

# GAMBLING: Who's really at risk?

*The connection between gambling and crime*

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## EXECUTIVE SUMMARY

New York State is considering permitting gambling in Sullivan County. The process of making this decision requires consideration of the many factors that will have an impact on the quality of life if gambling is permitted.

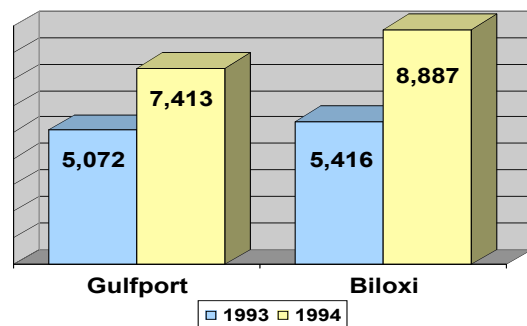
No one would deny that this is a decision that will have wide and deep ramifications lasting for decades – with an impact not confined to Sullivan County, but affecting adjoining communities as well. One of the many factors that must be considered is the impact that permitting casino gambling will have on crime. Is it predictable that crime will increase in Sullivan County should casino gambling be permitted? If there is an increase, what sorts of crime or crimes will rise? Will only Sullivan County be affected or will adjoining communities also experience an increase in criminal activity? Will any rise in crime be merely the result of the inevitable increase in tourism or are there characteristics uniquely associated with gambling that will trigger particular types of crime? What has been the experience of other communities that have permitted gambling?

Specifically, this report examines the impact on crime experienced by other communities during the first decade or so after they have permitted gambling. It does not, at this stage, make projections about what Sullivan County should anticipate. It does, however, examine what has occurred in other communities within the first years after

introducing gambling and offers that as guidance as to what Sullivan County - and its neighboring communities - can anticipate.

The connection between casino gambling and crime is an important public policy issue not just for a community considering allowing casinos to operate locally, but for adjoining communities as well. As this report discusses, while a few studies have opined that there is too little or too inconclusive data to reach specific conclusions as to the impact of gambling on crime in a community, many respected scholars, researchers and law enforcement officials have determined that the introduction of casino gambling into a community has a significant impact on crime and not just locally, but in the surrounding region as well.

### Incidents of Violent Crime in Mississippi Increased-- Will the same happen in Sullivan County?



This report will examine the experience of communities where gambling has been

introduced to illustrate the expected impact and extent of casino-related crime in communities considering introducing gambling.

One of the best ways to anticipate what might happen in Sullivan County, should casino gambling be permitted, is to review the experience of other communities that allowed gambling to be introduced.

## 1) Crime in Local Communities: the Track Record

### Gulfport and Biloxi, Mississippi

Riverboat casino gambling was introduced to the Mississippi Gulf Coast in 1992. A look at what happened in two of the cities - Gulfport and Biloxi - that permitted gambling must be considered before deciding to proceed with gambling in Sullivan County.

The impact of casinos in Biloxi and Gulfport produced the following results on crime rates, according to a report issued by the Maryland Attorney General:

<> By 1994, crime increases were seen in every category, with murder, rape, robbery and car theft at least doubling.<sup>1</sup>

<> Ten categories of violent crime rose by 64% in Gulfport and 46% in Biloxi in

1994. The number of violent crimes in Biloxi went from 5,072 in 1993 to 7,413 in 1994, while rising in Gulfport from 5,416 to 8,887.<sup>2</sup>

<> Bank robberies occurred in 16 banks along "casino row" in 1993, a 300% increase over the previous year and breaking an all-time record.<sup>3</sup>

<> Notably, between 1988 and 1993, Gulfport's overall crime rate had fallen 42%. Gulfport's first casino opened in May, 1993.<sup>4</sup>

<> Alcohol-related crime, from DUI's to family violence, became a major problem. A police official explained "what people don't realize is that casinos are essentially nothing more than huge bars . . . gamblers get as much to drink as they want free of charge, 24-hours a day, and then they leave, get in cars, and get on the road . . . the casinos admit they use alcohol as a tool."<sup>5</sup>

<> The Chief of Police reported that "every crime that is fueled by alcohol and drugs is way up."<sup>6</sup>

<> Alcohol-related accidents rose 101% between the first seven months of 1993 and the same period the year before.<sup>7</sup>

<> Prostitution arrests increased 85%

Crime rates including bank robberies, alcohol related accidents, prostitution and drug arrests all increased.

between 1992 and 1994 and the Gulfport Police Department investigated six escort services on prostitution charges.<sup>8</sup>

<> Drug arrests jumped by 152% between 1992 and 1994. Police Department officials identified heroin, LSD, cocaine, ecstasy, and other drugs as growing more prevalent.<sup>9</sup>

<> Insurance fraud rose, with gamblers "falsely report[ing] that they were abducted, robbed or both."<sup>10</sup>

<> Fraud and embezzlement increased sharply. The Chief of Police stated that "[i]n one week we had 15 cases of internal theft and embezzlement, 90% of it gambling related . . . they're getting in trouble, and they're trying to win it back."<sup>11</sup>

<> Pawn shops doubled in size and tripled in number. They are open 24 hours, and some are "Car Hocks" where a gambler can "hock [his] car for a few hundred dollars in a hurry."<sup>12</sup>

After the release of the Attorney General's report, crime rose still further in Gulfport and Biloxi, reaching 18,500 major crimes reported in 1999.<sup>12a</sup>

By 2002, the number of major crimes reported in Biloxi and Gulfport had fallen from the peak seen in 1999, to 9,670, according to FBI data. However, both Biloxi and Gulfport's crime rates exceed the state average for Mississippi. In the state as a whole, there were 4,159 crimes per 100,000 population. Meanwhile, there were 7,534

crimes per 100,000 residents of Biloxi and 8,102 crimes per 100,000 residents in Gulfport.<sup>12b</sup>

This phenomenon of rapidly climbing crime subsequent to the introduction of gambling has not been limited to Biloxi and Gulfport. Virtually every other community that has permitted gambling has seen a similar increase.

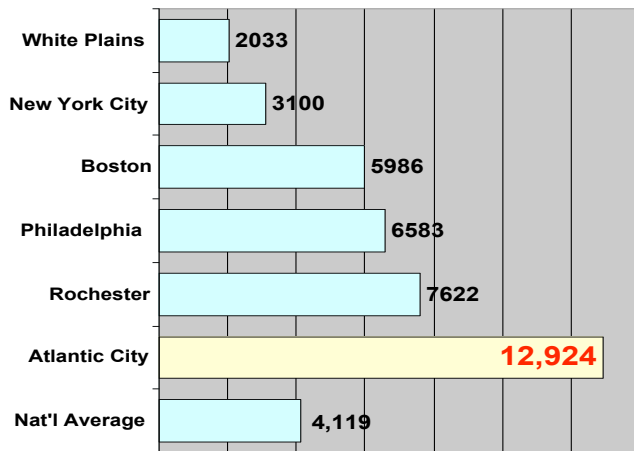
**Introducing gambling in Atlantic City led to major increases in crime.**

### Atlantic City, New Jersey

It is well-known that the introduction of gambling in Atlantic City led to major increases in crime. A report by the Maryland Attorney General notes that "In the first ten years the city had casinos, the total crime index rose a staggering 258%. Non-violent index crimes increased 272%. Between 1978 and 1993, violent crime rose by 199%, and larceny skyrocketed 481%."<sup>13</sup>

And this increase in crime was not contained within Atlantic City; rather, it effected neighboring communities as well.

**Crime Rates in Atlantic City  
Compared to Cities with no Gambling**



**NOTE – All figures are per 100,000 population**

(Source: FBI UCR data, 2002)

Another study looking at the “spillover” effect of crime on adjoining communities found that Atlantic City’s “increases in crime extended outward at least 30 miles to suburban areas and to areas along highways that extended toward New York and Philadelphia.”<sup>14</sup>

***Current Crime Rates in Atlantic City Compared to Cities without Gambling:***

Although crime rates in Atlantic City did eventually fall off after the dramatic increases seen in the first ten years after gambling was introduced, the current crime rate per 100,000 residents is still far above the national average. In 2002, the city recorded 12,924 crimes per 100,000 population.<sup>14a</sup> That compares with 4,119 crimes per 100,000 nationally and crime levels in the other cities in the Northeast United States in 2002.

