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Hearing on: February 9, 2010 @ 2:30 p.m.  
Conference Room 325

**DATE:** January 25, 2010

**TO:** House Committee on Judiciary  
Representative Jon Riki Karamatsu, Chair  
Representative Ken Ito, Vice Chair

**FROM:** Dennis Arakaki, Executive Director

**RE:** Opposition to HB 2759 HD1: Relating to Gaming  
Opposition to HB 146: Proposing an Amendment to the Hawaii Constitution to Permit Gambling in the State

Honorable Chairs and members of the House Committee on Judiciary, I am Dennis Arakaki, **representing both the Hawaii Family Forum and the Roman Catholic Church in the State of Hawaii.**

Hawaii Family Forum is a non-profit, pro-family education organization committed to preserving and strengthening families in Hawaii, representing a network of over 250 Christian churches. The Hawaii Catholic Conference is the public policy voice for the Roman Catholic Church in Hawaii, which under the leadership of Bishop Larry Silva, represents over 220,000 Catholics in Hawaii. **We STRONGLY oppose both these bills that would allow gambling in Hawaii.**

Hawaii is among only three (3) states in the nation where all forms of gambling remain illegal. (Utah and Tennessee are the others). Proponents of legalized gambling in Hawaii boast of its promise of economic revitalization and prosperity. While there is an element of truth to their claims, greater scrutiny reveals a far different story.

The widespread proliferation of gambling on the mainland has produced very troubling consequences for the people and communities most closely associated with it. Those consequences include: increased violent crime, property crime, and drug-related crime; an increased influence of organized crime; increased addiction and family deterioration; a disproportionately adverse impact on youth and the poor; and, a net negative economic impact.

### **Crime**

An historical review of the experiences of several cities is illustrative.

- Casino operations began in the late 1970s in Atlantic City. Within three years, Atlantic City went from 50th to 1st in per-capita crime nationwide. (Goodman, Robert. (1995). *The Luck Business* (New York: Free Press).
- Five years after Deadwood, South Dakota, legalized limited-stakes casino gambling in 1989, its serious crimes had increased by 93 percent, causing its police force to double in size. (1995 Report of Maryland Attorney General, Joseph Curran)
- In 1990, voters in three Colorado mining towns approved a referendum allowing casinos. In just two years in Central City, assaults and thefts increased 400 percent while there were 8 times the number of arrests for drunken driving. The other towns' experiences were similar and all three were forced to increase their police forces.
- Voters in Florida rejected a November 1994 ballot initiative that would have introduced casinos statewide. The Florida Department of Law Enforcement had reported "Casinos will result in more Floridians and visitors being robbed, raped, assaulted, and otherwise injured. Casinos are not worth the gamble."
- In February 2009 the new HPD Chief, Louis Kealoha was quoted in the Advertiser, "Because of the lure of easy money . . . it [gambling] will attract organized crime and encourage public corruption. . . . We cannot support something that would strengthen the criminal element."
- The definitive academic study on new crime caused by increased gambling found that crime increased 8 to 10 percent after a gambling facility opened in a new county and continually increased thereafter. (Grinols and David B. Mustard, *Casinos, Crime, and Community Costs*. Review of Economics and Statistics, Harvard and Massachusetts Institute of Technology, 2006.)

### **Net Negative Economic Impact**

While it may be true that legalized casino gambling would bring new jobs for some, the potentially even greater negative economic impact must also be considered.

- Jobs within the gambling industry are often low-paying. In 1991, the New Jersey Casino Control Commission found that nearly two-thirds of casino employees made \$25,000 or less annually.
- Other, established local businesses, such as restaurants may suffer once gambling is legalized and business is pulled away. Within 10 years after the introduction of casinos in Atlantic City, 40 percent of the city's restaurants went out of business. (Hinds, Michael deCourcy. (1994). "Riverboat Casinos Seek a Home in Pennsylvania," *New York Times*, April 7.
- Finally, other gambling-related costs such as infrastructure expenditures, regulatory costs, criminal justice system expenses, and social-welfare costs, may result in more taxpayer dollars spent than are received from gambling revenue. Florida's Office of Planning and

Budgeting concluded "Additional projected state tax revenues related to casinos are sufficient to address only 8 to 13 percent of annual projected costs related to casinos."

