# SB 76

HEIN
FILE

# HOUSE COMMITTEE REPORT

(11)
Date Referred: April 24, 1993 FURTHER REFERRALS:

Date of Committee Action: _____

The FINANCE Committee considered: **Died** CSSB 76(FIN)

CS FOR SENATE BILL NO. 76(FIN)
"An Act requiring regulations relating to pull-tabs to be consistent with North American Gaming Regulators Association standards on pull-tabs to the extent permitted by charitable gaming laws; allowing permittees to contract with vendors to sell pull-tabs on behalf of the permittee at an establishment holding a package store
**TITLE CONTINUED ON PAGE 2**

RECOMMENDATIONS: [ ] the same title
be replaced with _____ [ ] a new title

[ ] have attached amendments(s)
[ ] do pass
[ ] do not pass
[ ] no recommendations
[ ] individual recommendations
[ ] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) APPROVES PREVIOUS: (Dept/Date)

[ ] fiscal impact _____ [ ] fiscal note(s) _____

[ ] zero fiscal note _____ [ ] zero fiscal note(s) _____ _____

| *SIGNING DO PASS* | *DNP* | *OTHER RECOMMENDATIONS* | *DNP* | *NR* | *AM* |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

_____
*CHAIRMAN'S SIGNATURE*

**STATE OF ALASKA**
**1993 LEGISLATIVE SESSION**

BILL VERSION CSSB 76
PUBLISH DATE (Fin)

# F I S C A L N O T E

REQUEST:
Revision Date: 4/16/93 Affected Agency: Dept.of Revenue
Title: Act Relating to Charitable Gaming BRU: Gaming Div.
Sponsor: Sen. Pearce Components:
Requester: Senate Finance Committee

**EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)**

| OPERATING | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 | FY 99 |
|---|---|---|---|---|---|---|
| Personal Services | 77.4 | 77.4 | 77.4 | 77.4 | 77.4 | 77.4 |
| Travel | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Contractual | | | | | | |
| Equipment | 6.0 | | | | | |
| Supplies | 0.5 | | | | | |
| Grants, Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 86.9 | 80.4 | 80.4 | 80.4 | 80.4 | 80.4 |
| CAPITAL | | | | | | |
| REVENUE | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

**FUNDING: (THOUSANDS OF DOLLARS)**

| | | | | | | |
|---|---|---|---|---|---|---|
| General Fund P.R. | 86.9 | 80.4 | 80.4 | 80.4 | 80.4 | 80.4 |
| Federal Fund | | | | | | |
| Other | | | | | | |
| TOTAL | 86.9 | 80.4 | 80.4 | 80.4 | 80.4 | 80.4 |

**POSITIONS:**

| | | | | | | |
|---|---|---|---|---|---|---|
| Full-Time | 1 | 1 | 1 | 1 | 1 | 1 |
| Part-Time | | | | | | |
| Temporary | | | | | | |

Estimate of FY 93 Impact 0.0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)
Personal Services, 1 each, Revenue Auditor IV. One-time cost equipment for computer, desk, etc. Revenue increase from auditing of tax returns.

Prepared By: Date:
Division: John Hansen, Gaming Division Phone: 465-2581

Approved by: Date: 4-17-93
Agency: Paul Fuhs, Commissioner
Dept. of Commerce & Economic Development

# FISCAL NOTE

No. 2

## STATE OF ALASKA
## 1993 LEGISLATIVE SESSION

Bill Version: CSSB 76 (Jud)

(S) Publish Date: 4-3-93

Revision Date:

Dept. Affected: Commerce & Economic Development

Title: An Act relating to Games of Chance and Skill...

BRU: Occupational Licensing

Component: Operations

Sponsor: Senator Pearce

Requestor: Senate Finance

COMPONENT SERIAL NO. 1844

**Expenditures/Revenues:** (Thousands of Dollars)

| OPERATING | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 | FY 99 |
|---|---|---|---|---|---|---|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | .0 | .0 | .0 | .0 | .0 | .0 |
| CAPITAL | | | | | | |
| REVENUE FUND SOURCE: | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |

**FUNDING:** (Thousands of Dollars)

| | | | | | | |
|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1006 GF/MHTIA | | | | | | |
| Other | | | | | | |
| TOTAL | .0 | .0 | .0 | .0 | .0 | .0 |

Changes in CSSB 76 (FIN) have no fiscal impact. This fiscal note is appropriate.

4/17/93 date — Comte Aide (initial)

**POSITIONS:**

| | | | | | | |
|---|---|---|---|---|---|---|
| FULL-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| PART-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| TEMPORARY | 0 | 0 | 0 | 0 | 0 | 0 |

Estimate of current year (FY 93) impact: $ None

**ANALYSIS:** (Attach a separate page if necessary)

CSSB 76(JUD) provides for licensing of out-of-state pull-tab manufacturers, 10 each at $500 per annual license.

Prepared by: John Hansen, Gaming Program Manager — Phone: 465-2581

Division: Occupational Licensing — Date: 4/2/93

Approved by Commissioner: Paul Fuhs — Date: 4-2-93

Agency: Commerce & Economic Development

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**

**For further distribution information call the Governor's Legislative Office**

STATE OF ALASKA
1993 LEGISLATIVE SESSION

No. 3

# F I S C A L  N O T E

Bill Version: CSSB 76(FIN)

(S) Publish Date: 4-18-93

REQUEST:
Revision Date: 4/16/93 Affected Agency: Dept.of Revenue
Title: Act Relating to Charitable Gaming BRU: Gaming Div.
Sponsor: Sen. Pearce Components:
Requester: Senate Finance Committee

**EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)**

| OPERATING | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 | FY 99 |
|---|---|---|---|---|---|---|
| Personal Services | 77.4 | 77.4 | 77.4 | 77.4 | 77.4 | 77.4 |
| Travel | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Contractual | | | | | | |
| Equipment | 6.0 | | | | | |
| Supplies | 0.5 | | | | | |
| Grants, Claims | | | | | | |
| Miscellaneous | | | | | | |
| **TOTAL OPERATING** | 86.9 | 80.4 | 80.4 | 80.4 | 80.4 | 80.4 |
| **CAPITAL** | | | | | | |
| **REVENUE** | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

**FUNDING: (THOUSANDS OF DOLLARS)**

| | | | | | | |
|---|---|---|---|---|---|---|
| General Fund P.R. | 86.9 | 80.4 | 80.4 | 80.4 | 80.4 | 80.4 |
| Federal Fund | | | | | | |
| Other | | | | | | |
| **TOTAL** | 86.9 | 80.4 | 80.4 | 80.4 | 80.4 | 80.4 |

**POSITIONS:**

| | | | | | | |
|---|---|---|---|---|---|---|
| Full-Time | 1 | 1 | 1 | 1 | 1 | 1 |
| Part-Time | | | | | | |
| Temporary | | | | | | |

Estimate of FY 93 Impact 0.0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)
Personal Services, 1 each, Revenue Auditor IV. One-time cost equipment for computer, desk, etc. Revenue increase from auditing of tax returns.

Prepared By: John Hansen, Gaming Division Date:
Division: Phone: 465-2581

Approved by: Paul Fuhs, Commissioner Date: 4-17-93
Agency: Dept. of Commerce & Economic Development

PAGE _____ OF _____

# Alaska State Legislature

During Interim:
3111 C Street, Suite 150
Anchorage, AK 99503-3925
(907) 561-2038
Fax (907) 561-4194

During Session:
State Capitol
Juneau, AK 99801-1182
(907) 465-4993
Fax (907) 465-3872

**Senator Drue Pearce**
**District F**

To: Representative Brian Porter, Chairman
House Judiciary Committee

From: Senator Drue Pearce

Date: April 22, 1993

Re: The Gambling Limitation Act of 1993

There are many rumors about this legislation. While this bill may seem long and complex, it is really very simple. It does two main things. It increases the amount of money going to charitable nonprofits and it prevents the criminal element from gaining a foothold in our state gaming industry. It does this without increasing gambling in Alaska.

This bill restricts the ways profits derived from gaming may be used. Rather than allowing the current diversion of gaming profits to the political campaigns of politicians, this bill benefits charities by increasing their guaranteed percentage of return from gaming activities. It permissively allows charities alternatives to placing their permits with "for profit" operators. The bill does shift the flow of money in favor of the charities. It gives nonprofits additional avenues by which to generate money using their permits while restricting the activities of "for profit" operators.

The bill I originally introduced:

1) Prevents criminal elements from gaining a foothold in Alaskan gaming by denying some felons access and controlling the access of others. If an individual has been convicted of a crime that was a class A felony, unclassified felony, or a crime involving theft, dishonesty, or gambling laws within the state of Alaska, or any other jurisdiction, than this individual would be prohibited for life from involvement with gaming in any supervisory or managerial capacity. This bill also allows the department some discretion for people convicted of lessor crimes after 10 years have passed.

2) Disallows the use of bingo or pull-tab net proceeds for direct political contributions to candidates. All nonprofits, including political parties and labor organizations, would still be allowed to hold permits and

use their proceeds for administrative expenses or other uses. They could also still use raffles and other permitted games to earn money which could then be used for direct contributions to candidates.

3) The Finance CS adds:

a) A prohibition against using net proceeds to directly or indirectly pay registered lobbyists for any reason.

b) Third party vendor language. This language permissively allows charitable organizations direct profitable alternatives to placing their permits with "for profit" operators. Permittees who operate their own permits often double their net proceeds. The bill allows permittees to contract with vendors to sell pull-tabs for the permittee. Vendors would be required to pay permittees 50% of the ideal net proceeds to the permittee when the pull-tabs are delivered to the vendor. Vendors are limited to those facilities that possess a package store license or a beverage dispensary license granted by the ABC board. Those facilities possessing the beverage dispensary license and granted a restaurant designation by the ABC board would be restricted to selling pull-tabs only in those areas off limits to minors.

c) Multiple beneficiary permit language. This language allows the Department to issue permits authorizing 2 to 6 permittees to jointly operate their permits. This benefits permittees who band together by allowing them to hire a management team to run their games that is answerable only to them. They would have direct hire and dismissal authority. Currently there are more permittees seeking to place their permits with operators than there are operators to run them. <u>While most operators run honest businesses, there are those that do extort concessions beyond what most people would consider ethical.</u>

d) A requirement for the Department of Commerce to approve contracts between operators and permittees.

e) Language that allows the Department to revoke a permit, license, or vendor registration upon proof that insider information was given or acted upon.

f) A requirement that the Department license out-of-state manufacturers of pull tabs.

g) A requirement that operators increase the return of net proceeds from pull-tabs to charities from 15% to 30%. The return on other gaming activities is increased from 0% to 10%.

Under existing law pull-tabs can be sold in bars and liquor stores, but current statute does not provide clear guidelines for direct third party relationships between permittees and these facilities. The third party provisions contained in this bill provide for a reasonable licensing scheme for activities that are already occurring. Compliance within existing statute is currently difficult to regulate. This bill provides the department with the needed tools it needs to effectively regulate these third party activities.

601 organizations were issued 1,320 permits for pull-tabs. Of those 1320 permits to sell pull-tabs, 537 of them were issued to establishments which sell alcohol. Some establishments sell pull-tabs for numerous different organizations, thus one of these establishments could have several permits. Vendors are being defined to those establishments that are already able to sell or are already selling pull-tabs. All bars and package liquor stores in Alaska can currently sell pull-tabs, but many do not. Under this bill all bars and package liquor stores in Alaska can sell pull-tabs, but many will choose not to.

This bill does not expand gambling in Alaska. This bill does not put genuine charitable organizations out of business. It does not set unrealistic minimum returns to charities. It does not eliminate nonprofit charities from holding permits. Rather, it increases by 100% guaranteed pull tab receipts to charities. Every nonprofit now eligible stays eligible. And, they will be allowed to retain even greater proceeds if they become direct operators by placing their permit with a third party vendor.

I would urge you to immediately take action to pass this legislation on to its next committee of referral without amendment.

Gaming Bill Comparison

| Provision | Senate Bill 76 | CS for Senate Bill 76 (Fin) |
|---|---|---|
| Felony exclusions | Yes, prohibits from participating for life those individuals acting in a supervisory or managerial capacity who have been convicted of a felony, unclassified felony or a crime involving theft, dishonesty or a violation of gambling laws. It provides for some departmental discretion for some lessor felonies and misdemeanors after 10 years have passed. | Yes, same as in SB 76. |
| Campaign contributions | Yes, prohibits the use of net proceeds for direct campaign contributions. Parties could still retain their permits and use the proceeds to pay for uses other than political contributions, such as office expenses. | Yes, same as in SB 76. |
| Lobbyist fees | Not addressed in SB 76. | Yes, prohibits the use of net proceeds for any type of payment to registered lobbyists. |
| Third party vendors | Not addressed in SB 76. | Yes, allows permittees to contract directly with third party vendors to sell pull-tabs for them. The permittee receives a 50% return immediately upon giving the vendor the pull-tabs. Operators currently can give the permittee a return as low as 15%. Permittees are defined to be only those facilities that are licensed by the ABC board with a beverage dispensary license or a package store license. These are establishments that can sell hard liquor. Restaurants that have a beverage dispensary license would be restricted to selling pull-tabs in only those areas that exclude minors. |

| | | |
|---|---|---|
| Multiple beneficiary permits | Not addressed in SB 76. | Yes, allows permittees to operate their permits without having to use the services of an operator. 2 to 6 permittees can band together to operate their permits jointly, using a management team that is answerable solely to the permittees. This allows economies of scale to benefit the permittees. |
| Departmental approval of contracts | Not addressed in SB 76. | Yes, requires the Department to approve contracts between operators and permittees. |
| Prohibit insider information | Not addressed in SB 76. | Yes, allows the Department to revoke, for a period of one year, the permit of an operator, vendor, or permittee upon proof that inside information about the game was given or acted upon. |
| Licensing out of State pull-tab manufacturers | Not addressed in SB 76. | Yes, mandates that pull-tab manufacturers must be licensed by the Department before they can sell pull-tabs within the state. |
| Percentage return to charities | Not addressed in SB 76. | Increases the return to charities to 30% for pull-tabs and 10% from all other operations. The return allowed under current law is 15% from total operations for two consective quarters. |

1) The sale of pull-tab tickets from mechanical devices are prohibited in the Finance Committee Substitute.

2) Provisions to allow APRN to run a state wide game are in a separate bill, SB-200.

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY
## STATE OF ALASKA

*(907) 465-3867 or 465-2450*
*FAX (907) 465-2029*
*Mail Stop 3101*

*130 Seward Street, Suite 409*
*Juneau, Alaska 99801-2105*

**MEMORANDUM** April 15, 1993

**SUBJECT:** Sectional Summary of CSSB 76, draft, dated 4/15/93 (Work Order No. 3-LS0279\Q)

**TO:** Senator Drue Pearce

**FROM:** Jerry Luckhaupt
Legislative Counsel

You have requested a sectional summary of the above described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretatior of the bill - the bill itself is the best statement of its contents.

**Section 1 of the bill** provides a short title.

**Sections 2, 4, 11, 22, 25, 27, and 29 of the bill** deal with allowing permittees (charitable organizations) to contract with vendors, defined in sec. 28 of the bill, to sell pull-tabs for the permittee through an endorsement of the charitable organization's permit. Section 24 is the "meat" of this area of the bill.

**Sections 2, 5, 7, 8, 9, 14, 18, 19, 20, and 23** deal with multiple-permittee charitable gaming. These sections permit up to six charitable organizations or municipalities to join together to provide charitable gaming. Sections 4 and 13 are the substantive portion of these sections.

