

Project Number: IQP 45-KJR0100 - EE

Gaming in Massachusetts

An Interactive Qualifying Project Report

submitted to the Faculty of the

WORCESTER POLYTECHNIC INSTITUTE

in partial fulfillment of the requirements for the

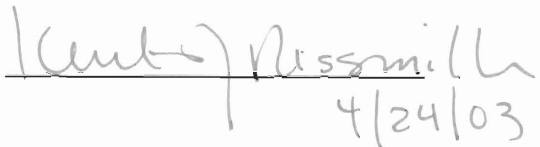
Degree of Bachelor of Science

by

Joseph C. Kambourakis

Date: April 24, 2003

Approved:


4/24/03

Professor Kent Rissmiller, Advisor

Abstract

This project examined the current state of gaming in the state of Massachusetts and aimed to determine if it would be beneficial to the state to expand legalized gambling. The two methods for determining this were to research different aspects of gaming and to conduct interviews with people who could provide important information about gaming in Massachusetts. The research supported enhancing opportunities to expand legal gambling in Massachusetts, but this is unlikely.

Acknowledgements

I would like to thank Marlene Warner, Amy Morris, Representative Bradley Jones, and Beverly Wright for agreeing and participating in interviews with me. I would also like to thank my advisor Professor Rissmiller for all of his help and guidance with this project.

Table of Contents

Abstract	2
Acknowledgements	3
Table of Contents	4
Introduction	5
Problem Statement	7
Review of Literature	8
Research Methodology	17
Interview Methodology.....	18
Interview Question Methodology	20
Summary of Interviews.....	22
Conclusions.....	24
Works Cited	29
Appendix A Interviews Conducted.....	31
Appendix B List of People to Interview	38
Appendix C Interview Questions.....	40

Introduction

In the 2002 fiscal year, the Massachusetts State Government was millions of dollars in debt. With legislators scrambling and trying to find a way to eliminate this debt, the idea of expand legal gaming became a very real likelihood for the state. A committee was established to determine whether or not it would be beneficial for the state to allow a casino to operate.

There has been talk about establishing a casino in this state for almost a decade, since the early 1990s. The previous decisions against establishing a casino were made in a stronger economy which tends to discourage casino development. With the current recession there is more public and legislative support for a casino in Massachusetts than ever before.

There are many positive and negative effects that come with legalized gambling. Creation of jobs, tourism, and increased tax revenue are all great positives that can help relieve some of the economic problems of a recession. Problems related to gambling, and associated crime and social problems are an offsetting ill effects. All of these effects need to be identified and valued before a decision can be safely made.

The most logical reason to establish casino gambling, that has not been an issue affecting previous decision makers, is that gaming is already here now. Casino-like gambling has been available online for a few years now. Many different games are available on countless sites. This form of gambling is legal because most of the website's servers are run offshore. This type of gambling has only negative impacts and does nothing for the American economy. It is easily accessible and is a quickly growing market.

The objectives of this project were realized by research consisting of reviewing documents about casino gambling and its socioeconomic impacts. Interviews of people who are critical to gaming added additional information. The information gained through these interviews is especially important for two main reasons: it is current and locally relevant to Massachusetts.

The research performed supports the analysis of the Governor's Commission's decision. This analysis resulted in a different and more precise conclusion than the Commission's. The Commission decision still holds much more weight.

Problem Statement

My project is about a possible expansion of gaming and the idea of introducing casino gambling to the state of Massachusetts. The state government has established a commission to research this issue and my research parallels theirs. The political environment must also be evaluated to understand the full impact this research results in. There are many parties that want to build a casino for various reasons. A large factor in this decision is that something like casino gambling already exists in the state by means of the internet and the close proximity of casinos in other states. Unlike a local casino that pays taxes to the state, online and out of state casinos only have negative effects on the local economy.

Review of Literature

Gambling means “risking any money, credit, deposit or other thing of value for gain contingent in whole or in part upon lot, chance, the operation of a gambling device or the happening or outcome of an event, including a sporting event, the operation of casino gambling including, but not limited to, blackjack, craps, roulette, poker, Baccarat, or keno” (National Indian Gaming Commission, 1988). That is the definition used in the 1988 Indian Gaming Regulation Act. Gambling devices are items that have a random or luck element to them. Playing cards, dice, roulette wheels, slot machines, bingo balls, and even a computer program that randomly generates numbers are all considered gambling devices.

Early casinos were built in the west during the 1800s. Some of these casinos were located on riverboats that floated on the Mississippi. Casinos are locations established to house gaming. They are all very different and have many different games. These casinos were outlawed in the 1890s after the Louisiana Lottery scandal. Casinos and all forms of legal gambling were non-- existent for 40 years until Nevada passed a law that allowed for all types of gambling in 1931. Nevada had a virtual monopoly on legal gaming for decades with hundreds casinos opening across the state ever since. The most profitable form of gambling inside these casinos was slot machines.

Slot machines were invented in the late 1800's by a man named Charles Fey. They were originally a mechanical box that rolled wheels to determine if a player would win. They had a coin slot and a handle to start the spinning. Modern slot machines are computerized and have buttons to start the spinning. Early slot machines were built to

accept nickels and quarters. Modern ones now accept bills of any denomination. Slot machines are also designed to be fun. They have bells, sounds, and even themes to attract and interest people.

