

Playing For Keeps Anti-casino activists visit Foxwoods

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In two cars, armed only with tuna fish salad and eggplant sandwiches, digital cameras, tape recorders and notebooks, a half dozen members of No Saugerties Casino set out on Saturday, August 27 to take a look at Foxwoods Resort, the largest casino in the world, near Ledyard, Connecticut. There, David got an inkling of what it will be like to take on Goliath.

Saugerties residents have a pretty good idea what the Seneca-Cayuga tribe and former Rochester-based mall developer Thomas Wilmot are proposing: a Las Vegas-style resort with a 900-room hotel, two golf courses, and a 2,000-seat theater as well as a shopping mall, four restaurants, a show lounge, and meeting and convention space. But the opponents are more concerned with the proposed casino's impact.

Before heading to Foxwoods, the anti-casino activists met with their counterparts in Connecticut: Jeff Benedict, an attorney and the author of *Without Reservation* (HarperCollins), which documents the story of the rise to power of the richest tribe in history despite its questionable authenticity; and later at the Ledyard town hall, with town officials and Connecticut anti-casino activists, who have unsuccessfully fought four expansions of Foxwoods since its opening in 1992.

Finally they visited the casino itself, which attracts some 55,000 visitors a day to its 7,400 slot machines, 388 table games and the world's largest bingo hall, all divided among six different casinos within the resort building on a 2,000-acre reservation. There, in gaming rooms thick with cigarette smoke - gamblers even smoke in the "smoke-free" casino - the Saugerties contingent traipsed from room to room in the post-modern building. The brightly painted exterior yielded to a dark interior lit solely with artificial lights. There are no windows and no clocks, features typical of casinos elsewhere, and an electronic background hum pervading all the rooms.

Although casino developers tout their venues as entertainment and the themed slot machines have colorful images of animals, cartoon characters and exotic locales under their glass, this is serious business. There is little talking and even less laughter on the casino floors. The slot machine seats are occupied mostly by women who appear to be transfixed. The only laughter heard was by remaining group members - dwindled to attorney Lanny Walter, woodworker Skip Arthur and journalist Meg Lundstrom by late afternoon - at the sight of a Main Street-like façade of shops with shingled rooflines and a theater designed with a town hall front and a brass plaque engraved "founded 1891."

A mere five years after the casino opened, the sleepy town of Ledyard (15,000 residents) had risen to fifth place statewide in crime based on offenses at and around the casino, according to former Ledyard supervisor Wesley Johnson and those at the town hall session. At the same time, the casino has siphoned off money that local residents would have spent at non-casino restaurants, shops and entertainment venues and for other goods such as cars and appliances. Gambling at the casino has led to bankruptcies, embezzlements and suicides. It has also drawn down the labor force, making it difficult or impossible for some local businesses to continue - mainly because the casino offers health

benefits. (Apart from benefits, the average casino salaries of \$26,000 to \$28,000 are comparable to those offered elsewhere in that community.)

In addition, the presence of Foxwoods has become a problem for school districts like those in Norwich, where immigrant workers at the casino have settled because they cannot afford to live closer. Speaking some 32 different languages at home, these immigrants have created a burden for the schools required to provide English-as-a-Second-Language (ESL) courses, remedial work, tutors, free lunches, nursing, and other special education services, while receiving no additional property taxes to offset the costs. The influx of this cheap labor has also affected the school district's ability to qualify for federal funding, which is now tied to test results under the federal No Child Left Behind legislation.

And then there's the issue of affordable housing. The 2004 median home sale price in that part of Connecticut was \$236,500, according to a May 8, 2005 article in The Hartford Courant, part of a two-part series by Benedict. Casino employees are showing up in homeless shelters or packing four or five families into a one-family residence. A local building inspector recently cited one immigrant who had purchased a condo and then divided the basement into five bedrooms he rented to casino workers. In some cases, the occupancy can be twice that as immigrants "hot pillow," according to Mary Beth Gorke-Felice, the owner of a bed and breakfast in Woodstock, Connecticut, and a founder of the Connecticut Alliance Against Casino Expansion. The term "hot pillowing" refers to the use of the same apartment by two families, with one family working the day shift and the other the night shift.

GOOD FOR BUSINESS

No Saugerties Casino was particularly interested to learn whether casinos drive economic development.

In June, Wilmot upped his proposed payment to Saugerties and Ulster County for hosting the casino to \$600 million - to be paid in annual \$30 million installments for 20 years. (Wilmot proposed a breakdown of \$2.8 million per year to the village, \$12.2 million to the town, and \$15 million to the county.) Some local businesspeople, who support the casino project in Saugerties, have said they view it as an important source of economic development at a time when property taxes in the community are soaring, jobs are limited, the county budget is facing an approximately \$20 million shortfall next year.

