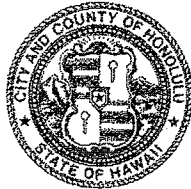


POLICE DEPARTMENT
CITY AND COUNTY OF HONOLULU

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MUFI HANNEMANN
MAYOR



BOISSE P. CORREA
CHIEF

PAUL D. PUTZULU
KARL A. GODSEY
DEPUTY CHIEFS

OUR REFERENCE LK-TA

February 10, 2009

The Honorable Brian T. Taniguchi, Chair
and Members
Committee on Judiciary and Government Operations
The Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chair Taniguchi and Members:

Subject: Senate Bill No. 260, Relating to Gambling

I am Louis Kealoha, Captain of the Narcotics/Vice Division of the Honolulu Police Department, City and County of Honolulu.

The Honolulu Police Department supports Senate Bill No. 260, Relating to Gambling.

This bill amends the definition of gambling to clarify that a purchase of sweepstakes entry that also provides nominal non-gambling value, does constitute gambling, even if the sweepstakes entry can be obtained with payment of consideration.

There is a trend for businesses to sell sweepstakes cards for cash value, usually for a \$1.00, similar to a price of a lottery ticket or "game piece." Research also shows that the vendor allows free lottery tickets or game pieces by simply writing in. This is a guise by the manufacturer to circumvent the gambling law by "no purchase" necessary to win a prize. It's the opinion of the Honolulu Police Department that the sole purpose of the purchaser of these cards are to have an element of chance at winning sweepstakes, usually a cash prize worth over a hundred times the original value of a single card. The machine vendors use the guise of a long distance calling card to circumvent the current gambling law by offering up to two free minutes of long distance calls. In today's long distance phone market, the \$1.00 purchase cost for a limited long distance phone call far exceeds in cost, the many current service plans that provide free long distance service. We have found that purchasers will buy large amounts of cards, oftentimes disposing them without ever attempting to activate the phone cards.

The Honorable Brian T. Taniguchi, Chair
and Members
Page 2
February 10, 2009

We have found that a large percentage of long distance calling cards do not work when activated.


The passage of Senate Bill No. 260, Relating to Gambling, will address several loopholes in the law that currently allows sweepstakes entries to be purchased in public businesses much like scratch type lottery tickets and to use "free play" as a defense. The Honolulu Police Department stands firm on its belief that the phone cards are simply to a scheme to circumvent the current gambling law.

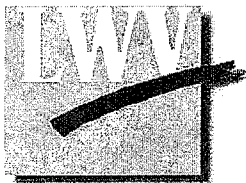
Thank you for the opportunity to testify.

Sincerely,


LOUIS KEALOHA, Captain
Narcotics/Vice Division

APPROVED:

for: 
BOISSE P. CORREA
Chief of Police



THE LEAGUE OF WOMEN VOTERS OF HAWAII

TESTIMONY ON SB 260 RELATED TO GAMBLING

Committee on Judiciary and Government Operations
Tuesday, February 10, 2009
9:00 a.m.
Conference Room 016

Testifier: Jean Aoki, LWV Legislative Liaison,

Chair Taniguchi, Vice Chair Takamine, members of JGO Committee,

The League of Women Voters of Hawaii strongly supports SB 260 which exposes these "sweepstakes" cards obtained from vending machines for a fee, for what they are, and clarifies that "purchase of sweepstakes entry that also provides nominal non-gambling value constitutes gambling even if sweepstakes entry can be obtained without payment of consideration. Here, the intent to fool officials into allowing gambling disguised as legitimate goods-dispensing machines can be foiled by passing this bill.

If allowed to continue, creative minds will be prolific in their schemes to fool government officials, and an illicit industry will be allowed to expand under the guise of legality.

We must nip this in the bud. Please support SB 260.

Thank you for this opportunity to testify in support of this bill.

Hawai'i Coalition Against Legalized Gambling

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

HICALG MEMBERS

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
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 JUDICIARY AND GOVERNMENT OPERATIONS

Senator Brian T. Taniguchi, Chair
Senator Dwight Y. Takamine, Vice Chair
Tuesday, February 10, 2009
9:00 am, Conference Room 016

SUPPORT OF SB 260

My name is H. Thomas Kay, Jr. I am an attorney, testifying today on behalf of the Hawaii Coalition Against Legalized Gambling. HICALG strongly supports SB 260, related to gambling through vending machines that dispense "sweepstakes" game cards.

