

1 CHAIRPERSON JAMES: With that, let's get started. I
2 think one of our longest chapters with the most significant edits
3 is up first, and that's Problem and Pathological Gambling. Who
4 will own up to defining that one?

5 COMMISSIONER McCARTHY: I will own up to that, Madam
6 Chair, Members of the Commission. I attempted in the proposed
7 language before you to reflect the research done by the National
8 Review Council that the Commission authorized. In trying to give
9 some clarification to several terms that the public really uses
10 interchangeably here; pathological gambling, addiction,
11 dependency. That's what you see before you there.

12 Actually a lot of this language reflects almost
13 literally what I found in the critical review done by the National
14 Review Council.

15 CHAIRPERSON JAMES: May I suggest that we take them one
16 at a time? I think you have three on that page?

17 COMMISSIONER McCARTHY: No, actually this is all -- is
18 this the page that we're looking at?

19 COMMISSIONER KELLY: It replaces a bunch of stuff, but
20 I --

21 CHAIRPERSON JAMES: It replaces.

22 COMMISSIONER McCARTHY: This is not three separate
23 proposals. This removes the language that I've signified at the
24 bottom, but I don't present this as three separate proposals.

25 CHAIRPERSON JAMES: You want to do it as one?

26 COMMISSIONER McCARTHY: Yes, it's one continuing.

27 COMMISSIONER WILHELM: I would just make the
28 observation, Leo, that the footnotes in this page, particularly
29 because in the fifth paragraph there's a long quote which is

1 unattributed to anybody.

2 COMMISSIONER McCARTHY: That's fine. That would be
3 NRC.

4 COMMISSIONER WILHELM: That's fine, I just thing --

5 COMMISSIONER McCARTHY: I think that's a great idea.
6 We should footnote this.

7 CHAIRPERSON JAMES: The engage in destructive.

8 COMMISSIONER LANNI: What does that begin with? I want
9 to make sure I have it.

10 COMMISSIONER McCARTHY: About 20 percent of Americans
11 do not gamble at all.

12 CHAIRPERSON JAMES: Terry?

13 COMMISSIONER LANNI: No, I just wanted to be sure I was
14 looking at the proper document. I am now looking at it.

15 CHAIRPERSON JAMES: Are you offering this as a motion?

16 COMMISSIONER McCARTHY: Yes.

17 CHAIRPERSON JAMES: Is there a second?

18 COMMISSIONER WILHELM: Second.

19 CHAIRPERSON JAMES: It has been moved and seconded.
20 Ready for discussion. Is there any?

21 COMMISSIONER LANNI: I have some comments, yes. Some
22 questions. In the first paragraph it talks about 20 percent of
23 Americans do not gamble at all, and most gamblers do so for social
24 or recreational reasons without evidencing any apparent negative
25 consequences. But there remains the world of pathological and
26 problem gamblers, the consequences of whose gambling has now only
27 becoming understood.

28 Again, I think the language that we used yesterday, I
29 mean, the fact that just 20 percent of gamblers don't gamble at

1 all, I have no problem with that. I think that was the NRC
2 number, wasn't it?

3 COMMISSIONER McCARTHY: Yes. This paragraph is from
4 the NRC.

5 COMMISSIONER LANNI: But if you take a look at that
6 also --

7 COMMISSIONER McCARTHY: Except for the last sentence.
8 The first sentences are from the NRC.

9 COMMISSIONER LANNI: Another factual aspect which I
10 think should be included in here is that that same report of the
11 NRC indicates that 94.6 percent of the people who do gamble have
12 no problems whatsoever gambling. I think that is pregnant by its
13 exclusion. If we're going to use one set of numbers from the NRC,
14 I think we should have the other numbers in there.

15 COMMISSIONER McCARTHY: I just took what the NRC
16 characterization was of this together. Those first couple of
17 sentences from there. They did not include at that point other
18 numbers. So this wasn't accepted with another number being
19 omitted.

20 COMMISSIONER LANNI: But I do believe that we should
21 have the other numbers in there. I don't want --

22 CHAIRPERSON JAMES: Terry, do you want to offer that as
23 an amendment?

24 COMMISSIONER LANNI: I would like to see a broadening
25 to include other numbers from the NRC which also reference the
26 aspects of the numbers of people who gamble. I would defer to
27 whatever the NRC numbers are on that.

28 COMMISSIONER McCARTHY: Why don't we just comport the
29 language with what we agreed upon yesterday in the overview

1 chapter? The preamble -- we've already agreed on that language.

2 COMMISSIONER LANNI: That language would be the?

3 COMMISSIONER McCARTHY: It's the preamble to the
4 overview chapter.

5 COMMISSIONER LANNI: I think it was actually Richard
6 Leone's language.

7 COMMISSIONER McCARTHY: Why doesn't somebody read the
8 language?

9 COMMISSIONER DOBSON: The language that we agreed upon
10 yesterday is this.

11 "Today the mass majority of Americans either
12 gamble recreationally and experience no measurable
13 side effects related to their gambling, or they choose
14 not to gamble at all. Regrettably some of them
15 gamble in ways that harm themselves, their families,
16 and their communities. This Commission's research
17 suggests that 86 percent of Americans report
18 having gambled at least once in their lifetime,
19 68 percent of Americans report having gambled
20 at least once in the past year."

21 That's what we agreed on yesterday. It would seem to
22 me that that language could replace your introductory paragraph
23 here and then it would flow.

24 COMMISSIONER McCARTHY: We put certain things in the
25 overview to give what is intended in that section. Why -- I don't
26 recall a suggestion to simply pick up language that's in the
27 overview and repeat them in chapters throughout the state. What's
28 -- we have stated that thought in the overview. People who read
29 this study will read that. Why do we need to repeat it?

1 COMMISSIONER LANNI: We repeat all kinds of things
2 throughout this report. Following your logic here using NRC, and
3 I appreciate that, but I think if that's what you want to include
4 in here, we should have additional NRC numbers, that's all. I
5 don't think that by just putting in there that 20 percent of
6 Americans do not gamble at all hasn't any real significance
7 without including all the other numbers. Why would you want to
8 exclude them? If you want NRC, what is so offensive about
9 including all the NRC numbers?

10 COMMISSIONER McCARTHY: We haven't excluded them.
11 That's stated in the overview.

12 CHAIRPERSON JAMES: Terry, what is the number that you
13 want to --

14 COMMISSIONER LANNI: I don't have the NRC report.
15 Whatever the numbers are. I think we should put in there the
16 numbers that show the numbers that don't gamble, the ones who do
17 gamble, and what levels the people gamble at. The ones that
18 gamble with no problem whatsoever, others who evidence problems,
19 and that percentage. I just think we should have -- it should be
20 expanded, is what I'm saying. And whatever those numbers are, I
21 don't have them in front of me.

22 COMMISSIONER BIBLE: You want to define the term most,
23 essentially.

24 COMMISSIONER LANNI: Exactly.

25 COMMISSIONER BIBLE: Which seems fair.

26 COMMISSIONER LANNI: If we're using 20 percent, why not
27 define most.

28 COMMISSIONER BIBLE: I understand.

29 COMMISSIONER McCARTHY: I just used the language the

1 NRC used. I thought, frankly, it would bring people together.

2 COMMISSIONER LANNI: Since we spent a lot of money for
3 the NRC report, all I'm suggesting is that we include the
4 additional numbers in there so somebody reading this can
5 understand. If I'm reading this as a lay person and it says,
6 "Twenty percent of Americans don't gamble at all," that's great.
7 So there's 80 percent of people who do gamble, and most of those
8 gamblers do for social or recreational reasons. If we're going to
9 define the 20 percent that don't gamble, why don't we define the
10 80 percent that do and what levels they fall into. It's just NRC
11 research. I'm not trying to create anything new.

12 COMMISSIONER McCARTHY: The staff can look up the
13 numbers. As far as this paragraph is concerned, Madam Chair, I'd
14 like to take a look at the numbers and we can take a look at them
15 together.

16 COMMISSIONER LANNI: Does that mean if you don't like
17 the numbers of the NRC research --

18 COMMISSIONER McCARTHY: No, I want to see how it goes
19 together. It doesn't mean anything.

20 CHAIRPERSON JAMES: Can we go to the next paragraph?
21 Are there any additional comments? It's your desire to table this
22 particular one and --

23 COMMISSIONER McCARTHY: How about discussion on the
24 rest of it, Madam Chair?

25 CHAIRPERSON JAMES: There did not seem to be any --

26 COMMISSIONER LANNI: I thought you were going
27 paragraph-by-paragraph.

28 CHAIRPERSON JAMES: I'm sorry. I asked for the next
29 paragraph and didn't hear anything. Any other issues with this

1 particular substantive amendment?

2 COMMISSIONER LANNI: I have a question on paragraph
3 five. It is referenced here that all seem to agree that
4 pathological gamblers engage in destructive behavior. Who's being
5 quoted on this? Is this NRC?

6 COMMISSIONER McCARTHY: NRC.

7 COMMISSIONER LANNI: This is the NRC?

8 COMMISSIONER McCARTHY: Yes.

9 COMMISSIONER LANNI: That answers my question.

10 CHAIRPERSON JAMES: And I think you said you would
11 footnote that?

12 COMMISSIONER McCARTHY: That's correct.

13 COMMISSIONER LANNI: So that will help. There's one
14 other I have.

15 COMMISSIONER BIBLE: I don't have the DSM-IV criteria
16 in front of me, but I assume, Leo, that repeated unsuccessful
17 efforts to control, cut back and stop gambling would be your
18 judgement of one end of the spectrum, and then the illegal acts is
19 the other end? You've taken -- you've taken the most egregious
20 and the least egregious and put them at either end of that?

21 COMMISSIONER McCARTHY: Which paragraph are you in,
22 Bill?

23 COMMISSIONER BIBLE: I'm in paragraph two.

24 COMMISSIONER McCARTHY: Yes, that's an NRC
25 characterization.

26 COMMISSIONER BIBLE: Okay.

27 COMMISSIONER LANNI: I have another question in the
28 very last paragraph, Madam Chair. In reviewing the APA work, they
29 don't recognize problem gambling, but we have it here suggesting

1 it's used to define pathological gambling. I need to see the
2 source on that.

3 COMMISSIONER McCARTHY: You are correct. The APA DSM-
4 IV does not define problem gambling, but it is also correct that
5 most do agree that problem gambling -- I would add Dr. Howard
6 Schaffer, and I have citations to that effect -- do agree that
7 problem gambling are those gamblers associated with a range of
8 adverse circumstances that fall below the pathological level of
9 five -- at least five out of those 10 criteria.

