

1 CHAIR JAMES: I would like to turn our discussion now  
2 back to the National Opinion Research Center, and welcome you  
3 back today to discuss the patron survey. And I don't know who is  
4 going to lead off our discussion, but I will turn it over to you,  
5 and you can make that decision.

6 DR. GERSTEIN: Thank you, Commissioner. I would just  
7 like to make an introduction. I'm not going to start this off,  
8 but since in the meeting in Chicago of the Commission I had the  
9 opportunity to introduce the key members of our study team, and  
10 we had one change in membership a couple of weeks after that.

11 The project director who is really the person who makes  
12 sure the rubber meets the road, if I can borrow a phrase, is here  
13 with me, Sally Murphy. Sarah is, in fact, formerly her name, is  
14 the person who does that, and has since last June.

15 And the patron survey has been one of the more  
16 interesting parts of what we have done, and she has shepherded  
17 this operation, as well as all our other operations, so I would  
18 like to turn the floor over to her to describe what we have done  
19 here.

20 Dr. Volberg was kind enough to volunteer to run our  
21 slides. And since we like to do these in a somewhat different  
22 order than presented here, we would just like to put them up on  
23 the screen again.

24 MS. MURPHY: Okay. I think it is important to start  
25 with -- .

26 CHAIR JAMES: I am going to ask you to pull that  
27 microphone real close.

28 MS. MURPHY: You bet. Is that better?

29 CHAIR JAMES: The closer the better, swallow it.

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1 MS. MURPHY: Swallow it. Is that better? Okay.

2 I would like to start off by sort of reviewing what the  
3 purpose of the patron survey is. It was to supplement the adult  
4 RDD survey with an intercept sample on location at gambling  
5 facilities, so that the total number of gamblers interviewed from  
6 group C, D, and E, would be sufficient to support intra-group  
7 analyses, and inter-group comparisons.

8 This was demonstrated yesterday by the results of the  
9 economic analysis we did.

10 So what I would like to do is I would like to talk to  
11 you about some of the things, some of the demographics, and some  
12 of the amounts of cases that we completed, and where we completed  
13 them, so you will have some idea of how the patron survey went.

14 We were targeting to complete 505 cases, we actually in  
15 fact completed 530 cases. You will note that in the casinos in  
16 Nevada and New Jersey we exceeded our targeted amount.

17 This was because we did these in a short period of  
18 time, and we gave the field some targets to meet during their  
19 specified times at the casinos, and we actually exceeded what we  
20 had originally thought.

21 In terms of regional distribution, you can see that we  
22 represented all four quadrants of the country, across the 21  
23 establishments we went to. Dean, I think you had a comment at  
24 this point.

25 DR. GERSTEIN: Yes, actually. Why don't we put the  
26 right slide up? The -- if you were to compare this distribution  
27 to where the sites were, this isn't the way the country as a  
28 whole looks. That is, in terms of where people live.

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1           On the other hand, it isn't clear if you were to try  
2 and take a national sample of patrons, what that would look like.  
3 In looking at this survey-- actually I wrote this out, there is  
4 another slide that spells out what we think is the case with  
5 regard to how the data that we are looking at compare to what  
6 might be a national sample.

7           One of the merits of electronic technology is you can  
8 do these quickly. Let me read this. The patron survey that we  
9 completed is small and clustered. That is, it is 500 cases, a  
10 national sample you would want more like a couple of thousand.

11           And it is clustered in that the number of sites at  
12 which we collected wasn't what you would want to do when we do a  
13 national survey. We usually go to somewhere between 60 and 100  
14 sites, that is what we call primary sampling units.

15           In this case we went to about 20. Therefore I would not  
16 say you could generalize the specific results that we got here  
17 with assurance to all of the gambling patrons.

18           Now, before we did this adult survey on the telephone  
19 there was no national frame of patrons of gambling facilities  
20 that we would be able to use to weight this sample, so it would  
21 be nationally representative.

22           Weighting means you ask how many people does every  
23 person that you interview represent. Weighting is one of the  
24 things that statisticians make a living doing.

25           And we haven't had time to think about how these patron  
26 data, which we only completed collecting within the last three  
27 weeks, would weight up to a national sample, if that is something  
28 that we wanted to do.

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1           And we have discussed this with the Commission, and it  
2 was clear when we collected this data to begin with, that our  
3 primary purpose is the one stated, namely to supplement the RDD,  
4 that is the telephone sample.

5           And we certainly can't explore the possibility of  
6 weighting the patron survey as part of our comprehensive report  
7 to the Commission on February 28th. And we would be happy to  
8 have some discussion about that, if you would like.

9           I just want to make clear that this survey, because it  
10 is small and it is clustered, gives us an idea about what we  
11 might see, had we been able to go to 100 facilities, if that  
12 seemed the right number.

13           We didn't draw a national sample of gaming facilities  
14 in which to do this particular survey, and that is why it is a  
15 supplement. And I think that is an important point I just wanted  
16 to emphasize here.

17           COMMISSIONER BIBLE: Just so I understand clearly, when  
18 we talked about the patron survey we had quite a bit of  
19 discussion over the telephone -- .

20           DR. GERSTEIN: Right.

21           COMMISSIONER BIBLE: -- it was a telephone conference  
22 about how we were going to use this data, and what importance we  
23 should attach to the data as we considered the various issues  
24 that are before us. And at least I had the impression we were  
25 not going to use the data to generalize, to a much broader data.

26           And if I read what you are proposing here is that  
27 somehow you are going to attach some weights to it, and somehow  
28 validate it into a data that would be nationally valid?

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1 DR. GERSTEIN: I'm indicating we could explore that,  
2 but it is not something we have done to date, and I want to just  
3 make clear that this is a sample meant to supplement the national  
4 sample for particular purposes.

5 And what we want to run through today, because we had  
6 that discussion, and wanted to see what one could make of the  
7 data, our discussion today is designed to tell you what the  
8 characteristics of this sample are.

9 We have not done, and we can discuss whether you want  
10 us to try and compare it to our national frame, which the  
11 telephone survey is, and see to what extent this sample is  
12 reasonably generalizable, or not.

13 COMMISSIONER BIBLE: At least my concerns at the time  
14 that somehow the data would get intermingled with the other data,  
15 and would kind of disappear and lose its identity.

16 And specially I noticed yesterday you drew some  
17 conclusions, I believe, in the social cost study based upon the  
18 data, and I could not differentiate where the data was coming  
19 from to support your conclusions.

20 DR. GERSTEIN: Social, the economic analysis is the  
21 only one in which we have, to this point, used that data.

22 COMMISSIONER BIBLE: But that was not identified on  
23 your presentation yesterday, that there was a kind of blending,  
24 some coming from the telephone survey, and some from the patron  
25 survey. I couldn't look at the data and -- .

26 DR. GERSTEIN: We didn't -- .

27 COMMISSIONER BIBLE: -- and figure out which was coming  
28 from where.

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1 DR. GERSTEIN: We didn't break those data out  
2 separately for the two groups, that is correct.