**Section 3 of the bill** requires that the Department of Commerce and Economic Development's regulations meet the standards set by the North American Gaming Regulators Association.

**Sections 6, 13, and 29 of the bill** relate to what criminal convictions disable someone from working in charitable gaming. These sections also provide an exemption for people with certain convictions when those convictions are ten years old.

**Section 10 of the bill** requires Department of Commerce an Economic Development approval of contracts between operators and permittees.

**Sections 12, 16, and 30 of the bill** deal with increasing the percentage that operators must pay to permittees for a pull-tab activity from 15 percent to 40 percent of adjusted gross income and decreasing the percentage that must be paid for a nonpull-tab activity from 15 percent to 10 percent of adjusted gross income.

**Sections 15 and 28 of the bill** deal with what is a charitable use to which gaming proceeds may be put and what is a political organization.

**Sections 17 and 26 of the bill** deal with procedures for the revocation and regulation of licenses, permits, and registrations.

**Section 21 of the bill** requires the licensing of out-of-state manufacturers of pull-tabs.

**Section 24 of the bill** limits permittees, licensees, and vendors from purchasing their own pull-tabs and requires receipts for prizes of $50 or more in pull-tab games.

**Section 30 of the bill** provides repealers.

**Sections 31 and 32 of the bill** are effective dates.

GPL:pl
93-304.plm

NATIONAL MULTIPLE SCLEROSIS SOCIETY

ALASKA CHAPTER
511 WEST 41ST AVE. SUITE 101
(907) 563-1115 FAX (907) 562-6673
ANCHORAGE, AK 99503-6643

**FAX SHEET**

Number of pages: 1

DATE: 04/22/93

TO: Rep Brian Porter

AT: House of Representatives

FAX # 465-3934

FROM: T. Sk: Olszowski

**MESSAGE**

*As you develop your position on the proposed legislation we ask you to keep in mind that for many non-profits, the income received from pull tabs is an essential part of their annual budget. As an example, our chapter receives 48% of its' gross income from the sale of pull tabs. All of the profits are received by the chapter, we utilize no operators and have only volunteers selling pull tabs for us. We make no political contributions, in fact we are prohibited from doing so. However, the proposed cancellation of all pull-tab gaming permits on December 31, 1993 will have dramatic and far-reaching affect on our operations. We would be forced to cut client services and reduce our staff.*

*Our chapter has long been aware of the potential for abuse with sales of pull tabs. We have worked hard to develop a custom software package to track the operations of each of our vendors. We diligently research each applicant who indicates a willingness to sell pull tabs for us. We have developed guidelines for the use of our vendors and we monitor our vendor standings on a monthly basis. In short, we have made every effort to conduct our pull tab operations in a professional manner with adequate safeguards for the vendor, the player, the state and the Society. We have recognized that gaming operations are by their nature labor intensive, and we have dedicated the resources to ensure to the best of our ability that they are run in a business like manner.*

*The reform legislation proposed under HB-168 and SB-76 will not adversely affect our operations, rather they will do a great deal to correct some of the more inequitable operator/permittee contracts that currently exist. We request that the sale of pull-tabs solely by a pull-tab ticket dispensing machine be deleted from the legislation or be made a matter of option. This request is made based on the comments about the equipment in question having a predisposition to malfunction, additionally we wish to save ourselves from the responsibility of obtaining and servicing such equipment. We ask your consideration and support of this amended legislation.*

THE LIGHT IN THE NORTH

# ANCHORAGE AREA EPILEPSY SOCIETY

1413 'H' ST. ANCHORAGE, ALASKA 99501-5049
PHONE (907) 279-8641

Dear Mr. Porter:
House Judicial Committee

Please for the sake of All non-profits who hold Gaming permits, pass S.B. #76 NOW, without further delay. It is a known fact that the longer the bill is held in Committee the weaker the bill becomes or NEVER comes out!

The permittees now recieves only 15 per-cent & yet they, the permittee is required by law to pay taxes on each game - plus the 1 per-cent at the end of each year to the State. Leaving the non-profits with-right at 13/14 per-cent for the total. Why? This arrangement leaves the operators with a great deal of cash flow to hire lobbiest to lobby on their behalf or to make trips to Juneau to lobby on their own Behalf!

Why is it, there is no-accountability for Bing-o? Only with Pull-Tabs? Senate Bill #76 would go along ways to over come this deficiency?

I would also like to point out, when anything goes astray-wrong-; the state officials automatically go after the Permittee/non-profits! Is it because we do not have the funds to hire an attorney? While on the other hand the Operators do!

It would help all the per-mittees, if you could rush the passing of Senate Bill #76 in away that Nothing else has. It would make things much clearer.

The non-profits Neither have the time or finances to become involved-physically, besides we are not allowed too; in fighting/

in representing ourselves. We have to rely on letter writing &/or phone calls or the bikes, or we would lose our non-profit status!

Like Mr. Griffin & the Mr. Dilly's of our world can well afford this (lobbiest-trips, etc.) at the expence of the Permittee!

Please bring fairness into law by passing H.B. #76 without any further delay.

On behalf of the Anchorage Area Epilepsy Society

Sincerely,

Rita Thompson, Director

4-23-93

# A.C.C.A....serving **Alaskans** with disabilities since 1956.

1020 Barnette Street Fairbanks, Alaska 99701 (907) 456-4003


Speech/Language Clinic

Project TEAC[illegible] Early Intervention Program

Medical Equipment Loan Closet

Reducing Usage of Smokeless Tobacco Education Program

Supportive Activities for Families and Clients

April 20, 1993

Representative Brian Porter
State Capitol
Juneau, AK 99801-1182

Dear Representative Porter,

During the fiscal year 1992, A.C.C.A. received $33,796.88 from our pull-tab gaming permit. For several years, A.C.C.A. has been fortunate to receive revenue from our operator, Joe Nyquist. A.C.C.A. is dependent on income generated from its pull-tab gaming permit in order to provide services to individuals with disabilities.

It is our understanding that reform legislation concerning pull-tab gaming permits of charities needs to be passed during this legislative session. If the Legislature fails to enact legislation then all pull-tab gaming permits of nonprofits will be canceled on December 31, 1993.

We urge you to vote in favor of HB168 which has a number of significant reform measures.

Thank you for your time and attention regarding reform legislation on pull-tabs.

Sincerely,

Ricki Chagnon
President A.C.C.A. Board of Directors

United Way Member Agency

# BILL'S of alaska

April 23, 199

Representative Brian Porter, Chairman
House Judiciary Committee
Alaska House of Representatives
State Capital
Juneau, Ak 99801-1182

Dear Representative Porter VIA Fax 465-~~3837~~ 3834

Once again, I'm pleased that SB-76 has been scheduled for hearing before the Judiciary and Finance Committees. I urge that the bill be given "DO PASS" and be brought to the floor for a vote.

I fear that the any further fine-tuning may delay the bill's opportunity to be voted upon by the entire house. I steadfastly believe that the bill as written, is in acceptable form to every legitimate permitee, distributor, and operator....and regulators in the Department of Commerce and Economic Development.

As you are aware, some industry members are attempting to defeat this needed reform bill and are bringing influence personally in Juneau today. They're using GAMING MONEY to finance it!

These same people were responsible for the shabby statutes that Charitable Gaming has operated under since 1988. As you may recall, the "Gaming Reform Act of 1988" was written by the sleeziest elements in this industry with Representative Dave Donley's considerable assistance.

Why, for instance, is there NO BINGO ACCOUNTABILITY in current statutes?

Why, for instance, is it possible for a "gaming industry group" to hold a gaming permit, raise $75,000, and spend it on a high-priced lobbist and radio ads to defeat needed reform?

You have a strong sense of right vs: wrong and fair play. I urge you to do the right thing on behalf of legitimate charities and non-profits and make the first meaningful change to gaming law in 5 years. At the same time, legitimate businesses that supply the permitees with product welcome the added accountability and integrity this bill provides.

Most operators don't like this bill because it stops legal thievery and extortion at the expense of the non-profits whom the law intended to be the beneficiary.

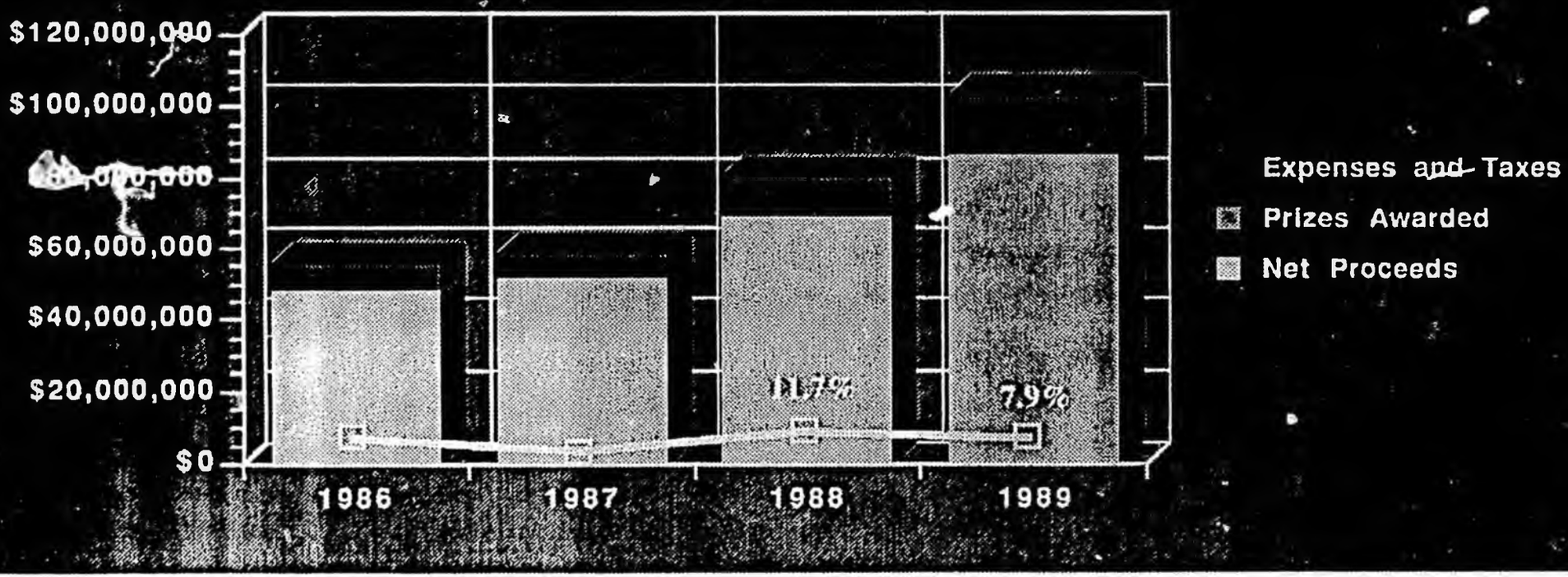
Legitimate gaming interests are "the little people" and they can't afford the kind of political pressure that you are being subjected to today. I URGE THAT YOU REJECT THAT PRESSURE and support needed reform.....its the right thing to do

Roger Anfinson

P.O. BOX 874731 WASILLA, AK 99687 (907)373-1500 or 1-800-478-4263
"Youre Best Source for Pull-Tabs and Bingo Supplies"

# State Calculated Net

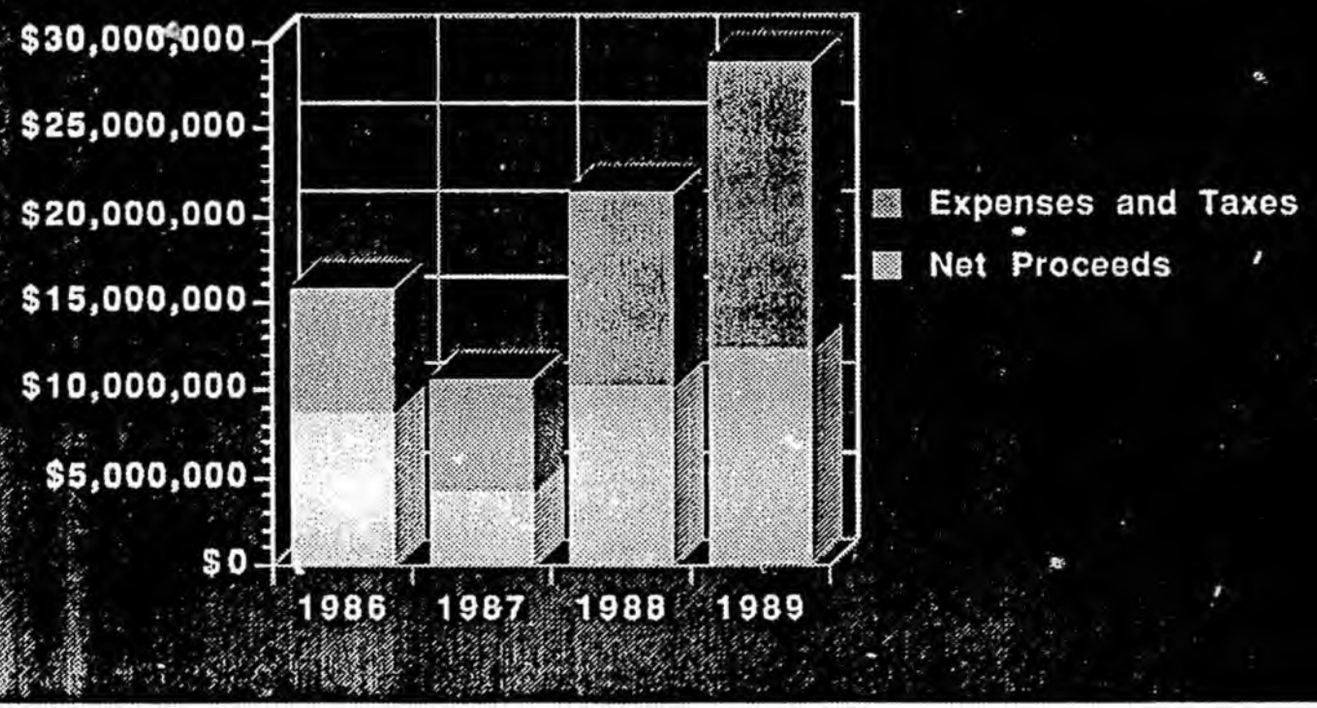
## Percentage of Net Proceeds After Prizes Awarded and Taxes Subtracted



