

A FREE LUNCH?

PRESENTED TO KIT KAT CLUB

by Bill Milligan

Nov. 16,2004

THE SEPTEMBER ISSUE OF NATIONAL GEOGRAPHIC INCLUDES AN ARTICLE "INDIAN, SCENES FROM A RENAISSANCE" FROM WHICH I QUOTE: "ONE OF THE MOST VISIBLE SIGNS OF CHANGE IS WHAT SOME CALL THE NEW BUFFALO - THE CASINO, WHICH FOR BETTER OR WORSE HAS BECOME THE INDIAN COUNTRY'S MOST POTENT SYMBOL OF ECONOMIC EMPOWERMENT MOSTLY DUE TO THE SUCCESS AND NOTORIETY OF GAMING TRIBES LIKE THE PEQUOT IN CONNECTICUT WHOSE FOXWOODS CASINO WILL GROSS MORE THAN A BILLION DOLLARS THIS YEAR." CASINO GAMBLING IS KNOCKING AT THE DOOR OF OHIO. THE CATHOLIC DIGEST, THE OFFICIAL NEWSPAPER OF THE ARCHDIOCESE OF CINCINNATI, HAS COMMENTED: "WHAT WAS INITIALLY TREATED AS A FLUKE, AN UNSUBSTANTIATED RUMOR AND A RIDICULOUS NOTION HAS HAD STAYING POWER TIL\N.K.&TO SEEMINGLY POWERFUL YET NAMELESS DEVELOPERS, "; . . INFLUENTIAL SILENT PARTNERS ARE WAITING AT OHIO'S BORDERS, CASINO GAMBLING WHILE NOT YET LEGAL STAYS ON STATEWIDE AGENDAS. IT IS CLEAR THAT LARGE SUMS OF MONEY ARE INVOLVED. AS AN EXAMPLE, THE INDIAN CASINOS IN CONNECTICUT, IN ONE MONTH KEPT \$115.7 MILLION OF GAMBLING MONEY AFTER PAYING OUT WINNINGS. TO BEGIN WITH CONNECTICUT'S SKIP HAYWOOD. HIS FASCINATING STORY -2IT IS OBVIOUS THAT OVERALL THERE IS NO CHANCE THAT PERSONS GAMBLING IN A CASINO WILL RECEIVE BACK THE AMOUNT WHICH THEY HAVE WAGERED. WHAT SHOULD BE OUR ATTITUDE TOWARDS GAMBLING? IS IT A NUISANCE, AS SENATOR KERRY SUGGESTED? OR IS IT A BAD THING AS WE VIEWED IT

WHEN I SERVED AS U.S. ATTORNEY FOR THE SOUTHERN DISTRICT OF OHIO OR SHOULD WE ADOPT THE CYNICAL VIEW OF THE POLICE CHIEF IN CASABLANCA WHEN HE WAS "SHOCKED, SHOCKED" THAT GAMBLING WAS GOING ON.

AN UNDERSTANDING OF THE INDIAN CASINO MOVEMENT IN AMERICA HAS IS TOLD BY BRETT FROMSON IN, "HITTING THE JACKPOT". THIS BOOK'S JACKET TELLS US "YOU'LL ROOT FOR SKIP HAYWOOD AS HE CREATES THE PEQUOT NATION OUT OF ALMOST NOTHING AND TURNS A RAGTAG GROUP OF THE DISPOSSESSED INTO THE WEALTHIEST INDIAN TRIBE IMAGINABLE."

WHAT IS THE BACKGROUND OF THE INDIAN CASINO EXPLOSION?

THE U.S. COURTS HAVE RULED THAT RECOGNIZED INDIAN TRIBES ARE "SOVEREIGN!" WHAT THIS MIGHT MEAN IS OPEN TO QUESTION, BUT THE CONCEPT IS PIVOTAL.

1988 CONGRESS WEIGHED IN WITH THE INDIAN GAMING REGULATORY ACT. THIS STATUTE PROVIDES THAT RECOGNIZED TRIBES LOCATED IN A STATE MUST BE ALLOWED TO CONDUCT GAMING OPERATIONS WHICH ARE OTHERWISE PERMITTED BY STATE LAW. THE ACT MAKES A DISTINCTION BETWEEN CLASS I GAMING, SUCH AS BINGO, AND CLASS II GAMING SUCH AS LAS VEGAS STYLE CASINOS WHICH INCLUDES SLOT MACHINES. CLASS II INDIAN CASINOS IN OHIO WOULD NOT BE POSSIBLE WITHOUT A CHANGE IN THE OHIO LAW. THE RECENT EFFORT TO ALLOW ELECTRONIC SLOT MACHINES AT THE STATE'S HORSE RACE TRACKS WOULD MAKE OHIO A CLASS II GAMBLING STATE. IN A WORD, IF SLOTS ARE LEGALIZED CAN INDIAN CASINOS BE FAR BEHIND!

