

MANSFIELD INDEPENDENT NEWS

"Information is the currency of democracy."

Thomas Jefferson

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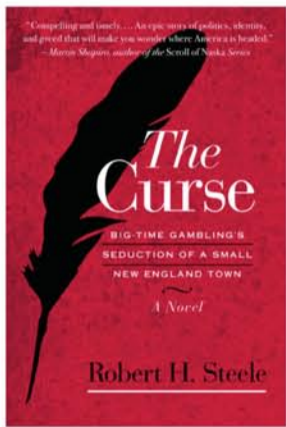
3

INDEPENDENT NEWS

InFocus: Connecticut's addiction to "easy money"

Q&A with Robert H. Steele

author of 'The Curse: Big Time Gambling's Seduction of a Small Town'



Mansfield Independent News Editor Pat Suprenant recently talked with Robert H. Steele about the lure of gambling in Connecticut and his new novel, 'The Curse: Big Time Gambling's Seduction of a Small Town' (2012.)

Several non-fictional accounts of the history of casino gambling in Connecticut have been written over the past two decades. But Robert H. Steele, who lived in Ledyard and who had a front row seat during the rise of casino gambling in the 1990's, tells the story of Connecticut addiction to "easy money" through a fictional account of one town's struggle to maintain its traditional New England way of life.

Gambling is a multi-billion dollar industry and growing. Of the 65 percent of Americans who gamble it is estimated that up to 5 percent will eventually develop an addiction to gambling. Yet, it is casino gambling that has sent millions of dollars a year in revenue to the Connecticut Treasury.

Twenty years ago the Western Pequot Tribe and the state of Connecticut announced a deal that gave the state 25 percent of the casino's gross slot machine revenues. The deal ultimately generated hundreds of millions of dollars per year. Much of this "easy money" was distributed to Connecticut cities and towns.

By 1998, Foxwoods had made \$1 billion in revenue and \$152 million in net income for the tribe. Only two states in the nation permitted casino gambling at that time—Nevada and New Jersey.

But the recession and increased competition from nearby states as well as the threat of internet gambling has placed the once monopolistic status enjoyed by Connecticut's casinos at risk.

Today, the total number of U.S. casinos is nearly 1,000, including 460 Indian casinos and the competition is heating up, as the prospect of online gambling becomes a reality. Nevada, Delaware and New Jersey are considering virtual gambling with others states like Mississippi, Iowa, and California exploring the same option.

In the Northeast, Massachusetts is selecting sites for its first three casinos. Rhode Island is converting one of its two slots parlors into a full-scale casino, and New York, which already offers extensive electronic casino-type gambling at its racetracks, is in the process of amending its constitution to permit the opening of up to seven full-scale commercial casinos across the state.

For Foxwoods and Mohegan Sun, slot revenues are already down 30 percent. And Connecticut's gambling revenues have fallen from \$430 million to under \$300 million.

The state's economy itself has been in a 20 year downward spiral. The Governor and the General Assembly are wagering on a \$2.1 billion *Next Generation Connecticut* scheme that doubles down on the University of Connecticut's expansion in science and technology as a way to bailout its economic free fall. But in the short run, the state is betting on more gambling revenue by increasing the casinos' free play allowance to attract more gamblers, while it simultaneously authorized the Connecticut Lottery Corporation to establish a Keno game placing it directly in the casino business.

Of this year's struggle to balance the state's budget Representative Lawrence F. Cafero Jr. of Norwalk told the New York Times: "We're

still inching forward. We're putting it together with duct tape, and Band-Aids, a little spit and glue. So much so, to fill holes we're relying on things like Keno — things we haven't even studied or heard about."

'The Curse: Big Time Gambling's Seduction of a Small Town'

By Robert H. Steele

Robert Steele's fictional account of Connecticut's addiction to easy money begins in 1637 with the massacre of the Pequot Indians and a curse delivered by a Pequot sachem to the young English soldier who is about to kill him. The story then jumps 350 years to the soldier's thirteenth-generation descendant, Josh Williams, becomes embroiled in a battle to stop a newly-minted Indian tribe from building a third casino that threatens his town and ancestral home.

The lure of easy money drives everyone, from the tribe's chief to a shadowy Miami billionaire, venal politicians, and Providence mobsters, while a small, quintessential New England town must choose between preserving its character or accepting an extraordinary proposal that will change it forever.

As the battle over the casino reaches a climax, Josh discovers startling truths about his family's past—including centuries-old events that appear to be impacting the present with devastating effect.

Q: You represented Eastern Connecticut in the House of Representatives from 1969 to 1974 and lived in Ledyard right next to the Mashantucket Pequot Tribe's reservation when the face of Eastern Connecticut changed quickly and dramatically. Yet, you chose fiction over non-fiction as the literary vehicle in which to examine casino gambling in Connecticut. Why?

The rise of Foxwoods and Mohegan Sun is one of the most remarkable stories in New England history and the two casinos have had an enormous impact on the region. Yet, despite three excellent non-fiction books about Foxwoods, surprisingly few people outside southeastern Connecticut know more than the bare details of the story. And that number dwindles rapidly as you get into northern and western Connecticut and then move outside the state. I wanted to come at the story from a different direction and felt a novel would let me put a human face on the story, as well as, delve into the factual background of what happened here.

