

# **“CON” - Gaming Articles**

[Register for free](#) | [Login](#)

## Residents: Video gambling could tarnish Highwood's image

By KAREN BERKOWITZ [kberkowitz@pioneerlocal.com](mailto:kberkowitz@pioneerlocal.com) | [@KarenABerkowitz](#) November 15, 2013 11:38AM

Updated: December 17, 2013 6:07AM

Foes of video gambling told Highwood officials Wednesday that the arrival of the terminals in local bars and restaurants could quickly revive the negative image that city officials have worked years to reverse.

More than 60 people turned out for a community forum convened by State Rep. Scott Drury (D-58, Highwood), who opposes a city council proposal to allow video gambling.

Lisa Cervac spoke from the perspective of a longtime resident.

"For too long, the Highwood business district was a mark on the entire community's reputation," Cervac said. "You know, and I know, that there are real estate agents in this area that do not show Highwood. This is something that makes this community fearful. What you are doing now is a stamp on all of our foreheads."

Earlier this month, word that the Highwood City Council might reverse its ban on video gambling drew swift reaction from opponents, who turned out for the council's Nov. 5 meeting. The measure was deferred until Nov. 19.

"The perception was the city council was trying to push this through very fast," said Drury.

On Wednesday, Highwood Mayor Charlie Pecaro said the council would not take action Nov. 19 and is still gathering information. The council was unaware until recently that it has no ability to regulate the number of video gambling machines in an establishment or citywide. Video gambling is regulated by the Illinois Video Gaming Act.

"We found out that we didn't have control of the gaming machines. We found out they can have as many as five," he said.

Pecaro went on record opposing video gambling, but adding that the city must investigate every possible source of revenue to finance street reconstruction and repairs.

"(Video gambling) happened to be the fastest thing to do," admitted Pecaro.

He said the cost of reconstructing five streets is about \$5 million, which requires about \$400,000 a year in bond payments. That's no small sum in a small city where a 10 percent tax increase generates only \$110,000 in revenue.

Citywide, the cost of street improvements is about \$30 million.

Highwood Ald. Bradley Slavin, who favors the change, estimated that video gambling would bring in \$72,000 a year to the city, if 8 to 10 businesses each put in four machines on average. He based his estimate, which he believes is low, on the experience of other communities with the same number of participating establishments. He cited another upside: Helping businesses that are struggling to keep their doors open.

Several citizens who spoke Wednesday thought the revenue gains were too little to justify the proposal.

"I think at this time, for this community, it is a bad idea," said Steve Bachner, owner of The Hair Studio at 414A Green Bay Road.

But one speaker said towns quickly become known as a "fun place, or a dying place or a dreary place" and video gambling could draw

people and create a sense of vitality.

Drury said voters can place a binding referendum on the ballot to allow or disallow video gambling. A citizens' initiative would require signatures of 25 percent of voters to get on the ballot.

"All we have to do collectively is go block by block in Highwood and gather the signatures," he said.

Drury said even if the council approves the measure, businesses would be reluctant to invest money in video gambling machines and licensing requirements due to the uncertainty.

"Nothing would make this community shine more," said Drury, of the prospect of a referendum on the issue.

Speaking from the audience, Highwood Alderman Matt Feddermann assured residents their voices have been heard.

"I am against it personally, and I will be voting against it," said Feddermann, adding that he's spoken with other aldermen who feel the same way.

---

© 2013 Sun-Times Media, LLC. All rights reserved. This material may not be copied or distributed without permission. For more information about reprints and permissions, visit [www.suntimesreprints.com](http://www.suntimesreprints.com). To order a reprint of this article, click here.




---

## OUR PUBLICATIONS

---

### DAILY PUBLICATIONS

Chicago Sun-Times  
The Beacon News  
The Courier News  
Lake County News-Sun  
The Naperville Sun  
Post-Tribune  
The SouthtownStar

### PIONEER PRESS - PIONEER LOCAL

PioneerLocal.com  
Barrington Courier Review  
Buffalo Grove Countryside  
The Doings Clarendon Hills Edition  
The Doings Hinsdale Edition  
The Doings La Grange Edition  
The Doings Oak Brook Edition  
The Doings Weekly Edition  
The Doings Western Springs Edition  
Deerfield Review  
Elm Leaves

Evanston Review  
Forest Leaves  
Franklin Park Herald - Journal  
Glencoe News  
Glenview Announcements  
Highland Park News  
Lake Forester  
Lake Zurich Courier  
Libertyville Review  
Lincolnshire Review  
Lincolnwood Review

Morton Grove Champion  
Mundelein Review  
Niles Herald-Spectator  
Norridge-Harwood Heights News  
Northbrook Star  
Oak Leaves  
Park Ridge Herald-Advocate  
Skokie Review  
Vernon Hills Review  
Wilmette Life  
Winnetka Talk

### AFFILIATES

Chicago Reader  
High School Cube News  
Cars for Sale - ToDrive.com  
SearchChicago - Homes  
I Want It - Directories

---

## **Video poker - The controversial funding source could prove to be a shaky foundation for the state's capital plan - by Jamey Dunn**

Last May, the Illinois General Assembly passed the state's first capital construction program in 10 years. The National Conference of State Legislators called it the most comprehensive state-level job-creation plan in the country, and according to Gov. Pat Quinn, the program will generate 439,000 jobs in the next six years. To help pay for the \$31 billion package, legislators voted to legalize video poker machines in thousands of bars, restaurants and truck stops throughout the state.

