Force with a spotless career became addicted to slot machines and ended up killing a casino employee in Deadwood after a night of particularly bad losses.⁷⁵

◆ A woman in Louisiana killed both of her parents after losing massive sums in video poker.⁷⁶

ii. Financial crime

The majority, however, commit financial crimes like embezzlement, check kiting, credit card fraud, loan fraud, insurance fraud, and tax evasion in desperate attempts to recoup losses and continue to fund their addictions. The profile of addicted gamblers who turn to crime is "particularly disturbing." They are people "who, prior to their exposure to gambling had no criminal history, were not junkies or alcoholics . . . had good jobs, [and yet] became hooked on slot-machines, and after losing all their assets and running all credit resources to their maximums began committing some type of crime to support their addiction."⁷⁷

⁷³ NCPG, Inc. Report at 8; "The Gambling Industry's Responsibilities Toward Its Casualties: Compulsive Gamblers", *State Legislator's Magazine*, October, 1981.

⁷⁴ "Gambling-crime linkage 'very typical'", *Sunday Advocate*, Baton Rouge, July 30, 1995.

⁷⁵ Bloomberg Congressional Testimony at 4.

⁷⁶ Interview with C.B. Forgotston, lawyer and lobbyist in New Orleans, Louisiana, September 27, 1995 (hereinafter "Forgotston Interview").

⁷⁷ Bloomberg Congressional Testimony at 3-4.

Durand Jacobs echoes this assessment, explaining that these addicts usually have no history of criminal behavior. They start out small, "with the intent of putting [the money] back." Then, "[b]y the time they're caught, they've been doing it a long time."⁷⁸

The following conveys a sense of the magnitude of the problem.

◆ 47% of compulsive gamblers engage in insurance fraud, according to a survey of Gamblers' Anonymous.⁷⁹

● Insurance fraud attributable to legalized gambling activities has been estimated at \$1.3 billion.⁸⁰

◆ Among problem gamblers, 41% have committed loan fraud, 38% embezzlement, 51% forgery, and 28% tax evasion.⁸¹

◆ Atlantic City police department officials state that many reports of stolen property in fact turn out to be insurance fraud - a gambler pawns jewelry or other property for gambling money and then reports it stolen.⁸²

◆ The profiles of prison inmates are another indication of the correlation between addictive gambling and criminal activity. The number of prison inmates who are pathological or problem gamblers is substantially higher than that of the general population. One study has shown as many as 53% of male inmates are addicted.⁸³

⁷⁸ "Gambling-crime linkage typical", *supra* note 74.

⁷⁹ Lesieur, H.R. and K. Puig, "Insurance Problems and Pathological Gambling", *Journal of Gambling Behavior* 3:123-136.

⁸⁰ Kindt, John Warren, "U.S. National Security and the Strategic Economic Base: The Business/Economic Impacts of the Legalization of Gambling Activities", *St. Louis University Law Journal*, Vol. 39, No. 2 (Winter 1995) (hereinafter "Kindt Report") at 580, n. 96.

⁸¹ Jacobs, Durand, *Problem Gamblers and White Collar Crime*, Paper presented at Seventh International Conference on Gambling and Risk Taking, Reno Nevada, August 1987 (hereinafter "Jacobs Paper") at 274.

⁸² Atlantic City Police Interviews.

⁸³ NCPG, Inc. Report at 9, *citing* Lesieur, J.R. and R. Kelin, *Prisoners, Gambling and Crime*, Paper presented at the Meetings of the Academy of Criminal Justice Sciences, 1985.

◆ The statistical and anecdotal evidence from jurisdictions with casino gaming corroborates these national figures. *See* Section I, *supra*.

iii. Domestic Violence and Child Abuse

Problem gamblers also become perpetrators of increased incidents of domestic violence and child abuse. With the stresses of financial ruin, criminal liability, drug and alcohol abuse, these gamblers are more likely to succumb to inclinations toward family violence. As Jane Philo, executive director of the Gulf Coast Women's Center explains, for men with a predisposition toward violence, free alcohol and gambling losses can fuel the rage that results in violence.⁸⁴

◆ Estimates are that 37% of pathological gamblers have abused their children.⁸⁵

◆ Domestic violence and child abuse have gone up in many jurisdictions with casino gaming.

● Domestic violence has increased 69% on the Mississippi Gulf Coast since casinos.⁸⁶

● Child abuse and neglect case filings increased by 15% in the first year after casino gaming came to Deadwood, South Dakota. Child protection calls increased from 300 to 500, or 67%.⁸⁷

● Offenses against family and children skyrocketed 343% in Atlantic City between 1977 and 1990.⁸⁸

⁸⁴ “Boom and Gloom”, *supra* note 2.

⁸⁵ NCPG, Inc. Report at 7.

⁸⁶ Gulfport PD Report at 2.

⁸⁷ Bloomberg NDAA Article at 24.

⁸⁸ Blitz Interview; Uniform Crime Reports.

- Domestic violence calls have increased in Rhode Island communities neighboring Foxwoods casino in Connecticut.⁸⁹

- Eleven of Louisiana's District Attorneys say that domestic violence and child abuse have increased in their jurisdictions since gaming, and their investigations show that the violence is related to gambling.⁹⁰

- ◆ Finally, compulsive gamblers not only visit violence upon family members, but also make them more vulnerable to other social ills. Children of problem gamblers are more prone to tobacco, drug, and alcohol abuse, to emotional problems and suicide attempts, and are more likely to become compulsive gamblers themselves.⁹¹

e. The Costs of Compulsive Gambling Compared to the Projected Benefits of Casino Gaming.

What does all of this mean in the cost-benefit analysis of casino gaming? Without even factoring in the costs of crime and other problems unrelated to compulsive gambling, recent studies show that the costs compulsive gamblers impose on everyone else are not only enormous, but in fact are greater than the financial gains to taxpayers from casino revenues.

