

Gang Activities

CHINESE GANGS

AND GAMBLING

By Deputy William G. Howell

In the past several years, California has become one of the hottest areas in United States for gambling. As of January of 1992, there were 282 licensed card clubs and casinos in the state. Many of these establishments have assumed the appearance of the Las Vegas casinos by imitating their ambience and entertainment.

The passage of U.S. Senate Bill 555, the Indian Gaming Regulatory Act of 1988, was a major catalyst in the expansion process to designate as "Indian Lands" any land once inhabited or utilized by Indian tribes. Los Angeles County, for example, could be a prime area for exercising the provisions of this bill, as well as providing a virtually inexhaustible gaming market.

Gaming, very simply put, is big business. Its potential growth factor is incalculable and seems limited only by ideas advanced by its promoters. Politicians are aware of the gaming revenue generated by clubs, estimated at \$10 million annually, and in some cases have introduced assembly bill initiatives to expand the gaming industry. Examples of this expansion include sports betting and lottery games tied to horse racing.

The increase in gaming activity in California can be attributed to the

introduction of Asian gambling during the mid-1980s, with games such as Pai Gow poker and Pan-9. But the true success of this industry is actually due to the participation of the Asian gambler, often referred to as the "Golden Goose." In their unremitting quest for instant wealth, Asian gamblers have dramatically and swiftly reversed the fortunes of more than a few California casinos. Because of these Asian gamblers, many of whom are recent immigrants, the profits of many card clubs and other gaming businesses are believed to have tripled.

Many casinos in California are so successful that special rooms or sections have been constructed to accommodate Asian gamblers. In some cases, these special sections doubled the size of the casinos. They also created a protective domain that has yet to be penetrated by

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law enforcement or club security. In addition, the special rooms created a shield that has been, and continues to be, indulged by casino management. In general, the hands-off policy of the industry can be described by the following phrase: "Don't mess with the Golden Goose!"

The gaming industry is currently riding an unprecedented growth pattern in the

United States, especially in California. Gaming concerns are now considered legitimate businesses. With changing morality and the government's insatiable need for cash revenues, resistance has softened in areas which were once impossible jurisdictions for gaming. California has become organized crime's major target for exploring both legal and illegal gaming enterprises. California has some of the richest money games and boasts the highest limited action of anywhere in the world.

In the latter part of 1991, Senate hearings were conducted to explore the influence of Asian organized crime in the United States. Gambling was found to be one of the main activities of Chinese crime groups, and gambling profits fueled many of their other criminal activities. Criminal Tongs appeared to be at the center of this activity, as well as their affiliated gangs.

There are estimated to be nearly 200 illegal Asian underground gambling houses in Los Angeles County. Most are controlled by Chinese criminal groups.

Sport book operations are also a major activity, generating revenue calculated to be somewhere between \$100,000 to \$300,000 each week. Gambling activity cuts deeply into most Asian communities. Some clients are high school students who

seven days on the original amount. Other criminal activities directly related to gambling include money laundering, extortion, home-invasion robberies and homicide.

The legalization of gambling may be a possible answer to chronic difficulties with government budgets, especially since the annual estimated expenditures for the gaming industry in the United States approach more than \$3 billion. However, the presence of gambling, with the implicit complications of organized crime and the illegal activities it spawns, may prove impossible to control.

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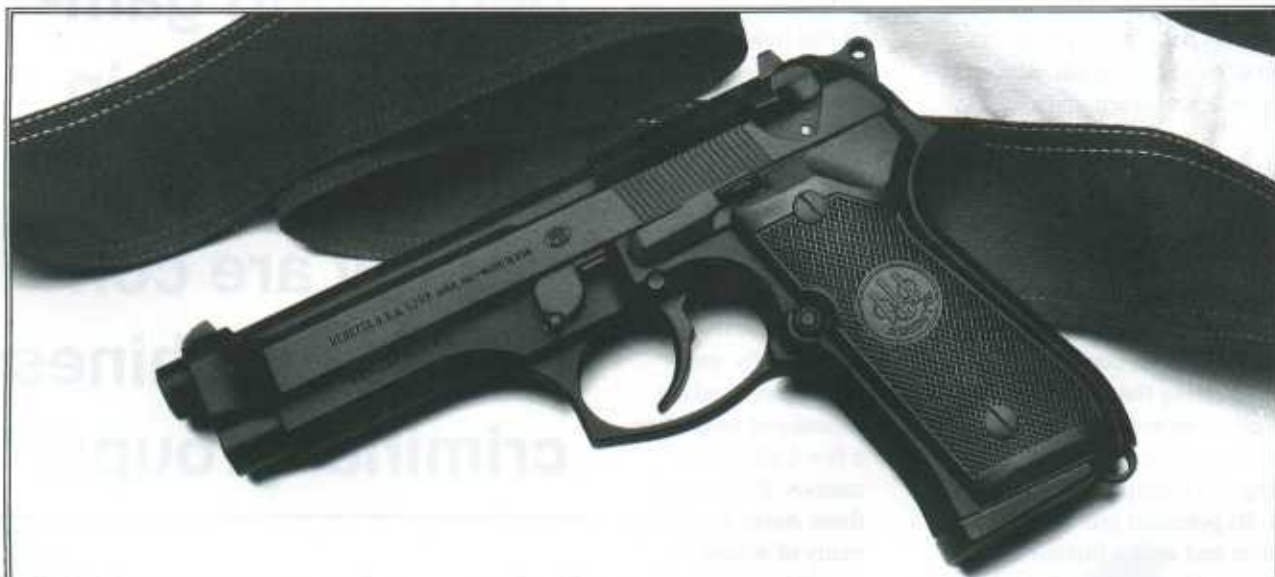
find themselves so deeply mired in debt that they are forced to flee the country to avoid death.

Loansharking is another major source of gambling income. Rates from different loan-shark operations vary greatly. Some are as low as 4 percent per month. Others are as high as 10 percent every three to

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