CHAIRPERSON JAMES: With that, I’m going to open up the floor to commissioners. I’m sure we will have quite a lively discussion. I’m going to recognize the first commissioner, and after that, it will be pretty free-flowing.

Commissioner McCarthy?

COMMISSIONER McCARTHY: Before I ask my two questions, I just wanted to make a couple of comments, Madam Chair, to Dr. Gerstein and his colleagues. I didn’t realize when the Chair, in her wisdom, appointed the three members of the Research Subcommittee a century ago that we were going to be so deeply involved in all of the research work, but I think the three members of this committee, Jim Dobson, John Wilhelm, and myself, it’s fair to say are pretty reflective of the mix on this entire Commission.

And we’re very heavily involved with you after you were picked from what you submitted in response to the RFP. You held numerous meetings with the Research Subcommittee. At length, we worked on the whole question set in the telephone survey.

We asked endless questions. And I thought they were fruitfully asked questions. We should have asked them. We did ask them. And Dr. Kelly and Dr. Reuter both were there working very hard trying to establish this primary research agenda.

So I wanted to thank you, speaking as an individual as a Chair of that Research Subcommittee, as one of the three members, for everything that has happened, the entire work product that you’re presenting.
I think, predictably, a lot of the findings that you’ve made are going to arouse criticism. They have on a continuing basis, of course. Your methodology was attacked. We had a three or four-hour meeting in Del Mar on whether the methods you had adopted for the telephone survey were appropriate or not. This will continue on.

It’s sort of related to the predisposed feelings of those who think your estimates of problems in pathological gambling prevalence and a lot of problems incidental to problem/pathological gambling are too high or, on the other side, whether they’re too low. And that’s going to continue.

I just wanted to state I think the body of work you have given us is extremely important. It’s going to provide not only the first serious national survey on this subject because the 1975 national survey did not pay much attention at all to problem and pathological gambling.

So this is really the first national work that we can use as a basis to go forward from here. I think it’s extremely important. It’s a road map. Not only does it give us a body of information now, which we can pick at and express satisfaction or dissatisfaction with, but it also gives us a road map as to what future research needs to be done, equally as critical.

It’s frustrating being a member of a two-year Commission, particularly for someone like myself, who did not come from the industry or hadn’t a lot of depth in this problem, because we know that it is a continuum of attention by those in powerful places in the federal government and state governments
and the tribal government leadership, and private sector that is needed to address these problems. 

So we don’t expect what you have given us to try to provide all of the solutions here, but it is a very helpful asset to us.

Now, I have two questions or, really, one question and then a kind of a comment. The first question to you, Dr. Gerstein, I notice that the adult population you used, I think it was 197 million.

DR. GERSTEIN: That’s correct, yes.

COMMISSIONER McCARTHY: Okay. But that was defined as people 18 years or older.

DR. GERSTEIN: That’s right.

COMMISSIONER McCARTHY: Only a few states allow gambling by people 18, 19, and 20. If you looked at the real population, I think perhaps we might have been looking at, to try to get accurate prevalence numbers, it would be those, the adult population of legal gambling age.

I don’t know how many 18, 19, and 20-year-old Americans there are, but it would reduce that 197 million number down by --

DR. GERSTEIN: Twelve million.

COMMISSIONER McCARTHY: -- 12 million. So may I respectfully suggest that perhaps what we should have been looking at was 187 million as the base that would establish the prevalence numbers? Just a thought. I’d like to ask you to think about that.
Others may have a contrary view. I don’t know if you want to give any immediate response to that, whether that’s a valid concern that I have or not. It’s certainly reasonable. It’s always reasonable to denominate.

I’m not sure it makes much difference because although the patterns of behavior do change and there’s fairly rapid change, I think, in essentially the economic position of people as they age from 18 to 25, I’m not sure except for the obvious legal restrictions that there’s a lot of change in other respects between 18 and 21.

The real difference that seems to come out, just looking at the data on adolescent gambling, adolescents gamble differently, but they seem to report a fairly similar rate of problems to adults if you take into account the fact that they don’t have any income. They can’t gamble away the rent because they don’t pay the rent. And they don’t have the wherewithal to do that.

In terms of denominating rates, we certainly could make that adjustment. My guess would be that if you take out the 18 to 21-year-olds or 18 to 20-year-olds, the rates wouldn’t change much because I think that for problem/pathological gambling, we wouldn’t see that their rate is appreciably different from that of the other 187 million represented.

COMMISSIONER BIBLE: But I think if you’d take a look at most states, you’re going to find that most states don’t allow you to engage in casino gambling until you’re 21, but a lot of
states allow you to buy a lottery ticket and most states will allow you to engage in pari-mutuel wagering at 18.

COMMISSIONER McCARTHY: If there is pervasive participation -- I knew there was some in lotteries. I was unaware that there was a lot of 18-year-old participation in pari-mutuel. And then that would diminish my concern on this point.

COMMISSIONER LANNI: Leo, I just must add, your State of California allows 18-year-olds to gamble in pari-mutuel.

COMMISSIONER McCARTHY: That law passed after I left.

(Laughter.)

COMMISSIONER WILHELM: Actually not.

COMMISSIONER McCARTHY: John. The second point to Mr. Harwood, Mr. Harwood, the Research Subcommittee had some concerns that if we were to undertake the estimation of economic costs, such as some of the things you’ve reviewed here, one concern was we could not rely upon records and data that was not sufficiently fixed where the recordation was not consistent, valid, you couldn’t rely upon it.

So I see what you’ve done is built in a number of conservative assumptions in trying to arrive at the economic cost estimates that you have just reviewed for us.

But I don’t know if you’re going to continue to be a part of this or not, but to Dr. Gerstein and NORC, I think it would be very helpful if you tried to define for us -- you’ve given some indications of some things that needed to be done to complete such estimates.
It would be very helpful if you could take pains to list what steps, not today, give us something in writing, to list what steps could be taken, valid research steps, so that we could have solid estimates.

Obviously there are going to have to be certain changes in recordkeeping. One thing we discussed was local law enforcement does not identify gambling-related white collar crimes primarily.

So changes like that would need to be done, I think the Commission might want to at least seriously consider making the effort to try to bring about those changes.

Now, I appreciate that you didn’t stray into those areas in the cost estimates you just gave us, but I think what I see here is that the 5 billion and the 40 billion figures you have given us are incomplete. They’re partial numbers. And, yet, we really couldn’t go beyond that in any way. We would really have to try to have better sources to go to to try to validate some of our estimates.

So if you could detail that in something written to us, I would appreciate it very much.

Thank you, Madam Chair.

COMMISSIONER WILHELM: Madam Chair?

CHAIRPERSON JAMES: Can I exercise Chair’s prerogative? I just have one quick --

COMMISSIONER WILHELM: Absolutely.

CHAIRPERSON JAMES: -- annoying question I wanted to get out of the way. You may remember when we were at Regent, we
had a little bit of extended conversation about the combining of the two data sets, the patron survey and the telephone survey and in terms of looking at that data, how important it was to separate it and if it were combined to delineate it. And I see there has been a little bit of a shift in that. Can you --

DR. GERSTEIN: Well, I think the points at which it was separated are laid out in the report, particularly the difference between the estimates for the pathological and problem gambling. That’s the main place that difference arises.

In most of the other estimates, we don’t see much difference except in the differences in the size of those groups. In other respects, the groups look fairly similar, regardless of which base one uses, the telephone alone or the telephone with the patron samples.

CHAIRPERSON JAMES: But they were combined?

DR. GERSTEIN: We did combine them for most of the analyses. That’s correct.

COMMISSIONER BIBLE: Can I follow up --

CHAIRPERSON JAMES: Oh, certainly.

COMMISSIONER BIBLE: -- with a concrete example? If you go to your report on Page 29 -- you didn’t bring a report?

DR. GERSTEIN: I did. I just left it at my seat. Would you indulge me for a minute?

COMMISSIONER BIBLE: And I want to compare it with a similar chart that was in your previous report so I can understand your methodology. If you take a look at the item in the drug use, 5-plus days, pathological gambler, you’re showing
an incidence of 8.1 percent in this particular data set. You
take a look at the previous information. We showed an instance
of 31.6 percent. And that would be in the February 1 report.

I don’t know if you have that in front of you. I
happen to have a copy. So maybe if I can get John to give it to
you. I just need to understand your methodology as to how you
did this.

And we had quite a bit of discussion over this
particular chart down at Virginia Beach. My recollection is that
we came to the conclusion from that that the people who were
pathological gamblers, one-third of them had engaged in illegal
drug activity during the current year. I believe we were looking
at current year individuals. And now we have a chart that shows
8.1 percent.

So maybe you can walk us through the methodology as to
how that number changes from 31 percent to 8.1 percent.

DR. GERSTEIN: Well, the number of people increases
substantially. I think on most of these figures, we didn’t see
much change.

COMMISSIONER BIBLE: Would that chart have included
your patron data in the February study?

DR. GERSTEIN: It would, but we’re talking here about
-- I mean, the figure here of 31.6, the precision that suggests
is based upon something like 21 cases. So you’re talking about
seven people. And I’m assuming --

COMMISSIONER BIBLE: I just don’t know how we go from
31 percent last month to 8.1 percent this month unless somehow
you stuck the patron survey in there and blended the results from that survey to get a lower result.

DR. GERSTEIN: We did blend. We did blend the results.

COMMISSIONER BIBLE: Was it blended in that particular graph?

DR. GERSTEIN: It would have to have been because all the data reported were for the telephone survey alone.

COMMISSIONER BIBLE: And I think that follows up on the point. In a patron survey, you’re doing face-to-face contact with people.

CHAIRPERSON JAMES: Yes.

COMMISSIONER BIBLE: In this instance, you’re asking them if they’re engaging in illegal behavior. And I’ve just got to believe empirically that most people are going to say no to somebody that comes up and asks them on the street, "Are you engaged in illegal behavior?" If they are, they may think they’re law enforcement or something of that nature.

