and thankful.

Doctor Lesieur.

DOCTOR LESIEUR: Chair James and members of the Commission, I'd like to thank you for inviting me to speak here.

I'd like to introduce myself first. I am President of the Institute for Problem Gambling. That is a non-profit organization that has been set up primarily for training treatment professionals to treat pathological gamblers. I'm also a member of the Board of Directors of the National Council on Problem Gambling. I am a member of the Board of Directors of the Rhode Island Council on Problem Gambling. I'm on the Advisory Board of the Council on Compulsive Gambling of New Jersey, and a good dozen other problem gambler-oriented organizations.

I've conducted research since 1971 on problem gambling, over 25 years. I'm the author of a book called, "The Chase," founding editor of the Journal of Gambling Behavior, which -- Journal of Gambling Studies, which Howard Shaffer now edits, and I was a member of the Workgroup on DSM-IV, one of the
people who helped draft the criteria for pathological gambling for the American Psychiatric Association.

I'm co-author of the South Oaks Gambling Screen, which is a widely used instrument to measure pathological gambling around the world.

I want to address the following topics, the costs of problem gambling, and this is in one of the papers that I sent to you, studies of surveys of pathological gamblers and problems with telephone surveys, which is in an article I sent to you on the critique of methodologies, and discuss teen gambling, which I was asked to do, and I'm going to make some recommendations based on my research and the knowledge of the problem on pathological gambling I've had over the past 25 years.

First of all, the costs of problem gambling, pathological gambling. There is a lot of ways we can measure social and economic costs. We can do a survey of the general population, we tried that in Connecticut. The problem with that survey was, it wasn't a large enough sample population in Connecticut.
Also, when you ask people who have problems the extent of those problems, they tend to minimize the problems and tend to deny the problems in the general population surveys. They'll say they have lost time from work, but they won't tell you how much time it was. They'll tell you they borrow from banks, but they won't tell you how much money they borrow. There's a lot of real methodological problems in gaining that information from the general population surveys.

However, Gamblers Anonymous numbers and people in treatment are more likely to answer that question. They are a biased sample, but I want to give you an example of the kinds of information that I've gotten from three surveys of Gamblers Anonymous members, one survey conducted in Illinois, another in Wisconsin, and another in Connecticut. This represents 394 members of Gamblers Anonymous, it's just an illustration to make the point that I want to make.

Most of these people were male, actually, 78 percent were male, and their average age was 42
years old. Again, there were 394 people surveyed.

Eighteen percent of them said they had a gambling-related divorce, 18 percent. Another ten percent said they were separated as a direct consequence of their gambling. More than that were divorced or separated, but this said that they were separated or divorced as a consequence of their gambling.

We asked about, how much money did you owe when you entered Gamblers Anonymous? Well, these 394 people, put that number in your mind, it's almost 400 people, owed $37,433,000, this is 394 people. They owed an average of $95,000.00 a piece. There were four people in that survey who owed over a million dollars.

It turns out that no matter where you conduct the survey you are always going to get these outliers, these people who owe an enormous amount of money. So, taking those outliers out, the average is about $21,000.00 that they owed when they entered Gamblers Anonymous.

Now, that $37 million is just for 394 people, not 2.2 million, it's just 394 people, and
they owed more money than all of the states in the
United States spent helping problem gamblers combined,
that's just 394 people.

Now, where did they get their money from?
Well, they owed the money -- most of them owed money
to banks, credit unions, credit cards, credit
availability is a major factor. Do I have a credit
card available to me, can I get instant cash?

I was in Nova Scotia once, I was in a
casino, and I saw this guy, he just got absolutely
crazy, he threw the cards down, he was playing
Blackjack, and ran right over to the credit card
machine and withdrew money, and then went back to the
table. I'm saying to myself, what kind of mental
state was this guy at? He lost -- you know, whether
he lost or won, he was like out of sync, his mental
state was gone.

Twenty percent had casino credit, and 18
percent had borrowed from loan sharks. Now, males are
more likely to borrow from loan sharks than females.

Now, there's some added money that comes
from household resources. Now, that's not included in
the money they borrowed or the money they owed.

Almost 90 percent said they drained their household savings account. Half of them borrowed from their spouse, two thirds had borrowed from another relative, and half had sold personal family property.

