

TO: The Honorable Senator Chuck Riley
Senate Committee on General Government and Accountability

May 9, 2017

FROM: Michel Savage

SUBJECT: House Bill 2190 regulation of social gambling.

My name is Michel Savage. I am an Oregon citizen residing in Lane County, 7 year acting member of the PGAC and problem gambling programs, and previous Senior card dealer for social gambling clubs.

My testimony on this issue is a serious matter, and addresses the public health and safety on a level from inside the social industry. Of note that currently the State of Oregon does not retain a bona-fide **Gambling Control Commission**; which by its absence has allowed the unchecked influx and spread of organized crime through embezzlement and racketeering operations performed under the innocent guise of "social gambling" and resulting state and federal labor law violations.

As a testifying witness recorded in Lane County Courts / Eugene PD / US Dept of Labor*:

- Private citizens and business owners have used their properties as fronts to run illegal gambling dens to collect undocumented and untaxed funds for profiteering with intentional evasion of standing regulations.
- Such illicit operations lead to tax fraud, loan-sharking and assaults on participating patrons.
- Director of the Salem FBI will inform you that Criminal Cartels and the Mexican Mafia have already embedded themselves in this state due to lax gambling laws because virtually NO enforcement exists.
- Due to the amount of revenue that is concealed in these dealings, the State is drained of millions of dollars in lost revenue to such criminal enterprises.

In my court cases, the Owner of a Night club was running an illegal gambling operation with card tables that were publicized as "social gambling" whereas a rake was underhandedly taken from the tables. With merely (2) two tables alone the sum was +\$50,000 yr in undocumented cash revenue and abused unpaid labor to collect said illegal funds. Without State oversight or enforcement, this owner expanded his illegal operation to (8) tables, in continued violation of US Labor laws he was charged with for using undocumented & unpaid labor to commit this extortion in order to evade liability.

Furthermore, in an attempt to silence the whistleblower, they advertised and paid hired thugs with instructions to 'break my legs' to silence me from testifying. Furthermore, it was discovered that the conspirator in this illegal operation had a family connection to the upper administration of our local Police Dept, which was the suspected source of granting leeway for turning a blind eye while continuing to allow the illicit conduct to continue for years until their liquor license was eventually pulled from escalating reports. Unfortunately, this finality resulted in dozens of law-abiding employees losing their jobs who had nothing to do with the illicit operation and the exploitation of unpaid staff due to the criminal conduct of the Owner and his partner who solely profiteered from the illegal gambling den.

I strongly suggest that the Senate Committee should research the facts as to why the State of Washington enacted its gambling commission in 1973 after wave of corruption was unearthed throughout its state officials and police dept for accepting bribes from illicit gambling. Black Market gambling exists today in this State and is a real and serious threat to the health and safety of our own Citizens.

- 1. State regulation must be maintained without the presence of a Law Enforcement Gambling Commission, because of the draw of corruption has proven to be great in this industry. Such a State Commission would pay for itself through permit fees, and further add to the state funds and licensing would hold offenders accountable for criminal offenses and tax fraud.**

* Case numbers for each of the recorded legal cases of file can be forwarded upon request.
Thank you for time and consideration of this bill.

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