

1 QUESTIONS

2
3 CHAIRMAN JAMES: Commissioner Bible.

4 COMMISSIONER BIBLE: On the selection of places, it
5 appears to me you're excluding any communities with less than
6 10,000 population.

7 MR. ENGELMAN: That was the criteria in the request
8 for proposal. The places would have to have at least 10,000
9 population.

10 COMMISSIONER BIBLE: So any of the riverboat
11 communities that we've talked about for the last day and a half
12 would have to be excluded from the survey?

13 MR. ENGELMAN: Not the casino places. I'm talking
14 about the community places that we are selecting. From that
15 community we're going to look at how far the gambling facilities
16 are. The population at the riverboat is not relevant. What's
17 relevant is the distance from the community of the gambling
18 places.

19 CHAIRMAN JAMES: Commissioner Wilhelm.

20 COMMISSIONER WILHELM: The research committee, ably
21 guided by Leo, has discussed lots of aspects of this and lots of
22 them are still being discussed, and I don't want to go over all
23 of those issues that are being discussed in the committee. But
24 because there's a transcript here and because this document was
25 put before the Commission, there are a couple of things that I
26 would like to simply comment on. I want to ask through the Chair
27 one question of counsel.

28 First of all, with respect to the parental consent
29 flow chart, I have said in the committee that I am made very

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1 uncomfortable by the notion of the United States government or
2 this company on its behalf digging around in people's families.
3 On the other hand, I recognize the importance of the question of
4 gambling activity amongst teenagers.

5 I would have thought that the most appropriate way to
6 reconcile those two conflicting things would have been to obtain
7 written parental consent before interviewing a minor. I have
8 been reluctantly persuaded by the research director and research
9 consultant to the Commission that that's going to create too many
10 problems both in time and in budget and possibly in validity.
11 However, NORC has said that it may, depending on what some
12 committee at the University of Chicago says, it may -- and if I
13 understood this flow chart correctly, this is not reflected here,
14 which is why I want to put this comment on the record. -- that it
15 may follow up all verbal parental consent with a confirming
16 letter.

17 This flow chart appears to have a different result,
18 unless I'm misunderstanding it, which is entirely possible. I
19 have said in the committee that I am not comfortable with
20 anything less than at least a post-verbal consent, written
21 confirmation. So I wanted to put that issue on the record
22 because I consider it to be extremely important.

23 Secondly, the committee has been advised by the
24 Commission's research consultant that while the sample size for
25 the 16 and 17-year-olds is a sufficient sample size to lead to
26 statistically valid results, that on the other hand, the sample
27 size for the 16 and 17-year-olds is not big enough to be able to
28 do some of the kinds of things with the data that can be done
29 with the adult sample size. For that reason, I am of the opinion

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1 that it would make sense to spend more money on this teenage
2 survey and less on the patron survey, which I believe to be
3 impossible to do in any valid fashion.

4 Then the question I wanted to ask counsel through the
5 Chair, need not be answered now necessarily, but I would like to
6 know the answer to this and I'd like to have it on the record,
7 whether there is any possibility under the Freedom of Information
8 Act or any other law or regulation that the identity of any of
9 these folks, whether they're adults or teenagers who will be
10 surveyed could be made public. Obviously NORC has stated their
11 clear intent to keep them confidential. I just want to be sure
12 that, because this is government sponsored, that there's no
13 possibility that the identity of any of these people can be
14 revealed.

15 MR. TERWILLIGER: The way you framed the question,
16 Commissioner Wilhelm, any possibility, the lawyer in me says the
17 answer to that has got to be yes, there's always a possibility.
18 But I do think your point is one that's extremely well taken.
19 For the Commission's benefit and avoiding the potential of having
20 to deal with legal issues down the road that could get expensive
21 we ought to look and see how we could protect these names and
22 advise the Commission about the degree of protection so you can
23 decide what to do.

24 CHAIRMAN JAMES: Commissioner Dobson.

25 COMMISSIONER DOBSON: Why would we be presented names?
26 Why do we need to even have personal identities? All we need is
27 case numbers and that kind of information. The information
28 remains with you.

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1 COMMISSIONER WILHELM: We wouldn't. I just want to
2 make sure nobody can get at it because the government is paying
3 for it, that's all.

4 MR. TERWILLIGER: I understood that to be the issue,
5 not that we would necessarily have the raw data. But our
6 contractor would, and since an argument could be made that they
7 are the Commission's agent for purposes of doing the research,
8 somebody may try to reach that. Just to take a wild example of
9 what Commissioner Wilhelm is concerned about could come up,
10 suppose, for some reason, some law enforcement authority
11 developed a notion that some admission or other evidence that
12 would be important to a criminal case had been provided during
13 the course of an interview and they would attempt to subpoena
14 that information.

