

**CURRENT PRACTICES AND POLICING ISSUES  
RELATED TO CALGARY CASINOS**

*Prepared By:*

*The Calgary Police Service*

*November 12, 1996*

## TABLE OF CONTENTS

ACKNOWLEDGEMENTS .....	iii
EXECUTIVE SUMMARY .....	iv
A. INTRODUCTION .....	1
B. GAMBLING IN ALBERTA .....	2
1. Alberta Government's Role and Policy Objectives .....	2
2. Current Gambling Model .....	2
3. Revenues from Gambling .....	4
4. Possible Future of Gaming .....	4
a. Privatized Casinos .....	4
b. Casinos on Reserves .....	5
C. EXPERIENCES FROM OTHER CITIES IN CANADA AND THE UNITED STATES	6
1. Canada .....	6
a. Winnipeg .....	6
b. Regina .....	7
c. Montreal .....	7
d. Windsor .....	7
2. United States .....	8
a. Atlantic City .....	8
b. Cripple Creek .....	8
c. Gulfport .....	8
3. Findings of Cities with Casinos .....	9
D. IMPACTS OF GAMBLING .....	9
1. Crime and Policing .....	9
a. Organized crime .....	9
b. Spin-off Crime .....	10
c. Police Resources .....	11
2. Calgary Casinos and Crime .....	12
a. Incidents in Calgary .....	13
b. Prevention through environmental design .....	15
3. Community Impact .....	15
4. Economic Impact .....	16
E. GAMBLING ADDICTION .....	17
1. Family .....	17
2. Youth .....	18
3. Work .....	19

Communication (a) ATTACHMENT (Continued)

4.	Gambling Addiction in Alberta .....	19
5.	Consequences of Addiction .....	20
F.	CONCLUSION .....	20
	REFERENCES .....	22
	APPENDIX .....	24

### ACKNOWLEDGEMENTS

This report was completed by the analysts from the Centralized Analysis Unit (C.A.U.) with the assistance of the Organized Crime Control Section Inspector. Completion of the report would not have been possible without the valuable assistance of support staff in C.A.U. We would also like to thank the Calgary Police Service Librarian and the Vice Unit members for assisting us in gathering information, and the Superintendent of the Criminal Investigation Division for reviewing earlier drafts of the report. The attached Appendix was completed by members of the Planning Unit.

## EXECUTIVE SUMMARY

### Background

This report reflects upon the impacts of both charitable and freestanding/privatized casinos on policing, social and economic issues. It has been produced in response to a motion made by Alderman Kerr, seconded by Alderman Jones with respect to Bylaw 16Z96 that:

*the Calgary Police Service and the Calgary Police Commission be requested to conduct a thorough investigation on policing issues both, pro and con, related to casinos and report to City Council by 1996, November 1.*

This motion was moved at the Regular Meeting of Council held 1996, April 15.

- In support of casinos, representatives of business groups, charities and the tourism industry contend that casino gambling would generate jobs and revenue, increase tourism, and provide additional social and recreational activities for residents and visitors.
- Opponents of casinos are concerned about the possibility of increased crime, social problems, and gambling addictions. There are also doubts about the gambling industry's ability to provide jobs and revenue for a city or help a struggling economy on a long term basis.

### Overview

#### Charity Casinos:

- ▶ Three basic forms of gambling are licensed and practised in Alberta: lotteries and video lottery terminals (VLTs), both operated by the Province; and charitable gaming, which is regulated by the Province. VLTs and lotteries provide direct revenue to governments while charity casinos do not.
- ▶ As of October 1996, there were four locations in which casinos operated for non-profit charities in Calgary: Stampede Casino at Stampede Park; Elbow River Inn Casino; Blackfoot Trail Cash Casino; and Frank Sissons Silver Dollar Casino.
- ▶ The average net profit from a two-day casino was over \$20,000 during 1995. Approximately 380 charity licences were issued in 1994-95, and the total amount wagered at all charity casinos during that year was \$118.2 million. After deducting the prizes and expenses for the casino, the total return of \$7.8 million was provided to charities in Calgary in 1994-95.
- ▶ Albertans rank as the country's biggest spenders on charitable gambling, and fourth overall in North America. During 1995-96, the province's 2.5 million population spent \$1.62 billion on all types of available gambling. They spend more than \$255 per person per year, and per capita, Albertans gamble three times more than Americans.



- ▶ Since Video Lottery Terminals (VLTs) were introduced to Alberta in 1992, they have increased in number from 311 to more than 6,000 in 1996. \$1.7 billion was put into VLT machines, providing a revenue of \$428 million and more than \$200 per capita was spent in Alberta on VLTs for fiscal year 1995-96.
- ▶ Evidence suggests that significant gambling expansion and alterations to the existing model may not be well supported in Alberta. The Lotteries Review Committee recommends that the introduction of new forms of gaming (e.g., large-scale, for-profit casinos) and expansion of existing forms of gaming not be permitted in the province of Alberta, and the City of Calgary has agreed with this position. Furthermore, when Albertans were asked by the Lotteries Review Committee if the province should licence large-scale privately owned casinos, 89 percent of respondents objected.

*Freestanding Privatized Casinos:*

- ▶ Experiences from various casinos in Canada and the United States do not indicate a positive outcome. A majority of the cities demonstrated a huge increase in property crimes as well as violent crime.
- ▶ There has been a significant impact on police workload and crime statistics in most cities with casino gambling. Although some cities indicate a decrease in calls for service after casinos were introduced, most show substantial increases.
- ▶ Casinos provide the opportunity for organized crime. The Criminal Intelligence Service Canada (CISC) as well as The Calgary Criminal Intelligence Section (CCIS), confirm that organized crime is interested in gambling.
- ▶ Casinos provide the focal point for many different types of crime including robberies (commercial, financial, and street) theft, and fencing of stolen property for gambling funds.
- ▶ White collar crime is also growing as more gamblers attempt to acquire funds through their place of employment. Some gamblers try borrowing money (either by fraud, embezzlement, or theft) with the intent of replacing the funds after a big win.
- ▶ A casino introduces a new focal point for activity in an area, creating the potential for prostitution, pandering and drug trafficking due to the increased number of clients and the availability of money.
- ▶ It is possible that increased casino activity will lead to an increased crime rate as well as increases in the number of actual occurrences and calls for service.
- ▶ Police visibility has been suggested as a means of creating a feeling of safety in a casino area. In Windsor, safety is perceived due to the visible presence of 25 new police officers hired by the Windsor Police Service and funded by casino operations.

- ▶ Policing is also affected by an increase in traffic problems and the need for crowd control associated with casinos. There may be an impact on the Traffic Section, Field and/or District personnel because of the increased need for enforcement and accident follow up.

*Crimes Related to Calgary Casinos:*

- ▶ Of the reported offences that occurred on the property of casinos in Calgary over a five year period. Theft under from vehicle, theft under from person, and mischief to property were most often reported. The number of cases peaked in 1992 at 62 total offences.
- ▶ In Calgary, crimes against persons were not very prevalent as there were one to three robberies and assaults reported per year. According to information from police personnel, some casino patrons, however were followed from the casino and victimized at other locations.
- ▶ Another perspective on crime at casino locations is provided by CAD data on calls for service. Of significance, it should be noted that in 1995 there were four complaints made about parents leaving their young children in the car while they gambled in the casino.

*Gambling Addiction:*

- ▶ Compulsive gambling often creates serious problems for families, and increases are observed in divorce or separation, disagreements about money, lack of understanding between spouses, and behavioural problems in children. Children, especially seem to suffer and many develop a greater tendency to become problem gamblers as adults.
- ▶ The segment of society experiencing the highest increase in addicted gambling is teenagers. A study indicated that in Alberta 67 percent of adolescents gamble while 33 percent do not gamble at all. Of the youth sample, 44 percent are non-problem gamblers, 15 percent are considered "at-risk" for developing a gambling problem, and 8 percent are problem gamblers.
- ▶ The workplace is affected by compulsive gamblers through their absenteeism, tardiness, and reduction in work performance caused by casino gambling. A gambler may suffer from impaired judgement, inefficiency, and lost productivity.
- ▶ The Alberta Alcohol and Drug Abuse Commission (AADAC) established a gambling help line in Calgary and received 2,713 calls in 1995-96. Approximately 2,200 problem gamblers in Alberta were admitted to the new outpatient treatment program at AADAC in 1995-96.
- ▶ Compulsive gamblers often become involved with illegal activities once legal avenues of procuring funds are exhausted. Our concern is that in the future, individuals may resort to more serious types of crime or become involved in the drug industry to support this addiction.

## Communication (a) ATTACHMENT (Continued)

### *Conclusion:*

- ▶ A casino will have its strongest impact on the community surrounding it. The impact may be in the form of traffic, housing cost increases, fear of crime, and economic problems. The most immediate impacts include traffic congestion and parking problems.
- ▶ There is no guarantee that a casino would not bring with it crime. As a result, local businesses may suffer as residents and patrons would shy away from going to crime laden areas, particularly in the evening.
- ▶ The possible impact on policing may be immense. Incidents may require extensive follow-up, administrative action, investigation, undercover and surveillance work, and other police services that are resource intensive.
- ▶ Casinos have not demonstrated that they can actually create wealth rather than redistribute money. Gambling results in changes in the structure of expenditures, benefiting some businesses and harming others.
- ▶ There are also social costs which cannot be effectively measured in dollars. As gambling is now an acceptable form of recreation, more people may be inclined to try it. Of those who try gambling, a certain percentage will likely develop a gambling addiction.
- ▶ Previous research on casino gaming has provided insight into some of the potentially negative aspects of the industry, specifically crime and social problems.



## CURRENT PRACTICES AND POLICING ISSUES RELATED TO CALGARY CASINOS

### A. INTRODUCTION

This report reflects upon the impacts of both charitable and privatized casinos on policing, social and economic issues. It has been produced in response to a motion made by Alderman Kerr, seconded by Alderman Jones with respect to Bylaw 16Z96 that:

*the Calgary Police Service and the Calgary Police Commission be requested to conduct a thorough investigation on policing issues both, pro and con, related to casinos and report to City Council by 1996, November 1.*

This motion was moved at the Regular Meeting of Council held 1996, April 15.

