

FOCUS: CASINOS

Women's risky gamble

As casinos continue to grow in the area and increasingly market to women, addiction, embezzlement and bankruptcies are becoming more common

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DEREK GEE/Buffalo News Slot machines, such as these in the newly opened Fairgrounds Gaming & Raceway racino hall in the Town of Hamburg, are a costly temptation to an increasing number of women who are beginning to seek professional help.



“They think all of life’s problems are forgotten. ... Their focus is to stay in that world as long as possible.”

Renee Wert, Jewish Family Service

Gambling once was perceived as a man's domain. But step into any of the casinos in Western New York or nearby Ontario, and the gender lines have become blurred - especially around the slot machines.

To casinos, women are the new growth industry, as they are for treatment counselors who say they are seeing a record number of women seeking help.

And area prosecutors are being kept busy by many of these new women gamblers. Consider:

- A Getzville woman embezzled from the printing company where she worked more than \$200,000 to fund

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her casino visits, which continued even after she pleaded guilty.

- A bookkeeper stole more than \$300,000 from Buffalo Medical Group to support her habits at area casinos.
- A Medina woman gambler stole more than \$700,000 from her employer, a Middleport home builder.

Though much has been made of the casinos' potential economic benefits, no study has been made of area gambling problems since the dramatic growth of casino gambling over the past seven years.

But in dozens of interviews with judges, prosecutors, bankruptcy lawyers, treatment counselors, employers and gambling addicts, a troubling portrait emerges.

Bankruptcies are up. Counseling for problem gamblers is rising. And embezzlement crimes are increasing.

All have ties to gambling, according to judges, prosecutors and counselors.

"It's so sad," said Erie County Judge Timothy J. Drury, who has sentenced some of the embezzlers who were feeding their gambling habits. "These aren't people doing carjackings or dealing drugs. They're otherwise worthwhile people who just somehow bought into these advertisements. They feel a rush. And it's legitimate. The state encourages it. It's part of 'urban development.' "

Surprising numbers

Those on the front line say male gamblers are streaming in for help since the casinos began opening. But the number of women coming in with problems is surprising many veteran counselors.

These women have been weaned from scratch-off lottery tickets and bingo and now are being increasingly

attracted to slot machines for a whole variety of reasons that researchers are just beginning to understand.

And the casinos are going out of their way to reach women, especially middle-aged and elderly, experts say.

"They offer some characteristics very important for individuals who in the past would not gamble," said Rachel Volberg, a gambling researcher from Northampton, Mass.

Researchers say women have a unique affinity to the electronic gambling devices at the casinos, which also offer what experts say is an environment - from relatively cheap ways to begin playing to physically safe and attractive facilities - desired by women gamblers.

"Women don't like to be aggressive or carry on a conversation with a blackjack dealer," said Mary Jane, whose gambling addiction would sometimes cost her as much as \$5,000 a day before she went into treatment five months ago. "They (women) want to get off by themselves, be safe and sit down with nobody bothering them. It's real easy for a woman to get sucked into (slots). They're mesmerizing. You lose all consciousness of the value of money."

In some cases, employers are clueless for years that a worker has a gambling problem and is stealing to support the habit.

Gail Klepalek, a secretary and bookkeeper, stole \$308,000 from Buffalo Medical Group's High Street office over five years to help fund her casino bets. She was pocketing \$5 and \$10 patient co-payments. Klepalek, who pleaded guilty to grand larceny last year and received probation, did not return calls seeking her comment.

"In hindsight, we knew she did go up to the slots, but not out of the ordinary that anybody knew about," said Daniel Scully, chief executive officer of the group.

Klepalek's sentence was far more lenient than what Margaret Wollen of Getzville received. But then, her

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crime had far more serious effect on her employer and co-workers.

Wollen was a bookkeeper at Jet Action, a small East Aurora printing company, and she stole more than \$200,000 to fund her betting at Casino Niagara. Restitution appears unlikely, and Jet Action, unlike the medical group, didn't have employee theft insurance. The company had to lay off workers and nearly went bankrupt, prosecutors said.

Wollen, who did not respond to an interview request, is now serving a 2 1/3- to 7-year prison term at Albion Correctional Facility. Jet Action's Gary Henke declined to talk about the theft, saying he didn't want to relive the episode.

One of the biggest local embezzlement cases linked to gambling involved thefts over five years from Barden Homes in Middleport.

Tina Ferri last month pleaded guilty to stealing more than \$700,000. A trusted bookkeeper, she forged checks to pay for her Casino Niagara bets. Now, her husband has agreed to take a \$200,000 mortgage on property they own and give up a \$45,000 retirement account to repay a portion of her theft. Her upcoming sentence could range from probation to a maximum of 15 years in prison.

