



## **Hedging Their Bets: Gambling Contributions in Selected States in 2000**

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Discussions about expanding gambling – primarily by putting video slots at racetracks, allowing riverboat casinos to offer gambling while docked instead of cruising, or expanding the number of gambling machines at existing locations – echoed through legislative halls in at least 15 states this year or last.

But before the debates and lobbying began in state capitals, the gambling industry had already given more than \$2.4 million to nearly 1,100 state-level candidates. Most of the money was targeted to legislative candidates who – if elected – would actually be debating and voting on expansion proposals.

More significantly, the lion's share of the money went to incumbent candidates, who are statistically almost certain to win re-election, or to incumbents who were not even up for re-election in 2000 and thus were sure to be voting on the legislation.

In fact, the gambling money was split almost evenly between Democratic and Republican candidates, suggesting many contributors cared less about a candidate's ideology than about his or her chances of winning.

The Empress Casino of Joliet, Ill., for instance, gave \$135,865, dividing the funds almost equally between Republican and Democratic candidates in Illinois. However, 98 percent of that amount went to incumbent candidates (with 43 percent of that amount given to candidates who were not up for re-election because they were in the middle of a term). Only \$500 went to candidates challenging incumbents. And only 5 percent of the Empress money went to candidates who didn't win.

Similarly, the National Jockey Club gave \$110,871 to Illinois candidates. Fifty-two percent of that amount went to Republican candidates, while 48 percent went to Democratic candidates. But 84 percent of the money went to incumbents (with 36 percent of that given to candidates who were not up for re-election because they were in the middle of a term). Another 11 percent went to candidates seeking open seats. Just 5 percent went to candidates challenging incumbents.

A review of the \$2.4 million in gambling contributions showed:

- ◆ Winning candidates and incumbents received nearly three-fourths of the contributions.
  - Winning candidates received slightly more than \$1.7 million, or 72 percent of the funds. Of that amount, 78 percent, or \$1.35 million, went to incumbents who won their races.
  - Only 15 percent of the money – about \$354,000 – went to candidates who lost their races.
  - Incumbents who were not up for re-election received \$296,000 in contributions, or 12 percent of the total contributions.
  - A mere 7 percent of the funds – \$159,400 – went to candidates who were challenging incumbents. Candidates for open seats received about \$494,500, or 20 percent of the total. Incumbents received \$1.76 million, or 73 percent of the money.
- ◆ Candidates in just two states – Illinois and Florida – received nearly two-thirds of the gambling funds. Illinois candidates received \$892,413, while Florida candidates received \$688,112. Florida lawmakers considered several gambling-related measures, including putting video slot machines at horse racetracks and jai alai establishments. In Illinois, lawmakers not only discussed expanding gambling opportunities but also looked at increasing gambling taxes.
- ◆ Four of the top five recipients of gambling funds were from Illinois and two of them were not even up for re-election. Gov. George Ryan received \$56,600, while Senate Minority Leader Emil Jones, Jr., received \$55,500. In addition, Illinois Senate President James “Pate” Philip, also not up for re-election, was seventh on the list of the top 10 recipients, with \$34,400. Jones and Philip, along with Illinois House Leaders Michael Madigan and Lee Daniels, operate committees that channel much of their contributions to other candidates. As leaders, they also have great influence over the legislative agenda.
- ◆ The bulk of the money went to legislative candidates, who received slightly more than \$2 million. Thirteen gubernatorial candidates received about \$210,000, while 29 candidates for other statewide offices shared \$113,000.
- ◆ Most of the contributions in each state came from contributors within that state.

## A Look at the Contributions

In all, contributors with ties to the gambling industry made 4,145 separate contributions, giving as many as 1,468 contributions in Florida and as few as seven contributions in Indiana. The following table details the number of contributions in each state, as well as the number of candidates who received the funds, whether they won or lost their races, and whether they were incumbents or challengers or were seeking an open seat.