"This is a crucial economic recovery initiative that will generate what's needed most in Illinois: jobs, jobs, jobs," Quinn said when he signed the bill. "Illinois Jobs Now! provides many long-awaited improvements to our bridges and roads, transportation networks, schools and communities."

However, the controversial funding source could prove to be a shaky foundation for the capital plan. The law lets local governments decide whether they want to allow video poker in their communities, and those that do will get a cut of the money raised.

But with more than 60 municipalities opting out — including the possibility of Chicago — and a Republican candidate for governor pledging to repeal the Video Gaming Act if elected, some legislators now say they may have to go back to the drawing board to find money for the construction program.

When the Video Gaming Act was passed, the anti-gambling backlash was almost immediate. Groups such as Illinois Church Action on Alcohol and Addiction Problems mobilized to help communities keep video gambling out.

"We started sending letters to mayors and all the county board chairmen in Illinois," says Anita Bedell, executive director of ILCAAP, which is the state's most-visible anti-gambling organization.

Bedell says legislators sold video poker as a voluntary tax because people can choose not to gamble. But she says it is not a voluntary act for gambling addicts. "Someone might choose to play once or twice. Once they get addicted, the choice is gone."

Bedell criticizes members of the General Assembly for passing the bill too quickly and not considering the monetary and intangible costs associated with a large gambling expansion, such as law enforcement, regulation and addiction treatment.

"I just thought they wanted to get something passed. They got an agreement and they went for it. ... There's a lot of things they didn't consider," Bedell says. "It's not based on the reality of gambling and how much money they can actually get out of it."

**Proponents of the** Video Gaming Act say bars throughout the state are already paying out for video poker illegally, and the legislation will bring the practice out from under the table. They say it will add regulations to protect gamblers from being cheated by crooked machines, while also bringing in needed revenues for the state.

"That's the one thing that nobody seems to want to talk about. We already have video gaming in Illinois. It's just run by the mob," says Sen. Mike Jacobs, an East Moline Democrat.

Bedell argues the state should enforce the laws against such gambling instead of just legalizing it because it is widespread.

The Illinois Gaming Board plans to unroll video poker across the state by the end of the year. Trying to create uniformity and regulation in what was previously a shadow industry will take some time, says Gene O'Shea, spokesman for the board.

He says the three biggest challenges for the Gaming Board are hiring enough staff to implement the program, writing a standard set of regulations for all participants to abide by and creating a statewide computer reporting system to monitor machines for fraud. Establishments that want to participate will have to obtain board approval for the machines, which will be linked into a computer system so the board can track such statistics as wins and losses.

Legislators looking for capital projects to create jobs in their areas want to see the process move more quickly. "I was a little frustrated by the pace of the rollout of the capital bill and the video poker," Jacobs says. "I am somewhat critical of the Gaming Board that they haven't rolled this out."

Another funding component for the capital projects must be sanctioned by the U.S. Department of Justice. Illinois has asked for approval of a pilot program to sell lottery tickets online under the supervision of a private management firm. When the funding legislation was passed, Quinn's Office of Management and Budget estimated online lottery sales and video poker revenues would generate about \$525 million.

"Of course, obviously, it's going to be a little less than we anticipated," Kelly Kraft, a spokeswoman for Quinn's Office of Management and Budget, says in response to many local governments choosing not to have video poker.

Quinn's office sent a letter in December asking the Department of Justice to review the plan to sell lottery tickets online. The legislation calls for tickets to be sold within the state but also provides for expanding sales outside Illinois if the federal agency approves.

Tracy Owens, a spokesman for the Illinois Lottery, says the department is still vetting the plan. "It's kind of a waiting game. You wait until the [Department of Justice] chooses to respond."

Some legislators say the uncertainty surrounding video poker and the online lottery program could seriously damage the capital plan.

"I was concerned that the whole capital bill could fail as a result of the way that this bill was so poorly drafted," says Rep. Jack Franks, a Marengo Democrat. "It was recklessly done, it was foolishly done and not well-thought-out."

Franks says he worries that court cases challenging the legality of video poker and Internet lottery sales may sink both options as funding sources.

In the meantime, communities are left with the choice of allowing video poker at local bars and restaurants.

The Rockford City Council considered banning video poker but decided against it. Democratic Ald. Ann Thompson-Kelly says, in the end, she thought her city needed the tourism dollars that video

poker could draw. She says she considered the problem of gambling addiction and the opinions of local clergy, but that ultimately it was not a difficult decision.

"We looked at how many dollars are leaving this community every day. ... We have buses leaving Rockford every day ... going to places that have the machines," she says. "When you are marketing your area, you need as many attractions as possible."