As gambling grows in Alberta, the issue of whether or not more casinos should be built in Calgary has become more controversial. Recently, articles pertaining to this topic have been in the newspaper almost daily, highlighting issues surrounding the introduction of more casinos and the benefits and drawbacks of gambling. Groups supporting new casinos and those opposing them have become increasingly vocal and have received an enormous amount of media attention. In support of casinos, representatives of business groups, charities and the tourism industry contend that casino gambling would generate jobs and revenue, increase tourism, and provide additional social and recreational activities for residents and visitors. Casino proponents postulate that casinos augment economic development and are a means to raise revenue.

Law enforcement agencies, religious leaders, and private interest groups state that the claims made in support of casinos are exaggerated, and that proponents overlook problems that might develop if casino gambling increased, for example the possibility of increasing crime, social and addiction concerns. There are also doubts about the gambling industry's ability to provide jobs and revenue for a city or help a struggling economy on a long term basis (Illinois State Police, 1992). It is suggested by some people that the criminal, traffic, fiscal, and social problems that gambling may generate certainly outweigh anticipated benefits in the form of revenue and employment.

The purpose of this report is to discuss current practices and policing issues related to casino gambling in Calgary. A similar report was completed by the Planning Department of the Calgary Police Service in 1994 and updated in early 1996 (see Appendix A). The present report builds upon the issues and findings discussed in the earlier documents by examining the existing casino model in Calgary, the pressure to change that model, experiences from other cities, the impacts of casino gambling on policing, and discussing social, economic and addiction issues.

The research and findings are not intended to be an indictment of the value of casino gaming but as information which local government jurisdictions and community representatives can use in the event that more casinos are introduced. The decision to introduce more casinos to Calgary should not be made without assessing and understanding the potential consequences.

## B. GAMBLING IN ALBERTA

### 1. Alberta Government's Role and Policy Objectives

The initial rationale for government involvement in gambling was based on a perceived need to regulate the activity. Government policy makers realized that complete prohibition of gambling was ineffective and would actually increase crime problems. Although regulating and controlling gambling continue to be reasons for government involvement in gaming, it is apparent that the government's role has gone beyond this mandate. There appears to be considerable evidence that governments have moved from their role as regulators of gaming, to active promoters of gaming (City of Calgary, 1995). Provincial policy objectives for increasing the number of casinos are stated as: job creation, tourism development, community economic development, creation of a new industry, and revenue generation (Wood, 1995).

The relevance of these objectives to Calgary must be considered. First, job creation is an important consideration, particularly when Calgary's rate of unemployment is at seven percent. Casino gaming is a human resource intensive industry which promotes employment. Most of the new jobs created in casinos would be service sector jobs that require less than post-secondary education. This matches the qualifications and capacities of many of the unemployed. Second, it is important to stimulate economic development. A casino creates many jobs and it is known that employment stimulates economic growth, which in turn may increase tourism and business opportunities. Furthermore, some convention organizers seek cities with casinos in order to entertain members during a convention. Third, a new industry could benefit Calgary. In keeping with Canada's traditional dependence on resource-based industry to sustain national and international trade, Calgary has focused on oil, gas and coal. Demographers, economists and futurists who have studied the impacts of an aging and changing society and the gradual departure from the resource and industry-based economy have promoted greater diversification into the service industry, tourism and entertainment. Finally, the possibility of revenue generation for the city cannot be ignored. Casinos have historically been highly profitable enterprises, and this is a desirable consequence (Wood, 1995). The challenge, then is to maximize the desirable aspects of gambling, while minimizing its negative effects.

### 2. Current Gambling Model

Three basic forms of gambling are licensed and practised in Alberta: lotteries and video lottery terminals (VLTs), both operated by the Province; and charitable gaming, which is regulated by the Province (City of Calgary, 1995). Presently, VLTs and lotteries provide direct revenue to governments. However, because casino gambling falls under the charity model, the government is not able to profit directly; only charities and casino owners share the revenue. Alberta's charitable gaming model is well regulated, provides significant financial returns to charities and is a source of recreational entertainment for thousands of Albertans. Casinos are also a major source of fund-raising for non-profit groups.

The Alberta Gaming Commission and the Gaming Control Branch strictly control all gaming activities through the issuance of casino licenses to registered non-profit charities. Only Calgary charities may apply for a casino licence in Calgary and a charity is only eligible for one licence per year. The waiting list for charity casinos is often lengthy resulting in some groups waiting more than 18 months between casinos. Consequently, charitable groups may not be able to hold a fund raising casino as often as they may feel is necessary. Recently, community groups from Edmonton and Calgary have indicated that they would like to have more casinos opened in order to shorten the waiting lists, and be allowed to have more than one casino per year (Cunningham, 1996). Although increasing the number of casinos may reduce waiting lists, it may also result in less money going to each group.

Charitable casinos in Calgary have some components of private ownership. Charitable organizations contract casino management companies to operate casinos at fixed sites. The sites are owned by the casino management companies, and the licences are held by non-profit charities and service organizations. As of October 1996, there were four locations in which casinos operated for non-profit charities in Calgary: Stampede Casino at Stampede Park; Elbow River Inn Casino (an addition to a hotel); Blackfoot Trail Cash Casino (a renovated warehouse facility); and Frank Sissons Silver Dollar Casino (bowling alley/action centre). A fifth charitable casino may open in January 1997, at Barlow Trail and 16th Avenue N.E., pending the availability of a licence.

Each casino licence is issued for a two-day period, and allows the operation of up to 30 game tables for a maximum of 13 consecutive hours. A portion of the profits from the casino are payable to the charity, and the Gaming Commission controls how profits are utilized by the charity. The average net profit from a two-day casino was over \$20,000 during 1995. Approximately 380 charity licences were issued in 1994-95, and the total amount wagered at all charity casinos during that year was \$118.2 million. After deducting the prizes and expenses for the casino, the total return of \$7.8 million was provided to charities in Calgary in 1994-95 (Cunningham and Ferguson, 1996). It is the non-profit charity, not the government that tends to benefit from charitable gaming activities. As of April 1996, charitable gaming activities in Alberta supported the work of more than 8,000 charitable and religious organizations (Alberta Gaming and Liquor Commission cited in Government of Alberta, 1996).

In July 1996, the provincial government changed the regulations for charity casino operations to require that charities receive a guaranteed 50 per cent of net casino proceeds. Under the old rules, casino operators were allowed to deduct fees and expenses from the total returns before charities claimed their share. Some charities ended up paying thousands of dollars to a casino operator and received no return for themselves. However, businesses must now pay for all casino gaming equipment, operating floats, registered gaming workers, surveillance equipment, and other operating costs. All money that is in excess of the Casino Facility and Service Agreement is deposited in a pool account. Where a casino has been paid less than its fixed fees and charges, the casino may claim the unpaid portion from the pool account. A number of casino operators have indicated that the new policy is causing them financial difficulties; therefore, the Alberta Gaming and Liquor Commission has agreed to assess the new charity gaming policy during the latter part of 1996.



### 3. Revenues from Gambling

\* [ Alberta has a cultural climate that is conducive to generating revenue from gambling. This is indicated by data reflecting the gambling behaviour of Albertans. Albertans rank as the country's biggest spenders on charitable gambling, and fourth overall in North America. During 1995-96, the province's 2.5 million population spent \$1.62 billion on all types of available gambling. They spend more than \$255 per person per year; and per capita, Albertans gamble three times more than Americans (Chase, 1996). It is estimated that each Albertan could be spending on average \$1,427 per year on gambling (Government of Alberta, 1996). According to University of Nevada economist Bill Eadington, Albertans spend about 3.2 percent of disposable income on gambling compared with .07 in the United States (Chase, 1996).

Albertans' affinity for gambling is also evidenced by data on revenues generated by VLTs. Since Video Lottery Terminals (VLTs) were introduced to Alberta in 1992, they have increased in number from 311 to more than 6,000 in 1996. For fiscal year 1995-96, \$1.7 billion was put into VLT machines, up from \$1.5 billion the year before. The revenue is \$428 million, which is a \$70 million increase from the previous year. More than \$200 per capita was spent in Alberta on VLTs (Chase, 1996).

### 4. Possible Future of Gaming

Attracted by the potential financial rewards of gaming, pressure to allow other types of gaming establishments in Alberta has come from First Nations people and may come from the provincial government, given its role change from regulator to promoter. Reasons for their interest and relevant issues are discussed below.

#### *a. Privatized Casinos*

Government desire for additional revenues may entice it to expand interest in gambling beyond VLTs and lotteries, and merely regulating gambling and into the realm of direct involvement in gaming. This could involve the addition of privatized casinos to the existing gaming model.

Large-scale privately operated casinos would provide strong competition for existing charitable casinos. Private casinos would not be subject to as many restrictions as their charitable counterparts, and tend to offer much more to a gambler. This includes larger scale facilities, higher betting limits and the availability of alcohol (City of Calgary, 1995). A prime example of the profit generated is The Frontier Casino at the Calgary Stampede (once a year for ten days) which makes approximately \$650,000. With private commercial casinos, there would be a different distribution of profits, with more net revenues going to the casino owner. The drawbacks include the social costs, which are likely to be felt at the local level (crime and policing, social impacts, planning and traffic problems), while the benefits may go to other levels of government or organizations.

