

Signature bid over, a pop-up casino campaign in Maine stirs criticism

Written by Administrator

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The effort to get a proposal for a York County casino on the November ballot is expensive, aggressive.

Supporters of a proposed York County casino completed a furious and expensive signature-gathering drive Friday, leaving in their wake a string of complaints about their methods and compliance with Maine's referendum law.

It's not yet known if the petitioners hired by the Horseracing Jobs Fairness committee succeeded in gathering the 61,123 signatures needed to qualify for the November ballot. Friday started the 10-day clock for town clerks to certify petition signatures, which have to be submitted to the secretary of state by Feb. 1 for final review.

Leaders of the committee, which launched the campaign in mid-December without the publicity typical of ballot drives, have not responded to multiple requests for comment. State records show that the committee hired Olympic Consulting, a Lewiston firm led by former state legislator Stavros Mendros, to gather the signatures, paying more than \$117,000 over a two-week period. He declined to comment last week on whether the drive was successful.

Mendros, who pleaded guilty to petition irregularities in 2007, the unorthodox campaign and its tactics have all drawn scrutiny and criticism from state lawmakers, casino opponents and competing gambling interests. Although it's not unusual for high-priced, contentious ballot campaigns to come under scrutiny, the casino bid is unique because it seeks to benefit one man: Shawn Scott, a gambling operator who cashed in and quickly departed Maine after bringing gambling to Bangor in 2003.

The proposal would authorize Scott to apply for a license to operate slot machines and table games at a facility at an unspecified location in York County. It would exempt the operator from a state law that prohibits a casino from opening within 100 miles of existing casinos or slot machine facilities. There are currently two casinos in Maine: Hollywood Casino in Bangor and the Oxford Casino. The bill also would raise the state limit on the number of registered slot machines from 3,000 to 4,500.

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'DISREGARDING MAINE'S LAWS'

Rep. Louis Luchini, D-Ellsworth, is co-chairman of the Legislature's Veterans and Legal Affairs Committee, which drafts and reviews state election laws. He has criticized the casino campaign on several occasions, most recently for its failure to report the names of its petition circulators with state election officials.

"To me, this group seems to be blatantly disregarding Maine's laws, particularly with the reporting of (petition circulators)," he said. "We put these laws in place to ensure the integrity of the citizen initiative process."

He added: "It's unfortunate when big out-of-state interests come in and buy a law that's favorable for their own company. That's why we passed a law to have some accountability in the process."

Although Scott's name may no longer be familiar to many Mainers, his handiwork should be.

Scott was the man behind the 2003 referendum campaign that led to Maine's first combination horse racetrack/slots casino – or "racino" – on Bangor's Main Street. And in turn, that deal made Scott a much wealthier man.

In the year before the statewide referendum, Scott paid an estimated \$1.1 million to purchase a majority share in the Bangor harness racing track and then financed much of the \$1.5 million campaign to pass the ballot question. He also spent an estimated \$90,000 on a separate local initiative to gain Bangor voters' approval for slot machines in their city.

Two months after his ballot box gamble – the first statewide gambling initiative to pass muster with Maine voters – Scott cashed in his chips, big time. He sold the Bangor Historic Track and the racino rights to Penn National for an estimated \$51 million. Penn National still operates what is now Hollywood Casino, the first of two full-fledged casinos to open in Maine.

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Scott and his gambling dealings in other states were the subject of considerable scrutiny before he sold his Bangor interests to Penn National in January 2004, however.

A December 2003 “suitability investigation,” which was required under state law to check the background of racetrack owners, criticized Scott for not cooperating fully with the investigators and providing all of the requested financial documents.

The report, authored by Maine Harness Racing Commission executive director Henry Jackson, also said Scott and his companies were involved in 37 lawsuits in four states over an eight-year period. It also raised concerns about the lengthy criminal record of one of Scott’s business associates.

OPPOSITION IS EXPECTED

Scott has owned casinos in Nevada, operated gambling terminals in several states and owned horse racetracks in New York and Louisiana.

He is now listed as vice chairman and director of business development for Bridge Capital LLC, an international investment firm based in the Northern Mariana Islands that specializes in “high-yield real estate secured lending” and “distressed debt acquisition and restructuring.” One of the company’s apparent specialties is investing in gambling facilities.

Scott’s involvement in the York County casino proposal has generated widespread speculation about his motives.

If his referendum reaches the ballot, it will likely draw organized opposition from established gaming operations in Oxford County and Bangor seeking to protect a combined net revenue that totaled \$106 million in 2015. A new casino could also compete with a separate legislative proposal to establish a resort-style casino and racetrack in York or Cumberland County.

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The resort proposal is currently stalled in the Legislature after a rough-and-tumble battle last year. Paid advocates from Penn National Gaming, Ocean Properties, Cianbro, the Maine Christian Civic League and Scarborough Downs lined the State House hallways to lobby lawmakers on the resort, producing a legislative stalemate. The battle could resume this session.