One study by Prof. Grinols shows that, when factoring in only the measurable costs of this addiction, *i.e.*, the apprehension, adjudication, and incarceration of problem gamblers involved in crime, direct regulatory costs, and lost productivity, without attempting to quantify other related costs such as increased suicide, family violence, and car accidents, the annual costs per pathological gambler are between \$15,000 and \$33,500.⁹² This figure translates into an annual cost of between \$112 and \$338 per adult

⁸⁹ Transcript of Testimony by the Honorable Jeffrey B. Pine, Attorney General of Rhode Island, at Federal Reserve Bank of Boston Symposium, *Casino Development: How Would Casinos Affect New England's Economy?*, June 1, 1995 at 115-118.

⁹⁰ "Gambling-crime linkage 'very typical'", *supra* note 74.

⁹¹ Jacobs, D.F., "Illegal and Undocumented: A Review of Teenage Gambling and The Plight of Children of Compulsive Gamblers", *Compulsive Gambling: Theory, Research, & Practice*, Lexington, Mass. 1989.

⁹² Grinols, Earl, *Development or Dreamfield* at 4-5; Politzer, Morrow, & Leavey, *Report on* (continued...)

when spread over the entire population, or between \$39 billion and \$145 billion. These figures render problem gambling costs equivalent in magnitude to drug addiction or alcoholism. *Id.* at 4.

Grinols' study finds further that the total benefit per adult of expanded casino gaming is \$112.30 annually. *Id.* at 10.⁹³ When measured against the price tag of the quantifiable social costs between \$112 at the low end and \$338 at the high end, "[g]ambling fails a simple cost-benefit test." *Id.* at 19. In sum, the hard-nosed and narrowly-focused argument that we should authorize casino gambling to enrich state coffers is exaggerated at best and more likely just plain false.

2. Demographics of Gambling Population, the Prevalence of Alcohol, and the Lure for Criminals

Additional reasons casino-based tourism creates more crime than Disney World are the demographic differences between parts of each tourist population, the overabundance of alcohol available to patrons of casinos, and the attraction of criminal elements.

a. Demographics

Deadwood, an old mining and timber town in the Black Hills of western South Dakota, used to attract families "interested in Old West history and [ambiance]."⁹⁴ Today, "there is a different type of visitor that comes to Deadwood . . . we see single people and couples . . . it is an adult atmosphere . . . gambling tourists appear to get into more trouble."⁹⁵

⁹²(...continued)

the Societal Cost of Pathological Gambling and the Cost-Benefit/Effectiveness of Treatment, 5th National Conference on Gambling and Risk Taking, 1981; *see also* Task Force on Gambling Addiction in Maryland, Alcohol & Drug Abuse Administration, Maryland Department of Health & Mental Hygiene, (1990).

⁹³ This part of Prof. Grinols analysis constitutes an evaluation for the nation as a whole, without taking into account employment effects that vary according to regions. For that more detailed analysis, *see Development or Dreamfield* at 10-18.

⁹⁴ Bloomberg LECC Presentation at 43.

⁹⁵ Bloomberg Interview; Bloomberg LECC Presentation at 43.

◆ An Atlantic City official observes in a similar vein, "the casinos do not generally attract the young families with kids, bikes, and dogs."⁹⁶

b. Child Neglect

To the extent gamblers do come with families, they create a different kind of problem. Workers at all 12 of Atlantic City's casinos describe with disgust the distressing number of times they see children left unattended for hours at a time outside the casino floors.⁹⁷ One worker recounts stopping a woman from hitting her child after the boy had her paged because he was hungry. *Id.* Atlantic City Police Capt. Carlton Duncan reports one man who left three young kids for several hours until he was tracked down - in another casino. *Id.* While one six-year old was left by her parents for hours at Resorts, she witnessed two fights break out, a woman pass out, and was approached by a man who appeared drunk saying "What a pretty little girl." *Id.* Casino workers rate this problem as a "10" on a scale of one to ten. *Id.* Officials from the Mississippi Gulf Coast and South Dakota report similar problems.⁹⁸

c. Constant Availability of Free Alcohol

The constant availability of alcohol, either free or at reduced prices, is also a significant component in the casino-crime equation. This alcohol-saturated environment leads to increases in all alcohol-related crime, particularly drunk driving and family violence. Gulfport Chief Payne states bluntly that "every crime that is fueled by alcohol and drugs is way up."⁹⁹ Statistics from many jurisdictions bear this out. *See* Section I, *supra*.

States could theoretically attempt to reduce this massive consumption of alcohol by placing certain restrictions on how casinos make it available. Like many restraints which could theoretically be placed on casinos, however, this is unrealistic. Alcohol is too integral to the culture, marketing, and success of gambling; it depends upon the decline of inhibition and control that comes with alcohol. As a state became increasingly

⁹⁶ New Jersey State Police Interviews.

⁹⁷ "Casino kids' wait for hours as parents gamble", *The Tennessean*, November 26, 1992.

⁹⁸ Bloomberg Interview; LECC Presentation at 44; "Boom and Gloom", *supra* note 2; Johnson Interview.

⁹⁹ "Boom and Gloom", *supra* note 2.

dependent upon the profitability of the casinos, therefore, the pressure to relax alcohol restrictions would become too great.

d. Criminal Elements

Finally, some of the "high rollers," or those gamblers casinos count on to bet enormous sums of money, are in fact mob figures and other known criminals who are attracted to gambling because it provides a means to launder money and a market for such illegal activities as drug distribution, prostitution, unlicensed gambling, and loan-sharking.

◆ A 1990 Report of the Nevada Department of Prisons brings into focus the reality that casinos attract a migrant criminal element. Out of all intake inmates in the Nevada prison system in 1989, 23% were out-of-state residents, and 25% had been residing in Nevada for less than a year.¹⁰⁰

◆ Law enforcement officials in Atlantic City also describe how the casinos have certain exclusionary lists of people - organized crime figures and others - who are theoretically barred from the casinos. Yet these people are, of course, the "high rollers," so these exclusionary lists are honored in the breach. Far from throwing these gamblers out, casino operators ply them with complimentary drinks, food, and luxury accommodations. As one official said, "Known members of La Cosa Nostra are welcome in casinos."¹⁰¹

3. Lifestyle of Casino Workers.

Yet another reason crime increases are greater with casinos is the lifestyle and habits of casino workers. The casino workers, most of whom make modest wages, are continually exposed to what appears to be the glitz and glamour of life in the fast lane. Constantly surrounded by gambling, workers often cannot resist the temptation to gamble at other casinos, where a certain percentage will succumb to addiction.¹⁰²

The employees are also surrounded by the 24-hour use and abuse of alcohol, and Atlantic City law enforcement officials report that drugs are prevalent in the casinos; the casinos are "a meeting place for dealers." *Id.* This constant temptation renders the employees vulnerable to substance abuse. *Id.* Finally, the workers suffer a high

¹⁰⁰ 1989 Statistical Presentation, Nevada Department of Prisons.