Thompson-Kelly says she thinks many northern Illinois communities rejected video poker because of concerns that it might cut into revenues from area casinos. "If I was 10 blocks from a casino, and I benefited from the revenue of that casino, I'd opt out, too."

Community leaders from local governments that have decided not to participate in video gaming say their choice was based on the values of their residents, not financial interests.

"Members of the [DuPage] County Board and the county board chairman just had a visceral reaction to the idea of having a little casino on every corner in DuPage County," says Brien Sheahan, a DuPage County Board member who introduced the measure that barred video poker from that county. "The reaction from ordinary DuPage citizens has been overwhelmingly in favor of opting out."

DuPage County was the first municipality to vote down video gaming after the capital bill passed.

Sheahan says he hopes the move his county made will encourage others to follow suit. "By being first, we received extensive media coverage, which was important in terms of creating momentum and encouraging other counties and municipalities to ban video poker. The board and chairman were very cognizant of the important symbolic value of the second largest county in Illinois being the first to opt out."

However, some lawmakers are now reconsidering giving local governments, such as DuPage County, such a choice without repercussions. They say if communities want capital projects and the jobs that come with them, they should have to participate in the program that is helping to fund the projects.

"I noticed that people have no problem taking state money for their local projects but that some people don't want to pay," Jacobs says. "If you don't have the video gaming money, you don't have a capital bill."

Jacobs introduced **Senate Bill 2816**, which would stop construction projects from going to areas that decide against video poker. "My community has been supportive. They feel that if you are going to take, you've got to give."

Bedell says bills such as Jacobs' place unfair pressure on local governments to allow video poker. She says some community leaders are waiting to see what the legislature does before they make their decisions.

"The law did not contain a penalty for counties and municipalities that opted out, and it would be unfair at this point to go back and change that provision," Sheahan says.

Sen. Terry Link, a Waukegan Democrat and chairman of the Senate Gaming Committee, says legislators may have to come up with a new funding source for the capital bill because large

counties such as DuPage, Kane and Lake are opting out of video poker. He says if Chicago does not participate, new funding would likely become a necessity. "I think that's when you really have to seriously look at an alternative."

**If a municipality** already has a ban on gambling, it must be lifted before local establishments could offer legal video poker. Chicago has such a ban, and Mayor Richard Daley has made statements indicating the City Council is not considering repealing it at present. The legislature's Commission on Government Forecasting and Accountability estimates that revenues generated from video poker could drop by between \$95 million and \$177 million if Chicago does not participate.

Link suggests expanding existing gaming in Illinois, such as casino and riverboat gambling, and including video poker machines at racetracks. He says such expansions would be "acceptable to members of both sides of the aisles of both houses. ... It would not be construed as bringing [gambling] into neighborhoods. It would be a bill that could alleviate a lot of the tensions they have in each of these communities because [it] wouldn't be bringing [gambling] into the taverns or restaurants."

But Senate President John Cullerton, a Chicago Democrat, disagrees that any new revenue will be needed. Rikeesha Phelon, the spokeswoman for Cullerton, says when revenue projections for the capital plan were made, the fact that some communities would opt out was factored into the equation. Cullerton also does not support any proposal to pull projects from communities that decide not to allow video poker.

The results of the general election next November could also have a major impact on video poker. Sen. Bill Brady from Bloomington, the Republican candidate for governor, opposes gambling expansion and says he would move to end the legalization of video poker if he is elected to the state's top office. Brady says if bars, restaurants and truck stops already have legal machines, he would not try to take them away, but he plans to stop the practice from spreading to new establishments.

"Obviously [any machine owners] who made an investment should be grandfathered in, but we should cease the expansion of it," Brady says. "It's a false sense of revenue. I don't think it's proper in terms of the direction the state needs to head. ... I believe the best thing to do is eliminate it."

A large chunk of the revenue for the capital plans does come from more traditional and predictable sources. Removing a sales tax exemption on soft drinks, candy and some hygiene products is expected to bring in about \$150 million. A tax increase on alcohol will generate about \$113 million a year. Hikes in driving-related fees, such as for licensing and registering vehicles, will raise more than \$330 million a year. In total, the state will contribute about \$11.5 billion to capital projects, which will leverage federal and local funds.

"[Video poker] is only a portion of the capital bill, and I think everybody is thinking that this is the full funding ... but it's not," Link says.

While the future of some revenue streams for Illinois Jobs Now! is uncertain, projects are moving ahead. Illinois will have sold more than \$2 billion in bonds for capital construction by the end of the month, according to John Sinsheimer, the state director of capital markets. Sinsheimer says, "That is cash in the bank for construction projects — roads, bridges, sewers, schools, you name it.

*"Illinois Issues, April 2010*

# THE REGIONAL NEWS .com

[This week's stories](#) | [News](#) | [Sports](#) | [Opinion](#) | [Out and About](#) | [Calendar](#) | [About Us / Log In](#)

## Video gambling: Bad bet for Illinois communities

[Photo Gallery](#) | [e-Edition](#) | [Login-Logout](#) | [Subscribe](#)

By Kathy Gilroy, of Illinois Church Action, in a report to the League of Women Voters of Palos-Orland last month.