The largest group of casino visitors plays slot machines. Slot machines are the biggest source of revenue for casinos. They represent up to 70% of revenue at some casinos. There are various reasons that slot machines are so popular. The biggest reason is how simple they are. You put money in and press a button. The machine then tells you if you won or not and pays off. There is no more to it. There are no rules of the game or strategy. This simplicity and usability makes them accessible to anyone. A gambler does not even need to know English to play.

Las Vegas has recently seen a shift in tourism. People do not just go there to gamble anymore and leave the kids at home. The whole family can go on vacation now. The shift has been away from gambling and more to entertainment. People plan on going to shows at the theatres and going on roller coasters just as much as they plan on gambling. This shift in casino entertainment introduces an element of entertainment that online casino cannot provide. This also separates Las Vegas from all other gambling markets in the world. Indian casinos try to emulate the entertainment available in Las Vegas, but fall short.

This current shift in entertainment in Las Vegas has led to a shift in prices for things. Every part of the casino now tries to turn a profit. Years ago casinos would try and lure people in with below cost hotel rooms and food. They thought that people would make up the cost difference on the casino floor. When casinos became more

corporate, this changed. The new managers with MBAs running the casino would never be convinced that things should be sold below cost (Worsnop, 1995).

The Nevada monopoly on legalized gambling ended when New Hampshire eventually opened the first state lottery in 1964. Other states soon followed suit. In the late 1970s New Jersey passed a law that allowed gambling in Atlantic City. Then the biggest change in gaming in this country occurred. In 1988 Congress passed the Indian Gaming Regulation Act.

The Indian Gaming Regulatory Act was passed by Congress Oct. 17, 1988. This act created the framework to govern Indian gaming. It classified gaming, required a compact to be reached between the state and Tribal States, and established the National Indian Gaming Association. This landmark act effectively allowed Indians to conduct gambling on their lands. This led to the construction of hundreds casinos across the country (National Indian Gaming Commission, 2003).

There are three classes of gambling established by the Indian Gaming Regulatory Act of 1988. Class I, consisting of traditional ceremonial gaming or social games for a prizes of limited value, was places under the tribe's exclusive control. Class II, comprising bingo, lotto, and certain card games, was made subject to oversight by a five-member National Indian Gaming Commission appointed by the president and confirmed by the Senate. Three seats on the commission were set aside for members of federally recognized Indian tribes. Class III activities, including casino gambling, slot machines, horse and dog racing and jai alai, were prohibited unless they were legal in a the state and the state and tribe entered into a "compact," as required under the Indian

Regulation Gaming Act (Worsnop, 1995 p.24). Class III gaming is the most important class because it includes casino gambling. This act, its structure, and its intent all predate internet gambling.

How casinos affect the local economy is of great debate. People who want to build casinos will exclude information damaging to their cause. Subsequently people who do not want casinos in their area do not admit certain advantages of the casino. Casinos can certainly affect a local economy in a far greater manner than anything else in the local area.

Casinos can have a positive effect on local economies. The main effects are to increase consumption of goods, increase employment, and tax money for the state. The increase in goods is mostly things that the casino uses to run. Such things as local electricity, liquor, foodstuffs, and many other goods are supplied by the local economy for use in the casino. Employment opportunities arise for people to work in the casino as janitors, cooks, dealers, managers, and other jobs as well as construction jobs. Money generated for the state through taxes can also be a great windfall.

Another effect on local economies generated by casinos is tourism. Tourist's dollars are hard to identify precisely, because tourists spend money in many ways. A tourist may get a hotel room, put gas in his or her car, and eat in a local restaurant. In general it is relatively difficult to distinguish if it is a local or a tourist patronizing an establishment. These activities go a long way to improving local economies where the casinos have been established. Tourism importantly brings money from other areas to tourist destinations.

There may be as many if not more negatives to introducing casino gambling to an area. One of the impacts is the drain on other local industries created by gambling.

Money that may be spent at a local business may go to the casino depriving the business of a customer. A negative effect most difficult to measure is the impact of addicted gambler. A gambler with a problem may lose his income, home, and possibly everything he has. This loss of workers and their taxable income is very bad for local economies. The families of compulsive gamblers can also be devastated by their problem. These people eventually burden the economy in a much more drastic way than they helped it by their gambling activities.

Pathological gambling is the term used by the American Psychiatric Association to describe the clinical disorder characterized by a persistent and recurring failure to resist gambling behavior that is harmful to the individual and/or others (American Gaming Industry, 2001). Many people develop this problem at a very young age. Ninety percent of problem gamblers are men. There is however, no predominant racial, cultural, or religious makeup of the modern compulsive gambler. This is because most cultures tend to mold more men than women to be greater risk takers than it does to women. Seventeen percent of problem gamblers are likely to commit suicide. They are overwhelmingly likely to commit a felony because of gambling (Massachusetts Council on Compulsive Gambling, 2003).

