

Approved 4-1-91
Date

MINUTES OF THE Senate COMMITTEE ON Federal and State Affairs

The meeting was called to order by Sen. Edward F. Reilly, Jr. at
Chairperson

11:00 a.m./~~p.m.~~ on March 26, 1991 in room 254-E of the Capitol.

All members were present ~~except~~

Committee staff present:

Mary Galligan, Legislative Research Department
Mary Torrence, Office of Revisor of Statutes
Deanna Willard, Committee Secretary

Conferees appearing before the committee:

Debbie Schauf, Kansas Horsemen's Association
Pete McGill, Wichita Greyhound Park, Inc.
Jim Yonally, TRAK-East
Rev. Richard Taylor, Kansans for Life at its Best
Bruce Rimbo, The Woodlands
Pastor Robert Ziegler, Atchison
Don Haffner, Liberty, Missouri
Grant Cushinberry, Topeka
Jim McCoy, Louisburg
Charles Marling, Topeka

Hearing on: SB 383 - Amending and supplementing the Kansas parimutuel racing act; providing for licensure to display simulcast races and conduct parimutuel wagering on such races.

Debbie Schauf, Kansas Horsemen's Association, said they believe simulcasting is an important tool for the economic health of the horse industry in Kansas, but that they are concerned that there be no incentive to reduce live racing. She suggested some changes in the language. (Attachment 1)

Written testimony was submitted from Albert Becker, President, Kansas Quarter Horse Racing Association, expressing support for the bill with the changes submitted by the Kansas Horsemen's Association. (Attachment 2)

Pete McGill, Wichita Greyhound Park, Inc., gave testimony, saying, "We could be proponents of simulcasting under certain, very carefully regulated conditions, but we are strongly opposed to SB 383 as drafted." (Attachment 3)

Jim Yonally, TRAK-East, appeared in support of the bill, saying that simulcasting, under the direction and control of the Racing Commission, is the next logical stop for the racing industry in Kansas. (Attachment 4)

Written testimony was submitted from Richard Boushka, President, The Woodlands, expressing support for SB 383 as a valuable marketing tool for the existing tracks. (Attachment 5)

Rev. Richard Taylor, Kansans for Life at its Best, spoke against the bill, saying the public must lose \$6 gambling if the state receives \$1 in revenue. He attached copies of many clippings and quotes from various sources. (Attachments 6 & 7)

Bruce Rimbo, Executive Vice President, The Woodlands, spoke in support of the bill, saying the addition of simulcasting will enhance the original purposes of the parimutuel act. (Attachment 8)

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Federal and State Affairs,
room 254-E, Statehouse, at 11:00 a.m./~~p.m.~~^{xx} on March 26, 1991

Pastor Robert Ziegler, Atchison, spoke in opposition to permitting simulcast gambling, saying gambling has its roots in covetousness, and permitting simulcasting will be another step down for our society and our state. (Attachment 9)

Don Haffner, Liberty, Missouri, said that he is a compulsive gambler in a 12-step program. He said that gambling hurts families, youth, and business and industry. He said he lost many days from work, physically and emotionally. He urged the committee to defeat SB 383.

Mr. Grant Cushinberry, Topeka, said he would rather Kansas be known as a hick state than as a gambling concern. He asked, "What are we supposed to tell our kids, is this a way of life? If this is all so good, why do we have more tax on everything?"

Jim McCoy, Louisburg, said he is a horseman and that previous fears have been allayed in meeting with the Racing Commission and the Woodlands representative, and he supports the bill with the amendments suggested by the Horsemen's Association.

Mr. Charles Marling, Topeka, spoke in opposition to the bill, saying the contribution that would be made to state revenues is very little when compared to the economic loss it may cause the state. (Attachment 10)

The Chairman noted that Jim Malson, Director, KBI, was in attendance, and that he would be referring the bill, along with information from the KBI, to a subcommittee consisting of: Sen. Vidricksen, chairman; Sen. Ehrlich, and Sen. Anderson.

The meeting was adjourned at 12:00 noon.

GUEST LIST

COMMITTEE: Senate Fed + State

DATE: 3-26-91

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Jim Yonally	Overland Park	TRAK-East
Dobbie Schauf	Topeka	Ks Horsemen's
Jim McCoy	Louisburg	HORSEMAN
Jim Malson	TOPEKA	KBI
Matt Truell	Topeka	AP
Pete McMill	Topeka	Wichita Greyhound Park
Whitney Damron	Topeka	Wichita Greyhound Park
Leslie Busch	Hutchinson	Page
Stephany Pavey	Wichita	"PAGE"
Jessica Sanborn	Valleycenter	Page
DALE FINGER	TOPEKA	KBI
Tom Burgess	Topeka	Sunflower
Harry Brown	KC	Forrest W. Miller Kennel
DANA NELSON	TOPEKA	KRC
Sue Bond	Overland Park	
Allen Jones	Topeka	KBI
Melanie JACK	Topeka	KBI
Steve Jan	Topeka	KBI
Mike Shields	Harris News	Topeka
Robert Ziegler, Gaston	Atchison, KANSAS	Trinity Lutheran
Esther Ziegler	Atchison, KS	Trinity Lutheran
Charles Masling	Topeka	KBI
Frank St. Stephens	Topeka	KBI
RICHARD TAYLOR	TOPEKA	LIFE AT BEST
DON HAFFNER	LIBERTY MO	COMPOSING & AMPLER
M. Burke	KCKA NEWS	

Kansas Horsemen's Association

TESTIMONY TO SENATE FEDERAL AND STATE AFFAIRS

SENATE BILL 383 - SIMULCASTING

MARCH 26, 1991

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

THE KANSAS HORSEMENS ASSOCIATION APPRECIATES THE OPPORTUNITY TO TESTIFY TODAY ON THE SIMULCASTING BILL. OUR BOARD BELIEVES SIMULCASTING IS AN IMPORTANT TOOL FOR THE ECONOMIC HEALTH ON THE HORSE INDUSTRY IN KANSAS. WE ARE, HOWEVER, CONCERNED THAT THE BILL BE WRITTEN IN A WAY THAT WILL PROVIDE ADEQUATE PROTECTION FOR HORSE AND GREYHOUND OWNERS IN KANSAS SO THERE WILL BE NO INCENTIVE TO REDUCE OR ELIMINATE LIVE RACING. FOR THAT REASON WE HAVE SOME AREAS OF THE BILLS ABOUT WHICH WE WOULD LIKE TO EXPRESS OUR CONCERN OR ASK YOUR CONSIDERATION FOR AMENDMENTS. OUR ASSOCIATION HAS MET MANY TIMES WITH REPRESENTATIVES OF THE KANSAS RACING COMMISSION, AND THE RACE TRACKS TO WORK ON ACCEPTABLE LANGUAGE FOR THIS BILL, AND MOST OF THE CHANGES WE PROPOSE TODAY ARE AS A RESULT OF THOSE NEGOTIATIONS. OUR BOARD MET LAST NIGHT WITH THE EXECUTIVE DIRECTOR OF THE COMMISSION, AND A REPRESENTATIVE OF THE WOODLANDS TO WORK ON POINTS OF CONCERN IN THIS BILL AND I WILL SHARE MY BOARDS REQUESTS WITH YOU AT THIS TIME.

IN NEW SECTION 2, PAGE 4, SECTION (a) WE WOULD LIKE TO SEE LANGUAGE ADDED THAT REQUIRES A TRACK TO RUN 100% OF THE NUMBER OF LIVE PERFORMANCES IN A PREVIOUS SEASON IN ORDER TO RECEIVE A SIMULCAST LICENSE, WITH THE EXCEPTION OF FAIR ASSOCIATIONS AUTHORIZED UNDER 74-8814. THIS CHANGE WOULD INSURE THAT THERE WAS NO REDUCTION IN THE NUMBER OF LIVE RACE DAYS, BUT PROVIDE AN AVENUE FOR A FAIR ASSOCIATION THAT IS NOT CURRENTLY RUNNING TO OBTAIN A SIMULCASTING LICENSE IF THEIR SCHEDULE DID INCLUDE LIVE RACE DAYS.

ON PAGE 4 IN SECTION (c) (2) THERE IS NO LANGUAGE TO REQUIRE APPROVAL FROM A HORSEMENS GROUP IN THIS STATE IF A DOG RACING TRACK IS TO CONDUCT A PERFORMANCE OF SIMULCAST HORSE RACES. BECAUSE OF THE BURDEN OF PROOF REQUIRED OF AN AGGRIEVED PARTY WHEN A LICENSE IS ISSUED BY THE COMMISSION IF SUCH SIMULCASTING WOULD PROVIDE SUBSTANTIAL ECONOMIC HARM TO THE HORSE INDUSTRY THIS TYPE OF APPROVAL SHOULD BE ALLOWED.

ON PAGE 6 (g) ADDITIONAL LANGUAGE HAS BEEN AGREED TO BY THE HORSEMEN'S ASSOCIATION AND THE TRACK THAT WOULD PROVIDE A CAP ON EXPENSES DEDUCTED IN CONNECTION WITH THE DISPLAY AND PROMOTION OF SIMULCAST RACES NOT TO EXCEED A MINIMUM OF 3% OF THE TOTAL TAKEOUT SHARE RETAINED BY THE FACILITY WITH THE EXCEPTION OF FAIR ASSOCIATIONS LICENSED UNDER 74-8814. THIS WOULD PROVIDE A PROTECTION FOR BOTH THE TRACK AND THE HORSE INDUSTRY THAT THE SIMULCASTING WOULD PROVIDE AN ACCEPTABLE LEVEL OF ADDITIONAL INCOME. IT WOULD ALSO ALLOW FOR NEGOTIATION IN THE CASE OF FAIR ASSOCIATIONS SO THAT AN INCENTIVE IS PROVIDED TO OPERATE THAT TYPE OF TRACK.

ALSO ON PAGE 6, THE LANGUAGE IN LINE 13 SHOULD BE AMENDED TO READ:
UNLESS OTHERWISE AGREED TO BY BY THE RECOGNIZED HORSEMEN'S GROUP AT A
FAIR ASSOCIATION TRACK LICENSED UNDER 74-8814.....

THIS WOULD INSURE THAT THE MONEY OBTAINED FROM PURSES AT A MAJOR
FACILITY LIKE THE WOODLANDS WOULD BE USED FOR PURSES, BUT WOULD ALLOW
THE HORSEMEN'S GROUP SOME FLEXIBILITY IN NEGOTIATING WITH A SMALLER
FACILITY TO SEE THAT THAT FACILITY COVERED THEIR EXPENSES SO THE
HORSEMEN WOULD HAVE A PLACE TO RACE THEIR HORSES.

ON PAGE 7 IN LINE 1 THE ORIGINAL INTENT OF THE COMMISSION AND THE
HORSEMEN'S ASSOCIATION WAS TO HAVE THIS LINE READ: TO THE KANSAS HORSE
BREEDING DEVELOPMENT FUND AT THE TIME THE SIMULCASTING LICENSE IS
GRANTED. THE COMMISSION AGREED ON A POLICY THAT CURRENT LAW
REGULATING BREAKAGE AND UNCLAIMED TICKET MONEY SHOULD CONTINUE
UNCHANGED IN THE SIMULCASTING LEGISLATION. THE LANGUAGE YOU SEE ON
LINE 1 WOULD ALLOW FUTURE COMMISSIONS THE DISCRETION TO CHANGE THAT
PRACTICE AND SUCH A CHANGE COULD SUBSTANTIALLY HARM THE CURRENT BREED
DEVELOPMENT PROGRAM.

THANK YOU FOR THE OPPORTUNITY TO APPEAR TODAY, AND I WOULD BE HAPPY TO
STAND FOR QUESTIONS.

KANSAS QUARTER HORSE RACING ASSOCIATION

Albert C. Becker, President, 9306 Kansas Avenue, Kansas City, Kansas 66111, 913/299-3707



March 26, 1991

Senator Reilly, Chairman and members of the Committee on Federal and State Affairs. The Kansas Quarter Horse Racing Association at its February 4, 1991 Board of Directors meeting voted to support simulcast wagering for the state of Kansas. The Kansas Quarter Horse Racing Association is in favor of simulcast legislation that will promote, encourage and most of all protect live horse racing in the state of Kansas. We are in favor of a simulcast legislation that gives the horsemen's group that represents all breeds approval of the simulcast schedule. Our quarter horse representatives to the Kansas Horsemen's Association, after reviewing this bill in detail are in full support of SENATE BILL NO. 383 with the changes submitted to you by the Kansas Horsemen's Association.

Albert C. Becker

A handwritten signature in dark ink, appearing to read "Albert C. Becker".

President, KQHRA

Karen Tolle

EXECUTIVE SECRETARY, KQHRA
P.O. BOX 2008, TOPEKA, KANSAS 66601

(913) 233-1984

Senate F&SA
3-26-91
Att. 2

TESTIMONY
OF
PETE MCGILL
OF
PETE MCGILL & ASSOCIATES
ON BEHALF OF
WICHITA GREYHOUND PARK, INC.

BEFORE THE
SENATE FEDERAL & STATE AFFAIRS
COMMITTEE

MARCH 26, 1991

RE: SENATE BILL 383

Mr. Chairman, members of the Committee:

My name is Pete McGill of Pete McGill and Associates and I appear here today on behalf of our client of more than three years, Wichita Greyhound Park, Inc.

We could be proponents of simulcasting under certain, very carefully regulated conditions, but we are strongly opposed to SB 383 as drafted. Considering what the people of Kansas went through to get parimutuel wagering and considering what the Kansas Legislature and particularly this committee went through to implement the constitutional amendment, I would believe the members of this committee would be equally concerned about SB 383.

