

1 CHAIR JAMES: With that, we are ready to turn to our
2 final piece of the day, which is gambling and addiction.

3 Dr. Shosky.

4 DR. SHOSKY: Thank you, Madame Chair.

5 There are two pieces that you might want to look at as
6 we prepare for our discussion. One piece is the chapter that we
7 have on pathological gambling. That's the 4/20/99 version that
8 you have in your briefing book.

9 And you'll find that at Tab 6, Gambling and Addiction.
10 There's also a piece that was prepared by Commissioner Dobson.
11 And the important language on the front of that, so you'll be
12 able to recognize it, is it says Draft Chapter on Pathological
13 Gambling and then, at line 12, it says Additional Draft Language,
14 Additional Draft Language.

15 That was one of the pieces that you would have received
16 yesterday. And these are the two pieces that we'll be discussing
17 in this session.

18 CHAIR JAMES: Okay, let's let everybody find those
19 pieces and make sure we have them in front of us.

20 Can you hold up the Dobson piece so I can see what it
21 looks like?

22 DR. SHOSKY: I'd be delighted to.

23 CHAIR JAMES: It was in the stuff last night? Okay.
24 This is it? Okay.

25 Does everybody have that in front of them?

26 DR. SHOSKY: The draft prepared by staff includes the
27 recommendations at the back, as you will see, and the comments
28 from the prior meeting. And within this particular chapter,
29 there were some issues that were grouped in three sections.

1 The first is defining and measuring pathological
2 gambling. That would include scope, definitions and prevalence.

3 The second major area was treatment and research
4 efforts; what works in treatment; industry, government and
5 private sector efforts; and a brief mention of future research
6 needs because you'll probably remember that there's also a
7 section in the future research chapter that would cover some of
8 the same material.

9 And then finally the recommendations section.

10 If I may say a couple of things about the chapter
11 prepared by staff, we gave a heavy emphasis to the studies that
12 have been contracted for by the Commission. And you'll notice,
13 particularly at the bottom of page one, continuing through page
14 two and three, that we give much justification for the DSM IV
15 criteria and a discussion as to generally what we mean by
16 pathological gambling.

17 After that, there's the scope of pathological gambling,
18 which is essentially an explanation of the studies that we used
19 and then the results of those studies.

20 There were a couple of different ways of grouping the
21 results of the studies, and what we finally decided to do was to
22 use the studies in tandem and cover particular issues as they
23 came up.

24 For example, if you'll notice on the bottom of page
25 six, we have both of the studies talking about adolescent
26 gamblers, and that continues on to page seven. We mention that
27 both studies, for example, found that men were more likely to be
28 pathological problem or at risk gamblers than women.

29 There's a discussion after that about African-Americans
30 and other ethnic groups and educational factors, so forth and so

1 on. And then there's a discussion about the availability of
2 gaming and pathological gambling, patterns of behavior; much
3 discussion about treatment, especially results that came out of
4 our studies; a mention of industry responses; the conclusions and
5 the recommendations.

6 And in the additional draft language section, which is
7 the piece prepared by Commissioner Dobson, what you have is a
8 different grouping of some of the material, and some of the
9 material is presented in more extensive fashion than we did.

10 Some of it's a little bit shorter. But you'll notice a
11 major difference on page five of that particular document where
12 some expenditure information is included that we did not have.
13 And you'll notice a stronger discussion of the prevalence issue
14 from that point on through the middle of page 11.

15 And there may be other major differences. I'm not sure
16 I should speak for someone else's work, but those were two that I
17 noted straight away that I thought were better than the material
18 that we had presented ourselves.

19 CHAIR JAMES: With that, I'd ask the commissioners,
20 following our discussion earlier today, how we may best want to
21 spend our time together this afternoon is postponing the
22 discussion on line items in either document and talking about
23 what it is that we want to say on this issue.

24 We have already said a great deal. We've reached some
25 consensus. What is it that we want to make sure is included in
26 the recommendation section?

27 Has everybody had a chance to read both documents?
28 Yes, no?

29 COMMISSIONER LEONE: This is the pathological gambling
30 -- yes.

1 CHAIR JAMES: Okay, having said that, what do you want
2 to say about this issue? Not all at one time.

3 Jim, why don't I let you kick this off?

4 COMMISSIONER DOBSON: Well, this is -- again, this is
5 our statement. I think it's up to the commissioners to react to
6 it. I don't have anything to -- I do have several changes to our
7 own statement when the time comes, but I think we ought to get a
8 general view of it first.

9 CHAIR JAMES: John.

10 COMMISSIONER WILHELM: I think there's a good deal of
11 work here that's been done that's quite good. On page 11 of
12 Jim's document, the one we got last night, the one labeled
13 Additional Draft Language, I continue to have a problem that I
14 have voiced several times previously and to which I don't believe
15 there's ever been a satisfactory answer given by NORC, which is
16 the creation -- and I use the term carefully -- creation of
17 purported conclusions by mingling the telephone survey data and
18 the patron survey data.

19 Notwithstanding the sort of passive resistance of NORC,
20 it was my understanding that that was not supposed to be done.
21 And this business about the availability -- you have a casino
22 within 50 miles being associated with double the prevalence
23 results from that.

24 And moreover, going back to the conversation that we've
25 had, and I think we adopted a recommendation by Jim at our last
26 meeting -- one of the ones that can't be found anywhere, Jim --
27 about the differential impacts of destination resorts as against
28 others, I think that the assertion that gambling prevalence is
29 greater for people that live within 50 miles of a casino, number
30 one, completely ignores the rather substantial distinctions among

1 kinds of casinos that we've talked about for two years; and,
2 number two, as I said, I think is invalid because it mixes the
3 data from those two surveys in a way that is not, in my view,
4 statistically defensible.

5 So I have a problem with that particular assertion. I
6 just don't think there's any support for it. More broadly,
7 however, I think that, as I said, there's a tremendous amount of
8 good material in this draft.

9 CHAIR JAMES: Terry.

10 COMMISSIONER LANNI: I have -- again, I've voiced my
11 concerns and, frankly, criticisms for NORC, and I'm going to do
12 so again today. In the aspect of the document that's been
13 prepared by Dr. Dobson, there are numerous references that appear
14 to be the NORC references.

15 And the problems I have with NORC are as follows: One,
16 certainly what John has just mentioned that he had talked about
17 NORC; but in addition to that, we talked before -- and they
18 originally went through their preliminary report, they went
19 through their next report and their final report, and they
20 changed substantially.

21 All of a sudden, following the preliminary report, they
22 come up with this at risk. Now, they used the terminology then
23 "may be at risk." Then, when they came to the final report, they
24 kind of edged into these things little by little.

25 They dropped "may" and just say they are at risk. So
26 they have determined on their own, without peer review, that 15
27 million people are at risk. They also base this on lifetime
28 consideration rather than past year.

29 They had both pieces of information. I'm very troubled
30 by that. I am very troubled that they combined the telephone and

1 the patron surveys. And as far as I'm concerned, we've taken the
2 largest possible numbers here, and that may be because of the
3 source of this particular document was looking for the largest
4 possible numbers.

5 But again, I would recommend that there be ranges here.
6 And I am very, very bothered by taking the NORC report because I
7 don't understand how they created this at risk category. It was
8 may be at risk, then they are at risk.

9 By the time this report is issued, we probably all will
10 be pathological gamblers, the way the friends at NORC are
11 working. In addition, in the conclusion on page 20 of Dr.
12 Dobson's report, in line five it says "the number of individuals
13 in the United States with gambling problems is increasing."

14 CHAIR JAMES: I'm sorry, Terry, what page are we on?

15 COMMISSIONER LANNI: Page 20, conclusion. "The number
16 of individuals in the United States with gambling problems is
17 increasing." Well, if you look at the Harvard studies, that is
18 true for adults, but not true for youth. And I am bothered by
19 that particular aspect.

20 And I think there's a fair amount of editorializing in
21 that next line and is the magnitude of those problems -- as is
22 the magnitude of those problems. I don't think we have support
23 for showing that the magnitude is there.

24 I have been consistent in saying and believing that
25 there are a certain portion -- or is a certain portion of the
26 population of this country that has problems with gambling, from
27 a pathological and a problem gambling standpoint.

28 I don't buy into this issue of at risk. I'd like to
29 see some peer review on that whole terminology. And I don't like

1 the fact that it's lifetime when they put their figures together.
2 I think we should look at past year.

3 We've already gone through a number of instances where
4 we said if a person -- I'll use a perfect example. I am 56 years
5 of age. When I was 18, I attended a wedding. I'll never forget
6 it. And I went to a reception.

7 I drank enough champagne at that reception when I was
8 18 years of age that I can tell you I've never had a glass of
9 champagne since. But if I filled out that prevalence report, I
10 might be considered a person at risk for being an alcoholic by
11 something I did foolishly when I was 18 years of age, which, I
12 hate to admit, was 48 years ago.

13 I am not at risk. But I would be determined to be
14 potentially at risk if I had answered yes to one of those
15 questions. So I do not accept NORC's assertion until we see peer
16 review on that particular matter.

17 Someone once mentioned before on this Commission after
18 two years we know one thing definitively: that we don't have
19 enough information on this entire subject to reach definitive
20 conclusions of any magnitude. And I'm a believer in that.