Now, in Illinois we asked how much was the value of that property, the 184 people in Illinois had sold $15 million in personal property. This is 184 people. That $15 million is more than the state of Illinois has ever spent, ever spent, helping problem gamblers.

Gambling impacts on the job. Thirty-one percent of these people lost their job or quit a job as a consequence of their gambling. Now, this involves cost. We could measure the cost of lost days at work. Seventy-two percent missed time from work. The average amount of time missed was 117 hours per year. Forty percent stole from work, 40 percent of these 394 people stole from work. Some of them stole a little, some of them stole a lot, some of them stole a lot of money. The question is, how much money was stolen, not just from work, but total, how much was
stolen. There were 223 of these 394 people who stole, who admitted stealing. They stole $30 million, this is 223 people stole $30 million, that's $76,000.00 on average. Although, there were four people, again, these are outliers that crop up in all these surveys, there were four people who stole over a million dollars a piece. I take those four out and just look at the average, the average was $1,000.00 stolen, so they skew this average up enormously.

Now, that $30 million for 223 people is one and a half times as much money as all of the states in the United States spent combined helping problem gamblers. In fact, there were ten problem gamblers in this study, only ten of them, who stole combined $20 million. There were ten pathological gamblers who stole as much money as all of the states, not just the three states, but all of the states in the United States, had contributed to helping problem gamblers. This was only ten people. It's mind boggling.

Bankruptcy, a little over 20 percent of these pathological gamblers had bankrupted in their lifetime, that was 87 out of 394 people. Other court
involvements, well, 16 percent were sued by a creditor in court, civil court, sued for rent or you name it.

Twenty-five percent were arrested on gambling-related charges, that's not other arrests, but just gambling-related charges. Fourteen percent went to trial in court, and 12 percent were convicted. It turns out that 11 percent went on probation and nine percent were incarcerated. Now, these figures may be slightly different, but they are in the papers that I've given you. On average, they spent -- well, the total average of those incarcerated spent 208 days in jail.

What were they incarcerated for? They were incarcerated for things like embezzlement, fraud and forgery, that's what they were incarcerated for.

Well, that leads to a problem with looking at community studies of street crime, and thinking that if somehow street crime doesn't go up there has been no increase in crime in a neighborhood. In actuality, problem and pathological gamblers, some do commit street crime, but the overwhelming majority of them are committing embezzlement, forgery and fraud and theft of various sorts, and those are the kinds of
crimes that need to be investigated.

Unfortunately, I'm a criminologist, uniform crime reports are notoriously terrible at looking at those specific offenses.

Also, another thing that I note is that a lot of compulsive gamblers, they live in one area, but they steal -- and they gamble in another area. An illustrative case is a woman who lived in Wisconsin, went to the casinos in Minnesota and she robbed banks in Wisconsin. So, you can study Minnesota crime rates until the cows come home and it isn't going to detect those people who go from Wisconsin to Minnesota, crossing state lines, in order to steal. You are just not going to capture that figure. So, it's a very complicated and complex picture.

Another thing I looked at in this study is that welfare costs actually were not that high, I was surprised, and I think it's probably a bias of the sample. These are Gamblers Anonymous members and people in treatment. Actually, in some ways they are the healthiest of the pathological gamblers, because they are the ones that are seeking treatment and
trying to solve their problem. Only four percent sold
Food Stamps to pay for gambling, or welfare money, or
Social Security, and while there were 20 percent who
said they used unemployment checks to gamble with.
These are financial things.

What about personal things? Let's get down
to the person. I remember there was a day a few years
ago when the state of Illinois said they weren't going
to spend $250,000.00 that they were supposed to spend,
and on that same day I found out that a woman had
killed herself in Collinsville, Illinois. To say the
least, I was rather upset about the coincide of those
two events on the same day for me.

So, it's important, I think, to know what
is the suicidal ideation of problem gamblers. And,
Chris Anderson, the person that I did this first
Gamblers Anonymous survey with in Illinois, suggested maybe
we should ask these people, well, have you ever wanted
to die? Seventy-seven percent of the Gamblers
Anonymous members stated that they have wanted to die.
That's an enormous figure. Two thirds contemplated
suicide, slightly under half, 47 percent, said they
had a definite plan to kill themselves. We asked them, well -- I remember in 1973 or '74 I was interviewing this guy, he was a professional bowler, he said, well, I thought I would take these bowling balls and tie them around my waist and I'd jump off a bridge. I mean, this is -- he knew exactly how he was going to do it. I had interviewed a guy who told me he would take a 45 and blow his head off. Two years later, that's what he did, he relapsed, he was in Gamblers Anonymous for five years, went on burned down and he relapsed, lost everything, lost the insurance money and killed himself. I know, I personally know people who have killed themselves.