With the recent rise in number of casinos there is a subsequent rise in the number of problem gamblers. Problem gamblers aren't as likely or able to afford longer trips to faraway casinos. When a casino opens locally there is much more desire to go and the problem gets worse. A newer form of gambling has opened up exposing people all over the world. Internet gambling has the potential to create even more problem gamblers.

Internet gambling is very new and barely documented. There are no laws or regulations currently in the United States pertaining to internet gambling. There is an old law somewhat relevant, but there has been no enforcement yet.

The more relevant current law is The Federal Interstate Wire Act of 1960. The act is broken into different parts. The first part states that it is a crime to use “a wire communication facility for the transmission in intrastate or foreign commerce of bets or wagers” (Rose, 2002). It also sets maximum sentences of imprisonment. The second part allows information that is used in reporting gambling activities to be legal. This allows the media and press to discuss gambling. The third part prevents the act from counteracting any state law. The fourth part requires that the Federal Communications Commission close internet service providers that allow the betting to occur. One important gap in the act is that “intrastate transmission is not covered by the Act” (Findlaw, 2002).

Online gaming has increased dramatically in the past few years. The number of sites has gone up to about 1,400 from 50 only 5 years ago. This is a huge amount of growth for an industry. Revenues have gone up an even greater amount also. “\$3.1 billion in 2001 and that figure is expected to double this year” (Toland, 2003).

Federal legislators have recently attempted to ban gambling over the internet. Large problems that have been encountered “over how to define illegal gambling, what forms of wagering to exempt and how to enforce a ban have prevented Congress from agreeing on legislation” (Arnold, 2003). There is a new and popular movement against internet gambling because of the great increase in gaming now done on the internet. Christiansen Capital Advisors estimates that “\$6 billion this year and \$10 billion in 2005”

will be wagered. Most groups in the United States such as the American Gaming Association, many legislators, and various casinos think it should be banned. There is a federal bill that was passed to help evaluate and study the situation.

One of the groups that support establishing a casino in Massachusetts is the Hotel Employees Restaurant Employees Union. “Members of the Hotel Employees Restaurant Employees Union crowded a States House auditorium wearing T-shirts proclaiming: “Casino + Unions = Good Jobs” (Klein, 2002). A casino could provide hundreds of new jobs for workers in that union depending on size.

“The Wampanoag tribe of Gay Head – the state’s only federally recognized Indian tribe” (Klein, 2002) is very important to establishing gaming in Massachusetts. The Indian Gaming Regulatory Act only allows nationally recognized tribes to establish casinos and the Wampanoags are the only recognized tribe in Massachusetts. The Wampanoag tribe became federally recognized in 1987. They reached “an agreement with the state in 1983 saying that any land the tribe acquires outside Gay Head on Martha’s Vineyard would be ‘subject to all civil and criminal laws’” (Klein, 2003, A). Whether or not this will be a problem will be seen.

A new and very different approach to the gaming debate in Massachusetts has been the prospect of blocking payments. In this plan, out of state casinos and racetracks would pay Massachusetts to ban the establishment of casinos. The competitors are “casinos in Connecticut and tracks with slot machines in Rhode Island and New Hampshire” (Guarino, 2003). The proposed amount would be about \$80 million dollars. This plan would draw “\$20 million each from four operators who would lose business in

any expanded Bay State Gaming” (Guarino, 2003). This idea is very simple and can be very beneficial to the state.

The good points to these blocking payments are that many of the negative effects that arise from casinos are completely avoided while the state still gets money for the budget. There is no drain on the local economy, no problem gambling; and no need for regulations of a casino. The negatives of not establishing a casino are far greater though. There is no creation of the many jobs for people who would work in the casino or in its construction. The amount of revenue generated for the state by an operating casino would likely be three times the blocking payment amount, a sizable portion of money.

These blocking payments aren’t a good idea for the state. They have many supporters and should certainly be utilized if the state does not set up a casino. It shouldn’t be used a reason to not set up a casino however. Many good things such as “I think this is exactly the type of innovative and creative thinking that we need to deal with this casino issue” (Guarino, 2003) have been said about this plan.

The proposal to establish blocking payments from other gambling operations in other states was rejected very quickly by the establishments that were to pay the fee. The state Treasurer Tim Cahill “prefers no expansion to gambling at all, but said if the Legislature has no alternative as it tries to close a \$3 billion budget gap” (Maguire, 2003). He prefers to establish state Lottery controlled video slots facilities. These can certainly help the state but not enough to eliminate the large budget gap. These video slots would be located at the state’s racetracks in a similar fashion to what Rhode Island has established.

One of the arguments for establishing a casino in Massachusetts is that we are losing money to Connecticut. “The same report concluded that almost a quarter of Massachusetts’ 4.5 million adults made at least one trip to a casino last year, primarily to Foxwoods and Mohegan Sun in Connecticut.” (Walker, 2002). That is 1.125 million Massachusetts residents went out of state to spend money. That many people is a very large amount. In terms of dollars spent it runs into the hundreds of millions. Losing this kind of money hasn’t been devastating but certainly has not had a positive effect on Massachusetts. Recovering this money would benefit the state immensely.