3 COMMISSIONER BIBLE: Because I thought that was our  
4 understanding when we proceeded with this, it would be cited and  
5 identified in the - so you could draw your own conclusions if you  
6 looked at the data.

7 CHAIR JAMES: That certainly was the context and the  
8 content of our telephone conversation.

9 COMMISSIONER LEONE: Let me understand something. The  
10 cost information that you provided yesterday, the estimates of  
11 impact, were they from the telephone survey, or this direct  
12 survey, or -- .

13 DR. GERSTEIN: They are from both.

14 COMMISSIONER LEONE: They are from both. So you -- you  
15 must have done some weighting in that, or did you just simply  
16 aggregate the two?

17 DR. GERSTEIN: We aggregated the two, and that is why  
18 we -- that is why we felt that those data could be applied group  
19 by group, but we didn't attempt to weight those up to what they  
20 would be if you wanted to say how many billions of dollars,  
21 because in order to get from a person estimate to a national  
22 estimate, you have to ask how many people does that individual in  
23 the survey represent.

24 COMMISSIONER LEONE: Yes, that was the question I was  
25 going to ask you today, actually. I was trying to extrapolate a  
26 national number from it, and I realized that without the  
27 weighting -- .

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1 DR. GERSTEIN: You have a wide range of uncertainty,  
2 and that is why we didn't feel that it was a good idea to do that  
3 arithmetic at this point in time.

4 COMMISSIONER LEONE: I have one other question about  
5 the sample, then. Were these large number of casino patrons,  
6 lumping all the casino patrons together, and the not so large,  
7 but the other number of lottery patrons, was that selected so  
8 that the two groups would give you some level of reliability? I  
9 mean, obviously, some level of reliability, but how did you wind  
10 up with those -- .

11 DR. GERSTEIN: These proportions were selected to  
12 represent the expenditure as represented, particularly in the  
13 analysis that Gene Christiensen gave, we actually sort of  
14 represented the dollars.

15 COMMISSIONER LEONE: Those are revenues?

16 DR. GERSTEIN: The revenues, and this is a rough  
17 equivalent -- .

18 COMMISSIONER LEONE: -- not the people at all, just the  
19 opposite -- .

20 DR. GERSTEIN: Right, this is basically equivalent to  
21 dollars.

22 COMMISSIONER LEONE: Okay, that makes sense.

23 DR. GERSTEIN: Okay. Anything else?

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1 MS. MURPHY: All right. I would like to continue to  
2 talk a bit about the response rates.

3 First I think it is a good idea to understand sort of  
4 how we set this up. We sent teams of interviewers to each  
5 establishment, and particularly at the larger facilities they had  
6 set hours of when they were to do the interviewing, between 3 and  
7 5 in the afternoon, and 7 and 10 in the evening.

8 Then they had a sampling end, in which most of the  
9 facilities was every third patron. The questionnaire was a  
10 shortened version of the RDD questionnaire, so we had a lot of  
11 comparable items between the two.

12 Our response rates, as you can see, the lowest response  
13 rate is the pari-mutuel, and that is because at one establishment  
14 we had an inordinately high amount of refusals.

15 Most of the refusals were due to people not having  
16 enough time to stop and talk with us. The other areas we didn't  
17 have as many problems, and we got fairly good response rates.

18 COMMISSIONER LEONE: That is sort of counter intuitive,  
19 made me wonder about the -- as I understand it, the problem with  
20 pari-mutuels is people have a lot of down time between races and  
21 things.

22 DR. GERSTEIN: They spend a lot of that downtime  
23 sitting in their seats. Our sample was designed -- I mean, this  
24 was what our agreement with the facilities was, is that our  
25 interviewers would stay in one place and stop people in traffic.

26 MS. MURPHY: That is right. We were at the door of the  
27 facility, so that the downtime - that is right, the down time was  
28 while they were sitting in their seats. And we caught them as  
29 they were leaving the facility.

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1 Now I would like to give you some characteristics of  
2 the people we actually interviewed. As you can see we came up  
3 with more males, we had a higher than national percentage of  
4 blacks in the sample. The income was a bit higher than the  
5 national.

6 The marital status demographics were pretty close to  
7 what the national is. The professional gamblers, when we asked  
8 people to self-identify themselves as a professional gambler, is  
9 less than one percent of the population.

10 So that sort of gives you an overview of what the  
11 patrons looked like that we intercepted and talked with at the  
12 various facilities.

13 DR. GERSTEIN: The other note here is that they are a  
14 little older than typical. That is if you would look at, again,  
15 the population of the U.S., we can't really speak to the  
16 population of patrons, per se because we don't have the basis yet  
17 to do that.

18 But, for instance, in the U.S. as a whole about 15  
19 percent of the population is 65 and older, of the patrons we  
20 spoke to 21 percent, generally the whole shift was upward.

21 But in other respects it looked like sort of America.  
22 The next one up I believe is are presentation that really gets to  
23 the core of the purpose of doing this, which is to get sufficient  
24 numbers of people whose behavior we could asses.

25 Again, this is what our sample looks like, and how this  
26 generalizes is something we can't say with assurance, but we  
27 can't say with assurance this is what our sample case looked  
28 like.

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1           And it pretty much fulfilled what we had thought as a  
2 result of the pilot survey. We would see that as when you sample  
3 individuals who are in the gambling facilities, very few of them  
4 are type A, that is people who have never gambled.

5           There are a few of them, because they are accompanying  
6 someone else, or they are passing through. In this instance 3  
7 out of 530 were folks who, again, we did not sample people at  
8 gaming stations, or placing bets.

9           Nonetheless, we did not, in essence, spend time  
10 interviewing people who did not gamble, so of course this  
11 distribution is nothing like a national prevalence level where we  
12 know, for example, that 14 percent of all the people in the  
13 country have not gambled at all in their lifetime, on any of the  
14 kinds of games that we have discussed.

15           The type B which is people who evidence no problems,  
16 the percentage is not all that different from what you would see  
17 in the country as a whole. Type C there are about twice as many  
18 people reporting that among the patrons. Type D about 5 times as  
19 many, type E about 10 times as many.

20           And, again, the point here is that in going to a  
21 facility and doing this kind of interview, you would expect that  
22 the people who gamble the most frequently, you would see more of  
23 them in this instance relative to what you would see in the  
24 population as a whole, and thereby generate a lot of cases,  
25 efficiently generate a lot of cases.

26           We were able to see, for example, among type E double  
27 the number of individuals that our entire adult survey, which  
28 itself was only one fifth as large, that is that the patron  
29 survey was only one fifth as large as.

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1           So, again, this concentration of ten means that this  
2 method generated many more cases of the sort that we needed to do  
3 some of our analyses, and that is why we would like to view this  
4 as a successful sort of venture in supplementing the national  
5 sample.

6           The next slide is an indication looking at just the  
7 type D and E sample, because that is the one we focused on  
8 previously, as well.

