

1 into an issue of discussing things with you, but that  
2 is a definite non-sequitur.

3 CHAIRMAN JAMES: Again, I want to thank our  
4 two panelists, I appreciate your input this morning,  
5 and now we're going to hear from Mr. Arnold Wexler.

6 Mr. Wexler, where are you? There you are.

7 Good morning.

8 MR. WEXLER: Good morning, it's a pleasure  
9 to be able to appear in front of this Commission, and  
10 I appreciate the opportunity.

11 My name is Arnie Wexler. I've been  
12 President of Arnie and Sheila Wexler Associates since  
13 1994. We do trainings, education seminars and  
14 consultings, evaluations and treatment service for and  
15 about compulsive gamblers. I'm also a recovering  
16 compulsive gambler, and placed my last bet April 10,  
17 1968.

18 I'm not a prohibitionist. My only  
19 objective is to help compulsive gamblers and their  
20 families. We've been involved in trying to raise  
21 public awareness on this issue for over 29 years.

22 Thirty years ago this month I was in the

1 desperation phase of compulsive gambling. I was 30  
2 years old, I was married, I had two children in the  
3 house, I was in debt for three years of my annual  
4 salary. I thought about suicide on a daily basis for  
5 a few years up to the time I stopped gambling, and I  
6 thought it was the only way out, to be honest with  
7 you.

8 I also, at that time in my life, was a  
9 plant manager of a Fortune 500 company, and was  
10 supervising 300 to 400 people, coming to work every  
11 day with a suit and tie on. You couldn't see my  
12 disease because it was hidden, unlike alcoholism or  
13 drug addiction.

14 My experience is not unique. Most gamblers  
15 have similar stories to tell, as you heard last time  
16 from some of them. They've lost relationships,  
17 careers, educational pursuits, their obsession to  
18 gamble is all encompassing and they are unable to  
19 think about anything else but gambling.

20 Many, at this stage of their addiction, are  
21 committing illegal acts to support their gambling  
22 addiction.

1                  Doctor Bob Custer, the first man to do  
2 treatment on compulsive gambling, or started the  
3 VA Hospital, I should say, described compulsive  
4 gambling to me one time and he said, it's  
5 people who have lost all hope, who are severely  
6 depressed, felt hopeless and alone, and at the stage  
7 of the desperation phase gamblers felt like suicide  
8 was really the only way out. The devastation from  
9 compulsive gambling is far reaching.

10                Go back to April, 1977, in Bridge City,  
11 Louisiana, a young woman was baby sitting a two-year  
12 old baby, left the baby in the car while she played  
13 video poker. When she returned hours later, the baby  
14 was dead.

15                In August of 1997, I heard about a sergeant  
16 in the U.S. Army from Hunter Air Field in Savannah,  
17 Georgia, who left a ten-day old baby in the car with  
18 the same type of experience, also video poker player.

19                There's a man today in death row in New  
20 Jersey, contracted to kill his wife after he got \$1.5  
21 million worth of insurance on her, and at that time he  
22 was in debt due to gambling problems.

1           I recently came across one of the most  
2 horrifying stories I've ever heard. It was a 19-year  
3 old college student from New York, who couldn't cope  
4 with a gambling debt of \$6,000.00 that he bet on the  
5 Super Bowl, on the World Series. He purchased a toy  
6 gun, he led police on a car chase, when approached he  
7 pulled the gun out of his pocket and was killed by the  
8 unsuspecting police officer. That's a classic case of  
9 a suicide.

10           In Somerset County in New Jersey, the  
11 prosecutor who embezzled money because he had a  
12 gambling problem from his partner's business ventures,  
13 and was sentenced to a crime when he fled the state of  
14 New Jersey, he ended up in a Nevada hotel where he  
15 shot himself to death.

16           Compulsive gambling is cutting across all  
17 segments of society today in America. I've spoken on  
18 many college campuses, and you want to talk about  
19 denial, the college campuses have the real denial  
20 about this problem. They still believe that there's  
21 no problem with drugs and alcohol on the college  
22 campuses, so they are surely not going to deal with

1       gambling.