In March 2003 the Massachusetts state government proposed a series of video slot licenses for establishment. Senator Susan Tucker said “if slot machines licenses were granted to any facilities in the state, the state lawmaker would be virtually powerless to stop tribes from erecting gambling palaces” (Klein, 2003, B) because the Indian Gaming Act allows tribes to do anything that is legal in the state. These licenses would only be short term, on the order of 5 years each. This would prevent new establishments from being erected and only allow current establishments to be set up. This idea was echoed by lawmakers who felt that “only deep-pocketed owners with existing facilities such as owners of the states four racetracks would be willing to bid for licenses” (Klein, 2003, B).

Research Methodology

The first portion of the research was to find and read most of the relevant literature. Magazine articles, books, and newspaper articles all are very good sources of information. By reading these materials a good amount of background knowledge was developed to help understand the situation. Proper documentation of these materials was also necessary for this project to give it credibility.

The key points to research became: the history of gambling in the United States, economic effects of gambling, psychology of gambling, social effects of gambling, current policy of gambling, public stance on gaming, and internet gambling.

Much of the research led to other aspects that needed to be researched. National policy leads to state policy research for example. An appropriate vocabulary was also developed. Terms such as Class III gaming and compulsive gambler were thoroughly researched.

Interview Methodology

The interview process was very linear. The first step was to identify who would be helpful or important to interview. These identifications were done based on positions and titles. These people include people who are influential or close to the decision making process of establishing a casino.

Identifying a person to the position or title from which an interview was sought composed the second portion of the interview section. This consisted of researching who held a position or asking someone who had conducted previous research, about their sources.

Once the people were chosen two things needed to be done. Some research on interview subjects was conducted to establish a good knowledge of the person. This helped to make the interview as efficient and well conducted as possible. The second task was to develop a series of questions to ask the person in the interview.

In order to ensure a good interview the questions were submitted beforehand to the interviewee to give him or her appropriate time to develop well thought out answers. It also allowed them to prepare any necessary material that they may need. This approach resulted in a smooth interview. During the actual interviews a few new questions arose from the answers also.

Once the interviews were conducted, the questions and data that resulted needed appropriate formatting. This was done for documentation and reference purposes. Once

they were formatted, a summary of each interview was written to help abbreviate and organize the key points of the interview.

When all the interviews were conducted and documented, the results were compiled and appropriate conclusions were written. The conclusions have a clear cut stance on expanding gaming in Massachusetts and indicate the circumstances under which such a proposal might be most beneficial to the state.

Interviews are valuable for information gathering. They allow specific questions regarding the issues relevant to Massachusetts to be asked and answered. The people I chose to interview were all from Massachusetts and knew about the current state of affairs in the state. Speaking with a Legislator gave an inside perspective to the workings of Massachusetts politics. Many of the interviewers gave information that was not available in any other medium.

Interview Question Methodology

The general questions were to get some background and ask general questions to interviewees. Understanding someone's background related to gaming is also critical in understanding why they feel the way they do about issues. They also were meant to see what everyone's stance was on expanding gaming in the state.

The questions posed to Beverly Wright, the Wampanoag woman, were to get some information about the tribe. This tribe is the only federally recognized tribe in the state of Massachusetts. Being federally recognized is the only way to establish a casino under the Indian Gaming Act.

The questions for the legislators were meant to obtain information about the political situation in the state. Very little information is available about how legislators feel and act on certain issues. Inside information from people who can directly affect the political environment is very important.

The tourism board questions were an attempt to get an idea of a proper location for the casino. It was also meant to get an understanding of how they think a casino would affect the tourism in the state. Unfortunately, they are not at all involved with gaming and had no comment.

The questions for the lobbyist were to see what kind of support and influence the industry had on the legislature. It was also to see what kind of things lobbyist do to accomplish their goals.

The treatment questions were to get an understanding of the negative effects of expanding gaming. Compulsive gambling is a very new and changing subject that there

isn't much research about. The questions were to see what kind of problems and treatments there were for this addiction.

Summary of Interviews

An interview was conducted with Beverly Wright on April 9th, 2003.

Five phone calls were made to Susan Tucker's office and no one was reached and none of the voice mails were returned. An interview with Representative Bradley Jones's Chief of Staff was conducted on March 25, 2003. The Massachusetts Tourism Board informed me that they have nothing to do with any decision associated with gaming and had no relevant information. An interview was conducted with Amy Morris of the Massachusetts State Lottery on April 14, 2003. The Boston Hotel Workers Union did not have anyone to speak with and didn't respond to the four voice mails. Charles Irwin, Esq. who is listed as a gambling lobbyist was no longer at his office. His brother answered the phone in the office and was offensive and angry when asked any questions. Eric Zehr was never contacted despite calling on ten different occasions and was unavailable at the time he said he would be available.

Speaking with Marlene Warner was very helpful in researching more about compulsive gambling. She also provided information on how The Massachusetts Council on Compulsive Gambling operated. Her interview was critical to understanding the negative effects of expanding gaming.

Speaking with Beverly Wright did not establish much information that couldn't be researched. She rehashed most of the positive issues associated with establishing Indian Gaming in a state and left out the negative effects it might have on the state. She did provide some useful data on the Wampanoags.

Mark Rowe provided a great insight into the politics of the state. He explained what was possible and not possible with the current House, Senate, and governor. He also mentioned the Nipmuck tribe and their desire to gain federal recognition.

