

CHRISTIAN LIFE REPORT

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Gambling

by Kay Ivey

Every Alabamian knows just how bad our state's financial situation is. Spending is out of control. Like gluttons at an all-you-can-eat buffet, too many lawmakers lack the discipline to push back their plate, and spending goes on as rampantly as ever. All this at a time when state revenue is running dangerously low and very painful budget cuts are just around the corner.

So, it is easy to understand why people want to find new sources for pumping money into our cash-strapped government. It seems like a simple idea: legalize gambling in Alabama, place a heavy tax on it, and then just sit back and watch as seemingly endless waves of "free" money fill the state coffers.

But that premise is flawed. Gambling itself is based on the idea of getting something for nothing. You put down a little money and hope to win a big cash prize in return.

Ah, if it were only that easy! Simple math tells you there must be more losers than winners to make gambling profitable for the owners of the gambling operation.

And there's the problem. Using tax revenue from gambling as a funding mechanism is unpredictable at best, and unreliable at worst. A basic principle of public policy is, never fund an essential public service with an unstable source of funding.

Just look at what's happening in Nevada right now. For decades, the Silver State promoted itself as a gambler's paradise with Las Vegas as its Mecca. Millions of tourists came to visit, and billions of dollars changed hands in slot machines, at roulette wheels and over poker and blackjack tables. The state was right there, taking its share of the loot. And when times were good, it made it a good haul.

Then the current recession hit. And guess what? "Sin City" isn't quite as glitzy as it once was. Gambling in Nevada has been on a steady losing streak lately. The Nevada Gaming Control Board reports that as of last October (the most current figures available at the time this editorial was written), casino year-over-year returns have declined for 22 straight months. Not so coincidentally, that was about the same time the recession started. Regulators

say the state collected \$49.3 million in taxes based on October revenues. That's down 12.7 percent from the same month a year ago. That is in addition to millions of dollars Nevada has lost from its other non-gambling revenue sources, too.

Then there is the cost of the social problems that go hand-in-glove with legalized gambling. Gambling proponents don't like to talk about them, but I assure you they are there. Consider this:

- The average pathological gambler affects, directly or indirectly, eight other people, including family, friends, and co-workers. One-third of gambling addicts have been arrested, compared to only 5% of non-gamblers.
- Gambling addiction seriously affects absenteeism and job productivity. More than 20% of problem gamblers in treatment have lost a job because of their gambling.
- Gambling addicts are four times more likely to have poor mental health, and are four times more likely to attempt suicide than those without gambling problems.

If legalizing gambling raised the percent of gamblers in our state to the national average, 15,000 additional gambling addicts would be created, at a cost of more than \$200 million per year in crime, lost productivity and costs for health and human services.

I agree with people who want to attract new jobs to their communities and who want to find new revenue sources for our state government. But you won't find the answer in legalized gambling. It is Fool's Gold, a lure of easy money that doesn't deliver, unless you are the owner of a casino or local "bingo" joint.

Want a sure bet? We should focus our energies and invest our limited resources in recruiting stable, good paying jobs with established businesses, and encouraging existing companies to expand. Solid jobs with solid companies build solid communities.

Everybody wins that way!

(Ivey is Treasurer for the State of Alabama)

*The articles in this issue were gathered from various sources
The opinions in the Christian Life Report are not necessarily the opinions of the Christian Life Commission*

Phenix City Holds Lessons For Today

by Luther Strange

Over the years the people of Alabama have strongly affirmed their opposition to virtually all forms of gambling. Yet today, Alabama is locked in another chapter of this decades old conflict. But the current debate is really not about gambling; it is about whether or not the laws of the state of Alabama mean anything and whether our elected officials have the courage and integrity to uphold them.

A few years ago, a book by Alan Grady came out regarding the assassination of attorney general candidate Albert Patterson in 1954 -- one of the most shocking episodes in Alabama's tumultuous political history. The title of the book was aptly named "When Good Men Do Nothing."

The legacy of our state is one of political corruption that has held our state back. And one of the worst episodes of this sad legacy was the lawlessness that pervaded Phenix City in 1954.