Evidence suggests that significant gambling expansion and alterations to the existing model may not be well supported in Alberta. A Lotteries Review Committee was established in 1994 to consult

with Albertans about future directions for lotteries and gaming (Lotteries Review Committee, 1995). The committee recommends that the introduction of new forms of gaming (e.g., large-scale, for-profit casinos) and expansion of existing forms of gaming not be permitted in the province of Alberta, and the City of Calgary also agreed with this position (City of Calgary, 1995). When Albertans were asked if the province should licence large-scale privately owned casinos, 89 percent of respondents objected to privately-owned casinos anywhere in the province (Government of Alberta, 1996). People indicated that private casinos would have a detrimental effect on non-profit organizations and have the potential to foster increased crime and other social problems. The current system of charitable casinos, where non-profit groups hold licences and collect the profits and private companies provide equipment and professional services, appears to have served Albertans well (Lotteries Review Committee, 1995). It has provided a source of income for community groups, and has also ensured that the extent of casino development is limited.

#### *b. Casinos on Reserves*

Another area of controversy has centred on the rights of First Nations peoples to establish their own casinos. Most First Nations claim an inherent right to regulate gaming and do not recognize provincial jurisdiction over gaming on reserves. First Nations claim that authority over gaming was transferred to the province without their consent (Government of Alberta, 1996). First Nations leaders have argued that neither provincial nor federal governments have jurisdiction over reserves, and therefore no right to control casinos there (MacIsaac, 1994). However, on February 27, 1996, the Supreme Court of Canada ruled that First Nations do not have constitutional rights to manage gaming facilities such as casinos (Government of Alberta, 1996). The Canadian Criminal Code (s.207) clearly states that lottery schemes may be operated only by a provincial government or by a defined type of organization, if licensed by a province. As long as the Province retains its current casino regulations and does not permit private, for-profit casinos, the prohibition would apply throughout the province. Gaming may take place on reserves, providing a registered charitable or religious organization applies for a provincial licence and meets provincial and federal criteria (City of Calgary, 1995). Currently, provincial control over gaming extends to First Nations reserves as it does in all other parts of the province. Thus, the province is able to ensure a standard and consistent approach province wide.

Many First Nations leaders are seeking economic stimulation through gaming, by developing both commercial and charitable casinos. They have examined several Indian gaming models in the United States and are impressed with Mystic Lake in Minnesota. However, it is probably unrealistic to assume that the Mystic Lake experience could be replicated in Alberta. Mystic Lake draws three million people within a 100-mile radius to the casino; whereas Alberta has an adult population of 1.9 million province-wide (Government of Alberta, 1996). Furthermore, only native casinos operate in Minnesota, while Alberta already has 14 charitable casino facilities.

Two casinos run by First Nations people on reserves have opened in Saskatchewan during 1996, and two more are expected to open during the latter part of the year. British Columbia licenses 17 small-stake casinos that have a \$25 betting limit, and four casinos are being considered for Alberta. A casino which opened in Orillia, Ontario in August 1996 is expected to generate \$100 million per



year for Ontario bands. However, problems are inevitable, and studies from Alberta's Nechi Institute have found that 89 percent of First Nations youths surveyed had gambled for money in the previous 12 months and 28 percent were classified as problem gamblers (Wynne Resources, 1996).

In the United States in 1988, the federal Indian Gaming Regulatory Act allowed federally recognized tribes to offer any form of gambling allowed in their states. The state is not allowed to regulate or to limit the gambling operations, and does not receive any tax money from the tribe beyond payment for a few of its direct expenses (Citizens' Research Education Network [CREN], 1992). Since then, there has been rapid expansion of Indian gaming in the United States. Monetary gains have been tremendous; however, crime and social problems have escalated as well. A portion of the law enforcement activities revolve around the casinos — frauds, bad check writing, counterfeiting, assaults, and minor traffic accidents (Clark, 1996). Casinos tend to attract people who have problems, and the majority of the crimes are committed by those who are not members of the tribe. First Nations individuals are affected by the newfound wealth, and social problems including drug abuse, alcoholism, and domestic violence have increased (Clark, 1996). In Mystic Lake Casino outside Minneapolis, each of the tribe's 100 members receives a cheque for \$450,000 per year, which has resulted in some of the children refusing to attend school "because they're all going to be millionaires" (McDonald, 1994).

### C. EXPERIENCES FROM OTHER CITIES IN CANADA AND THE UNITED STATES

#### 1. Canada

##### *a. Winnipeg*

In 1990, Manitoba became the first province to open for-profit casino gambling with the Crystal Casino in Winnipeg. The Manitoba Lotteries Foundation, a government agency, maintains ownership and operations responsibility for the casino, which generated approximately \$152 million in 1995-96 (Black, 1996). The level of crime appears to have increased within the first two years of the casino opening, and several major incidents have raised concern (Horrobin, 1993). A major Baccarat scam in May 1992, centred around a crooked dealer and several patrons, who are alleged to have defrauded the casino of \$750,550 during an eight month period (Ha, 1996). Additionally, arrests for fraud and embezzlement escalated tremendously, and money laundering became a problem after the casino opened. Gambling addiction climbed, which in turn led to more domestic disputes and personal bankruptcy. When the casino was on the second floor of the city convention centre, there were problems of drunks, crowd control, mugging, and disorderlies. The facility was wide open and anybody could walk in anytime with no checking or screening. The impact on police decreased after the location was moved to the seventh floor, a dress code was imposed and alcohol was no longer permitted (Horrobin, 1993). Although the Winnipeg casino was supposed to increase tourism, approximately three-quarters of the patrons are local (MacIsaac, 1994). Furthermore, the alleged economic benefits of gambling were not confirmed as of spring 1996 (Black, 1996).

*b. Regina*

Western Canada's largest casino opened in Regina in January, 1996. The Saskatchewan Gaming Corporation released first-quarter results showing profits of \$1 million on revenues of \$10 million between April and June. Attendance figures average about 120,000 visits a month, due to a large number of tourists taking bus trips to Regina from Winnipeg, Edmonton and Calgary. No crime statistics are available at the present time; however, predictions have indicated a potential for a variety of problems. This includes: alcohol related traffic offences, drunk and disorderly behaviour, and opportunity for petty theft, drugs, prostitution, fraud, embezzlement, and money laundering (Wallace, 1995).

*c. Montreal*

Casino de Montreal opened in October 1993 under the ownership and operation of Loto Quebec, a government owned crown corporation. Net profit to the province during the first six months of operation was \$70 million. Policing of the casino is the responsibility of the regional district, and there have been some problems with crime. Casino security reported to the police that some patrons were buying lots of gambling chips before cashing them back in an attempt at money laundering. This led to an investigation that resulted in 31 Montrealers, including an alleged Mafia member, being arrested and charged with drug trafficking. Also a criminal ring that preyed on casino winners was arrested in May 1996. According to police, the group had a spotter who looked for big winners, followed them to the parking lot, and called accomplices on a cellular phone to give them the licence plate numbers. Several robberies were reported, with patrons losing from \$1,000 to \$7,000. Murder/suicides by compulsive gamblers patronizing the Montreal casino have also occurred (Ha, 1996). The average daily attendance is 7,000 and peaks at almost 13,000 on weekends. At Montreal's casino, as many as 95 percent of visitors are from within the province, although the number decreases to 80 percent during the summer.

*d. Windsor*

Windsor Castle opened in May 1994. The casino is subject to tight provincial control on all aspects of its operation because it is owned by the Ontario government through a Crown Corporation structure. However, construction costs, financing and operational responsibilities are undertaken by a private sector consortium of American companies. No portion of gaming revenue is paid to the city, although the casino must pay property taxes and extra policing costs. With respect to crime, a study suggests that crime in the casino area was historically low and continued to remain low after the first year of opening (Walker and Piers, 1995). Most incidents near the casino were minor, generally related to loud noise and disorderly conduct, and were quickly resolved. The serious incidents took place late in the evenings and involved female tourists being victimized by local males. However, reported violent and non-violent crimes city-wide continued to drop. The Ontario Casino Corporation (OCC) pays \$1 million a year for 25 extra police officers to patrol the downtown area. Possibly due to increased police presence, visibility and crime prevention strategies downtown, merchants and resident were more satisfied with the police service and have felt safer since the casino opened. In general, the casino has not affected the nature of crime city-wide or within the casino vicinity (Walker and Piers, 1995).

## 2. United States

### *a. Atlantic City*

Since casinos opened in Atlantic City (1978), they have provided little long-term gain. Poverty is still high, the population has shrunk and new jobs are mostly low-end service positions. Additionally, main street businesses went bankrupt soon after the casinos opened (MacIsaac, 1994). During a 16-year period, the revenues totalled \$44 million. However, the community lost 26 percent of its population and 100 of the 250 restaurants that were there prior to the casinos opening (Goodman, 1994). The city has the highest unemployment rate in the state and a lot of homelessness (Corelli, 1994). Furthermore, the crimes of murder, forcible rape, aggravated assault, robbery, burglary, larceny, and motor vehicle theft increased by 211 percent since the introduction of casinos, compared to a six percent increase for the remainder of the state (Goodman, 1994). Atlantic City Police Department statistics for 1990 show that 67 percent of all crimes in Atlantic City were committed within the proximity of casinos. In the three years following the casino openings, Atlantic City went from 50th in the nation in per capita crime to first (Goodman, 1994).

### *b. Cripple Creek*

When Cripple Creek Casino opened in Colorado in October of 1991, it made a significant impact on the policing requirements for the town according to the Chief of Police (reported in Illinois State Police, 1992). The department increased its officers from three to 22 (plus an additional six dispatchers). Prior to the casino opening, emergency service departments (fire, ambulance, and police) received approximately 40 calls per month. After the casino opened, they began to receive approximately 49 calls per day, which is about a 214 percent increase. Arrests from driving under the influence of alcohol have increased from approximately four per year to one per week. The majority of crimes handled as a result of the casinos are alcohol related, including driving under the influence and disorderly conduct. Law enforcement stifled two prostitution start-up attempts. Overall, casinos did not positively impact the city (Illinois State Police, 1992).

