CHAIRPERSON JAMES: I'd like to ask Doctor John Shosky now, the Commission's senior report writer, to join us. Doctor Shosky prepared the background paper on youth and adolescent gambling that I hope you have all had a chance to read and he'll provide us with an overview of that topic this morning before we move into our panel.

Good morning, Doctor Shosky, welcome.

DR. SHOSKY: Thank you, Madam Chair, good morning.

There are a significant number of underage gamblers. A recent study found that almost 17,000 students in Vermont, of those 17,000, 53 percent reported gambling in the last 12 months.

In a survey of almost 900 students from four New Jersey High Schools, LeSeur and Klein (ph) reported that 91 percent of students had gambled at least once and 86 percent had gambled in the last year.

Ladaseur and Morreau (ph) have found in a study of more than 1600 Quebec high school students that 76 percent had gambled and 24 percent had gambled at least weekly in the past year. Our Korean colleagues found that 64 percent of 1120 students in Atlantic City, New Jersey had gambled in a casino and nine percent gambled at least weekly.

One interesting result of the study is that proximity to legalized gambling is an important factor. This study found that college students in New York, New Jersey and Nevada had a higher rate of gambling than did students in Texas and Oklahoma. There's also an issue that some researchers have studied concerning pathological gambling. For example, LeSeur and Klein
found that six percent of students surveyed could be classified as problem gamblers.

The Ladaseur and Morreau study found that figure was between one and two percent. Harvard's Howard Schaffer has found that the rate of problem gambling among adolescents was 9.4 percent. Recently the New York Council on Problem Gambling found that at least 40,000 children or 2.4 percent under 18 have become severely addicted to gambling with thousands more, perhaps another 14 percent judged at risk of developing gambling problems.

Several studies have shown that pathological gambling is associated with alcohol and drug use, truancy, low grades, problematic gambling in parents and illegal activities to finance gambling. Pearl Ness (ph) and her colleagues have found that gambling behavior was significantly associated with risk behavior.

For example, gambling was associated with multiple drug and alcohol use. For 28 percent of those surveyed, gambling was also associated with carrying a weapon at least once in the past 30 days and for those who reported a problem with gambling, the figure rose to 47 percent.

While nearly one-fourth of non-gambling students reported having fought in the last 30 days, that figure rose to 45 percent for those who reported gambling and 62 percent for those who reported problems attributable to gambling. In addition the researchers worried about under-reporting. Their frequencies might not reflect their true prevalence.
Betty George, who is with us today, has argued that gambling is attractive to young people because it is culturally popular and surrounded by images of instantaneous wealth, power, status and freedom. It also is an answer for some of them at least to address problems at home, low self-esteem, the need for a positive role model and avoidance of pain and grief.

Bataro (ph) and his colleagues also suggest that impulsivity is a factor with high problem gamblers having the highest scores in lack of impulse control. Others claim that adolescents receive a mixed message in states where some forms of gambling are legal. There are charges by researchers that the gambling industry lures young gamblers.

There's a very detailed analysis of studies by Stinchfield and Winters and because Stinchfield is here today, I'll leave that part of my presentation to him and I will proceed to a discussion of programs and initiatives.

However, I do recommend the Stinchfield findings because it's the one study that we were able to uncover that was a good broad overview of all of the studies to date and the nine results that he points out, I believe, are significant.

Concerning programs and initiatives, there have been a variety of initiatives to address youth gambling. In Great Britain, for example, Parents of Young Gamblers, which is a program, it's a support organization, has been developed to directly meet the needs of very young pathological gamblers and their families. Griffis (ph) has observed that such an approach allows for relaxation training, avoidance of gambling opportunities, and family and peer support, including supervision.
of the young person's money. These seem to be promising useful
interventions for young pathological gamblers.

For example, the North American Think Tank on Youth
Gambling Issues was convened at Harvard Medical School on April
the 6th and continued through the 8th, 1995 to conduct a public
dialogue on youth gambling. A blueprint emerged for policy
development, funding and law enforcement recommendations. That
blueprint was in the briefing material that was sent to the
Commissioners.

Another landmark conference was held in St. Paul,
Minnesota on May 8th and 9th, 1997 to develop a blueprint for the
management of compulsive gambling. These conferences, which
featured representation from industry, government, academia, and
advocates illustrate the power of joint discussion on this issue.

There have also been several creative outreach
initiatives. For example, given the concern about gambling
within America's Southeast Asian community, the United Cambodian
Association of Minnesota, Lao Family Community of Minnesota and
the Minnesota Institute of Public Health developed a prevention
education program to inform young Southeast Asians about the
hazards of adolescent gambling and to help create personal
guidelines for choosing to gamble or not to gamble.

The Minnesota Institute of Public Health also
supported creation of a similar booklet for the general
population. In addition, the Minnesota Council on compulsive
gambling has prepared a pamphlet and a program entitled, "Want to
Bet," which is a package containing a booklet, looseleaf papers
and a video each targeted to teenage gambling. The goal is to
enhance critical thinking and to help identify compulsive behaviors.

State governments may also develop services and activities to address the problem of adolescent gambling. For instance, Volberg (ph) has suggested that a state in cooperation with community based agencies, the gambling industry, academia and others may wish to fund programs targeting at-risk adolescents and adults. The state could also develop public education and prevention services and implement educational curricula in conjunction with state education departments.

