



OPPOSED

LINDA LINGLE
GOVERNOR
JAMES R. AIONA, JR.
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
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LAWRENCE M. REIFURTH
DIRECTOR
RONALD BOYER
DEPUTY DIRECTOR

**TO THE HOUSE COMMITTEE ON
HAWAIIAN AFFAIRS**

**TWENTY-FIFTH STATE LEGISLATURE
REGULAR SESSION, 2010**

Wednesday, February 3, 2010
10:30 a.m.

**TESTIMONY ON HOUSE BILL NO. 2759
RELATING TO GAMING.**

WRITTEN TESTIMONY ONLY

**TO THE HONORABLE MELE CARROLL, CHAIR, AND MEMBERS OF THE
COMMITTEE:**

The Department of Commerce and Consumer Affairs (Department) appreciates the opportunity to provide testimony on House Bill No. 2759, Relating to Gaming. My name is Lawrence M. Reifurth, and I am the Department's Director. House Bill No. 2759, among other things, proposes to:

- (1) Establish a Hawaii Gaming Commission (HGC) within the Department;
and
- (2) Require the HGC to: (a) establish the qualifications for licensure to conduct casino gaming operations, (b) award licenses to qualified applicants who submit the highest bid for a specific geographic location

designated by the Hawaiian Homes Commission, (c) collect taxes and fees, and (d) regulate casino gaming operations.

The Governor has publicly stated her opposition to gaming, and on behalf of the Administration, the Department reiterates that opposition.

Additionally, as the bill proposes to regulate the casino gaming operations profession, which is currently unregulated, an Auditor's analysis is required to be performed on the proposal pursuant to section 26H-6, Hawaii Revised Statutes (HRS). A concurrent resolution requesting the Auditor to analyze the probable effects of the bill and whether the bill's enactment is consistent with the policies set forth in section 26H-2, HRS, needs to be adopted by the Legislature.

Thank you for the opportunity to present testimony on the bill.

DEPARTMENT OF THE PROSECUTING ATTORNEY
CITY AND COUNTY OF HONOLULU

ALII PLACE
1060 RICHARDS STREET, HONOLULU, HAWAII 96813
AREA CODE 808 • 527-6494

PETER B. CARLISLE
PROSECUTING ATTORNEY



DOUGLAS S. CHIN
FIRST DEPUTY
PROSECUTING ATTORNEY

**THE HONORABLE MELE CARROLL, CHAIR
HOUSE HAWAIIAN AFFAIRS COMMITTEE**

**Twenty-fifth State Legislature
Regular Session of 2010
State of Hawai'i**

OPPOSED

February 3, 2010

RE: H.B. 2759; RELATING TO GAMING.

Chair Carroll and members of the House Committee on Hawaiian Affairs, the Department of the Prosecuting Attorney submits the following testimony in opposition to H.B. 2759.

The purpose of this bill is to establish a gaming commission within the Department of Commerce and Consumer Affairs which has the authority to regulate casino gaming operations on Hawaiian home lands designated by the Hawaiian home commission. The bill also provides for a wagering tax and provides that 20% of the revenues go to the state's general fund and 80% goes to the Hawaiian home lands trust fund.

We understand the allure of gambling as an attractive solution to Hawaii's economic problems. However, we oppose the introduction of casino gambling to Hawaii because we believe any economic benefits provided by gambling are far outweighed by increased crime rates and social costs to families whose incomes may be substantially reduced by chronic gambling.

It has been shown that gambling acts as a regressive tax which falls most heavily on those who can least afford it. In addition, it has been estimated that the rate of problem or pathological gamblers in Hawaii's population will range from 1.4% to over 6% of the residents. These

problem and pathological gamblers will first borrow from friends and family and when that is no longer possible, they will often turn to stealing from friends, family and employers. Even without the gambling opportunities in the state, we have seen cases involving a county treasurer and a county relocation officer who committed thefts in order to pay off large gambling debts. We believe that instances like these will become more frequent and severe if legalized casino gambling is permitted and more easily accessible in Hawaii.

In addition, there is the problem of gambling and organized crime. In Hawaii, organized crime has already had its hand in the till of illegal gambling for several decades. With the promise of the economic windfall legalized gambling will bring, why would we suppose that organized crime will not find legalized gambling to be as tempting or lucrative? Given the attraction of organized crime to enterprises involving large amounts of money and profit, we question whether the crime problem in Hawaii will be exacerbated by the introduction of legalized gambling.

