
RETURN TO SENDER: THE REMAND PUZZLE IN OHIO ADMINISTRATIVE LAW

PERVASIVE PREJUDICE? UNCONVENTIONAL EVIDENCE OF RACE AND GENDER DISCRIMINATION

Reviewed by Nancy Payne Sabol

MCKUNE v. LILE: "CHOICES HAVE CONSEQUENCES"

BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT NO. 92 OF POTTAWATOMIE COUNTY v. EARLS

RAYGOR v. REGENTS OF THE UNIVERSITY OF MINNESOTA: DOES 28 U.S.C. § 1367(d) STATE A CLEAR INTENT TO TOLL THE STATUTE OF LIMITATIONS FOR CLAIMS AGAINST NONCONSENTING STATES THAT ARE DISMISSED ON ELEVENTH AMENDMENT GROUNDS?

ZELMAN v. SIMMONS-HARRIS

2003
Internationally, The 21st Century Is No Time for the United States to Be Gambling With the Economy: Taxpayers Subsidizing the Gambling Industry and the De Facto Elimination of All Casino Tax Revenues via the 2002 Economic Stimulus Act

JOHN WARREN KINDT

I. INTRODUCTION

A. The Gambling Industry and Taxation by Terrorism

Some main concerns about gambling issues involve taxing policies for the state and federal governments, and these concerns were raised, for example, in 1995 regarding whether governments were achieving any net new tax revenues from legalizing gambling activities. In a counterproductive
political response to the terrorist attacks on the World Trade Center on September 11, 2001, New York Governor George E. Pataki’s solution to generate new state tax revenues was to push legislation for several new casinos through the legislature\(^2\)—although that same proposal had been stalled for years due to adverse cost/benefit analyses and although State Senator Frank Padavan was “convinced” that Pataki’s casino legislation was unconstitutional.\(^3\) Thereafter, the legislation was almost immediately challenged in court.\(^4\)

In a “fast-track and no debate” maneuver, which gambling lobbyists had successfully manipulated in other states such as Indiana, the eighty-one page New York legislation was “approved after midnight with less than an hour’s debate.”\(^5\) Challenging this legislation, the plaintiff’s attorney, Cornelius D. Murray, made three major claims in the lawsuit, arguing that

the legislation violates a state constitutional provision banning commercial gambling; the only real reason for the bill was to bail out the horse-racing industry, and such a use does not qualify for an exception to the gambling ban; and a multi-state provision is unconstitutional because it would allow proceeds to cross state lines.\(^6\)

The lawsuit also complained of the deceptive procedural maneuvers by pro-gambling interests. The New York Law Journal summarized the lawsuit as follows,

\[\text{[t]he proposed legislation was not subjected to committee study; there were no public hearings and no opportunity whatsoever for input by the average citizen, according to the lawsuit. Instead, the impetus for the bill came from powerful gambling interests who mounted one of the broadest, most expensive lobbying campaigns in state history in order to obtain passage.}\]

Further, the bill had not been on the desks of lawmakers for three days, as usually required under Article III § 14 of the State

\(^{2\text{Rich}}\)ard Perez-Peña, Gambling Bill is Questioned on Constitutional Grounds, N.Y. TIMES, Oct. 26, 2001, at D6; see also Gambling Destabilizing Economies, supra note 1.

\(^{3\text{Perez-Peña, supra note 2, at D6; see N.Y. CONST., art. 1, § 9 (prohibiting gambling except parimutuel wagering on horses and low-stakes games by charitable groups).}}\)

\(^{4\text{John Caher, Gambling Legislation Attacked: Opponents Challenge Substance of Law and Process by Which it was Passed, N.Y. L.J., Jan. 30, 2002, at 1; see Perez-Peña, supra note 2, at D6.}}\)

\(^{5\text{Caher, supra note 4.}}\)

\(^{6\text{Id.}}\)
Constitution. Instead, it came accompanied with a “message of necessity” from Governor Pataki.7

Similarly, the Washington, D.C. lobbyists for the gambling industry seized on the 9-11 terrorist attack to pass legislation giving all gambling facilities using video gambling machines and similar devices a tax write-off worth a combined $40 billion—according to its sponsor U.S. Representative Jerry Weller,8 the head of the House Gaming Caucus in the U.S. House of Representatives.10 This $40 billion tax write-off was equivalent to approximately all of the federal and state tax revenues received from all U.S. legalized casino gambling during the 1990s (for example, 2001 was the “highest” tax year at $3.6 billion in direct casino gaming taxes).11 The Las Vegas media appeared to brag about the gambling industry’s influence in the U.S. Congress,12 which could achieve this $40-billion tax credit for the gambling industry as part of the 2002 Economic Stimulus Bill.13

Via his membership on the House Ways and Means Committee, Representative Weller “originally sought a 100 percent deduction for technological equipment within the first year of purchase.”14 However, “[w]hen the committee chairman, Rep. Bill Thomas, R-Calif., balked at a complete deduction, Weller settled for a 30 percent cut, aides said. The 30 percent deduction will cost the federal government $40 billion the first year it goes into effect, according to Weller spokesman Ben Fallon.”15

In comparison to this $40 billion tax gift to the gambling industry,16 the Ford Motor Company was criticized for perhaps being able to benefit by $2 billion17 in the Economic Stimulus package,18 and the entire 2001 budget of the Center for Disease Control (CDC) was only $4.2 billion19 even though

8. Tax Break for Slots, supra note 1.
9. Id.
10. Id.
15. Id.
16. Id.
18. Id.
19. Id.
the CDC was charged with combating the anthrax scare and other potential terrorism via diseases.  

B. The 1999 National Gambling Impact Study Commission

In 1996 the U.S. Congress created the U.S. National Gambling Impact Study Commission (NGISC or 1999 U.S. Gambling Commission) to review gambling activities throughout the United States because few states had prepared comprehensive cost/benefit analyses of the social and economic impacts of encouraging more licensed gambling activities. The analyses examined both slow gambling activities (such as bingo) and fast gambling activities (such as video gambling, including Internet gambling). As the speed of the gambling activities increase, the money is lost faster and the socioeconomic negatives increase dramatically. The 1999 U.S. Gambling Commission unanimously called for a moratorium on the expansion of U.S. gambling. It also called for the recriminalization of all “convenience gambling” in stores, particularly by video gambling machines, which were identified as the “crack cocaine” of creating new pathological (addicted) gamblers. The Commission also condemned gambling on the Internet, which was even supported by the U.S.

