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# *Do Casinos Attract Criminals?*

A Study at the Canadian–U.S. Border

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This study examines trends in the number of criminally inadmissible persons who seek admission to Canada because of the opening of Casino Niagara. The purpose of this study is to determine whether the presence of a new Canadian casino increases the rate at which criminally inadmissible persons seek entry to Canada. The impact of the casino is assessed by examination of trends in total bridge crossings before and after the opening of the casino, trends in the total number of criminals denied entry to Canada, and trends in the proportion of criminals who have convictions for offenses related to organized crime. The rate of denials of entry to Canada on grounds of criminal inadmissibility rose faster than did the border traffic in general, but there was a decline in the proportion of those with prior records for organized crime–related offenses. The implications of these findings are presented.

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Casino development has been controversial in both Canada and the United States. Although casinos have been very successful in raising significant revenues quickly, it has been argued that casinos might attract an undesirable or criminal element. Of particular concern is the fear that organized crime figures will be attracted to casinos, potentially affecting the integrity of the games and the operations and reputation of the casinos. “The conventional wisdom among opponents of this new source of revenue is that casinos attract many undesirables to the community, thereby increasing crime and social disorganization” (Giacopassi & Stitt, 1993, p. 117). Other important dimensions of the casino debate involve increased pathological gambling, new crimes in casino jurisdictions, and the morality of gambling (Williams, 1999). These issues are summarized in Table 1.

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**TABLE 1**  
*Major Issues in Debating Casino Gambling*

<i>Pro</i>	<i>Con</i>
Casinos will increase economic development and tax revenues.	Increased revenues will be drawn primarily from existing local residents.
Rates of pathological gambling will not be affected by legal casino gambling.	Casino gambling will increase pathological gambling.
Crime per capita will not increase in casino jurisdictions.	The volume of crime will increase with greater population density.
Gambling has become an accepted leisure activity.	Gambling is immoral.
Casino gambling will increase tourism in casino destinations.	A criminal element will be attracted to casinos.

This debate over the costs and benefits of casino gambling has led to continuing conflict between gambling proponents and opponents, who sometimes misuse data and make speculative arguments to support their own pre-existing conclusions (see Ackerman, 1999; Manning, 1999). The result is public opinion that, according to polls, generally supports legal gambling in most of its forms but often is left wondering about its true social and economic costs and benefits.

## INTRODUCTION

When Ontario introduced casino gambling to the province, it joined most of the other Canadian provinces and most states in the United States that participate in the casino industry. Both procasino and anticcasino camps were eager to see how the casino would influence their community, with economic development and employment being the major issues in Ontario. Proponents cited studies that found that "Casino gambling has been documented to generate significant economic influence in the area where casinos are located" (Chang, 1996, pp. 9-10). Opponents cited places where casinos had not performed to expectations and had a deleterious impact on the community (Goodman, 1996).

Casino gambling is particularly important in discussions of legalized gambling because it represents the largest segment of the legal gambling industry in terms of gross revenues. Figure 1 summarizes the legal gambling industry. Figure 1 shows that 41% of all legal gambling revenues are generated by casino gambling, followed by lotteries (31%) and tribal gaming (15%)—much of which is from Native American-controlled casinos. Therefore, casino gambling constitutes the largest segment of the legal gambling industry.

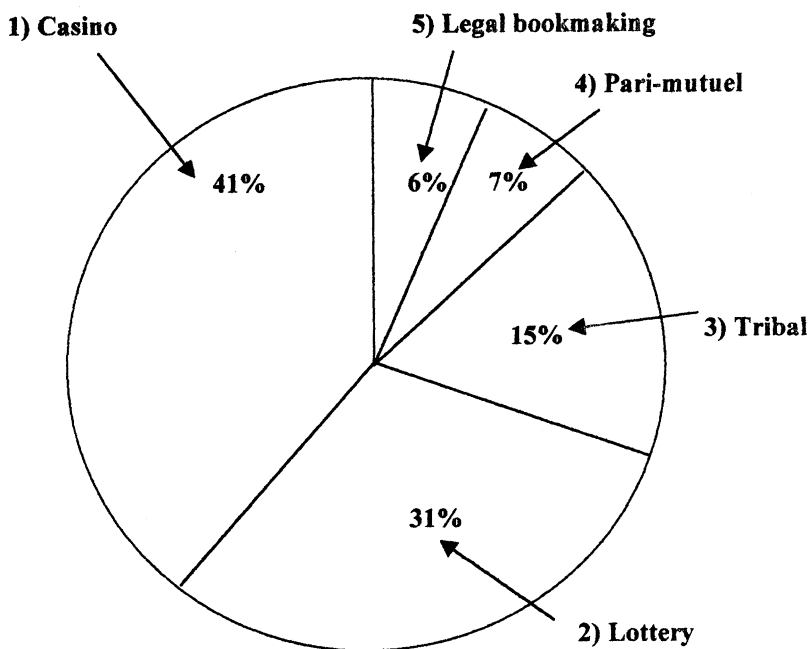


Figure 1: Gambling Industry Gross Revenue (1998)

SOURCE: U.S. Comptroller General, 2000. Data from International Gaming and Wagering Business, August 1999.