Atlantic City's high crime level also persists despite the fact that it has three times as many police officers per capita compared with the average for Northeastern U.S. cities. Atlantic City's police force has 10.12 officers per thousand population, compared to the average of 2.7 officers per thousand population in the Northeast. By further comparison, there are 4.65 officers per thousand in New York City and 3.66 officers per thousand in Orlando.<sup>14b</sup>

**Connecticut**

In 1992, Foxwoods Resort Casino began operations in Ledyard, Connecticut, a town with roughly 15,000 residents in a rural and isolated area. A 2000 study by the Connecticut Center for Economic Analysis provided statistics on crime in the town of Ledyard since the casino opened. The incidence of crime in the community increased 532.2 percent between 1990 and 1998, going from 214 in 1990, peaking at 1773 in 1995 and then declining to 1353 in 1998.<sup>15</sup>

Moreover, crime, much like with Atlantic City and its neighboring communities, has also increased in neighboring communities both in Connecticut and across the border in nearby Rhode Island.<sup>16</sup>

By 2002, the total number of crimes had fallen in Ledyard compared to the 1995 peak, with 637 major crimes reported, but the crime rate was still far above the statewide average. Ledyard’s crime rate was 4,268 per 100,000 residents in 2002,

compared with 3,016 per 100,000 statewide.<sup>16a</sup>

This higher crime rate was particularly noticeable when looking closely at the categories of larceny and aggravated assault. In 2002, there were 3,558 larcenies per 100,000 residents in Ledyard, compared with 1,879 per 100,000 residents statewide. Similarly, there were 241 aggravated assaults per 100,000 residents in Ledyard in 2002 compared with 165 per 100,000 residents for the whole state.<sup>16b</sup>

### Wisconsin

In a 1996 study of Wisconsin's 17 Native American casinos, the Wisconsin Policy Research Institute found that crime increases were found in all 14 counties where casinos had been introduced in the state. That study reported that "The rates of major crimes in these counties were 6.7% higher than they would have been in the absence of casinos. These crimes include violent ones like murder, forcible rape, robbery, and aggravated assault and non-violent ones like the property offenses of burglary and larceny."<sup>17</sup>

**Rape, murder, robbery and aggravated assault all increased in 14 counties where casinos had been located.**

The study found that nearly \$51 million in additional crime and criminal-justice system costs were generated in Wisconsin due to casinos. These expenses were related to investigation, arrest, arraignments and imprisonments associated with gambling-related crimes.<sup>18</sup>

## **2) Factors Linking Casinos and Crime: Pathological Gambling**

One of the major factors helping to establish the link between casino gaming and criminal behavior is pathological or problem gambling. Pathological gambling is a recognized impulse control disorder as noted in the Diagnostic and Statistical Manual of the American Psychiatric Association (APA). While many people are able to gamble occasionally without any problems, pathological gamblers develop what amounts to an addiction to gambling that can be as destructive as any illegal drug. Moreover, like with drug addiction, the damage done by pathological gamblers is not limited to their own lives. Studies have shown that after exhausting their own financial resources they will often turn to criminal activities to finance their obsessive gambling habits. They also play a disproportionate role in terms of criminal behavior compared to the rest of the population.

The following bullet points illustrate some of the links between criminal activities and compulsive gambling:

<> The National Gambling Impact Study Commission Report noted that “A third of problem and pathological gamblers had been arrested, compared to 10 percent of low-risk gamblers and 4 percent of non-gamblers.”<sup>19</sup>

<> A Maryland study found that 62 percent of the Gamblers Anonymous group studied committed illegal acts as a result of their gambling.<sup>20</sup>

<> A National Institute of Justice study found that problem gamblers were much more likely to be arrested than members of the population are. In a study in two communities, they found that 14.5% of arrestees in Las Vegas and 9.2% of arrestees in Des Moines were problem or pathological gamblers – three to five times the percentage in the general population.<sup>21</sup>

### **3) Casinos and Tourism: does an increase in tourism alone explain the increase in crime?**

Advocates of casino gambling often play down discussion of crime growth following the introduction of gambling, arguing that increases in tourism will inevitably lead to more crime simply because of the additional people present in the community. While this

may have intuitive appeal, studies have shown that tourism, in and of itself, does not cause an increase in crime; rather, increases in tourism related to gambling causes an increase in crime.

For instance, one study looked at tourism and crime rates in 1994 at the Mall of America (Bloomington, MN), Disney World (Orlando, FL) and Las Vegas. The Mall of America receives 38 million visitors per year, while Disney World has 34 million visitors per year, and Las Vegas had 30.3

million visitors per year. The report noted that “combining visitors with residents to calculate diluted crime rates, the crime rate per 100,000 visitors plus residents was 187.3 for Las Vegas, 64 for Orlando ... and 11.9 for Bloomington. Thus Bloomington which received 7.7 million more visitors than Las Vegas had a crime rate per visitor plus resident, less than 1/15th of the

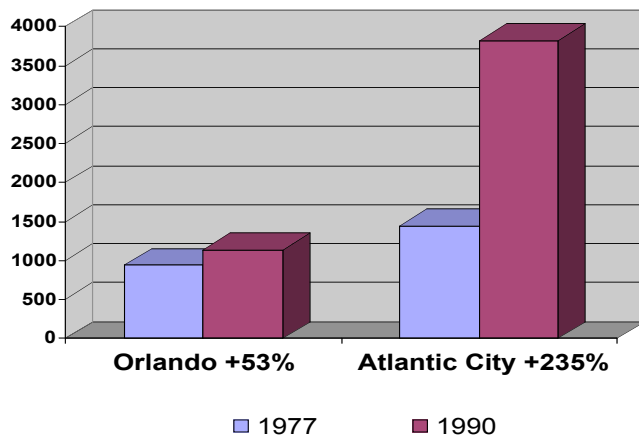
rate for Las Vegas.”<sup>22</sup>

The FBI Uniform Crime Reporting (UCR) data comparing crime rates in Orlando, Florida to Atlantic City, New Jersey, over an extended time frame clearly show that tourism itself cannot account for the significant increases in crime found in communities where gambling has been introduced.<sup>23</sup>

**Tourism itself cannot account for the significant increases in crime seen where gambling has been introduced.**



**Does casino-related tourism result in more crime as compared to non-casino related tourism?**



UCR: Crime rates per 100,000 population

(Source: Curran citing FBI Uniform Crime Reports.)<sup>24</sup>

As seen in the graphic, while crime rose 53% in Orlando between 1977 and 1990, it rose 235% in Atlantic City during that time. And this big jump in crime in Atlantic City occurred while its population *declined* in the reported period by 12%, while Orlando's population *rose* 39% and while Orlando's number of police officers per 1,000 inhabitants *declined* from 3.35 to 3.11 while Atlantic City's *rose* from 6.50 to 11.19.<sup>25</sup> Specifically, during the time period cited:

<> Aggravated assaults increased 218% in Orlando, but 327% in Atlantic City.<sup>26</sup>

<> Rapes rose 113% in Orlando, but 159% in Atlantic City.<sup>27</sup>

<> Larceny rose 96% in Orlando, but 504% in Atlantic City.<sup>28</sup>

**4) The Introduction of Casinos has been shown to increase crime, both locally and in neighboring communities.**

A recent large-scale academic study by Professors Earl L. Grinols of the University of Illinois and David B. Mustard of the University of Georgia<sup>29</sup> draws a strong connection between casino gambling and increased crime rates. The authors looked at crime data from across the country between 1977 and 1996 to determine if the introduction of casino gambling into a community had an impact on crime both within the community and in surrounding areas.

Their study reviewed crime data from across the country between 1977 and 1996 to ascertain if the introduction of casino gambling into a community had an impact on crime both within the community and in surrounding areas. They concluded that "crime increases over time in casino counties, and that casinos do not just shift crime from neighboring regions, but create crime."<sup>30</sup> Their study also shows that casino-related crime is not confined to the community in which the casino is located, noting that by the fourth and fifth years after the introduction of gambling, crime rates are increased in neighbor counties as well.<sup>31</sup>

Ultimately, their research determined that 10.3% of violent crime and 7.7% of property crime in communities with casinos is linked to gambling.<sup>32</sup>

In explicit response to concerns such as those expressed by the General Accounting Office regarding the insufficient quality of previous studies of gambling and crime, Grinols and Mustard's study - which was done after the GAO expressed its position about the lack of definitive evidence - aims at "conducting the most exhaustive investigation ... utilizing a comprehensive county-level crime data set."<sup>33</sup>

The authors explained that: "Using data from every US county from 1977 to 1996 and controlling for over 50 variables to examine the impact of casinos on the seven FBI Index I crimes (murder, rape, robbery, aggravated assault, burglary, larceny and auto theft), we concluded that casinos increased all crimes except murder, the crime with the least obvious connection to casinos. Most offenses showed that the impact of casinos on crime increased over time, a pattern very consistent with the theories of how casinos affect crime."<sup>34</sup>

The results of their research found increases in most types of crime the report looked at, with a lag of two or three years after the casino opened. For example:

**Casino-related crime is not confined to the community in which casinos are located. Crime rates rise in neighbor counties also.**

<> In the fifth year after opening, casino communities had an aggravated assault rate that was higher by 99.98 assaults per 100,000 population per year.<sup>35</sup>

<> Rapes increased by 9.98 incidents per 100,000 population per year by the fifth year after opening.<sup>36</sup>

<> The robbery rate increased by 65.24 per 100,000 population per year by the fifth year after the casino opened.<sup>37</sup>

<> For burglary they found 325.15 additional offenses per 100,000 population by the fifth year after opening.<sup>38</sup>

<> For larceny they determined that by the fifth year after opening the rate would be 614.70 higher per 100,000 population per year than it was prior to the casino opening.<sup>39</sup>

Importantly, this impact was not only experienced by the community that contained the casinos; there was also an impact in adjoining communities as well.