20. Id.
24. NAT’L GAMBLING IMPACT STUDY COMM’N, FINAL REPORT (June 1999) [hereinafter NGISC FINAL REPORT].
25. Id.; NAT’L GAMBLING IMPACT STUDY COMM’N, EXECUTIVE SUMMARY (June 1999) (introduction by Chair Kay C. James) [hereinafter NGISC EXECUTIVE SUMMARY].
26. NGISC EXECUTIVE SUMMARY, supra note 25, rec. 3-6.
27. NGISC FINAL REPORT, supra note 24, at 7-23.
gambling industry. However, in 2001 the gambling industry reversed its position "180 degrees," supporting legislative approval of Internet gambling in Nevada and began to promote Internet gambling, even though it was still illegal under federal U.S. law, regardless of any Nevada legislation. When California legalized the medicinal use of marijuana in 1996, the U.S. Justice Department still stated it was a "federal crime" and would prosecute anyone who tried to hide behind this California law. In 2001, U.S. Attorney General John Ashcroft was urged to adopt a similar policy toward any Las Vegas companies trying to hide behind Nevada state legislation allowing Internet gambling.

II. DELIMITATION OF PROBLEMS

A. The ABCs of Gambling

The gambling industry’s own reports conceded that between 1994 and 1997 the spread of legalized gambling had conservatively created:

1. an additional .5 percent of the public or 1.5 million new pathological (addicted) gamblers costing society/taxpayers $10,000 to $52,000 per year in costs per gambler;

31. See, e.g., Transcript of Online Newshour, “Decriminalized Marijuana,” Nov. 7, 1996. When commenting on the passage of California’s Proposition 215 allowing the medicinal use of marijuana when recommended by a physician, U.S. Attorney General Janet Reno warned "the requirements of federal law are still in place, and it will be enforced, and people should be advised of that." Id.
2. an additional 2 percent of the public or 3.5 million new "problem" gamblers costing society/taxpayers $2,000 to $10,000 per year in costs per gambler;
3. new bankruptcies in counties with gambling, averaging 18 to 35 percent increases overall by 1997 and continuing at 13 to 19 percent into 2001; and
4. new crime increasing in counties with gambling (particularly casino counties), up an average 9 percent in the third year after the advent of casinos and trending upward thereafter.

U.S. studies of the percentages of teenagers who have become pathological (addicted) and problem gamblers are double the numbers for adults. Therefore, throughout the 1990s, gambling legislators have addicted millions of teenagers to gambling, which sociologists compare to drug addiction and which future leaders will have to combat similarly to the "War on Drugs.

The gambling addiction problem was highlighted by a 1997 University of California study that revealed suicide rates (which would include teenagers) in gambling counties were at least two to four times greater than in non-gambling counties.

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35. HARVARD ADDICTIONS META-ANALYSIS, supra note 33, at 43, tbl. 13; 51, tbl. 16.
36. Compare Mega-Lawsuits, supra note 34, tbls. A3-A9 (showing ranges of costs estimated by various experts/studies), with NGISC FINAL REPORT, supra note 24, at 4-14 (conservative and partial costs).
38. See SMR RESEARCH CORP., THE NEW BANKRUPTCY EPIDEMIC 207 (2001) [hereinafter BANKRUPTCY EPIDEMIC], see also Gambling's Destabilization of Financial Institutions, supra note 37.
42. See David P. Phillips et al., Elevated Suicide Levels Associated with Legalized Gambling, 27 SUICIDE & LIFE-THREATENING BEHAV. 373, 376-77, & tbl. 2 (1997) ("Las Vegas, the premier U.S. gambling setting, displays the highest levels of suicide in the nation.").
No one is immune from gambling addiction including judges, government officials, legislators, FBI agents, and police officials. For example, within weeks of the opening of the Detroit casinos, one senior police official became hooked, lost his money, and killed himself with his service revolver after losing at a casino blackjack table.43

In 1998, the legal counsel for Joliet, Illinois testified before the National Gambling Impact Study Commission that casino gambling had only benefited Joliet with no downside,44 but his testimony was refuted when a Commissioner confronted him with the Los Angeles Times article “Lives Lost in a River of Debt” that highlighted the alarming number of gambling-related suicides around Joliet.45 The causes of several of these suicides remained hidden until the coroner’s office issued subpoenas to the local casinos and linked several suicides to gambling losses46—including the Warriners, a semi-retired couple who killed themselves in a suicide pact after losing their retirement savings.47

With the spread of legalized gambling in the 1990s, the teen suicides related to gambling became alarming. One well-known case involved a 19-year-old student, Jason Berg, who became hooked, lost his school money, and killed himself.48 The impact of gambling-related suicides on families was reflected two and a half years later when his grief-stricken stepfather committed suicide.49 Highlighting the tragic impact of gambling losses on families was a 2001 instance where a Michigan father lost heavily in Las Vegas, and when he returned home, he killed his pregnant wife, his three children, and himself.50

These cases demonstrate that by 2001 legalized gambling had created a “national health problem.”51 As might be expected, the worst suicide rates were in Nevada. “Nevada has had the highest suicide rate for more than ten

44. Legal Counsel, City of Joliet, Ill., Testimony to the National Gambling Impact Study Comm’n (May 20, 1998).
46. Id.
47. Id.
years. In 1999, more than 429 residents took their own lives, according to
state figures that don’t include visitors." These disturbing trends prompted
U.S. Surgeon General David Satcher in 2001 to unveil a national U.S. suicide
prevention plan, and he highlighted gambling addiction as a national health
issue. Surgeon General Satcher’s concerns were shared by former U.S.
Secretary of Health, Education, and Welfare Joseph A. Califano14 and by
former Commissioner to the 1999 U.S. Gambling Commission Richard C.
Leone. 55 The targeting of the elderly by the gambling industry was a
particular national health concern. 56 The gambling industry derogatorily
referred to this target market as the “golden grays” due to their gray hair and
their golden retirement assets. 57 Of course, once those retirement assets were
lost there was little opportunity or time for the elderly to recoup, leading to
more possibilities for despair and perhaps suicide, as in the case of the
Warriners’ apparent suicide pact. 58 Another concern was the target marketing
to children via children’s themes on video gambling machines leading to
charges that the gambling industry had transformed the problem of Joe Camel
into “Joe Casino.” 59

Even the conservative and only partial listing of social costs reported in
the 2001 Century Foundation Report ranged between $5 billion to $40 billion
for pathological (addicted) gamblers and problem gamblers on a lifetime
basis. 60 Experts clustered the cost estimates per year at $24 billion to
$88 billion, 61 with $40 billion being the mid-range and the $40 billion
estimate independently corroborated by the American Medical Association. 62

The economic impact of video gambling machines, in particular, was also
dramatic. A leading study from Australia in 2000 concluded that for every
eighty video gambling machines $2 million was drained from and “damaged

52. Id.
53. Id.
54. Joseph A. Califano, Chairman & Pres., Nat’l Ctr. on Addiction & Substance Abuse, Statement
at the CASA Conference at Columbia University (June 12, 2001).
55. Richard C. Leone, President, Century Foundation, Statement at the CASA Conference at
Columbia University (June 12, 2001).
56. See, e.g., Erika Gosker, Note, The Marketing of Gambling to the Elderly, 7 ELDER L.J. 185, 186
(1999).
57. See generally id.
58. See id. at 185.
59. See, e.g., Patrick Jenkins, Hot on the Trail, Critics Riled Up Over New Slot Machines That
60. See RACHEL A. VOLBERG, WHEN THE CHIPS ARE DOWN 17 (2001).
61. Mega-Lawsuits, supra note 34, at 44, tbl. A3: 53-54 (table showing ranges of expert opinion).
62. Id.
the local economy" each year. Furthermore, for every three video gambling machines, two jobs were lost.

