

# Gambling addiction leads many down criminal road

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PITTSBURGH TRIBUNE-REVIEW

Sunday, June 19, 2011

The casino surveillance footage showing former Braddock Manager Ella Jones withdrawing more than \$40,000 she stole from taxpayers to feed her gambling addiction helped investigators seal the case against her.

Casinos that Jones, 58, of Turtle Creek visited included The Meadows Racetrack & Casino in North Strabane and Rivers Casino on the North Shore, her lawyer Phil DiLucente said.

"I represent heroin addicts, alcoholics, people that are sex addicts, and I think gambling is the most addictive out of all of them," DiLucente said. "With gambling, you could lose every single thing you ever worked for on a roll of the dice."

Law enforcement officials said early fears that street thugs would prey on cash-laden gamblers at Western Pennsylvania's two casinos were greatly exaggerated, but they acknowledge casino gambling in Pennsylvania makes it more convenient for first-time, gambling-addicted criminals such as Jones to wipe out family or business bank accounts.

Braddock fired Jones from her \$45,000-a-year job after she pleaded guilty to stealing \$178,000 from 2008 to 2009 from taxpayer-fed accounts. A judge this month sentenced her to nine years of probation, and she must pay restitution. She declined an interview request.

Casino operators said they're not responsible for spotting criminals who blow ill-gotten gains at slot machines and table games. They report suspicious transactions to the Internal Revenue Service, track wins and losses of \$10,000 or more and turn over records of high-stakes gambling when prosecutors ask.

"We don't talk to our customers too deeply to ask, 'What do you do for a living?' 'How much do you make?'" said Sean Sullivan, general manager at The Meadows. "If somebody was playing bigger, they would show up on our radar. We would assume that the money was not ill-begotten."

Sullivan said The Meadows submits five or six suspicious activity reports a week to the IRS, but he declined to say if Jones was among them.

"Like any retail business, we have no insight into the personal financial resources of guests," Rivers Casino spokesman Jack Horner said. "By law, individual transactions over \$10,000 are reported to the federal government."

Suspicious transaction reports target gamblers who try to skirt the \$10,000 IRS income requirement; use someone else to cash in chips; show fake identification; or use the casino only for financial services.

State police are responsible for law enforcement in the casinos. Maj. Tim Allue, director of gaming enforcement for the department, said his agency does not count white-collar embezzlement in its monthly casino crime reports because the thefts don't occur on gaming floors.

"There's such a large volume of people who gamble, and gamble large amounts of money, that the troopers at the casino would have no idea about a person's financial capability," Allue said.

#### State police patrols

In 2010, state police reported 842 offenses at Rivers Casino and 420 at The Meadows. Most cases were thefts, police said, often when slot machine players took money vouchers that someone left behind after cashing in credits.

Casino operators pay for state police to patrol gaming floors 16 to 24 hours a day. State records show that cost rose from \$14.2 million in 2008-09 to \$19.5 million budgeted for 2010-11. The money pays the salaries of 11 troopers stationed in each of the 10 casinos.

Municipal departments, such as Pittsburgh and North Strabane police, have jurisdiction outside casinos and in parking areas. In some cases, they say, serious crime reports dropped around the casinos.

"The incidents that we happened to have were high-profile," said Pittsburgh police Cmdr. RaShall Brackney, who leads the North Side precinct.

Those include a city firefighter who pleaded guilty to stealing a casino security truck to go on a drunken joy ride and a man who told city police that a gunman robbed him on Sept. 20 of \$9,400 in winnings.

In a list of 42 cases city police investigated between the casino's opening in Aug. 9, 2009, and April 30, the big-money robbery stuck out among mostly minor criminal mischief and vehicle theft cases. Turns out it was false, according to Detective Michael Benner.

"There was more crime there when it was a parking lot," said Mark Fatla, executive director of the Northside Leadership Conference, a community development corporation that represents 15 North Side neighborhood groups.

In a letter to a Rivers Casino executive on May 2, Pittsburgh police Chief Nate Harper said rates of the most serious crimes in the North Side decreased 17 percent when comparing March 2010 with March 2011, and 2 percent when comparing January-April 2010 and 2011, but he did not directly credit the casino.

In the area around The Meadows in North Strabane, crime rates increased, Detective John Wybranowski said.

"If you look at The Meadows Casino and how close it is to a residential community, we were a little more concerned going in, but we did not end up having the amount of crime that we anticipated," Wybranowski said.