The parimutuel industry in Kansas is relatively new. Only one race track in Kansas has completed one full season of racing and that is the Woodlands in Kansas City. Wichita Greyhound Park ran a short season in the fall of 1989 and last year was restricted from running Saturday afternoon and Sundays to protect the Eureka market when that track was operating. The Eureka track closed midway through its first full season last year. Now, you are being asked to approve a major revolutionary change in the entire system before anyone can accurately tell you what the parimutuel market is in Kansas.

Several of you on the committee participated in the debate to implement the constitutional amendment on parimutuel wagering but there are other members who did not have the same opportunity.

Whether or not you agree with the concept of parimutuel wagering, I believe everyone would agree there is no doubt the people of Kansas thought they were voting for live racing when they approved the amendment. In fact, the constitutional amendment specifically prohibits off-track betting.

SB 383 as drafted is nothing more than a subterfuge to get around that prohibition by authorizing a sophisticated form of off-track betting. This bill permits wagering at facilities when no live racing is taking place---it in fact allows two days of interstate simulcasting for every day of live racing plus unlimited intrastate simulcasting.

Dana Nelson presented SB 383 to you last week. Mr. Nelson is the new Executive Director of the Kansas Racing Commission and has been in Kansas about one month. In case you couldn't tell, he is a strong advocate of wide-open simulcasting and his written testimony constantly referred to off-track betting as though they might be one and the same.

The Governor of Kansas appoints the members of the Kansas Racing Commission and the Executive Director serves at the pleasure of the Commission. The Executive Director does not make policy but is there to implement the policies of the Commission at their direction.

The last paragraph of Mr. Nelson's written testimony goes far beyond that and he couldn't resist sharing with you the benefits of his wisdom and his personal opinion about what is good for the people who have their money invested in the tracks.

He states in the last two sentences of his testimony, "There is always resistance to a concept such as this, and some tracks may feel threatened by the concept of simulcasting. However, it is my opinion that those facilities and owners ought to look at what simulcasting could do for them not what it might do to them."

Members of the committee, I assure you the Kansas Racing Commission never made that kind of a statement.

The majority owners of WGP are well established, prominent business men with substantial business interests in several states including one of America's largest and finest racing facilities just outside Chicago across the Illinois state line in Wisconsin.

They do know about and understand simulcasting and are very capable of making intelligent and valid judgments as to what is best for them and what this legislation could do to them. These people have been in the racing business for some time, in Kansas more than 30 days, and they are concerned about this bill in its present form.

As I mentioned earlier, there are only two major operating tracks in Kansas. The Wichita market is significantly different than the Kansas City market and the authorization of simulcasting could impact each in a different manner.

For instance, I have here a copy of an article from this month's *National Greyhound Update* magazine that tells about Delaware North's interest in acquiring the license of the defunct Eureka track. Delaware North is one of the nation's largest horse and greyhound track operators as well as one of the nation's largest operators in the simulcast industry.

It would be presumptuous on our part to speculate about what Delaware North plans to do with the Eureka facility, but everyone agrees they do not plan to acquire it to run live racing. The track has been shown to be extremely unprofitable under its past racing format. In fact, Mr. Boushka of the Woodlands presented a simulcasting proposal to the Racing Commission that suggested 18 days of live racing at that facility and 155 days of simulcasting. That gives you an idea of what some have in mind if simulcasting is approved.

Delaware North is not a non-profit organization so what this suggests is that anyone could apply for a license to run an off-track simulcasting facility if they just happened to have a race track at that location.

Proponents argue that the horse and greyhound industry will have absolute control over any simulcasting proposals as all such agreements must be approved by the recognized kennel owners' group and the recognized horseman's group in addition to approval by the Kansas Racing Commission. Proponents claim the breed industry groups will prevent track operators from replacing live racing with simulcasting by their veto authority contained in the bill. I believe such veto authority is in serious question due to recent legal actions within the parimutuel industry.

Included with our testimony is a copy of a recent *Birmingham Post-Herald* newspaper article where the Delaware North corporation sought and obtained a temporary restraining order in federal court to allow the track to resume simulcasting at the Birmingham Race Course in Birmingham, Alabama, which they presently manage. The California Horsemen's Benevolent & Protective Association had cut off all simulcasting into the Birmingham Race Course from the Santa Anita Race Course in Arcadia, California, because Delaware North wanted to offer simulcasting races rather than live racing. Delaware North challenged the authority of the California horsemen's group as violating federal antitrust laws.

It is likely that Delaware North or any other track operator in Kansas would use the same legal arguments in this state if the breed or kennel representative groups attempted to exercise their veto power on any agreements affecting Kansas tracks. The federal court ruling severely limits the power of national and local horsemen's groups and until the matter is settled, I believe we must assume that any such breed or kennel group in Kansas would have little standing to veto any such agreements.

Wichita Greyhound Park has no problem with Eureka running live races 365 days a year as long as Wichita is not required to shut down on the choice racing days as was the case last year. We would have a problem with someone simulcasting extensively from Hollywood Park, Santa Anita or other prestigious remote facilities.

At the same time we are debating SB 383, Sunflower Racing, the Kansas City track operator, is in the Senate Taxation Committee seeking the elimination of the state's 3/18 tax on all horse races in Kansas through 1997, or beyond if extended by the Kansas Racing Commission. The state constitution mandates a minimum state tax of 3/18, so SB 394 actually allows for a tax refund to horse racing facilities to fund capital improvements and supplement horse purses. They said they were losing money on the horse racing portion of their dual facility, which should come as no surprise because that is what most of the experts testified to before this committee when you were drafting the licensing requirements.

Next year or the year after, when the horse track is still losing money, will Sunflower come back to the Commission and ask to abandon live horse racing in favor of simulcast horse racing the year around? That wouldn't technically be off-track betting because the simulcasting would be done at a real race track.

Under the provisions of this bill, Kansas City could simulcast horse races every afternoon at the horse facility while greyhounds are racing at night at the other facility or visa-versa -- simulcast dog races every night at the greyhound facility while horses run in the afternoon at the horse facility.

That also would not technically be off-track betting, I suppose, because the simulcasting would actually be done at a real race track.

If that is what the legislature chooses to authorize for Kansas City, so be it, but please do not draft the legislation in such a manner to potentially do irreparable harm to the Wichita market area. Wichita has no interest in simulcasting at the present time -- we merely want to solidify what our racing license was intended to do under the present law.

Now let me briefly touch upon the history of this bill.

When Sunflower Racing presented the first draft of their simulcasting proposal to the Racing Commission, I testified before the Commission in opposition to the bill as drafted. We indicated we had no opposition to Sunflower exporting their racing signal out-of-state on an unlimited basis.

We had no objection to any track in Kansas receiving a signal for special events such as the Kentucky Derby, the Belmont or other similar feature races at a time when they are running live races.

We said we had no objection to a track importing a signal to fill a race card on an emergency basis.

We said we had no objection for the interchange of signals between licensed Kansas tracks at a time when live racing is being conducted. Beyond that, we have a concern.

After the Racing Commission heard our testimony they directed Mr. Nelson to meet with interested parties to attempt to work out the differences between the competing entities.

Mr. Nelson called a meeting of interested parties on Wednesday evening before the Commission held a Thursday meeting about three weeks ago. Once again

we expressed these same concerns but to no avail. The result was a wide-open simulcasting proposal with unlimited simulcasting days allowed provided a licensee conducted at least one live race per year. We repeatedly stated our concern about protecting the Wichita market area against artificial encroachments on our potential live market. Statistics all across the nation indicate attendance at live racing declines when simulcasting competes for the same market.

We suggested amending the proposal under discussion by amending it in a manner patterned after the Florida law which stated in essence that 80 percent of the races on which wagers are taken during such performance shall be live races conducted at the parimutuel facility except when a permit holder is unable to fill the daily race. Florida does not permit simulcasting on any day live races are not being conducted.

My proposal was never seriously discussed but they did amend their original proposal to the one before you that now provides for two days of interstate simulcasting for every day of live racing and unlimited intrastate simulcasting. Under this bill, simulcasting could obviously be conducted when no live racing is being held -- which again, I repeat, is nothing more than a sophisticated form of off-track betting which is specifically prohibited by the constitution.

In Attorney General Opinion 88-116, the Attorney General's office held that intrastate simulcasting was not legal under present statutory parimutuel authority. In Attorney General Opinion 90-90, the Attorney General's Office held that it was appropriate for the state legislature to determine what "off-track betting" is, but that the definition must be reasonable in light industry useage and definitions. With this in mind, consider that AG Opinion 90-90 also discussed that when federal legislation was enacted dealing with interstate horse race wagering in 1978, "on track wager" was defined as "a wager with respect to the outcome of a horse race which is placed at the racetrack at which such horse race takes place." Conversely, an "off-

track wager" was considered to be made "anywhere other than at the racetrack where the horse race to be wagered on took place." Simulcasting at a time other than when live racing is taking place may very well be considered "off-track wagering" under our constitution.

The Wichita Greyhound Park license in Wichita provides for protection against any other greyhound tracks being licensed within a 100 mile radius of Wichita and says nothing about simulcasting within those territorial limits. At the time the license was granted, no one envisioned the possibilities of simulcasting encroachments on that license.

The facility owners made their financial commitments based on the law at that time and everyone has tremendous concerns about authorizing additional possibilities for competing for those parimutuel dollars.

In conclusion, Mr. Chairman and members of the committee, if it should be the decision of this committee and the legislature to authorize simulcasting, we respectfully ask that it be done only on days live racing is being conducted and then on a very limited basis as I have suggested.

In the event that this is not acceptable, I would suggest an amendment that would prohibit simulcasting within a hundred mile radius of any licensed facility without the express approval of that facility.

We would have no strong objection to some legitimate county fair association supplementing their race meet with some form of simulcasting for the remote areas of the state as long as there is adequate protection for our facility which has already made a tremendous investment under the existing law.

We have every confidence in the abilities and wisdom of the present make-up of the Kansas Racing Commission but we cannot predict what the future make-up of the Commission might be. Because of this concern and others delineated previously in my testimony, we would prefer protective language to be statutory rather than administrative.

Wichita Greyhound Park has no interest in using simulcasting for parimutuel racing any time in the near future nor do we think it should be authorized elsewhere if the potential could negatively impact on existing market areas. Kansas already has one failed facility, the parimutuel industry doesn't need another.

There are several other aspects of SB 383 that should be closely scrutinized and I can only assume this committee will direct its attention toward those as well.

National

GREYHOUND



Update

\$1.95
MARCH/APRIL
1991



The section
in which
you find out
what has
happened
and what
will be
happening in
Greyhoundland

Delaware North, one of the original also rans in the race for the Kansas City greyhound track license, is trying to get into the Kansas pari-mutuel picture by negotiating to purchase the defunct Eureka Downs thoroughbred facility. The track went into bankruptcy last summer after running up a \$400,000 deficit during two years of racing. The deal would require approval of the federal bankruptcy court. . .

Ruling lets simulcasts resume

By Chot Fussman
Post-Herald Reporter

Birmingham Race Course manager Delaware North yesterday was granted a temporary restraining order allowing the thoroughbred track to resume simulcast racing.

U.S. District Judge Elizabeth A. Kovachovitch handed down the 10-day order early yesterday afternoon in Tampa, Fla. The ruling prevents any horsemen's group from continuing to block simulcasting at the Race Course.

Race Course assistant general manager Charlo McIntosh cheered the ruling and said simulcast racing from Santa Anita Race Course in Arcadia, Calif., could resume as early as Saturday.

"We're going back to racing just as fast as we can," McIntosh said.

The Birmingham Racing Commission yesterday scheduled a special meeting this afternoon to discuss the ruling.

Unlike live racing, daily simulcasting from Santa Anita was highly profitable for the Race Course until the California Horsemen's Benevolent & Protective Association cut off the simulcasts Feb. 1.

The California horsemen's group has that power under the Interstate Horse Racing Act of 1970.

Please turn to RACING, page C5

Thursday, March 14, 1991

Birmingham Post-Herald

Racing

From page C1

That act stipulates that the horsemen's group from the host track has veto power over all simulcast agreements. California horsemen rejected the Race Course simulcasts as part of a National Horsemen's Benevolent & Protective Association crackdown on tracks offering simulcast racing, but not live racing.

Delaware North has no plans for a live thoroughbred meet this year at the struggling Race Course.

Delaware North subsequently filed suit, accusing the horsemen's groups of violating federal antitrust laws, and asking for a restraining order to resume simulcasting.

Kovachovitch ruled in favor of Delaware North, saying the "resolution of the National Horsemen's Benevolent & Protective Association resembles a horizontal agreement to restrict competition by a concerted refusal to deal."

Kovachovitch added that the "issuance of the injunction will serve the public interest in free competition."

The ruling, which severely limits the power of national and local hor-

semen's groups, is likely to have a ripple effect throughout the part-mutuel industry, if extended.

Delaware North said it plans this morning to seek a preliminary injunction that would extend the restraining period beyond 10 days.

NHBPA attorney Sal Anselmo said he was surprised by the ruling, but referred comment to attorney Bruce Green, whom he said was working more closely on the case. Green could not be reached last night.

Because Kovachovitch's ruling enjoins any of the horsemen's groups from preventing simulcasting, the Race Course now needs only the approval of the host track. McIntosh said it was possible officials from Santa Anita — which sells its satellite signal to the Race Course for approximately five percent of the track's simulcast betting handle — might withhold permission, but doubted that would happen.

"I would anticipate they would be interested in pursuing it, just like before," McIntosh said.

If not, McIntosh said he then would turn to other tracks. Santa Anita has proved to be the most successful simulcasting outlet for the Race Course because it offers tied-in betting pools and the highest quality racing in the nation.