Amy Morris was very helpful to speak with. She was apprehensive about divulging certain information and said most of the questions she would in no way answer if asked by a reporter. Most of the questions she answered on behalf of the Massachusetts State Lottery which is part of the Treasury Department. The information she provided was helpful in understanding ways to expand gaming without establishing a casino.

Conclusions

There are many factors that need to be considered when deciding on whether or not to allow the establishment of a casino in Massachusetts. There are many different involved parties all supporting different views on the decision. Deciding cannot be done by simply adding the negatives and positives together and getting a cut and dry answer. Most of the factors are immeasurable and there is no way to weight them. Despite the difficulty of making a decision I think that the state of Massachusetts should pass legislation allowing casinos to be established.

The positives of allowing a casino to be established are much more significant than the negatives. A casino would create jobs, help the Wampanoag Indian tribe, create millions of dollars in tax revenue for the state, and would prevent money from being lost to other states and the internet. The downside to a casino is that it will create compulsive gamblers in the population. Also money spent in casinos will not be spent at already established businesses.

The creation of jobs will benefit the state in the form of the income tax collected from casino employees. These jobs are not likely to pay as much as other industries but more jobs will certainly aid the state. An operating casino will employ different types of people like cooks, maids, janitors, dealers, accountants, entertainers, and many others. There will also be construction workers employed when the casino is built.

The Wampanoag tribe and their backers the Tunica Biloxi Indian Tribe of Louisiana would also prosper if they were allowed to establish a casino. The Wampanoags aren't a large tribe but are not as wealthy as the average Massachusetts

citizen. The profits from a casino would allow greater economic development for the tribe. The tribe does not think that a casino would have any negative impact on the state but this is an incorrect and biased view.

There is a great potential for state revenue to be generated from an operating casino. Depending on what amount of taxation is decided upon and how successful the casinos may be, between \$200 and \$500 million dollars per year could be paid in taxes to the state. This is not a large part of the state budget but would go a long way to helping reduce the budget deficit. A casino would be a constant revenue source for the state as long as it operated, much as the Department of Motor Vehicles is.

The largest and most underrepresented positive to the state would be the prevention of money lost to other parties. There are over 1.125 million Massachusetts residents traveling to Connecticut casinos every year. The amount of money they spend is easily in the hundreds of millions. This is a huge amount of money for Massachusetts to ignore. A casino in Massachusetts would be closer to most of these residents and prevent them from traveling to Connecticut.

There is a smaller but rapidly growing economic loss to internet gaming. Internet gambling has been an industry with yearly growth over 100% for the past six years. There are no specifics on the amount of money gambled online in Massachusetts, but it is in the millions. Internet gaming is not taxed, or regulated by any government body and is regarded as illegal. A casino in Massachusetts may attract the people gambling online away from their computers.

The biggest negative that by far outweighs all the others is compulsive gambling. Compulsive gambling does not affect a large part of the population, only about 3% of the

general population. Even though compulsive gamblers are a small portion of the population their effect is felt by everyone near them. Families and careers can be ruined by compulsive gamblers behavior. It is hard to determine exactly how devastating this can be but it can be dealt with. There are services available to compulsive gamblers to help them. Massachusetts has a council on compulsive gambling that provides help currently. If a casino were established the council should get a portion of the taxes collected to help counteract the increase in compulsive gamblers subsequently created.

Money spent at casinos is money that would normally be spent in other places like movie theaters, amusement parks, sports venues, and other entertainment locations. The money gambled and spent in gambling locations is over ten times greater than spent in these other places. A casino will have no significant impact on these other industries.

A casino will not in itself fix the current budget deficit. It would take over a year for a casino to be established and built. A casino is a long term affair and the State Treasurer believes that the current recession is only a short term problem. It is likely that casino proposed today will miss the recession entirely.

Gaming legislation in Massachusetts is a constantly changing and evolving process. On April 15th the State House or Representatives voted 95-59 against any expansion of gaming. Speaker of the House, Thomas Finneran, is strongly opposed to gaming in Massachusetts. He commands a large portion of the House votes and it is currently impossible to pass something he is against.

Legislation can come from Governor Mitt Romney's office. Romney is against establishing a casino and has been looking for creative solutions to the gaming issue. He tried to establish blocking payments from other casinos and racetracks outside

Massachusetts. These blocking payments were refused by the other gaming establishments and may not even be legal. He is still looking for solutions but it seems very unlikely that he will take a substantial leadership on this issue.

The Massachusetts State Senate is the most likely source of any legislation to expand gaming. In the Senate, there is more support for gaming than the House. The Senate Minority Leader Bradley Jones and most of the Senate Republicans are strongly in favor of establishing a casino. Bradley Jones has submitted the most comprehensive and thorough bill that any legislator has proposed.

