

# **BALTIMORE CITY PAPER**

## **Betting the House: Five years later, Maryland's casinos have left addiction, crime, and half-filled promises in their wake**

August 12, 2015

By Sam Skolnik

By the time Jim Calabrese moved to Maryland in 2001, gambling had already taken a huge toll. The hours he spent and the money he lost playing the slots and video poker caused his wife to leave him with the couple's three daughters in tow. She left "entirely because of the gambling," he said. Not to mention, he also narrowly escaped criminal prosecution after stealing thousands of dollars from his then-Las Vegas employer to feed his habit.

Calabrese got clean and stopped gambling after moving from Las Vegas back to his native Detroit in 1998. He immersed himself in the 12-step Gamblers Anonymous program and led a Saturday morning GA meeting which, after the introduction of three large casinos in Detroit over the following two years, grew from about 10 regular weekly members to between 45 and 60.

But he needed a new full-time job, and found it in Baltimore running an industrial laundry. Though it took him away from his family, Baltimore was perfect in another regard. "When I moved to Maryland, there was no gambling," said Calabrese, a gregarious 59-year-old wearing a trim goatee, a dark blue polo shirt, and flip-flops during an interview. "That's half the reason I moved here."

Once in Baltimore, Calabrese largely continued to abstain from gambling. He slipped now and then, as many recovering gambling addicts do, by playing keno once in a local bar, for example, and by driving up to the Delaware Park casino a couple of times. But the amounts he lost were minimal, he said—"I didn't think twice about it."

Then casinos opened near his Maryland home, and Jim Calabrese's world began to unravel.

Two years ago, he made a brief stop in the Hollywood Casino off I-95 in Perryville—the first modern-era casino to open in Maryland, in September 2010. Since then, he's been gambling anywhere from two to four times per week, mostly at the sprawling Maryland Live Casino in Hanover, but also at the sleek, two-story Horseshoe Casino in southwest Baltimore, and in Perryville. He may not be gambling as exhaustively now as he did while he lived in Vegas—there, deep in the throes of his addiction, he'd make as many as three trips to casinos per day,

starting before work, heading back out during lunch, and then going again after work—but the results have been similarly disastrous.

"I may not be as manic about going," Calabrese said, "but I am as manic once I'm there."

Since 2013, Calabrese estimates he's lost and borrowed between \$40,000 and \$50,000 to support his addiction. He opened a line of credit at Maryland Live for a total of \$4,300, he said, and currently owes the casino \$1,600. He's taken cash advances from credit cards as well as from two local payday loan stores, all of which he still needs to repay. He borrowed another \$2,200 from two friends he knows. None of this is to mention the usual bills he's been saddled with, including car payments and his rent (which recently doubled, at least temporarily, after his housemate died).

"I don't know what happened to me, mentally," said Calabrese. One thing he is sure of: He wouldn't be in the bind he's in if casinos hadn't opened so close to his home off Harford Road, just a couple of blocks inside Baltimore's northeastern city limit. Calabrese knows exactly how far he lives from his favorite gambling palace, Maryland Live—27 miles. Takes 40 minutes to get there.

### **Calabrese isn't alone.**

Casino gambling has exploded in Maryland as a result of the referenda passed in 2008, which allowed for slot machine parlors in five locations, and 2012, which allowed these five slot palaces to expand into full-fledged casinos with table games, including everything from blackjack and roulette to poker, as well as the development of a sixth casino in Prince George's County. According to the Maryland Lottery and Gaming Control Agency, the overall revenue net "win" for Maryland's casinos—meaning, all the bets made minus winning payouts to gamblers— from when Perryville opened on Sept. 27, 2010, through the first week in August was nearly \$2.9 billion.

As the five-year anniversary of Maryland's first legalized casino approaches, the state's casinos have been grabbing a growing share of overall commercial casino revenues in the United States, from 1.01 percent in 2012 to 2.45 percent last year, according to the UNLV Center for Gaming Research.

Casino promoters, including their political allies in the Maryland statehouse, have touted the jobs created by the casino developments, as well as the tax revenues coming into the state, including more than \$1.1 billion that has been directed toward the Education Trust Fund set up by the 2008 law to support the state's public schools.

Yet there has been a significant downside to Maryland's casino deluge. Mounting evidence shows that over the last five years, a growing number of gamblers throughout the state have begun to feel the sting of addiction. In turn, this is leading to increased social costs connected with gambling dependencies.

