CHAIRPERSON JAMES: Ms. Reilly.

MS. REILLY: Madam Chairperson, members of the Commission, I appreciate having this opportunity to appear before you today. Given the scope of the study assigned this body, I believe it will be helpful for you to be aware of the work of the National Center for Responsible Gaming.

The National Center was founded in 1996 to fund research on problem, pathological and under-age gambling. The NCRG is a division of the Gaming, Entertainment Research and Education Foundation which is a separately incorporated, independent, non-profit organization classified as a 501(c)(3) by the IRS. We're affiliated with the University of Missouri, Kansas City where we have our office space.

Twenty-two casino operators and gaming suppliers and one foundation have pledged as of today $4.9 million to the NCRG, an unprecedented level of support for disordered gambling behavior research. In fact, ours is the first national organization devoted exclusively to funding scientific, peer reviewed research on this disorder.

As I know you've heard this from many of your panelists, and I'll reiterate, there are major questions remaining unanswered about the nature of gambling related disorders. Is pathological gambling a primary disorder or is it sometimes a consequence of the other mental health problems we so frequently see in pathological gamblers? Why is there a high rate of co-morbidity with other psychiatric addictions and disorders? Are the current diagnostic and screening instruments accurate? Does gambling at an early age predispose a person to
have a gambling problem in adulthood? What role does genetics play in the onset of a pathological gambling disorder?

Such questions must be answered before we can develop effective prevention and treatment strategies. The NCRG's mission is to provide the necessary financial support to those institutions that have the resources and the expertise to investigate and resolve these questions. Because of the parallels that are often drawn with research sponsored by the tobacco industry, I want to take this opportunity to emphasize that the NCRG does not conduct its own research.

Our operations consist of a two-person office at the University of Missouri, Kansas City and we are basically focused on coordinating and promoting a competitive grants program designed to attract proposals from the highest caliber research universities and medical centers. Before the establishment of the National Center, there was no funding source, no foundation, no research organization and no federal agency focused on problem gambling research.

Consequently the field was under-funded and under-developed. Moreover, much of the research that had been conducted was not scientifically sound. It was not always peer reviewed and did not follow rigorous standards in collecting and interpreting data. That is why the NCRG is dedicated to creating a field of disordered gambling research and a pool of outstanding researchers committed to the pursuit of scientific excellence. To that end we have assembled a distinguished board of directors that includes members such as Doctor Louis Sullivan, head — former U.S. Secretary of the Health and Human Services and he is
now president of Moorehouse School of Medicine; Doctor Howard Schaffer, director of the Division on Addictions at Harvard Medical School; Carol O'Hare, executive director of the Nevada Council on Problem Gambling; Sue Cox, executive director of the Texas Council on Compulsive Gambling.

Our by-laws state that at least 50 percent of the governing board must represent sectors other than the gaming industry. Furthermore, the governing board does not select the research projects supported by NCRG. It has wisely delegated this authority to peer review panels and the NCRG's advisory board. These independent bodies are composed of nationally recognized scientists such as Doctor Fred Goodwin. He's the former head of the National Institute on Mental Health and currently the director of the Center on Neuroscience Medical Progress and Society at George Washington University Medical Center; Doctor Richard Evans, nationally known prevention expert who is a distinguished university professor of psychology at the University of Houston; Doctor Mark Applebaum of that University of California San Diego, Doctor David Self at Yale School of Medicine and Betty George who was on the panel earlier this morning is also a member of our advisory board, a very distinguished group.

In fact, we have modeled our organizational structure and decision making procedures on the National Institute of Health. As you can see in the chart that we included in the folder of information, it shows what the various roles of the governing board are compared to that of the advisory board and the peer review panel.
Since it's a recent establishment, the NCRG has awarded 11 grants totalling nearly $1.5 million. These research projects are led by an outstanding group of scientists representing the leading university and medical research centers in North America. We hold a very high opinion of our investigators and that's an opinion that's shared by many of the most prestigious academic bodies in the country, including one employed by the National Gambling Impact Study Commission.

The National Research Council of the National Academy of Sciences has been commissioned by you to study the social and economic impact of pathological gambling and this year the National Research Council convened groups of leading experts in the field to address the committee. I was very proud to note that 10 of the presenters selected by the National Research Council serve as key personnel on our current projects.

The National Research Council is also drawing on other work of the NCRG. The committee requested and was granted permission to use the data base created by Harvard Medical School for its study of the prevalence of disordered gambling. I believe that you are aware of Doctor Howard Schaffer's ground-breaking work, estimating the prevalence of disordered gambling behavior in the U.S. and Canada, a META (ph) analysis. The Harvard study was the first research project supported by the NCRG. It not only provided the first reliable estimates of the prevalence of the disorder but set new and more rigorous standards.

To date we have filled requests for nearly 2,000 copies of this report and I have brought along several copies.
with me if you would like some. I think that's an incredible
circulation for an academic document. The NCRG's advisory board
determined at the outset that this is a very complex disorder and
therefore it requires a variety of perspectives, a variety of
disciplines to look at it. So they established three main areas
in which we accept proposals for funding; epidemiology, neuroscience and behavioral and social science.

