

# CasinoFreePA

*a statewide coalition of groups and individuals  
opposing casino gambling in Pennsylvania*

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## **TESTIMONY FOR HOUSE GAMING OVERSIGHT COMMITTEE HEARING HB 1663 (mini-casinos)**

July 29, 2008  
Room G 50  
Irvis Office Building  
Harrisburg, PA

Chairman James and Members of the House Gaming Oversight Committee,

My name is Dianne Berlin and I serve as volunteer coordinator of CasinoFreePA. Thank you for the opportunity to testify at this hearing considering gambling expansion via mini-casinos at "clubs."

I must address the issue about the short amount of time for notification of hearings held by this committee. Ordinary citizens do not have usually the luxury of scheduling trips to hearings at the last minute and if experts were to be brought it, more time is needed to make those arrangements as well. A minimum of two weeks would certainly be more considerate of the citizenry and transparent as a committee,

We are pleased that there will be a hearing tomorrow on HB 783 but the notice that that bill was the focus of the hearing did not appear on the hearing schedule site until this morning. Perhaps others would have been able to testify if the notice was more timely. For the record, CasinoFreePA supports HB 783.

The news about our gambling debacle has gone around the country and, in fact, the world. Pennsylvania is being used as the poster child of what can go wrong when gambling is embraced.

Here is a quote from **GamblingCompliance Ltd**, "**Casino Plans In Turmoil As Pennsylvania Rethinks Gambling Strategy**" by Scott Van Voorhis on 21/07/2008  
<http://www.gamblingcompliance.com/node/17507>

*Overall, observers see significant structural problems in the way Pennsylvania has immersed itself into the world of slot machine gambling, with political considerations appearing to have trumped sound business strategy and effective regulation.*

This is a pro-gambling writer who is sharing this picture with the rest of the world. My copy of this article came via email from a person in Australia. So, our shameful reputation on gambling is out there for the world to see.

This committee has the power to begin changes for the worse or better or keep our less than honorable reputation.

Of course, CasinoFreePA hopes that this committee will work for changes for the better.

When fighting gambling expansion prior to the passage of the slots, the bars, taverns, clubs, etc. were all opposed to the tracks getting slots. They were loud and clear on that as they did not want the tracks to get slots if they couldn't.

For years, the PA LOOTtery, er Lottery contract included Keno and video poker in case the legislature approved them. The company holding that contract would have gotten the contract for those machines. I am not sure how the contract is written now, but it appears as though this legislation calls for the machines to be under a division of the Lottery. So, it may still be in there. I just did not have time to research this point.

Did their near silence on the slots in 2004 just mean a postponement and once the clubs beg for their, the rest of the licensees will follow?

I have two shopping bags filled with lists of alcoholic beverage licenses I requested several years ago from Rep. Creighton's office. One would hope that no legislator is considering sponsoring gambling in those other sites. However, we are here today to discuss one of those groups getting video gambling machines.

Roger Horbay, (President Game Planit, Box 1245 Elora ON, Canada N0B 1S0, tel: (519) 846-1905) is considered an expert on the workings of video gambling devices. Here is what he sent me when I asked about this legislation and the video "draw" poker machines as described in HB 1663

*Am I missing something? Are they saying video "draw" poker is different than video poker? If so, why would they say this?*

*It's a standard video poker machine with a \$500 prize limit just like any other VLT video poker machine. Adding the word "draw" doesn't change what it is. It's VLT video poker like you find here in Canada in bars and in many US states.*

*You are correct, they are very similar to slot machines in that they have set paytables and a random selection is made from the paytables that over the long-term ensures they payback (hold) at set percentage of each wager. If a player*

*plays perfect strategy, they'll lose less than a bad player. Both lose in the long-term because of the fixed payback like slot machines.*

Mr. Horbay and Tim Falkiner from Australia have researched the inner workings of electronic slot machines and their report "Unbalanced Reel Gaming Machines" which raises the questions of whether or not any of the slot machines could pass consumer protection or anti-fraud laws. **This report is worth studying and this committee needs to press for an investigation which would answer those questions. It is available on [www.casinofreepa.org](http://www.casinofreepa.org) on the Resources page. Those questions need to be answered before any more machines are put into the Commonwealth.**

HB 1663 would dump mini-casinos in just about every community in the Commonwealth. I have followed other areas where this has happened and it is not something that enhances lives or communities. One of those places is our neighbor, West Virginia.

West Virginia's report on calls to their Hotline for gamblers from 2000 through 2006 was just released. I have included it FYI. It is important for us to look at this today as it relates to HB 1663 even though their population is lower than ours because they began licensing mini-casinos in 2002. The figures for Kanawha, the county with the most people and the most gambling venues, had the highest number of calls to the hot line, One thousand one hundred forty-one.

The most calls to the hotline were for gamblers using the video gambling machines. Please note the numbers for 2002 when the mini-casinos were implemented, those numbers escalated the following years at a very high rate.

The first year that the mini-casinos opened, 2002, one hundred twenty seven people called the helpline due to them, the following years as more and more mini-casinos opened, the numbers were four hundred twenty-five, seven hundred seventy-eight, nine hundred sixteen and in 2006, there were nine hundred twenty-three who called due to gambling at the mini-casinos.

West Virginia's example should serve as a warning to the wise.

Australia and New Zealand have these electronic bandits at hotels and clubs. They are now trying to reduce the harm caused by this convenience and addictive gambling. Some communities have rolled back the numbers of the machines. Issuing smart cards is being considered.

Act 71 of 2004 was reckless legislation with thirteen communities having casinos. Why would Pennsylvania want to open the door to thousands of mini-casinos and cause more gambling problems than we already have?

No matter how "good" the cause, "gambling is not sound public policy. The parasitic, predatory nature of gambling needs to be considered when any votes on gambling expansion or repeal are held.

HB 1663 like Act 71 of 2004 is not in the best interest of the health, safety and well-being of Pennsylvania citizens. Not only is it poorly drafted with what appears to be intentional deception about the electronic bandits, but it is legislation which if enacted would cause great harm. This legislation does not pass the "smell" test

CasinoFreePA recommends a unanimous "NO" vote on HB 1663.

If you have any questions, I would be glad to try and answer them.

Again, thank you for allowing me to testify.

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