10 COMMISSIONER LANNI: Still, the reference here is that
11 APA DSM-IV, and I think there should be a hyphen between DSM and
12 IV, if I'm not mistaken.

13 COMMISSIONER McCARTHY: Are you afraid that there's an
14 inference here that the APA is also characterizing problem
15 gambling?

16 COMMISSIONER LANNI: That's how I read this.

17 COMMISSIONER McCARTHY: Let's clarify that.

18 COMMISSIONER LANNI: It should be, I think, DSM dash
19 IV, isn't it? Isn't that?

20 COMMISSIONER McCARTHY: I was leaving the dashes to the
21 staff.

22 COMMISSIONER LANNI: So if you could modify that, I
23 think it would be helpful, or at least clarify.

24 COMMISSIONER McCARTHY: I understand your point, and I
25 will modify it.

26 COMMISSIONER LANNI: Then the only issue that I remain
27 with is the reference to the numbers which we're waiting to see.

28 CHAIRPERSON JAMES: So Leo, at some point today can you
29 bring this back to us? You will have looked at the numbers, you

1 will have footnoted --

2 COMMISSIONER McCARTHY: Yes.

3 CHAIRPERSON JAMES: -- that fifth paragraph, and you
4 will have clarified the last paragraph?

5 COMMISSIONER LANNI: Just while we're looking at those
6 numbers, let me share one thing with you. I did look these up and
7 Level III, according to NCR, is 1.5 percent, Level II is 3.9
8 percent, and you're talking roughly about 200 million people. So
9 they have three million at Level III, eight million at Level II,
10 so there would be 169 million adults in this nation either -- I
11 should say gamble with little or not problems on a social basis
12 and 20 million have never gambled. That's your total of roughly
13 200 million people.

14 CHAIRPERSON JAMES: Leo, when you're ready to bring
15 that back up again, would you just let me know?

16 COMMISSIONER McCARTHY: Yes, I will.

17 CHAIRPERSON JAMES: The next one we have?

18 COMMISSIONER DOBSON: The next one is mine, I think.

19 Page four -- or rather page five, Chapter 4. We withdraw that
20 item.

21 CHAIRPERSON JAMES: Okay, next?

22 COMMISSIONER DOBSON: The next one is mine also, page
23 five. You will note on page four that there are three bulleted
24 items there, and we're suggesting an addition at the top of page
25 five of a fourth bullet paragraph, which is written there at the
26 bottom.

27 "Recent state-wide studies give evidence of much

28 higher levels of gambling problems in states where

29 gambling is more widely available. New research from

1 the University of Nevada, Las Vegas, concluded that a
2 minimum of 6.6 percent of Clark County, which
3 contains Las Vegas residents, are problem or
4 pathological gamblers. In Mississippi and Louisiana,
5 which rank third and fourth respectively in the
6 amount of gross wagering amongst states in 1997, the
7 lifetime prevalence rate for problem and
8 pathological gambling among all adults including
9 non-gamblers is approximately seven percent."

10 We had testimony from Dr. Volberg in Las Vegas with
11 regard to this information. She is referenced down below. There
12 is another reference there to the study done by Dr. David Stowe
13 that represents 15 years of research, and though it is reported in
14 the Las Vegas Sun, we contacted David Stowe and he said that it is
15 accurately reported.

16 CHAIRPERSON JAMES: So, Dr. Dobson, are you offering
17 this as a motion?

18 COMMISSIONER DOBSON: That is a motion.

19 CHAIRPERSON JAMES: Is there a second? Are you all on
20 the same --

21 COMMISSIONER LEONE: I'll second it. This is just to
22 include the additional paragraph, correct?

23 CHAIRPERSON JAMES: Correct. Commissioner Bible?

24 COMMISSIONER BIBLE: I have some familiarity with the
25 UNLV survey. I've not looked at the instrument for the current
26 year. I've looked at the instrument in past years, and it does
27 not have a scientific criteria like DSM-IV, or the various
28 instruments the NORC survey used. In past years, it simply had a
29 question, "Do you consider yourself to have a problem with

1 gambling?" And that is the response. So I think this needs to be
2 somehow identified that it's not the same basis of scientific
3 measurement as we have in areas of research that we have
4 commissioned.

5 COMMISSIONER WILHELM: I would also again object to
6 things that are A, not in our record, B, are based on a secondary
7 source, namely a newspaper article, and C, studies that the
8 commissioners have not had an opportunity to examine. So on that
9 basis I would object to that portion of this that's about Clark
10 County.

11 COMMISSIONER LANNI: I have a question on the second
12 site it noted that the reference beginning with the (1). It talks
13 about 1997, and the cite is from November of '96.

14 COMMISSIONER BIBLE: I know Rachel's probably a pretty
15 pressing person, but to write in '96 about '97 I find to be pretty
16 amazing.

17 CHAIRPERSON JAMES: Are you ready for the question?
18 All in favor? Opposed? I think the nos have it. Who has the
19 next one? Chapter 4, page one, line 41.

20 COMMISSIONER LANNI: I think I have that one. The
21 reference is on page one of the report. It's the very last line,
22 and the problem that I have is with the term in-depth. That
23 particular interview was seven to eight community leaders in each
24 of 10 locations about their opinions and perceptions. To me, it
25 hardly constitutes an in-depth look at how community has responded
26 to legalized gambling. I don't have a problem with concluding it,
27 but I think the reference to it being an in-depth study.

28 COMMISSIONER LEONE: I'll second that. I agree that
29 scarcely constitutes in-depth.

1 COMMISSIONER DOBSON: Terry, the only change is the
2 bold faced sentence at the bottom?

3 COMMISSIONER LANNI: Yes, just the term in-depth.
4 Studies were conducted. Begin with a capital C for Case studies
5 were conducted in 10 of these communities.

6 COMMISSIONER DOBSON: Madam Chairman, the NORC
7 conducted case studies in 10 communities, in each of which they
8 interviewed seven to eight community leaders regarding their
9 perception. In other words, there are 70 to 80 people involved
10 here. The way it is written is that NORC conducted case studies
11 in communities in which they interviewed seven to eight community
12 leaders.

13 COMMISSIONER LANNI: Let me propose this, if I may Jim,
14 if this would meet your needs. If we say NORC conducted case
15 studies in 10 communities in which they interviewed seven to eight
16 community leaders in each of those communities regarding their
17 perceptions. Would that meet your --

18 COMMISSIONER DOBSON: Yes. That's fine.

19 COMMISSIONER BIBLE: I don't recollect they were
20 community leaders. Weren't they in some case practitioners. They
21 talked to a mental health person, and in some cases a policemen or
22 something of that nature? While they may perceive of themselves
23 as such . . .

24 CHAIRPERSON JAMES: Did you all get that language?
25 We'll do that one by acclamation. That page four, No. 3. Chapter
26 4, I'm sorry.

27 COMMISSIONER LANNI: That's Chapter 4, page No. 3,
28 lines 21 and 22. Current language is Level II is associated with.

29 CHAIRPERSON JAMES: Who's is that? Is that yours?

1 COMMISSIONER LEONE: I don't know, but whoever wants to
2 get rid of subclinical, it's the next report.

3 COMMISSIONER McCARTHY: What I have to check is whether
4 that paragraph is -- let's make sure that paragraph is still in.
5 Assuming that where we started with this morning is there, that
6 may have been taken out. I thought 17 people might understand
7 what subclinical was when they read this report. That's what I
8 had in mind. I have citations from Dr. Schaffer. If that
9 paragraph's taken out, and I think it will be, I think we're going
10 to agree on the opening language that we talked about here.

11 CHAIRPERSON JAMES: Why don't we put a hold on that one
12 and keep going? Chapter 4, page five?

13 COMMISSIONER LANNI: I think the next one's yours also.

14 CHAIRPERSON JAMES: We're beginning to recognize the
15 type here. Chapter 4, page five, line No. 25, Level II Gamblers.

16 COMMISSIONER McCARTHY: To the same effect, this
17 explains what Dr. Schaffer said. It does not exactly correlate
18 with what NORC described as the problem. I'm sorry, I'm trying to
19 solve the problem in the first language, Madam Chair. What
20 paragraph is that in again, so I can --

21 CHAIRPERSON JAMES: Chapter 4, page five, line No. 25.

22 COMMISSIONER McCARTHY: So that doesn't collide with
23 the first one?

24 CHAIRPERSON JAMES: No.

25 COMMISSIONER McCARTHY: That's all it was intended, to
26 have this conform with what I've read in Dr. Schaffer --

27 CHAIRPERSON JAMES: You want to offer that as a motion?

28 COMMISSIONER McCARTHY: -- what he said several places.

29 CHAIRPERSON JAMES: It has been moved and seconded.

1 Any further discussion? All in favor? Any opposed? Ayes have
2 it. Any abstention? Next one is Chapter 4, page six, line 30.

3 COMMISSIONER DOBSON: Madam Chair, I need a
4 clarification on this one. Is this -- Terry, this is your item?

5 COMMISSIONER LANNI: It is.

6 CHAIRPERSON JAMES: Can you walk us through it?

7 COMMISSIONER LANNI: There's a reference -- I think
8 when you start putting the numbers in text without putting them in
9 chart form it's difficult for a person to read, so I'm suggesting
10 we just insert the charts. I think you get a better understanding
11 of the significance. As I note here, the rates of pathological
12 gambling, if you see them in the context of other psychiatric and
13 other behavior disorders. Since we have that information paid for
14 by the various research organizations that we used, I'm suggesting
15 we insert the attached charts from the National Research Council
16 report and the Harvard META analysis.

17 COMMISSIONER LEONE: Terry, is this a chart that
18 appears in this form in the literature, or --

19 COMMISSIONER LANNI: Yes.

20 COMMISSIONER LEONE: -- is this something that you put
21 together?

22 COMMISSIONER LANNI: No.

23 COMMISSIONER McCARTHY: I think the staff will find
24 that this is -- this is not -- this would take the data out of the
25 NRC and NORC with RDD and the patron interviews, the RDD and the
26 META analysis. The University of Michigan I don't recollect.

27 COMMISSIONER LANNI: No, that was not. That could come
28 out, we don't need that.

29 COMMISSIONER McCARTHY: I don't know that we've ever

1 seen that.

2 COMMISSIONER LANNI: We didn't.

3 COMMISSIONER McCARTHY: madam Chair --

4 CHAIRPERSON JAMES: Which one are you suggesting come
5 out?

6 COMMISSIONER LANNI: I think Jim has a question.

7 COMMISSIONER DOBSON: It would make me more comfortable
8 if we would table this one until we can look at those data. This
9 obviously has come to us very quickly.