In 1954 the gambling bosses operated with impunity, controlling local politicians and law enforcement all the way to the Alabama attorney general's office. Murder, intimidation and lawlessness went unchecked and unchallenged as politicians quickly learned their success (and safety) depended on accepting the handouts of the gambling kingpins and looking the other way. The money was huge and so was the level of corruption.

Albert Patterson, who was himself from Phenix City, could not sit by and watch his hometown and state descend ever further into the muck and mire of lawlessness. He ran for the Democratic Party's nomination as attorney general on a platform of rooting out the gambling interests and the corruption that followed them. Despite massive voter fraud, Patterson won the primary, but on June 18, 1954, to the shock and horror of the state's citizens, he was brazenly assassinated by those very interests.

As we fast-forward to today, the story of Patterson's courage is instructive in two ways. First, it is a timeless story of an individual who put his career and ultimately his life on the line to serve the interests of the citizens of the state. But his example also points out what happens when powerful forces and the money associated with them -- be it gambling bosses or any other shadowy interest group -- washes over the state's politicians like a tidal wave of corruption. Good men or bad, when

hopelessly compromised, cannot act for right, even if it means ignoring the law and enabling openly illegal behavior.

Now the fight against gambling revolves around the term "bingo." Many behave as if this term can mask the truth that an electronic machine with a scheduled payout determined by a computer chip is the same as a Las Vegas casino slot machine. Unfortunately, when compromised men who have a sworn duty to uphold the law violate their oath, confusion reigns and lawlessness advances breeding contempt for the law all over the state. That is exactly the situation we have in Alabama today.

Consequently, once again gambling interests are running roughshod over Alabama's laws. The current level of contempt for the law makes me believe that what happened in Phenix City might once again be repeated; only this time statewide as the gambling industry spreads its poison all over Alabama.

Due to this lack of enforcement, Alabama now has an epidemic of illegal bingo/slot machine establishments. These establishments are fighting to stay open, claiming they are responsible for "economic growth." That is simply not true. Setting up a thousand casino slot machines and hiring employees to help hustle money from people who cannot afford to lose it is not economic development. It is cruel.

Now is the time for good men to step forward. Gov. Bob Riley has stepped forward, six courageous members of the Alabama Supreme Court have stepped forward, and men and women all over Alabama are stepping forward in this effort to defend and uphold our laws against the ravenous gambling industry.

In 1954 Alabama Attorney General Si Garrett's refusal to enforce the law ultimately resulted in the murder of Albert Patterson, a good and courageous man who stepped forward to uphold and enforce the law.

The highest responsibility of an Alabama attorney general is to uphold and enforce the law. The failure to do so results in a contempt for the law that undermines and even endangers society. That, as we found out in Phenix City, is the most dangerous and socially destructive side effect of illegal gambling.

(Strange is an attorney from Birmingham)



Phenix City—1954 streets lined with casinos, bars and brothels

PHENIX CITY: "The Wickedest City"

A short documentary with live interviews from 1954 and 2009 about Phenix City, Alabama, in 1954 can be seen on http://www.youtube.com/watch?v=HwHz8BSX_mQ

Great quotes [starting at 2:56]

John Patterson:

"The folks in Montgomery at the state capitol looked the other way. The federal people did not get involved. And Phenix City was just left to go its own way. At first it doesn't look so bad. Phenix City mobsters contributed a lot of money to Little League ball teams and charity and paid mortgages on churches and things like that, and the people said, "They're not bad guys."

Narrator:

"They also employed hundreds of Phenix City residents at a time when jobs were scarce. Their license fees funded schools and

public schools, while keeping taxes low.

The brothels and gambling houses catered to outsiders, so it was easy for the locals to avert their eyes and let the "ends justify the means." But it was only a matter of time before a growing criminal syndicate controlled the juries and the ballot boxes, be it through payoffs, intimidation or fraud. And, eventually, every local official and law enforcement official owed his job to what became known as the "Phenix City Machine."