TWO EFFORTS TO AUTHORIZE CASINOS WERE REJECTED BY OHIO VOTERS IN THE 1990S. EACH TIME WITH A 62 PERCENT NO VOTE. THE SLOT MACHINE IDEA HAS BEEN HEAVILY DEBATED THIS YEAR IN THE OHIO LEGISLATURE.

THE OPPOSITION TO THE SLOTS PROPOSAL WAS FORMIDABLE, INCLUDING THE OHIO COUNCIL OF CHURCHES. IN THE END, THE LEGISLATURE CAME

THREE VOTES SHORT OF PUTTING THE PROPOSED GAMBLING AMENDMENT ON THIS FALL'S BALLOT.
FOR THE REASON YOU DIDN'T NEED TO VOTE YES

OR NO ON THE ISSUE THIS NOVEMBER

BUT THE LEGISLATURE MIGHT REVISIT THE PROPOSAL OR THE
PROPOSERS MIGHT CIRCULATE AN INITIATIVE PETITION. EITHER WAY
DON'T BET THAT THE SLOT MACHINE ISSUE WON'T RISE AGAIN. AN UN
SUCCESSFUL EFFORT TO CHANGE THE LAW WAS MADE IN THE
LEGISLATURE ONLY LAST WEEK.

PROPOSERS OF CLASS III GAMBLING IN OHIO START WITH THE CLASSIC
TWO YEARS AGO IN BOTKINS, A TOWN OF SOME THOUSAND SOULS LOCATED
-4ARGUMENT THAT "EVERYONE IS DOING IT". SLOT MACHINES AT RACE
TRACKS ARE AUTHORIZED IN WEST VIRGINIA AND PENNSYLVANIA, INDIANA
AND MISSOURI OFFER RIVERBOAT CASINOS WHILE ILLINOIS AND MICHIGAN
PERMIT CASINO TYPE GAMBLING.

NOT SURPRISINGLY, CALIFORNIA LEADS THE PACK IN THE NUMBER OF
INDIAN CASINOS.

ON THE OTHER HAND, TEXAS TURNED DOWN INDIAN CASINOS WHEN
GEORGE W. BUSH WAS GOVERNOR.

A MAJOR EFFORT IS UNDER WAY TO INTRODUCE INDIAN GAMBLING
INTO OHIO. THE OPENING SALVO IN THIS CAMPAIGN TOOK PLACE OVER
IN NORTHERN SHELBY COUNTY HALF WAY BETWEEN LIMA AND DAYTON. I
SERVED AS STATE REPRESENTATIVE FOR SHELBY COUNTY BETWEEN 1956
AND 1964. WITH THIS BACKGROUND I WAS SURPRISED THAT AN INDIAN
CASINO WAS SERIOUSLY CONSIDERED FOR THE BOTKINS AREA.

FAST FORWARD TO THE PRESENT - BOTKINS HAD LOST AN IMPORTANT
INDUSTRY AND WAS TRYING TO FIND SOMETHING TO TAKE ITS PLACE. BY
CHANCE A GENTLEMAN NAMED ROGER OLDFIELD WAS DRIVING BY
BOTKINS WHEN HE SAW A NOTICE THAT BOTKINS WAS LOOKING FOR NEW
INDUSTRY. MR OLDFIELD WAS AN AGENT OF NATIONAL CAPITAL I OF

LAS VEGAS WHICH WAS FORMED FOR THE PURPOSE OF BRINGING CASINO GAMBLING TO OHIO AND POSSIBLY OTHER UNCASINOED STATES. NATIONAL - SCAPITOL I HAD ESTABLISHED CONTACT WITH THE EASTERN SHAWNEE TRIBE LOCATED IN OKLAHOMA. THE TRIBE WAS APPARENTLY WILLING TO PARTICIPATE WITH NATIONAL CAPITOL I IN SETTING UP CASINOS IN VARIOUS LOCATIONS IN OIHO.

DISCUSSIONS BETWEEN NATIONAL CAPITOL I AND BOTKINS RESIDENTS LED TO A LOCAL CONTRACTOR, TOM SCHNIPPEL, RUNNING WITH THE BALL. HE RAISED MONEY LOCALLY AND DEVELOPED SUPPORT FOR THE CASINO PROJECT. THIS IN TURN LED HIM IN DUE COURSE TO BE CHOSEN PRESIDENT OF NATIONAL CAPITOL I. THE ROLE OF THE ORIGINAL LAS VEGAS BASED FINANCIAL BACKERS IS NOT KNOWN.