Then you take the data. And you blend it in with your telephone data. And I just question the result.

CHAIRPERSON JAMES: Well, I have a slightly different question, which is: Okay. Blend it but not necessarily identify it as having blended, which is something we specifically asked for at the last minute.

COMMISSIONER BIBLE: That was my concern. You can’t tell where the data is coming from.

DR. GERSTEIN: Well, I’d be happy to generate -- I mean, we have the same chart for both groups. And, again, with
that number coming off seven individuals, it’s not a stable number. It’s a small group. I think this data is --

COMMISSIONER BIBLE: I can’t understand the difference in the 31 percent --

CHAIRPERSON JAMES: And the eight?

COMMISSIONER BIBLE: -- and the 8 percent as to what happens between February and March. It’s kind of like every state in the Union where the --

DR. GERSTEIN: If you would like, we --

COMMISSIONER BIBLE: I think you ought to run all of these charts on the telephone survey and all the charts on the patron survey. Then you guys do whatever alchemy you do to combine them. And it sounds like something out of Hamlet, where we take an eye of a newt and a leg of a frog and we put them in and we mix them up in the pot.

But I think we need to understand what the data is before we draw any inferences that lead to policy conclusions.

DR. GERSTEIN: Okay.

COMMISSIONER LANNI: And that’s significant. I still have another question. Why when this Commission specifically after some discussion in Virginia Beach specifically asked you not to do that did you go ahead and do it anyway? I don’t understand that.

DR. GERSTEIN: I didn’t understand the instruction was not to do it but, rather, to show the differences.

COMMISSIONER LANNI: I thought it was very clear that you were to separate them, not combine them. You’ve combined
March 18, 1999 N.G.I.S.C. Washington, DC Meeting

them. And now you’re not explaining very well why they’re combined to a level of 31 compared to 8.1. It just seems disingenuous to me.

COMMISSIONER McCarthy: May I? It was clear to me and it was stated on many occasions that these numbers were going to be combined to be instructive at Research Subcommittee meetings. I’m trying to recall before the Commission that these numbers were going to be combined to be instructive to us on certain behavioral patterns of problem/pathological gamblers. Now, that --

CHAIRPERSON James: As I recall the conversation, the issue was not necessarily the combining of the data but making sure that, whenever that happened, it was delineated as such so that we could do our analysis based on that information.

So I have less of an issue with the fact that they were combined, but my recollection of our time together was that when that happened -- and we can go back and look at the transcripts.

COMMISSIONER McCarthy: So that should be cited with each of the charts.

CHAIRPERSON James: It should indeed be cited so that when anyone looks at this data, they know what they’re looking at.

COMMISSIONER Bible: There should be two components, at least. In my view, you should show the data from the patron survey and right next to that the data from the telephone survey so that at least the reader can draw their own conclusions because I, at least, have some difficulty with the patron survey.
I did support the motion to go ahead and do it, but I think I did it with the caveat that the information because of the sample size and the gathering techniques and things like that may be suspect so that I, at least, wanted that data segregated out so I could attribute or give whatever weight I wanted to in my own mind as to the validity of that data.

COMMISSIONER BIBLE: And

COMMISSIONER LANNI: That is what I recall the instructions to be, that you would see them in both fashions.

DR. GERSTEIN: We can do that for each of these tables.

COMMISSIONER LANNI: I would request it.

DR. GERSTEIN: I did that for the initial table, which I thought would stand for the whole, in indicating that there were some differences, that they were relatively small. I can’t without going back and looking at it. The original data speaks specifically to the modification in that one cell in the table.

COMMISSIONER DOBSON: Dr. Gerstein, as you are aware, I also served on the Research Committee. And, like the chairman of our committee has indicated, we have appreciated working with you. You have been very cooperative, competent in the way you have approached this. And I have enjoyed the process.

Now that the data have come back, however, and we have had a better look at the methodology and the other aspects of the report, I do have some major concerns that I would like you to respond to, not, as Leo indicated, because the data are too high or too low. That’s not a good reason to question the results but
from what I would consider to be serious questions about the way
the study was done and the implications that came back from it.

First of all, I am concerned about the results of the
RDD study with regard to pathological gambling, which would
contradict reality or what you would expect, which are
counter-intuitive almost to the point of fantasy in some cases.

As you acknowledged in the report, some of the
respondents or the pathological respondents indicated that their
earnings, their winnings over the past year when extrapolated for
the population at large represented a net increase of $2 billion
from an industry that reports $50 billion in intake per year.
And that’s just not reasonable that it would be that way.

This industry is not in the business of losing to
anyone who gambles over a long period of time. These people
obviously are addicted. They’re regular customers. And it is
not reasonable at all to say that they came out with more money
than they went in with.

So that’s the first concern. And if that is the case
with regard to pathological gamblers in this area where we have
some empirical evidence, -- I mean, you know that’s simply not
ture, simply not true -- then it casts doubt on the other answers
that those pathological gamblers had given to us as a place to
start.

DR. GERSTEIN: If I might just make one correction?
When you look strictly at the pathological gamblers and the
results they yield, they’re not adding up to say they’re ahead.
Quite the contrary. It’s the low-risk gamblers who don’t seem to realize that they’re losing money.

The low-risk group seems to think that it’s taken away twice, I mean, viewed as a group, that it’s taken away twice as many dollars as it’s left behind. The pathological gamblers don’t see it that way overall. They see themselves as a group, as walking away with much less money than was left behind.

The problem doesn’t in general arise with the pathological gamblers not recognizing that they’re losing money. It’s that 150 million low-risk gamblers and even those who are at risk and even to some extent the problem gamblers who when you add up all of their numbers view themselves coming out ahead.

COMMISSIONER DOBSON: We’d know that’s not true.

DR. GERSTEIN: Well, of course, it isn’t true.

COMMISSIONER DOBSON: And not only with regard to casinos but racetracks. They reported the same thing with regard to pari-mutuel gambling. And in their personal gambling, they estimated, what, 10 to one, the ratio of winnings to losses at about 10 to one, which unless you’re somebody named Slim and you’ve got a cowboy hat over your eyes, it ought to be at about 50 percent. So again it’s counter-intuitive, what we’re finding here in regard to some of these answers.

DR. GERSTEIN: It’s not counter-intuitive if you ask: Why do people gamble? If you ask why people gamble and why, particularly, do 150 million people, who report no problems, gamble when -- leave aside the private games for the moment. Why do people gamble in a situation where at the end of the day,
every indication is that the group as a whole is going to walk away, having spent money, having in a sense dropped money because they do walk away having had entertainment value, having experienced a kind of excitement that many of them say that they’re interested in, having had the chance to win, of course, because the odds on any given bet are not zero chance to win?

But it seems sensible that if people think that if they win, they’re going to keep gambling; whereas, if they think they lose, they won’t.

COMMISSIONER DOBSON: Now, again, I’d like you to address specifically the fact that it’s obvious that those answers were either not truthful or at least gross exaggeration and the implications of that for everything else that’s said.

And that leads to my second concern, having to do with the fact that the behavior that we’re attempting to evaluate, especially with regard to pathological gambling.

Is it self-defined by a lack of candor, a lack of honesty, if you will? I mean, lying is one of the characteristics of this behavioral pattern, just as it is with alcoholism or anorexia and bulimia or a spendaholic or any of those behavioral problems that represent obsessive-compulsive types of behavior.

And, yet, we are placing a great deal of weight in those cases on people who have been called on the telephone and who are being asked questions that are potentially embarrassing or threatening or perhaps even illegal. They don’t know whether you’re with the IRS or who you are when you call.
Bill, you referred to people feeling that way in the patron survey. I think it would be even more so over a telephone, where they can’t look people in the eye.

And these are people who continually lie. That’s part of the pattern. And, yet, we’re drawing significant information about those individuals on the basis of their personal responses. That seems suspect, at best, to me, especially when we do have this one instance where there seems to be an underestimation of the winnings and losses.

DR. GERSTEIN: The problem with survey methodology is that it does indicate to us that all behavior in a survey situation is not of a piece. At the same time, for instance, we looked at the lottery results. And we’ve looked at these very carefully.

You’ll hear subsequently in this meeting from Phillip Cook, who has also looked at these data again and I think has some revisions based upon that second and closer look.

We ask two kinds of -- and this is really generally true of all of our questions. We ask different questions of people about the money that they put out in their gambling activities.

In the case of the lottery, we ask two different kinds of questions. We ask: How much did you win or lose? And we also ask just plain: How much did you spend buying tickets?

We know two things about lotteries. The first thing is that, by and large, lotteries pay back a little more than half of what people spend. So out of the 30-odd million that people
spend buying lottery tickets, they, as a whole, get back more than half of it. They leave less than half of it.

When we just ask people a question, how much you spend on lottery tickets, and try and calculate up from that to the total amount spent, we come within a hair’s breath of the estimate that has been made for the same year, for ’98.

The final totals, as always with these financial things, aren’t fully in but the number that Cook and Clotfelder used, which comes off of Terry LaFleur’s run-through of all the lottery receipt data, as a best estimate of the national expenditure, $31.9 billion. Our analysis of the survey data said 31.5 billion, which is pretty darned close.

Using a slightly different methodology, Cook and Clotfelder added up our numbers and said: Well, we think maybe it’s only 27 and a half billion.

But, still, we’re counting up most of the money people spend in lottery when we ask them the question, "What do you actually spend for tickets?" And, yet, in the same breath, these same people have two interesting things going on. One, when we ask them what they think the odds are, how much money comes back from the lottery, by and large, they think they’re getting a much worse deal than the lottery actually gives them. A large fraction of people think that you only get back ten cents on the dollar, that your odds are substantially worse. They play it, nonetheless.