Q: In 'The Curse' your characters articulate that you "can't stop growth completely." Is growth and development in your opinion inevitable?

Growth and change are a normal part of a healthy community, but I believe the nature of that growth and change should be up to the people who live there.

One of the problems with Connecticut's two tribal casinos was that none of the people in the communities most affected, let alone the people in the rest of the state, ever had a say in whether they wanted casinos or not. Instead, the casinos were essentially imposed on the towns and the state by Congress's passage of the Indian Gaming Regulatory Act in 1988 and the courts' interpretation of the way the Act applied to Connecticut.

Q: Your love for New England and Connecticut in particular comes through in the novel. You refer to Eastern Connecticut as the "last green belt between Washington DC and Boston" and the "most peaceful, charming and livable place in the state." Politicians justified gambling then as a necessary means to reviving a flailing economy just as the state's investment in a Tech Park and Next Generation Connecticut are



Author: Bob Steele is vice chairman of an international retail marketing agency and has been a director of numerous companies, including CME Group and the American Stock Exchange. A graduate of Amherst College and Columbia University, he served in the CIA and Congress (2nd District, CT) and was a candidate for governor of Connecticut.

hailed as the answer to today's economic problems. Do you see any parallels between what casino gambling did to Ledyard and surrounding communities and what the state's \$2 billion investment in UCONN's Next Generation Connecticut will have on the Last Green Valley?

It's very difficult to compare casinos with other businesses, because while they go to great lengths to represent themselves as mainstream enterprises, they obviously are not. One of our great economists, Paul Samuelson, described gambling as the "sterile transfer of money or goods between individuals, creating no new money or goods." But, of course, that's only part of the story. Gambling is addictive for millions of people; casinos prey on problem gamblers who can't control their gambling for a major share of their profits; and gambling addiction leads to debt, bankruptcies, broken families and crime.

Furthermore, we're learning that the casino industry's chief product, slot machine gambling, which accounts for roughly 75% of a typical casino's profits, is far more addictive than previously realized. In a new book titled "Addiction by Design," MIT professor Natasha Schull documents in dramatic detail how today's slots are the result of exhaustive corporate research designed to maximize "Time On Device" to keep people playing as long as possible and extract maximum profit from each player.

So bringing a casino into a community has implications far beyond bringing in almost any other kind of business.

Q: At one point, your characters, Brad and Josh, discuss the history of casino gambling in Connecticut and bemoan the absence of a vigilant "fourth estate" observing, "No one including the press had been paying attention." Clearly, you fault the press for not playing a greater role in monitoring casino gambling in Connecticut. What do you believe the role of media is in monitoring the political process?

Both Connecticut's officials and the press failed to recognize the implications for Connecticut of the Indian Gaming Act, and by the time the state woke up and tried to keep casino gambling from taking root in Connecticut it proved too late. Since then, however, the media has done an excellent job covering the casino issues. Most recently, it has been all over the governor's and legislature's efforts to expand casino-type gambling by putting the state directly in the casino business by legalizing keno and state-run slot parlors.

There is absolutely no way to stop the state from expanding casino-type gambling, including legalizing on-line gambling, without the media playing a lead role in exposing and challenging what's happening.

Q: You make the case that the state, under pressure twenty years ago to revive a flailing economy, embraced casino gambling in Connecticut. Now, the state is poised to expand legalized gambling with Keno. Are the residents and state of Connecticut ad-

dicted to the lure of easy money? As a former Congressman, what role do you think government should play in reviving an ailing economy?

I'd like to see Connecticut spend less on trying to lure specific firms with tax breaks and other incentives, and instead focus on creating a better business climate in general. Right now we have one of the most unattractive business environments in the country, with mounting taxes, sky-high debt, and an ever increasing maze of regulation. It may actually turn out to be a positive that Connecticut was the only state to have negative economic growth last year in that it may finally jolt us into changing course.

Q: If you could turn back the clock, what do you wish Connecticut had done differently?

What is done is done. What is important is what we do from here. Connecticut's casino boom is turning into a bust.

As a result of the recession and growing competition from other states, Foxwoods' and Mohegan Sun's slot revenue is down over 30% from its peak, with the state's take falling from \$430 million in 2007 to under \$300 million today. Projections are for continuing declines as the Northeast becomes saturated with casinos and our casinos increasingly lose the monopoly that has allowed them to draw over half their customer from out of state.

The inclination of many of our state leaders is to double down by giving our casinos the ability to offer on line gambling and putting the state into the keno and slot parlor business. There is no question the state is in deep economic trouble, but expanding gambling is no way to improve the quality of life in Connecticut or help us out of our current financial mess.

Q: You have led an interesting life serving in the CIA and Congress (2nd District, CT) and also once running as a candidate for Governor. If you have a second or third novel in you, what subject/subjects would you cover?

I'm currently on an author's tour of southern New England, speaking at some one hundred libraries, civic clubs, historical societies, and college and university-related programs, so really haven't had much time to think about another book. I do have a couple of ideas for other Connecticut-based novels, but they're definitely going to have to wait until things settle down. ■

Bob Steele will be giving an author's talk at the South Windham Library on Tuesday, July 23 at 6:30 as part of the "Connecticut Authors Trail" program. For more information go to: <http://rhsteele.com/>

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-Pat Suprenant/Editor