

Conn. casinos place liens on RI homes to recover debt

By Tim White

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PROVIDENCE, R.I. (WPRI) – Dozens of Rhode Island homeowners have faced property liens after costly trips to Connecticut casinos in recent years, a strategy some experts say is aggressive and may increase as gaming expands across Southern New England.

All told, Foxwoods Resort Casino has taken out liens on Ocean State homes for outstanding debts 30 times mainly since 2004, according to a Target 12 review of land records statewide. Mohegan Sun has used the legal avenue to recoup a debt only once.

Bet the House table of casino debt

Bet the House: See the data – Target 12 investigates RI liens for casino debt

Interactive: Lien Data by City/Town



Town	Date	Amount	Casino
Bristol	3/29/2005	\$220	Foxwoods
Central Falls	4/12/2005	\$350	Foxwoods
Coventry	10/18/2004	\$680	Foxwoods
Coventry	12/7/2006	\$4,286	Foxwoods
Cranston	11/9/2004	\$100	Foxwoods
Cranston	8/16/2005	\$320	Foxwoods
Cranston	5/12/2005	\$500	Foxwoods
Cranston	5/4/2005	\$630	Foxwoods
Cranston	5/24/2005	\$2,040	Foxwoods
Cranston	10/18/2007	\$2,360	Foxwoods
Cranston	9/21/2006	\$20,820	Mohegan
Cranston	3/10/2006	\$48,787	Foxwoods
East Providence	9/29/2005	\$100	Foxwoods
East Providence	2/15/2005	\$400	Foxwoods
East Providence	9/28/2007	\$3,116	Foxwoods

But while some of the debts are as high as \$55,000, records show more than half of the liens taken out by Foxwoods – 57 percent – were for debts of \$1,000 or less. That includes a \$100 lien in Cranston and \$200 due in Providence.

Here's how it works: Casinos offer credit – called “markers” – to patrons who don't want to travel with large amounts of cash or, as is often the case, when someone has run out of money gambling.

That's exactly what happened to Tom Hanson.

Hanson, of Warwick, said he lost roughly \$3,000 of his own cash playing blackjack at Foxwoods in 2012, so a friend suggested he take out a marker. In hindsight, Hanson said “it was a horrible idea.”

Traditionally casinos require gamblers who apply for a marker to leave a check in the amount they are

borrowing. Hanson said Foxwoods was able to print one up for him after a quick credit check. Within minutes, he said they handed him \$7,500 in cash and he was back on the casino floor.

In a frank conversation, Hanson said his poor decision-making to take out the loan was fueled by alcohol, having received several drinks on-the-house while he gambled. Over the next several hours, the money he borrowed evaporated too.

“I was feeling sick to my stomach,” Hanson said. “Basically they set you up for failure: you get the money from them, you lose it back to them and then you still owe them the money.”

Nonetheless Hanson knew he had a responsibility to pay the debt. “I’m a big boy, I decided to do that and I owed the money,” he said.

Over the coming weeks he began sending them money, but “it was less than they wanted me to pay.”

“They said I either pay it in full or [in] payments they arranged that were exorbitant amounts – over \$500 a month – which I couldn’t afford at the time,” Hanson said. “Then they took the lien out.”

According land records from Warwick City Hall, Foxwoods hired a Rhode Island law firm to place a lien on Hanson’s home in January 2013 for \$7,290, plus an additional \$72 in interest and \$200 in fees.

Records indicate all of the liens placed by Foxwoods are taken out by “Mashantucket Pequot Gaming Enterprises.”

Dale Wolbrink, a spokesperson for Foxwoods declined to comment stating in an email “as a matter of policy, we do not discuss any matters that may involve litigation.”

Property liens can wreak havoc for homeowners by preventing a property from being sold or refinanced, and they can sometimes lead to a home being auctioned off if a debt remains unpaid. Records show Foxwoods has placed liens on homes in 13 cities and towns across Rhode Island, but none have led to a foreclosure and nearly all were eventually repaid.

Mohegan Sun placed its only lien on a Cranston property for an outstanding debt of roughly \$21,000.

Mohegan Sun did not provide a comment.

A lawyer who spoke on the condition of anonymity tells Target 12 Foxwoods tends to use the legal route of property liens, while Mohegan Sun favors collection agencies.

Dr. Patrick Kelly a professor at Providence College who has tracked the social impacts of gambling said he thinks issuing liens is an aggressive tactic and may only become more common if either of the Connecticut casinos win their bid to open resorts in Massachusetts.

“I think there are ways the lender should be interacting with the borrower to get back the funds,” Kelly said. “To place a lien on someone else for \$100 or \$200, that’s problematic.”

Foxwoods has already secured 30 acres of land in Fall River while voters in Everett have approved a casino proposal from Mohegan Sun. In Springfield, MGM Resorts has pitched an \$800 million casino, but the gambling giant has not yet been awarded a license from the Massachusetts Gaming Commission.

State legislators in Massachusetts would have to authorize the ability for any casinos that open their doors there to lend money, according to Kelly, but Rhode Island lawmakers could regulate how debts are recouped in the Ocean State.

“I think anytime you have a lien placed on somebody’s property there is a failure and I think that is very problematic,” Kelly said. “So the lawmakers can write laws to address that specifically.”

Twin River Casino in Lincoln does not have the ability to issue markers, but spokesperson Patti Doyle said they may explore that option in the near future.

“The ability to extend credit is an issue of interest to us but there is no legislation submitted to date,” Doyle wrote in an email.

Kelly said he believes Twin River will be asking lawmakers to authorize the casino the ability to issue credit, soon. He said if nothing else, transparency is key and the casino should be required to report their loan activity.

“How many markers have you extended this year? How many [were] paid back? How many liens have been put on different properties this year,” Kelly said. “That sort of thing can be reported to regulators and I think that will be potentially a lever to have casinos act more prudently in dealing with who they extend credit to.”

Hanson said he thought having a lien placed on his home was a scare tactic, but one that worked. He was able to cobble together what he owed and drove to Ledyard Connecticut to pay back the marker, in full. After handing a teller the cash, Hanson said he was told his line of credit was open again.

“I was like ‘I’m all set,’” he said.

Tim White (twhite@wpri.com) is the Target 12 investigative reporter for WPRI 12 and Fox Providence. Follow him on Twitter: [@white_tim](https://twitter.com/@white_tim)