# True Net

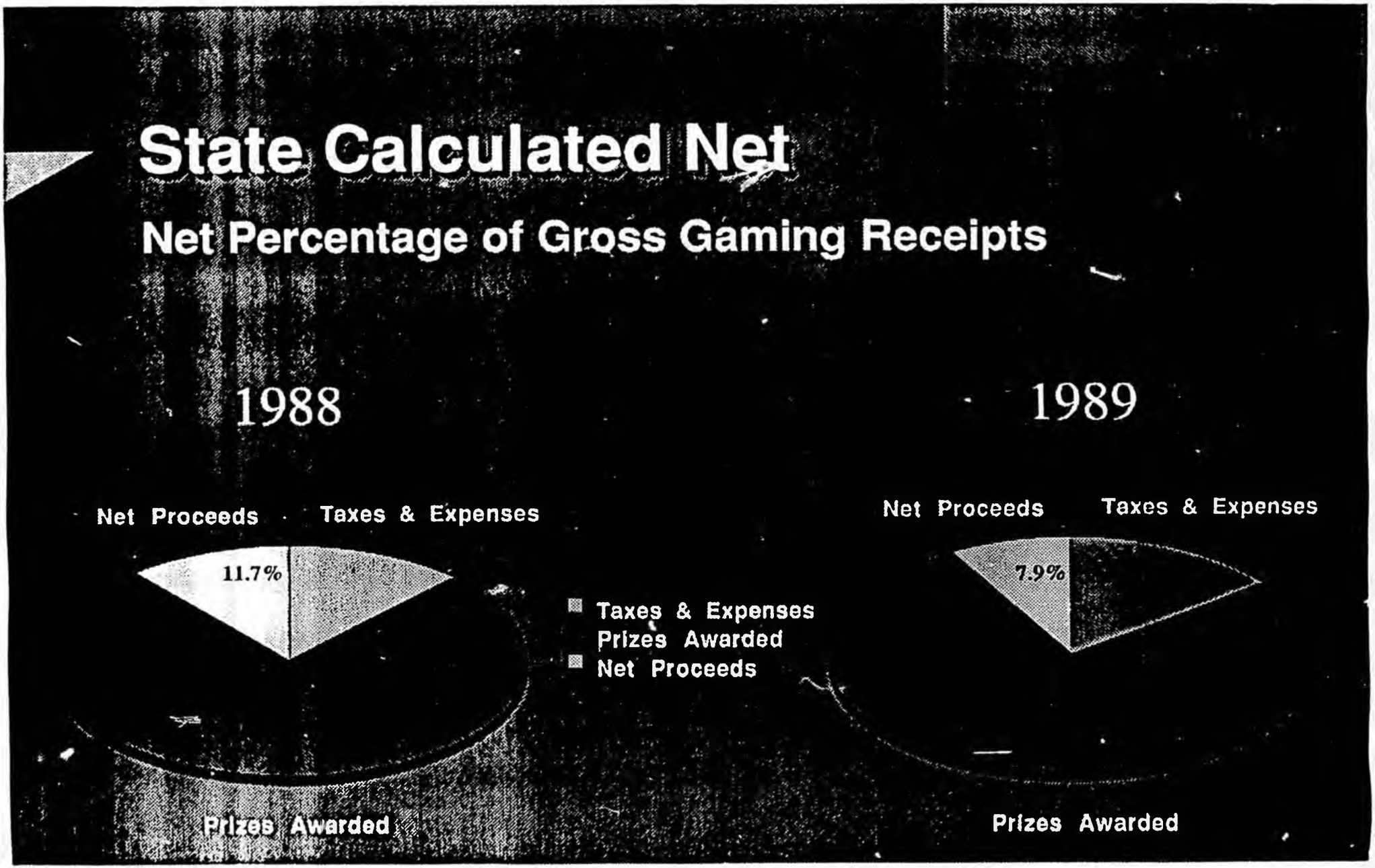
## Percentage of Net Proceeds to Adjusted Gross

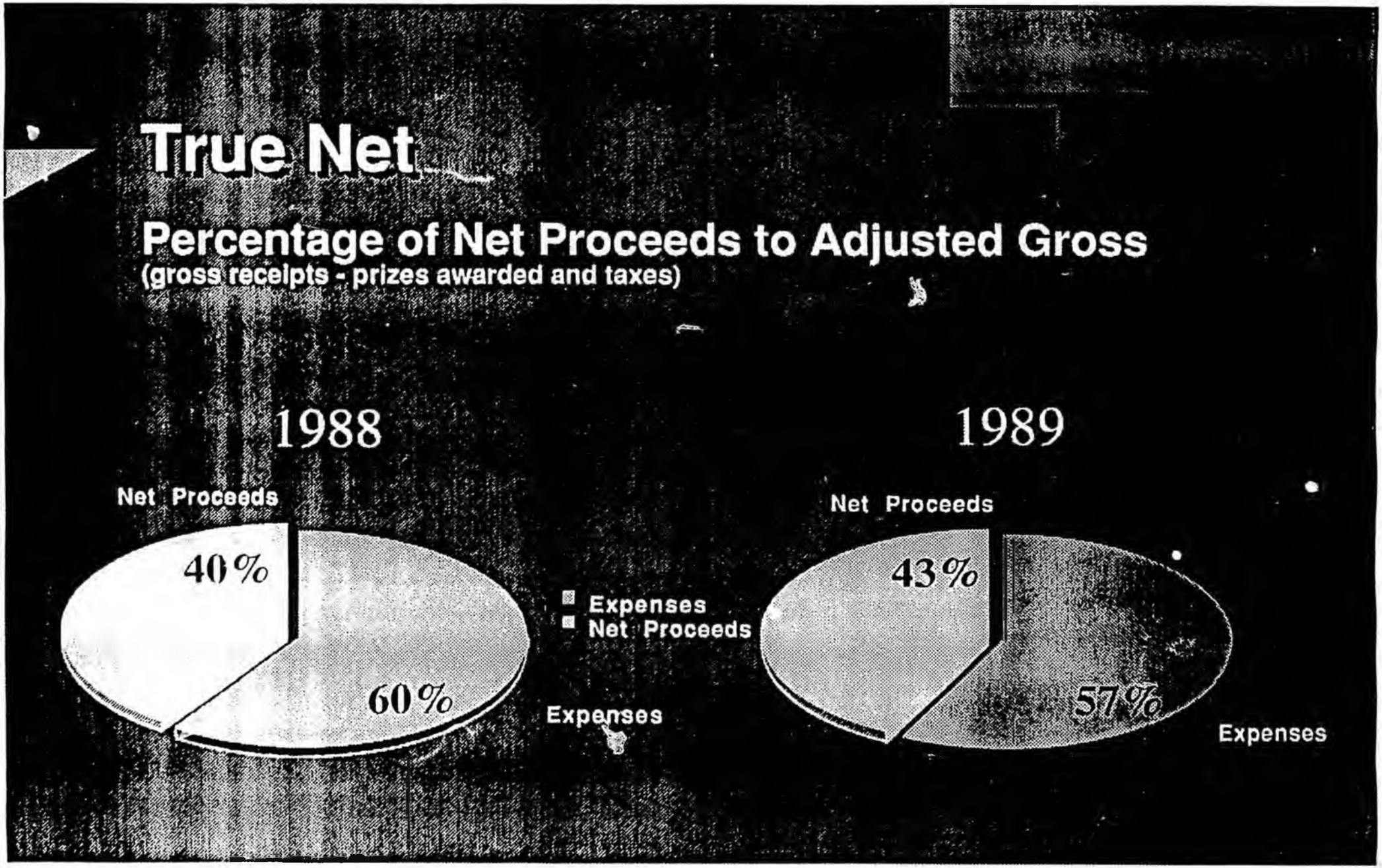
(gross receipts - prizes awarded and taxes)



# State Calculated Net

## Net Percentage of Gross Gaming Receipts




True Net
Percentage of Net Proceeds to Adjusted Gross
(gross receipts - prizes awarded and taxes)
1988
Net Proceeds
40%
60%
Expenses
Expenses
Net Proceeds
1989
Net Proceeds
43%
57%
Expenses

# BILL'S of alaska

April 20, 1993

Representative Ramona Barnes
Speaker of the House
Alaska House of Representatives
State Capital Rm 204
Juneau, Ak 99801-1182

Dear Representative Barnes VIA Fax 465-4565

Very soon, SB-76 should make its way from the Senate for House consideration. I urge swift action for PASSAGE of this important bill.

I must hasten to add that not every person who makes a living from charitable gaming is included in the groups who have attempted to scuttle this bill.

Because of other provisions of existing law, the very industry group that opposes this bill is using proceeds from charitable gaming to finance their point of view with a high-paid lobbist and radio ads. This flies in the face of the intent of Alaska's Charitable Gaming Statutes and must be stopped. SB-76 would stop it.

Nothing in SB-76 is an "expansion" of gaming. It simply legitimizes 3rd party vendors which were made a gray area with the Attorney General's opinion in 1991. This bill would insure that gaming permit holders (non-profits and charities) get their fair share.

Reform of gaming statutes has been tried every session since the infamous "Gaming Reform Act of 1988" without success. Please, make 1993 the session of true, legitimate reform.

Sincerely

Roger W. Cunningham

P.O. BOX 874791 WASILLA, AK 99687 (907)373-1500 or 1-800-478-4283
"Your Best Source for Pull-Tabs and Bingo Supplies"

*April 9, 1993*

*Dear Friends,*

*Reference: New Gaming Regulations for Alaska*
*HB-168 and SB-76*
*Commissioner Fuhs Letter of March 31, 1993.*

*As you develop your position on the proposed legislation we ask you to keep in mind that for many non-profits, the income received from pull tabs is an essential part of their annual budget. As an example, our chapter receives 48% of its' gross income from the sale of pull tabs. All of the profits are received by the chapter, we utilize no operators and have only volunteers selling pull tabs for us. We make no political contributions, in fact we are prohibited from doing so. However, the proposed cancellation of all pull-tab gaming permits on December 31, 1993 will have dramatic and far-reaching affect on our operations. We would be forced to cut client services and reduce our staff.*

*Our chapter has long been aware of the potential for abuse with sales of pull tabs. We have worked hard to develop a custom software package to track the operations of each of our vendors. We diligently research each applicant who indicates a willingness to sell pull tabs for us. We have developed guidelines for the use of our vendors and we monitor our vendor standings on a monthly basis. In short, we have made every effort to conduct our pull tab operations in a professional manner with adequate safeguards for the vendor, the player, the state and the Society. We have recognized that gaming operations are by their nature labor intensive, and we have dedicated the resources to ensure to the best of our ability that they are run in a business like manner.*

*The reform legislation proposed under HB-168 and SB-76 will not adversely affect our operations, rather they will do a great deal to correct some of the more inequitable operator/permittee contracts that currently exist. We request that the sale of pull-tabs solely by a pull-tab ticket dispensing machine be deleted from the legislation or be made a matter of option. This request is made based on the comments about the equipment in question having a predisposition to malfunction, additionally we wish to save ourselves from the responsibility of obtaining and servicing such equipment. We ask your consideration and support of this amended legislation.*

*Sincerely,*

Wayne D. Eski

*Wayne Eski*
*Board of Trustees*
*Alaska Chapter National Multiple Sclerosis Society*

APR 12 1993

# Alaska State Legislature

Please enter into the record my testimony to the S. FINANCE committee name

committee on SB 76 bill/subject, dated 4-7-93.

AS A NON-PROFIT GAMING PERMIT HOLDER WE FEEL IT IS APPROPRIATE TO COMMENT ON THIS BILL. KODIAK LIONS CLUB HAS BEEN SELLING PULLTABS FOR TWO YEARS IN KODIAK, ALASKA. WE PAY FOR ALL EXPENSES RELATED TO OUR PULL TAB OPERATION INCLUDING SPACE IN A LOCAL ESTABLISHMENT, EMPLOYEE PAYROLL, INSURANCE, TAXES, BOOKKEEPING EXPENSES & VARIOUS OTHER EXPENSES RELATED TO THIS VENTURE. WE HAVE BEEN RUNNING OUR PULL TAB OPERATION LIKE A BUSINESS & HAVE REALIZED A 40% PROFIT MARGIN OR MORE EVERY QUARTER SINCE WE BEGAN SELLING THEM. 100% OF OUR NET PROFIT GOES TO CHARITY, NEARLY ALL OF IT IN KODIAK. (CONT. ON PAGE 2)

Signed: _____
Testifier

KODIAK LIONS CLUB
Representing (Optional)

BOX 1735 KODIAK AK 99615
Address

907-486-5448
Phone No

ALTHOUGH THIS BILL will HAVE LITTLE IMPACT ON [redacted] OUR PULL TAB ACTIVITIES, THE POTENTIAL TO INCREASE PROFITS FOR OTHER CHARITIES IN THE STATE SHOULD MAKE THIS BILL [redacted] VERY ATTRACTIVE TO THEM.

WITH ALL THIS IN MIND WE URGE YOU TO WORK OUT THE CONFLICTS WITH THIS BILL, (SB76) & HB 168, & PROCEED WITH GETTING THIS BILL PASSED AS SOON AS POSSIBLE.

RESPECTFULLY,

JEFF HARMAN

KODIAK LIONS CLUB SECRETARY

MEMBER IN CHARGE OF GAMING

EMERALD ISLE

APR 12 1993

Store No. 1
Regency Court Mall
452-5379

Store No. 2
Campus Corner Mall
479-7397

Store No. 3
Washington Plaza Mall
479-5821

April 2, 1993

Senator Drew Pierce
Fairbanks, Alaska

RE: House Bill #168
Senate Bill #78

EMERALD ISLE PULL-TABS
3451 Airport Way
Washington Plaza Mall
Fairbanks, Alaska 99709

Dear Senator Frank:

It has come to my attention that the Hickle administration opposes Charitable Gaming and is attempting to put all gaming businesses "out of business" by using blackmail tactics to reinstitute the 40% of the adjusted gross payment issue.

Pull-Tabs is a retail business and we know it is nearly impossible to keep operational expenses within the 60% window that will be remaining.

Perhaps it would be wise to utilize current and correct financial reports issued by operators and permittees to outline questions and allow for public forums regarding the Charitable Gaming question.

Before putting operators out of business I believe the public wants and needs input and say on this issue. If we go out of business, what plan does the State of Alaska have for taking care of the financial needs of the Charitable Organizations that are so much a part of every community statewide.

We provide jobs, add substantial tax revenue to the state general fund, and provide a major portion of the budgets for the permittees.

EMERALD ISLE

Store No. 1
Regency Court Mall
452-5379

Store No. 2
Campus Corner Mall
479-7397

Store No. 3
Washington Plaza Mall
479-5821

State regulations in a continuous state of flux cause a great deal of accounting, but few operators complain about this cost. Rather, we gladly comply as do many others, in order to provide the funds for our permitless charitable work.

It is not out of the question to consider a slight raise from 15% to even as much as 25% but at 40% it would put Operators out of business.

Sincerely,

Lillian "Ruth" Shannon
Owner/Operator

LRS/dw

APR 12 1993

**Kodiak Area Native Association**

402 Center Avenue
Kodiak, Alaska 99615
Phone (907) 486-5725

April 6, 1993

DRUE PEARCE
ALASKA STATE LEGISLATURE
STATE CAPITOL
JUNEAU AK 99801-1182

Dear Senator Pearce

We are strongly opposed to HB 168 and SB76 which would effectively shut down charities gaming. We recently obtained a grant to build and equip our Kodiak Area Native Association Cultural Museum. Without the income from the charities gaming we will not be able to pay staff to manage the project we have spent years planning and collecting artifacts for.

Charities gaming is responsible for funding many other important, necessary programs and charitable organizations which otherwise would not exist.

It is incomprehensible to us why anyone would want to do this. With the cutbacks of the State of Alaska budget it is likely that these programs won't be able to look there for continued funding.

Please take more time to think this through.

Sincerely

KODIAK AREA NATIVE ASSOCIATION
KELLY SIMEONOFF, JR., PRESIDENT

Kelly Simeonoff Jr.

Kelly Simeonoff, Jr.
President

KS:kc

APR 12 1993

Grand Treasurer
Sarah Brazier
Box 321
Castle Rock, Washington 98611

Altruistic Chairman
Hazel Campbell
723 'G' St.
Washougal, WA 98671

GRAND TEMPLE OF WASHINGTON
INST. SEPT. 19 1892
REGO.

Grand Secretary
Mary-Helen Carroll
347 So. 4th
Walla Walla, Washington 99362

Grand Press Correspondent
Donna Waltrip
1828 S. 42nd
Tacoma, WA 98408

MARJORIE DALE
*Grand Chief*
**PYTHIAN SISTERS OF WASHINGTON**
1406 Zarvis Place
Anchorage, Alaska 99508

4-9-93

Dear Dave,

He need a law to Keep track of all Bingo Sheets sold! How many are being played and un-accounted for?

