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From the Los Angeles Times

California tribes seek to ban slot-like bingo machines

They say their rights are being violated by charities that raise millions with the electronic devices. The Assembly passes a bill that would outlaw the machines.

By Nancy Vogel

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SACRAMENTO — Rich, politically powerful Indian tribes are pushing California legislators to outlaw some casino competition: slot-like bingo machines that generate millions of dollars for high school sports teams, the blind and disabled.

The Assembly on Wednesday voted 56 to 3 to ban the electronic machines, which tribes say violate their exclusive right to operate slot machines in California. The Senate is expected to pass the measure soon.

The proposed ban was written only two weeks ago -- months after the deadline for introducing legislation. State Sen. Gil Cedillo (D-Los Angeles) gutted a bill about school lunches and inserted the bingo measure.

Few interest groups could pull off such a coup in the waning days of the legislative session, which ends at midnight Sunday. But the tribes are among the biggest political donors to state lawmakers.

And the tribes are business partners with the cash-starved state, which depends upon payments of more than \$100 million a year from them to ease its budget problems. Some tribes have been threatening to withhold money if the state does nothing to restrict the bingo machines.

Officials of the small charities that depend on the machines say they are being put out of business by a political juggernaut.

"This is a ramrod job," Doug Bergman, president of United Cerebral Palsy of Greater Sacramento, told lawmakers last week. "You know it and I know it."

State Atty. Gen. Jerry Brown declared the machines illegal last year because they do not involve paper cards. In May his agents ordered charities to cease operating them in a dozen bingo halls, mostly in Northern California. A bingo machine manufacturer appealed and a federal court judgment is pending, but the court is not expected to address the issue of whether the machines violate tribal rights.

The tribes, meanwhile, are making their case in the Legislature.

Tribes "have the political power because they have the money," said I. Nelson Rose, a Whittier Law School professor and gambling law expert.

Cedillo, who was elected to his final Senate term in 2006, received \$10,800 for his campaign that year from tribes with casinos. Last year, he received \$4,000 in donations from such tribes.

The senator said he presented the bill because the state has not acted aggressively enough to protect its compacts with tribes.

The Catholic Church, American Legion and other large nonprofit groups, some of which use old-fashioned paper bingo, support Cedillo's bill.

It would double the current jackpot limit from \$250 to \$500 and allow charities to link together by cable or other video technology to expand the number of players and the size of prizes.

At least 43% of the revenue from linked "remote-caller bingo" games would have to be spent on charitable purposes.

Father Joseph Shea of St. Rose of Lima parish in Simi Valley said he could imagine jackpots of \$10,000 or more if enough churches connected.

But smaller charities say linked bingo is useless to them because they don't have facilities throughout the state where large numbers of people can gather. They say the tribes want to bar them from taking advantage of technology.

"Taking away our electronic bingo is like taking away your child's PlayStation and handing him a piece of paper and a pencil," said Heather Frank, executive director of the Society for the Blind. She said the group gets 10% of its annual revenue from a volunteer-operated bingo parlor in a Sacramento suburb.

Frank said the money is used to help teach young people Braille, pay for an Olympics for the visually impaired and fund a retreat where young blind people can make friends and build confidence.

It is unclear how many charities would be affected by a ban on electronic bingo. State gambling officials say they lack a statewide tally because each city and county regulates bingo separately.

State gambling regulators say they have found no charity-run bingo machines that concern the tribes in Los Angeles County. Such machines were found in one bingo hall in San Bernardino County and another in Riverside County, said Frank Herbert, a state Department of Justice agent in charge of gambling enforcement for Southern California.

The machines are much more widespread in Sacramento County, where regulators count about 450 in six bingo halls. More than \$25 million was bet on the machines in the last fiscal year, said Karen Walsh of the Sacramento County Sheriff's Department. Of that, \$6.3 million went to charities, \$16.2 million was awarded as prizes, and \$2.8 million was paid to machine manufacturers.

The colorful stand-alone devices look like slot machines, with reels or poker cards on the screen, and the game uses a computerized random number generator like a slot machine. The tops of the screens bear a small depiction of a bingo card.

Alison Harvey, executive director of the California Tribal Business Alliance, said her members, including the Viejas Band of Kumeyaay Indians and Pala Band of Mission Indians, have a fundamental issue at stake in the bingo halls.

Federal law dictates that states cannot tax tribal casino earnings unless the state offers something of value in return. And what California has agreed to give the tribes, in return for a share of slot machine earnings as high as 25%, is the exclusive right to operate slots.

"The state has already said this kind of gaming is reserved to the tribes," Harvey said. "You can't go back on that at this point."

The full extent of charities' reliance on electronic bingo machines may become clear if Cedillo's bill, [SB 1369](#), becomes law. The tribes agreed to distribute \$5 million next year among charities that prove with receipts how much they generated in the last year from the bingo machines.

The tribes eventually would be paid back by the churches and other nonprofit groups that use "remote-caller bingo." Five percent of the proceeds from linked bingo games would go to the tribes until the \$5 million is repaid.

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