Now, these people, they are in pain. The question, I mean, obviously, if they had these suicidal ideations they were in pain, we are not talking about somebody who, you know, kind of, oh, I lost a lot of money, ah, ah, ah, you know, we're talking about pain.

One third of these people have no health insurance, one third. We could ask the insurance industry to pay for treatment, but one third of them
have no insurance. Where are they going to get the
help, and they are not getting the help, the vast
majority of the states in the United States don't
provide treatment money.

The state of Illinois makes $800 million a
year, that's $800 million a year, and doesn't pay one
penny to help problem gamblers. Some of that money
could be used --

COMMISSIONER LANNI: Excuse me, where do
they make $800 million a year?

DOCTOR LESIEUR: They make that money --
they make that money from the lottery, they make that
money from the casino, from the race tracks, that's
where they make the money.

COMMISSIONER LANNI: Okay, various gaming
sources is what you are saying.

DOCTOR LESIEUR: Yes, various gaming
sources, I'm sorry.

Gamblers Anonymous is not enough for a lot
of people. The only study of Gamblers Anonymous and
the effectiveness of Gamblers Anonymous show that
eight percent, eight percent of Gamblers Anonymous
members were in abstinence after two years in Gamblers Anonymous.

Now, we know, we've done evaluation research, that treatment plus Gamblers Anonymous, we increased that, and the question is, actually, we don't know how effective it is. We did one study where 60 percent were abstinent, but that was after about six months to a year, but what are called controlled studies really need to be funded.

In most places, alternatives to Gamblers Anonymous are simply not available, they are just not available. There are places in Texas, you have to drive over 100 miles to get to a Gamblers Anonymous meeting. Or, they are too inconvenient, when we make treatment inconvenient, people who are addicted don't go, they just don't go. Treatment just isn't available, it isn't around.

A second question, why do current surveys, and it's my belief they underestimate the problem, and I'm going to give you my reason for why they underestimate the problem, Howard Shaffer and I slightly disagree. First of all, when we conduct a
telephone survey, and you had your telephone cut off
for non-payment because you lost your phone as a
result of gambling debts, you are not going to be in
that survey. So, minus one problem gambler.

Some individuals have no phone, and there
is some evidence that people without a phone have
higher rates of problem gambling than people with a
phone. The only survey that I know of in North
America was a survey of Native Americans, conducted by
Rachel Volberg, showed that over the phone ten percent
Native Americans were problem gamblers. When they did
door-to-door surveys that percentage went up to over
a third, three times, three and a third times higher
rate in door-to-door surveys than you get over the
phone. We don't know what that would be in the
general population, I don't know, or whether that's
restricted to just Native Americans. But, at a
minimum, I think that field and phone rates need to be
combined, because phone rates are going to give an
underestimate, from my point of view.

There are the in-patients and people in
drug treatment, and Howard Shaffer mentioned this as
well, they are excluded from phone surveys.

I conducted a survey, well, it's 12 years ago now, of alcoholics in alcohol treatment facilities, and we found out that 19 percent of them were pathological problem or pathological gamblers.

I recently did some surveys that were Funded by the National Institute of Drug Abuse, Methadone Maintenance Clinics, it showed 30 percent were problem or pathological gamblers. Those are people who are in the community that probably would be surveyed.

In-patient populations have enormously high rates of problem gambling, enormously high.

Psychiatric in-patients also have high rates of problem gambling, rates about maybe three to five times higher than the general population.

In prison surveys, between ten and 30 percent, we don't know what the rate of problem or pathological gambling is among prisoners, but it is high. It's like the rate among the in-patient alcohol and drug treatment population.

Question of the homeless, we have absolutely no idea what the rate of problem gambling
Let's continue with the telephone survey business. Response rates are lower and refusal rates are higher in phone surveys than they are in field studies. This we know. Non-response can mean at the casino. Of course, if you do a home survey you may come up with the same problem. Also, it may mean at the race track, or it may mean just out gambling.

