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10 CHAIRPERSON JAMES:

11 Dr. Steinberg, I will begin with you as we
12 await the arrival of Dr. Clotfelter. And we welcome
13 you and thank you for being with us this morning.

14 I would ask all of the panelists to please
15 join us at the table right now. And there are some
16 name tags on the table, it would be helpful if you
17 would find one that looks a lot like your name and put
18 it in front of you.

19 DR. STEINBERG: Well, you caught me by
20 surprise. I expected to be number three.

1 CHAIRPERSON JAMES: With travel schedules
2 unfortunately that was unavoidable, but we appreciate
3 your being here this morning.

4 DR. STEINBERG: Thank you.

5 I would like to extend my thanks to the
6 Commission for the opportunity to express concerns and
7 also offer recommendations that generally reflect the
8 views of the 35 state affiliates of the National
9 Council on Problem Gambling, of which I am a vice
10 president and secretary.

11 The National Council on Problem Gambling
12 does not take a position on the question of whether
13 gambling should be legalized, but does take a position
14 regarding the way in which gambling is conducted and
15 the impact on problem gambling and underage gambling.
16 Our Councils have tried to stay clear of the strong pro
17 and con positions of the gambling debate.

18 Although I represent a problem gambling
19 council, I've spent considerable energy collaborating
20 with the gaming industry, and that it has been

1 mentioned of the partnership that exists in an ongoing
2 way with Foxwoods Resort Casino. Also I have
3 collaborated with the American Gaming Association in
4 co-authoring The Responsible Gaming Resource Guide and
5 have worked with the regulating body in Connecticut to
6 develop guidelines and policies for problem gambling.

7 I'd like to make three points relating to
8 problem gamblers and lottery. Number one, the lottery
9 is a form of gambling and consequently there are
10 lottery players who are problem gamblers. It should
11 not be necessary for me to have to make the point, but
12 there are still too many people who are reluctant to
13 accept these well documented facts. The lottery of
14 course is gambling which is also, is often
15 entertaining. The lottery is not the only form of
16 gambling which is often not recognized as gambling.
17 The primary example is the stock market, and other
18 financial markets. As one who is especially concerned
19 about this area of gambling, I'm pleased that the

1 Commission is considering including financial markets
2 gambling at the Chicago meeting in May.

3 The second point about problem gamblers and
4 the lottery is that a substantial number of callers to
5 state problem gambling help lines are concerned about
6 lottery problem gambling. For example, recent
7 statistics from Connecticut, New York and Texas
8 indicated that between 15 and 40 percent of the callers
9 were concerned specifically about lottery problems.
10 Two weeks ago at a hearing on a lottery bill at which I
11 was testifying in Hartford, a legislator asked the
12 lottery director what percent of compulsive gamblers
13 have a problem with lottery. The lottery director's
14 response was, "about 20 percent".

15 Third point about problem gamblers in the
16 lottery. Problem gamblers in the lottery are
17 fundamentally no different than problem gamblers in any
18 other form of gambling with respect to the negative
19 impact on the gambler, his or her family and the
20 community. Any vulnerable person who is a lottery

1 player can develop a gambling problem. Within the
2 range of compulsive lottery players who have called the
3 Connecticut help line, have been a lottery jackpot
4 winner and employees and proprietors where the lottery
5 is sold.

6 In fact, analogous to alcoholism among
7 bartenders, employees on the gaming floors at casinos
8 and parimutuels are at risk for developing a gambling
9 problem. Buying a hundred or a thousand instant or
10 scratch tickets in the lottery is no different than
11 putting a hundred or a thousand dollars in a slot
12 machine.

13 In fact, as lotteries expand the variety of
14 gambling options they offer, the boundaries between
15 casino and lottery gambling is becoming blurry. For
16 example, some lotteries offer slot machines under the
17 name video lottery terminals. The lives of those who
18 are vulnerable to a gambling addiction are as damaged
19 by an addiction to lottery games as to any other form
20 of gambling.

1 I'd like to make four points, five points,
2 relating to the responsibilities of state government
3 and the lottery relating to the issue of problem
4 gambling.

5 Just quickly, because others are going to
6 address this. I think that state governments are
7 compromised in the role of gambling regulator when
8 states directly and indirectly operate the lottery. It
9 is my view that when a state is the operator of a form
10 of gambling such as the lottery, the state often loses
11 the ability to adequately regulate the spread of
12 lottery and the way it's promoted.

13 Second point. State governments
14 excessively promote the lottery, lottery advertisements
15 should be passive rather than aggressive. I define
16 passive as not reaching to or targeting any
17 individuals, households or groups.

