

1 CHAIRPERSON JAMES: And with that we'll begin with Mr.
2 Atchison.

3 MR. ATCHISON: Thank you. Commissioners. The
4 gambling industry is in a very precarious situation today. Many
5 casino CEO's realize it is illogical to initiate programs for
6 problem gambling while in reality many of their strategies to
7 increase revenues are themselves causal factors in the addiction
8 of problem gambling.

9 Due to this one understands the reasons for their
10 constant battle to defy external regulations and their continuing
11 rebuttals in research studies by other mental health
12 professionals on problem gambling by their supposedly independent
13 National Center for Responsible Gaming. It is important one
14 retains throughout this discussion the definition of addiction by
15 Webster's Dictionary as, "The state of being enslaved to a habit
16 or a practice or to something that is psychologically or
17 physically habit forming."

18 Based on years of observation and research of the
19 dynamics of the gambling industry and its effect on the community
20 in Las Vegas, it is indeed responsible to a significant degree
21 for the occurrence and prevalence of problem gambling. The
22 responsibility originates from two primary categories of causal
23 factors created by the industry. They are: one, deceitful,
24 misleading marketing, advertising and promotions; and two, highly
25 sophisticated computer driven slots with complex graphics and
26 audio systems have significant impact in shaping one's behavior
27 to gamble longer and more frequently.

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1 This, in turn, reinforces the interactive
2 relationship between man and machine. Both practices which are
3 behavior shaping technologies not only contribute to the
4 addiction of problem gambling, they also have serious
5 consequences inhibiting an individual's freedom of will to think
6 or choose. With this occurrence, the probability of a gambler's
7 opportunity to win is even less which creates even more profits
8 for the casino.

9 However, even when a gambler loses, his behavior to
10 gamble more is reinforced by the popular slot clubs which
11 provide bonus points or comps which is simply returning a very
12 small percentage of one's own money to receive various gifts.
13 The more you lose the more points you receive or a better comp.
14 Slot clubs are umbilical chords to the gambler and the machine.
15 And I have before you the actual umbilical chord. This is only
16 one. Many of the major casinos have these.

17 Slot club cards are distributed free to the gambler.
18 The gambler takes it to the casino, attaches himself to the card,
19 inserts it into the slot machine, gets his play recorded. The
20 longer he plays the more points he gets even while he loses. So,
21 in fact, he feels like he is winning. He then returns home,
22 finds a check in his mailbox in which he can collect \$10.00 cash
23 for a minimum \$20.00 buy-in. At this time, he is given another
24 coupon, which is stamped to return to the casino again for
25 another amount at a certain specified time. Simple behavior
26 modification at its best.

27 The following are examples of the first category of
28 causal factors regarding marketing, advertising and promotions by

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1 the gambling industry. These are actual statements, I believe
2 that were deceitful and misleading made in the newspapers and
3 which many are used for TV and radio promotions. One, "We'll pay
4 your rent giveaway;" two, "Never grocery shop again;" three,
5 "Free bags of money;" four, "More machines means more chances to
6 win;" five, "It's a win/win situation;" sixth, "Great fun, great
7 odds;" seven, "Locals who want more from their paychecks." I
8 believe we have someone on the panel today that can tell you how
9 great odds are in winning.

10 The second category of causal factors focuses on the
11 industry's competition to create the most effective inter-active
12 gambling devices or if you prefer, addiction generators, which
13 will shape a gambler's behavior to play longer and more
14 frequently.

15 Example of the gambling industry's philosophy
16 strategy in utilizing behavior shaping controls in their own
17 recent statements and actions are as follows. One, Silicon
18 Gaming says, "Next we'll do an extension of the table games.
19 Then we'll take it a step further and move into the realm of
20 licensing properties like game shows and turn those into a
21 wagering experience. We can't wait until the market matures to a
22 point where we can really let fly with our creativity and start
23 doing some outrageous stuff."

24 Two, Silicon Gaming CEO, Don Lasaro (ph) told Gaming
25 Today that, quote, "From day one, our target was to come up with
26 a slot machine that was interactive, that provided much more
27 entertainment, that would get people to play longer and more
28 often and to get people to play slots that don't play them now.

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1 We also wanted to make sure we didn't lose those people who
2 already play slots by making it intimidating."

3 Three, Eddie Bollich (ph) senior marketing director
4 for Silicon Gaming, Incorporated, who brings experience from a
5 video game industry said, "Games need to be engaging, easy to use
6 and offer secondary or bonus games to attract young gamblers."