Worrisome trend

These cases are a worrisome trend for prosecutors. Typical embezzlement cases in Erie County once ranged between \$15,000 to \$45,000, said John C. Doscher, chief of the district attorney's White-Collar Crime Bureau. But about two years ago, he said, it suddenly rose to between \$100,000 to \$300,000.

And a couple of years ago, people trying to live beyond their means became the biggest motive for embezzlement cases. Stealing to foot gambling bills was a distant second. Today, the two are tied, he said.

"Anyone with a gambling problem has an uncontrollable addiction. Any employer who lets an employee with a gambling problem near his money is just asking for trouble," Doscher said.

Drury, the judge who sentenced Wollen, said he sees more crimes by people trying to feed their gambling addictions. He calls it "a perfect storm." There's a depressed economy, more casinos in the region and easier access to cash advances on credit cards.

"What do you do with these people? They're good people gone awry in a huge fashion," he said of the gambling addicts who turn to crime to chase what he calls "fool's gold."

Among those on the front lines of dealing with problem gamblers and their problems is Carl L. Bucki. He is the judge in federal bankruptcy court in Western New York. Though he doesn't keep track, he believes the number of gambling-fueled bankruptcies are up - contributing to the region's monthly record of 1,019 filings in March.

"I see increased access to gambling at the same time I see substantial, persistent increases in bankruptcy filings," Bucki said. "Is there a cause and effect? I don't know, but it certainly causes concern."

Bankruptcy problem

His barometer? The number of pep talks he gives people who acknowledge gambling problems in his court. He gave such a talk to a woman just a week ago.

But that presents another problem. Bankruptcy is supposed to permit people a fresh fiscal start.

"If the cause of the problem is gambling, and if we're not addressing the underlying sociological dependency on gambling," he said, "are we just inviting a recurrence of the problem down the road?"

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One difficulty in tracking bankruptcy cases tied to gambling is that people are afraid to list gambling losses on bankruptcy filings for fear that it could hurt their case with creditors, bankruptcy lawyers said.

But bankruptcy lawyer Jeffrey Freedman, who said he sees gambling addicts coming in for legal help every other week or less, points to national research and draws local comparisons.

"Studies have shown that, in every place a casino opens, bankruptcies usually jump 18 percent the next year," he said. "Last year in Buffalo, bankruptcies were up 17 percent, and a good portion of it was because of gambling."

Freedman has another vantage point to assess the effects of gambling. He sits on the board of Family Jewish Service, the region's treatment group for gamblers. He estimated that 75 percent of people in treatment file for bankruptcy.

And the numbers of problem gamblers at Jewish Family Service are up significantly. In 2002, 175 people called the agency for counseling help. That number increased to 268 last year. Only a small fraction of problem gamblers actually call for help, experts say.

A decade ago, it was people coming in for help with horse betting, sports wagering and lotteries. Now, 90 percent are people seeking treatment for casino and lottery problems. And women are now the norm, no longer the exception.

"Nonstrategic" gambling

A growing body of research depicts the feminization of gambling, especially towards slot machines, known as "nonstrategic" gambling.

Studies show about one-third of problem gamblers are women, according to Volberg, the gambling researcher who is also president of the National Council on Problem

Gambling. But in areas with gambling machines like slots, the prevalence rates for men and women are about equal.

Between existing and planned casinos in Western New York and Ontario, more than 12,000 slot machines will be within a half hour drive of downtown Buffalo by this time next year.

At the region's nightly counseling sessions, women almost exclusively report their problems rest with slots. Some women are in it for the chase to win and feel lucky, said Renee Wert, director of the gambling treatment program at Jewish Family Service.

But many women who gamble might have other problems - ranging from depression to family or work issues. Slots, she says, offers them a perceived escape. "They think all of life's problems are forgotten . . . Their focus is to stay in that world (slots) as long as possible," Wert said.

At Gamblers Anonymous meetings, women talk of being bored, of wanting someplace different to escape to, of having money from jobs to get their gambling going.

Casinos make it easy, giving everything from prizes geared to women to child care to make women feel welcome.

And now, they are as convenient as the next town over. For years, Mary Jane, a recovering addict who requested anonymity, would have to go to Atlantic City or Las Vegas to play the slots. Now, she can just drive a short distance.

"I used to kid around that I could go over to the casino on my lunch hour. Well, I was going over on my lunch hour. It was 20 minutes away, and I would go and not come back," said Mary Jane, 50, who worked in sales in Buffalo.

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"I see increased access to gambling at the same time I see substantial, persistent increases in bankruptcy filings." Bankruptcy Court Judge Carl L. Bucki <P>

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