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Seeking New Sources of Money, Charities Get in on Poker Craze

By JODI RUDOREN

ARLINGTON HEIGHTS, Ill. — Tucked behind a Target store and sharing a strip mall with a dry cleaner and a hair salon, Mr. Peter's Banquet Hall is about as removed from the neon lights of the Las Vegas Strip as anyplace in America. But the drab digs were abuzz one recent weekday with the sound of riffing poker chips — nearly \$58,000 worth — as 478 players bet and raised, bluffed and folded.

Mike Long, a salesman from nearby Elk Grove Village, left in time for supper, up \$100.

When the doors closed at midnight, the National High School Gymnastics Coaches Association, the nonprofit group behind the makeshift casino, was up \$3,820.42.

"I won — and I did my contribution," said Mr. Long, who wore aviator sunglasses at the poker table like many professionals on television do. "You feel good walking out."

Rushing to cash in on the Texas hold 'em craze, charities from local churches and community groups like the one here to giants like the Susan G. Komen Breast Cancer Foundation and the Cystic Fibrosis Foundation are using poker events to raise money, in some cases ignoring state laws that outlaw such gambling.

In Pennsylvania, for instance, playing cards for profit is not allowed, yet gamblers can find games five nights a week in the Pittsburgh suburbs, like the one on Wednesdays at the Wilkins Township Italian Club, where 90 percent of the \$50 buy-in goes to winners and 10 percent to the Komen foundation.

The new events are proving so lucrative that some states are considering legalizing them.

But they are also provoking a backlash, as critics raise questions about the propriety of the nonprofit world splitting the pot with gamblers. In the past, black-tie charity gambling galas did not use real stakes.

"What you have is charity giving a positive veneer to an activity that may not be all that positive for many of the people that participate," said Rick Cohen, executive director of the National Committee for Responsive Philanthropy, a watchdog group. "It doesn't look good, feel good or smell good when charity is raising money not because of the charitable intent of people, but in a sense because of their weakness."

For the charities, poker is a path to new pockets, attracting people otherwise unlikely to support their cause, with a guaranteed take from every deal. For the players, the charity angle is a means to an end, as the events — in bars, American Legion posts, even schools — fill the gambling gap between low-key home games and far-away casinos.

"It's not that they're there to support the charity, they're there to do their favorite pastime," said Jim Kasputis, president of the Rockford Charitable Games Association, which ran the game here and expects to have an average of five events a week in the area by March, up from two a week in 2005. "They could care less if it's the N.A.A.C.P. or the Ku Klux Klan; they're coming to play."

But if many charities, including some that support youth programs or fight substance abuse, see poker as a sure bet, some critics worry that it could be harmful to their missions, let alone illegal in some states.

Highly publicized charity tournaments promising large cash prizes in Houston, to benefit the Komen foundation, and in San Jose, Calif., to build a children's area in a public library, were canceled last year after warnings from law enforcement, and in November officers raided a game at a club in Baltimore, confiscating \$25,000 and arresting 15 people.

A spokeswoman for the Komen foundation said that affiliates were not allowed to use poker to raise money but that the group was frequently named the beneficiary of such events by third-party sponsors.

Rather than crack down, lawmakers in California, South Dakota, Virginia and Texas have introduced bills to legalize and regulate charity poker games, responding to pressure from groups like the Fraternal Order of Police that are eager to share the spoils.

Delaware, Maine and Oregon passed laws embracing charity poker last year, and officials in Washington State and Minnesota said they expected rules there to be relaxed as well.

Charitable gambling began to take off in the 1980's with bingo. Some states allowed casino-style fund-raisers, but they remained rare because games that were popular, like blackjack and roulette, were risky for charities since they involve players betting against the house. Demand dwindled further with the expansion of riverboat and Indian casinos during the 1990's.

Then Texas hold 'em, in which each player gets two cards face down and five common cards are dealt face up between rounds of betting, burst onto the scene. While commercial casinos often hesitate to trade lucrative slot machine space for low-profit poker, the game is an ideal fund-raiser because charities can collect a steady stream of money through the ante.

