

1 CHAIRPERSON JAMES: Please go right ahead.

2 COMMISSIONER McCARTHY: Dr. Wellford or Dr. Lipsey, the
3 studies that you did on youth and gambling, they were state
4 studies, I take it?

5 DR. LIPSEY: For the most part, yes.

6 COMMISSIONER McCARTHY: How many studies do you count
7 upon as credible studies in that area, youth and gambling, rough
8 there? You don't have to be --

9 DR. LIPSEY: Yes. It depends a little bit on what
10 issue you're looking at. Certain studies --

11 COMMISSIONER McCARTHY: What I really want to get is:
12 Were they studies done of selected populations, students in
13 schools? Were they studies out of general populations, like the
14 16/17-year-old survey we did as part of the telephone survey?

15 DR. LIPSEY: Yes. There is a mix available in the
16 adolescents. The adult studies, we looked only at general
17 population studies. The adolescent studies, some started with
18 general population samples of adolescents, but many focused on,
19 say, schools, certain school level surveys of high schools,
20 surveys of college students in some cases.

21 COMMISSIONER McCARTHY: Were they personal face-to-face
22 surveys or did they also include telephone surveys of school
23 kids?

24 DR. LIPSEY: Again, a mix but predominantly telephone.

25 COMMISSIONER McCARTHY: Okay. I think the major
26 difference we're going to come up with is that trying to survey
27 in a general population study, you know, pick kids out of that,

1 may be simply too difficult to try to come up with some hard
2 numbers.

3 I talked to a couple of my colleagues this morning. If
4 we did it all over again -- the trouble is we were within a
5 two-year time frame. At the time we had far less research budget
6 that supplementation, subsequently by Congress allowed.

7 But I think I'll be interested in seeing what you say
8 on this because I think if we really want to understand the
9 prevalence of youth gambling, you can't do it out of a general
10 population survey over in a telephone survey. It's got to be
11 targeted to a school population or a specific age population. It
12 could be telephone, but it may be it needs to be mixed, as you
13 just suggested.

14 Let me ask you: On the issue of treatment because we
15 have not been able to find much on -- we're trying to compile all
16 treatment that's being offered by states around the country. Do
17 you have that in your report? Is that a part of what you have
18 pulled together?

19 DR. WELLFORD: No. We have collected some information
20 on that, but most of the work that we looked at is studies of
21 treatment effectiveness.

22 COMMISSIONER McCARTHY: Okay. So you have a section on
23 treatment efficacy?

24 DR. WELLFORD: Yes, sir.

25 COMMISSIONER McCARTHY: Good. Thank you.

26 DR. LIPSEY: What you find is that, though there's a
27 fair amount of treatment being offered in the various states,

1 there's not a body of research that assesses whether or not that
2 treatment is effective.

3 COMMISSIONER McCARTHY: Excuse me. One other thing I
4 meant to ask: Money is at the heart of whether we're going to be
5 able to extend treatment to people or not.

6 We're working with estimates by Rachel Volberg and
7 others to look at Oregon and I think New York -- and there was a
8 third state that's slipping me at the moment -- to see what they
9 offered, what percentage of the pathological gambler population
10 that received treatment.

11 She estimated three percent. I don't know if you tried
12 to make similar estimates or not. The question I'm really
13 asking is: If it costs what it does to offer treatment, make
14 treatment available to three percent of the pathological gambler
15 population, do you try to analyze 12 step-type programs or other
16 things that may not include a psychiatrist or psychologist but --

17 DR. WELLFORD: We have a section that addresses GA and
18 other self-help --

19 COMMISSIONER McCARTHY: Okay.

20 DR. WELLFORD: Again, I want to caution you not to
21 mislead you. When you get to that and read it, there is a very
22 limited amount of research on --

23 COMMISSIONER McCARTHY: On efficacy?

24 DR. WELLFORD: Yes, sir.

25 COMMISSIONER McCARTHY: Yes. Well, what we found when
26 we looked so far, there's very little follow-up anywhere. So
27 outside of the first year, you really --

1 DR. WELLFORD: Absolutely.

2 COMMISSIONER McCARTHY: -- can't learn very much.

3 DR. WELLFORD: That's right. Some of it is just
4 within-program success also. It's not even success follow-up.

5 COMMISSIONER McCARTHY: Thank you.

6 CHAIRPERSON JAMES: Please go right ahead.

7 COMMISSIONER DOBSON: Obviously I'm very relieved and
8 very pleased to have your data with regard to the youth analysis
9 to corroborate what I was trying to say this morning with regard
10 to the very, very low incidences that the NORC study came up
11 with. This underscores our need to make some statement about
12 that in the report, I think, when it gets done.

