



*Presented to the Rhode Island House Finance Committee, May 25, 2011*

Good afternoon, my name is Les Bernal and I'm the Executive Director of Stop Predatory Gambling, a national organization based in Washington DC. Our mission is to get government out of the predatory gambling business because it is a failed policy. We are also the most diverse social movement in America.

Two years ago, a handful of McDonalds customers got sick in an outbreak of salmonella poisoning because of some problem tomatoes. But even though a tiny number of people were hurt, McDonalds stopped serving sliced tomatoes *everywhere in the country*. It was a major national story.

Today before you is a proposal to expand casinos in Rhode Island that no one denies will make ***tens of thousands*** of your constituents very sick in a way that will reduce many of their lives to nothing.

**The casinos say this is not because of the slot machines and the other forms of gambling they offer or their incomparable predatory marketing practices. They say the gambler is the problem. But is there anyone who called those McDonald's patrons who got sick "problem eaters?"**

A Philadelphia newspaper recently quoted the general manager of Harrah's Casino in Chester, PA – as you know, Harrahs has been one of the major pushers here in Rhode Island - as saying the customers in his database visited **an average of almost five times a week** – that's 250 times a year. The president of Sands Casino in Bethlehem, PA admitted to similar numbers. And most of them are coming from within twenty miles.

Five times a week, 250 times a year, from within a 20 mile radius! If you challenged Twin River and Newport to release information about their own databases of customers, you will find they have similar customer base. Allowing table games at Twin River would only add to this incredible rate of people losing money.

Right now in Illinois, there are more people on the state's self-exclusion list – people who have publicly acknowledged they are gambling addicts, most of whom have had their lives turned upside down -than there are people who work at the casinos. (*almost 8000 self-exclusion list -6826 jobs IL Gaming Board 2010 report*)

The reason why this matters so much is the casino business model **is based on these constituents**. Casinos make 90% of their profits from 10% of the gamblers. It is the most predatory business in the country and its business model is based on addiction and pushing people into debt – a truth that remains unchanged regardless whether they are operated by a Native American tribe, a dog track, the local fraternal organization or state government.

This past January, *60 Minutes* broadcast the first of what will be many investigations by national media organizations into the failed policy of predatory gambling. A central part of the program was an interview with gambling researchers Dr. Henry Lesieur and Dr. Robert Breen- both of whom are based right here in Rhode Island.

If *60 Minutes*, the top-rated news program in America, thought Dr. Lesieur's and Dr. Breen's research into the predatory forms of gambling being pushed here in Rhode Island and elsewhere, was important enough to the public interest to highlight it on national television in prime time, I respectfully request that this committee and the media covering this proposal first prove these extreme forms of gambling are safe to be promoted to the public before it goes any further.

This kind of investigation that will lead to an informed, educated public will not happen during a ballot referendum campaign. Casinos are the most powerful political force in America today. They deceptively call to “Let the People Vote” but what they really mean is “Let Us Buy the Vote!” Six out of ten of the top funders of political causes nationwide are casino interests, according to analysis of the 2007 and 2008 cycle by the Center for Responsive Politics.

To keep the focus away from the real questions about how their business works, gambling interests will spend millions of dollars to promote a fictional “jobs, revenues, and inevitability” narrative. If every legislator in Rhode Island was outspent 5 to 1 during his or her campaign, never mind 500 to 1, nearly all of them would lose reelection regardless of their merit. Yet we allow casino operators to hijack the ballot process, spending whatever it takes to win a bare majority and then they simply point to their vote tally as genuine evidence of public support.

Before I close, I just want to comment about this notion that casinos are “economic development.” The failed energy giant Enron employed people and made a lot of money. So did the subprime lender Countrywide Mortgage and investment manager Bernie Madoff. All of them represent phony prosperity and hardly anyone believes their kind of business practices are the right direction for Rhode Island or for America.

Yet before you at this moment is a proposal to expand the most effective something-for-nothing scheme ever devised – the failed government policy of predatory gambling. Predatory gambling is a something-for-nothing scheme because it is a business based on people losing a lot of money. In other words, it milks existing wealth instead of creating new wealth.

Please vote No to sending this predatory gambling proposal to the ballot. If you want more information about predatory gambling, please visit our website [stoppredatorygambling.org](http://stoppredatorygambling.org). Thank you.