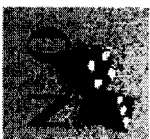


# The Patriot Ledger

A Continuing Series  
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## GAMBLING



## CASINOS

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# A state of SEDUCTION

Whether casinos deliver treasures or trouble depends who's talking



GARY HIGGINS/The Patriot Ledger  
**The Foxwoods Resort and Casino suddenly appears in the landscape after rounding a turn on Route 2 in Ledyard, Conn.**

chuckling about the accuracy of his prediction.

The fact that Foxwoods Resort and Casino has generated an eye-popping cash flow - nearly \$800 million from slot machines alone last year - since it opened in 1992 is just about the only universally accepted reality surrounding casino development in Southeastern Connecticut. An often-acrimonious public argument continues to rage on an array of other issues related to the presence of Foxwoods and a second casino 10 miles away, Mohegan Sun.

For many in this region, casino development is either an economic savior or a curse. It either provided thousands of jobs to a depressed economy or brought unskilled labor and a housing crunch to formerly secure areas. It either

*LEDYARD, Conn.*

Just a few weeks before a casino was scheduled to open near this postcard New England small town, Joseph Lozier remembers chatting with a local dairy farmer about whether the American Indian tribe behind the venture would actually turn a profit.

The then-mayor of Ledyard had a quick, prophetic answer.

"I told him they'd make more money than anyone could possibly imagine," Lozier recalled,

attracts outside investment and tourism or only snarls the one-lane state highway with drunken drivers and losing gamblers trying to get out of town quickly.

In the last fiscal year, the state of Connecticut received \$370 million in tax money from the Foxwoods and Mohegan Sun casinos. But to casino critics, the dollars that trickle to the towns that surround the casinos don't come close to offsetting the negative effects.

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Massachusetts officials will be looking to Connecticut for clues as to how the casino experience will play out in the Bay State.

**Click here to view graphic showing Connecticut's annual tax revenue from casinos.**

Research has shown that as many as 40 percent of the estimated 70,000 daily visitors to the Connecticut's two casinos come from Massachusetts, leading some state leaders to concede that if state residents are going to waste money at a casino, they might as well do it in Massachusetts.

Driving through Ledyard - passing its unassuming brick town hall on a quiet main drag - there is little visual evidence that the world's largest casino is nestled in a nearby wooded area.

But only a few miles down Route 2, the mammoth complex that makes up Foxwoods ---rises above the dense woods that surround it.

Inside, it's a bustling 24-hour city, where 14,000 people work and more than 40,000 visit daily. Millions of dollars move through there daily, most of it in quarters plunked into any of the 6,700 slot machines.

When Foxwoods opened in 1992, it featured only poker, table games and bingo. But a year later, with the state in a fiscal crisis, then-Gov. Lowell Weicker signed a deal with the Mashantucket Pequot Indians, allowing them to operate slot machines in return for 25 percent of the profits. The result was an almost immediate avalanche of cash that provided the state with sorely needed tax revenue.

More cash flowed in 1996, when the slot agreement was revised to accommodate the Mohegan tribe's plans to build its own casino on a reservation about 10 miles away.

Both casinos have flourished: They are among the highest-grossing gambling operations in the world. As of October, the two casinos had contributed \$2.3 billion in taxes from slot machines since they opened.

"It's impossible to ignore the money we've received from the casinos. It certainly has provided some substantial benefit," said Morra Lyons, the speaker of the Connecticut House of Representatives.

But in Foxwoods' neighboring towns of Ledyard, Preston and North Stonington, the benefits are unrealized, say

most local officials. When the state government devised the formula to hand out the tax revenue to cities and towns, it didn't include any special consideration for the towns that surround the casinos.

**"Basically, we get all of the problems, but none of the benefits,"** said North Stonington First Selectman Nicholas Mullane. **"Nothing but traffic and trash."**

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Ledyard's economic development director, Robert Van Geons, said the presence of the casino means the towns must spend money on constant road repairs, new traffic lights and extra police and rescue services.

Local officials say the three towns surrounding Foxwoods have each spent millions of dollars on casino-related expenses, while seeing only a fraction of that returned in tax benefits. In 2001, the three towns shared \$1.3 million from slot revenues.

In some towns, property values have slid, leading to even more fiscal problems, officials say.

The issue is further strained by the fact that the tribe doesn't pay property taxes for its reservation land, but has bought so much local property outside the reservation that it is the town's biggest taxpayer.