Non-response may also mean too obsessed or too depressed with my gambling problems, and non-response also may be, I'm so afraid of my creditors that I don't want to answer the phone. My creditors are hounding me. Refusal, refusal may mean my spouse is angry over my gambling, oh, this is a gambling survey, oh, I'm not gambling anymore, you know, no, I'm not going to answer this survey. Or, the spouse may be on the extension. You know, today, using a telephone survey isn't like it was 25 years ago, everybody has extensions. I pick up the phone and I'm surveyed about gambling, my wife or my husband is on the extension, how honest am I going to be in that survey? I am going to get a greater degree of honesty
in a door-to-door survey, where I can seclude that
gambler, or seclude that interview, than I will over
the phone. The telephone survey has some
difficulties. Now, each of these problems will lead
to an undercount of problem gamblers.

I was also asked to address the question of
teen gambling. The rate of teen gambling is between
four to eight percent of teens have a problem with
gambling. What are the characteristics of teens with
gambling problems? They begin playing at an early
age. We know that teens who start gambling at an
eyearly age are more likely to have gambling problems.
They are also more likely to be illegal drug users,
teens who have a gambling problem are more likely to
be illegal drug users. They are also more likely to
have a history of delinquency, and it's almost like a
chicken and egg, they probably both occur at the same
time, the delinquency, the drug use and the gambling
are all part of this one behavioral -- kind of complex
behavioral pattern. Also, more likely to have poorer
grades in school, more likely to be truant from
school, and there's some evidence that they are more
likely to have suicide attempts, although that evidence needs to be concurred.

No one, as far as I know, has investigated the teen gambling and crime phenomenon. It's like it doesn't exist. We don't know how much it exists or whatever it exists.

In the end, problem gambling, I think, cuts across state lines. Lottery tickets are bought in Rhode Island, and you live in Massachusetts, or vice versa. I steal in Wisconsin, I gamble with stolen money in Minnesota. I live in Indianapolis and I gamble at the Paradise Casino in Peoria. I live in Utah and I cross the state line, I go into Nevada, even Utah, Utah and Hawaii don't have legalized gambling, Utah, you know, it's ringed by states that have legalized gambling, and now we have the Internet, and you are going to be looking at the Internet, well, you ain't seen nothing yet. The Internet, it's a regulatory nightmare, and things you could address.

Problem gambling is a nationwide issue that really currently is not being addressed adequately by the states. It's not being addressed adequately by
the states. And, because of that I'd like to make
some recommendations.

One of the recommendations is for the
creation of a national institute on problem gambling.
Now, why do I recommend that? I recommend that
because you need somebody who thinks -- who is paid to
think about problem gambling on a national level.
Currently, there is no one who is paid to think about
problem gambling on a national level, except in
voluntary organizations.

Also, we need a national clearinghouse for
problem gambling information. We have a hodgepodge of
help lines across the country, and there's really no
way of getting information about problem gambling. I
can call up the National Institute on Alcoholism, the
National Alcohol and Drug Clearinghouse, right now and
get a wide range of information, I can't do anything
similar to that with gambling, with problem gambling.

Now, I'd like to -- I think that the
federal government, we need a federal role in
encouraging research into problem gambling, and I'm
reminded of the monitoring of future studies. Every
year, every year the U.S. government finds out how
many kids are using drugs, every year, but we don't
know how many people are gambling, how many teens are
gambling.

Chair James and members of the Commission,
I'd like to thank you again for inviting me.

CHAIRMAN JAMES: Thank you, Doctor Lesieur.
Are there questions?
Commissioner Bible.

COMMISSIONER BIBLE: Doctor, what do you
know about the 300 -- I believe it's 394 people in
Gamblers Anonymous that you surveyed, in terms of
their actual gambling habits? What types of
activities did they engage in?

DOCTOR LESIEUR: It varied by state, but
about 30 percent of them were casino gamblers, about
30 percent were race track gamblers, and then the rest
were mixed, mixed type gambling.

COMMISSIONER BIBLE: Did you make a
relationship between the legal gambling activities and
the illegal gambling activities?

DOCTOR LESIEUR: There's a lot of overlap,
so, for example, people who go to casinos or race
tracks also gamble illegally, particularly, on sports.

COMMISSIONER BIBLE: Thank you.

CHAIRMAN JAMES: Commissioner Lanni.