TOM SCHNIPPEL WORKED WITH THE VILLAGE OF BOTKINS AND OTHERS TO ACQUIRE THE LAND ON WIDCH TO BUILD THE PROPOSED CASINO. THE PLAN WAS TO SECURE APPROVAL FROM THE BUREAU OF INDIAN AFFAIRS FOR A TRANSFER OF LAND IN TRUST FOR THE EASTERN SHAWNEES. THIS LAND WOULD BECOME SOVEREIGN INDIAN TERRITORY. WHETHER THE BUREAU OF INDIAN AFFAIRS OR CONGRESS WILL ELECT TO TAKE THE BOTKINS LAND IN TRUST REMAINS TO BE SEEN.

THE STRONG OPPOSITION OF SOME BOTKIN RESIDENTS ALONG WITH THAT OF GOVERNOR TAFT AND OTHER OFFICIALS MAY FORESTALL THE IN TRUST TRANSFER

NATIONAL CAPITAL I IS CURRENTLY NEGOTIATING AN AGREEMENT WITH THE EASTERN SHAWNEE TRIBE AND HAS A LONG RANGE PLAN TO GAMBLING IN OIHO SEEMS UNLIKELY.

-ESTABLISH UP TO SEVEN CASINOS IN OIHO - IN BOTKINS, MONROE AND OTHER POTENTIAL SITES. NATIONAL CAPITOL I HAS STATED THAT IT CHALLENGES THE VALIDITY OF THE CIRCA 1794 SYMMES PURCHASE. INVALIDATING THIS HISTORIC PURCHASE WOULD INVOLVE 1.2

MILLION ACRES THAT STARTS AT THE OIDO RIVER AND RUNS BETWEEN THE GREAT MIAMI AND THE LITTLE MIAMI RIVERS FOR 100MILES NORTH. TIDS WOULD INCLUDE THE CINCINNATI SUBURB OF INDIAN HILLS, HAMILTON, MIDDLETOWN, DAYTON AND MY HOME TOWN OF SIDNEY. IF THIS SEEM TOO BE A BRIDGE TO FAR, NATIONAL CAPITAL I HAS OFFERED AN ALTERNATIVE. IF THE GOVERNOR AND OTHER RESPONSmLE OFFICIALS AGREE TO THE ESTABLISHMENT OF INDIAN CASINOS IN OIDO THEY WILL FOREGO FILING SUIT TO INVALIDATE THE SYMMES PURCHASE. WHETHER THE GOVERNOR WILL CHANGE HIS POSmON OPPOSING THE EXPANSION OF CONSIDERATIONS WHICH THE GOVERNOR AND THE GOVERNMENT GENERALLY WILL BE CONSIDERING ARE: ALL LAND IN WHAT IS NOW OIDO WAS CEDED TO THE UNITED STATES BY THE INDIAN TRIBES. IN A SERIES OF TREATIES BEGINNING WITH THE IDSTORIC GREENVILLE TREATY WIDCH WAS SIGNED BY BLUE JACKET ON BEHALF OF THE SHAWNEES IN 1795.

AS TO BOTKINS, SO FAR AS I KNOW WHILE THERE WAS INDIAN ACTIVITY IN MUCH OF OHIO, THERE NEVER HAS BEEN A SHAWNEE RESERVATION OR AN SUBSTANTIAL REVENUE TO THE STATE, RECAPTURE OF LOST REVENUE - 7ESTABLISHED SETTLEMENT IN WHAT IS NOW SHELBY COUNTY.

WHAT ARE SOME OF THE ARGUMENTS IN FAVOR OF INDIAN GAMBLING? THE FIRST ARGUMENT IS THAT CASINOS ARE INEVITABLE SO WHY WASTE YOUR TIME TRYING TO STOP IT? A SECOND ARGUMENT IS THAT CASINOS ARE BENEFICIAL TO NATIVE AMERICANS WHO WERE, OF COURSE, HERE FIRST. ANOTHER ARGUMENT FOR CASINOS IS THAT THEY CAN GIVE A BOOST TO LOCAL ECONOMIES WmCH NEED IT, SUCH AS BOTKINS.

ALSO, STATE CONTRACTS CAN BE ENTERED INTO WHICH PROVIDE INCOME TO THE STATE. IN NEW YORK, FOR EXAMPLE, THE TRIBES PAY AS MUCH AS 25 PERCENT OF THEIR PROFIT TO THE STATE.