And when we ask these same people who are giving us numbers that account pretty much for all of the money that they
actually spend buying tickets, when we ask them, "Well, how are you doing?"; there is about a billion dollars accounted for that they say that they’re ahead all together, adding them all up, and about $4 billion that they say they’re behind, for a net difference of 3 billion.

Now, this is a very different number. This isn’t nearly as good in terms of the dollars because we know that they’re leaving behind about 15 billion in the hands of the lottery commissions.

So side by side in the same questionnaire, not very many questions apart, you have answers that look right on target and answers to other questions that don’t.

And all I’m suggesting here is it’s not the case of the probity of the individuals judged by whether you get an accurate answer to any one question and that enables you to look at all the others. You sort of have to look at this a question at a time.

In a similar vein having to do with whether the telephone or an in-person interview is the best way to get information, people have done methodological studies with answers to questions about drug use. And it just happens. There are reasons we obviously can discuss. A great deal more money is spent on research about drug problems than has been spent on gambling.

The national household survey on drug abuse is spending more money this week on its annual survey than we spent once in 25 years on a national survey on gambling.
One of the interesting findings out of the national survey is that there is very little difference between the answers people give on the phone when they’re asked about marijuana use versus when they’re asked in person. However, when you ask about cocaine use, you get very different answers. You get a much higher rate of cocaine use revealed over the phone than you do in person.

So the difficulty here is that item by item you get somewhat different patterns of how people respond. And that’s why item by item it’s necessary to try and figure out how -- I mean, to go into these data, as we have here and we tried to lay out for you.

I’m sure you can appreciate how difficult it is for a researcher to look at data and say, "This particular set of items that we asked doesn’t relate to the real world in a straightforward way, but they do relate" -- CHAIRPERSON JAMES: Let me interrupt just a second because I know that there is a great deal of interest. I’m just going to ask that we try to get our answers a little concise so that we can have more opportunity for discussion.

COMMISSIONER DOBSON: I still have some other concerns -- CHAIRPERSON JAMES: Yes, absolutely.

COMMISSIONER DOBSON: -- if I can express them.

CHAIRPERSON JAMES: Absolutely.

COMMISSIONER DOBSON: We don’t really know that the population that that particular research that you talked about is based on, is the same kind of group.
In other words, it could be that drug usage is represented by younger individuals, as compared with gambling and so on. We don’t know what the implications of that are for telephone surveys of this nature.

DR. GERSTEIN: That’s exactly my point. It’s hard to generalize from one to the next because we get contrary examples throughout the --

COMMISSIONER DOBSON: And I know that it is difficult to do what we’ve asked you to do. Behavioral research, where you don’t control all the variables and you’re trying to involve a lot of people, some of whom don’t want to respond, that’s tough.

And so I’m not critical of you, but I do think we owe it to the scientific community to take a good, hard look at what you’re finding and whether or not it meets the test of validity and reliability.

The third concern that I have is the one that goes back to what I expressed at Virginia Beach, where the RDD study contradicts or underestimates or understates the findings of a body of literature that exists in peer-reviewed journals, especially with regard to the youth studies and the incidence of gambling among young people.

Those differences are so great. I know the criteria have changed and the instruments have changed and the questions have changed, but they are so far off that it raises a lot of questions for me.

As I indicated last time, I spent ten years in medical research at University of Southern California School of Medicine.
And whenever you come up with findings that are very, very
different than a whole body of scientific information, the new
information is suspect until proved otherwise.

And you are aware of Dr. Schaffer’s meta analysis that
found youth pathological gambling rates being around 6 percent,
somewhere between 4.4 and 7.4. And, of course, the studies that
I mentioned in Virginia Beach about the reports released in
August of last year to the American Psychological Association in
San Francisco revealed rates of five to eight percent.

The NORC estimated the lifetime pathological gambler
incidence was 1.5 -- or that’s NRC. And NORC’s RDD revealed.89.
So there’s a gigantic gap there between those findings that
raises significant questions from me.

Do you want to respond to that?

DR. GERSTEIN: In a sense, the response is not much
different from the point I made in Virginia Beach, that is that a
lot of the --

COMMISSIONER DOBSON: In the interest of time, let’s go
on. I’ve really just restated what I tried to say there. And
you have responded to it. I want to add that to the record as
yet another concern, especially with regard to youth.

COMMISSIONER DOBSON: Fourth and last is what you all,
Mr. Harwood and Dr. Gerstein, just reported with regard to the
social costs of gambling, associated with gambling.

I’m concerned by what seems to me to be a relatively
small constellation of factors on which you reached that $5
billion figure when there are other very significant costs that I admit are difficult to get at. But they’re still there.

Common sense would tell us that the cost of divorce is not simply limited to the legal cost. I mean, there’s a wide range of implications for child abuse and for spouse abuse and for all the other things that are associated with divorce. The wide-ranging implications of theft have I think some concerns for us here.

I think, again, going back to Dr. Lesieur’s research, one-half of the pathological gamblers that he studied had admitted lying and stealing, especially stealing, from employers, from spouses, from friends, from anybody, stealing anything that wasn’t nailed down. You know, that is a significant cost that I’m not sure you have attempted to estimate. So there are just a lot of social implications there that would change that $5 billion figure dramatically.

And, again, it’s difficult to get at those things, but I’m bothered by the statement that you made on Page 50, which says, "The main conclusion is that the current economic impacts of problem and pathological gambling are relatively small, both in terms of the number of current prevalence," and then you have parentheses, "and cost per prevalent case."

I don’t think you can make that statement without addressing the things that you have a hard time getting at in terms of social costs.

DR. GERSTEIN: In stating that that’s the main conclusion in the analysis that was conducted, that conclusion,
especially that it’s relative to the other numbers, is accurate
to that analysis. That it’s the main conclusion in a larger
sense, namely that it summarizes everything there is to know, is
not the meaning intended. It really was focused on that
comparison.

CHAIRPERSON JAMES: I really am concerned that that
statement standing alone could send a very wrong message,
particularly in light of other data that we have coming forward
that said it’s just hard to get at. In many cases, the research
doesn’t exist, the data doesn’t exist to support that statement.
And we’re jumping right in.

COMMISSIONER LEONE: May I jump in here?

COMMISSIONER DOBSON: Madam Chairman, there’s nothing
there for a suicide, the implications of suicide and the cost of
that. There are a number of factors. We could fill a page.

COMMISSIONER LEONE: We have a problem measuring these
costs everywhere. Let me give a simple example. If somebody
goes into a store and buys a shirt for $29, we say that shirt was
worth $29 to them. Presumably they could have bought another one
for $28 or $30. Theoretically, that was the amount of
satisfaction embodied in buying that shirt and usefulness. And
because it’s a physical article, we feel comfortable saying that
that was a $29 shirt.

Now, when they go in and lose $29 gambling or spend $29
on gambling, we tend to say: Well, they got $29 worth of
satisfaction. We know that’s a fuzzier number in that they
didn’t really say, "I’m going to get $29 worth of satisfaction.
I could have gotten 30 or 28, but I bought the $29 package of satisfaction."

In the casino, when somebody loses a lot of money and then let’s say they get a divorce, maybe -- God knows I don’t want to say the wrong thing about Reno or any other place or any other group or subgroup in the United States. But let’s say they can get a divorce for $29 in Reno. And we say: Well, the cost or the down side of their pathological gambling which led to divorce we can measure is $29.

Now, that becomes absurd because if you say the dissatisfaction cost of a divorce to the family, to the spouse, the children, to society, to the individual, the individual’s dissatisfaction is not measured by the professional service cost of hiring a lawyer or filing papers. It’s obviously a much larger cost that we can’t measure.

And one of the real problems when we try to look at the costs and benefits in this area and try to quantify them -- and I admire the attempt to do it -- is our apparatus breaks down because -- and it’s probably erroneous on the other side, too, but at least we have developed convenient ways of saying: What’s the satisfaction somebody gets? They’re willing to spend this much.

I think, again, the problem we have here is that we have one study in 25 years. And we’re going to put so much weight on it, I’m afraid, publicly that it will sink because it is a study that may include some outlier results, for all we know.
I’m sure this is being done, a very professional group, a very professional job, but they would never argue that there weren’t results embodied in the survey that subsequently the next ten surveys wouldn’t show. Well, that one was out here on the range of possible conclusions you could have.

There are other things that point the way, but it’s just the baseline for what ought to be a lot of research before we can get a handle on these things.

And as far as measuring the costs and benefits, this kind of research is not going to help us very much ultimately until we learn either to quantify other things or to admit there are things we can’t quantify but we value them so much that we don’t view this as simple arithmetic. And we do that all the time.

I sympathize, actually, on this one because, on the one hand, you want to push people who are doing the research to come up with numbers: What do you think it costs? On the other hand, we all know that doesn’t measure the real cost in all the ways we might think about costs.

So I think it’s very important that these statements be conditioned in that way -- I think Kay is right and Jim is right -- or they will be misused and misinterpreted.

Like all areas where the research is limited and maybe our intellectual ability is limited, the arguments in this attempt to be fragments of arguments that various people on both sides bring to the table. I hate to see this become another fragment in both sides of the argument.
CHAIRPERSON JAMES: If I went to the Women's Resource Center and said, "What's the cost of divorce to women in America?" I'll bet they would calculate it in some way other than the legal fees. And I don't know how they gather that data. I don't know how they come up with that information. It would be interesting to know.

But there is a danger. There is a real danger. And, Frank, you know I love you, but already, I mean, the AGA says the NORC report also makes it clear that "Not only are the numbers of pathological and problem gamblers relatively small, but their estimated cost to society is many magnitudes below previous estimates."

And so already what you have said and how you have framed it in your report is being put forward as saying: Gee, look, the costs of gambling are minimal.

COMMISSIONER WILHELM: Can I?