Here's just some of the evidence:

- The number of weekly Gamblers Anonymous chapters in Maryland has grown from 16 in November 2012 to 21 currently (including a chapter in the Maryland Correctional Institute for Women in Jessup). That's a 31 percent jump. And the size of at least some of the meetings also has been rising. In one case, the regular number of attendees has more than doubled, one meeting regular tells me.

- The number of people so concerned about the effects of their gambling that they felt compelled to ban themselves (either for two years or for life) from the state's casinos has been growing. Based on year-to-date numbers, it's estimated 350 gamblers will sign up for Maryland's Voluntary Exclusion Program in 2015, according to the state's lottery and gaming agency—more than the 347 gamblers who signed up last year and a 70 percent spike from the 204 self-excluders in 2013. A total of 906 gamblers have excluded themselves from Maryland's casinos since the program started in 2011, and in 131 instances, gamblers violated the terms of the program by trying to sneak back into a casino and were caught, arrested, and charged with criminal trespassing.

– Maryland's toll-free telephone help line set up to provide information and referral services for problem gamblers received 619 calls in fiscal 2015, which ended June 30, according to Lori Rugle, program director for the Maryland Center of Excellence on Problem Gambling. That reflects a steady growth from the 533 calls received in fiscal year 2014 and the 431 in fiscal year 2013.

When gambling addiction rises, certain behaviors—social costs—typically increase right alongside it. They can include everything from indebtedness, home foreclosures, and bankruptcies to domestic abuse, robberies, and embezzlement, all the way to suicides. They affect more than the gamblers and their families—they affect whole communities. These trends have been documented by journalists in state after state and in academic research not funded by the casino industry. In a landmark 2004 book, "Gambling in America: Costs and Benefits," Baylor University economist Earl Grinols concluded that addicted gamblers cost the United States between \$32.4 billion and \$53.8 billion per year, and that the long-term costs of introducing casinos into a region that didn't previously have them outweighed the economic benefits by a greater than 3:1 ratio.

These social costs are starting to be felt in Maryland.

Just a couple of examples: There have been at least 13 reported incidents of children being left in cars in Maryland casino parking lots while their parents went inside, often to gamble, according to monthly enforcement reports from the Maryland Lottery and Gaming Control Agency and news accounts, and another case involving a 98-year-old woman left alone in her son's car for five hours for the same reason. The crimes, which occurred between 2011 and this past May, took place at Maryland Live, Hollywood Casino Perryville, the Casino at Ocean Downs on the Eastern Shore, and at the Horseshoe (the fifth of the state's casinos is the Rocky Gap Casino Resort in Western Maryland).

In the most widely publicized of these cases, Alicia Brown pleaded guilty last year to endangering her 4-year-old daughter by leaving her in a car in Maryland Live's parking garage

for about eight hours. She was charged with reckless endangerment, neglect of a minor, confining a child, and false imprisonment, and was sentenced to five days in prison and an additional three years of probation. According to a Baltimore Sun report, Brown's lawyer said she owed back rent and was facing having her utilities shut off, and spent part of her time at the casino playing blackjack.

In addition to child neglect, various other gambling-connected crimes have emanated directly from casino properties over the last five years, including theft, robbery, and assault.

According to the Baltimore Police Department, officers made 118 arrests at the Horseshoe from its opening date, Aug. 26, 2014, through Aug. 4 of this year, equaling about one arrest made every three days. Thirty-three people were picked up for trespassing, the most common charge. Another 22 were arrested for common assault, and seven more for aggravated assault. Ten were arrested on larceny charges, and additional arrests were made for everything from robbery, destruction of property, and possession of narcotics to disorderly conduct and possession of illegal weapons.

A broader reading of a different set of data provided by the department, the "Calls for Service Report" for the same dates and casino address, show that Baltimore police received calls for reports for a far wider array of alleged crimes at the Horseshoe, including many instances where police found insufficient evidence to pursue a case or make an arrest. But the calls were serious enough to warrant written reports in the cases of three intoxicated persons, an animal-cruelty case, and two attempted suicides.

Some of the most common gambling-related social costs are finance related, as might be expected, including indebtedness and home foreclosures. Nina Heck, director of counseling and client services for Guidewell Financial Solutions, the nonprofit group formerly called the Consumer Credit Counseling Service of Maryland and Delaware, said her group is looking out for cases involving gambling addiction. In 2014, Heck said Guidewell counseled about 18,000 clients, 71 percent of whom were Marylanders. She said 1 percent—about 180 clients—reported that gambling was the main cause of his or her credit issue, but that the real number of such cases was likely at least twice as many.