We hope that after serious consideration of these issues, you will hold both of these bills.

Thank you for this opportunity to testify.

We strongly oppose this bill because we believe it is based upon a mistaken belief that these offenders have not had the opportunity for less serious sanctions and treatment. All of these offenders have had multiple opportunities for assessment and treatment as a condition of their previous convictions. They have had opportunities for drug court, deferred pleas with expungement under HRS chapter 853, conditional discharge with expungement under HRS sections 712-1255 and 1256, probation and mandated probation with treatment and expungement under HRS sections 706-622.5 and 706-622.9. While on probation, their probation officers have made many efforts to get the offender into treatment and programs and when the offender has failed enough for a motion to revoke to be filed, these offenders are generally resentenced back on probation and treatment. The fact that they are now under repeat offender sentencing indicates that they have not been amenable to changing their behavior and that more serious sanctions should be applied to encourage these offenders to change. We believe that the state's sentencing policy regarding repeat offenders should not minimize the consequences of repeated illegal behavior after numerous opportunities to change.

For these reasons, we oppose the passage of H.B. 2275 and respectfully request that you hold this bill.

To: Representative Mele Carroll, Chair
Representative Maile S.L. Shimabukuro, Vice Chair
Hawaiian Affairs Committee

OPPOSED

Subject: House Bill 2759 Relating to Gambling

As the Director of Public Affairs in Hawaii, I, John A. Hoag,, speak on behalf of the 75,000 members of the Church of Jesus Christ of Latter-day Saints in opposition to HB 2759 and any other measure that would introduce legalized gambling to Hawaii for the following reasons:

HAWAII'S IMAGE “. . . Gambling would be disastrous for Hawaii’s image, and for its people. . . . Tourism’s claim to a significant market niche, rests on the unique Hawaiian culture . . . carefully nurtured for well over half a century. . . . Hawaii is too small to ignore the adverse consequences of gambling.” (Dr. Leroy O. Laney, First Hawaiian Bank Economist and David McClain, Professor of Business Administration and former University of Hawaii President, *The Price of Paradise*, vol. II. Mutual Publishing, 1993.)

MYTHICAL PROMISES Gambling proponents will always talk in terms of mythical new revenues to a state and conveniently ignore the costs. The *negative* return to communities ranges from 3:1 to 6:1 when all the cost factors are factored, e.g. the developer’s take, the cost of government oversight, additional need for police, cannibalization of existing retail businesses, and the high social welfare costs that communities experience. (Economics Professor Earl L. Grinols, *Gambling in America: Cost and Benefits*. Cambridge University Press, 2004.)

NEVADA'S RECORD It should be noted that the state of Nevada leads the nation in gambling addictions, divorce, women killed by men, and high school dropout rates. Further, Nevada is ranked first in bankruptcies and crime. The American Bankruptcy Institute reported in August 2009 that “Nevada was the state with the highest per capita filing rate in the country with 9.33 residents per thousand filing in all chapters.” An annual publication that compares the states in 500 crime related categories found that Nevada had maintained its first place standing in 2009 as having the highest crime rate in the nation. (*Crime State Rankings 2009*, CQ Press.)

Las Vegas Casinos were hit hard by the economic downturn and barely survived. In early 2009 MGM Mirage and Las Vegas Sands came close to insolvency. There were double digit declines in gambling revenue on the Las Vegas Strip for a year from late 2008 until

September 2009. Occupancy and room rates continued to decline in November 2009. (William Spain, *MarketWatch*, Nov. 16, 2009.)

TAX REVENUES “States which have little or no gambling have better consumer economies and tax revenues than states with multiple gambling mechanisms.” (Professor John W. Kindt, *Diminishing or Negating The Multiplier Effect: The Transfer of Consumer Dollars to Legalized Gambling. Michigan State DCL Law Review*, 2003.)

EMPLOYMENT “By diverting consumer dollars into gambling, it has been responsible for the decline of jobs and revenues in other businesses.” (Robert Goodman, *U.S. Gambling Study: Legalized Gambling as a strategy for Economic Development*, 1994.) “For every one job created by state sponsored gambling, one job is lost from the pre-existing economy.” (National Gambling Impact Study Commission (NGISC), May 1998 Congressional hearings.) Aware of these consequences, all major business organizations in Hawaii— the Hawaii Business Roundtable, the Chamber of Commerce of Hawaii, Hawaii Banker’s Association, Small Business Hawaii, have standing positions opposed to legalized gambling.