¹⁰¹ New Jersey State Police Interviews.

¹⁰² Blitz Interview; New Jersey State Police Interviews.

incidence of broken marriages and problems with children. They work late-night shifts and often do not earn enough for quality child care during night-time hours.¹⁰³

In sum, the jobs offered by the casinos do not come without inherent and unavoidable dangers.

4. Teenage Gambling and Juvenile Crime.

Casinos also bring more problems than Disney World because of the exploding problem of teenage gambling.

a. Magnitude of the Problem

Gambling is the fastest-growing addiction in teenagers.¹⁰⁴

◆ Studies show that the rate of pathological gambling in young people is about 2.5 that of adults.¹⁰⁵ There are eight times as many gambling addicts among college students as among adults.¹⁰⁶ Of the more than 8 million compulsive gamblers in America, over 1 million are teenagers. A Minnesota study found that more than 6% of all youths between 15 and 18 are problem gamblers. *Id.*

◆ Henry Lesieur of Illinois State University, who has studied the issue for more than 20 years, estimates that between 6% to 8% of youngsters under 17 are problem gamblers. It is "everywhere," he says, "[e]ven in corn country."¹⁰⁷

¹⁰³ Gunter-Gary Interview; *see also* Bloomberg LECC Presentation at 44-45.

¹⁰⁴ *Casinos in Florida: An Analysis of the Economic and Social Impacts*, Executive Office of the Governor, 1994 (hereinafter "Florida Report") at 70.

¹⁰⁵ Jacobs, D.F., "Illegal and Undocumented: A Review of Teenage Gambling and the Plight of Children of Problem Gamblers," *Compulsive Gambling: Theory, Research and Practice*, Lexington, Massachusetts, Lexington Books, 1989.

¹⁰⁶ "The Rise of Teenage Gambling", *Time*, February 25, 1991.

¹⁰⁷ "Is your teen addicted to gambling?", *USA Today Special Report*, April 5, 1995.

◆ The age of the children caught in this trap is also dropping. "We're finding kids coming in for professional help as young as 11 or 12," says Durand Jacobs, who is also vice-president of the National Council on Problem Gambling. *Id.*

b. Casinos Now Targeting Families

A new trend in casino industry marketing - attempting to attract families as patrons - is not helping this growing tragedy. As casinos proliferate, "[t]he industry has realized it can't sustain its revenue unless it appeals to the family," says Howard Klein, publisher of *The Gaming Marketer* newsletter.¹⁰⁸ Families, once considered a "sucker bet," are now courted as the "future" of gaming. *Id.* As a result, more and more children are making up the casino visitor population. In Las Vegas in 1993, children constituted 7.9% of the visitors, up from 5% in 1987. *Id.* Children are seen "with their noses in the machines. It's the most sickening thing I ever saw," says Arnie Wexler, executive director of the Council on Compulsive Gambling of New Jersey. *Id.*

This new exposure of children to gaming will have grave consequences. "We're building a nation of gamblers," warns Wexler. Children are learning that if you "pull the slot machine . . . you'll be a millionaire." *Id.*

Keeping juveniles out of casinos is already an uphill battle.

◆ Deadwood initially had a significant problem with underage persons in casinos. When the State's Attorney's office conducted a sting operation, over one-half of the casinos were caught permitting teenagers to drink and gamble.¹⁰⁹

◆ In Atlantic City, the Division of Gaming Enforcement has been forced to file complaints against the casinos for failing to card juveniles.¹¹⁰ One study shows that although casino security ejected almost 22,000 underage gamblers from casinos, and

¹⁰⁸ "Casinos wager on families for the future", *USA Today*, August 31, 1994.

¹⁰⁹ Bloomberg LECC Presentation at 67.

¹¹⁰ Interview with Director Frank Catania and Deputy Director Thomas Auriemma of the New Jersey Division of Gaming Enforcement, July 27, 1995.

prevented another 200,000 from entering in 1991, 67% of students at a local high school admitted to gambling in the casinos.¹¹¹

Juveniles who are not able to get into the casinos often take advantage of the illegal gambling which has proliferated with casinos. Illegal gambling not only allows juveniles to participate with impunity, but also offers perks not available in the casinos, *e.g.*, bigger lines of credit and different games. *Id.*

c. The Link to Juvenile Crime

In addition to the increase in substance abuse, poor school performance, and suicide rates associated with teenage gambling, these youths are more likely than their peers to commit crimes to support their gambling addiction.

◆ Police in Pennsauken, New Jersey arrested a teenage boy for stealing \$10,000 who said he did it to support his gambling habit.¹¹²

◆ A Philadelphia youth sought help to repay \$5,000 in gambling debts when he received threats from his bookmaker. Now 23, he was recently fired from his job for embezzling. *Id.*

◆ In Massachusetts, a high school student broke into his own house four times to make it look like an outsider, stealing valuables to sell to cover heavy gambling losses.¹¹³

◆ In Washington State, a teen-age girl stole a mint coin collection from the family she babysat for to gamble on video games. *Id.*

In sum, teenage gambling addiction creates the same problems with crime and other social costs as adult compulsive gambling. Experts also agree it is not likely to get better with the current proliferation of legalized gaming. Howard Shaffer, Associate Director of Harvard's Division on Addictions, says escalation of this problem is inevitable where "gambling is promoted in a culture with no message to the contrary."

¹¹¹ Florida Report at 70; Blitz Interview.

¹¹² "The Rise of Teenage Gambling", *supra* note 106.

¹¹³ "Is your teen addicted to gambling?", *supra* note 107.