COMMISSIONER LANNI: Yes, Doctor, a couple
of questions, if I may.

Could you share with me, unfortunately, my
packet didn't have the material, so I apologize, but
what is the Institute for Problem Gambling?

DOCTOR LESIEUR: The Institute for Problem
Gambling is a non-profit corporation devoted to
training, treatment professionals, to treat
pathological gamblers.

COMMISSIONER LANNI: And, where is it
located? Is it located in Rhode Island?

DOCTOR LESIEUR: I am in Rhode Island, it's
incorporated in Connecticut. There are people in
Rhode Island, Connecticut and Maryland affiliated with
the Institute.

COMMISSIONER LANNI: Is that funded by a
state?

DOCTOR LESIEUR: No.
COMMISSIONER LANNI: How is it funded?

DOCTOR LESIEUR: No. It's funded through the training that's done.

COMMISSIONER LANNI: So, it's a not-for-profit, but you charge for the services then?

DOCTOR LESIEUR: Yes, right.

COMMISSIONER LANNI: And, your particular expertise is as a researcher?

DOCTOR LESIEUR: Correct.

COMMISSIONER LANNI: You are a researcher. You sound to be more of an advocate than a researcher.

DOCTOR LESIEUR: I started out as a researcher in 1971. I've seen enough people with problems to become an advocate.

COMMISSIONER LANNI: I appreciate that, and it's, indeed, a problem, I don't mean to make light of it, I realize there's a problem.

As far as the state spending, you referred to the fact and you gave a number of numbers about the fact that the state doesn't spend anywhere near the amount of money. Do you what the state funding is?

For example, say in the state of Illinois, where
there's legalized race tracks, parimutuel, there's off track betting, there's a lottery, very active lottery, and there's riverboat gaming in Illinois maybe.

DOCTOR LESIEUR: Right, on the riverboats, right. The Illinois Riverboat Owners Association currently funds the Illinois Council on Problem Gambling for advocacy and for training.

COMMISSIONER LANNI: Is that on a voluntary basis?

DOCTOR LESIEUR: Yes, and it also funds the help line in Illinois, but there is no treatment being funded in Illinois at all.

COMMISSIONER LANNI: You referenced also the issue of field as relative to phones.

DOCTOR LESIEUR: Yes.

COMMISSIONER LANNI: It reminds me of the old times with Tom Dewey winning the phone survey and not enough Democrats had phones, but the issue -- I question the issue, you seem to be -- again, accepting the fact that you are an advocate, and I appreciate that, as I said when I was named to this Commission,
I can't be objective, I'm an advocate on the other side, certainly not on the issue of problem gaming. I fully realize that it exists and it needs to be dealt with. But, you were emphatic that a phone survey, which produced a level of about a ten percent return, as compared to a field survey of 33, you automatically assumed or reached the conclusion, at least it sounded to me, that the phone had to be an under survey, and it seems to me if you are an advocate I might take the other position because I'm an advocate the other way. What significant support do you have for the fact, on a research basis, that the 33 percent in the field is more accurate than the ten percent on the phone? You were very, very strong about that.

DOCTOR LESIEUR: Yes. I also qualified that by saying that this is based on one survey, we don't know if it would be true on a national level, and the only way we'll find out if it's true on a national level is to conduct both a field and a phone survey. That's the only way we'll find out.

COMMISSIONER McCARTHY: Can I ask a
CHAIRMAN JAMES: Certainly.

COMMISSIONER McCARTHY: Two of the three of you recommended that the insurance industry play a role in addressing some of the cost problems, economic consequence problems, that arise from pathological gambling. None of you suggested any particular role or responsibility for the gambling industry itself, whether it's states who sanction lotteries, or private entities that run casinos, or race tracks, or card clubs, or whatever it is. Do you have any thoughts on that?

DOCTOR LESIEUR: I can answer that. I think that that's actually a state responsibility. I don't necessarily think the casinos should be forced into helping problem gamblers. They are in the business of business, and I think that it's important to make a distinction there.

I think the state can tax those corporations, which it does. The state of Illinois, for example, taxes the riverboats. The state of Rhode Island taxes the jai alai fronton and dog track. The
states do tax, and they can take some of their tax
dollars and spend it for help lines, for treatment,
for prevention, for research, et cetera. I think it's
a state responsibility.