9           There are some differences between the results for the  
10 type D and E relative to what the adult sample showed. Here we  
11 do see a difference between men and women, that is we see about  
12 twice as many men and women, and this is somewhat similar to the  
13 older set of results that previous studies had seen, although  
14 when you look at people in their homes, where in essence their  
15 chances of being counted are much more equal, as opposed to  
16 people in a gaming facility, where their chances of being counted  
17 are more dependent on how often they go to gaming facilities, you  
18 see some difference.

19           We do see here, as we did in the adult survey, a  
20 tendency for there to be higher proportions among these two  
21 groups of non-hispanic, blacks, and hispanics, and of other  
22 categories within the population.

23           These figures are lower in the population of the U.S.  
24 as a whole, and among type D and E gamblers in the adult survey.

25           We find roughly the same, that is not statistically  
26 significantly different proportions by age group, except that  
27 there are a lower proportion of this group who were 65 and older,  
28 although that group was certainly well represented among the  
29 patrons at large.

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1 But relatively speaking, fewer of them reported that  
2 they were in the type D and E range.

3 The differences in income vary but not in a way that we  
4 could sort of be too systematic about. But since the latter, the  
5 bottom two groups there are the people making 50 to 100,000 or  
6 above really do not differ, those figures 8 and 10 percent are  
7 not - are within each other's range of confidence.

8 It would appear that type D and E tends to-- gamblers  
9 tend to be more frequent among those with lower incomes than  
10 higher incomes.

11 COMMISSIONER BIBLE: But if I understand the data, just  
12 so I'm sure, if you take the numbers, you are talking here about  
13 breaking down 73 respondents that you located, that have  
14 identified as being -- .

15 DR. GERSTEIN: That is roughly right, that is roughly  
16 right.

17 COMMISSIONER BIBLE: And half of those people are  
18 self-identified that they are a professional gambler?

19 DR. GERSTEIN: Half of the professional gamblers  
20 identify themselves as type D and E.

21 COMMISSIONER BIBLE: Half of the type D and E identify  
22 as being professional gamblers if I read the chart correctly.

23 DR. GERSTEIN: I'm sorry, I'm looking at this chart.  
24 Type D and E gamblers among each of these groups, among the males  
25 17 percent were type D and E, among the females 9 percent were  
26 type D and E.

27 COMMISSIONER LEONE: In other words, there were  
28 roughly 20 professional gamblers, ten of them said they were the  
29 D and E question?

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1 DR. GERSTEIN: The denominator here are the categories,  
2 and we are looking at the proportion of type D and E among each  
3 of these categories.

4 Again, many of these numbers that are different here,  
5 are not different statistically because the denominator is not  
6 that large.

7 And, again, it looks as though people that are married,  
8 we have a lower proportion of them who reportedly are type D and  
9 E, than people who are not married, whether they be divorced,  
10 separated, never married, or in some other categories that we  
11 have here, like widowed, and people are cohabiting.

12 And then the interesting finding, that among those who  
13 identify themselves as professional gamblers, half of them turn  
14 out to qualify under the criteria for type D and E. And this  
15 does speak to the question of to what extent, when you are  
16 looking at people who are professional gamblers, the DSM screen  
17 is an accurate portrayal in the sense that not that it is  
18 impossible to be a type D and E gambler, if you area  
19 professional, because clearly that is the case.

20 In some respects the question here is, and I will just  
21 use the metaphor that is closest to understanding this. If you  
22 look at someone who is a bartender, and ask can a bartender be an  
23 alcoholic? The answer is certainly. But whether the questions  
24 you would ask of a bartender, particularly about how often, say,  
25 are you around or have to think about drinking, might not give  
26 you quite the same discriminatory ability.

27 And that is really what this is saying, there may be  
28 some over estimation here of type D and E among professional

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1 gamblers, because some of these questions may be part of, so to  
2 speak, doing the business.

3 This is really the same comparison, looking at type D  
4 and E among the past year, rather than the lifetime numbers. And  
5 the only point I will make here is we see a similar pattern,  
6 namely that when you go to people who are in a place where they  
7 are there for the most part there to gamble, again, very few  
8 people are there who say, I haven't gambled in the past year,  
9 most of them have.

10 And, again, you see a concentration of people who are  
11 type D and E relative to the general population. And, again, to  
12 the extent that gambling a lot goes along with having more a  
13 likelihood of having problems, this is pretty much the  
14 prediction, and the ratios here are fairly similar in terms of  
15 the relative concentration.

16 Final point is that as part of the last discussion we  
17 had about the patron survey, the Commission asked that we be  
18 willing to take as a quality control measure that we take  
19 provision for an independent observer who was hired by the  
20 Commission to observe our field procedures, in a variety of  
21 instances. In this case all three of the observations were made  
22 at casino sites, and we just received this observer's report on  
23 the work that was done.

24 I thought, again, in view of the fact that the  
25 Commission had specifically asked that this be done, that we just  
26 quote from the conclusions.

27 The observer said that the NORC conducted the study  
28 following the procedures specified in our training manual as well  
29 as general standard interviewing procedures. That there were no

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1 deviations from generally accepted survey practice, that each of  
2 the observed times the interviewers wore their ID badges, sampled  
3 every third patient as specified, used the introductory scripts  
4 that were apart of the training, and did verify that patrons  
5 qualified for the study, including the exclusions we discussed  
6 previously, of not sampling individuals who were employees.

7           And, finally, and I should say this observer was not a  
8 shrinking violet, but stood shoulder to shoulder with our  
9 interviewers to literally watch every single thing that happened.

10           Questions were asked in the appropriate order, and  
11 skipped, that is to say, at the appropriate times as called for  
12 in the questionnaire protocol. Probes were used to clarify the  
13 answers, all the questions were asked, the answers were  
14 accurately reported, the interviewers were friendly and  
15 responsive to patrons.

16           In all these respects, our intention of doing this in  
17 as an unobtrusive and high quality a way as we could, do seem to  
18 have been borne out as the observer's conclusions about how the  
19 work was done.

20           So I guess just because that is kind of a gold star I  
21 felt that it would be worth while to cite these conclusions.

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1 CHAIR JAMES: With that I would like to open it up for  
2 discussion among Commissioners, and Commissioner McCarthy you are  
3 the last one I'm going to recognize, because we are just going to  
4 have a conversation after that, and we will flow.

5 COMMISSIONER MCCARTHY: Dr. Gerstein, your numbers show  
6 for lifetime it is 14 percent for type D and E, 9 percent for  
7 pathological gamblers, 5 or more, and another 5 percent for those  
8 with 3 and 4 adverse effects. And then for the past year it is  
9 11 percent. It stays at 5 for type D, but it goes from 9 percent  
10 to 6 percent for type E, the pathological gambler category.

11 How -- what would it take, harkening back to your  
12 earlier comment, what would it take for us to expand the size of  
13 a patron survey? I think you made, you mentioned 2,000  
14 interviews, or something. But have you thought about that, what  
15 would it take to see whether these numbers would bear out on a  
16 national scale?