10 COMMISSIONER LANNI: I have no problem.

11 COMMISSIONER DOBSON: Can we do that?

12 COMMISSIONER LANNI: Certainly.

13 CHAIRPERSON JAMES: Not a problem. That one has been
14 tabled.

15 COMMISSIONER DOBSON: The next one I believe is mine,
16 Chapter 4, page six, the third paragraph. So it's an additional -
17 - it's an insert after the third paragraph, including the partial
18 paragraph at the top. So after past year gambling as opposed to
19 lifetime, and we're suggesting the paragraph that you see there,

20 "The incidence of problem and pathological
21 gambling among regular gamblers appears to be
22 much higher than in the general population. In
23 NORC survey of 530 patrons at gambling facilities
24 more than 13 percent met the lifetime criteria for
25 pathological gambling, while another 18 percent were
26 classified as at risk for developing severe gambling
27 problems."

28 That is a quote from the NORC study, which does not
29 appear to this point in our report.

1 CHAIRPERSON JAMES: Jim, are you willing to offer that
2 as a motion?

3 Mr. TERWILLIGER: Could we have the citation again,
4 please?

5 COMMISSIONER DOBSON: NORC page 25. Even though it's
6 in quotes there, it's not a direct quote. It's not a direct
7 quote, it's a restatement.

8 Mr. TERWILLIGER: Is this in our new packet?

9 CHAIRPERSON JAMES: Yes. It's the next one right after
10 the several pages from --

11 COMMISSIONER McCARTHY: The numerology of the pages is
12 a little difficult.

13 COMMISSIONER LANNI: Exactly.

14 COMMISSIONER LEONE: It's the Chapter 4 insert after
15 paragraph three.

16 COMMISSIONER McCARTHY: There are a bunch of issues
17 before we get there from my stack.

18 COMMISSIONER LEONE: It's page four, Chapter --

19 CHAIRPERSON JAMES: No, Chapter 4, page --

20 COMMISSIONER LEONE: I'm sorry, Chapter 4, page six.

21 COMMISSIONER McCARTHY: Page six?

22 COMMISSIONER LEONE: Insert after paragraph --

23 COMMISSIONER McCARTHY: We have a different page
24 number. Chapter 4, page six.

25 CHAIRPERSON JAMES: Do you have it, Dick?

26 COMMISSIONER LEONE: Yes, I have it now.

27 CHAIRPERSON JAMES: Are we all on the same page?

28 COMMISSIONER DOBSON: As I said, it's not a quote, so
29 those quotation marks would have to go, but this is taken from the

1 chart there on page 25 of the report.

2 COMMISSIONER LANNI: Has this been moved and seconded?

3 CHAIRPERSON JAMES: It has not.

4 COMMISSIONER DOBSON: It is moved.

5 CHAIRPERSON JAMES: Is there a second? It has been
6 moved and seconded. Discussion?

7 COMMISSIONER WILHELM: Madam Chair, I object to this,
8 and the reason is that even the -- even Dr. Gerstein conceded that
9 the patron survey standing along didn't necessarily have a
10 statistical validity. For example, he readily conceded that the
11 purported figure about the percentage of problem or pathological
12 gamblers in the patron survey at parimutuel facilities couldn't
13 possibly be relied upon. Since that's part of the mix of these
14 figures, I don't think any of them can be relied upon as they're
15 presented here. Even Dr. Gerstein conceded lack of validity of
16 these numbers, and for that reason I would object to this.

17 COMMISSIONER McCARTHY: Let me understand. What is
18 invalid about these numbers? Is this -- did NORC say what Dr.
19 Dobson is quoting in here? Thirteen percent met lifetime
20 criteria, 18 percent classified at risk, or is it just the
21 selection of the categories we're talking about?

22 COMMISSIONER BIBLE: You're drawing conclusions from a
23 sample of 530 people.

24 COMMISSIONER WILHELM: I don't recall precisely what
25 NORC said or didn't say, but in the discussion Dr. Gerstein quite
26 readily agreed that these figures could not be relied upon as
27 being statistically valid. For example, one of the numbers that
28 makes up this composite is the figure for problem gamblers at
29 parimutuel facilities, and he readily agreed without any argument

1 that the sample at parimutuel facilities was so small that it
2 couldn't possibly be considered to be representative of anything
3 other than those particular individuals at those particular
4 facilities on that particular day. That was not a point of
5 contention with him. I don't know how these figures could
6 suddenly become valid.

7 COMMISSIONER McCARTHY: That's not my recollection, and
8 you've got a fine recollection and a very sharp mind which I
9 highly respect, John, but I think we're talking about two things
10 here. One, if the argument being made by what I think I heard
11 from at least two members is that we cannot cite anything from the
12 patron interview survey because it's not valid. It has no weight
13 at all. I disagree with that.

14 COMMISSIONER WILHELM: That wasn't my argument.

15 COMMISSIONER McCARTHY: No, I didn't cite you
16 specifically. If the argument is that what is quoted from that
17 has to be done with greater care than what we see in this
18 paragraph, then that's something worth discussing. I would not,
19 and I don't think the Commission should, dismiss the message from
20 that patron survey. At the time I said if we did 5,000
21 interviews, of course we'd be much more confident in the numbers.
22 But 570 interviews was indicative of certain things.

23 It gave us warnings. It's not something we're going to
24 risk our lives on, but it gave us warnings about some things,
25 particularly certain segments of the industry that ought to be
26 taken seriously. Not to include that or to be able to cite that
27 in some appropriate way in our report, I don't think that's valid.
28 I don't recall hearing Dean Gerstein ever say that this patron
29 survey was not valid and was not indicative of certain existing

1 conditions.

2 COMMISSIONER WILHELM: On this particular point Dr.
3 Gerstein quite specifically agreed without any argument when I
4 asked him that the specific percentages of problem and
5 pathological gamblers in the survey, in the patron survey, at
6 gambling facilities could not be statistically relied upon. As
7 one example, he readily agreed when I asked him that the
8 extraordinarily high percentage found in the patron survey of
9 problem and pathological gamblers at parimutuel facilities could
10 not be deemed by anybody, including him, to be statistically valid
11 because the sample was too small. That number is a part of this
12 composite. He was very explicit about that.

13 I don't think -- we can go find the transcript some
14 day, but he was quite clear. I wouldn't object if this first
15 sentence said the incidence of problem and pathological gambling
16 among regular gamblers appears to be higher than in the general
17 population.

18 COMMISSIONER McCARTHY: To make sure I'm talking on the
19 same track that you are, what I have in front of me is this
20 amendment, Chapter 4, page No. 6. Is that what we're talking
21 about here?

22 COMMISSIONER WILHELM: Right.

23 CHAIRPERSON JAMES: Yes.

24 COMMISSIONER McCARTHY: And where's the chart that you
25 -- you're talking about the citation in the NORC report?

26 COMMISSIONER WILHELM: Yes.

27 COMMISSIONER McCARTHY: Down below, page 25?

28 COMMISSIONER WILHELM: Yes. It says --

29 COMMISSIONER McCARTHY: And you're talking about these

1 two numbers, 13 percent and 18 percent? I don't see any reference
2 here to the parimutuel segment. Is that in the chart that's on
3 page 25 of the NORC? I'm trying to remember.

4 COMMISSIONER WILHELM: I don't remember, but those
5 numbers that are cited in this proposed addition to the language
6 are a composite from the patron survey of the number of
7 individuals who were surveyed in the patron survey at various
8 kinds of facilities.

9 COMMISSIONER McCARTHY: Right.

10 COMMISSIONER WILHELM: Including among them the
11 parimutuel facilities. The only reason I'm citing the parimutuel
12 facilities is they're part of this composite, and I have a vivid
13 recollection of his readily agreeing that that extraordinarily
14 high percentage with respect to parimutuel facilities was not
15 statistically valid because the sample wasn't big enough.

16 COMMISSIONER McCARTHY: The way you state that, now I
17 understand and I can agree. You will recall Dr. Gerstein did not
18 give a percentage for the parimutuel industry until a member of
19 the Commission, and I don't recall whether it was Terry, that
20 asked for that breakout. He made the point that the 532 number
21 were valid, but if you break it down into small enough numbers, of
22 course you're going to have increasing question about the validity
23 of the poll.

24 So yes, you're right. When it came to 87 interviews or
25 whatever it was limited to the parimutuel industry, I said at the
26 time you break it down that much, of course you're going to have
27 questions about it. But if we're talking about the total patron
28 survey interview of 532 people, then it has validity, and that's
29 the point I was trying to make.

1 COMMISSIONER WILHELM: I don't recall it that way.

2 COMMISSIONER MCCARTHY: I recall it very clearly. His
3 answer to the question of validity had to do with only that narrow
4 sample of parimutuel customers.

5 COMMISSIONER WILHELM: That's not my recollection, Leo,
6 but we don't need to belabor it.

7 COMMISSIONER LANNI: May I?

8 CHAIRPERSON JAMES: Certainly.

9 COMMISSIONER LANNI: One, I recall it the way John
10 does, but that's separate. The issue I see here is that
11 realistically, 530 is a pretty small sample, and we're getting
12 the subsets that are smaller than that. I think it would be
13 appropriate, if we're going to include this language, and I think
14 it's language that came as reports that came out of NORC, so I
15 don't have a problem as much as I have problems with NORC. It is
16 something we paid for and it should be included in here.

17 But I think in fairness, if we're going to include
18 this, it should be expanded to include the random digit dial
19 survey. We had that same survey on the same charts presented on
20 that same page 25. I just don't think we should cherry pick. I
21 can cherry pick the ones that look pretty good for gaming and want
22 to put them in. Jim might pick something that makes gambling look
23 more evil and have that put in there.

24 I think in fairness, if we want balance in this report,
25 and I think it's fair to say that all of us want balance, we
26 should also include the random digit dial surveys, which took 2417
27 people and pointed out that there were three people in the
28 pathological side of the problems here. What would be so wrong
29 about including that in here?

1 COMMISSIONER McCARTHY: Any member of the Commission is
2 free to cite the RDD survey in this chapter.

3 COMMISSIONER LANNI: I would be pleased to support
4 Jim's proposal here if Jim would also include the RDD survey in
5 here, the same numbers.

6 Mr. TERWILLIGER: The RDD survey was not of people who
7 regularly gambled. The patron survey was designed to investigate
8 those who do regularly gamble, or at least gamble. The RDD does
9 not.

10 COMMISSIONER WILHELM: The concern I have is with 530
11 people, forgetting the subsets which are much smaller, we're not
12 getting enough information there.

