



Standing Up for The Lottery Class

Where the Presidential Candidates Stand On the National Issue of Predatory Gambling

Introduction

A vast portion of everyday Americans are almost entirely isolated from the promise of our country. Despite much populist rhetoric from both political parties, including most of the Presidential candidates, the policy proposals to address this major societal problem are minor in comparison to the seriousness and size of the challenge.

But there is one big policy idea that would dramatically help low-and-middle income citizens and is not ideologically divisive: Help ordinary Americans by refusing to defraud and exploit them through government-sponsored gambling, whether through lotteries, regional casinos or online gambling.

The nation's political class has transformed gambling from a private and local activity into the public voice of American government, such that ever-increasing appeals to gamble, and ever-expanding opportunities to gamble, now constitute the main ways that our government communicates with us on a daily basis. What government incentivizes shapes our national character, which is why government-sponsored gambling is a defining issue about who we are as a people.

Many forces currently contributing to inequality of opportunity, such as globalization and technological change, cannot be directly controlled by public policy. Government-sponsored gambling is a public policy and a mounting pile of independent evidence confirms that it is harming health, draining wealth from people in the lower ranks of the income distribution, and contributing to economic inequality.¹ The facts also show that in states that sponsor commercial gambling, all taxpayers—including the non-gamblers-- end up paying higher taxes for less services and their states end up with worse budget problems over the long term.²

Along with confronting the country's widening opportunity gap, the next President will face nationally important policy questions about internet gambling, the massive ongoing lobbying push for internet sports gambling and the spectacular failure of putting Las Vegas-type casino gambling on Main Street across America.

For these reasons, SPG has compiled a brief summary of each presidential candidate's' public stance on predatory gambling, which is when government uses gambling to cheat and exploit citizens, ultimately forcing the taxpayers who don't gamble to foot the bill for the long-term public budget problems that result.

Who We Are: Based in Washington, D.C, Stop Predatory Gambling is a national, transpartisan, government reform network of individuals, families and organizations from diverse backgrounds, political convictions and religious faiths. We have dedicated ourselves to a fundamental national reform: ending government-sponsored gambling because it is dishonest, financially damaging to citizens and contributes to the institutionalized unfairness and inequality in our country. We are America's *only* national organization with a mission dedicated to predatory gambling.

(in alphabetical order regardless of political party)

Jeb Bush (R) –

The former governor has publicly opposed the expansion of gambling in Florida, including a proposal to add slot machines in Miami-Dade County. He has said expanding gambling “goes against what I think ultimately is the right solution, which is to change our culture away from a something-for-nothing attitude.”³

"I am opposed to casino gambling in this state and I am opposed whether it is on Indian property or otherwise ... The people have spoken and I support their position," Bush told the *St. Petersburg Times*, now *Tampa Bay Times*, in 1999, referencing the three failed referendums to approve casino gambling.⁴ The website of “No Casinos Florida,” the coalition that opposes gambling expansion in Florida, lists Bush as a member of its statesmen’s council.⁵

Ben Carson (R)-

Carson has not said much publicly about the various forms of gambling sponsored by government. He did say at the 2015 Family Leadership Summit in Ames, Iowa that he was “not a supporter of gambling expansion. It is a tax on those who can least afford it.”⁶

Chris Christie (R) –

By almost every measure, New Jersey is in poor fiscal condition, ranking 50th in the nation in George Mason University's report on the fiscal condition of states.⁷ It is inaccurate to blame all of it on Governor Christie but he has contributed to the state's financial problems by continuing to push for costly budget gimmicks involving even more government-sponsored gambling. He supported efforts for his state government to sponsor and promote internet gambling and then granted special privileges to the state's few casinos to operate it with a monopoly,⁸ despite the wishes of a majority of his state's citizens who opposed the legalization of internet gambling.⁹ New Jersey began allowing Internet gambling in November 2013, but it has produced only a fraction of the taxes the public was told it would collect.¹⁰

In response to one of the major economic challenges facing his state, reviving Atlantic City, Christie actively supported efforts to add a *new casino* in that community, known as the Revel, that he boldly declared would be the remedy to the city's woes.¹¹ He even offered \$261 million in taxpayer subsidies to boost the project.¹² "The completion of Revel and its opening is a turning point for Atlantic City and a clear sign that people once again have faith in the city's ability to come back," Christie said at the grand opening in 2012.¹³ It failed miserably. The Revel casino has declared bankruptcy, several others have closed with more on the way, and thousands of people are out work, flooding social service agencies.¹⁴