State	Candidates	W	L	DNR	I	C	O	# of Checks	Total
Illinois	153	104	11	38	139	4	10	898	\$892,413
Florida	204	131	66	7	65	11	128	1,468	\$688,112
West Virginia	75	56	19	0	50	18	7	457	\$219,000
Louisiana	60	46	14	0	39	13	8	132	\$105,984
New Hampshire	23	16	7	0	17	2	4	89	\$94,700
Kansas	133	115	17	1	109	11	13	324	\$89,500
Pennsylvania	76	66	2	8	74	1	1	149	\$69,785
Ohio	78	66	6	6	42	2	34	102	\$57,249
Delaware	51	42	8	1	39	5	7	115	\$49,726
New York	43	35	6	2	36	3	4	83	\$47,895
Massachusetts	53	47	4	2	49	1	3	147	\$42,555
Kentucky	46	44	1	1	42	2	2	60	\$23,150
Arizona	50	28	19	3	23	9	18	79	\$12,617
Rhode Island	22	21	1	0	22	0	0	35	\$12,300
Indiana	4	1	2	1	0	3	1	7	\$11,500
<b>Total</b>	<b>1,071</b>	<b>818</b>	<b>183</b>	<b>70</b>	<b>746</b>	<b>85</b>	<b>240</b>	<b>4,145</b>	<b>\$2,416,487</b>

W = Winner  
L = Loser

DNR = Did Not Run  
I = Incumbent

C = Challenger  
O = Open Seat

As a point of comparison, the gambling industry in Nevada gave \$885,258 to candidates in that state.

## Who Gave?

Gambling establishments as well as their owners, executives and employees gave to political candidates in the 2000 election season. The top 10 contributors, however, were all gambling establishments.

Top Contributors	Amount	Location
Arlington International Racecourse Inc.	\$150,687	Arlington Heights, Illinois
Empress Casino & Hotel Joliet	\$135,865	Joliet, Illinois
National Jockey Club	\$110,871	Cicero, Illinois
Horseshoe Gaming Holding Corp.	\$88,000	Joliet, Illinois
Harrah's Operating Co.	\$87,610	Memphis/Springfield, Illinois/Las Vegas
West Flagler Associated Limited	\$84,250	Miami, Florida
Hollywood Casino Aurora Inc.	\$69,725	Aurora, Illinois
Gulfstream Park	\$60,750	Hallandale, Florida
Crown Hotel Casino Queen	\$58,080	East St. Louis, Illinois
Florida Thoroughbred PAC	\$58,000	Ocala, Florida

## Who Received?

Illinois candidates were the top beneficiaries of gambling contributions in the 2000 cycle, receiving 37 percent of the total contributions. And six of the top 10 recipients were from Illinois, including the

sitting governor, who was not up for re-election, and the two Senate leaders, who also were not up for re-election. In the chart below, “DNR” indicates the candidate did not run for election in the 2000 cycle; however, all of the candidates listed below as not running for office in 2000 were officeholders in the middle of a term, rather than candidates who filed but later decided against running.

<b>Candidate</b>	<b>State</b>	<b>Office</b>	<b>Winner</b>	<b>Incumbent</b>	<b>Amount</b>
Lee Daniels (R)	IL	House	Yes	Yes	\$97,231
Michael Madigan (D)	IL	House	Yes	Yes	\$75,500
George Ryan (R)	IL	Governor	DNR	Yes	\$56,500
Emil Jones, Jr. (D)	IL	Senate	DNR	Yes	\$55,500
Cecil Underwood (R)	WV	Governor	No	Yes	\$51,350
Jeanne Shaheen (D)	NH	Governor	Yes	Yes	\$50,000
James “Pate” Philip (R)	IL	Senate	DNR	Yes	\$34,400
Vincent Fumo (D)	PA	Senate	Yes	Yes	\$26,750
Steven Rauschenberger (R)	IL	Senate	Yes	Yes	\$25,325
Bob Wise (D)	WV	Governor	Yes	No	\$23,950

### *Gubernatorial Candidates*

While gubernatorial candidates made up the smallest group of candidates receiving gambling funds, they received the highest average amount – \$16,166. The industry’s propensity to give to incumbents was evident among these candidates. Incumbents received, on average, \$26,975. Challengers, in contrast, received an average of \$8,738. In almost all states where gambling interests gave to gubernatorial candidates, the industry contributed solely or most heavily to the incumbent.

However, in Indiana, where Gov. Frank O’Bannon had opposed some gambling expansion proposals, gambling contributions went to challengers George Witwer, who didn’t run, and to David McIntosh, who lost to O’Bannon. Likewise, challenger William Jefferson received \$5,000, while incumbent Mike Foster, Jr., received \$500 in gambling funds in Louisiana.

### *Statewide Races*

Other statewide candidates received just \$113,250 in gambling contributions, for an average of \$3,905 each. Candidates for offices ranging from state treasurer to secretary of state and commissioner of education received contributions. Two Florida candidates topped the list. Toni Jennings, who withdrew from the race for treasurer, received \$18,000; Charlie Crist, who won the open Commissioner of Education seat, received \$14,000.