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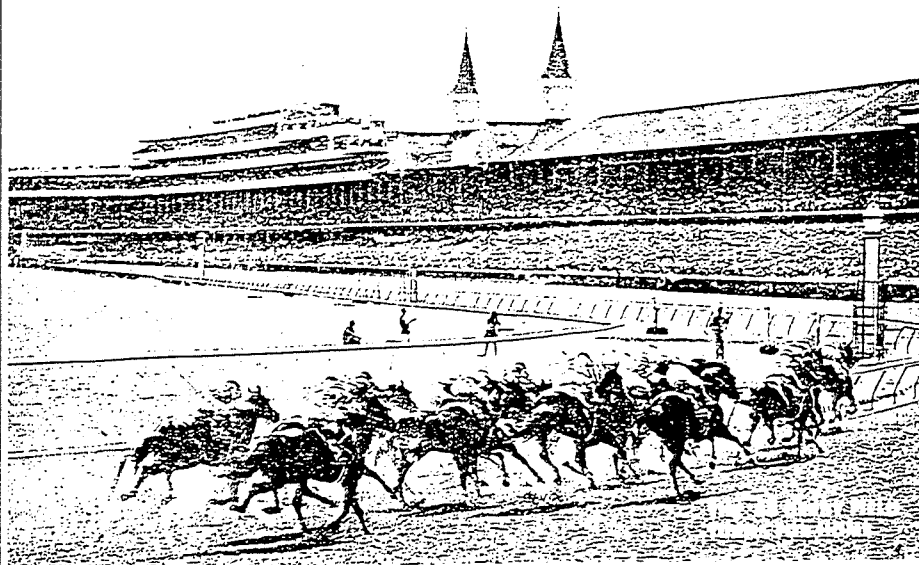
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Sports Business

HORSE RACING

HAS RACING STAKED ITS FUTURE ON A BAD PONY?

Simulcasting hasn't helped stop the slide in attendance



You would be hard-pressed these days to find a happier guy than Gerald Lawrence, general manager of Churchill Downs, home of the Kentucky Derby. Not only does he expect 135,000 racegoers to bask in the pageantry of the Derby on May 6, but he also plans to telecast the race nationwide to about 119 racetracks and off-track betting facilities chock full of horseplayers. "Christmas in May" is how Lawrence and others associated with the track describe the annual race.

Indeed, just the \$2 million Lawrence expects to net on Derby Day from bettors outside Kentucky makes it seem as if Santa Claus decided to take up residence in Louisville. The boost from off-track telecasting and betting has been an important element in rejuvenating the once-stagnant track, although spruced-up facilities and sharper marketing have helped, too. Of the \$1.86 million Churchill Downs Inc. netted from off-track betting on the 1988 Derby—considerably more than the \$1.1 million cleared at its own windows—half went into richer purses, which attract better horses and bigger crowds during the season.

There's a hitch, though. After Derby Day, Lawrence is not so euphoric. He shares with other racing officials a gnawing concern about the long-term effects of sending and receiving televised

races for betting purposes, otherwise known as simulcasting. Although total wagering on thoroughbred racing nationwide has increased 62% to \$9.5 billion, since 1968, the rise in betting has not meant a boost in attendance at the tracks. Paid admissions have fallen 19% over the same period. In fact, Lawrence contends that simulcasting is exacerbating the decline: "This is a disaster waiting to happen, if we are not careful."

AGING RAILBIRDS. Why? Simulcasting has not fulfilled hopes of broadening racing's appeal. It has only made it easier for experienced railbirds to bet more often. This is a problem because that crowd is growing older and dwindling in number. That has placed Churchill Downs and other tracks like it in a horse race to fill their grandstands with new fans. Says Ogden M. Phipps, president of the Jockey Club in New York: "The industry must do two things—lure people to the track and educate them."

That's no easy task. "Pitiful is how you can describe the racing industry's attempt to bring in new fans," says Ken Alhadef, executive vice-president of Longacres Race Course in the Seattle suburb of Renton. "Kids grow up with football," he says, "but horse racing remains a mystery to most of us. Simulcasting won't be the savior of racing. The savior of racing will be our ability to



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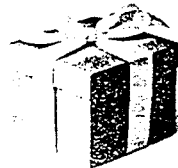
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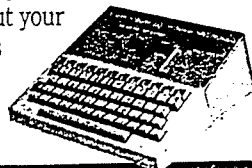
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attract new fans by ripping down the intimidation factor."

Longacres is trying to develop a strategy to bring in the uninitiated. It passes out a "First Timer's Kit" explaining how to read the *Daily Racing Form*. And there's also a "New Comer's Corner," where an ex-jockey explains the arcane science of handicapping and betting.

VENERABLE OVAL. Churchill Downs has some things going for it that other major tracks lack, however—foremost being that horse racing is an integral part of Kentucky social life. As a result, the 115-year-old track doesn't have as hard a problem attracting new racing fans, and it doesn't need to run handicapping seminars. But its facilities were showing their age. In the past four years, clubhouses in the white clapboard, twin-spired grandstand have been redone, replete with plush carpets and white linen tablecloths. And now fans can get a bet-

THE SIMULCASTING PAYOFF

Results of closed-circuit broadcast of
1988 Kentucky Derby to betting outlets

Total wagers at simulcast outlets	\$25,500,000
Less: State taxes	880,000
Bettors' winnings	20,900,000
Simulcast outlets' share	1,860,000
Churchill Downs' simulcast share	\$1,860,000

DATA: CHURCHILL DOWNS INC.

ter view of the horses before a race.

In addition to the \$25 million refurbishing program, Churchill Downs' management has had to learn to market the venerable oval. It now offers fans the opportunity to attend receptions for jockeys and is pushing hard to increase group sales, which currently represent about 15% of the track's total annual attendance of 1.2 million. One prime target is Kentucky-based companies. They're being urged to reward employees with a day at the races.

Here again there's a problem, however. Although Churchill Downs doesn't simulcast the Derby locally, for fear of cannibalizing attendance, the track does simulcast regular-season races. So it has stopped advertising to northern and western Kentucky and Cincinnati because those areas receive the broadcasts. Instead, management has had to concentrate much of the track's annual \$1 million promotion budget in such far-away places as Indianapolis and Nashville. And if Churchill Downs can't attract the folks in those areas to the twin spires after Derby Day, there may not be much hope for growth at the nation's less storied racetracks.

By Stephen Phillips in Louisville



The Racing Association
of Kansas East

TESTIMONY

on Senate Bill 383

Senate Committee on Federal and State Affairs

Mister Chairman, and members of the committee, my name is Jim Yonally, representing TRAK-East, the non-profit organization licensee at the Woodlands Race Track in Kansas City. I am pleased to appear today in support of Senate Bill 383.

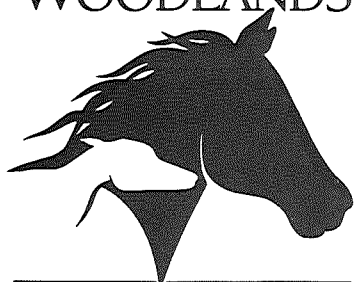
In simple terms, there are two facets to this proposal. One would allow us to receive, via satellite, races from other tracks and permit our patrons to wager on that race just like they do on a race appearing on the track in front of them. Second, it would permit us to send our races to other tracks and participate, through contractual arrangement, in the revenue from their wagering.

The bottom line, for us, is greater income for us to donate to the charities of Kansas. We see the approval of simulcasting, under the direction and control of the Racing Commission as the next logical step for the racing industry in Kansas. We urge your favorable consideration for Senate Bill 383.

Thank you for your time and attention.

Senate F&SA
3-26-91
Att. 4

—the—
WOODLANDS



RACING

A Facility of Sunflower Racing, Inc.

March 26, 1991

Senator Edward Reilly and Members of
The Federal and State Affairs Committee
State Capitol
Topeka, KS 66612

Dear Senator Reilly and Committee Members:

We at The Woodlands and Sunflower Racing, Inc. would like to voice our support for SB 383 relating to the issuance of simulcasting approval within the State of Kansas.

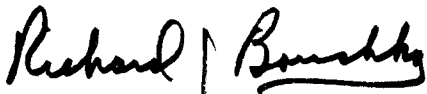
It has long been our opinion that simulcasting will be a very valuable marketing tool for the existing tracks. Because of our limited population, simulcasting offers perhaps the only glimmer of hope for a fair circuit to outlying areas. Without simulcasting, they will have no other opportunity to view live racing, even on a limited scale.

Further more, we have been very fortunate in Kansas City to have reached a high level of public acceptance and national renown. Our customers think of The Woodlands as 'big time' racing, and in that framework expect to view major races from around the country as they can at other national tracks at the present time. Racing fans have an interest in greyhounds and horses in other locales and simulcasting allows them to keep abreast of the nationally known racing animals.

We see SB 383 as being very positive for the State of Kansas race tracks, kennel owners, horse trainers and/or owners, track customers and the local communities.

Thank you in advance for your consideration of this critical legislation. I am sorry my travel plans called for me to be out of town or I would have been there personally.

Very truly yours,


Richard J. Boushka
President

Senate F&SA
3-26-91
Att. 5

MORE GAMBLING HURTS MORE PEOPLE

"the non-profit National Council of Compulsive Gambling estimates that since off-track betting was legalized in New York City, the number of compulsive gamblers may have jumped by 250,000 to 500,000. The reason: This form of betting exists."

THE WICHITA EAGLE, August 20, 1980, page 22B

MORE GAMBLING HURTS FAMILIES

"I have had parents threatening to commit suicide," says Dr. Valerie Lorenz, head of the National Center for Pathological Gambling, "because they have mortgaged their home to pay off their son's gambling debts, but he's still gambling and now he's pleading with them that if he doesn't pay up, the bookie is going to break his legs." Such horror stories are commonplace among volunteers in the 400 local chapters of Gamblers Anonymous.

FINANCIAL WORLD, February 20, 1990

MORE GAMBLING HURTS YOUTH

On the Fourth of July, 1990, on national TV a young person was asked, "WHAT IS THE AMERICAN DREAM?" A fine looking young man responded, "THE AMERICAN DREAM IS TO ENJOY THE GOOD LIFE WITHOUT WORKING FOR IT." That is the message received from gambling promoters.

MORE GAMBLING HURTS BUSINESS AND INDUSTRY

"Gambling adversely affects business, causing inefficient employees, accident-prone employees, and potentially dishonest employees. When a gambler becomes a loser - and in the long run they all do - he becomes worried, distracted, tense as debts mount."

DESKBOOK ON ORGANIZED CRIME, Chamber of Commerce of The United States

MORE GAMBLING HURTS MORE BUSINESSMEN

Except for Wyandotte and Sedgwick counties, businessmen all across Kansas have been spared the tremendous drain of consumer dollars lost at the gambling track and not spent on main street. Gambling parlors in cities all across Kansas with local people sitting in front of TV sets losing lots of dollars on horse and dog races from across the state and nation will change that.

MORE GAMBLING HURTS SPORTS

If the current trend toward more and more gambling continues, college and professional sports will degenerate into little more than vehicles for gambling, just as horse and dog racing today are little more than vehicles for gambling.

MORE GAMBLING HURTS RESPECT FOR LAW

If Laotian women in Johnson County can not do what Kansas does in every county, law becomes a big joke.

MORE GAMBLING HURTS ECONOMIC DEVELOPMENT

"Attorney General Curt Schneider said Sunday he is opposed to a proposed amendment to the Kansas Constitution which would allow parimutuel betting. Schnieder said he opposed gambling because it doesn't add to the Gross National Product of the nation or to Kansas."

-Topeka State Journal, March 21, 1977

Virgil Peterson of the Chicago Crime Commission wrote, "As a business, gambling is parasitic. It is non-productive. It creates no new wealth and performs no useful service. It redistributes wealth from many into the hands of the few."

"The thing that bothers me most about it is that when people gamble away their money, they don't spend it on an honest product that someone has put work into. There's only so much money, and if it is lost at a gambling table, it is taken out of the productive part of our economy. Who would you rather see employed, a blackjack dealer in a casino in Las Vegas or a machinist at an automobile assembly plant in Detroit? Which contributes most to what's good about American life?"

-Andy Rooney, national columnist

Topeka Capital-Journal, August 24, 1983

Senate F&SA
3-26-91
Att. 6

GAMBLING HURTS ECONOMIC DEVELOPMENT

Kansans are losing millions of consumer dollars yearly to persons getting rich promoting bingo, lottery, and parimutuel gambling - legal skimming operations. Do you want MORE people losing MORE money gambling in MORE places on MORE races?

On the Fourth of July, 1990, on national TV a young person was asked, "WHAT IS THE AMERICAN DREAM?" A fine looking young man responded, "THE AMERICAN DREAM IS TO ENJOY THE GOOD LIFE WITHOUT WORKING FOR IT." That is the message received from gambling promoters. Slave owners had the same philosophy. "You toil and sweat, and I'll live off the fruit of your labor." Gamblers want to live off what others have worked for and earned.

"Gambling fever reflects and exacerbates what has been called the 'fatalism of the multitude.' The more people believe in the importance of luck, chance, randomness, fate, the less they believe in the importance of stern virtues such as industriousness, thrift, deferral of gratification, diligence, studiousness. It is understandable why gambling is booming at a time when the nation's productivity, competitiveness, savings rate and academic performance are poor. "

NEWSWEEK: May 8, 1989

"We will face in the next decade or so more problems with youth gambling than we'll face with drug use," says Howard Shaffer, director of the Center for Addiction Studies in Cambridge, Mass.

"This new legitimacy of once illegal forms of betting is undermining traditional attitudes toward work and play, saving and investing, even right and wrong." New York Times

"Gamblings get-rich-quick appeal appears to mock capitalism's core values: disciplined work habits, thrift, prudence, adherence to routine and the relationship between effort and reward."