****NOTEWORTHY**** Fort Benning officials estimated that 80% of their 80,000 personnel dropped more than ½ their pay in the town, pushing the combined take of all the rackets to \$100,000/year – the rough equivalent of a ONE BILLION dollars today.

(CITIZENS FOR A BETTER ALABAMA, Birmingham)

The Gambling Issue Takes On A New Meaning

by A. Eric Johnston

The battle lines for the gambling issue in the 2010 regular session of the Alabama Legislature are already being drawn. The Governor's Task Force on Gambling has produced an Alabama Supreme Court ruling that will be used to eradicate unlawful bingo gambling in Alabama. In response, gamblers are frantic to have a vote of the people which would legalize their gambling.

For many years we have opposed efforts to expand gambling, but there have remained the 18 constitutional amendments permitting charitable bingo. Gamblers have unlawfully used these amendments to operate sophisticated electronic gambling machines. Not long after Attorney General Troy King's informal opinion of December 1, 2004, that electronic bingo is legal, the use of electronic gambling machines increased until within the last two years there are machines in virtually all of the 18 counties where the amendments permit bingo. In Houston and Etowah Counties, casinos are being built.

Because there was little law enforcement, Governor Bob Riley appointed a task force on gambling. The efforts of the task force culminated on November 13, 2009, with a six-three opinion by the Alabama Supreme Court which significantly restricts bingo. The three dissenting justices argued the decision is not authoritative due to a legal technicality. The six member majority directly addressed the issue and said without equivocation the judgment is authoritative. Contrary to Attorney General King's assertions, the ruling is not judicial activism, but an interpretation of the Alabama Constitution, which is the lawful duty of the Alabama Supreme Court.

The court's opinion is binding on all Alabama state courts. The opinion states six characteristics which legally describe bingo. These will make it impossible to play bingo, except in a manner consistent with personal management by the player of his bingo cards, with numbers being called out one at a time, and the player responding "bingo" if there is a match. The machines at VictoryLand, Country Crossing and other places do not fit that criteria.

Following the court's opinion, Attorney General King said, "We have a clearer test. We do not have a clear test." He then suggested the state's district attorneys should decide on how to proceed enforcing the law. He anticipates more litigation over the technology of gambling machines. The court's definition precludes options for everything but the simplest of devices. No doubt lawyers will try to slow the process, but the end is inevitable. With the state's highest legal authority issuing a clear opinion, the Attorney General should uphold his constitutional

responsibility to enforce criminal statutes. That will bring an immediate end to gambling, if only he will do it.

The Attorney General also said the people should vote on whether there should be legalized gambling, an idea also proposed by Senator Scott Beason and others. What they do not seem to recognize is that it is no longer necessary to vote on the legality of this gambling. It is now illegal. Without a change in the constitution, gamblers will be relegated to traditional bingo. Why roll the dice with a referendum and give gamblers a chance to win back their loss?

On November 11, 2009, a coalition of pro-family organizations in Alabama, wrote legislators requesting their opposition to any constitutional amendment on the legality of gambling. The letter expressed that, "A simple up and down vote would be so heavily funded by pro-gambling interests that Alabama voters would be duped into a false security. Subtle and complex strategies would have laid a trap for the demise of any opportunity Alabama would have to avoid unlimited gambling in this state."

The letter predicted that, "We believe the Alabama Supreme Court will uphold and enforce Alabama's historic public policy and criminal statutes." That is exactly what the Supreme Court did.

We are encouraged by the Supreme Court's ruling. However, it intensifies the battle over gambling in Alabama. There will be a new dynamic this year. Gamblers are not trying to expand, but simply want back what they have lost. Expect the 2010 regular session to be dominated by an effort to get gambling on the ballot. The good people of Alabama do not have the resources to fight the multi-million dollar campaigns of desperate gamblers. Gamblers in Ohio spent almost \$35 million several weeks ago to legalize gambling in that state. Ronnie Gilley and friends have invested \$87 million in Country Crossing and Milton McGregor has just completed a 300 room luxury hotel, all based on the operation of illegal slot machines. Because gamblers in Alabama are losing their empire, we expect them to sweeten Alabama's pot far more than was done in Ohio.