WITH ALL THESE BENEFITS IT WOULD SEEM THAT INDIAN CASINOS WOULD

BE HARD TO TURN DOWN. MORE JOBS, JUSTICE FOR NATIVE AMERICANS, FROM OUT OF STATE GAMBLING, PLUS ALL OF THIS WITHOUT AN INCREASE IN TAXES.

CAN IT BE THAT WHAT WE HAVE HERE IS A FREE LUNCH?

HOWEVER, THE OPPONENTS TO CASINO GAMBLING ALSO HAVE A CASE TO MAKE. ONE CONCERN IS THE TRADITIONAL ASSOCIATION OF COMMERCIAL GAMBLING WITH CRIME, ILLEGAL DRUGS AND PROSTITUTION. rars WAS CERTAINLY THE CASE WHEN LUCKY LUCIANO DOMINATED THE RACKETS IN NEW YORK AND IN CUBA AFTER PROSECUTOR TOM DEWEY KICKED HIM OUT OF THE BIG APPLE. IT IS TRUE THAT THE FEDERAL INDIAN GAMBLING - 8 REGULATORY ACT AIMED TO EXCLUDE THE CRIMINAL ELEMENT FROM INDIAN GAMBLING. BUT THE CONCERN REMAINS.

AN ARTICLE IN THE JANUARY 9, 2001 ISSUE OF CAPITALISM MAGAZINE BY MICHELLE MALKIN COMMENTS:

"FEDERALLY RECOGNIZED TRIBES LIVING ON RESERVATIONS ARE EXEMPT FROM MANY FEDERAL TAXES AND ALL STATE INCOME, SALES AND EXCISE TAXES, STATE ENVIRONMENTAL AND LAND USES LAWS AND STATE WORKER'S COMPENSATION AND OCCUPATIONAL HEALTH AND SAFETY SOVEREIGN IMMUNITY ALSO PROTECTS THEM FROM STATE LAWS GOVERNING PERSONAL INJURIES, SEXUAL HARRASSMENT AND CONTRACTS. SAVVY TRIBES, ARMED WITH LAWYERS AND LOBBYISTS ARE TARGETING NON TRIBAL LANDS FOR CASINO DEVELOPMENT.

THE REAL ESTATE UNDER SIEGE LIES UP TO HUNDREDS OF MILES AWAY FROM A TRIBES RESERVATION. THESE ARE CALCULATED ACTIONS OF POLITICALLY POWERFUL INDIVIDUALS IN SEARCH OF A GOVERNMENT PROTECTED JACKPOT - NOT GOOD FAITH EFFORTS BY DISADVANTAGED MINORITIES WHO WANT TO ACHIEVE TRUE SELF. SUFFICIENCY."

THE RESIDENTS OF BOTKINS ARE SPLIT OVER THE PROSPECT OF A CASINO IN THEIR COMMUNITY. OPPONENTS IN BOTKINS FEAR THE LOSS OF

SMALL TOWN VALUES.

BUSINESSES IN BOTKINS ARE CONCERNED THAT MONEY WHICH WOULD NORMALLY BE SPENT IN THEIR STORES MIGHT BE DIVERTED INTO WHAT "FOR THOSE WHO OPPOSE CASINO GAMBLING IN BOTKINS, CASINO - 9WE USED TO CALL ONE ARMED BANDITS. THE CATHOLIC CHURCH TAKES THE POSITION THAT WAGERS ARE MORALLY UNACCEPTABLE WHEN THEY DEPRIVE SOMEONE OF WHAT IS NECESSARY TO PROVIDE FOR INDIVIDUALS' NEEDS AND THOSE OF OTHERS.

A REPORT FROM THE NATIONAL GAMBLING IMPACT COMMISSION FOUND THAT GAMBLING ADDICTION DOUBLES IN A 50 MILE RADIUS AROUND A CASINO, BANKRUPTCY FILINGS INCREASE AND THE CRIME RATE ALSO RISES. OPPOSITION IS ALSO BASED ON THE FACT THAT THE TRIBE WOULD NOT HAVE TO PAY REAL ESTATE OR PERSONAL PROPERTY TAXES.

THE CATHOLIC TELEGRAPH OF FEBRUARY 3, 2003 SUMMARIZED THE SITUATION IN BOTKINS AS FOLLOWS:

GAMBLING MEANS A RADICAL CHANGE TO THE ENVIRONMENT, THE LURE AND ADDICTION TO GAMBLING AND ONSLAUGHT OF BUSINESSES AND BEHAVIOR THAT TRADITIONALLY ACCOMPANIES SUCH ENDEAVORS THAT ARE EXPECTED TO FOIST GRAVE SOCIAL PROBLEMS ON A COMMUNITY ILL-PREPARED TO COPE WITH THEM."

