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BY U.S. MAIL AND EMAIL

John A. Christman, Chairman Victor E. Woods, Vice Chairman

Rene Curo, Tribal Secretary

Samuel Q. Brown, Tribal Treasurer Adrian M. Brown, Councilman Gabriel T. TeSam, Jr., Councilman Kevin M. Carrizosa, Councilman

Senator William Dodd State Capitol, Room 4032 Sacramento, CA 95814-4900

Assemblyman Adam Gray California State Assembly P.O. Box 942849 Sacramento, CA 94249-0021

Re: Opposition of the Viejas Band of Kumeyaay Indians to SCA-6 (Dodd)

Dear Senator Dodd and Assemblyman Gray:

The Viejas Band of Kumeyaay Indians strongly opposes SCA-6, which if passed, would effectively repeal exclusive tribal gaming rights in favor of California cardrooms. The California cardroom industry has some of the worst actors in the entire gaming industry. California cardrooms illicitly operate Nevada-style banked games in violation of clear law (which SCA-6 seeks to remedy) and have a significant history of violating other criminal laws, including money laundering, resulting in millions in fines. The California cardroom industry does not deserve increased gaming rights at all, let alone at the expense of tribal governments that have operated their rural casinos responsibly and with integrity for decades, and contributed far more to the California economy.¹

SCA-6 is not a measure permitting "cardrooms the opportunity to continue to offer the games they are currently authorized to play." If California cardrooms were "already authorized" to operate Nevada-style banked games, no constitutional amendment would be necessary. The failure of the State of California (under two previous Attorneys General) to enforce the law is hardly an "authorization" of the illegal Nevada-style banked games operated by California cardrooms. Constitutionally impermissible games cannot become "authorized" via the State's abdication of its clear duty in breach of the public trust and tribal-state compact obligations. It is precisely this failure that precipitated pending tribal litigation against the State and California cardrooms and

¹ In one year alone, Indian gaming generated \$20 billion in overall direct and indirect economic benefits for local, regional and state economies, compared to \$2.5 billion from cardrooms, including Indian gaming creating approximately 124,000 jobs representing \$9 billion in annual direct wages to California residents. Similarly, Indian gaming generates \$3.4 billion in annual payments to the State and local governments, compared to \$482 million from cardrooms. See "The Economic Impact of Indian Gaming on the State of California," Meister Economic Consulting, May 2019.

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prompted the development of a ballot measure containing a private attorney general provision empowering any person to legally challenge the California cardrooms illegal gaming activity. To date, one million Californians have signed a petition to qualify that ballot measure for the November 2020 ballot. And not surprisingly, polling shows Californians strongly favor the enforcement of the State's gaming laws.

The State's current Attorney General also appears concerned with California cardroom illegal gaming activities. Unlike his predecessors, Attorney General Becerra has taken positions that decidedly contradict the notion that cardrooms operate games that are "already authorized." Attorney General Becerra has made clear that certain California cardroom games violate the law, which the Bureau of Gambling Control is in the process of remedying. For example, the Bureau of Gambling Control recently issued "concept" regulatory language intended to stop the illegal game rotation practices at California cardrooms. Those illegal game rotation practices are exactly what SCA-6 now seeks to legalize. This cardroom-backed measure, with nineteen California cardrooms in support, is nothing more than a disguised effort to end the regulatory and enforcement efforts of the Attorney General and Bureau, and frustrate ongoing lawsuits between tribes, the State and California cardrooms.

In addition to the serious issues identified above, SCA-6 presents an ill-conceived and rushed effort to legalize online and mobile gaming within the state. There are at least three strong public policy reasons for limiting gaming to physical facilities and not opening up online and mobile gaming. First and foremost, there is no way to adequately protect children in the invisible online and mobile gaming environment. An online or mobile gaming operator simply has no way to guarantee that its users are not underage. There is currently no online or mobile protection equivalent to what takes place at brick and mortar gaming facilities every day: visually monitoring players to prevent underage gaming. A child can't use a parent's credit card or online login and password credentials at a brick and mortar gaming facility. Second, online and mobile gaming will allow problem gaming to proliferate in an environment invisible to operators. Brick and mortar operators understand and train their employees to recognize the tell-tale signs of problem gambling, many of which can only be identified in person. Online and mobile gaming systems lack the in-person human interaction required to adequately protect against problem gambling. Third, for the reasons stated above, polling research has shown that California voters are not ready for mobile or online sports betting, which would render SCA-6 unlikely to secure the needed voter support in November.

If the State is truly concerned about shoring up its economy from losses caused by the pandemic, it should focus on initiatives grounded in sound public policy and protect businesses in California, such as tribal gaming operations, which play by the rules. SCA-6 simply misses the mark and should be abandoned.

Very truly yours,

John A. Christman, Chairman Viejas Band of Kumyeaay Indians