NOTE: Internet gambling revenue totaled about \$651 million worldwide in 1998, which is not included in total gaming revenues of \$54.3 billion in 1998. The category of casino includes revenues from Nevada and New Jersey slot machines and table games, other land-based casinos, riverboats, deepwater cruise ships, cruises to nowhere, other commercial gambling, and noncasino devices. The category of lottery includes revenues from video and other lottery games. The category of tribal includes revenues from tribal casinos. The category of pari-mutuel includes revenues from horse and greyhound racing and jai alai. The category of legal bookmaking includes revenues from sports and horse bookmaking, card rooms, charitable bingo, and other charitable games.

Empirical research has been conducted on most of the social and economic issues surrounding legalized gambling, and it has shown mixed results, which depend on the research methods employed by the author, time period covered, and the location in question. Nevertheless, the weight of the evidence over a large number of studies in different cities suggests that general conclusions may be drawn (National Gambling Impact Study Commission, 1999; National Opinion Research Center, 1999; Pavalko, 2000; U.S. Comptroller General, 2000).

In the case of crime in casino jurisdictions, a number of empirical studies were carried out beginning in 1985 (Albanese, 1985). These studies measured crime before and after the introduction of casinos in order to assess the impact on crime. Two important dimensions of these studies are as follows.

The first is distinguishing the effects of development and increased population versus the casino impacts. For example, a new Disney World attraction in a city would dramatically increase its average daily population through tourism. Crime would also go up because larger populations experience more crime than do smaller populations (i.e., there are more people to be offenders and victims).

The second is distinguishing crimes that are casino related from crimes that are unrelated to casino gambling. This is difficult to establish because prostitution, for example, may occur both with and without legal gambling, but precipitous increases soon after the implementation of legal gambling are often used as an indirect indication of cause and effect.

The National Gambling Impact Study Commission concluded in 1999 that existing data were not adequate to draw conclusions about the impact of casino gambling on crime, but researchers who have reviewed the same studies found that conclusions can indeed be drawn, given the weight of the evidence. The results of these studies generally have shown that casinos increase the average daily population of cities but do not increase the risk of crime because the population increases more significantly than does the volume of crime (Albanese, 1999; Margolis, 1997; Miller & Schwartz, 1998).

### **THE ONTARIO EXPERIENCE**

The first casino in Ontario, Canada opened in Windsor on May 17, 1994. Prior to the opening, there was much debate about the impact that the casino would have on the community, including the economic impact (tourist spending and economic development), the community impact (due to changes in the surrounding neighborhoods, social assistance levels, problem gambling, and impact on other legal gaming activities), and the policing impact (both inside and outside the casino). Similar debates preceded the opening of Casino Rama in Orillia, Ontario (July 1996), and Casino Niagara in Niagara Falls, Ontario (December 1996).

The Canadian land border along the Niagara frontier has four ports of entry from the United States: The Peace Bridge provides international access from Buffalo, New York, to Fort Erie, Ontario; the Rainbow Bridge and the Whirlpool Rapids Bridge links Niagara Falls, New York, to Niagara Falls, Ontario; and the Lewiston-Queenston Bridge joins Lewiston, New York, to Queenston,

Ontario. Immigration officers at each bridge examine foreign nationals seeking entry to Canada to determine whether they should be admitted as visitors or immigrants, or if they should be denied entry.

## METHOD

The focus of this study is to examine an important, external policing impact of casinos. We examine the change in the number of criminally inadmissible persons who seek admission to Canada after the opening of Casino Niagara in Niagara Falls, Ontario. The purpose of this study is to determine whether the presence of a new casino in Ontario (that directly faces Niagara Falls, New York) increases the number of criminally inadmissible persons seeking entry to Canada.

