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Summary:

Governor Kate Brown opposes a plan by the Coquille Indian Tribe to build a casino in Medford. But given how much the State of Oregon benefits from tobacco and gambling profits, she should clean up her own house before lecturing the Tribes about casino expansion plans.

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“[Governor Brown’s] concern for the public welfare is touching, but if one simply ‘follows the money’ associated with the state’s own gambling franchise...it’s clear that the Governor has little regard for the health of Oregon citizens.”

If Gambling Is a Problem, Who Is Responsible?

By John A. Charles, Jr.

Governor Kate Brown opposes a plan by the Coquille Indian Tribe to build a casino in Medford.

In her public statement, the Governor said she opposes the addition of any more casinos because “even a single additional casino is likely to lead to significant efforts to expand gaming across Oregon to the detriment of the public welfare.”

Her concern for the public welfare is touching, but if one simply “follows the money” associated with the state’s own gambling franchise—the Oregon Lottery—it’s clear that the Governor has little regard for the health of Oregon citizens.

The Oregon Lottery is a state-run monopoly using a network of 3,939 retailers to offer players a wide choice of games, including Scratch-its, Keno, Powerball, Win for Life, Mega Millions, Lucky Lines, and Pick 4.

In addition, the Lottery has approximately 11,925 Video Lottery terminals deployed throughout the state. These terminals accounted for 71.5% of total sales in 2015 and are highly addictive. According to the Oregon Health Authority, roughly 90% of problem gambling in Oregon is associated with Lottery video machines.

In 2015, Oregon earned \$1.2 billion from the state Lottery. In January, Powerball mania resulted in record sales of \$36 million in one week. An Oregon Lottery spokesman said, “Any time sales go up, that’s a good thing for our beneficiaries.”

Who are these beneficiaries? By law, 57% of net Lottery revenues support public education. Activities loosely defined as “economic development” get 27%. State parks and salmon enhancement programs split 15% of revenues.

Those activities account for 99% of all Lottery funds. The last 1% gets allocated for problem gambling. The state estimates that 81,800 adults and 4,000 adolescents have a gambling addiction.

If Governor Brown were so interested in the “public welfare,” she would be advocating for an increase in the percent of Lottery funds dedicated to the 86,000 problem gamblers. This would at least give her some moral high ground to stand on before criticizing a casino proposed by the Coquille Tribe.



But despite total control of the legislative process by the Democratic Party, the Governor has not made this a priority.

Oregon's misuse of tobacco tax money is even more egregious. Oregon was one of 44 states that sued the tobacco industry in the mid-1990s regarding the health care costs associated with smoking. As a result of a Master Settlement Agreement (MSA) with the four largest tobacco manufacturers, each state was to receive payments every year from 1998 through 2025.

According to the plaintiffs, MSA money was supposed to be used for tobacco prevention activities and health care subsidies necessary to treat smoking illnesses, but that was not a formal part of the agreement. Thus, each state was free to use the funds in whatever way its state legislature approved.

In Oregon, total MSA funds received since 1998 equal \$1.26 billion—yet only 0.8% of the money has been used for tobacco prevention activities.

The Governor's hypocrisy associated with the use of tobacco and gambling profits is embarrassing. She should clean up her own house before she starts lecturing any of the Tribes about their casino expansion plans.

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