Grinols and Mustard found that crime rates rose in neighboring counties, but at a slower pace than in the counties where the casinos were located and that there was no shifting of crime from other counties to the host county of the casino. In neighboring counties, they write, "Crime typically increases ... but at half or less the magnitude of the home county effect." They

also add that “For all offense types the data reject the contention that the increase in crime in the casino counties can be attributed to decreases in neighboring counties, and thus support the contention that casinos create crime.”<sup>40</sup>

## **5) Gambling has been linked to local political corruption**

The introduction of gambling casinos has also been shown to lead to overt corruption at the local and state government level. One study from 2000<sup>41</sup> assembled a brief list of some of the more notable incidents of local political corruption in connection with opening of gambling casinos in recent years:

<> In Florida, Bo Johnson, ex-speaker of the House of Representatives, was charged with seven criminal counts involving extortion and bribery, the largest of which he received from a casino company. He was eventually sentenced to serve two years in prison.<sup>42</sup>

<> Representative John Leopold of Maryland stated that at a time when the state was considering expansion of gambling, "The Senate Majority leader from Washington County was offered a \$10,000 bribe to vote for that (slot machine) bill. Another legislator, a State Senator from my county, was also offered \$5,000 in cash in an envelope outside the Senate chamber."<sup>43</sup>

<> Nineteen Arizona legislators and lobbyists were caught on videotape, with the legislators promising to vote for

gambling bills after receiving cash from the lobbyists. One legislator was convicted of conspiracy, and six ultimately accepted plea bargains.<sup>44</sup>

<> In Missouri, the House Speaker of 15 years resigned in 1996 after a federal investigation produced charges of gambling-related deals. As reported in newspaper accounts, the ex-speaker demanded that a gambling company funnel payments of \$16 million to the ex-speaker's business associates and friends in order to obtain a state casino license.<sup>45</sup>

<> After escaping felony convictions in several previous corruption trials, ex-governor of Louisiana Edwin Edwards was convicted on May 8, 2000 for the first time, "on charges he extorted hundreds of thousands of dollars from businessmen applying for riverboat casino licenses."<sup>46</sup>

## **Conclusion**

It is virtually inescapable that there will be an impact on crime from introducing gambling. While its extent cannot be precisely stated, it can be stated that many categories of crime will rise. It is similarly impossible to know how many additional victims of crime there will be as a result of gambling and it will be the responsibility of decision makers to decide how many additional victims are acceptable in exchange for the perceived benefits from permitting gambling.

## PART ONE

### INTRODUCTION

New York State is considering permitting gambling in Sullivan County. The process of making this decision requires consideration of the many factors that will have an impact with wide and deep ramifications lasting for decades – an impact not confined to Sullivan County alone, but affecting adjoining communities as well. One of the many factors that must be considered is the impact that casino gambling will have on crime in the area. Is it predictable that crime will increase in Sullivan County should casino gambling be permitted? If there is an increase, what types of crime will rise? Will a rise in crime be limited to Sullivan County or will surrounding areas also experience an increase in criminal behavior? Will any rise in crime be merely the result of the inevitable increase in tourism or are there characteristics uniquely associated with gambling that will trigger particular types of crime? What has been the experience of other communities that have permitted gambling?

This report examines the impact on crime experienced by other communities that have permitted gambling. It does not, at this stage, make projections about what Sullivan County should anticipate. It does, however, examine what has occurred in other communities within the first years after introducing gambling and offers that as guidance as to what Sullivan County can anticipate.

In preparing this report, we have examined a wide range of sources in an effort to determine if there is both a qualitative and quantitative link between casino gambling and crime, a subject which has been the basis for numerous studies and reports. We reviewed news reports related to crime and casinos; large scale studies either by academic sources or government entities; smaller academic studies dealing with more narrow aspects of the topic; books; and reports prepared by law enforcement agencies or officials over the past decade and beyond.

The National Gambling Impact Study Commission was not able to draw definitive conclusions about gambling's relationship to criminal activity in its final report in 1999, but stressed that more research was needed on the subject:

“The [National Gambling Impact Study] Commission attempted to investigate the relationship between crime and legalized gambling through two studies ... The results from these two studies suggest that a relationship may exist between gambling activity and the commission of crime, but concluded that insufficient data exists to quantify or define that relationship. More study is needed to isolate the exact relationship between crime and legalized gambling. This result highlights similar conclusions reached by many in the research field, scholars who lament the paucity of information. Yet, one study also found that people within communities that host legalized gambling believe crime rates are up. We are not prepared to discount these

views in the community. Rather, they are troubling and demand greater research, clarity and knowledge.”<sup>47</sup>

Similarly, the General Accounting Office in a 2000 report concluded that “In general, existing data were not sufficient to quantify or define the relationship between gambling and crime ... although numerous studies have explored the relationship between gambling and crime, the reliability of many of these studies is questionable.”<sup>48</sup>

These views are not held by others. In reality, a number of thoughtful, credible studies have explored the specific link between the advent of gambling in a given community and the resulting experience with crime experienced by those communities.

Many respected scholars, researchers and law enforcement officials have determined that the introduction of casino gambling into a community has indeed tended to have a significant impact on crime – not just locally, but in the surrounding region as well. And a wide array of news reports, studies and reports, help to illustrate the destructive impact and extent of casino-related crime in countless communities across the nation.

In Maryland, an exhaustive 1995 report by the Attorney General's Office stated:

“Casinos would bring a substantial increase in crime to our State. There would be more violent crime, more juvenile crime, more drug- and alcohol-related crime, more domestic violence and child abuse, and more organized crime. Casinos would bring us exactly what we do not need -- a lot more of all kinds of crime.”<sup>49</sup> As will be demonstrated below, the Attorney’s General opinion was based on numerous incidents of criminality flowing from gambling.

“... crime increases over time in casino counties ... casinos do not just shift crime from neighboring regions, but create crime.”

(See footnote 51)

## PART TWO

### NATIONAL STUDIES AND OVERVIEW OF TRENDS

#### **A. Impact on crime from gambling both within the community and in surrounding areas:**

In a major recent academic study, Professors Earl L. Grinols of the University of Illinois and David B. Mustard of the University of Georgia draw a strong connection between casino gambling and increased crime rates.<sup>50</sup> Their study reviewed crime data from across the country between 1977 and 1996 to ascertain if the introduction of casino

gambling into a community had an impact on crime both within the community and in surrounding areas. They concluded that “crime increases over time in casino counties, and that casinos do not just shift crime from neighboring regions, but create crime.”<sup>51</sup> Their study also shows that casino-related crime is not confined to the community in which the casino is located, noting that by the fourth and fifth years after the introduction of gambling, crime rates increase in neighboring counties as well.<sup>52</sup>

Ultimately, their research determined that 10.3% of violent crime and 7.7% of property crime in communities with casinos is linked to gambling.<sup>53</sup>

In explicit response to concerns such as those expressed by the General Accounting Office and the National Gambling Impact Study regarding the insufficient quality of previous studies of gambling and crime, Grinols and Mustard’s study - which was done after the GAO and NGISC expressed their position about the lack of definitive evidence - aims at “conducting the most exhaustive investigation ... utilizing a comprehensive county-level crime data set.”<sup>54</sup>

**A year 2000 University of Illinois report using data from every US county concluded that rape, robbery, aggravated assault, burglary, larceny and auto theft increased as a result of casinos.**

The authors explained that: “Using data from every US county from 1977 to 1996 and controlling for over 50 variables to examine the impact of casinos on the seven FBI Index I crimes (murder, rape, robbery, aggravated assault, burglary, larceny and auto theft), we concluded that casinos increased all crimes except murder, the crime with the least obvious connection to casinos. Most offenses showed that the impact of casinos on crime increased over time, a pattern very consistent with the theories of how casinos affect crime.”<sup>55</sup>

The results of their research found increases in most types of crime the report examined, with a lag of two or three years after the casino opened. For example:

<> In the fifth year after opening, casino communities had an aggravated assault rate that was higher by 99.98 assaults per 100,000 per year.<sup>56</sup>

<> Rapes increased by 9.98 incidents per 100,000 per year by the fifth year after opening.<sup>57</sup>

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casino opened.<sup>58</sup>

<> For burglary they found 325.15 additional offenses per 100,000 by the fifth year after opening.<sup>59</sup>

<> For larceny they determined that by the fifth year after opening the rate would be 614.70 higher per 100,000 per year than it was prior to the casino opening.<sup>60</sup>

Importantly, this impact was not only experienced by the community that contained the casinos; *there was an impact in adjoining communities as well.*

Grinols and Mustard found that crime rates rose in neighboring counties, but at a slower pace than in the counties where the casinos were located and that there was no shifting of crime from other counties to the host county of the casino. In neighbor counties, they write, "Crime typically increases ... but at half or less the magnitude of the home county effect," They also add that "For all offense types the data reject the contention that the increase in crime in the casino counties can be attributed to decreases in neighboring counties, and thus support the contention that casinos create crime."<sup>61</sup>

A similar phenomenon of crime spreading beyond the immediate city where casinos are located has been noted in New Jersey. The overall number of crimes within a 30-mile radius of Atlantic City increased over 100% during the nine years following the introduction of casinos.<sup>62</sup>

Grinols and Mustard explained their findings as being consistent with the expectation that "problem and pathological

gamblers typically take about two to four years to start gambling, become addicted, exhaust alternative resources, and eventually commit crime."<sup>63</sup>

The data was also consistent with the awareness that the crimes that increased the most were offenses like auto theft and larceny, in which acquiring financial resources is a main motivation for the crime. That explains why their study found no relationship between the opening of casinos and murder rates, which they attributed to the fact that the crime of murder is not usually connected with gambling in a statistically meaningful way.<sup>64</sup>

This important connection between pathological gamblers and crime is more fully discussed below.