### *c. Gulfport*

A casino opened in Gulfport, Mississippi in May 1993, causing a serious impact on crime. The overall crime rate for Gulfport had declined 42 percent from 1988 to 1993, but increased 79.3 percent from 1993 to 1994 according to police officials ("Casinos and Crime", 1994). Alcohol-related sexual assault was a major problem, along with domestic violence, bank and street robberies, and organized Oriental gangs. Drug problems emerged due to the increased disposable income of casino employees. The use of heroin, LSD, powder cocaine, Ecstasy and other illicit drugs, in all segments of the community continues to rise. The problems of gambling addiction were evident, as embezzlement of cash escalated and Gambler's Anonymous chapters grew. Prostitution also became a problem; the police department charged six escort services with prostitution, and before casinos, there was no such charges ("Casinos and Crime", 1994). It was evident that Gulfport suffered from casino-related crime problems in its first year.



### 3. Summary of Cities with Casinos

In the United States the economic gain has been accompanied by a host of social problems. Some provinces in Canada have been generating a large amount of revenue through gambling. Again, however, there has been a significant impact on police workload and crime statistics in most cities with casino gambling. Although some cities indicate a decrease in calls for service after casinos were introduced, most show substantial increases. A majority of the cities demonstrated a huge increase in property crime as well as violent crime. For the cities where crime did not rise, a possible explanation may be the substantial number of additional police officers whose presence on the streets reduced the opportunity for crime to be committed. It must be noted that compulsive gamblers first exhaust savings, then run credit cards to the limit; eventually they may resort to theft, commit property crimes, or engage in other illegal activities. Thus, there may be a time lag before the true impact of casino development is felt.

## D. IMPACTS OF GAMBLING

### 1. Crime and Policing

Casino gambling may bring many changes to a city including, among other things, increased crime—including both property and violent—possibly organized crime, prostitution, disorderly conduct, and traffic congestion. It is probable that casino gambling will generate increased demands on a police service, related to calls for service and concern for safety and security of both residents and patrons (Wallace, 1995). A casino provides a meeting place where large amounts of money, social activity and alcohol are present. These interactions create potential and/or opportunity for incidents to occur, which result in requests for assistance from police beyond the existing demand for service. Existing knowledge about organized crime, spin-off crime, and impact on police resources, in relation to casino development, is discussed below.

#### *a. Organized crime*

Much has been written about the potential increase in criminal activity due to the presence of casinos, particularly in terms of organized crime. Casinos are especially vulnerable to criminal infiltration, and their appeal to organized crime members is great. Beare and Hampton, 1984 (cited in Jones, 1993) have described several reasons for their appeal. First, casinos involve large cash flows that cannot be monitored at all points regardless of elaborate internal controls. Second, casinos offer the possibility of laundering illegal money. Finally, easy credit in casinos enables criminals to legitimately borrow funds to finance criminal activities. Gambling is attractive to organized crime because there is opportunity for a large amount of profit to be made. Casinos do not record each win or loss incurred in the gaming transactions at the tables. Therefore, money obtained from illegal drug transactions could be claimed to be casino winnings, as it is difficult to verify or refute a claim that large amounts of money were won at casinos. Casinos also provide a place for organized criminals to gather and conduct their activities (Jones, 1993).

Casino management can be placed in a compromising position by organized crime members through their control of various key operations associated with a casino. This includes the control of supplies of food, alcohol and non alcohol beverages, hotels, entertainment, waste, vending machines, linen, construction, maintenance, and gaming equipment (Illinois State Police, 1992). Vending businesses have historically been used by organized crime to influence casino ownership, investment, management, and finances. Other illegal activities such as rigging construction bids, kickbacks to owners and corruption among personnel who service the electronic gambling devices are also possible. Organized crime members find casinos to be a lucrative business. Criminals and other undesirables may relocate to Calgary if they perceive new opportunities to be opening up.

The Criminal Intelligence Service Canada (CISC), confirms that organized crime is interested in gambling. The ancillary services attached to casinos often serve as entry-points for organized crime and may escape the early notice of security agencies involved (Criminal Intelligence Service Canada, 1996). Although casino personnel are vigilant and work closely with police, opportunities for infiltration of gambling venues are increasing as more casinos open. The Calgary Criminal Intelligence Section (CCIS) concurs with the opinion of CISC with respect to organized crime. CCIS feels that the increased interest in the casino business in Calgary could lead to an increase in organized crime's involvement in these ventures. Members of the CCIS unit believe this would have a direct impact on the economy and citizens of Calgary as well as the policing response of the Calgary Police Service.

The Windsor Casino Intelligence Unit is a joint forces operation of Windsor Police, O.P.P., Canada Customs, and Immigration Canada. This unit was created for the sole purpose of monitoring casino activity. Amongst other objectives, the unit aims to monitor all criminal elements in order to prevent organized crime from gaining a foothold in the Ontario casino gambling industry (Windsor Police Service, 1995). The Windsor experience may provide valuable lessons for other cities undergoing casino expansion.

#### *b. Spin-off Crime*

Casinos provide the focal point for many different types of crime to be perpetrated by and against gamblers, and other opportunistic individuals who are attracted to the lifestyle. Gamblers who have exhausted all of their money sometimes turn to crime to support their habit. They become involved with all types of offences including commercial, financial, or street robberies, theft, and fencing of stolen articles.

According to economist and casino expert William Eadington, white collar crime is also growing as more gamblers attempt to acquire funds through their place of employment (Corelli, 1994). Some gamblers try borrowing money (either by fraud, embezzlement, or theft) with the intent of replacing the funds after a big win. Some gamblers are involved with forgery/counterfeiting and passing bad cheques. Although there may be an increase in crime connected to any development that attracts thousands of visitors each day, certain types of crime are more frequently associated with casinos because so much cash trades hands. Individuals who possess (stolen) marked money can easily spend the money in a casino without fear of apprehension.



Casinos may attract thousands of people per day at any time, and gaming establishments tend to attract criminal elements. A casino introduces a new focal point for activity in an area, creating the potential for prostitution, pandering and drug trafficking to enter the area due to the increased number of possible clients and availability of money. Calgary already has numerous prostitutes; their numbers expand greatly with the increase in the tourist population during the Calgary Exhibition and Stampede. Thriving on the anonymity of the steadily changing tourist population, resulting from increased casinos, many sex trade workers and their pimps may choose to stay in Calgary permanently (Dobell and Beasley, 1994).

Other crimes such as assaults, drunk and disorderly behaviour and disturbances also occur in the casinos themselves. Social implications resulting from gambling problems such as spousal and child abuse, eventually affect society. Gamblers have been the victims of violent crimes, as in the case of follow-home robberies, in which culprits observe individuals in the casino and target anyone who wins a large amount of money.

Public fear of increased crime, uneasiness with having a great number of strangers in the community, as well as concern over maintaining comfortable levels of order are problems that arise with the development of casinos. With an excess number of people, there is less familiarity among members of the community and natural surveillance declines. The safety of residents from street level crimes, including robbery, assault, theft, and break and enter, is also an important factor in the decision to continuing living in a certain area. The perception of unsafe conditions by casino visitors, guests, or members of the surrounding community, can undermine the success of casinos (Windsor Police Service, 1995).

### *c. Police Resources*

In a number of cases increased casino activity led to an increased crime rate and calls for service. This may be the result of the huge increase in people attending the casino, as well as the nature of the activity itself. A visitor population may require more police attention than local populations as crime increases with an increased population for several reasons. One reason is that the casino patrons may commit crimes while in the city. This has been suggested by police officials because the visitors are transients who come to the city to gamble and drink. Other reasons relate to the tendency for visitors to be more mobile, far more active, generally transient and not very familiar with the city. By their nature, visitors are potential targets for robberies, assaults, and other street crimes (Horrobin, 1993).

The success of a casino is contingent on how comfortable the gambling experience is for its customers. Casino gambling requires that patrons perceive the casino and surrounding area to be safe. Neither residents nor visitors will return to a casino where they do not feel safe, and patrons need to feel safe outside as well as inside. Individuals may move out of a community in which a casino exists if they feel uncomfortable. Police visibility has been suggested as a means of creating a feeling of safety in a casino area. In Windsor, safety is perceived due to the visible presence of 25 new police officers hired by the Windsor Police Service and funded by casino operations. Presently, Calgary residents pay for policing but may object to providing further remuneration for additional police services needed as a result of casino gambling.

Policing is also affected by an increase in traffic problems and the need for crowd control associated with casinos. There is no question that a casino will bring a significant number of people into the city on a daily basis, resulting in increased vehicular traffic. Problems to be expected because of this include more traffic accidents, violations, congestion, and parking problems. There may be an impact on the Traffic Section, Field and/or District personnel because of the increased need for enforcement and accident follow up. Also in cases where accidents involve injuries or impaired drivers, resolving these incidents is labour intensive and time consuming. This may result in overtime and extra court time.

To prevent organized crime, intelligence gathering and anti-gang/organized crime information is required. This requires extensive resources as demonstrated by the Windsor Police Service. In Windsor, there were 77 counterfeit currency incidents at the casino within the first six months of operation. There were only 87 incidents elsewhere throughout the city. Additionally, reports of loan sharking, arsons, and conspiracy outside of the casino illustrate the need for the collection of intelligence information.

The impact of more casinos on police services in Calgary will likely be significant, as an increase in people in a community increases the need for police protection. Casinos tend to attract more people to an area, including more potential victims and more offenders, which increases the opportunity for crime (Horrobin, 1993). While areas adjacent to casinos will likely be most affected, some impacts will be city-wide. With the possibility of increased calls for service, existing manpower levels may not meet the demand. Visible police presence may provide some deterrence, but this will direct police from their regular duties of investigating and enforcing laws. Various types of activity will have many different consequences for policing, and the impacts will far exceed simply the need for more uniformed police officers. Based on the experience of many cities, casino gambling has the potential to greatly affect a community by dramatically increasing criminal activity and severely straining the operation of various local criminal justice agencies. It is important to address the issue of police responsibility and availability to ensure the safety of everyone inside the casino area, as well as the surrounding community.

