QUESTIONS

CHAIRMAN JAMES: Commissioner Bible.

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

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

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

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

CHAIRMAN JAMES: Commissioner Wilhelm.

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

First of all, with respect to the parental consent flow chart, I have said in the committee that I am made very
uncomfortable by the notion of the United States government or
this company on its behalf digging around in people's families.
On the other hand, I recognize the importance of the question of
gambling activity amongst teenagers.

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

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

Secondly, the committee has been advised by the
Commission's research consultant that while the sample size for
the 16 and 17-year-olds is a sufficient sample size to lead to
statistically valid results, that on the other hand, the sample
size for the 16 and 17-year-olds is not big enough to be able to
do some of the kinds of things with the data that can be done
with the adult sample size. For that reason, I am of the opinion
that it would make sense to spend more money on this teenage
survey and less on the patron survey, which I believe to be
impossible to do in any valid fashion.

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

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

CHAIRMAN JAMES: Commissioner Dobson.

COMMISSIONER DOBSON: Why would we be presented names?
Why do we need to even have personal identities? All we need is
case numbers and that kind of information. The information
remains with you.
COMMISSIONER WILHELM: We wouldn't. I just want to make sure nobody can get at it because the government is paying for it, that's all.

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

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

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

In the adolescent component of this survey, if we are to follow up with a affirmation of consent, we will then have to ask the parent or guardian for their address and for identifying information. This information can be kept confidential according to public law that oversees our work. But it is that extra step that we have to take that needs to be balanced against your desire to follow up with that letter.
COMMISSIONER DOBSON: Again, that seems awfully remote as even a threat. How would an attorney know that that data existed or what was in it or that a particular client participated? That seems like a real stretch to worry about that.

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

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

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

MR. TERWILLIGER: We would be very cautious about presuming what statutes apply to the Commission.
MR. GERSTEIN: At any rate, prior to the existence of the Privacy Act, we took the protection of confidentiality of respondents equally seriously and even on occasion, where we were required to maintain identities for purpose of subsequent follow up, ordinarily we would shred, literally destroy information about identities at the conclusion of the study. It no longer has any relevance and has not use. But on other occasions we have literally put the information in storage out of the country so it was beyond the reach of subpoena, if it would come to that.

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

CHAIRMAN JAMES: Commissioner Lanni.

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

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

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

MR. SCHILDHAUS: I think this was on the advice of the research advisor to the Commission that the largest level of gambling took place in casinos and riverboats.
COMMISSIONER LANNI: It may well have been offset by Powerball just in the last couple of days.

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

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

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

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

MR. SCHILDHAUS: The question is at this time is how feasible, how practical is the design for the study. The data we
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collect in the pilot is for examination of the procedures, not to answer the questions of the study.

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

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

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

MR. GERSTEIN: Clotfelter and Cook, although they are gentlemen we're familiar with, were not I think the four that were mentioned. Dr. Volberg is a subcontractor to NORC. Dr. Leseur is a member of the technical advisory panel that is called for in the RFP. Professor Cook and Professor Clotfelter don't have a specific relationship to the project, although Professor Cook was interested in doing so, but these academic requirements seemed to have precluded his extended participation. We are meant to provide the community data base I believe as early as possible to Charlie Clotfelter to work on, independent of our activity, under contract to the Commission. I believe we also mentioned Bill Thompson who is additionally a member of the advisory panel to the Commission and the contract. Eugene Christensen and Will Cummings, their firm Christensen Cummings, is also a subcontractor to NORC under the Commission contract. Their role particularly is to advise us with respect to the construction of the community data base, although it's hard to keep Eugene Christensen from giving one advice about pretty much anything related to the subject matter and it's always good advice.
COMMISSIONER LANNI: I would not limit that to Mr. Christensen. I heard from these other individuals also who seem to have very substantive opinions and very strong opinions. I was wondering to what degree they might influence what I hope would be a very partial evaluation.

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

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

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

Commissioner McCarthy, any final comments?

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

MR. GERSTEIN: Thank you very much.

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

CHAIRMAN JAMES: Again, I'd like to thank our research subcommittee. They work long, they work hard, they reach consensus and we thank them for what they've done.
COMMISSIONER MC CArTHY: Two more items.

CHAIRMAN JAMES: Two more items, certainly.

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

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