ILLUSORY PROFITS “Gambling’s profits come disproportionately from the pockets of the poor. It is in effect a highly regressive form of taxation. Multimillion dollar gambling corporations reap the profit.” (NGISC Final Report, June 1999.)

CRIME In February 2009 the new HPD Chief, Louis Kealoha was quoted in the *Advertiser*, “Because of the lure of easy money . . . it [gambling] will attract organized crime and encourage public corruption. . . . We cannot support something that would strengthen the criminal element.”

The definitive academic study on new crime caused by increased gambling found that crime increased 8 to 10 percent after a gambling facility opened in a new county and continually increased thereafter. (Grinols and David B. Mustard, *Casinos, Crime, and Community Costs. Review of Economics and Statistics*, Harvard and Massachusetts Institute of Technology, 2006.)

VALUES “Commercial gambling’s advertising of instant and effortless wealth erodes the value of work, savings and personal responsibility.” (NGISC.)

PUBLIC OFFICIALS Corruption invariably creeps into parts of the government apparatus with the introduction of gambling. See attached 2002 *Advertiser* article, *Island Voices*, “If you think gambling would be good for Hawaii, check Louisiana’s promise.”

If you think gambling would be good for Hawai'i, check Louisiana's promise

by Jack Hoag

The casino promoters' fairy-tale promises to save Hawai'i's economy would be most tempting if we had not already had a preview of reality played out in Louisiana a few years ago. The parallel between the New Orleans debacle and Hawai'i is frightening.

The main character in this tragedy is none other than flamboyant Chris Hemmeter, the former Hawai'i real estate developer. The New Orleans disaster is chronicled in Tyler Bridges' Pulitzer-prizewinning book, "Bad Bet on the Bayou."

Departing the Islands for greener pastures, in 1992 Hemmeter unveiled a grandiose \$1 billion, land-based casino and riverboat gambling operation to New Orleans officials.

That dollar figure is coincidentally identical to the number posed by Sun International Hotels, so it must be considered the "opening ante" to impress decision-makers.

Reminiscent of the current sales pitches in the Hawai'i Legislature, Hemmeter promised 7,800 new jobs, well over \$100 million

ISLAND VOICES

JACK HOAG

Jack Hoag is a member of the Coalition Against Gambling in Hawai'i

to the city and state and a unique cultural experience for the visitor. The opulent plans for Ko Olina sound much like Hemmeter's \$400-million Grand Palais crown jewel envisioned for New Orleans. At one of his many meetings with city officials, Hemmeter ran into at least one council member, Peggy Wilson, who wasn't buying his sales pitch.

To his promise "to do something unique for New Orleans," she replied, "Mr. Hemmeter, New Orleans is already unique."

And yes, Hawai'i with its special culture, climate and ambience is already unique as well. We don't need the costs that come with the incursion of gambling to despoil our state.

So how did the gambling indus-

try's promises to the people of Louisiana work out?

Gambling's corrupt influence-peddling spread throughout the political system. Gov. Edwin Edwards was sentenced by a federal judge to 10 years in prison, and three other elected officials have been jailed.

And the casino? It went into bankruptcy, as did some of the riverboat operations.

Creditors lost heavily, bondholders were defaulted and the promised jobs were lost. Instead of reaping a tax windfall and a big up-front largesse, the government lost millions. Of the shattered expectations, there remains only a tarnished and wounded gambling infrastructure. Hemmeter declared bankruptcy in 1997.

Can the Hawai'i Legislature sort through the generous assurances that we hear from gambling proponents?

They should listen to the reassuring words of long-time Gov. Edwards in 1995. He said, "Some will look at it (gambling) as an abomination; I view it as economic development. I supported it because of the jobs it will create and the tourists it will bring."

WAIMEA HAWAIIAN HOMESTEADERS' ASSOCIATION, INC.