In epidemiology, the very first project was the
Harvard study. That has been completed and because we realize
the importance of this work, we extended the original grant to
Harvard so that researchers, public policy makers and the public
will have access to the most up to date estimates on the
prevalence of the disorder among both the adult population and in
particular youth population. So that is an ongoing project.

In neuroscience our work is really reflecting the
great advances that are going on in mental health research right
now, in exploring the role that neurobiology plays in mood
disorders and addictions, through the use of brain imaging, drug
trials and genetic studies. Our neuroscience projects are
currently being conducted at the City of Hope National Medical
Center, Foundation for Clinical Neuro-science Research, the
University of New Mexico and the University of Minnesota School
of Medicine. The findings of such cutting edge research will
have an enormous impact on how we define the disorder, how we
diagnose it, how we measure it's prevalence and how we treat it.

It may also offer clues to the roots of other
addictive disorders. Perhaps most significantly neuroscience
will reveal biological markers of the disorder. That can give us
a gold standard against which screening and diagnostic instruments can be measured. For example, we do not have independent validation of the criteria used to diagnose pathological gambling in the American Psychiatric Association's DSM-IV. Neuro-science research will soon provide this gold standard.

Recognizing that the environment also plays a crucial role in mental health disorders, we've committed funds to behavioral and social sciences. We are currently financing experiments that will assess the efficacy of various treatments such as cognitive and behavioral therapies and perhaps most importantly, two of our projects are looking at youth gambling.

You heard from Randy Stinchfield this morning. He is one of our investigators working in this area. The other is Doctor Ken Winters, also in Minnesota. And they're looking at the dynamics of youth gambling. This is something we know very little about and we obviously need a lot more research on.

We obviously are also very interested in trying to figure out if there are risk factors that show up early that lead to later problems. For example, Ken Winters is looking at whether young people involved in gambling mature out the same way that most teenagers do when they reach adulthood. They drink less, they don't abuse drugs and so on. So he's trying to get a sense if there are parallels with that process.

This is the kind of research that will serve as the foundation for prevention programs. The prevention programs have to be rooted in theory and in empirical evidence. And so I think
we can all agree that prevention is ultimately the most effective form of treatment.

The next round of grants for us will be in the spring of 1999. My advisory board recently reviewed 79 letters of intent and selected 49 to be submitted as full proposals in January. We expect to award at least $1.2 million during this next competition. The request for applications that solicited these proposals emphasized our special interest in youth gambling, prevention and neuroscience. And for example, in the social and behavioral area, a majority of the proposals are focused on either youth gambling or prevention.

One of our original objectives was to serve as a catalyst by encouraging other funders to support disorder gambling research and we're very proud to have already achieved this objective with the recent announcement of the first ever funding initiative on pathological gambling by the NIH. The NCRG played a role in this development by demonstrating the enormous potential of the field for not only understanding pathological gambling but also for illuminating addictive disorders in general.

Because continuing dialogue with NIH staff is vital to fulfilling our mandate, we are going to co-sponsor a one-day conference with George Washington University Medical Center in Washington on February 5th, 1999. All of the NCRG's investigators will convene for the very first time to discuss their research. The conference will feature a keynote address by Doctor Allen Leshner (ph). He's the director of the National
Institute on Drug Abuse and his talk will be addiction as a brain
disease and it matters.

We believe that it is in the interest of both NIH and
NCRG to discuss future collaboration and therefore, we're going
to make sure there are sessions where our investigators can talk
about their research with the NIH staff. We also hope to use
this conference to introduce our work to other foundations that
support mental health research, get them excited about this. I
think the role of catalyst is going to continue and we'll
probably also have special break-out sessions on special
interests such as youth gambling. We also would like to do one
for the media who cover health issues and science.

The National Center is creating a field of disordered
gambling research that's gaining the respect and attracting the
participation of the scientific community. Earlier this year,
pioneer researcher, Doctor Rachel Volberg (ph) informed this
Commission that, quote, "Gambling researchers who have been in
the field for awhile have been calling for some kind of effort to
fund research for many years. The NCRG is the first effort that
we've seen and I absolutely have to applaud the casino industry
for coming up with that particular method. It's a peer reviewed
scientifically sound way of getting research done," end quote.

As we all know, valid peer reviewed verifiable
research and study conducted on problem and pathological gambling
is critical to informed policy development in the area of gaming.
Only the strongest science, not antidotal evidence, should be
accepted. We need scientists of the highest caliber working on
this problem to insure that the most rigorous science will guide
our efforts to prevent and treat this disorder. We are proud of the many contributions that NCRG has made so far and hope that the Commission will use us as a resource. We are pleased to extend special invitations to the members and the staff of the Commission to participate in our conference on February 5th. We look forward to such opportunities for continuing this important dialogue. Thank you for your attention.

CHAIRPERSON JAMES: Thank you.