The impact of the Niagara Casino is measured in four different ways:

- trends in total bridge crossings before and after the opening of the casino to provide an indication of how the casino changed the visitor population from the United States (from December 1995 to December 1998),
- trends in the total number of criminals who are denied entry to Canada as determined through the security exam at the border crossing,
- trends in the proportion of criminals who have convictions for crimes related to organized crime, and
- trends in the proportion of these organized crime offenders who are bound specifically for the casino.

### *Total Border Crossings*

The total border crossings at the four bridges from the United States to Canada increased dramatically from December 1995 through December 1998. Casino Niagara opened in December 1996, and month-by-month visitor trends were collected for a full year prior to the opening of the casino. Postcasino data were gathered for a 2-year period. The end date was chosen because slot machines were added to the Fort Erie racetrack some 20 miles away in 1999, making the assessment of the casino's impact more difficult to distinguish. The year before the casino opened, total crossings ranged from 837,168 to 2.41 million during the peak summer months of July and August. The year after the casino opened (1997), total crossings ranged from 917,234 to 2.57 million, an increase of nearly 10% over the course of a year. During the summer of 1999, a peak was reached at 2.95 million crossings. All visitors, of course, are not bound for the casino, but Casino Niagara was the major addition to the Niagara Falls tourist industry during this period.

*Criminally Inadmissible Persons*

One criterion for inadmissibility is criminality. Individuals with criminal convictions are inadmissible, and nearly all are denied entry to Canada. To gather this information, immigration officers along the Niagara borders identified criminally inadmissible persons who sought admission to Canada. Once identified as being criminally inadmissible, it was determined whether the casino was their destination.

The objective of this study is not to measure the impact of casinos on crime but to measure the lure of the foreign criminal element to Casino Niagara along the Niagara borders and to use this information as a possible gauge of potential criminal activity. The inference is that where there are criminals, there will be crime, if given the opportunity.

**THEORY**

Gottfredson and Hirschi (1991) argue that people committing criminal acts merely follow the universal tendency to enhance their own pleasure because of a lack of self-control. It follows that people lacking self-control will also tend to pursue immediate pleasures that are not criminal: They will tend to smoke, drink, use drugs, gamble, have children out of wedlock, and engage in illicit sex. Routine-activities theory takes this notion a step further, arguing that "crime thrives on temptations without controls" (Felson, 1998, p. 50). Simply stated, everyday life offers temptation without adequate controls (such as weak law enforcement presence, targets that are physically unprotected, or absence of conforming peers to help avoid a criminal opportunity). This temptation might be casino games of chance that previously were played in covert, illegal ways by organized crime figures. Without proper controls, legal casino gambling can be corrupted or have its reputation tarnished by the presence of players with criminal backgrounds.

The routine-activities approach suggests that not only will criminals feel the attraction to gambling but that they will also seek victims as they have done in their criminal past. Criminal acts provide immediate gratification of desires, and offenders often see crime as being exciting, risky, or thrilling. This feeling might be enhanced by the excitement and stimuli of a casino. One might expect casinos to lure disproportionate numbers of people with low self-control, who are likely involved in a variety of other low self-control activities such as crime, illicit sex, alcohol use, smoking, and drug use (see Gottfredson & Hirschi, 1991).

## ANALYSIS

Canadian Customs inspectors are responsible for conducting a primary examination of all passengers and pedestrians seeking admission to Canada at the primary inspection line (PIL). As such, customs inspectors ask several questions at the PIL in order to assist them in determining admissibility. Questions such as name of the traveler, residence, purpose of trip to Canada, and length of time staying in Canada may be asked, as well as other questions. Customs inspectors never know what to expect when a vehicle stops for inspection—they may be confronted by someone who has just escaped from prison or abducted a child, someone who does not speak a recognizable language, persons seeking political asylum from their homeland, or a fugitive.

At the conclusion of this initial examination, customs inspectors may admit the visitor into Canada, or they may decide to refer the traveler to the immigration officer for a more thorough secondary examination. Typically, between 1% to 5% of all persons are referred for a secondary examination, a rate that has dropped since the opening of Casino Niagara. Certain visitors must be referred by the inspector (such as a person who refuses to answer questions or a person who has been determined to have a criminal record), whereas other secondary referrals are made by the inspector for strictly subjective reasons, such as a gut feeling or some other observation. Once the customs inspector has referred a traveler to immigration for a secondary examination, the immigration officer makes more thorough checks to determine the admissibility of the traveler. The primary inspector has only a few seconds before deciding whether to refer someone for secondary examination, but the immigration officer is able to be more thorough and will check computer databases before rendering a decision of admissibility. Immigration officers routinely initiate their examination with a request for identification. Acceptable identification is normally a passport, driver's license, or some other piece of identification. Lack of identification is grounds for denial of entry to Canada. Once identified, the officer will check various databases to determine if the person seeking admission to Canada has a criminal history.