P. O. Box 6753

Kamuela, Hawaii 96743

February 2, 2010

UNDECIDED

M KANANI KAPUNIAI
Pu'ukapu-Pastoral '90+
Director- **President**

BETTY LAU
Kuhio Village
Director – **Vice-President**

MAXINE KAHAULELIO
Pu'u Pulehu
Director – **Secretary**

A HOPPY BROWN
Pu'ukapu Pastoral '90+
Director – **Treasurer**

Kamoku/WaikoloaNienie
Director

Pauahi
Director

ROBERT TERUKINA
Kuhio Village
Director

BERNARD ALANI, JR
Pu'ukapu-Farm >'85
Director

JOSEPH KEALOHA
Pu'ukapu-Farm '85+
Director

HENRY "SOLI" NIHEU
Pu'ukapu-Farm '85+
Director

TIARE FLORES
Pu'ukapu-Pastoral <90
Director

TO: Representative MeleCarroll, Chair
Representative Maile S. L. Shimabukuro, Vice Chair
Committee on Hawaiian Affairs

FROM: M Kapuniai, President

RE: HB2759
RELATING TO GAMING

Authorize the Hawaiian homes commission to allow gaming on Hawaiian home lands and to designate specific Hawaiian home lands for the purposes of establishing gaming operations. Creates a gaming commission to regulate all gaming on Hawaiian home lands. Imposes a wagering tax on gross receipts of casino gaming operations and provides for distribution to the general fund and Hawaiian homelands trust fund.

Date/Time: Wednesday, February 3, 2010 10:30a.m.
Place: Conference Room 329
State Capitol
415 South Beretania Street

We **CANNOT SUPPORT** this bill at this time; we have not had the time to review and discuss this activity with our community, DHHL, nor the Hawaiian Homes Commission.

The topic and the timing for presentation are particularly interesting, if not suspect.

We appreciate the opportunity to participate in this process.

Phone: (808) 890-2311 (Res) 936-0157(Cell)
Email: duke@sandwichisles.net

A member of the Sovereign Councils of Hawaiian Homelands Assembly

Hawai'i Coalition Against Legalized Gambling

1124 Fort Street Mall, Suite 209
Honolulu, HI 96813
HCALG.org

Member Organizations

Advocates for Consumer Rights
Animal Rights Hawaii
Buddhist Peace Fellowship
Christian Voice of Hawaii
Church of Jesus Christ of Latter-day Saints
Church of Perfect Liberty
First Christian Church (Disciples of Christ)
First Unitarian Church of Honolulu
Hale Kipa
Hawaii Assemblies of God
Hawaii Association of International Buddhists
Hawaii Christian Coalition
Hawaii Conference of Seventh-day Adventists
Hawaii Conference of the United Church of Christ (UCC)
Hawaii District United Methodist Church
Hawaii Family Forum
Hawaii Pacific Baptist Convention
Hawaii Rainbow Coalition
Hawaii Religions for Peace
Hawaii Youth Services Network
Honolulu Friends Meeting (Quakers)
Honolulu Police Department
Institute for Religion and Social Change
Interfaith Alliance Hawaii
Kokua Council
League of Women Voters of Hawaii
Life of the Land (Hawaii)
Dr. Martin Luther King, Jr. Coalition Hawaii
Mestizo Association
Muslim Association & Islamic Center of Hawaii
Pacific Gateway Center
Presbytery of the Pacific
Saints Constantine & Helen Greek Orthodox Church
Small Business Hawaii
Soto Zen Mission of Hawaii
Temple Emanu-El
Windward Coalition of Churches
The Woman's Board of Missions for the Pacific Islands (UCC)

Cooperating Organizations

Chamber of Commerce of Hawaii
Catholic Diocese of Honolulu
Hawaii Bankers Association
Hawaii Business Roundtable
Hawaii State PTSA
Hawaiian Humane Society

COMMITTEE ON HAWAIIAN AFFAIRS

Rep. Mele Carroll, Chair
Rep. Maile S.L. Shimabukuro, Vice Chair
Wednesday, February 3, 2010
10:30 a.m., Conference Room 329

OPPOSED

OPPOSED TO HB 2759 RELATING TO GAMING

My name is Dianne Kay and I am President of the Hawaii Coalition Against Legalized Gambling. Our coalition represents diverse groups in the community but we are united on one purpose which is to keep legalized gambling out of the state of Hawaii. We believe the detrimental effects of introducing gambling would include social and economic costs such as abuse, divorce, suicide, work absences, welfare, homelessness, incarceration, and bankruptcy, that would far exceed any monetary benefits. Crime would increase and local businesses and entertainment venues would shut down as the mainland gambling industry encroached on these islands.

To amend the Hawaiian Homes Commission Act by allowing gambling on Hawaiian home lands would seem to violate the Purpose of the Act as found in Section 101 (b) (5) which states that financial support will be provided "to native Hawaiian beneficiaries of this Act so that by pursuing strategies to enhance economic self-sufficiency . . . the traditions, culture and quality of life of native Hawaiians shall be forever self-sustaining." Further, in Section 101 (c) the Kingdom of Hawaii, the United States, and the State of Hawaii "affirm their fiduciary duty to administer the provisions of this Act on behalf of the native Hawaiian beneficiaries of the Act."

