

LEADING

Can a Scrappy One-Person Nonprofit Transform in Time?

A tiny anti-gambling group is up against one of the country's fastest growing industries. It's trying to expand before the odds get even worse.

By <u>Jim Rendon</u> December 9, 2024



Les Bernal is the only full-time staff member of Stop Predatory Gambling, which refuses to take money from the gambling industry

Long Island, N.Y.

Over lunch at Leo's Tavern in Garden City, Les Bernal talks to three local activists who are opposing an effort by the Las Vegas Sands Company to build a casino on the site of the old Nassau Coliseum. At the time, local politicians had already voted to lease the property to Sands. These women — who knew little about grassroots organizing, gambling, or casinos before this one targeted their town — started a campaign to derail the project. Bernal, the national director of Stop Predatory Gambling, came here to present at two community meetings at the fledgling activists' request. They hope Bernal can offer advice on how this tiny collaboration can derail a massive project funded by a deep-pocketed casino company used to getting its way.

"This is the right fight. This is a good fight for our country," he tells them. "You've got to find a way to tap into that inner strength. The people you admire in American history, every single one of them was a normal person, just like all of us at this table. They just kept pushing, and they wouldn't stop."

Bernal is not an imposing figure. Slight, with a nearly bald head and glasses, partial to blue blazers and khakis, he is relentless when it comes to what he calls the evils of commercialized gambling. He inspires those around him with tales of historical underdog triumphs. At the beginning of the women's suffrage movement, people thought Susan B. Anthony and her fellow activists were nuts, he told the group. At the time, most people thought that giving women the right to vote was preposterous. Yet movements like these, started by regular people, prevailed and changed the world.

Anyone with deep resolve can move mountains — in fact, he says, it's the only way mountains have ever been moved.

Stop Predatory Gambling is the only nonprofit working at the national level in the United States to stop the expansion of commercialized gambling — America's most neglected problem, according to Bernal. At the community meeting, he rattled off statistics showing the links between gambling and suicide, substance abuse, domestic violence, crime, and bankruptcy. Calls to problem-gambling hotlines are skyrocketing. Growing numbers of teenagers are reporting serious online-gambling problems.

Stop Predatory Gambling refuses to take money from the gambling industry, and philanthropy has shown little interest. As a result, the group runs on fumes. In 2023, the group brought in just \$138,000. The entire payroll was just \$87,433. Bernal is the only full-time staff member.

This fight makes David's odds against Goliath look pretty good. Gambling and lottery companies brought in more than \$145 billion in the U.S. in 2023, which makes gambling about three times larger than all five major U.S. professional sports leagues combined. Ever since the Supreme Court lifted restrictions on sports betting in 2018, the industry has been on a roll. All but two states now allow some form of legalized gambling. Seven states allow online casino gambling. In the roughly three-dozen states where sports betting is legal, people can bet around the clock from their phones on everything from the Super Bowl to darts and ultimate frisbee. In 2023, Americans bet \$119 billion on sporting events, up 27 percent from the year before.

And the industry is pushing for more. Today there are more than 430 bills pending in state legislatures that would expand gambling, according to the group. In Texas, for example, Bernal says Sands alone has hired 104 lobbyists.

And yet, Bernal's movement has had important successes. How? By working with an extensive network of activists in states around the country, building bipartisan coalitions, developing deep knowledge of the industry — and Bernal's ability to inspire others to join the cause. In just the last year, grassroots groups the organization supports have stopped state-wide gambling expansion efforts in Alabama, Georgia, Maryland, Minnesota, and Nebraska. Bernal has become a go-to spokesman in opposition to the industry, appearing on Fox News, MSNBC, CNN, and in major news publications.

Now the group is facing perhaps its biggest challenge — shifting from a one-man activist outfit to a more professional organization with better funding and staffing that can continue this fight for the long term.

"Les is a winner. He wants to not just get lots of headlines. He wants to actually win on this issue," says Carey Theil, a Stop Predatory Gambling board member. "He has made organization-building a focus in a way that it never has been before. It may not be easy, but I know that's going to be successful. It's just going to take time, and it's going to probably be a little painful."

Driven By Faith

Bernal never intended to lead a nonprofit. He spent much of his career working on state and federal campaigns in Massachusetts and as the chief of staff to a Democratic state senator. When she opposed the introduction of casino gambling in the state, Bernal delved into the issue and was quickly hooked. The more he learned, the more he became convinced that gambling was destructive and that when companies partnered with government — as they all must do to operate legally — the state became complicit in fleecing its own citizens.