21 But having said that, I am firmly convinced that there
22 are people who have problems with gambling and they need to be
23 dealt with, and I'm a firm believer in that. But I find
24 substantive disagreement with utilizing NORC's largest numbers as
25 a basis for developing this chapter and its conclusions.

26 COMMISSIONER McCARTHY: Madame Chair, as I listen to
27 you, Terry, the greatest problem you have is with the \$15 million
28 dollar number?

29 COMMISSIONER LANNI: Fifteen million people, I think it
30 is.

1 COMMISSIONER McCARTHY: Fifteen million adults?

2 COMMISSIONER LANNI: I think it's people. I don't know
3 if it's --

4 COMMISSIONER McCARTHY: Fifteen million American
5 adults, adult gamblers. Having listened to what you said, is
6 that the thing that gives you the --

7 COMMISSIONER LANNI: No, that's one of the issues.

8 COMMISSIONER McCARTHY: The biggest concern?

9 COMMISSIONER LANNI: Lifetime as compared to using past
10 year and lifetime. I'd like to look at it in both categories.
11 That's of equal concern. Merging the patron and the telephone
12 surveys is a bother to me.

13 COMMISSIONER McCARTHY: Okay, I'm well past -- one vote
14 here -- well past the merging. We talked about that several
15 times in the research subcommittee during the process. They were
16 doing it. John and I have a bit of a difference in that.

17 I'm satisfied that scientifically they justified the
18 way they did that for the limited purposes they mix that. But I
19 would like to make a recommendation on the language where 15
20 million is mentioned because --

21 CHAIR JAMES: Can we just close out that merger one
22 first and then go to the 15 million? It was my understanding,
23 based on the conversation that we had -- and I don't remember
24 whether it was at Virginia Beach or Washington -- that we would
25 ask, wherever that was merged, that at least, at a minimal, it
26 would be identified as such.

27 COMMISSIONER McCARTHY: They were going to submit
28 tables, which they did.

29 CHAIR JAMES: Right. So, Terry, I don't know if -- and
30 I have not been able to look at this document carefully enough to

1 determine if, when those figures are quoted, that it is
2 identified as a merged figure.

3 But that was in agreement, and that certainly should be
4 reflected in anything that we do.

5 COMMISSIONER McCARTHY: They submitted the documents
6 that they were asked to submit, as best I reviewed the main body
7 --

8 CHAIR JAMES: Is it on merging?

9 COMMISSIONER McCARTHY: Yes.

10 CHAIR JAMES: Okay, John.

11 COMMISSIONER WILHELM: Yes, let's look at page 11.
12 This is a house built on a thin reed. I don't mean Steve. By
13 the way, Terry --

14 (Laughter.)

15 CHAIR JAMES: He likes the thin part.

16 COMMISSIONER WILHELM: Yeah, the thin part you could
17 have, but -- by the way, Terry, we've agreed over at this end
18 that it wasn't 48 years ago, it was 38 years ago.

19 (Laughter.)

20 COMMISSIONER LANNI: Well, I never was very good at
21 math.

22 (Laughter.)

23 Actually, I did get straight A's in every math course
24 I've ever taken, but that's a separate issue.

25 COMMISSIONER WILHELM: It says here NORC looked at the
26 availability of casinos as one factor in the problem of
27 pathological gambling. That's a fact. And then it says the
28 availability of a casino within 50 miles is associated with
29 double the prevalence of problem and pathological gamblers. No
30 source.

1 And then it says past year levels of gambling in the
2 combined telephone and patron surveys also echoed this finding
3 with 40% of adults having gambled within the last year if a
4 casino is closer, etc.

5 The finding that 40% of the adults gambled once during
6 the past year has nothing to do with problem and pathological
7 gambling.

8 So I think what's happened here is that one sense which
9 does talk about this combination of telephone and patron surveys
10 without explaining why that is problematic is piled on top of a
11 previous sentence that has no source at all and has a result that
12 I don't believe our record supports.

13 COMMISSIONER DOBSON: The source for all of this is in
14 footnote 27, is it not, 27 and 28? That's the statement in the
15 question -- the topic statement is the first sentence that
16 relates to NORC. I think that's where all that came from.

17 COMMISSIONER WILHELM: See, I share Terry's question
18 about this at risk thing. I said this in one of our earlier
19 meetings. I think that the at risk piece is misleading, at best,
20 because there may be lots of other people -- wait, I'm still on
21 the patron survey thing.

22 There may be lots of other people who are at risk that
23 are not identified in this category that NORC invented at the
24 last minute. But I think by including this conclusion that is
25 constructed out of statistically shaky stuff, I really think we
26 undermine the basic thrust of this chapter.

27 The basic thrust of this chapter, I take it, is that
28 there's a very serious problem in this country that is bigger
29 than it used to be; and that while this survey -- you know, NORC,
30 NRC and Harvard, and I guess they're the best surveys that are

1 available -- only vary somewhat with respect to the prevalence of
2 problem and pathological gambling.

3 Nevertheless, they're within a reasonable range of one
4 another and there's a serious problem in this country. To me,
5 that's the thrust of this chapter, and I think that is valid and
6 ought to be there.

7 And I think that by throwing in stuff like this 50
8 miles of a casino thing that have very demonstrable validity,
9 that we're undermining the point we want to make here. I think
10 that this chapter should be constructed in a way that is
11 unassailable.

12 And I think that it can be constructed in a way that is
13 unassailable and that that's what we want to do because we want
14 to drive this point home.

15 Going back to our original purpose, our original
16 purpose was to give policy makers at the state and local and
17 tribal level hard information that they can use to inform their
18 decisions. And I think we can give them hard information in this
19 chapter without lobbying in stuff that is questionable, because I
20 think that makes the whole thing shakier than it ought to be.

21 And in my mind, the two most questionable things are
22 this proximity argument and the at risk group. And I think we
23 undermine what we're trying to do here. I think this chapter can
24 be extremely powerful without including things that are
25 questionable.

26 COMMISSIONER DOBSON: Madame Chair, the approach to any
27 research report -- this is not research, but it's a report of
28 research -- is to offer operational definitions. When you say
29 that individuals are at risk, that is not assailable if you then
30 say what you mean by that and identify what it means.

1 It's not pulled out of the air. So I don't think you
2 are open to criticism if you have offered an operational
3 definition, and that is the NORC's definition of numbers one and
4 two in the categories that are represented therewith.

5 So it's not as though we pulled something out of the
6 air. It has a definition that is linked to data. If you don't
7 like the definition, then you can argue with the definition, but
8 you're not making unsupported statements.

9 CHAIR JAMES: Leo.

10 COMMISSIONER McCARTHY: I have a language change that I
11 would like to propose for the section that --

12 CHAIR JAMES: Is that related to the discussion that
13 we're having right now?

14 COMMISSIONER McCARTHY: Yeah, the 15 million at risk.

15 CHAIR JAMES: Okay.

16 COMMISSIONER McCARTHY: The sentence I'm talking to is
17 in the introduction, and it may be appropriate elsewhere in here.
18 And I'm looking -- it appears --

19 CHAIR JAMES: Page one, line --

20 COMMISSIONER McCARTHY: Page one -- one, two, three,
21 four, five six -- begins on line six. I make this proposed
22 language change because I think there is some validity here in
23 the discussion on surrounding this point.

24 And I've had conversations with both Dean Gerstein, and
25 I've questioned him, and Howard Schaeffer. And I think to state
26 this more accurately -- before I give the language, let me -- the
27 essence of this is these 15 million American adults, that's the
28 NORC proposal.

1 The rough equivalent on the Schaeffer side, the median
2 number of this range is 5.4 million adults. But he then adds a
3 few million juveniles, and NORC does not include juveniles.

4 Now, the essential point is that if we're going to use
5 the phrase at risk -- and that's okay. If we do what Jim said,
6 you've got to explain this. And I think we need to explain it by
7 saying if they have one or two positive responses on the DSM IV
8 screen, that means they're sending warning signals; that at some
9 point, they might progress into a problem or pathological stage.

10 That they might. On the other hand, they might not as
11 well. They could move in either direction or they could stay
12 static. And I think what we want to do in here, to be accurate
13 and to reflect this properly, is not to confuse them with the
14 much more legitimate categories of problem and pathological
15 gamblers.

16 On the other hand, we owe the public an obligation by
17 saying among these 15 million American adults -- or we'll use the
18 stricter -- and I didn't take the high number that Howard
19 Schaeffer gave me. So if we take the median number of 5.4
20 million, then we have to explain that these are people that have
21 shown some symptoms that could lead to difficulty.

22 So there is a reason why we need to know about them.
23 And when we get to the research section, we'll see I adopted one
24 of Howard Schaeffer's proposal, which is to focus specifically on
25 this group to understand just what kind of movement they have.

26 When I questioned him in Atlantic City, he said
27 one-quarter to one-third. But he admitted this is a rough
28 estimate and it needs research. One-third to one-quarter would
29 become pathological gamblers, he thought.

1 But the truth is, we don't know this with any
2 exactitude, and that's why we need the research on it. And at
3 this stage, I think we need to state this more accurately, and
4 here's the language I propose:

5 In addition, the gambling behavior of over 15 million
6 American adults manifest warning signals that suggest that a
7 number of them might become problem or pathological gamblers.