Another large-scale academic study<sup>65</sup> looked at casino-related crime using the concept of "hot spots", i.e.: the locations of the most calls for police service, to help understand the relationship between criminal activity and the presence of gambling casinos. The authors of the academic study are professors: Stitt in criminal justice at the University of Nevada, Reno; Nichols in economics at the University of Nevada, Reno; and Giacomassi in criminology and criminal justice at the University of Memphis. It was published in 2003 in the journal Crime and Delinquency.

The study looked at several communities with casinos and compared them to demographically similar communities, i.e.: "control communities," that did not have

casinos to see how crime rates differed in each over time. One of the communities studied contained nine casinos. The remainder contained one.

The study found that Biloxi, Mississippi - the community with nine casinos - showed the most pronounced increase in crime vis-à-vis its control community of Pensacola, Florida. In the other communities in the study, there was only one casino present. In the other communities examined in the study, results were more varied, a finding which the authors linked to the presence of only one casino per community. One exception was the case of Peoria, Illinois, which did see crime growth compared to its control community, as will be discussed below. The researchers explored the significant crime increase in Biloxi within the “hot spot” theory of crime, which posits that:

“... crime is not randomly distributed in a community ... a vastly disproportionate number of calls for police service usually comes from a small proportion of addresses. ... [R]outine behaviors characteristic of certain places, termed hot spots, contribute to increased levels of crime. ... Casinos appear to provide an environment consistent with routine activities and hot spot criteria.”<sup>66</sup>

Certain unique characteristics of the casino environment help to explain why there are

“hot spots” for crime, the researchers found: because, unlike other entertainment-oriented tourist attractions, money is the principal center of attention in casinos; because casinos may inspire “situational and opportunistic crime by gamblers who have sustained big losses and who are desperate to recoup those losses,” especially in the case of compulsive gamblers; and also because the policy of providing free alcohol to gamblers in many casinos may help facilitate crime both by making potential victims less vigilant and potential offenders less inhibited, just to cite a few.<sup>67</sup>

This increase in crime in Mississippi is not limited to Biloxi. The number of court cases filed in Tunica County, Mississippi, for instance, increased by over 1,600% during the five-year period after casinos began operating there.<sup>68</sup>

Nor did Minnesota escape the crime inevitably associated with gambling. In fact, the crime rate in Minnesota counties with casinos increased more than 200% faster than counties without casinos.<sup>69</sup>

Finally, Wisconsin shows similar pattern of increasing crime as a result of casino gambling. University of Nevada-Las Vegas researchers concluded that the state of Wisconsin experiences an average of 5,300 additional major crimes a year due to the presence of casinos in that state. They also attributed an additional 17,100 arrests for

Communities with casino gambling experience on average 84% more crime ...



less-serious crimes each year to the existence of casino gambling.<sup>70</sup>

In sum, across the nation, the result is the same over and over; communities with casino gambling experience more crime than communities without. This is confirmed by a U.S. News & World Report analysis that found average national crime rates in casino communities to be 84% higher than communities without casinos.<sup>71</sup>

## **B. The issue of pathological gambling and its implications**

One of the major factors helping to establish the link between casino gaming and criminal behavior is pathological or problem gambling. Pathological gambling is a recognized impulse control disorder as noted in the Diagnostic and Statistical Manual of the American Psychiatric Association. While most people are able to gamble occasionally or infrequently and have no problems, pathological gamblers develop what is in effect an addiction to gambling which can prove as destructive to their financial and mental well-being as any illegal drug. The damage done by pathological gamblers is not limited to their own lives, however, as in many cases, studies have shown that after exhausting their own financial resources they will often turn to criminal activities to finance their obsessive gambling habits.

Pathological gamblers are identified on the basis of several criteria developed by the APA including preoccupation with

gambling, tolerance (or the need to increase the amount of bets to produce more excitement), lying, withdrawal (defined as restlessness or irritability when not gambling), escape, chasing (returning to the casino to make up for previous losses), loss of control, illegal acts, risked relationships, and “bailout,” i.e., depending on others to resolve gambling-related financial problems. Gamblers meeting at least five of these criteria are classified as pathological.<sup>72</sup>

Not surprisingly, the highest proportion of pathological gamblers occurs in communities where casinos are located. As the National Council on Problem Gambling has noted, “pathological gambling is more prevalent where gambling is more available.”<sup>73</sup> A 2002 study found that the percentage of population who are pathological gamblers in Nevada was 6.4%, higher than in any other state where surveys have been conducted.<sup>74</sup> Another study of adults found that “living within 50 miles of a casino doubles their probability of pathological or problem gambling,”<sup>75</sup> while yet another found that “those who live within 10 miles of a casino have twice the rate of pathological or problem gambling as those who do not.”<sup>76</sup> Researchers have differing explanations for these trends. “The most straightforward explanation ... is that the availability of an attractive gambling opportunity can lead to gambling pathology in some people who would not otherwise develop it,” one report notes, but also says that the increase could happen because “... addicted gamblers might move to get closer to the casino.”<sup>77</sup>

It is also important to note that compulsive gambling is often a tendency that can manifest itself in individuals as a result of the introduction of casinos in a community. In other words, the rate of compulsive gamblers in a population should not be seen as fixed or permanent – the arrival of a casino in a community can be expected to prompt an increase in the number of compulsive or pathological gamblers in the area. One study found that the percentage of pathological gamblers in Iowa rose from 1.7% in 1989 to 5.4% in 1995, following the introduction of gambling casinos in the state.<sup>78</sup>

On a more concrete level, some studies have examined the effect of slot machines in particular as a form of gambling that can rapidly cause non-problem gamblers to become compulsive or pathological gamblers. “When machines are the primary form [of gambling], PG-[pathological gambling] onset occurs significantly faster,” one study noted.<sup>79</sup> This was attributed to the fact that these devices, such as slot machines, “provide a rapid, continuous and repetitive means of betting”<sup>80</sup> as well as “a continuous stream of visual and auditory stimuli that may promote responding.”<sup>81</sup> The study pointed out that the finding was particularly relevant because at present 70% of revenues at the average casino come from machines, whereas

previously table games produced 60% of revenues.<sup>82</sup>

Other observers have pointed out how casinos use such familiar “tricks” as cheap food buffets, free alcohol, entertainment, and lighting that creates a “dazzling atmosphere in which night is day,” to keep people inside the casino and gambling, which can exacerbate the tendencies of pathological gamblers.<sup>83</sup>

“When pathological gamblers run out of legitimate sources of money they consider illegal sources.”

Although they represent a small segment of the population, pathological gamblers are very important to the casino industry; some studies estimate that 39% of casino revenues come from compulsive gamblers.<sup>84</sup> Findings like that have led some critics of gambling to argue that the industry in effect has turned a blind eye to the problems of pathological gambling due to its dependence on the steady revenue stream provided by victims of the condition.

That issue aside, in the same way that the relatively small proportion of compulsive gamblers provides a large component of casino revenue, they also play a disproportionate role in terms of criminal behavior compared to the rest of the population.

## C. Pathological Gamblers and Crime

Many studies have demonstrated that pathological gamblers frequently turn to criminal activity, often in order to provide financial resources to continue gambling. As one study simply puts it, “When pathological gamblers run out of legitimate sources of money they consider illegal sources.”<sup>85</sup>

The following bullet points represent an overview of some of the findings of these studies:

<> The National Gambling Impact Study Commission Report noted that “A third of problem and pathological gamblers had been arrested, compared to 10 percent of low-risk gamblers and 4 percent of non-gamblers. About 23 percent of pathological gamblers have been imprisoned, and so had 13 percent of problem gamblers.”<sup>86</sup>

<> A Maryland Department of Health and Mental Hygiene study found that 62 percent of the Gamblers Anonymous group studied committed illegal acts as a result of their gambling, while 80 percent had committed civil offenses.<sup>87</sup>

<> A Nevada study of pathological gamblers found that 63.3% had written bad checks, while 30.1% stole from the workplace to gamble or pay gambling debts. That compares to findings of 31.7% of pathological gamblers in

Wisconsin, 37.1% in South Carolina, and 40.7% in Connecticut.<sup>88</sup>

<> The same study found that 50.6% of pathological gamblers surveyed in Nevada had stolen money or property to gamble or pay gambling debts, compared to 49% of pathological gamblers in Wisconsin, 53% in South Carolina and 55% in Connecticut.<sup>89</sup>

<> A National Institute of Justice (NIJ) Study found that problem gamblers were disproportionately represented among arrestees in two communities studied. In other words, pathological gamblers are much more likely to be arrested than the rest of the population is likely to be arrested. The NIJ found that 14.5% of arrestees in Las Vegas and 9.2% of arrestees in Des Moines were problem or pathological gamblers. That is three to five times the rate of pathological gamblers than is typically seen among members of the general population, thus indicating that pathological gamblers are found at a higher rate among the arrested population. “Perhaps more telling,” the study writes, “more than one-third of the compulsive gamblers arrested (34.6% in Las Vegas and 37.5% in Des Moines) had been arrested on at least one felony count.”<sup>90</sup>