## 2. Calgary Casinos and Crime

The three casinos that were operating in Calgary from 1991 through 1995 were examined to determine what types of offences occurred at these locations. In order to capture all offences associated with casinos, data were generated from two sources. The first source consists of a list produced from the Police Information Management System (PIMS) by conducting a query of all reported offences associated with the specific address of a casino. This was performed for the three casinos in Calgary (the fourth casino did not open until July 1996, therefore data was not available). Information Systems Services (ISS) generated the second data set, which consists of all calls for service that resulted in an officer attending the scene. These complaints are referred to as Computer Aided Dispatch (CAD) calls, and may have been dealt with either informally or in the form of an official report. The findings in this study are presented in terms of incidents reported to the police. A particular case may involve more than one offence, and if this occurred all offences were included.

*a. Incidents in Calgary*

Table 1 depicts all reported offences that occurred on the property of casinos in Calgary. It appears that the number of offences has fluctuated moderately from year to year, peaking in 1992. Through the years 1991-1995, the most often reported offences were theft under from vehicle, theft under from person, and mischief to property.

Crimes against persons were not as prevalent as property crimes as there were only one to three robberies and assaults reported per year. Of the five robberies committed in 1993, four occurred in a one-month span at the Stampede Casino, and were believed to have been committed by the same person. Each of the eight assaults committed in 1991, involved two victims who were security guards escorting unruly patrons out of the building.

Table 1: Reported Incidents for Three Calgary Casinos (1991 - 1995)

Type of Offence *	1991	1992	1993	1994	1995	Total
Theft Under \$5000 (from vehicle) **	19	28	13	7	13	80
Theft Under \$5000 (from person)	7	11	5	2	3	28
Mischief to Property under \$1000	8	4	3	5	8	28
Theft Over \$5000 (from vehicle)	2	5	6	2	2	17
Assault	8	1	3	2	3	17
Robbery	1	3	5	3	2	14
Petty Trespass	2	2	2	5	3	14
Theft Under \$5000 (from casino and other)	0	4	2	1	2	9
Counterfeiting	1	0	1	3	2	7
Break and Enter	2	1	1	0	1	5
Causing a Disturbance	0	2	1	0	1	4
Cheating at Play	0	0	1	0	3	4
Defraud under \$1000	0	0	1	0	1	2
Utter, Convey, Cause Threat	1	0	0	1	0	2
Theft Over \$5000 (from casino and other)	0	0	0	0	1	1
Possession of Stolen Property	0	0	1	0	0	1
False Fire Alarm	0	1	0	0	0	1
<b>Total Offences per Year</b>	<b>51</b>	<b>62</b>	<b>45</b>	<b>31</b>	<b>45</b>	<b>234</b>

\* Generated from PIMS in October 1996; reflecting all complaints reported to police (walk in to a police station, or police attended scene).

\*\* On February 15, 1995 the dollar value of theft changed to over and under \$5,000; each complaint was examined and placed in the appropriate category to ensure consistency.

On the surface, the data suggest that the number of casino-related offences is not very significant. However, when considering the data an important limitation of the search strategy must be noted. Searching by casino address alone fails to capture casino-related offences that occur at other locations. These offences are virtually impossible to retrieve, as it would require case files to be read and analyzed individually; a difficult and time consuming task. Field investigators have indicated that some patrons have been followed from casinos and victimized at other locations. Therefore, if the numbers were available, they would probably reveal higher levels of casino-related crime than is conveyed by Table 1.

Another perspective on crime at casino locations is provided by CAD data on calls for service. As indicated by Table 2, the most common CAD calls pertained to parking complaints and people refusing to leave the casino. *Motor Vehicle Collisions, Suspicious Person/Auto, Argument/Disturbance/Fights, Drinking/Drunk in Parking Lot* were also common calls made to the police. Of significance, it should be noted that four complaints were made about parents leaving their young children in the car while they gambled in the casino.

Table 2: Computer Aided Dispatch Calls for Three Calgary Casinos in 1995

Type of Complaint*	1995
Parking Complaint	13
Person Refusing to Leave Casino	11
Motor Vehicle Collisions	9
Suspicious Person / Vehicle	8
Argument / Disturbance / Fight	8
Drinking / Drunk in Parking Lot	6
Theft	5
Children Left in Vehicle	4
Wanted Person at Casino	3
Alarms	3
Person - Accident / Collapse	2
Property Damage	1
Under Age Gambling	1
Suicide Attempt	1
<b>Total Complaints</b>	<b>75</b>

\* Calls made to police that resulted in police attending the scene. Some calls may have been dealt with informally, and not resulted in official reports.



Detectives from the Commercial Crime Unit indicate that frauds committed by gamblers costs employers large amounts of money in Calgary. A number of frauds went virtually unnoticed for many years. Several trusted employees with access to funds took several hundred thousand dollars from their employers during 1995. These individuals included a nurse, a receptionist, and a caretaker couple who utilized a variety of elaborate schemes to steal money without being apprehended for several months. All admitted to having a gambling problem and stealing to support their habits. Commercial Crime detectives also indicate that the passing of counterfeit money is prevalent at casinos, especially during the Stampede. Many counterfeit American bills are used at casinos and are less likely to stir suspicion when there are so many tourists in the city.

*b. Prevention through environmental design*

The concept of Crime Prevention Through Environmental Design (CPTED) appears to effectively reduce the opportunity for crime. There is a great deal of knowledge regarding the relationships and causal links between street design, traffic control and behaviour management. CPTED is based on the principle that a proper design and effective use of the environment can reduce the fear and incidence of crime and improve the quality of life (Crowe and Zahm, 1994). The Calgary Police Service Crime Prevention Unit provides CPTED evaluations when requested and can make recommendations to enhance security.

There are various CPTED concepts that must be considered when examining a proposed casino location. There must be proper access control including doors, shrubs, fences, gates or other physical elements to discourage individuals attempting to prey on others. Surveillance must also be achieved by placing windows in locations that ensure intruders will be observed. Surveillance is enhanced by providing adequate lighting and landscaping that allow for unobstructed views. Finally, territory must be established by putting up fences to create boundaries between public and private areas. The goal of surveillance is to avoid designing blind spots and allow supervision of open areas that legitimate residents can use in a safe manner. Closed circuit television, alarm systems, and security officers are also important. It is suggested that casinos be placed in well populated areas, because offenders have more opportunity to commit crimes in areas characterized by abandoned buildings, less traffic and less surveillance (Crowe and Zahm, 1994).

**3. Community Impact**

A casino will have its strongest impact on the community surrounding it. The impact may be in the form of traffic, housing cost increases, fear of crime, and economic problems. The most immediate impacts include traffic congestion and parking problems. Customers visit casinos at varying times of the day, causing congestion in city streets and lengthening commuting time for residents. Traffic jams at closing time are also a problem. Casino customers may occupy parking spaces, preventing residents from completing business or personal errands. Vehicle noise in addition to the excessive noise of people talking at closing time often in the early hours of the morning may disturb residents. The better the infrastructure in terms of available capacity to accommodate the influx of tourists, the better the community will adapt to casino gaming and the fewer problems there will be (Ewart, 1994).



Large casinos may also negatively affect the availability of affordable housing. The result of insufficient housing forces the cost of housing upward (Ewart, 1994). Low income housing may be purchased and renovated for middle income families while at the same time forcing low income and fixed income people out of their homes in search of alternative housing. It may be argued that this situation is beneficial in that unsightly residential areas may be renovated and revitalized, and people who sell their substandard homes could then afford nicer homes (Ewart, 1994). However, the unemployed or economically disadvantaged run the risk of losing their housing, possibly resulting in more homelessness.

#### 4. Economic Impact

In addition to the harmful social considerations associated with criminal activities, there are some other costs to society. There are increased costs of policing, prosecuting, judging and incarcerating offenders. This is especially true when discussing addicted individuals who require treatment. In 1985, it was estimated that, excluding trial and incarceration costs, the social costs of gambling amounted to an average of \$56,000 per patient in the United States (Politzer et al., 1985 cited in Illinois State Police, 1992). Street crimes also result in damage to personal property of those who are victimized and additional costs to insurance companies.

According to a study conducted by the WEFA Group of Philadelphia in March 1994, economic growth and job creation diminish crime. They imply that overall crime rates tend to be lower in areas where per capita incomes are rising, holding constant population density. There is a similar relationship between per capita income growth and property crime rates. Crime rates also tend to be lower in areas where a high percentage of the population is in the work force. Furthermore, in areas where incomes are rising educational attainment tends to be higher. These are also areas in which unemployment rates are low and a high percentage of the population is in the work force. The group suggests that the casino industry, by stimulating growth of jobs and incomes, can contribute to economic development in the area, and the achievement of higher educational levels. There may be indirect effects as well because of the training casinos provide to new employees. Thus the industry, by contributing to greater economic growth and community affluence, may also help keep young people in school and help diminish local crime rates (WEFA Group, 1994a).

It is not necessarily true that casinos create jobs, since spending at casinos diverts money away from other businesses resulting in those jobs being lost. Depending on how many outside visitors the casino attracts, and the impact the casino has on other businesses, there could be a net decrease in the number of jobs in the city. Furthermore, long-term unemployed individuals may face difficulties in acquiring casino jobs because of casino security requirements. Individuals with poor credit histories and arrest records are unemployed quite often, and would not obtain employment in casinos. Thus, many of the people who need to be employed, would be ineligible for casino employment.

Thus, although casinos have the potential to create revenue, they have not always achieved this. In fact, casinos can negatively impact an economy. Economists generally agree that casino spending by local residents brings the least significant benefit to the local economy, and is only beneficial if

they gamble money that they would otherwise have saved or spent outside of the city. William Thompson, professor of public administration at the University of Nevada and an expert on gambling economics, indicates that a casino must draw at least 50 percent of its wagers from tourists to generate any new wealth for its community (MacIsaac, 1994). Otherwise, the effect is simply to redistribute money within the local economy and generate a large tax revenue for government.