Twentieth Century Fund, a New York research group

"Gambling adversely affects business, causing inefficient employees, accident-prone employees, and potentially dishonest employees. When a gambler becomes a loser - and in the long run they all do - he becomes worried, distracted, tense as debts mount."

Chamber of Commerce of The United States

"There would seem to be an inconsistency in demands for consumer protection agencies, coupled with demands for legalized gambling. As professor Irving Kristol pointed out on this page several months ago, gambling is technically a swindle: the payoffs of bets must be less than fair, and the overwhelming majority of the investors must eventually lose their money, if the gambling enterprise is to survive and prosper. Therefore, he noted, the case for legalized gambling is simply an argument in favor of the government raising revenues by swindling its citizens rather than by taxing them."

GAMBLING AND THE GOVERNMENT, The Wall Street Journal

"Yet for the past decade, in state after state, citizens have eagerly welcomed not only legalization but government sponsorship of gambling, an activity that was once generally regarded as a vice and that many experts consider as addictive and socially destructive as narcotics."

Financial World

"I oppose gambling because it does not add to the Gross National Product of the nation or to Kansas."

Attorney General Curt Schneider, March 21, 1977

"Gambling is parasitic. It is non-productive. It creates no new wealth and performs no useful service. It redistributes wealth from many into the hands of the few."

Virgil Peterson, Chicago Crime Commission

"The thing that bothers me most about it is that when people gamble away their money, they don't spend it on an honest product that someone has put work into. There's just so much money, and if it is lost at a gambling table, it is taken out of the productive part of our economy."

Andy Rooney, Topeka Capital Journal

Senate F&SA
3-26-91, Att. 7

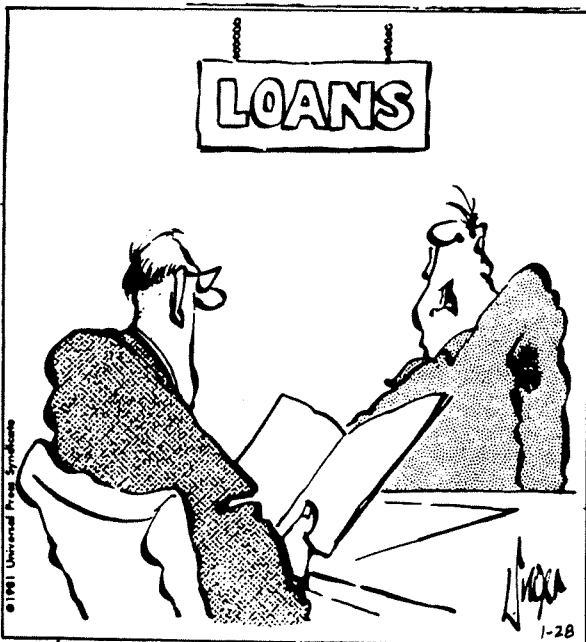
Because simulcast gambling is a major issue and should come only with a constitutional amendment, and because time in committee is so limited, would you please take this to your office? May this material help you to be better informed.)

Richard Taylor

Page

- 1 & 2 - Simulcasting is an additional form of gambling. It needs a constitutional amendment to become legal in Kansas.
- 3 - Is it a lawful duty of the Racing Commission to want more Kansans to lose more money gambling? Does our constitutional amendment speak of "live" and "dead" races? How sad it happened on Washington's birthday.
- 4 - The news media got it right. The issue is MORE gambling, MORE criminals in Kansas promoting more illegal and legal gambling.
- 5 - The Racing Commission "has all it can do to keep an eye on the crooks in racing" with only two tracks. How will they enforce the law with gambling parlors all over Kansas?
- 6 - The Racing Commission is soft on law breakers in Wichita, allowing them to go free instead of to jail. Organized crime snickers at the "squeaky clean" gambling laws in Kansas and their lack of enforcement.
- 7 - More parimutuel gambling will result in millions and millions more dollars lost by the public. If the public would wager \$250,000 on the first race, and if take-out is 18%, and if all winners wager their total winnings on the next race, and if losers do not make additional wagers, the public would WIN \$41,905 at the end of nine races. Intelligent people would say the public LOST \$208,095!
- 8 - This article contains tongue-in-cheek comments, but it is an excellent diary of the kind of people involved in race track gambling.
- 9 - Parimutuel gambling promoters in 1986 promised millions and millions of dollars in revenue that would help Kansas. What happened?

- 10 - If race track gambling promoters are just selling ENTERTAINMENT, why are all these people arrested for having fun?
- 11 - Isn't it a bit hypocritical when people are criminals for doing what the state promotes? Are lawmakers hypocritical when they vote to expand an activity that is illegal for private citizens?
- 12 - A Wichita Eagle article said, "The bulk of money bet at Wichita Greyhound Park went to winning gamblers." WRONG. The bulk of the money went into pockets of gambling promoters.



"This won't take long, will it? The first race starts in 20 minutes."

June 26, 1991 11:00 a.m.
 Hearing on SB 383
 Senate Federal & State Affairs Committee

Simulcast gambling
 Rev. Richard Taylor
 KANSANS FOR LIFE AT ITS BEST!

The issue today is not horse and dog racing. Such races have been legal every hour of every day in every county in Kansas every year since 1861.

The issue is not entertainment. The issue is not revenue. The issue is not a sport. The issue is not the horse and dog industry. The issue is more commercial gambling in Kansas.

If persons gamble privately with their friends, the total amount lost and the total amount won are equal. There is no take-out. If a person gambled privately and broke even picking winners and losers over the course of a year, that person would end up with exactly what he started with.

If you break even with commercial gambling, you still lose big. With 18% take-out on every race and with gamblers pooling their bets so they will win all the prize money, at the end of nine races they would WIN \$41,905, if they started out with \$250,000. (See page 7 for details.)

GAMBLING IS A CRIMINAL ACTIVITY

The legislature and the people may approve a constitutional amendment that permits with restrictions a specific form of gambling, making it a legal criminal activity. All other gambling continues to be an illegal criminal activity. (See pages 10 and 11)

Kansas now permits bingo, parimutuel, and lottery gambling with restrictions. Do you want to expand this legal criminal activity so more Kansans will lose more money gambling in more places on more races. The issue is MORE gambling. (See page 4)

GAMBLING is PAYMENT for a CHANCE to ENRICH yourself because others LOSE. According to the Wall Street Journal, gambling is technically a swindle. A swindle is theft by deception. The motive for shoplifting and for betting at the races is the same - enrich yourself by taking wealth from others. Organized crime has always promoted more gambling to raise revenue. Should Kansas?

Why is gambling a criminal activity? For the same reason that stealing is a criminal activity. Stealing is simply a redistribution of wealth. So is gambling. Stealing and gambling do not add to the gross national product. If everyone tried to live off stealing and gambling, no one would produce cars or raise food. As more and more people become thieves and gamblers, there will be less and less for everyone. Our standard of living will go down and taxes will increase.

The Roman Catholic Bishops of Minnesota said it well in their Statement opposing parimutuel gambling. "A society experiences social decay with the legalization of gambling."

Legalized gambling is the mark of an immature culture, embracing a childish belief that fairy tales come true - that you can enjoy the good life without working for it.

Every professor of economics knows there is no free lunch. Persons who believe more people losing more money is good for economic development must have flunked their course in economics.

If lots of people losing lots of money is good for our economy, the S & L mess will help us out of our current economic slump. But just as more taxes are needed to take care of the S & L fraud, more commercial gambling causes taxes to increase. Ask anyone who lives in New Jersey.

In the late forties, New Jersey legalized bingo gambling. Since that time they have legalized about every form of gambling. As one leading citizen said, "Every time we legalize a new form of gambling, our taxes go up!"

Do you want gambling parlors all over the state? One live horse or dog race a year problem for any cow pasture in Kansas. Then people in courtyards border to border can sit and cozy or air conditioned and cool in front of TV sets and gamble away millions of consumer dollars on parimutuel races piped in from every state in the union on every day of the year -rain, snow, dust storm, or shine. In addition, current gambling track operators in Kansas and other states will get richer as more Kansans on more occasions lose more dollars gambling on more races. Many of these dollars will go out of state.

Unless it is rebated to the tracks, additional revenue will come to Kansas. But at what price? The public must lose \$6 gambling if the state receives \$1 in revenue. If parimutuel gambling revenue would equal that from a one-tenth cent sales tax, the public must lose \$126 million for Kansas to receive \$21 million. Concerned citizens will gladly pay an additional one penny on a ten dollar purchase so the public would have \$105 million more consumer dollars in their pockets to spend on main street. (See page for details.)

Who is asking for simulcast gambling? Those who will get richer from the gambling losses of Kansas people. Greedy gambling promoters claim lawmakers should grant their demands, because THE VOTERS APPROVED PARIMUTUEL.

The voters also approved reappraisal and classification when they did not know what it would do. Voters believed parimutuel gambling revenue would help build highways, pay teacher salaries, and reduce property taxes. Now they know that was all a big lie. Voters continue to write letters to editors asking why lottery and parimutuel gambling revenue has not brought tax relief.

It was lost and ignored, but on one occasion Governor Carlin spoke the truth concerning parimutuel revenue. He said it would not do all the public thinks it will do. Because we differed on most issues, I remember the statement well and quoted it many times, but the public did not hear it.

The parimutuel gambling constitutional amendment approved in 1986 states NO OFF-TRACK BETTING SHALL BE PERMITTED. The legislature and the people understood that to mean exactly what it says, no parimutuel gambling off the track where the race is being run.

Simulcast promoters knew this to be true because SB 347 during the 1989 session said the track with the TV set "Shall be deemed to be conducting a licensed live horse race or greyhound race." I asked the committee, WHO WILL CLEAN ALL THE MANURE OUT OF THE TV SET?

Because it is an expansion of gambling, simulcasting should require a constitutional amendment. Let the people decide if they want more local consumer dollars lost in gambling parlors where the race is not being run.

The Attorney General can not decide this issue. Only the Kansas Supreme Court can rule on what the legislature and people in 1986 believed the amendment to permit. According to the Kansas Supreme Court, "Courts do not strike down legislative enactments on the mere ground they fail to conform with a strictly legalistic definition on technically correct interpretation of constitutional provisions. The test is rather whether the legislation conforms with the common understanding of the masses at the time they adopted such provisions and the presumption is in favor of the natural and popular meaning in which the words were understood by the adopters."

(State of Kansas ex rel. Curt T. Schneider)

From 1971 on, I have listened to lawmakers crying out, LET THE PEOPLE DECIDE! Where are those voices now? Are gambling promoters silent on "LET THE PEOPLE DECIDE" because they know that voters now know what voters did not know in 1986?

Every lawmaker takes an oath to uphold our Constitution. Lawmakers who want simulcast gambling and who are true to their oath to uphold the INTENT of the parimutuel gambling amendment will vote for a constitutional amendment. They will not vote for this legislation.

Lawmakers who do not want more Kansans losing more money gambling on horse and dog races in more places on more occasions will vote NO.

Slender, shy, almost-silent Calvin Coolidge in 1927, as president of the United States, spoke before a hushed Congress on the 195th anniversary of the birth of George Washington.

Said President Coolidge of his nation's first president:

"His stature increases with the increasing years. In wisdom of action, in purity of character, he stands alone. We cannot yet estimate him. We can only indicate our reverence for him and thank the Divine Providence which sent him to serve and inspire his fellow men."

George Washington was a man's man.

At 43 he was described as broad-shouldered, 6 feet, 2 inches tall, 200 pounds, wearing size 13 shoes, massive hands, blue eyes, with brown hair usually well-powdered. He liked hunting ducks and wild turkeys, fishing — also the theater and dance.

He loved horses. Two days before his death at 67, he was on his horse five hours.

Sixteen years earlier, Washington, from his headquarters as commander-in-chief of the American army in Newburgh, N. Y., wrote a letter to his nephew, Bushrod Washington.

Gen. Washington had just defeated Lord Cornwallis at Yorktown. The Treaty of Paris, officially ending the Revolutionary War, was only a few months away.

Bushrod was studying law in Philadelphia. He later became a justice in the Supreme Court. Washington willed most of his papers to Bushrod.

Gen. Washington in that letter to his nephew wrote about making friendships.

"Be courteous to all, but intimate with few, and let those few be well tried before you give them your confidence."

The general wrote him to "feel for the afflictions and distresses of every one."

He counseled the law student to dress plainly but genteelly.

Then, Washington concluded with far more words than on any other subject in the letter. He said it "is of first importance."

The subject? Gambling.

Penned Washington: "It is the child of avarice, the brother of inequity, and father of mischief. It has been the ruin of many worthy families . . . The losing gamester, in hopes of retrieving past misfortunes, goes on from bad to worse . . ."

He concluded by terming gambling "an abominable practice."

(3) You have been given a letter on simulcasting from the Kansas Racing Commission dated February 28, 1991, stating "The commission believes it is important that this language be integrated with the racing act."

The Parimutuel Racing Act, KSA 74-8804, spells out the POWERS AND DUTIES OF COMMISSION. I can not find where it says the Racing Commission should work hard and expend great effort to encourage more Kansans to lose more money gambling on more occasions in more places on more races.

The Racing Commission seems to be controlled by those it is supposed to control. When they say simulcasting will help the parimutuel industry, they mean more people will lose more money gambling.

SB 383 talks about "live" races. Our Constitutional amendment says nothing about "live" races at a track or "dead" races on a TV screen. During the 1990 House Federal & State Affairs Hearing on HB 3078, gambling promoters said they wrote the parimutuel amendment so it would permit simulcasting.

If that is true, they did not tell lawmakers and voters. Not telling the whole truth is the same as lying. Gambling is a criminal activity. Lying is a criminal activity. They go together.

Proposed simulcasting legislation was reviewed and approved by the racing commission on February 22. How sad. That is Washington's birthday. The issue before this committee is of great concern to General Washington.

