

# Operators: Gambling law would hurt nonprofits

## Competition to cut bingo profits

by Soren Wuerth  
for the Tundra Times

The proposed ballot initiative legalizing gambling in Alaska spells bad luck to non-profit organizations receiving money from bingo halls and pull-tab operations, according to distributors, operators and license holders of the industry.

"Anybody in the charitable gaming industry will be against legalized gambling," said Mark Griffen, manager of Alaska Bingo Supply, the state's largest distributor. "It will have a detrimental effect on Alaska."

Under state law, owners of bingo and pull-tab operations must give a minimum of 15 percent to the non-profit groups which hold their permits.

Competition from casinos and bars with slot machines and video gambling games will reduce the number of pull-tab and bingo players, Griffen said.

"How in the world can they compete with slot machines? My wife, who operates a bingo hall, made \$85,000 for her non-profit organization," he said. "Well, her organization could kiss their money goodbye if there was a casino in town."

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Ballot measure No. 2, which voters will decide Tuesday, would create a state gambling board. The board would only issue a license to establishments that hold liquor licenses.

In 1989, non-profits earned \$9.1 million in net proceeds from bingo halls and pull-tab operations, or about 7.9 percent of the gross income of the operators according to the charitable

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gaming report for that year. Pull tabs accounted for about two-thirds of the gross return, which currently stands at about \$125 million, said Randall Burns, the director of the state's Division of Occupational Licensing.

He said charity organizations are not making enough money under the present system and his department has been trying to reform the gaming regulations to give permit-holders a higher rate of return.

Nancy Scheetz-Freymiller, the executive director of Abused Women's Aid in Crisis, said she is scared of losing the money her permit generates.

"It's real small, about 5 percent of our total budget, but without it we would have to cut programs and staff. It's a really critical piece of our budget," she said.

Lucky Strike Bingo, which has four nonprofit Native groups as its license-holders — the Aleutian-Pribilof Island Association, the Kodiak Area Native Association, the Alaska Native Health Board and the Aleutian Housing

Authority — will be "wiped-out" by casino and slot machine competition, said business manager Ron Robinson.

"I hope like crazy the initiative doesn't pass," he said. "If it does, I'm going to have to look for a new line of work."

Proceeds from Lucky Strike — the state's largest commercial bingo hall, according to Robinson — have gone to funding emergencies, funerals and holiday food baskets for rural Native Alaskans in the Aleutians, said the Aleutian-Pribilof Island Association's Director Dimitri Philemonof.

"We're quite proud of our operation," said Philemonof. "I guarantee we are about as fair as we can be."

In rural Alaska, bingo is a social event where alcohol is prohibited under state law, Burns said. If the gambling initiative passes, rural villages could choose to incorporate gambling with 5 percent of the vote under the provisions of the proposed law.

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***—Randall Burns***

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munities, but that's speculation," Burns said.

In 1989 there were 1,042 gaming permits issued by the Department of Commerce and Economic Development and 15 licenses were given to full-time operators.

The village councils in Aleutian communities run the bingo halls, Philemonof said. Revenue from the halls is redistributed in the form of college scholarships, transportation and other services, he said.

Small bingo and pull-tab operations don't have the money to get more ex-

pensive gambling equipment, said Jay Hennison, owner of Bingo Sams, a bingo and pull-tab distributor.

"A lot of money they make isn't reported, but it is vital income to the community," he said.

Another concern is regulating gambling operations in rural communities, Griffin said.

"The way I look at it, is that it will turn into a nightmare statewide," he said. "There are 70 to 82 remote locations and there would be no rules, no regulations, no enforcement — it's scary."