13 Let me just ask you one question about telephone
14 surveys of teenagers. I don't know if you remember your
15 relationship with your parents like I do with mine, but if the
16 telephone rang and my parents picked up the phone and agreed that
17 I would be interviewed on an issue like gambling or anything else
18 that could even be illegal at that age, I'm not sure that I'm
19 going to stand there and strip myself to some unknown researcher
20 with my parents standing there. That seems to me in itself to
21 produce a biased result.

22 You seem to indicate that you can do valid telephone
23 research with teenagers. I don't believe that. It doesn't have
24 face validity to me.

25 DR. LIPSEY: Well, I think it's partly a function of
26 the circumstances that are arranged for the telephone interview,
27 of course, and if parents are present and so on.

1 But I think the conclusion of our review is that there
2 are serious questions and difficulties about estimating
3 adolescent prevalence. There's the sampling issue. How do you
4 get a representative sample of adolescents? That's not as easy
5 as with the adult population.

6 There's the question you're raising about how you
7 collect the data through telephone or face to face in a way
8 that's sufficiently confidential so that the adolescents reveal
9 their behavior. And then the field has not yet reached any
10 consensus, really, on what constitutes pathological or problem
11 gambling among adolescents.

12 On the one hand, you can apply the adult screens, but
13 they deal with problems that appear in some ways in the adult
14 domain. An adolescent who needs a certain amount of money, that
15 may be a very serious problem for that adolescent and trivial for
16 a comparable adult. So there's uncertainty as to where you draw
17 the line on what constitutes a problem.

18 You put those together, and it's not surprising that we
19 find a fairly wide range of estimates across studies depending on
20 what assumptions are made, what sample, and what conditions of
21 surveying.

22 I think the one thing that stands out across the board,
23 however, is that adolescent rates are higher than the adult
24 rates. How much higher and how much more severe the problem is
25 is arguable, but, almost without exception when any kind of
26 comparison is made, even attempting to level the playing field

1 and make even comparisons, the adolescent rates are higher by
2 some order of magnitude in every case.

3 So there's little doubt that there's a problem there.
4 It's just how much bigger, it's hard to say.

5 COMMISSIONER DOBSON: So the findings in your
6 information and the NORC study in that regard, with regard to
7 youth, are going to be significantly different but at that.0001
8 level, isn't it? I mean, we're.9,.8 versus 6.0. I mean, the
9 standard errors of those are not going to overlap at all.

10 DR. LIPSEY: That's correct if you just take those two
11 estimates, but our estimate is sort of the midpoint or the best
12 average guess over a wide range in its own right.

13 So if you take all the studies we looked at plus the
14 NORC study, what you get is a fairly broad range. And the NORC
15 study falls in that range. The ones we average are different.

16 I think the thing to carry away is that there's quite a
17 range of estimates that very much depend on these factors that we
18 just talked about and considerable uncertainty as to what the
19 actual prevalence level is.

20 COMMISSIONER DOBSON: The lowest I've seen is four
21 percent. And you've got the NORC was, I believe it was,.8 or.9.
22 Those --

23 DR. LIPSEY: I believe one and a half, their overall.
24 With the screen, they came up with about one and a half percent,
25 as I recall; without the screen, about three.

1 And our best estimate across the range of studies we
2 looked at for lifetime prevalence, whatever that means for an
3 adolescent, was more on the order of five percent.

4 But, again, I have to emphasize the range across
5 studies is enormous here. So there's a great deal of uncertainty
6 about that.

7 COMMISSIONER DOBSON: There's still a big gap between
8 the two of them.

9 DR. LIPSEY: Yes, there is still a big gap.

10 COMMISSIONER DOBSON: I'm through. Thank you.

11 COMMISSIONER LANNI: You're saying that in the NORC,
12 obviously, even with the youth, the \$100 threshold was a factor
13 for the youth determination.

14 DR. WELLFORD: I think it was \$100 or behind in betting
15 \$100 over the last year.

16 COMMISSIONER LANNI: Right. They used the same
17 question, in effect, for adults as they did for youth.

18 DR. WELLFORD: That's our understanding.

19 COMMISSIONER LANNI: I would think logically that would
20 account for a substantial difference between \$100 to a youth is
21 significant.

22 DR. LIPSEY: At least in the preliminary report that I
23 saw, they also report a figure when they don't use the \$100
24 screen. I'm not quite sure procedurally how they did that, but
25 at that point, their number approximately doubles. So they get
26 about three percent.

1 Neither Charles nor I could speak for NORC, of course,
2 but what was reported, again, shows this variability relating to
3 the procedures.