2                 The fact is, I've done six articles for the  
3     NCAA News, and you get calls from hundreds of kids who  
4     have a problem, you hardly ever get a call from an  
5     administrator over the last six years that I've done  
6     these articles.

7                 Senior citizens are another segment of the  
8     population reporting considerable increase in gambling  
9     problems. There are countless sad stories about  
10    people in this age group who are addicted to various  
11    forms of gambling in their golden years.

12                There are more female compulsive gamblers  
13    seeking help today in America than ever before.

14                I did the Oprah Winfrey show four years  
15    ago, and I can tell you, after that Oprah Winfrey  
16    show, when I was the Executive Director of the Council  
17    in New Jersey, we got 7,000 calls in a one-week period  
18    from people seeking help. Sixty-five percent of those  
19    calls were from women, from females.

20               State legislators are consistently adding  
21    more legalized gambling opportunities without even  
22    addressing their constituents who are or will become

1 compulsive gamblers. State lotteries alone do about  
2 \$44 billion. The chances of winning the state lottery  
3 are just as good if you got a ticket or you don't have  
4 a ticket.

5               You see ads on television where governors  
6 are holding up lottery tickets and say, buy a lottery  
7 ticket, support your state. Can you imagine if that  
8 same governor held up a bottle of alcohol and say, buy  
9 alcohol because the state gets tax revenue from  
10 alcohol, people would be outraged.

11              How many times have you seen in a  
12 convenience store a parent rubbing off a lottery  
13 ticket holding their five-year old kid in their hand,  
14 and what kind of message are we sending? Does that  
15 say to the kid, you don't have to go to school, you  
16 don't have to get an education, you're going to buy a  
17 lottery ticket and become a millionaire? It's easier  
18 for a youngster to purchase a lottery ticket today  
19 than to buy a can of beer or a pack of cigarettes.

20              I remember getting a call from a daughter  
21 of a father, 72 years old, who owed \$140,000.00, and  
22 never bought anything else but lottery tickets.

1                  Another form of gambling often overlooked  
2    is the stock market. Many compulsive gamblers get  
3    involved in this form of gambling. Stockbrokers, who  
4    are compulsive gamblers, today are churning people's  
5    money in order to get money to support their gambling  
6    addiction, and it's a pretty common practice.

7                  Sports betting is another very interesting  
8    phenomenon. The only place you can place a legal bet  
9    in America is Nevada on a sporting event, so why do  
10   all the papers in America carry lines and odds?

11                 In three more days, this country will be  
12   facing the biggest one-day gambling event of the year.  
13   For some people, the Super Bowl Sunday is just another  
14   day, but for compulsive gamblers Super Bowl is like  
15   New Year's Eve is for the alcoholic.

16                 Although compulsive gamblers are known to  
17   gamble on anything, and I was one of those people, by  
18   the way I never gambled in a legal casino in my life  
19   neither, any form of gambling, many prefer casino-type  
20   gambling because it's quick, fast action. I have  
21   serious concerns about under-aged gambling, how free  
22   drinks are served and handled, and policies regarding

1 markers and credit. When casinos offer comps to a  
2 compulsive gambler they truthfully fuel the fantasy  
3 and sometimes push compulsive gamblers over the edge.

4                  From Memphis, we heard about the widow who  
5 had two daughters whose husband committed suicide as  
6 a result of compulsive gambling. He was allowed to  
7 continue gambling in a casino in Tunica, Mississippi,  
8 even though the checks kept bouncing that he was  
9 writing. After his suicide, the wife sued the casino  
10 and they filed bankruptcy.

11                A man I know had a \$500,000.00 credit line  
12 in a casino, and as a TTO they increased one day his  
13 credit line to \$1 million. He eventually ended up  
14 owing \$2.5 million that he could not pay because of  
15 compulsive gambling problems.

16                I know a woman who came for help a few  
17 years ago, that was earning \$14,000.00 a year in a supermarket she worked, and  
18 ended up owing \$90,000.00 in casino markers.