13 Mr. TERWILLIGER: Did we have a lot of confidence
14 expressed for the patron survey, the 530?

15 Dr. KELLY: Madam Chair, can I make a --

16 CHAIRPERSON JAMES: Tim?

17 Dr. KELLY: Commissioner, I don't remember what the
18 level of confidence statistic is. I do believe that the NORC
19 generated it, and if I could, Madam Chair --

20 COMMISSIONER McCARTHY: It's in one of the technical
21 appendices, if I recall.

22 Dr. KELLY: I believe it's in one of their appendices.
23 If I could speak to this, I believe that Dean Gerstein did make
24 the point that a sample of 530 is not enough to give definitive
25 representative data for all patrons everywhere, however it was
26 adequate for saying something about the sample selected.

27 COMMISSIONER LEONE: That presumably could be
28 footnoted, but I just want to make two quick statements. One is
29 that the NORC survey is part of our report. I have a hunch that

1 people on different sides of this issue will take parts of it and
2 quote it in the future. Some will use one part, some will use
3 another part. But I do wonder at this late hour about the nature
4 of this squabble. If the man in the street were told we were
5 arguing about how to say that people who are attracted to gambling
6 are more likely to be in gambling establishments than other
7 people, that after two years we were kind of hung up on that tasty
8 tidbit of information and how statistically reliable it was, I
9 think people would start to laugh.

10 There must be a way -- this is simply -- there must be
11 some language here that isn't trivial. The trouble with this
12 fight is this isn't much of a very important statement. The fact
13 that people who have a problem with gambling or like to gamble are
14 more likely to be found among those in gambling establishments
15 than the population generally, seems to me is not news.

16 COMMISSIONER LANNI: And Richard, I said that I have no
17 objection --

18 COMMISSIONER LEONE: I know that. I'm just trying to -
19 -

20 CHAIRPERSON JAMES: John, your suggestion was that we
21 take out the word much and you wouldn't have a problem
22 with --

23 COMMISSIONER LANNI: I wouldn't have a problem with the
24 first sentence.

25 CHAIRPERSON JAMES: Good. Let's --

26 COMMISSIONER LANNI: For the reason Dr. Kelly said.

27 CHAIRPERSON JAMES: You don't want much out.

28 COMMISSIONER McCARTHY: I won't yield to that.

29 CHAIRPERSON JAMES: You won't yield much. Okay.

1 COMMISSIONER LEONE: Let me just also say that it makes
2 -- frankly, the point that Terry's making makes the point even
3 more dramatically. If you just say among the population as a
4 whole the NORC digit dialing thing showed that the number was
5 significantly smaller, or not much smaller. I don't want to use
6 much. Was smaller. But I mean what I'm saying is that the two
7 pieces of the NORC report which should be quoted and attributed to
8 NORC and footnoted in terms of their statistical reliability,
9 seems to be unobjectionable to all of us.

10 COMMISSIONER McCARTHY: May I mention, Madam Chair,
11 that Commissioner Lanni has proposed that we quote the RDD survey
12 and the charts, and that we pass temporarily and we'll return to
13 it.

14 CHAIRPERSON JAMES: Jim would you have an objection to
15 including both of those?

16 COMMISSIONER DOBSON: No, I think that would be fine.
17 I think Commissioner Leone's point is very well taken.

18 CHAIRPERSON JAMES: I'm going to table that and ask
19 that you include the language that would have both of those and
20 bring it back to me.

21 COMMISSIONER LEONE: Madam Chair?

22 CHAIRPERSON JAMES: Yes.

23 COMMISSIONER LEONE: Commissioner Lanni has charts that
24 we passed temporarily. Commissioner Dobson doesn't need to add
25 language on RDD to his proposal, Commissioner Lanni will cover it
26 once we return to that.

27 CHAIRPERSON JAMES: I'm not sure that having the chart
28 without having any narrative will take care of the issue. Are you
29 prepared just to accept the chart with no narrative?

1 COMMISSIONER DOBSON: No, I don't think so. I think we
2 want to write it.

3 CHAIRPERSON JAMES: So I will ask you then to come up
4 with language that would include both that and bring it back to
5 us.

6 COMMISSIONER TERWILLIGER: There's nothing to prevent
7 another member of the commission writing some language and
8 suggesting inclusion at some appropriate point in this chapter.

9 CHAIRPERSON JAMES: Yes, there is. The next one -- we
10 are tabling that one and Jim is going to work on that. Chapter 4,
11 page 12 was the next one up. Is everybody on that page?

12 COMMISSIONER DOBSON: Chapter 4, page 12, after the two
13 lines at the top of the page we're suggesting an insert, a two-
14 paragraph insert. Everybody find it?

15 COMMISSIONER LANNI: Are you moving it?

16 COMMISSIONER DOBSON: No, it's an insert.

17 COMMISSIONER LANNI: No, I'm saying are you making a
18 motion?

19 COMMISSIONER DOBSON: I'm making a motion.

20 COMMISSIONER LANNI: I second.

21 COMMISSIONER DOBSON: I'm overwhelmed. I might break
22 into tears.

23 CHAIRPERSON JAMES: It has been moved, it has been
24 seconded. Any discussion? You don't need to read it, everybody
25 has it in front of them.

26 UNIDENTIFIED SPEAKER: I don't have it in front of me,
27 but if the two of them agree, I'm not going to search for it.

28 CHAIRPERSON JAMES: Ready for the question? All in
29 favor? Any opposed? It has been moved. Chapter 4, page 18?

1 COMMISSIONER DOBSON: Withdraw that item.

2 CHAIRPERSON JAMES: Okay. Chapter 4, page 12?

3 COMMISSIONER LANNI: It says,

4 "And social service providers such as churches,
5 charities, domestic violence shelters, and
6 homeless shelters are often significantly
7 burdened by the problems created by problem and
8 pathological gamblers."

9 The reason is in there. It says, "Charities and
10 churches are seriously overburdened by pathological gamblers.
11 It's a pretty important assertion. It should be substantiated by
12 peer review. If there is a study, I think we need to have it so
13 cited. If we don't have an academic reference, my recommendation
14 would be, since there's none noted here, that it's anecdotal and
15 should be deleted.

16 COMMISSIONER DOBSON: We did have testimony on that
17 subject, Madam Chairman, in Atlantic City, Chicago, Mississippi,
18 and elsewhere, and also from church leaders that came to talk to
19 us.

20 COMMISSIONER LANNI: Again, I perceive that to be
21 anecdotal. I'd like to see some hard evidence that supports that.

22 CHAIRPERSON JAMES: What if the language were changed,
23 Terry, to say during our site visits we heard testimony from
24 social service providers.

25 COMMISSIONER LANNI: If that's what Jim was referring
26 to, and I do recall that, and I have no problem with that.

27 CHAIRPERSON JAMES: So you would accept that?

28 COMMISSIONER LANNI: Sure.

29 CHAIRPERSON JAMES: Did you get that language? The

1 next one is Chapter 4, page 13.

2 COMMISSIONER LANNI: This one, without reading
3 everything, I suggest to be an insert here because one thing
4 that's no included is what has been referred to by a number of
5 specialists in these areas. If there is actually a natural
6 recovery. So I would ask people to read the suggestion that talks
7 about that natural recovery.

8 COMMISSIONER McCARTHY: May I ask a question, Madam
9 Chair?

10 CHAIRPERSON JAMES: Certainly.

11 COMMISSIONER McCARTHY: Where does this come from? Who
12 wrote this? Where does the characterization of natural recovery
13 come from?

14 COMMISSIONER LANNI: Where did it come from? It came
15 from talking to people who were actually working with me. We
16 talked about different (inaudible) that came in here.

17 COMMISSIONER McCARTHY: I'm sure you remember this, but
18 in the research recommendations proposal, in deference to what I
19 count as a handful of people so far in the treatment -- among
20 treatment providers that suggest that there may be something in
21 natural recovery, but we don't know what it is. I included
22 natural recovery as one of the processes that would be examined,
23 along with self help groups and formal professional treatment
24 providers.

25 I'm not -- I'm just not sure what validity this has. I
26 think the research will tell us what validity it has. I approach
27 that with a very open mind, giving it equal status with
28 conventional treatment, self help and natural recovery. Why don't
29 we wait to see what the research says, then maybe the next

1 commission will be in a stronger position to characterize natural
2 recovery.

3 COMMISSIONER LANNI: But if you take a look at it, the
4 NCR report is on page 6-11, the second page, let me read from that
5 if I may. This is from their own report. That's research that we
6 did pay for already, and I know we're going to be paying.

7 COMMISSIONER McCARTHY: What's the page, please?

8 COMMISSIONER LANNI: Six dash 11, the last paragraph on
9 the natural recovery. So this is from our NRC research. It says,

10 "Recovery from pathological gambling need not
11 require formal treatment. Understanding how
12 natural recovery occurs is important. First,
13 the factors associated with such natural
14 recovery integrated into treatment services.
15 Second, policy makers need to know how many
16 gamblers will recover naturally if they are to
17 estimate the social costs associated with
18 gambling disorders. Natural recovery rates and
19 processes provide the baseline against which
20 social costs and treatment effects and
21 effectiveness can be judged. Thus, estimates
22 of social effects, and treatment cost
23 effectiveness cannot be computed until the rates
24 of natural recovery from pathological gambling become
25 calculable. Some economists, for example, compute
26 social cost estimates as if there is no recovery
27 without treatment."

28 That's the Institute of Medicine, 1996. So we have
29 information here.

1 COMMISSIONER McCARTHY: This language is the reason I
2 put natural recovery in the research recommendations.

3 COMMISSIONER LANNI: I think in this particular chapter
4 we should have a reference to that because someone's going to have
5 to go forward to research. They may miss that. I'm not so sure
6 everybody is going to read this.

7 COMMISSIONER McCARTHY: I don't want to make a strong
8 point out of this. My difficulty with this is, and I understand
9 why those in the industry would want to emphasize natural
10 recovery, but that's lifted out of a series of options here that
11 are mentioned that we don't cover in the report that gets into
12 rather complicated language. Psychoanalytical/psychodynamic
13 treatment. There are many pages here of those three options. To
14 lift out natural recovery without reference to self help or the
15 five different kinds of formal professional treatment, I'm not
16 sure I understand the value of that.

17 COMMISSIONER LANNI: But Leo, to make the statement
18 that you see why people in the industry would want to look at
19 this, I mean, I think in fairness, regardless of what your
20 thoughts are about people in the industry -- I've been in this
21 industry 22 years, the vast majority -- and I haven't done a NORC
22 or an NRC study, but the vast majority of the people in this
23 industry would like to see this problem dealt with, and we've not
24 been as aggressive as we should have. We admit that also. So to
25 make the statement that we want to include this because this is
26 something that might help us is not really a very fair statement.

