CHAIRPERSON JAMES: Mr. Saum.

MR. SAUM: Madam Chair, as the NCAA's director of agents and gambling activities, I'm pleased to have the opportunity to provide the Commission with the NCAA's perspective on sports gambling and its impact on college students. The NCAA is an association of approximately 1,000 colleges, universities and related organizations devoted to the regulation and promotion of college athletics for over 300,000 male and female student athletes.

I am responsible for coordinating the NCAA's efforts in addressing sports gambling issues. My duties include developing sports gambling educational materials for NCAA schools and athletes, conducting investigations related to violations of our rules, creating working partnerships with representatives of professional sports, government, law enforcement and gaming regulatory communities. Today's testimony is a summary of my written statement and I urge members of the Commission to consult my written submission for a more detailed discussion of this topic.

Like many other sports organizations, the NCAA has a clear direct policy regarding sports gambling. The NCAA membership prohibits student athletes, coaches and athletic administrators to gamble legally or illegally on professional or college athletics. This approach recognizes the potential of sports gambling to undermine the integrity of sports and to jeopardize the welfare of the student athlete and the
inter-collegiate athletics community. The NCAA is well aware of the direct threat sports gambling poses to the integrity of each college contest.

In the late '40s the academic community and public were shocked to learn of the City College of New York basketball team that was involved in a point shaving scandal. Today these scandals appear to be occurring with greater frequency. Within the last 10 months the public has learned of point shaving scandals at Arizona State University and Northwestern University.

According to federal law enforcement officials more money was wagered on the Arizona State case than any other point shaving scam in the history of college athletics. However, when it comes to sports gambling on college campuses, this is just the tip of the iceberg. In 1995 five Maryland student athletes were found to have bet on college sporting events. Two years ago, 13 football players at Boston College were involved and some admitted -- four of them admitted to betting on their own team. Just last year a basketball player at Cal State Fullerton was approached by a student and offered $1,000.00 a game to shave points.

And earlier this year law enforcement dismantled a large sports gambling ring partially operating on Columbia University's campus in a fraternity house. As you can see, the influence of sports gambling is far reaching and sports
organizations continually live in fear that sports gambling will
infiltrate and undermine the contest itself.

Through my experiences conducting sports gambling
investigations at our colleges, I have witnessed students, their
families and institutions publicly humiliated. I have seen
students be expelled from college, lose athletic scholarships
and jeopardize any hope of a career in professional athletics.

In most cases the scenario is strikingly familiar. Student
athletes who have begun gambling on sports incur losses they
cannot repay and as a result, become involved in point shaving
schemes. Sometimes they participate in such schemes voluntarily
in a desperate attempt to erase their debt, other times because
they are compelled by a threat of personal injury. In later
cases often organized crime is involved.

The profile of a typical college student who gambles
is someone who believes he can control the outcome of anything
he's involved with, someone who is willing to take risk and
someone who believes he or she possesses the skill to be
successful in this endeavor. If you otherwise look at these
qualities in a positive light, they are reflective of many
college athletes. This may, in part explain why some college
students are drawn to sports gambling.

However, environmental factors may also play an
influential role. One of the Boston College football players
involved in the sports betting scandal stated, quote, "The
attitude was it's just part of the college experience. To tell
the truth, it never crossed my mind it was illegal. It was so commonplace," end quote. Other evidence indicates that sports gambling habits were developed well before college. An athlete involved in the Northwestern case admitted gambling had been part of his life ever since he was a youngster.

He remembered, quote, "Guys younger and older saying let's bet $5.00 to see who's better on one on one. I saw gambling every day in the inner-city. People were playing cards and shooting dice. It was normal," end quote. While there are no comprehensive studies available as quoted earlier, a recent NCAA study indicates that 25 percent of our men's basketball and football student athletes gamble on college athletics. Four percent gamble on the game they played in and three individuals out of the 648 who responded to this survey, indicated that they had changed the outcome of the game they played in.