17 DR. GERSTEIN: Well, as a rule of thumb, when one does  
18 a national household survey, where the frame is well understood,  
19 in a sense where it has been done over, and over again, such as a  
20 household survey, which people have been doing for a long time,  
21 or telephone survey, a national sample that is able to look  
22 pretty well at the kind of subgroups that one ordinarily is  
23 interested in, generally is about 1,500 cases.

24 I think because there are different kinds of facilities  
25 here, and there probably would be an interest in being able to do  
26 some gross comparisons, that the sample size for a national  
27 survey that was fully representative would probably need to be  
28 closer to the size of our telephone survey, in the neighborhood  
29 of 2,500.

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1           To some extent the question of sample size is one of  
2 what kinds of differences do you want to detect with a certainty  
3 that you have reached it. And I would, on this one, make the  
4 sort of general guess, and we would have to look more  
5 specifically at, you know, some questions that we, you know  
6 haven't had a chance to look at yet, that a survey somewhere  
7 between 2 and 3,000 would probably give you sufficient power for  
8 most of the questions that one would ask here in a patron survey.

9           COMMISSIONER WILHELM: As you are aware, as the  
10 Commissioners are aware, I have long been a skeptic on the patron  
11 survey. In your material on the screen, though not in your  
12 handout, you have partially addressed one of the reasons that I  
13 was skeptic and that is, in your handout in the screen, I'm  
14 sorry, in your slide on the screen, though not in your handout  
15 you inserted the comment that the percentages that are being  
16 cited here cannot be generalized to the nation as a whole.

17           I want to be sure I understood that comment on the  
18 slide. So let me say what I understood it to mean, and then tell  
19 me whether I have it right or wrong. I understood it to mean  
20 that we could not, from this particular study, at this time say  
21 that if you had a representative sample of gambling establishment  
22 patrons nationwide, that 9 percent of them would be type E, or  
23 that 5 percent of them would be type D.

24           Is that an accurate interpretation of what you said?

25           DR. GERSTEIN: Yes, it is. I don't see that we can yet  
26 make a national, and again, with precision that we can make a  
27 national estimate based on what we have done today.

28           COMMISSIONER WILHELM: I point that out, I appreciate  
29 your including the slide. I pointed it out in part because it is

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1 not in the handout, and in part because I'm hoping that those who  
2 follow these proceedings understand that point.

3 As you know there is a long history within this  
4 research subcommittee, and the Commission as a whole, and the  
5 famous telephone meeting of -- CHAIR JAMES: Infamous.

6 COMMISSIONER WILHELM: Infamous, thank you. I wouldn't  
7 have wanted to say that, you chaired it. But if it was infamous  
8 I'm probably to blame.

9 But I was troubled, as Commissioner Bible and the Chair  
10 pointed out, that we had a rather explicit understanding in that  
11 conference call, and I joined them in their recollection of it,  
12 that you wouldn't take the patron survey data and the telephone  
13 data and lump it together, which is exactly of course what you  
14 did in the social cost thing.

15 And I think the social cost thing, you know, has the  
16 problem that most people who are not statisticians would try to  
17 do what Commissioner Leone described that he tried to do.

18 So I'm disappointed that what we specifically agreed  
19 would not be done was done. And I would, respectfully, suggest  
20 to Commissioner McCarthy, the Chair of the research subcommittee,  
21 and to the Chair of the Commission, as well as to my fellow  
22 Commissioners, that I think it would be highly unwise at this  
23 late stage to try to take Dean up on his suggestion that it might  
24 be possible.

25 Of course he stated, in fairness, that he doesn't know  
26 yet, but that it might be possible to somehow weight this  
27 impartial non-representative sample to come up with something  
28 that could be nationally representative.

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1           Because if he is invited to do that, we are going to  
2 have to revisit all of the issues that I and others raised in the  
3 first place. Just as one example, I continue to believe, based  
4 on my understanding of how this survey was conducted, that it is  
5 impossible, logistically and physically impossible, for the  
6 interviewers to have visited with a sample that would be  
7 representative.

8           I have used the example, previously, of the  
9 inaccessibility of high rollers in full-blown casinos, whether  
10 they be commercial or Native American casinos, to these  
11 interviewers. And I -- using that example, and there are many  
12 others, I really hope that we don't try to go down this road,  
13 because if we do, we are going to have to revisit all of the  
14 various issues that it raises.

15           To the extent that the purpose of doing the patron  
16 survey was agreed upon by the Commission to be, and I agree with  
17 the characterization on the first slide, on the front of the  
18 handout, the purpose as I understood it, as voted by the  
19 Commission was to try to find a larger number of individual cases  
20 who had various kinds of gambling characteristics, so as to  
21 better understand some of the things that go with that.

22           To try to go beyond that, in my view, would be a  
23 lengthy process in terms of debate and discussions. Thank you.

24           COMMISSIONER DOBSON: Is there any reason to suspect,  
25 or feel that these data with regard to D and E results either  
26 overstates or understates the number of problem in pathological  
27 gamblers?

28           DR. GERSTEIN: Well, you know, it is the  
29 flip side of the question. We have taken two different samples,  
one in the pilot, and one in the main study, and the results have

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1 come out fairly similar, and it is certainly possible, as a  
2 result, that if we did this and answered everyone of the  
3 completely sort of valid and sensible reservations that  
4 Commissioner Wilhelm has stated, it is quite possible we would  
5 end up with exactly the same number, because none of those  
6 reservations turned out to have an effect on the data.

7 At this point I would say we don't have a reason to  
8 think, in my opinion, that we -- that these numbers overstate or  
9 understate, but as a working scientist I'm not in a position to  
10 say with certainty that they are accurate, that they fall within  
11 a narrow margin so that we could say, you know, it is 9 percent  
12 this, it could be 5 percent, it could be 20 percent, we don't  
13 have the precision.

14 But as to whether the estimate is biased, I have no  
15 particular reason, based on what we have seen, to think it is  
16 biased.

17 COMMISSIONER DOBSON: Yesterday we agreed that the  
18 numbers we got were probably a lower bound estimate for a number  
19 of reasons. Today we are not making that assumption about these  
20 numbers, either positive or negative, right?

21 Neither does it lean more toward being upper bound than  
22 lower bound.

23 DR. GERSTEIN: I think yesterday we were discussing the  
24 question of how you would characterize the screen itself. And I  
25 think it is fair to say that the screen represents, in a sense, a  
26 raising of the bar, such that probably in terms of coverage it  
27 would be fair to think of it as more likely to be a lower bound.

28 And I think that probably is still true of the screen  
29 itself. With respect to its coverage of this population, it is

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1 hard to say for sure. The --again, the question of which way it  
2 is biased, I think that the coverage here is not as certain.

3 We don't know, for example, boy you ask tough  
4 questions. I would say, for instance, that one of the issues of  
5 coverage that applied, and we discussed yesterday, is what about  
6 people who are in prisons.