We believe the state would be abrogating its fiduciary responsibility by allowing gambling to be introduced on Hawaiian home lands. This action would exploit native Hawaiians for the benefit of mainland gambling interests, and the culture and quality of life of native Hawaiians would diminish.

The Hawaii Coalition Against Legalized Gambling has a motto—"Don't Gamble with Aloha." We respectfully ask the members of the Hawaiian Affairs Committee to vote against HB 2759.



SUPPORT

CAPITOL CONSULTANTS OF HAWAII, LLP
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February 2, 2010

Rep. Mele Carroll, Chair
Rep. Maile Shimabukuro, Vice Chair
Hawaii State Capitol, Room 329
Honolulu, HI 96813-2453

RE: HB2759, Relating to Gaming

Dear Chair Carroll, Vice Chair Shimabukuro and Members of the Committee:

My name is John Radcliffe and I am an advocate of having legalized, regulated, gaming entertainment in Hawaii. Hawaii has a huge, illegal, unregulated, untaxed, gambling enterprise that easily runs into the hundreds of millions of dollars. And of course, we export somewhere between a billion dollars and half a billion after tax gaming dollars to legal gaming venues in other states. Making gaming legal in Hawaii is the most intelligent thing that this Legislature could do this year.

Don't get me wrong, I want legalized gaming here for one reason only: it will enhance the quality of our lives by creating jobs and wealth. If the Hawaiians Homes Commission does it, or some other commission is charged with doing it, is not of the absolute first priority with me.

But somebody should do it.

Let me tell you why I favor permitting Hawaiians to own the means of production of gaming in Hawaii. I grew up in Northern Wisconsin in the 1940's and 50's. To give you some context, there was no social safety net then—particularly for Native Americans. All poor people were on their own, and Native Americans, nearly by definition were poor people. Most all poor people in the rural areas were without indoor plumbing, including yours truly. None of the extensive array of benefits the you and other government leaders in other states and at the federal level, are having to cut back today, were even known in my growing up years. We Democrats began Social Security, seventy years ago in 1940. The first person in the country to get social security benefits was Ida May Fuller, a Vermont legal secretary, who retired on January 1, 1940, with a monthly benefit of \$22.54. Ida May fooled everybody by living to be a hundred years old. She died in 1975, and her lifelong benefit over thirty five years, was a little over a total of \$22,000. Medicare, which is in big trouble today, was not introduced in the United State until 1966. Cost of living adjustments for Social Security were begun in 1975.

The social safety net was never as much as has been needed, although it has grown to a point where you policy makers are constantly cutting it back. For Native Americans, the safety net has been more of a snare than a net. And this also true for native Hawaiians.

My closest, dearest friend, and next door neighbor in the Northern Wisconsin rural ghetto, near a reservation, was Porky Tecumseh, a member of the Pottawatami Tribe. If the Radcliffe family was poor, the Tecumseh family was destitute. My dad had a good union job at the paper mill. He had been in the Depression era Civilian Conservation Corps and had been drafted into the Army after Pearl Harbor. He had rights and benefits, which his family enjoyed. Mr. Tecumseh, an Indian, wasn't allowed in the CCC, and he hadn't served in the military, and he certainly didn't enjoy a union job. His family had nothing. My sister and brother and I rode the school bus to school in town, but I can't remember that the Tecumseh kids ever went. Their home had no electricity at all, as I remember it. I say all of this because the parallels between how society has neglected and treated Native Americans and Native Hawaiians are striking. Both groups are low in education, high in poverty related crime. Low in quality of health, high in disease and premature death. And in both groups, women, and especially children, suffer most.

There are about 553 Reservations on the mainland US. In the late 1970's Native American began to assert themselves as to establishing casino type gaming entertainment on their own property, only to be opposed by various municipalities and states. In 1988, Congress finally passed the Indian Gaming Regulatory Act, allowing Native Americans to permit gaming on their own lands. Today, about 225 of those Reservations have casinos, including twenty-eight in Wisconsin. Of the remaining 328 reservations in the US, many are moving toward casino creation. In 2005, there were 405 tribal casinos in the 30 states in the US and they contributed \$6.2 billion in taxes, two thirds of which went to the federal government. Tribal casinos are a growth industry—and states are taking advantage of that.