27 COMMISSIONER McCARTHY: I made my point and I'm not
28 going to argue it any further.

29 UNIDENTIFIED SPEAKER: Madam Chair, I would just be --

1 I would want to note for the record that in the proposed insertion
2 there's a citation to the Volberg study in Louisiana, and I note
3 that various people cite that study for various purposes when it
4 seems to suit their purposes.

5 COMMISSIONER LEONE: Is there a motion on the floor? I
6 just want to the maker of the motion observe that if the first
7 sentence and the last sentence were deleted, I could support the
8 motion with the introduction after pathological, the one sentence
9 that reads, "The rate of natural recovery among pathological
10 gamblers," also. I'd add the word also if somebody were going to
11 delete those two sentences.

12 COMMISSIONER LANNI: Could you repeat that, please?

13 COMMISSIONER LEONE: If you deleted the first sentence
14 and then it started with understanding the rate and processes of
15 natural recovery among pathological gamblers. Also would enhance
16 our understanding, etcetera. And you deleted the last sentence, I
17 could support the proposal. I could explain my reasons for not
18 supporting it if those sentences are in, but just for information
19 purposes, I just want to --

20 CHAIRPERSON JAMES: Terry, would you be willing to
21 accept that?

22 COMMISSIONER LANNI: What's the difficulty with that
23 one, Richard?

24 COMMISSIONER LEONE: I think that that -- the economic
25 cost studies of problem and pathological gamblers, I think that
26 the treatment costs are trivial compared to the things like lost
27 income, and the costs of behavior, and opportunity costs, and the
28 timing -- the time it takes would swamp the effects of treatment.

29 If it takes longer, for example, to have a natural

1 recovery than to have a recover that involves intervention, or
2 therapy, or something else, then even though it might be cheaper
3 in terms of treatment costs, it might be more expensive
4 economically than institutionalizing somebody, to take the other
5 extreme. So as it stands, it suggests that natural recovery is
6 always going to be cheaper.

7 COMMISSIONER LANNI: So you're saying drop --

8 COMMISSIONER LEONE: It just isn't -- it just isn't
9 true.

10 COMMISSIONER LANNI: You're saying the very last
11 sentence, for example.

12 CHAIRPERSON JAMES: That's correct.

13 COMMISSIONER LEONE: No, the sentence that starts with
14 natural recovery. The last two sentences.

15 COMMISSIONER LANNI: What's the difficulty with the
16 very first one?

17 COMMISSIONER LEONE: I wouldn't have any trouble with
18 natural recovery estimates will also effect economic cost studies,
19 because I think it could effect it.

20 COMMISSIONER LANNI: I would accept that as a friendly
21 amendment.

22 CHAIRPERSON JAMES: So you would be willing to drop
23 both the first and the last --

24 COMMISSIONER LANNI: The first and the very last
25 sentence.

26 COMMISSIONER McCARTHY: And I would applaud your
27 accepting it as a friendly amendment.

28 COMMISSIONER LANNI: Thank you.

29 CHAIRPERSON JAMES: Do we need a vote on that?

1 COMMISSIONER McCARTHY: No.

2 CHAIRPERSON JAMES: We'll accept that one by
3 acclamation. Chapter 4, page 16.

4 COMMISSIONER LANNI: Chapter 4, page 16, line Nos. 6
5 through 11. It's page 11. Page 16, excuse me. Chapter 4, page
6 16, lines Nos. 6 through 11. Rather than read it, you can see
7 I've included that here for you to read with the section that I'm
8 suggesting we delete.

9 COMMISSIONER McCARTHY: You want to delete the whole
10 paragraph?

11 COMMISSIONER LANNI: I do. The reasons for that, as
12 I've stated and you have in writing there, there's just no
13 scientific evidence that's been -- that I know of or that's
14 certainly been presented to this Commission to support the notion
15 that pathological gamblers can be identified solely based upon
16 their credit history. You could take someone with \$100 million
17 net worth and has a large --

18 COMMISSIONER McCARTHY: I'm sorry, I agree with that
19 statement. Please give me the words that say that's the case.

20 COMMISSIONER LANNI: Then I'll read it aloud for
21 everyone.

22 "Though extensive credit risk information is
23 available to casinos that use central credit
24 agencies, gambling facilities apparently choose
25 not to ask for and collate much of that data.
26 Only one of every six non-tribal casino has
27 collected and analyzed data from banks and
28 central credit agencies that would help identify
29 problem or pathological gamblers."

1 I have no understanding, and we talked about this
2 before I know before, Leo, as to how by gathering together credit
3 information that one can therefore determine that someone has a
4 problem or pathological aspect of his gambling or her gambling
5 behavior.

6 COMMISSIONER McCARTHY: The first statement you made
7 was that the data base would help you define who is a pathological
8 gambler. I agree with you it cannot. That's why I put in the
9 words would help identify. There are a lot of things that a well
10 trained staff could bring to bear on this. Human observation is
11 certainly one, interviews with patrons would be one.

12 The data base might provide a very shaky financial
13 condition that would show that this particular patron has put a
14 second mortgage on the family home and has done a variety of other
15 things which would show that they have an irresistible impulse
16 that they can't control. I totally agree with what you're saying.
17 The data base taken by itself, even if management tries to do as
18 complete a job as it can, is not going to define a pathological
19 gambler.

20 COMMISSIONER LANNI: With all due respect, I don't
21 think if we were running a bank that we could teach our bank
22 tellers and people taking a look at the credit analysis to
23 determine that a person has a borrowing problem from borrowing too
24 much money. The fact that someone files a bankruptcy, how can we
25 ascertain that they've taken a second mortgage or the third
26 mortgage and filed bankruptcy as a result of gambling activities?
27 Other activities may well --

28 COMMISSIONER McCARTHY: I talked to the credit -- to
29 the people at the central credit bureau that most companies in

1 Nevada use.

2 COMMISSIONER LANNI: That's one source. One source.

3 COMMISSIONER McCARTHY: It's a major source that I
4 believe you told me and the attorney that appeared upon, I think,
5 Commissioner Bible's -- it was his law firm that I phoned and
6 consulted. Then I made sure they were on the phone before I
7 talked to the credit card --

8 COMMISSIONER LANNI: It's one of the major, I don't
9 disagree with that, but it's not the only one is all I'm saying.
10 We use a lot of other creditors.

11 COMMISSIONER McCARTHY: That's a point, but I think
12 they gave me an honest representation of the types of credit
13 information they gather. I did not know. What they told me was
14 they get all kinds of credit information that if collected and
15 analyzed could be a part of. We have to see this is a sequence of
16 events here. I don't think it's fair to ask the management of any
17 gambling facility to make a clinical analysis that this is a
18 pathological gambler.

19 What we're talking about here is seeing a compilation
20 of data and events that will give such a convincing story that
21 someone in a well trained staff sympathetically will guide that
22 person to some treatment options. That all I'm talking about
23 here. In a way that will not expose a gambling facility to a
24 lawsuit.

25 COMMISSIONER LANNI: Who would take this information as
26 part of a process to reach this conclusion that you have?

27 COMMISSIONER LEONE: Management. Terry, let me answer
28 your question. If an operator decided to have a program to try to
29 be more effective at identifying problem and pathological

1 gamblers, couldn't credit history be one tool that would help in
2 that process, that program? That seems to me logical that it
3 could and that it's reasonable to ask that. I think we do in
4 other places ask that operators develop programs to be more
5 effective at identifying and helping --

6 COMMISSIONER LANNI: We do, and we have --

7 COMMISSIONER LEONE: -- problem and pathological
8 gamblers.

9 COMMISSIONER LANNI: -- -- specialists come in. I must
10 admit I've sat through those programs because I wanted to see the
11 programs, for example in our particular company with it's various
12 operations, and there's never been one of those programs that I've
13 sat through where they've indicated that any aspect of studying a
14 person's credit background would determine it.

15 COMMISSIONER LEONE: You don't see it as a tool?

16 COMMISSIONER LANNI: I don't think it's a tool because
17 people who understand this far better than I do have not presented
18 it. I don't think we've heard any evidence either through our
19 research studies or evidence presented before this Commission that
20 would indicate that there's some scientific correlation to credit
21 and pathological and problem gambling. Maybe in the myriad of
22 research that we are going to ask the various agencies, the
23 federal and state governments, to go through will find something
24 that could ascertain this. I just have never seen it.

25 COMMISSIONER LEONE: It just seems to me implausible
26 that since the most direct consequence of having a gambling
27 problem is losing money, that the financial information wouldn't
28 be a useful indicator. I agree that it's not a definitive
29 indicator, would not settle the matter, but if I were -- and I

1 know I'll be invited back to Las Vegas a lot after this meeting is
2 over --

3 COMMISSIONER LANNI: You're welcome any time, Richard.
4 Be my guest if you'd like.

5 COMMISSIONER LEONE: If I were asked to start from
6 scratch and think about what do we look for when we look for this
7 problem, it seems to be one of the warning signs would be this
8 person's getting into financial trouble.

9 CHAIRPERSON JAMES: It seems to me that if we worked
10 with the area right here that said would help identify, if we
11 could work on that language a little bit and qualify it that
12 perhaps we could come up with something that could say.

13 COMMISSIONER McCARTHY: You want to make could instead
14 of would?

15 COMMISSIONER LANNI: Again, I haven't seen any
16 scientific evidence. That's all I'm asking for.

17 COMMISSIONER McCARTHY: Nor are we going to see any,
18 nor am I attempting to assert that we can -- that we ought to
19 impose on the management of a gambling facility. We're not here
20 talking only about casinos. About all gambling facilities.

21 COMMISSIONER LANNI: I understand.

22 COMMISSIONER LOESCHER: Madam Chair?

23 COMMISSIONER McCARTHY: I don't think we should impose
24 a burden on you to find scientifically that you know that this is
25 a pathological gambler. Keep in mind the sequence we're trying to
26 get at here. The central point in this is we don't want to see
27 gamblers in that large 11 million, according to Dr. Howard
28 Schaffer, problem gambling area --

29 COMMISSIONER LANNI: He doesn't use the term problem

1 gambler.

2 COMMISSIONER McCARTHY: Pardon?

3 COMMISSIONER LANNI: He doesn't use the term problem
4 gambler.

5 COMMISSIONER McCARTHY: He does indeed. I've got the
6 citations for you to look at, at least two.

7 COMMISSIONER LANNI: We'll take a look at that.

8 COMMISSIONER McCARTHY: We don't want to see a lot of
9 those graduate into the pathological state, and therefore cost a
10 lot more money to treat and be a lot more destructive to their
11 families and friends. That's the point here.