KANSAS RACING COMMISSION
3400 Van Buren
Topeka, Kansas 66611-2228
(913) 296-5800
FAX (913) 296-0900

TO: Mary Ann Torrence
FROM: Janet A. Chubb
RE: Proposed simulcasting legislation
DATE: February 28, 1991

Attached are two copies of proposed simulcasting legislation reviewed and approved by the commission at its regular meeting February 22, 1991. *Washington's Birthday!*

The commission believes it is important that this language be integrated with the racing act. I have attached model definitions adopted by some sister racing states. We are looking for one for "simulcasting" now. Thank you for your help, Mary.

91JAC2-cd
Attachments

Lawmakers may consider more gambling options

Independence Daily Reporter

December 18, 1990

Legislature may allow more gambling in state

Great Bend Tribune, December 18, 1990

Legislators may cast their bets on more legal ways to gamble

Leavenworth Times, December 18, 1990

Expanded gambling possible

December 18, 1990

Salina Journal

Legislature to look at betting proposals

Skip more gambling

The surest proof that gambling is an addiction lies in the record of state legislatures. Give them a little taste of legal gambling revenue and the lawmakers always get hooked.

The same thing is happening in Kansas.

Just a few years ago, gambling was illegal in Kansas.

Now the state actively encourages Kansans to gamble on the lottery. After all, if Kansans don't throw away their dollars on the games, the state won't have money for economic development.

Then there's legal betting on horse and dog racing. Another promised boon to the state's economic future.

But it's not enough. A little gambling never is.

Now some lawmakers want more. They want Kansas to allow betting on simultaneous broadcasts of horse and dog races to increase the take at tracks.

They want Kansas to allow legal casino

gambling on riverboats.

The idea is absurd. If Kansas were meant to have riverboat gambling, we would have rivers.

Aside from our lack of rivers to float boats, there's another problem. Kansas has long taken pride in being a good state for families, a state with a strong work ethic and high moral principles. Do we really want to sell our heritage for a mess of Las Vegas lights?

Surely not.

— Hays Daily News

THE SALINA JOURNAL

December 24, 1990

Racetrack workers suspended after Saturday's police raid

Dodge City Daily Globe, Mar 12, 1991

OVERLAND PARK (AP) — Five employees of The Woodlands racetrack have been suspended after a police raid early Saturday on a poker party in Overland Park.

Twenty-one people were arrested at the party, which was being held at a track employee's house, said Overland Park police Maj. John Round.

Four people, including one Woodlands employee, were charged Monday in Johnson County District Court with cocaine possession stemming from the arrests. None of the others had been charged Monday.

Three of those arrested are mutual clerks, who take bets at the Wyandotte County horse and dog tracks. One person works in the marketing department, and another operates the dog-racing lure known as Woody, said Bruce Rimbo, executive vice president at The Woodlands.

None of the employees is a racetrack manager, Rimbo said.

All of The Woodlands' 800 employees must be licensed by the Kansas Racing Commission, Rimbo said. A license can be revoked if someone is convicted of a felony or a misdemeanor gambling offense, he said.

Each player was charged \$150 at the door in exchange for \$130 in chips, Round said. The operators kept \$20 for the house.

Rimbo said he ordered the employees' suspensions after he was notified Saturday. He said it was the first time he could recall employees being accused of illegal gambling since The Woodlands opened in September 1989.

Horse racing: a bad bet

A City-County Council committee will take another look at gambling on horse racing tonight.

The Rules and Policy Committee meets in the City-County Building to try to discern whether this kind of gambling would be good for Marion County.

The Hudnut administration has been pushing for this scheme on the grounds that gambling on horse racing is coming to central Indiana anyway so why not put it in Marion County and reap some dividends from it.

Those assumptions are uncertain at best. Horse racing is not bringing in big revenues to local

and state governments in other places, such as Des Moines, Iowa. There, the Prairie Meadows track is being subsidized by the taxpayers because it is a financial flop.

In Maryland gambling addiction is costing the taxpayers an estimated \$1.5 billion a year.

That wipes out any profits the state or local governments might ever reap from horse racing, a lottery or other forms of gambling.

The council committee should examine the dark side of the pari-mutuel and horse racing industry.

It's not a good bet for Marion County, and 1991 is no time to be gambling with taxpayers' dollars.

More gambling needed?

Independence Daily Reporter

December 21, 1990

There's no doubt the Legislature next month will be facing a gigantic budget problem, and already some legislators are looking at extremes to raise more revenue.

This week the idea of new gambling legislation surfaced that would permit more legalized wagering, and immediately the opposition spoke out. The proposals would allow casino gambling on riverboats and betting on dog and horse races broadcast to Kansas tracks.

As expected, Rev. Richard Taylor, president of Kansans for Life at Its Best, was quick to voice his disapproval. "When every city wants to be a Las Vegas and every state wants to be a Nevada, we'll starve and walk. Commercial gambling is economic development in reverse," he stated.

Of course, the proposals are not new. Both were introduced dur-

ing the last session but failed to get out of committee. But, some believe the budget situation will force some consideration of the expanded gambling proposals. Sen. Ed Reilly, chairman of the Federal and State Affairs Committee, stated: "I would think that the Legislature would be very receptive. I tie everything to the revenue picture."

Riverboat gambling would require a constitutional amendment if two-thirds of the legislators approve it. Taylor fears such a move would bring on legal gambling in other areas.

Regardless of the proposals, gambling appears to be one more issue that will take up precious time in a legislative session that promises, under a new governor, to be one of the more tempestuous than is the usual.

Hot tip

Kansas City Star, March 7, 91

Pari-mutuel betting on horse and dog races in Kansas is not enough for the gambling industry. Now it wants a bigger take: There is a move to allow gamblers at Kansas tracks to wager on races run outside the state. The voracious appetite of the gambling kingpins never is sufficiently fed. Why not a few crap, blackjack and poker tables at the track, too?

These people do not need encouragement. The Kansas Racing Commission appears to have an interest in this issue. The best thing the commission could do is oppose the simulcasting of outside races into the Kansas tracks. The commission has all it can do to keep an eye on the crooks in racing.

Kansas does not need the economic drain of television simulcasting. It may be good business for the gambling industry, but it is not for the people who stand to lose their hard-earned dollars on this ill-advised venture.

They Go Together

Gambling and the underworld go together. At least that has been true elsewhere and Kansas is rapidly learning that fact of life. (Osawatomie Graphic, August 23, 1990)

Illegal off-track betting at the Woodlands track in nearby Kansas City, Kan., is suspected. We're now told that Kansas Bureau of Investigation is checking into the matter.

"Unusual activity" around pay telephones leads to the suspicion that the track isn't lily white despite what the backers of the program told legislators a few years ago when they were trying to get a bill passed that would allow dog and horse racing at the track. A little community backing also came into play.

Despite strong opposition to legalized gambling through the years, the lawmakers relented and granted licenses. For them, trying to find every dollar they could without raising property taxes, income from the dogs and horses seemed logical. And easier to get away with as far as the public was concerned.

But human nature hasn't changed. Gambling and the underworld have performed together elsewhere forever, it seems, there is no reason to think Kansas would be any different.

State starts probe of Wichita Greyhound Park

By Bill Hirschman
The Wichita Eagle

State investigators arrived at Wichita Greyhound Park on Monday to audit its financial records, a painstaking process expected to last several weeks.

The Kansas Racing Commission is investigating allegations that track managers hid contracts and expenditures from state officials.

Later this fall, auditors will review financial records of other com-

noted Monday that they are proposing that John Williamson of Florida fill in for Delbert Reed, the general manager accused of helping a gambler place off-track bets. Reed was suspended from the job when the charges were disclosed.

Four accounting experts began examining the track's books to determine how money has been spent, said David Elkoun, a Wichita attorney hired by the Kansas Racing Commission to investigate the

ceded with Williamson's arrival at the track.

The owners agreed Sunday to hire Williamson, pending approval of the racing commission and Wichita Greyhound Charities Inc., Calvin McMillan, track president.

Reed will have a hearing before the racing commission on Oct. 15. He denied the charges against

Williamson's hiring will be considered Wednesday by the board of directors of Wichita Greyhound

Horses: Ak-Sar-Ben sale

Ak-Sar-Ben wants to sell 300 acres that includes its financially-struggling horse race-track because the property is worth more than the income it generates, the philanthropic organization said Tuesday. Ak-Sar-Ben will continue horse racing through the 1991 season, and it will encourage any buyer

Judges suspend dog track manager for alleged betting

State commission to hear complaints manager assisted off-track wagers

support the general manager, said "Mr. Reed showed poor judgment" but was the victim of an injustice. Allan said he will press the

Suspended dog-track manager faces additional charges

By Bill Hirschman
The Wichita Eagle

The Wichita Greyhound Park's general manager was hit with three more allega-

Commissioners ask who's running dog track

Track boss fighting for his career

By Bill Hirschman
The Wichita Eagle

Favors between acquaintances

Wichita Greyhound

...racing ... about ... rush the probe, she just wants it better defined. "We may have created a monster," Arvin said. "I just feel the better part, much out of

The two W ... censed in Sep ... four men who ... Wichita Grey

KBI is asked to join track investigation

Saturday, August 18, 1990 THE WICHITA EAGLE 3D

Dog track's management probed

By John Hanna
Associated Press

TOPEKA — A private inquiry hired by the state Racing Commission is investigating whether the suspended manager has been funneled imp from Wichita Greyhound Park of state, a partner in the future.

ture of payments from the Wichita track in American

Maisel, Harold Ripps and Herbert Meister — former American Rac

Suspended manager says he's done nothing wrong

expertise in investigation, not to use any criminal allegation if one made, said Assistant Attorney General Janet Chubb, who headed the investigation.

The commission has also authorized paying the law firm to go to work already start a thorough track's financial take several were issued

Dog track chief quits in midst of hearing

By Judy Lundstrom Thomas
The Wichita Eagle

The embattled general manager of Wichita Greyhound Park resigned Wednesday in the final hours of a hearing into allegations that he

Feuding dog-track owners try to mend fences

By Bill Hirschman
The Wichita Eagle

Owners of Wichita Greyhound Park are working quietly to mollify the Kansas Racing Commission, which is considering whether to revoke their license to manage the track.

The owners, investors from Kansas and Alabama, have been feuding since before the track opened last year.

...ense. "I think it will help our relationship with both the charities and the racing commission," said Calvin McMillan, track president and Wichita stockholder. "But as far as that being the primary moving factor, I think it behooves any stockholders to try to resolve differences whether you have outside forces or not."

During a license review in May, commissioners found the regulations mi

"I think it will help our relationship with both the charities and the racing commission. But as far as that being the primary moving factor, I think it behooves any stockholders to try to resolve differences whether you have outside forces or not."

Calvin McMillan, track president

Dogs suspended in Wisconsin could race in Kansas

KENOSHA, Wis. — Fifteen greyhounds suspended from racing at Dairyland Greyhound Park here in connection with a Kansas investigation into illegal live-lure training

The Wisconsin Racing Board has suspended the trainers, William and Rodney Boatright of Mayfield, Kan., for at least 90 days pending the outcome of the investigation, Executive Director Thomas Dunleavy said. Racing Commission

Eureka Downs dealt new blow by racing panel

By Stan Finger
The Wichita Eagle

The Kansas Racing Commission voted on Friday to let a federal bankruptcy judge decide whether weekend matinee races can return to Wichita Greyhound Park before the end of the Eureka Downs racing season.

The commission earlier had prohibited dog racing on the weekends that the horses were running at Eureka Downs. The ailing track filed for financial reorganization Monday, listing \$750,000 in debts.

Eureka Downs told to shape up or else

By John Hanna
The Associated Press

TOPEKA — The commission started a process to suspend or revoke the license of the financially troubled horse track.

The commission accused the track's operators that would put it terms of its license. The allegations concerned practices in track security.

Commissioners also said who is making operation through the Greenwood County is licensed to operate horse track, located in Eureka, about 55

The Kansas Racing Commission started a process that could lead to suspension or revocation of the license of the financially troubled Eureka Downs horse track. The commission's staff accused the track's operators of numerous acts that violate of the terms of its license.

...ing at the ... Eureka, about 55 ... The report from the commission's staff

Wichita track officials broke laws, panel says

Wake up! Dog track woes grow, but officials snooze on

The people who run the Wichita Greyhound Park remain amazingly untrack and the pari-mutuel industry apparently are not serious enough to concern

March 16, 1991

7-8

In 1986, the legislature and the voters approved a constitutional amendment that permitted parimutuel gambling on live horse and dog races in Kansas. The amendment states, "No off-track betting shall be permitted." Lawmakers and voters understood this to mean exactly what it says, no parimutuel gambling off the track where the live race was being run.

During the 1990 session, simulcast gambling promoters introduced legislation that would permit persons at a track where one live race was run a year to sit in front of a TV set and gamble on horse and dog races from every state in the union during every day of the week. It will require a constitutional amendment to permit off-track gambling in Kansas.

Gambling track promoters explain parimutuel this way:

Pari-mutuel means, literally, a mutual wager, or betting against other bettors. It is legal in thirty states, including all states west of Kansas except Utah. A pari-mutuel wager is much like a stock transaction. When you buy a \$2 ticket on a horse, you are, in effect, buying one share in the horse's performance in that race. The race track acts as the broker for the transaction

and deducts its commission, which is fixed by state law. The track has no interest in which horses win or lose, because the patrons do not wager against the track; they wager against each other via a mutual pool, based on the odds existing at the close of betting. The odds on each horse, and the eventual payoffs, are determined by the sums wagered on the various entries.

Here is what happens if the public wagers \$250,000 on the first race, if take-out is 18%, if all winners wager their total winnings on the next race, and if losers do not make additional wagers.