"Gambling is something the consumer rarely states as being the cause of their credit problems" even when it clearly is, said Heck, in part because of embarrassment, and also because sometimes the client might be in denial about the extent of the problem. With casino gambling growing in Maryland, she said, "we definitely are very much watching for this. Absolutely, it is a concern for us."

Gambling addiction has also been connected to consumer bankruptcies. For the first time, bankruptcy attorneys in Maryland say they're noting an increase in the number of cases they've been receiving in which gambling losses to the casinos here, as opposed to those in Atlantic City or Las Vegas, have played a primary role.

Within the last few weeks, two such clients walked through attorney Seth Diamond's door. Diamond, a Silver Spring-based bankruptcy lawyer, said both cases involve \$8,000-\$14,000 in

debt to Maryland Live, out of \$25,000-\$50,000 in total debt the clients have accumulated. The Prince George's County residents, Diamond said, who include one man and one woman, are filing for Chapter 7 bankruptcy because of their debt.

Diamond described both clients as workers with low-paying jobs. "These are folks who can't afford the losses," he said. In gambling-related cases he's handled in Maryland, Diamond said, "my take is that the person has an addiction issue, or they're gambling to try to get themselves out of their other debts."

Rockville-based lawyer Jeffrey Orenstein said that at a conference of the Bankruptcy Bar Association for the District of Maryland this past spring in Annapolis, much of the water-cooler talk was about the consequences of gambling expansion in the state. He predicted that because of the existing new casinos—not to mention the mammoth, \$1.3 billion MGM National Harbor casino and hotel development set to open next year in Prince George's County, just a mile or two from dense population centers in Washington and Virginia—"an avalanche" of casino-related bankruptcy cases could be coming in over the transom in the next several months and years.

**Gambling addictions often are** more difficult to spot than alcoholism and drug dependencies, experts say, because of the lack of physical symptoms. At the same time, they can be harder to kick. Gambling becomes a problem when it disrupts personal lives or careers. Pathological gambling, the most serious form of the addiction, occurs when the gambler loses control over her gambling and when she continues to gamble despite adverse consequences.

Regular attendance in Gamblers Anonymous meetings is one of the surest ways to arrest the disease. Over the years, I've attended GA meetings. There have been times—though thankfully, not recently—when my gambling felt out of control and I felt like I needed to stop, at least for a stretch, and needed support to do so. So although I write this story primarily as a longtime journalist recognizing what I believe is an important, underreported story, I should note that I also do so as a Maryland resident and gambler who's spent scores of hours inside the poker rooms of Maryland Live and, to a lesser extent, the Horseshoe.

I've seen many gamblers throughout these casinos who appear, at least superficially, to be gambling with money they can ill-afford to lose. I'm not the only one who's noticed. Problem-gambler advocates and others with less formal roles as counselors, such as clergy, are reporting similar stories.

According to Michael Rosen, the network development and helpline coordinator for the Maryland Center of Excellence on Problem Gambling, "What I've seen is so many people who never would've even thought about gambling but are doing it because of the proximity . . . The horror stories of people sitting in chairs for hours and hours [to play slot machines] is very sad."

Pastor Kevin McGhee of the Bethany Community Church in Laurel, a longtime opponent of legalized gambling who fought the state's referenda in 2008 and 2012, told me that since the casinos opened he's had to help families who have become ensnared in gambling's grasp, including one elderly couple, both of whom have medical issues, as well as a heating and air conditioning contractor who is related to a member of his church. The contractor told McGhee

that he went to Maryland Live casino so many times and lost so much money that he had to sell his truck—vital to his business—to pay other, more important bills.

McGhee heads the Laurel Clergy Association. He notes that the pastors in the group include a wide range from the politically and theologically conservative to the progressive. "We can't agree on doctrinal points of the Bible, but we can agree on gambling. It's just very heartbreaking. There's so much shame attached to this thing."

Anthony Parente, a Towson-based addiction counselor who has handled gambling cases for more than 15 years, says the cases he's seen most often involve clients who suffer from more than one addictive tendency—and that the new casinos have served as places where recovering alcoholics could relapse at the same time as they indulge in new, unhealthy, and likely addictive levels of gambling. "They get caught up in the whole thing with the lights, bells, and whistles," he said.