18 Here are two examples of aggressive
19 advertising. One, asking customers as they come to the
20 counter at a retail store if they want to purchase a

1 lottery ticket. Lottery tickets should not be in
2 competition with Mars bars. The Attorney General in
3 Connecticut recently stopped this practice in
4 Connecticut. Second example of aggressive marketing is
5 advertisements mailed to homes blindly, especially if
6 they contain free coupons, they will get in the hands
7 of adolescents as well as recovering problem gamblers.

8 Should it be the official policy of a state
9 government to encourage people to start gambling when
10 they would otherwise not gamble? Should it be the
11 official policy of a state government to entice people
12 who have begun to buy lottery tickets to become
13 habitual purchasers? And what about those who become
14 compulsive gamblers and who are trying to recover from
15 this disorder, they are not shielded from the
16 inundation of lottery advertisements and availability
17 of lottery in all segments of the community.

18 And in the two casinos in Connecticut,
19 people can request permanent self-exclusion if they
20 have a problem with casino gambling. And they can

1 effectively stay away from the casino. How can a
2 person with a lottery problem effectively stay away
3 from the 3,300 retail lottery outlets in Connecticut
4 that are aggressively marketing lottery.

5 Third point. An excessive number of minors
6 are gambling in the lottery due to ineffective
7 monitoring by retailers and lottery personnel. Results
8 from state surveys of high school students indicate
9 that between 30 and 35 percent of students report
10 purchasing lottery tickets themselves. This is far
11 more than gambling in any other form of state
12 sanctioned gambling. This problem will only get worse
13 if states continue to install lottery vending machines
14 across communities. I ask the question, haven't we
15 learned from the example of widespread under age access
16 to cigarette vending machines?

17 Fourth point. Very few state regulatory
18 bodies and lottery departments have comprehensive
19 responsible gambling programs. Such programs have
20 mission and policy statements in writing and a built in

1 structure to implement goals. To my knowledge there is
2 only one state lottery that has an employee who's title
3 and primary area of concern is problem concern.

4 Fifth point. Few state governments provide
5 significant funding for public awareness education,
6 prevention programs, professional training, treatment
7 programs and research. It would be helpful if there
8 were some agreement among states as to responsibility
9 for funding and for appropriate models for adequately
10 funding of these programs.

11 In my view, the best of the practices to
12 date is to utilize a percent of gross or net revenue
13 from all state sanctioned gambling. The fiscal
14 responsibility of state governments would then expand
15 when lottery and other state sanctioned gambling are
16 successful.

17 Now I will close with four points relating
18 to the federal government. The recently published meta
19 analysis of problem gambling research conducted at
20 Harvard University demonstrated a consistently higher

1 rate of problem gambling among teens than adults in
2 studies across the United States and Canada. In view
3 of the high rate of problem gambling among high school
4 students, I would strongly recommend that the
5 Commission's planned problem gambling prevalence study
6 also include 16 and 17 year olds. It is very important
7 to obtain at the same point in time comparable data for
8 adults and teens.

9 Problem gambling information obtained from
10 those who are closest to adulthood will allow for
11 database estimates of the future incidents of problem
12 gambling when these teens obtain full access to a wider
13 variety of legal and illegal forms of gambling.

14 Second point. Federal and state dollars
15 are needed to develop educational curricula that
16 provide information about problem gambling that
17 parallels the curricula for alcohol and other drugs.
18 Education in the schools along with family education
19 programs will go a long way toward preventing a
20 significant number of future cases of problem gambling.

1 Third point. The federal government should
2 include pathological gambling in the Americans with
3 Disabilities Act. Americans afflicted with
4 pathological gambling need to be understood in the same
5 terms and receive the same services and protection
6 under the law as the citizens with related disorders,
7 with the related disorders of alcoholism.

8 Last point. The federal government
9 provides no funding for public awareness education,
10 prevention programs, professional training, treatment
11 programs and research in the area of problem gambling.
12 A national institute on gambling and gambling abuse
13 should be established with adequate funding for these
14 services.

15 While there is sporadic funding for the
16 National Council on Problem Gamblings affiliates state
17 councils, both from state governments and the gaming
18 industry, there are few vehicles or mechanisms for
19 funding vital services on the national level. A
20 substantial ongoing federal commitment of funds is

1 needed to support programs to gain further
2 understanding of pathological gambling through
3 research, to develop prevention programs, and to
4 outreach and case find for treatment, the millions of
5 citizens affected by the addictive psychiatric disorder
6 of pathological gambling.

7 Thank you.

8 CHAIRPERSON JAMES: Thank you.