In 2008, he quit his job to work for Stop Predatory Gambling full time. When Bernal told Ross Capobianco, his close friend from college, of his decision, Capobianco did everything he could to stop Bernal. "I thought that was crazy. I thought, 'you were leaving a really good job that you work hard at, and you're very effective.' I think I told him outright, 'Don't do it,'" Capobianco says. But it was no use. "When he's all in, and he wants to do something, there's really not a lot that's going to hold him back."

The two argued over Bernal's decision, and the perils of legalized gambling for years, sometimes shouting their disagreements. Bernal eventually prevailed. "He brought me around 180 degrees — he really did through just pure persistence," Capobianco says. "He was right."

Bernal's dedication to the issue comes in part from his faith. He also has a competitive drive that served him well in politics. But with a new role, he was searching for a way to channel it. In confession, a priest told him all that really matters is that you are trying to get into heaven and take other people with you. "This really simplifies life," Bernal says. "I'm just trying to be the

best person I can be, as limited as I am, and as failed a person as I am. I'm going to wake up every day and try to do the right thing, and I'm going to try to take other people with me."

Bernal lives in Lawrence, one of the most impoverished communities in Massachusetts. His church is steeped in social justice, and that helps inform his values, says Reverend Paul B. O'Brien, the pastor of Saint Patrick's Parish.

Bernal always connected quickly with the kids he and Father O'Brien coached in the church's street basketball program. "He generally respects human beings — including really tough gangbangers. Les shakes their hand right away. Gets their name. Asks where they're in school, if they're in school," Father O'Brien says. "He actually cares about them. And if he can be helpful, he sacrifices to try to help."

Unexpected Allies

Part of Bernal's success is his ability to find allies just about everywhere. Concerns about the spread of gambling cut across political lines, and he is adept at bringing otherwise warring parties together.

"We are one of the most diverse organizations in the United States, one in which citizens of all political stripes, all faiths, all life circumstances from every corner of the country, work side by side," he says. "This is an issue where you have conservatives and progressives — enlightened ones on both sides understand the major significance of what's happening here."

This fall, Bernal was in Washington to attend the Capitol Hill Media Summit, an event sponsored by the National Religious Broadcasters. He was able to network with religious media personalities and pitch his issue.

"For a constituency like that, the goal is to get predatory gambling in their top five issues," Bernal says. "These folks, they recognize it's a problem. But a lot of them don't realize, 'Hey, I have the power to do something about it."

Bernal has worked closely with John Rustin, president of the conservative North Carolina Family Policy Council, which applies biblical principles to the policy arena — sanctity of life, religious liberty, parental rights, and school choice top its list of priorities. The strongest opponents of gambling expansion tend to be the most conservative Republicans and the most liberal Democrats, Rustin says. Both sides often find themselves talking to lawmakers that they might otherwise disagree with on every other major issue. As long as the conversation doesn't stray from the gambling, everyone can stay focused and get along.

"He has a very balanced approach. He does not approach it from a partisan standpoint at all," Ruston says of Bernal. "He has been very effective because of that."

That coalition of unexpected allies and expert input from Bernal has helped stem the growth of gambling in North Carolina. Bernal has shown up to testify in the legislature and meet with lawmakers. Sports gambling was proposed for a number of years. While it failed in 2022,

legislation passed in 2023 after years of industry lobbying. But a follow-up effort to allow casinos and gambling on video terminals was defeated.

"We win a lot. Most of the battles we fight we win," says Jonathan Krutz, a longtime board member and an emeritus professor at the College of Business and Economics at Boise State University who studies the economic impact of casinos. "But we are definitely losing the war."

No Industry Money

Stop Predatory Gambling has operated on a shoestring since its inception. Over the last two decades, the most the group ever received in contributions in a single year is \$188,000. Some recent years, donations dipped below \$100,000.

One reason the group struggles financially: It refuses to take industry funds. The largest gambling nonprofit in the county, the National Council on Problem Gambling, is unabashedly industry funded. It lists its industry supporters on its website: casino companies, including Caesars and Sands, and online gaming giants like FanDuel. Major gambling companies give presentations at its conferences and sponsor awards. Sports leagues that have recently endorsed gambling, like the National Football League and Major League Baseball, contribute. The NFL recently made a second three-year \$6 million pledge to the group. The website listing is not comprehensive, and the group also receives funding from others not affiliated with gaming companies, according to a spokeswoman for the council.

The organization was sitting on more than \$6.7 million in reserves at the end of 2022, according to its most recent informational tax return. The council doesn't take a position for or against legalized gambling, the spokeswoman says. The organization and its state affiliates often advocate that states that are considering expanding gambling contribute a portion of gambling tax revenues for treatment and prevention. It also runs a problem-gambling hotline.