Hillary Clinton (D) –

As a U.S. Senator and as a presidential candidate, Clinton has been a big booster of predatory gambling. In her first campaign for Senate, Clinton supported tribal casinos in the Catskills and Upstate New York.¹⁵ In her 2008 campaign for president, Clinton actively partnered with casino operators in touting her support for predatory gambling.¹⁶

In an interview with *The Los Angeles Times*, Clinton described gambling operators as an "economic development tool" and said that "for many places in the country, it seems to be an important part of what they are trying to do to revive and maintain an economic base."¹⁷

Clinton likened the potential social costs of gambling to the costs of other industries that pollute or leave toxic dumps, saying that the impact "depends on how well-regulated it is. Any human activity has social costs, really." She added later: "Life is filled with trade-offs, and you have to do the best you can to balance the pluses and the minuses."¹⁸

Regarding internet gambling, Clinton voted in favor of the Unlawful Internet Gambling Enforcement Act in 2006 which prohibited the processing and accepting of payments in connection with internet gambling.¹⁹ However, soon after Clinton announced her support for the gambling industry's position calling for a study that looked at legalizing online gambling.²⁰

Ted Cruz (R) –

Texas Sen. Ted Cruz isn't on record as being for or against online gambling. In a 2014 Senate floor speech, Cruz made critical remarks about casinos and called for an end to the use of taxpayer money to promote or bail them out.²¹ He attacked the public-private program Brand USA, which intends to attract international tourists, as being designed to help casinos in former Senate Majority Leader Harry Reid's home state. He called Brand USA "another bit of corporate welfare," adding that it "is one of the current majority leader's pet projects because it helps promote casinos in his home state. Last I checked, casinos were very profitable endeavors that didn't need the taxpayers helping them out, didn't need the Congress serving your hard-earned dollars and handing it out to promote casinos."²²

Carly Fiorina (R)-

Despite significant effort, SPG was unable to collect any information from the public record about Fiorina's position on the various forms of gambling sponsored by government.

Lindsey Graham (R) –

South Carolina Sen. Graham is one of the chief sponsors of the federal bill to ban online gambling.²³

Graham said in a statement that he supports the ban on internet gambling because "virtually any cell phone or computer in South Carolina could become a video poker machine. A major rewrite of a long-standing federal law like this should be made by the people's elected representatives in Congress and signed into law by the president, not done administratively."²⁴

In a video interview, Graham told Citizens Against Gambling Expansion in Iowa that "I'm not for any gambling in South Carolina period."²⁵

Mike Huckabee (R) –

Former Arkansas Gov. Huckabee has been strongly outspoken in his opposition to internet gambling: "Online gambling websites are preying on every kid with a smartphone or a tablet. This is frankly one of the most important topics that I don't hear anybody talking about."²⁶

On his television program in 2014, the former Arkansas governor hosted a segment devoted to the damage caused by online gambling.²⁷

Bobby Jindal (R)-

Louisiana Gov. Jindal oversees a state with a large government-sponsored gambling operation. While there has not been much effort to roll back the state's gambling program, Jindal has maintained a position of holding back expansion.²⁸ He also has taken a strong public position opposing the introduction of internet gambling.²⁹

John Kasich (R) –

Ohio Gov. Kasich has been a big booster of government-sponsored gambling and his support largely centers on the money that casinos promise to hand over to the state. Governor Kasich helped push through a deal that would allow seven more racino facilities and reduce the amount of Commercial Activities Tax the Ohio's new casinos would have to pay.³⁰

While the Ohio governor was in Nevada recently, political journalist Jon Ralston asked him about casinos during a television interview. Ralston questioned Kasich about a report that he wanted his state's casinos to pay more taxes, despite the fact that Ohio already has one of the country's highest casino tax rates. Kasich said he's not opposed to gambling but that casinos "needed to pay their fair share to the state."³¹

Martin O'Malley (D) –

As the Governor of Maryland, O'Malley presided over the introduction of casinos in the state. His work on behalf of casinos is missing on his campaign literature but there would not be casinos in Maryland without him.

In 2007, in his first year as governor, he sponsored legislation that launched Maryland's slots program despite being on record as saying gambling proceeds were a "morally bankrupt" way to fund education.³² Since then, five casinos have sprung up across the state. A sixth -- at National Harbor, just across the Potomac River from Washington -- is scheduled to open in 2016.³³

Rand Paul (R) –

A self-described libertarian, Kentucky Sen. Paul possesses either one of the most disingenuous positions on predatory gambling or one of the most uninformed. He has stated that the government should stay out of the gambling business yet he supports legalizing internet gambling, a policy decision that would squarely place the government in the gambling business. In making this declaration, he willfully ignores the biggest aspect of the issue: nearly every form of legal gambling is *actively sponsored by government*. Lotteries, casinos and now internet gambling, are all an extension of government.

