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NY1 takes a look at the state's plan to expand casino gambling.

Rolling the Dice: Casino Interests Bet Big with Political Contributions

By: Bobby Cuza 08/21/2014 09:29 PM

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There are hundreds of millions of dollars at stake in New York's plan to license four resort casinos upstate, so casino interests are spending big money to influence the process. NY1's Bobby Cuza has more in part four of his series, "Rolling the Dice."

When Governor Andrew Cuomo introduced his casino legislation last year, it included a ban on political contributions from casino interests, noting that "unlike most other regulated industries, gaming is especially susceptible to corruption," but when the bill passed, that provision had been quietly removed—opening the floodgates to casino spending.

"The state government basically created a whole new category of special interests in a state that's already drowned with them," says Bill Mahoney of New York Public Interest Research Group.

According to the New York Public Interest Research Group, casino interests spent more than \$11 million on lobbying and political contributions the past two years.

Genting, which owns the Resorts World racino at Aqueduct Racetrack and is bidding on upstate casinos, gave almost \$1 million in contributions.

Casino lobbyists include power players like former Senator Alfonse D'Amato, former state Democratic party boss Charlie King, and former secretary of state Tonio Burgos.

"This is, in my opinion, an open invitation for the industry to start buying off legislators and making changes," says State Senator Liz Krueger.

"At the very least, this expands the problem of the legal corruption in which donors can send large sums of money to politicians hoping to get something favorable in return, even if there's not an explicit quid pro quo," Mahoney says.

The law did limit political influence in some ways: requiring strict qualifications of the five-member siting board, which includes former city comptroller Bill Thompson and former Cuomo aide Paul Francis. Members, for instance, must live outside the casino zones.

In addition, application materials have been posted online; an inspector general will provide oversight; and bidders can have no contact with board members.

"If an applicant has communications that's substantive outside that process, they are subject to disqualification," says New York State Gaming Commission Executive Director Robert Williams.

Even if the selection process is free of corruption, critics say casino interests will continue to press for favorable legislation like lower tax rates. Already some bidders are asking local governments for tax breaks, even before they've won a license.

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