

April 17, 2008

Honorable Darrell Steinberg
California State Senator
State Capitol Room 4035
Sacramento, CA. 95814
FAX: 323-2263

RE: SB 1626 Oppose

Dear Senator Steinberg:

Stand Up For California writes today to oppose SB 1626 as it is currently written.

Our organization has been concerned with what we believe are instances of the use of illegal slot machines by charitable bingo operations in California, as described below. The use of these unlawful slot machines is within the jurisdiction of the Bureau of Gambling Control of the Department of Justice. The use of these machines is both new and expanding. We would much rather see appropriate remedial and enforcement actions be promptly implemented by the Department of Justice, rather than legislation to legalize an illegal activity.

Bingo Machines installed in Sacramento and Contra Costa Counties and perhaps other counties throughout California present both legal and financial problems to the State of California.

- Gaming machines create the need for background checks of key employees, software auditing and financial reports. What entity with expertise will perform the background checks of key employees, licensing of facilities, machines and vendors? What entity will provide regulatory oversight to this newly authorized operation and how will it be paid for?
- Bingo machines played with electronic cards creates an atmosphere of a casino. The machines at these locations have features such as “*auto daub*” and “*sleep daub*” that allow them to operate faster than the machines designated as class II under the federal Indian Gaming Regulatory Act. The machines in State appear to be operating in violation of The Johnson Act. (Section 1957 of the title 18 of the United States Code)
- The bingo machines operating in Sacramento and Contra Costa County are clearly contrary to prior opinions from the Attorney General’s Office. For example, a 1998 AG opinion¹ stated conditions under which electronic aids to bingo are permissible under California law. The permissible electronic aides clearly do not include the machines described above, which constitute the game itself. All of

¹ Opinion of Daniel E. Lungren Attorney General, Clayton P. Roche Deputy Attorney General, No. 96-1011, December 31, 1998.

these machines are, illegal slot machines that violate the Penal Code prohibitions and are not permitted under the constitutional and statutory provisions authorizing local charitable bingo.

- The operation of these machines in certain areas appears to violate the exclusivity provisions of several of the Indian gaming compacts and potentially could result in the loss of hundreds of millions of dollars to the State of California.
- These bingo machines appear to violate Article IV, section 19, of the California Constitution, which prohibits casinos of the type in Nevada and New Jersey, as the bingo machines² are slot machines, which the voters intended to prohibit when they adopted that constitutional provision. (Proposition 9 – 1976)

Once again, State Legislators must proceed cautiously. Will this new language exploit charity gaming laws to establish new gaming jurisdictions? As evidence from the analysis of SB 1328, charity bingo is big business free from taxation that lacks uniform regulatory oversight by the State of California.

Please list Stand Up for California opposed to SB 1626 as currently written.

Sincerely,

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² Letter to Honorable Loni Hancock from Attorney General Bill Lockyer, November 16, 2005. The letter provides an informal opinion on current bingo gaming devices stating that they are slot machines.