7 If you are trying to characterize people as to whether  
8 they fall in a lifetime basis in group D or E, being in prison  
9 doesn't have much effect upon whether your lifetime diagnosis is  
10 you are a problem or pathological gambler.

11 But it certainly does have an effect upon your ability  
12 to spend money in a casino. And in that sense I don't think we  
13 have quite the same problem in terms of missing a segment of the  
14 population that is a significant part of the patronage, because  
15 people who are in prison are not part of the patronage in a given  
16 year, they are in prison, they can't possibly -- .

17 COMMISSIONER LANNI: Dean, do you happen to have with  
18 you the pilot survey results? Because I didn't recall that they  
19 were really very close to these.

20 Do you have those available?

21 DR. GERSTEIN: In my current file I don't. I think the  
22 pilot survey, because we had so few cases relative to this, we  
23 had about a sixth the number of cases, we couldn't get a very  
24 good estimate of the type D and E.

25 COMMISSIONER LANNI: But even if you multiplied the  
26 results, as I have pulled them before this session, and I noted  
27 that in the past year, from the 86 total responses, and the pilot  
28 patron survey there were indications of 3 to 4 occurrences,  
29 because they didn't have the A, B, C, D and E, as you know,

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1 because you hadn't created NODS, at our expense I might add,  
2 before that. We own the rights to that.

3 That the 3 to 4 were one instance, none in the 5 for  
4 the past year, lifetime was one instance of 3 to 4 hits, and 2 in  
5 the 5 or more.

6 DR. GERSTEIN: The comparison that I would make is  
7 between the combination of C, D, and E in the two surveys. So if  
8 you add up those three groups in each survey, because the sheer  
9 numbers in the pilots were so small, they are not that different.

10 COMMISSIONER LANNI: But rather than speculate I would  
11 ask that maybe we could, in your final report include the pilot  
12 as it references itself to this particular survey. Would you be  
13 able to do that?

14 DR. GERSTEIN: Sure.

15 COMMISSIONER LEONE: Let me try to clarify something,  
16 because John said something earlier about a comment I made, but  
17 I'm not sure John and I mean the same thing. So I want to find  
18 out if we do.

19 When I said you couldn't extrapolate because the sample  
20 wasn't weighted, because you hadn't weighted the sample to  
21 reflect the national population, I didn't mean the patron survey,  
22 I meant the other survey.

23 Well, but it seems to me that there is a distinction  
24 here that is very important. You could weight the overall  
25 survey, telephone survey, to reflect better the national numbers  
26 if you don't feel you have captured that, as opposed to the  
27 patrons.

28 Within the national survey, the 1.9 percent, I think  
29 that is the right number, who are in the D and E category, it

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1 would be appropriate to take the additional information about  
2 social costs you gathered from the patron survey in reaching your  
3 understanding of what is happening to that 1.9 percent.

4 A separate exercise. And then assuming the telephone  
5 survey were nationalized, it would not be wildly inappropriate to  
6 extrapolate from the national survey some notion of the national  
7 cost.

8 DR. GERSTEIN: I would agree. The one reservation  
9 which would need to be met, and that we will look at in our  
10 report, but only to the extent to meet this particular item, and  
11 if we want to go further that is really a question of what the  
12 Commission wants, is that we would want to compare the type D and  
13 E group in the national, the telephone survey, with the type D  
14 and E group in the patrons.

15 And to the extent that it is feasible, because the  
16 numbers in both groups aren't that large, make sure they appear  
17 to be drawn from the same populations.

18 If they appear to be really quite different, then  
19 joining them together and multiplying by weights, which is what  
20 we would do, really the weights are those of the national survey,  
21 would give me pause.

22 COMMISSIONER MCCARTHY: I am not sure I would agree  
23 with my friend Terry Lanni's suggestion to combine the pilot 86  
24 interviews -- .

25 COMMISSIONER LANNI: No, I wasn't suggesting combining.  
26 I said, could we just get the numbers and take a look at them as  
27 how they compare to.

28 CHAIR JAMES: Side by side?

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1 COMMISSIONER LANNI: Yes, exactly. I wasn't expecting  
2 to combine them.

3 COMMISSIONER MCCARTHY: I really want to emphasize what  
4 I said during the series of traumatic discussions on that. Those  
5 numbers, as released, never had validity. They were only 86  
6 interviews, and this at least has the beginning of some validity.

7 And I hear what Dean has suggested, that it really  
8 needs to be a much larger sample for people to have confidence in  
9 the numbers.

10 But the 86 interviews have very limited -- .

11 COMMISSIONER WILHELM: Maybe we should leave that to  
12 the individual interpreter.

13 COMMISSIONER MOORE: Would it be fair to assume that  
14 you would expect the patron percentage of D and E to be a great  
15 deal higher than the telephone survey of all over these United  
16 States?

17 DR. GERSTEIN: Well, I think logically --oh, you are --  
18 I thought you were asking me, I'm sorry.

19 COMMISSIONER MOORE: Yes, you.

20 DR. GERSTEIN: Well, I would say it would be like going  
21 to a bar and looking for alcoholics as compared to coming to  
22 Regent University and looking for alcoholics.

23 COMMISSIONER BIBLE: And I was going to point out, if  
24 you are going to go survey the prison population, we ought to  
25 survey the population that is in seminaries, and other places.  
26 They may not have telephones readily available.

27 COMMISSIONER LANNI: Dean, I have another question, if  
28 I may. You have in this information, and I might add, by the  
29 way, I would like to say one thing, is that I was a critic of the

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1 process of the pilot survey. As much as I was a critic of that,  
2 and definitively a supporter of having an outside entity observe  
3 it, from the conversations I have had with people that I know  
4 within the industry, the observations of the outside entity were  
5 right on course, that what you performed was an excellent  
6 service. So I want to compliment you on that.

7 Having said that, I would like you to put up the chart,  
8 if you will for a moment, on the - I think it is the past year  
9 type A, B, C, D, and E, for the past year.

10 I'm going to assume that this was a rounding error, but  
11 if you take the percentage on the points of three, the 75, 14, 5,  
12 and 6, add up to 103 percent, not 100 percent.

13 Now, if that is a rounding error, that is one thing. If  
14 all of that three percent is in 5 or D or E, I think it should be  
15 reflected accordingly.

16 And the other question I do have, other than correcting  
17 that, would be the issue of -- .

18 CHAIR JAMES: Let me see if there is any initial  
19 reaction to that -- COMMISSIONER LANNI: It is 103.

20 DR. GERSTEIN: Well, I mean, it probably is a rounding  
21 error. I mean, 15 over 530 looks like 3 percent, 31 over 530  
22 looks like 6 percent, 26 looks like 5 percent, 74 looks like 14.  
23 But probably that 384 over 530 is -- that looks like about three  
24 quarters.