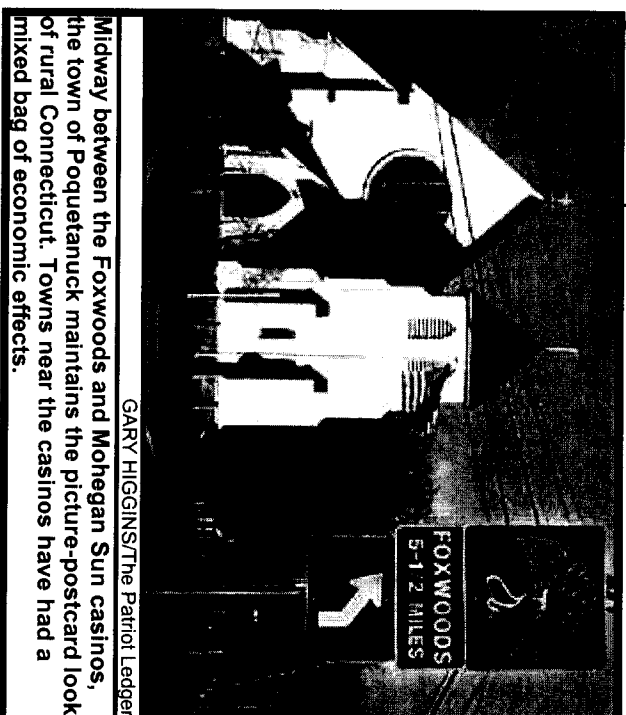
Much of the property owned by the Pequots sits on Route 2, and town officials say the tribe refuses to develop it in an effort to keep the casino the only game in town.

**"It's a difficult situation, but I'd say that this town receives very little benefit from Foxwoods,"** Van Geons said.

A starkly different attitude prevails in another town just a few miles away. Mayor Howard Beetham of Montville, a working-class city whose border runs against the Mohegan reservation, remembers how dark the economic climate was in the early 1990s before the casinos were built. Defense contractors that had once buoyed the local economy were scaling back.

**"I'd say this area of the state was on the verge of becoming the next Appalachia, only worse, if it weren't for the casinos,"** Beetham said, highlighting the jobs, visitors and other economic fuel provided by the casinos.

Beetham conceded that nearby towns may have gotten the short shrift when it comes to tax revenue and traffic, but he said the benefits have far outweighed the problems.



**Midway between the Foxwoods and Mohegan Sun casinos, the town of Poquetanuck maintains the picture-postcard look of rural Connecticut. Towns near the casinos have had a mixed bag of economic effects.**

GARY HIGGINS/The Patriot Ledger

For their part, tribal leaders tout glowing economic statistics and suggest its hard to criticize the creation of more than 20,000 jobs between both casinos and the subsequent development spurred by the casinos.

The tribes don't own the gas stations that surround their tribal lands, and both tribes point to a myriad of off-site development in nearby towns, including several hotels, golf courses and more resort locations to come.

"It's pretty clear that we've been a solid, steady industry for the state of Connecticut," said Mitchell Etes, the executive vice president of marketing for Mohegan Sun. "And we keep going every year. While other industries are cutting back and cutting jobs, we've expanded and added jobs and jobs."

Mashantucket Pequot Tribal Nation spokesman Cedric Woods offered a similar assessment of Foxwoods' effects on the state and surrounding communities. The tribe has always worked with local officials to be the best neighbor possible, he said, adding that the tribe has no control over how the state spends its share of the slot revenues.

Aside from the economic issues, casino supporters point to the almost total absence of the stereotypical set of casino-related problems. Little prostitution, no cluster of pawn shops or liquor stores, no organized crime.

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But local officials point to other statistics, such as drunken driving and accident rates that are among the highest in the state. In Ledyard, including the casino, reported crimes more than tripled - from 283 to 1,031 - in 1993, the year after the Foxwoods opened.

In the town of Ledyard alone, reported non-casino crimes increased 70 percent to 496, according to state statistics. About half the crimes were drunken driving, disorderly conduct or less serious offenses.

Granted, those numbers were expected to rise substantially with the influx of thousands of visitors daily. And a 2000 University of Connecticut study points to skewed reporting data and suggests that the crime rate has actually increased only "marginally" in the area surrounding Foxwoods. The casino also has its own State Police troop.

Still, the strain on local police and fire services has been severe, officials said. Some of the towns that have long only had volunteer rescue services have been forced to hire full-time firefighters.

And embezzlement problems related to compulsive gambling are "definitely" on the rise, according to officials. A former tax collector in Ledyard recently admitted to stealing thousands of dollars to pay for a gambling addiction.

Statistics from the Connecticut Council on Problem Gambling show an increase in compulsive gambling.

Of the 1,240 calls made to the Connecticut council's helpline in 1997, the most frequent types of gambling reported were slot machines (38.2 percent) and blackjack (28.7 percent).

Several local business owners said they don't see any runoff from the casinos, while others say they've had regular visits from out-of-state tourists. At lunchtime in a local diner, a group of residents railed against "predatory" practices by tribal leaders, while a few others offered support.

As for the prospects of a casino in Massachusetts, the advice is equally varied. Several local and state officials laughed at the thought of a city or state voluntarily seeking casino development, while others said it would be foolish not to allow them.

"I'd open the door and welcome them with open arms," said Beethem, the Montville mayor.

Both Foxwoods and Mohegan Sun officials say they're not overly concerned about competition in Massachusetts, suggesting that casino developers won't hurt their business unless something as monumental as the two Connecticut resorts is built.

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