B. Gambling Benefits Only the Owners and Not the Host Communities

The 1999 U.S. Gambling Commission largely reconfirmed that licensed gambling benefits only the owners of the gambling at the expense of the host communities and regional economies. A headline in the Omaha World-Herald highlighted that economists affirmed that the costs far outweighed the benefits by stating "40 Economists Side Against More Gambling" with the subtitle "Signers: Costs Likely Higher Than Benefits." The Wall Street Journal summarized that in Louisiana "the industry has been embroiled in virtual nonstop scandal...and its much-touted economic payoff, especially in terms of job creation, has fallen far short of promises."

Throughout the 1990s, many states considered allowing casino-style gambling and rejected it because of the socioeconomic negatives associated with video gambling machines. These machines constituted not only eighty percent of casino revenues, but also constituted the "crack cocaine" of gambling addiction. When state policymakers and the electorate were given the time and the opportunity to examine the costs and benefits of video gambling machines, these types of gambling activities appeared to be disfavored by the public. While the 1999 U.S. Gambling Commission unanimously called for prohibitions on "convenience" video gambling machines and a moratorium on any proliferation of licensed gambling activities, the public of the 21st century was still being misled by industry-generated reports and promotional pieces. With the 1999 U.S. Gambling

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65. Id.
66. See generally NGISC FINAL REPORT, supra note 24; NGISC EXECUTIVE SUMMARY, supra note 25.
69. See NGISC FINAL REPORT, supra note 24, at 5-5, 7-23.
70. See generally id.; see, e.g., Ben C. Toledano, Gambling "Carpetbaggers" Make Mississippi a Lesson to Other States, OMAHA WORLD-HERALD, Apr. 13, 1997, at B13 (abbreviated reprint from Apr. 7 article in NAT'L REV.); see supra notes 2-3, 4, 7 and accompanying text.
71. See, e.g., NGISC EXECUTIVE SUMMARY, supra note 25, rec. 3-6.
72. See, e.g., id. at introduction by Chair Kay C. James; NGISC FINAL REPORT, supra note 24, at introduction by Chair Kay C. James.
73. For groundbreaking articles detailing the political donations and lobbying of the gambling industry, see Martin Koughan, Easy Money, MOTHER JONES, July-Aug. 1997, at 32; April Lynch, All Bets
Commission’s report and the many academic reports indicating that the net effects of legalized gambling activities were detrimental to the social and economic foundations of the United States, government officials supporting new gambling initiatives could not have been ignorant of these reports and were vulnerable to charges of corrupt decisionmaking. 74

The previous national commission that analyzed gambling activities was in 1975-1976.75 By the 1990s, the need for the 1999 U.S. Gambling Commission was highlighted by new video technologies that the industry was promoting to provide gambling video terminals in each U.S. living room, at each work station, and in every classroom—particularly via the Internet. Various forms of gambling were also initiated or proposed for U.S. airlines (virtual airplanes),76 railroad cars (casinos), blimps, and dozens of casino ships (conducting gambling “trips to nowhere” and including a proposal to lease a Soviet aircraft carrier77 for Florida’s casino gamblers). Once riverboat casinos, in particular, were legalized by state legislatures, even greater political pressures developed to authorize numerous, unanticipated varieties of gambling. When riverboats no longer had to cruise, the “speed” of the gambling increased by 25 to 50 percent which meant increased revenues for the owners of 25 to 50 percent,18 but these revenues paralleled increased social costs three times greater than the new revenues.78 Increasingly, states and communities were being forced to choose if they wished to be based on a gambling economy (like Nevada and Atlantic City) or a non-gambling economy (like Hawaii, Utah, and Tennessee).

74. See generally CED REPORT, supra note 22; see also Follow the Money, supra note 73, Strategic Economic Base, supra note 41; Gambling Industry Perpetual Non-Compliance, supra note 39.
III. CLARIFICATION OF GOALS

A. The Economic Development Argument Exposed

From a business-economic perspective, the main issue involved in legalizing various forms of gambling was whether gambling activities constituted a valid strategy for economic development. While the dollars invested in various legalized gambling projects and the jobs initially created were evident, the industry was strongly criticized for inflating the positive economic impacts and trivializing, ignoring, and even hiding the negative impacts.  

The industry’s tendency to focus on specialized factors provide a distorted view of the localized economic positives, while ignoring the strategic business-economic costs to the state as a whole and to different regions of the United States.  

In 1994, all of the various experts who testified before the U.S. House of Representatives Committee on Small Business criticized the impacts that casino-style gambling activities inflicted upon the criminal justice system, the social welfare system, small businesses, and the economy.  

Utilizing legalized gambling activities as a strategy for economic development was thoroughly discredited during the hearing.  

Until the 1999 U.S. Gambling Commission, Florida was the only state which had conducted a comprehensive statewide analysis of the impacts of legalized gambling activities. Its report concurred with the congressional hearing’s negative conclusions about legalized gambling activities.  

Since some issue areas have not received widespread public attention, this analysis highlights some of the neglected issue areas as they relate to tax revenues, social-welfare costs, education, and job creation.

B. Gambling Makes U.S. a Nation of Losers

Between 1991 and 1996, gambling proponents spent over $105 million to obfuscate the issues involved in gambling. Therefore, delimiting some basic principles of analyzing gambling is frequently useful to the public. To
begin any study, the most relevant number was the amount lost by gamblers per year in the relevant market (approximately $61.4 billion lost by the U.S. public in 2000). Of these amounts lost, approximately 30 percent (primarily from lotteries) resulted in tax revenues to local and state governments (approximately $18 billion in taxes in 2000).

In gambling industry studies, the underlying focus was usually on:

1. how fast money could be extracted from the public, and
2. how efficiently money could be extracted from the public.

The techniques utilized to accomplish these goals usually were:

1. new, more, and faster gambling technology, and
2. new and more sophisticated marketing.

The speed (and not the type) of the gambling constituted the proper focus. “In a focused cost/benefit analysis, socio-economic costs, tax revenues, and other considerations should be calculated as a function of the degree of gambling (i.e., ‘amounts lost’ or ‘gross revenues’).”