<> The same NIJ study also found that “more than 30 percent of pathological gamblers who had been arrested in Las Vegas and Des Moines reported having committed a robbery within the past year, nearly double the percentage for low-risk

gamblers. Nearly one-third admitted that they had committed the robbery to pay for gambling or to pay gambling debts.”<sup>91</sup>

<> The NIJ study also found that “About 13% [of pathological gambling arrestees] said they had assaulted someone to get money; one in four assaults reported by pathological gamblers was directly or indirectly related to gambling.”<sup>92</sup>

<> In its report, the National Gambling Impact Study Commission discussed the problem of pathological gambling at length, noting that the commission had “heard repeated testimony of desperate gamblers committing illegal acts to finance their problem and pathological gambling ...”. These incidents included:

<> A Detroit man who faked his own son's kidnapping to pay back a \$50,000 gambling debt.<sup>93</sup>

<> A 14-year hospital employee in Iowa who embezzled \$151,000 from her employer for gambling.<sup>94</sup>

<> The wife of a Louisiana police officer who faced 24 counts of felony theft for stealing to fund her pathological gambling.<sup>95</sup>

<> In a survey of nearly 400 Gamblers Anonymous members, 57 percent admitted stealing to finance their gambling. Collectively they stole \$30 million, for an average of \$135,000 per individual.<sup>96</sup>

<> One witness before the National Gambling Impact Study Commission indicated that “80 to 90 percent of people in Gamblers Anonymous will tell you they did something illegal in order to get money to gamble ... [including] white collar crimes, fraud, credit card and employee theft.”<sup>97</sup>

<> In Louisiana, one man confessed to robbing and murdering six elderly individuals to feed his problem with gambling on electronic gambling devices.<sup>98</sup>

It is clear that there is a wide array of data on the criminal propensities of pathological gamblers and the destructive impact this condition can have for individuals and the broader community. That being the case, it is worth considering one point raised in a study of the casino industry which posits that the crimes of compulsive gamblers are actually under-reported “because their victims often included ‘family members or close associates.’”<sup>99</sup> As bad as the data looks, the real situation may actually be even worse.

## **D. Other relevant crime & law enforcement issues**

### **Corruption**

Another broad-based issue related to the impact of casinos on crime and law enforcement relates to the potential of conflicts of interest between local police and the management officials of local casinos

once they become established in the community. For instance, in many communities where casinos are introduced, casinos are often the direct providers of additional funding for law enforcement equipment and salaries. This can create disincentives for police to take actions perceived not to be in the casinos' interests. For instance, in its report prepared for the National Gambling Impact Study Commission, the National Opinion Research Center cited the comments of one police officer, quoted anonymously, who says "Casinos are very image conscious. If there are rapes in the parking lot, the casinos ask us not to report them."<sup>100</sup>

More broadly, the introduction of gambling casinos has also been shown to lead to outright corruption at the local and state government level. As the late Illinois Senator Paul Simon said in testimony before the National Gambling Impact Study Commission, the gambling business "...has more of a history of corruption than any other industry."<sup>101</sup> One 2000 study,<sup>102</sup> for the National Coalition Against Legalized Gambling assembled the following compendium of incidents from recent years of local political corruption in connection with opening of gambling casinos:

<> An alleged Youngstown, Ohio mob boss put at least \$10,000 into the 1996 election campaign of the Mahoning County sheriff in an effort to protect illegal gambling businesses.<sup>103</sup>

<> In Ohio, an FBI investigation found evidence of "local judges, police

officers, sheriffs, union leaders, politicians and businessmen who are alleged to be members of or under the control of the local faction of the Pittsburgh Mafia...relating to mob-controlled illegal gambling businesses and other forms of public corruption."<sup>104</sup>

<> In Florida, Bo Johnson, ex-speaker of the House of Representatives, was charged with seven criminal counts involving extortion and bribery, the largest of which he received from a casino company. He was eventually sentenced to serve two years in prison.<sup>105</sup>

<> Nineteen Arizona legislators and lobbyists were caught on videotape, with the legislators promising to vote for gambling bills after receiving cash from the lobbyists. One legislator was convicted of conspiracy, and six ultimately accepted plea bargains.<sup>106</sup>

<> In Missouri, the House Speaker of 15 years resigned in 1996 after a federal investigation produced charges of gambling-related deals. As reported in newspaper accounts, the ex-speaker demanded that a gambling company funnel payments of \$16 million to the ex-speaker's business associates and friends in order to obtain a state casino license.<sup>107</sup>

<> In Kentucky, Operation BOBTROT, an investigation into bribery surrounding the state's horse racing industry, resulted in the conviction or plea-bargaining of 15 state legislators.<sup>108</sup>

<> After escaping felony convictions in several previous corruption trials, ex-governor of Louisiana Edwin Edwards was convicted on May 8, 2000 for the first time, "on charges he extorted hundreds of thousands of dollars from businessmen applying for riverboat casino licenses." <sup>109</sup>

### **Gambling, tourism and crime increases**

Advocates of casino gambling often dismiss concerns over crime growth following the introduction of gambling by noting that increases in tourism will inevitably lead to more crime simply because there are more people in the community.

That is the argument made by Jeremy Margolis, whose study "Casinos and Crime: An Analysis of the Evidence," commissioned by the American Gaming Association, argues that "communities with casinos are just as safe as communities that do not have casinos."<sup>110</sup> Margolis' report generally concedes that large increases in crime are found following the introduction of casinos into communities, but argues that when one considers the large increase in tourist population, such increases do not translate into a higher rate of victimization of the resident and tourist populations combined. The contrast, however, in criminality between communities with gambling versus those tourist destinations that do not have gambling seriously undermines this argument.

Margolis' point is echoed by Spectrum Gaming Group, which, in its report to the Sullivan County Legislature posits that "Our experience over 25 years in Atlantic City is that the growth in crime from a pre-casino era to a casino era can be attributed to the growth in visitation, as well as to generally improved economic conditions in which more money attracts more criminals."<sup>111</sup> This statement, however, is not supported by data and is contradicted by other studies.

As economists Grinols and Mustard point out in their report, visitors do not, in and of themselves, increase crime. "[V]isitors to national parks do not increase crime. Therefore, if casino visitors increase crime, it is because they are systematically different than national park visitors or visitors to other attractions."<sup>112</sup>

Their study notes that:

"The three largest single tourist attractions in the United States in 1994 were the Mall of America (Bloomington, MN), Disney World (Orlando, Florida), and Branson, Missouri (country and western music) receiving 38 million, 34 million, and 5.6 million visitors, respectively. For comparison, Hawaii received approximately 6 million and Las Vegas received 30.3 million visitors in 1994. Visitors per resident were 1,345 for Branson, 436 for Bloomington, MN, 188 for Orlando, and 40 for Las Vegas. If visitors of any type are the predominant mechanism for crime, Branson and Bloomington should be among the most crime-ridden places in North America. Even combining visitors

with residents to calculate diluted crime rates, the crime rate per 100,000 visitors plus residents was 187.3 for Las Vegas, 64 for Orlando, 16.4 for Branson, and 11.9 for Bloomington. Bloomington which received 7.7 million more visitors than Las Vegas had a crime rate per visitor plus resident less than 1/15th of the rate for Las Vegas.”<sup>113</sup>

Similarly, Maryland Attorney General J. Joseph Curran Jr.<sup>114</sup> compared crime rates in Orlando, Florida and Atlantic City, New Jersey, over an extended time frame to show that tourism itself cannot account for the significant increases in crime found in communities where gambling has been introduced.

Curran notes that from 1977 to 1990, *Atlantic City's population fell by 12%, while Orlando's population rose 39%.*<sup>115</sup> The following statistics show relative crime rates and increases during that period.

Crime Rates per 100,000 population:

	1977	1990	% change
Orlando	9,398	14,393	+ 53%
Atlantic City	11,374	38,147	+ 235%

(Source: Curran citing FBI UCR data)<sup>116</sup>

Meanwhile, during the same time period,

<> Aggravated assaults increased 218% in Orlando, but 327% in Atlantic City.<sup>117</sup>

<> Rapes rose 113% in Orlando, but 159% in Atlantic City.<sup>118</sup>

<> Larceny rose 96% in Orlando, but 504% in Atlantic City.<sup>119</sup>

<> Orlando’s number of police officers per 1,000 inhabitants *declined* from 3.35 to 3.11 while Atlantic City’s *rose* from 6.50 to 11.19.<sup>120</sup>

Curran writes: “the two cities’ crime rates show clearly that the increase in crime from casinos is attributable to more than simply heightened tourism. Atlantic City has more crime per capita than Orlando because Atlantic City has casinos, not Disney World.”<sup>121</sup>

## PART THREE

### EXAMINATION OF CRIME TRENDS IN COMMUNITIES WHERE CASINOS HAVE BEEN ESTABLISHED

In his 1995 report, Maryland Attorney General J. Joseph Curran Jr. conducted an extensive study of crime trends in communities that introduced gambling casinos. In summarizing the results of his findings, Curran wrote:

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

<sup>122</sup>

## Mississippi

### Biloxi

As stated above, the experience of Biloxi, Mississippi is illustrative of the impact on crime that occurs when casino gambling is introduced into a community. Biloxi is a city with a population of 50,644 in 2000.<sup>123</sup>

In their 2003 study mentioned above,<sup>124</sup> Professors Stitt, Nichols and Giacomassi compared crime rates in Biloxi, Mississippi, before and after a casino was introduced in the community with the crime rates in the similar city of Pensacola, Florida during the same time period.