In a 1998 University of Mississippi study, 954 students at nine institutions were surveyed. Thirteen percent of those surveyed were athletes. The results revealed that athletes were nearly twice as likely to be problem gamblers than non-athletes and interestingly enough, the athletes who lived in Greek fraternity and sorority houses had a higher prevalence of problem gambling than athletes who did not live in Greek housing.

The high incidents of gambling not only exists among student athletes but the general student body. In a study
conducted by several researchers, 1700 students from six colleges were surveyed about their gambling behavior. The data revealed that the rates of pathological and problematic gambling among college students are four to eight times higher than reported for the adult population. The finding was confirmed in a recent study by the Harvard University Medical Schools Division on Addiction.

The research showed that college students showed the highest percentages of pathological and problem gambling. Perhaps the most revealing impact of the sports gambling on college students is offered by Doctor Howard Schaffer, one of the authors of the Harvard University study. According to Doctor Schaffer, the research shows that more youth are introduced to gambling through sports betting than any other type of gambling activity. It is clear that gambling, particularly sports gambling, is touching the lives of an alarming number of college students.

So what are the forces fueling the high incidents of sports gambling among college students? There are several that stand out. Though illegal sports gambling is not within the Commission's purview, I cannot fail to mention its influence. Illegal sports gambling continues to prosper despite being an illegal activity in every state except Nevada. The FBI has estimated that close to $2.5 billion is wagered illegally on the NCAA Division 1 men's basketball tournament each year.
In addition, Sports Illustrated and CBS news magazine, Public Eye have done stories concluding that student bookies can be found on nearly every college campus in America. This fact has been confirmed by the NCAA's own investigations and by numerous federal and state law enforcement officials.

The popularity of Internet gambling may soon be the driving force behind the growth of sports gambling on college campuses across the United States. The most significant aspect of Internet gambling is that it provides a college student with the opportunity to place wagers on professional or college athletics from the privacy of his or her own campus residence. Internet gambling offers the student virtual anonymity and all that is needed is credit card to place this on-line bet.

Today there is widespread availability and use of credit cards among college students. A recent Nelly May Study revealed the 65 percent of our undergraduate college students have credit cards. Twenty percent of our college students have four or more credit cards and the average credit card balance is $2200.00. It is clear that most students do not need to obtain their parent's credit card to place this bet.

Accessibility to the Internet is perhaps the greatest concern regarding Internet gambling on college campuses. Many college students have unlimited use of the Internet and most residents halls are wired for Internet access. For the NCAA the potential exists for a student athlete to place a wager via the Internet and then attempt to influence the
outcome of the contest while participating on the court or playing field.

Most troubling to the NCAA and college administrators is that pursuant to federal law Internet gambling is illegal in the United States. Despite this fact, I continue to receive calls from student athletes and athletic administrators who are concerned about E-mail solicitations inviting them to visit on-line sports book sites. To date there is no data available on the prevalence of Internet gambling on college campuses but there is no doubt that operators are cognizant that college students represent a very lucrative market for the illegal product.

Another factor that may be contributing to the high incidence of sports gambling on college campuses are the sports touts. Browse through the USA Today sports section and you will find advertisements for sports touts. In most cases the ads ask for the consumer to dial 1-800 or 1-900 telephone numbers and pay to listen to a recording of the sports tout picks that will beat the published point spread. While there is nothing illegal about this operation, the information provided is in fact encouraging consumers to place illegal sports bets.

Furthermore there does not appear to be any regulation of these business. Recently HBO produced a segment that revealed an industry plagued by false and fraudulent claims. Unfortunately, these practices persist because few fear legal repercussions. Sports tout advertising is not limited to
In conclusion, the NCAA is very concerned about the high incidents of sports gambling on campuses and believes that real efforts must be made to address this issue. The NCAA appreciates the opportunity to appear before you today and hopes that the Commission will include in its final report a discussion and a list of recommendations on how to address the issues of sports gambling among our nation's youth. The integrity of our game and the integrity of our youth is at stake. Thank you.

CHAIRPERSON JAMES: Thank you.