There are no set circumstances that will bring about gaming changes in Massachusetts. There are some things that are almost necessary for them to come about. There needs to be some sort of state budget problem such as a deficit. Most politicians will not support a casino to raise tax revenue during a surplus. There needs to be strong support from the Governor's office also. The Governor has enough influence to get this type of legislation passed with lesser support from the House and Senate. Likewise they have enough power to prevent it from going through with moderate support. A current problem is that there will not be any expansion of gaming with Thomas Finneran as Speaker of the House. His adamant opposition to gaming and strong support will prevent anything from occurring while he holds his current position. A key component that is missing from the current attempts at gaming expansion is a figurehead. There is no strong supporter and public person supporting a casino. Someone who acted much as Donald Trump did in Atlantic City would be a huge boon to supporters of a Massachusetts casino.

The casino and gaming industry needs to put an effort into expanding their operations to Massachusetts. There is a large market that has been largely ignored. The industry has done little with the Wampanoags and less with the State Legislature. If the industry acknowledged the market and put money and time into developing it, Massachusetts could have one of the largest and most successful casinos in the country.

Massachusetts should expand gaming to allow for one to two casinos. The taxes collected from the casino and distributed throughout the state will outweigh the incurred problems resulting from compulsive gambling, if proper money is allocated for prevention and treatment. Nothing will happen given the current elected officials. With a new governor and legislature elected during a budget deficit, then a casino may be established.

Works Cited

- Allis, Sam. "Net sites blocked by China go from expected to bizarre." *Boston Globe*
5/12/2002: pC2.
- American Gaming Association, 2001. Responsible Gaming
<http://www.americangaming.org/>
- Arnold, Laurence. "Some Lawmaker Want Net Gambling Controls" *Associated Press*
13/3/2003.
- FindLaw, 2000.
<<http://biz.findlaw.com/operations/technology/faq240.html?operations/ca>>
- Guarino, David. "Mitt rolls dice: Gove wants casinos to pay for Mass. ban" *Boston Herald* 11/2/2003.
- Klein, Rick. "Governor is ready to put video slot machines to test" *Boston Globe*
1/4/2003 pA1. (A)
- Klein, Rick. "House set to take up debate on gambling" *Boston Globe* 28/3/2003 pB1.
(B)
- Klein, Rick. "State gambling debate heats up Beacon Hill" *Boston Globe* 10/12/2002:
pB1.
- Maguire, Ken. "Video slots eyed as revenue producer for Massachusetts" *Associated Press*: 00/03/03.
- Mooney, Brian C. "Police aren't speaking out against gaming plans." *Boston Globe*
15/12/2002: pB1.

National Conference of State Legislatures. "State-Tribal Relations: Gaming."

<http://www.ncsl.org/programs/esnr/gaming.htm>.

National Indian Gaming Commission. "Indian Gaming Regulatory Act."

http://www.nigc.gov/nigc/laws/igra/igra_index.jsp.

StartCasino.com Rose, Nelson. The Federal Wire Act of 1960.

<http://www.startcasino.com/wireactchm.php3>.

Stockman, Farah. "In-state casino backers point to Internet betting." *Boston Globe*

2/12/2002: pA1, A12.

Tannenwald, Robert, ed. Casino Development How would casino affect New England's economy?. Boston: Federal Reserve Bank of Boston, October 1995.

Toland, Jennifer. "Cyber Gamblin." *Telegram and Gazette* 26/1/2003: pA1.

Vennochi, Joan. "Will Romney roll dice on casino gambling." *Boston Globe* 21/11/2002: pA19.

Walker, Christopher. "Tax Impact." *Patriot Ledger* 23/11/2002:

<http://www.southofboston.net/specialreports/casinos/pages/day1-3.html#>

Worsnop, Richard L. "Gambling Boom." appeared in Riconda, Andrew, ed. Gambling. New York: the H. W. Wilson Company, 1995.

Appendix A Interviews Conducted

Interview with Amy Morris

Amy Morris is the spokesperson and director of communication for the Massachusetts State Lottery. She was appointed by Timothy Cahill, the state Treasurer, in January of 2003. She handles all media concerns for the lottery. She also handles internal and external communications. She also manages marketing and sales aspects of the lottery.

All of the questions asked were answered as Timothy Cahill would answer them since Amy Morris is the spokesperson for him and the lottery which is part of the Treasurer's department. Cahill is greatly opposed to establishing a casino in the state of Massachusetts. He doesn't feel that it is an appropriate thing to do in a bad economy. It is a long term solution to a short term problem and the economy will turn around soon.

There are also issues in returning aid to cities and towns in the state and nothing has been proven to do this. There are no bills or plans that outline how to fund cities and towns.

There is also a lack of appropriate studies on how a casino would affect the state lottery. The one commissioned by the Wampanoag's is slanted. Studies about the lottery and gaming need to be very specific to Massachusetts. The Massachusetts state lottery is very different from other lotteries in that it has the highest payout percentage of any state lottery and has been very successful.

One good solution instead of establishing a casino would be to increase the lottery. The Massachusetts State Lottery is not allowed any advertising except at point of

sales. An advertising budget would increase sales and subsequently add more money to the state budget.

Interview with Beverly Wright

Beverly Wright is the Chairperson of the Wampanoag Indian tribe of Gay Head, Massachusetts. This position is similar to that of a CEO but of a council instead of a board. She has no background in gaming aside from having been to multiple casinos. The Wampanoag's believe that establishing a casino would help the state in two different manners. The Commonwealth would get taxes from revenue the casino would make. It would also benefit from taxes the casino employees pay on their wages. This is a constant revenue stream for the Commonwealth. The Wampanoags would gain from economic development. This would help the 1000 tribal members who reside in Gay Head to not rely on government subsidies.