The message No Saugerties Casino heard last week was the same it has received from other communities with casinos: Foxwoods has been anything but a boon to economic development for its host community and its neighbors nearby. Despite representing a cross-section of the southeastern Connecticut area - including municipal officials and businesspeople - the group's hosts in Ledyard were clearly anti-Foxwoods and anti-gambling. This wasn't the place to learn about the kinder, gentler side of casinos.

"Sales tax hasn't gone away, property taxes haven't gone down and the state has still not been able to balance its budget," said Sharon Wadecki, a member of the Ledyard town council. Added Nick Mullane, first selectman of the town of North Stonington, "You don't have the governors of Connecticut or California [where Native American gaming is more widespread] advocating other states to embrace gambling and saying it's been good for their state."

Since Foxwoods opened in 1992, one hotel, one bank and three donut shops have been the only new businesses in town, according to the Connecticut officials. Nor have the existing businesses been able to compete in terms of supplying the casino with food supplies and other items because of volume discounts the casino is able to get elsewhere. At the same time, many already existing local businesses closed or have been hard-pressed to remain open as a direct result of the casino's presence, said Wadecki.

"A casino is difficult to compete with," said Mullane. "A casino is a total destination resort. It's a city, a town, and a shopping mall with restaurants and everything else."

"The two things a business needs to have to survive are customers and employees, and those are the things you can't get when you are next door to a large casino," said Benedict, "because the casino sucks up the labor force in the service sector. The other thing you need is customers and it's a tough thing to maintain a profitable restaurant or shop when more than 50,000 people a day are going to the casino and eating, drinking and shopping, and earning gambling points while doing it."

Benedict was referring to the so-called "Wampum cards" offered by the casino. Dead ringers for credit cards, the plastic cards can be used for gambling instead of cash and are conveniently linked to an individual's credit card or a line of credit. When a user pays for food, bar items, cigarettes or other goods with a Wampum card, gambling benefits are earned.

The image of gamblers - a large percentage of them women - sitting at slot machines with their wampum card plugged in the units while linked to their buttonholes or blouses by long, colorful spiral extension cords, was the stuff of a science fiction movie. In some cases, the gamblers play two or three machines simultaneously.

"Jobs are supposed to be the elixir for the social ills that flow from gambling," Benedict wrote in The Hartford Courant series, but state labor laws do not apply to tribes or casinos, which cannot depend on collective bargaining to improve labor practices. He knows of no casino in the country that has unionized.

THE NEW FACE OF CRIME

The exposure to gambling has spelled doom for many casino employees as well as members of the community. In 2001, Foxwoods unveiled plans to add some 2,000 additional slot machines the day after the Ledyard tax collector went to prison for embezzling \$302,587 to support her addiction to the slot machines. Nor is Ledyard unique in terms of such headlines. In 1998, the former tax collector for Sprague pleaded guilty to stealing more than \$105,000 from her town over three years. She had worked for the tax collector's office for 14 years. And this year, a 25-year staff accountant for the town of Stonington was sentenced to a year in prison for stealing \$257,000 in town funds for gambling. As a result, Ledyard and two neighboring towns now spend a total of \$100,000 a year to have their books audited, according to Johnson and the other Connecticut officials.

"The flood of slot machines into this region has given rise to a new class of improbable criminals - middle-aged women, married with children, gainfully employed, with no criminal history - now residing in taxpayer-funded cells," Benedict wrote on February 13, 2005 for another Connecticut paper, The Day. "White collar crime, bankruptcy, property foreclosure, extinguished pension funds, and divorce are hidden costs borne by communities nearest casinos."

THE NITTY GRITTY

Here's how it works. As you enter Foxwoods' six casinos, ATM machines are as ubiquitous as the fluorescent light. Foxwoods will cash personal checks, accept credit cards and extend lines of credit. It is not uncommon, according to Benedict, for individuals on public assistance to fill up credit cards with gambling debts that cannot be paid. The same is routinely true of seniors on fixed incomes who are often attracted to the casinos by free food vouchers. A recent study by the Pennsylvania State College of Medicine and the University of Pennsylvania found that among a random sampling of 843 people 65

and older who were surveyed, nearly eleven percent were "at risk" gamblers. In its own study on the impact of gambling in 1999, the federal government found that problem and pathological gambling doubles within a 50-mile radius of a casino.

