

1           CHAIRPERSON JAMES:    The National Research Council is  
2 one of the agencies that our enabling legislation mandated that  
3 the Commission contract with in studying several issues for us,  
4 and particularly pathological gambling.

5           Dr. Charles Wellford, who served as the Chairman of the  
6 Pathological Gambling Committee for the NRC, will address the  
7 Commission.   And I also understand attending with him today is  
8 Mr. Mark Lipsey from Vanderbilt University.

9           I want to welcome both of you.   And I will allow you to  
10 divide your time however you see fit.   Thank you.

11          DR. WELLFORD:    Thank you very much, Commissioner James.  
12 And thank you for giving us this opportunity to speak with the  
13 Commission.

14          DR. WELLFORD:    With your permission, I have some  
15 overheads that I'd like to just from the -- is that okay for  
16 reporting?

17          CHAIRPERSON JAMES:    Absolutely.   We'll get someone to  
18 help you with that so you can stay close to the microphone.

19          DR. WELLFORD:    The first overhead is just the members  
20 of the committee that was formed for this task.   I want to take  
21 just a few minutes and talk about the process that's used in  
22 conducting a study at the National Research Council.

23                 It can be explained in terms of three basic phases.  
24 The first phase is the formation of a committee.   The members of  
25 the committee do not participate in that.   This is a process  
26 within the NRC using the standing committees and staff within NRC

1 to select a group of individuals who really have three  
2 characteristics.

3 Some of the members of this committee have extensive  
4 experience and wide recognition in the field of pathological  
5 gambling research and treatment and its understanding. Some  
6 members of the committee were experienced and recognized for  
7 their work in related areas.

8 And, frankly, some members of the committee were  
9 selected because they did not have any experience in the field of  
10 pathological gambling but were individuals who understood the  
11 substantive issues, the methodologies, and the strategies used  
12 within social and behavioral economic research to conduct this  
13 kind of work.

14 The second phase of the committee's work is actually  
15 producing the report. And that phase began in April of last year  
16 and concluded around the second week of January, when we received  
17 approval from the committee for our report.

18 That phase involved a number of meetings of the  
19 committee, workshops where we invited individuals in for  
20 presentations of papers on selected topics that we felt needed  
21 further explanation and the committee could deliver itself and  
22 open and closed sessions of the full committee, as we discussed  
23 the material.

24 The individuals on the committee work without  
25 compensation. They work as a demonstration of their commitment  
26 to the principle underlying the NRC that if you bring together a  
27 competent group of researchers to review a body of research, they

1 can give you the best assessment of that research that you could  
2 possibly get. It will be your judgment whether we've done that,  
3 but that has been our intent.

4           The third phase of an NRC study is the review phase.  
5 And except for the executive summary, that is the phase we're in  
6 now. In that phase, ten individuals who have not participated in  
7 the committee, who have not been consultants to the committee,  
8 who have not produced papers for the committee but are recognized  
9 as experts in social/behavioral science read our report and  
10 comment on it. And we must respond to their comments.

11           Our response is either to say "You're right. You got  
12 us, and we need to make a change" or "We think you've either  
13 misunderstood or haven't really interpreted it correctly, and  
14 here's why."

15           And until that process is completed and our reviewers  
16 are satisfied that we have produced a report that the scientific  
17 community can accept, the report does not go out. The executive  
18 summary has gone through that. The rest of the report, we'll  
19 have that completed. And we will deliver that report to you on  
20 March 29th in its final form.

21           That phase is very important, a very important part of  
22 the process. So that we're assured that we don't get caught up  
23 in issues that we think are critical or interpretations that we  
24 think are correct but would not stand the light of day when  
25 others just as competent, just as experienced, would look at this  
26 material. That process has worked in many other areas. And, as  
27 I said, I hope it works here.

1           The charge for our committee is stated in the executive  
2 summary. It was included also in the proposal that you approved.  
3 The charge was to identify and analyze the full range of research  
4 studies that bear upon the nature of pathological and problem  
5 gambling, highlighting key issues and data sources that can  
6 provide hard evidence of their effects.