The Illinois Video Gaming Act was passed in the Senate and House in a matter of a little over 24 hours and signed into law by Governor Quinn in July, 2009. (Gambling pushers call it gaming, instead of gambling, because that more-benign term makes the activity of gamblers' losing their money seem more socially acceptable.) The bill was challenged in court by a liquor distributor. However, in 2011, the bill, which was passed to fund capital construction projects, was ruled constitutional by the Illinois Supreme Court. The Illinois Gaming Board was free to take applications for licenses from slot-machine manufacturers, suppliers, distributors, terminal handlers, technicians, and liquor-serving establishments.

Video gambling became operational in Illinois in October, 2012, with 278 gambling terminals at 65 establishments across the state. Six months later, the number of one-armed bandits is rising sharply, as regulators approve hundreds of new gambling locations across Illinois each month. In March, 2013, there were 5,092 video-gambling terminals operating in approximately 1,200 locations. The Illinois Gaming Board's list of pending, gambling-location applications is over 207 pages long. Those pending applications could more than triple the number of slot machines in the state, according to the Illinois Gaming Board. And new applications keep coming in, so video gambling will continue to grow locally in the coming years, according to the Daily Herald.

There are over 15,000 bars and restaurants in Illinois that serve alcohol. Retail liquor establishments, fraternal and veterans' groups, and even truck stops, are allowed to have up to five video-gambling machines each. There is no limit to the number of establishments that can apply for a license.

This form of gambling occurs in close proximity to residential areas where people encounter the machines in their day-to-day activities, creating thousands of mini-casinos in neighborhoods. Many of the establishments that operate video-gambling machines have extended their hours to accommodate people who want to gamble. Some of the establishments are opening at 6 or 7 a.m. and closing at 2 a.m., permitting hours-long gambling binges.

Under state law, once a community votes to allow video gambling, any business granted a license to serve liquor for drinking on the premises can apply to the Illinois Gaming Board for a gambling-

Search our

Articles

Search...

Our Local

Advertisers...





machine license. New businesses are seeking changes in zoning laws to operate video-gambling parlors in strip malls near residential areas, schools, and churches. These businesses bill themselves as upscale "Starbucks". They sell packaged foods, wine, and beer and need a liquor license so they can operate five video-gambling machines. These "video-gambling cafes" have women's names in the titles.

The Daily Herald reported that Maxine's, one of these video gambling establishments in Wheeling, is opposed by local residents. Maxine's customers will be at least 60 percent female and between the ages of 40 and 75 years of age, Gary Leff, chief executive officer of Laredo, told the village. He said the company is constructing similar cafes in Hoffman Estates and Bartlett, both near grocery stores. <http://www.dailyherald.com/article/20130402/news/704029701/>

The mayor and city council in Bloomington have passed an ordinance to ban these types of establishments from receiving liquor licenses. However, the mayor and city council in Springfield have changed the zoning laws and issued new liquor licenses for 14 of these video-gambling parlors. None of these establishments, however, have been licensed by the Illinois Gaming Board.

Many of the mayors and city council members were approached by gambling interests, bar owners, veterans' groups, etc. and asked to change the liquor laws to allow gambling in alcohol-pouring establishments. Some of these local officials were told they would receive \$300,000 to \$500,000 a year in new revenue from the slot machines. The city of Springfield hired an employee for \$50,000 a year to oversee their video-gambling program. During the first four months of operation, the city received \$50,500--enough revenue to pay that employee!

The amount of money gambled and LOST at video-gambling machines is increasing each month. Local residents must gamble and LOSE their money. Then, the state and municipality get a small share of those LOSSES. The big winners are the machine owners and establishments, which split 70% of gamblers' LOSSES.

Amt. LOST	70% operators/establishments	25% State	5% Municipality
Oct. \$ 1,387,961	\$ 971,634	\$ 346,939	\$ 69,388
Nov. \$ 3,829,324	\$ 2,680,525	\$ 957,333	\$191,466
Dec. \$ 6,994,482	\$ 4,896,136	\$1,748,622	\$349,724
Jan. \$ 9,781,193	\$ 6,846,832	\$2,445,301	\$489,060
Feb. \$13,578,457	\$ 9,504,916	\$3,394,618	\$678,923
Mar. \$18,790,560	\$13,153,389	\$4,697,642	\$939,529

In other states, video gambling is operated through their lotteries, and those states receive a higher percentage of gamblers' losses. Video gambling is draining money out of the economy, money that could be spent on food, clothing, cars, and appliances. While bars and VFW's say that they need the money to stay in business, money lost on video-gambling machines amounts to lost sales for other businesses in communities.

A leading study from Australia in 2000 concluded that for every 80 video- gambling machines, \$2 million was drained from and "damaged the local economy" each year. Furthermore, in this example, for every three video-gambling machines, two jobs were lost. The average, worldwide, was one net job lost each year per EGD/slot machine. (Gambling: Executive Summaries & Recommendations, p. 328, U. S. International Gambling Report, 2009)

Video-Poker machines create few jobs and fewer good-quality jobs, and are not accompanied by any significant investment in the local economy. (National Gambling Impact Study Commission Final Report)

Many communities are overturning their bans on video gambling at the request of bar owners' and veterans' groups. Gambling interests and terminal operators, who will reap a fortune from video-gambling machines, have organized bar owners and fraternal and veterans' groups to contact city

Connect with us!



