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Title: SECURITY AND GAMING - DO CASINOS INCREASE CRIME? THUNDER VALLEY'S RECORD SETS EXAMPLE FOR RP

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In the secret heart of Thunder Valley **Casino**, guardians in a windowless room control more than 700 hidden cameras, zooming in to read the serial number of a hustler's \$20 bill. They record every movement to catch crimes from forgery to theft -- to even a possible murder in the making.

And outside, extra sheriff's and CHP cars paid for with a million dollars of tribal money safeguard the main roadway that leads from Northern **California's** largest **casino** through the growing suburban area northeast of Sacramento.

The **casino**, owned by an **Indian** tribe and run by a Las Vegas gaming corporation, is betting that its huge investment in security will protect its customers, its winnings and its reputation.

``If you want to commit a crime, about the last place to do it is a **casino**," said Scott Garawitz, Thunder Valley's general manager.

``If you come into the **casino**, you might as well smile, because you're on camera."

The stakes are huge for a **casino** that opened despite protests from opponents who predicted crime -- such as thefts, burglaries, drug use and drunken driving -- would jump in the area as a result of the **casino**. To deter some of that criticism, the **casino** was built in an

isolated industrial park about five miles from downtown Roseville and Highway 80.

And the stakes could be even larger in Rohnert Park, where the company that runs Thunder Valley wants to bring a tribal **casino** with a hotel, entertainment complex and huge parking lot.

It would be in the midst of a suburban community where major stores, commercial buildings and Highway 101 are all less than a mile away and where opponents have raised many of the same fears.

So far, the predicted crime wave has not come to pass, according to the Placer County Sheriff's Department and elected officials and business leaders in cities near Thunder Valley, which opened three years ago.

But the **social** toll is not yet determined.

Already, police in Roseville believe Thunder Valley is partly to blame for a spike in the city's crime rate, citing thefts and incidents of domestic violence by desperate gamblers.

Casino opponents in Rohnert Park said it takes three to five years after a **casino** opens before problem gamblers exhaust their resources and the impacts of increased crime are felt.

And they say that while a **casino** can control the crime on its premises, the hidden and insidious consequences of lost gambling money take years to

develop and can be a cancer on a community.

“Compulsive gamblers run through their source of money, credit cards, through the kids' college funds. They embezzle from the school athletic fund. Crimes start. They're tapped out, but can't stop gambling,” said Marilee Montgomery, a staunch opponent of the Rohnert Park **casino** who lives a stone's throw from the site.

There are varying estimates on the percentage of the population prone to becoming addicted, or problem gamblers. And whether **casinos** spawn crime is another hotly debated topic, with conflicting studies and experts.

But in Roseville, the city that many **casino** customers pass through on their way to Thunder Valley, police say the ripples are already being felt.

A woman shot at her husband in their Roseville home, because, she said, he was losing all their money gambling. In another incident, a woman who was stealing out of the coin fountain at the local shopping mall told an officer she had lost all her money at Thunder Valley and was trying to get some cash to return to the **casino** and win it back.

Roseville police officials say that crime went up in a number of categories after Thunder Valley was built, although it is hard to separate out how much was from the **casino** and how much can be attributed to the area's booming growth.

Yet the department's own statistics reveal there are more assaults, robberies and traffic collisions at the Westfield Galleria shopping mall in Roseville than at the **casino**, located several miles away from the mall.

Thunder Valley, one the two biggest **casinos** in Northern **California** along with Cache Creek **Casino** in Yolo County, could be a preview of what to expect in Rohnert Park.

Partner has deep pockets

The most obvious similarity is that Station **Casinos** of Las Vegas, one of the largest **casino** companies in the country, is the same deep-pockets partner with each tribe. It has agreements to build and manage both facilities.

Thunder Valley's income is a closely guarded secret, but analysts have estimated it has annual revenues in excess of \$280 million.

The sizes of both **casinos**, in terms of the number of slots and card tables, are comparable, although the Graton Rancheria is proposing more parking for its Rohnert Park facility, along with a resort hotel and entertainment venue, which Thunder Valley lacks.

Both **casino** sites also are closer to commercial areas than to residential neighborhoods. While new housing developments are creeping within a mile or two of the warehouse area around the Thunder Valley **Casino**, the proposed Rohnert Park **casino** would be much closer to the freeway and a major shopping hub that includes Wal-Mart, Home Depot and Costco.

Many officials interviewed said there has been little spillover of crime in the communities of Rocklin, Lincoln and unincorporated areas surrounding the Thunder Valley **Casino**, which is located in a fast-growing area 25 miles northeast of Sacramento.

“The community concerns that the **casino** would attract large increases in neighborhood crime has not occurred,” said Placer County Undersheriff Steve D’Arcy.

“The impact has been largely neutral, as far as crime goes,” said Tom Cosgrove, a city councilman in Lincoln, a suburban city of about 30,000 people with a town center about five miles to the north. “As much as folks might not appreciate gaming, or the entertainment that goes with it -- primarily drinking -- it seems to have a minor impact, if at all, on our communities.”

“It is not what the doomsayers said it would be,” said Cheryl Schmit, director of Stand Up For **California**, which tracks **Indian casinos**.

Casino site compromise

In the 1990s, Schmit fought against Thunder Valley when it was proposed in her small community of Penryn, about 10 miles from the current location.

The conflict resulted in a compromise in which the **casino** was built in a relatively isolated, unincorporated spot apart from Lincoln, Rocklin and Roseville.

Anti-gambling forces point to studies that show **casino**-style gambling leads to violent crime, property crimes and more bankruptcies, as well as other **social** ills that take time to manifest.

But the gaming industry cites a 1999 congressional report that was inconclusive on the question and suggested communities with **casinos** are just as safe as those without one.