8 And I think that captures the essence of what I was
9 trying to say and I think it's more accurate. After my
10 conversations, my questions to Gerstein, my questions and
11 conversations with Howard Schaeffer, I think that's a more
12 accurate reflection of what this actually is.

13 COMMISSIONER LANNI: I appreciate Commissioner
14 McCarthy's movement on the subject, but I still have a problem
15 because we're not clinically capable -- I'm not, I'll put it.
16 I'm not capable of responding yes, that's appropriate.

17 I don't know. I don't know that any of those 15
18 million people are going to become -- I'm not so sure they're
19 problem gamblers or at risk gamblers, whatever that means -- that
20 a percentage will become problem or pathological gamblers.

21 I assume they will, but I'm just not clinically capable
22 or, on an educational basis, in a position to see that. I think
23 we're trying, as lay people, to reach conclusions that medical
24 people are better able to reach.

25 COMMISSIONER McCARTHY: I'm relying on Howard Schaeffer
26 in this regard. And so that's why I feel comfortable in putting
27 it the way that I did put it. So this is just not a conclusion of
28 a --

29 COMMISSIONER LANNI: But we're taking figures of NORC's
30 lifetime prevalence, which again I take issue with the lifetime

1 prevalence number. I would be much more interested in seeing --
2 I think showing both makes more -- you know, on a basis of
3 fairness, showing lifetime prevalence and past year prevalence
4 and have a range.

5 You know, if it's -- past year would be X. I can't
6 remember what that number is. And lifetime would be 15 million.
7 I'm still bothered by that. But I appreciate the movement in
8 that regard. And this may be an issue that I will have a
9 dissenting opinion and have to maybe submit my own chapter as my
10 view on this.

11 COMMISSIONER DOBSON: Madame Chairman.

12 CHAIR JAMES: Commissioner Dobson.

13 COMMISSIONER DOBSON: I agree with what Leo has
14 suggested. I think we do know that some of those people will go
15 on to become problem and pathological gamblers because the nature
16 of addiction, gambling addiction, which is established.

17 So there is a progression for some of those. We don't
18 know how many. We don't know what the percent is. That's why I
19 think this is a very conservative statement that Leo has
20 suggested, and I think it's an improvement.

21 COMMISSIONER BIBLE: Is the 15 a lifetime rate or a
22 past year?

23 COMMISSIONER DOBSON: Sir?

24 COMMISSIONER BIBLE: Is that a lifetime rate or a past
25 year rate, the 15 million?

26 COMMISSIONER DOBSON: That's a lifetime.

27 COMMISSIONER BIBLE: Why don't you just make the
28 sentence say what it is; in addition, over 15 million --

29 COMMISSIONER McCARTHY: Mention specifically this is a
30 lifetime rate?

1 COMMISSIONER BIBLE: Yeah.

2 COMMISSIONER McCARTHY: Yes.

3 COMMISSIONER BIBLE: Have indicated that sometime
4 during their life -- I mean, just explain it what it is.

5 COMMISSIONER McCARTHY: That's accurate.

6 COMMISSIONER LANNI: But is it not also accurate to put
7 -- why can't we put both figures in, past year -- we're using
8 NORC's study, which I question anyway, but that's a separate
9 issue -- by using both. They had both. But then suddenly, when
10 they go through different phases, they came up with lifetime, not
11 just by happenstance.

12 Lifetime is a much larger number. They seem to err on
13 the side of larger numbers whenever they decide to err. So I,
14 for one, think we need to have -- I would like to reach consensus
15 on this. I mean, I'm very concerned about pathological and
16 problem gambling.

17 It's not an issue. I've said that from day one, as Jim
18 will recount and other people on this Commission. And I'd like
19 to see unanimity on this, as I would on each issue. And I would
20 find unanimity if the commissioners would be willing to consider
21 putting in the lifetime number, as well as the past year number.

22 CHAIR JAMES: Does somebody know off the top of their
23 head what the past year number was?

24 COMMISSIONER LANNI: Tim will know.

25 COMMISSIONER BIBLE: Well, we had testimony -- it was
26 from the National Research Council -- in terms of public policy
27 that the more reliable figure to use is past year.

28 COMMISSIONER LANNI: That's correct. They indicated
29 that was the figured used -- you should be using in order to
30 develop public policy.

1 COMMISSIONER McCARTHY: Well, I think to be accurate on
2 that, Bill, if I may, they said it depends upon the question
3 you're asking. Sometimes lifetime is appropriate, and perhaps
4 more often past year is appropriate.

5 COMMISSIONER BIBLE: We'd have to go back and take a
6 look at the transcript. When they responded to a question, I
7 believe that's the way they responded in terms of public policy
8 development, that the past year numbers were more appropriate.

9 COMMISSIONER LANNI: And if they said it's more often,
10 I think I'd err on the side of more often than less often. I
11 might add that we were charged by the law that was signed into
12 this -- the act that was signed law by the President, the NGISC
13 was charged by the U.S. Congress and the President to contract
14 with the NCR, NAS for assistance in conducting studies and, in
15 particular, an assessment of pathological or problem gambling.

16 And I don't understand in a pathological and problem
17 gambling category, frankly, why we have at risk, which isn't even
18 --

19 COMMISSIONER McCARTHY: And we're very heavily guided
20 in many respects by what they wrote. I've read and reread what
21 they gave us four or five times. I would like to submit the
22 language that I've proposed with the change that this be labeled
23 as lifetime, as suggested by --

24 COMMISSIONER DOBSON: Is that a motion?

25 COMMISSIONER McCARTHY: Whatever's required by the
26 Chair.

27 CHAIR JAMES: If you want to call it for a vote. If
28 we're not able to reach consensus, then we have to move towards a
29 vote.

1 COMMISSIONER McCARTHY: Well, I think we have some
2 dissent, so yes, I will submit it as a motion.

3 CHAIR JAMES: Well, hold that thought.

4 COMMISSIONER McCARTHY: I hold it.

5 CHAIR JAMES: Hold it for just a second because I heard
6 a suggestion that if we could break it out from lifetime and talk
7 about past year.

8 COMMISSIONER McCARTHY: I'm not proposing to do that.

9 CHAIR JAMES: You're not proposing to do that? Okay.
10 So your motion is in --

11 COMMISSIONER McCARTHY: I'm willing to, you know, try
12 to explain when I'm convinced that something ought to be changed
13 -- I don't think there's anything the matter with advising the
14 public that there are 15 million lifetime people.

15 Now, if elsewhere in this thing in the research side I
16 use NRC numbers a couple of times, that's fine. But I'm
17 satisfied with the way it is. Others may differ.

18 CHAIR JAMES: Well, there is --

19 COMMISSIONER LANNI: I'm sorry. No, I'd like to say,
20 Leo, I agree with you. I have no problem including the lifetime.
21 I don't understand why you think that more disclosure to the
22 public would be wrong.

23 What is wrong with disclosing what the past year?

24 COMMISSIONER McCARTHY: No, we have past year figures,
25 --

26 COMMISSIONER LANNI: But you're bothered by disclosing
27 them.

28 COMMISSIONER McCARTHY: -- tables.

29 COMMISSIONER LANNI: You're bothered by disclosing that
30 on this subject. I'd like to know why.

1 COMMISSIONER McCARTHY: I think it reads satisfactorily
2 the way it is.

3 COMMISSIONER LANNI: You're the attorney and I'm not,
4 but that's not the answer to my question. My question is: Why
5 are you opposed to disclosing the fact -- and I should say -- let
6 me say why are you opposed to disclosing numbers arrived at by
7 the organization which you are very much a supporter of, NORC, to
8 the public?

9 COMMISSIONER McCARTHY: Well, I differ --

10 COMMISSIONER LANNI: Please answer my question.

11 COMMISSIONER McCARTHY: I'm sorry.

12 COMMISSIONER LANNI: Why do you oppose including that
13 in disclosure to the public in this report?

14 COMMISSIONER McCARTHY: You hadn't heard what I was
15 going to say yet. How did you know it wasn't in answer to your
16 question?

17 COMMISSIONER LANNI: Well, I'll give you a chance to.

18 COMMISSIONER McCARTHY: I simply differ with at least
19 two of you here that there's no validity in lifetime figures.
20 That's all. And I think it's okay to use the lifetime figure.
21 We are trying to sketch the dimension of what this problem may
22 be.

23 COMMISSIONER LANNI: Leo, you didn't --

24 COMMISSIONER McCARTHY: And I think we ought to.

25 COMMISSIONER LANNI: Okay, you didn't answer my
26 question. I asked, and I'll ask one more time very simply -- and
27 you're a very bright person, so I don't have to make it simple,
28 but you don't want to answer it.

1 The issue is, why do you oppose disclosing past year
2 numbers provided by the organization which you are in support of
3 to the public?

4 COMMISSIONER McCARTHY: I don't. They're in there.
5 They're in this document. They're in the report.

6 COMMISSIONER LANNI: Be more specific.

7 COMMISSIONER McCARTHY: You mean in this place. You
8 want me to mention lifetime everywhere -- pardon me, past year
9 everywhere lifetime is ever mentioned?