15 MS. VELDMAN: Actually it's enjoined with
16 Commissioner Wilhelm's desire about sending follow up written
17 consent. I'd like Howard to address that.

18 MR. SPEIZER: In the adult telephone survey there is
19 no reason for us to collect respondent information in the
20 beginning. So for the adult survey we will not have that
21 information to pass to you. There's no reason for us to collect
22 it.

23 In the adolescent component of this survey, if we are
24 to follow up with a affirmation of consent, we will then have to
25 ask the parent or guardian for their address and for identifying
26 information. This information can be kept confidential according
27 to public law that oversees our work. But it is that extra step
28 that we have to take that needs to be balanced against your
29 desire to follow up with that letter.

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1 COMMISSIONER DOBSON: Again, that seems awfully
2 remote as even a threat. How would an attorney know that that
3 data existed or what was in it or that a particular client
4 participated? That seems like a real stretch to worry about
5 that.

6 MR. SCHILDHAUS: I can give a personal example from a
7 recent study. I was principal investigator of a study that
8 looked at a random sample of individuals discharged from drug
9 treatment, five years after they were discharged. We interviewed
10 about 1,800 people. We asked them about their drug behavior and
11 also their criminal behavior. People admitted to us incredible
12 things, murder, rape, car robbery, drunken driving, larceny. No
13 one has asked. It is not the kind of thing that NORC would pass
14 out. We guard the privacy of the individuals we interview fully.
15 We are affiliated with the University of Chicago and that in the
16 real world seems an unlikely problem, given my experience.

17 CHAIRMAN JAMES: Given that, I have one small tweak
18 on Commissioner Wilhelm's suggestion with his consent. I think
19 it would probably be helpful if we would have the counsel for our
20 contractor provide that letter to us, because indeed we won't
21 even have that information at the Commission; they will. And it
22 would be helpful to have that from them. So we would ask that
23 your attorney give us a letter answering that question that was
24 proposed.

25 MR. GERSTEIN: We'll be pleased to do that. I
26 presume that the Privacy Act applies to the Commission. If it
27 doesn't, there are other methods that we use.

28 MR. TERWILLIGER: We would be very cautious about
29 presuming what statutes apply to the Commission.

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1 MR. GERSTEIN: At any rate, prior to the existence of
2 the Privacy Act, we took the protection of confidentiality of
3 respondents equally seriously and even on occasion, where we were
4 required to maintain identities for purpose of subsequent follow
5 up, ordinarily we would shred, literally destroy information
6 about identities at the conclusion of the study. It no longer
7 has any relevance and has not use. But on other occasions we
8 have literally put the information in storage out of the country
9 so it was beyond the reach of subpoena, if it would come to that.

10 COMMISSIONER LEONE: I think you should be quiet
11 before Ken Starr picks up anything.

12 CHAIRMAN JAMES: Commissioner Lanni.

13 COMMISSIONER LANNI: A couple of questions. On the
14 main survey, I notice there are 32 sites that you're proposing.
15 Are these again consisting only of casinos and riverboat casinos?

16 MR. SCHILDHAUS: On the patron survey. Yes.
17 Actually we discussed that this morning. The initial advice we
18 had was only riverboats and casinos. We could all talk about
19 that either now or some other time and if that needs to change,
20 that can be changed.

21 COMMISSIONER LANNI: My question would pertain to if
22 you're looking at the social and economic impacts, I was
23 wondering why we were excluding pari-mutuel facilities, lottery
24 outlets. One would assume there would be social and economic
25 impact with those also.

26 MR. SCHILDHAUS: I think this was on the advice of
27 the research advisor to the Commission that the largest level of
28 gambling took place in casinos and riverboats.

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1 COMMISSIONER LANNI: It may well have been offset by
2 Powerball just in the last couple of days.

3 COMMISSIONER WILHELM: May I respond to Commissioner
4 Lanni's point? It's correctly stated, the research committee
5 discussed that issue this morning. My understanding, subject to
6 Chairman McCarthy's correction, is that the status of that issue
7 is that because the questions of validity and access to patrons
8 and so on are probably most complex in casinos, that the pilot
9 will be in casinos but that the committee and the firm will
10 revisit that issue before the full array of facilities are
11 selected.