## News Around the USA

councils and village boards to overturn local ordinances banning video gambling, in order to help those businesses compete with surrounding communities that allow video gambling. Casino companies have used this strategy for years, playing one state against another.

Terminal operators and truck-stop companies, who will profit from gambling, are approaching local officials. Pilot Oil officials told the mayor of one community that 12 out of 15 communities had overturned their gambling bans in order to allow Pilot truck-stops to operate video-gambling machines. One truck-stop, the Road Ranger near Camp Butler near Springfield, reported that video-gamblers at that location lost over \$82,000 in December and January, \$92,000 in February, and \$97,000 in March. Remember, there are only five slot machines at that location! Video-gambling machines in neighborhoods are exactly the same as slot machines you will find today in a casino. One machine offers a gambler as many as twenty games to choose from. One of those games could be video poker.

Many municipalities have recently overturned their initial bans on gambling. These include: Addison, Carol Stream, Carpentersville, East Dundee, Elburn, Elgin, Hanover Park, Oakbrook Terrace, Sandwich, Sugar Grove, Villa Park, and Westmont. In this area, Palos Hills overturned their ban on gambling, but Palos Park and Palos Heights have both so far opted out of video gambling.

The mayoral candidates in St. Charles recently said that under the right circumstances, video gambling could become a new tax-generator in the community, according to the Daily Herald.

The McHenry County Board is set to take a vote next Tuesday, April 16, at 7:00 p.m., in Woodstock, to overturn their ban on gambling. Churches and residents are being encouraged to make calls and to attend that meeting. The pressure is coming from some-60 bar owners who have noted that most of the municipalities in the county allow video gambling. They claim that they are at a disadvantage and will go out of business without video-gambling revenue. Silence is consent, and many times, local residents are unaware of what is happening until a vote is taken, and they read about it in the newspaper.

Making gambling more accessible and acceptable is a way to foster addiction. "People go out for pizza. They go out for bowling. They go out for dinner," said Anita Bedell, director of Illinois Church Action on Alcohol and Addiction Problems. "And, there are the machines." She argued that, with Illinois video-gambling in its infancy, communities don't know the full effects yet. "It's expanding so fast before people know what's happening," she said.

Published by the University of Illinois Law Review, and available online, is an excellent 30-page paper by E. Tanner Warnick called "The Video Gaming Act: Gambling with Illinois' Future". In the section titled "Social Costs", it says that when the State of South Carolina re-criminalized video gambling because of its social costs, the number of Gamblers Anonymous groups dropped by half within six months of video gambling's removal. It dropped by another twenty-five percent in the following six months. Montana, the state with the highest number of video gambling machines per capita, also has the highest number of Gamblers Anonymous meetings. South Dakota, the state with the second highest number of machines per capita, has the second highest number of Gamblers Anonymous meetings.

Government officials in South Carolina and Montana commented, in a GAO report, that "the atmosphere of convenience gambling created a negative environment and stigma in communities, which hurt local commerce and residential areas and had a detrimental effect on community investment. They discouraged new business from coming in."

No game is more addictive: Psychologist Robert Hunter of Charter Hospital in Las Vegas, who has treated more problem, and compulsive, gambling than anyone in the world, calls video poker the "crack cocaine" of gambling. He has seen an increase in female, problem gamblers who play video



### Broncos, Chargers Discuss Denver's Win

The Denver Broncos defeated the San Diego Chargers, 24-17. The Broncos host the Patriots in the AFC Championship next Sunday. John Fox, Peyton Manning and Philip Rivers all spoke after the game.



[More Sports Video](#)

**CINESPORT**



poker in their neighborhood casino. Video poker is hypnotizing, an escape from problems, and fast. The addiction process for a sports bettor may take 20 years. For a video-poker player, it may take only 1-2 years.

As many as 20% of current video-poker players in South Carolina may meet the criteria for pathological gambling, according to a 1997 research study. The data also suggests that African-American gamblers in South Carolina might be twice as likely to meet the criteria for pathological gambling. (South Carolina Center for Gambling Studies)

Jay Price of Columbia wrote to the South Carolina Free Times: "As a retired amusement operator for over 25 years in New York, I was on the ground floor of the video poker era. Law enforcement had no clue as to what these games were all about, and it was only through complaints by spouses that their husbands had lost all their paychecks playing these games that the heat started to roll in. The money that these games made in the course of a week was in the thousands per machine, and in order to keep them on premise, the pay-offs to law-enforcement authorities and politicians were unbelievable. The problem with the whole thing is it takes from the ones who can least afford to lose. I can't begin to tell you the toll on families that I had personal contact with that lost everything they had."

