

Path to Casinos Turns Messy in Massachusetts

Written by Administrator
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BOSTON — When Massachusetts finally gave in after decades of resistance and decided two years ago to legalize casino gambling, it seemed a relatively easy way to fill the state's recession-battered coffers.



Katherine Taylor for The New York Times

Stephen Crosby, the gambling commission chairman, says the casino law is working as intended.



KPM and Mohegan Sun Massachusetts

A rendering of the \$1.3 billion Mohegan Sun casino proposed for the Suffolk Downs racetrack in Revere, Mass.

Some of the nation's biggest casino operators, including Caesars Entertainment, MGM Resorts International and Wynn Resorts, rushed in to get a piece of this potentially lucrative market. Having already spent millions of dollars lobbying lawmakers to allow casinos, they then spent millions more selling themselves to voters, mainly by promising streams of revenue and thousands of jobs.

But a funny thing happened to the moguls on the way to staking their claims. Voters in several towns rejected them. While they did not object to casinos per se, they told pollsters, they did not want them in their own backyards.

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Even Gov. Deval Patrick, who pushed through the casino legislation, acknowledged that he would vote against a casino if one were proposed for the town in the Berkshires, in western Massachusetts, where he owns a second home.

As if voter rejection were not discouraging enough, the casinos also faced an unusually tough gatekeeper in the Massachusetts Gaming Commission, which was charged with investigating them and will be selecting one casino for at least two of three regions in the state this spring. The winnowing produced daily twists and turns that transformed the process into a running soap opera. Investigators raised questions, for example, about Caesars' suitability for a license. One involved a rather tenuous tie to an alleged Russian mobster. Still, Caesars withdrew, despite having spent \$100 million here.

There were revelations about a possible conflict of interest involving the gambling commission chairman, who was subsequently sued by Caesars, which is looking to redeem itself. And the commission made some eyebrow-raising decisions, like allowing a casino proposal to move forward even though it had been defeated by one of the two towns it would straddle (the commission said the law was ambiguous).

Adding to the drama is Steve Wynn, of the Wynn Resorts gambling empire. He is already trying to change the long-set state law that says gamblers must pay a tax on any winnings over \$600, an amount he says is so low it will discourage customers. At one commission hearing on his company's practices, he fell asleep at the witness table.

Lawsuits are now flying, and a nascent statewide movement to repeal the 2011 casino legislation has picked up steam.

"Watching the way this is playing out, for those of us who opposed the casino legislation in the first place, just reinforces our concerns," said Michael S. Dukakis, a former governor.

Gambling is not anathema to New England, despite the region's Puritan roots. New Hampshire started the nation's first state lottery in 1963. New England's first casino, Foxwoods, opened in Connecticut in 1992; today it is one of the largest in the world.

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It was the success of Foxwoods that helped inspire Massachusetts to consider casinos in the first place; so many residents were going to Connecticut to gamble that officials here decided to give them a reason to part with their money at home.

The casinos scouted locations and made lavish offers to their potential host communities to win support. Towns that were struggling financially tended to accept them. Wealthier towns spurned them, fearing that the quality of life would deteriorate because of increases in traffic and crime, the ripple effects of gambling addiction and the cannibalization of local businesses, especially mom-and-pop enterprises.

“The gambling industry is constantly looking for new markets, but it’s finding it very difficult to get into the markets they want to be in,” said Richard McGowan, who teaches business at Boston College and is an authority on gambling. “They want to be where the money is.”

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