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Casinos Preying on Older Adults

Casinos' predatory practices are a test case for financial elder abuse

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In February 2013 that San Diego's former mayor, 67 year old Maureen O'Connor, lost more than a billion dollars at casinos, the gaming industry shed its disguise and became the gambling industry again. This was definitely not entertainment.

Maureen O'Connor reported that she was suffering from a [brain](#) tumor that might have impaired her judgment. A vulnerability that was not moderated by Las Vegas casinos sending private jets to fetch Ms O'Connor from San Diego. A trend that was also seen with Terry Watanabe who risked more than \$825 million in 2007 at two casinos owned by Harrah's where it is alleged Harrah's senior [management](#) made a conscious decision to exploit his well-known [addiction](#) with alcohol and prescription [drugs](#). No lawsuit has ever won. But what they do is expose the human tragedy fueled by the industry's predatory use of complimentary services called "comps" against the increasing vulnerability of some older adults.

Bill Kearney—a staunch advocate for effective regulations of casinos—defines the world of comping in his excellent 2001 book "Comped". Comping might start off with a free room, meals, free drinks and then, like Ms. O'Connor, ends up with limos, helicopter and Learjet flights, interest-free loans, and lavish penthouse suites that the casinos provide as they cultivate their profits. These comps are in addition to exemptions that the gambling industry has gained, including no-limit ATM machines, sales tax exemptions, [smoking](#) exemptions, and many others. All these exemptions and comps transform the industry from one of entertainment—where you pay a predefined cost for a service—to predation.

Predation involves monitoring older adults' gambling behavior and promoting both the frequency—through comping—or the amount—through interest-free loans, cashless gambling, free alcohol and medication pills. When you have older adults with obvious [cognitive](#) impairment then you need to question if such predatory behavior constitutes financial [elder abuse](#) under state laws.

In California, financial elder abuse has both criminal and civil definitions that apply to anyone 65 or older regardless of whether they have any diminished physical or mental capacity. Financial elder abuse occurs when any person or entity—takes, secretes, appropriates, obtains or retains real or personal property of an elder for a wrongful use or with intent to defraud—including assisting. “Wrongful use” is when a person “knew or should have known that this conduct is likely to be harmful to the elder.” Cal. Welfare & Institutions Code §15610.30.

This definition makes for a perfect storm. With increasing penetration of the gambling industry into nearly all States, increasing prevalence of older adults with cognitive and physical frailty, and an increasing awareness by families of the signs of financial elder abuse we might see our first test case of financial elder abuse laws against casinos. But Harrah's might already have bet on this.

When Harrah’s comps \$1.1 million to AARP we have to question what AARP is gambling with, and what we are likely to lose. Thom Reilly, executive director of the Harrah’s Foundation explained that “This relationship with the AARP Foundation allows us to extend our reach into that community and help them address [caregiving](#) issues.”