7           We identified approximately 4,000 pieces of literature  
8 that discussed gambling. About 1,600 of those had something to  
9 say about pathological or problem gambling, and about 300 were  
10 what we would say met some minimum definition of research that  
11 touched on pathological and problem gambling.

12           I recount that to you not to say that we accumulated a  
13 lot of stuff but to make the point that I will make time and  
14 again throughout the presentation today that the available  
15 empirical literature on pathological gambling is small. It's of  
16 improving quality but in many respects limited quality and  
17 hampers any firm conclusions that would withstand normal tests of  
18 scientific rigor.

19           With that as our charge, let me identify two what I  
20 would call overall conclusions that we identify in the executive  
21 summary. First, we conclude that pathological gambling is a  
22 significant enough problem to warrant funding support for a more  
23 sustained, comprehensive, and scientific set of research  
24 activities than currently exist.

25           One of the reasons this field is as small as it is in  
26 terms of a body of quality research is that there has been no  
27 funding stream for it from the major federal funding agencies.

1 There has not been an academic field that has developed around  
2 this area of research. It has not had the kind of infrastructure  
3 and support that would allow it to grow.

4 The people who have made contributions in this can  
5 truly be called pioneers. They have entered into this field,  
6 created a field, helped us understand a problem existed and the  
7 significance of that problem, but it has been without the level  
8 of support that other problems of the same magnitude have  
9 received from the federal government and from other sectors.

10 A second overall conclusion is that -- this repeats  
11 somewhat what I have just said -- in all aspects of pathological  
12 gambling considered by the committee, much of the available  
13 research is of limited scientific value.

14 However, there is recent work which meets or exceeds  
15 contemporary standards for social and behavioral research. Our  
16 conclusions are greatly influenced by that small body of recent  
17 research.

18 Many of the things I'll say today that are in the  
19 executive summary and that are in the full report, which we will  
20 deliver, are cautious necessarily because of the nature of the  
21 research that we were able to review that exists, but I don't  
22 want you to lose sight of the fact of a statement in our  
23 executive summary that is on the screen about why pathological  
24 gambling is a significant problem, one aspect of why. And that  
25 is there is clinical evidence that suggests that pathological  
26 gamblers engage in destructive behaviors. They commit crimes.

1 They run up large debts. They damage relationships with their  
2 family and friends. And they kill themselves.

3 Nothing I say today or nothing in our report should  
4 detract from the fact that individuals who are pathological  
5 gamblers experience these very severe and in some cases  
6 life-ending conditions.

7 In our report, we identify the following areas in which  
8 we focused our discussion: the issue of prevalence, "How  
9 prevalent is pathological gambling?"; the issue of causation,  
10 "What do we know about what causes people to become pathological  
11 gamblers?"; the title of our committee, the Social and Economic  
12 Impact of Pathological Gambling.

13 We discuss treatment, and we looked at the issue of  
14 technology. I would like to now briefly go through each of those  
15 and identify what we think are the major findings that the  
16 science supports; first, on prevalence.

17 And Dr. Lipsey, who is at Vanderbilt in the area of  
18 public policy, led our committee in the analysis of the  
19 prevalence data. And he is here to answer any hard questions  
20 that come up. I am delighted that he is here to do that.

21 First, the committee estimates that 1.5 percent of  
22 adults in the United States at some times in their lives have  
23 been pathological gamblers. That's the lifetime estimate that  
24 comes from a number of studies.

25 As you know, when we were doing our work, there had  
26 only been one national study of pathological gambling, done in  
27 1975. As our work concluded, the National Opinion Research

1 Center doing work for you produced the second national study.  
2 Dr. Howard Shaffer and his colleagues at Harvard University had  
3 done an analysis of studies done in the United States and Canada.

4 Our work, led by Dr. Lipsey, was to focus on those  
5 studies assembled by Dr. Shaffer done in the United States with  
6 special reference to work done in the last ten years.

7 I will comment a little bit later on the NORC study  
8 because I realize we have seen the draft report. We haven't seen  
9 the final report. And in our report, we do make some preliminary  
10 comments based upon the draft report. And I'll come back to that  
11 later if that time permits.

