

### Briefs and clips . . .

ATLANTIC CITY - A prostitution ring that recruited young Asian women and sold their services to casino high-rollers has been broken up with the arrests of seven people, including six casino employees who allegedly solicited business for them.

Prosecutors say the ring enlisted women from Malaysia and other Far East nations to work as prostitutes, and put them to work in brothels and several Atlantic City casinos, charging \$200 or more to gamblers who obtained their services through casino hosts and other casino officials. <http://www.philly.com/mld/dailynews/news/local/8280678.htm>

A retired soldier and community leader in Junction City, Kan., is dead. Clarence Burdett, a 70-year old former Army sergeant who survived the Korean and Vietnam wars with two purple hearts, apparently committed suicide, starting two cars in his closed garage and sitting in the front seat of one until the carbon monoxide killed him.

The soldier fell victim of casinos that sprang up in his state following legalization of gambling in 1995. Since then he had lost his life's savings, was nearly \$300,000 in debt, and his wife of 14 years had filed for divorce.

"He went into depression as the addiction took over and had tried to commit suicide once before," his daughter said. [http://www.capitalonline.com/cgi-bin/read/2004/03\\_30-42/GOV](http://www.capitalonline.com/cgi-bin/read/2004/03_30-42/GOV)

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### Company claims US casino requested product

## Casinos 'gassing' patrons, claim 42% bigger losses

NCAGE chairman Dr. Guy Clark says reported attempts by casinos to increase profits by using "mood altering substances" are "stunning, outrageous and frightening." He called upon U.S. health and trade agencies to immediately investigate the claims and move to protect consumers.

Published reports and NCALG interviews indicate as many as 40 casinos may be injecting casino air with a chemical substance to get customers to lose more money. The practice is confirmed by the company that manufactures the airborne product.

Enhanced Air Technologies (EAT) of Vancouver, BC, says it developed the substance, called "Commercaire," at the request of a "major Las Vegas casino." The company's web site claims studies in a U.S. casino have demonstrated the substance yields significant increases in customer losses and casino profits. EAT says they "infused one area containing slot machines with Commercaire. The amount of money spent by casino visitors on the machines over the course of several weekends was compared with what happened at times without Commercaire. The total revenues during the pheromone infused weekends were 42.37% higher than during the weekends without," according to the company's web site. <http://www.commercaire.com/summary.asp>

EAT published news releases claim their researchers have "identified and synthesized a proprietary pheromone that instills a sense of comfort and security in humans." They claim it causes customers to "feel more at ease in an environment and more receptive to sales messages. Consumers also tend to return more frequently to establishments infused with Commercaire. At a subconscious level, the sense of comfort and security instilled by the compound causes consumers to have positive memories of any environment in which they are exposed to it. They're more likely to return as a result," according to EAD's Director of Development Nigel Malkin. <http://www.pnewswire.com/cgi-bin/stories.pl?ACCT=SVBIZINK4.story&STORY=/www/story/01-13-2004/0002088232&EDATE=TUE+Jan+13+2004,+08:05+AM>

Pioneer gambling researcher and gambling addiction treatment expert Dr. Henry R. Lesieur warns the company's claims may be suspect. If true, however, he said the issue would be similar to the "subliminal advertising" methods used by theatres in years past. That type of advertising was deemed illegal, he noted.

Lesieur said, "The research would have to be examined closely," to determine if the company's chemicals actually work.

Whether they work or not, Clark said the very attempt to "drug" customers "flies in the face of the gambling industry's already disingenuous claims of promoting 'responsible gambling'." The fact that they're trying to do it is appalling enough!

"It's one thing to weaken gamblers' resolve with cheap or free alcohol, since at least consumers know what they're drinking. But it's quite another to attempt to gas them completely unaware with a mood altering substance. That's not fair trade practice, and it can't be legal," Clark argues.

Legality remains an unanswered question. Despite repeated efforts, FDA media representative Laura Bradbard was unable to get the department's legal or scientific

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Michigan Sheriff's deputies seized stacks and stacks of cash, totaling \$2.2 million, in what they call the biggest lottery-style gambling ring they have ever seen.