Problem drinkers are 23 times more likely to have a gambling problem than individuals who do not have an alcohol problem. Legalizing electronic, gambling devices at establishments that serve alcohol will result in more problem and pathological gamblers. (Journal of Studies of Alcohol)

Legislators approved video gambling, saying that it would end the illegal gambling that was occurring in bars. However, legalizing gambling does not end illegal gambling. The Gaming Board has found illegal, gambling machines in the counties of Cook, Peoria, Vermillion, and Marion during the past few months. A liquor control agent found illegal, gambling machines operating in a bar in Heyworth, Illinois, last month. Unbelievably, Heyworth police refused to cooperate in the investigation. There are concerns about organized crime.

Neighborhood gambling does not have some of the few safeguards available at casinos. No one is born an addicted gambler. Yet, over 9,700 people in Illinois have become so addicted to gambling that they have volunteered to be arrested if they are caught in an Illinois casino. They do not have that fear hanging over their heads at neighborhood gambling joints. Not only are local gambling joints closer, but gamblers do not have to show any ID when they win a jack-pot. There have been 85 instances of children being found in cars in casino parking lots by casino-parking-lot, security patrols. Neighborhood bars and restaurants do not have such security patrols. How long will it be before we read stories about children left in cars at convenience-gambling locations? I took this picture of two young boys I don't know playing the slots at a slot machine show. Do you think it's possible that rambunctious kids, not to mention teen-agers, could slip by the employees, or even be allowed by the employees, at a busy pizza parlor to play the slots? The only thing separating slots from the rest of the premises in many convenience-gambling locations is simply a line on the floor. Casinos have cameras, a turn-style entrance, and State police on the premises at all times. They check ID's to see if those attempting to enter are at least 21. Casinos must close their doors for at least two hours every day. That casino closing-time is the only reason that some gamblers leave the casino. On the other hand, truck stops with one-armed bandits are open 24 hours per day. What's going to stop someone from a gambling binge there?

Experienced video-poker gamblers can play a hand every three to four seconds, completing an astonishing 900 to 1200 hands an hour. A representative from Bally, a leading manufacturer of slot machines, said, "A gaming machine is a very fast, money-eating device. The play should take no longer than three and a half seconds per game (page 55 from the book "Addiction by Design", by Natasha Schull).

Convenience gambling has been described as penny-ante by gambling pushers. It is true that one

can bet as little as a penny. However, the machines take only paper money, not coins. So, a gambler is likely to lose at least a dollar. Gambling pushers compare the maximum-\$2 bet to a lottery ticket. However, if gamblers bet \$2 every three and a half seconds, they could bet over \$2,000 per hour. At a typical 90% payout rate, gamblers betting at that rate will lose, on average, \$200 per hour. The maximum jack-pot of \$500 could be lost back to the slots in as little as an hour.

One woman who worked her way up to vice-president of a bank, was gambling \$3,000 a day on slot machines at casinos. She embezzled \$240,000 to continue her gambling addiction and served time in prison because of her crime. The former mayor of San Diego was indicted for embezzling money from a charity because of her video-gambling addiction. Just yesterday, the news reported that a nun in her 70's was found to have embezzled \$128,000 from her church to feed her gambling addiction.

Legislators continue to expand video gambling and loosen the regulation of it. There are bills to allow video-gambling machines in off-track-betting parlors (HB 1570) and to allow them in social clubs (HB 2311). Please call your legislators, and ask them to vote "NO" on those, and all, gambling-expansion bills. The Illinois Gaming Board ruled in January that social clubs were not eligible to get a video-gambling license because they did not fit the definition of fraternal organizations. Gambling predators simply change laws, instead of following laws! Don't be surprised if gas stations and grocery stores are allowed to operate slot machines next, in order to level the playing field (a term often used by gambling pushers, when seeking to expand gambling). Once one-armed bandits arrive, it is almost impossible to get rid of them.

From a Daily Herald article about the use of video gambling to fund construction: "Money the state gets from video gambling goes to pay for a five-year construction program that began in 2009 and ends soon. Vehicle fee increases and higher alcohol taxes are also paying for the construction work. The money from the 2009 plan funded five years' worth of projects with 20 years' worth of gambling revenue", Doug Whitley, president of the Illinois Chamber of Commerce said. But that doesn't mean money from video gambling will go on to pay for more projects. Instead, revenue from video gambling — and from various vehicle fees and alcohol tax hikes approved along with it — will go for years to pay off debt on the current construction work. New capital projects will need a new, different, funding source.

A new capital, spending bill "definitely would have to create new revenue streams," he said. "Lawmakers can't say, 'Let's use the video gambling (revenue) again,' because that's still paying for the last one." <http://www.dailyherald.com/article/20130405/news/704059795/>

Video-gambling referenda results from 4-9-13:

Forest Park – 67.78% voted to prohibit video gambling  
                   32.22% supported video gambling  
 Sugar Grove – 50.6% (632) voted in favor of allowing video gambling.  
                   46.92% (586) village residents voted no.