12 COMMISSIONER LANNI: Thank you, Commissioner Wilhelm.
13 I have a second question. Relative to the pilot study, I notice
14 that in the chart that you submitted today that it shows four
15 sites, three in what I presume is IL, Illinois and one in either
16 Nevada or New Jersey. Why three in riverboats which I understand
17 will be the only ones here in the state of Illinois and why not
18 other states in the midwest? Why three here, why one in Las
19 Vegas or New Jersey?

20 MR. SCHILDHAUS: As this was a pilot, cost
21 considerations influenced that. We are headquartered in Chicago,
22 although two of us work in Washington, D.C. and that was the
23 reason behind it. We don't expect a sample of four to be a
24 representative sample. But this is how we chose, given the
25 available resources.

26 COMMISSIONER LANNI: Your considered opinion is that
27 wouldn't skew potentially the results?

28 MR. SCHILDHAUS: The question is at this time is how
29 feasible, how practical is the design for the study. The data we

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1 collect in the pilot is for examination of the procedures, not to
2 answer the questions of the study.

3 COMMISSIONER LANNI: Also during various points each
4 of you mentioned four names, Volberg, Lassier, Clotfelter and
5 Cook. To what degree and what format will they participate in
6 this particular study?

7 MS. VELDMAN: Those weren't the four names.

8 COMMISSIONER LANNI: Those were names mentioned. I
9 wrote them down.

10 MR. GERSTEIN: Clotfelter and Cook, although they are
11 gentlemen we're familiar with, were not I think the four that
12 were mentioned. Dr. Volberg is a subcontractor to NORC. Dr.
13 Leseur is a member of the technical advisory panel that is called
14 for in the RFP. Professor Cook and Professor Clotfelter don't
15 have a specific relationship to the project, although Professor
16 Cook was interested in doing so, but these academic requirements
17 seemed to have precluded his extended participation. We are
18 meant to provide the community data base I believe as early as
19 possible to Charlie Clotfelter to work on, independent of our
20 activity, under contract to the Commission. I believe we also
21 mentioned Bill Thompson who is additionally a member of the
22 advisory panel to the Commission and the contract. Eugene
23 Christensen and Will Cummings, their firm Christensen Cummings,
24 is also a subcontractor to NORC under the Commission contract.
25 Their role particularly is to advise us with respect to the
26 construction of the community data base, although it's hard to
27 keep Eugene Christensen from giving one advice about pretty much
28 anything related to the subject matter and it's always good
29 advice.

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1 COMMISSIONER LANNI: I would not limit that to Mr.
2 Christensen. I heard from these other individuals also who seem
3 to have very substantive opinions and very strong opinions. I
4 was wondering to what degree they might influence what I hope
5 would be a very partial evaluation.

6 MR. GERSTEIN: I think it's reasonable to say that
7 our intention is to listen to everyone and be selection and
8 attempt to achieve objectivity to the extent it's possible in any
9 analysis of data and to cover the range of possible
10 interpretations indicating those that we think are the most
11 defensible.

12 COMMISSIONER LANNI: The last comment I would make is
13 that I realize for budget purposes you might want to do three in
14 Illinois. You might consider Northwestern Indiana which is
15 rather close. In fact, it's closer than some of the Illinois
16 riverboats to Chicago. You might want to consider that just to
17 get some diversity. Thank you very much.

18 CHAIRMAN JAMES: You're welcome. Any other questions
19 from Commissioners?

20 Commissioner McCarthy, any final comments?

21 COMMISSIONER MC CARTHY: Thank you very much for the
22 presentation. We appreciate it and we look forward to this joint
23 effort.

24 MR. GERSTEIN: Thank you very much.

25 MS. VELDMAN: We would like to note that if you have
26 any other specifics questions we'll be around.

27 CHAIRMAN JAMES: Again, I'd like to thank our
28 research subcommittee. They work long, they work hard, they
29 reach consensus and we thank them for what they've done.

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1 COMMISSIONER MC CARTHY: Two more items.

2 CHAIRMAN JAMES: Two more items, certainly.

3 COMMISSIONER MC CARTHY: The committee this morning
4 voted to recommend that the Commission authorize the Chair to
5 enter into a contract with ACIR for the approximate sum of
6 \$279,000 to pursue the objectives ACIR outlined in its latest
7 proposal. I understand from Dr. Kelly there is an ACIR
8 representative here and I'd like to ask them, Madam Chair, with
9 your permission, to step forward at this time.

10 CHAIRMAN JAMES: Sure. It's been a long time since
11 our first meeting. I'd glad we're at this point.

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