C. The 1997 Harvard Addictions Meta-analysis

The 1997 Harvard Addictions Meta-analysis omitted the most important numbers. The reported numbers of pathological gamblers and problem gamblers for the 120 to 152 studies analyzed were missing numbers which made it impossible for independent corroboration. The authors of the Harvard Addictions Meta-analysis should complete Appendix II by including the “reported” numbers of pathological gamblers and problem gamblers for all 120 to 152 studies.

contributions, see KENT D. REDFIELD, STACKING THE DECK: THE FLOW OF MONEY FROM GAMBLING INTERESTS INTO ILLINOIS POLITICS (1999).
87. See generally id.
90. See U.S. and International Costs, supra note 23, at 5 (emphasis added).
91. See HARVARD ADDICTIONS META- ANALYSIS, supra note 33, App. II.
92. Id.
IV. HISTORICAL BACKGROUND

A. Addictions

In 1997, it was reported that 1.5 million people or .5 percent of the U.S. population became new pathological gamblers in three years from 1994 to 1997 at a cost of $45 billion per year. In 1995, Associate Professor Howard J. Shaffer of the Harvard Division on Addictions reported, "Gambling is an addictive behavior, make no mistake about it . . . . Gambling has all the properties of a psychoactive substance, and again, the reason is that it changes the neurochemistry of the brain." Symptomatic of the individualized problems of gambling addiction was one 1998 Chicago, Illinois case where a mother addicted to gambling allegedly killed her two children in separate instances and tried to collect $200,000 in insurance money so she could continue to gamble. This scenario led to her conviction and subsequent incarceration.

In 1997, it became public that the Colorado lottery was utilizing a "Mindsort" model, which allegedly was designed to appeal to pathological and problem gamblers indicating that consistent gamblers were "on trial, but once hooked, hooked." A 1997 in-depth survey by the Chicago Sun-Times reported that poor people were viewing the instant games of the lottery as a source of income and in another 1997 survey it was reported that 50.5 percent of the people gambling were trying "to win money," instead of gambling for entertainment (33.4 percent).

Recognizing that 27 percent to 55 percent of casino revenues were coming from pathological gamblers and problem gamblers, concerns were raised about appeals to this market segment.
By purchasing lists from credit-card companies, the casinos know what you buy, and then they can track census data to approximate your home value and income. Then there are the direct-mail lists. One such list from the early 1990s was baldly called the “Compulsive Gamblers Special” and promised to deliver 200,000 names of people with “unquenchable appetites for all forms of gambling.” Another list features “some 250,000 hard-core gamblers.” Yet another purveys the names of 80,000 people who responded to a vacation sweepstakes-telemarketing pitch.101

In addition to the 1.5 million new pathological (addicted) gamblers, 3.5 million people or 2 percent of the U.S. population became new “problem” gamblers in the three years from 1994 to 1997 at a cost of $17.5 billion per year.102 From $24 billion to $88 billion was the range of costs to the taxpayers of the 1.5 million new pathological gamblers and 3.5 million new problem gamblers addicted from 1994 to 1997103 as a result of government-sponsored gambling. By some estimates, these costs and related public health costs were even higher than the costs of drug addiction to society.104

B. Bankruptcies

The bankruptcy costs of 1.5 million new pathological gamblers in the three years from 1994 to 1997 were at least $9 billion with 315,000 bankruptcy filings.105 The annual U.S. bankruptcy costs due to legalized gambling were at least $3 billion with 105,000 new bankruptcy filings.106 These numbers were projected to increase by 50 percent as the 1990s ended and as more of the new pathological gamblers finally “bottomed out.”107 In 1997, the costs of bankruptcies (including gambling bankruptcies) to each U.S. household were already at $408 per year and increasing.108

102. Mega-Lawsuits, supra note 34, at 44, tbl. A2 (citing Harvard Addictions META-ANALYSIS, supra note 33); see also Harvard Division on Addictions Press Release, supra note 33.
105. See BANKRUPTCY CRISIS, supra note 37, at 123-24; see also Mega-Lawsuits, supra note 34, at 45; tbl. A4; 54-55; n. tbl. A4 1-9. Much higher cost can be extrapolated from WEFA Group, The Financial Costs of Personal Bankruptcy, at 1, 15, 19 (Feb. 1998).
107. Id.
The bankruptcy costs of 3.5 million new "problem" gamblers in the three years from 1994 to 1997 were at least $3 billion per year with 90,000 bankruptcy filings. The annual U.S. bankruptcy costs due to problem gamblers were at least $1 billion with 30,000 new bankruptcy filings per year. "Clinical observations of trends indicated that the percentages of bankruptcies due to legalized gambling would tend to increase to 15 percent or more as the year 2000 approached." In 2001, the New Bankruptcy Epidemic reported that at least 5 percent of bankruptcies were due to gambling, which was conservative compared to other expert estimates of 10 to 15 percent.

C. Crime

The crime costs of 1.5 million new pathological gamblers, which governments created from 1994 to 1997, would be $34.2 billion pursuant to the 1994 report by the Florida Governor's Office of Planning and Budget Analysis titled Casinos in Florida: An Analysis of the Economic and Social Impacts. In 2003, this report is still considered the most relevant authoritative report for this type of strategic/regional calculation. Applying the methodology of this analysis to the reported increases from 1994 to 1997 in pathological and problem gamblers yields new socioeconomic costs to the taxpayers of $34.2 billion for these years.

Directly because of state governments legalizing gambling, 1.5 million people or .5 percent of the U.S. population became new criminals in the three years from 1994 to 1997 at a U.S. cost of $12 billion to $15 billion. Virtually all pathological gamblers commit crimes, but most are not prosecuted because the crimes are against family members or close associates. Experts and studies report that between 12.5 percent and 15 percent of pathological gamblers commit crimes.

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109. See Bankruptcy Crisis, supra note 37, at 122-24; see also Mega-Lawsuits, supra note 34, at 45, tbl. A5; 55, n. tbl. A5 1-10.
111. Id. at 8-9.
112. Bankruptcy Epidemic, supra note 38, at 212.
113. Panel Discussion of Credit Experts, Midwest Conf. of the Nat'l Coalition Against Legalized Gambling, Des Moines, Iowa (May 1-2, 1998) (increased filings due to gambling trending toward 15 percent of total filings).
114. FLA. GOV. REPORT, supra note 83.
115. Id.
116. See, e.g., id. at 72.
117. Mega-Lawsuits, supra note 34, at 46 tbl. A7; 56 n. tbl. A7 1-6; see Harvard Addictions Meta-Analysis, supra note 33, at 43, tbl. 13; 51, tbl. 16.
118. See generally Gambling Addiction in Maryland, supra note 34.
logical gamblers will become incarcerated. It should also be noted that pathological gamblers tend to commit multiple property-acquisition crimes.

Political scientists note that governments should not encourage or promote criminal behavior or crimes, which is what governments do when they legalize, advertise, and promote gambling. Furthermore, sociologists note that U.S. state governments are not in the business of selling alcohol or tobacco products, but U.S. state governments sell gambling packaged as patriotism.