"We have a saying in the field, 'When you build, they will come,'" said Deborah Haskins, a Maryland-based counselor of gambling addicts since 1993 and currently president of the Maryland Council on Problem Gambling. Haskins believes the cases of people leaving their children unattended in cars to run into Maryland's casinos to gamble is symptomatic of the broader issue of rising gambling addiction in the state. She notes that poorer communities, both urban and rural, are usually hit the hardest. "In a lot of places with material poverty and structural barriers, they see gambling as a coping strategy," she said.

Problem-gambler advocates with the Maryland Center of Excellence on Problem Gambling, the state's Behavioral Health Administration, county health departments, and community providers have been preparing to deal with the aftereffects of gambling expansion in part through working to make sure gamblers who need subsidized outpatient treatment, regardless of what type of insurance they may carry, are able to get it, despite the fact that subsidized outpatient treatment isn't something explicitly provided for in the Maryland law as it is in other states. Lori Ruge the program director of the Maryland problem gambling center said the center is there to work with gamblers in need of care to help them navigate the system, and that it can be navigated. Keith Whyte, executive director of the National Council on Problem Gambling, said the system as it stands, with the lack of secured state funding for subsidized treatment, leaves "a big, gaping hole" that the legislature needs to fix.

In the meantime, gamblers in Maryland with the most severe addictions now have a new way to consider getting help. The center is helping to operate a new gambling addiction treatment program for the most intractable cases, with facilities and personnel ready to treat gambling addicts for short periods until they gain some measure of control. Gamblers approved for the program will be placed at Hope House, an alcohol and drug addiction rehab center with locations in Crownsville and Laurel, and at a facility in Allegany County in Northwestern Maryland, confirmed Ruge.

"I think this is going to mushroom into something big," said Hope House CEO Peter D'Souza, "and we need to be ready."

**This isn't the first time** Maryland has legalized slot machine gambling and allowed it to flourish. In 1943, slots were legalized in Anne Arundel County. Soon after, Calvert, Charles, and St. Mary's counties in rural southern Maryland followed suit. Like they are in Nevada today, the machines could be found in small restaurants, lounges, and gas stations in Maryland until 1968, according to a 2013 story on [pressboxonline.com](http://pressboxonline.com), when the machines were phased out in part because of national concerns regarding connections between legalized gambling and corruption, including organized crime.

State politicians in Maryland began flirting with the idea of legalizing slots to bolster state revenues again in the 1990s. Then-Attorney General J. Joseph Curran Jr. attacked the legalization efforts when he published an unsparing report in 1995 called "The House Never Loses and Maryland Cannot Win: Why Casino Gaming is a Bad Idea." The report highlighted the social costs connected to gambling legalization, including embezzlements, child neglect, and suicides.

The report concluded by warning that "[I]f Maryland were to start down this path, there would be no going back. The State could never be assured of retaining enough control over the casino industry to reap the dubious benefits it has promised, or to deal with the myriad of social costs which would descend upon it. These certain ills and uncertain benefits are not worth the risk to the citizens of Maryland and to their quality of life."

Although Curran's son-in-law, Democratic presidential candidate and former Gov. Martin O'Malley, in 2005 expressed reservations about slot machines, calling them "a pretty morally bankrupt way to fund education," he nevertheless worked to push slots bills beginning as Baltimore's mayor, and succeeded while governor.

Though he arguably was legalized gambling's most important political backer, by several accounts O'Malley remains conflicted over the ethics of slots. At the opening of the Horseshoe one year ago, The Washington Post reported that O'Malley "looked decidedly unenthusiastic" as he welcomed VIP guests. Emails to two of O'Malley's press aides asking for comment about this story went unanswered.

The legislature's most consistently enthusiastic slots backer, Senate President Thomas V. "Mike" Miller, also did not respond to an emailed list of questions.

Miller, O'Malley, and other casino proponents have touted education funding as the most important benefit of gambling legalization. And it's true that more than \$1.1 billion has been forwarded to the state's Education Trust Fund. Yet it seems the rosy promises from gambling proponents may not have come to fruition. Though analysts projected that the trust fund would reap \$660 million in fiscal year 2013, for example, the actual total was less than half that amount. Plus, the 2012 gambling expansion law lowered the percentage of slots revenue that goes toward the fund.

Some education and budget watchers have praised the trust fund for adding a layer of security by supporting the state education budget during the recession —helping to make sure that the worst cuts could be avoided.