10 COMMISSIONER LANNI: Well, specifically I'm asking in
11 this particular area right now.

12 COMMISSIONER McCARTHY: I know. But if the argument's
13 made here, then it has to be done in every other occasion. I
14 don't know that I agree with that point.

15 COMMISSIONER LANNI: Are you saying that the argument
16 where just in this one area you would support it and elsewhere
17 you wouldn't? I'm confused. Maybe you're confused.

18 COMMISSIONER DOBSON: Terry, excuse me.

19 CHAIR JAMES: I'm going to let you respond, and then we
20 do have a motion on the floor. And if it doesn't get a second,
21 it --

22 COMMISSIONER DOBSON: Second.

23 CHAIR JAMES: -- will die.

24 (Laughter.)

25 COMMISSIONER WILHELM: It will die or we'll die?

26 CHAIR JAMES: It will, but it didn't.

27 Jim.

28 COMMISSIONER DOBSON: Terry, the reason I favor the
29 word lifetime is because pathological and problem gambling tends
30 to be a chronic, addictive behavior over time; and therefore, the

1 lifetime designation is much more likely to deal with that
2 lifelong or long term difficulty.

3 COMMISSIONER LEONE: What is the number for the last
4 year?

5 Do you know, Tim?

6 DR. KELLY: Yes, it's 2.9%, so we'd multiply that times
7 200 million to get the number, which would be --

8 COMMISSIONER LEONE: So would Jerry be happy if you
9 added the clause "in the last year alone?"

10 (Laughter.)

11 COMMISSIONER DOBSON: How about "an unbelievable?"

12 (Laughter.)

13 COMMISSIONER LANNI: The Commission's purpose is not to
14 make me happy. The Commission's purpose is to come up with a
15 responsible recommendation based upon factual evidence.

16 COMMISSIONER BIBLE: I think in terms of - -

17 COMMISSIONER LEONE: I withdraw it if it will make you
18 happy, if that will make you happy.

19 (Laughter.)

20 COMMISSIONER LANNI: I am not unhappy, trust me. I
21 have everything in the world to be happy about.

22 COMMISSIONER BIBLE: But I think in terms of the final
23 report, we shouldn't weave between the two numbers. I think we
24 ought to make a decision to either use one set, the other set or
25 both. And I already said the reader is not confused if we move
26 between them.

27 CHAIR JAMES: What is that when you multiply it out?

28 COMMISSIONER McCARTHY: Do I understand that the number
29 of past year was 5 point --

30 DR. KELLY: 5.8 million.

1 COMMISSIONER McCARTHY: 5.8 million?

2 COMMISSIONER LANNI: That's combined patron and
3 telephone. You're back to combining it again.

4 DR. KELLY: Yes, it's 2.3% in the survey; 14.3% in the
5 patron.

6 COMMISSIONER McCARTHY: They're merging the patron
7 interview and telephone interview? What do I get in return here?

8 CHAIR JAMES: We have a motion on the floor that's been
9 moved and properly seconded. We are having discussion on that
10 particular motion.

11 Leo, could I get you, for the benefit of our
12 discussion, to restate your motion?

13 COMMISSIONER McCARTHY: So Mr. Leone's suggestion, if I
14 were to -- last year alone, the stunning number of 5.8 million --
15 or something to that effect.

16 COMMISSIONER LEONE: Seriously, I take it that it would
17 be satisfactory if the language of this were -- I don't remember
18 your precise wording -- that lifetime 15 million, and the last
19 year 5.8 million.

20 And I guess I don't understand --

21 COMMISSIONER McCARTHY: All right, I will agree with
22 that change if the seconder does.

23 COMMISSIONER LEONE: As long as they're together. I
24 would think the --

25 COMMISSIONER McCARTHY: The reasonable team of McCarthy
26 and Dobson has acceded.

27 COMMISSIONER DOBSON: Would the record show
28 accommodating we've been on this issue?

29 (Laughter.)

30 We may need the Chair later on.

1 (Laughter.)

2 COMMISSIONER McCARTHY: We'd like to move briskly to
3 the next eight issues.

4 COMMISSIONER BIBLE: Mr. Lanni gives Mr. Dobson a
5 marker for one later issue.

6 (Laughter.)

7 COMMISSIONER McCARTHY: Now, that was a very large
8 issue, so that counts for four other issues.

9 (Laughter.)

10 CHAIR JAMES: Having said that, what I see now is that
11 Mr. Leone is offering a friendly amendment to your motion.

12 COMMISSIONER McCARTHY: No, he doesn't even have to
13 offer it. We both accede it. It's part of our motion.

14 CHAIR JAMES: It's a part of your motion. And -- so
15 do we even need a motion at this point?

16 (Chorus of no's.)

17 COMMISSIONER McCARTHY: We withdraw our motion.

18 CHAIR JAMES: See, if we just stay at it long enough,
19 we can get there.

20 COMMISSIONER LANNI: One minor --

21 CHAIR JAMES: One dissenting view.

22 COMMISSIONER LANNI: No, no, no; I just think there
23 should be a reference here in those numbers that this is from the
24 NORC survey, and I don't see that in the introduction.

25 CHAIR JAMES: That is footnoted.

26 COMMISSIONER LANNI: The footnote is all. It is
27 footnoted elsewhere, as you know, Jim.

28 COMMISSIONER DOBSON: Yes, that's fine.

29 CHAIR JAMES: Other issues?

1 COMMISSIONER WILHELM: I have an extremely minor
2 observation on page seven, line number eight. In Oregon, the
3 lifetime prevalence of problem and pathological gambling is 4.9%.
4 Every other sentence like this just says the survey indicated or
5 survey showed or whatever.

6 Nowhere else do we just state that it is 4.9%. We
7 don't know that. We know that a survey said that. And I think
8 this sentence should be constructed consistent with the others.

9 COMMISSIONER McCARTHY: Excuse me. I have one other --
10 have we gotten John's point?

11 CHAIR JAMES: Yes, we do.

12 COMMISSIONER McCARTHY: I have one other point. I
13 notice that -- and I'll have to double check this -- the Harvard
14 study for Level II, which Dr. Schaeffer agrees is roughly
15 comparable to the at risk population, is larger than the number
16 we're now using for NORC.

17 It's 5.3 million. That's the median, and he's using a
18 past year number. I want to double check that. And if that is
19 accurate, we may or may not want to make some reference to that
20 in this.

21 COMMISSIONER LANNI: It's a lower number. I think the
22 other one was 5.8 million, wasn't it? It's 5.8. That's lower.

23 COMMISSIONER McCARTHY: I'm talking about past year,
24 Level II, the median number between Dr. Schaeffer's range.

25 COMMISSIONER LANNI: He's got a separate - - no, he's
26 got a separate number.

27 COMMISSIONER McCARTHY: This language from the Harvard
28 study is not in here. The range was 3.7 to 7 million.

29 COMMISSIONER LANNI: But that mid point is lower than
30 the NORC at risk number for past year.

1 COMMISSIONER McCARTHY: NORC was 5.8.

2 CHAIR JAMES: Right.

3 COMMISSIONER LANNI: And yours is 5.3 is all I'm trying
4 to say.

5 COMMISSIONER McCARTHY: All right.

6 COMMISSIONER LANNI: Okay, if I may come back to
7 another one.

8 CHAIR JAMES: Certainly.

9 COMMISSIONER LANNI: I think to clarify on the
10 introduction on line eight, page one, in addition, over 15
11 million -- we're going to use the range, I understand that -- are
12 at risk of gambling addiction.

13 I think to be more accurate it's really at risk of
14 problem gambling and/or pathological gambling because you skipped
15 over problem and just went right to addiction.

16 COMMISSIONER DOBSON: Yes.

17 CHAIR JAMES: And there was some additional language
18 that had already been put in that said manifest warning signals
19 that might lead them to problem or pathological gambling

20 COMMISSIONER DOBSON: Madame Chair, may I amend my own
21 statement here --

22 CHAIR JAMES: Yes, sir.

23 COMMISSIONER DOBSON: -- in a place or two?

24 Page ten, item eight, nine and ten -- or lines eight,
25 nine and ten. Both studies found that pathological, problem and
26 at risk gambling was proportionally higher among
27 African-Americans than other ethnic groups.

28 I think we all agree that Native Americans have not
29 been evaluated or studied in this regard. So we can't make that
30 statement without indicating that we don't know with regard to

1 Native Americans. This implies that the comparison between
2 Native Americans and African-Americans is known.

3 CHAIR JAMES: Page ten.

4 COMMISSIONER DOBSON: Eight, nine and ten.

5 CHAIR JAMES: Lines eight, nine and ten.

6 COMMISSIONER McCARTHY: A general comment, if I may.
7 In trying to prepare for the future research section, what they
8 have found was there's been minimal research on minority groups:
9 ten that were identified on African-Americans, five on
10 Hispanic-Americans, and perhaps three or four on Native
11 Americans.

