

'Backdoor Casinos' Popping Up In Illinois

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In recent months, Illinois gaming regulators publicly railed against what they called “backdoor casinos” — commercial areas with multiple video gambling parlors — yet they have signed off on licenses creating such “mini” casinos.

In November, the Illinois Gaming Board, the state agency regulating casinos and video gaming across Illinois, approved a video poker and video slots license to the owners of Macho Taco in south suburban Justice, making the business the third video gambling location in the same small strip mall. That approval came less than two months after the gaming board denied three gambling licenses in Hometown because the businesses wanted to operate in the same shopping center.

A lawsuit brought against the gaming board for that decision in Hometown noted the state agency previously approved multiple gambling venues under the same roof elsewhere, including Downstate Champaign and west suburban Villa Park.

“There are dozens, if not hundreds, of sites,” the lawsuit contends.

Gaming board members don’t deny there are multiple video gambling locations sharing the same block or building.



“The distinction is: If we know there’s a plan to create what we consider a mini casino, there’s not going to be support for it,” gaming board chairman Donald Tracy said in an interview. In a gaming board meeting last year, Tracy criticized such clusters of licenses as “backdoor casinos.”

The Macho Taco gambling license was granted by the gaming board as part of a slate of more than 100 other applicants from around the state. Only gaming board member Thomas A. Dunn, who opposes the expansion of video gambling, voted against the list of new applicants. An early proponent of riverboat gambling in Illinois, Dunn said he believes the video machines are hurting casinos.

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“There are 5,200 places in the state” with video gambling licenses, Dunn said. “Pretty soon we’ll have one in every bathroom.”

Video gambling was made legal in 2012 for Illinois bars, restaurants and other places that pour liquor. Liquor licenses are awarded by liquor commissioners in municipalities – oftentimes the mayor – and the gaming board must sign off on video gaming for these businesses. The law created a rush for local liquor licenses and state approvals for video gambling, even if the businesses aren’t traditional bars. On either side of Macho Taco in Justice, there’s a cafe with video poker, Elsie’s, and Duett Bar, which also has gambling machines.

Justice Village President Kris Wasowicz, who also serves as his town’s liquor commissioner, said there was no plan to create a mall dedicated to gambling. “Absolutely not — no way,” he said.



Justice Village President Kris Wasowicz is also his town’s liquor commissioner.

The Village of Justice collected almost \$145,000 from gambling taxes last year from 10 establishments operating 48 video gaming machines, according to state records. Still, Wasowicz said he was indifferent about adding more gambling in his village.

“We control the liquor licenses and eventually the [gaming] board decides whether they get gambling or not,” he said.

The mayor of Hometown is much more of a proponent for bringing additional

gambling to his town. With very little commerce in the south suburb of about 4,300, Mayor Kevin Casey promoted the idea of a strip mall with as many as nine storefronts with video gambling machines. Initially, three businesses applied for licenses, which were all shot down by the gaming board in September. They would have joined an existing business in the same Hometown mall already licensed for video gambling.

"I have a town that has a high unemployment rate," Casey said. "This would've been a place creating 30 or 40 jobs."

In December, the mall developer and two of the businesses seeking video gambling licenses in Hometown sued the gaming board in Cook County Circuit Court saying the board illegally denied the licenses. The suit is pending.

Tracy said the Hometown mall would have effectively been a casino. As to the intent of the law allowing video gambling, state lawmakers could revise language to be more precise, potentially warding off lawsuits like the one brought due to the Hometown mall. "It's just a little too bare bones," Tracy said of the law's wording.

Dunn, a former state lawmaker, was more blunt: "The legislation was very poorly drafted."