Id. He warns that "[w]e will face in the next decade or so more problems with youth gambling than we'll face with drug use."¹¹⁴

5. Organized Crime

The spectre of organized crime also cannot be ignored. Law enforcement officials are in general agreement that vigilant regulation has managed in recent years to keep organized crime out of the ownership of the casinos themselves. There is growing evidence, however, that the oppressive presence of organized crime is nonetheless felt where casinos take hold. Not even the most thorough regulation can permanently keep organized crime from infiltrating ancillary service industries, from money laundering and skimming profits, and from increasing illegal gambling, loan-sharking, and other social ills.

a. Testimony of Former Chicago Mobster William Jahoda

The most telling evidence comes from within the ranks of organized crime itself. In a hearing before the House Judiciary Committee last month on a bill to establish a national commission to study the impacts of gaming, a former Chicago mobster, William Jahoda, described how the mob welcomed the introduction of legalized gambling into Illinois. Mr. Jahoda identified himself as a full-time member of organized crime between 1975 and 1989, and the managing partner of Chicago's largest and most profitable illegal gambling enterprise during the last ten years. In that capacity, he generated net profits of at least \$15 million of "ill-gained, take-home" income, mostly from sports bookmaking and gambling house casinos.¹¹⁵

◆ Mr. Jahoda identified his "clientele" as including a dozen former professional athletes, members of the judiciary, county sheriffs, city mayors, police chiefs, a member of Congress, and other appointed and elected public figures. *Id.* at 2.

◆ He described how his organization gained a "naive ally" in the Statehouse when Illinois legalized casino gaming. When asked by Chicago Representative Henry

¹¹⁴ "Warning: Legal Gambling Is a Costly Game", *The Christian Science Monitor*, May 23, 1994.

¹¹⁵ Written Statement of William Jahoda, submitted to the Congressional Hearing before the House Judiciary Committee on "National Gambling Impact and Policy Commission Act," September 29, 1995 (hereinafter "Jahoda Statement"); Transcript of National Public Radio's *All Things Considered* Report, September 29, 1995.

Hyde how legalized gambling could help the mob when it would seemingly siphon off profits from illegal gambling, Jahoda replied, "On the contrary, sir. What it did was it created a brand new market for us. The state of Illinois, unlike the mob, is allowed to advertise, to literally train a new generation of gamblers through the media, through press releases, through paid advertising campaigns. It created a curiosity about the product itself. We were there to fill that need, offering certain advantages that the state didn't." *Id.*

◆ Mr. Jahoda summed it up this way: "the political dupes or stooges who approved riverboat gambling houses, lotteries, off-track betting sites, Las Vegas nights, etc., became our unwitting - and at least to my knowledge - unpaid pimps and frontmen." *Id.*

◆ Mr. Jahoda concluded by opining that "licensed gaming, in its many disguises, is the fastest growing and most highly promoted con game in this nation . . . [it] manufactures nothing except smoke, false promises and hard-dollars at the expense of the unwary." *Id.*

b. Organized Crime in Other Jurisdictions

◆ In Biloxi, Mississippi, two former President Casino employees were indicted last year on federal racketeering charges in connection with an organized crime scheme that allegedly bilked the casino out of more than \$500,000. The indictments were the result of a two and one-half year investigation by the FBI ending in March 1994, and also charged six other men with alleged ties to mob families in Los Angeles and New Orleans.¹¹⁶

● The indictment alleged that the eight men were involved in a cheating scheme and other racketeering operations on the Coast between June, 1993 and March, 1994. The New Orleans organized crime family "assisted the enterprise and in return shared in the proceeds from the cheating scheme." *Id.*

● One of the other six men charged, Joseph Gagliano, is alleged to have ties with the Marcello, Gambino, and Genovese crime families in New Orleans and New York.

● Joseph Gagliano, who was also one of 17 people indicted recently in New Orleans for allegedly skimming profits for the Marcello, Genovese, and Gambino crime families, was shot by his uncle, Philip Rizzuto, on July 25, 1993 at the Grand Casino in

¹¹⁶ "Feds see Mafia hand in casino", *The Sun Herald*, July, 1994.

Gulfport. *Id.* Despite being a convicted felon, he was later acquitted as having been justified in using a firearm in self-defense during a fight in the casino parking lot.¹¹⁷ Prosecutors argued that Rizzuto shot Gagliano during an organized crime "territorial battle."¹¹⁸

◆ In New Orleans, 17 people were arrested for allegedly using a video poker company to skim profits into the coffers of the Marcelllo, Genovese, and Gambino mob families.¹¹⁹ Local authorities warn that "the case shows that the booming business of legalized gambling will inevitably attract the underworld." All but 4 of the 17 have pled guilty, with the remaining 4 going to trial this month.¹²⁰

● FBI Special Agent Neil Gallagher, in charge of the Louisiana investigation, said, "will organized crime attempt to infiltrate legal gaming in the United States? The answer, according to this indictment, unfortunately, is yes." *Id.*

● A state police spokesperson, Capt. Ronnie Jones, said "This proves what we've said all along. Otherwise legitimate forms of gambling are susceptible to organized crime infiltration." *Id.*

● Charles Riley, FBI assistant special agent in New Orleans, explains that the decline of the Marcelllo crime family in New Orleans has invited Mafia figures from around the country to "move in on" the city's riverboat casinos. Although "[o]ther organized crime families have been coming to meetings with people . . .," turf wars do not seem to be a problem. "They seem to be paying proper respect and there seems to be enough to go around."¹²¹

¹¹⁷ "Jury finds La. man innocent of firearm possession charge", *The Sun Herald*, February 10, 1995.

¹¹⁸ "Man faces new charge in shooting near casino", *The Sun Herald*, January 13, 1995.

¹¹⁹ "Indictments link video poker, mob", *The Sun Herald*, June 1, 1994.

¹²⁰ Goyeneche Interview.

¹²¹ "Officials Say Massachusetts Casinos Would Post Mob Threat," *Boston Globe*, May 30, 1994.

