

WHY SHOULD YOU CARE ABOUT CAMPAIGN FINANCE & LOBBY REFORM?

**CONNECT THE DOTS:
THE GAMBLING INDUSTRY'S
PAY TO PLAY**

Lured by the prospect of huge profits, the nation's gambling industry spent an unprecedented amount of money to influence state government in 2001 and it paid off. In October, 2001, New York passed legislation allowing the greatest expansion of gambling in state history.

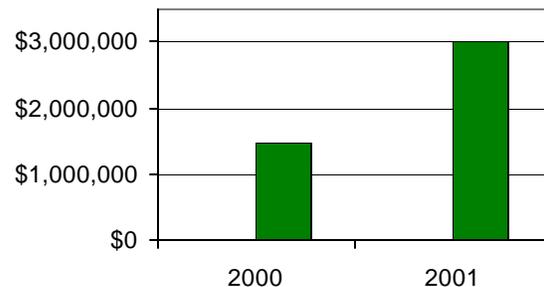
THE GAMBLING INDUSTRY PAYS ITS WAY TO INFLUENCE IN ALBANY

In 2001, the gambling industry spent more than **\$3,000,000** lobbying New York State lawmakers, twice the amount they spent in 2000.

In the same two years, gambling companies spent more than **\$900,000** in campaign contributions to elected officials and political parties in New York State, according to research published in the Buffalo News.

In total, nearly \$4,000,000 was spent by the gambling industry in lobbying and campaign contributions, according to the New York State Temporary Lobby Commission and research by the Buffalo News.

Gambling Industry Lobby Spending in New York State



BIG SPENDERS

Hundreds of thousands of dollars were contributed from individuals and companies with gambling interests, including:

- **Gerald Bucheit**—A businessman who owns a site in downtown Buffalo that is in the running for one of the Seneca Casinos (\$7,000 to Pataki)
- **Michael Elia**—A Niagara County businessman with casino plans (\$5,000 to Pataki)
- **David Flaum**—A Rochester millionaire who has talked of building a huge casino project with the Senecas in Niagara Falls (\$29,500 total, most to Pataki)

(Buffalo News research, March 2002)

BECAUSE IT AFFECTS THE ISSUES THAT AFFECT YOU

CONNECT THE DOTS: THE GAMBLING INDUSTRY'S PAY TO PLAY

WHY DO GAMBLING COMPANIES SPEND SO HEAVILY IN NYS?

Last year, the New York State Legislature and Governor Pataki failed to pass a budget for New York State, but they did manage to come together for a major deal on casino gambling.

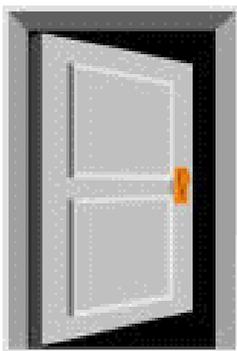
What's at stake: millions of dollars in potential revenue for New York, but with it the expansion of an activity that causes addiction and financial ruin.

TOP INDUSTRY SPENDERS

- **New York Racing Association and members of its board and trustees**, which runs the tracks in New York State (\$440,000 in lobbying and campaign contributions in 2001)
- **G-TECH**, a Rhode Island Company that runs state lottery system's online games and stands to make money in commissions from the expansion of gambling (\$287,000 in lobbying and campaign contributions in 2001)
- **Oneida Indian Nation**, which runs a casino near Utica and wants to run a casino in Catskills (\$138,000 lobbying and campaign contributions including \$25,000 to Senate Republicans)
- **Western Regional OTB Corporation**, which successfully fought to get approval to reopen its Batavia Downs Harness Track (\$188,000 on a team of lobbyists)
- **The Seneca Nation of Indians**, which spent the most of any New York organization for a single lobbying contract (\$393,580 to a single lobbying firm)
- **Donald J. Trump**, the New Jersey casino magnate who once led gambling spending in Albany later trailed and eventually failed in his efforts to block the casino expansion (\$224,000 in lobby and campaign contributions)

(Buffalo News, March 2002)

\$3,000,000 lobbying + \$900,000 campaign contributions = 1 lucrative deal in Albany



INSIDER ACCESS IS THE KEY: ALBANY'S REVOLVING DOOR

Here in New York the revolving door between government and lobbying is commonplace. Many of the lobbyists hired by the gambling industry were former powerbrokers in politics. Pat Lynch, former press secretary to Speaker Silver, now lobbies for gambling. Bill Paxon, a former New York Congressman, is now a partner at Akin Gump Strauss Hauer and Feld, a Washington law firm whose clients include the Senecas. And Bill Powers, the former head of the state Republican Party, is yet another well compensated gambling lobbyist. This revolving door phenomenon leads to even more access for those able to afford it.

This fact sheet is part of a series called **CONNECT THE DOTS**, which aims to show how money in politics impacts on issues New Yorkers care about. For more information about Common Cause/NY's **CONNECT THE DOTS** coalition, call 1-800-300-8707.

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