There is no doubt crime has increased as a result of Thunder Valley's being built. But sheriff's officials say it is largely confined to the property itself.

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“Does crime occur at the **casino**? Absolutely,” said D’Arcy, who added that the key for addressing it is effective, strong law enforcement. “As in any operation that goes 24 hours a day, 365 days a year, there is an impact, sure there is.”

Statistics kept by the Placer County Sheriff’s Department show the **casino** last year averaged about 80 calls a month and one arrest a day, a slight decrease in the number of calls and arrests the first year the **casino** was open for business.

The offenses typically include trying to pass a bad check, credit card fraud or forgery. But there are also arrests for disorderly conduct, possessing controlled substances and driving under the influence.

Casino officials said their ubiquitous cameras and large, high-profile security force demonstrate that a **casino** is the wrong place to commit a crime.

A widely publicized abduction and suspected murder has given the **casino** a chance to show its efforts to ensure that no crime will go unsolved.

The cameras caught a 53-year-old Auburn man in October as he was leaving the **casino** with a chance acquaintance, a 27-year-old San Jose woman. She is missing and he is facing a murder trial on charges he killed her.

“A key piece of evidence is the **casino** video record. It shows them side by side for hours playing, then exiting the **casino**,” said Undersheriff D’Arcy.

Casino officials say any time large numbers of people congregate there will be problems. Roughly 8,000 people a day go to gamble at Thunder Valley, which resembles a shopping mall from the outside. But on the inside it’s more Las Vegas-like, with the din of more than 2,700 slot machines and action at 100 card tables.

The most important factor, according to law enforcement officials, is the cooperative relationship they have with the **casino** and its security force, which totals 110 privately hired guards.

The **casino**, operated by the United Auburn Community tribe, pays more than \$1 million a year toward extra sheriff’s deputies and CHP officers to help police the **casino**.

In Rohnert Park, the tribe has paid \$1.2 million over two years to the city to establish a special police enforcement team that is already up and running.

But the continued funding commitment of \$500,000 annually if and when the **casino** is built is less than the amount spent for law enforcement at Thunder Valley.

The Graton Rancheria also has committed millions of dollars in Rohnert Park to help pay for a new public safety building and equipment. But **casino** opponents are predicting traffic nightmares on Highway 101 when it opens and on roads leading to the **casino** off

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Wilfred Avenue.

The money from the Auburn tribe at Thunder Valley pays for five full-time deputies, two fully equipped patrol cars, most of one detective's salary and administrative **costs**.

On weekends, the tribe pays for two to three extra Highway Patrol officers to be a presence in the vicinity.

While the gridlock associated with Thunder Valley's opening day drew headlines, CHP officials say that was a one-time occurrence and traffic is manageable.

And drunken driving is also not the nightmare that was feared from the **casino**, which has eight bars that serve alcoholic beverages.

``We do not see a major issue involving the **casino** as far as DUI accidents, or the number of arrests as compared to any other location in our jurisdiction," said Rick Ward, commander of the local CHP office. ``There are no DUI fatalities with the **casino** that I am aware of."

Drunken driving measures

Officials credit **casino** officials with implementing measures to reduce the number of alcohol-impaired drivers. Designated drivers are served free soft drinks, and **casino** employees are trained to deter inebriated patrons from driving.

CHP statistics show accidents spiked upward when Thunder Valley opened, although there was a slight improvement after the first full year of the **casino's** operation.

``I think people realized we were actively out there patrolling. They may have curtailed their behavior then," Ward said.

So after almost three years in operation, the **casino** continues as big business, as patrons park their vehicles in the 3,700-space lot or disembark from as many as 50 tour buses daily, most of them from the Bay Area.

``As busy as the **casino** is and for its size," Ward said, ``we are very pleased with the traffic flow and the overall accident picture we have in that area."

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Externalities: American Indian Casinos

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In 1988, the Indian Gaming Regulatory Act (IGRA) was passed, causing a boom in the number of tribally operated casinos in America. The purpose of the IGRA was to allow Native American tribes to operate casinos in hopes of encouraging economic development. However, the casino industry, like many industries, has externalities. In an article in the Press Democrat (Santa Rosa, CA), many residents of Roseville, CA believe that the nearby Thunder Valley Casino is causing negative externalities in their town. "Roseville police officials say that crime went up in a number of categories after Thunder Valley was built, although it is hard to separate out how much was from the casino and how much can be attributed to the area's booming growth." (Mason, 2006). In other communities surrounding Thunder Valley, others, such as Placer county undersheriff Steve D'arcy, say that there has been relatively little increase in crime. Every year, the United Auburn Community tribe, which operates the casino, pays more than a million for extra police and CHP officers needed for security. In addition, casinos hire their own security officers and have their own security equipment.

According to a National Bureau of Economic Research (NBER) report, "four years after tribes open casinos, employment increases by 26 percent, and tribal population increases by about 12 percent... The fraction of adults who work but are poor declines by 14 percent" (Evans & Topoleski, 2002, p.2). Casinos may have a positive effect on income, but we also must not ignore the social effects: "auto thefts, larceny, violent crime, and bankruptcies are all up by about 10 percent four or more years after a casino opens in a county. Bankruptcies also increase in counties within 50 miles of a casino." (Evans & Topoleski, 2002, p. 43). Another study by Grinols and Mustard in 2001 calculated that "the extreme upper bound on social benefits of a new casino is \$75 per adult, that the costs associated with problem or pathological gamblers are \$140-\$221 per adult" (Evans & Topoleski, 2002, p. 43). Based on these reports, any economic benefits are far outweighed by their social costs¹.

References:

¹ It is also important to note that environmental costs have not been factored into these studies.

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