### *Legislative Races*

Nearly all of the gambling money was given to legislative candidates who would be directly debating and voting on proposals affecting the industry. House candidates received \$1.16 million, while Senate candidates received \$904,150.

### **Where Did the Money Come From?**

Across the board, the majority of the gambling contributions came from contributors within the state in which they were received. However, at least \$179,500 came from companies with ties to Nevada-based gambling companies or from companies with multi-state gambling operations.

Harrah’s Operating Co., which operates casinos, hotels and riverboat casinos in several states, gave \$87,610. Illinois candidates received \$74,910 of that amount, while Kansas candidates received \$12,700.

International Game Technology of Nevada, or companies now owned by IGT, gave \$48,500: Anchor Gaming, which makes slot machines and video poker machines, gave \$13,900, in Florida and Delaware; Automated Wagering International gave \$31,000, all in Florida; and IGT itself gave \$3,600 in Delaware. IGT is often described as the world's largest maker of slot machines.

Park Place Entertainment of New Jersey or its late president, Arthur Goldberg, gave \$27,800 to candidates in New York and Pennsylvania. Park Place Entertainment is an international gaming company formed when Hilton Hotels Corp. split its lodging and gaming operations in 1998. It operates casinos in Nevada, New Jersey, Indiana, Louisiana and overseas.

And Boyd Central Region, a part of Las Vegas-based Boyd Gaming Corp., gave \$15,650 to Illinois candidates, where Boyd operates the Par-a-Dice Hotel and Casino.

Following is a summary of the giving in each of the states:

- **Arizona:** Arizona gambling interests gave \$9,675 of the \$12,617 in contributions. Another \$2,942 came from Florida contributors affiliated with Tucson Greyhound Park.
- **Delaware:** Delaware contributors gave \$40,826 of the \$49,726 in gambling contributions in that state. Another \$6,000 came from Nevada-based contributors Anchor Gaming and IGT.
- **Florida:** Florida contributors gave \$635,112, or 92 percent of the \$688,112 total in that state. Another \$42,500 came from IGT companies outside of Florida: the Georgia offices of Automated Wagering International (AWI) of Georgia gave \$13,500; the Montana offices of AWI and Anchor Gaming gave \$21,000; and AWI and Anchor Gaming offices in Nevada gave \$8,000.
- **Illinois:** Illinois-based contributors gave nearly \$799,000 of the \$892,413 in identified gambling contributions. Another \$88,010 came from Boyd Central Region Inc. and Harrah's Operating Co., both of which have Tennessee addresses but are part of Nevada-based companies.
- **Indiana:** All of the \$11,500 in contributions came from Indiana contributors.
- **Kansas:** Candidates in Kansas are not required to provide the addresses of contributors, but most contributions appeared to be from Kansas-based groups or individuals. Kansas businessman Phil Ruffin, who owns a Wichita dog track and casinos in Las Vegas and the Caribbean, gave \$28,200, or nearly 32 percent of the \$89,500 in identified gambling contributions. Harrah's Operating Co. gave \$12,700 to Kansas candidates.
- **Kentucky:** All of the \$23,150 in identified gambling contributions came from Kentucky contributors.
- **Louisiana:** Louisiana contributors gave \$97,984 of the \$105,984 in gambling contributions. Another \$5,000 came from BB Riverboats, based in Covington, Ky.
- **Massachusetts:** Massachusetts gambling interests gave \$38,105 of the \$42,555 in identified contributions, or almost 90 percent.
- **New Hampshire:** New Hampshire gambling interests gave \$83,900 of the \$94,700 contributed there, or 89 percent.
- **New York:** New York contributors gave \$44,645 of the industry's \$47,895 total, or 93 percent.
- **Ohio:** All of the \$57,249 contributed by gambling interests came from Ohio contributors.
- **Pennsylvania:** Pennsylvania interests gave 64 percent, or \$44,385 of the \$69,785 in gambling contributions. Another \$25,300 came from Arthur Goldberg, the New Jersey contributor who was president of Hilton Gaming Operations and Park Place Entertainment until his death in October 2000.
- **Rhode Island:** Almost all of the \$12,300 in gambling contributions came from Rhode Island contributors or contributors affiliated with Rhode Island dog-racing tracks.

- **West Virginia:** West Virginia contributors gave about \$156,000 of the \$219,000 total, or 71 percent. Penn National Gaming Officials gave \$56,100 or 26 percent. Penn National Gaming owns Charles Town Races in West Virginia, as well as two Mississippi casinos and three racetracks and 11 off-track wagering facilities in Pennsylvania.