7 Four, Randy Adams, director of marketing and game
8 development at Anchor Gaming proposed that casinos seek
9 regulatory approval for pay-out systems that reward gamblers who
10 use slots quicker and use larger denominations. Adam said, "Slot
11 machines have enhanced the gambling experience with sounds but
12 need to appeal to customers' other senses, such as smell."
13 Talking of smell, odor one, quote, "At precisely midnight on
14 October 11th, 1991 an obscure Chicago neurologist looked behind a
15 row of quarter slot machines at the Las Vegas Hilton and switched
16 on a home made contraption of cardboard, black metal and old fan
17 parts. For the next 48 hours, the hidden device pumped a
18 pleasant smelling vapor into the stale casino air. The
19 neurologist was not an intruder but a scent expert invited to the
20 Hilton by casino manager Lee Skelly to test whether certain
21 smells can subtly influence slot machine players to wager more."
22 Over the next two days Hilton gamblers poured
23 thousands of quarters into the 18 nearby slot machines, 45
24 percent more than usual for an October weekend. In Nevada and
25 Atlantic City, for example, confidential documents reveal that
26 five casinos now pump Chicago neurologist's Alan Hurst's secret
27 scent, Odor One, into the slot machine pits 24 hours a day.
28 That's by US News and World Report, March 14th, 1994.

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1 I have personally submitted to you, the Commission, a
2 request to subpoena the contents of Odor One and all other
3 information on it in order to know if it could be actually
4 harmful to the individual. What next? Subliminal messages on
5 video machines? They did it in movies years ago. Mind
6 stimulants in buffets, church services while you play, all these
7 behavior concepts being pursued by the gambling industry can
8 contribute to the extinction of an individual's old loyalties and
9 value systems that have guided their lives and replace them with
10 new loyalties and meaning systems which induce gambling.

11 The examples discussed are only a small fraction of
12 behavior conditioning methodologies being practiced by the
13 gambling industry to increase gambling frequency under the guise
14 of normal marketing and business procedures. Clearly one can
15 fully comprehend knowing the definition of addiction by Webster's
16 my belief that the gambling industry directly contributes to the
17 prevalence of problem gambling. They must answer to someone one.
18 Enough is enough.

19 To say they target problem gamblers is not accurate.
20 They target everyone; seniors, youth, mentally ill, union and
21 non-union members, you and me, and even themselves can be caught
22 up in this addiction. I acknowledge these beliefs and concerns
23 of behavior control are based primarily on observations and
24 studies in Las Vegas, the gambling capital of the world, where
25 live evolves around gambling. Nonetheless, negative
26 repercussions to one's quality of life still holds valid to
27 citizens of Las Vegas and the millions of tourists who visit
28 annually.

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1 Also, as gambling expands to other jurisdictions such
2 as Indian reservations in California, it will hold true for them
3 should they become immersed in gambling to levels Las Vegas has
4 already reached. A potentially dangerous epidemic of problem
5 gambling may soon occur due to the rapid expansion of gambling,
6 not only in our country but all over the world. Should this
7 occur with problem gambling today having the highest rate of
8 suicide, a rise in suicides could increase two to three times
9 higher in the next 10 years. This has to be prevented by
10 appropriate actions in your recommendations and the Commission's
11 final report.

12 What the gambling industry says it is doing and is
13 actually being done is in conflict. Too often society's
14 eagerness for profit overlooks other vital aspects of humanistic
15 concerns and issues that can be totally devastating to one's way
16 of life. The proliferation of smoking and the constant denial of
17 its being dangerous to one's health by the all powerful tobacco
18 industry are a constant reminder that profits motivate human
19 beings to do bizarre unethical practices. This is not to say all
20 CEO's are monstrous individuals. They're not.

21 Many are outstanding businessmen and community
22 leaders who provide jobs to their employees and entertainment to
23 their customers. Still what is occurring today by the gambling
24 industry is not your normal marketing procedures. It is blatant
25 behavioral control to increase revenues. It is imperative the
26 National Gambling Impact Study Commission gives credence to
27 concerns I have addressed regarding the gambling industry's

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1 responsibility and the addiction of problem gambling through
2 their marketing and gaming activities.

3 It is without question the Commission continues its
4 existence or creates a comparable entity to monitor and regulate
5 the actions of this phenomenal industry with its powerful
6 psycho-social impact on society. It was Perry London in 1969
7 former professor of psychology and psychiatry at the University
8 of Southern California, and author of Behavior Control, who
9 sought public attention as I am now on potential abuse of
10 behavior control technologies on the freedom of others.

11 He did not specifically point out that a particular
12 mechanism that would be the cause for this to occur. Today in my
13 sharing these thoughts with you, I say now that gambling, the
14 gambling industry may be that mechanism. In closing, London
15 wisely said, "In man's long struggle for control over his
16 destiny, perhaps his greatest triumph has been the invention of
17 justice, the idea that power over men must be controlled. But
18 the idea of justice is a mere fiction until the law itself is
19 reinforced by powers as strong as those it seeks to curb.
20 Without power at their disposal the legal formulas prescribing
21 the just use of power or redressing its abuse are meaningless. In
22 this sense, power is real and justice is not."

23 Thank you.

24 CHAIRPERSON JAMES: Thank you.

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