CHAIRPERSON JAMES: Yes.

COMMISSIONER WILHELM: I was on the short end of many scintillating and in-depth discussions in the Research Subcommittee, one of which is what you're talking about.

I thought naively that what we ought to do is go places that people could have a good deal of confidence in and not go places that nobody would have any confidence in.

And this last one is an example. I argued that we shouldn't get into this because it's so murky. And I think, at the risk of saying "I told you so," I told you so.

(Laughter.)
CHAIRPERSON JAMES: Why don’t you call in adolescents while you’re at it, too?

COMMISSIONER WILHELM: I’m getting to that.

However, I would just point out that while, unarguably, the comments about divorce that have been made by Jim and Kay and Richard’s comments as well are true, the same points could be made about a number of the other categories of social problems --

CHAIRPERSON JAMES: Sure.

COMMISSIONER WILHELM: -- to which these are compared. That is to say, drug abuse produces all sorts of costs that fall in the same category of murky. So that I don’t think it would be fair of us to say, "Well, you know, the economic costs attributed to the problem/pathological gambling group is any more or less murky than the costs attributed to, say, drug abuse."

I think they’re all a little murky. So if we’re going to compare murk to murk, I don’t think it’s an unfair exercise if we’re going to get into it in the first place.

I wanted to make a couple of other comments and questions.

CHAIRPERSON JAMES: Can I respond to murk --

COMMISSIONER WILHELM: Certainly.

CHAIRPERSON JAMES: -- just before you move? You know, I think the only thing that disturbs -- well, not the only thing, but the thing that disturbs me about that particular statement is it sounds so definitive. And it isn’t. And we know it isn’t.
And I think that everybody on the Commission has really struggled with this. How do you estimate the social cost? And it’s a very difficult thing to do.

And, at best, I think what we could say at this point is we really do need more information. We’d really do need more research and not get by with the easy answer of "You can’t get your hands around it" because I think, Dick, you’re absolutely right. It may be difficult, but we can do a far better job than we have done in the past and perhaps --

COMMISSIONER LEONE: I think we just have to make clear these are extrapolations, attempts to measure some costs, limited our ability to measure costs.

I think the problem, frankly, in the report is it -- and the problem we all have is we tend to push it and make it seem definitive when it’s not.

This is like the survey itself. This measures the responses of some people. Some of their answers are good and some are suspect. And some generalizations are possible, but even those you would argue are tentative because we really ought to do this survey every year. And then after a while, we would begin to really --

CHAIRPERSON JAMES: There you go.

COMMISSIONER LEONE: -- have a handle on things. And this measures some of the costs of gambling and negative costs, negative and maybe only some of the positive costs of spending. And that’s all you tried to do. So I just think conditional language is important.
COMMISSIONER DOBSON: And what concerns me is that comment, that conclusion is added to some of the conclusions of the Adam Rose report, which also leads us to some of the same I think erroneous information.

So I’m not critical at all of your inability to do this, but I am like Richard. I’m critical of your bottom line, which is not supported by the completeness of the finding.

Excuse me, John.

COMMISSIONER WILHELM: Not a problem. If you had voted with me, we wouldn’t have had this problem.

(Laughter.)

COMMISSIONER DOBSON: Think of all the things you would have had us do, though, John.

COMMISSIONER WILHELM: Yes. I would have had a real --

anyway --

(Laughter.)

CHAIRPERSON JAMES: Gentlemen.

COMMISSIONER WILHELM: Having said that, I do think this Commission owes an enormous debt of gratitude to Commissioner McCarthy for the vast amount of time that he has put into shepherding not only this project but the really lengthy agenda of the Research Subcommittee. I very much appreciate that. And I have said that to Leo privately as well as publicly.

However, I do want to say with respect to at least the way I heard the comment earlier about predispositions, I realize there are interest groups out there that will, as the Chair just
indicated, seize upon whatever it is that anybody says to prove whatever it is they thought in the first place.

But I do not believe that that is any longer going on in this Commission, if it ever was. Quite the contrary. I think that the views that, for example, Jim, who has a different position on a lot of this stuff than I do, don’t come out of his predispositions, though his predispositions are quite strongly felt. I think people are trying to get at the bottom of this here. And I listened to the commissioners’ comments, all of them, in that light.

I wanted to first repeat a comment that I had made in Virginia Beach about this lottery finding, which some people seem to think is quirky but which I think is actually quite important, the finding that people participate on a very widespread basis in the lottery thinking the odds are even worse than they really are.

I think that that’s a very important concept, and I think intuitively we could extend that to all of the forms of gambling, leaving aside pathological and problem gamblers.

For example, the suggestion has been made a number of different times in our Commission meetings by commissioners and others that: Well, you know, we ought to publish the real rates of return of these things.

Well, I’m assuming that if we publish the real rates of return of lotteries, more people would engage in the lottery because it’s not as bad as they thought.
And I don’t mean by that just to make a joke. What I
mean by that is that I think that when we think about the issue
of gambling and why people gamble, that we ought not be
patronizing.

I believe that as a group, the American people are
quite smart. Individually we’re all capable of being fools. But
as a group, I think people are pretty smart. And I think we
ought not to have some high-brow point of view that: Well, you
know, the only reason people gamble is because they’re stupid,
because they don’t know the odds or something like that. I mean,
people on this e-trading business probably look down their nose
at people who buy lottery tickets, and maybe that should be the
reverse.

I think it’s very important for us not to fall into the
notion that people gamble because they’re stupid. I think people
may not know whether they’re getting 28 or 30 dollars worth of
whatever it is they get out of gambling, but they’re getting
something out of gambling that causes them to spend the $29 in
Richard’s example.

With respect to what I consider to be the basic finding
of the NORC survey, I’m sort of schizophrenic about how I react
to it myself personally. I’m comforted by the fact that in
ballpark terms, the prevalence rates for problem and pathological
gamblers in this study, in at least the executive summary of the
NRC report, which we’ll hear more of later today, I guess, and
also in the Schaffer study, they all seem to me to be in sort of
the same general ballpark.
I realize there is a difference between 0.8 and 1.5 and so on, but they’re not to me wildly different, proportional to the entire population. And I think that’s a subject, on the one hand, of considerable comfort. It seems to me that I know at least the zone of the prevalence of problem and pathological gambling.

The reason I say I’m schizophrenic is pragmatically I almost sort of wish that the figures were higher. And what I mean by that is not that I wish that there were more problem gamblers in the country. Obviously none of us would wish that. But if they were higher, maybe there would be a bigger impetus to do something about it. I think that in hindsight, if this Commission is perceived to have had any value, it will be in sounding the alarm on this subject.

I know that in the case of our union’s medical insurance coverage, we have never had any push from the membership — and we poll the membership on a regular basis — to include problem gambling coverage. But because of the work of this Commission, we’re going to do it anyway, even though it’s not something the membership has pushed for.

I think Commissioner Bible in his former capacity as the Chair of the Nevada Gaming Control Board probably was able to push further and faster with his ground-breaking efforts to enact regulations in this area because of the focus that this Commission put on it. So in that sense only, I almost wish these figures were higher.
I’m comforted basically by the fact that all of these findings on pathological and problem gamblers appear to be in the same zone. I’m troubled, however, by this so-called at-risk category.

I really wish for, again, pragmatic purposes, Dr. Gerstein, that you had stuck to your pronouncement at Virginia Beach that you were going to use what you referred to as neutral labels because you didn’t change the numbers around, I don’t think. You just changed the labels. And you have now called this third tier at-risk. I think you used to call them Type C.

I’ll tell you what bothers me about that. It goes back to your colleague Mr. Harwood’s statement that these ought to be looked upon as warning bells. I’m really worried that the definition of that third tier group as at-risk is a very kind of misleading warning bell because I’m befuddled by the science for saying that that is the group in the population that is more at risk than other people.

I don’t see in your report what the science for that is. In terms of common sense, it doesn’t make any sense to me, particularly because this is lifetime. I mean, other people may accuse you of not being responsive to your concerns, but you were highly responsive to mine. When I said lifetime doesn’t make any sense to me, you just said "past year."

(Laughter.)

COMMISSIONER WILHELM: Clearly I’m having a persuasive impact. But lifetime I really don’t know what at-risk means. I mean, as an example, one of your categories is lying, "Have you
ever lied to family members, friends, or others about how much you gamble or how much money you lost on gambling? If so, has this happened three or more times?"

Well, look, everybody does that. Now, I’m not in the category that some of you associate with the incumbent President of the United States here. But everybody knows that when people go to Las Vegas, most people say, "Oh, yeah. Well, I won." And what they really meant was, well, they won Tuesday night and they didn’t win Monday or Wednesday or Thursday. Whenever I hear that, I find them saying: Well, Mr. Lanni and his colleagues didn’t build these big buildings on winners.

So, I mean, people just do that. Well, if I’ve done that 3 or more times in my life -- and, you know, 30 million people a year go through Las Vegas. And I’d wager 29 million of them engage in this little lie, which I don’t regard as a --

DR. GERSTEIN: How much would you wager?
COMMISSIONER WILHELM: -- mortal sin. Pardon?
DR. GERSTEIN: How much would you wager? I’m --
COMMISSIONER LANNI: He’s going to put you at risk, John.

(Laughter.)

COMMISSIONER LANNI: A hundred dollars.
COMMISSIONER WILHELM: No. Wait. If I just bet, I’m not at risk. It’s if I get upset about it.

Any amount you want, Dean.

CHAIRPERSON JAMES: No. Keep it under 100.
COMMISSIONER WILHELM: Any amount you want, and we'll do a patron survey to figure it out. No. But, seriously, if the definition of somebody who is at risk is somebody who three times in their entire life has engaged in some form of lie about how much they lost or didn’t lose or if the definition is that once in my life I gambled to relieve uncomfortable feelings, well, gee whiz.