Beverly doesn't think establishing a casino would hurt the state in any manner. It has been said that it would hurt the lottery revenue, but the Wampanoag's funded a study that indicates it will not hurt the lottery revenues. The lottery revenues are very important to the cities and towns of the state because the revenue is spread to all of them throughout the state.

The Wampanoag's are hoping to establish a class 3 gaming facility. They do not plan on establishing it at their base at Gay Head. The exact business plans are always evolving. The tribe has a financial backer, the Tunica Biloxi tribe Louisiana. They have looked at several locations in southeast Massachusetts. A major issue with location is

that they want a place where the city or town government is very supportive of establishing a casino and wants to cooperate with the Wampanoags.

The tribe is still working to see where Governor Mitt Romney is on the issues. They are watching the House debate carefully and will be very attentive on the 15th of April when the House plans to debate the issue. The Wampanoags have hired a lobbying firm to help get the political aspects of the issue going.

The business plan has a large amount of money reserved for starting up a casino facility. They are trying to be flexible depending on how much land they acquire. The tribe is currently planning to build only one casino and hoping that it is the only casino in the state. They have been researching and looking into establishing a casino for seven years. They became federally recognized in 1987, we were looking for economic development plans which led to trying to establish a casino.

Interview with Marlene Warner

Marlene is the Program Manager of the Massachusetts Council on Compulsive Gambling. The council does the following things: referrals, information, publishes The Wager, advocates, and offers job site training. The Council maintains a hotline through which it makes referrals for compulsive gamblers or their close friends who call.

The referrals are made for the compulsive gamblers that call in. They are given any information that they want on the subject. They are also given a list of Gamblers Anonymous meetings that they are encouraged to attend. They are also referred to credit companies that can help them recoup financially from their problem.

The Council also offers training for professionals. The trainings are usually given to people working with at risk youth, the elderly, and people with substance abuse problems. They teach these social and medical workers how to identify and aid compulsive gamblers.

The advocacy they do as a group is divided into two areas. They offer information to the state legislature and other government bodies on compulsive gambling. They also help publish papers by leading researchers in the field of compulsive gambling.

The Wager is a publication that focuses on the topics that the Massachusetts Council on Compulsive Gambling works on.

Marlene and most of the people in her office do not have a background specific to gaming. She has a sociology degree and previous work with nonprofit groups. This is due to the very young nature of the field. Compulsive gambling is a very new subject and field only twenty years old.

The group is funded by the Massachusetts State Lottery. It gets a fixed amount of \$500,000 a year from the unclaimed prized pool. They would expect to get an increased budget if a casino were to be established in the state.

They have a very healthy attitude towards establishing a casino in the state. They acknowledge that it can have great financial benefits that will likely exceed the costs. They are not opposed to it in any manner and are mostly concerned with allocating money generated from the casino towards compulsive gambling prevention, education, and treatment.

They have different classification levels for compulsive gambling. They are as follows:

- 0 Never gambles
- 1 Gambles socially
- 2 Problem gambling with some critical diagnostic
- 3 Severe gambling problems with over 5 diagnostics
- 4 In treatment

There are three main types of treatment for compulsive gambling that are similar to treatment for other addictive behaviors. There is psychodynamic treatment which deals with underlying issues that lead to problem gambling. The second type of treatment is cognitive behavior approach that attempts to break the behavior. The third type uses psychopharmacological methods that try to use medicines to treat the addict. Usually a combination of these approaches is used. These methods are used for other addictions and work because the body reacts in a similar manner chemically to both gambling and narcotics.

Compulsive gamblers experience withdrawal symptoms very similar to withdrawal symptoms exhibited by other substance addicts. The intensity of the symptoms is related to how severe the problem was. Most compulsive gamblers are treated at facilities similar to those used to treat other addicts.

Interview with Mark Rowe

Mark Rowe is the Chief of Staff for the Massachusetts House Minority Leader Bradley Jones. Mark has no particular background in gaming but has three and a half years of policy making and has done a great deal of legislative analysis. He drafted a

budget amendment that was one hundred pages long. The document established the most comprehensive guidelines for establishing a casino in the state. These guidelines allow the establishment of at most three casinos in the state. Of these casinos, at most two could be commercially or Indian run.

There is a second tribe trying to become federally recognized to establish a casino in the state. They are the Nipmuck tribe from Central Massachusetts. If they become recognized then they could establish a casino under guidelines of the Indian Gaming Act. Currently, the Wampanoag's are the only federally recognized tribe. Under the bill the tribes have until January 1st, 2005 to establish guidelines for a casino. The guidelines by which the governor can negotiate with the tribes are also established in the document. If the tribes and state don't reach an agreement before this date, then a commercial casino would be allowed to be set up in the state.

Bradley Jones and his staff believe casinos are a good idea because they alleviate some of the financial stress on the state. They view it almost as a voluntary tax. They also think that it is a good idea because there is already a great deal of money lost to Connecticut and the Internet through gambling everyday. There is already money in the state budget set aside for problem gambling also.