There are two issues. The first is that there must be criminal law enforcement resulting from the Supreme Court's ruling. Second, voters must not be tricked into believing that it is necessary to vote on the legality of gambling in Alabama. That has been decided.

(Johnston is president and general counsel of the Southeast Law Institute, Birmingham)

DESPERATE TRENDS: *The Evolution of State-Sponsored Gambling in 2009*

During 2009, many a state politician followed the "**Pied Pipers of Easy Profit**"— and bought into casino owners' luring promises of quick cash to fill budget shortfalls and donations to help secure their re-election bid.

Now, in 2010, the Alabama Legislature will face its biggest challenge yet – to withstand the same tempting (and never met) promises made by local casino owners at Victoryland and Country Crossing.

Year after year, their promises abound, while their millions buy slick ad campaigns, media spin consultants and new "converts." And, every year, the people encourage the Alabama Legislature to say "NO."

Not to be outdone by an Alabama Supreme Court ruling against their version of "bingo" (or the fact that State Constitution makes it illegal), these relentless profiteers seek to take the law into their own hands – literally. And, all under the guise of "jobs, jobs, jobs."

(CITIZENS FOR A BETTER ALABAMA, Birmingham)

FACTS & ISSUES

Compiled by Joe Bob Mizzell, Director
Office of Christian Ethics/Chaplaincy Ministries – Alabama Baptist State Convention
1-800-264-1225 / 334-288-2460 / fax 334-288-2693

GAMBLING QUOTES

“Economically speaking, gambling is a regressive tax. Money spent on gambling is money not spent on milk.”

Keivan Deravi, Economist, Montgomery

“Scripture gives Christians principles for living in a proper relationship with God and with each other. Gambling and its promotion violate these principles. It is my prayer that Christians will run from gambling in every form, for there is scarcely no greater act of disobedience and faithlessness than to cast your lot at the feet of a false idol, in this case, the gambling industry.”

Richard Land, President,

Ethics & Religious Liberty Commission, SBC

“Gambling is an addictive behavior, make no mistake about it... Gambling has all the properties of a psychoactive substance, and again, the reason is that it changes the neurochemistry of the brain.”

Howard Shaffer, quoted by John Warren Kindt

Managerial and Decision Economics, 22:17-63 (2001)

CASINO OVERLOAD

Our nation faces a “casino overload” and what casino bosses want to push through will prove devastating to Alabama’s economy. If Alabamians have learned anything over the past 12 months, it is that ‘quick fix’ economic solutions ultimately cost the taxpayer more money (and heartache) in the long-term.

Citizens for a Better Alabama

January 2010

THE EFFECTS OF CASINOS

“Officials must realize that legal gambling will attract an unsavory element that can jeopardize the safety and well-being of the city’s residents and the many visitors who come to gamble.”

FBI Law Enforcement Bulletin,

Federal Bureau of Investigation, January 2001

Read more: *Casinos: The Effects of Casinos - Crime*
<http://www.libraryindex.com/pages/1594/Casinos-Effects-Casinos-CRIME.html#ixzz0d4I0DtWG>

WHAT CAN YOU DO?

- ➔ **PRAY.** Ask God for the emotional and spiritual strength to resist any temptation to gamble (Matt. 6:13). Pray for your church’s leadership, that they would be vocal opponents of gambling.
- ➔ **ACT.** Contact your local newspaper and your elected representatives. State your opposition to all forms of gambling in your area. If gambling is already legal in your area, work against its expansion.
- ➔ **SERVE.** If you know any problem gamblers, encourage them to seek help (1 Thess. 5:14). Consider asking your church to begin a counseling ministry for problem gamblers.

For more information on this issue and other important topics, visit erlc.com/gambling.



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Office of Christian Ethics/Chaplaincy Ministries
Joe Bob Mizzell, Director
2001 E. South Boulevard · P.O. Box 11870
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