We don't ask the same question, I guess, we
don't think about whether Budweiser should be the one
that's funding the research. If Budweiser gets
together with other beverage industry representatives
and decides to contribute to that research, I think
that's a good idea, to fund research into problem
drinking, but it's not Budweiser's responsibility. In
terms of, you know, corporate responsibility, yes, you
know, in terms of moral, but that's a different
question.

COMMISSIONER LEONE: I --

CHAIRMAN JAMES: Excuse me just a minute,
I promised Doctor Dobson I would recognize him next.

COMMISSIONER LEONE: Actually, I mean this
point that's being made makes no economic sense. I'd
just like --

CHAIRMAN JAMES: Well, you hold that point
for just a minute, and then after that I will
COMMISSIONER DOBSON: Actually, I have two quick questions. I hope they'll be quick.

You made reference to the one small study with regard to Gamblers Anonymous, they are having a success rate of about eight percent. Do you have any studies that show what the success rate is with more traditional therapy in addition to something like Gamblers Anonymous or even therapy alone?

DOCTOR LESIEUR: Yes, that rate --

COMMISSIONER DOBSON: As an advocate for treatment, what kind of success rate can we look at?

DOCTOR LESIEUR: -- that rate is between 30 -- well, between 40 percent and 60 percent, depending on the study, and I would suspect that the treatment success would be very similar to treatment success for alcohol treatment, because the kind of treatment that's being offered is very similar. The populations are very similar. And so, I would suspect that in the long run, as a researcher I would suspect that that's the case.

COMMISSIONER DOBSON: The second question
would be for any of the three of you, I suspect Doctor
Shaffer, but any of the three of you.

It has been my understanding, although I
don't know where I got this, that pathological and
problem gamblers are developed faster when the
turnaround time in the type of gambling is faster. In
other words, people who are involved in race track
betting, dog track betting, Bingo, things of that
nature, take longer to get into trouble with that than
some people who are involved in video poker, and slot
machines, and Keno and things of that nature. Is that
an accurate assumption?

DOCTOR SHAFFER: Well, that position has
been developed from what we know about the other
addictions. In almost every case with the other
addictions substances that are short acting, quickly
stimulating, have very short duration of action, are
related with the most rapid seduction into an
addictive state, for those who will experience it.
Not everyone does. So, cocaine, for example, and
crack, producing very rapid introductions. So, in
that sense, since we know, as I testified before, that
there's a neurobiology of gambling as well, that very
rapid, short-lived games that have stimulating
capacity will change our central nervous system and
our subjective experience and can be the most
seductive.

Literature on this is meek and scant,
untheoretical at best, but I do think in the next
several years we'll see more evidence, but as
clinically I can say that we see this and it's one of
the reasons that I believe the 1984 Commission
suggested that states not fund instant lottery
tickets, not promote instant lottery games.

CHAIRMAN JAMES: Commissioner Leone.

COMMISSIONER LEONE: Well, I just had to
interrupt because it seems to me that what's been
described is in economic terms a classic case of
externalities, where the costs of certain activities
are not built into the price of those activities.
And, since one of the most important things for making
a market economy work, perhaps, the most important, is
getting prices right.

And, when you have a market imperfection,
or you have a situation where there are externalities,
we go to great extremes -- we are going to great
extremes in other areas to try and get prices right.
Pollution taxing is one of those things, and cigarette
settlement is another sensational example of getting
prices right.

It seems to me only logical, to the extent
it's possible, to build into the price, either being
in the business of gambling, or engaging in gambling
activity, the costs, and capturing that. Otherwise,
you are basically taxing the rest of society or
charging the rest of society, even if it's paying for
an extra bank guard, which may not show up as a tax,
but may show up in some other respect, for the costs
that are generated by this activity.

So, I have no particular -- I'm not taking
a position on how this ought to be done, but I do
think just -- and, I'm trying not to force an economic
point of view on everything, but I think it's
important for us to think about these questions this
way.

The alternatives tend to be intervening in
people's lives on other grounds in a regulatory and intrusive fashion, or imposing a variety of controls and regulations on businesses that are less efficient and trouble me a lot more than getting prices right.

So, I just -- I don't want to get into an argument about this, but I think before we just assume that building this into the price is not a good idea, or just pass that out as something we can't do, makes you think very hard, to the extent -- in our society, in our system, one of the reasons it works well we have a lot of market imperfections, but we work very hard to try and get prices right, and getting the price right about gambling, or anything else, is tricky, but it's not something which you just say we can't do or we shouldn't do.