Traditionally, casino customers have spent their money at the casinos, and have shown little interest in off-site amenities of the city (CREN, 1992). The aim of a casino is to keep visitors within its walls by meeting every need, thus making trips into the rest of the city unnecessary. This may cause unfair competition with downtown restaurants and hotels, since a casino can restructure how some local residents and visitors spend their entertainment money. Moreover, most visitors do not stay in the city long enough to spend significant amounts of money at other businesses.

When gambling is introduced into a community, people substitute gambling into their expenditures in the place of something else. While this is beneficial to casino profits, it tends to weaken the economy by decreasing the amount spent on other businesses. High spending by local residents could divert money away from existing businesses which cannot compete with casinos, and therefore die out (Goodman, 1994). Economic benefits may come at the expense of existing businesses such as bowling alleys, racetracks, restaurants, bars, along with many other businesses. As gambling has grown so rapidly in the last several decades, many people assume that it will continue to grow at high rates, yet there is already evidence that growth is slowing. As more casinos are opened and other forms of legal gambling become more widespread, there becomes less need for casinos. Simply because money has been made in the past, there is no guarantee that money will be made in the future.

## E. GAMBLING ADDICTION

Compulsive gambling was first defined by the American Psychiatric Association in 1980 as a disorder of impulse control. An individual must have "a chronic and progressive failure to resist impulses to gamble, and gaming behaviour that compromises, disrupts, or damages personal, family or vocational pursuits" (American Psychiatric Association, 1987). Gamblers are characterized by one or more of the following characteristics: repeated losses and repeated returns to win back losses; neglects social, occupational, or educational obligations when gambling; abandons important social, occupational or recreational activity in order to gamble; and continues to gamble despite an inability to pay debts or other social, occupational or legal problems that result from gambling (American Psychiatric Association, 1987). It is estimated that for each addicted gambler, 10 to 17 other people — family members, employers, employees, crime victims, creditors — are negatively affected by the addict's behaviour (Poltzer et al., 1992 cited in Dobell and Beasley, 1994).

### 1. Family

Compulsive gambling is a serious and growing problem which affects not only afflicted individuals but also members of their families. The proportion spent on gambling falls as income rises, thus

compulsive gambling may create serious problems for families at lower income levels. Lorenz and Yaffee, 1988 (cited in Jones, 1993) found serious problems within the families of compulsive gamblers, including harassment by bill collectors and physical violence between the gambler and spouse. The effect of gambling on families is considerable as gamblers may use money that should be used to pay for necessities, bills, or rent to gamble. A New Orleans study notes that there is a strong relationship between unsatisfactory marital situations and the level of gambling (Dielman, 1979 cited in Illinois State Police, 1992). As gambling rises, increases are observed in divorce or separation, disagreements about money, lack of understanding between spouses, and behavioural problems in children. Children, especially, seem to suffer and many develop a greater tendency to become problem gamblers as adults (WEFA Group, 1994b).

The potential for violence, abuse and neglect increases among family members of the problem gambler. There have been numerous incidents of parents leaving their children in their cars in the parking lots of casinos. These children often remain unattended all day, as their parents gamble and lose all track of time. As compulsive gambling disrupts the life of the person and that of his or her family, a need for treatment arises. This can offset a considerable portion of public benefits for which the casinos were introduced. There must be some established programs for reaching and treating problem gamblers. Currently, AADAC and Gamblers Anonymous (a self-help group modelled after Alcoholics Anonymous) are the only treatment resources to help families cope with gaming related problems in Alberta.

## 2. Youth

The segment of society experiencing the highest increase in addicted gambling is teenagers, which is also the group that is experiencing the highest rate of growth in violent crime (Walchak, 1996). Some teens are getting into trouble gambling, as shown by a study released by AADAC in May 1996, which indicated that in Alberta 67 percent of adolescents gamble while 33 percent do not gamble at all (Wynne Resources, 1996). Of the study sample, 44 percent are non-problem gamblers, 15 percent are considered "at-risk" for developing a gambling problem, and 8 percent are problem gamblers. The study also found that Alberta adolescents are four times more likely than adults to be at-risk and experience some problems with their gambling (23 percent versus 5.4 percent). This finding is consistent with studies from other provinces.

An Ontario study suggested gambling-related problems are four times more prevalent among those aged 12 to 19 than those aged 18 to 74. It was also found that 4 percent of Ontario adolescents were problem gamblers and 33 percent had some gambling problem. Another study conducted in Quebec City indicated that 10 per cent of gambling high-school students were involved in illegal activities such as stealing from their parents or shoplifting to sustain their habits (McLeod, 1996). In a sample of Windsor high school students, 10.8 percent were problem gamblers and 16.6 percent were at-risk gamblers (Wynne Resources, 1996). A disturbingly large number of adolescents in various cities seems to have developed a serious gambling problem.



### 3. Work

According to Henry R. Lesieur, the workplace is affected by compulsive gamblers (Goodman, 1994). Absenteeism, tardiness, and reduction in work performance may be caused by casino gambling. A gambler may suffer from impaired judgement, inefficiency, and lost productivity. Furthermore, the gambling addict may be stressed due to heavy losses, indebtedness and efforts to break even. Money may be borrowed from other employees, and advances may be taken on their salary. An employee may also steal from work or engage in illegal activities to acquire money to support the habit or pay debts (Lesieur, 1987 cited in Jones, 1993). Compulsive gambling has been linked to increases in white collar crime — embezzlement, fraud, and other illegal activities. Alcohol consumption is positively related to gambling, and may be related to drunk driving and alcohol related violence. Eventually, the gambler will face loss of employment. The stress of unemployment may lead to depression and physical illness, and increased suicide attempts. It is believed that addicted gamblers have a suicide rate five to ten times higher than the rest of the population (Lesieur, 1991 cited in Goodman, 1994).

### 4. Gambling Addiction in Alberta

In Alberta, where small charity-run casinos have operated for over 20 years and where more types of wagering are offered than in any other province, several studies raise concern about the level of gambling problems. A 1994 study (Wynne Resources, 1996) of the adult population of Alberta, estimated that 1.4 percent of all adult Albertans have experienced severe problems associated with their gambling in the previous 12 months. Moreover, Gambling and Problem Gambling in Alberta, a 1993 study commissioned by the Alberta Government concludes that lifetime problem gamblers make up 8.6 percent of the Alberta adult population. Addiction to gambling affects one in 20 Albertans, and is one of the highest rates in Canada.

With the introduction of VLTs, some Albertans think that problem gambling is on the rise. In fact, before the Province placed the VLTs in bars and taverns in Alberta, it announced that it would increase programs for compulsive gamblers to help deal with the inevitable increase in the number of gambling addicts as a result of the proliferation of VLTs. Lotteries Minister Steve West conceded that the province may have erred by allowing VLTs into bars rather than restricting their use to just casinos (Corbella, 1996). JX

While problem gambling has existed for a long time, there are some indications that VLTs are among the most addictive forms of gambling. The Alberta Alcohol and Drug Abuse Commission (AADAC) decided to add gambling to its mandate January 1994 by establishing a help line in Calgary; it received 2,713 calls in 1995-96. Counsellors at AADAC indicate that this represented an 83 percent increase from 1994-95. VLT users account for 60 percent of the calls to the AADAC problem gambling hotline. In addition, approximately 2,200 problem gamblers were admitted to the new outpatient treatment program at AADAC in 1995-96 which is almost double from 1,300 patients during 1994-95 (Walker, 1996).

There is considerable evidence that spending on gambling is not evenly distributed throughout the population. A 1993 Manitoba survey found that 9 percent of VLT players could be classified as problem gamblers, and a South Dakota study found that VLTs and slot machines attract the highest monthly spending on gambling. An Alberta study (Smith and Pitter, 1985 cited in City of Calgary, 1995), showed that female problem gamblers are typically poor, single, non-white, poorly educated and working at low-level clerical positions or unemployed. The authors state that VLTs are cheap, easy to play, provide immediate results, and are in bars which offer a social atmosphere. Less than 20 percent of Albertans had ever used VLTs, which indicates that revenues are collected primarily from a relatively small segment of the population, based neither on benefits received nor on ability to pay (City of Calgary, 1995).

### 5. Consequences of Addiction

Compulsive gambling is an addictive disorder similar to alcoholism and substance dependency. Gamblers tend to gamble longer than intended and with more money than intended. According to an Alberta study, people at lower income levels generally spend more on casinos and bingos (City of Calgary, 1995). Some become obsessed with recouping losses, and borrow money to gamble, hoping to get lucky. Like substance abusers, gamblers try to curb and quit their addiction. When and if addicted gamblers seek treatment, they are often broke, unemployed and alone. Compulsive gamblers often become involved with illegal activities once legal avenues of procuring funds are exhausted.

Social costs of gambling addiction are extremely difficult to calculate, but there appears to be reason for concern. One study (Politzer et al., 1992 cited in Dobell and Beasley, 1994) estimated a pathological gambler (not including youths) costs American society about \$30,000 per year, for a total cost of \$80 billion. Calgary may have some 7,816 problem gamblers (this is based on the 1994 study by Wynne Resources of the adult population of Alberta, which estimated that 1.4 percent of all adult Albertans have experienced severe problems associated with their gambling in the previous 12 months). Translating Politzer's social cost per gambler to around \$40,000 (current Canadian dollars), problem gamblers may already cost society over \$312 million per year in Calgary. As this type of research has not been conducted in Canada, the numbers are unknown; however, if the true figures are close to the United States, the effect is serious.

It is apparent that the addictive effects of gambling exact a huge social cost from society; a cost that must be considered by policy makers in contemplating the addition of more casinos. Responsible casino operators have recognized the importance of taking steps to discourage problem gambling by customers. The approach emphasizes information, awareness, and prevention, and includes support for a telephone gambling addiction hotline. Nevertheless, the effects of compulsive gambling may cause irreparable damage.



## F. CONCLUSION

The benefits of casino gambling may include tax revenue generation, job creation, urban redevelopment, tourism stimulation, increased spending, and funding for charitable organizations (Corelli, 1994). The costs include increased crime, increased organized crime activities, a deterioration of businesses in the area, an increase in compulsive gambling of the residents, increased prostitution, an increase in transient population, and increased exposure of youth to corruption. (Illinois State Police, 1992). There is no guarantee that a casino would not bring with it crime. As a result, local businesses may suffer as residents and patrons would shy away from going to crime laden areas, particularly in the evening.

