COMMISSIONER WILHELM: Woody Jenkins. Mr. Jenkins has quite a lot of paper with him. Is that for us or do you just carry it around with you?

MR. JENKINS: I'm going to give you some of it.

COMMISSIONER WILHELM: Mr. Jenkins, thank you for being here.

MR. JENKINS: Thank you. My name is Woody Jenkins, and I'm a member of the Louisiana House of Representatives, representing the City of Baton Rouge for the last 26 years. I serve on the Criminal Justice Committee which is the committee that regulates gambling in our state.

I'm very grateful that you've come to Louisiana, but I do want to say that you've received very little information so far about gambling in our state. There are, of course, people here who are for it. We know that the people who own the gambling enterprises are making lots of money; and the people who are employed are for it, from the gambling industry; and the contractors with them; and some of the public officials who are gaining revenues from it; but in the rest of our state, gambling is very unpopular. As a matter of fact, the latest polls on video poker show public support it 17 percent.

As a member of the Criminal Justice Committee who sat through innumerable hearings, witnessing things like this dear lady who just spoke, and having my own state senator sitting in federal prison today because of gambling-related bribery, I can tell you that in our state gambling has been a disaster from the standpoint of the effect of crime on individuals, the effect of political corruption, kickbacks, bribery and payoffs, in terms of
the economic consequences on individuals, from the standpoint of
devastation of families, and from the standpoint of corrupting
our election system here in Louisiana.

And I want to talk about that last point first just
to give an example of what's going on here. During the November
1996 federal elections, our last federal elections, the gambling
industry had deep illegal involvement in the election in support
of the Clinton-Gore ticket, to the point of contributing
literally millions of dollars illegally to that campaign. And
all of that is documented very well in these campaign finance
reports right here, campaign finance reports filed not with the
federal government, but with the state government, the state
campaign finance reports.

For example -- and I can run you through a hundred
organizations like this -- let's take the riverboats in Lake
Charles, Louisiana, who at the time of the federal election last
November '96 were also involved in their referendums.

Here I have their campaign finance reports: payments
for "Save our Boats/Save our Jobs"; hundreds and hundreds of
people employed on election day for that "Get out the Vote"
effort to help save the boats in Calcasieu Parish. If you look
over and see what those hundreds of people were actually passing
out, you find out that they were passing out sample ballots on
behalf of the Clinton-Gore ticket as well as saving our boats.

If you look at CenLa Friends of Video Poker, as an
example, Central Louisiana Friends of Video Poker, hiring
hundreds of people to work on election day, paying them $50 to
$75 each, you'll find that what those people were passing out was
sample ballots endorsing the gambling referendum but also endorsing Clinton-Gore, illegally under federal law.

If you look at Harrah's right here in the city of New Orleans which hired on election day thousands of workers -- and it's all documented who they hired and how much they paid -- you find that what was passed out by those workers was the LIFE ballot representing Mayor Mark Morial's organization here. As a matter of fact, those LIFE ballots, at the head of the ticket is Clinton-Gore being supported.

And we find that on election day, November 1996 in this state, over 5,000 people were hired and paid for with corporate dollars by the gambling industry, the riverboats, video poker, and Harrah's representing the land-based casino, to illegally use those funds -- illegally under federal law -- to campaign for federal candidates.

There were $11 million in expenditures reported in that election, according to their campaign finance reports; several million of those were used in that federal election illegally. At the same time it's important for you to know, I think, that the boats here in New Orleans and Harrah's had an active policy of paying election commissioners to work on election day.

As a matter of fact, what we simply did is we simply ran the database between election commissioners and people who were paid in the campaign finance reports by Harrah's, and guess what, we found many matches, and the newspapers here reported that very extensively. And it's all in the campaign finance reports, affidavits from people saying what they did, hiring...
election commissioners on election day. As a matter of fact, at one of the riverboats it was their active policy to find as many commissioners as they could, hire them to work on election day.

In our state today we have a real problem. When I first went in the legislature, the premier lobbying in our state capital was organized labor, then it was business, today the premier group, the most powerful group in our state and the state capital is organized gambling, with over 75 lobbyists. I'll give you an idea of why.

There's a secret tax being levied today, levied on video poker in Louisiana, and that's also documented right here in campaign finance reports. That secret tax works like this: we have 15,000 video poker machines in Louisiana; the video machine owners, not the bars and restaurant owners who have the machines, but the video poker machine owners are exacting this secret tax every week, and it's $15 per week per video poker machine.

And you can see in these campaign finance reports: Bill's Lounge paying $15 for the week of March 13, 1996, $15 the next week and $15 the next week; Blanche's Lounge -- it goes right on, hundreds and hundreds of bars and restaurants paying to the video poker machine operators, and what they have created is a slush fund for political purposes, both for lobbying and for campaigning, of $225,000 a month, $2.5 million a year, and about $10 million in each election cycle.

Now, with my three minutes about to run up, I'm just going to tell you a couple of other things real quickly.
COMMISSIONER WILHELM: It's run fast, but that's okay; why don't you finish up.

MR. JENKINS: In terms of crime, let's talk about crime just a moment in Louisiana and what's happening, and about debt. It's interesting to hear a professional talk about social costs and transfer of payments. According to him, if one person would steal from another, no wealth is destroyed, the ownership is just transferred, it's just a transfer, no social cost.