19                I know that casino workers are at a greater  
20 risk for compulsive gambling. Compulsive gamblers  
21 like quick, fast action, and they find that in those  
22 kind of jobs.

1           A well-hidden fact that people don't even  
2 talk about or know about, is that there are slot  
3 machines all over the Armed Forces bases out of the  
4 United States, and if you don't think that's a problem  
5 you've got another guess, because we were asked, my  
6 wife and myself were asked last year, to go to Japan  
7 to do a workshop at the Far East Addictions Conference  
8 in Camp Zama, Japan. You've got to see the soldiers  
9 and their dependents who are gambling on poker  
10 machines on the Armed Forces bases.

11           Race tracks, which were a dying industry  
12 and now are on the upturn, with simulcasting off track  
13 betting, poker rooms and slot machines, it used to be  
14 a four-hour event at the race track, it now can be an  
15 all day and sometimes an all night event.

16           But, I want to commend Mr. Bob Mulcahy who  
17 is speaking this afternoon. He was the first man that  
18 came to me when I was running the Council and said he  
19 voluntarily would like to put up signs, if you or  
20 someone you know has a gambling problem, at the race  
21 track, and that goes back about 15 years ago.

22           When it comes to a discussion about

1 treatment for compulsive gambling, it's a real sad  
2 fact that there's such little available throughout the  
3 country. After Gamblers Anonymous, there's really not  
4 much more. There are many gamblers and family members  
5 who require additional services of professional  
6 counselors.

7 As far as in-patient treatment, there's a  
8 few Veterans hospitals and there's some treatment  
9 centers scattered across the country. My wife was  
10 instrumental in starting the first in-patient  
11 treatment center in New Jersey at the New Hope  
12 Foundation when she worked there, and added gambling  
13 treatment to the existing alcohol and drug treatment.

14 We were also lucky enough to train a  
15 facility called Sierra Tucson in Tucson, Arizona, it's  
16 a private treatment center and they have added a  
17 compulsive gambling unit to their facility.

18 Most of the available --

19 COMMISSIONER McCARTHY: I'm sorry, which  
20 facility was that again?

21 MR. WEXLER: -- Sierra Tucson in Tucson,  
22 Arizona.

1                   COMMISSIONER McCARTHY: Is that a  
2 privately-run casino?

3                   MR. WEXLER: No, it's a treatment center.

4                   COMMISSIONER McCARTHY: Oh.

5                   MR. WEXLER: Most of the available  
6 facilities are private, and, unfortunately, most  
7 insurance companies do not cover treatment for  
8 compulsive gamblers. More often than not, the  
9 clinician needs to use an alternative diagnosis, which  
10 is really a joke, in order to receive payment from  
11 insurance companies to cover compulsive gambling  
12 treatment. Obviously, when most compulsive gamblers  
13 are ready or willing to go for treatment, they don't  
14 have any resources to do it, and neither do the family  
15 members.

16                  Many compulsive gamblers go undiagnosed, as  
17 we travel the country and train staffs we find 25 to  
18 30 percent of people in for drug and alcohol problems  
19 are compulsive gamblers.

20                  I see the gambling industry today where the  
21 cigarette industry was ten years ago. As stated in an  
22 article recently written by Harrah's Vice President,

1   Ralph Berry, in Casino Executive magazine, "The public  
2   wants responsible gaming programs and their elected  
3   officials are listening. Are we?" Americans have  
4   spoken loud and clear and they expect casino companies  
5   to do their part to discourage problem gambling.  
6   Harrah's asks these two questions, it's based on a  
7   survey by Harrah: 78 percent of the questioners said  
8   yes that casinos should be responsible for programs to  
9   discourage compulsive gamblers, and 85 percent said  
10   casino companies should have programs to combat under-  
11   aged gambling. We now know the existence of  
12   compulsive gambling is not just fiction, but fact. We  
13   may not know the exact numbers of people afflicted by  
14   this disease, but we know that it's millions of  
15   people, even if you use the AGA numbers of 1.29  
16   percent, we're probably looking at about 2.5 million  
17   people. I think the numbers are higher, but I'll buy  
18   the 1.29 numbers.