I endorse Roger Cunninghams amendment to SB 76. I think this would help a lot.

Something else to think about Minnesota gives 25% of the total Gross to Charities and their expenses must come out of the remaining 75% as well as their profit.

Keep up the good work.

Sincerely

Marjorie Dale

EEK CITY COUNCIL
P.O. BOX 009
EEK, ALASKA 99578
(907) 536-5129
FAX (907, 536-5711

**FAX COVER LETTER**

Date 4-13-93 FAX No. 465-2864 Total pages w/ cover 3

Following pages are for Drue Pearce

Organization: Ak. St. Senate

From: Eek City Council

Addtional Notes:

City Of Eek
Parks & Recreation
P.O. Box 21
Eek, Alaska 99578
(907) 536-5731

EEK CITY COUNCIL
P.O. BOX 009
EEK, ALASKA 99578
(907) 536-5129

Resolution #93-04

Joint Resolution by Eek Parks and Recreation Committee and Eek City Council of City of Eek Recognized under AS Title 29, opposing to HB168 and SB 76.

WHEREAS, Eek Parks and Recreation Committee and Eek City Council are strongly to oppose HB168 and SB76, since HB168 and SB76, our minimum return percentages so high it would effectively shut down charitable gaming in the State. SB76 will also contain similar high percentages that will kill charities, and

WHEREAS, additionally, these bills redefine qualified charities in a way that cuts out most organizations that are now holding permits, such as Eek Parks and Recreation Department of City of Eek, and

WHEREAS, we believe that the legislatures are effectively closing their ears to need for further testimony on the impact of HB168 and SB76, and Bills

NOWTHEREFORE BE IT RESOLVED, that the legislators take more time, and give us opportunity for more public testimony on this legislation, since gaming is so vital to the health of our charity, and

FURTHER IT BE RESOLVED, that the Eek Parks and Recreation Committee and Eek City Council request to our legislatures to oppose HB168 and SB76.

Passed this day _____ of April 1993 with the Constitute of Quorum with _____ Ayes _____ Nayes.

Steven White, Mayor
City Council

Walter P. Brown, Chairperson
Eek Parks and Recreation Committee

Attest:

Fritz E. Petluska, City Clerk
Eek City Council

Attest:

Agnes Allison, Secretary
Eek Parks and Recreation Committee

APR 12 1993

KENAI PENINSULA BUILDERS ASSOCIATION

**MEMORANDUM**

TO: Senator Drue Pearce
FROM: Kenai Peninsula Builders Association
DATE: April 9, 1993
RE: Senate Bill No. 76

The Kenai Peninsula Builders Association respectfully requests the following modifications to SB 76, and thanks you in advance for your consideration of our suggestions.

**Sec. 14. AS 05.15.150 (a)(2)**
We request that the restriction on the use of net proceeds for lobbying efforts be limited to registered lobbyists. We thank you for suggesting this wording during yesterday's teleconference and urge that the legislation be amended to read:

> (2) the use, directly or indirectly, of the net proceeds of the charitable gaming activity to support lobbying efforts BY REGISTERED LOBBYISTS before any level of government;

**Sec. 23. AS 05.15.187 (i)**
We suggest that the word operator be added to this section and that receipts for prizes of $50 or more be required from all pull-tab sellers to aid in accountability.

**Sec. 24. AS 05.15.188 (l)**
We suggest that the use of pull-tab ticket dispensing machines be optional due to the high cost of the devices and the possible servicing problems that could occur.

The Kenai Peninsula Builders Association supports Senate Bill 76 and thanks you for sponsoring this responsible legislation!

Box 1753 • Kenai, Alaska 99611 • (907) 776-5719

Working for
Alaska's
Mental
Health

**Alaska Mental Health Association**
4050 Lake Otis Parkway, Suite 202 • Anchorage, Alaska 99508 • (907) 563-0880

February 10, 1993

Sen. Drue Pearce
Alaska State Capitol
Juneau, Ak 99801-1182

Dear Senator Pearce

I read in the Anchorage Daily News that you are sponsoring legislation that would bar convicted felons or those with illegal gambling convictions from participation in charitable gaming. On behalf of the Mental Health Association, this letter supports your efforts.

Over the past several years, AMHA has raised a substantial portion of its annual budget by the sale of pull-tabs in both "leased space" arrangements and with a commercial operator. Our revenues were severely curtailed by the ban on "3rd Party Vendors" in December, 1990. With the passage of your legislation, perhaps a sound, business-like 3rd party vendor bill would be possible.

We have explicit trust in those who operate under our permit. Over time however, we have been approached by a any number of operators and promoters offering fundraising opportunities "too good to be true...."

It is our sincere belief that some of those persons (who made "too-good-to-be-true" offers) are the very element your bill would seek to eliminate from charitable gaming in Alaska. We applaud your effort on our behalf.

Yours truly,

G. Steven Durgan
Alternate-Member-In-Charge
Fund Raising Coordinator for Charitable Gaming

# DIAMOND JIM'S ENTERPRISES

P.O. Box 2068 • Kodiak, AK 99615 • (907)486-3969

James L. Fisk Jr.
*Chief Executive Officer*


FEBUARY 11, 1993

SENATOR DRUE PEARCE
STATE OF ALASKA DIST."F"
CO-CHAIRPERSON FINANCE
JUNEAU, ALASKA 99801-1182
907-465-4993 OFFICE
907-465-3872 FAX

REFERENCE: SENATE BILL #76

DEAR SENATOR PEARCE:

THANKS, WHAT A BREATH OF FRESH AIR YOUR BILL WOULD BRING TO THE GAMES OF "CHANCE AND SKILL". ITS TOO LITTLE TO LATE IS NOT THE WORDS, ITS BETTER LATE THAN NEVER, THANKS AGAIN...

SENATOR, LOOKING AT THE HISTORY OF GAMBLING NATION WIDE (85%) OF THE ABUSERS ARE CONVICTED FELONS OR SECOND TIME OFFENDERS. BUT IN ALASKA SINCE THE GAMING REFORM ACT OF (1988) WAS PASSED THEIR HAS BEEN A PATTERN OF ABUSE BY FORMER FELONS OR ABUSERS OF THEFT OR DISHONESTY, OR VIOLATIONS OF MUNICIPAL, STATE, OR FEDERAL GAMBLING LAWS.

THE PERMITTEES HAVE BEEN TRYING FOR A NUMBER OF YEARS TO GET THE LEGISLATURE TO BAN THAT TYPE OF ACTIVITIES DESCRIBED IN YOUR BILL NO.76, WITH NO AVAIL.

SENATOR PEARRCE AND THE REST OF THE LEGISLATURE MUST LISTEN TO THE PERMITTEES WHO ARE THE ONES THAT HOLD THE RIGHT TO DO GAMING IN ALASKA, AND MUST NOT ALLOW ANY STRONG INFLUENCE FROM ANY POLITICAL, OR POLITICAL ORGANIZATIONS WHO MY RECEIVE ANY CONTRIBUTION, OR PROCEEDS FROM ANY GAMING ACTIVITIES LICENSED TO OPERATE IN THE STATE OF ALASKA.

TO IN SURE THAT THIS BILL PASSES THE EIGHTEENTH LEGISLATURE-FIRST SESSION WE AS PERMITTEES WILL DO EVERYTHING POSSIBLE IN SUPPORTING YOUR BILL AND OTHER AMENDMENTS THAT WILL AID TO A BETTER GAMING INDUSTRY IN ALASKA.

SINCERELY,

JAMES L. FISK JR.

P.S. Ribbon last night, none in stock at office sorry.


• Diamond Jim's Harvester Inn
1223 Mill Bay Road
(907)486-4428

• Office
(907)486-3969
(907)486-7088
FAX (907)486-7099

• Fisk's Trucking
3728 Otmeloi Way
(907)486-3969

TOKSOOK BAY TRADITIONAL COUNCIL
P.O. Box 37048
Toksook Bay, Alaska 99637
Phone: 427-7114 - FAX: 427-7714

# M E M O R A N D U M

TO: Senator Al Adams
Senator George Jacko
Rep. Richard Foster
Rep. Lyman Hoffman
FROM: James R. Charlie, Sr., Exec. Dir. & CEO
DATE: April 5, 1993
SUBJ: SB 76 and HB 168
**********

In reference to SB 76 and HB 168, I would like to draw to your attention the heavy impact the new charitable gaming regulations will have on organization like ours.

With declining State and Federal fund capital projects and assistances, the State should not burden small villages like ours who relies on income received for day to day operation of the offices. Toksook Bay is not the only village that relies on income from charitable gaming activities. Almost, if not all, all communities depends heavily on income from charitable games and high return precentage will definitely wipe out many operations which are really the life lines of very existence of tribal governments. Due to the complicated federal grants application procedures, many of the village program proposals are not usually accepted for funding but very few.

We understand that HB 168 sets minimum return precentages so high it would effectively shut down charitable gaming in the state. SB 76 will also contain similiar high precentages that will kill charities. Additionally, these bills redefine "qualified" charities in a way that cuts out most organizations like ours that are now holding permits.

As a result, we request that an opportunity for testimonies from charitable gaming permit holders be allowed and gave us more time to collaborate on this important issue. Interim hearings on these bills are highly recommended as the change in regulations will affect many rural Alaskan villages.

cc: Governor Walter J. Hickel
Rep. Carl Moses
Senator Drue Pearce
Senator Robin Taylor

Post-it™ brand fax transmittal memo 7671 | # of pages ▸

| | |
|---|---|
| To Drue Pearce | From Lyman Charlie |
| Co. | Co. |
| Dept. | Phone # 427-7114 |
| Fax # 465-3872 | Fax # 427-7114 |

March 31, 1991

Dear State Representative or State Senator:

This letter is to express our strong opposition to HB 168 and SB 76 which have currently been introduced to the House and Senate. As a permit holder, we urge you to please not rush these bills through, and allow time for more public testimony.

We would also like the opportunity to testify on these bills and ask for interim hearings on HB 168 and SB 76.

HB 168 sets minimum return percentages so high it would effectively shut down charitable gaming in the state. SB 76 also contains similar high percentages that will kill charities. Additionally, these bills redefine "qualified" charities in a way that cuts out most organizations that are now holding permits.

In your haste to pass legislation, please don't close your ears to the need for further testimony on the impact of these bills.

We are the Anchorage Sports Association, Inc. and, a non-profit organization that has held a gaming permit for ten (10) years.

Sincerely,

Debbie Hill

Debbie L. Hill
Member-In-Charge of Games

P.O. BOX 92106, ANCHORAGE, ALASKA 99509-2106, 279-1554

Permit Fee

Games of Chance and Skill

FEE E.

TIONS OF NET PROCEEDS

D BY THE PERMITTEE ... not be included in

| Name of Permit Holder | Permit Number |
|---|---|
| Carpenters Local 1281 | 920533 |

All proceeds from gaming activities must be dedicated within one year to the awarding of prizes, and to political, educational, civic, public, charitable, patriotic or religious uses in **Alaska**. (See AS 05.15.150) List below all dedications of net proceeds. Use additional pages as necessary, or any reasonable facsimile that contains all of the requested information.

| RECIPIENT | PURPOSE | AMOUNT | DATE | CHECK NO. |
|---|---|---|---|---|
| State of Alaska | License Fee | 100.00 | 1/13 | 161 |
| Check Voided | | [500.00] | | 140 |
| Demo. Party for Reapp. | Donation | 500.00 | 2/12 | 162 |
| Mark Begich Campaign | Donation | 500.00 | 2/12 | 163 |
| Chuck Landers Campaign | Contribution | 500.00 | 2/12 | 164 |
| Jim Barnett Campaign | Contribution | 500.00 | 2/12 | 165 |
| APOC | Late Fee | 10.00 | 3/2 | 166 |
| Volunteers of America | Camp Scholarship | 190.00 | 3/5 | 167 |
| Peninsula Advertising | Hats | 1017.00 | 3/9 | 168 |
| State of Alaska | 1% fee 1991 | 140.87 | 3/16 | 169 |
| Local 1281 - Legislative Fund | Transfer | 30.00 | 4/14 | 170 |
| Anch. Econ. Dev. Corp. | 1992 membership | 1200.00 | 5/4 | 171 |
| Anchorage Bucs Baseball | 1992 Solidarity Night | 195.00 | 5/7 | 172 |
| Nat. Write Your Cong. | Membership | 199.00 | 6/5 | 173 |
| Klondike Advertising | Knives/Coffee Mugs | 2245.00 | 6/11 | 174 |
| Holly Rogers | Miss Teen America Pageant | 335.00 | 6/22 | 175 |
| Jim Zawacki Campaign | Contribution | 500.00 | 8/4 | 176 |
| Susanne Little Campaign | Contribution | 250.00 | 8/4 | 177 |
| Drue Pearce Campaign | Contribution | 250.00 | 8/4 | 178 |
| Larry Baker Campaign | Contribution | 250.00 | 8/4 | 179 |
| Dave Donley Campaign | Contribution | 250.00 | 8/4 | 180 |
| Jim Estes Campaign | Contribution | 250.00 | 8/4 | 181 |
| ****Total from attahced page..... | | 10693.60 | | |
| **TOTAL AMOUNT. Enter here and on page 1, line 14** ..... | | 19605.47 | | |

08-4046g (Rev. 8/92)

ORATION
ISTRUCTIONS

or each type of gam
activity, multiply the P
cent determined in Colum
the total cost of the
to be pro-

Schecule E. (cont.)

| Recipient | Purpose | Amount | Date | Check No. |
|---|---|---|---|---|
| E. Kubina Campaign | Contibution | 250.00 | 8/4 | 182 |
| Mike Navarre Campaign | Contibution | 250.00 | 8/4 | 183 |
| Fate Putman Campaign | Contibution | 250.00 | 8/4 | 184 |
| Kay Brown Campaign | Contibution | 250.00 | 8/4 | 185 |
| Betty Bruckman Campaign | Contibution | 250.00 | 8/4 | 186 |
| Duane French Campaign | Contibution | 250.00 | 8/4 | 187 |
| Pat Parnell Campaign | Contibution | 250.00 | 8/4 | 188 |
| E. Muldor Campaign | Contibution | 250.00 | 8/4 | 189 |
| Jim Arlington Campaign | Contibution | 250.00 | 8/4 | 190 |
| Curt Menard Campaign | Contibution | 250.00 | 8/4 | 191 |
| Iven Ivan Campaign | Contibution | 250.00 | 8/4 | 192 |
| Johnny Ellis Campaign | Contibution | 500.00 | 8/4 | 193 |
| Jim Nordlund Campaign | Contibution | 500.00 | 8/4 | 194 |
| Ramona Barnes Campaign | Contibution | 1000.00 | 8/4 | 195 |
| Ron Larson Campaign | Contibution | 100.00 | 8/4 | 196 |
| E. Oakley Campaign | Contibution | 100.00 | 8/4 | 197 |
| Klondike Advertising | Knives | 43.60 | 8/17 | 198 |
| Melva Krogsong Campaign | Contribution | 250.00 | 9/8 | 199 |
| Curt Menard Campaign | Contribution | 500.00 | 9/25 | 200 |
| Pat Carney Campaign | Contribution | 500.00 | 9/25 | 201 |
| COPE | Contribution | 1000.00 | 9/25 | 202 |
| S. Little Campaign | Contribution | 500.00 | 9/25 | 203 |
| Drue Pearce Campaign | Contribution | 500.00 | 9/25 | 204 |
| Johnny Ellis Campaign | Contribution | 500.00 | 9/25 | 205 |
| Jay Kerttula Campaign | Contribution | 500.00 | 9/25 | 206 |
| Loren Leman Campaign | Contribution | 500.00 | 9/25 | 207 |
| Drywallers Strike Fund | Contribution | 100.00 | 10/12 | 208 |
| State of Alaska | Permit Fee 1993 | 100.00 | 10/27 | 209 |
| Dave Donley Campaign | Contribution | 750.00 | 11/19 | 210 |
| Total this page | | 10693.60 | | |