The partial (incarceration) costs of the 1.5 million new pathological gamblers, which state governments created from 1994 to 1997, were at least $2 billion. The average regulatory and corrections costs per year calculated as a function of the total number of pathological gamblers were between $9,000 and $11,000 per pathological gambler per year.

V. TRENDS AND CONDITIONING FACTORS

A. The Strategic SocioEconomic Costs of Pathological Gambling and Problem Gambling: Overview of Calculations

The three steps to calculating the strategic socioeconomic costs of pathological gambling and problem gambling are as follows:

1. Step One: Calculate the relevant population base, which usually corresponds to the population in the “feeder markets” (thirty-five mile radius or one hundred-mile radius around the gambling center) in the specialized studies of the gambling industry. For convenience, the current population of the United States (or other country), any state, county, or city can be easily obtained from the latest edition of The World Almanac. Similar calculations have been used and verified in the tobacco cases and associated academic literature. Current Bureau of the Census data can also be obtained online.

119. Mega-Lovinsits, supra note 34, at 47 tbl. A8; 56-57 n. tbl. A8 1-10.
120. See generally GAMBLING ADDICTION IN MARYLAND, supra note 34.
122. Mega-Lovinsits, supra note 34, at 47 tbl. A8; 56-57 n. tbl. A8 1-10; see generally GAMBLING ADDICTION IN MARYLAND, supra note 34, at 2. 59-61.
123. Mega-Lovinsits, supra note 34, at 47 tbl. A9; 57-59 n. tbl. A9 1-12.
2. Step Two: Calculate the relevant percentages of the population that are pathological gamblers and problem gamblers. Unless a specified study gives authoritative percentages for a specific population base, the general population percentages can be applied. Since inexplicably, the Harvard Addictions Meta-analysis did not report the most important numbers—that is, the percentages of pathological and problem gamblers reported in the 120-152 studies reviewed—126—the general population percentages must be utilized. These percentages are:

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<th>1976127</th>
<th>1994128</th>
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<tr>
<td>Pathological Gamblers</td>
<td>.77%</td>
<td>.84%</td>
<td>(.5% Increase)</td>
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<tr>
<td>Problem Gamblers</td>
<td>2.33%</td>
<td>2.93%</td>
<td>(2% Increase)</td>
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These percentages are the starting points for general calculations.

3. Step Three: Multiply the population base times the projected increases in pathological gamblers (conservatively .5 percent) times the socioeconomic costs of one pathological gambler (conservatively $10,000). According to experts, each pathological gambler creates overall strategic socioeconomic costs of between $10,000 (partial listing of costs) and $80,000 per year. While a conservative range of $30,000 to $50,000 per year is quite reasonable, the $10,000 per year is recommended by experts as the amount, which is beyond any reasonable challenge.139

Repeat this process by multiplying the population base times the projected increases in problem gamblers (conservatively 2 percent) times the socioeconomic costs of one problem gambler (conservatively $2,000). Adding these totals together gives a very conservative total cost of the new pathological and

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126. See HARVARD ADDICTIONS META-ANALYSIS, supra note 33, App. II, at 106.
127. U.S. COMM’N GAMBLING, supra note 75, at 73.
128. See HARVARD ADDICTIONS META-ANALYSIS, supra note 33, at 43, tbl. 13; 51, tbl. 16.
129. Id.
problem gamblers to the taxpayers occasioned by allowing new legalized gambling activities.

B. Economic Cycles and Gambling’s Impact on Tax Revenues

From the perspective of U.S. economic history, the United States has had previous economic cycles with widespread legalized gambling activities. The most relevant cycle occurred after the American Civil War and paralleled the post-bellum migration to the “Wild West.” Although gambling proliferated during this timeframe, within a few years the trend towards prohibiting gambling activities had begun, and by 1910, there was virtually no legal gambling in the United States. Gambling activities were not just prohibited via state statutes and local ordinances, but more importantly, these prohibitions were incorporated into most state constitutions. The fact that state constitutional provisions were utilized to make it as difficult as possible for future generations to legalize gambling activities (and thereby experiment once again with a classic “boom and bust” economic cycle) lends substantial credence to arguments that both historically and currently, the legalization of gambling activities eventually causes: (1) increased taxes, (2) a loss of jobs from the overall region, (3) economic disruption of other businesses, (4) increased crime, and (5) large social-welfare costs for society in general and government agencies in particular. For example, two studies of the riverboat casinos in Illinois concluded that for every one job created by the riverboats, most of the surrounding communities probably lost one or more jobs from pre-existing businesses.

In recent economic history, the taxpayers have directly and indirectly subsidized legalized gambling activities. The field research throughout the nation indicates that for every dollar the legalized gambling interests indicate is being contributed in taxes, it usually costs the taxpayers at least 3 dollars—and higher numbers have been calculated. These costs to

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131. Business-Economic Impacts of Gambling, supra note 79.
132. Id.
133. Id.
134. Id.
135. Id.
137. See generally Gambling Subsidized, supra note 1; see SUBSIDY, MONOPOLY, GAMBLING, supra note 81.
138. For example, just the social-welfare costs mentioned at footnotes 93-123 supra usually dwarf the projected new tax revenues from the legalized gambling activities. See, e.g., Fla. Gov’t ReporT, supra note 83; Better Gov’t Ass’n, Staff White Paper: Casino Gambling in Chicago (1992); Robert M.
taxpayers are reflected in: (1) infrastructure costs, (2) relatively high regulatory costs, (3) expenses to the criminal justice system, and (4) large social welfare costs. Accordingly, several state legislators (e.g., in South Dakota) have called for at least partially internalizing these external costs by taxing all legalized gambling activities at a straight 50 percent tax rate.

Furthermore, as a matter of good public policy, state officials and legislators in some states, Illinois for example (particularly Representative Rick Winkel), have proposed legislation to prohibit contributions by legalized gambling interests to politicians and political campaigns. In 2001, this bill passed the Illinois House by an 82-21 margin but was killed by gambling proponents in the Senate. In the case of casinos, New Jersey already has such prohibitions, but other states have neglected to enact similar prohibitions.

Political scientists have raised concerns that the developing constituencies in the licensed gambling industry are becoming so widespread that the industry can dictate economic, social, and tax policies. For example, the industry drafted a state constitutional referendum in Florida, which would have mandated the introduction of casinos into communities—even if a particular community voted unanimously against a casino. The industry spent approximately $3 million to get the Florida referendum on the ballot and $16.5 million to campaign for the casinos—more than the combined gubernatorial campaigns of Governor Lawton Chiles and his challenger Jeb Bush, being conducted during the same election cycle. A 1998 referendum in California to allow video gambling machines (the crack cocaine of gambling addicts) on American Indian reservations was financed by $100 million to $120 million from gambling industry contributors. These

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140. See generally Gambling Subsidized, supra note 1.