I mean, you know, some people have a drink once in their life to relieve uncomfortable feelings. Does that make them an at-risk alcoholic? I doubt it.

So I’m troubled, one, by the science of that. And I’m even more troubled because clearly -- and you’re frank about this -- we don’t understand, no one, I believe, understands, the relationship between the propensity to become a problem gambler and a whole bunch of other things.

And you have been candid about the risky behavior, drug and alcohol abuse, mental illness, poverty even. We don’t really know sort of what’s the chicken and the egg or what’s the cause and effect or what is the relationship among those things.

And so, in fact, on those -- can you put up that comparison chart, Doug? I think it’s the last one, the one that compares. Yes. I mean, I may be misreading this chart, but you pointed out a number of cases, such as divorce and others, which are important to point out, where the rate of the consequence for pathological gamblers is much higher than the predicted rate without gambling. By the same token, if I’m reading this right,
the rate for low-risk gamblers, as you categorize them, is much lower.

And I don’t know where the at-risk falls in that, but it just doesn’t seem to me that we’re doing any good in terms of the warning bell to identify a group of people who may or may not have ever become problem gamblers as those who are at risk.

It seems to me that virtually everybody in this society is at risk in this particular field as gambling expands. So I’m worried that in labeling that group at risk, as opposed to Type C, that you’re kind of giving us a false comfort.

I mean, I don’t know that 15 million people are at risk. I think maybe 200 million people are at risk because gambling is more and more pervasive and it’s on more and more street corners.

So while I’m comforted by your basic findings on pathological and problem, I’m very troubled by this labeling of the types, what you used to call Type C, as at risk.

I’m almost done here. I don’t know if you would have any comment on that or not. The Chair has already pointed out that I’m compelled to repeat my comment that I wish we knew more about youth gambling, although it is intriguing to me -- and I wonder if you have any reflection on it -- that apparently young adults are not proportionately gambling as much more as other people between ’75 and now, which I would be interested if you have any view on that.
And, finally, so as not to disappoint Commissioner Bible, who keeps a clock every day on how long it takes me to say "jobs" --

COMMISSIONER BIBLE: You just got there.

COMMISSIONER WILHELM: Not now, Dr. Gerstein, but I would be very interested if you could provide me at a later point with some information on the fourth bullet under the heading "Community Impact of Casinos." You say, "Per capita income stays the same, indicating the communities reap more jobs but not necessarily better jobs. Local unemployment does continue, and the new jobs are often low-paying, part-time, and/or without benefits."

I have the impression -- and I don’t know this -- that the communities that you studied are not dominated by communities that either have destination resort-type casinos or that have union casinos. And I would be very interested in knowing the types of casinos and other gambling establishments that the "low-paying, part-time, and/or without benefits" finding came from.

And I don’t know if your data will reveal that or not, but at some point if you could tell me whatever is known about that, that would be helpful.

In Virginia Beach, you made the observation that even though per capita income stays the same, because of the reduction in unemployment rates, welfare outlays, and unemployment insurance, that there are more people getting the same per capita income from jobs, as opposed to previously getting part of that
same per capita income from transfer payments. And I think that’s an important point.

But if you could shed any light on that part-time benefit issue and no-benefit issue, I’d be grateful. Thank you.

CHAIRPERSON JAMES: I counted at least seven questions in there. If you want to start at the top, the first one I got was on the switching from the, quote, "neutral categories," A, B, C, over to the designation of at risk, low risk, pathological problem. Do you want to answer that one first quickly?

DR. GERSTEIN: In a simple sense, focusing on one category, the main categories, we can say: Well, there are problem, pathological, low-risk, non-gambler, and Type C.

The term "at risk" has really two points to it. One is it is a common epidemiologic term for people who have any sign versus people who have none. That’s for the specific sign.

I went through the distributions of the kinds of particular criteria that people at different levels were reporting. And the most common thing that people at this at-risk are reporting is the criterion called chasing, which is the phenomenon of going back and trying to win back the money that you lost and doing that on a sort of steady and accelerating kind of basis.

Of all the people in that category, half of them got there, in part, at least, because they answered. They said: Yes, I’ve done that. Some of these other categories come out at a very much lower rate.
Lying is consistently the fourth most frequent of the categories affirmed at every level. There is a lot of stability as you go up the chain from what gets affirmed by people who are at this one or two and people who are at the five or more up to the ten.

Obviously more things get affirmed across the board. But in terms of rank order of the different things, it’s really a remarkable table.

COMMISSIONER BIBLE: Do you have a table that shows that?

DR. GERSTEIN: I just generated it. I will put this table into the appendix, which we’ll add to the report. But the main thing it tells me is that there is no particular thing that is only true of the people in this at-risk category but not true of others. And it differentiates them from those who have gone beyond the stage of being at risk to having some pretty serious set of problems.

I wouldn’t say that the term "at risk" is meant to indicate anything more than epidemiology usually means by it, which is it’s a group in which there is some sign there. It doesn’t mean the sign is definitive. It doesn’t mean that every single person there is in any sense equally at risk with every other.

But compared with the people who have had sort of similar exposure and shown none of these signs, it seems like the right thing to call it, at least in terms of the language that’s generally used to classify people with these kind of indicators.
COMMISSIONER LANNI: Dr. Gerstein, if I recall correctly from the meeting in Virginia Beach, we talked about and I think you volunteered that you chose at that time to use more neutral terms. You used the word "neutral." I recall that. I think the transcript would so support.

Why did you determine since that date, in the last four weeks, to change it to something that one could argue is not neutral? When one says "at risk," it is certainly not from my standpoint a neutral term.

You used in your presentation earlier today the word "transitional." Well, that has --

DR. GERSTEIN: That is the term that Shaffer uses for the same thing.

COMMISSIONER LANNI: Right, right. I'm just wondering: Why did you decide that you had to have a change of opinion that you shouldn't stay with the neutral positioning and move to categories that were less than neutral by some people's interpretation?

DR. GERSTEIN: I actually think the term "at risk" is a relatively neutral term considering where it lies in this spectrum from non-gambler to pathological gambler.

COMMISSIONER LANNI: That's obviously in the eye of the beholder. I wouldn't agree with that particular statement.

DR. GERSTEIN: That's certainly your prerogative.

COMMISSIONER LANNI: The other issue is you took great pain in Virginia Beach to share with us the aspect that we would
have past year as well as lifetime. And you’ve chosen now to
disregard in many instances in these calculations past year.

Especially when you get into at-risk considerations,
which to me is less than neutral, -- you perceive it to be
neutral, and I accept that -- I think it would be helpful for
people reading such reports, which would have the ability to see
past year experience and what that percentage is, what those
percentages would be as compared to lifetime.

Because I think if you take a person who is 75 years
old and ask them if "At one time 35 years ago, did you have a
drink?" or "Did you have to relieve anxiety or pain in some
function that you decided to gamble?" and it was $100 in one
instance in one year, you would be at risk.

And I’m not so sure that makes as much sense. I think
a reader might like to look at it: What’s the past year’s
experience? I think it was even mentioned by you, sir, that
people may be coming through treatment.

You used the term not to say in the past year, there
may be requirements with -- they allowed you to look at last
year, in addition to it, but you’re saying they may be in
treatment. So someone may be out of the problem area and no
longer at risk.

I just think it would be helpful to have the prior year
in addition. You have that information available. It was
calculated accordingly; correct?

DR. GERSTEIN: We do, yes.
COMMISSIONER LANNI: Would you object to having that included in the final report as well as the lifetime? DR. GERSTEIN: No. I think, from our point of view, the reason we focused on lifetime is that we got feedback from people who are in the psychiatric epidemiologic area who returned to the point that the way the DSM-IV criteria are defined, that they fundamentally don’t talk about particular periods of time.

It is, in fact, still something that we need to work out within the field, what the year-by-year kinds of analysis would reveal if you started looking at people’s careers year to year and see whether indeed the kind of periods of relapse and the notions about chronicity that are really baked into the definitions continue to hold.

COMMISSIONER LANNI: If we look at this as I look at this report, -- this is no disrespect to you or to NORC -- this is a work in process. I mean, it’s beginning. It’s something after 20 years. It’s $1,200,000, which is a lot of money, but maybe in the context of other things, or it could be spent. Maybe there will be some other funding someplace in the future for this.

I would reiterate the comments that were made earlier, I think by Mr. Leone and by others, that there is no doubt that there is a certain percentage of the population in this country and in the world that have problems or either problem or pathological gamblers. There is no doubt about that. And we need to do far more.
I mean, not just the part of the industry that I’m involved in but all aspects of legalized gaming in the United States in my opinion have a responsibility to help deal with these particular problems, both for employees as well as for patrons. That needs to be done.

And, if anything that this Commission can look back on and say as individuals and collectively that we have been able to achieve, if we can achieve that, I think we will be well worth the money that was funded in Congress for us in that particular area.

But I don’t think any of this that you’re talking about, with all due respect, is as definitive as some aspects of the report would indicate. And I think the more we include in it in that report -- I’m not saying to adjust anything -- to include past year as well as lifetime, let the next people looking at this and let other commissions or other individuals looking at it get more information to deal with to reach the conclusions that are necessary.

We’re never going to get to the point in my opinion, no matter how many surveys are done, that will get an actual definitive number that is totally conclusive.

We know that there are certain percentages of people who have problems in gambling, no doubt about that, as they have problems with a lot of other things.

And I think that that is why I say it’s a transition. I don’t think we need to be as definitive as you have reached in
some of your conclusions as I think is appropriate in that regard.

So since you don’t necessarily follow my requests, since you said you don’t have an opposition to it, with the Chair’s and the Commission’s approval, I would request that you include the past year information that you have already derived from your surveys in the final document. If there’s no objection, I would really recommend that.

COMMISSIONER McCARTHY: May I on that point?

CHAIRPERSON JAMES: Certainly.