THE MOST SUCCINCT CONTRA STATEMENT MADE BY A BOTKINS RESIDENT WAS: "IN MY MIND A CASINO IS NOTHING BUT A SIN AND A WAY TO STEAL FROM PEOPLE LEGALLY."

NATIONALLY GAMING RESORTS HAVE COME UNDER FIRE FOR BENEFITTING JUST A FEW INDIANS OR DEALING OUT PROFITS TO MOSTLY NON INDIAN

- 10

INVESTORS.

A CONCERN UNDERLYING THE SPREAD OF INDIAN CASINOS IS THAT OF CORRUPTION. THE TENS OF THOUSANDS OF DOLLARS WHICH SKIP

HAYWARD CONTRIBUTED TO INFLUENTIAL CONGRESSMEN UNDOUBTEDLY GREASED THE SKIDS FOR THE CONNECTICUT CASINOS. INDIAN CASINOS WITH SOVEREIGN IMMUNITY AND LARGE SUMS OF MONEY MIGHT USE THAT MONEY TO CONTROL THE POLITICAL PROCESS. THIS DEFACTO TRANSFER OF AUTHORITY FROM ELECTED OFFICIALS OF THE VILLAGE, TOWNSHIP, COUNTY AND POSSIBLY BEYOND SHOULD NOT BE FAVORED. A CONCERNED CITIZEN'S COMMITTEE IN BOTKINS PUT ITS FINGER ON THIS ISSUE WHEN IT COMMENTED THAT THE BOTTOM LINE IS WHETHER THE RESIDENTS OF BOTKINS ARE WILLING TO TURN THE FUTURE OF BOTKINS OVER TO NATIONAL CAPITAL I.

TO SUMMARIZE THE CASE AGAINST CASINOS - FOR EVERY MILLION DOLLARS OF CASINO PROFITS SOMEONE HAS TO LOSE MORE THAN A MILLION. TIDS, PLUS THE OTHER FACTORS, I HAVE MENTIONED, ADD UP TO THE CONCLUSION THAT SERIOUS COSTS ARE ASSOCIATED WITH CASINOS, INDIAN OR OTHERWISE, PRESIDENT REAGAN WAS RIGHT. THERE IS NO FREE LUNCH.

A CURRENT RELATED DEVELOPMENT IS THAT MANY INDIAN CASINOS ARE POOR AND BARELY BREAKING EVEN. AT THE SAME TIME EVAN MANY NON INDIAN CASINOS HAVE FALLEN ON HARD TIMES.

OWNER OF THREE BIG CASINO IN THE STATE OF NEW JERSEY, HAS BEEN -11THE JUNE 12m ISSUE OF "THE ECONOMIST" OBSERVED: "DONALD TRUMP, NEGOTIATING WITH HIS CREDITORS TO STAVE OFF BANKRUPTCY. IF EVEN THE DONALD CAN LOSE MONEY IN THE CASINO BUSINESS SURELY NO ONE IS IMMUNE FROM TROUBLE."

A RECENT SURVEY BY A LAS VEGAS CASINO COMPANY, IS CONSISTENT WITH 'nns TREND. IT SHOWED A DECLINE IN CASINO PATRONAGE, ESPECIALLY IN omo. COMPETITION FOR A PREFERRED POSITION IN THE GAMING INDUSTRY IS INTENSE. AN EXAMPLE CAN BE SEEN IN DETROIT WHERE THE CHIPPEWA W TRIBE WAS EXCLUDED FROM BIDDING ON THE CASINOS. AFTER LONG

NEGOTIATION THE CHIPPEWAWS REACHED A SETTLEMENT IN WHICH THE
TRIBE RECEIVED 79 MILLION DOLLARS FROM NON INDIAN CASINOS.

EXAMPLES OF CONFLICTS OVER WHO SHARES HOW MUCH OF THE CASINO
PIE COULD BE MULTIPLIED.

BUT TO RETURN TO Ohio, GIVEN ALL THE PROS AND CONS WE HAVE GONE
OVER THIS EVENING. MY OWN VIEW IS THAT GOVERNOR TAFT IS RIGHT.

"THERE SHOULD BE NO FURTHER EXPANSION OF GAMBLING IN OHIO."

PUBLIC OPINION, INCLUDING YOURS, WILL BE CRITICAL IN HOW

THIS ISSUE IS ULTIMATELY RESOLVED. WHAT IS YOUR VERDICT?