25 COMMISSIONER LANNI: But whatever, rounding error or  
26 not, I'm sure you will correct that. I have a question, though,  
27 as far as the breakdown, you have lumped together on your chart  
28 showing the patron survey casinos in Nevada and New Jersey,

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1 riverboats, tribal casinos, lottery, VLTs, pari-mutuel for a  
2 total. And that is the 530.

3 And the determination that A, B, C, D, and E categories  
4 are in the combined basis. Is it available, and I presume it  
5 will be available, in the final report, the breakdown into each  
6 of these categories as to A, B, C, D, and E hits, if you will?

7 DR. GERSTEIN: If you would like us to do that, I don't  
8 see any reason why we can't provide that.

9 COMMISSIONER LANNI: I think it might be, you know, it  
10 might -- it would be helpful to me, regardless of what the  
11 outcome is, to see what those particular numbers are.

12 Is there a heavier percentage in one category as  
13 compared to another?

14 DR. GERSTEIN: We can certainly do that. I should just  
15 say that the caveat that these 500 area subsample because they  
16 are only 21 sites, when you break those down even further into,  
17 you know, 8 or 10, I forget what the exact numbers say of all  
18 casinos, or even just a handful, or fewer of a particular type,  
19 that the extent to which you can say, well this is statistically  
20 reliable number just gets worse and worse, the smaller the group.

21 But we can certainly say these are the numbers with an  
22 appropriate caveat as far as how one can generalize from them.

23 COMMISSIONER LANNI: I have no problem with you  
24 including whatever caveat NORC would want to put in there, but I  
25 might still reserve judgement for myself on how I interpret it.

26 What level of confidence do you have in each of these  
27 categories? And when you get to these smaller ones, for example,  
28 maybe 56 completed responses in pari-mutuel, and I understand

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1 there was about a 25 percent hit ratio, if you will, which was  
2 your lowest. The others were closer to 50, or slightly above 50?

3 DR. GERSTEIN: Well, one of the things that generally  
4 happens in surveys in which you stratify, which is what the  
5 technical term for taking so much from each kind is, is that the  
6 stratification is designed to assure that your proportions, when  
7 they add up to the whole, add up to something that looks kind of  
8 like the whole.

9 But often times it is at the cost within each stratum,  
10 of not having nearly the accuracy for the stratum. I did a  
11 survey some time ago in the state of California of substance  
12 abuse treatment, and we took a sample of 16 counties, which  
13 represented most of the population of California, and got a  
14 result that I thought was good for California.

15 And then every county wanted to know, how do we compare  
16 with the state. And I simply had to say, I can't do that. I  
17 think that applies here as well, that I would be reluctant to say  
18 that any given small group that adds up necessarily that small  
19 group is well represented, what you get is kind of a canceling  
20 errors phenomenon when you add up a bunch of small ones.

21 And in a sense I'm therefore more confident about our  
22 ability to speak to what our sample represents as a whole if the  
23 sample were substantially larger. We have been able to do some  
24 of the comparisons with the adult sample. We get closer to  
25 thinking that we had a good idea about the country as a whole.

26 I think it is fair to say that no one has ever done --  
27 it is not only fair to say, no one has ever done a national  
28 sample of patrons of gaming facilities. And what the Commission  
29 has produced here is sort of a first step toward knowing a great

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1 deal more by having an intercept approach alongside of the  
2 household based approach, and in that sense these are the best  
3 data there are, it would be wonderful to have better data.

4 COMMISSIONER LANNI: No, I appreciate that, but if you  
5 would just indulge me with the raw data, if you would, I would  
6 appreciate it, with whatever caveats you would like to add.

7 DR. GERSTEIN: We would be happy to do that.

8 COMMISSIONER LANNI: Thank you.

9 COMMISSIONER BIBLE: What sort of confidence intervals  
10 would a survey of 530 adults have compared to in the total United  
11 States population?

12 DR. GERSTEIN: Now you know not what you ask in terms  
13 of the complexity of calculating variances and confidence  
14 estimates.

15 Those are a product of two things, one of them being  
16 the size of the sample, and the other being the clustering of the  
17 sample. The calculation of standard errors when you have a  
18 clustering effect requires a substantial amount of statistical  
19 work that we haven't yet performed.

20 Now, in a completely randomized sample, like the adult,  
21 in which you don't cluster cases, they are not clustered in a few  
22 area codes, for example, ordinarily a sample of 500 has a  
23 sampling error for most numbers that are in the middle range of  
24 numbers, because that is the other thing, the sampling error, if  
25 you have a 50 percent estimate is different from the error if you  
26 have a 5 percent estimate out of the same base.

27 Generally sampling errors are in the range of plus or  
28 minus 4 or 5 percent for a number that is at 50 percent. You

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1 have a number like 5 percent, the sampling error for that number  
2 is usually 1 or 2 percent.

3 And the sample of the size 500 that is unclustered.  
4 This is a clustered sample, however. And, again, you are putting  
5 your finger on why, without further ado, I wouldn't say this can  
6 be reliably generalized to the whole country.

7 COMMISSIONER BIBLE: But can you work the math  
8 backwards and indicate what kind of a confidence interval you  
9 would have on a sample of 500?

10 DR. GERSTEIN: We can -- see, we can use the standard  
11 paradigms in this and see what they tell us, yes.

12 COMMISSIONER BIBLE: What is the confidence interval in  
13 a telephone survey that was what, 2,400 adults and 500  
14 adolescents, somewhere in that neighborhood?

15 DR. GERSTEIN: Our standard errors for most of those  
16 numbers are in the range of, again, if an estimate is 25 percent  
17 of the sample, the standard error tends to be less than 2  
18 percent, the confidence interval would be plus or minus something  
19 like 1 to 2 percent if we say 25 percent of that sample is the  
20 following.

21 And we will provide all of those confidence intervals  
22 with the comprehensive report. We have calculated them all, and  
23 we have tried to make sure that anything we present here we have  
24 not, in the overview, presented material in which the confidence  
25 intervals for the national prevalence estimates are not of  
26 publishable quality.

27 We will provide all of that detail.

28 COMMISSIONER BIBLE: At least I supported this  
29 particular phase of the Commission study, and I did with the

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1 understanding that the information, I felt, would be useful,  
2 would be helpful. I think we have to recognize it for what it  
3 is, and what you've indicated, it may not necessarily be  
4 generalized to the population of the United States as a whole,  
5 but it gives you a glimpse of some people who do have some  
6 problems dealing with gaming in a responsible manner, the same as  
7 if you went into McDonald's, I guess, and surveyed people about  
8 their cholesterol problems.

9 COMMISSIONER LEONE: I thought what it did was to give  
10 us a larger sample of the critical categories we were interested  
11 in so that we could find out more of the information about those  
12 people, potentially, income and other things, demographics, than  
13 we would have had out of the big sample.

14 DR. GERSTEIN: That is exactly the way we have used it.

15 COMMISSIONER LEONE: I mean, if you only wanted to know  
16 about D and E you would, obviously, do a lot of sampling at  
17 places where people can gamble.