Authorized Games of Chance and Skill

1992

| Name of Permit Holder | Permit Number |
|---|---|
| Valdez Democratic Precinct | 920978 |

SCHEDULE D. WAGE EXPENSE

**SCHEDULE E.**
**DONATIONS OF NET PROCEEDS**

Net proceeds from gaming activities must be dedicated within one year to the awarding of prizes, and to political, educational, civic, public, charitable, patriotic or religious uses in **Alaska**. (See AS 05.15.150) List **below all dedications of net proceeds.** Use additional pages as necessary, or any reasonable facsimile that contains all of the requested information.

| RECIPIENT | PURPOSE | AMOUNT | DATE | CHECK NO. |
|---|---|---|---|---|
| Eugene Kubina | campaign donation | 10,000.00 | 7/8/92 | 189 |
| Robert F. Kellar | " | 5.000.00 | 7/15/92 | 190 |
| John Devens | " | 1,000.00 | 10/19/92 | 197 |
| Tony Smith | " | 1,000.00 | 10/23/92 | 198 |
| State Democratic Party | " | 8,000.00 | 5/21/92 | 178 |
| Valdez Cablevision | Advertising for membership meeting | 27.00 | 2/7/92 | 168 |
| " | | 18.00 | 4/5/92 | 174 |
| " | " | 28.35 | 5/13/92 | 177 |
| " | | 9.00 | 6/30/92 | 186 |
| " | " | 9.00 | 7/6/92 | 187 |
| " | | 9.00 | 7/22/92 | 192 |
| KLAM Cordova | Avg primary Advertisements | 84.42 | 10/7/92 | 196 |
| KVAK Valdez | Open ballot Adv. | 105.00 | 9/4/92 | 193 |
| A.P.D.C. | fine | 1.237.50 | 2/17/92 | 169 |
| Westmark | 94 convention in | 40.00 | 3/12/92 | 170 |
| Rickols Sign | Whaillen expenses | 160.00 | 4/9/92 | 172 |
| mat-su Democrats. | table fee | 50.00 | 5/8/92 | 175 |
| Valdez City Schools | buttons | 37.50 | 5/13/92 | 176 |
| Fischer/meidinger | hotel/expense | 185.75 | 5/31/92 | 179 |
| Gallagher | hotel/expense | 110.60 | 6/1/92 | 182 |
| Kellars | hotel/expense | 248.85 | 6/4/92 | 183 |
| meidinger | expense | 50.00 | 6/4/92 | 184 |
| Frosch | expense | 28.71 | 6/4/92 | 185 |
| mat-su resort | hotel | 891.12 | 7/13/92 | 191 |
| CUTC | telephone bills | 5.00 | 3/17/92 | 171 |
| " | " | 21.36 | 4/4/92 | 181 |
| " | " District meeting | 459.46 | 7/7/92 | 188 |
| VCUB | membership fee | 75.00 | 4/9/92 | 173 |
| State of Alaska | 93 permit fee | 50.00 | 12/1/92 | 199 |
| Refund from John Devens for 91 Donation | | (1,000.00) | 4/7/92 | — |
| Mark Air | Speedmark posters | 10.00 | 9/4/92 | 195 |
| | | | | |
| | | | | |
| | | | | |
| TOTAL AMOUNT. Enter here and on page 1, line 14 ..... | | 27,948.82 | | |

Games of Chance and Skill

| Name of Permit Holder | Permit Number |
|---|---|
| ALASKA TELEPHONE ASSOCIATION | 92-0235 |

**SCHEDULE E**
**DONATIONS OF NET PROCEEDS**

Net proceeds from gaming activities must be dedicated within one year to the awarding of prizes, and to political, educational, civic, public, charitable, patriotic or religious uses in Alaska. (See AS 05.15.150) List below all dedications of net proceeds. Use additional pages as necessary, or any reasonable facsimile that contains all of the requested information.

| RECIPIENT | PURPOSE | AMOUNT | DATE | CHECK NO. |
|---|---|---|---|---|
| EILEEN MACLEAN FOR HOUSE | CAMPAIGN CONTRIBUTION | 500.00 | 8/25/92 | 1572 |
| IVAN IVAN FOR HOUSE | " " " " " " " " " " " " | 500.00 | 8/25/92 | 1573 |
| JIM ZAWACKI FOR SENATE | " " " " " " " " " " " " | 500.00 | 8/25/92 | 1574 |
| MARK HANLEY FOR HOUSE | " " " " " " " " " " " " | 250.00 | 8/25/92 | 1575 |
| TIM KELLY | " " " " " " " " " " " " | 25 .00 | 8/25/92 | 1576 |
| RANDY PHILLIPS FOR SEN. | " " " " " " " " " " " " | .. .00 | 8/25/92 | 1577 |
| GEORGE JACKO FOR SENATE | " " " " " " " " " " " " | 250.00 | 8/25/92 | 1578 |
| RICHARD FOSTER FOR HOUSE | " " " " " " " " " " " " | 250.00 | 8/25/92 | 1579 |
| GLEN NICOLAI FOR HOUSE | " " " " " " " " " " " " | 250.00 | 9/2/92 | 1580 |
| DINEEN FOR HOUSE | " " " " " " " " " " " " | 250.00 | 9/9/92 | 1581 |
| FRED ZHAROFF FOR SENATE | " " " " " " " " " " " " | 500.00 | 10/1/92 | 1583 |
| SUZANNE LITTLE FOR SEN. | " " " " " " " " " " " " | 250.00 | 10/1/92 | 1584 |
| DRUE PEARCE FOR SEN. | " " " " " " " " " " " " | 500.00 | 10/1/92 | 1585 |
| LOREN LEMAN FOR SEN. | " " " " " " " " " " " " | 250.00 | 10/1/92 | 1586 |
| STEVE RIEGER FOR SEN. | " " " " " " " " " " " " | 250.00 | 10/1/92 | 1587 |
| TIM KELLY FOR SEN. | " " " " " " " " " " " " | 250.00 | 10/1/92 | 1588 |
| JAY KERTULLA FOR SEN. | " " " " " " " " " " " " | 500.00 | 10/1/92 | 1589 |
| STEVE FRANK FOR SEN. | " " " " " " " " " " " " | 250.00 | 10/1/92 | 1590 |
| MIKE MILLER FOR SEN. | " " " " " " " " " " " " | 250.00 | 10/1/92 | 1591 |
| FRAN ULMER FOR HOUSE | " " " " " " " " " " " " | 500.00 | 10/1/92 | 1592 |
| JERRY MACKIE FOR HOUSE | " " " " " " " " " " " " | 500.00 | 10/1/92 | 1593 |
| GAIL PHILLIPS FOR HOUSE | " " " " " " " " " " " " | 500.00 | 10/1/92 | 1594 |
| MIKE NAVARRE FOR HOUSE | " " " " " " " " " " " " | 250.00 | 10/1/92 | 1595 |
| TOTAL AMOUNT. Enter here and on page 1, line 14 ..... | | | | |

STATE OF ALASKA
DEPARTMENT OF COMMERCE
[illegible] DEVELOPMENT
JAN 26 1993
DIVISION OF
OCCUPATIONAL LICENSING

...ed Games of Chance and Skill

| Name of Permit Holder | Permit Number |
|---|---|
| ALASKA TELEPHONE ASSOCIATION | 92-0235 |

**EDULE E.**
**IATIONS OF NET PROCEEDS**

**xroceeds from gaming activities must be dedicated within one year to the awarding of prizes, and to political, educational, , public, charitable, patriotic or religious uses in Alaska. (See AS 05.15.150) List below all dedications of net proceeds. additional pages as necessary, or any reasonable facsimile that contains all of the requested information.**

| RECIPIENT | PURPOSE | AMOUNT | DATE | CHECK NO. |
|---|---|---|---|---|
| M NORDLUND FOR HOUSE | CAMPAIGN CONTRIBUTION | 500.00 | 10/1/92 | 1596 |
| IERESA PARMENTER FOR HO. | " " " " " " " " " " " " | 250.00 | 10/1/92 | 1598 |
| :AN PARNELL FOR HOUSE | " " " " " " " " " " " " | 250.00 | 10/1/92 | 1599 |
| )N BUNDE FOR HOUSE | " " " " " " " " " " " " | 250.00 | 10/1/92 | 1600 |
| ETTYE DAVIS FOR HOUSE | " " " " " " " " " " " " | 250.00 | 10/1/92 | 1602 |
| AMONA BARNES FOR HOUSE | " " " " " " " " " " " " | 500.00 | 10/1/92 | 1603 |
| :LDON MULDER FOR HOUSE | " " " " " " " " " " " " | 250.00 | 10/1/92 | 1604 |
| )AT CARNEY FOR HOUSE | " " " " " " " " " " " " | 500.00 | 10/1/92 | 1605 |
| RON LARSON FOR HOUSE | " " " " " " " " " " " " | 500.00 | 10/1/92 | 1606 |
| CYNTHIA TOOHEY FOR HOUSE | " " " " " " " " " " " " | 250.00 | 10/1/92 | 1607 |
| BILL HUDSON FOR HOUSE | " " " " " " " " " " " " | 250.00 | 10/1/92 | 1608 |
| CURT MENARD | " " " " " " " " " " " " | 250.00 | 10/1/92 | 1609 |
| DAVE DONELY CAMPAIGN | " " " " " " " " " " " " | 500.00 | 12/7/92 | 1612 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

TOTAL AMOUNT. Enter here and on page 1, line 14 ..... 12,500.00

STATE OF ALASKA
DEPARTMENT OF COMMERCE
EC... ...VELOPMENT
JAN 26 1993
DIVISION OF
...LICE...

...ses
...of Chance and Skill

| Name of Permit Holder | Permit Number |
|---|---|
| AGC/PAC | 920269 |

...ULE E.
...ATIONS OF NET PROCEEDS

Net proceeds from gaming activities must be dedicated within o ...e year to the awarding of prizes, and to political, educational, civic, public, charitable, patriotic or religious uses in Alaska. (See AS 05.15.150) List below all dedications of net proceeds. Use additional pages as necessary, or any reasonable facsimile that contains all of the requested information.

| RECIPIENT | PURPOSE | AMOUNT | DATE | CHECK NO. |
|---|---|---|---|---|
| Mackie for House | Campaign | 1,000.00 | 1/10/92 | 1505 |
| Jim Zawacki for Senate | " | 1,000,00 | 7/14/92 | 1514 |
| Larry Baker for Senate | " | 1,000.00 | " | 1515 |
| Steve Frank for Senate | " | 1,000.00 | " | 1516 |
| Rick Holford for Senate | " | 500.00 | " | 1517 |
| Richard Foster for House | " | 1,000.00 | " | 1518 |
| Walt Johnson for House | " | 500.00 | " | 1519 |
| Mark Hanley for House | " | 500.00 | " | 1520 |
| Brian Porter for House | " | 500.00 | " | 1521 |
| Wm F Webb for Senate | " | 1,000.00 | " | 1522 |
| Loren Leman for Senate | " | 1,000.00 | " | 1547 |
| Mike Miller for Senate | " | 1,000.00 | " | 1548 |
| Norman Roxeberg for House | " | 1,000.00 | " | 1550 |
| Gail Phillips for House | " | 1,000.00 | " | 1551 |
| Cynthia Toohey for House | " | 1,000.00 | " | 1552 |
| Con Bunde for House | " | 1,000.00 | " | 1553 |
| Jerry Sanders for House | " | 1,000.00 | " | 1554 |
| Brian Porter for House | " | 500.00 | " | 1555 |
| Eldon Mulder for House | " | 500.00 | " | 1556 |
| Tom Brice for House | " | 500.00 | " | 1557 |
| Gene Therriault for House | " | 500.00 | " | 1558 |
| Jeannette James for House | " | 500.00 | " | 1559 |
| Bert Sharp for Senate | " | 1,000.00 | " | 1560 |
| TOTAL AMOUNT. Enter here and on page 1, line 14 ..... | | 23,500.00 | | |

For each activity, multiply the type of gaming by the determined percentage

INSTRUCTIONS

PROPRIATION

...TINUED
... NET PROCEEDS

| ...IENT | PURPOSE | AMOUNT | DATE | CHECK NO |
|---|---|---|---|---|
| Ron Larson for House | Campaign | 500.00 | 9/21/92 | 1561 |
| Glen Nicolai for House | " | 500.00 | 9/22/92 | 1562 |
| Pete Kott for House | " | 500.00 | 9/22/92 | 1563 |
| Drew Pearce for Senate | " | 500.00 | 9/22/92 | 1564 |
| Sean Parnell for House | " | 1,000.00 | 9/22/92 | 1565 |
| Allen Vezey for House | " | 1,000.00 | 10/1/92 | 1566 |
| Terry Martin for House | " | 500.00 | 10/1/92 | 1567 |
| Tim Kelly for SEnate | " | 500.00 | 10/19/92 | 1568 |
| TOTAL AMOUNT | | 23,500.00 | | |

NEWS CLIPPINGS IN
Anchorage Daily News

Date: 4/23 1993

# Gaming reform

## *Taking a chance on a new set of rules*

It's difficult to support gambling under any guise. It's often addictive behavior, just like smoking, drinking and holding political office.

But there's no chance state legislators will vote to eliminate gambling entirely, and in fact, it would be painful for many people if they did. Charities and other nonprofit gaming permit-holders reaped about $16 million from gambling in 1991 and a little less than that in 1992. They depend on that money.

For years, though, state gambling regulators and others have been pressing for reforms that improve some of the poorer practices tied with gambling in Alaska, such as:

- The small percentage of net proceeds required to go to the charities: 15 percent.
- The ease with which many felons can become legal operators on behalf of charities.
- The fact that gambling profits fuel political campaigns, mostly through gaming permits held by labor organizations and political parties.

The Senate, with Gov. Wally Hickel's support, has just passed a bill that addresses each of those practices. The House has yet to act on the legislation.

The Senate bill will guarantee at 30 percent the minimum amount that charities get, ban direct contributions of gambling money to either political candidates or lobbyists and tighten the rules regarding felons.

In addition, the bill gives charities that don't want to hire an operator a new option: It allows charities to sell their pull-tab games directly to bar owners and get 60 percent of the net proceeds up front, bypassing the middleman, the operator.

Gaming director John Hansen is a big supporter of the legislation. As gambling law stands now, he says, "There are all these loopholes that make regulating it darn near impossible." The reforms would give him clear direction, he says.

The bill could have been even better if the Republican-led Senate majority had been willing to listen to suggestions from the minority. Sen. Georgianna Lincoln, D-Rampart, tried to add provisions to allow small communities to ban gambling, as they do now for alcohol. Sen. Susanne Little, D-Soldotna, tried to get pull-tabs banned in public places where liquor is consumed. Sen. Judy Salo, D-Kenai, wanted to raise the legal gambling age from 19 to 21. Those are all good ideas, and they all were voted down during a snitty Senate floor debate.

One troubling question about the Senate bill is whether it will spur expansion of the gambling industry in Alaska.

Senate Minority Leader Jim Duncan, D-Juneau, argues that the provisions allowing charities to go straight to bar owners with their pull-tab games will up the ante. "We're going to create casinos throughout the state."

The bill's sponsor, Sen. Drue Pearce, R-Anchorage, calls that idea ridiculous.