142. See generally Follow the Money, supra note 73; Koughan, supra note 73, at 32; Lynch, supra note 73, at 38.

143. See, e.g., CED REPORT, supra note 22.


145. Louis Lavalle, Voters Deal Loss to Casinos: Gambling Backers Lose Despite $16.5 Million Campaign, TAMPA TRIB., Nov. 9, 1994, at 1, 5.

amounts in one state referendum were comparable to the combined total spent by presidential candidates William Clinton and Robert Dole in the 1996 election. 147 In these contexts, an article in the Columbia Journalism Review cautions the news media to "flat out ask [experts, academics, and even other reporters] if they make money off the industry." 148 To define the issues, the public should "follow the money." 149

C. Social Welfare Costs

Legalized gambling activities act as a regressive tax on the poor. 150 Specifically, the legalization of various forms of gambling activities makes "poor people poorer" and can dramatically intensify many preexisting social-welfare problems. Demographic analyses reveal that certain disadvantaged socioeconomic groups tend to gamble proportionately greater amounts of their overall income. Marketing efforts, particularly by state lotteries, have been directed at these target groups. 151 As Jesse Jackson has highlighted, "[t]he new chains of slavery happen to be credit cards and lottery tickets, . . . ." 152 In a specific example involving casinos, a 1995 Wisconsin report concluded that, "[w]ithout considering the social costs of compulsive [i.e., pathological] gambling, the 'rest-of-the-state' areas lose—or, transfer in—$223.94 million to the local gaming areas. Considering the lowest estimated social costs of problem gambling, the rest of [Wisconsin] loses $318.61 million to gambling." 153 This report also concluded that without casino gambling, many local citizens would have increased participation in other "outside" activities. The report commented that "[m]ore than 10% of the locals would spend more on groceries if it were not for the casino, while nearly one-fourth would spend more on clothes. Thirty-seven percent said that their savings had been reduced since the casino had opened. . . .†154

From the business perspective, businesses are not naïve. For example, "in a rare public stand on a controversial political issue, the Greater Washington Board of Trade's 85-member board voted unanimously

147. Compare id. with Follow the Money, supra note 73.
149. See generally Follow the Money, supra note 73.
151. See id. at 99.
154. Id. at 2, 25. See Chart I, infra.
against" Mayor Sharon Pratt Kelly's initiative to bring casino-style gambling to Washington, D.C. With the exception of the cluster services associated with gambling, new businesses tend not to locate in areas allowing legalized gambling because of one or more of the aforementioned costs. In areas saturated with legalized gambling activities, preexisting businesses face added pressures that push them toward illiquidity and even bankruptcy. In 1997, The Bankruptcy Crisis reported that increased U.S. gambling had become not only the fastest growing cause of bankruptcies but also the fourth leading cause. Gambling counties were experiencing 18 to 35 percent more bankruptcies than non-gambling counties. By 2000, these bankruptcies were still trending upward in gambling counties with 13 to 29 percent more bankruptcies than non-casino counties reflected in increases ranging between 4 and 88 percent in gambling counties.

In 2001, "244 U.S. counties that had gambling casinos experienced a bankruptcy filing rate of 6.78 per 1,000 adults," according to The New Bankruptcy Epidemic. "This was 13.6% higher than the filing rate in 2,865 counties that had no casinos in them" Furthermore, in "20 counties with five or more casinos, the year 2000 bankruptcy rate was 7.70 per 1,000 adults, or 29% higher than in counties that had no casinos" (SMR Research 2001). More subtly, traditional businesses in communities that initiate legalized gambling activities can anticipate increased personnel costs due to increased job absenteeism and declining productivity. The best blue-collar and white-collar workers, the Type-A personalities, are the most likely to become pathological gamblers. A business with a thousand workers can anticipate increased personnel costs of $500,000 or more per year—simply by having various forms of legalized gambling activities accessible to its workers.

157. Id.
158. BANKRUPTCY CRISIS, supra note 37, at 119; Correlation Between Gambling Growth and Bankruptcies, supra note 37 (Gambling is the fastest growing and fourth leading cause of U.S. bankruptcies.).
159. BANKRUPTCY CRISIS. supra note 37, at 119.
160. BANKRUPTCY EPIDEMIC, supra note 38, at 206-07.
161. Id. at 206-11.
162. Id. at 206.
163. Id.
164. Id.
166. Id. at 66; see also Business-Economic Impacts of Gambling, supra note 79, at 23-24.
167. Impacts On Businesses, supra note 156, at 118. The large social-welfare costs caused by
To some extent, businesses must already internalize the societal costs associated with assisting personnel with drug or alcohol-related problems. Legalizing various gambling activities increases the number of problems related to pathological gambling in the context of the work force, and these costs are reflected in increased personnel costs—such as "rehabilitation costs," which can easily range from $3,000 to $20,000 (or more) per pathological gambler. In the context of the national health care debate and its financing, the specter of these unanticipated costs can raise further concerns to businesses already being asked to bear certain health care costs.

VI. POLICY ALTERNATIVES AND RECOMMENDATIONS

A. Education Costs

Gambling activities and the gambling philosophy are directly opposed to sound business principles and economic development. Legalized gambling activities also negatively affect education—both philosophically and fiscally. Adherence to a philosophy of making a living via gambling activities not only abrogates the perceived need for an education, but also reinforces economically unproductive activities (and is statistically impossible since the "house" always wins eventually). In states with legalized gambling activities, which were initiated arguably to bolster tax revenues to "education," the funding in "real dollars" has almost uniformly decreased.

Compared with other funding sources, lotteries have been an inefficient and dismal failure at supplementing educational funding. The definitive state-by-state analysis is still a 1996 comprehensive analysis, which concluded that "states sell lotteries as a painless substitute for taxes—and a way to raise money for good causes like education. But an exclusive . . . investigation reveals that lottery states collect more in taxes and spend less on schools than states that go without the games."
The fact that lotteries hurt overall education funding is so basic it is in every U.S. grade school library. Despite these facts, the public and numerous educators are being misled by relentless taxpayer-supported lottery advertising. Harvard Professor Bridget Long has severely criticized Georgia’s advertising of its lottery’s flagship program, the Hope scholarships, as discriminatory against minorities and poor people. Furthermore, after Georgia began its lottery in 1993, the number of teenagers who became pathological (addicted) gamblers and problem gamblers soared within three years from a minor problem up to include 4 to 17.3 percent of all teenagers, which were problematic and alarming numbers well above the national average. Like the illegal drug problem, gambling has hooked large numbers of teenagers. Throughout the U.S. studies, the numbers of pathological and problem teenage gamblers are double the adult rates, indicating that gambling legislators have doubled the addiction problems for the next generation and prompting criticisms that the Georgia lottery’s “Hope is Dope.”