18 COMMISSIONER BIBLE: Sure, 73 observations there.

19 COMMISSIONER LEONE: So I still think this is a  
20 valuable exercise for that in terms of what we can know about Ds  
21 and Es, I guess what they are going to call them, probably.  
22 Maybe I will modify the NOD and come up with some new names. It  
23 is a brave new world.

24 COMMISSIONER MCCARTHY: When we talk about generalizing  
25 these numbers, I thought of them in terms of generalizing it into  
26 the patron population of the United States, not to the entire  
27 adult population of the United States.

28 COMMISSIONER WILHELM: But he is saying he can't do  
29 that either.

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1 COMMISSIONER MCCARTHY: No, I appreciate that, but Bill  
2 mentioned generalizing them to the general, to the total adult  
3 population, I think, is what I heard. Maybe I didn't hear it  
4 correctly. We are never going to be able to do that.

5 COMMISSIONER BIBLE: I think we are talking about  
6 both.

7 COMMISSIONER MCCARTHY: Well, I don't think we have  
8 ever suggested or thought that we could really generalize it to  
9 the entire adult population. But I don't know, maybe I didn't  
10 understand, Dean.

11 I thought we were trying to get at, or accurately a  
12 reflection of patrons coming out of all of these kinds of  
13 facilities, nationwide.

14 CHAIR JAMES: I have heard both from the conversation.

15 COMMISSIONER BIBLE: I did too.

16 COMMISSIONER MCCARTHY: Well, it would --we have, as we  
17 look at your numbers of completed interviews, I see we have two  
18 large numbers here. One are the casino numbers, and the other  
19 are the lottery numbers.

20 DR. GERSTEIN: Right.

21 COMMISSIONER MCCARTHY: Do you have any breakout for  
22 the second largest number of interviews, the lottery numbers?

23 DR. GERSTEIN: We haven't broken these out by groups.  
24 That is we have done this analysis on the entire sample, we  
25 haven't done subgroups except to the extent of asking ourselves  
26 what are the proportions of various subgroups within these 530,  
27 we haven't said, all right, were those proportions within the 160  
28 lottery patrons or anything else in particular.

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1 COMMISSIONER LANNI: That is what I asked to be  
2 provided to the Commission, the breakouts.

3 COMMISSIONER MCCARTHY: Right. Well, I guess my  
4 feeling is, and I'm not an expert in survey variances, but I  
5 wouldn't have much confidence in how much stock I would put in 56  
6 pari-mutuel interviews versus 193 lottery interviews.

7 At least I think the 193 gives you some basis for  
8 understanding, you know, for having some level of confidence,  
9 even though it should be five times larger than that.

10 So I at least want to make sure that I see the lottery  
11 breakout, and the consolidated casino --no, I appreciate what you  
12 want. And the consolidated casino breakout, all three categories  
13 of casino interviews that you have there.

14 COMMISSIONER WILHELM: Why consolidated? I don't  
15 understand.

16 COMMISSIONER MCCARTHY: Well, because I think that is a  
17 large enough set of interviews to, you know, have a modest level  
18 of confidence.

19 COMMISSIONER WILHELM: I am confused by the concept of  
20 a modest level of confidence. I mean, I'm not a statistician,  
21 but -- .

22 COMMISSIONER MCCARTHY: I don't want you to have  
23 confidence, here, I just want me to have confidence.

24 COMMISSIONER LANNI: Therefore I once again request  
25 individual -- .

26 COMMISSIONER MCCARTHY: I'm only suggesting, for my own  
27 understanding, I would like to see the breakout -- .

28 COMMISSIONER WILHELM: I don't have any problem in  
29 either of your breakouts, but perhaps this is an overly

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1 simpleminded way of looking at it, but in terms of the question  
2 whether you can generalize the patron population as a whole, I  
3 understand the purpose that Dick was just more accurately  
4 describing it, than I tried to describe it previously, that is to  
5 understand more about people who have this problem, which was our  
6 original stated purpose.

7 But -- and for that reason I think that this is of some  
8 use. But -- .

9 COMMISSIONER MCCARTHY: I agree, John, if this would  
10 help clarify what I'm trying to say. I agree with what Dean said  
11 earlier. What I would really like to see is this Commission say,  
12 okay we are going to come up with the money now to do 2,000 to  
13 2,500 interviews so that we will all be a lot more confident  
14 about these numbers.

15 COMMISSIONER BIBLE: We would need the money and  
16 another year.

17 COMMISSIONER WILHELM: Is that a threat?

18 COMMISSIONER DOBSON: For what it is worth, the most  
19 sophisticated medical journals in this country support their  
20 findings with cases of fewer than 75. Most of the publications  
21 they rarely get above 100, except in the bigger longitudinal  
22 studies. So you draw all kinds of information from these numbers.

23 I don't know that we necessarily have to have 25,000 in  
24 order to draw meaning from it. Obviously you just have to  
25 interpret the -- 2,500. You have to interpret the data according  
26 to what you have.

27 DR. KELLY: I believe Dean can do everything that is  
28 being requested. Commissioner Lanni asked him to breakout A, B,

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1 C, D, E by each of these categories, you want him to cluster the  
2 three casino type categories together.

3 I believe you could do all of the above, and include  
4 confidence levels for all of the above, so that then the  
5 Commissioners can make their own interpretations, because it -- .

6 COMMISSIONER LEONE: Tim, let me say something that is  
7 troubling me.

8 This Commission didn't collect the data that I needed  
9 to answer all of my questions. And everyone of us could say  
10 that. And we can try to tease answers, or indications, out of  
11 the data we actually do have in order to try and answer some of  
12 our questions, about lottery, bettors versus other bettors, or --  
13 but I think the great danger in that, and the reason this  
14 segregation of information is so important, is that if we go far  
15 enough in that direction, and the information kind of spills out  
16 in tomorrow's press account, or tonight's, or in the selective  
17 use of information, which we are all going to do, because the  
18 information that I can tell already is the best is that that  
19 supports my biases, when I walked in here.

20 The danger is that we will discredit the whole  
21 enterprise, which is an important enterprise, because it is not  
22 only the first time it has been done, and not only did we spend a  
23 lot of money on it, but some of the baseline information is very  
24 important.

25 And I even think some of the indications of what the  
26 cost might be are going to turn out to be significant or  
27 important.

28 So we just ought to make sure that as we do this, there  
29 is kind of a category A, which is what our research showed, and a

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1 category B, which is speculations by individual Commissioners, a  
2 group of Commissioners, having looked at the data about what some  
3 other indications might be in areas for future research, because  
4 I don't think we could -- among the group of us with our  
5 different points of view, probably find ways to make this all  
6 useless, except as more cannon fodder.

7 COMMISSIONER MCCARTHY: I promise not to publish the  
8 answers given to me that I have asked for.

9 COMMISSIONER LANNI: Let me add one point, if I may,  
10 and this is more of a comment than a question of anyone, it is  
11 that it is clear that whatever studies are done we are never  
12 going to ascertain the exact number of people who have problem in  
13 pathological gambling parts of their lives.