4 COMMISSIONER LANNI: When you provide the final report
5 to this Commission, will it include a delineation of the outlets
6 that these youths are utilizing as part of their pathological
7 problems?

8 DR. WELLFORD: Do you mean pathological gambling by
9 type of --

10 DR. LIPSEY: We have in this chapter on prevalence a
11 table dealing with type of gambling, but it's not for adults and
12 for --

13 COMMISSIONER LANNI: It doesn't break it out?

14 DR. LIPSEY: We have some information on that. You'll
15 probably be unsatisfied with it because the body of research here
16 largely comes from states and selected samples. And the
17 availability of different kinds of gambling varies.

18 So it's hard to say since there's not equal access to
19 lotteries and card games and casino gambling and so on. But
20 generally you see some pattern with card games and sports betting
21 and being a little higher rates than the other adolescents with
22 problem gambling.

23 COMMISSIONER LANNI: Dr. Lipsey, would you have in this
24 report. or Dr. Wellford, indication of the aspect of if it's
25 legal or illegal gaming that the youths who are pathologically
26 inclined? Would that be a delineation?

1 DR. LIPSEY: Very little information, remarkably little
2 for adults and very little for adolescents for illicit gambling.

3 DR. WELLFORD: We do have some information. Sam
4 McQuade, who is the study director, just reminded me that we have
5 a table that doesn't look at pathological gambling but gambling
6 by adolescents by type of -- one item is illicit. The range,
7 again, varies quite a bit over studies, but we do present that
8 information.

9 COMMISSIONER LANNI: So there is some information
10 there. In the studies that you're including, do they include
11 both past year as well as lifetime?

12 DR. WELLFORD: Yes.

13 COMMISSIONER LANNI: What's your view on the relative
14 value of those two? You may have been here for the questions of
15 -- in my opinion, you seem to be more direct than Dean Gerstein,
16 but if he were here, I'd say that also. What is your view or
17 maybe individual views on the value or if there is a difference
18 in value in comparing past year to lifetime prevalence?

19 DR. LIPSEY: I can tell you what my sense is having
20 worked with this data, that it's partly a function of what your
21 questions are. But my presumption is that you're concerned about
22 the policy issues and the nature of the current problem. So I
23 put more weight on past year.

24 Now, with adolescents, I think that's not such an
25 issue. We're talking about fairly short time periods, over which
26 any gambling could occur.

1 For adults, I think to know that somebody might have
2 had a pathological gambling problem five years, ten years ago is
3 an interesting part of the picture, but if we're asking what the
4 policy issues are now, the treatment issues, the concerns, we
5 need to know what the prevalence rate is of actively pathological
6 gamblers.

7 I would actually prefer to have a shorter time period,
8 but the surveys don't support that, certainly past year.

9 DR. WELLFORD: Just to add -- and I don't want to get
10 into a technical issue, but when you --

11 COMMISSIONER LANNI: I wouldn't understand it if you
12 did.

13 DR. WELLFORD: If I could explain it, you would
14 certainly understand it.

15 When you have time-bounded measures like past year,
16 there is a problem with people remembering terrible things that
17 happen to them and escalating them up.

18 So without some mechanism to get people to really
19 understand what the time frame is -- and it is in the literature
20 referred to as bounding the response. These have some
21 measurement properties that we don't fully understand.

22 But I agree with Mark completely. From the policy
23 perspective, the past year is the most important.

24 COMMISSIONER LANNI: On the youth aspect, the 12 to 18,
25 am I to assume that's 13 through 17 or is it 12 through 17 and
26 doesn't include 18-year-olds? is what I'm asking.

27 DR. WELLFORD: I don't think they include 18-year-olds.

1 DR. LIPSEY: For the most part, we're dealing with a
2 collection of --

3 COMMISSIONER LANNI: I realize that, yes.

4 DR. LIPSEY: Yes. But for the most part, not 18, yes.
5 At 18, the presumption of most of these surveys is that they're
6 in the adult population and not in the adolescent population.

7 COMMISSIONER LANNI: And one last question, as that
8 famous detective on television would ask as he's walking out the
9 door and turns around. And, rather than be deceptive about this,
10 I'll be very straightforward.

11 I understand that there was a briefing given by your
12 organization to a staff of a certain Congressman prior to the
13 time you had made the presentation to us. Is that true?