Let me tell you what City Business -- it's our business newspaper here in New Orleans -- wrote about a headline on the front page: "Drowning in Debt: the Record-setting Bankruptcies in our State caused by Gambling." All of these are simply clippings from our press: "Gambling Deals Blow to Elderly" talking about the increase in debts to our elderly; "Problem Gamblers" study shows one in six of our young people age 18 to 21 in this state is pathologically addicted to gambling, one in six -- it's just absolutely amazing.

Gamblers in our state lost $1.6 billion. Now, can you really honestly say that if people in our state lost $1.6 billion that we received more than $1.6 billion in benefits? Does that make sense? Anybody would have to be an idiot to believe that.

Now, let's talk about what's happening to our families. "Road to Ruin" -- this is a big front page headline going on and on in the Times-Picayune. "It's the gambling industry's dirty little secret. Addictive gambling has exploded since casinos came to Louisiana, shattering families, wrecking businesses, spawning new felons. Such a tale was the short
unhappy marriage of Mike and Kelly Gilpin which self-destructed
during a two-year binge of greed and gambling, yet there's little
effort by the state or the industry to deal with the grim side of
gambling's underbelly here."

"Casino Thrives on Shattered Lives" -- another front
page story. Here's a study for you on pathological gambling in
our state among young people aged 18 to 21; it's overwhelming.
Here's a report to the legislature, the Louisiana Compulsory
Gambling Commission, showing that our compulsive gamblers are
spending $660 a month on gambling. That affects between 30- and
50,000 people in the state of Louisiana on their pathological
gambling spending $660 a month.

What's it done in terms of crimes related to that?
Let's start with something like this: In north Louisiana in
Vivian, "Gambling Blamed for School Thefts." Here's a high
school teacher embezzled $70,000 from the clubs and organizations
at Vivian High School to support his gambling habit. Here's the
Little League: "Grant Ham Guilty of Theft, ex Bossier Little
League Treasurer Blames Gambling for Addiction." He stole
$11,000 from the Little League. "Gambling Blamed for Theft.
Police juror says gambling is factor of increased crime in
Calcasieu Parish." That's Lake Charles.

Now, here you get in the really serious stuff like
the deaths. Here's the nanny who got 40 years. She was
babysitting a child, left a three-year-old in the van while she
was in the casino gambling, the little baby died. Or you can
take what's happening with Terry Lynn Riviere, 43, from
Bogalusa, Louisiana who murdered her two parents to get the money to support her gambling addiction.

It was referred to earlier, but you really need to know the details of -- I'm sorry, that was Shanda Crain who murdered her parents. Here's the serial killer, Daniel Blank, from right up near my hometown near Baton Rouge, he ravaged the river parishes. He committed six murders, left two people desperately hospitalized, their lives are, I think, still in the balance. He was stealing money to support his gambling addiction.

Folks, we would have never had this but for the riverboats and the video poker coming to our state.

And then the political corruption: our former governor Edwin Edwards announced just the other day he expects to be indicted any day now. That relates to a possible corruption involving the rewarding of riverboat contracts in our state. This story by the Times-Picayune detailed how his close friends were able to profit so greatly from influence in the Edwards administration on gambling.

COMMISSIONER WILHELM: Mr. Jenkins, I dislike interrupting, but you've been about ten minutes. I'd appreciate if you could wrap up.

MR. JENKINS: Give me a minute and I'll wrap up then.

COMMISSIONER WILHELM: Thank you, sir.

MR. JENKINS: This is the front page from the Picayune: Edward Debartole turned a thousand dollar investment into $95 million here in Louisiana by buying and selling things; Robert Guidry sold out for $88 million; here's Fred Lowe, $4.1
million; William Broadhurst, $1.5 million. Most of these folks put up very little money but they got political favors.

Our own senate president, who was defeated for re-election, Sammy Nunez, here's the story about him passing out checks from the gambling industry on the floor of the senate in Baton Rouge. And this is the story about my own state senator going to federal prison; the dean of the senate acquitted, although it was clear that he had done a lot of things that he shouldn't have done — that was Sixty Rayburn who was in the senate for 50 years.

And finally, there is a sham going on — and that's from the Baton Rouge paper — about the symbiotic relationship between some of our regulators and the gambling industry, and what's happening is that, for example, the former chairman of our Riverboat Gambling Commission is now the lobbyist for the Riverboat Gambling Association in Louisiana. And the former director of the Attorney General's Gaming Division has just applied to be the head of the Riverboat Gambling Association.

Folks, we have a serious problem in this country with the proliferation of gambling. There's probably no state that it's hit worse than Louisiana, and there are things that can be done at the federal level about it. One of the things starts with Indian gambling; that's how it got started in our state, that's how it got started in most states. You had casinos, full-fledged casinos, and people said, Well, they've got casinos, they're gambling, they're not taxed, they're not regulated, so we've got to do it too.
You have to have restrictions. The idea that you have sovereign nations in this country within a nation doesn't make sense, that's not true. You ask the Houma Indians: I want to see a treaty ever entered into between the Houma Indians or the Chitimachia Indians, or anybody else, and the United States Senate giving them authority to have casinos. It hasn't happened.

COMMISSIONER WILHELM: Mr. Jenkins, if you have further testimony, I would request that you submit it in writing, and if you want to leave any of the material.

MR. JENKINS: I'll leave the clippings, and if you want any of this, I'll give you the opportunity to copy it.

Thank you, sir.

COMMISSIONER WILHELM: Thank you very much for being here. We appreciate your testimony. I'm sorry that our counsel Mr. Terwilliger wasn't here to hear that as well.