Good law is not made by opinion polls. Vices are enjoyable. People want them. That does not mean that they should get whatever they want. Would you ask a child if they should be allowed to have more candy? Our grandfathers called gambling a criminal public nuisance in those earlier bans of gambling. We are now in the third wave of gambling in America. They say that those who don't learn from history are doomed to repeat it.

As video gambling continues to become more wide-spread, addictions, bankruptcies, and crime will increase, unless we can join together to work in communities to reverse the trend. John Locke famously said, "Government has no other end, but the preservation of property." Has Illinois government forgotten that policy?

**Give a little, get a lot.**  
 When you donate \$50 to charity, **RECEIVE \$200 OFF\*** any Stressless® seating or \$400 OFF select Stressless® Eagle or Wing recliners. November 27 - January 20

**LifeStyles FURNITURE**  
 Your Life. Your Style.

In the Walnut Center | 4711 North Brady Street | Davenport, IA | www.LifeStylesFurniture.com | 563.345.6250

Quick Clicks [OSCAR NOMINATIONS](#) [CAN HAWKEYES HANDLE SUCCESS?](#) [HISTORIC BADGES](#) [RIVER VISION](#)

[Home](#) / [News](#) / Local News

GAMBLING

# Illinois video gaming revenues fall short of expectations



Brian Wellner

Bryan Hendricks owns Avenue Tap in Silvis, the first bar in the Quad-Cities to get video gambling machines.

Buy Now

October 21, 2013 4:50 am by [Brian Wellner](#)

[\(3\) Comments](#)

Video gambling revenue is paying an extra salary for one local bar owner, but it's not enough to fix Moline's crumbling cemetery walls.

Hundreds of digital slot machines are fanned out across the Illinois Quad-Cities, giving gamblers a choice that's literally as close as a walk to the neighborhood pub. But they don't seem to be paying off in the way city leaders had hoped a year ago.

### Related Documents

[RI County video gambling revenue share](#)

Moline's finance director Kathy Carr thought she was being conservative when she budgeted \$135,000 in expected new revenue this year from video gambling, even though an Illinois study projected a city its size would bank more than twice that amount.

"We're not even close," she said.

About \$20,000 has trickled in since January.

Half of Moline's share was supposed to fund infrastructure projects. One of those projects would repair erosion at Riverside Cemetery, which is more than 150 years old and the burial place of notables ranging from industrialist John Deere to Francis Dickens, the fifth child of author Charles Dickens.

Carr said the city just approved next year's budget, expecting to make \$70,000 from video gambling, which still is not enough for the cemetery work.

"I guess those walls will continue to crumble," she said.

What Moline alone had budgeted for this year is more than what the Illinois Quad-Cities as a whole has actually raked in since last October, when the first machine was installed in a bar in Silvis.

Rock Island County municipalities have collected \$120,957 in the 12 months.

A municipality gets a 5 percent cut of the net income off a machine. Illinois gets its 25 percent share, and the rest is divided equally between the bar owner and machine vendor, bar owners say.

**First in the county**

Bryan Hendricks called it the "luck of the draw" that his Silvis bar, Avenue Tap, got to be first in Rock Island County. He has made \$66,000 off his four machines.

"It's somebody's paycheck," he said.

Hendricks saw an initial bump in customers wanting to check out the new machines. He said that has trailed off as almost every bar in the area has a few of its own.

Bob Anderson used a neon sign to advertise gambling at his establishment, City Limits Saloon & Grill in Rock Island, but he said he hasn't cashed in like he hoped.

"The video machines are doing nice for everyone, but the additional income is half what I expected," Anderson said.

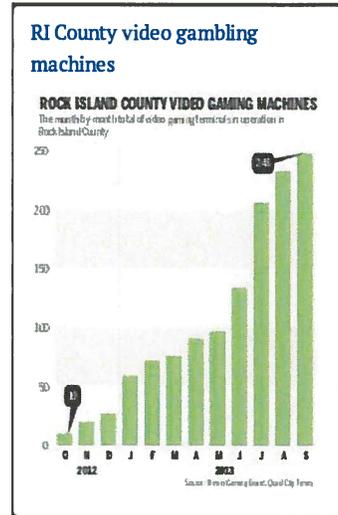
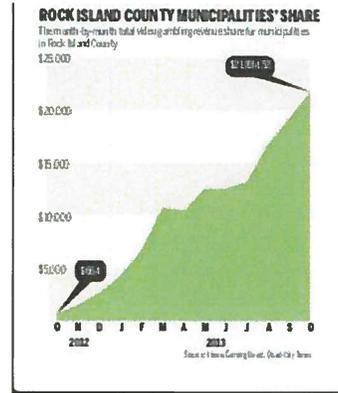
Anderson's machines made \$15,902 in September, according to Illinois Gaming Board statistics. He pocketed \$5,565.

A few weeks after Anderson's gaming operation went live, the four machines at Goombazz Big City Eatzz, also in Rock Island, were ready for action.

Restaurant owners Sal Cracco and Brenda Brewer said they had high hopes for the new revenue, based largely on the "big promises" made by the gaming-machine vendors.

"As far as we're concerned, the three machines are wonderful," Brewer said.

The extra money came in especially handy in July, which was the restaurant's slowest month since



it opened a year ago.