14 DR. WELLFORD: Correct.

15 COMMISSIONER LANNI: Is that normal course to go to a
16 certain member of Congress, who may be from the State of
17 Virginia, who might be someone in sheep's clothing that --

18 DR. WELLFORD: Without accepting the characterization,
19 I think we briefed the staff yesterday for the Commission. There
20 was a request through the normal process at the NRC for us to do
21 an advance briefing that was embargoed for members of Congress.
22 As I understand it, this was the one member who requested it, and
23 we did go up and talk to two of the staff people.

24 COMMISSIONER LANNI: Is that normal in the procedures?

25 DR. WELLFORD: Since this is my first committee, we'll
26 have to ask --

1 PARTICIPANT: It is normal. We do it regularly. Often
2 they don't pick up our offer to brief them ahead of time, but we
3 almost always offer it to them.

4 CHAIRPERSON JAMES: Commissioner Lanni, you need to
5 know I thought it was highly irregular that someone would get
6 briefed before the Commission did. I raised that question. And
7 I was assured that it was normal, standard operating procedures.
8 I figured we paid for it. We should go first.

9 I was also told that they would embargo this
10 information and that it would not be released prior to -- yes;
11 well, taxpayers did pay for it, yes, indeed, and we are here as
12 their duly appointed representatives -- that that information
13 would not be released until it was released to this Commission.

14 But as I was brushing my teeth this morning, I saw it
15 on "Headline News." Go figure. So I was very surprised about
16 that. But I raised exactly the same questions that you did.

17 COMMISSIONER LANNI: One final question on that one, if
18 I may: Am I to assume, therefore, that when the final report is
19 finalized, it will be presented to other entities, including
20 members of the House of Representatives, before it's given to us?

21 PARTICIPANT: We will give -- you know, we have done
22 this so rarely. We almost --

23 COMMISSIONER LANNI: Done what so rarely?

24 PARTICIPANT: This is only the second time that we have
25 done an executive summary before the full thing is released. I'm
26 assuming that the full report will also be embargoed but that we
27 will brief people if they want it before it's fully released.

1 And we brief Congress. I mean, Congress was actually
2 the one who appropriated the money.

3 CHAIRPERSON JAMES: Yes, they did.

4 PARTICIPANT: We really treat them as equally as we
5 treat the --

6 COMMISSIONER LANNI: Are we to assume that it will be
7 embargoed in the same level of success that this was embargoed?

8 (Laughter.)

9 PARTICIPANT: What can I say?

10 COMMISSIONER LANNI: I don't know. You can say
11 whatever you'd like to say.

12 COMMISSIONER LEONE: Just so that I understand this, in
13 other words, there was a notice to members of Congress that they
14 could be briefed about this?

15 PARTICIPANT: Yes, on an embargoed basis.

16 CHAIRPERSON JAMES: How did you --

17 COMMISSIONER LEONE: And only one member picked up?

18 PARTICIPANT: Yes, that's correct.

19 CHAIRPERSON JAMES: How did you --

20 COMMISSIONER LEONE: It shows you how much interest
21 there is in what we're doing.

22 CHAIRPERSON JAMES: How did you notify Congress of that
23 opportunity?

24 PARTICIPANT: We have a Congressional Affairs Office
25 that will tell interested Congressmen and let them know and see
26 who picks it up.

1 COMMISSIONER BIBLE: They were to notify all members of
2 Congress or just some Congressmen or how does that process work?

3 PARTICIPANT: You know, I think it --

4 COMMISSIONER BIBLE: I think earlier the testimony was
5 that he had made a request to be briefed versus being notified
6 and taking the opportunity.

7 PARTICIPANT: We let people know. It's up on the Web
8 when our reports are, in fact, going to be released to the public
9 and when they are embargoed. And, in fact, we do get requests
10 for embargoed briefings.

11 We don't give them. We only give them to the people
12 who have either paid for it or in your case as the sponsor of it.
13 But we do not give it generally. And most Congressmen don't ask
14 for it. This one did.

15 COMMISSIONER LANNI: Let me further, then. When that
16 meeting took place, which was yesterday, as I understand it, --

17 PARTICIPANT: Yes.

18 COMMISSIONER LANNI: -- were representatives of the
19 individual member of the House able to offer their own opinions,
20 ask questions?

21 PARTICIPANT: Sure.

22 COMMISSIONER LANNI: And did they?

23 DR. WELLFORD: Sam McQuade and I, the study director,
24 went in and met with two staff members for the Congressman,
25 basically gave an abbreviated version of what I did today, and
26 then responded to questions.

1 COMMISSIONER MOORE: Did they understand what you were
2 talking about?

3 (Laughter.)

4 COMMISSIONER LANNI: I guess my follow-up question to
5 that would be: Do you adjust reports as a result of things of
6 this nature?

