

## **After initial fanfare, skepticism on casinos grows**

### **Since the expanded gambling law passed three years ago, public confidence has waned. What went wrong?**

On Friday the 13th, the morning after a full moon, gambling commission chairman Stephen Crosby's car broke down on his way to Springfield for a celebration.

At long last, the commission was ready to commit the state's first casino resort license to a developer. Hundreds gathered in Springfield for the occasion.

And there was the state's top casino regulator, the face of Massachusetts' foray into Las Vegas-style gambling, stranded at a Sunoco on Route 9.

"It was," Crosby said later, "an inauspicious beginning."

Something similar could be said for Massachusetts' romance with the casino industry.

Did anyone think building three resort casinos and one slot parlor, as authorized by the 2011 casino law, would be so hard?

The licensing effort has been complicated by lawsuits, public controversies, and the nose-wrinkling aroma of lurking felons and organized crime. Regulators have been accused of bias. Crosby stepped aside from the board's most important decision because of questions about his impartiality. Politicians who championed the casino law have largely washed their hands of it.

'People are less [casino]-focused now because' the economy is getting better.

"Even at the Springfield celebration — which was briefly delayed while Crosby hitched a ride with a passing state trooper — the possibility that the state casino law could be repealed hung over the festivities like a dark cloud.

The troubles have taken a toll on the public's confidence.

Among voters paying close attention, a majority lack faith in the commission to fulfill its mission of conducting a "fair, transparent, and participatory" competition for the casino licenses it controls, according to a new Globe poll.

The numbers are distressing for the five-member commission, which has gone to great lengths to appear transparent in effort to win the public's confidence. All their meetings are streamed live, while every word is transcribed for public review. Gambling companies were flabbergasted in February when the panel's deliberations on the slot parlor license were conducted entirely in public.

So where went the confidence?

Certainly, the commission's recent controversies have made it an easy political target. Gubernatorial candidates pig-piled on Crosby in May, calling for his resignation, after the chairman was criticized for attending a Kentucky Derby party at Suffolk Downs, the site of a proposed Mohegan Sun casino.

But polling suggests there is more going on, and that low faith reflects a wider discontent with Massachusetts' halting dance with casinos. The Globe poll shows that just 52 percent of voters want to keep the state casino law; other surveys that asked the question differently have detected a decline in support for casinos.

Part of that decline can be attributed to an improving economy.

Unemployment in Massachusetts was 8 percent or higher for almost all of 2010, when casinos were heavily debated, and 7 percent or above through November 2011, when the casino legislation passed.

The state unemployment rate was 6 percent this April.

“When we passed this bill, it was a jobs bill,” said Mayor Martin J. Walsh of Boston, a former state legislator. “There was a lack of development going on. Certainly the economy is getting better and all signs show it will continue to get better. People are less [casino]-focused now because of that.”

In addition to a muted urgency for construction jobs, there is also a sense of casino exhaustion on the part of the public, after more than two years of intense media coverage.

“That’s pretty typical in new jurisdictions,” said Eric Schippers, a senior vice president at Penn National Gaming, which is building the slot parlor in Plainville. “There is always a level of frustration that the jobs and economic development everyone was so excited about have not come yet.”

Quirks of the casino law have contributed to the delays and consumed huge chunks of time, such as the requirement that developers negotiate deals with often hostile surrounding communities.

Another factor that has stripped some shine off the casino industry is an ironic side effect of the state’s attempt to weed out any applicants of questionable character. Background checks into each proposal turned up some ugly revelations, painting the industry in a bad light.

One applicant was disqualified after state investigators discovered a member of the organization had taken more than \$1 million from the money room at Plainridge Racecourse.

Caesars Entertainment, part of a casino venture with Suffolk Downs, was dropped from the partnership after investigators raised red flags about the company’s relationship with a hotel chain owned in part by a businessman linked to Russian mobsters.

And in Everett, investigators raised concerns that a Revere felon, Charles Lightbody, may have an undisclosed stake in the land on which Steve Wynn wants to build. The commission released taped conversations between Lightbody and an incarcerated friend, Darin Bufalino, serving time for attempted extortion and conspiracy, in which Lightbody bragged he was about to make a fortune. Their profanity-spiced dialogue could have come from an Elmore Leonard novel.

A steady flow of litigation has further reinforced a sense of contentiousness.

In the most sensational lawsuit, Caesars accused Crosby of favoring the Wynn project because of Crosby’s past business relationship with an owner of the land on which Wynn wants to build. Though the Caesars suit was dismissed in May, it generated months of headaches for the commission.

Amid all the controversy, there has been no prominent statewide voice speaking in favor of casinos and touting their potential benefits.

Even Governor Deval Patrick, who signed the expanded gambling law, has said he would oppose a casino in the town of Richmond where he has a home. Since pushing for passage of the legislation, he has been hands off, saying the commission — not his administration — is in charge of making the law work.

Though much of the discord has been outside the commission's control, Crosby's recent attendance at the Suffolk Downs party was a self-made PR disaster, and he recused himself from the debate over the Boston-area license.

"When he has to recuse himself from certain decisions it looks funny," said the Rev. Richard McGowan, a Boston College professor and casino expert, who believes the episode hurt public confidence.

Casino opponents have accused the commission of bias toward the gambling industry, saying the panel has gone out of its way to keep embattled casino proposals alive, such as waiving a deadline to accommodate a Mohegan Sun casino proposal on Suffolk Downs land in Revere after East Boston voters had rejected another Suffolk Downs casino plan.

Crosby, in response, said the commission has supported competition not for the sake of the industry, but for taxpayers.

"We have an interest in maximizing the positives and minimizing the negatives" in casino projects, he said. "The only way you do that is by having robust competition."

Gambling opponents may be further undermining public confidence in the industry through their low-budget but relentless advocacy for a repeal of the casino law. The Repeal the Casino Deal campaign has become a clearinghouse for anti-casino statements and activities, widely quoted in the media and helping to steer the public conversation.

If the repeal makes the November ballot, most of the gambling companies with an interest in Massachusetts are prepared to fight back with a full-blown political campaign.

Should casinos one day open and deliver on their promises, public confidence is likely to rebound.

But first the commission must get through the messy sausage making.

"I hope that at the end," said Crosby, "sensible people will look back and decide the process was transparent, participatory, and fair."

By Mark Arsenault