"Food sales were terrible in July, terrible," Cracco said. "But you know what else happened in July? Ready? It was our best month for revenue on the slot machines."

The couple agreed the option to gamble is not necessarily bringing in new customers, but it is bringing people back.

"The Illinois casino is too noisy, and the ones in Iowa are too smoky," Cracco said.

### **More machines coming in**

The rollout was slow elsewhere in Rock Island County.

Moline establishments didn't get any machines until January. Then a month after Casey's Tavern got its machines, they were stolen, Carr said.

She added that someone took a baseball bat to the machines at Bad Boy'z Pizza and they were off line for several weeks.

Now, Moline leads the Rock Island County pack with 72 machines in 19 businesses. Carr said Bier Stube just got approved, and there are 13 more gambling licenses pending.

Rosy's Watering Hole in Moline got machines three months ago. Despite the delay, its owner Rosy Atkins has seen business steadily pick up.

"I think it's going to be a good deal," she said, adding that some of her customers who work third shift gamble in her place as early as 6 a.m.

Last month, her machines made \$12,695 and she pocketed \$4,443.

Hendricks got \$7,711 last month from the \$22,033 his machines made. With the saturation of video gaming in the area, he thinks he's reached a plateau.

Anderson thinks there's still a little room to grow his video gaming with the possible addition of Walmart and other new businesses to Rock Island's 11th Street.

### **Casino revenue declines**

But casinos are feeling the pinch from the explosion of video gaming. Jumer's Casino & Hotel spokesman Bill Renk said that although overall Illinois gaming revenue has increased this year, casino revenue is decreasing.

"We're all fighting for that discretionary gaming dollar," Renk said. "We're in competition with them, and it's a competitive market here."

Bordering states also are seeing casino revenues decline.

"Revenue at all facilities is down a few percentage points," Iowa Racing and Gaming director Brian Ohorilko said. "The video gambling is certainly one factor contributing to the decline."

The Quad-City area's four casinos, including Jumer's in Rock Island, Isle of Capri in Bettendorf, Rhythm City in Davenport and Wild Rose in Clinton, all posted declines in revenue last month from a year ago. Jumer's had the largest decrease, at close to \$500,000.

Although Silvis paved the way for video gaming in the Quad-Cities, not everyone was on board.

Silvis' 2nd Ward Alderman Matthew Carter was concerned having gambling machines and ATMs "within arm's reach" of one another.

"I had some initial concerns," Carter said. "I didn't like that someone could get into his account, walk a few steps and spend all his money."

Silvis outlawed allowing ATMs in close proximity to gambling machines in bars, Carter said, but that's not the case at other bars throughout the county.




**NBC29.com**
FLUVANNA
[Doppler Radar](#)
[7 Day Forecast](#)
[State Radar](#)



**431 West Broad Street**  
**Waynesboro, VA 22980**  
 540-943-5850 1-800-488-5850  
[www.sleeponitwaynesboro.com](http://www.sleeponitwaynesboro.com)

## Chicago Crime Commission Tells Illinois Gaming Board That Video Gambling Defies Regulation

Says law enforcement will be left with uncontrollable situation

CHICAGO, Nov. 6 /PRNewswire-USNewswire/ – The Chicago Crime Commission told the Illinois Gaming Board that they are being left with the unenviable and untenable task of attempting to regulate an industry that by its very nature defies regulation. They also warned that the long-term cost to society would far outweigh any short-term revenue gains if video gambling machines were installed. The Chicago Crime Commission comments came at an Illinois Gaming Board hearing to discuss proposed emergency rules for video gambling in Illinois.

"The decentralized nature of video gambling may soon turn Illinois into the 'Wild West' of gambling," said J.R. Davis, Chairman of the Chicago Crime Commission. "Its an unfortunate reality, but the concerns and dangers associated with video gambling cannot or will not be fully addressed in the Illinois Gaming Board rule making. Law enforcement and other regulators would be left with a virtually uncontrollable situation," he added.

"Video gambling has been called the crack cocaine of gaming for good reason. With the proliferation of video gambling, communities can expect to experience an increase in crime and a rise in other social ills connected with gambling expansion," he continued.

According to legislative analysis, about 45,000 video gambling machines may soon be scattered throughout communities in Illinois. While a law enforcement needs analysis is currently non-existent, Davis estimates Illinois will soon have to hire hundreds of new police and regulatory personnel to begin addressing the law enforcement requirement of this gambling expansion. "Unfortunately, I haven't heard anyone address this reality or speak to how these needs will be met," said Davis.

Davis also expressed concern that it would be difficult if not impossible to curb the influence of organized crime in this new, tough to regulate enterprise. "It is a fact that organized crime is known to gravitate towards gambling and other ancillary businesses," he continued.

Additionally, Davis said that the state's self exclusion program, which prohibits problem gamblers from entering casinos, would be left hobbled if video gambling proliferates in Illinois. "I have significant concern that entire families will be left penniless because Mom or Dad will be feeding their entire paycheck into the video poker machines," he concluded.

SOURCE Chicago Crime Commission