And the gaming director, Mr. Hansen, says the numbers don't back up such an assertion. As it stands now, more than 50 percent of the pull-tab permits already are at places that have alcohol. "I don't think it's going to increase gambling much at all to be honest," he says.

That remains to be seen. But we believe this bill will produce enough positive changes that we should take a chance on it.

# Waco Tragedy

## *Experts? What experts?*

Cult leader David Koresh bears responsibility for the 86 deaths in his compound. But the federal government has a burden to bear after Waco too.

For one thing, officials in Washington and Texas deserve terrible marks in psychology. They never understood David Koresh despite all their consultants and experts. And they never understood the mysteries of his faith.

The FBI repeatedly tried to "shrink the perimeter" of the Koresh compound. But the real "perimeter" was in David Koresh's head. Finding his space restricted in this world, he had the next world — God's world — as a refuge. The government had no way to "shrink the perimeter" of eternity.

Moreover, the government says it was convinced that David Koresh would not lead a mass suicide. Why? Because FBI officials had asked followers who left the compound if he would, and they said "No." Think about that for a second. Would cultists who had been manipulated and misled by David Koresh's cornucopia of lies know his intentions? Hardly.

Clearly the Clinton administration better require a new Psychology 101 course for a lot of people with big titles.

THE WHALER CASINO SUPPLY

171 MULDOON ROAD • ANCHORAGE, ALASKA 99504
(907) 337-0804 • (800) 478-0804 • FAX (907) 337-5242

22 April, 1993

To: Ramona Barnes
House Speaker
House Of Representatives
State Of Alaska
Juneau, Alaska 99801-1182

From: James J. Peot, Owner
Whaler Casino Supply DL 93-0003

Dear House Speaker Barnes,

As a member of the advisory panel on gaming, I was gratified to see in Wednesday's paper that Senate Bill 76 passed through the senate on Tuesday. As a distributer of pulltabs and bingo supplies, I am affected by, and have a great deal of concern about passing these changes to our gaming laws. Our company deals with both operators and charities directly. I have followed Drew Pearce's Senate Bill 76 since it's conception, participated in tele-conferences, and spoken with several charities and operators concerning this Bill. As a result, the general consensus of my contacts believe that this bill will be both, productive, and beneficial to all parties involved.

It appears that the Bill has the potential to pass in the house as well, but that there is very little time left in this session to bring it to a vote. I also understand that the Bill is not currently on your priority list. I feel, as do many others like me, that this Bill should be placed on your priority list so we can get it on the floor for a vote. The legislators have procrastinated, pigeon-holed, and delayed this type of bill for over four(4) years now and as a result the same old practices that have come under fire in the past have continued to affect the charities that the gaming industry was designed to help. I DO NOT believe this Bill will increase the overall gambling within the state. I do believe, however, that it will return millions of extra dollars to the charities.

I know that the "big money" that is given to lobbyists and some legislators derived from gambling, through operators to promote their agenda, can be tempting and difficult to turn down, but the time has come to clean this industry up. This Bill can do just that. Put the money back into the charities hands where it was originally intended to go, and where it belongs.

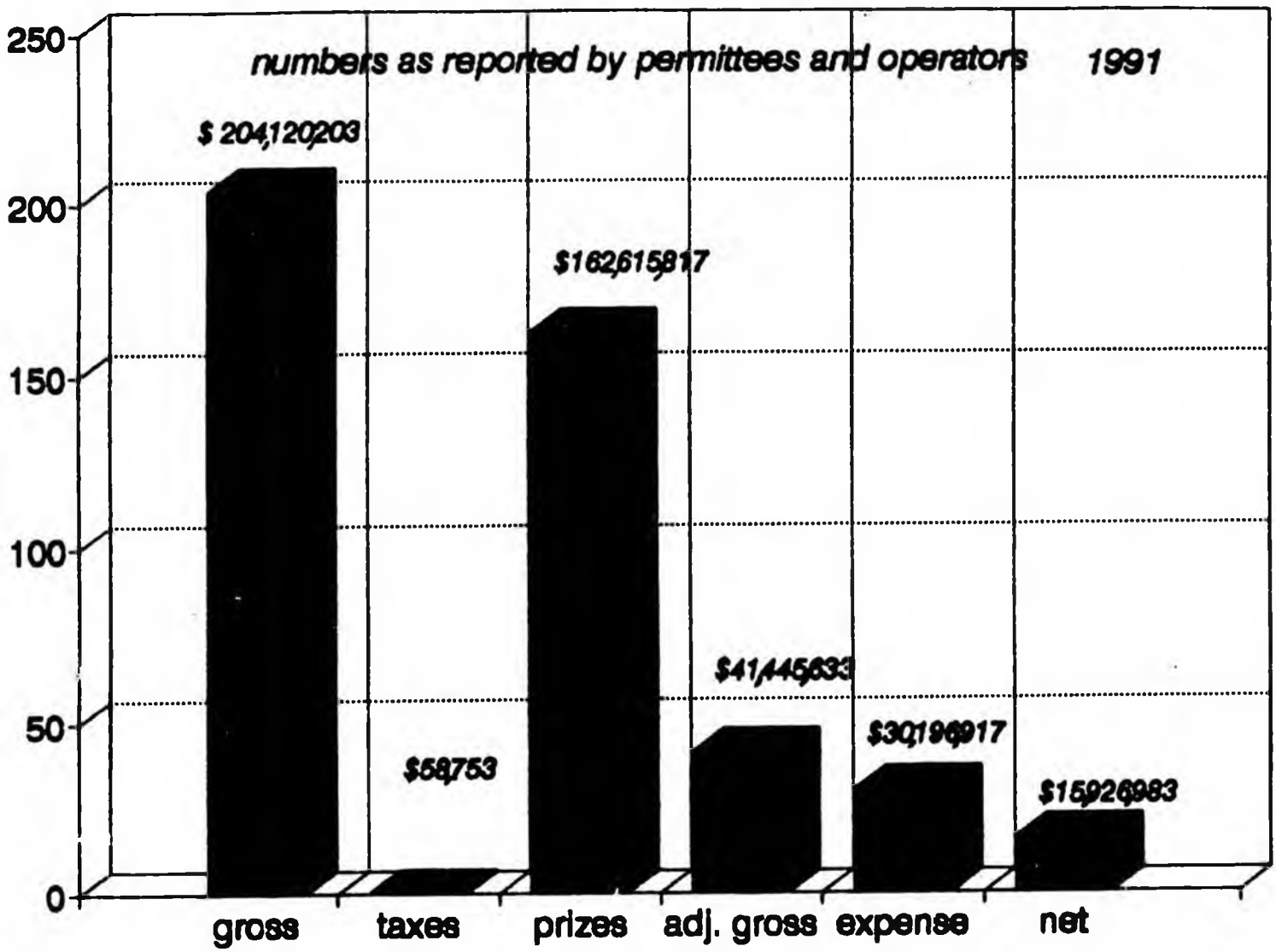
I urge you to place Senate Bill 76 on a priority list and pass it. It is a bill that all sides can live with.

Sincerely,

James J. Peot, Owner
The Whaler Casino Supply, DL-0003

CC: All members of The Alaska state House Of Representatives

**P.S. THIS LETTER IS VERY URGENT AND SHOULD BE DISTRIBUTED AS SOON AS POSSIBLE TO ALL STATE REPRESENTATIVES!!**


numbers as reported by permittees and operators 1991
250
200
150
100
50
0
$ 204,120,203
$58,753
$162,615,817
$41,445,633
$30,196,917
$15,926,983
gross
taxes
prizes
adj. gross
expense
net

Authorized Games of Chance and Skill

| Name of Permit Holder | Permit Number |
|---|---|
| Alaska Charitable Gaming Assn. | 91-1166 |

**SCHEDULE D.**
**DONATIONS OF NET PROCEEDS**

Net proceeds from gaming activities must be dedicated within one year to the awarding of prizes, and to political, educational, civic, public, charitable, patriotic or religious uses in **Alaska**. (See AS 05.15.150) List below all dedications of net proceeds. Use additional pages as necessary, or any reasonable facsimile that contains all of the requested information.

| RECIPIENT | PURPOSE | AMOUNT | DATE | CHECK NO. |
|---|---|---|---|---|
| Mark Higgins | Lobbyist | 5000.00 | 1/14 | 1090 |
| Dept.Commerce/Econ Dev. | Copying | 15.00 | 1/15 | 1092 |
| Mark Higgins | Lobbyist | 5000.00 | 2/25 | 1093 |
| Mark Higgins | Lobbyist | 8000.00 | 3/26 | 1095 |
| Mark Higgins | Lobbyist | 7000.00 | 4/17 | 1096 |
| Mark Higgins | Lobbyist | 5000.00 | 5/07 | 1097 |
| Mark Higgins | Lobbyist | 5000.00 | 5/23 | 1098 |
| Dept Commerce/Econ Dev | Biannual report | 15.00 | 6/19 | 1099 |
| Mark Higgins | Lobbyist | 5000.00 | 7/23 | 1102 |
| Dept Commerce/Econ Dev | 1991 1% fee | 122.61 | 6/27 | 1100 |
| Dept Commerce/Econ Dev | Due on '91 gross est. | 150.00 | 6/27 | 1101 |
| Armed Services YMCA | Contribution | 200.00 | 8/06 | 1104 |
| Mark Higgins | Lobbyist | 5000.00 | /15 | 1105 |
| Mark Higgins | Lobbyist | 3500.00 | 9/31 | 1106 |
| Mark Higgins | Lobbyist | 6500.00 | 10/21 | 1107 |
| Mark Higgins | Lobbyist | 5000.00 | 11/18 | 1108 |
| Dept Commerce/Econ Dev | 1992 Permit Fee | 100.00 | 11/19 | 1109 |
| Mark Higgins | Lobbyist | 5000.00 | 12/07 | 1110 |
| WISE Project | Contribution | 5000.00 | 12/27 | 1112 |
| Johnny Ellis | Political Contribution | 1000.00 | 12/31 | 1114 |
| Max Gruenberg | Political Contribution | 1000.00 | 12/31 | 1115 |
| Mark Begich | Political Contribution | 1000.00 | 12/31 | 1116 |
| David Finkelstein | Political Contribution | 1000.00 | 12/31 | 1117 |
| **TOTAL AMOUNT. Enter here and on page 1, line 9** ..... | | 74,602.61 | | |

"SPORTS FANTASTIC" SF835

Takes In 6047 Cards @ $1 $6,047.00

Pays Out:

| | | | |
|---|---|---|---|
| 3 – SB,SB,Green SB | at | $250.00 | $750.00 |
| 3 – SB,SB,Race Car | at | $250.00 | $750.00 |
| 3 – SB,SB,Golf | at | $75.00 | $225.00 |
| 50 – SB,SB,Helmet | at | $10.00 | $500.00 |
| 500 – SB,SB,Diamond | at | $2.00 | $1,000.00 |
| 4 – 3 Eight Balls | at | $50.00 | $200.00 |
| 50 – 3 Basketballs | at | $5.00 | $250.00 |
| 200 – 3 Hockey | at | $2.00 | $400.00 |
| 500 – 3 Bowling | at | $1.00 | $500.00 |
| TOTAL PAYOUT | | | $4,575.00 |
| GROSS PROFIT | | | $1,472.00 |

## PAY-CHECK™ $1

| QTY | CODE | BLACK |
|---|---|---|
| 6 | D | $250.00 |
| 3 | D | $75.00 |
| 4 | D | $50.00 |
| 50 | D | $10.00 |
| 50 | D | $5.00 |
| 600 | D | $2.00 |
| 28 | D | $4.00 |
| 44 | D | $3.00 |
| 456 | D | $1.00 |

**HIGGINS CORP.**

*CAMPAIGNS • MEDIA • GOVERNMENT RELATIONS • PUBLIC RELATIONS*

April 20, 1993

The Honorable Ramona Barnes
Speaker of the House
Alaska House of Representatives
State Capitol
Juneau. AK 99801

Dear Speaker Barnes:

For the past three weeks I have watched the Senate debate on charitable gaming legislation turn from the merits of the legislation to a personal attack against me and my client that is based on rumors, misinformation and outright lies. Amazingly, the person fueling this animosity is Acting Commissioner of Commerce Paul Fuhs.

I am writing you because I believe Commissioner Fuhs has gone too far. Commissioner Fuhs has publicly ridiculed me and done everything he can to harm my reputation. He has misrepresented my position on charitable gaming reform and constructed complete fabrications in an attempt to discredit me.

More astonishing, Commissioner Fuhs and employees under his direction have broken criminal law in their attempt to gain information to fuel a personal attack against me. I have enclosed a letter I recently wrote to the Governor outlining Commissioner Fuhs involvement in an illegal search for confidential, private documents. The search was conducted by DCED Legislative Liaison Wendy Mulder at the direction of Commissioner Fuhs.

The day after the confidential, private documents were obtained and immediately read into the public record by Fuhs, Ms. Mulder called me to apologize for her conduct. Ms. Mulder said that the situation had gotten completely out of control and that she knew that she had engaged in improper activities.

Fuhs continues to maintain, however, that there was nothing wrong with the actions his staff took at his direction. Additionally, I have attached a transcript of a radio interview Commissioner Fuhs gave in Anchorage last week during which he outright lied about the actions the Department took to obtain these documents. I also have a tape recording of the broadcast, should you desire to hear it.

3707 Woodland Drive, Suite 2 • Anchorage, Alaska 99517 • (907) 243-7908 • FAX (907) 248-0895

I have also enclosed a copy of a note Commissioner Fuhs wrote to his friend Chip Thoma. Fuhs passed the note to Thoma during Senate Judiciary hearings on SB 76. In the note, Fuhs states that he has nothing against my clients, and indeed he believes my clients run "one of the cleanest" operations in the gaming industry. Nonetheless, when viewed in light of recent steps the Commissioner has taken to discredit them, it is painfully obvious Fuhs is engaging in serious double talk.

I believe that Fuhs is defaming me and ridiculing my client for the simple reason that we disagree with him on some aspects of the gaming legislation currently before the legislature. My client and I have long supported meaningful gaming reform and, of all operators, my client continues to return the highest percentage to the charities. Gaming Director John Hansen has testified on more than one occasion that my clients run the best operation in the gaming industry. Fuhs claims that we are not raising legitimate policy concerns, yet the bill is repeatedly changed outside of the committee process to address the issues we have raised.

The truth of the matter is that SB 76, in its present form, is a gambling expansion bill. Commissioner Fuhs states otherwise, but instead of focusing his attention on the debate over the merits of the legislation, he has launched into a viscious personal attack against me. His conduct is neither professional nor ethical and there is substantial evidence to show that it is also unlawful. It is certainly not conduct befitting one of the highest public officials of our state.

I am writing to request your help in putting a stop to the unethical tactics Commissioner Fuhs has employed in his attempt to defame me and draw attention away from the real policy questions that SB 76 presents. I would also respectfully request that there be an investigation into the steps Commissioner Fuhs and his staff took in illegally obtaining, then publicly releasing private documents solely the property of my client and the radio station. I was a constituent of yours for many years and would appreciate any help you can give me in this matter.

Sincerely,

Mark M. Higgins
President

Enclosures

HIGGINS CORP.
CAMPAIGNS • MEDIA • GOVERNMENT RELATIONS • PUBLIC RELATIONS

April 20, 1993

The Honorable Walter J. Hickel
Governor, State of Alaska
State Capitol
Juneau, AK 99801

Dear Governor Hickel:

My purpose in writing you today is to inform you of the unethical and illegal manner by which Paul Fuhs, your Acting Commissioner of the Department of Commerce and Economic Development, continues to conduct state business. Commissioner Fuhs and other state employees under his direction have misrepresented themselves to numerous parties, and have published outright fabrications about myself and my client.