\$ 250,000.00	Wagered by the public on the first race.	18% take-out leaves a mutual pool of
205,000.00	returned to the winners who bet it all on the second race.	18% take-out leaves
168,100.00	returned to the winners who bet it all on the third race.	18% take-out leaves
137,842.00	returned to the winners who bet it all on the fourth race.	18% take-out leaves
113,030.00	returned to the winners who bet it all on the fifth race.	18% take-out leaves
92,685.00	returned to the winners who bet it all on the sixth race.	18% take-out leaves
76,002.00	returned to the winners who bet it all on the seventh race.	18% take-out leaves
62,322.00	returned to the winners who bet it all on the eighth race.	18% take-out leaves
51,104.00	returned to the winners who bet it all on the ninth race.	18% take-out leaves
<u>\$1,156,085.00</u>	Total (Sales tax exempt)	\$41,905.00 returned to winners of ninth race.

\$ 34,682.00	Taxes for the state, (3% of \$1,156,085.00)	Some of these dollars would be needed for increased law enforcement budgets, administration expenses, and social costs.
\$ 173,413.00	Into pockets of non-profit track operators, gambling lobbyists, lawyers for legal counsel, public relations firms, advertising agencies, rich owners of winning horses and dogs, shady vets with quick fixes for injured animals. (15% of bets)	
\$ 41,905.00	Returned to the public. Gambling track operators enrich themselves from the	
\$ 250,000.00	"investment" by the public on which is charged a commission of \$173,413.00.	

Who would pay a stockbroker a "commission" of \$173,413.00 on an "investment" of \$250,000.00 which was certain to be worth \$41,905.00 by the end of nine races? No matter how much the PUBLIC bets in one day on any number of races, parimutuel gambling is a swindle, as the Wall Street Journal explains.

For every \$1 the state receives in taxes, the public must lose \$6 at the gambling track. Parimutuel promoters pocket \$5 for every \$1 the state receives. WHEN YOU READ OF TAX REVENUE PARIMUTUEL HAS PRODUCED, REMEMBER FIVE TIMES THAT AMOUNT WENT INTO POCKETS OF GAMBLING PROMOTERS. MERCHANTS AND THE PUBLIC LOST SIX TIMES THAT AMOUNT IN CONSUMER DOLLARS GAMBLED AWAY AT THE TRACK. (\$1 or 3% take-out for the state, \$5 or 15% for the track, \$6 or 18% total take-out)

A one-tenth cent sales tax would take \$21 million consumer dollars off main street and the state would have \$21 million to use for good causes. For parimutuel to produce \$21 million, the public must lose 126 million consumer dollars gambled away at the track (6x21=126) Without parimutuel the state would have an EQUAL amount of revenue and the public would have 10⁵ million additional consumer dollars to spend for goods and services. That is POSITIVE economic development.

EVERY PERSON WHO WANTS REAL ECONOMIC DEVELOPMENT WANTS FREEDOM FROM SIMULCAST PARIMUTUEL GAMBLING!

7.9

(7)

(8)

Racing has brought only Trouble

In the beginning, there was the Rev. Richard Taylor, the Great Protector, telling us we should stand firm against sin, pleading with us to turn our backs on the disciples of Satan and vote against those greatest of evils — drinking, the lottery and gambling on horses and dogs.

I don't know why he didn't include dancing, the worst evil of all. When libertine women and licentious men meet on that devil's playground known as a dance floor, they inevitably throw decency and virtue to the winds and ... well, you know what that leads to.

But Taylor is only one man and he can't cover all the bases. He had his plate full battling drinking and gambling, and he did a thorough job of it. He made it clear to Kansas voters that approving any degree of those sins would be a mistake.

He warned us particularly that when you approve public wickedness, and then ask politicians to control it, you're asking for trouble with a capital "T," and he reminded us again that voters usually get what they deserve.

Well, it looks now like Taylor, who is never wrong, is right again.

The voters, in their greed and thirst, approved liquor by the drink, a lottery and pari-mutuel wagering at horse and dog tracks. So what has happened?

The state racing commission has been licensing tracks, but has created more questions than it has resolved. The lottery office is in turmoil as disenchanted employees depart. I haven't been in any bars, of course, so I don't know what's going on in them, but you can bet Taylor is right again when he says it's not good.

The racing commission, particularly, is doing everything possible to make Taylor look good. As John Hanna of the Associated Press wrote recently, if the people of Kansas knew then what they know now, they probably would not have voted to allow betting at horse and dog tracks.

But that's what we did, and we can't undo it. Gov. Mike Hayden followed up by appointing a five-person racing commission and called for its actions, and the actions of the entire industry, to be squeaky clean.

This morning

**DICK
SNIDER**



Somebody must have thrown some old crankcase oil into their Ajax Foaming Cleanser. Somebody slipped crud into their Comet. Somebody put impurities into their Ivory. This could be a made-in-Kansas movie titled, "Some Funny Things Happened on the Way to the Track."

Over the past few months, the racing commission looked at 13 applicants and then awarded licenses to build tracks and run racing in the state. It hasn't exactly gone smooth as silk. There have been some incidents.

Nothing serious, mind you. Just a charge of bribery, some ugly exchanges and accusations between applicants, some surprising financial revelations, an appeal of one decision and the possibility of more, and allegations of misconduct on the part of elected state officials. Other than that, and the continuing question of why the commission doesn't operate more publicly, it has been fun.

There have been both good and bad times for Sunflower Racing of Wichita, and Dick Boushka, partner in the firm and its spokesman. Sunflower was given the richest plum of all, the license to build a horse and dog racing complex in Kansas City.

At the time, Commission Chairman Alfred Schroeder was lavish in his praise for Sunflower. He said its partners had "deep pockets" and were going to put \$11 million of their "own money" into the project.

The commission later gave Sunflower a license to build a dog track near Pittsburg, again pointing to its

financial strength. At that point there was reason to wonder why the commission hadn't just given the whole state to Sunflower and be done with it.

But a Kansas City bank chose this embarrassing time to reveal Boushka and some partners owed it more than \$400,000 and would like to have its money, if you please. The commission had no comment.

It is a basic requirement that licensees be in good financial shape, and that any change in their degree of solvency be reported to the commission. We have to assume this was handled because the commission never publicly called Sunflower to the rail and asked about it.

Then it was revealed that a corporation Boushka is a partner in owed Sedgwick County some \$170,000 in back taxes. The law says a license can't go to a group whose members haven't paid their taxes.

Schroeder commented on this one. He said he wasn't sure the law applied. Strange words, because he's a lawyer and a former Supreme Court justice. If he doesn't know, who does? Boushka said the taxes would be paid, and that apparently took care of that. He said the matter had nothing to do with his license applications, but that's not what the law says.

There is reason to wonder now why the Kansas Bureau of Investigation, in its diligent background checks of the applicants, didn't turn up these money matters. One unsuccessful Kansas City applicant, who has appealed the decision, hints it may not have been trying very hard.

In his appeal, he pointed out that Boushka's partner, R.D. Hubbard, gave Attorney General Robert Stephan \$10,000 two years ago to help settle a lawsuit. The hook is that Stephan appoints the man who runs the KBI, thus the suggestion it may have been soft on Sunflower.

Stephan says Hubbard is a friend, which is the least you would expect, but says any idea of him using his influence in the background checks is "absurd."

So, the whole thing is right where Taylor told us it would be, and there hasn't been a horse or a dog seen on a new track yet. Why didn't we listen to him when we had the chance?

Gambling change is delayed ⁽⁹⁾

Bill would allow betting on races at other tracks.

By SCOTT CANON
Mid-America Correspondent

TOPEKA — A move to let bettors at Kansas racetracks wager on horse and greyhound races run at other tracks was delayed Thursday.

But members of the Kansas Racing Commission made it clear they still plan to put their influence behind a measure that would allow simulcasting — where races held at one track are shown and bet on at another.

The panel, chief regulator of racing industries in Kansas, put off endorsing legislation on simulcasting to allow owners of the Wichita Greyhound Park to make suggestions. The commissioners plan to approve a final plan in a conference telephone call next week.

Kansas City Star February 15, 1991
The Wichita group said the bill proposed by officials of The Woodlands racetrack and the commission's new executive director would leave too much room for skirting the state's constitutional ban on off-track betting.

"This bill is wide open and it's nothing more than off-track betting and that's the way it's going to be perceived in the Legislature," said Pete McGill, a lobbyist for the Wichita dog track and a former speaker of the House.

"You could put a rinky-dink horse track inside Wichita, run a few races and then simulcast for the rest of the year," McGill said. "That would kill us."

The bill would allow simulcasting only at facilities that run races at least once a year after having their schedule reviewed by the commission. The measure would also allow the state's greyhound kennels or horse association to block simulcasting of specific races.

The Woodlands has pushed in past years for simulcasting. The proposals languished in the Legislature, in large part, because the racing commission didn't actively support them.

Now the political landscape has changed. Commission members made it clear this week they are solidly in favor of simulcasting as a way to draw more bettors to racetracks. They are flanked with qualified support from the state's greyhound and horse racing industries.

Woodlands Executive Vice President Bruce Rimbo said the track probably would use a change in the law to carry simulcasts of events such as the Kentucky Derby, the Breeder's Cup and the Greyhound Race of Champions.

The change in the law would also open the Kansas market to tracks that run less prestigious races. R.D. Hubbard, a chief partner in The Woodlands, owns significant interests in racing parks in California and New Mexico.

Kansas being urged to rebate tax on bets

Kansas City Star February 23, 1991

Lawmakers doubt chances for passage of horse racing request.

By SCOTT CANON
Mid-America Correspondent

TOPEKA — The horse racing industry, struggling to turn a profit in Kansas, plans to ask the state to give up the tax it collects on horse wagers.

A bill being drafted for introduction in the Legislature calls for most or all of the tax skimmed off wagers on horse races to be given back for track operations and prize money.

"Our horse operation would lose money if it had to stand on its own," said Bruce Rimbo, executive vice president of the Woodlands. The Kansas City, Kan., track runs alternating horse and greyhound seasons.

Rimbo said the state should rebate its taxes to keep the horse racing industry strong in Kansas. He said the industry contributed \$50 million to the state economy in items from feed to saddles.

Rimbo said profits turned on the dog races offset losses on the horse races. Greyhounds are substantially cheaper to raise and run than horses.

Sen. Ed Reilly, a Leavenworth

Republican and chairman of the committee that will consider the proposal, said lawmakers would have a hard enough time balancing the state budget without giving back money to the horse industry.

"Kansas is in pretty serious financial difficulties, so whether the Legislature would have the ability to do this, I don't know," he said.

State law calls for at least 3 cents on every dollar bet on a horse race to go to the state.

Because the law was set out in a constitutional provision approved by voters, the Legislature cannot wipe out the tax on its own. So the industry is asking that the Legislature rebate the money.

The proposal calls for two-thirds of the taxes collected on bets at the Woodlands to be given back. Half of the rebated money would go to the track, and half would be put into purses, which is the prize money given to the owners of winning horses.

For the smaller and more financially troubled Eureka Downs in southeast Kansas, all of the tax would be rebated and split the same way.

Had the rebate been in effect during 1990, the state would have lost about \$800,000 to the Woodlands and about \$55,000 to Eureka Downs.

Mr. McGill got it right. Even if a bill is not wide open, "it's nothing more than off-track betting."

Before the legislature approved a parimutuel constitutional amendment, promoters promised race track gambling would bring millions and millions of dollars in additional revenue that would help build highways, pay teacher salaries, and reduce property taxes.

Gambling tracks were touted as great for economic development.

WHAT HAPPENED?

1. Parimutuel revenue falls far short of what was promised.

2. At Eureka the people voted to pay a one cent sales tax to help the bankrupt track that was supposed to reduce their taxes.

3. Woodlands wants Kansas to rebate their tax on horse gambling.

4. Kansas property taxes have increased, teachers continue to be underpaid, and the largest tax increase in history was passed for highways.

Now gambling promoters want lawmakers to compound the problem by voting for more people to lose more money gambling on more occasions in more places on more races.

Police raid suspected gambling operations; 10 people arrested

By Jennifer Benjamin
The Wichita Eagle

Ten people were arrested after police raided two south Wichita businesses alleged to be fronts for illegal sports gambling.

Vice and narcotics officers made the arrests when they served search warrants Tuesday night at the Coffee Shop and Game Room, 2433 S.

Hillside, and The Clothing Gift Store, 2404 S. Hillside, said Police spokesman Lt. Mike McKenna.

Officers confiscated \$5,000 in cash, several telephones and a fax machine, and what police described as records of gambling activities, McKenna said. The suspects faxed their bets to an outfit in Las Vegas, Nev., McKenna said, wagering on

sports events, including football and basketball games.

"Locally speaking, this is a large operation," McKenna said. "A number of business people around those stores were curious and expressed concern over the number of cars that they would see come and go daily from the businesses." McKenna said police have been

Woodland gambling track promoters claim they sell nothing more than entertainment. If gambling is just entertainment, why are all these people arrested for having fun?

Police crack what may be Shawnee's 1st Laotian women's gambling ring

Johnson County Sun, Overland Park

By Christy Marsh
Sun staff writer

November 28, 1990

An illegal lottery "numbers" operation with murky international ties was cracked this week in Shawnee with the arrest of one of five Laotian women allegedly masterminding the gambling from a Queal Drive residence, police said.

A two-year investigation of the female-run gambling ring began in November of 1988 when Shawnee police received a letter suggesting a numbers racket was being operated from the home of Thavone "Nang" Srivisay in the 5300 block of Queal, said Shawnee Police Capt. LeRoy Davis.

The investigation culminated this week with the arrest of Srivisay, 40, an employee of the Mobay Chemical Corp. in Shawnee. She was charged with a felony count for commercial gambling violations.