◆ The former president of Mississippi's Bayou Caddy's Jubilee Casino pled guilty this past summer to a federal charge that he participated in an operation to launder \$200,000 in purported cocaine money.¹²²

◆ In upstate New York, an associate of John Gotti was found to be shipping slot machines to the Saint Regis Mohawk Tribe in 1990.¹²³

◆ Chicago mobster Sam (Wings) Carlisi and eight associates were convicted in 1993 of trying to take over gaming operations and skim profits at the San Diego Rincon Indian Reservation. *Id.*

◆ In early 1994 in Los Angeles, four people were indicted on racketeering charges for illegal gambling and money laundering involving rigged slot machines on the Morongo Indian reservation. *Id.*

◆ Pawn shops in Atlantic City are a good example of an ancillary industry controlled by organized crime - in this case the Russian mafia, according to Atlantic City law enforcement officials. They cite construction, restaurant, linen, and trash collection as examples of other industries vulnerable to mob takeover.¹²⁴

◆ Coachella, California Police Chief Michael Berkow reports that numerous Indians tribes are illegally smuggling slot machines into the state using organized crime distributors. The Las Vegas FBI has identified links between the California tribes and organized crime in Las Vegas. The tribes have also hired managers with links to organized crime to run the casinos; one manager of a casino bordering Chief Berkow's jurisdiction was just released from prison after serving time for solicitation to commit murder.¹²⁵

◆ In late 1990, the federal government sued to take over the union that represented 22,000 hotel, bar and restaurant employees in Atlantic City casinos, alleging infiltration by a notable mob family. The family allegedly used intimidation to control the

¹²² "Baxter admits role in scheme", *The Sun Herald*, August 29, 1995.

¹²³ "Officials Say Massachusetts Casinos Would Post Mob Threat", *supra* note 121.

¹²⁴ Atlantic City Police Department Interviews.

¹²⁵ Interview with Coachella, California Police Chief Michael Berkow, September 25, 1995 (hereinafter "Coachella Interview").

union, to rob its health and welfare funds, and to extort money from local bars and restaurants.¹²⁶

◆ In Minnesota, the White Earth Tribe of the Chippewas hired Angelo Medure of the Genovese crime family to manage its casino, according to testimony before Congress in 1993 by U.S. Rep. Robert Torricelli from New Jersey.¹²⁷

◆ International Gaming Management Inc. tried to open a casino in Mississippi, but revelations in the summer of 1993 about links to the Mafia squelched the plans.¹²⁸

◆ Law enforcement experts in organized crime offer the following perceptions drawn from their experience:

● Lt. William Kisby of the New Jersey State police, who teaches law enforcement officers about organized crime at the Casino Career Institute, says "You can keep it from being flagrant . . . but to think you're going to stop it 100% is naive." He highlights one "edge" organized crime has over law enforcement as "years and years of expertise." The Chinese triads, often seen in Atlantic City, are a good example, with thousands of years of history with gambling.¹²⁹

● Richard Swensen, special agent in charge of the Boston FBI, explains that "[t]he amounts of money you're talking about in the gaming industry are so astronomical that organized crime is going to be attracted to it in every instance." *Id.* Another expert explains, "cash [is] the life-support system without which organized crime cannot exist."¹³⁰

¹²⁶ "U.S. Lawsuit Says Mob Controls Union in Atlantic City's Casinos", *New York Times*, December 12, 1990.

¹²⁷ "Officials Say Mass. Casinos Would Post Mob Threat", *supra* note 121.

¹²⁸ "Mafia may be linked with state's casinos, FBI chief says", *The Clarion-Ledger*, January 25, 1995.

¹²⁹ "Officials Say Mass. Casinos Would Post Mob Threat", *supra* note 121.

¹³⁰ "Money Laundering", *Business Week*, March 18, 1985.

◆ Law enforcement officials emphasize that the strict regulation required to attempt to keep organized crime at bay is very expensive, and they express concern that as market saturation begins to increase competition, states will feel compelled to reduce regulation and thus invite more abuse. *Id.*

● In Atlantic City, for example, the government has recently eliminated the requirement for annual license renewals for casinos and key employees, and fewer businesses which deal with the casinos are required to obtain licenses.¹³¹

● William R. Eadington, director of the Institute for the Study of Gambling at the University of Nevada, warns that with the proliferation of casinos, "[t]here will be tremendous political pressure to relax the constraints." Then, "when they hit the skids, look out for the regulations to be emasculated."¹³²

● Supervisory Special Agent George Tagliatti of the Las Vegas FBI, who has investigated organized crime for years, states that "gaming does attract bad folks - a certain element will come in." He emphasizes the need for strict regulation, but adds "you can't get to the point where you hurt business, or the casinos will leave."¹³³

In sum, the omnipresence of organized crime surrounding and infiltrating the casino industry constitutes another major cost of allowing it into an area, and further distances casino-based tourism from Disney World.

6. Political Corruption and Influence-Peddling

Finally, a word should be said about the dangers of political corruption. The gambling industry makes astronomical sums of money and has astronomical sums of money at stake in decisions regarding legalization. Once legalized, the industry then has enormous stake in how it is regulated. This combination of casino wealth and the regulatory power of government can lead to extraordinary influence-peddling and, at its worst, to political corruption.

¹³¹ New Jersey State Police Interviews.

¹³² "Officials Say Mass. Casinos Would Post Mob Threat", *supra* note 121.

¹³³ Interview with Supervisory Special Agent George Tagliatti of the Las Vegas FBI, September 27, 1995 (hereinafter "Tagliatti Interview").

a. Corruption

◆ Louisiana provides the most recent example. An FBI investigation currently proceeding in Baton Rouge involves an alleged "sweeping conspiracy to corrupt key state lawmakers."¹³⁴ According to FBI wiretaps released in August of this year, gambling interests bribed a slew of senators to torpedo an expected piece of legislation which would have given the public the right to vote on whether to continue to allow video poker machines. The video poker owners funneled huge amounts of money to the senators in exchange for their votes to kill the measure. Sen. Larry Bankston, chairman of the Judiciary Committee with control over gambling legislation, is overheard on the FBI tapes vowing to prevent the passage of any bill that would allow votes to close existing gambling parlors. *Id.*

◆ Michigan Attorney General Frank Kelly, in testimony this year before the Governor's Blue Ribbon Commission on gambling, described first the state's widespread experience with bribery and corruption from gambling interests in the 1940's. He then talked about the "last Michigan legislator" to advocate legalized gambling, who was "indicted, convicted of bribery and extortion, and sent to prison for accepting illegal money from gamblers."¹³⁵

Corruption can also occur in the regulatory process once gaming has been legalized.