The possible impact on policing may be immense. Incidents may require extensive follow-up, administrative action, investigation, undercover and surveillance work, and other police services that are resource intensive (Horrobin, 1993). The Casino in Windsor has been relatively crime free due to a visible police presence in the areas surrounding the casino. As a majority of the other cities with casinos have had increased crime, it appears that Calgary might learn from Windsor's experience.

Vancouver city planners have indicated that casinos are not compatible with the city's image (Dobell and Beasley, 1994). Those who desire to protect and enhance Calgary's image might apply similar reasoning. Calgary is renowned worldwide for its spectacular setting, its safety, and variety of entertainment and recreational activities, as well as an enviable quality of life. Calgary could experience an image problem associated with gambling and the increased criminal activity which would accompany it. This could threaten the already booming tourist industry.

Casinos have not demonstrated that they can actually create wealth rather than redistribute money. Gambling results in changes in the structure of expenditures, benefiting some businesses and harming others (Black, 1996). There are also social costs which cannot be effectively measured in dollars. Experts on gambling addictions state that the social stigma once associated with gambling has been removed. As gambling is now an acceptable form of recreation, more people may be inclined to try it. Of those who try gambling, a certain percentage will be likely to develop a gambling addiction.

The social fabric of families may be threatened, and with the increase in gambling revenues to the province, Albertans are concerned about problems with compulsive gamblers. It is not good public policy for the government to become dependent upon the misfortune of its people to finance its operations (Walchak, 1996). The research on casino gaming has provided insight into some of the potentially negative aspects of the industry, specifically those dealing with crime and social problems. In deciding whether to legitimize gambling on a larger scale than already exists, the potential economic benefits must be carefully weighed against the costs. The effect of gambling on human lives is considerable, and must not be overlooked when considering an expansion of this type of activity.

## REFERENCES

American Psychiatric Association (1987). Diagnostic and Statistical Manual of Mental Disorders, Washington, D.C. : Author

\* Black, E. (1996). Gambling mania: Lessons from the Manitoba experience, *Canadian Public Administration*, 39, (1), 49-61.

Criminal Intelligence Service Canada (1996). Annual Report on Organized Crime in Canada.

Chase, S. (1996, September 5). VLT profits soar. *Calgary Sun*, p.7.

Citizens' Research Education Network, (1992). The Other Side of the Coin: A Casino's Impact in Hartford.

City of Calgary, (February 1995). The City of Calgary Submission to the Provincial Lottery Review Committee.

Clark, J.R. (1996). Is casino gambling a boon for law enforcement? You bet. *Law Enforcement News*, 22 (449, 450), pp.1, 7, 8, 10.

Corbella, L. (1996). VLT revenue reaped from misery, *Calgary Sun*.

Corelli, R. (May 30, 1994). Betting on Casinos. *Macleans* pp. 26 - 31.

Cox, W. (1996, August). Indian bands counting on casinos. *Calgary Herald*, p.A10.

Crowe, T.D. & Zahm, D. L. (1994). Crime prevention through environmental design, *Land Development*, Fall issue 22-27.

Cunningham, J. (1996, October). Sunday gambling a good bet, *Calgary Herald*, p.B1.

Cunningham, J. & Ferguson, E. (1996, August 31). Casinos run into red, *Calgary Herald*, pp. A1, A2.

Dobell, K. & Beasley, L. (1994, August). City of Vancouver Casino Review - A Discussion Paper. Produced for City of Vancouver.

Evart, C. (1994, May). Casino Gaming and the Unwary Host Community - Lessons Learned. A paper presented at the Ninth International Conference on Gambling and Risk - Taking, Las Vegas, NV.

- Goodman, R. (1994). Legalized Gambling as a Strategy for Economic Development. United States Gambling Study. Funding provided by the Aspen Institute and the Ford Foundation.
- Government of Alberta (1996, April). Native Gaming Committee Report and Recommendations on Native Gaming.
- Ha, T.T. (1996, May 7). Casinos' image now a little tarnished, *The Globe and Mail*. \*
- Horrobin, B. (1993, January). The Impact of Casino Gambling on the Windsor Police Service. Windsor, On: City of Windsor Police Service.
- Illinois State Police, Division of Criminal Investigation Intelligence Bureau. (1992, April). How Casino Gambling Affects Law Enforcement.
- Jones, R. A. (1993, August). Win, Lose or Draw, A Study of the Public Benefits and the Social Costs of Legalized Gaming in British Columbia. Simon Fraser University. \*
- Lotteries Review Committee (1995, August). New Directions for Lotteries and Gaming, Report and Recommendations of the Lotteries Review Committee.
- MacIsaac, M. (1994, May). Winner Take Nothing. *Canadian Business*.
- McDonald, M. (1994, May 30). Tribal Gambles. *Macleans* pp. 32 - 33.
- McLeod, K. (1996, September). Gambling counsellors bet on school program. *Calgary Herald*.
- Casinos and Crime: Is It Worth The Gamble? (1994). *Organized Crime Digest*, 15 (20) pp. 1-6.
- Triguero, D. Albertans gambling, *Calgary Herald*.
- Walchak, D. G. (1996, February). Gambling Issues and Concerns, *The Police Chief*.
- Walker, R. (1996, September 9). Staff on addict watch. *Calgary Herald*, p. B1.
- Walker, S. & Piers, R. (1995, December). Year One Assessment of Casino Windsor's Impacts on Public Safety and Security and Policing Activities.
- Wallace, L. (1995, June). Casino Gambling in Regina: A Preliminary Report on the Potential Impact for Regina Police Service. Regina, Sk: Regina Police Service.
- WEFA Group of Philadelphia (1994 a). Current Information on the Link Between Casinos and Street Crime. Newsletter published by the WEFA Group, Bala Cynwynd, PA. March Issue.

Communication (a) ATTACHMENT (Continued)

WEFA Group of Philadelphia (1994 b). Current Information on the Link Between Casinos and Street Crime. Newsletter published by The WEFA Group, Bala Cynwyd, PA. March Issue.

Windsor Police Service (1995, April). Casino Gambling and Its Impact on Policing Operations at the Windsor Police Service Six Month Audit 01 May 1994 through 31 October 1994.

Wood, G. W. (1995, June). Casino and Charitable Gaming in Ontario.

Wynne Resources Ltd. (1996, May). Adolescent Gambling and Problem Gambling in Alberta. Prepared for AADAC.



Communication (a) ATTACHMENT (Continued)

APPENDIX A

POTENTIAL EFFECTS OF A CASINO ON POLICING SERVICES

Prepared By:

Leslie Dennis,  
Diana Bloom, Margot Hamilton  
Planning Branch  
Calgary Police Service

Prepared For:

Deputy Chief R. Bechthold  
Bureau of Centralized Operations

August 26, 1994

## EXECUTIVE SUMMARY

The following list is not meant to be exhaustive, as further review may yield more issues of interest. Although they may not be directly applicable to Calgary, external studies suggest that a casino could have the following impacts on our crime and policing needs in Calgary:

- Organized crime activities may flourish, due to the large cash flows and lack of money controls associated with casinos (e.g., money laundering, skimming, loansharking, and scams).
- Street crimes may increase, due to a large pool of customers/victims (e.g., drug trafficking, prostitution, street robbery, pickpocketing, assaults and credit card frauds).
- Social problems are associated with casinos, which lead to a police response (e.g. domestic assaults due to alcohol consumption and financial stresses, and noise and nuisance complaints). An American study suggests that social costs of \$200. per person far outweigh per capita tax receipts from casinos of \$40. per person.
- More traffic will likely mean increased congestion, parking complaints, motor vehicle violations, accidents, and impaired driving charges.
- Factors such as management and financial controls; the location, hours of operation and size of the casino; the level of private security and surveillance; whether alcohol is served; and entrance restrictions, will have an impact on the level of crime and policing response required.

## INTRODUCTION:

What follows is a description of casino related issues which impact policing, under five main headings: Organized Crime, Street Level Crime, Social Problems Leading To A Policing Response, Traffic Enforcement Issues, and Factors Which Affect the Need for Policing Resources. -

This information is based on an extremely cursory review of literature already available to us, much of which is anecdotal. It is not clear whether studies in other cities are scientifically defensible, or whether their experience is directly translatable to the cultural and regulatory environment in Calgary. An attempt is made only to identify issues which would have to be reviewed in depth in a full-fledged study of the issue. The list is not intended to be comprehensive, as more study may yield additional issues of interest.

## ISSUES REQUIRING POLICE RESPONSE:

### Organized Crime:

A 1985 study by the Solicitor General's Department of Canada stated that "Wherever casinos are found, they are inseparable from organized criminal activities. Virtually every study undertaken in the United States, Great Britain, Australia and elsewhere points out that casino gambling, whether illegal, or legal, encourages organized crime activity." These organized criminal activities include: money laundering, skimming, fraud, loansharking, and scams. There are four main reasons why casinos provide an ideal environment for organized crime: (1) they involve large cash flows changing hands quickly, which makes keeping track of the money difficult; (2) lack of money controls allow for the possibility of intermingling and laundering of other illegally gotten funds (e.g. from loan sharking or drug trafficking); (3) easy credit available to patrons of casinos, has been known to be used to finance illicit enterprises, and (4) the exclusive, club-like atmosphere is socially attractive to organized criminals, and puts them in touch with other financial "high rollers". It should be noted that there are already organized gangs operating in Calgary, and a casino would provide an excellent opportunity for them to flourish.

The same study also points out that the power of casinos as a lobby group, once established, should not be underestimated. There is often tremendous pressure on governments to relax financial controls, in order to compete with other casinos and make the operation more profitable. Governments may also become dependent on the income provided by casinos, and this may start to colour their decisions. Furthermore, if wage levels paid to casino workers are too low, the most competent will not be attracted, and they may be more prone to corruption. We are aware of a recent major fraud scheme at a Canadian casino, which involved dealers (Source: Internal CPS report, date unknown).