12 So I think whenever we refer to any such statistics, we
13 certainly want to do it in a very cautionary way.

14 COMMISSIONER DOBSON: Right, and this seems a little
15 more concrete than I think we have evidence to support.

16 There's no problem. Go on to the next one.

17 CHAIR JAMES: I'm not sure if Terry gave up the floor
18 yet. You were going through what some issues --

19 COMMISSIONER LANNI: No, no; I have two more.

20 CHAIR JAMES: Are you done?

21 COMMISSIONER LANNI: No, I have two more.

22 CHAIR JAMES: He has two more. Do you want to finish?

23 COMMISSIONER LANNI: I just wanted to come back again
24 on the conclusion on page 20, line five, six. Indicate the
25 number of individuals in the United States with gambling problems
26 is increasing, as is the magnitude of those problems.

27 And as I noted on the Schaeffer meta-analysis, there
28 was no increase -- there was in youth, but not in adult gambling.
29 So I don't know what the basis for this statement is, and it's
30 not supported with a footnote, that I can find.

1 I presume --

2 COMMISSIONER DOBSON: I'm sorry, Terry. It took me a
3 second to get with you.

4 COMMISSIONER LANNI: Okay, page 20, I'm sorry, Jim.

5 COMMISSIONER DOBSON: Okay.

6 COMMISSIONER LANNI: Page 20, your conclusion, line
7 five. The number of individuals in the United States with
8 gambling problems is increasing, as is the magnitude of those
9 problems. I just need the basis for that statement, the support,
10 because there's no footnote.

11 COMMISSIONER DOBSON: Well, the first 20 does not --

12 COMMISSIONER LANNI: Line number five and six?

13 CHAIR JAMES: Yeah, it is page 20 in your document.

14 COMMISSIONER DOBSON: It's the one I've got all my
15 notes on.

16 All right, which line, please?

17 CHAIR JAMES: Line five.

18 COMMISSIONER LANNI: Line five, page 20. The first
19 line of the conclusion.

20 COMMISSIONER DOBSON: Okay.

21 COMMISSIONER BIBLE: Well, and the first part of the
22 sentence has to be true because the population in the United
23 States is increasing. You're not talking about the rate
24 increasing, you're talking about a number of individual --

25 CHAIR JAMES: An aggregate.

26 COMMISSIONER LANNI: That's probably unartful drafting.
27 But, I mean, I think that the issue I was questioning was the --
28 I assumed it meant rate. And I think when I read the Howard
29 Schaeffer report, the meta-analysis said it wasn't increasing as
30 a percentage for adults, but it was for youth.

1 Or is it the other way? No, adults are increasing and
2 youth are -- the other way around. I'm sorry. So I just wanted
3 to know about the cite or source.

4 COMMISSIONER DOBSON: Page 12 and 13. What you're
5 referencing there is a summary and it goes back to page 12 and
6 13, which addresses this.

7 COMMISSIONER LANNI: Can you help me where on page --

8 COMMISSIONER WILHELM: That's the availability of
9 gambling. That must be somewhere else you're talking about.

10 COMMISSIONER LANNI: Line 19?

11 COMMISSIONER DOBSON: And that's creating real
12 problems. We're working on two different documents, and I've got
13 my notes and writings on one and don't want to abandon it.

14 COMMISSIONER LANNI: I think it's line 16. I see it
15 here as being based upon Rachel Volberg's study, who examined 15
16 statewide surveys conducted since 1980 and found that, after
17 1990, states which introduced gambling had higher rates of
18 problem and pathological gambling.

19 COMMISSIONER DOBSON: Terry, on page 12 and 13, three
20 to 14 on page 13.

21 COMMISSIONER BIBLE: Is the notion five and six to talk
22 about rate or talk about number?

23 COMMISSIONER WILHELM: Says number.

24 COMMISSIONER BIBLE: And that would be true. Number
25 would be increasing.

26 COMMISSIONER LANNI: The population is increasing.

27 COMMISSIONER DOBSON: Do you follow me on page 13?

28 COMMISSIONER LANNI: Yes. No, I see them here. I
29 didn't --

30 COMMISSIONER DOBSON: Okay.

1 COMMISSIONER LANNI: Again, we discussed this.

2 COMMISSIONER DOBSON: Okay.

3 CHAIR JAMES: The question in this on page 20 in the
4 conclusion where it talks about the number of individuals,
5 whether it's an aggregate number or percentage or rate, and they
6 were just making the point that of course it would be number
7 because the population is increasing, and therefore you have
8 more.

9 COMMISSIONER DOBSON: That's right.

10 COMMISSIONER LANNI: Which is right? Is it the
11 absolute number or is it the rate?

12 COMMISSIONER DOBSON: It may be both.

13 COMMISSIONER LANNI: Maybe Ron -- he says it's both.

14 Well, then let me ask you this question. Then you have
15 comma, "as is the magnitude of those problems." What is the
16 source for the magnitude of those problems? I don't mind Ron
17 giving us this.

18 COMMISSIONER DOBSON: Did you hear?

19 COMMISSIONER LANNI: No, I didn't.

20 COMMISSIONER DOBSON: He said that obviously goes back
21 to the social cost section, which we're not dealing with here.

22 COMMISSIONER LANNI: It's in a different section?

23 COMMISSIONER DOBSON: Yes.

24 COMMISSIONER LANNI: But the conclusion I think we are
25 reaching is from the body of this. Wouldn't it have to be
26 included in the body?

27 COMMISSIONER BIBLE: See, I read that to mean that the
28 individuals experienced more profound problems and the average
29 score in the DSM IV criteria had increased or something of that
30 nature, and we have no data to support that.

1 COMMISSIONER LANNI: No, that's my understanding. It
2 sounds like things are worse for those people, --

3 COMMISSIONER BIBLE: Yes.

4 COMMISSIONER LANNI: -- in addition to the fact that
5 there are more of them. Again, I think it's the drafting and
6 reading it. And if we have support for it, that's fine to put it
7 in there; but I don't what the support is.

8 I don't remember getting a job of that nature.

9 CHAIR JAMES: What we would need is a footnote there to
10 make sure that we can document it. And maybe overnight and as we
11 discuss this tomorrow, we can take a look and see --

12 COMMISSIONER DOBSON: Fair enough. The point is well
13 made.

14 CHAIR JAMES: Terry, did you have any others?

15 COMMISSIONER LANNI: Oh, you know me.

16 CHAIR JAMES: Oh, I know you do.

17 COMMISSIONER LANNI: I don't understand on page 20,
18 beginning with the last word in letter (a) on line 17. A review
19 of various practices engaged in by the different forms of
20 gambling that contribute to or exacerbate a problem gambling
21 condition must also be a priority.

22 I don't know what you mean by that. What are we
23 thinking of as far as the practices?

24 COMMISSIONER BIBLE: Do you want to do more research in
25 that area?

26 COMMISSIONER LANNI: I'm all for research. I'm all for
27 research.

28 COMMISSIONER DOBSON: In terms of marketing and credit
29 issues and things of that nature, I think that's --

1 COMMISSIONER BIBLE: Well, that's what we're saying.
2 Is this an existing practice that's continue or exacerbate?

3 COMMISSIONER LANNI: They're not defined. I mean, I
4 don't think I found that in here. You know, you have pointed out
5 correctly -- you've commented the other conclusions by Rachel
6 Volberg and Howard Schaeffer on lines five and six, but I don't
7 see anything in the report -- and I, again, just read it very
8 quickly because we just received it -- that indicates that there
9 is a reference to practices of gambling industry entities that
10 are exacerbating the problem condition.

11 COMMISSIONER DOBSON: Give us an opportunity to look
12 back through the text and, if that's not supported, we will
13 remove it.

14 COMMISSIONER LANNI: And if it is supported, it will be
15 footnoted as to what the support would be?

16 COMMISSIONER DOBSON: Yes.

17 CHAIR JAMES: Jim, I think you had a couple of things.

18 COMMISSIONER DOBSON: Yes, I do. Some of you may
19 remember the discussion that took place when the NORC data came
20 back. And the respondents gave answers that were obviously in
21 error reporting earnings that were greater than losses.

22 Do you remember that issue? That ought to be
23 referenced in here if there is a problem with the credibility of
24 some of the responses that took place, and this is the section
25 that I think that ought to be included.

26 COMMISSIONER BIBLE: How do we delineate which areas
27 don't have credibility in the NORC report?

28 (Laughter.)

29 COMMISSIONER DOBSON: Well, this one is beyond reason.
30 This one -- as you remember, there's a two billion dollar factor

1 where people earn more or won more than they lost, and that can't
2 be true or you guys would go broke.

3 CHAIR JAMES: John.

4 COMMISSIONER WILHELM: I think Bill raises a good
5 point. And I don't know if my continued objection to the
6 commingling of the telephone data and the patron data to arrive
7 at this conclusion about proximity to casinos -- I don't know if
8 that lacks -- I don't know if I'm the only person concerned about
9 that here.

10 But it seems to me that if we're going to act as
11 though, in this report, that the NORC report is sound, that we
12 have to kind of take it all. I personally have questions about
13 quite a few piece of the NORC report.

14 On the other hand, I am mindful of a comment that
15 Richard made a while back; and that is that if we put too much
16 weight on the NORC report, then we undermine our purpose here
17 because, no matter what anyone thinks about the NORC report and
18 its particulars, it's a step forward in terms of the available
19 research.

