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## Detroit casinos offer promise, problems

**Impact: Gambling has brought in jobs and \$782 million in taxes, but also, critics say, has led to a rise in such ills as debt, bankruptcy, prostitution and crime.**

By Ariel Sabar  
Sun Staff

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DETROIT - A few weeks after the Greektown casino opened in this blighted city's downtown, a sign went up across the street on a door to the Second Baptist Church, the oldest black church in Michigan: "Gamblers Anonymous: Open meeting every Monday."

The church was once a station on the Underground Railroad. Now it sees a steady stream of refugees from Greektown, desperate men and women in search of help after losing life savings - and their taxi fare home - at a casino that netted \$301 million last year.

"I will never forget the one young lady just crying profusely," the Rev. Kevin M. Turman, the pastor, said after services Sunday. "She had promised someone she wouldn't let this happen, and then it happened, and she couldn't afford to get home."

Detroit's three casinos - which opened about four years ago - have injected glitz and energy into a long-desolate downtown and have larded state and city budgets with \$782 million in gambling taxes, some set aside for schools.

But like other black leaders in this auto-making city of 925,000, where 82 percent of residents are African-American, Turman said he believes that Michigan voters placed a losing bet when they let in casinos. Gambling debts have pushed at least two of his parishioners into bankruptcy. Other parishioners told stories Sunday of friends who gambled away pensions and their children's college funds.

"What will we do as a city, when the number of people you can squeeze for these dollars diminishes?" asks Turman, who has led the church since 1988. "I don't think this is a way to finance a city's growth."

As Maryland Gov. Robert L. Ehrlich Jr. prepares to unveil a new proposal to bring slots to Maryland, Detroit-whose ragged urban landscape and majority-black population in many ways mirror Baltimore's - offers what some African-American leaders here say is a cautionary tale.

After rejecting casino proposals five times, Michigan voters narrowly approved a referendum in 1996 to open three casinos in Detroit. The MGM Grand Detroit and MotorCity casinos opened in 1999 and Greektown in 2000.

Development agreements with the city require the casinos to make efforts to hire at least half their workers from Detroit, and to spend nearly a third of their contract dollars on businesses based in Detroit or owned by minorities or women, state gambling officials say.

Las Vegas casino giants own two of the casinos, and a Michigan Indian tribe largely controls the third. A sore point among many African-American leaders is that in a city with the second-highest percentage of blacks in the country, blacks are majority owners in none of the casinos.

Some black leaders heap praise on the casinos for providing several thousand decent-paying jobs to African-Americans with few other opportunities.

"This is the first legitimate job a lot of people ever had," said Sam Logan, publisher of the Detroit-based Michigan Chronicle, the state's oldest and largest black-owned newspaper. "You're talking about money to buy clothes and cars and shoes and houses."

But black political and religious leaders interviewed here say the jobs are too few to offset a rise in ills they attribute to casinos: mortgage foreclosures, personal bankruptcies, an influx of prostitutes from as far away as Oregon and a crime rate that ranked Detroit in one study last year as America's most dangerous city.

"I think it was a bad deal for the city of Detroit," says Alonzo W. Bates, a councilman and retired city recreation director. "What makes places like Detroit and Baltimore lose out is they see how much money is going to be made, and they don't look at all the fallout: people are losing their savings, losing everything they got to get one big hit."

Mayor Kwame M. Kilpatrick, elected in 2001, opposed the casinos as a state lawmaker. But he has come to a grudging accommodation with their importance as a revenue source for a city that has lost more than half its population since the 1950s.

"From the social side, we've had our highest rates of personal bankruptcy ever, we've had our highest rate of alcoholism in quite some time," says Howard Hughey, a spokesman for Kilpatrick, who was not available for an interview yesterday. Nonetheless, Hughey added, "truth be told, if it weren't for the casinos, the city would probably be bankrupt right now."

The casinos say there is no hard evidence linking them to the financial woes of city residents - the economy may be as much to blame, they say. And Detroit has almost always been troubled by high crime.

They take credit for pouring construction money into downtown Detroit, creating 6,000 to 8,000 casino jobs, and returning tourism to a city that had become a national model of disinvestment and decay.

The city receives 9.9 percent of the casinos' gross - the amount left over after winners are paid - and the state, 8.1 percent.

"We have been a tremendous asset to the city of Detroit," says Roger Martin, a spokesman for Greektown Casino. Still, he says, casinos were never billed as a cure-all. "People like to criticize the industry for not rescuing the city of Detroit. I'm sorry, I've been involved with this from day one, and I've never heard any of us say we're going to save the city of Detroit, or Michigan. Come on, no industry can do that."

In Maryland, Ehrlich's proposal last year for slot machines at race tracks cleared the Senate but stalled in

the House. The Republican governor has indicated that he will introduce some form of slots legislation again this year, with aides warning that an elaborate initiative to boost public school spending would be jeopardized without new gambling revenues.

The governor's office has not released details of the new proposal. But some black leaders in Maryland worry that slot machines will wind up in poor neighborhoods, such as Pimlico, that lack the political muscle to keep them out.

In Detroit, Gamblers Anonymous meetings have proliferated, and the number of gamblers referred to a state counseling program has grown 8 percent to 10 percent each year since the casinos opened, officials say. The number of people on the state's Disassociated Persons List - addicts who ask to be banned from casinos for life - reached 561 last year, up from 56 in 2001, the program's first year.

A survey of Detroit-area residents by the University of Michigan-Dearborn in late 2000 found that minorities were less likely to gamble than whites, but were more likely to become problem gamblers. The survey's author, Paul Wong, a sociologist who has since become a dean at San Diego State University, said that the proximity of casinos to poor, largely black neighborhoods in central Detroit adds to the problem. "It's within walking distance," he said. "You don't even need a car."

Sherry White, 39, a telecommunications saleswoman, says she put herself on the Disassociated Persons List a year and a half ago after losing \$80,000 to \$90,000 in less than eight months. She was so "caught up in the rapture" of trying to win back her blackjack losses, she said, that she put her 15-year-old son in her mother's care and took out a loan against her house. White says she disappeared into the 24-hour casinos after work Fridays. She returned to work Mondays in the same clothes.

She says she sought help after her arrest for disorderly conduct after a night of devastating losses. "It can destroy people," she said Saturday night, while picking up her brother in a bleak neighborhood just beyond the MotorCity Casino.

But other gamblers say that individuals, not casinos, are to blame for such problems. Theresa Matthews, 42, of Detroit, a single mother of two who earns \$350 a week as a hotel housekeeper, says the casinos offer an escape from trials of work and motherhood. She leaves after losing \$50, and says she knows her limits. She suspects she has lost \$900 at the casinos, but is not complaining.

"They don't ask you to come in," she said. "You choose to go."

Sun staff researchers Jean Packard and Paul McCardell contributed to this article.

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