

TESTIMONY IN FAVOR OF HB 5387, AAC KENO  
CONNECTICUT GENERAL ASSEMBLY  
PUBLIC SAFETY AND SECURITY COMMITTEE  
MARCH 4, 2014

Dear Esteemed Members of the Committee,

My name is Robert Steele. I am a Connecticut resident, business executive, former Member of Congress, and author of an historical novel set against the explosion of casino gambling in Connecticut.

I wish to testify in favor of HB 5387, a bill to repeal the Lotto Corporation's permission to implement Keno.

I believe it is in the state's interest to repeal keno for six reasons.

1. Connecticut is already home to two of the world's biggest casinos. The existing keno legislation would result in a significant expansion of gambling across the state by introducing a highly addictive electronic gambling game into as many as 3,000 sites, including restaurants, where children will be present, and bars and taverns, which will mix drinking and betting.

2. The projected revenue of \$28 million a year is not worth the health, social, and economic costs. The latest research shows that today's electronic and machine gambling technology is increasingly addictive, creating a host of problems, including debt, bankruptcy, broken families, and crime. A study of keno in New York State found that it led to a sharp increase in minority betting, while it has been well-documented that legalized gambling is a regressive tax that hits low-wage earners, retirees, and the unemployed the hardest, thereby contributing to economic inequality in America.

3. Keno was passed at the last minute without hearings, debate, or any provision for mitigating its consequences, prompting the Executive Director of the Connecticut Council on Problem Gambling to express astonishment at the lack of consideration that went into the measure.

4. A recent Quinnipiac University poll found that 59 percent of Connecticut residents oppose the legalization of keno. This is a remarkably high percentage in view of my own findings from speaking to more than a hundred groups across Connecticut that most state residents know very little about keno and its downside.

5. Keno's repeal could stop the slide toward more gambling in the state.

With Connecticut's slot revenue falling because of growing casino competition from other states, there is increasing pressure to make up the losses by creating additional ways for Connecticut residents to gamble, including legalizing video slot casinos and online casino gambling.

One proposal being considered by a legislative task force would create three slots casinos with 2,500 video slots each, while online gambling would put a casino in every home, office, and dorm room in the state. Either option would have serious negative consequences for Connecticut.

According to a recent study by a nonpartisan group of scholars assembled by the Institute for American Values in New York, the relentless spread of casino gambling is having a profoundly negative impact on our society. We now have nearly one thousand casinos, and their long-term costs exceed their benefits by as much as 3-1. They drain wealth from communities, cannibalize nearby businesses, and reduce civic participation, family stability, and other forms of social capital that are at the heart of a successful community.

6. Finally, keno's repeal would send an important and hopeful message that at least one state is seriously reconsidering the wisdom of state-sponsored gambling, and particularly the ethics of government using addictive gambling machines to squeeze revenue from its citizens.

More gambling is not an answer to Connecticut's financial problems. Rather than encouraging people to gamble away their paychecks, we need to attract productive, living-wage jobs, promote stable revenue streams, and end the runaway spending that has saddled the state with \$52 billion in debt.

Thank you very much.