Finally, because of the hidden nature of organized crime, it is extremely complex and costly



to both prevent and investigate, and the cost of regulatory bodies and enforcement must be weighed against potential profits. In a recent speech to the Canadian Association of Chiefs of Police, Pierre Sangoillo, head of Montreal's Special Investigation Unit, expressed the concern that Canada has already become a prime target for the money laundering activities of organized criminals, due to its weak laws, and budget cuts forcing police to concentrate on local crime (Calgary Herald, August 23, 1994).

#### Street Crime:

Studies in other cities associate casinos with increased street crimes such as drug trafficking, prostitution, street robberies, pickpocketing, assaults and credit card frauds. Large numbers of casino patrons provide potential customers for prostitutes and drug traffickers, and more opportunities for thefts. In the first 10 months of 1992, Las Vegas' 21 casinos produced 10,677 calls for service to police (just over 500 calls per casino); however, this underestimates the true workload, because many casinos hire off duty police officers as private security. In Atlantic City, the crime rate jumped by 171% during the first three years of casino operation, compared to only a 26% increase in the surrounding county. (Source: Casino Gambling, Calgary Police Commission, 1985). The Atlantic City police estimate that 67% of all reported crimes in the city in 1990 were associated with casino operations. Thefts in casinos have become so numerous in Atlantic City that casino security personnel are now empowered to do reports on all thefts up to \$5,000. (Source: The Impact of Casino Gambling on the Windsor Police Service, 1994).

#### Social Problems Leading to A Police Response:

The City of Vancouver Casino Review (1994) cites some of the social problems which can lead to crime. It is estimated that between 3 and 6 per cent of the adult population are problem gamblers, and that increases in spousal assaults and domestic disputes arise from the alcohol consumption (if allowed), and financial pressures and stress associated with gambling addiction. The Vancouver study also notes that the rate of problem gambling among youth is increasing significantly. Depending on the casino's location and hours of operation, noise complaints and nuisance calls could also result.

Earl Grinois, an economist at the University of Illinois, discussed the concept of "negative externalities" in a recent article in the New York times ("The False Promise of Development by Casino", June 12, 1994). In comparison to average government taxes collected on casino receipts, of \$40. per person, the average cost of regulatory oversight, legal services linked with criminal activity, and lost job productivity and embezzlement by gambling addicts, is estimated at \$200. per person.

#### Traffic Enforcement:

External studies suggest that increased traffic volumes from casino crowds will likely increase congestion, and the number of parking complaints, motor vehicle violations and

traffic accidents. If alcohol is also served, impaired driving can become an issue. The hours of operation of casinos can have a big impact on traffic; 24-hour operations will more evenly distribute the traffic, but may have other associated problems such as noise.

#### FACTORS WHICH AFFECT THE NEED FOR POLICE RESOURCES:

Although this list is not meant to be exhaustive, there are many factors which can either promote or inhibit crime, and should be taken into account in designing a casino:

- Management Practices - screening of personnel, adequacy of training and pay, conflict of interest guidelines
- Financial Practices - table limits, availability of credit, tipping restrictions, strictness of financial controls
- Whether alcohol is served
- The level of private security staff and surveillance systems in the casino
- Location/Ease of Access to the Casino - e.g., street level versus upstairs
- Hours of Operation
- Size of the Casino, and Number of Patrons Served
- Adequacy of Parking and Traffic Access
- Who the target patrons are - tourists versus local citizens, entrance restrictions, dress codes, age limits

Although there is no set formula for determining additional police resources needed, a recent study by the Windsor police found that:

- Transient tourist populations tend to have more policing needs than stable local populations, because of their higher general mobility levels, and their lack of familiarity with the city. Also, patrons need to feel safe outside as well as inside a casino, or they will be less inclined to use the facility.
- It recognizes that to prevent organized crime from infiltrating casinos, ongoing intelligence is required. In Windsor, a task force was struck, which includes membership from the Windsor Police Service, the RCMP, and Ontario Provincial Police.

Without knowing the size, location or how a casino might be operated, it would be impossible to get any more specific about police requirements.

POTENTIAL EFFECTS OF A CASINO ON POLICING SERVICES:

SUPPLEMENTAL REPORT

Prepared By:

Planning Branch  
Calgary Police Service

March 4, 1996

## IMPLICATIONS

An article in the Calgary Herald on 1996 February 3 stated that "proponents of a \$1 billion convention centre and casino will request City Council to approve the eight block mega project in March".

The Planning and Building Department have recently informed the Police Service that the proponents of a private casino have not made any formal application to the city for land use redesignation. A representative of the Planning and Building Department stated that media coverage last month may result from the developers wanting to ensure that their potential application remains in the public realm, particularly as a First Nations casino application may be forthcoming. Regardless, the Calgary Police Service wants to remain proactive in considering all safety issues with casinos.

## STAFFING

It is important to note that casino policing would consist of two components; street enforcement; and intelligence gathering. Police members are in contact with police agencies in cities which operate private casinos, including Windsor, Ontario; Montreal, Quebec; Winnipeg, Manitoba and Regina, Saskatchewan to discuss policing activities.

Regularly scheduled evaluations of a commercial casino would be undertaken to audit the policing implications of the operation.

## FINANCIAL

From discussions with the Research and Planning Section of the Windsor Police Service, it appears, from preliminary research, that it would be prudent to ensure that all casino related policing costs be included within the application fee paid by the developer. At this point, the Police Service is unable to say what an appropriate funding formula might be.

Once that information is obtained and approved, the Police Service requests that the Police Commission take the recommendation forward to City Council.



## **POLICY**

It will be appropriate for a task group, consisting of members of the Police Service, the R.C.M.P., the Alberta Gaming Commission, and other relevant bodies to share information on casinos on a regular basis. The objective of the group would be to prevent the infiltration of organized crime. A written protocol would be developed to ensure that all responsibilities are considered in the policing of a commercial casino.

With the increasing downloading of responsibilities from the Provincial to the Municipal level of government, it is imperative that the Calgary Police Service take on a leading role in ensuring that private gaming regulations are strictly adhered to.

## **LEGAL IMPLICATIONS**

The Calgary Police Service in-house legal counsel will review case law on gaming.

On 1996 February 27, the Supreme Court of Canada ruled that First Nations do not have constitutional rights to manage gaming facilities such as casinos. First Nations were arguing their constitutional rights allow them to manage economic affairs on reserves, including casinos. It is not completely known how this development will affect the Tsuu T'ina casino proposal, which may be forthcoming. The casino would be located just outside city of Calgary boundaries. However, many casino related problems, e.g. traffic, may fall on city police even though the Calgary Police Service will not be providing direct service.

## **BACKGROUND**

In 1994 August, the Calgary Police Service Planning Branch prepared a briefing paper on the potential effects of a casino on policing services (see Appendix 2). In brief, the report stated police issues related to the operation of a private casino included: organized crime infiltration, prostitution, crimes against persons such as street robberies, and traffic management. The report was prepared as a direct result of the possibility of a private gaming establishment being approved within the city of Calgary boundaries. The Police Service has participated in a city team to oversee several studies on a casino's potential impact, prepared

by consultants for the proponent. These studies were never made available to the City administration however, and the application to the Planning and Building Department was never made. The Police Service has, nonetheless, continued to research the issue.

The Planning Branch has continued to review the experiences with casinos in other jurisdictions, such as the six month and the one year assessment of casino gambling on the policing activities of the Windsor Police Service. In brief, the impacts on policing in Windsor, Ontario appear to be minimal. There has been no increase in crimes against persons but there has been an increase in fraud related ones; e.g. credit cards. However, more time may be required to properly assess policing impacts.

A private casino opened in Regina, Saskatchewan in February 1996. No evaluation criteria are available at this time.

#### CASINOS PRESENTLY OPERATING IN CALGARY

There are three existing full time charitable casinos operating in Calgary. They are:

1. The Blackfoot Gaming Centre at 4040 Blackfoot Trail S.E.;
2. Stampede Casino, Stampede Park; and
3. Elbow River Inn and Casino at 1919 Macleod Trail S.E.

A fourth casino has been licensed, but is not yet operating in Frank Sisson's Silver Dollar Casino at 1010 42 Avenue S. E.. On 1996 February 07, the Calgary Planning Commission recommended approval of a fifth charitable casino to be located at 407-9 Avenue S.E. Following review of the proposed site using principles espoused in Crime Prevention through Environmental Design, the Calgary Police Service recommended approval of the land use redesignation. That application will go to City Council on 1996 April 15. A sixth charitable casino proposal was reviewed by the Calgary Planning Commission on 1996 March 06. The proposed location is 125 - 8 Avenue S.W., currently known as "The Banke". The Calgary Police Service has reviewed the proposed change in land use and has no objections.

A charitable casino differs from a commercial one in that all net profits resulting from the gaming establishment are distributed to a charitable organization registered under the Alberta Societies Act. Charitable groups submit their names in a draw, held by the Alberta Gaming Branch, which allows the organization to hold a casino approximately every one and

one half years. The casino, run 12 hours on each of two consecutive days, is staffed by volunteers. The charitable organization is required to pay all overhead costs, including facility rental, professional casino managers and supplies, to the owner of the casino.

According to the City and Community Planning Division of the Planning and Building Department, no Land Use Bylaw enforcement issues have resulted from these operations. One of the reasons for this may be that none of the casinos are located adjacent to residential areas.

The Calgary Police Service has also determined that, to date, there have not been problems associated with these charitable casinos. Potential issues that could be of concern are parking, traffic circulation, children being left in vehicles in the casino parking areas, personal security for winners exiting the casino, and fraud. However, these concerns have been minimal. It is important to note that the Calgary Police Service Crime Prevention Unit reviews all casino proposals and makes recommendations to enhance security and personal safety for patrons, volunteers and staff.