20 So it seems to me that we have to do one of two things.
21 Either we have to accept the NORC report in this final report and
22 footnote it appropriately and so on, but accept what it says; or
23 we're going to have to take a very large number of votes to
24 decide, you know, whether a majority does or doesn't accept this,
25 that or the other conclusion, which strikes me as a very, very
26 difficult and problematic exercise.

27 COMMISSIONER McCARTHY: I strongly agree with what Mr.
28 Wilhelm just said.

29 COMMISSIONER DOBSON: I know you do. We've talked
30 about it, Leo. But this is an outlier. This is a bit of data

1 that are completely out of sync with reality. It could not be
2 true that the individuals who answered these questions actually
3 earned more -- two billion dollars more, or at least extrapolated
4 to the nation -- two billion dollars more than they lost.

5 That is impossible. It's not a matter of a
6 philosophical difference or anxieties or concerns about the
7 entire NORC study. It is an outlier in what came back. And even
8 NORC has admitted that and said it. We talked about it.

9 COMMISSIONER McCARTHY: Madame Chair, --

10 CHAIR JAMES: Yes, please.

11 COMMISSIONER McCARTHY: -- may I make a recommendation?

12 CHAIR JAMES: By all means.

13 COMMISSIONER McCARTHY: I would like to suggest that
14 Jim draft his own statement, and any other member of the
15 Commission that wants to sign that with him may do so for some
16 personal comment. But I agree with John.

17 We cannot make decisions on each section of the NORC
18 report or the NRC report, and I have some displeasure with
19 sections in both, based on our own personally subjective reaction
20 to this. Unless we find some kind of clear answer that, after
21 questioning NORC or the NRC, they still say this is what we meant
22 and we stand with the statement in question.

23 If they want to reverse themselves because they simply
24 -- obviously made a mistake and they want to change it, that's
25 one thing. But I totally agree with the thrust of what I just
26 heard John Wilhelm say.

27 It's not our place to try to, in effect, alter the
28 final report that we were given -- any of the final reports that
29 we were given. Add some editorial comment on it, if we want to
30 in it, and that's the best we can do.

1 COMMISSIONER DOBSON: Obviously I disagree with that.
2 The Commission can do it with it what it wants. To my knowledge,
3 the only information that they gave us where NORC sat and told us
4 that the findings could not be valid, that requires a comment by
5 us.

6 COMMISSIONER McCARTHY: Let's get a letter from them to
7 that effect.

8 CHAIR JAMES: They made that statement. I believe it
9 was at Virginia Beach, in that meeting. And I think it is a
10 matter of record that they did make --

11 COMMISSIONER McCARTHY: Let's get a letter from them
12 saying it.

13 COMMISSIONER WILHELM: Well, but they made a bunch of
14 statements. I mean, you know, they also said at one point, and
15 it's on the record, that you couldn't validly mix patron survey
16 and the telephone survey. Then they did it anyway, and then they
17 reversed themselves.

18 I mean, you know, if we're going to go down this road,
19 then we're going to have to go down all of this road, not just
20 whatever piece of this road suits somebody. And I think we ought
21 to examine everything NORC concluded, if that's where we're
22 going.

23 Because I think a lot of it is internally
24 contradictory, bogus and other things. But, you know, it is what
25 it is, and I think Richard's right, that we shouldn't pile too
26 much weight on it.

27 CHAIR JAMES: Terry.

28 COMMISSIONER LANNI: If we're going to ask NORC
29 questions -- I always like to ask NORC questions if they don't
30 give us answers.

1 COMMISSIONER WILHELM: I don't because they don't
2 answer.

3 COMMISSIONER LANNI: Well, they don't answer, but I
4 always like to go on the record of having asked the question.

5 COMMISSIONER WILHELM: Leo, you can shake your head,
6 but the issue is very simple.

7 COMMISSIONER McCARTHY: No, no, no; I'm just talking
8 about the ping-pong. We've played this game now --

9 COMMISSIONER LANNI: No, but I still want to go on
10 record --

11 COMMISSIONER McCARTHY: -- in several meetings about
12 NORC.

13 COMMISSIONER LANNI: -- I find it very difficult with
14 NORC where they -- the first preliminary report, there was no
15 category called at risk. The next report had may be at risk.
16 And then, as that kind of got accepted, they dumped that aspect
17 and just called it at risk.

18 I mean, they went from it didn't exist to may be at
19 risk to at risk, and I am dumbfounded over that particular
20 process. And if we're going to send a letter to them, I want to
21 ask that question as to how they came up with that.

22 COMMISSIONER DOBSON: In fact, Madame Chair, going to
23 John's point and Terry's, you all have discussed that at risk
24 issue repeatedly and the combining of the data repeatedly.

25 Why, John, is it appropriate for you all to talk about
26 your concerns about that? And in fact, it just influenced the
27 way we wrote. But my concern about this opens the whole thing to
28 analysis. You have violated your own principle.

29 There are aspects of this NORC thing we have already
30 beat to pieces.

1 COMMISSIONER WILHELM: Well, actually, Jim, since you
2 addressed that to me, let me respond. I don't think that's a
3 correct recitation of what just happened here. The at risk data
4 is still in the report. It's merely put in a more accurate piece
5 of phraseology --

6 COMMISSIONER DOBSON: That's what I'm asking to do.

7 COMMISSIONER WILHELM: -- by Leo.

8 No, you want to say something in the report is wrong.
9 And apparently nobody else agrees with me on the commingling
10 issue, so that's going to stay in there.

11 Again, if we want to examine every one of the
12 statements in this report that are attributed to NORC, I'm up for
13 that; but that's going to be quite a process. Because I think a
14 lot of it is junk. But, you know, it is what it is and it's what
15 we have.

16 And it's much better than anything that has been done
17 before, so it's an improvement. But we either have to accept it
18 or we don't, it seems to me. I don't see how we pick and choose
19 the ones we like and don't like.

20 COMMISSIONER DOBSON: Madame Chair, I may be alone in
21 this. If we are, let's go on. I am not sure where the rest of
22 the commissioners are.

23 COMMISSIONER LEONE: I have to go. And remember,
24 you're all invited.

25 (Laughter.)

26 Congratulate this author on his effort.

27 CHAIR JAMES: Is he available for some additional
28 writing challenges?

29 Jim, I know that this is very important to you, and I
30 allow the conversation to go on hoping that we will, as we have

1 in previous discussions, get to the point where we can reach some
2 consensus on this issue.

3 Let me tell you what my take on it is. I am very
4 concerned that we call into question the credibility of the
5 information that NORC has been able to produce by saying in this
6 one area that there are some huge issues that don't make sense.

7 I mean, NORC themselves, when they presented, said that
8 this was a fluke and they couldn't explain why the data came back
9 this way.

10 COMMISSIONER DOBSON: Why can't we say that? That's
11 part of their report, too.

12 CHAIR JAMES: Is there any problem with including that,
13 that this -- that, I mean, NORC did say that for the record?

14 COMMISSIONER McCARTHY: Madame Chair, I have a big
15 problem with that. Let's get -- pose the question to NORC from
16 our friend Jim and see what they want to write back in answer.
17 Let them handle it.

18 COMMISSIONER BIBLE: But I think if we're going to do
19 that in that one area, there's other areas that I have more
20 concerns.

21 COMMISSIONER DOBSON: There are. And there's another
22 one that I feel even more strongly about that you all already
23 know about, and that's the youth -- the results of the telephone
24 survey where I said at the last meeting that one I feel strongly
25 enough about to write a minority report on.

26 I cannot let that one --

27 COMMISSIONER BIBLE: And I was concerned between the
28 two reports that, at one point, they indicated that pathological
29 gamblers had experienced - - I think it was greater than 50%
30 experimentation or usage of illegal drugs.

1 By the time they took the patron survey and blended it
2 in, that number dropped significantly. And I've got to believe
3 that if you walk up to somebody on the street and say are you
4 using illegal drugs, they're going to tell you no.

5 CHAIR JAMES: So is what I'm hearing that this
6 Commission is not prepared to accept the research as presented by
7 NORC and would like to put to them a list of questions?

8 COMMISSIONER McCARTHY: We have been through this
9 battle so many times that it's not my feeling, and I don't know
10 whose feeling it is around the table -- it wasn't Leone's feeling
11 when he left. Let's keep this in context here.

12 We've got parts of this that each one of us might find
13 that we have some doubt about. This is a research report. Any
14 member of the Commission is quite capable of writing some kind of
15 narrative remarks of their own on this report or the NRC report
16 or the Cook-Clotfelter report.

17 I still say John's comment is really valid here on any
18 of the research reports. Jim had some strong feelings on another
19 economic development report that we did, too. I understand that.
20 There's room in this final report to write any editorial comments
21 that we want to write.

22 But it's late in the game to be trying to blow apart
23 any of these final reports.

24 COMMISSIONER DOBSON: John, that could be said about
25 everything you say from here on the rest of the Commission -- I
26 mean Leo. We can take every comment you make and say well, Leo,
27 if you want to put that in your own report, do so, but we're not
28 going to pay attention to it.

29 I have a concern. If I can't win the argument or the
30 presentation to the rest of the commissioners, I lose. But don't

1 send me out to the final report -- my own comments until I find
2 out where the rest of the Commission is.

3 COMMISSIONER MCCARTHY: That's right.

4 CHAIR JAMES: Jim, did I hear you say that you wanted
5 to draft a letter to NORC and ask that particular question? Is
6 that what's before us right now?