Until recently, the Reservation near my home town was just beautiful. Filled with towering trees, pristine rivers and lakes, it is gorgeous. But it was also, as it had always been, a sinkhole of poverty and despair, a breeding ground for drug abuse and crimes of all kinds. The homes were hovels. It was a physically gorgeous ghetto.

Today it is still gorgeous, but now the homes are new and clean. The vehicles are too. There is a hospital. Everybody has medical insurance and people have all their teeth. The children all ride the bus to school and all children must attend at least 1,137 hours of instruction and go to school for 180 days. If there is a strike or such event, the time must be made up—by law. (Given our current controversy, I just thought that I'd throw that in.) Crime is way down as is alcoholism and drug abuse. Why? You know why. Is it all of a sudden perfect? No it is not, but the physical conditions are better, the health and welfare of the Native people are vastly improved, because of jobs and wealth creation. And this is also true: the rising tide of wealth and health for the Native Americans in Wisconsin has brought the rest of the population up as well. The Native tribes own the casinos and profit from that ownership, but many thousands of non-Native Americans are employed in them, or service them in some way. The general population enjoys the entertainment afforded them by the casinos, and the casinos give tourists something else to do after looking at Wisconsin's beauty and bounty, and visiting various historical and other sites. Once one has visited one cheese factory—as wonderful as that may sound, one pretty much gets the idea of how cheese is made.

I began by talking about how we Democrats built the American safety net for our people during the last thirty percent of our time as a nation, and how Native people among us tended to benefit the least from that safety net, and at the same time have been punished the most by the attendant handmaidens of poverty, crime and disease. The national safety net has become too large and it must be cut back. The states are doing the same thing. You talk a lot about sustainability and jobs in these halls. But surely you realize that raising state taxes more, and depending on the federal government more, is just not sustainable, and does nothing to increase jobs in any long term meaningful way.

The point is that we here in Hawaii can no longer depend on the kindness of strangers. Nor can we depend on our tiny, but wildly successful, Congressional delegation to keep bringing in more and more federal dollars.

We are on our own. We have to build our own destiny. The Hawaiian Homeland Commission can lead the way—or not. Destiny's path is not always upward.

FACTS YOU MAY NOT KNOW:

- Nevada, the first state to legalize casino gaming, did so in 1931.
- Regular commercial, non-Native American casinos employ more than 350,000 nation-wide
- Roughly 25% of all Americans visit a casino at least once a year.
- In 2008, regular, non-Native American casinos contributed more than \$5.6 billion in tax revenues to state and local governments.

http://www.americangaming.org/assets/files/AGA_Facts_Web.pdf

To: Chair Rep. Mele Carroll , Vice Chair Rep. Maile Shimabukuro and
Committee on Hawaiian Affairs

When: Wednesday, February 3, 2010 t 10:30 am

Where: Conference Room 329, Hawaii State Capitol

What: HB 2759, Relating to Gambling

OPPOSED

Chair Carroll and Committee

I am speaking against HB2759. My name is Grace Furukawa and I am represent the League of Women Voters in the Hawaii Coalition Against Legalized Gambling Voters. The League has been opposed to any form of legalized gambling in Hawaii for over 10 years. The independent studies from the University of Illinois and others over the years have shown that, while appearing to be a source of money for the state, it is anything but. Professor Kindt of University of Illinois who came to Hawaii last year, claims that for every \$1.00 earned from gambling, \$3.00 is lost by the state. The Chief of police here understands cost of increased police presence necessary. The cost of investigating and prosecuting corruption is another reason for opposing this bill according to our Prosecuting Attorney Peter Carslile.

The visitors come to Hawaii with a finite amount of money, which, if spent at the gaming table, will not be spent in our gift shops, restaurants and other local businesses. Our local people also will have less money to spend at the markets, etc. if spent gambling The immediate effect will be felt by our small businesses. We cannot afford to do this to our local businesses who are struggling to stay alive and keep their employees.

If the money to finance the casinos come from the mainland. all the profits will be leaving the state. I haven't said anything about gaming on the Hawaiian Home lands. We haven't had time to investigate this yet. I know the Akaka Bill does not permit gambling.

This issues involved are far more complicated than have been expressed. I urge you to not pass this bill.

Grace Furukawa from the League of Women Voters
3604 Woodlawn Terrace Place
Honolulu, HI 96822