Given its stance on industry funds, Stop Predatory Gambling is unlikely to ever bring in the millions the council does. But for the group to be effective in the long run, it needs more money to pay for fundraising help, create better content to help educate people about the problem, publish independent research, and provide support for families harmed by gambling so they can better advocate against its spread, Bernal says.

To that end, the group hired a consultant that helped the board and Bernal develop a roadmap to boost fundraising. The consultant helped the group create a document that outlines the group's core work, revenues streams, and expenses — which Bernal carries in hard copy with him everywhere he goes. Bernal also keeps a spreadsheet outlining the fundraising activities he needs to complete.

The fundraising plan has three phases — the first is to meet a goal of raising \$350,000, the second is \$1 million, and the third is \$3 million over five years. Even the first goal would triple the group's current budget.

Bernal is reworking his priorities. He makes sure he contacts two donors a week. He's implementing systems to ensure that thank-you notes go out quickly. The board is expected to donate a total of \$30,000. Bernal is asking people for donations every time he gives a talk — something he's never done before and admits does not come naturally.

The plan requires a profound shift in Bernal's mindset — adding fundraiser to his identity as an activist and political strategist.

Stop Predatory Gambling is on the verge of a breakthrough, says Justin Luke Riley, co-owner of the consultancy The CompleMentor, who worked with Bernal and the board on this new plan. "When small nonprofit organizations like Stop Predatory Gambling have been on a very shoestring budget, how can we go from funding an amazing person like Les to actually funding a really well thought-out strategic plan?" he asks. "I find when big donors or philanthropic investors can shift from funding people to plans, more sustainability and impact can happen."

Although it may seem like a daunting task, transforming a small nonprofit from one that has habitually squeaked by into one with a larger budget and staff, happens all the time, says Lara Jakubowski, a managing partner at La Piana Consulting who often works with very small nonprofits. Much of the responsibility lies with the board. It can't let an organization get to a place where the leader is facing burnout. It can't pay so little that no one else would take the job if the leader left.

A strategic plan is an important first step that helps the group understand its goals and the resources necessary to reach them. It also shows potential supporters how their donations would be used and how to judge progress.

"So many nonprofits started with a single visionary person that started really small and maybe was small for a long time, until sometimes the world catches up with that vision," she says. "And then they kind of explode."

Despite his overwhelming workload, Bernal can't imagine dialing anything back. "I meet these people who have literally lost everything. It's going to take them like 20 years to get back to any sense of normalcy," he says. "You meet these people, and you can never forget them. If you're having a rough day, Les, just suck it up. It's nothing compared to what these people are going through."

But "suck it up" isn't a viable long-term strategy, and the board knows that Bernal can't be the only paid employee propping up the movement forever. Bernal and the board need to make hard choices about how to allocate resources, like whether to focus on fundraising and building an organization or traveling to meet with activists. "He faces those sort of impossible decisions every day. And he makes them as best as he can," says Krutz, the longtime board member. "We're trying to focus on capacity-building. And he recognizes the need for it."

'You've Got to Take a Breath'

Bernal's biggest asset is also his biggest challenge. He knows everything there is to know about commercialized gambling, and he has an almost compulsive need to convince anyone and everyone of its dangers.

Before speaking to a group of parents at the Garden City Middle School on Long Island, Bernal did a brief interview with the local TV station — an opportunity to get his message out to an important audience. But when the reporter turned off the camera, Bernal kept talking. "The highest rate of calls to gambling hotlines are from young people… parents have no idea it's happening… It's a naked money grab," he said to the reporter standing next to his idle camera. It wasn't until his talk was about to begin that he shook hands with the reporter and hustled to the podium. He spent more time convincing the TV reporter about the ills of gambling than he had the television audience.

Bernal needs to curb that impulse, Riley says. He encourages clients to create a pitch deck of 13 slides — no more than ten minutes long and with no more than three bullet points per slide. At the end of the presentation, Bernal has to stop and wait for questions.

Bernal still struggles with that. "It's hard," he says. "But every speech I give, every pitch I give, I'm always trying to get better and better each time."

Riley has seen improvement, though it has taken work. "There are times where we have to wrestle back and forth. 'You've got to pause. You've got to take a breath. You've got to let people respond," says Riley. "I'm excited to see what he and the board will accomplish next for sure. It's been really cool to see him grow."

Bernal knows the path to landing big donors will be challenging. While commercialized gambling can inflict severe losses on anyone, casinos, lotteries, and online gambling often target low-income people. The challenge is to make the damage caused by gambling crystal clear to those who are wealthy enough to be potential donors, he says.