Officers investigated the gambling ring and they issued arrest warrants for six people, among them, five family members suspected of running the ring. According to Wayne County Sheriff Warren Evans, one family spanning three generations ran the illegal gambling ring in Detroit and Oak Park. [www.wxyz.com/wxyz/nw\\_local\\_news/article/0.2132.WXYZ.15924.2795173.00.html](http://www.wxyz.com/wxyz/nw_local_news/article/0.2132.WXYZ.15924.2795173.00.html)

A Maryland jury has found a Germantown man guilty of killing his sister in a dispute about a bingo jackpot.

After three days of deliberations, the jury convicted 33-year-old Andrew Deutsch of second-degree murder in the shooting death of his 27-year-old sister Susan last March.

Prosecutors say Deutsch shot his sister because he wanted the one-thousand dollars she had won playing bingo at an area church.

<http://wbal.com/stories/templates/news.asp?articleid=17326&zoneid=2>

A former New York bookkeeper who stole more than \$700,000 from her employer to support her gambling at Casino Niagara pleaded guilty in Niagara County Court. Tina M. Ferri, 36, of Maple Ridge Road, Medina, wept as she told Judge Peter L. Broderick Sr. how her gambling habit at the casino turned her into a thief.

*The Buffalo News*, March 20, 2004.

In Pennsylvania, Easton's Order of Fleas club tucked away more than \$12 million into various bank accounts, according to a plea memorandum prepared by the U.S. attorney's office.

The memorandum gives

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## Canadian Knights boot casinos

Alberta, Canada's Knights of Columbus, a Catholic Church men's organization, is turning away from gambling at the sacrifice of an estimated \$1 million a year.

"I don't think we'll ever get a means of fundraising that takes so few hours and so little manpower which has such big revenue, but there's a price to pay for that," Mickey Casavant, deputy for the organization in Alberta and the Northwest Territories, said yesterday. "If we are to identify ourselves as a family-oriented organization, I think we have to look carefully at the effects of our involvement in casinos, and we have done that."

For the past five years, the Catholic Church and institutions associated with it have become increasingly vocal about the explosive growth of gambling in Alberta. One Catholic school board stopped casinos and bingos last year, and Calgary Bishop Fred Henry wants all parishes to stop raising money through gambling in the next three to five years.

Casavant said the Knights of Columbus and the Church are not totally opposed to gambling, but are opposed to the fact that it is causing the breakup of families. [http://www.responsiblegambling.org/staffsearch/e-library\\_most\\_recent\\_details.cfm?intID=6484](http://www.responsiblegambling.org/staffsearch/e-library_most_recent_details.cfm?intID=6484)

## WTO tries to pry open US gambling market

An attempt by island nations to force the United States to legalize Internet gambling has won at least a preliminary round at the World Trade Organization. The WTO ruled last month that since gambling is legal in some of the states, the US must open that market to world competition.

The WTO ruled, "The U.S. ban on online gambling is counter to international law and violates WTO accords on commercial services. The ruling agreed with a complaint filed last July by the Caribbean nation of Antigua and Barbuda. Antigua-based Internet companies handle one-fourth of online bets in a global industry worth \$6.1 billion, and about one-sixth of Antigua's \$200 million annual revenue is derived from it. "We intend to appeal and will argue vigorously that this deeply flawed panel report must be corrected by the appellate body," said Richard Mills, a spokesman for U.S. Trade Representative Robert B. Zoellick.

[www.washingtonpost.com/wp-dyn/articles/A22435-2004Mar24.html](http://www.washingtonpost.com/wp-dyn/articles/A22435-2004Mar24.html)

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details on how the private club, scheduled to plead guilty to gambling, money laundering and tax evasion charges, hid its money from the government.

Prosecutors say that money came from the \$90 million to \$100 million Fleas members fed the 15 video poker machines the club kept in a back room at its building on Reynolds Street on the city's South Side.

[http://www.mcall.com/news/local/all-b1-3fleas-rmar11\\_0\\_3220444.story?coll=all-news-hed](http://www.mcall.com/news/local/all-b1-3fleas-rmar11_0_3220444.story?coll=all-news-hed)

In Connecticut, a Stonington town employee, fired after admitting she stole town funds, gambled \$1 million at Foxwoods Resort Casino over the past several years, according to sources. Donna Allen's gambling activity was recorded whenever she used her Wampum Club Card to accumulate points based on wagers.

The town charges she stole \$100,000 or more from its funds. Allen and her husband also have mortgages of nearly \$240,000 against a home that had no liens against it just two years ago.

