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January 29, 2015

STOP ILLEGAL GAMBLING IN COLORADO: INTERNET SWEEPSTAKES CAFÉS

VOTE YES on HB 1047

Dear Business Committee Member:

In November 1991, the citizens of the great State of Colorado voted to approve limited stakes gaming in the three historic mining towns of Cripple Creek, Central City and Black Hawk. The intent of the ballot measure was the historic preservation of these iconic gold mining communities, and to create a positive economic impact for not only these communities, but for the counties of Teller and Gilpin, and the state.

Contrary to the intent of the ballot measure in 1991, over the past decade, there's been an explosion of illegal, unregulated gambling outfits—known as Internet Sweepstakes Cafés—which make a mockery of Colorado's limited gaming statutes and undermine legitimate gaming operators. These so called cafés typically spring up in storefronts, gas stations and convenience stores, offering games that closely mimic traditional slot and video poker machines. They are untaxed and unregulated, and are operated by persons who are neither licensed nor subject to criminal background checks, which are required for casino employees under the Colorado Limited Gaming Act.

It is estimated that there are at least sixteen (16) of these cafés scattered across the State of Colorado, with more and more cropping up every day, as the operators skate Colorado gambling and sweepstakes rules. No one regulates the fairness and integrity of the games in these illegal cafés to protect consumers from fraudulent activity. Minors are seldom excluded from playing these games, putting children at risk.

On October 9, 2014, the Colorado Attorney General's office issued an opinion stating that these establishments are engaging in gaming activities outside the parameters of the state constitution and existing establishments were told to cease and desist their operations.

The City of Cripple respectfully requests that you do the right thing and put a stop to this illegal activity. By allowing these Internet Sweepstakes Cafés to continue, you would not only be condoning an activity that is clearly illegal – as supported by the opinion of the AG's office – but you are supporting an activity that is causing a slow death of the three historic mining communities that the citizens of Colorado voted to preserve more than twenty-three (23) years ago.

Respectfully yours,

A handwritten signature in cursive script that reads "Bruce Brown".

Bruce Brown
Mayor