But even more seriously, when gathering information upon which to base these untruths, the Commissioner and his staff broke the law when they conducted an illegal search for private documents, which they then released into the public record at a state-wide teleconference. I believe their actions constitute a violation of laws governing criminal theft and official misconduct. Moreover, for the past several weeks Commissioner Fuhs has conducted himself in ways not befitting a public official. I am writing you to inform you of this matter and to determine whether you condone Commissioner Fuhs' actions.

I am a registered lobbyist and represent, among others, the Alaska Charitable Games Association. I met with Commissioner Fuhs in a recent visit to Juneau to discuss SB 76 and HB 168, gaming bills that are before the legislature this session. I informed Commissioner Fuhs that my client could not support some of the provisions in what has become gambling expansion legislation. However, I also told him that I respected his right to pursue policy goals that he deemed appropriate. Commissioner Fuhs said he understood and agreed that there are merits to all sides of the debate.

Nevertheless, shortly after my objection to certain aspects of the bill, Commissioner Fuhs began a vicious personal assault on my character and my client's reputation. Without regard to the truth, Fuhs has repeatedly engaged in offensive and demeaning attacks on my integrity, my family's name, and my client's business. In widely sensational press releases, distributed under the authority of the state seal, Fuhs has ridiculed me personally, misstated my position on the gaming issue and outright lied about my professional involvement with a client who retained my firm to place ads on their behalf. Fuhs has insinuated that my client and I are "dishonest," "the dark side" and in an outrageous slight on the Jewish faith, referred to all operators as attempting to "extract a pound of flesh" from charities.

3707 Woodland Drive, Suite 2 • Anchorage, Alaska 99517 • (907) 243-7908 • FAX (907) 248-0895

Such derogatory public comments are inexcusable coming from one of the highest ranking officials of our state. Moreover, they have no basis in truth. Fuhs and Gaming Director John Hansen have publicly stated on numerous prior occasions that my client runs the cleanest operation in the gaming industry and has consistently returned the highest net percentage to its charities of any operator in this state. We also did not join in the lawsuit to oppose regulations you promulgated last year to increase the net return to charities. We voluntarily complied and in fact, began paying the higher percentage in advance of implementation of the regulations.

As recently as three weeks ago, Commissioner Fuhs reiterated that he had no problem with me or my client. In a note Fuhs passed to his good friend Chip Thoma during a recent Senate Judiciary committee hearing, Fuhs states that he has nothing against my clients, and indeed he believes my clients run the best operation in the gaming industry. **See Thoma note, Attachment A.**

In light of that note and his oft-repeated prior statements, my client and I are left to wonder what justifies this person's zealous quest to destroy our reputations. Simply because we disagree with him on the questionable merits of a gambling expansion bill being pushed by numerous special interests and the liquor lobby, Commissioner Fuhs has decided to publicly defame and ridicule us and ignore the merits of the arguments we raise -- despite the undisputable fact that each time we raise a concern about the ramifications of the legislation, the bill is changed to correct the problem we pointed out.

I am also outraged that, as a public official, Commissioner Fuhs has endorsed unethical and potentially illegal conduct by public employees under his direction in order to gain ammunition for his personal attack. In response to radio ads alerting citizens to the fact that the Pearce gaming bill would allow pull-tab machines to be placed literally anywhere in Alaska, Commissioner Fuhs directed his staff to determine who had purchased the ads. The ads were sponsored by a group "Alaskans for Less Gaming."

Fuhs' staff contacted several radio stations but were unable to obtain any additional information about the group because the radio buys were not a matter of public information under APOC law. The group was not engaged in direct lobbying, and simply attempted to inform people of the ramifications of the bill and urged citizens to send POM's. The group had contacted the APOC in advance to determine whether or not it needed to register and had been told that it did not need to register and that its purchases of radio time would not be subject to public inspection. Each of the stations contacted by Commissioner Fuhs staff informed them that they could not release information about the buy because it was a private transaction and not a matter of public information.

Nevertheless, when informed that there was no legal access to the information, Fuhs directed his staff to attempt to gain the information through other means. At approximately 3:00 p.m., April 7, at the direction of Commissioner Fuhs, Wendy Mulder, Legislative Liaison for the Department of Commerce and Economic Development, contacted a friend of hers Mr. Craig Seibert, an Account Executive at KASH radio in Anchorage. Mr. Seibert plays softball with Wendy and her husband Representative Eldon Mulder each summer. Ms. Mulder knowingly and specifically requested that Mr. Seibert go into a

confidential file at KASH Radio to determine who placed media buys for the organization Alaskans for Less Gaming. As already noted, that information is confidential between a radio station and the company who placed the buy. Mr. Seibert then copied the media buy and faxed it to Ms. Mulder at approximately 3:30 p.m.

Upon receipt of the fax, Commissioner Fuhs immediately generated a press release that incorrectly stated that I had paid for the ads and that the group was nothing more than a front group for my gaming clients. Fuhs then photo-copied the KASH document and began widespread distribution to legislators. He also read the press release and he illegally obtained document into the public record during a state-wide teleconference that night.

There is criminal law barring Ms. Mulder's and Mr. Seibert's actions. It is called theft. AS 11.46.100-110. If Commissioner Fuhs solicited Ms. Mulder to commit this offense he is an accomplice and this action is also barred by criminal law. AS 11.46.110. However, there is no doubt that, before providing this information for the public record, Commissioner Fuhs was aware or should have been aware of the illegal manner in which this information was obtained. A small amount of common sense on Commissioner Fuhs part should have led him to question why a confidential business document should be part of the public record.

Andy Lohman, Station Manager for KASH radio, confirmed with Higgins Corp. that Mr. Seibert had in fact faxed a copy of the media buy to Wendy Mulder. He has indicated that he is taking disciplinary action against his employee and is extremely upset that public officials of the state would engage in such behavior. Wendy Mulder also called me on April 8 to personally apologize for her actions. She admitted that she was wrong in obtaining the information in the manner she did, and apologized for the violation. Ms. Mulder also stated that things had gotten way out of hand in Juneau and that she should have objected and refused to participate.

Commissioner Fuhs on the other hand has refused to admit that the actions of his staff were improper. More amazingly, Fuhs even lied on a recent live radio broadcast about what actually occurred. On April 9, Commissioner Fuhs was a guest on the Fritz Pettijohn radio talk show in Anchorage. During the broadcast, in response to a question about how the information was obtained, Fuhs stated: "Uh, when we heard that this ad was coming out, and we wondered who are Alaskans for Less Gaming, we just called up and said, uh, who's placing the ads. We just called the station and they said well, we'll send you a copy of it." That statement is a lie and Commissioner Fuhs knew it at the time he uttered it. I have attached a copy of the transcript and I also have a tape recording of the broadcast, should you desire to hear it.

**The fact is, I had spoken with Commissioner Fuhs on April 8 and he had confirmed that he knew that his staff had obtained the document through other means – namely by using a friendship to break into a private file. During that conversation, I asked the Commissioner what aspect of the radio ad was inaccurate or not truthful. Fuhs responded: "We are not**

contesting the accuracy of the ad, we just want to know who you did it for -- did you do it for Prevo?" I informed the Commissioner that I was not at liberty to disclose that information, but that the real issue was the debate on the merits of the legislation and not who raised concerns about its implications.

Other employees under the direction of Commissioner Fuhs also assisted in this unlawful information search. On Wednesday April 8, a radio station account executive called Higgins Corp. to inform us that a Ms. Susan Rider had called them. They indicated that Ms. Rider stated she was representing the Alaska Public Offices Commission and that she was requesting information about the media buys from Alaskans for Less Gaming. The stations refused to provide the information because it is confidential and a clear violation of their client's right to privacy. In truth Susan Rider was not an employee of APOC. Susan Rider is employed as a floater with Administrative Services and is presently assigned to assist the Special Assistant to Commissioner Fuhs, Cindy Roberts. She called these stations at the request of her superior, which she named to Higgins Corp. as Cindy Roberts. When confronted Rider stated to me that she did tell the account executive she was "gathering information for the APOC." She claimed that she informed the station that she worked for DCED, but the station maintains that she did not and that the call was recorded as a call from the APOC. Such misrepresentations are at a minimum deceptive tactics, and are clearly inappropriate actions for public officials to engage in.

I believe that Commissioner Fuhs actions taken in total demonstrate a clear abuse of office barred at least by AS 11.56.850 and potentially a violation of several of our state's criminal laws.

Throughout my relationship with Commissioner Fuhs and the Department of Commerce, I have continued to conduct myself professionally. I have always been up-front with the Commissioner and have limited my disagreements with him to the merits of the legislation. I have never acted to impugn his name or his reputation. It is obvious that he has not acted with the same common decency or professional decorum. Indeed his recent actions appear to be both unethical and unlawful.

Sincerely,

Mark M. Higgins
President

Enclosures

cc: Representative Ramona Barnes

DEPARTMENT OF COMMERCE' ACTIONS ON CHARITABLE GAMING
CHRONOLOGY OF EVENTS

1. **March 31.** Commissioner Fuhs held a press conference to announce the Governor's support for gaming legislation and released a press release that wrongly implicated my client. The press release incorrectly stated that I represent an organization that attempted to gain improper expenses from charities. This is completely untrue. Commissioner Fuhs attributed wrong-doing to my client that properly rests with the Charitable Games Association of Alaska, an organization represented by Mr. Mitch Gravo. When I confronted Commissioner Fuhs, he admitted the press release was wrong. He apologized for this mistake and said the misinformation came from the Governor's office. I accepted the Commissioner's apology.

2. April 7. Alaskan for Less Gaming radio spot ran in Anchorage.

3. **April 7, 3:00 p.m.** At the direction of Commissioner Fuhs, Wendy Mulder, Legislative Liaison for the Department of Commerce, contacted a friend Craig Seibert, an Account Executive at KASH radio in Anchorage. Mr. Seibert plays softball with Wendy and her husband Representative Eldon Mulder each summer. Ms. Mulder requested that Seibert go into the confidential file at KASH Radio to determine who placed media buys for the organization Alaskans for Less Gaming. This information is confidential between a radio station and the company who placed the buy. More importantly, this document is private property belonging to Higgins Corporation. Without the permission of the radio station owner or Higgins Corporation, Seibert then copied the media buy and faxed it to Mulder at approximately 3:30 p.m. Mulder's and Seibert's actions constitute theft. AS 11.46.100-110. If Commissioner Fuhs' solicited Ms. Mulder to commit this offense, he is an accomplice and this action is also barred by criminal law. AS 11.46.110.

4. **April 7, 6:15 p.m.** Commissioner Fuhs testifies before the Senate Finance Committee and releases the media buy into the public record at a state-wide teleconference on SB 76. This is completely private information that in no way should be part of the public record: one, because it was stolen and two. because its disclosure is not authorized by law. This improper disclosure is a possible violation of AS 39.52.140(B).

5. Same time. Commissioner Fuhs read a document into the public record. In his public statement. Commissioner Fuhs wrongly accused Higgins Corporation of representing and sponsoring a group, Alaskans for Less Gaming, that has failed to register with APOC . He also made up the story that I was compensated by this group, that it is a front group for my client, and that this group is headquartered at Higgins Corporation. See Attachment B.

All of these accusations are completely untrue. Commissioner Fuhs has invented a scenario that has no basis in fact. If questioned he will not be able to show one element to prove this supposed conspiracy. That is because no conspiracy exists. I was contacted by a group, Alaskans for Less Gaming, that was

opposed to this bill. My office called APOC four times on their behalf to determine if they were required to file with APOC. We were repeatedly told they were not. All I did was place ads for this group. Neither did I lobby for them nor was I compensated by them. They are not headquartered at my office and in no way are they affiliated with my client the Alaska Charitable Games Association. I placed the Alaskans for Less Gaming ad for the simple reason that their ad had merit. In fact, it should be noted that SB 76 was eventually amended to address concerns raised by the ad.

6. **April 7, 1993, 7:00 p.m.** After confronting Mr. Seibert, Andy Lohman, Manager for KASH radio, confirmed with Higgins Corporation that Mr. Seibert in fact faxed a copy of the media buy to Wendy Mulder. This was the fax that Commissioner Fuhs later placed into the public record.

7. **April 8, 1993, 12:00 p.m.** Wendy Mulder called KASH and Higgins Corporation. She admitted that she specfically asked Mr. Seibert to go into a private file to obtain the media buy and fax it to her. She said her actions were completely inappropriate and she apologized for her role in this scheme by the Department of Commerce. She said that the situation in Juneau was entirely out of control and that the wrong-doing had gone beyond her.

8. **April 8, mid-morning** A radio station account executive called Higgins Corporation and informed my office that a Ms. Susan Rider had called them. He indicated that Ms. Rider stated she was representing the Alaska Public Offices Commission and that she was requesting information about the media buys from Alaskans for Less Gaming. The stations refused to provide the information because it is confidential and a clear violation of their client's right to privacy. In truth Susan Rider was not an employee of APOC. Susan Rider is employed as a floater with Administrative Services and is presently assigned to assist the Special Assistant to Commissioner Fuhs, Cindy Roberts. Rider called these stations at the request of her superior, which she named to Higgins Corporation as Cindy Roberts. When confronted Rider stated to Higgins Corporation that she did tell the account executive she was "getting information for the APOC."

Such misrepresentation are at a minimum deceptive tactics, are clearly inappropriate activities for public officials to engage in. Commissioner Fuhs is having state employees lie about who they represent in order to gain just one more piece of nonexistent evidence for his supposed conspiracy. It is just one more example to demonstrate that the Department of Commerce, under the direction of Commissioner Fuhs, has lost complete perspective on what is appropriate conduct for a government agency.

9. **April 8, 1:30 p.m.** Commissioner Fuhs distributed another press release, full of even more misinformation. He wrongly accused my client of having a close relationship with Alaskans for Less Gaming and of paying for Alaskans for Less Gaming radio ad. He again lied by stating that I sponsor and fund Alaskans for Less Gaming. Lastly he impugned my client, and wrongly charged that my client "wants to extract a pound of flesh from the charities." See Attachments C and D.

First, my client is in no way affiliated with Alaskans for Less Gaming and in no way should be a subject of a press release concerning Alaskans for Less Gaming. Second, the Commissioner's remarks against

my client are not consistent with his written comments to Chip Thoma. In the attached note, Commissioner Fuhs applauds my client and states they run "one of the cleanest operations" in the gaming industry. In short, Commissioner Fuhs has attempted to reconstruct history and make anyone who opposes some of the provisions in his gaming expansion bill the subject of public lambasting. This is not conduct befitting a public official.

10. **April 9, 4:00 p.m. KENI Radio** Commissioner Fuhs lied during a radio interview about how the Department of Commerce received the media buy . He stated "when we heard that this ad was coming out, and we wondered who are Alaskans for Less Gaming, we just called up and said, who's placing the ads. We just called the station and they said well, we'll just send you a copy of it." See Attachment E, Commissioner Fuhs' rendition is completely untrue. The truth is he had his assistant, Ms. Mulder take advantage of a personal friend, have that friend steal private property, and then have a facsimile of that private property sent to the Commissioner. Every culprit in this offense, except Commissioner Fuhs, has admitted their wrong-doing.