From *TheDay.com*, Feb. 21, 2004

An ongoing case in Alabama reveals the late Robert Leroy Rhodes admitted to killing 2,000 to 3,000 greyhounds who had become too old or ill to race. He shot the dogs through the head with a .22-caliber rifle for \$10 each. His operation was apparently popular with Florida kennels because his price was half that charged by veterinarians for euthanizing animals. Others are charged with using Rhodes' services and have claimed they are not guilty of animal abuse because, among other reasons, "the dogs did not suffer."

[www.al.com/news/mobileregister/index.ssf?base/news/1082711965265940.xml](http://www.al.com/news/mobileregister/index.ssf?base/news/1082711965265940.xml)

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## Casinos' odorless, invisible gas . . .

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staff to answer inquiries about the substance. The FDA posts almost no references to pheromones, and though one FDA scientist said he was intrigued by EAT's product, he was not allowed to make any comment to the press.

EAT's Malkin contends the substance does not need FDA or EPA approval. "The active ingredient is a compound naturally produced by humans. Our systems simply raises the concentration in the air."

Despite the company's claim that Commercaire "instills a sense of comfort and security," Malkin contends, "it is not a mind altering substance in any sense, as it does not cause consumers to do anything against their will."

Clark argues, "How could a casino gas its customers with an unannounced, odorless and colorless substance intended to change their mood and help them lose more money, and say that's not against their will?" Clark also worries the product could have a profound negative impact on gambling addiction. "Using a product like this on unwitting consumers would be indefensibly reckless," Clark charged.

EAT says about 60 percent of its business is in the U.S., and it currently sells its Commercaire product to about 40 casinos. It also sells the product to retail stores and says it gained about 300 customers since its January news releases. The company claims remarkable results in retail environments as well. They cite one retail chain which "installed Commercaire units in 50% of its retail stores. Of the 50% of stores that did not (install the) systems, management attributed an average of a 5.31% decrease in sales over the same quarter during the previous year to a sluggish economy. In contrast, the 50% of the chain's retail stores in which the Commercaire systems were installed saw an average of a 14.17% increase in sales over the same quarter during the previous year. The company has since installed Commercaire units in all of its retail stores and sales continue to increase chain-wide."

The company will not identify any of the casinos, stores or chains using its products.

"At the very least," concludes Clark, "stores and casinos that use these gasses, proven or not, should be required to warn customers of what they're breathing and why. At best, these products should be illegal."

## Wisconsin courts battle casinos vs. constitution

Wisconsin courts are tossing a hot potato that could burn all the state's casinos if judges rule the state's governor acted illegally.

In the fashion similar to states from Oregon to New York, Wisconsin's governor has authorized compacts with Indian tribes allowing them to open casinos in alleged opposition to the states' constitutions. Actions of New York's last two governors have pushed a similar question all the way to the U.S. Supreme court and back to state appellate courts, and the argument is still waiting to be resolved. (see <http://www.ncalg.org/library/library.asp?url=Murray.wmv>)

Race tracks are sure the decade-old expansion of Indian gambling has hurt them. They have sued, arguing a 1993 constitutional amendment prohibited all types of gambling in the state except bingo, raffles, pari-mutuel on-track betting and the state-run lottery. [www.themilwaukeechannel.com/news/2960395/detail.html](http://www.themilwaukeechannel.com/news/2960395/detail.html)

Wisconsin's governor negotiated compacts with the state's 11 tribes to open 17 casinos. Track owners are arguing those compacts should not be renewed. The tracks lost their first ruling in state court, and the appellate court tossed the issue to the state supreme court without a ruling. The high court split 3-3 with one justice abstaining, and ordered it back to the appellate court.

During the past decade, Wisconsin has faced burgeoning addiction, bankruptcies and crime. Wisconsin gamblers lose about \$1 billion a year to the casinos and bankruptcies rose another 12 percent last year. <http://www.ncalg.org/library/pdf/Bets%20Of%20Bulletin%20March%2004.pdf>

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In Canada, the fraud trial of a city businessman accused of accepting provincial government payments for no work began with the prosecution suggesting David Lamash accepted \$20,000 from a senior civil servant in payment of a gambling debt. In a videotaped statement played for the jury, Lamash admitted he didn't do the work for which he was paid.