B. The Pathological Gambler Problem

States, which embrace legalized gambling activities, can expect enormous socioeconomic costs and a decline in the quality of life. Unlike traditional business activities, legalized gambling activities cater to a market consisting of addicted and potentially addicted consumers, and most preexisting businesses will find it quite difficult to compete for “consumer dollars” which are being transformed into “gambling dollars.” For example, the field research strongly suggests that the introduction of widespread legalized gambling in South Dakota, including casinos and video lottery terminals (VLTs), over a two-year time span caused a 1.0 percent increase in the number of problem and probable pathological gamblers—a recognized addictive behavior pursuant to the American Psychiatric Association. Each newly-created pathological gambler has been conservatively calculated to cost society $13,200 to $52,000 per year (with wider ranges between $10,000 and $80,000 per year). These costs are not just reflected in society as a whole

175. See, e.g., id.; HARVARD ADDICTIONS META-ANALYSES, supra note 33.
176. See generally IMPACTS ON BUSINESSES, supra note 156.
177. Economic Impacts, supra note 124, at 73-75.
179. See, e.g., CED REPORT, supra note 22, at 61-63; Politzer et al., supra note 138; BGA REPORT, supra note 167, at 14; see also GAMBLING ADDICTION IN MARYLAND, supra note 34. The more recent
but impact on all businesses. In particular, small businesses could easily experience disproportionate negative impacts, and unlike large corporations, small businesses would be less likely to have the asset base necessary to cushion against those negative impacts.

Sociologists almost uniformly report that increased gambling activities, which are promoted as sociologically “acceptable” (the acceptability factor), and which are made “accessible” (the accessibility factor) to large numbers of people, will increase the number of pathological gamblers as part of the population, which begins at .77 percent as reported by the 1976 U.S. Commission on Gambling. Since gambling has been legalized and made accessible in several states, the range has increased to 1.5 to 5 percent in those states. This phenomenon was specifically confirmed by a 1995 study which concluded that the lifetime probable pathological and problem gamblers in Iowa increased from 1.7 percent of the public in 1989 to 5.4 percent in 1995. Similarly, a limited study of Native Americans revealed a rate for lifetime probable pathological and problem gamblers of 14.5 percent in casino areas. These developments translated into increases in socioeconomic costs which must be addressed and absorbed primarily by taxpayers, but also by businesses, charities, social-welfare organizations, and governmental units.

C. Negative Impact on Job Creation

On a regional level, the combined ranges of these various socioeconomic costs are so large that they tend to dwarf the localized economic positives. These drains on society could easily translate into a net loss of thousands of jobs on a statewide or regional level. Furthermore, it can be argued that the combined economic positives and negatives result in a negative economic

estimates are tending to cluster in the range of $13,200 to $35,000 (without adjusting for inflation). Even the lowest estimates reflect large social-welfare costs, which should be compared with any new tax revenues from legalizing forms of gambling activities. In most instances, an increase of one cent or less (0.25%) in the sales tax would raise more tax revenues than the total of a state’s projected revenues from legalized gambling activities.


181. See, e.g., ALTA LOTTERIES & GAMING, GAMBLING AND PROBLEM GAMBLING IN ALBERTA 18 (Jan. 1994) [hereinafter ALTA GAMBLING] (summarizing 20 studies showing the range of problem and probable pathological gamblers at 1.7 to 6.9 percent for adults and 3.6 to 12.4 percent for adolescents).


183. See ALTA GAMBLING, supra note 181, at 18.

184. See, e.g., Gambling Subsidized, supra note 1, at 60-68.

185. See, e.g., SUBSIDY, MONOPOLY, GAMBLING, supra note 81, at ES-1.

186. Id.
multiplier. From the perspective of business-economics and strategic development, major businesses are and should be concerned with the trend toward expanding various forms of legalized gambling activities. Among other reasons, non-gambling related businesses will not be competing for consumer dollars or recreational dollars on a “level playing field” because legalized gambling activities can cater to an addicted and potentially addicted market segment.

Since the U.S. economy and most state economies are extensive in scope, the socioeconomic negatives associated with legalized gambling activities can remain hidden for long periods of time. However, just because a particular activity is “legalized” by a state government does not mean the negative business or societal impacts have been eliminated—or even reduced.

VII. CONCLUSION

Apparently oblivious to charges of conflict of interest, the “membership” of the American Gambling Association (AGA), the Washington-based lobbying group, was advertised during the beginning of the 21st century as including firms such as Arthur Andersen. These firms were often employed by the AGA and/or pro-gambling interests to promulgate information supportive of pro-gambling agendas (compare Appendices I and II).

However, taxpayers and businesses were increasingly beginning to realize that, as Professor Jack Van Der Slik has summarized for much of the academic community, state-sponsored gambling “produces no product, no new wealth, and so it makes no ... contribution to economic development.”188 Business-economic history supported this proposition. The recriminalization of gambling activities occurred one hundred years ago after a brief gambling boom following the Civil War. Most state legislatures utilized constitutional provisions to recriminalize gambling because lawmakers wanted to make it as difficult as possible for future generations to experiment with the classic “boom and bust” cycles and the concomitant socioeconomic negatives occasioned by legalized gambling activities. To paraphrase Georg Hegel’s common quote, “those who forget the lessons of economic history are condemned to relive them.”189

187. See, e.g., CED REPORT, supra note 22, at 50.
189. JOHN BARTLETT, FAMILIAR QUOTATIONS 507 (14th ed. 1968).
CHART I: BUSINESS ECONOMICS OF LICENSED ORGANIZED GAMBLING

BEFORE
Non-Gambling Economy

<table>
<thead>
<tr>
<th>Speed of Gambling</th>
<th>Crack Cocaine of Gambling</th>
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<tbody>
<tr>
<td>Marijuana of Gambling</td>
<td>-</td>
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<tr>
<td>Dog &amp; Horse Tracks</td>
<td>Bingo</td>
</tr>
<tr>
<td>Lotteries</td>
<td>Off-Track Betting</td>
</tr>
</tbody>
</table>

AFTER
Gambling Economy

- Casinos, Video Machines, Internet (illegal)

35-Mile Feeder Market

1 Mile
CASINO

- New Job = 1
- New Tax Rev. = $1

Lost Jobs = -1
Taxpayer Social Cost = $3
Crime = -50-100%
Business & Personal Bankruptcies = +18-42%
Drive-by Business = -65%

More Pathological Gamblers² (Caused By)

More Legalization³ = (Acceptability Factor)

Spread of Gambling² = (Accessibility Factor)

Adult Population
Avg. 1-3%¹

Teen Population
Avg. 2-6%¹
(Joe Camel to Joe Casino)

100-Mile Feeder Market

10% Less Food³
25% Less Clothes³
37% Less Savings³

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FOOTNOTES FOR CHART I:
BUSINESS ECONOMICS OF LICENSED ORGANIZED GAMBLING