19               I think the time has come that the gaming  
20   industry and state legislators take their heads out of  
21   the sand, address this critical issue, and maybe save  
22   some lives.

1           I believe the Commission has power to  
2 create policy that might be able to help millions of  
3 Americans and family members who currently are  
4 suffering with this addiction.

5           The following are some recommendations that  
6 I'm suggesting. Any state, company or individual  
7 operating a gambling-related business should be  
8 mandated to have a responsible gaming program, but  
9 it's not sufficient, however, to have a policy written  
10 exclusively from within the company. It should be  
11 necessary to have input from qualified persons who  
12 have expertise on the subject of gambling.

13           Over the last several years, I've seen an  
14 openness in some gaming companies to begin addressing  
15 the issues, and we have worked with Carnival, Casino  
16 America, Astor in Indiana, and other gaming  
17 corporations, and we are currently employed as  
18 consultants to the Trump Casino here in Atlantic City.  
19 We have been working with them to implement the  
20 comprehensive gambling policy program, and it's no in  
21 effect.

22           I further recommend that anyone who works

1 in the gaming field must have education on the subject  
2 of compulsive gambling.

3 Insurance companies should be mandated to  
4 pay for treatment for compulsive gambling. All gaming  
5 companies should pay for compulsive gambling treatment  
6 for their employees and families, and the Trump  
7 organization is now doing that with the policy that we  
8 just instituted with them.

9 Any state or municipality that receives  
10 revenue from gambling should be required to put a  
11 percentage of that revenue into a fund to pay for  
12 compulsive gambling treatment, education, awareness  
13 and prevention regarding gambling, compulsive  
14 gambling. Health professionals should have training  
15 on the subject of compulsive gambling. Any new or  
16 expanded gambling legislation should include a  
17 component to deal with compulsive gambling issues.

18 Anyone incarcerated for a crime related to  
19 compulsive gambling should receive education and  
20 treatment while incarcerated. Gamblers Anonymous  
21 meetings should be made available.

22 And, last, I think today we have an

1 opportunity to even bypass this Commission by the  
2 President putting in an Executive Order requiring that  
3 all gambling advertisements should include a hot line,  
4 like 888-LASTBET, and that the Americans Disability  
5 Act should include compulsive gambling, which is a  
6 joke that it was left out.

7 I think very few people in this country  
8 speak for or about compulsive gambling issues. Part  
9 of the problem is still shame and embarrassment, and  
10 even recovering gamblers lack the resources to carry  
11 this message forward. The time has come for elected  
12 officials in this country to stop ignoring compulsive  
13 gambling, as it is an issue that affects millions of  
14 people and millions of Americans, and as a nation we  
15 need to deal in the same manner with compulsive  
16 gambling as we deal with alcoholism and drug  
17 addiction.

18 Thank you.

19 CHAIRMAN JAMES: Thank you very much. That  
20 brings to a close our panel on pathological gambling  
21 --, and I do want to thank you. We are running about  
22 35 minutes behind schedule, and I just wanted to make

1 the commissioners aware of that.

2           We have the ability to ask questions in  
3 writing, but I would like to have a few minutes right  
4 now for any questions that you may have, but I wanted  
5 you to keep in mind that you can ask questions in  
6 writing as well.

7           COMMISSIONER McCARTHY: Madam Chair, I  
8 don't have a question, but I would like to ask Mr.  
9 Wexler if he would please send to the Commission a  
10 list of the companies for whom he has consulted,  
11 describe the work of whatever contract he had with  
12 them, and how much money was invested by each of those  
13 companies or groups within the industry.

14           MR. WEXLER: I think you have a list at the  
15 end of my statement of all the companies we've worked  
16 for.

17           COMMISSIONER McCARTHY: Something a little  
18 more definitive, though, if you'd flesh it out,  
19 please.

20           MR. WEXLER: I'd like to talk to you  
21 afterwards about that.

22           COMMISSIONER McCARTHY: Describe the work,

1 how much money is being invested by the companies, how  
2 many people -- was it just for the employees of the  
3 companies, or was it for customers as well?