14 There is no one at this table, and I would be the first  
15 to say it, I've said it many times, I said it early on, there are  
16 certain numbers of people who have problems, and are pathological  
17 gamblers.

18 I don't think we will ever, with all due respect to  
19 NORC and any other people with a limited budget we gave them, we  
20 are never going to be able to ascertain that.

21 The real issue is what can we do to recommend a helping  
22 process to heal this particular aspect of life. That is what we  
23 should be spending our time at, rather than arguing over  
24 percentages here, there, or anywhere, because I don't think we  
25 are ever going to agree to that.

26 But I think we can agree, I really do believe we can  
27 agree as to how to make recommendations to deal with this very  
28 difficult situation.

29 COMMISSIONER MCCARTHY: May I comment on that, briefly?

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1 I really appreciate the tone and the substance of what  
2 you just said. The reason why I think this is critical, and I  
3 will give you one example here.

4 States have not exhibited taking, outside of maybe 6  
5 states, have not exhibited too much accountability for finding a  
6 way to get money into treatment activities, or into educational  
7 materials, whatever the best way may be to reach the general  
8 population.

9 Some casinos have, I think it is a limited number so  
10 far, and I'm trying to compile that number, we have gotten some  
11 information from the Center for Responsible Gambling Publication,  
12 we are trying to pull it in from others. I have made a series of  
13 phone calls in the last week to do that.

14 But on the whole nor have casinos provided much, there  
15 are a handful that have, and the general population is not -- I'm  
16 not aware that any other segments of industry, starting with  
17 pari-mutuel funds, have done much of anything, truly anything,  
18 outside of publish some predatory kinds of comments.

19 These numbers, I think, are important. In the final  
20 analysis it is going to be good will, appropriate attitude,  
21 corporate citizenship that will be the core of any kind of decent  
22 response.

23 But these numbers, at least, put some kind of framework  
24 on the reality of what exists out there, that is why they are  
25 important, I think.

26 COMMISSIONER LANNI: I think the numbers are important,  
27 I'm not saying they are not. I'm saying I don't think we should  
28 get bogged down in trying to determine which end of the spectrum

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1 the numbers are, if they are at the lower end, or the higher end,  
2 or someplace in between.

3 I just don't think we will ever get anywhere doing  
4 that. And that is not disrespectful to the numbers, I think it  
5 is valuable having it. I'm just saying there is a problem, let's  
6 accept there is a problem, and decide how people should  
7 participate in the curing of that problem.

8 And we will never know, my opinion regardless, the  
9 exact number of people.

10 COMMISSIONER MCCARTHY: If I had confidence that all  
11 CEO, Chairman of the Board leaders would have your attitude, and  
12 react that way, and really share this, I guess I would be -- I  
13 would worry less about having numbers to help define this  
14 problem.

15 I think some people need more. I think the state  
16 government leaders almost -- most of them across the country,  
17 need numbers to say, wow, we area part of this problem, we are  
18 reducing it. So we have some responsibility here.

19 I think a lot of people need numbers, in public and  
20 private sector.

21 COMMISSIONER LOESCHER: Madam Chair, I asked the same  
22 thing yesterday, that I'm going to ask today, rhetorically. So  
23 what? I can't figure out from this deliberation, yesterday and  
24 today, where we draw the final analysis and conclusions.

25 And let me tell you what I think, I read all the papers  
26 and I listened to this presentation, and what not, and I'm  
27 underwhelmed by this effort.

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1 It has questionable validity and application, we are  
2 going to try to recommend public policy, direction, and I can't  
3 for the life of me grasp what it all means in empirical terms.

4 You know, we made an attempt, we spent 1.2million  
5 dollars on this exercise, and I'm not convinced, by the data that  
6 I have here, you talk about a CEO, and I'm a CEO. If I was  
7 running a business based on this information I would throw you  
8 out of the room, because it doesn't have any depth, it is  
9 underwhelming, it is not convincing.

10 I go with Mr. Lanni, we have a problem, we heard  
11 testimony all over America about this problem, we have had  
12 individuals come forward, we had the groups that are working on  
13 this, they have great recommendations on how to do. I think that  
14 is what we should be focused on, is their recommendations on how  
15 to solve this problem.

16 But I'm not convinced that the academic exercise that  
17 we have gone through here is much help to substantiate whatever  
18 we are trying to substantiate.

19 I think the other testimony that we received so far  
20 across America is more convincing tome about how we should go  
21 forward with this business.

22 But I just want to suggest to you at some point we have  
23 to ask, so what? Where, what is it that we are trying to get  
24 after spending all this money and time, and to have a credible  
25 set of recommendations to give to America.

26 I just want you to know that I'm sitting over here  
27 pondering this, and I'm not convinced that there is anything here  
28 to work with.

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1 COMMISSIONER WILHELM: Although we were cautioned,  
2 again today, as we have been previously, against using anything  
3 anecdotal, I'm going to venture out in that limb, anyway, just to  
4 add to Leo's comments.

5 A moment ago, while the evidence is anecdotal, I think  
6 it is fair to say that the members of the Indian Gambling  
7 Subcommittee of the Commission are persuaded by the Hearings that  
8 we held that a significant number of the Indian casinos have made  
9 substantial efforts with respect to attempting to deal with the  
10 problem gambling issue, and I think that should be noted.

11 COMMISSIONER DOBSON: Bob, in response to your comment,  
12 we have been discussing this for a couple of days now, and my  
13 recollection of all that discussion is that it dealt with  
14 methodology, meaning of the data, in terms of how they were  
15 generated and so on, and not one minute, so far, on the  
16 interpretation of the data.

17 We haven't discussed that at all, and we need to do  
18 that. Obviously we need to sit down and say what meaning do we  
19 draw from this, and we won't know what we have until we have a  
20 chance to think about that.

21 I saw some of this last night, for the first time. So  
22 I think it is premature to say what we don't know, or what we  
23 haven't concluded from this, because we haven't discussed  
24 conclusions yet.

25 CHAIR JAMES: And I think it is also worthy of note  
26 that this is preliminary, and that was made very clear to us when  
27 we asked NORC to come and present their preliminary findings to  
28 us.

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1           And I, for one, was not underwhelmed, but somewhat  
2 overwhelmed with the information, and the potential to use it to  
3 have a better understanding of particularly the D and E  
4 categories, and how we might use that, from the patron survey.

5           With that, please let's go on. Any other discussion at  
6 this point?                   (No response.) .

7           CHAIR JAMES: If not I'm going to make a suggestion.  
8 We are running a little bit ahead of schedule, is that we take a  
9 short break here and set up the room for our next round of  
10 presentations, and go right in.

11           We may even buy ourselves a little time for the end of  
12 the day. And, once again, thank you very much for your time and  
13 effort, it is very much appreciated.

14