Four other women implicated in the affair from Kansas City, Mo.; Olathe; Kansas City, Kan.; and Roeland Park are expected to turn themselves in on similar charges.

"We suspect street people working for Mrs. Srivisay were taking bets from the Laotian community throughout the metropolitan area," Davis said. "The winning numbers were published twice a month in a (Thailand-based) newspaper that is circulated in the United States."

Davis said tags and traces placed on Srivisay's phone indicated suspicious activity as early as November of 1989, but not enough evidence was obtained for an arrest until police searched Srivisay's home on another offense in August.

"The investigation had come to a standstill," Davis said. "But then we received information that led us to suspect items from a residential burglary might be located at the Srivisay home," Davis said. "We obtained a search warrant and didn't find the stolen property, but we found items related to a commercial gambling operation."

Davis said police confiscated \$1,300 in cash, blank documents and completed documents verified by the Federal Bureau of Investigation in Quantico, Va., as gambling records. An evaluation of the material by the Kansas Bureau of Investigation indicated the operation handled bets totaling several thousand dollars on a monthly basis.

"This kind of thing is legal in Thailand," Davis said. "The winners get their portion of the money, and the losers just lose. It's definitely illegal in the United States." Thailand is Laos' neighbor to the west.

An interpreter from the Kansas City, Kan., police department conducted interviews with Srivisay, and Davis said the interviews indicated she was aware the operation was illegal.

Boy arrested in lottery scam

Chanute Tribune August 23, 1990

HUTCHINSON — A 16-year-old rural Hutchinson boy has been arrested in connection with the altered lottery ticket scheme that has victimized several area stores, Hutchinson police said Wednesday.

The youth, whose name was not immediately released, was allegedly caught passing one of the altered tickets Tuesday afternoon at a Kwik Shop convenience store.

Police Sgt. John Tracy said the boy was suspected of passing other altered blackjack-style Kansas Lottery tickets in the city. Twice, the boy allegedly cashed the altered tickets for a total

of \$42 at the same store where he was caught, Tracy said.

No charge has yet been filed against the youth, Tracy said. The Reno County Attorney's office is considering whether to ask a court to certify the youth as an adult, he said.

The alteration was done by cutting out one of the numbers in a losing ticket, and replacing it with a winning number. The patch job was disguised by circling the number with black ink.

The youth late Wednesday remained in the Reno County Youth Detention Center.

16-A The Topeka Capital-Journal, Tuesday, August 21, 1990

KBI inquiry ongoing into gambling devices

Kansas Bureau of Investigation agents will need at least a week to finish an inquiry into last week's seizure of gambling devices from three video arcades, including one in the West Ridge Mall, a KBI spokesman said Monday.

KBI agents executed a search warrant Friday at Jolly Time Inc., 1801 Wanamaker Road, where they seized seven devices, said Scott Teeselink, KBI special agent.

Search warrants also were served at two branches of the Fun Factory, one in the Indian Springs Mall in Kansas City, Kan., and the other in the Oak Park Mall in Overland Park. Agents seized 10 devices from the Overland Park arcade and six from the Kansas City, Kan., arcade.

The warrants were issued in Shawnee, Wyandotte and Johnson

counties, Teeselink said. No arrests have been made.

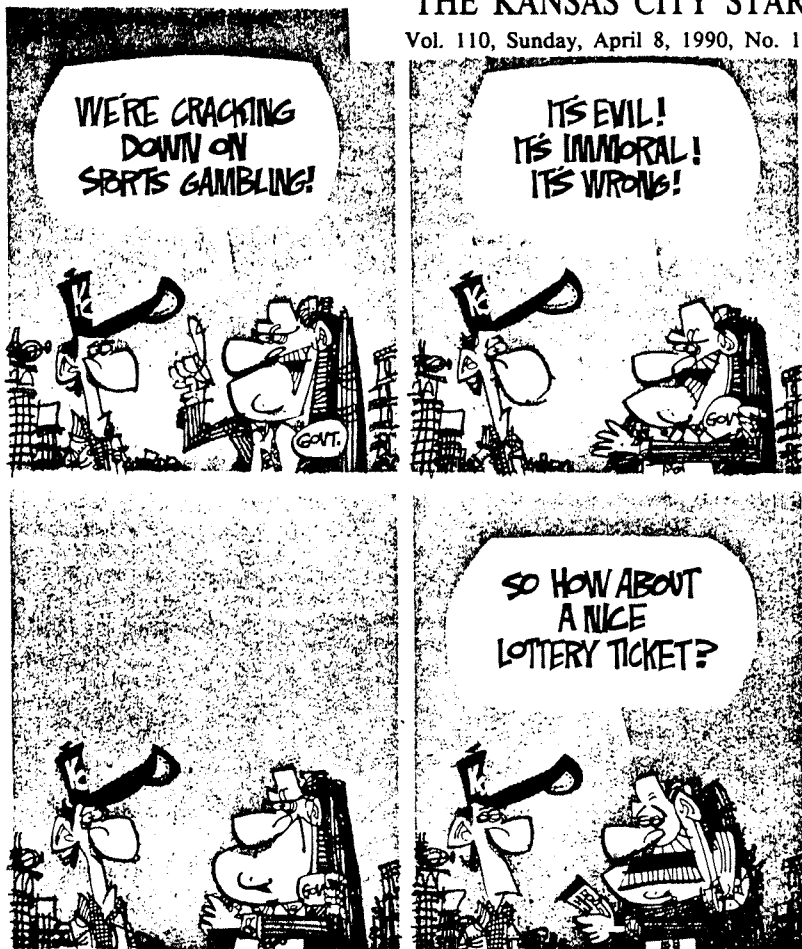
Teeselink said agents had been investigating the case several weeks. He said the seized devices were video poker-style games, but he said he had no other information about them or why they constituted gambling devices.

Kansas law defines a gambling device as a device which, for a consideration, gives the player an opportunity to gain something of value, said Mary Horsch, spokeswoman for the attorney general's office.

Horsch said winning something of value constitutes the difference between a gambling device and a standard video game. KBI agents routinely raid video arcades to seize gambling devices, she said.

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THE KANSAS CITY STAR.
Vol. 110, Sunday, April 8, 1990, No. 177



The Sallina Journal Sunday, July 2, 1989

Real tragedy is state gambling, not Pete Rose's

I confess I was never a fan of Pete Rose of the Cincinnati Reds even before he became baseball's bad boy by allegedly gambling on the game in violation of hallowed baseball rules. Not that I had anything against Rose personally. It was just part of my disadvantaged youth not to grow up a baseball fan.

As what you might call a lay (that is, non-fan) observer, it looks to me as if they've got the goods on him. If he broke the game's rules, he'll have to pay the game's penalty, which could mean banishment for life, which seems pretty harsh. But Reagan banned those air traffic controllers from their jobs for life, for making the mistake of going on



John McCormally
HARRIS NEWS SERVICE

which is in keeping with the modern trend toward regressive taxation and sparing the rich.

But because it costs states up to 75 cents to raise one dollar through a lottery (compared to one or two cents per dollar of tax revenues)

grand new horse betting track is going to go bust, and the taxpayers will have to bail it out, if they can't persuade more people to gamble.

Legislatures approve all this for the public good and welfare. But a recent New York Times article reported growing concern that "this new legitimacy of once illegal forms of betting is undermining traditional attitudes toward work and play, saving and investing, even right and wrong."

A California survey showed that the percentage of high school students who participated in any form of gambling increased by 40 per cent since the state lottery began in 1985. Various studies agree that most people

If it is wrong for people, how can it be right for the state? If the current trend continues toward public acceptance of more gambling, college basketball will become little more than a vehicle for gambling. Years ago Sports Illustrated said horse and dog racing had become little more than vehicles for gambling. Horse and dog racing for recreation has always been legal in Kansas. Parimutuel tracks have nothing to do with the recreational racing industry. They are the gambling industry in Kansas. How soon will the Jayhawks and Wildcats and Shockers become the gambling industry? Persons who love recreational college basketball will work for less gambling in Kansas.

39 Gambler pleads guilty
KANSAS CITY, Mo. — Another man has pleaded guilty to charges in connection with a Kansas City area sports gambling operation. Donald Kirk Miller Jr., 35 of Suburban Merriam, Kan., pleaded guilty in U.S. District Court Friday to taking and making bets on professional and college football games for the 1989-90 season. No date was set for sentencing. Miller was accused of being part of a gambling ring allegedly headed by Edward E. Suter, Searle, and Ed. Suter have also pleaded guilty, and are awaiting trial. Attorney Paul Snyder, Assessor U.S. Attorney Robert of the operation, said Suter, Suter's wife, and a bookmaker in Kansas, whose telephone calls to Missouri with betting action constituted illegal interstate commerce.

Man convicted of bookmaking
KANSAS CITY, Mo. (AP) — A restaurant owner was found guilty Wednesday in federal court of sports bookmaking and related charges. James Suter, who owns two Kansas City restaurants, was found guilty of conducting a sports gambling business that violated Missouri law, the operation of which involved five or more persons and that received gross wages of at least \$2,000 on a single day. He also was convicted on three counts of making interstate telephone calls in the conduct of the gambling business, one count of accepting wages without a stamp, and one count of making more than three counts of money laundering. Suter faces a maximum sentence of 7 1/2 years in prison and a \$2.5 million fine. He would file motion for judgment of acquittal. The federal judge said Suter is "not a good person."

NBA slaps two players for gambling
Berkley fined \$5,000 apiece

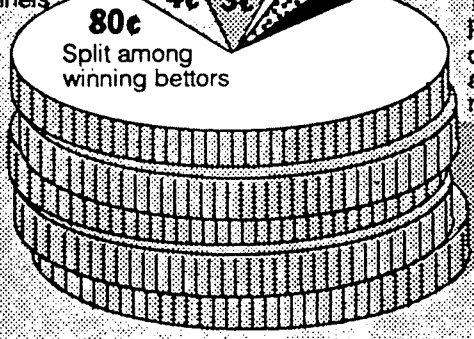
Where your betting dollar goes

State taxes earmarked primarily for economic development

Purses for greyhound kennels

Area charities 1c

Operating costs 5 1/2c



Profits, dividends and debt retirement 5 1/2c

September 8, 1990 *The Wichita Eagle*

This is for one race.

How many bet on just one race?

The Wichita Eagle should tell readers WHERE BETTING DOLLARS FROM THE PUBLIC GO AFTER NINE RACES.

If the public wagers \$250,000 on the first race, if take-out is 18%, if all winners wager their total winnings on the next race, and if losers do not make additional wagers, here is what happens after nine races: (See page 7)

If losers made additional wagers, it would INCREASE the total amount lost when compared to amount won. More races also increases amount lost.

\$ 34,682	Taxes for the state	13.9%	of \$250,000
\$173,413	Take-out for track	69.3%	of \$250,000
\$ 41,905	Public takes home	16.8%	of \$250,000
<u>\$250,000</u>	Public takes to track	100.0%	

Most will come back another day and lose it all.

IF TAKE-OUT IS MORE THAN 18%, THE TRACK KEEPS MORE AND THE PUBLIC WINS LESS.

According to the Kansas Racing Commission, these amounts were gambled away at the Wichita track during calendar year 1990.

\$2.442 million taxes for state
 11.480 million kept by track
 13.922 million consumer dollars lost

If \$742,851 kept by track was for charity and \$3.256 million went for purses, the track had \$7.481 million to pay high salaries to track people, big fees to gambling lobbyists, large payments to race track consultants tied in with track operators, big dividends and profits to track builders, and on and on and on!

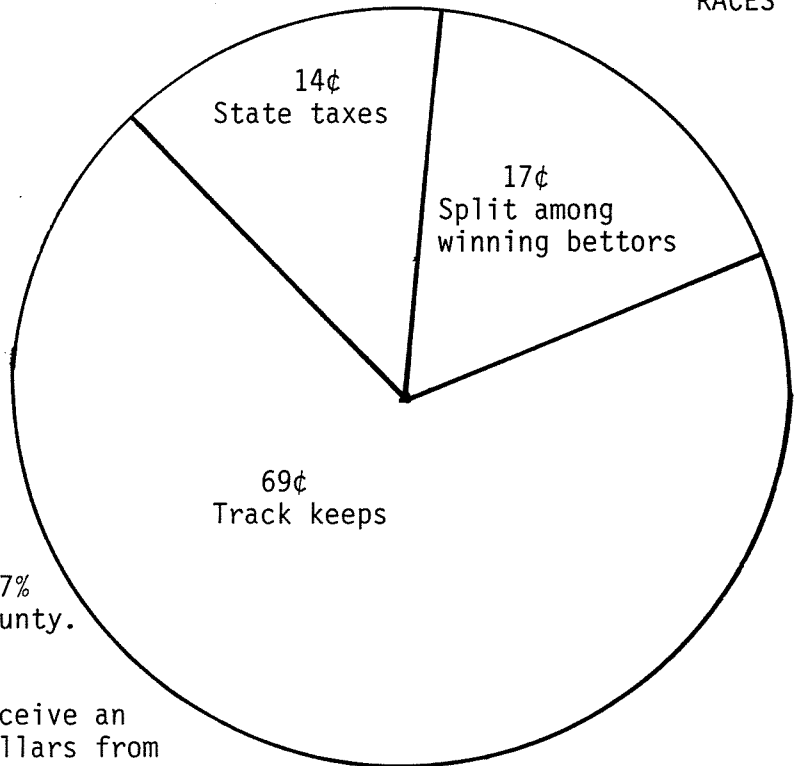
SOME PEOPLE ARE GETTING MIGHTY RICH FROM NON-PROFIT GAMBLING IN KANSAS!