The group is starting a fundraising campaign that highlights the broad social impacts of gambling, which will only become more prevalent as the industry expands, says Gary Schneider, a board member and former gambling addict who is a member of Gamblers Anonymous. He chairs the finance committee and says that more board members are more actively engaged with the group than he's seen in years — he's optimistic that Bernal can change and the group can successfully pivot toward raising more money.

But the campaign won't be easy, says board member Theil. There isn't a large natural constituency for an anti-gambling group. Theil runs a group that opposes greyhound racing. His organization has been able to appeal to people who are drawn to animal welfare issues, which has helped the group increase its fundraising and reach. While a growing number of people are affected by gambling, it is a tougher group to galvanize.

A New Kind of Philanthropy?

Bernal's new task is in some ways as ambitious as the effort to reign in commercialized gambling: to educate potential donors about an issue that they know little about and convince them to take a side and start writing checks. "That's been one of our biggest failures," Bernal says. "We have not been able to help the philanthropic community in this country from all sides of the political spectrum to understand why they should be investing in this. Priority one for us is to create a new category of philanthropy."

That is a bold goal, and one that could just add to the group's challenges. While many groups complain about the vast underfunding of existing areas of philanthropic engagement, few decide to address that by developing a whole new lane for philanthropy. But Riley insists that donors will be drawn to the idea of pioneering an entirely new category of giving. It is a "more fundable vision," than simply raising money for one more cause, he says.

In part, that's because of the tiny sliver of funding the group gets today, and the relatively small amount it would take to jumpstart the cause. In his boldest vision, Bernal is only looking for a few million dollars.

There is a more fundamental problem with occupying a blank spot on philanthropy's list of priorities. Bernal says that if you type gambling into any foundation database, the screen comes up blank. What he calls predatory gambling is relatively new, growing fast, and completely off the radar of big philanthropy. It is his burden to educate potential donors of all kinds about why opposing it is important. And in the process, he hopes, he will carve out a philanthropic niche for his organization.

Bernal almost instinctively ties gambling to larger societal issues that big foundations and donors already support. Gambling has been shown to increase substance abuse, suicide, criminal activity, domestic violence, and divorce. Multiple studies show that the poorest people are more likely to play the lottery, spend more — about \$600 a year — doing it than wealthy people, and play more days in a year. A disproportionate amount of the \$113 billion Americans spend on the lottery comes from the country's poorest citizens. If those billions stayed put, they could transform anti-poverty efforts, Bernal says.

With more money and more staff, Bernal is convinced he could get more wins and push back harder against the onslaught of gambling bills and casino projects. "We just have to make it a priority in my daily life, in our organizational culture's daily life, to get in front of people and ask for money."

Long Days and Hope

A year after Bernal visited Long Island, things are looking better for the anti-casino activists. Thanks to a lawsuit, the county must conduct an environmental review, which has slowed everything down. The county approved an operating lease, but it can't approve construction until the environmental review is complete — and nothing can move forward because the state has yet

to award casino licenses. The back and forth has given the activists time to talk to more people, stage rallies, and win more allies to their side.

In a written statement, a spokesperson for the Las Vegas Sands Corporation said that the company has conducted hundreds of meetings in the community and the project has broad local support.

Bernal's visit and support has been key to the local activists' successes, says Allison O'Brien, who was part of the group he met with over lunch. He encouraged them to jump in and figure out how to oppose this project. He connected them with anti-gambling advocates in other areas who shared their experiences and tactics. Chief among their lessons: understand everyone in local government who could be involved, know the legal process, build a social-media presence, collect email addresses, build a strong press list and use it.

Bernal tells them not to be afraid to get on camera and talk about the issue. He gives them access to research and data points that bolster their arguments. Bernal lets them know their voices need to be heard. The casino has all the money in the world, but they don't have a deep bench of real people, he says. They need to use that to their advantage.

"He helped us find our power as a group," O'Brien says. "Our voice, our confidence, our willingness to start actually throwing punches to really start calling people out; it gave us such power."

And Bernal's fundraising?

He has not put aside other work for it. When he gets a call from a family who has lost everything, he can't tell them he's not available because he has to make fundraising calls. He tries to work fundraising pitches into his advocacy and organizing work. He has delegated some work to board members. But there is no denying it has added to his already overextended schedule. "I work harder and longer," he says. "From the time I wake up to the time I go to bed."

But he hopes this is a finite period of intense work. He wants to get the organization on stronger footing so the group can be in a better position to succeed in the coming year.

The extra effort has already paid off. In early October, the group got a pledge for a one-time donation of \$500,000 that it will receive in early 2025— five times its budget the previous year, eclipsing its first fundraising goal.

"We're on a different trajectory. We got a gift now that helps us further enhance that trajectory," he says. "Now we need to nail it."