11. **April 14 and 15.** Commissioner Fuhs has continued to state that the majority of bars are already selling pull-tabs, and that the gaming bills will not cause any expansion in gaming. ACGA contacted 295 locations in the Municipality of Anchorage that would be able to sell-tabs if SB 76 becomes law to see if Commissioner Fuhs was misrepresenting himself when he said the majority of bars already sell pull-tabs. Of those 295 locations, only 30 currently sell pull-tabs (Just 10%). Commissioner Fuhs was wrong. Gambling potentially could grow one hundred fold. Commissioner Fuhs had neglected to state that SB 76 authorizes the sale of pull-tabs not only in bars, but in restaurants with wine and beer licenses, in liquor stores, in hotels with liquor licenses, and possibly even at sporting events. On April 16, after wide release of ACGA research, the Senate Finance amended the bill to address this concern.

ATTACHMENT A

# GREAT NEWS!

## The Lab Called... Your Brain Is Ready

Chip - this bill as structured would not take higgins out - they are one of the cleanest operators so they we don't have a problem with them.

Fuhs

© SHEEPS . PLANET GREETINGS

**ATTACHMENT B**

# "LESS" LOBBYING HARD FOR MORE

The opponents of the CSSB 76 must be getting worried that gaming reform legislation is gaining momentum in the House. The Senate has already moved the bill.

This afternoon's airwaves in Anchorage carried the following announcement paid for by "Alaskans for Less Gaming":

If you're concerned about the future of Alaska's children, please listen to this ad. In the next few days, our State Senate will vote on the bill that would dramatically increase gambling in Alaska. The bill would authorize the sale of pull-tabs in every bar. It would allow a statewide lottery to be run on public radio and t.v. And, worst of all, it would put our children at risk by legalizing gambling not just in bars, but everywhere. In every mall, in every store, and easily within the reach of our children. The impact would be devastating. Bu it's not too late and you can help by calling your legislators today and letting them know you oppose Senate Bill 76 . . . that use of alcohol, gambling and children don't mix. Send a free public opinion message by calling your legislative information office today. With so much at stake, let's make sure that our legislators know we're watching and that we cared enough to call.

The "ALASKANS FOR LESS GAMBLING" bought this time. This organization has no prior recognition or standing with APOC, but is clearly engaged in the lobbying efforts to kill pending legislation, specifically CSSB 76.

You might ask "why?". This is a fascinating case of "LESS IS MORE." The company which produced the ad and bought time on at least two Anchorage radio stations is in fact the Higgins Corp, owned by Mark Higgins. This is the same Mark Higgins who has run the political campaigns of several past and currently elected officials. . . . the same Mark Higgins who was paid more than $65,000 in 1991 to lobby for the Alaska Charitable Gaming Association (ACGA).

The ACGA is a consortium of [illegible] gaming operators, posing as a

Association for "political, legal and lobbying" expenses. Coincidentally, the address of the ACGA is the same as Higgins Corp and is upstairs from the Alaska Bingo Management, the largest pull-tab distributor and gaming operator in Alaska.

When the LESS phone number was checked, Higgins Corp (Debbie Higgins?) answered. The Higgins Corp voice allowed that they "sponsored" LESS.

Some operators are honorable businesses assisting in the fund-raising for true charities. ALASKANS FOR LESS GAMBLING is a very clear demonstration of charity money gone astray. The dark side is control.

Honest Alaskans who support fund-raising for true charities are at serious risk. This $204 million industry is trying to protect itself.

This reform legislation must pass.

# PRESS RELEASE

ATTACHMENT C

STATE OF ALASKA

DEPARTMENT OF COMMERCE
& ECONOMIC DEVELOPMENT

PAUL FUHS
COMMISSIONER

For Information Contact:

Department of Commerce
& Economic Development
P.O. Box 110800
Juneau, Alaska 99811-0800
(907) 465-2500

Please disregard earlier versions

FOR IMMEDIATE RELEASE APRIL 8, 1993 1:30 pm

## GAMING INTERESTS SPAWN NEW LOBBYING GROUP

The Anchorage-based "Alaskans for Less Gaming" made its debut on the airwaves in an effort to discourage support for the gaming reform legislation, SB 76.

Anchorage radio listeners were the first to hear a radio ad which has today gone statewide. The Department of Commerce and Economic Development confirmed the close linkage of the "Less" organization with the largest pull-tab and bingo operation association in the state.

The "Less" organization is in fact "sponsored" by Higgins Corp, a campaign, media and public relations firm. Mark Higgins of Higgins Corp, is the chief lobbyist for the Alaska Charitable Gaming Association (ACGA), a consortium of gaming operators. ACGA holds its own gaming permit, and also uses gaming proceeds from its members for political, legal and lobbying expenses.

Higgins' close financial ties to the ACGA are documented in reports to the Alaska Gaming Office. In 1991, Higgins received $65,000 to lobby for the interests of the gaming industry. Higgins' ties are physical as well: he operates upstairs from Alaska Bingo Management, the largest single pull tab distributor and gaming operator in the state.

Higgins' clients, the opponents of SB 76, must see gaming reform legislation gaining momentum in the Legislature. The radio ad included the following:

> . . . In the next few days, our State Senate will vote on the bill that would dramatically increase gambling in Alaska. The bill would authorize the sale of pull-tabs in every bar. It would allow a

- more -

**ATTACHMENT C**

> statewide lottery to be run on public radio and TV. And, worst of all, it would put our children at risk by legalizing gambling not just in bars, but everywhere. In every mall, in every store, and easily within the reach of our children. . . . the use of alcohol, gambling and children don't mix . .

The Gaming Program is part of the Department of Commerce and Economic Development.

Commissioner Paul Fuhs stated, "SB 76 is not an expansion of gaming -- everybody knows we already have pull-tabs in bars. What's really going on here is that the operators don't want the charities going to the vendors and receiving 50% of the net proceeds as required by SB 76.

"They want to force the charities through their operations where they will extract their pound of flesh and the charities will receive only 15% under current law."

"Some operators are honorable businesses assisting in the fund-raising for true charities. Alaskans for Less Gaming is a very clear demonstration of charity money gone astray," said Fuhs. "Honest Alaskans who support fund-raising for true charities need to support this bill. This $204 million gaming industry is trying to protect itself."

####

ATTACHMENT D

OP - ED

Paul Fuhs, Commissioner
Department of Commerce and
Economic Development 465-2500

# "LESS" LOBBYING HARD FOR MORE

The opponents of the CSSB 76 must be getting worried that gaming reform legislation is gaining momentum in the House. Yesterday afternoon's airwaves in Anchorage carried the following announcement:

**If you're concerned about the future of Alaska's children, please listen to this ad. In the next few days, our State Senate will vote on the bill that would dramatically increase gambling in Alaska. The bill would authorize the sale of pull-tabs in every bar. It would allow a statewide lottery to be run on public radio and t.v. And, worst of all, it would put our children at risk by legalizing gambling not just in bars, but everywhere. In every mall, in every store, and easily within the reach of our children. The impact would be devastating. But, it's not too late and you can help by calling your legislators today and letting them know you oppose Senate Bill 76 . . . that use of alcohol, gambling and children don't mix. Send a free public opinion message by calling your legislative information office today. With so much at stake, let's make sure that our legislators know we're watching and that we cared enough to call.**

The "ALASKANS FOR LESS GAMING" bought this time. This organization has no prior recognition or standing with APOC, but is clearly engaged in the lobbying efforts to kill pending legislation, specifically CSSB 76.

You might ask "why?". This is a fascinating case of "LESS IS MORE." The company which produced the ad and bought time on at least two Anchorage radio stations is in fact the Higgins Corp, owned by Mark

**ATTACHMENT D**

Higgins. This is the same Mark Higgins who has run the political campaigns of several past and currently elected officials. . . . the same Mark Higgins who was paid more than $65,000 in 1991 to lobby for the Alaska Charitable Gaming Association (ACGA).

The ACGA is a consortium of gaming operators, posing as a "charity", who contribute some of their gaming proceeds to this association for "political, legal and lobbying" expenses. Coincidentally, the address of the ACGA is the same as Higgins Corp and is upstairs from the Alaska Bingo Management, the largest pull-tab distributor and gaming operator in Alaska.

When the LESS phone number was checked, Higgins Corp (Debbie Higgins?) answered. The Higgins Corp voice allowed that they "sponsored" LESS.

Some operators are honorable businesses assisting in the fund-raising for true charities. ALASKANS FOR LESS GAMING is a very clear demonstration of charity money gone astray. The dark side is control.

Honest Alaskans who support fund-raising for true charities are at serious risk. This $204 million industry is trying to protect itself.

This reform legislation must pass.

DCED 465-2500

4/8/93

to this. I don't have the ability to answer the question because it would be a breach of my client confidence, and you know that as an attorney.

Fritz - I though you were acting as a public relations expert here, placing ads, not as an attorney.

Mark - I'm glad you brought that up, because that's another aspect that I want to ask the Commissioner. Uh, the information that you're talking about was illegally obtained by his legislative assistant, who used a friendship with somebody at a radio station to pull a private file and have it faxed to Juneau, so the Commissioner could enter it into the record at a statewide teleconference. And, I would like to ask him if he thinks that's appropriate behavior for a state official to be in on. It was a completely, Fritz you work at a station there, it is a private file. It is not a public file - in, in compliance with the law. And, I would like to know how the Commissioner justifies a state, a top state official at his direction, breaking the law?

Fuhs- Well, I don't know that any law was broken here. It's certainly not illegal for them to give it. They don't have to give it. Uh, when we heard that this ad was coming out, and we wondered who are Alaskans for Less Gaming, we just called up and said uh, who's placing the ads. We just called the station and they said well, we'll send you a copy of it....

Mark - No, no, that is not at all accurate, Commissioner, and you know it. What happened is your assistant called a friend, who she plays softball with, and asked him to go into a private file and pull the property of both myself and the client involved and disclose that publically. Which is an absolute illegal act.

Fritz - What, what statute are we talking about here, Mark?

Mark - Well, we're talking about general agency law, Fritz, you might check general business agency

law.

Fritz - No, what's the statute. You're talking about a criminal violation, here. Why don't you name the statute?

Mark - Well, you know. Fritz, we can get into that, I don't think that's...

Fritz - No, (ha, ha, ha). You know that if you're going to make accusations against a public official of breaking the law, I think the least thing you can do is tell him what law he's supposed to have broken.

Mark - Well, I think we'll get to that. I have compiaint being drafted as we speak. But, but the point here, Fritz, let's not, let me ask him if he thinks that's appropriate behavior. They knew exactly what they were doing. The issue in all of this, is who is this group. The issue is the merits of the debate. The issue and, I am now being personally defamed by a Commissioner of Commerce because I disagree with him on the merits of a partic, particular aspects of legislation. That is a Nazi, Gestapo tactic...

Fritz - (ha, ha, ha)

Mark - I've had enough, I mean.....

April 7, 1993

Dear House Finance Committee Members:

During your recent hearings on HB 168, a gaming reform bill, Speaker Barnes requested Commissioner Paul Fuhs to provide you with a letter from me making clear my position on gaming in Alaska and proposed changes to state law.

Strictly as a moral issue, I do not believe that gambling and gaming are positive influences in society. I believe that the Alaskan people are capable of far greater achievements than profitable gaming and should continue to direct their energies toward other areas. However, realizing that gaming will continue to exist in Alaska for the short term, I believe measures exist and should be taken to improve the current situation.

In this regard, I support increasing the amount of net proceeds going to charities from gaming activities. I support getting gambling and its influences out of government, and I support increased regulation and enforcement for this industry.

Specifically, I support:

1. Increasing the percentage of net-gaming proceeds going to charities to 10 percent on bingo and 30 percent on pull-tabs. This change will prevent bingo losses from being written off against pull-tab revenues and will more than double the amount going to charities.

2. Prohibiting net-gaming proceeds from being used for campaign contributions directly to an individual or through a political party to an individual or to pay for lobbying expenses.

3. Prohibiting convicted felons from obtaining permittee or operator licenses.

4. *Authorizing charities to contract directly with the vendor rather than going through an operator, if 50 percent of the net proceeds from pull-tabs goes to the charity at the time of delivery.*

5. *Requiring the department to approve contracts between charities and operators to prevent abuses.*

6. *Requiring the licensing of out-of-state pull-tab distributors and increasing the standards for pull-tabs to those required by the National American Gaming Regulatory Association.*

7. *I also support the action of the House Finance Committee in adding $381,000 to the Department of Revenue budget to provide for more auditing and enforcement of gaming in Alaska.*

*All of these measures will help clean up the gaming industry in Alaska and will ensure that more of the money goes to legitimate charities. I urge you to adopt these measures in the House version of the bill, and move it to the floor for a vote.*

*With best regards.*

*Sincerely,*

S/S Walter J. Hickel

*Walter J. Hickel*
*Governor*

*bcc: House Speaker Ramona Barnes*
*Representative Carl Moses*
*Representative Brian Porter*
*Senator Steve Frank*
*Senator Drue Pearce*
*Commissioner Paul Fuhs*

*WJH/WO/DCED/BPM/pw*
*Gaming.ltr*

*0864/03*
*Gaming letter to legislature*

NATIONAL MULTIPLE SCLEROSIS SOCIETY

ALASKA CHAPTER
511 WEST 41ST AVE. SUITE 101
(907) 563-1115 FAX (907) 562-6673
ANCHORAGE, AK 99503-6643

**FAX SHEET**

Number of pages: 1

DATE: 04/22/93

TO: Rep Brian Porter

AT: House of Representatives

FAX # 465-3834

FROM: T. Skip Olszewski

**MESSAGE**

*As you develop your position on the proposed legislation we ask you to keep in mind that for many non-profits, the income received from pull tabs is an essential part of their annual budget. As an example, our chapter receives 48% of its' gross income from the sale of pull tabs. All of the profits are received by the chapter, we utilize no operators and have only volunteers selling pull tabs for us. We make no political contributions, in fact we are prohibited from doing so. However, the proposed cancellation of all pull-tab gaming permits on December 31, 1993 will have dramatic and far-reaching affect on our operations. We would be forced to cut client services and reduce our staff.*

*Our chapter has long been aware of the potential for abuse with sales of pull tabs. We have worked hard to develop a custom software package to track the operations of each of our vendors. We diligently research each applicant who indicates a willingness to sell pull tabs for us. We have developed guidelines for the use of our vendors and we monitor our vendor standings on a monthly basis. In short, we have made every effort to conduct our pull tab operations in a professional manner with adequate safeguards for the vendor, the player, the state and the Society. We have recognized that gaming operations are by their nature labor intensive, and we have dedicated the resources to ensure to the best of our ability that they are run in a business like manner.*

*The reform legislation proposed under HB-168 and SB-76 will not adversely affect our operations, rather they will do a great deal to correct some of the more inequitable operator/permittee contracts that currently exist. We request that the sale of pull-tabs solely by a pull-tab ticket dispensing machine be deleted from the legislation or be made a matter of option. This request is made based on the comments about the equipment in question having a predisposition to malfunction, additionally we wish to save ourselves from the responsibility of obtaining and servicing such equipment. We ask your consideration and support of this amended legislation.*

# COMPARITIVE ANALYSIS

| HB-168 (JUD) | SB-76 |
|---|---|
| 1) M B P | 1) M B P |
| 2) Contract Approval | 2) Contract Approval |
| 3) Raising 15% to 40% - 15% [2 consecutive quarters] | 3) Raising 15% to 30% - 10% [each quarter] |
| | 4) Prohibits inside information. |
| | 5) Vendors required to pay 50% at time of delivery. |
| | 6) Requires NAGRA pull tab standards. |
| | 7) Prohibits Felons involvement. / loosens misdemeanor |
| | 8) Prohibits Net Proceeds for campaigns & Lobbyists. |
| | 9) Provides specific suspension/ revocation authority up to 5 years for licensee's or vendors. |
| | 10) Provides authority to commissioner to issue an emergency 60 day order. |

North Assn of Gaming Regulators