

South Carolina eliminated VLTs after baby died as mom gambled

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[By ALAN FREEMAN, Globe and Mail]

COLUMBIA, S.C. -- If anything sealed the fate of video poker in South Carolina, it was the sad tale of Joy Baker, a 10-day-old baby who suffocated in a car while her mother played the machines at a roadside casino in August of 1997.

"Precious little Joy is dead because her mom is addicted to video poker," read the newspaper ad from the Palmetto Family Council, a right-wing Christian group that took a leading role in the subsequent campaign to rid South Carolina of the machines. The ad showed a devastated Sergeant Julius Baker in his soldier's uniform clutching a photo of his daughter.

"Video poker took this little girl's life and destroyed this family," the ad continued. "Video poker is an insidious evil that tears at our State's soul like a cancer. . . . For the sake of our families and the health of our State, we must get rid of video poker."

"It was everywhere," said state Senator Wes Hayes, who lobbied against video poker, as electronic gaming machines or video lottery terminals are called here. "It's the crack cocaine of gambling. We had bankruptcies, we had suicides."

"It was out of control and the people of South Carolina were sick of it," Sen. Hayes said.

On July 1, 2000, South Carolina's 38,000 video poker machines were declared illegal by a state court after a concerted campaign led by churches, politicians and the business community. That made South Carolina the only major jurisdiction in North America that has lived with VLTs, and then outlawed them.

As the campaign against this form of gambling gains momentum in Nova Scotia -- victims' families are holding a press conference today to tell their stories -- South Carolina's experience shows that acute gambling problems do decline with a ban, although they do not disappear.

Campaigners against South Carolina's video poker industry are the first to admit that being unregulated in their state made the industry particularly vulnerable, and that banning it in Canada, where several provincial governments depend on VLT revenues, will be a much bigger challenge.

In South Carolina, the industry began booming in the 1980s, after a wily politician and friend of the gambling industry slipped a tiny amendment into a state budget bill that suddenly made it possible for the machines to pay out cash jackpots, which had previously been illegal.

Video-poker machines were soon ubiquitous. There were virtually no rules and even the limited regulations that existed were routinely ignored by the owners, who moved the units into convenience stores, truck stops and makeshift roadside casinos.

A law was passed setting a limit of five machines for each establishment, which was defined as an enclosure with an electric meter. Faced with the rule, owners simply set up plywood partitions in their "casinos" and gave each a separate meter, each with five video poker machines.

By 1999, there were an estimated 38,000 video-poker machines in the state, or about one for every 100 residents, and more than in all of Canada. By contrast, Nova Scotia has only 3,800 VLTs (due to be reduced to 3,000 by November), a much smaller penetration rate even considering South Carolina's larger population.

"It was like cancer. It had spread all over the state," said Robert Stewart, chief of South Carolina's State Law Enforcement Division, which acts as the equivalent of the state police.

"We never had a regulated system in South Carolina," Mr. Stewart said. "What we had was uncontrollable gambling that was allowed by a loophole in the law. . . . It was a nightmare because there was no law to enforce. . . . It either had to be regulated or eliminated."

Five years after the ban took effect, Mr. Stewart said that police are still confiscating 100 machines a month that are being operated illegally. They are sent to a warehouse where 3,500 of the machines are stored, awaiting court orders allowing them to be destroyed.

Despite the persistence of a video-poker underground, Mr. Stewart said the scourge is over. "The associated criminal problem is minimal compared to the terrible problem we had," he said.

Psychologist Frank Quinn, who did extensive research on the addiction problems associated with video poker, said the ban has been effective. "There is only one Gamblers Anonymous group in Columbia [the state capital] now and at one time there were four or five," he said, adding "I almost never see anyone with a gambling addiction."

"There weren't as many people hurting so there weren't as many people coming" to Gamblers Anonymous meetings, according to Alex, a recovering video-poker addict who remains active in the organization.

Alex, who preferred not to be identified by his real name, used to drive daily from his home just over the boundary in North Carolina to gamble on South Carolina's video poker machines. "I lost everything that I had and that my family had. I'd go before work, during work and after work."

He blames video poker for his gambling addiction.

"I never played the lottery. I never played the casinos. I never sport-bet. That [video poker] was my whole expertise."

Because the industry was privately run and virtually unregulated, the state government received little in the way of revenue from video poker. That lack of tax revenue actually made it easier to ban the machines in South Carolina than it is in jurisdictions where they have become cash cows for government.

"The state was getting peanuts," Mr. Quinn said. "This was a \$3-billion (U.S.) or \$4-billion-a-year industry and the state was getting only \$62-million a year."

Rev. Tom Grey, executive director of the National Coalition Against Legalized Gambling and a tireless campaigner against gambling for the past 14 years, said that because of the social damage they cause, VLTs should be the easiest form of gambling to eliminate. "The difficulty is that Canadian provincial

governments are addicted to these damn things," Mr. Grey said. "Once the provinces are addicted, how do you root them out?"

"The biggest addiction to the machines comes from the politicians," said Rev. Regi Thackston, a retired Methodist minister from Sumter, S.C., who helped co-ordinate his church's campaign against video poker. "They don't want to raise taxes so what they do is develop a regressive tax. It's a tax on the poor."

In South Carolina, the video-poker industry was so anxious to hook the state that it actually proposed sharing the profits with the state in the form of higher taxes. "The strategy of the gambling industry had been to push through legislation to tax them," said Cindi Ross Scoppe, associate editor of *The State*, a South Carolina newspaper. "They knew that if they could get the state addicted to the revenue, they would stay in business."

In South Dakota, where gambling provides 10 per cent of state revenues, efforts to ban VLTs have failed at the polls after voters figured they would rather live with the social problems rather than pay higher taxes.

Ms. Scoppe said that her newspaper campaigned editorially against video poker in South Carolina, not just because of the social costs but because the video-poker operators were corrupting the political process through extensive contributions to the coffers of friendly legislators.

Also essential to the success of the campaign was the business community, which decided that the industry was hurting worker productivity and damaging South Carolina's image in the quest for outside investors.

"We realized that it was an industry that South Carolina could not afford," said Paula Harper-Bethea, former chairwoman of the South Carolina Chamber of Commerce. "It was the first time in the history of South Carolina that such a wide spectrum of special interests came together over one issue."

"Video poker was affecting the quality of life here," Ms. Harper-Bethea said. "You could go into a 7-Eleven on any street corner and play video poker. . . . The social costs were absolutely horrendous."

"I don't know if I had ever seen as many of the churches as well organized and energized as this before," Ms. Scoppe said, noting that the issue attracted not only conservative Christians but more liberal churches as well. "Practically every mainstream denomination was involved in it in some way."

The end of video poker did not eliminate all gambling in South Carolina. Soon after, a referendum was passed establishing a state lottery with revenues dedicated to education, but the consensus is that addiction problems are nowhere as acute as they were with video poker.

Nor do experts believe that Internet gambling has the same corrosive effects. For one thing, many of the victims of video poker are too poor to have home computers and Internet access nor do they have the credit needed to participate in on-line gaming.

As for the economic impact of banning the machines, William Thompson, a professor of public administration at the University of Nevada, Las Vegas, who specializes in the impact of gambling, believes that VLTs bring no net economic benefit to a state like South Carolina or a province like Nova Scotia.

"They're not good for the economy and they're not good for the social fabric," he said.

"I can assure you that you get absolutely no tourists to come to the Maritimes because of VLTs.

"My advice would be to get rid of all of them."