12 CHAIRPERSON JAMES: I want to recognize Commissioner
13 Loescher.

14 COMMISSIONER LOESCHER: Madam Chair, I find this really
15 intriguing, this whole drive for research and to impose upon the
16 American public some kind of qualification or credentials in order
17 to undertake the freedom to entertain themselves through gaming.
18 People have rights, and one of them is not to be abused by credit
19 searches. One of the things that I know as an American that I
20 hate most of all is this business of credit companies picking on
21 people.

22 Then to institutionalize further credit requirements by
23 requiring gaming facilities to do these kinds of reference checks
24 and analysis and whatever, I just think is way out there in the
25 Never Never Land invasion of privacy, way far beyond what is
26 required.

27 If a person is in the custody of the court, or a
28 juvenile, or a student, or criminal, I can see that these kinds of
29 things should be applied. But if you're not in the custody of the

1 state, I don't believe that this kind of thinking should even be
2 thought of at this point as an institutionalized course of conduct
3 to impose upon businesses across the land.

4 I just, notwithstanding your drive for research, I just
5 think this is an invasion of privacy and it's way beyond the scope
6 of what is possible.

7 COMMISSIONER LANNI: Let me suggest this, Madam Chair.
8 To me, I remain in the position that we have no scientific
9 evidence to assume that what is suggested here would lead to the
10 resolution, or at least an answer or partial answer to this issue.
11 Forgetting the pejorative manner in which it's written, I'll
12 separate that for a moment, I think the issue is that this should
13 be referred as a research request. We ask the appropriate
14 agencies to determine and analyze if there's some correlation
15 between credit and problem and pathological gambling. Let's have
16 the experts look at this rather than people with strong opinions
17 on either side of the issue.

18 CHAIRPERSON JAMES: There's one other suggestion that -
19 - and Terry, I don't know if this would be helpful at all -- to
20 remove the link between collecting the data and identifying
21 problem gamblers just by deleting that phrase, "That would help
22 problem or pathological gamblers," and then just leave the facts,
23 "Only one of 16 develop a data base and use it to identify." That
24 way you eliminate the link that somehow -- and you just state the
25 facts, "One of six collect and analyze data from banks and central
26 credit --

27 COMMISSIONER LANNI: I'm not sure what you'd delete.
28 Then you delete everything except for only?

29 CHAIRPERSON JAMES: No. Take out, "That would help

1 identify problem or pathological gamblers." That takes away the
2 link.

3 COMMISSIONER LANNI: Then let's go with the first
4 sentence, "Though extensive credit risk information is available
5 to casinos that use central credit agencies," what is the credit
6 risk information that's available to us that we're not using?

7 COMMISSIONER McCARTHY: The information from credit
8 card machines. Let me say that statement is from the person at
9 the central credit agency whom I asked first for a list of the
10 categories of credit risk information they gather, and secondly,
11 how much of it is used by different gambling facility companies?
12 I think that fairly characterizes what you said, that a lot of
13 it's not used.

14 I'm not -- it's also true that with credit card cash
15 advance machines on the floor that it's the position of all
16 gambling facilities that use those machines that that's for the
17 convenience of the patrons, and we only charge a fee for that, so
18 we're not interested in the credit risk information that might be
19 indicated.

20 CHAIRPERSON JAMES: Excuse me --

21 COMMISSIONER LANNI: I think at this point I would say
22 if I were in a trial, I think I'd rest my case after that
23 response. Let me say this. I'm going to make a modification and
24 will just propose that this be referred to research and it be
25 deleted as a paragraph. I think it's pejorative at best. There's
26 non-support for the logic in it, and there's no substantive
27 evidence, either clinically, or from any evidence that's been
28 presented through testimony before this Commission. I would
29 propose, if he agrees, that we refer it as a research request.

1 COMMISSIONER WILHELM: Madam Chair, can I ask
2 Commissioner McCarthy a question, just while you're considering
3 that? This sort of follows on Commissioner Loescher's point. No
4 doubt the type of information that you're referring to is
5 available, but is it certain that it's actually available to the
6 casinos as facilities that use these services to extend credit?

7 COMMISSIONER McCARTHY: Yes, if it pertains to one of
8 their patrons.

9 COMMISSIONER TERWILLIGER: We're going to ask that the
10 gaming facilities analyze a person's financial records and try and
11 make a determination as to whether or not they're a problem?

12 COMMISSIONER McCARTHY: I want to repeat once again
13 that is not what we're asking to do. We're saying that's one step
14 in a series of steps that a well trained staff could take to give
15 them warning signs as to whether or not one of their patrons is
16 convincingly a seriously troubled gambler so they would then have
17 the option -- this is all within the discretion of management.
18 There isn't going to be a police force there watching what they're
19 doing.

20 COMMISSIONER BIBLE: That sounds like what we're
21 proposing. We're proposing somebody take a look at a person's
22 financial transactions, their financial activities, and make a
23 judgement about their social behaviors, and I personally am not
24 going to support that kind of a proposal.

25 COMMISSIONER McCARTHY: We are not -- that's a
26 mischaracterization. We are not asking, and I'd address this to
27 Mr. Loescher's point as well. We are not asking that any kind of
28 credit risk information be gathered that is not already gathered
29 by the central credit agencies who are paid a fee by gambling

1 facilities.

2 COMMISSIONER BIBLE: Do they then get the information
3 and come up and say, "Hey, pal, you've got a problem. We've
4 looked at all your credit."

5 COMMISSIONER McCARTHY: Of course not.

6 CHAIRPERSON JAMES: Bill, I'm sorry, I can't talk loud
7 today, but I will bang my gavel if I have to. Let me suggest
8 this, that we table this particular one. Terry, you need to look
9 at the language, because the motion that you have before us now is
10 a motion that would make it referred for research, and we'd need
11 to see what that language looks like before we could take a vote
12 on it. So that's the motion that's before us.

13 COMMISSIONER McCARTHY: May I make just one suggestion
14 to Mr. Lanni? In any event, if there were a research request, it
15 would pertain only to the first sentence. The next couple of
16 lines are out of the responses of the casino questionnaire, just
17 as all of the other line of items there were.

18 COMMISSIONER LANNI: I would just add -- I understand
19 your procedural suggesting, Madam Chair, I would just add anybody
20 who gives a damn about civil liberties, personal liberties, ought
21 to agree with Commissioner Loescher on this one.

22 CHAIRPERSON JAMES: I'm going to table that one, Terry,
23 ask you to work on it, and bring it back up. Just remember that
24 the motion that is before us right now is one for research, not to
25 delete.

26 COMMISSIONER BIBLE: Not to delete it?

27 CHAIRPERSON JAMES: No, to delete it and make it a
28 research proposal.

29 COMMISSIONER BIBLE: We're going to research whether or

1 not we want to examine people's credit records --

2 CHAIRPERSON JAMES: Whether there is any --

3 COMMISSIONER BIBLE: -- to determine whether there is
4 any --

5 CHAIRPERSON JAMES: No, whether there is any link -- he
6 will work on the language. He will work on the language.

7 COMMISSIONER McCARTHY: Repeating the
8 mischaracterization is not going to help this conversation.

9 CHAIRPERSON JAMES: That's not --

10 COMMISSIONER LANNI: You're right, Leo.

11 COMMISSIONER DOBSON: Madam Chair?

12 CHAIRPERSON JAMES: Commissioner Dobson.

13 COMMISSIONER DOBSON: I have the suggested revision
14 from Chapter 4, page six, that was requested.

15 COMMISSIONER LANNI: Which line was that?

16 COMMISSIONER DOBSON: That is Chapter 4, page six.
17 This is the one where you asked us to --

18 COMMISSIONER LANNI: Which line, though? I've got my
19 papers a little confused.

20 COMMISSIONER DOBSON: Third paragraph. Again, this
21 goes back to that decision we made to add the NORC random digit
22 dialing information. I am moving that we accept this language. I
23 don't think I need to read what's already there. This continues
24 right after the reference one. This is the one where we -- you
25 asked us to come up with additional information.

26 COMMISSIONER TERWILLIGER: Jim, I think the quotes,
27 though, in this are going to be deleted, right? I think you
28 mentioned something about taking the quote out?

29 COMMISSIONER DOBSON: The quote marks are gone, yes.

1 Here's the new language we're proposing.

2 "By comparison, the NORC random digit dialing
3 survey of the general population found that 2.1
4 percent met the lifetime criteria for
5 pathological or problem gambling, which 7.9
6 percent were classified as at risk."

7 COMMISSIONER LANNI: I think you need to put the number
8 of people in the survey. Since you talked about the 530 in the
9 patron survey, you should, I think, put 2417 people in the --

10 COMMISSIONER DOBSON: That's all right.

11 CHAIRPERSON JAMES: Could you repeat that so that they
12 can get it?

13 COMMISSIONER DOBSON: Random digit dialing survey --

14 CHAIRPERSON JAMES: By comparison, the NORC random
15 digit dial --

16 COMMISSIONER DOBSON: Survey of 2417 -- that doesn't
17 fit, does it?

18 CHAIRPERSON JAMES: I think we have the -- we're going
19 to have to put a lot of this -- you have the sense -- the sense of
20 it's fine. You'll get a chance to see it before the end of the
21 day. We'll ask the staff to clean up the language and put that
22 in. That one will pass with acclamation.

23 COMMISSIONER KELLY: Madam Chair, can we complete the
24 reading of it one time?

25 CHAIRPERSON JAMES: He didn't have exact language. We
26 were going to let you work on that.

27 COMMISSIONER DOBSON: We'll give it to you in a second.

28 COMMISSIONER LANNI: Jim, I just wanted to be sure that
29 you say lifetime, because it's lifetime in -- and the 2,000.

1 CHAIRPERSON JAMES: He said that. We're just going to
2 let it go. The next one up is Chapter 7.

3 COMMISSIONER WILHELM: This one is mine. The cover
4 sheet was inadvertently omitted when this packet was put together,
5 which was not a problem.

6 CHAIRPERSON JAMES: He wants to move this from Chapter
7 7 to Chapter 4.

8 COMMISSIONER WILHELM: This pertains to language that
9 was put in the packet here in Chapter 4, so it's fine. It
10 pertains to language that is presently in page -- in Gambling's
11 Impact on People and Places, which is behind tab nine in the
12 binder, page nine of that draft chapter, the bottom of the page.