COMMISSIONER McCARTHY: I think Jim Dobson and John Wilhelm know how strongly I’ve felt from the very beginning of the Research Subcommittee’s work that when we’ve received final reports, we didn’t want changes in the reports because one, two, or three Commissioners felt there should be a change.

I haven’t heard anything here that would come to any major change in the report, but I heard you comment in response to Commissioner Lanni’s question as to why you use lifetime in the particular chart you’re using.

So fine, if you want to add that chart, but I want to make sure that you annotate that to say what you just said to this Commission, why you use the lifetime figures and why that’s used validly in other kinds of research. And the same is true of anything else that may be added in appendices.

With that chart being added, would you -- I’m making this request. I’m not saying don’t add the chart. I’m saying please explain why you used the other chart and this chart has
been requested and added for additional information. Right? In other words, stay true to the report that you gave us.

I have one other question, if I may, Madam Chair.

COMMISSIONER LANNI: May I?

COMMISSIONER McCARTHY: I didn’t want to alter anything you --

COMMISSIONER LANNI: No, no. I understand that, actually, it’s rather normal to use past year numbers. So, I mean, if you’re going to put the reason you used lifetime, I think you should also put the reasons why people use past year numbers. Just in fairness, I think we should have explanations of --

COMMISSIONER McCARTHY: Whatever usual and customary practice is.

COMMISSIONER LANNI: Is that appropriate?

DR. GERSTEIN: It’s certainly appropriate when you collect data to present all of it. I do think --

COMMISSIONER LANNI: I think that’s appropriate. You won’t get an argument from me on that.

DR. GERSTEIN: I think we have strong reasons for interpreting data as relatively more important for the kinds of analyses we’re doing than other --

COMMISSIONER BIBLE: Was there consensus in the consulting group to omit the past year data?

DR. GERSTEIN: There was a view that clearly in the group of our technical advisers who study this that the most important data are the lifetime DSM-IV criteria.
COMMISSIONER BIBLE: Did Dr. Volberg concur with that?

DR. GERSTEIN: Absolutely.

CHAIRPERSON JAMES: You know, as long as we’re clarifying, the point that was raised earlier on the social cost and we were looking at the, quote, "murk" factor and looking at the statement that’s in the report about how definitive that is, Leo, in being sensitive to your response that you should not change just on the basis of an individual Commissioner’s request and we wouldn’t want them to do that, I wonder how we intend to handle that because I think there was consensus that that statement standing alone is a bit definitive and doesn’t reflect what we believe to be the current status. How are we handling that?

COMMISSIONER McCARTHY: I think the way that I would ask Dr. Gerstein to consider doing that, Madam Chair, is what I mentioned in my comment an hour ago, that I think you acknowledged in several places here that you simply cannot get at information and cannot make a complete economic cost estimate. You try to do it in some limited areas.

And I’m inclined to agree with the Chair and with Dr. Dobson that that statement doesn’t quite connect with that reality. Now, I don’t know how you want to address that. Don’t address it in any way other than -- this is just one person talking -- what you’re ethically comfortable with.

I think there is a bit of a disconnect here from what the Chair has said and what Dr. Dobson did say earlier. Obviously I don’t think we should write these reports concerned
about any particular group sending out a press release. I mean, that’s going to happen in any event. They’ll cherry-pick throughout this report depending upon what their point of view is.

I think there is some validity in the point that has been raised here, but I would say no more than that and just ask you to look at it as one person.

COMMISSIONER DOBSON: It would satisfy me if you would list some of the areas that are difficult to analyze there, some of the things that I mentioned and others that are difficult to get a handle on. Admit it and say these would obviously change the numbers if we were able to evaluate them. At least there needs to be some kind of statement that qualifies what you have stated here as a firm conclusion.

COMMISSIONER BIBLE: Are we asking them to go back and rewrite portions of their report? Is that what we’re doing?

COMMISSIONER DOBSON: Well, I would.

DR. GERSTEIN: In some sense, let me simply state as a reaction to this that I think the statement that you have all pointed to and said, "You pull this out, put it on a table, and say, 'This report says this,'" it really in that sense is out of context because the beginning and the end of that chapter clearly state all of the reservations and caveats that have been stated here.

I think maybe what this amounts to is we haven’t done as good a job of building in sentence by sentence the kind of
qualifications that would clearly express when you read the
multiple paragraphs.

I guess back in the days when I was at the NRC and from
the time I would write a sentence until the time it appeared in
print would have gone through six or eight or ten months of
review, I would say that one could fix every sentence.

But you clearly found a sentence that does give a bad
rendering of what we meant, and I think it’s perfectly fair for
us to say what we mean, revising if we need to, I mean, with the
permission of the Commission. That’s not something I --

CHAIRPERSON JAMES: Well, I don’t think we’re asking them to
rewrite the report. My question is: Is that what you meant to
say? And if it isn’t, would you say what you meant to say?

COMMISSIONER DOBSON: And, Dr. Gerstein, this is not just
something lifted out of the report somewhere. This is under your
conclusions. This is under "Summary Statement" at the end. And
it says, "The main conclusion."

This is not just something randomly selected in here.
This is the bottom line. And I think it has to be right.

COMMISSIONER McCARTHY: I think Dr. Gerstein gets the
point, Madam Chair. I think all Commissioners have to look at
whatever -- could I complete the other point that I was on?

CHAIRPERSON JAMES: You certainly can. And then we’ll
go down to Commissioner Wilhelm.

COMMISSIONER McCARTHY: The issue of at risk, I just
wanted to go over the numbers with you. You will be accused of
being too neutral in some places and not neutral enough in other places.

Pathological gamblers in millions, two and a half million; problem gamblers, as you define it, three or four hits on the DSM-IV, on the NORC screen now, three million.

DR. GERSTEIN: That’s right.

COMMISSIONER McCARTHY: At risk, as you define it --

COMMISSIONER LANNI: Commissioner McCarthy, may I interrupt you on that particular point? Because that’s a question that I had. If you go to the detail on Page 25, there’s a reference in the second paragraph under "Prevalence Rates" that if one adopts the midpoints of each range as the best estimate, our best estimate is that there are four and a half million pathological and problem gamblers. And then when it comes to the summary on Page III, it indicates the million larger. I think that should be consistent.

DR. GERSTEIN: We do make it consistent. It is meant to be five and a half.

COMMISSIONER LANNI: So, then, the four and a half is wrong?

DR. GERSTEIN: We did go through this draft again and found a number of places where we had inconsistencies between numbers.

COMMISSIONER LANNI: Well, it just was an inconsistency, and I didn’t --

COMMISSIONER McCARTHY: I agree with Commissioner Lanni. Whatever is the appropriate number should appear
consistently throughout. All right. For now until otherwise, the problem gamblers were three million.

So that’s two and a half million, pathological; three million, problem; at-risk as you defined it and as I listened to you, what I heard, at-risk 15 million. And what I heard was we’re getting one or two warning signals here, and we need to be wise enough to watch what’s happening here to see what develops.

And then the number we really haven’t emphasized, low or no-risk, would you give us that in millions? It’s a pretty big number.

DR. GERSTEIN: It’s 148 million.

COMMISSIONER McCARTHY: A hundred and forty-eight million are at low risk or no risk. So five and a half million, pathological or problem; 15 million, at-risk. And we attribute a lot more weight to the problem and pathological in the mix of this, but we are told, in effect, watch the at-risk and make sure they don’t slip into the problem/pathological category.

Let’s learn a lot more about this population. Let’s see if we’re doing what we should do in case there is some sort of trend there that could move some of those people.

Dr. Shaffer said somewhat the same thing about movement from Level 2 to Level 3. Thank you.

DR. GERSTEIN: I agree.

COMMISSIONER WILHELM: I had one other point here, and I wanted to leave it until last because I think it’s a relatively minor point.
March 18, 1999 N.G.I.S.C. Washington, DC Meeting

I went back and I checked our notes of the Research Subcommittee on this point, Dr. Gerstein. During the lengthy discussions about the patron survey, the Research Subcommittee requested that because of the issues about sample validity in the patron survey, the Research Subcommittee requested that you and I make an attempt to estimate the proportion of facility revenue that is derived from problem and pathological gamblers. And you explicitly agreed not to attempt to do that. So I'm somewhat disappointed that, in fact, you did attempt to do that.

Now, if I were a, quote, "defender of the gaming industry," unquote, as I am sometimes categorized as being by some people, I suppose I would be delighted with your finding because people in the anti-gambling movement have made various claims about the proportion of casino revenue that derives from problem and pathological gamblers. I have seen claims of 50 percent, 40 percent, 60 percent, 70 percent, 80 percent in one case.

So if I were simply here to try to, quote, "defend the industry," I suppose I would be delighted that your finding was somewhere in the 15-16 percent range, depending on which one of these numbers you use for casinos.

I'm not going to rehash here in the interest of time all of the issues that we have discussed in the past about the sample validity problems of the patron survey. In my view, no one should take any comfort out of that figure because it can't possibly relate to anything real. And that was why we asked you not to do it. And that's why you agreed not to do it.
And so I just want to register my disappointment that it’s here. I don’t think the figure ought to be regarded as high or low. I think it ought to be regarded as irrelevant and invalid.

DR. GERSTEIN: Again --

CHAIRPERSON JAMES: If you want to respond?

DR. GERSTEIN: That figure is extrapolated from all the data, from the telephone data as well as the patron data. What I explicitly didn’t do is just take the patron data alone as a source for it. And that’s --

COMMISSIONER WILHELM: Well, we asked you not to do it, and you agreed not to do it. But what else is new?

COMMISSIONER BIBLE: When we see the data again, when we see the next iteration of the report, we’re going to have the differentiation between which component came from the patron and which component came from the RDD data, which is my understanding of the direction we’re taking.

DR. GERSTEIN: We can generate it both ways.