Prior to the opening of Casino Niagara, immigration officers conducted examinations to determine admissibility of persons seeking admission to Canada. The opening of Casino Niagara did not change the duties of the immigration officers. The only change was that they were asked to collect another piece of data—they were to attempt to determine the destination of those criminally inadmissible individuals seeking admission to Canada. Destination is always an important part of the line of questioning, but more specifically, they were to attempt to determine if the casino was the destination in Canada.

Figure 2 displays trends in the rate of criminal inadmissibility at the four border crossings in Niagara Falls and Buffalo. It can be seen that the rate of those found criminally inadmissible and denied entry after a secondary examination rose after the opening of Casino Niagara from about 2 per 1,000 persons to about 5 per 1,000 persons during the following year (see the arrow in Figure 2 indicating the opening of the casino). This doubling in the rate of denials of entry exceeds the rate of increase in general border traffic, which as mentioned earlier rose approximately 10%.

Beginning in late 1997, almost a year after the casino opened, the rate of denials of entry increased markedly to about 15 per 1,000 persons. The reason for this rise a full year after the casino had opened is not clear. Possible explanations might include increased tourism in general to the Niagara Falls area (as reflected in increased border traffic), increased advertising by the casino for customers, or greater vigilance and intelligence information available to Canadian immigration authorities in making secondary examinations.

### *A Link to Organized Crime?*

Denial of entry to Canada due to criminal inadmissibility provides an indication of the seriousness of past criminal conduct. Nonserious prior crimes do not necessarily result in denial of entry. In an effort to gauge the extent to which those denied entry had prior involvement in organized crime, offenses characteristic of organized crime were analyzed separately. The threat of organized crime infiltration of casino gambling has been cited as a serious concern, although research and data on this issue are limited (see Albanese, 1995). Organized crime offenses were grouped into three types (Albanese, 1996):

- provision of illicit goods, including sales and distribution of drugs or stolen property;
- provision of illicit services, including illegal gambling, loan-sharking, and prostitution; and
- business-related organized crime, including racketeering, extortion, and offenses related to the infiltration of legitimate business.

Approximately 80% of those denied entry for offenses related to organized crime involved the provision of illicit goods. Drug convictions was the largest single category. Figure 3 illustrates the proportions of criminal inadmissibility cases that involved organized crime offenses.

It is shown that prior to the opening of Casino Niagara (see the arrow in Figure 3), approximately 80% of denial-of-entry cases involved organized crime offenses. This rate dropped to less than 60% in the years since the open-

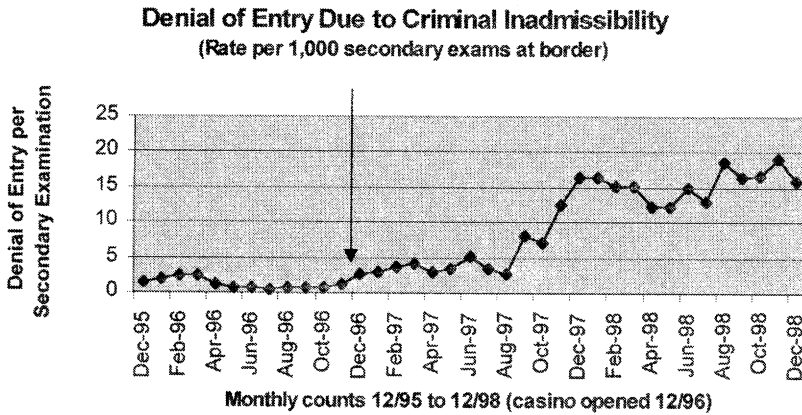


Figure 2: Denial of Entry Due to Criminal Inadmissibility (rate per 1,000 secondary exams at border)