7 DR. WELLFORD: Absolutely not.

8 COMMISSIONER LANNI: Were there suggestions that you
9 might want to?

10 DR. WELLFORD: No. All there were were it was really
11 questions of clarification and could we explain why we made this
12 statement, somewhat like the questions that we have received
13 today.

14 COMMISSIONER BIBLE: It may be unusual, but at least
15 I'm not overly concerned with that kind of a procedure. This is
16 the individual I think who probably put the money into the budget
17 to fund your study.

18 CHAIRPERSON JAMES: My only concern was to make sure
19 that every member of Congress who was interested had an equal
20 opportunity to receive a briefing beforehand. And if you assure
21 me that was the case --

22 DR. WELLFORD: Yes.

23 CHAIRPERSON JAMES: But I have to tell you that when I
24 first heard about this, I was extremely concerned that members of
25 Congress would get a briefing on this before we had an
26 opportunity to receive that information. And I was told at the
27 time that's standard operating procedure.

1 DR. WELLFORD: Not to argue the point, but the first
2 briefing was for the staff.

3 CHAIRPERSON JAMES: Right.

4 DR. WELLFORD: And, as I understand it, copies were
5 made available, the summary, to the members of the Commission.
6 And then we went over to satisfy the request, but a minor --

7 COMMISSIONER LANNI: It may not have been quite in that
8 order. I think ours arrived, mine did, at least, late in the
9 evening, which that's a separate issue.

10 One for maybe Congressman -- I'll make you a
11 Congressman, Richard -- Commissioner Leone. You know, another
12 way to look at that is maybe 434 people think we're doing such a
13 good job we don't need --

14 (Laughter.)

15 CHAIRPERSON JAMES: Commissioner Wilhelm?

16 COMMISSIONER LEONE: The usual Republican argument
17 about making it easier to vote or something. They're already
18 happy. That's why they're staying home.

19 CHAIRPERSON JAMES: It's late in the day. Commissioner
20 Wilhelm?

21 COMMISSIONER McCARTHY: Madam Chair, would you please
22 just mention to Mr. Leone and I as loyal lifetime Democrats are
23 not attacking the Republican Congress?

24 CHAIRPERSON JAMES: Duly noted.

25 COMMISSIONER McCARTHY: Thank you very much.

26 COMMISSIONER LEONE: No. They don't need any help from
27 us.

1 (Laughter.)

2 CHAIRPERSON JAMES: John?

3 COMMISSIONER WILHELM: It was worth waiting all day
4 just for that.

5 COMMISSIONER MOORE: Glad you had the opportunity to be
6 here.

7 COMMISSIONER WILHELM: Don't think I won't remember.
8 Just one more reason not to like him, huh, Richard?

9 I had two relatively distinct questions, I hope. In
10 the course of talking about one of your points, Dr. Wellford, you
11 made the comment that, at least on that point, your committee was
12 unanimous and there were no minority reports. Does that
13 statement apply to the whole report?

14 DR. WELLFORD: Yes. The document is a consensus
15 document with everyone on the committee signing off their
16 acceptance of the entire document.

17 COMMISSIONER WILHELM: That's great. I think that's
18 very helpful.

19 The only other question I had was I wanted to be sure
20 that I wasn't misinterpreting the comment that you had on the
21 screen about costs and benefits. Did I understand you to say
22 that the committee feels that there's not enough evidence to
23 determine the overall costs and benefits of legal gambling except
24 that with respect to economically depressed communities, you
25 concluded there is a net economic benefit?

26 DR. WELLFORD: Correct.

27 COMMISSIONER WILHELM: I got that right?

1 DR. WELLFORD: Yes, sir.

2 COMMISSIONER WILHELM: Thank you.

3 CHAIRPERSON JAMES: Just a point of clarification. How
4 did you make these copies available to the press? How did
5 "Headline News" get it? How did you make embargoed copies
6 available?

7 PARTICIPANT: We gave the press embargoed copies ahead
8 of time.

9 CHAIRPERSON JAMES: How far? When? Yesterday?

10 PARTICIPANT: Yesterday and with the embargo. And if
11 they break the embargo, we do not feel responsible for giving
12 them new embargoed material in the future.

13 This happens periodically to us, and it's a real
14 problem.

15 COMMISSIONER MOORE: Does that mean we can't trust the
16 press?

17 (Laughter.)

18 COMMISSIONER WILHELM: I'll bet it was my mama's
19 congressman.

20 CHAIRPERSON JAMES: Any further questions for this
21 particular panel?

22 (No response.)

23 CHAIRPERSON JAMES: Excellent. Thank you very much for
24 your presentation.

25