"While they haven't lived up to their original projections, there's no question that casinos brought significant new revenue to the table that helped protect public school funding when every other major government program was being cut during the worst times of the recession," said Adam Mendelson, communications director for the Maryland State Education Association. "This commitment to public education kept class sizes from skyrocketing, the best educators in the classroom, and important programs in place."

To be sure, casino companies and their allies have argued forcefully about the benefits of casinos and the programs they're legally mandated to fund—which, in addition to education, include the state's horse racing industry; small, women- and minority-owned businesses; and local impact grants. Maryland Live, for example, noted in a press release last month that it had issued \$16 million in such grants to a range of Anne Arundel organizations, including the county fire and police departments, the county public library, and Anne Arundel Community College.

There's another undeniable benefit of casinos. Casinos provide jobs. In June of last year, the American Gaming Association (AGA) touted the 3,250 permanent workers employed at the state's casinos (which didn't yet include the Horseshoe), who were paid a collective \$125 million in wages. "Casino gaming has created thousands of jobs in Maryland that pay well above the minimum wage and offer fulfilling careers in a range of professions that extend beyond the casino floor," said Geoff Freeman, president and CEO of the AGA, in a press release.

A spokesperson for Rocky Gap said casino officials would decline comment for this story. Representatives with Hollywood Casino Perryville and the Casino at Ocean Downs did not respond to a list of questions by deadline.

Maryland Live Director of Communications Carmen Gonzales did respond, noting that the casino takes its responsible gaming policies seriously. "Every member of our staff is trained to recognize problem gambling and how to offer assistance. If a customer requests information about the [self-exclusion] program or wants to voluntarily sign up, we facilitate the process with Lottery officials on site," she said in a statement.

Regarding security and criminal activity at the casino, she said the casino "will always make it a top priority to ensure that the most effective security systems are put in place to safeguard against any incidents that might occur. Our security team consists of more than 200 officers, including numerous off-duty uniformed police, who are consistently on patrol in and around the property and parking garage every day."

According to Emily Wofford, vice president of corporate communication for Caesars Entertainment, a division of which operates the Horseshoe Casino Baltimore, the company makes a "multi-faceted effort" to address problem gambling, including employee training and funding the first national helpline to assist problem gamblers. In part through its work with the Maryland Council on Problem Gambling, "Horseshoe Baltimore remains in tune with community concerns that address problem gambling," she said in a written statement.

Wofford said the Horseshoe likewise takes seriously its commitment to members of the community. Of its 1,900 "team members," she said, more than 60 percent are Baltimore City

residents. What's more, casino workers have donated 2,100 volunteer hours to the community through its employee volunteer program, she said, and also noted that the casino made sure to pay all employees "whose shifts were shortened or canceled due to the citywide curfew imposed during the unrest."

None of this mollifies longstanding gambling opponents, who, when consider evidence of rising addiction and social cost levels tragic but predictable outcomes. "This is a prime example of the government working against the common good," said Les Bernal of the Stop Predatory Gambling Foundation. "Government sponsorship of gambling produces inequality and unfairness. What's happening in Maryland is happening around the country."

Marc "Kap" Kapastin, a Bethesda attorney, was sufficiently outraged about the possibility of legalized gambling that in 2008 he produced a 33-minute documentary called "Losing to Win." He believes the fallout from gambling has been as he and several of those he featured in the film anticipated: The casinos "are preying on the most vulnerable," he said. "It decimates families and hurts communities."

Maryland State Comptroller Peter Franchot, a dedicated gambling opponent, said the state's sluggish economy over the last five years—during the exact time frame of the onset of legal casino gambling—was no coincidence. "We have a consumer-driven economy and jobs, wages, salaries, the GDP—these things have all been stagnant since gambling companies got their hooks into us," he said. "I've said that the forces of evil are descending on the state, and I've been proven right."

**Evil or not, casinos** have once again come to dominate Jim Calabrese's life.

He hasn't gambled in the past couple of weeks, he said, in part because he's now flat broke and juggling numerous debts. Having been in recovery once, he knows the benefits. He says he hopes to push himself to get back to Gamblers Anonymous soon. In the meantime, he has held onto his job with a local communication company. He's been with the company for five years.

Calabrese says he thinks about moving back to Detroit. Closer proximity to family might add a good measure of balance to his proximity to casinos. For now, though—for sure—he's got one priority. Stopping.

"It's spiraled, it's out of control right now," he said. "At this point, it's not a question of wanting [not to gamble]. I can't gamble, just can't."