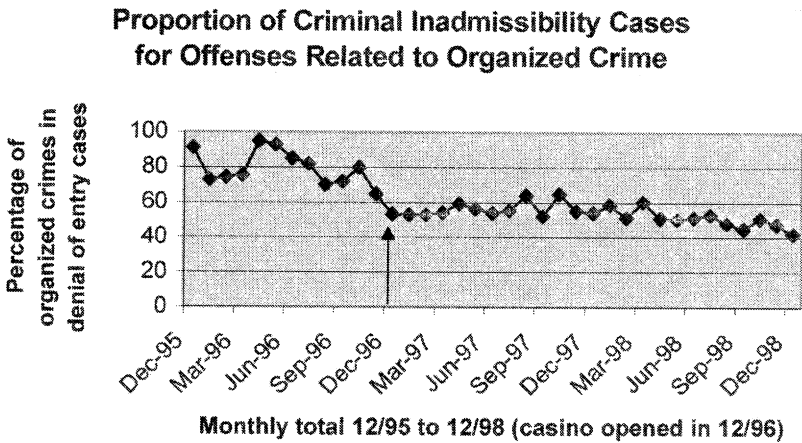


Figure 3: Proportion of Criminal Inadmissibility Cases for Offenses Related to Organized Crime

ing of the casino. Therefore, a smaller proportion of those who were denied entry involved those individuals who had committed offenses characteristic of organized crime. This might be due to vigilance at the border by immigration and customs or at the casino itself that makes it an undesirable destination to those with prior convictions for organized crime-related offenses—so fewer people of this kind attempt to cross the border.

All persons subject to secondary examinations were asked their destination. A small but significant portion of those subjected to secondary examinations at the border indicated that their destination was the casino. There were no significant changes in the number of persons subjected to secondary examinations headed toward the casino since it opened.

### LIMITATIONS

The primary limitation of this study involves the performance of the officers selecting the population. This could be called the human factor. Canada Customs inspectors are in the booths at the PIL examining people as they seek admission to Canada. Customs inspectors have the option of admitting people into Canada or referring them to the immigration officers for further secondary examination. Their decision to refer persons is based on their training, their instincts, and their tools (usually, warnings posted in the computer at the PIL). Some customs inspectors are better than others at referring people for secondary examination. There could be many reasons for the differences between inspectors: Some have had more training or experience, whereas others may have better instincts or be more keen in the performance of their duties. The same may hold true for the immigration officers conducting the secondary examination. Training, experience, and the motivation of the officers may all be determining factors in the quality of the examination of the person seeking admission to Canada. Because this study takes its criminal admissibility data from these secondary examinations, it is an important variable that will undercount the true extent of criminals who attempt entry into Canada.

This study does not account for all the reasons behind fluctuations in general tourism traffic, casino visitors, and those entering the casinos from other entry points or from within Canada (e.g., Toronto). In addition, those at border crossings may lie about their true destination, although immigration officers have interrogation tricks and surveillance to confirm their destination. Finally, staffing levels of the immigration department at the four border crossings were not examined (although there were no significant changes during the period studied). It stands to reason that more criminally inadmissible persons would be discovered when more immigration officers are on duty to do the processing. The fact that secondary examinations have dropped over time as border traffic has increased suggests that staffing levels may not have kept pace.

### CONCLUSIONS AND RECOMMENDATIONS

Casinos may attract a disproportionate number of individuals who have low self-control, and criminals may fall into this category. Gottfredson and

Hirschi (1991) suggest that criminals have low self-control, are impulsive, and tend to engage in activities such as smoking, illicit sex, and gambling. Some of the criminals may be coming to Canada to commit crimes, whereas other criminals may be coming simply to gamble and not to contribute to the crime rate. This question cannot be answered with the data provided here. It can be concluded, however, that the rate of criminally inadmissible persons attempting to enter Canada from the United States, although low, increased after the opening of Casino Niagara. The rate of denial of entry increased more dramatically a full year after the casino opened, but the reasons for this second increase are difficult to state with certainty. More tourists from a broader number of U.S. points of origin are likely to include a correspondingly higher proportion of criminals, but the rate of denial of entry exceeds the general traffic increases at the border.

There was a drop in the proportion of those found to be criminally inadmissible for organized crime-related offenses since the opening of the casino. This unexpected finding suggests that law enforcement and regulatory controls at the border, and perhaps casino policies that deny admission to undesirable patrons, may have some deterrent effect on organized criminals seeking to gamble at the casino (see Farrell & Case, 1995). Intelligence information shared by Canadian, U.S., and casino control authorities will result in higher levels of criminal detection, benefiting both the public and the casino in avoiding victimization and damage to business and tourism reputation.

An important contribution of this study is the provision of systematic information to Canadian immigration officials about trends in the number of criminally inadmissible persons seeking admission to Canada and the precise points of entry most frequently used by criminally inadmissible individuals. This information allows for the strategic placement of immigration officers, provides an awareness of trends in the efforts of criminally inadmissible persons to cross the border, and can form the basis for training officers who perform primary inspections and secondary examinations at the border.

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