In a Q&A with *The Alpha Pages*, Sen. Rand Paul was asked about his position on government restrictions on online gambling:³⁴

What are your thoughts on recent movements to curb or restrict online poker?

Paul: “I’m opposed to restrictions on online gambling. The government needs to stay out of that business.”³⁵

Marco Rubio (R) –

Sen. Rubio was critical of legalized gambling as a member of the Florida House and in 2015 co-sponsored the U.S. Senate bill backed by Sheldon Adelson that would ban Internet gambling.

In a video interview, Rubio has called casino-type gambling “a tax on the poor (that) does little to develop the economy. I don’t support the expansion of gambling, I have a long history of opposing it in Florida. As Speaker of the House, I’ve actually sued the Governor on the expansion of gambling.”³⁶

When announcing his co-sponsorship of the bill to ban internet gambling, Rubio said, “Expanded gambling presents many challenges, especially on the Internet where safeguards to protect people from fraud and addiction are harder to enforce. In 2011, the Obama-Holder Justice Department completely bypassed Congress and unilaterally decided to re-interpret the law to open the door to a widespread expansion of online gambling. Congress should restore existing prohibitions on Internet gambling before beginning a public debate about next steps.”³⁷

In opposing online gambling, Rubio also argued he doesn’t want to give access to such activity to minors. “I’m not in favor of something that opens it to minors,” he said, adding that gambling also targets the poor who can’t afford to lose, including at dog tracks, which he has opposed.³⁸ “It can affect people who are struggling economically.”³⁹ In an October 2015 editorial board meeting with the Las Vegas Review Journal, some observers said that Rubio indicated he may support online poker.⁴⁰ After reviewing the video of his comments, we at SPG do not share the conclusion that Rubio’s words were an endorsement of online poker.⁴¹ (*The link to the video can be found in the endnotes.*)⁴²

Bernie Sanders (D)-

Vermont Sen. Sanders has not said much publicly about the various forms of gambling sponsored by government. Regarding internet gambling, Sanders voted in favor of the Unlawful Internet Gambling Enforcement Act in 2006 which prohibited the processing and accepting of payments in connection with internet gambling.

Sanders' most widely noted remarks about gambling don't have much to do with government-sponsored gambling. He notably said the Dodd-Frank financial reform legislation "did not end much of the casino-style gambling" on Wall Street.⁴³

Rick Santorum (R) –

Former Pennsylvania Senator Santorum opposed expanding brick-and-mortar casinos in Pennsylvania, and is opposed to online gambling.⁴⁴ In an interview with *PBS*, Santorum said:

"I'm someone who takes the opinion that gambling is not something that is beneficial, particularly having that access on the Internet. Just as we've seen from a lot of other things that are vices on the Internet, they tend to grow exponentially as a result of that. It's one thing to come to Las Vegas and do gambling and participate in the shows and that kind of thing as entertainment, it's another thing to sit in your home and have access to that it. I think it would be dangerous to our country to have that type of access to gambling on the Internet. Freedom's not absolute. What rights in the Constitution are absolute? There is no right to absolute freedom. There are limitations. You might want to say the same thing about a whole variety of other things that are on the Internet – "let everybody have it, let everybody do it." No. There are certain things that actually do cost people a lot of money, cost them their lives, cost them their fortunes that we shouldn't have and make available, to make it that easy to do. That's why we regulate gambling. You have a big commission here that regulates gambling, for a reason. I opposed gambling in Pennsylvania . . . A lot of people obviously don't responsibly gamble and lose a lot and end up in not so great economic straits as a result of that. I believe there should be limitations."⁴⁵

Donald Trump (R) –

Trump has been one of the country's most visible casino operators, operating major casinos in Atlantic City and Las Vegas.

“I had the good sense to leave Atlantic City,” Trump said at the Fox News debate for GOP candidates in August.⁴⁶ “I left Atlantic City before it totally cratered. And I made a lot of money in Atlantic City, and I’m very proud of it.”⁴⁷

There would be four bankruptcies in all relating to his casinos.⁴⁸ In the 2009 case, unsecured creditors — low-level investors, contractors, small-time vendors — got less than a penny on the dollar for their claims against Trump Entertainment Resorts (Trump resigned as chairman four days before the bankruptcy filing).⁴⁹

Presently, Trump still has a 10 percent stake in the casino company, but most of the operations are overseen by billionaire investor Carl Icahn.⁵⁰

Yet despite being someone who reaped enormous profits by operating casinos, *Trump doesn't lose his own money gambling:*

“He [Trump] does not gamble,” *New York Magazine* reported. ⁵¹

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