

CITIZENS CONCERNED ABOUT CASINO GAMBLING

Affiliated with Stop Predatory Gambling

Founded 1977

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Testimony of Rev. Eugene J. McKenna, President of Citizens Concerned About Casino Gambling to the Rhode Island House Finance Committee on May 25, 2011

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Mr. Chairman and members of the House Finance Committee,

My name is Rev. Eugene J. McKenna and I wish to thank you very much for this opportunity to offer testimony today on House bill #6085. I am president of Citizens Concerned About Casino Gambling and I would like to speak on their behalf against H6085. As many of you know CCACG was founded in 1977 and we are the oldest anti-casino group still operating in the United States. We have recently joined the efforts of Stop Predatory Gambling because we are more and more aware of the tremendous personal costs suffered by problem and addicted gamblers. We realize that you have a responsibility with regards to the financial health of our state but we urge you with all our strength to work against any expansion of gambling in Rhode Island. May we respectfully submit to you that you can respond to Lincoln's request for a referendum by reminding them that we have already had at least two state-wide referenda in which the RI voters rejected a casino in RI. How many times must we ask the voters the same basic question? Why can we not accept the answer they gave us after long and expensive campaigns?

A second reason why we are opposed to this bill is because we do not believe that casino gambling is true economic development. The very thorough study by economist Earl L. Grinols writes that "The evidence indicates that casino gambling fails a cost-benefit test by a wide margin." Social costs of gambling are many times the social benefit of casino gambling. Rep. San Bento in the publicity from the House of Representatives has estimated that this bill could raise an additional one hundred million dollars for the state of RI. Does that mean that RI gamblers will lose \$100 million dollars more than they do now? The bill does not stipulate the percentage that would accrue to the state but it has been estimated that the State share would likely be somewhere

between 10 and 15 %. The national average for casinos is 12%. The State now gains about 61% of the money left in the VLT machines. If enough slot machine players change and become table game players, the state could actually have less net revenue. Prof. Earl L. Grinols in his monumental study "Gambling in America: Costs and Benefits" proves in several places that the social costs of casino gambling are at least three times more than the benefits. I urge you to study this book because you may be tempted to take financial benefits for granted while failing to acknowledge fully the enormous social costs.

However my main concern is not about the finances of the bill but rather about the predatory nature of gambling. You are good people and I'm sure you would not want to sacrifice some people to the horrible side effects of problem gamblers, namely suicides, bankruptcy, theft, embezzlement, houses lost, family breakups, etc. But that in fact is what is happening since some 40% of gambling revenue comes from problem and addicted gamblers. It isn't just a question of gamblers having the right to spend their money as they wish, it's really a question of the state encouraging an activity that is so detrimental to its citizens. Dr. Bob Breen indicates that the best research in the world consistently indicates that 50% of net gambling revenue comes from gambling addicts. We simply cannot allow the state to be predators of its own people.

We realize your fiscal responsibilities. But we've seen in recent years the dangers involved with people saying, "We're just following orders." My friends, you have the choice and the responsibility to say I will not be a part of allowing the state to create ever more victims of gambling. There is a good reason why our country made gambling illegal throughout the nineteenth century. And for most of the twentieth century, casino gambling was criminalized in all states except Nevada. As gambling became legalized there is no sign that our country became better for it. Debra Bennett wrote in her study of gambling "Randomness" that the "Lament of the Gambler" written in Sanskrit about 1000 B.C. is a monologue by a gambler whose gambling obsession has destroyed his happy household and driven away his devoted wife." If we don't learn from the past we are doomed to repeat its failures and its injuries.

Some questions about the bill itself:

Since the issue of Separation of Powers question has not been settled, the issue of State oversight is muddled in this bill e.g. by wording such as "Division of State Lottery and/or Department of Business Regulations."

There is no justification for the General Assembly finding (pg. 2 line 32) that a casino "will play a critical role in the economy of the State" because social costs of gambling are not addressed, e.g. bankruptcies, broken families, suicides, mortgage defaults, crime, etc.

There is no mention of what the percentage from table games would be for the state or whether the percentage from VLT's will remain the same as it is now.

There is no provision for open bidding for such a lucrative contract as a casino license.

What does “full operational control” (pg. 3 line 2) and “approval rights over matters relating to the employment of individuals to be involved, directed (sic) or indirectly, with the operation of casino gaming” (pg 4, line 4) mean? Does that mean that the state will have many more patronage jobs at its disposal? How will these personnel be paid?

Since RI already receives the highest amount per capita from gambling than any other state in the Union, will a full-fledged casino not simply add to the woes of those who are already losing more money than they can afford?

Will the 61% we receive from the slots eventually produce less revenue if gamblers move over to the table games that might only produce 10-15% for the State? Mightn't the table games result in a loss of net income for the State?

Some important points to ponder from Prof. Grinols' book:

As a Professor of Economics he does not accept study commissions or speaking honoraria from the gambling industry or its opponents. He has not received income from either side.

His book explains how the procedures typically employed to evaluate casinos as a means of economic development suffer from two deficiencies: lack of a valid framework, and lack of complete and trustworthy information. Pg.1

I have permission to read an email I received recently which is symbolic of so many similar stories. “I would love to join your fight against casino gambling. I would love to make a difference in the life of just one person out there. I have lost thousands of dollars (that I REALLY DIDN'T HAVE TO BEGIN WITH). My attitude had changed, I didn't care about anyone or anything, I wanted to kill myself. I was gambling very badly. But most of all I almost lost my husband. This was the icing on the cake that made me realize how much people really cared for me.”

Dear members of the committee show how much you really care and try to see the face of this emailer when you vote on H6085. Take courage and please do the right thing for the citizens of our state and refuse to allow a full scale casino into our state. Thank you for your attention.

Rev. Eugene J. McKenna
President, CCACG