They noticed the following:

“Biloxi, Mississippi, is the city that might be expected to have experienced the greatest effect of casinos on crime since its nine casinos have significantly contributed to its success as a resort community.”<sup>125</sup>

Of 16 crimes compared, 8 were found to have significantly diverging results in the two communities:

“Two offenses, robbery and simple assault, rose in both jurisdictions but rose at a greater rate in Biloxi. One category, sex offenses, declined in both, but declined at a lower rate in Biloxi than Pensacola. Five offenses (larceny, forgery, fraud, liquor law violations, and prostitution) increased in Biloxi while decreasing in Pensacola. ... All of these significant differences are

consistent with the notion that the presence of casinos increases crime.”<sup>126</sup>

Curran’s report also found that since Biloxi’s casinos began to open in 1992, : “The Biloxi Police Department has had to create new specialized units for drunken driving, drug distribution, and traffic to cope with the growth in these areas.”<sup>127</sup> In fact, the Biloxi Police Department reports that “Biloxi’s public safety expenditures have almost quadrupled since 1992, from \$5.5 million to \$19.1 million in 2000.”<sup>128</sup>

Curran’s report also found that:

<> Suicide attempts skyrocketed 1100% in the first year of casinos, going from 6 to 66.<sup>129</sup>

<> State social workers investigated 15 reports of child neglect, where children were left in cars or home alone while parents gambled. In one case, four children were left for nine hours in a car with no food or water.<sup>130</sup>

<> Prostitution increased by 55%. Biloxi Police Chief Tommy Moffett stated that “people don’t like to talk about the prostitution, but it’s there.”<sup>131</sup>

Riverboat casino gambling was introduced to the Mississippi Gulf Coast in 1992, and there are currently 13 casinos operating along the coast.

The impact of these casinos includes the following, according to Curran’s report:



<> Law enforcement and social services workers state that casinos on the Gulf Coast have "fueled a crime wave and aggravated social problems." Even with "beefed up" police forces, law enforcement is "barely keeping up with the jump in crime."<sup>132</sup>

<> Crime increased in every category in 1994, with murder, rape, robbery and car theft at least doubling.<sup>133</sup>

<> Ten categories of violent crime increased by 64% in Gulfport and 46% in Biloxi in 1994. In actual numbers, Biloxi went from 5,072 violent crimes in 1993 to 7,413 in 1994. Gulfport went from 5,416 to 8,887.<sup>134</sup>

<> Bank robberies plagued 16 banks along "casino row" in 1993, breaking an all-time record and representing a 300% increase over the previous year.<sup>135</sup>

<> Juvenile violent crime shot up 65% in the last two years (1993 and 1994) ,and gangs are spreading, reported Executive Director of the Mississippi Coast Crime Commission Bob Waterbury.<sup>136</sup>

## **Gulfport**

Strikingly, between 1988 and 1993, prior to the opening of the casino, Gulfport's overall crime rate had declined 42%. Gulfport's first casino opened in May, 1993.<sup>137</sup> Curran's report highlighted the following developments:

<> Alcohol-related crime, from DUI's to family violence, became a significant problem. A police official explained "what people don't realize is that casinos are essentially nothing more than huge bars . . .gamblers get as much to drink as they want free of charge, 24-hours a day, and then they leave, get in cars, and get on the road . . . the casinos admit they use alcohol as a tool."<sup>138</sup>

<> The Chief of Police at the time stated that "every crime that is fueled by alcohol and drugs is way up."<sup>139</sup>

<> Alcohol-related accidents increased 101% between the first 7 months of 1993 and the same period in 1994.<sup>140</sup>

<> Prostitution arrests increased 85% between 1992 and 1994 and the Gulfport Police Department investigated six escort services on prostitution charges.<sup>141</sup>

<> Drug arrests shot up 152% between 1992 and 1994. Police Department officials identified heroin, LSD, cocaine, ecstasy, and other drugs as growing in prevalence.<sup>142</sup>

<> Insurance fraud rose, with gamblers "falsely report[ing] that they were abducted, robbed or both."<sup>143</sup>

<> Fraud and embezzlement increased sharply. The Chief of Police stated that "[i]n one week we had 15 cases of internal theft and embezzlement, 90% of it gambling related . . . they're getting in

trouble, and they're trying to win it back."

<sup>144</sup>

<> Pawn shops doubled in size and tripled in number. They are open 24 hours, and some are "Car Hocks" where a gambler can "hock [his] car for a few hundred dollars in a hurry." <sup>145</sup>

### **Mississippi Delta Casinos**

According to recent news reports, the casinos located along the Mississippi River delta region have become a magnet for criminal activity. As the Los Angeles Times reported in late 2003:

"In a little more than a year, the 11 casinos along the Mississippi River have been hit with 25 robberies and attempted robberies, more than any other gambling spot in the country. So far, the Delta crime wave has cost casinos about \$1.4 million, and investigators are looking into the possibility that most of the robberies were orchestrated by local gangs with help from workers inside the casinos. In Tunica County, home to nine Delta casinos and a population of 9,400, Authorities say several heists were committed by young residents from a particular area of the county, suggesting some organization." <sup>146</sup>

## **Colorado**

### **Gilpin County**

Gambling was introduced in Gilpin County, Colorado (population roughly 3,000 in

1990) in 1991, with casinos opening in the three small communities of Cripple Creek, Central City, and Black Hawk. Following that, crime rates rose significantly in the small communities of the county, as noted in Patricia Stokowski's book Riches and Regrets: Betting on Gambling in Two Colorado Mountain Towns.<sup>147</sup>

The law enforcement presence in Gilpin County grew following the introduction of gambling. The Gilpin County Sheriff's office increased from 5 to 14 by 1993, while in the community of Central City, which had 2.5 officers before 1991, 18 were needed by 1994. Meanwhile the community of Black Hawk, which had no police in 1991, had 27 personnel by 1994.<sup>148</sup>

Many in the community have expressed concerns about the dramatically increased police presence. Stokowski writes that "Longtime Gilpin County residents also charge that the new police officers have little respect for old-timers, and fail to maintain the helpful and flexible attitudes and standards enjoyed in pre-gambling times."<sup>149</sup>

However, despite increases in local police forces, crime still rose following the introduction of gambling in the area. In the first two years after gambling was introduced, criminal offenses jumped as follows:

Gilpin County offenses, 1991 to 1993:

Aggravated Assault: + 68.2%

Burglary: + 31.6%

Larceny/Theft: +161.2%

Motor Vehicle theft: +225%  
(Source: Stokowski, Riches and Regrets)<sup>150</sup>

Meanwhile, criminal arrests also increased significantly from 1991 to 1993:

Total arrests: +305.9%  
Felony assaults: +130.7%  
Simple assault: +154.5  
Narc & Drug: +1000 %  
Disorderly Conduct: +177.7%  
Forgery & Fraud: +2000 %  
(Source: Stokowski, Riches and Regrets)<sup>151</sup>

Stokowski writes that it is "striking" that Gilpin County crime increases "are opposite to trends at the state level. Total state offenses and arrests have declined since 1991, whereas total offense and arrests in Gilpin County have increased since then."<sup>152</sup>

The result of the crime increase has meant a greater likelihood of crime victimization for local residents, Stokowski writes. "Although only about 4 residents out of every 100 in the county might have experienced an index crime in 1990, nearly 11 out of every 100 in 1992 and about every 10 of every hundred in 1993 were likely to be victimized."<sup>153</sup>

The rise in criminal activity can only be the result of casino gambling and the influx of people it has brought to the community, Stokowski writes. "Between 1989 and 1994 the estimated population of Gilpin County grew only slightly, and it is highly unlikely that huge increases in offenses and arrests can be attributable solely to local people, who showed little proclivity for excessive crime before gambling."<sup>154</sup>

The additional crime placed a strain on the county's existing criminal justice infrastructure. "With criminal arrests up markedly," Stokowski writes, "the county jail has been one of the most affected community institutions. In 1990 the jail averaged about 6 or 7 prisoners a day, but by 1993 25 to 30 offenders were being jailed per day."<sup>155</sup>

The fact that the existing jail could only accommodate 10 prisoners at a time necessitated the construction of a new jail and court facility in the county. Moreover, local criminal justice personnel have noticed a greater complexity and dangerousness in the types of criminals and crime seen in the community. Stokowski writes that "According to the county nurse, who also serves as the jail nurse, the crimes for which people are now incarcerated in Gilpin County have become increasingly complex, and the criminals have become more dangerous, in comparison to pre-gaming times."<sup>156</sup>

The following information on the impact of gambling in Colorado was provided in the Maryland Attorney General's report on crime and gambling:

### **Black Hawk**

<> Prior to casinos ... Police Chief Jerry Yokom, who worked in the Gilpin County Sheriff's office before 1991, recalls that there were never any more than 25 calls a year for Black Hawk, and they were "mostly dog calls." Since the

opening of the casinos, which now number 22, the newly-constituted police department receives between 15,000 to 20,000 calls a year.<sup>157</sup>

<> Regarding crime increases, Chief Yokom ... highlights the following: Sexual assaults and domestic violence have shot up. Chief Yokom attributes this rise to "people spending their last \$20 in the casinos when it should have been spent on groceries, and it turns into a fight."<sup>158</sup>

<> DUI's are a huge problem on the one and one-half mile stretch of highway. Chief Yokom points to the free-flowing alcohol in the casinos and the casinos "overserving" it. The casinos close at 2:00 a.m., but he would rather see them stop serving alcohol at 2:00 [a.m.] but stay open. With the 2:00 [a.m.] close, there is a "mass exodus of drunks" spilling out onto the highway.<sup>159</sup>

<> Alcohol-related traffic accidents to and from Black Hawk and Central City increased 79% in the first year after gaming began. Traffic accidents generally are up 250% since gaming began.<sup>160</sup>

<> DUI's shot up from 5 to 305 in two years. Check fraud is "incredible." The Police Department has a huge backlog, and credit card fraud is also a growing problem.<sup>161</sup>

<> Citizens of Black Hawk lament not only the surge in crime, but also other

ways in which their quality of life has declined, expressing the view that "gambling generates as many crises as it solves." The Mayor of Black Hawk admits, "We thought we'd studied the problem thoroughly; I don't think we studied it enough."<sup>162</sup>

### **Cripple Creek**

<> Calls for service went from 40 per month to 45 per day after October, 1991, and the Police Cripple Creek Police Chief Stauffer reported that the department more than quadrupled in size.<sup>163</sup>

<> DUI's increased from about 4 per year to 1 per week. The Department also identified two organized prostitution rings attempting to establish themselves.<sup>164</sup>

<> Total index crimes increased 287% between 1991 and 1994. Aggravated assault rose 75%, and larceny went up 329%.<sup>165</sup>

### **Central City**

With a population of only 350, Central City experienced a 228% increase in larceny, a 400% increase in burglary, a 100% increase in motor vehicle theft, and a 162% increase in total index crimes in the first year after casinos were introduced. In the same year, the city went from 91 arrests to 331, representing a 275% increase.<sup>166</sup>

The Police Department received more calls for service in the first three months of 1992 than in all of 1990, and calls increased 423%

from 1991 to 1992, reported Central City Police Chief Gatlin in 1992. He also identified "skyrocketing incidents" of disorderly conduct, fights, and DUI's. Finally, he noted the presence of Asian gang members frequenting the casinos.<sup>167</sup>

## South Dakota

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

The following developments were noted in the Maryland Attorney General's report on crime and gambling:

The report quotes Jeffrey L. Bloomberg, State's Attorney for Lawrence County from 1986 to 1994, who reported that "For several years prior to the casinos, crime had been decreasing steadily. With casinos, it 'turned up dramatically.' There was an increase in 'virtually every category of offense.' Case filings for class one misdemeanors and felonies 'jumped a whopping 69%' in the first ten months after casinos opened."<sup>168</sup>

The report also notes that calls for service "jumped about 300% in the first year and have continued to increase," according to Sgt. Russell Eisenbraun of the Deadwood Police Department.<sup>169</sup>

Serious crimes, including theft, assaults, and DUI's, increased 93% between 1989 and 1994, less serious offenses increased 40%,

and the police department has doubled in size.<sup>170</sup>

## New Jersey

Since the introduction of gambling in Atlantic City, major increases in crime have been experienced there.

As Curran reports, "In the first ten years the city had casinos, the total crime index rose a staggering 258%. Non-violent index crimes increased 272%. Between 1978 and 1993, violent crime rose by 199%, and larceny skyrocketed 481%."<sup>171</sup>

Another study looking at the "spillover" effect of crime on adjoining communities found that Atlantic City's "increases in crime extended outward at least 30 miles to suburban areas and to areas along highways that extended toward New York and Philadelphia."<sup>172</sup>

In his 1995 report, Curran examined Atlantic City's increases in crime per capita with other major cities and the country as a whole. He writes: "The following table shows the percent change in crime indexes for certain crimes between 1977, the year before casinos came to Atlantic City, and 1990. What this table also shows is that while an increase in population, including temporary visitors, does result in an increase in crime, e.g., Orlando with Disney and other tourist attractions, that increase is far less than the increase which results from casinos, e.g., Atlantic City."<sup>173</sup>

PERCENT CHANGE IN CRIME RATES OF MAJOR US CITIES BETWEEN 1977 AND 1990

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

(Source: Curran citing FBI Uniform Crime Reports.)

In his report regarding the connections between gambling and crime, the Maryland Attorney General noted the following:

<> “Atlantic County Prosecutor Jeffrey S. Blitz ... recounts that with the advent of casinos in Atlantic City, crime increased ‘dramatically’ in the first 6-7 growth years, leveled off at about 30 million visitors, and has been decreasing slightly since 1991. The effects are felt in all areas of crime with only two exceptions - burglaries have decreased because there are fewer homes in the city, and motor vehicle thefts have also gone down.”<sup>175</sup>

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

<> “Narcotics-related crimes, with heroin ‘becoming a major problem in the city.’ Between 1977 and 1984, drug abuse and distribution arrests shot up 91%, from

980 to 1,870. A county-wide narcotics task force now exists to attempt to respond to this growing problem.”<sup>176</sup>

<> “Activities of gangs, or ‘criminal racketeering enterprises,’ which include selling drugs and carrying guns, have increased the number of shootings in the city.”<sup>177</sup>

<> “Credit card fraud, bad checks, and similar financial crimes are huge problems. Forgery and counterfeiting skyrocketed 206% between 1977 and 1990. Fraud offenses followed suit, increasing 215%. The prosecutor's office now has a specialized fraud unit.”<sup>178</sup>

<> “Domestic violence and child abuse have gone up. Offenses against family and children ballooned by 343% between 1977 and 1994. The prosecutor's office now has a special child abuse unit.”<sup>179</sup>

<> “Loansharking and illegal gambling have increased substantially, with offenders often targeting juveniles.”<sup>180</sup>

<> “New Jersey State police officers in the Division of Gaming Enforcement are responsible for dealing with crimes in the casinos themselves; they handle over 2,000 crimes a year on the casino floors, with casino security responding to an additional 5,000.”<sup>181</sup>

<> “Laundering drug money is a big problem; the casinos are ‘good meeting places for drug dealers.’”<sup>182</sup>

<> “Financial crimes and corruption within the casino work force are also a problem. Three out of the last six managers at one casino have been incarcerated. Casino security must institute 24-hour surveillance to attempt detection not only of crimes against gamblers, but also crimes by employees against the casino.”<sup>183</sup>

<> “The State Police ‘Special Investigation Unit,’ which investigates major crimes, currently has 3,000 pieces of evidence, such as weapons and counterfeit chips, and is tracking \$400,000 on a daily basis.”<sup>184</sup>

<> “Atlantic City Police Department officials describe huge increases in certain crimes which their department was and remains wholly unequipped to handle. Many of these crimes are simply reported and that is the end of it, because

they ‘do not have the manpower to investigate them.’”<sup>185</sup>

The police officers highlighted the following:

<> “The city went from under 10 to 450 prostitutes ‘overnight.’”<sup>186</sup>

<> “Pawn shops proliferated, increasing from 2 to over 100.”<sup>187</sup>

<> “Entire groups of pickpockets come in regularly, work the whole city for the day and then leave. Casino security’s videotapes show sophisticated pickpocketers targeting one unsuspecting senior citizen after another, stealing wallets, buckets of chips, etc.”<sup>188</sup>

<> Increases in drug-related crimes have also driven up the incidences of drive-by shootings.<sup>189</sup>

<> “Insurance fraud is rampant. When investigating an alleged theft, officers often have no idea whether it actually occurred. A gambler who has lost everything will report stolen jewelry or money, often trying to deceive a spouse.”<sup>190</sup>

## Connecticut

In 1992, Foxwoods Resort Casino began operations in Ledyard, Connecticut, a town with roughly 15,000 residents in a rural and isolated area. As Curran notes, there is “only one road providing access” and explained that the casino is located in

“relative isolation.”<sup>191</sup> Despite that, significant crime increases were still noted in the community following the opening of the casino.

A 2000 study by the Connecticut Center for Economic Analysis provided statistics on crime in the town of Ledyard since the casino opened. (The study did not address the impact of the Mohegan Sun casino, which opened four years later in another small town in the area).