7 COMMISSIONER DOBSON: I will if it has any import, if
8 the commissioners will allow us to use it.

9 CHAIR JAMES: Well, I certainly, before making any
10 decision, would want to know how they would respond to you and
11 how they would answer that question.

12 COMMISSIONER DOBSON: They've been asked both of those
13 questions. And at the meeting you referred to in Virginia Beach,
14 they admitted that that two billion figure had to be wrong.
15 That's why I don't want it in there.

16 COMMISSIONER MOORE: I think they just caught a bigger
17 fish -- they told people they caught a bigger fish than they did.

18 (Laughter.)

19 COMMISSIONER LANNI: I can't believe that would happen.

20 COMMISSIONER WILHELM: Besides, it isn't in there as
21 presently drafted.

22 Can I make a comment on Jim's other objection to NORC,
23 which is the youth thing? For the reason I said before, I don't
24 particularly want to try to pick and choose amongst the pieces of
25 the NORC report that we -- different ones of us may find to be
26 questionable or -- questionable. Just leave it at that.

27 However, I believe that this draft has one particular
28 sort of overall failure in its thrust, even though, as I said
29 before, I think most of this draft makes a great deal of sense.

1 And that is, I do not believe that this draft puts
2 enough stress on the problem of problem gambling amongst
3 adolescents. And I believe that can be remedied without having
4 to get into whether or not NORC's particular figure on that is
5 right or not.

6 I believe that, without reaching that question --
7 which, as I said before, I don't want to reach because I think it
8 opens a Pandora's box -- that we could put more emphasis in this
9 document on the problem of adolescent gambling, and I believe
10 that we should.

11 COMMISSIONER DOBSON: I agree, John.

12 CHAIR JAMES: So, in the redrafting of that, I would
13 imagine you would address that as you will work with the --

14 COMMISSIONER LANNI: Well, and that would be Dr.
15 Schaeffer.

16 COMMISSIONER WILHELM: Yeah, and why don't we just
17 quote Dr. Schaeffer?

18 COMMISSIONER DOBSON: Stichfield and Renners or
19 whatever.

20 COMMISSIONER WILHELM: Yeah, there's plenty of support
21 for that.

22 COMMISSIONER LANNI: Why can't we do that?

23 COMMISSIONER WILHELM: In other words, why don't we
24 support people who say that and not worry about people that
25 don't.

26 COMMISSIONER DOBSON: Well, I'm just reminding you that
27 the youth issues are covered in more length than the social
28 impact chapter which we're about to look at.

29 CHAIR JAMES: Yes, but there's no reason why it
30 couldn't be here.

1 COMMISSIONER DOBSON: Couldn't be here, too.

2 COMMISSIONER WILHELM: And I just have one other
3 comment about this one. I realize that the data on -- I don't
4 know what the right term for it is, cross addictions, people with
5 multiple addictions.

6 COMMISSIONER DOBSON: Comorbidity.

7 COMMISSIONER WILHELM: Thank you.

8 I realize the data on that isn't very complete or good
9 or thorough, or whatever the term might -- not enough data on it.
10 Nevertheless, I believe that that phenomenon ought to be given
11 more focus in this document than it is presently given.

12 COMMISSIONER McCARTHY: I would insert it's going to be
13 a major part of the future research.

14 COMMISSIONER WILHELM: Good.

15 COMMISSIONER McCARTHY: Because it's obviously a very
16 significant factor and we don't know how to measure it.

17 COMMISSIONER BIBLE: But we do have some information on
18 it, and that's why I was particularly interested in --

19 COMMISSIONER McCARTHY: Yes.

20 COMMISSIONER BIBLE: -- the usage of illegal drugs.

21 COMMISSIONER McCARTHY: We have some, but not nearly
22 enough. Because what we have generally comes from the treatment
23 population. And as we know, that's a very small percentage of
24 those who actually need treatment, even if we apply the most
25 conservative measures.

26 And what we've found in the treatment population is
27 that, for the most part, they're white males in their 30's and
28 40's with high school and some college, which means those that
29 can afford to pay private providers.

1 No insurance companies allowed, other than for
2 employees of gambling facilities, so customers have no access to
3 it. And the data is very, very frail. But we all have reason to
4 suspect there's a lot of comorbidity out there.

5 And I think with some decent research, that's going to
6 be confirmed in very significant ways.

7 CHAIR JAMES: John.

8 DR. SHOSKY: Right, I just wanted to add that I believe
9 it's in NORC there's a chart on comorbidity that would be a nice
10 chart to consider for this chapter as well.

11 COMMISSIONER BIBLE: And that's the term that I've been
12 having difficulty getting the two numbers to jive between version
13 one of the report and version three of the report. They are
14 widely varied.

15 CHAIR JAMES: John.

16 COMMISSIONER WILHELM: I have one final comment.

17 CHAIR JAMES: Before we leave that, --

18 COMMISSIONER WILHELM: I'm sorry.

19 CHAIR JAMES: I thought it was related to -- Jim, we
20 really did struggle and come up with a way to deal with these
21 issues of the combining of the data and the lifetime and last
22 year. And I, before we finish with this, would like to ask if
23 overnight we can think about how we could handle that in this
24 particular draft without going towards -- see if there is some
25 language that we can use that would express that that we could
26 agree on, and would ask you to work on that --

27 COMMISSIONER DOBSON: We will do that.

28 CHAIR JAMES: -- and come back with that. Okay.

29 Okay, John.

1 COMMISSIONER WILHELM: The last point I wanted to make
2 about this is -- had to do with the section called Expenditures,
3 which begins on page five and carries over to page six. I have
4 no difficulty with anything that is here in that section. But I
5 also believe that we -- the section should reflect the NORC
6 conclusion about the social costs.

7 And it should be described for what it is because we've
8 previously discussed the fact it does include some things it
9 might include. So it should be described for what it is. But It
10 think the NORC conclusion about social costs should be -- there's
11 a section called expenditures.

12 CHAIR JAMES: It starts on page five.

13 COMMISSIONER WILHELM: Starts on the bottom of page
14 five and runs over -- on Jim's document, yeah.

15 I think that that ought to be described for what it is,
16 but I think it ought to be included. And I think we also ought
17 to include the NORC data on the relative costs of gambling as
18 against other -- you know, tobacco and alcohol and all that stuff
19 they had in that chart.

20 It seems to me -- again, I've got no problem with
21 anything that's here. But it seems to me, in the interest of
22 completeness, we ought to include that as well.

23 CHAIR JAMES: And again, my concern at the end of this
24 is that our recommendations are not, in fact, strong enough
25 and/or specific enough in this area and would like to see them
26 stronger and more specific.

27 COMMISSIONER WILHELM: Oh, I'm sorry. I said final
28 point, but I lied.

29 CHAIR JAMES: You did. You have another. Okay.

1 COMMISSIONER WILHELM: I have one other, which is that
2 in the section on industry response, --

3 CHAIR JAMES: Page?

4 COMMISSIONER WILHELM: I'm sorry, page 19. Again, I
5 don't have any difficulty with what's here, but it strikes me as
6 incomplete in two regards. First, I thought there was a good
7 deal of agreement on the part of the commissioners at the last
8 meeting that the voluntary codes that the AGA put forward were
9 meritorious, and they don't appear to be mentioned here.

10 CHAIR JAMES: Well, not only that, but I really think
11 that there -- that in looking towards how we can get some very
12 concrete, specific and hard hitting recommendations, we can look
13 towards that particular report which I thought had some very
14 strong ones that could be applied to other parts of the industry
15 as well and we should look there for that.

16 They were excellent. I think we should use it.

17 COMMISSIONER DOBSON: May I ask Terry for clarification
18 on the American Gaming Association if there has been funding not
19 for the things mentioned here, research, help lines and guide,
20 but for treatment?

21 COMMISSIONER LANNI: I can't speak for the American
22 Gaming Association, but I can speak for individual companies.
23 Our company does provide treatment for patrons and employees.
24 And I think that was a question on Commissioner McCarthy's survey
25 that went out to the casinos, the question about funding for
26 treatment, research, what have you.

27 COMMISSIONER DOBSON: Right.

28 COMMISSIONER LANNI: So you have some responses when
29 you have a chance to read it -- if you have not had a chance to

1 review that. But I know our company does. I can't speak for
2 the AGA.

3 COMMISSIONER DOBSON: We don't make any reference in
4 this section to money for treatment.

5 COMMISSIONER McCARTHY: Is this the section that
6 this should go in? Because there are definitely -- based on the
7 responses to the casino questionnaires, there are some specific
8 things that we want in here that industry -- we want to make
9 specific recommendations, but I didn't think of it in this
10 chapter.

11 Is this the appropriate chapter where that should
12 happen?

13 DR. SHOSKY: Well, in terms of the --

14 COMMISSIONER McCARTHY: Training of staff, programs.

15 CHAIR JAMES: Absolutely.

16 COMMISSIONER McCARTHY: Insurance that covers
17 recommendations. Now, it covers not only their own employees,
18 because most of them have that, but customers?

19 DR. SHOSKY: Well, it could go here, but if it's --
20 excuse me. If it's employment related, you might want to
21 consider the chapter that's called Gambling's Impact on People
22 and Places where employment is discussed.