4 MR. WEXLER: I can tell you the Trump piece  
5 that we are doing is both.

6 COMMISSIONER McCARTHY: I don't want -- I'm  
7 listening to the Chair, we are running pretty late, if  
8 you wouldn't mind sitting down and mapping that out  
9 for us and submitting it to us, we'll see it.

10 MR. WEXLER: We can basically do that.

11 COMMISSIONER McCARTHY: Thank you.

12 MR. WEXLER: Thank you.

13 CHAIRMAN JAMES: Thank you very much.

14 Any other questions?

15 Thank you, very much appreciate you being  
16 here.

17 MR. WEXLER: Appreciate the time you gave  
18 me, thank you.

19 CHAIRMAN JAMES: The Commission will now  
20 hear testimony on the economic impact of gambling, and  
21 we're very grateful to have with us today the  
22 Honorable Steven Perskie, former Chairman of the New

1 Jersey Casino Control Commission, Joseph Faldetta,  
2 President of the AC Restaurant and Tavern  
3 Association, Robert Mulcahy, President and CEO of the  
4 New Jersey Sports and Expo Authority, and Matthew  
5 Walker, Director of the Research and Education for the  
6 Hotel Employees, Restaurant International Union.

7 Let me say that in the interest of time,  
8 and because we are running behind time, that I have  
9 made a change in the agenda, and I just want to make  
10 the public aware of that, if you are following your  
11 printed agenda. Several of our hotel employees and  
12 restaurant employees need to get to work, and we want  
13 to accommodate their ability to do that, so we are  
14 going to have a change and put them next to last, and  
15 our panelists have agreed to that, and we thank you  
16 for that.

17 Thank you very much.

18 COMMISSIONER McCARTHY: Madam Chair?

19 CHAIRMAN JAMES: Yes.

20 COMMISSIONER McCARTHY: Could we clear up  
21 the background noise, please?

22 CHAIRMAN JAMES: Yes. We have been -- it

1 is a little bit disturbing, and it's difficult to hear  
2 up here with the conversations in the back of the  
3 room. Can I ask staff to ask people to please have  
4 their conversations out in the lobby. It's a  
5 wonderful lobby, it's large, and it will accommodate  
6 you, outside.

7 COMMISSIONER McCARTHY: Let's close the  
8 doors, too.

9 CHAIRMAN JAMES: Yes, and we will close the  
10 doors.

11 MR. PERSKIE: Is Chairman Smith a part of  
12 this panel as well? Did you inadvertently --

13 CHAIRMAN JAMES: Yes, and I'm sorry, I did  
14 fail to call you. Thank you so much.

15 COMMISSIONER McCARTHY: Wrong guy to leave  
16 out.

17 MR. PERSKIE: The Chairman has a strong  
18 union, you understand.

19 CHAIRMAN JAMES: I think it fitting that we  
20 hear from Mr. Perskie first, since he was the author  
21 and the sponsor of both the constitutional amendment  
22 to authorize gambling in New Jersey, and the enabling

1 statute, the New Jersey Casino Control Act, which  
2 passed in 1977.

3 Mr. Perskie, and all of our panelists, I  
4 would ask you to please proceed and allow time within  
5 your time for questions, so that we can have the  
6 opportunity to interact with you. I am going to ask  
7 the staff to please work hard to -- the gentleman  
8 standing right behind the press platform, can I ask  
9 you to move the conversations out into the hall, and  
10 then we're going to close the doors, and then we're  
11 going to hear from this esteemed panel.

12 Thank you very much. Please, go ahead.

13 MR. PERSKIE: Thank you, Chairwoman James  
14 and members of the Commission, good morning. I very  
15 much appreciate the invitation to appear here today  
16 and to present some information relating to the  
17 economic impact of gaming on Atlantic City and the  
18 state of New Jersey.

19 Inasmuch as I will be the only speaker  
20 before you who was involved in the effort to legalize  
21 gaming in New Jersey, I thought it would be helpful to  
22 you to explain what our purpose was, why we chose