These statistics are as follows:

	Total crimes
1990:	214
1991:	214
1992:	283
1993:	1031
1994:	1785
1995:	1773
1996:	1351
1997:	1298
1998:	1353

(Source: Connecticut Center for Economic Analysis)

These statistics show that the incidence of crime in the community increased 532.2 percent between 1990 and 1998.<sup>192</sup>

Not surprisingly, but tellingly, the annual number of police calls to the Ledyard, Connecticut, jumped over 400% within the five years after the opening of the nearby Foxwoods Casino.<sup>193</sup>

Curran’s report also noted that "sharp increases" were seen in the nearby communities of North Stonington and Preston in terms of theft, larceny, forgery, counterfeiting, vandalism, and drunk driving, as well as "bad checks, credit card fraud, shop lifting and prostitution," according to the Attorney General of Rhode Island, in a presentation at the Casino Development Symposium held by the Federal Reserve Bank of Boston on June 1, 1995.<sup>194</sup>

He also recounted that "assaults have risen by over 200%" and car theft has doubled.<sup>195</sup>

In addition, the impact on crime has not been confined to Connecticut, but has also spread to Rhode Island. In nearby Westerly, one of Rhode Island's “most beautiful seaside towns,” local police report increases in burglary, domestic violence, and juvenile crime. Hopkington, Rhode Island also reports similar increases in DUI’s and domestic violence offenses.<sup>196</sup>

## Nevada

The Maryland Attorney General noted in his report the following information on crime and gambling in Nevada:

<> “Because casinos opened in Las Vegas in the early 1930's, no valid comparisons are possible between pre-casino and post-casino crime rates. Until recently, however, Nevada had the highest per capita crime rate in the country.”<sup>197</sup>



<> “Nevada has the highest suicide rate in the nation, more than double the national average, and one of the highest suicide rates in the world. The state also has the highest divorce rate, the highest rate of child death by abuse in recent years, and among the highest rate of accidents per vehicle mile driven.”<sup>198</sup>

<> “Comparing crime rates between Nevada and neighboring states is also revealing. Among the states of Idaho, Montana, New Mexico, Utah, and Nevada, Nevada ranks squarely in the middle with respect to population, with little variation among the five states. With respect to number of armed robberies, however, Nevada boasts of 100% more than New Mexico, the second contender, and 1,220% more than Idaho, the lowest ranking state. Nevada also has about 266% more murders than Montana and Utah, the lowest ranking states in that category.”<sup>199</sup>

## Illinois

In their 2003 study Professors Stitt, Nichols and Giacomassi compared crime rates in Peoria, Illinois, before and after a casino was introduced in the community with the crime rates in the demographically similar city of Rockford Illinois.<sup>200</sup>

Their findings were as follows:

“Although only 11 offense comparisons could be made, 7 of the 11 achieved statistical significance and 6 of those showed crime increases in the casino

jurisdiction. Sexual assault, aggravated assault, motor vehicle theft, arson, and simple assault offenses increased at a greater rate in Peoria than in the control jurisdiction. ... The data ... suggest that casino presence may indeed have exacerbated the crime problem in Peoria.”<sup>201</sup>

Curran’s 1995 study also found the following:

<> The Illinois Criminal Justice Information Authority’s 1992 study of the projected effects of a proposed land-based casino concluded that Chicago “could expect to spend anywhere between \$41 million and \$100 million annually in increased criminal justice costs related specifically to the impact of the land-based casino.”<sup>202</sup>

The Authority’s second, “less systemic” study of the results of riverboat gambling on crime and law enforcement in Joliet, conducted in 1994, sounds the following cautionary notes, Curran reported:

<> “The riverboats in Joliet are relatively small, the actual gambling occurs away from land during scheduled boat cruises, and there is little room for a ‘criminal subculture’ to spring up around the boats because the sites are located in previously developed areas of the city and are thus well-controlled.”<sup>203</sup>

<> “The study did not examine ‘a variety of long range issues,’ like ‘organized crime infiltration [and] impact on addictive gambling.’ The Authority

‘strongly recommends’ that such studies be done.”<sup>204</sup>

<> “A recent report by the Illinois State police finds that the non-violent crime indexes in cities with riverboats are ‘inconclusive’ some have shown decreases, while other have shown increases of up to 28%.”<sup>205</sup>

<> “examination of violent index crimes, including murder, rape, robbery and aggravated assault, however, ‘reveals a different picture’ attributable to both casinos and other causes. Rape increased 8% in the first year of riverboat gaming, murders increased by 19%, and robberies by 30%.”<sup>206</sup>

## Wisconsin

In a 1996 study of Wisconsin’s 17 Native American casinos, the Wisconsin Policy Research Institute found that crime increases were found in all 14 counties where casinos had been introduced in the state. They write that “The rates of major crimes in these counties were 6.7% higher than they would have been in the absence of casinos. These crimes include violent ones like murder, forcible rape, robbery, and aggravated assault and non-violent ones like the property offenses of burglary and larceny.”

<sup>207</sup>

Their report also found that Part II arrests also rose in both casino counties and adjoining counties, with arrests 12.2% higher. (Part II crimes include non-

aggravated assault, forgery, fraud, embezzlement, weapons offenses, possession of stolen property, prostitution, sex offenses other than rape, gambling violations, driving while intoxicated, disorderly conduct, drug violations, liquor law violations and a range of other offenses.) Each year, 17,100 more Part II arrests were made, on average, in Wisconsin as a result of casinos.<sup>208</sup>

The study found that nearly \$51 million in additional crime and criminal-justice system costs were generated in Wisconsin due to casinos. These expenses were related to investigation, arrest, arraignments and imprisonments associated with gambling-related crimes.<sup>209</sup>

These findings were echoed in another study of gambling and crime in Wisconsin published in 2001. The study found that “the emergence of casino gambling significantly increased county crime rates. Moreover, our results suggest that crime increases in counties adjacent to those containing casinos.”<sup>210</sup> The study found a 32.1% increase in violent crimes excluding robberies subsequent to the opening of casinos. A 23.7% increase in automobile thefts was also found in casino counties compared to non-casino counties.

## CONCLUSION

Decisions by policy makers inevitably call for a balancing between projected benefits and negative consequences. The decision about whether

or not to permit gambling in Sullivan County is no different. The authors of this report express no opinion as to the benefits that gambling will bring to Sullivan County. What we have tried to do, is to show what the experience with crime of other communities has been when they have introduced gambling in the hope that decision makers can be more fully informed when examining the risks versus any benefits.

## BIOGRAPHY

**Richard Aborn** has over two decades of experience in litigation, public and government affairs, program analysis, management, issue advocacy, and social sector enterprises. As Managing Director of Constantine & Aborn Advisory Services, Mr. Aborn combines his experience as an attorney and years of experience in the public policy sector, with an emphasis on criminal justice and organizational integrity issues, to provide clients with a wide range of advisory services.

Mr. Aborn advises police departments and criminal justice agencies in the United States and in Europe on a variety of issues ranging from police integrity issues to use of force policy to building more effective relationships between police departments and criminal justice agencies. Current projects include the Los Angeles Police Department, the Hartford Police Department, Transport for London, the MET Police, British Transport Police and the Crown Prosecution Service.

Mr. Aborn also advises organizations in both the public and private sector on the best methodologies to control internal corruption.

Mr. Aborn previously served as the senior law enforcement advisor to the Democratic candidate for Mayor of New York in 2001. In that capacity, he was responsible for developing a comprehensive criminal justice policy for the City of New York. This policy included greater coordination of governmental agencies to focus on reducing recidivism, wireless technology for police officers, establishment of a 311 program, and additional focus on firearms violence.

Prior to that, Mr. Aborn was commissioned by the Office of the Public Advocate of New York City to conduct an investigation of the New York City Police Department issues response to civilian complaints of misconduct and its disciplinary system. This investigation included numerous recommendations to control police misconduct. He also investigated NYPD's disciplinary decisions concerning officers

involved with the fatal shooting of Amadou Diallo, an unarmed individual shot 41 times by police.

From 1992 to 1996, Mr. Aborn was President of Handgun Control, Inc., (now the Brady Campaign) the leading gun control advocacy organization in the United States. Mr. Aborn was one of the principal strategists behind the passage of the landmark Brady Bill and the legislation to ban assault weapons and large capacity clips. He has testified on Capitol Hill and in numerous state and local legislatures and worked closely with the White House, the Justice Department and the Treasury Department. As one of the chief spokespersons for Handgun Control, Mr. Aborn has appeared on numerous national and local television and radio shows.

As president, he was the senior management official responsible for day-to-day operations and fundraising and was charged with analyzing the strategy being used by the organization to achieve legislative victories and to implement whatever changes were required.

Concurrently, Mr. Aborn served as President of the Center to Prevent Handgun Violence, where he developed a program, now used by schools nationwide, to reduce gun injuries by working with the New York City public school system. He also established a research division at the Center to evaluate and supervise studies testing the impact of gun control legislation.

Previously, starting in 1979, Mr. Aborn was an Assistant District Attorney in the Manhattan District Attorney's office where he prosecuted major felonies, including homicides. Upon leaving the District Attorney's Office, Mr. Aborn started the law firm of Aborn and Anesi where he managed complex litigation representing victims of fraudulent activity on an international basis and assisted corporations seeking to eradicate internal corruption.

Mr. Aborn has lectured at the Law School of New York University, debated at the Yale Political Union, served as a Visiting Fellow at

Columbia University and been a consultant to the Ford Foundation.

Mr. Aborn serves on the Board of Directors of many not-for-profit organizations, encouraging them to maximize their impact by developing substantive, measurable programs and by utilizing strategic skills to promote their issues.

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