Quick access to money at casinos like Foxwoods can ravage personal finances, agreed Benedict and Ledyard officials. In 2003 and 2004, Foxwoods was listed as a creditor in 16 foreclosures in a state that had never before had gambling debts surface in bankruptcy, according to Benedict's series for The Hartford Courant. Benedict noted that U.S. Bankruptcy Court records show that 1,462 consumer bankruptcy petitions were filed between January 1998 and January 2005 by residents in 16 southeastern Connecticut towns. The records indicate that 117 or eight percent of them reported gambling losses within the year leading up to the bankruptcy. And of the 1,462 bankruptcies, 16 percent were filed by employees of Foxwoods and the Mohegan Sun. When Foxwoods opened in 1992, there was one state-funded clinic treating problem gamblers, according to Benedict. Today, there are 17 state-funding counseling sites.

The Connecticut Division of Special Revenue is required by law to conduct regular gambling impact studies, according to Gorke-Felice. The last one was done in 1996 when these studies were required every five years. In 2001, however, the timetable was changed to seven years and in 2003 to ten years. With some \$400 million a year in revenue from Foxwoods and Mohegan Sun from the slot machines alone, the state has become as addicted as some of its citizenry, said the Connecticut officials at the meeting.

"The casinos have probably cost the state \$3 to \$5 for every \$1 it takes in," noted Gorke-Felice. "So when people say Connecticut gets \$440 million a year from the casinos, think that it costs the residents three times that a year from land that's been taken into trust, taxes that aren't paid, businesses that can't make it, and services that are required."

Nor has the community been able to check the expansion at Foxwoods, which originally opened as a high stakes bingo hall in 1986 before expanding to full a Las Vegas casino-type operation in 1992. The casino - which now has 340,000 square feet of gaming space in a complex that covers 4.7 million square feet, three hotels with a total of 1,416 guest rooms and suites, 25 restaurants, a conference center with 25 conference rooms and 55,000 square feet of meeting space, a 4,000-seat arena and other theaters, a spa, a championship golf course, and shopping - is currently planning its fifth expansion.

Why have Connecticut officials been unable to stem the casino's growth? "Municipal and state officials have no control over what an Indian tribe does with its sovereign land base," said Benedict. "If an expansion extends beyond the boundaries of local trust lands, communities can do something about it but a reservation is sovereign land. Not only can a tribe expand at will, they can build other things there that would be totally illegal or inappropriate a mile away, such as a nuclear storage site. This is the kind of thing that has come up elsewhere in the country."

Developer Thomas Wilmot moved his casino-related ambitions to Saugerties' Winston Farm in the spring after the federal Bureau of Indian Affairs refused recognition of the Golden Hill Paugusset, a Connecticut tribe he had backed in his seven-year bid for a casino in Bridgeport. Wilmot has implied in meetings with local businesspeople that he and the tribe would agree to limitations on the size of a casino in Saugerties and would obey local laws, but Benedict said such promises are useless "if history is relevant."

"You can say anything in this process but the fact of the matter is that municipal governments have no

authority to enforce these kinds of promises," Benedict noted. "Just because a sovereign group says it will abide by local laws, when a dispute arises and they decide they don't want to, there is nothing to enable the town government to enforce their laws. That border [between the reservation and non-trust lands outside it] is a very powerful line."

Connecticut's experience with Foxwoods and Mohegan Sun led its state legislature to repeal its so-called "Las Vegas Nights" statute in 2003 during a special legislative session to block additional casinos from opening. The "Las Vegas Nights" statute had permitted non-profit and charitable organizations to hold casino nights in order to raise money, and had been used as the legal loophole for the establishment of Foxwoods and the Mohegan Sun.

Wilmot, who has refused to speak to Saugerties Times despite repeated calls, is pursuing his bid for a casino in Saugerties in spite of the June 28 U.S. Appeals Court ruling that the Cayuga and Seneca-Cayuga Indians are not entitled to a \$248 million land claim settlement, according to his spokesperson Gwen Bellcourt. It is likely he plans on using one of several loopholes in the federal Indian Gaming Regulatory Act, the "two-part determination," that permits off-reservation gaming if a community wants it and the Secretary of the Interior, who oversees the Bureau of Indian Affairs, believes a casino would be in the best interest of both the tribe and the community.

Meanwhile, Bellcourt said this week that the developer is close to hiring an environmental engineering firm to undertake studies at the Winston Farm, despite a resolution against the casino passed by both the town and village of Saugerties. Attorneys for the tribe have also petitioned for a rehearing by the full Appeals Court of the June 28 decision.

<http://saveyourtown.com/press/05/0901ST.html>