

# Casino gamblers prey on depression collapse

by H. Graham Lowry

As in the last Great Depression, organized crime's gambling interests in the United States are preying on an increasingly despairing population, addicting more and more of them to the black magic of betting on the infinitesimal prospect of "the big payoff." This time, however, the gamblers are fleecing people with the full backing of federal and state laws, especially targeting areas hit with rampant poverty and unemployment levels.

On top of state lotteries proliferating like one-armed bandits, private casinos are mushrooming across the land, blessed by state officials invoking the chimeras of "job creation" and "new revenues." Since the passage of the 1988 Indian Gaming Regulatory Act, a favorite swindle has been to set up casinos on Indian reservations through the U.S. Department of Interior and its Bureau of Indian Affairs (BIA).

The added appeal of this procedure to the gambling interests is that casinos can be set up even in defiance of state and local laws. A recent travesty proposed for the city of Detroit, groaning under the nation's highest urban unemployment rate, is a case in point. Two commercial "developers" in Detroit's Greektown section filed papers in November with the BIA, seeking approval to donate seven-tenths of an acre downtown to the Sault Ste. Marie tribe of Chippewa Indians of Michigan's Upper Peninsula—who already operate two casinos there.

By placing this parcel of city land in the trust of an Indian tribe, which under federal law constitutes a "sovereign nation," the casino backers would be exempt from local prohibitions on gambling. Detroit's voters have rejected proposals to allow casino gambling on three different occasions. The developers plan to demolish a vacant warehouse on the lot and construct a three-story, privately financed, \$40 million casino by next summer, to be jointly managed with the tribe. The supposed selling point is the developers' claim that the casino will provide 4,200 jobs. Auto plant closings already announced in Michigan by General Motors will eliminate 23,000 jobs.

## Floating crap games

Many states have long since overcome any scruples about legalized gambling. New Jersey, which touted the economic "boon" of legalizing casinos in Atlantic City in the 1970s, has watched many of them go bankrupt, while crime rates soared faster than revenues from gaming taxes. The state's

mounting budget deficits have forced thousands of layoffs and brutal cuts in welfare programs, with no help from its "Casino Revenue Fund." The unemployment rate jumped from 8.1% to 8.7% in November, and another 2,200 auto workers will lose their jobs next year with the closing of GM's Inland Fisher Guide plant in Ewing.

Depression-wracked Illinois is virtually awash in casinos. The state gaming commission has authorized 10 licenses for riverboat gambling operations; five are already in business, and four others have been approved. Floating casinos are now operating at Alton and Moline along the Illinois stretch of the Mississippi River; at Peoria on the Illinois River; at Joliet on the Chicago Ship Canal; and soon will be at East St. Louis on the Mississippi and Aurora on the Illinois. Earlier this year, five riverboat casinos were plying the Iowa side of the Mississippi, until two of them steamed off to take advantage of the unrestricted opportunities on the river offered by the state of Mississippi.

Not to be outdone, Chicago Mayor Richard M. Daley has been lobbying for state approval of a \$2 billion, land-based casino, hotel, and "theme park" complex in the downtown South Loop—also in the name of job creation and increased revenues. Ownership would be placed in the hands of some of the biggest operators in Las Vegas: Caesar's World, Circus Circus Enterprises, and Hilton Hotel Corp.

Daley's plan hit a snag, however, after hearings before the state legislature in Springfield on Nov. 19. State Police Director Terry Gainer produced evidence that the scheme could simply invite organized crime to expand its drug money-laundering operations. Gainer testified that investigations are under way into drug money-laundering aboard several of the five riverboat casinos already operating in Illinois. "In the cases we've worked so far, we deduce that it's drug money that's brought in; and they try to pass the dirty money through the banks at the riverboats and get clean money back."

Spokesmen for the casino companies countered by portraying Las Vegas, a gambling hell-hole, as a virtually crime-free paradise and a model for the economy's future. "If Chicago and Illinois want the gold medal in the 21st century's greatest industry, here it is," gushed Glenn Schaeffer of Circus Circus Enterprises. Terry Brunner of the Better Government Association noted, however, that Chicago would have to imprison 300,000 people to match the percentage of Las Vegas' population currently in jail.

At a press conference on Dec. 2, Daley announced he was postponing efforts to gain legislative approval until next spring. "One thing I know is that they're going to be looking for revenue next year," Daley declared. The same day Daley opted to delay, representatives of the three casino companies met with a top aide to Gov. Jim Edgar to discuss a "compromise" on the Chicago plan. If given approval for a "world-class" entertainment complex downtown, they might accept confining the gambling end of it to four new floating casinos in Chicago.