Police received reports of three to seven crimes a year from 2004 to 2006, before the casino opened in June 2007. From 2008 to 2010, people reported 14 to 38 crimes to police, roughly twice as many. Most were incidents of public drunkenness, criminal mischief or vandalism to cars.

#### Monthly statements

Bill Kearney, a former gambling addict from Philadelphia, said he's not surprised that street crime rates didn't spike. Those crimes generally do less damage than do white-collar gambling addicts.

He should know. In the early 1980s, Kearney lost \$1 million in six months at Atlantic City casinos. Then, he said, he lost his wife, family and business.

Kearney documented 10 crimes in Pennsylvania since 2009, the year table games began operating, in which people stole amounts ranging from \$20,000 to \$389,000 and blew the money gambling. The Tribune-Review found five additional, similar crimes in Western Pennsylvania, where the largest amount stolen was \$913,000.

Table games generally offer higher stakes than slot machines. Pennsylvania's first casino opened in November 2006.

Kearney is working with state Rep. Paul Clymer, R-Bucks County, to push lawmakers to pass a House bill that would require casinos to send gamblers monthly statements of their losses, a tactic he believes could prevent people from becoming addicts.

Casino owners strongly oppose the statements, and no state with legalized gambling requires it.

"These are law-abiding citizens who, 99 percent of the time, get caught up in this so-called entertainment," Kearney said.

Gregory Fajt, chairman of the state Gaming Control Board, said potential criminals realize they're likely to get caught if they commit a crime in or around a casino.

"We tried to put out a message that a casino was the worst place in Pennsylvania to commit a crime, and that's because everything is on tape," Fajt said.

When more serious offenses have occurred, gambling officials have banned players. Of 19 people banned from entering Pennsylvania casinos, seven were barred because they left one or

more children in parked cars while they went to gamble. The others tried to cheat at table games and slot machines.

As for criminals who steal more than vouchers to fuel gambling addictions, Fajt said, legalized gambling in Pennsylvania did not create the problem, but there's more than \$7.5 million in gambling revenue for treatment. In fiscal year 2009-10, the state Department of Health reported 107 people received financial support to get treatment for gambling addiction. The cost for services was \$56,854. The department runs PA Problem Gambling Hotline, a radio and television advertising campaign and a website.

"Whether it's at casinos in PA, New Jersey, Las Vegas or West Virginia, those folks are going to have issues," Fajt said.

### Addicted to gambling

Five people from Western Pennsylvania recently charged with stealing money from employers to feed gambling addictions:

John J. Tain, 40, of Cecil pleaded guilty in October 2010 to embezzling \$913,000 from UBICS Inc., an international information technology firm where he worked as controller. Before a judge sentenced him to 33 months in prison, Tain said he suffered from gambling addiction. Court records do not say where he gambled.

Lori J. Smith, 49, of North Huntingdon admitted stealing more than \$127,000 from the Murrysville MSA Branch Employee Federal Credit Union to feed her gambling addiction. The credit union fired her. She pleaded guilty in January to theft and is serving five years of probation, court records show.

Diane L. Stanesic, 57, of West Mifflin pleaded guilty to theft in April 2010 after admitting she submitted almost \$36,000 in fake cancer treatment insurance claims. Stanesic, a former nurse, used the money from the false claims to support her addiction to video poker. A judge sentenced her to five years of probation.

Cheri A. Logue, 42 of Claysville received a 22-month federal prison sentence for embezzling \$90,000 in government money provided to the Southwestern Pennsylvania Legal Services Corp. She used an ATM card registered to the corporation to withdraw more than \$12,000 at or near casinos on 56 occasions, investigators said. A judge noted that Logue said she played slots machines to deal with stress at work.

Nancy J. Brown, 62, is awaiting trial on charges of stealing nearly \$389,000 from payroll accounts in Springfield Township, where she worked as township secretary. Her lawyer said she lost most of the money at Presque Isle Downs & Casino near Erie and other casinos.

### Self-exclusion

As of May 1, 2,418 people asked the state Gaming Control Board to ban them from gambling in Pennsylvania casinos. The self-exclusion list allows people to request one-year, five-year or lifetime bans. People must go to casinos, control board satellite offices or the board's headquarters in Harrisburg to ask to join or be removed from the list.

- 1,811 people on the self-exclusion list said they gambled in Pennsylvania casinos before excluding themselves.
- 713 people reported seeking professional treatment for gambling addictions.
- 324 people on the list were accused by state police of entering casinos to try to collect jackpots, apply for player's cards or gamble.

*Source: Pennsylvania Gaming Control Board*

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