There are 23 Republicans in the Massachusetts House of Representatives. The majority of them are in favor of establishing gaming in the state. Two to three of them are against it for moral reasons. The Republican leadership in the Senate is also in favor of establishing gaming. Due to the vast minority of Republicans elected in the state, this as other issues is non-partisan.

Mark believes that there will be no legislation to come out of the house on this issue. There are two ways that it will come about he says. Governor Mitt Romney's office is one of the sources of action. He has delayed and avoided the situation for the most part however. The other way that action may come about is if it comes from the State Senate. The smaller arena and more vocal members make this much more possible than in the State House.

Appendix B List of People to Interview

Name	Position	Contact Info		
Beverly Wright,	Chairperson of the Aquinnah Wampanoag Tribal Council	(508) 645-9265		
Susan Tucker D Andover	Dem State Senator	State House Room 424 Boston, MA 02133 Tel: (617) 722-1612 Fax: (617) 722-1058		
BRADLEY H. JONES, JR.	Republican Senator	<table border="0"> <tr> <td>State House Room 124 Boston, MA 02133</td> <td>District Office 249 Park Street North Reading, MA 01864</td> </tr> </table> <p>Telephone: 617-722-2100 978-664-5936 Facsimile: 617-722-2390 978-664-5936 E-Mail: Rep.BradleyJones@hou.st repbradjones@attbi.com ate.ma.us</p>	State House Room 124 Boston, MA 02133	District Office 249 Park Street North Reading, MA 01864
State House Room 124 Boston, MA 02133	District Office 249 Park Street North Reading, MA 01864			
	MA Tourism Board	Mailing Address and Phone Massachusetts Office of Travel & Tourism 10 Park Plaza, Suite 4510 Boston, MA 02116 U.S.A. Phone: (617) 973-8500 Toll-free: (800) 227-MASS (U.S. & Canada) Fax: (617) 973-8525		
Amy Morris	Spokesperson for Massachusetts State Lottery	amorris@masslotery.com 781-849-3464		
Boston Hotel union	Person from hotel union	617-423-3335		

Charles J. Irwin, Esq.	Lobbyist	45 O'Bannon Place, Swansea, MA 02777 800-275-3918 FAX: 508-675-4526 info@tribalgaming.org
Rick Zehr Vice President of Addiction and Behavioral Sciences,	Someone in treatment	Rick Zehr (eric.zehr@proctor.org) or call 1-800-522-3784
Robert E. Traveglini, D-Boston	Senate president	State House Room 330 Boston, MA 02133 Telephone: (617) 722-1634

Appendix C Interview Questions

Questions for Everyone

1. What is your current job title/position?
2. What is your background in gaming?
3. Do you think that establishing a Casino will help the state of Massachusetts?
4. How do you think will it help the state?
5. How do you think it will hurt the state?
6. Are you for or against establishing a Casino in Massachusetts?
7. Do you think there are ways to expand gaming without many of the problems?
 - a. Expanded lotteries
 - b. Slot machines at current racetracks
 - c. Off track betting
 - d. Dedicated revenue going to treatment
 - e. Other

Wampanoag

1. Where is your tribe located?
2. How many people are in your tribe?
3. How do you think establishing a casino will help your tribe?
4. Do you have a business plan?
5. What does this plan include?
6. What are some short term goals?
7. How big a casino do you hope to build?

8. What are some long term goals?
9. How much do you hope to spend on establishing a casino and how will you finance this?
10. Where is your ideal location for such a casino?
11. For how long have you been trying to establish a casino?

Senator against (Susan Tucker)

1. What are your main reasons for being against legalizing casino gambling?
2. Are there compromises you can imagine?
3. What are your feelings about internet gaming?
4. Are you in the majority of state representatives as far as this issue is concerned?

Tourism board

1. Is it a good idea to establish a casino?
2. How can a casino contribute to tourism?
3. Where is the ideal place to establish a casino in the state?
4. What are some location problems that may arise?
5. How many visitors do you expect from outside the state?

Boston Hotel Union

1. How many jobs do you expect from establishing a casino?
2. What type of jobs do you expect?
3. What is the average wage made from these jobs?

Lobbyist (Charles Irwin)

1. Who are you trying to speak and get in contact with in your efforts?
2. Who is funding you?
3. How well are you received by the people you speak with?
4. What do you tell the people you speak with?
5. How much time to you put into this issue?
6. How many people do you get into contact with?

Senate President (Robert Traveglini)

1. What are your reasons for being pro gaming?
2. What are your feelings about internet gaming?
3. What are the senate's feelings?
4. What do you think the governor will do?
5. When do you expect the legislature to act on the issue?
6. How important is this issue to you?
7. Is there much devotion to this issue?

Treatment person (Rick Zehr)

1. How big a problem is compulsive gambling?
2. What are the main steps to treating someone?
3. Is treatment a difficult process?
4. What are some problems that compulsive gamblers face?

Republican Legislature (Bradley Jones)

1. What are your reasons for being pro gaming?
2. What are your feelings about internet gaming?

3. What is your party's stance on this issue?
4. What do you think the governor will do?
5. What is the involvement of your party?
6. When do you expect the legislature to act on this issue?