12 We estimate that in a given year,.9 percent of adults  
13 in the United States, or 1.8 million, are pathological gambling,  
14 so 1.5 for lifetime,.9 for past year for adults.

15 We looked at subpopulation groups for their  
16 pathological gambling. And we found some evidence, although we  
17 don't feel confident enough in this evidence to put a number on  
18 it. But we are confident in saying that men are more likely than  
19 women to be pathological gamblers. And the proportion of  
20 pathological gamblers among adolescents is higher than it is  
21 among adults.

22 To make that last point as clear as we can make it,  
23 Point D says -- and this is in our executive summary -- the  
24 committee estimates that in a given year, as many as 1.1 million  
25 adolescents between the ages of 12 and 18 are pathological  
26 gamblers.

1           As we say that, we understand that the research on  
2 adolescent gambling sometimes uses different instruments. We  
3 understand that adolescents may respond to surveys in different  
4 ways. We understand that the meaning of pathological gambling  
5 may be different for adolescents than it is for adults.

6           We think the research is sound enough -- and this is,  
7 as I said before, a consensus report of this committee. There  
8 are no minority reports. There is no deviation on this  
9 conclusion that there are substantial numbers of youth who are  
10 pathological gamblers.

11           In the area of etiology or causation, this area of  
12 research is only recently beginning to reach a level of maturity  
13 where firm conclusions can be reached. And I would draw your  
14 attention to three findings that we think are important findings  
15 for future research on causation.

16           Pathological gambling often occurs with other  
17 behavioral problems, including substance abuse, mood disorders,  
18 and personality disorders. There is in the language of  
19 epidemiology a co-morbidity, a commingling. When you have one of  
20 these, you tend to have the other. They're highly correlated.  
21 And we think that is important for understanding causation.

22           Research seems to suggest, does suggest that the  
23 earlier one starts to gamble, the more likely one is to become a  
24 pathological gambler. And pathological gamblers are more likely  
25 than non-pathological gamblers to report that their parents were  
26 pathological gamblers.

1           These findings in conjunction with emerging twin  
2 studies and recent neuroscience studies suggest that pathological  
3 gambling may be influenced by familial and social factors. These  
4 latter two points, the latter two bullets, are part of the reason  
5 why we think the finding on adolescent prevalence is so  
6 important.

7           In the area of social and economic cost, that was the  
8 title of our panel. And I'm afraid that some may find our  
9 conclusions in this area less than satisfactory, but let me try  
10 to explain why that might be.

11           At the individual level, I've already said it's very  
12 clear that there are clear costs to being a pathological gambler:  
13 debts, family relationships, crime, suicide, et cetera. However,  
14 when you ratchet that up to try to look at it at a community,  
15 state, or nation level, the analytical problems are very severe.

16           We do think it's clear that gambling appears to have  
17 net economic benefits, net economic benefits, for economically  
18 depressed communities. However, the available data are  
19 insufficient to determine with accuracy the overall costs and  
20 benefits of gambling.

21           Because of the methodological problems, in this body of  
22 research, the social and economic, at the non-individual, at the  
23 community, state, nation level, because of the problems there,  
24 the committee cannot reach firm conclusions about the social and  
25 economic effects of gambling or pathological gambling on  
26 communities, nor can we say whether pathological gamblers  
27 contribute disproportionately to overall gambling revenues.

1 Similarly, the committee could not determine how legalized  
2 gambling affects community or national rates of suicides. These  
3 are important issues.

4 Our chapter when you see it, I hope you will conclude  
5 and I hope the field will conclude that it lays out a design that  
6 people should follow in the future to do better social and  
7 economic analyses of gambling at the community and even state  
8 level.

9 We do identify three studies in the report that come  
10 close, that come close, to doing what we think would be a  
11 scientifically acceptable social and economic impact. The  
12 findings from those conclusions from those three studies are not  
13 conclusive in any way, shape, or form. And, therefore, we felt  
14 we could not offer you our judgment as to on a scientific basis  
15 social and economic costs.

16 As to treatment, this is another area where the  
17 research needs significant improvement. Our chapter does lay out  
18 a plan for that in terms of the kind of research that could be  
19 done.