In addition the New York Council on Problem Gambling convened an education think tank in November 1997 to develop a prevention, education model. Volberg also suggests that state funding for treatment services for adolescent gamblers and family members through existing state funded problem gambling providers could be helpful.

There has also been an industry response and it's been significant. There have been new programs, such as the Nevada Retail Gaming Association's program to post stickers on slot and video poker games and their work to distribute literature from the Nevada Council on Problem Gambling. There are many industry actions that can contribute to keep adolescents out of casinos like this program. For instance, the gaming industry has funded conferences, research and programs designed to combat adolescent gambling and the industry is also working on other fronts.

For example, many casino companies have created programs to combat underage gambling such as Harrah's Project 21
in Atlantic City. This initiative attempts to educate employees, minors and their parents or guardians and the community at large that gambling under the age of 21 is against the law.

One key facet of the program is the training of all of Harrah's employees to identify minors in the casino. To raise community awareness, this project, Project 21, supports a scholarship program which rewards students whose articles or posters best deter underage gambling. Other casinos might emulate that program.

Implementation steps on how that might happen are in a publication by the American Gaming Association entitled "Responsible Gaming Resource Guide." The AGA and member companies also have a public policy of zero tolerance for guests who fail to take responsibility for their children.

AGA members have publicly stated that they're committed to helping parents by posting local curfew times, informing guests with minors of those laws, training employees to handle abandoned children, tasking security personnel to remain with an abandoned child while the parents are located and to contact the police or Department of Youth Services if a child is abandoned. These guidelines were developed in partnership with the National Center for Missing and Exploited Children.

In fact, in 1997 both Donald Trump and Frank Fahrenkopf spoke on the ABC program 20/20 of the need for security agents to identify abandoned adolescents in the casinos and to reunite them with absent parents who are on the premises. Mr. Fahrenkopf even suggested that security guards should be proactive, assisting children to leave the premises for their
hotel rooms, to do everything possible to get them out of the casinos.

As well, some casinos have employed high technology to keep adolescents out of legal gaming establishments. All three New Orleans area casino boats now have scanners that read the magnetic strip on the back of a driver's license. This offers a more accurate and fast way to determine the age on the card and the device can detect certain types of card tampering. However, there are privacy concerns that have been raised. Of course, law enforcement efforts such as administrative citations, fines, closures, or license revocation could also help to curb illegal gambling by adolescents.

In conclusion, Madam Chair, adolescent gambling is pervasive. It is associated with problem gambling in adults and with risky behavior in adolescents. Public health organizations, parents, gambling treatment organizations, advocacy groups, public health officials, law enforcement agents and industry representatives have all publicly stated that adolescent gambling is not in the best interests of young people or of the gaming industry itself. This is an area of considerable common ground which can be used to tackle tougher issues of later problem and pathological gambling which is correlated in some studies with adolescent gambling.

Targeted programs may prevent illegal gambling from occurring and can identify young problem gamblers.

CHAIRPERSON JAMES: Thank you, Doctor Shosky. Commissioners, any questions, comments? Commissioner Bible.

MR. BIBLE: One question, John.
DR. SHOSKY: Yes, sir.

MR. BIBLE: As you reviewed the literature, you're talking about conduct that is 100 percent illegal in the first study you mentioned up in Vermont where it is illegal for adolescents or minors to gamble. Is there any kind of documentation or do your studies indicate how effective law enforcement can be in the area of preventing adolescent gambling?

MR. SHOSKY: Well, the programs that we analyzed which I must confess were few, indicated that when law enforcement agencies attempt to work to solve the problem, for example, Louisiana was a case in point that I do not cite in my presentation but there has been much public comment about the law enforcement efforts there, the claim at least is that it's effective and the claim is being made both by the industry itself and by the law enforcement officials. Outside verification, independent verification, was not something that I could find. However, I'd be more than happy to look through the literature again and find any information to further substantiate that point if you would like me to do that.

MR. BIBLE: I think that would be helpful. I'd be interested in whether or not these individuals are being processed through the judicial system (inaudible).

DR. SHOSKY: Yeah, at least in the case of Louisiana, there were few prosecutions.

CHAIRPERSON JAMES: Doctor Shosky, there was almost an audible gasp in the room yesterday when it was pointed out that in South Carolina children could play slot machines and
video poker albeit, they couldn't collect the winnings. Have you
run across anything like that? Can you verify that?

DR. SHOSKY: I think you're about ready to hear at
least two people who will be discussing the enforcement, of that
type of behavior and what it can be correlated to in terms of
later illegal behavior.

CHAIRPERSON JAMES: But do we know if that is an
accurate statement, that in South Carolina, not only adolescents
but children can play slot machines?

DR. SHOSKY: It's my understanding that it is but
again, I would be more than happy to double-check that.

CHAIRPERSON JAMES: Could I ask you while this panel
is on to see if you could track down that information. It ought
to be a simple call to someone in South Carolina who could tell
us that.

DR. SHOSKY: I'd be delighted to find out.

CHAIRPERSON JAMES: Well, that's right, they are three
hours, so we'll give them a little more time.

DR. SHOSKY: I'd be delighted to find out.

CHAIRPERSON JAMES: Thank you. Any other questions,
Commissioners? With that, Doctor Shosky, I want to thank you for
your presentations both today and yesterday and for how they
contributed to shaping our debate and our discussion.

DR. SHOSKY: Thank you.

CHAIRPERSON JAMES: Thanks for all your hard work.