COMMISSIONER DOBSON: Madam Chairman, I raised four concerns. Three of them I can live with in this report. The one with regard to the incidence of pathological gambling among youth is not one I can put my name on. And if it remains in our final report, that will require me to write a minority report if we agree that that is possible.

COMMISSIONER WILHELM: Jim, excuse me. Among youth?

COMMISSIONER DOBSON: On youth.

COMMISSIONER WILHELM: On youth?
COMMISSIONER DOBSON: Yes, youth because the differences are so dramatic it’s like 12 percent of what other credible researchers have found. Much of it is supported by the gambling industry.

I just don’t feel right about leaving that on the record unchallenged. And I don’t know if anybody else feels that way, but that’s not one that I’m comfortable with.

COMMISSIONER WILHELM: I don’t know if I would reach the same conclusion that Jim has just described with respect to my willingness or unwillingness to associate my name with a report that contains that number, but I have previously registered my deep concern about the tiny sample of adolescents.

I’m not sure, Jim, if your comment was referring to adolescents or young adults.

COMMISSIONER DOBSON: Adolescents is my major concern and the testimony that we’ve had.

COMMISSIONER MOORE: Well, like under 17-18 that we heard last --

COMMISSIONER DOBSON: Yes.

COMMISSIONER MOORE: I’d agree with you. That seems from hearing young people talk today, I’m just going to --

COMMISSIONER DOBSON: And it contradicts the testimony that we have had, the problem that’s occurring with youth today.

COMMISSIONER LEONE: Let me just say something that I hope will be clear in the way we write our report. I share Jim’s skepticism about this part of the report, but I agree very much with Leo that while we can ask for clarifications for language,
we cannot without destroying the whole enterprise and making expenditure a complete waste say that you should change your findings or omit findings.

These are the findings this group made in the research that they conducted according to the terms. And it will stand. And I hope -- and this comes back to my don’t put too much weight on this boat or it will sink. Even though it was financed by as carefully selected and eminent group as we are, it’s just one more piece of research along with lots of other pieces of research that are out there and that we’re going to refer to.

It’s the most extensive in some areas that we have had for a long time, but I am not planning to endorse any particular part of it at all. And I presume the report of what we think and what we have concluded will be quite clearly distinguishable from the materials that are incorporated in the report that are either work we have commissioned or work we have adopted and think ought to be shared with the country, just as I think the regimes for regulation in New Jersey and Nevada are impressive and ought to be included as the kinds of regimes that are out there or the rules about lotteries in some states seem to be more protective of the public than in others and ought to be included in our report.

Since I don’t like lotteries and I don’t like lots of other forms of gambling, the fact that we’re putting them in the report is not going to mean that I endorse them. And I’m not going to be endorsing -- forget which part of it -- this report.
Now, what I think Jim is getting at is there may be points where as a group we want to indicate that we have a lot of skepticism about X, Y, or Z and it may include things that are in this report and without -- this is no attack on the validity of the report. I mean, the one thing I think I’m comfortable with is that this was a professional, honest effort.

COMMISSIONER DOBSON: Agree.

COMMISSIONER LEONE: You know, some of us on this panel have actually been associated in campaigns with people who did their best professional, honest attempt to measure public opinion and turned out to be terribly wrong.

You know, that doesn’t mean that this falls into that category but just that we should separate our report from what’s in this research study, which is a very important research study.

I am not here to beat it up, but there are several aspects of it that I think are only suggestive of what we might come to know someday. That’s all.

CHAIRPERSON JAMES: I don’t think anyone is suggesting that we as Commissioners have to endorse all of what’s in the research that comes to us. Our job will be to take that research and to look at it within a broader context and then make some comments in our report about what we think.

And the report easily could say you were all wrong and John Wilhelm was right and we should have spent more money on adolescents. I mean, I don’t know.

COMMISSIONER WILHELM: That’s a highly unlikely conclusion.
COMMISSIONER LEONE: It's suspect if you spent more money on adolescents and jobs. That would be the report.

COMMISSIONER DOBSON: Madam Chairman?

CHAIRPERSON JAMES: Not in that order.

COMMISSIONER DOBSON: Madam Chairman, the question in my mind is: Where is the mechanism for that decision-making process? We've got two more meetings coming. And if there are aspects of this that we're going to put on the record and leave it unchallenged, then I've got a problem.

CHAIRPERSON JAMES: No. The mechanism for that, Jim, will be as we go through the editing process of what is actually in the report so that that can be challenged.

It will be in the Report Subcommittee. It will be as you get an opportunity to sit down with a document in front of you and take issue with particular pieces of it, debate it, and see where we come out.

COMMISSIONER DOBSON: When we are separated, not when we are together.

CHAIRPERSON JAMES: Hopefully we will have the opportunity to do that together as well.

COMMISSIONER McCARTHY: I think Dr. Dobson suggested an appropriate method of doing this. If in the Commission report there is something that he does not agree with, he should have the right to write a minority report. And I think the Chair --

CHAIRPERSON JAMES: We are jumping ahead of ourselves here.
COMMISSIONER McCARTHY: Sure. He suggested it himself in his remarks a few minutes ago.

CHAIRPERSON JAMES: Okay.

COMMISSIONER McCARTHY: And I would agree with his recommendation.

CHAIRPERSON JAMES: Well, at this point, the Chair’s desire is to still try to move us towards consensus. That’s not to say that we’re going to end up there. And perhaps at the appropriate time, we will have conversations about how Commissioners who disagree with some portion of the report have the opportunity to express themselves.

COMMISSIONER DOBSON: That is my desire, too. I’d rather not be pushed into having to --

CHAIRPERSON JAMES: Right, right.

COMMISSIONER DOBSON: -- dissent a point of view. I’d much rather it be, as Richard says, stated as a concern of the Commission.

CHAIRPERSON JAMES: And I have confidence at this point that in most all areas we will eventually get there. And we’re going to try to get there before we even begin to entertain conversations about minority reports or letters or that sort of thing.

COMMISSIONER McCARTHY: Let me just strike one point, Madam Chair, because I know that those in the media who may have for their own predisposition writing for a certain constituency will pick out what they want to hear.
This is a very valuable report. That doesn’t mean that every single element is going to give us the knowledge we need in a number of areas. And Jim picked out the one that I think should really be instructive as to what kinds of future research are needed: youth gambling.

We heard testimony on the study in Louisiana that was going on over a three-year period. I think part of that was funded by the Center for Responsible -- I’m not sure. No. That was the one in Minnesota that was being funded.

That was a study studying the 6th grade, the 7th grade, the 8th grade all the way up through the 12th grade. That was a far more comprehensive kind of study that was revealing. It also studied a select group of kids in juvenile detention facilities.

So what we know coming out of this and what this report will indicate is how many other kinds of research are going to be required to really get at this, not only nationally but in subgroups as well. That’s a very valuable kind of lesson derived.

COMMISSIONER LANNI: Madam Chair?

CHAIRPERSON JAMES: I’m going to exercise the prerogative of the Chair and call a break. What I’m going to suggest that we do because this is very important -- and I apologize. I’ve let it go over intentionally.

We’re about 30 minutes behind time in schedule. But I think it is so important that I don’t want to cut this off. So we’re going to take a 15-minute break and then come back. And I
know we have at least two more Commissioners who have some comments they’d like to make.

(Whereupon, the foregoing matter went off the record at 10:43 a.m. and went back on the record at 11:04 a.m.)

CHAIRPERSON JAMES: With that, I’m going to turn to Mr. Lanni. I know he had some additional questions. He’s coming.

COMMISSIONER LANNI: Thank you, Madam Chair.

Dr. Gerstein, three questions, one actual comment. At the meeting in Virginia Beach, I had asked you specifically on the patron survey if you could provide our Commission with the breakdown in responses in each of the categories, casinos that were taking the patron survey of Nevada and New Jersey; riverboats; tribal casinos; lottery VLTs; and pari-mutuel, to see if there is any differentiation of if there are similarities.

And you had indicated to me that that was available, which you always indicate to me. But then you never provide it to us, for whatever reason.

DR. GERSTEIN: I perhaps didn’t fully understand.

COMMISSIONER LANNI: I think I was pretty clear.

DR. GERSTEIN: The response I wrote in the report was that if we divide the patrons by type of facility, 6.4 percent of the casino patrons were pathological, 4.6 were problem gamblers among the lottery patrons, including VLT sites, which I included because there were simply too few to leave them separate. 5.2 percent were pathological. 3.6 percent were problem; and among
the track patrons, 25 and 14 percent. I thought that was responsive to what you --

COMMISSIONER LANNI: No.

DR. GERSTEIN: You wanted additional data. I just misunderstood.

COMMISSIONER LANNI: I will take you at your word on that. And then if you would provide it? I would like to see it on the basis, as you indicated it on the chart that you had presented on the slide presentation, breaking it down in prior year and lifetime: for casinos, Nevada/New Jersey as one category; river boats as a category; tribal casinos as a category; lottery/VLT as a category; and pari-mutuel. You’ve had the information.

So if you could provide that to me, I would appreciate it. And I would like the record to so noted that I’ve made that request. And hopefully you will be more responsive this time.

CHAIRPERSON JAMES: I would ask that you send it to the Commission. Staff will forward it to all Commissioners.

COMMISSIONER LANNI: Then three more micro questions. And I don’t have any specific opinion on this. I want to know the methodology as to which you’ve reached out for this. You indicated in the report and in some of the oral comments you made earlier in the day that an appreciable amount of money to determine it was $100.

I have two questions about that. One, how did you arrive in determining an appreciable amount of money is $100? is the first question. And, secondly, when I see that you break
down the patron and other responses based upon income, would it not be logical to maybe vary that dollar amount when you take a look at a person whose annual income is under $20,000 as compared to the varying categories going forward up to and including $100,000-plus?