23 CHAIR JAMES: I would argue that it should be here
24 because it is -- I don't see it as an employment issue. I see it
25 as an issue related to pathological gambling and what are some of
26 the suggestions that we, as a Commission, will make --

27 COMMISSIONER McCARTHY: I think that's logical.

28 CHAIR JAMES: -- to all the various sectors. This is
29 where we talk about states and what they can do. This is where
30 we put in all of the various recommendations that we have talked

1 about in terms of responding to the issue of pathological and
2 problem gambling.

3 COMMISSIONER WILHELM: May I finish the point I was
4 making?

5 CHAIR JAMES: Yes, you may, and I apologize.

6 COMMISSIONER WILHELM: No, don't apologize.

7 The other respect in which I thought the industry
8 response section was incomplete is -- has to do with industry
9 response from the portions of the gambling industry other than
10 commercial gaming operators.

11 The Indian Gambling Subcommittee, for example,
12 concluded, among other things, that some tribal governments that
13 operate casinos have been exemplary with respect to this issue.
14 The American Horse Council has recently come forward with a
15 program in this regard.

16 So, just by way of using those as examples, it seems to
17 me that the industry response section ought to be more complete.
18 And I don't know if any lottery operators do anything or if the
19 questionnaire, you know, that went to the lottery directors
20 addresses that.

21 But the point I'm trying to make is that we shouldn't
22 just talk about commercial casinos represented by the American
23 Gaming Association in this section.

24 CHAIR JAMES: Correct.

25 COMMISSIONER McCARTHY: Have you seen a response from
26 the horse racing industry to the set of questions I sent Dr.
27 Curtis Bayer and he passed on to the industry?

28 DR. SHOSKY: I'm not sure.

29 CHAIR JAMES: I would agree. And this is -- and I
30 think just based on the testimony that we heard and the questions

1 that we asked when lottery representatives were present, we can
2 come to the conclusion, based on that, that there's a great deal
3 more that could be done in that area.

4 And if we're going to address that issue in terms of a
5 recommendation, this is where it should be.

6 Terry.

7 COMMISSIONER LANNI: I'm saving for the last the one
8 that bothers me the most, and that's on page five under
9 expenditures. To reach the conclusion that you have, I can't
10 support it because I haven't found any evidence that would
11 support this, and I'll read it.

12 Line 18 under expenditures at page five. "The
13 Commission heard repeated testimony from individual compulsive
14 gamblers who reported tens and hundreds of thousands of dollars
15 to gambling."

16 I can accept that.

17 Then, "problem and pathological gamblers account for a
18 substantial percentage in the billions of dollars of gambling
19 operation revenues each year." And the basis for that is NRC's
20 determination that problem and pathological gamblers report
21 spending four and a half times as much on gambling each month as
22 do non-problem gamblers.

23 Then my good friends, NORC, survey of more than 500
24 gamblers found that 13% were classified as problem and
25 pathological gamblers. So of 500 people, they found 63 people
26 who said they were problem pathological.

27 I might add that's lifetime, not past year, which I am
28 bothered by. And from that, we determined that a substantial
29 percentage of the revenues of gambling come from problem and
30 pathological gamblers.

1 I could not put my name to that particular paragraph,
2 period. I will not put my name to that paragraph.

3 COMMISSIONER DOBSON: Terry, did you read the next
4 paragraph after that?

5 COMMISSIONER LANNI: What page number?

6 COMMISSIONER DOBSON: Page six now.

7 COMMISSIONER LANNI: The problem is most people won't
8 read beyond that. They'll stop right there.

9 "Recent studies at the state level provide further
10 insights. A 1998 study commissioned by the state of Montana" --
11 now they've got a ton of gambling in Montana -- "found that
12 problem and pathological gamblers account for 36% of video
13 gambling and machine revenues, 28% of live Keno expenditures, and
14 18% of lottery scratch ticket sales."

15 A 1999 study for the Louisiana -- I don't even count as
16 part of this country -- for the Louisiana Gaming Control Board
17 indicated that --

18 CHAIR JAMES: What the commissioner meant to say was --

19 COMMISSIONER LANNI: No, I meant what I meant about
20 Louisiana. I think we should have some serious discussions with
21 the French about taking it back.

22 (Laughter.)

23 "Indicated that problem and pathological gamblers in
24 Louisiana comprise 30% of all spending on river boat casinos, 42%
25 on Indian casino spending, and 27% of expenditure on video poker
26 machines."

27 Well, I can bring a lot of studies in from states like
28 New Jersey, Nevada, California -- New Jersey they had a far more
29 extensive gambling than those particular states, and the state of
30 Mississippi that won't come close to those figures.

1 And Jim, I appreciate where you're coming from, but I
2 think what you did -- and I've said this before. All of us who
3 either oppose gambling or favor gambling, if we're going to have
4 a speech, we get all the facts together that we want, we look at
5 the ones that support our position, and we keep them.

6 The ones that we don't like, we throw away. And I
7 probably do it, and I think you probably did it here. I just
8 can't reach the conclusion that it's a substantial portion of the
9 revenue in gambling comes from people with problem and
10 pathological gaming.

11 I just cannot accept that.

12 COMMISSIONER DOBSON: Well, as we discussed at break
13 time, Terry, none of us is objecting. You know, we've admitted
14 that from the beginning. We all have our own biases and
15 perspectives.

16 COMMISSIONER LANNI: Sure.

17 COMMISSIONER DOBSON: All I can do is present the way I
18 see it. And if you all don't agree with it, then we won't be
19 included.

20 COMMISSIONER LANNI: No, I'm speaking for myself, only
21 myself. I don't think the facts substantiate that.

22 CHAIR JAMES: Well, let's talk it through, see if we
23 can come to -- it seems to me, Terry, that the sentence that's
24 causing you the most angst right here is on page five, bottom of
25 the page.

26 COMMISSIONER LANNI: Substantial.

27 CHAIR JAMES: Yeah, problem and pathological gamblers
28 account for a substantial percentage in the billions of dollars.

29 COMMISSIONER LANNI: No, I think it's a substantial
30 percentage and then it's, in addition to that -- substantial

1 percentage to me is a big number as a percentage. And I have not
2 seen statistics on a macro basis that support that.

3 You can always find things in individual states. And
4 you have a report in the survey -- and I don't know how strong
5 those surveys are. I don't think NORC had indicated that, nor
6 the NRC.

7 And I'm just really bothered by reaching such a strong
8 conclusion which I don't think is based on substantive fact.

9 COMMISSIONER DOBSON: Okay, let me again tonight go
10 back and look at the substantiation for that. And if it won't
11 stand muster, then it will change.

12 COMMISSIONER LANNI: Thank you.

13 CHAIR JAMES: Let's continue to look at this chapter
14 and see if there are any other -- rats, we let Dick Leone get
15 away from us. We let moratorium go. And he said he did have
16 language that he was prepared to suggest for us, and I think
17 that's a big issue.

18 Are there any other issues that we would like to -- oh,
19 please, go right ahead.

20 COMMISSIONER DOBSON: This is the list of
21 recommendations that I mentioned to you earlier that I'm going to
22 pass out. Let me say two or three things about this. First,
23 this was put together in the last week. Some of it's done at the
24 last minute.

25 And the language of those particular proposals, rather
26 than recommendations -- the proposals may not be perfect and we
27 may need to work with them. Some of them may not be acceptable.
28 And in fact, what I think -- oh, and also, some of them are old
29 ground.

1 Some of them have already been discussed and we don't
2 need to talk about them anymore.

3 There are eight pages of proposals on various topics
4 that we have been dealing with. May I ask, at least as a
5 procedure, I was trying to think of how to do this. The last
6 thing any of us want is to go through this line by line and take
7 the whole day tomorrow, and I know that would not happen anyway.

8 Some of them may have unanimity right now. I think
9 some of them probably do. And some of them may have an eight to
10 one opinion against an item and we don't need to spend a lot of
11 time on that.

12 Would it be appropriate, as you read this, to just
13 write yes or no or question mark as you go through? And we might
14 be able to adopt 15 of them without debate because they are
15 pretty straightforward.

16 There may be ten of them that have no support at all.
17 There's no sense spending a lot of time on that. At least it is
18 a way to approach it.

19 Let me distribute this and tomorrow morning you tell us
20 what you want to do with it.

21 CHAIR JAMES: That's entirely appropriate. Now, what
22 is this? Would you explain that for the benefit of --

23 COMMISSIONER DOBSON: These are proposals for
24 recommendations.

25 CHAIR JAMES: Now, are they based on the conversations
26 that we have already had or are these new proposals that we have
27 not yet discussed?

28 COMMISSIONER DOBSON: Some of them are new proposals.
29 And some of them are old ground and we can just pass over those.

30 CHAIR JAMES: Okay.

1 COMMISSIONER DOBSON: And yeah, Steve just said that
2 some of it is old ground because it didn't get in the report.
3 It's been discussed, --

4 CHAIR JAMES: Right.

5 COMMISSIONER DOBSON: -- but it didn't get in the
6 report, so they have been listed here again.

7 CHAIR JAMES: Very good. We will include that on our
8 agenda for the morning.