3. See note 1 supra.

4. See note 2 supra.


10. Id.

11. For the adolescent population, Dr. Durand Jacobs of the Loma Linda University Medical School was reporting 4% to 6%. See Durand F. Jacobs, Illegal and Undocumented: A Review of Teenage Gambling and the Plight of Children of Problem Gamblers in America, in COMPULSIVE GAMBLING: THEORY, RESEARCH, AND PRACTICE 249 (Howard J. Shaffer et al. eds., 1989).
### Increased Bankruptcy Rates for 2000 in Casino Counties*

<table>
<thead>
<tr>
<th>State</th>
<th>Analyzed Counties With Casinos</th>
<th>Analyzed Counties Without Casinos</th>
<th>Higher Bankruptcy Rates in Counties With Casinos</th>
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<tbody>
<tr>
<td>California</td>
<td>21</td>
<td>37</td>
<td>20%</td>
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<tr>
<td>Florida</td>
<td>14</td>
<td>53</td>
<td>16%</td>
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<tr>
<td>Illinois</td>
<td>7</td>
<td>95</td>
<td>10%</td>
</tr>
<tr>
<td>Indiana</td>
<td>8</td>
<td>85</td>
<td>4%</td>
</tr>
<tr>
<td>Iowa</td>
<td>11</td>
<td>88</td>
<td>49%</td>
</tr>
<tr>
<td>Louisiana</td>
<td>9</td>
<td>55</td>
<td>18%</td>
</tr>
<tr>
<td>Missouri</td>
<td>8</td>
<td>107</td>
<td>50%</td>
</tr>
<tr>
<td>Washington</td>
<td>24</td>
<td>15</td>
<td>20%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>14</td>
<td>58</td>
<td>88%</td>
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</table>

The filing rate in Nevada’s casino counties is about three times the rate in the counties without casinos.

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APPENDIX I

For the Media: American Gaming Association (AGA)
Members List, March 11, 1999

As a Member of the American Gaming Association,
Your Voice is Heard in Washington

A&D Scenery
A&H Supply
Ace USA, Inc.
Acres Gaming, Inc.
Alliance Gaming Corporation
American Fish & Seafood Co.
Andersen Dairy, Inc.
Argosy Gaming Corporation
Arthur Andersen & Co., LLP
Austin Hardwoods
Aztec Corporation
B & K Entertainment
Bear Industries Printing and Publishing
Bear Stearns & Company, Inc.
Bearing Belt Chain Company, Inc.
Best Manufacturing Inc.
Betz Water Management Group
Boyd Gaming Corporation
Brady Industries
Caesars World, Inc.
California Card Club Association
Cashman Equipment
Casino Association of Louisiana
Casino Owners Association of Colorado
Chase Products Co.
Circus Circus Enterprises, Inc.
Coca-Cola Bottling Company of Las Vegas
Collins Produce, Inc.
Deadwood Gaming Association
Deloitte & Touche LLP

Desert Meats & Provisions
Douwe Egberts Coffee Systems
Dynamic Carpet Inc.
Eldorado Hotel Casino
Ethel M. Chocolates
Game Financial Corporation
Gaming Association of Iowa
GEM Communications (IGWB/Casino Executive/WGC)
Global Cash Access
Gourmet Foods, Inc.
Great China Industrial
Greektown Casino, LLC
GTECH
Harrah’s Entertainment, Inc.
Harveys Casino Resorts
Hawaiian Resources
Hinkley & Schmitt, Inc.
Hollywood Casino Corporation
Hollywood Park (Boomtown/Casino Magic)
Horseshoe Gaming, Inc.
Illinois Casino Gaming Association
Indiana Gaming Association
Innovative Gaming, Inc.
International Game Technology
Isle of Capri Casinos, Inc.
JCM American Corporation
Kelly’s Pipe & Supply Co., Inc.
Lady Luck Gaming Corporation
Marietta Corporation

Mellano & Company
MGM Grand, Inc.
Mikohn Gaming Corporation
Mirage Resorts, Inc.
Mission Industries
Mississippi Gaming Association
Missouri Riverboat Gaming Association
Monarch Casino & Resort, Inc.
Morrey Distributing Company
Mountaineer Race Track & Gaming Resort
Nevada Beverage Company
Nevada Gaming Publishing
Nevada Resort Association
Office Depot Park Place Entertainment, Inc.
Pepsi-Cola Company
PricewaterhouseCoopers
Primadonna Resorts, Inc.
Regency Service Carts, Inc. Sahara
Hotel & CasinoSeven Circle Resorts, Inc.
Shuffle Master Gaming
Sobel Westex
Southern Wine & Spirits of Nevada
Sparklets Drinking Water
Station Casinos, Inc.
Steelman Interiors, Inc.
Stock Yards Packing Company
Sturgeon Electric Company, Inc.
Sun International Hotels Ltd.
The Sieb Organization, Inc.
U. S. Foodservice – Las Vegas
Universal Flooring, Inc.
VLC, Inc.
Watkins Ludlam & Stennis P.A.
Wet ’n Wild Nevada, Inc.
## American Gaming Association (AGA) Members List,
August 27, 2001

| Casinos & Equipment Manufacturers | Watkins Ludlam & Stennis P.A.
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<td>Lionel Sawyers &amp; Collins</td>
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<td>PricewaterhouseCoopers</td>
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</table>

**Suppliers & Vendors**

- A & H Supply
- A&D Scenery, Inc.
- American Fish & Seafood Co.
- Andersen Dairy, Inc.
- Bearing Belt Chain Company, Inc.
- Best Manufacturing, Inc.
- Betz Water Management Group
- Brady Industries, Inc.
- Carta Mundi
- Cashman Equipment Company
- Chase Products Co.
- Chesapeake Advertising, Inc.
- Coca-Cola Bottling Company of Las Vegas
- Douwe Egberts Coffee Systems
- Ethel M. Chocolates
- Game Financial Corporation
- Global Cash Access
- Great China Industrial Inc.
- Hawaiian Resources
- Innovative Gaming, Inc.
- JCM American Corporation
- Marietta Corporation
- Mellano & Company
- Morrey Distributing Company
- Nevada Beverage Company
- Office Depot
- Rafferty & Associates
- Prime Table Games
- Shuffle Master Gaming
- Sierra Springs/Hinkley & Schmitt, Inc.
- Southern Wine & Spirits of Nevada
- Sparkletts Drinking Water

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The Paul Steelman Design Group, Inc.
Wet 'n Wild Nevada, Inc.
World Gaming Network

Pari-Mutuel/Sports Book
Mountaineer Race Track & Gaming Resort

Associations, Publications & Unions
California Gaming Association
Casino Association of Indiana
Casino Association of Louisiana
Casino City Press
Casino Owners Association of Colorado
Casino Promote
Illinois Casino Gaming Association
Iowa Gaming Association
Michael Pollock's Gaming Industry Observer
Mississippi Gaming Association
Missouri Riverboat Gaming Association
Nevada Resort Association