I mean, if you ask an individual whose income is seven figures a year if $100 was wagered, that may be a very insignificant amount of money to that particular individual; whereas, if you ask a person whose annual income is $20,000 or less, it’s obviously a more significant number.

So I have that question or two questions.

DR. GERSTEIN: The design of that filter -- and there are sort of similar filters in a variety of other instruments -- was basically to take out of the questionnaire loop that goes to all of the questions about problems related to gambling, the DSM-IV screen people who had basically limited gambling experience. And the notion was not that the money per se was significant.

The notion is simply to avoid asking a lot of people who in our previous experience with applying a screen in the course of fairly extensive interview get impatient getting asked over and over again about "Did you do this and did you do that relative to gambling?"; whose consistent answer is: I told you I hardly gamble at all. I hardly ever gamble. And that’s what this filter does.

Of course, for someone who, say, thinks of $100 as a trivial bet, it still gives them exactly the same set of
questions about their gambling as it gets to someone who thinks
$100 is a substantial amount to bet.

COMMISSIONER LANNI: Another question. When you took a
look at casinos, you talked about numbers or responses based upon
two criteria: 50 miles or less or 50 to 250 miles. And, again,
this is just my thought.

I have a home in Pasadena, California as well as one in
Las Vegas. And if I thought of a casino being in Newport Beach,
which is about 50 miles from my home in Pasadena, to me that
would be a long way for me to go, especially with the streets and
the traffic in Los Angeles; whereas, if you think about it -- I
just wonder why 50 miles.

It would seem to me there might be another category of
ten miles or less. That to me is convenient. Anything over ten
miles is pretty inconvenient. I was just wondering why there
weren’t more categories.

And I have no idea what the results would say. It just
was intriguing to me that 50 miles and less would be considered
convenience or close. I think that’s pretty far in many
instances.

DR. GERSTEIN: We had actually divided in some of the
questions between the intervals of zero to 10, 10 to 50, 50 to
250, and so on. The 50-mile I believe is actually part of the
requirements in the RFP in terms of that definition. I mean, in
a sense, any mileage criterion is sort of arbitrary. I simply
assume that 50 miles is sort of a proxy for an hour away.
When I lived in El Hombre, I used to think of going down to Corona del Mar, which is about 50 miles, as: Well, that’s going to the beach.

COMMISSIONER LANNI: It’s been a number of years since you’ve lived in southern California. You might have to pack a weekend bag to do that these days. Just a question, again, about that.

And then one other one, the last one. You had indicated how you validated your new NODS screen, which I think we own, by the way, but that’s a separate issue. You said you validated it in a group of people in --

DR. GERSTEIN: Giving it away in case --

COMMISSIONER LANNI: Giving it away? I thought $1.2 million was not giving it away, but that’s a separate issue.

CHAIRPERSON JAMES: I think he’s giving it away to other people, even though we --

COMMISSIONER LANNI: Oh, he’s giving it away to other people?

CHAIRPERSON JAMES: Yes. Is that what you meant?

DR. GERSTEIN: That’s what I meant, yes.

CHAIRPERSON JAMES: I thought so.

COMMISSIONER LANNI: Well, then we’ll have to find some way to file suit against you.

(Laughter.)

COMMISSIONER LANNI: You said you validated it, your screen, with a group of people in treatment I think is the way you indicated it. Again, as a layman, not a person who has
experience in this area, is that valid when you compare it to the general population survey?

DR. GERSTEIN: Validation is usually meant in two different directions. Validating against the clinical population is to show that the screen is capable of identifying in the clinical population those people as pathological gamblers.

The equivalent, on the other end, which is to say go out to the general population per se and ask "To what extent do you not identify people as pathological" -- I’m sorry -- that you don’t identify people as pathological who are not is not something you can get out of just going to a population that isn’t.

That kind of validation we weren’t able to do in this survey because it requires you to do two parallel tracks. That is, you’ve got to do essentially a clinical evaluation of everybody that you’re looking at in the general population.

COMMISSIONER LANNI: Does that make that validation any less valid by not being able to do that in your opinion?

DR. GERSTEIN: If I have a choice, I’d like to do the validation in both directions. There are a few instances in which people have had the opportunity to validate instruments. It’s been done with the SOGS.

I don’t think there’s been another DSM-IV case outside of the use in the initial research on the DSM-IV criteria, which took two clinical populations, one of which was not comprised of pathological gamblers, and said these items discriminate. But
the particular implementation we’ve used we only were able to validate in one direction.

We can just rely on the fact that other screens very similar to ours have validated that the screen does not call people who are not pathological gamblers pathological gamblers.

COMMISSIONER LANNI: Thank you.

CHAIRPERSON JAMES: Commissioner Moore?

COMMISSIONER MOORE: I was intrigued by your opening statements there when you said that in 1974 and ’75 one in three people said they gambled and then a quarter of a century later, in 1998, one in seven said that they gambled.

DR. GERSTEIN: Did not gamble.

COMMISSIONER MOORE: Or did not gamble, right. And so one in seven did not gamble. So that meant 84 percent gambled. I’ll stop there. I misinterpreted that.

But I think that you’ve got an impossible thing to study because I don’t think anyone would tell you how much they lost in gambling. And I’m like Commissioner Lanni, $100. I don’t know. I might would be prosecuted, but I lost $100 last Monday night. And my wife --

CHAIRPERSON JAMES: Thank you for sharing that.

COMMISSIONER MOORE: My wife wanted to know how much I lost when I came to bed. I said, "Oh, around $50."

(Laughter.)

COMMISSIONER MOORE: She didn’t ask how much I won. Husbands won’t tell wives how much they spent on a hunting trip. Wives won’t tell husbands how much they spend for a dress. And
just getting down to basic facts, we spent a little time with
Commissioner Wilhelm. I’m not going to tell my wife when she
asks how many sacks of feed I buy a month to feed my cows because
she thinks they ought to eat grass.

(Laughter.)

COMMISSIONER MOORE: And so you’ve got an impossible I
think when you start trying to come up with these figures. But
in answer of if we go to all of these things and we talk about
people spending 2 and a half times more money than they did in
‘75 and then if we can assume that 25 years from now that they
will spend 2 and a half more times the percentage, then we’ll
come up with 1.85 percent of the income 25 years from now.

And so that answers Mr. Wilhelm’s answer. That’s how
Mr. Lanni and Mr. Wynn and them all continue to build these
beautiful buildings with less people participating.

I mean, aren’t we saying that gaming people are
participating less?

DR. GERSTEIN: Just to address the last point, the data
that Mr. Christensen has examined, from which I get those figures
-- they don’t come out of this survey. I reported them. They
come out of my colleague Eugene Christensen’s consistent studies
year after year.

He believes that the overall spending percentage on
gambling seems to be leveling off. He believes that it has
leveled off the past several years.

Now, the one thing I know for certain is that if you
take any trend line and extrapolate it out beyond next month,
you’re at risk. Most trend lines change slope, change direction. And it’s particularly true of consumer expenditures. They go up and down. And it may be that the Dow Jones will be at 25,000 in 25 years. And, then again, it may still be at 10,000. I don’t know what basis we have to predict that.

I do know that, as I said, Mr. Christensen is -- that the taste for gaming in the U.S., at least as far as the statistics show, does seem to have in terms of percent of income leveled off but that that is going to stay that way and, particularly, that that is not in itself responsive to changes in the environment and the circumstances. Well, that’s a different matter.

CHAIRPERSON JAMES: Any other further discussion points or questions from commissioners?

(No response.)

CHAIRPERSON JAMES: Thank you. We appreciate --

COMMISSIONER LEONE: I just have one point.

CHAIRPERSON JAMES: I sort of thought you would.

COMMISSIONER LEONE: This will only take a second.

CHAIRPERSON JAMES: Okay.

COMMISSIONER LEONE: But I do think that we owe this much to this piece of research, not to NORC as an institution or Dean or anybody else. This is the most important thing that we have learned, at least I have learned, about gambling by being on this Commission, is how much we don’t know.

I had no understanding of how widespread gambling was in the United States, how many different forms it took, how much
the country had changed since the last time I had any involvement with this issue.

And I think I have, as Dr. Moore would say, a preexisting condition. And that is I come thinking there are a bunch of things we should probably do right away about gambling. But put aside my biases or anybody’s biases. The one thing all of us ought to agree is that our first responsibility is to know more.

This very professional organization has been asked to kind of open the door that has been left shut in some respect for 25 years and as far as I’m concerned has done a -- much of the report I might quibble with or argue with or I am skeptical about.

Much of it I think is solid and interesting. But all of it I am sure is vitally important to opening that door and starting a base of information. And having been through this experience and having heard the cross-examination and looked closely at the evidence, I think NORC has done a very professional, very responsible job.

And I think this report is important in that respect, not because of the questions it answers but because of the questions it opens up in a professional way. And it lays the groundwork, I hope, for more objective work as we go forward.

CHAIRPERSON JAMES: And I would just ask those of you who are participating with us through this process, particularly those members of the media who have a responsibility to take this
information back to the American public, I would beg of you to report it just that way.

While there are individuals or organizations who may want to take pieces of this and to draw conclusions, we as a Commission -- I think I hear us saying we're just not prepared to do that yet.

But thank you so much for opening the door, and thank you so much for your patience as we had the opportunity to explore with you your research and ask the questions.

There were issues there that were of concern to many of us. We had the opportunity to question you about that. And I personally look forward to the additional information that we have requested of you and the additional data that you have graciously agreed to provide to this Commission.

I know it has been a difficult process but a very important one. And, for that, as a Commission, I feel comfortable in saying we all want to thank you for that.

But, again, I would say that this is just an opening of the door. Thank you so much for that, Commissioner Leone. There is so much more that needs to be studied and needs to be known.

With that, I want to thank you for participating with us this morning.

DR. GERSTEIN: Thank you.