◆ In Louisiana, Gov. Edwin W. Edwards and his closest associates have been accused of intervening in the licensing process to determine who would receive the cherished 15 riverboat licenses, worth potentially hundreds of millions of dollars. Records show that those who won the licenses were those who hired the Governor's friends.¹³⁶

¹³⁴ "Web of Deceit", *The Times-Picayune*, August 23, 1995.

¹³⁵ Testimony Before the Governor's Blue Ribbon Commission on Gaming Law, Frank J. Kelley, Attorney General of Michigan, March 3, 1995, at 6-7.

¹³⁶ "Stacking the Deck: The Birth of Louisiana Gambling", Special Report by *The Times-Picayune*, December 4-8, 1994; "Legal Gambling Bedevils Louisiana", *New York Times*, June 12, 1994.

◆ In Illinois, the Chicago Tribune reported recently that a casino company offered to pay \$20 million to two government insiders in order to obtain a state casino license.¹³⁷

b. Influence-Brokering

Even where there is no actual corruption, the industry's potential power and influence in statehouses is sobering.

◆ In South Dakota, gambling interests have become "one of the State's more powerful lobbying entities."¹³⁸

◆ In Louisiana, where the gambling industry has made substantial inroads with the recent legalization of video poker machines, 15 riverboat casinos, and a New Orleans land casino, the industry gave \$1,066,747 to state lawmakers in 1993 and 1994. Some campaign contribution checks from a gambling boat owner were "passed out on the Senate floor."¹³⁹ Gambling interests gave \$1 out of every \$5 provided to legislators during the two-year span, with riverboat interests contributing the most. *Id.*

● This last year, legislation giving local residents the right to vote on riverboat and video poker gaming was defeated, despite a poll showing 95% of the citizens wanted a vote. *Id.* As the local newspaper concluded, "The results are apparent. Video poker proliferates. Gambling boats line the river banks. And no citizen gets a vote." *Id.*

● The FBI is also investigating whether the gambling industry has circumvented limits on campaign contributions by laundering them through the Louisiana Democratic Party. *Id.*¹⁴⁰

¹³⁷ Grinols, Earl L., *Income and Jobs Impact of Casino Gambling*, June 1, 1995 at 3.

¹³⁸ "Officials hear about the darker side of gambling", *The Advocate*, March 23, 1995.

¹³⁹ "Power and Money: \$1,066,747", *The Times-Picayune*, September 17, 1995.

¹⁴⁰ Influence-peddling is also extending beyond statehouses. Gambling interests, recently coming to realize that they may be facing regulation at the national level, have also begun to target federal lawmakers. The Wall Street Journal reported recently that in the two years before the Republican party's big victories in 1994, the gambling industry contributed nearly \$1 million to the party in unrestricted donations. At a single fundraiser this summer held by Mirage Resorts Chairman Stephen Wynn, Sen. Bob Dole "hit the jackpot," taking in \$477,450. Democrats have also been beneficiaries; Stephen Wynn formerly supported democrats, including President Clinton. "GOP (continued...)"

In sum, legalizing casinos is not the equivalent of courting Disney World. Casinos will increase crime not only by bringing more people and money into the State, but also by taking money away from Marylanders who become desperate for funds to buy groceries and pay rent; by creating more pathological gamblers and teenage addicts; by attracting criminal elements; by plying patrons with liquor; and by creating an irresistible magnet for organized crime.

III. THE ATTENDANT COSTS AND OTHER IMPLICATIONS.

It is clear that with the advent of casinos, crime would rise in Maryland. A surge in crime, however, is not the whole story. There are related costs which would be suffered by the people of this State, both tangible and intangible, quantifiable and not.

A. COSTS FOR THE CRIMINAL JUSTICE SYSTEM

The monetary costs for the across-the-board enlargement of the State's criminal justice system would be enormous. Maryland would need millions more dollars to spend on law enforcement - more police on the streets, more services to support them. The State would need more prosecutors, more judges, more parole and probation agents, more prisons, more correctional services. It would need the support staffs and capital outlays to accomodate these increased crimnal justice system resources.¹⁴¹

The exact price tag attached to what would likely be an explosion of the State's criminal justice system is beyond the scope of this report. A few examples, however, are illustrative.

◆ Atlantic City's police department budget has increased 524%, from \$4.5 million to \$28 million. Police officials say the added millions are not nearly enough.¹⁴²

¹⁴⁰(...continued)

Faces Tensions as Gambling Interests Meet Family Values", *Wall Street Journal*, October 5, 1995.

¹⁴¹ The cost of enhancing every component of the criminal justice system is, of course, only a piece of the puzzle. Officials from jurisdiction after jurisdiction recount the massive burden placed on their areas' entire infrastructure, *e.g.*, sewage systems, roads, parking facilities, etc. Most admit they were totally unprepared for the magnitude of the burden. Yokom Interview; Bloomberg Interview; Payne Interview; Atlantic City Police Department Interviews.

¹⁴² Atlantic City Police Department Interviews.

◆ The Atlantic City prosecutor's budget has increased 505%, and this too is not enough.¹⁴³

◆ A Florida report on the projected impact of casinos estimated that the incarceration and supervision costs of problem gamblers alone would be more than \$56 billion. This did not include prosecution, restitution, and other related costs. The cost of construction of the additional prison beds which would be necessary was estimated at \$1.66 billion.¹⁴⁴

◆ Deadwood, South Dakota's municipal budget went from \$1.4 million in 1989 to \$9.1 million in 1994, and the police force doubled in that time.¹⁴⁵

◆ Black Hawk, Colorado's municipal budget went from \$165,000 in 1990 to \$8 million in 1993. The police department went from non-existence to 22 officers, and 30 total employees.¹⁴⁶

Casino proponents maintain, of course, that the resources necessary for these ballooning municipal and criminal justice system budgets will come from casino revenues. Even if casino revenues would be high enough to cover these costs, which is controverted by recent studies, public officials should not be deluded into thinking such revenues can be counted on over the long term. *See* Section IV, *infra*. In addition, the point of allowing casinos is supposedly to provide money for solving problems the State already has. What good are they if all the money need be used for new problems caused by the casinos?