As you are aware, these types of sweepstakes vending machines have been operating in the islands for the past several years in a large number of bars, restaurants, convenience stores, and other retail establishments. It is clear that the machines are intentionally manufactured to have "payoffs" similar to slot machines and, without question, are being used as gambling devices.

There is strong legal precedent in numerous states including California, Colorado, Michigan, Indiana, Maryland, and Florida that the operation of sweepstakes game card vending machines, also called "ad-tab machines," constitute a form of legalized gambling which is contrary to Hawai'i law and must be stopped.

Senate Bill 260 has been skillfully drafted to differentiate the operation of sweepstakes card vending machines, considered to be a gambling activity, from a chance to win something incidental to the sale of a bona fide product, which is not considered to be a gambling activity.

We strongly urge passage of SB 260 so that operation of the sweepstakes card vending machines can be legally terminated and our state of Hawai'i will be rid of this obvious form of gambling.

H. Thomas Kay 373-3479
1516 Kamole Street
Honolulu, Hawaii 96821

MARYKNOLL SISTERS * 2880 OAHU AVENUE, HONOLULU, HI 96822-1726

Testimony for SB 260:

**SENATE COMMITTEE ON JUDICIARY AND GOVERNMENT OPERATIONS
Senator Brian T. Taniguchi, Chair
Senator Dwight Y. Takamine, Vice Chair**

**Tuesday, February 10, 2009
9:00 a.m., Conference Room 016
State Capitol, 415 South Beretania, Honolulu, HI 96813**

My name is Sister Paulette Yeung, a Maryknoll Sister of the Roman Catholic Church. I am an instructor at Hawaii Pacific University, a staff counselor at the Counseling and Spiritual Care Center of Hawaii and a Certified Problem Gambling Counselor in the State of California where I was active for ten years and a member of the NICOS Chinese Health Coalition, five agencies who combined to address the serious situations developed from legalized gambling in the state and its implications in physical and mental health care of the Chinese community in San Francisco. My combined credentials with a Masters in Social Work, have given me with expertise in domestic violence and addiction work in California, Hong Kong, Korea and here in Hawaii. I am currently an active member of the Hawaii Coalition Against Legalized Gambling (HCALG) and I thank you for accepting my testimony.

I am strongly in support of SB 260 relating to amending the definition to clarify that purchase of sweepstakes entry, which provides nominal non-gambling value, constitutes gambling even if the sweepstakes entry can be obtained without payment of consideration. (The bill) eliminates free play as a defense under certain considerations.

I had a former client, "Mrs. Chan". A change in work status led her to seek relief through gambling. Two years ago she was diagnosed with stress-related allergies and asked to be relieved from some of her duties. Soon she felt that her request for relief had become a demotion. Once the manager of seven stores, she now handled only one. The change left Mrs. Chan frustrated and angry.

Before the change in job status, she had spent \$5. – \$10. a week on lottery tickets. But now she began a \$50. a day habit. When her personal funds ran out she began to steal from her shop, juggling the paper work in an effort to hide what she was stealing, amounting to about \$400. each week.

Another client, "Mary" whose husband died last year, was lonely and sad. She began to play slot machines every other day. Gradually she became addicted to it and went every day. She would not leave her machine for fear that someone else

would use it while she went to the rest-room and that person would get the jackpot. As a result she wore adult diapers instead of going to the rest-room. Her health was affected; her kidneys and bladder were in poor condition within a year.

Lottery tickets and slot machines encourage people to gamble beyond their means, to steal, to use their entire social security checks, and their rent and food money, in order to feed their addictive habit. Most of all they develop health and emotional problems which require medical attention for which they have no resource to pay. They become a burden to the social welfare system of ht State. The most serious cases feel depressed and even suicidal.

Allowing even the smallest venture into legalized gambling in this state will compound our problems not relieve our economic woes.

Thank you for your time.

**Sister Paulette Yeung, M.M.
(808) 366-7075**