In the world of charity fund-raisers, poker, it seems, is the new golf.

"Everybody has a golf tournament; it's so watered down, you're going after the same sponsor, the same companies," said Mike Shumard, special events director for the Southern California chapter of the Cystic Fibrosis Foundation, who has raised \$100,000 from 10 poker tournaments since last February (only the events in card rooms, which are legal in California, offer cash prizes).

"You approach a sponsor with a poker tournament, it's something new and hip," he said. "It's really the cool thing out."

Indiana issued 316 charity gambling licenses last year, up from 177 the year before. Gambling events in Michigan more than doubled, to 1,389, from 2004 to 2005. In Louisiana, Michael

Legendre, director of the charitable gambling office, said he used to license four or five events a year; now it is seven or eight a month.

Annie Van Bebber has been getting so many queries about charity poker tournaments on her Web site, FundRaisers.com, that she is building a how-to resource page to be unveiled soon.

Many charities draw crowds by offering the winner a coveted seat at the World Series of Poker, worth \$10,000. In Chicago last October, few who paid the \$200 buy-in had heard of the sponsors, Christopher House, a low-income family resource center, and FireWorks for Kids, the foundation affiliated with the Chicago Fire, the professional soccer team.

"It opened up a new world of people to us," said Jessica Yavitz, executive director of FireWorks. The event netted about \$10,000, twice what the two groups used to raise with a five-kilometer race.

The gymnastics coaches sponsoring the event here in the Chicago suburbs used to hold a "shop and share," earning 2 percent of what athletes' parents spent at the local supermarket. "We did all this work, and it generated zero money," said Eric Liva, a coach at Elk Grove High School and a member of the state and national associations' boards.

The Ken-Rock Community Center in Rockford, Ill., lost \$50,000 in United Way funds last year, a severe hit to its \$200,000 annual budget. But four poker tournaments — the state's annual limit — of 500 players paying \$60 for a shot at the World Series brought Ken-Rock \$60,000.

"Poker players are going to play anyway," said Brad Lewis, who is on Ken-Rock's board. "Might as well have that money go to something good. In a home game, it's going to go into someone's pocket."

But Arnie Wexler, a recovering gambling addict, said it was not that simple. "If you opened up a house of prostitution in downtown Chicago, people who never cheated on their wives would eventually go there because all of a sudden it's legal," he said. "You now have a new breed of people gambling who never gambled before because of these charity things that are right in their neighborhood."

Jack Knapp, executive director of the Virginia Assembly of Independent Baptists, said the people pushing to legalize charity poker "want the skimmings; they're not really concerned about charities."

"Any charity that is worth supporting, the American people will support, and I don't think they need to resort to these other things," said Mr. Knapp, who is among the leaders of the opposition to the Virginia bill to legalize charity poker.

States that already sanction charity poker — and collect revenue from it in taxes and fees — have a range of restrictions, generally trying to prevent de facto casinos by limiting the number of events, the size of bets or the maximum winnings. In Washington State, only those who have been members of a sponsoring organization for a year can play. The legislation that the California Assembly recently approved requires that 90 percent of the proceeds go to the charity.

But gamblers here have easily skirted the Illinois rule barring players from walking out with more than \$250 by buying chips from one another rather than going to the bank, and they sweetened the action by making side bets on who would be the last out in each round.

Inside the 10,000-square-foot banquet hall, most of the men playing — and it was mostly men — had no idea which charity was taking the rake, unless they kept their receipts on the way out to file for a tax deduction. The gymnastics coaches brought no posters advertising their good works and made no announcements about how the profits would pay for the state's best performers to travel to the national meet in St. Petersburg, Fla.

Mr. Kasputis has a 10,000-member mailing list, and the room was filled with regulars familiar with one another's bluffing tendencies.

"I would play at a house game or wherever the action is," said Mike Guzaldo, 59, who manages a school bus yard and lives in Des Plaines, a 15-minute drive from here but an hour from the closest casinos with poker rooms. "I say it's for the children, but I'm kidding — I don't play poker for charity. It's the only game in town."