### High Social Costs

- Not unlike the social costs associated with other addictive behaviors, compulsive gambling wreaks havoc on individuals, families, and communities.
- Child and spousal abuse rates have risen dramatically in Deadwood, South Dakota, Biloxi, Mississippi, Central City Colorado after the introduction of legalized gambling.
- Drug and alcohol abuse, along with reported rates of suicide attempts are all alarmingly higher among those with severe gambling problems.
- A Harvard Medical School Professor has warned of gambling's impact on youth: "We're going to have major issues with youth gambling that will equal or eclipse the problems that we have with (youth) substance abuse . . ." The American Psychological Association recently indicated that 5% to 8% of young Americans and Canadians reported a "serious" gambling problem. (Philadelphia Inquirer 8/16/98)
- Repeated studies have shown that those most likely to gamble are those who are least able to afford it. A study of the 17 Native American casinos in Wisconsin concluded Wisconsin gamblers "are not the affluent people of Wisconsin. Their numbers are skewed toward the poorer-income categories and the elderly."

(Information excerpted from Focus on the Family 's You Bet Your Life, The Dangerous Repercussions of America's Gambling Addiction, 1996)

### Should Hawaii Be Like Las Vegas: Casino Gambling's Devastating Community Effects

OK. Let's begin with the obvious. Lots of people in Hawaii travel to Las Vegas for fun and recreation. Those visits are 100% irrelevant to the simple issue at hand - should Hawaii become more like Las Vegas by legalizing gambling? To answer the question, we really should examine the data about what it is like to live in a place like Vegas.

This data should serve as a clarion call for all of us - a reminder of the compelling reasons the people of Hawaii and our elected representatives have consistently and steadfastly resisted the siren song of the big money gambling interests. It reminds us why "the Las Vegas effect" upon our islands would wreak havoc on our ohana based community and our aloha spirit.

There are probably a few things you have never heard about Nevada. The point of the information is not to moralize against the perennial Vegas visit, but to remind people why we should resist any semblance of the Vegas scene here in our communities.

For the big money casino cartels, Vegas is #1. Number one alright - but did you know the following? According to the U.S. Bureau of the Census and other reputable sources, Nevada boasts the following -- #1 in suicides; -- #1 in divorce; -- #1 in high school dropouts; -- and #1 in the number of women killed by men. Grim. But there is more.

Nevada is also number three in bankruptcies and abortions. Number four in rape, out of wedlock births and alcohol related death. Number five in crime, number six in prisoners locked up and number 50 in voter participation. This and other well-documented information is available through the Hawaii Coalition Against Legalized Gambling. In response to these data, the Coalition's response seems appropriate: "Not in my Backyard." Shouldn't that be our collective community response?

But what else do the data show generally about the corrosive effects of legalized gambling? In March of 1998, a St. Louis newspaper reported nearly 1 in 5 homeless people admit that gambling contributed to their poverty and 37% of those admit they continue to gamble. Did you know five to eight percent of adolescents are already addicted to gambling? How about that 75% of pathological gamblers in one study admitted to perpetrating a felony to support their addiction? That even casino owner Donald Trump admits when casinos come in "local business will suffer because they'll lose customer dollars to the casinos?" Do we really need any more suffering among our small business owners?

And that's just the beginning. According to Dr. John Kindt of the University of Illinois, legalized gambling in Hawaii would also surely bring the ABCs of gambling - increased addiction, increased bankruptcies, and increased crime and corruption. Would we really want to invite more of these things to our island paradise?

It's these and other concerns that convinced Congress in 1996 to form the National Gambling Impact Study Commission. And even though the commission is stacked with many gambling industry pals, it will nevertheless be recommending the following in its June 18 final report: a moratorium on new casinos and lotteries; an increase in the minimum betting age to 21; a ban on collegiate sports betting; stricter limits on the political influence of the gambling industry; and more resources to address the growing problem of gambling addiction.

It seems to me Hawaii is rather akamai for its continued rejection of legalized gambling. As we all know, Hawaii is special. This issue is no different - we are one of only three states in the nation that can boast of no legalized gambling. Let's work hard to keep it that way!

Mahalo for the opportunity to testify.