[www.canada.com/calgary/calgaryherald/news/story.html?id=6b124bdd-a7b5-462d-b205-bc922c9a6dfc](http://www.canada.com/calgary/calgaryherald/news/story.html?id=6b124bdd-a7b5-462d-b205-bc922c9a6dfc)

A Melbourne court has been told an accountant who stole more than \$2 million from his employer is prepared to relinquish all his assets to pay the money back.

Vince Stephen Marinkovic, 33, of Altona North has admitted stealing more than \$2.4 million from the Jotun paint supply company over six years to 2002. The Victorian County Court heard he was in charge of the firm's payroll and claimed false entitlements in order to feed his gambling addiction. [www.abc.net.au/news/newsitems/s1069610.htm](http://www.abc.net.au/news/newsitems/s1069610.htm)

AUSTRALIA – As reported by the *Australian*: “A gambling addict who used different identities to defraud welfare agencies of \$45,000 (US\$33, 325) was today jailed for 27 months.

“Siel Bia Ly, 28, was also fined \$900 for his fraud offences in the South Australian District Court today. Judge Patricia Kelly said Ly used several identities to engage in ‘deliberate and sustained fraud over a prolonged period’ . . . She said Ly illegally obtained parenting payments and Newstart allowances totaling \$44,969, and also procured a \$15,000 personal loan on false pretences from the Commonwealth Bank . . .”

[www.casinocitytimes.com/news/article.cfm?contentID=142222](http://www.casinocitytimes.com/news/article.cfm?contentID=142222)

## Casino counties double!

# Bankruptcy link proven

A new study from Creighton University scholars has again confirmed the link between casino gambling and bankruptcy. This work demonstrates personal bankruptcies in counties with casinos are twice as high as those without casinos.

Law professor Edward Morse and economics professor Ernie Goss completed a massive study of 250 counties with casinos. They compiled court records from 1990 and 1999. They compared those counties to non-casino counties and charted comparative demographics to make sure other factors weren't influencing the results. They presented their work in New Orleans at a conference of the Southern Regional Science Association, a group of scholars from fields including sociology, political science and finance.

This study is the second to confirm the linkage between bankruptcy and casino gambling, which has been widely denied by the gambling industry. The American Gaming Association continues to assert, “. . . there is no link between the rate of bankruptcy filings and the presence of casinos,” and its chief spokesman, Frank Fahrenkopf, repeatedly swore that to state legislators last year. (Testimony and statements posted on AGA's web site.)

The industry cites studies generally done too soon after casino introduction to have measured social costs of gambling. Those costs, including addiction, bankruptcy and increased crime, mature three to four years after gambling expansion.

The Creighton study, [The Impact of Casino Gambling on Bankruptcy Rates: A County Level Analysis](#), takes its information from inside casino county boundaries. Another study, [The Impact of Casino Gambling on Personal Bankruptcy Filing Rates](#), contains exhaustive comparative data from casino and “collar” communities. It injects a litany of mitigating influences that might explain bankruptcies, but still concludes, “. . . we found statistically significant increases at the county level in the number of personal bankruptcy filings due to the introduction of casino gambling.”

That study, by John M. Barron, Michael E. Staten and Stephanie M. Wilshusen, also quotes findings of SMR Research, which did extensive studies of casino counties and surrounding markets, concluding “Counties with gambling had a bankruptcy filing rate 18% higher than those without. Counties with more casinos had higher filing rates: counties with one to four gambling facilities (275) had a bankruptcy filing rate 14% higher than in counties without casinos. The rate for counties with five or more gambling outlets (23) was 35% higher than counties without gambling.”

Though SMR and the Barron, et al, studies reach different conclusions about the nationwide impact of gambling on bankruptcy, both they and the Creighton study agree that counties with casinos have higher personal bankruptcy rates.

Links to both studies are posted on the [www.ncalg.org](http://www.ncalg.org) web site.

## Nevada ‘most dangerous’ US state

Nevada is the most dangerous state in the nation according to crime statistics compiled by an independent private research company.

Morgan Quitno Press, which has published comparative analysis for more than 15 years, released its latest “safety” rankings and found the gambling state the most dangerous place in the nation. The company compared rates per 100,000 for murder, rape, robbery, aggravated assault, burglary and motor vehicle theft.

Nevada was the worst, followed by Louisiana.

The survey determined North Dakota to be the safest state and Vermont was the second safest. [http://www.governmentguide.com/community\\_and\\_home/where\\_i\\_live/factors.asp](http://www.governmentguide.com/community_and_home/where_i_live/factors.asp)