13 I'm proposing two different things here. One is I'm
14 proposing to move this language out of people and places into this
15 problem gambling chapter that we're presently working on because I
16 think that's where it belongs.

17 Secondly, I'm proposing to revise the paragraph. The
18 proposed language is here on this sheet. The reason that I have
19 proposed -- the primary reasons I have proposed to change the
20 language are at the last two citations, not from studies that are
21 before this Commission, rather they're from newspaper articles,
22 one from the distinguished reporter at the Sun Herald in Biloxi,
23 and the other from the equally distinguished Las Vegas Business
24 Press. The newspaper articles are about studies that are not
25 themselves before this Commission.

26 I have read the second of these two, the one reported
27 in the Las Vegas Business Press, and I would respectfully request
28 the interpretation attributed to the newspaper is not a fair
29 representation of the study, and I don't believe that it's

1 appropriate on any subject to use newspaper clippings that are
2 reporting on another study that we don't have in front of us.

3 So those are the reasons for this. I think it belongs
4 more properly in problem gambling, and secondly, I want to --

5 COMMISSIONER LEONE: John, could you just say again
6 where in the chapter you want to put it?

7 COMMISSIONER McCARTHY: He wants to amend one of my
8 findings from the casino --

9 COMMISSIONER WILHELM: I don't know.

10 COMMISSIONER LEONE: You don't know where in the
11 chapter --

12 CHAIRPERSON JAMES: Somewhere in that.

13 COMMISSIONER WILHELM: You're right, I forgot that
14 point. Whatever the staff thinks would be sensible if the change
15 meets with the Commission's approval.

16 COMMISSIONER McCARTHY: At the end of Chapter 4, that's
17 reporting the casino findings. That's what we're in the middle of
18 right now. I reported four hopeful signs from the casino
19 questionnaire, and then two potentially negative signs.

20 COMMISSIONER WILHELM: We could put it there if you
21 want. I don't have a strong feeling about where it goes.

22 COMMISSIONER McCARTHY: I'm not raising objection --

23 COMMISSIONER WILHELM: No, I know.

24 COMMISSIONER McCARTHY: -- to it. I mean, it's not
25 really applicable to the casino questionnaire, but --

26 CHAIRPERSON JAMES: John, would you like to offer it as
27 a motion?

28 COMMISSIONER WILHELM: I don't care where it goes.

29 CHAIRPERSON JAMES: It has been moved and seconded.

1 All in favor? Any opposed? Thank you. That passes. Problem and
2 Pathological Gambling. Whose is this?

3 COMMISSIONER McCARTHY: This is from me. It's an
4 attempt to tighten up the language, because I don't think there's
5 any substantive change, and if anybody finds a problem with it, I
6 don't have any passionate feelings.

7 COMMISSIONER LEONE: I have to tell you because of the
8 heading I assumed that this was from the gambling industry, and I
9 thought this was pretty reasonable.

10 COMMISSIONER McCARTHY: I've just been in an ardent
11 search to find an item where I could persuade the American Gaming
12 Association and this is it.

13 CHAIRPERSON JAMES: Leo, can you talk about where you
14 want to -- what you want to do with this language?

15 COMMISSIONER McCARTHY: I think the wording in the
16 chapter was slightly different. I don't care about the heading.
17 That can fit into -- if I had the chapter in front of me in this
18 mountain I've got here I could --

19 COMMISSIONER LEONE: Page 14, private sector efforts.

20 COMMISSIONER McCARTHY: That's fine. That's what it
21 can say, "Private sector efforts," instead of response from the
22 gambling industry.

23 CHAIRPERSON JAMES: Let's strike that, and that should
24 be private sector. You're suggesting that this language be added?

25 COMMISSIONER McCARTHY: No, in place of. Chapter 4,
26 page 14.

27 CHAIRPERSON JAMES: Do you want to replace the entire
28 private sector efforts?

29 COMMISSIONER McCARTHY: I had in mind the first

1 paragraph.

2 COMMISSIONER LEONE: So all of this would replace just
3 the first paragraph.

4 COMMISSIONER McCARTHY: And the staff will have to fit
5 that in sequentially here to determine how the second and third
6 and fourth paragraphs fit in there. I'm not trying to replace
7 those. I didn't author them and they come from somebody else.

8 COMMISSIONER LANNI: I can understand. What you're
9 doing on page 14, you're suggesting the private sector efforts as
10 written should be deleted? Do I understand that correctly? And
11 replaced with --

12 CHAIRPERSON JAMES: The first paragraph.

13 COMMISSIONER McCARTHY: The first paragraph.

14 COMMISSIONER LANNI: The first paragraph and everything
15 else would stay? So it begins with, "After," and ends with,
16 "Gamblers?"

17 COMMISSIONER McCARTHY: That's correct.

18 COMMISSIONER LANNI: My question is who wrote this
19 originally? The staff?

20 COMMISSIONER TERWILLIGER: I believe it came from Dr.
21 Dobson's office, but I rewrote it. I assume that's what happened.

22 COMMISSIONER LANNI: It came from Dr. Dobson's office
23 and --

24 COMMISSIONER TERWILLIGER: I believe.

25 COMMISSIONER LANNI: -- rewritten by staff, and now Leo
26 wants to re-rewrite it? I just want to be sure of all the sources
27 here.

28 COMMISSIONER McCARTHY: Let the record show that this
29 chapter has been through many iterations to this point, and it is

1 not longer appropriate, Bill, to call it my chapter. I've
2 participated like everybody else around this table.

3 CHAIRPERSON JAMES: Why don't we just take two minutes
4 and let everybody make sure they have reviewed this. Leo, what
5 are you prepared to do with No. 2 on page three, since we've
6 tabled that?

7 COMMISSIONER McCARTHY: You know, as I reflect on this
8 conversation, which is heated, over heated, obviously whatever
9 happens in this depends upon the goodwill of the management to
10 achieve what I had hoped to achieve here, which is as early
11 intervention as possible before these folks walk down the road of
12 self destruction.

13 If this reflects that kind of view, then forcing this
14 issue at this point I don't think is going to achieve what I set
15 out to achieve. So what I set out to resolve this issue is to
16 delete the first sentence. The rest of that language is a
17 straight quote of the numbers out of the -- so what we're talking
18 about here is on -- it's the second item under, "There are also
19 some disturbing signs."

20 Incidentally, the heading language, it's not disturbing
21 signs in the casino industry, it's in the casino questionnaire
22 responses. Everybody with me? Turn to the second page of what
23 you have there. Look at the heading there, "There are some
24 disturbing signs in the casino industry." More accurately, that
25 should be, "In the casino questionnaire responses."

26 CHAIRPERSON JAMES: Leo, I would have a problem just
27 with repeating a paragraph within the same chapter verbatim
28 anyway. That No. 2.

29 COMMISSIONER McCARTHY: What I'm suggesting is that we

1 delete the first sentence. I think that's what caused the fire.
2 The rest of it is simply those are numbers out of the casino
3 questionnaire response by the NORC analysis. That's literally
4 what the casino response was.

5 CHAIRPERSON JAMES: I think the problem is in that that
6 would help identify problem or pathological gambling.

7 COMMISSIONER McCARTHY: I'm sorry, yes. I understand.
8 Let's delete, "That would help identify problem or pathological
9 gamblers." To repeat, we're in No. 2 on page three of what -- I'm
10 sorry, page four of what you're looking at. There are going to be
11 two deletions. The first sentence, "Though credit risk
12 information is available to casinos that use central credit
13 agencies, gambling facilities apparently choose not to ask for
14 much of that data." Delete that.

15 The second deletion is what the Chair just referred to.
16 Looking toward the end of the next sentence, starting with the
17 words, "That would help identify problem or pathological
18 gamblers." That is struck.

19 CHAIRPERSON JAMES: So what remains is --

20 COMMISSIONER McCARTHY: What remains is only the
21 findings from the casino questionnaire responses.

22 COMMISSIONER LOESCHER: Madam Chair, what's the
23 procedure here? Is there a motion or something?

24 CHAIRPERSON JAMES: Not yet. He's cleaning it up and
25 then after we have a --

26 COMMISSIONER McCARTHY: I want to make sure that that's
27 satisfactory to Terry.

28 COMMISSIONER LOESCHER: Run over that one more time,
29 Leo?

1 COMMISSIONER McCARTHY: Sure. If you have in hand this
2 page of my draft, it's the second page. It's numbered page three
3 up above. Look at No. 2, strike the first sentence. Now look at
4 the next sentence, toward the end of the next sentence, and strike
5 the words, "That would help identify problem or pathological
6 gamblers."

7 COMMISSIONER LOESCHER: And the same in the sentence
8 below it?

9 COMMISSIONER McCARTHY: I'm not sure that's even
10 accurate to delete that last. The Chair's raised the point. The
11 question we asked in the casino questionnaire, which all members
12 of the Commission got a shot at, was do you develop a database
13 that might help you -- help you identify problem or pathological
14 gamblers. That was the question asked. So actually that second
15 language, Madam Chair, really does belong.

16 CHAIRPERSON JAMES: Right.

17 COMMISSIONER McCARTHY: I retract what I said. That
18 should not be struck if we want to report on the casino
19 questionnaire.

20 COMMISSIONER LANNI: What shouldn't be struck?

21 CHAIRPERSON JAMES: This. Delete that, take that out.

22 COMMISSIONER McCARTHY: That's reporting on that
23 particular question in the casino questionnaire.

24 COMMISSIONER LANNI: I like your objective overview of
25 there are some disturbing signs in the casino questionnaire
26 report. Very objective. Disturbing signs. You've already
27 determined they're disturbing because only one out of every six
28 non-tribal casinos said they collected and analyzed data from
29 banks and credit agencies. It doesn't mean anything any more.

1 What do you mean we didn't collect it? Of course we collect it
2 and we analyze it. We don't analyze it for purposes of problem or
3 pathological gambling because it's impossible to do that, Leo.
4 That's why I want to send this back to research. I think this
5 chapter is written -- it went through a very negotiated back and
6 forth with a lot of different people. Why you want to go change
7 it now at this point --

8 COMMISSIONER McCARTHY: This is not a change.

9 COMMISSIONER LANNI: I'm talking about the chapter in
10 the book as it's presented to us right now. Totally opposed to
11 any changes.

12 COMMISSIONER McCARTHY: This was the language that was
13 in the earlier proposal. I don't think this has changed at all.

14 COMMISSIONER LANNI: I'm talking about page 14, private
15 sector efforts. My intent is to leave that exactly as it has been
16 written going through a number of different sources. Why you want
17 to revisit it. It makes no sense.

