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Political veteran to head casino panel

Crosby vows aboveboard process for picking developers

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Governor Deval Patrick yesterday appointed Stephen P. Crosby, who has worked for both Democrats and Republicans over the past three decades, to head the Massachusetts Gaming Commission, the powerful panel that will shape the new multibillion dollar casino industry.

Crosby immediately pledged that the process of choosing developers would not be tainted by scandal, citing a grand jury report in Pennsylvania this year that showed rampant corruption in the development of casinos there.

“It’s pretty clear to me that one of the destructive forces in Pennsylvania was the sense of urgency to do something fast,” said Crosby, 66, “I don’t have that urgency.”

The new chairman, who will earn \$150,000 a year, said he has “absolutely no predisposition” on whether Foxborough, East Boston, or another location would be the best site for the single casino license designated for Greater Boston.

Crosby, the state’s top budget official under Governor Paul Cellucci and chief of staff and budgeting chief under Acting Governor Jane Swift, will step down as dean of the McCormack Graduate School of Policy and Global Studies at the University of Massachusetts Boston to serve as the gambling board’s chairman. He said he has committed to serving only two years, even though his term on the board calls for seven years, because he wants to return to UMass Boston.

Crosby’s appointment will be one of the most important of Patrick’s second term. The five-member commission will decide many crucial regulations governing the state’s casino industry, along with awarding three full casino licenses and one license for a slots parlor.

The casino law signed by Patrick gives the newly created board broad authority, including the responsibility to decide whether to raise casino license fees above an \$85 million minimum and to set the percentage slot machines must pay out to gamblers.

The commission, more than any other body, will determine whether the industry is free of the problems that have bedeviled other states that have legalized casino gambling. The Pennsylvania grand jury's report - which detailed cronyism, patronage, back-room deals, overlooked criminal histories, and alleged mob ties in the industry - found that a poorly run commission was a central flaw.

Patrick, in appointing Crosby, praised his integrity.

"The chair needs to be someone who has the proven capacity and the experience to launch a new organization, someone who knows and loves Massachusetts and appreciates what makes us special," the governor said.

Crosby, who is expected to work full time, does not need to be confirmed by the Legislature or the Governor's Council because lawmakers who wrote the law wanted to ensure maximum independence for the board.

Attorney General Martha Coakley and state Treasurer Steve Grossman will appoint one member each to the new commission by March 21.

Under the law, their appointments are required to have backgrounds in law enforcement and corporate finance respectively. The board's final two members will be appointed jointly by Patrick, Grossman, and Coakley. The four associate members of the board will earn \$112,500 each and are also expected to serve full time.

Crosby's political credentials are rooted in the once dominant liberal Republican establishment that lost power to conservatives in the 1980s. He also has ties to Democrats, serving as campaign manager in 1979 for Mayor Kevin White of Boston and as a cochairman of the Patrick-Murray administration's budget and finance transition team in 2006. He is now unaffiliated with a political party, according to the governor's office. His campaign finance records show he has made a variety of contributions to both Democratic and Republican candidates in state elections, though not to Patrick.

Crosby was at the center of Swift's controversial move to fire two members of the Massachusetts Turnpike Authority in 2001. The two members were balking at a long-planned toll increase on the Massachusetts Turnpike to pay for Big Dig expenses. The strategy to fire the board members backfired politically: The Supreme Judicial Court reinstated them, and the state later settled a lawsuit with one, Christy Mihos, for \$197,500.

Though Crosby will now be the state's top casino official, he said he is not a regular gambler, having scratched off a few lottery tickets and gone with his step-daughter's family to the casinos in Cripple Creek, Colo. The new chairman said he does not own any casino stock.

His views on bringing the gambling industry to the state have also evolved, Crosby said, noting that he expressed reservations when he served in the Cellucci administration but later came to the view that "we might as well do it and do it right."

“Some people abhor it; some people love it,” he said. “It has public good and it has public bad, like the liquor industry, the gun industry, coal-fired power plants and banks, to name just a few. My job and eventually the job of the commission is, first and foremost, to maximize the public good and to minimize the unintended consequences.”

House Speaker Robert A. DeLeo’s spokesman praised the appointment as the first step toward more jobs.

One of the state’s leading casino opponents, former attorney general Scott Harshbarger, called Crosby’s selection an “inspired choice.” Harshbarger urged the new commission to show independence, to create a code of ethics, and to impose “a new level of transparency,” something Crosby promised he would emphasize when the board convenes.

But another opponent, Les Bernal of Stop Predatory Gambling, criticized Crosby for changing his position, pointing to comments Crosby made to the Wall Street Journal last year.

“I thought it was a regressive and thoughtless and unproductive way to raise money,” Crosby told the paper. “But eventually I decided that as the need for money got greater and greater, it’s a little silly to be making a point of principle when you’ve got gambling casinos all around you.”

Bernal complained in an e-mail that Crosby “acknowledges casinos are a failed public policy,”

“He changed his view because failing states like Rhode Island and Connecticut have them, not because the policy itself has any merit,” Bernal said.

Crosby said yesterday that debate over whether to have casinos in this state has now been settled and the important thing is to make sure that they are done correctly. He said the panel should evaluate developers based on whether they submit “squeaky clean and fastidious applications, whether there is enough control for local communities that feel their impact, and whether their overall impact on the state is constructive.

The commission will be in charge of setting up and hiring employees for an entirely new state bureaucracy, which will have power to investigate casinos and their employees and to examine casino companies’ financial reporting.

The panel will also oversee public hearings in communities that have been proposed as casino locations and clarify rules for mitigation agreements with surrounding communities.

Coakley and Grossman are accepting applications online for their appointments to the board. The state has hired a search firm - at a cost of \$56,250 paid from casino fees - to help select the final two members of the board.

Patrick did not hold an open application process to select the chairman, instead relying on his staff to identify candidates.