B. COSTS TO VICTIMS

Regardless of how much money Maryland were able to devote to increased crime brought on by casinos, there would still be an increased number of crime victims, and

¹⁴³ Blitz Interview.

¹⁴⁴ Florida Report at 72.

¹⁴⁵ Bloomberg LECC Presentation at 42.

¹⁴⁶ Fool's Gold in Black Hawk, *supra* note 36; Yokom Interview.

many of those victims would be Marylanders.¹⁴⁷ The unavoidable and sometimes tragic costs these victims would bear must be remembered. There would be the economic losses from stolen money, property, and lost wages. There would be the losses of health and emotional well-being. Sometimes, too often, there would be the loss of life.

C. LOSS OF POSITIVE PERCEPTIONS

Finally, there would be loss of the perception, and one hopes still the reality, that Maryland is a place to raise families safely and to visit with families safely. People from all over the country in cities and states which have allowed casino gaming lament this loss.

◆ Det. Sgt. Thomas Johnson of Gulfport says that he used to think Las Vegas might be a nice place to visit, but "I'd never want to live there." Yet that, he says "is what you become - a gambling town." To those contemplating it he says, "God help you."¹⁴⁸

◆ Kathy Guthrie of the Biloxi, Mississippi Police Department says that her town "used to be an old fishing town, but casinos have destroyed it."¹⁴⁹

¹⁴⁷ Casino proponents attempt to attach great significance to the fact that increased crime rates in casino areas do not account for the increased number of visitors to the area; they are based on resident population. Regardless of who the crime victims are, however, there will be increased numbers, and many of them will be Marylanders.

A certain percentage of crime attributable to casinos does not take place in the jurisdiction. A problem gambler from out-of-state, for example, will return to his place of employment to embezzle. Many more crimes and/or the resulting costs, however, will be born by Marylanders. With respect to crimes in the casinos themselves, for example, the casino industry itself emphasizes that many casino patrons would be Marylanders; Maryland casinos would theoretically recapture all of the Marylanders who currently go to Atlantic City to gamble. Also, many more Marylanders who do not currently gamble would take it up. In addition, problem gamblers from Maryland will most likely work in Maryland and have families in Maryland. Thus, financial crimes and family violence perpetrated by these gamblers will be visited upon Marylanders.

¹⁴⁸ Johnson Interview.

¹⁴⁹ Interview with Kathy Guthrie, Office of the Biloxi Police Department, September 22, 1995.

◆ Black Hawk Police Chief Yokom describes how his former historic mining town is now called "Sin City." He says "there's no stopping what is happening."¹⁵⁰

● In Black Hawk, more than 200 residents have left - "sold out for big money or moved out in disgust." The town had only about 300 residents before casinos.¹⁵¹

◆ On the Mississippi Gulf Coast, "[f]amily life is deteriorating. The parents just are not home," says Mississippi Coast Crime Commission Executive Director Bob Waterbury.¹⁵²

With casinos, Maryland would lose the sense that the State is still a desirable place for those with no interest in the something-for-nothing, fast-lane culture associated with casino gaming. To put it simply, this is the cost of the State's reputation.

IV. THE PROMISES OF MORE RESOURCES FOR LAW ENFORCEMENT AND THE PERFECT REGULATORY SCHEME ARE ILLUSORY.

Even given all of these facts - this picture of the crime which would be visited upon Marylanders were casinos allowed into the State - there are still those who say the State could handle it. This dream-like argument asserts that Maryland, unlike other jurisdictions, could avoid these problems simply by requiring the casinos to fork over enough of a share in their profits so that the State will have enough money to throw at the problem. All that must be done is to assure Maryland of sufficient funds to spend on beefed-up law enforcement, a top-notch regulatory scheme, and a bigger criminal justice system.

This is not an argument; it is an illusion. Marylanders will be fooling themselves if they believe this would work. It has not happened in other states, and it would not happen here. The reason is that this hypothesis depends upon two things - enough casino profits, and the casino industry living up to its bargains and allowing Marylanders to continue to govern Maryland. The State should not count on either.

¹⁵⁰ Yokom Interview.

¹⁵¹ Fool's Gold in Black Hawk, *supra* note 36.

¹⁵² "Boom and Gloom", *supra* note 2.

A. MARYLAND COULD NOT COUNT ON ENOUGH CASINO PROFITS, EITHER IN THE SHORT OR LONG TERM, TO GUARANTEE ENOUGH FUNDS TO DEAL WITH THE PROBLEMS CASINOS WOULD CREATE

1. Casino Income Uncertain

First, income from casino revenue is uncertain and likely to become more so as casinos continue to proliferate.¹⁵³ Several casinos in Louisiana have already folded, and officials on the Mississippi Gulf Coast expect to see some fail there soon.¹⁵⁴ Iowa has seen riverboats pick up and leave for more lucrative waters, particularly before Iowa succumbed to competition from Illinois and lifted its betting limits.¹⁵⁵ Because of these uncertainties inherent in casino revenues, Jeffrey Bloomberg counsels that state and local governments should never tie such revenue to their general funds.¹⁵⁶

2. Casino Income Inadequate

Second, current studies conclude that even with steady casino revenue flowing to the State, the revenues and other financial benefits are either outweighed or at best made a break-even proposition by the social costs. Professor John W. Kindt from the University of Illinois testified in a congressional hearing last year that "[t]he field research . . . indicates that for every dollar the legalized gambling interests indicate is being contributed in taxes, it usually costs the taxpayers at least three dollars - and higher numbers have been calculated."¹⁵⁷

In his own study, Professor Kindt categorizes the three significant costs to government of casino gaming to be 1) regulatory costs; 2) socio-economic costs occasioned by new compulsive gambling activities; and 3) costs to the criminal justice

¹⁵³ Grinols, Earl, *Dreamfield or Delusions* at 2.

¹⁵⁴ "Mafia may be linked with State's casinos, FBI chief says", *supra* note 128.

¹⁵⁵ Interview with Frank Biagioli, Executive Director of Iowa Gambling Treatment Program, September 23, 1995 (hereinafter "Biagioli Interview").