20 We do in the executive summary and in the report  
21 observe that there is current but limited research that indicates  
22 that pathological gamblers who seek treatment generally improve.

23 There is no research that says any particular form of  
24 treatment accounts for that. And it may well be that the  
25 individuals who seek treatment are ready to recover, that this is  
26 a natural or recovery that occurs and would have occurred without

1 the treatment. But all of that should not take away from the  
2 fact that people who do seek treatment seem to improve.

3 We think further research needs to be conducted on  
4 unmet treatment needs and what barriers might contribute to that.  
5 Are those barriers lack of insurance coverage, stigma, the simple  
6 availability of treatment? The literature is not clear on why  
7 people don't come forward for treatment and when they do, why it  
8 may not be available.

9 Again, because of this co-morbidity issue, we urge that  
10 when individuals present themselves with any of the other  
11 co-morbid conditions, substance abuse, alcohol abuse, et cetera,  
12 that they should routinely be assessed for pathological gambling.

13 We also in our report in the executive summary urge the  
14 Centers for Disease Control and other national health and mental  
15 health surveys to include items on pathological gambling as a way  
16 to help us all better understand the extent and changing course  
17 of this condition.

18 Finally, the fun chapter, the one that is the most  
19 speculative, is the one that addresses technology. This is the  
20 one that really tries to raise issues about the internet and  
21 about other forms of technology and gambling.

22 As you can guess, there is very little research on  
23 this, but we think that this is an important area that theory  
24 suggests that certain characteristics of internet gambling might  
25 enhance pathological gambling conditions. It is all theory, but  
26 we think this chapter would be of interest to you.

1           The report is a big, old, thick volume. We hope you  
2 will agree with us when you receive it on the 29th, that it does  
3 what you were asked to do, which was to assess the literature,  
4 tell you what it says, maybe more importantly, tell you when it  
5 doesn't say something, and provide a guide for how we can move  
6 forward.

7           Let me, in closing, come back to the NORC survey and  
8 just offer a comment or two on that if time permits. As I said,  
9 we received the draft report after we had finished the draft of  
10 this in January, the draft of our report. But with Professor  
11 Lipsey's help and others, we have looked at the draft and asked  
12 ourselves the question: How should we include this in the final  
13 report?

14           And what we have done is to recognize that this is one  
15 more bit of evidence on prevalence. The NORC estimate of .9 for  
16 prevalence compared to our 1.5 we think given what we know about  
17 this survey probably shouldn't cause anyone great concern.

18           Any number from a survey, as you know, has around it a  
19 confidence interval. We see it in the papers all the time when  
20 political surveys are presented, plus or minus four percent.

21           It's likely, although we don't know this from the  
22 study, that the NORC survey's confidence interval would include  
23 our 1.5. We know that in the studies we have looked at, there is  
24 a range. We have selected the 1.5 as the median value from  
25 existing studies, sort of the midpoint.

26           So we think our 1.5 is a better number, but we are not  
27 concerned about that, especially because, as you know, in the

1 NORC survey, they used a different screening instrument. It was  
2 really a double screen. First you had to have lost \$100 or been  
3 \$100 behind. That's different from what most prevalence studies  
4 have used. They haven't had that dollar limit before you start  
5 trying to measure pathological gamblers.

6           And, second, they use a different screening instrument.  
7 Most of the research that we looked at used one screening  
8 instrument called the South Oaks gambling screen. It's been  
9 around for a while. People know its properties. When it's used  
10 in studies, we can feel comfortable with some comparison.

11           The NORC's instrument, NODS, the NORC diagnostic  
12 survey, is different and, therefore, should produce slightly  
13 different results. A bigger difference between the NORC study  
14 and our study comes in the adolescent estimates. And, frankly,  
15 I'll let Dr. Lipsey speak to that if you want to pursue that.

16           We can't fully understand that given what we know about  
17 the NORC instrument, but we do think that the estimates that we  
18 have given on adolescent pathological gambling are sound from  
19 these many studies that have been done, not national studies, the  
20 many studies that have been done at the state level.

21           With that, I'll close. And we're ready for your  
22 questions.

23