The above Wichita Eagle article said 70.7% of track attenders were from Sedgwick County. If 70.7% of total dollars lost came from Sedgwick County people, did merchants, restaurants, and motels in the county receive an additional \$9.843 million in consumer dollars from out-of-county people attending the gambling track?

If not, Sedgwick county merchants are the big losers along with those attending the track.

(To prove how correct the chart AFTER NINE RACES is, 14c over 69c is .203 and 2.442 million over 11.480 million is .209. The ratio is nearly the same.

Where your betting dollar goes AFTER NINE RACES



Senator Edward Reilly and Committee Members:

My name is Bruce Rimbo. I am a resident of Overland Park, Kansas and am Executive Vice President of The Woodlands. On behalf of The Woodlands, its organizational licensee and facility owner/manager licensee, its more than 800 employees and the thousands of owners and trainers that race greyhounds and horses at the track, I am here to speak in support of Senate Bill- , legislation designed to permit wagering on races simulcast via electronic video transmission to existing race facilities within the state of Kansas.

It is the belief of the majority of people that work and race at The Woodlands that the addition of simulcasting will only serve to enhance the original purposes of the pari-mutuel act when first enacted in the state. Those original goals included (1) the economic development that would come with the addition of the horse and greyhound industries through additional jobs created in both the entertainment and agri-business; (2) additional tax revenues for the state; and (3) an entertainment outlet for Kansans that also could serve as an attractive alternative for tourists coming from other states.

I am proud to say that pari-mutuel racing throughout the state and particularly at The Woodlands is accomplishing these goals. However, the addition of simulcasting would give racing an additional tool that could be utilized to further achieve each of these goals originally laid out right here in this building.

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Kansas is presently one of only three states west of the Mississippi that does not permit simulcasting of racing. One is Missouri which has no pari-mutuel racing at all at this time and the other is Texas which is even earlier in its pari-mutuel infancy than Kansas. Both states, however, have legislation pending that would permit simulcasting at this time.

As you can see, with every other state permitting simulcasting, including all of neighboring states such as Nebraska, Colorado, Oklahoma, Iowa and Arkansas, Kansas is at a competitive disadvantage. It pains us to watch carloads of people leave our state on Kentucky Derby day or Breeders Cup day to go to neighboring states where they spend their entertainment dollars. This is business and tax dollars being lost in Kansas.

Some have argued that simulcasting will lead to the elimination of live racing. This is nonsense! Joe Joyce, owner of Wyoming Downs in Evanston, Wyoming, told many Kansans at a simulcasting seminar hosted by United Tote in Topeka last November that in fact his track would not even be in business if it were not for simulcasting. Because Wyoming Downs simulcasts the entire year around, the track is able to hold a summer-long season of live racing because purse money is augmented all year around.

Look at Kansas itself. Without any simulcasting as is the present condition, there is live horse racing only at The Woodlands. Without simulcasting, there is probably little hope for any additional live horse racing. However, with simulcasting and some tax relief, fair meets throughout the state suddenly become viable propositions. Simulcasting and

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tax relief are the only hope horsemen have within the state for a horse racing circuit.

As was suggested earlier, simulcasting is a well established part of racing in most other states. It is not a new invention unique to Kansas. We believe those in the Kansas pari-mutuel industry including the Kansas Racing Commission have studied the issue extensively and, hopefully, have learned from other's mistakes. We do not need to reinvent the wheel. Enacted as suggested and under the guidance, supervision and direction of the Commission, simulcasting can serve as an invaluable marketing tool that can only further enhance the original goals of pari-mutuel racing within the state.

The Woodlands urges your support for this bill. Thank you.

March 26, 1991

Senate Federal and State Affairs Committee
Topeka, Kansas

Re: Senate Bill 383, "Simulcast Gambling"

I appear before you this morning as a concerned citizen and a Christian pastor to speak in opposition to permitting simulcast gambling in the state of Kansas. Last Fall in an article on Baseball Manager Pete Rose, Newsweek magazine called Rose an "emblem of the gambling fever that is sweeping America". To permit more gambling in Kansas will simply spread and intensify that fever.

According to Judeo-Christian teaching, gambling is immoral. It has its roots in the spirit of covetousness which seeks to get for nothing what belongs to another. Covetousness breeds more covetousness which leads to more immorality, i.e., greed, stealing, murder, unjust lawsuits. All of this contributes to the degeneration of society and creates more and more problems, heartache, misery, and hurt. To permit simulcast gambling will be another step down for our society and our state.

I am opposed to gambling in general and more gambling in Kansas because it is destroying the work ethic in our society. The Twentieth Century Fund Research Group has said, "Gambling's get rich quick appeal appears to mock capitalism's core values - disciplined work habits, thrift, prudence, adherence to routine, and the relation between effort and reward."

According to Judeo-Christian teachings, the purpose of government is to encourage good and punish evil. In permitting more gambling the state is encouraging more evil. In the 1940's when Mayor O'Dwyer of New York City proposed that legal gambling be permitted in New York, Governor Thomas Dewey responded: "It would be indecent for a government to finance itself so largely out of the weaknesses of the people which it had encouraged. The entire history of legalized gambling in this country and abroad shows that it has brought nothing but poverty, crime, and corruption, demoralization of moral and ethical standards of living, and misery for all the people". In permitting simulcast gambling, Kansas will be encouraging more gambling.

In closing, I call your attention to the clipping from Saturday's Kansas City Star which is attached to this statement. The headline reads, "KC Students Face Gambling Charges. Youths, one the son of reputed mobster, ran ring for teens, police say." The article is heartrending in its implications. What kind of a message will we send our youth if more gambling is permitted? Is it not hypocritical to punish youth for following in the footsteps their elders are leaving for them?

I pray that Senate Bill 383 will be defeated.

Thank you.

Robert M. Ziegler, pastor
Trinity Lutheran Church, LCMS
8th and Laramie
Atchison, Kansas 66002

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"A society experiences social decay with the legalization of gambling. Such a decay affects all of us and the duty to respond to this erosion cannot be dismissed as a responsibility of others." Catholic Bishops of Minnesota Statement on Parimutuel (1982)

"Gambling seems like a small problem compared to militarism, racism and violence. But the character of a human being can be destroyed by small effects indulged over a period of time. Could the strength of a nation be weakened when millions of its citizens, at the invitation of their government, each day spend some of their money in the hope that tomorrow they will be millionaires?

Jesuit Father Robert Drinan, law professor at Georgetown University (1990)

"People without discretionary income do not have the money to play the lottery. They will buy inexpensive things with food stamps and use the change for lottery tickets. They're spending money which ought to go for food, heat and clothing."

Father Thomas O'Gorman, St. Malachy's Church, Chicago (1986)

"Lotteries - like all gambling - are socially, economically, and morally destructive, being rooted in covetousness and violating the biblical work ethic . . . We, the messengers of the Southern Baptist Convention, express alarm and concern about the growth of legalized gambling and lottery in the nation and the attendant problems of organized crime, adequate regulation, compulsive gambling, and preying upon the poor."

KANSAS-NEBRASKA SOUTHERN BAPTIST CONVENTION

"We believe that parimutuel and lottery gambling will increase job absenteeism and lower worker productivity; lower retail sales and increase bad debts; wreck lives, lead to an increased crime rate, fail to deliver what they promise in financial rewards, break homes, leave families in financial stress, and prey upon the poor; increase poverty; and increase illegal gambling activities."

RESOLUTION OF THE AMERICAN BAPTIST CHURCHES of the CENTRAL REGION

(7) To abstain from all forms of gambling. Ex. 20:17; Rom. 14:21; I Cor. 6:12. Gambling violates the principle of Christian stewardship and the tenth commandment, is harmful to the individual in that it is emotionally addictive, is a poor example to others, and pollutes the moral climate of society.

BASIC PRINCIPLES OF THE WESLEYAN CHURCH

LUTHERAN WITNESS, Missouri Synod Sept 1989

What is our church's position on the lottery in particular and on gambling in general? R.B., Missouri

Our church does not have an officially adopted position on gambling. While the Bible does not deal expressly with gambling, there are Christian moral and ethical principles that would lead us to a negative evaluation of the practice.

One should ask whether gambling is a responsible use of God-given goods, considering our obligation to family, church and others. The Bible urges the practice of responsible stewardship of our possessions. There is also the duty of the Christian both to *work* to make one's living, and to use the income derived from work in an unselfish way (Eph. 4:18; 2 Thess. 2:6-12).

Furthermore, it's a fact that a "win" for one necessarily involves a

"loss" for another—in most cases, many others. That's an important point in view of Luther's explanation of the Seventh Commandment that we are to help our neighbor "improve and protect his property and business," and Jesus' own words that the fulfillment of the law is to "love your neighbor as yourself."

A common motive for gambling is the desire for quick gain and wealth. Such a desire may and most often does proceed from greed and covetousness, which are directly forbidden in the Tenth Commandment. Considering the wickedness of the human heart, there is a real danger that those who buy a lottery ticket or go to the races "for the fun of it" will end up gambling from this wrong motive.

As Christians making judgements in this area, these are some of the considerations that need to be taken into account.

UNITED METHODIST CHURCH DISCIPLINE 1988

G) *Gambling*.—Gambling is a menace to society, deadly to the best interests of moral, social, economic, and spiritual life, and destructive of good government. As an act of faith and love, Christians should abstain from gambling, and should strive to minister to those victimized by the practice. Where gambling has become addictive, the Church will encourage such individuals to receive therapeutic assistance so that the individual's energies may be redirected into positive and constructive ends. Community standards and personal life styles should be such as would make unnecessary and undesirable the resort to commercial gambling, including public lotteries, as a recreation, as an escape, or as a means of producing public revenue or funds for support of charities or government.

KC students face gambling charges

Youths, one the son of reputed mobster, ran ring for teens, police say.

By JOE STEPHENS
Staff Writer

The son of a reputed Kansas City mob leader was charged Friday in St. Louis with running a betting ring for high school and college students that used strong-arm tactics and booked up to \$2,000 a day in wagers.

Joseph Peter Simone — the 20-year-old son of convicted mob bookmaker Peter J. Simone — is one of two St. Louis University students from Kansas City charged with running the ring. Simone is a sophomore and a pitcher on the college baseball team, police said.

Also charged was Joseph Anthony DiGirolamo, 20, of Kansas City. Police arrested two other St. Louis University baseball players and released them pending a grand jury investigation.

Although the ring allegedly was geared toward teen-agers, many of them high school athletes, it was anything but bush league, police said.

"This was a first-class run operation," said Sgt. See **TWO, A-15, Col. 1**

Two from KC accused of bookmaking

Continued from A-1

Richard Banahan of the St. Louis Police Department. "This wasn't a bunch of kids running a sports card or an office pool."

The ring began two years ago, aimed at students and school-age athletes, some of whom ran up debts as large as \$7,000, Banahan said. The ring charged 10 percent a month — 120 percent a year — in interest on unpaid debts, he said.

The Kansas City mob has traditionally charged the same interest rate, known on the street as "juice."

When teen-age customers could not pay, Banahan said, the ring managers turned to "strong-arm tactics and extortion."

Police "obtained information that force had been used to obtain money," Banahan said.

Police discovered the operation when ringleaders allegedly began dunning parents for unpaid debts.

"One of the parents called to complain," Banahan said. "They had been calling the parents saying, 'Your kid owes us \$1,500.'"

A six-month investigation found ringleaders taking bets at the university and at more than five public and private high schools in St. Louis and St. Louis County, he said. The college students allegedly recruited young athletes as gamblers while attending high school sporting events.

The ring booked up to \$2,000 a day in wagers on the days of big games and had 10 to 20 bettors at each school, police said.

"They'd hit on anything that moved and had money," Banahan said of the alleged ringleaders. "We followed them to a high school football game; we saw them make a payoff at a high school soccer game."

A raid Thursday on a St. Louis area apartment yielded reputed gambling records and a computer. Police also recovered \$8,000 from a safe-deposit box at a nearby bank.

Joseph Simone and DiGirolamo lived at the apartment and were longtime friends, police said. A man who answered a telephone at the apartment Friday said they would have no comment.

University officials announced Friday that Simone, DiGirolamo and the two other students implicated had been suspended because they allegedly threatened to harm other students.

Simone and DiGirolamo each were charged with two counts: promoting gambling and possessing gambling records. They are free on bond.

Simone is a 1989 graduate of St. Mary's High School in Kansas City, said baseball coach Steve Shackelford.

"He was a competitor," said Shackelford, who joined the high school after Simone graduated. "He wasn't a bad player at all. He had a good arm."

Simone's father is a convicted bookmaker whom the FBI described three years ago before Congress as one of three top mob bosses in Kansas City. His mother, Karla Simone, is a partner in the Be Amused Vending and Amusement Co., which is under federal investigation for alleged illegal gambling.

Simone's parents did not return a telephone call Friday.

Statement made March 26, 1991 re: SENATE BILL No. 383

To: Committee on Federal and State Affairs

By: Charles Marling of Topeka, Kansas

Honorable Chairman and Members of The Committee: I am Charles Marling. I reside in Topeka where I was in the retail furniture business until I retired eight years ago.

I am opposed to Senate Bill Number 383. It is my honest opinion that the contribution this law would make to state revenues is very little when compared to the potential economic loss it may cause to the state.

As I understand the bill, its purpose is to get more Kansas people to bet on horse and dog races and to do so by making it possible to bet on races in other states. In effect, we would be making "Bookies" of Kansas tracks and county fairs that have races and who would participate in simulcast wagering. I believe that tracks in other states would benefit greatly by this arrangement or they would not be interested in Kansas affiliation.

I think there is danger of exporting millions of dollars to racing interests in other states. We are exporting more and more Kansas dollars every year to other states as more and more retail stores and shopping malls have their ownership outside of Kansas. I think simulcast wagering would do the same.

In summary, I think this whole proposition is very risky for Kansas. Thank you.

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