¹⁵⁶ Bloomberg LECC Presentation at 66.

¹⁵⁷ Testimony by University of Illinois Professor John W. Kindt at Congressional Hearing, September 21, 1994 at 1-2.

system.¹⁵⁸ Kindt finds that introducing large-scale legalized gaming activities would precipitate "fairly immediate increases to the state criminal justice system of 40 to 50%, or \$93 per person." *Id.* at 554. Comparing these costs to the casino industry's projections regarding expected state revenues, Kindt concludes that "the flow of new tax revenues generated by increasing legalized gambling activities can theoretically stay ahead of increased costs to a given state's criminal justice system, but the increased costs *overwhelm* the benefits when *all* of the costs are considered." *Id.* at 538 (emphasis added). *See also*, Section III, *supra*, at 33-34.

Thus, the casino industry's assurances of overall economic gain are questionable at best, and current research indicates that the revenue Maryland might generate would not cover the costs it would incur.

**B. ONCE IN PLACE, CASINOS WOULD EXERT
POWERFUL INFLUENCE OVER POLITICAL, SOCIAL,
AND ECONOMIC LIFE IN MARYLAND**

Finally, even if enough money could solve the host of crime-related problems following in the wake of casinos, and even if casino revenues were theoretically high enough to cover these costs, Maryland could not be assured of retaining enough control over the casinos to guarantee those revenues over the long term. Once in place, the casino industry would exert powerful influence over public policy and decision-making in Maryland because the State would be dependent upon its revenues. Maryland would have a direct stake in maintaining the profitability of the casinos. It would become hostage - forced to agree to casino demands made in the name of continued and increased profitability. Maryland would no longer be the ruler of its own destiny. There would be no turning back.

Again, as before, the experiences of other jurisdictions bear witness. At first, government officials are able to extract promises from the casino operators that seemingly assure them of healthy percentages of revenues and the authority to impose restrictions on casino operations. For example, states have attempted to require casinos to close in the early morning hours, to impose betting limits, or to limit the food and drink available in casinos to minimize the cannibalization of local businesses.

¹⁵⁸ Kindt, John W., "Increased Crime and Legalizing Gambling Operations: The Impact on the Socio-Economics of Business and Government," *Criminal Law Bulletin*, Nov.-Dec. 1994 at 538.

Later, however, once the casinos are in place and the governments are dependent upon the revenues, these governments have so much to lose from declining profitability that they must agree to casino demands. Demands to relax regulatory restrictions designed to ward off criminal activity are particularly troubling. These pressures will only increase as casinos continue to proliferate and thus competition mounts.

◆ In Atlantic City, the Division of Gaming Enforcement bills the casinos directly for its law enforcement and regulatory operating costs. The industry, however, has systematically cut the Division's budget year after year. In the last six years, funds available have been reduced by more than half.¹⁵⁹ Casino owners simply have not kept their part of the bargain.

◆ Atlantic City officials warn others to "squeeze everything out of [the casinos] up front," because it will be more difficult later. The industry tries continually to gain more ground, *e.g.*, the industry is "always trying to reduce our budgets." *Id.* The government has succumbed frequently to the constant pressure to relax regulatory requirements. For example, the casinos used to close in the early morning hours, and they are now open all the time. Juveniles were not formerly allowed on the casino floor; they are now. Requirements for licenses and background checks for key employees have also been relaxed. *Id.*

◆ In Iowa, the government initially placed a \$5.00 limit on betting. When casinos opened in Illinois, however, the increased competition and threat that riverboats would leave, as some did, persuaded Iowa state lawmakers that they had to lift the restriction. Iowa now has unlimited gaming.¹⁶⁰

◆ In Mississippi, people were told the casinos would be old-style riverboats and would be limited to the Gulf. They are in fact huge, stationary structures and have been placed up into the bay areas. The rules are continually being stretched; for example, the industry is trying to put in a casino on Bayou Bernard, a *ditch* almost two miles from the Back Bay behind Biloxi and Gulfport. Officials now fear the state will be moving soon to allow land-based casinos.¹⁶¹

¹⁵⁹ New Jersey State Police Interviews.

¹⁶⁰ Biagioli Interview.

¹⁶¹ "Boom and Gloom", *supra* note 2.

● As Det. Sgt. Johnson puts it, "We voted gambling down twice, but they don't go away. Once you get them in, they're in there for good."¹⁶²

◆ In Black Hawk, Police Chief Yokom predicts that the \$5.00 gambling limit will "go out the door soon - it's only a matter of time." There is legislation every year to expand the type of games and increase the limits. He explains that "it's real hard to keep the casino owners from running the city." He sees the City Council wanting to bend the rules, finding it hard not to succumb to pressures from the industry. "Give them an inch," he says, "and they'll take a mile."¹⁶³

◆ In Deadwood, South Dakota, the town was wholly unprepared for the onslaught on its infrastructure. It had no money to make the immediately necessary improvements to its water and sewage systems, parking facilities, and law enforcement. The municipal government thus made a "critical" decision to sell revenue bonds to develop the infrastructure. It pledged the proceeds from future gaming taxes to pay off the bonds. As a result, "if the citizens of Deadwood today wanted to get rid of casino gambling, they could not . . . without going into total bankruptcy. They are inextricably linked to gambling. . . ."¹⁶⁴

Former Prosecutor Bloomberg sums it up as follows: "Virtually every decision on a local level is dictated by what is best for the gaming industry. . . once you take [this] leap, there is no turning back. Gambling becomes part of your economic, social and government climate. It is an irrevocable decision." *Id.* at 39, 46.

¹⁶² Johnson Interview.

¹⁶³ Yokom Interview.

¹⁶⁴ Bloomberg LECC Presentation at 41.

CONCLUSION

In sum, if Maryland were to start down this path, there would be no going back. The State could never be assured of retaining enough control over the casino industry to reap the dubious benefits it has been promised, or to deal with the myriad of social costs which would descend upon it. These certain ills and uncertain benefits are not worth the risk to the citizens of Maryland and to their quality of life. The State should not adopt public policy which will increase crime and exacerbate other social ills. The Task Force and the people of this State should act to preserve what is good about Maryland and seek better ways to improve what is not.

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