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Video gambling long a fixture of bars, bingo halls, |

By **KEITH ROYSDON**
kroysdon@muncie.gannett.com

MUNCIE -- Bars. Bingo parlors. Fraternal lodges. Even a pizza joint.

All have been home in recent years to video gambling machines in East Central Indiana.



In June 2004, the deputy commissioner of the Indiana Department of Revenue expressed frustration at the widespread presence of video gambling machines in East Central Indiana and especially Delaware County.

Larry McKee noted that it was common for area bingo halls -- which are licensed by the state -- to operate at a loss or with little profit.

Why? So gamblers could play video gambling machines, usually located in rooms adjacent to the bingo hall and, ostensibly, owned by people with no connections to the legal bingo operators.

"I call it the bingo Bermuda Triangle," McKee told The Star Press. "Things are run differently in an area from Indianapolis to Fort Wayne to Richmond.

"They're taking a loss in bingo in order to lure people in to play the machines," he added.

A former legislator told The Star Press in early 2005 that as many as 7,000 Indiana bars had the video gambling machines.

Monday's raids on East Central Indiana bars and series of arrests -- including bar and machine owner John Neal -- marked the latest skirmish in an ongoing but sporadic war between authorities and the video gambling industry.

Authorities said they seized more than \$1 million from Neal's rural Delaware County home -- a little more than the \$970,000 seized when the former

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Teamsters labor leader was arrested in 1996 -- but even before, there had been little doubt that a lot of money regularly passed through video gambling machines.

As far back as the 1990s, machine operators told reporters that a single machine in a good location could bring in \$1,000 a week.

That income is mostly unaccounted for and untaxed. In lobbying for the legalization and regulation of the machines, the Indiana Licensed Beverage Association cited a 2003 study that estimated the machines could generate \$300 million in year in tax revenue for the state.

Monday's raids come just as the beverage association begins a series of public meetings to solicit comment -- to be forwarded to state legislators -- in a renewed effort to legalize the machines. Some newspapers have editorialized in favor of the proposal.

Not a priority

Video gambling machines were mainstays of area bars and lodges by the early 1990s. The Cherry Masters and other machines -- often marked "for amusement only" -- were favorites of gamblers who fed in bills and hoped to accumulate high numbers of points. Players could "cash out" their point totals with bartenders, but often let the total ride to extend their play. It was not uncommon to see "hold" signs on machines awaiting the return of a particular player.

Players insisted the machines were games of skill, citing buttons they could push to stop or slow video versions of rolling, slot machine-like bars. But authorities maintained that skill was not involved, noting that the machines could be set to "pay off" at varying percentages of times played.

In the early 1990s, Delaware County Prosecutor Richard Reed raided one bingo hall operated by out-of-state players, who had taken over the game and locked out the local operators.

But Reed points to the 1997 trial and acquittal of two local video gambling operators as proof that Delaware County residents -- or at least the ones who served on that particular jury -- did not object to the machines.

Reed was not alone in his attitudes. The Courier-Journal of Louisville reported in 2005 that other Indiana prosecutors said video gambling was not an important issue to them.

Way to survive

By the early 2000s, the machines were an "open secret" in East Central Indiana bars, bingo halls and fraternal organizations. At Muncie's Leader Bingo in June 2004, the machines were not available in the bingo hall itself -- but about 50 machines filled a room adjacent to the hall.

When state officials suspended the bingo license of Seville Senior Citizens in 2004, the group complained to the state that "Numerous clubs, including licensees of the department, have operated allegedly illegal gambling machines and the department has not imposed such a severe sanction on them."

State revenue officials did sometimes crack down on bingo halls with video gambling machines, which might have prompted the spread of the machines to other venues.

In early 2005, an East Jackson Street pizza restaurant opened -- advertising itself as the home of the "Triple Cherry Room" -- and featured video gambling


machines. The owners of the building, including Neal, removed the machines after a Star Press article.

The impact of the machines' removal from bars is uncertain. Some people have, over the years, insisted that profit from the machines can keep a lodge or bar in business.

In early 2005, then-State Rep. Tiny Adams -- who favored legalization and taxation of the machines -- said that the machines provided valuable revenue to 7,000 bars and taverns around the state.

"Almost every place has the machines," said Adams, who died last December. "That's the only way they can survive."


Contact news reporter Keith Roysdon at 213-5828.

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"QUOTE"I dont agree with tax evasion stemming from the illegal receipts from video gambling. Why not make them legal? Probably because it would be difficult to account for it for reporting and people would lie also

No it would not be difficult to report, the motherboard of the machines tells all. They keep a total of everything, all the owner (of machines) would do is report the figures and pay the taxes on the amount the machines brings in. I'm sure some owners would be untruthful about the revenue, but then those charges would be brought on only to the owner of that business not the entire county as we are seeing now. Thats how I see it, but thats just my opinion. I sure its probably a little more involved than that but it could be done. Taxes on these machines could bring in so much revenue for our county and state.

Posted: Wed Sep 20, 2006 5:57 am

 yall should know that johnny boy will be back as always, HE CAN'T BE STOPED NOT FOR LONG ANYWAY.





Posted: Wed Sep 20, 2006 5:12 am

  This is the home of the free if someone wants to waste there money in a cherry master then so be it.this country is turning communist.People work for there money and no one has the right to tell them how to spend it

Posted: Tue Sep 19, 2006 3:35 pm

I dont agree with tax evasion stemming from the illegal receipts from video gambling. Why not make them legal? Probably because it would be difficult to account for it for reporting and people would lie also. What I think is a joke, is that everyone knows it is illegal and at least in Delaware County, officials have chosen to overlook it. Fine, then leave it alone.

Posted: Tue Sep 19, 2006 3:25 pm

You can legally go into a store a buy cigarettes!! Just try smoking them any where in Delaware county!!!    

Posted: Tue Sep 19, 2006 1:32 pm

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Originally published September 19, 2006

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