Scott appears neither on the proposed referendum legislation nor campaign finance reports. However, the proposal that Maine voters could be asked to ratify in November is written in such a way that he's the sole beneficiary.

To this point, his sister, Lisa Scott, a Miami resident, is the campaign's sole financier. She contributed \$150,000 to the campaign over a two-week period in December, according to the most recent finance report. Her contributions, and the campaign's expenditures, are expected to climb much higher when updated campaign filings are reported in April.

That's because nearly all of Lisa Scott's donations have financed an expensive signature-gathering effort scrambling to meet the Feb. 1 certification deadline.

Ballot drives are often expensive, taking up to a year, if not longer, as campaigns organize volunteers and activists to gather signatures. Past referendum campaigns have successfully shortened the time to gather referendum signatures by using scores of volunteers and paid signature gatherers. Horseracing Jobs Fairness, however, has attempted the campaign equivalent of achieving warp speed, trying to gather more than 61,000 signatures in a little more than 30 days with what appears to be strictly a paid-signature collection effort.

Mendros' firm, Olympic Consulting, has been the primary beneficiary. The campaign has also paid \$15,000 to Silver Bullet Group Inc. to assist the signature drive.

Maine campaign finance reports list a Wyoming address for Silver Bullet, but corporate filings trace the firm to Las Vegas, Nevada. The Vegas company's website touts its ability to collect ballot signatures quickly. Among its listed achievements, gathering 1.2 million signatures in 60 days for two 2012 ballot initiatives in Michigan and 2.8 million signatures in 49 days for a California gaming referendum that utilized a "unique bonus system."

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AGGRESSIVE PETITION CAMPAIGN

The firm's website does not mention a 2015 ballot drive in Michigan to overturn the state's prevailing wage law. Silver Bullet was paid \$1 million by a construction trade group heading the repeal campaign. The campaign submitted over 388,000 signatures, but only half proved to be valid. A review of the signatures showed that many came from unregistered voters, over 8 percent were duplicates, four people signed as many as 10 times and 18,767 people signed twice.

The pro-labor group defending the prevailing wage law also accused petition circulators of lying to Michigan voters about the intent of the ballot question.

Horseracing Jobs Fairness has faced similar accusations. Last week Bangor City Councilor Ben Sprague described what he called a petition circulator's "dishonest tactics" on his Facebook page . Sprague said that when he asked to read the proposed legislation, the circulator walked away.

Casino petition circulators were also stationed at the Capitol complex in Augusta. One petitioner approached a reporter asking if he wanted to support "education funding and veterans." When the reporter identified himself and began asking more questions about the proposal, the petitioner declined to answer or give her name.

"I can't talk to the press," she said.

Circulators from as far away as Oregon boasted on a Facebook message board dedicated to signature gatherers that Maine "was worth the time," receiving between \$7 and \$10 per signature and "pros" earning between \$1,000 and \$2,000 per day with all expenses paid. On Friday, after the Maine operation ended, a man from West Palm Beach, Florida, offered to help book flights for stranded circulators hoping to work on ballot campaigns in California.

The campaign has generated complaints to the Maine secretary of state that the signature

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collectors are overly aggressive, dishonest or both.

Kristen Schulze Muszynski, a spokeswoman for the secretary of state, said the agency's consumer division has fielded roughly a half-dozen email complaints about petition circulators, which she said "is in the ballpark" for other ballot drives.

SECRETARY OF STATE WEIGHS IN

Secretary of State Matt Dunlap said there's no law against deception while collecting petition signatures.

"It's a First Amendment issue. This comes up whenever there's a controversial initiative," he said. "In terms of the behavior of circulators we have no method to police that. We have had a lot of complaints. But at the end of the day, you're the voter, you're the one who has the option to sign it. If you sign something and you can't read it – they won't let you read it – then it's kind of on you."

He added: "Don't sign something you don't agree with or you feel you've been misled about. Walk away."

Critics of Horseracing Jobs Fairness acknowledge that the campaign isn't breaking the law if it's misleading voters. However, Luchini, the Ellsworth lawmaker, said the group did violate state law when it failed to report the names of its circulators to the secretary of state when they began gathering signatures.

A Maine law enacted last year requires ballot campaigns to disclose the names of petition circulators before they start gathering signatures. The law was a response to concerns that out-of-state pitchmen for a bear-baiting referendum were circumventing a Maine law requiring that petition circulators are Maine residents.

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According to secretary of state records, Horseracing Jobs Fairness did not list its circulators when it filed its intent to circulate petitions on Jan. 11. It updated its filing on Wednesday after Luchini went public with the violation, notifying state election officials.

The filing appears to be incomplete, as the names of circulators are listed alphabetically on a list that ends with names beginning with the letter "L."

Dunlap said it's up to the Office of the Maine Attorney General to determine if the late filing violates state law. However, he said the law may need to be strengthened to penalize campaigns for filing late.

"The intent of the law is clear," he said.

Staff Writer Kevin Miller contributed to this report.

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