18 COMMISSIONER LOESCHER: Terry, this stuff is in that
19 same draft on pages 15 and 16.

20 COMMISSIONER LANNI: I was just looking at page 14.

21 COMMISSIONER WILHELM: Under casino questionnaire
22 starting on page 15.

23 COMMISSIONER LANNI: I was told we were only looking at
24 --

25 COMMISSIONER WILHELM: Same stuff, Leo's right.

26 COMMISSIONER LANNI: I thought we were told we were
27 only looking at changing paragraph one of private sector efforts,
28 and that's what I was looking at. I misunderstood, I'm sorry.

29 COMMISSIONER BIBLE: That's part of the preamble that

1 we were changing.

2 COMMISSIONER WILHELM: What I said, it's there. What I
3 meant was the part about the questionnaire. All this other stuff
4 about how nobody's ever paid any attention to this or all that,
5 that's all new. I concur with Terry, Leo. I don't quite see why
6 the material that precedes casino questionnaire was rewritten.

7 For example, you've got a sentence here that says, "In
8 a quarter century dynamic growth and heated competition, virtually
9 no leaders in any segment of the gambling industry have seriously
10 addressed the existence of problem and pathological gambling among
11 millions of their patrons. The one noteworthy exception is the \$8
12 million committed by members of the AGA to research several
13 aspects of this often devastating disorder."

14 I don't know that we have a scintilla of evidence for
15 that rather sweeping statement. In the last paragraph you say,
16 "Parenthetically it should mentioned in a similar list of
17 questions posed to major segments of the horse racing industry,
18 the single response that we had were broad coalitions who promise
19 to take constructive action. No specific answers to any questions
20 were provided."

21 I don't know if that's intended to delete the paragraph
22 on the top of page 15 in the draft pertaining to the horse racing
23 industry or not, but I share Terry's puzzlement as to what is
24 being changed here.

25 CHAIRPERSON JAMES: Leo, let me ask you a question just
26 for clarification to make sure we're all on the same page. Page
27 14, first paragraph, private sector efforts. Are you with me?

28 COMMISSIONER McCARTHY: Yes.

29 CHAIRPERSON JAMES: You're suggesting that from, "In a

1 quarter century of dynamic growth," that you want to replace that
2 paragraph starting with, "In a quarter century," down to, "Casinos
3 did," at the top of page two? Is that correct?

4 COMMISSIONER McCARTHY: I wanted to replace the first
5 paragraph.

6 CHAIRPERSON JAMES: That not right, because there is a
7 repeat of the information that's over here under casino
8 questionnaire, so I'm trying to figure out exactly what it is,
9 because what I want to do is move you to a motion. So you want to
10 replace the first paragraph with what?

11 COMMISSIONER McCARTHY: Why don't we pass this
12 temporarily and let me take a look at it.

13 CHAIRPERSON JAMES: We'll do that.

14 COMMISSIONER LOESCHER: Madam Chair?

15 CHAIRPERSON JAMES: Commissioner Loescher.

16 COMMISSIONER LOESCHER: While he's passing, I would
17 like to ask that when you rewrite this whole business that you
18 delete every reference to Native American casinos with regard to
19 the casino questionnaire. I have a problem with that, that whole
20 business. In my effort to try to get the tribal governments to
21 respond to the questionnaire, I made a special effort with staff
22 to receive a copy or to look at the questionnaire and the return
23 questionnaires in camera by myself to take a look.

24 I even went to the Commission offices to take a look at
25 see about this questionnaire and verify the kinds of information
26 that were being said, both the non-tribal and the tribal, and I
27 couldn't get a copy. I couldn't see it, they wouldn't let me see
28 it, and then we did an interview long distance with the NORC
29 fellow who was interpreting the results of the questionnaire, and

1 he was very gracious and was able to give me over the telephone
2 what Dr. Kelly -- a review of some of the findings, but again, I
3 wasn't able to see what it is that this questionnaire provided.
4 So I was a bit discouraged in my efforts to try to understand this
5 questionnaire and to get Native American tribes to participate in
6 it.

7 Then this questionnaire has four tribes responded to
8 the questionnaire out of I don't know how many received the
9 questionnaire. But I don't think that's --

10 COMMISSIONER McCARTHY: One hundred and forty.

11 COMMISSIONER LOESCHER: Pardon me, Madam Chair.

12 COMMISSIONER McCARTHY: I'm sorry.

13 COMMISSIONER LOESCHER: I don't believe that the
14 information that's been collected and interpreted is
15 representative enough to draw conclusions and to represent in this
16 report any numbers with regard to Native American tribal gaming
17 and casinos. With that, Madam Chair, I'd like that any reference
18 in this section to Native American tribal gaming casinos be
19 deleted and rewritten. I would request that.

20 CHAIRPERSON JAMES: Leo, you have agreed to work on
21 this, and we will table it for the time being and bring it back
22 up.

23 Dr. KELLY: One request that would be helpful, if the
24 staff could help Leo so that we could see line cross-outs and
25 changes compared to the existing text that's proposed for the
26 chapter. It's difficult when you're looking at a separate piece
27 of paper, and that would be helpful if the staff could give him
28 that. It might be easier to look at.

29 CHAIRPERSON JAMES: I think we have one final piece for

1 Chapter 4.

2 COMMISSIONER McCARTHY: Incidentally, I might mention for
3 the record, Madam Chair, every member of the Commission was sent
4 drafts of the questions in the proposed casino questionnaire
5 probably at least on two occasions and asked for their individual
6 comments on the questions. I just want that in the record.

7 CHAIRPERSON JAMES: Absolutely.

8 COMMISSIONER LOESCHER: Madam Chair, but I want to also
9 emphasize for the record that may be nice and generous for that
10 opportunity, but what is more important is looking at the results
11 and verifying these results. I don't believe that any
12 Commissioner has looked at these results of this so-called
13 questionnaire. As far as I'm concerned, it's not verifiable, and
14 also with what I know about the questionnaire and the sampling,
15 it's not enough to draw conclusions. So for the record I'd just
16 like to emphasize that point.

17 COMMISSIONER McCARTHY: And for the further record,
18 Madam Chair, the Commissioners may recall that we have to assure
19 all casinos sent the questionnaire that anything that they
20 considered proprietary would be absolutely protected and that the
21 individual site specific, facility specific, information was not
22 going to be circulated, only the aggregate results. That was to
23 protect tribal as well as non-tribal casinos.

24 CHAIRPERSON JAMES: That's correct.

25 COMMISSIONER LOESCHER: Madam Chair?

26 CHAIRPERSON JAMES: Mr. Loescher?

27 COMMISSIONER LOESCHER: Just for the record, two
28 points. One, I have not seen the aggregate results, nor do I
29 believe any Commissioner has seen the aggregate results. Also by

1 statute, as a Commissioner by law I'm able to look at any
2 document, any piece of paper that this Commission is considering,
3 and I am sworn to confidentiality and protection of documents and
4 information. So I have no interest in the gambling industry, and
5 I have no conflict of interest, and I should have been afforded
6 the right to look at this information and I was not.

7 CHAIRPERSON JAMES: Just as a point of clarification,
8 Dr. Kelly?

9 Dr. KELLY: Yes. I'm not sure what to make of these
10 statements. Commissioner Loescher indeed visited the office, and
11 of course, Commissioner Loescher, you're welcome to view any of
12 the aggregate results that we have. If there's anything that we
13 have that was not shown you, I will be glad to go back and look it
14 up and get it to you immediately. They're absolutely available to
15 you, as they were in my memory at the time. The only thing we're
16 not sharing, indeed we don't even have it at the office, is the
17 individual responses to the questionnaires for the reasons that
18 Commissioner McCarthy stated.

19 CHAIRPERSON JAMES: We're going to move --

20 COMMISSIONER MCCARTHY: I'd mention the results of the
21 NORC analysis were sent to every member of the Commission.

22 CHAIRPERSON JAMES: Certainly. We're going to move on.
23 We have one final piece, Commissioner Leone. Is this --

24 COMMISSIONER LEONE: I thought it should be raised
25 because we did have testimony and there was a report that most
26 insurance policies don't cover or recognize problems or
27 pathological gambling. It's something that's reimbursable
28 treatment, and it seems to me that we have a reference to
29 employees receiving such assurance, and I may be wrong, but it

1 seems to me at one point we talked about the fact that we ought to
2 call on the insurance industry to redefine.

3 CHAIRPERSON JAMES: Commissioner Bible?

4 COMMISSIONER BIBLE: You distributed a proposed
5 recommendation to call for coverage for gambling problems as a
6 condition of insurance policies. There's a recommendation, I
7 believe, in the research which may not be the appropriate place
8 for that to do that.

9 COMMISSIONER LEONE: I'm not sure this isn't covered
10 also, so I'll withdraw it and we'll deal with it when we --

11 COMMISSIONER BIBLE: I think that's an important
12 recommendation to be included --

13 COMMISSIONER LEONE: I do, too. I just wanted to make
14 sure it was in there, and I think we all agree on it.

15 COMMISSIONER BIBLE: And it probably should be
16 strengthened to -- it should be to states because generally states
17 can mandate certain coverages.

18 COMMISSIONER LEONE: Let me read this. It says despite
19 the fact that pathological gambling is recognized as a medical
20 disorder, most insurance companies and managed care providers did
21 not reimburse for treatment. The Commission recommends the
22 private and public insured and managed care providers identify
23 successful treatment programs, educate participants about
24 pathological gambling and treatment options, and cover the
25 appropriate covers under their plans.

26 COMMISSIONER BIBLE: I would strengthen that to make a
27 call upon the states to mandate that kind of coverage as a
28 condition of insurance contracts.

29 COMMISSIONER LEONE: If we don't have it later.

1 CHAIRPERSON JAMES: Can we go ahead then and pass this
2 one? Not table it, go ahead and vote on it so that we have that
3 done, that there is agreement on that, and then with Bill's --

4 COMMISSIONER LEONE: And then I think you want to go
5 back into the research recommendations because I believe, Leo,
6 that you have a recommendation that calls for this under the
7 research categorization?

8 CHAIRPERSON JAMES: What I'm going to do is --

9 COMMISSIONER McCARTHY: I thought that was just
10 gambling industry employees.

11 CHAIRPERSON JAMES: What I'm going to suggest is that
12 we go ahead and --

13 COMMISSIONER LEONE: That's the only thing the research
14 recommendations don't cover.

15 CHAIRPERSON JAMES: Let's pass this. Richard, I'm
16 going to ask you to take the responsibility to see that it's
17 covered somewhere else. All in favor? Any opposed? Any
18 abstention? With that we have now finished that chapter. I want
19 to take a 15-minute break.