So, that comes back to how you pay for these things, whatever the costs.

CHAIRMAN JAMES: I happened to see Commissioner Lanni first, and then I will go to Commissioner Wilhelm.

COMMISSIONER LANNI: Actually, just a general comment for us as the Commissioners. I have
been having a difficult time reading a number of documents from the esteemed representatives of the research community, and the three members present before us today, obviously, meet those particular standards. But, I've trying to in my own mind define problem gaming or gambling, pathological gambling, and there's a difference if they are combined.

Commissioner McCarthy was referring to some numbers in level three that Doctor Shaffer referred to, and used the term, I think, pathological gambling, but if I understood it correctly I thought level three had problem and pathological gambling people in it, but maybe I misunderstood that aspect.

DOCTOR SHAFFER: Our level --

COMMISSIONER LANNI: Just one last thing, if I may, Doctor Shaffer.

And then, I get even further confused because Doctor Volberg raises the term probable pathological gambler. What we are going to need to do is to have some definition so that we can have some discussion that has some merit to it, because I get a little lost, and maybe the other commissioners are
not, but I am in disorders.

COMMISSIONER DOBSON: And disordered.

COMMISSIONER LANNI: Exactly.

COMMISSIONER DOBSON: Disordered gamblers, too.

COMMISSIONER LANNI: Exactly. There are others, I wasn't limiting to those, but I've been trying to just work at defining in my own mind the meaning of each of these, and then suddenly Doctor Volberg has thrown a new one in for me.

CHAIRMAN JAMES: May I suggest this, that we have our staff just to come up with a list of the terms and work with some of the people who have been involved in the field for a while, and see if we could come up -- that would probably help very much in just the discussion and the debate that's ensuing in our country, so that when we use the terms on the Commission we at least know what we mean by that, and people who are covering our deliberations could know what we mean by that.

COMMISSIONER LANNI: and, I think I interrupted Doctor Shaffer, who wanted to respond to
the middle part of my question.

DOCTOR SHAFFER: We had the same problems in our recent research that you are experiencing as well. There are many, many terms, and not all researchers use the same term and operationalize it the same way, so that the notion of a problem gambler, for example, to talk about Doctor Lesieur's important scale, the SOGS, the South Oaks Gambling Scale, some researchers reported results using three or four positive responses as a problem, other researchers used two, three or four, and still others used positive responses of one, two, or three or four to that scale. As a result, we went to a different level of language and talked about level one, two, three, and we can discuss that at another point.

COMMISSIONER McCARTHY: Could you answer Commissioner Lanni's one specific point, Madam Chair, level three, are we talking about pathological gamblers?

DOCTOR SHAFFER: Level three are gamblers who meet the diagnostic code as defined by Doctor Lesieur's SOGS as five or more positive responses,
DSM-IV as five or more, or equivalent measures in the field. So, it would be the most serious level of pathological gambling, the most serious level of gambling, I'm sorry, is level three.

CHAIRMAN JAMES: I'm going to recognize Commissioner Wilhelm, and, unfortunately, he will be the last one with this particular panel.

COMMISSIONER WILHELM: I have a question which is -- first, this is for Doctor Lesieur, although I'd certainly be interested in the views of either of the other of you.

Doctor Lesieur, you have argued very forcefully and very persuasively about the personal pain and the personal costs, and the family costs, and the societal costs of pathological gambling. The Chair of the research committee and other commissioners have often repeated in the course of our meetings that a primary goal of this Commission is to try to provide the tools for state and local officials who want to think about, well, should we have more gambling, or less gambling, or no gambling, or so on.
It's also -- there's also ample evidence to show that some of the kinds of problems you talked about, and other very serious problems, infant mortality for example, tend to accompany chronic unemployment.

Methodologically, do you have any suggestion as to how the Commission might go about helping state and local officials balance these kinds of costs and the kinds of benefits, as one example that go with more employment, steady employment, decent wages, good benefits, those kinds of things?

DOCTOR LESIEUR: I think I'll answer that maybe indirectly. I was struck by the fact that the crime rates don't seem to go up in communities that get increased gambling. When you take into account, for example, influxes of populations, for example, Atlantic City, you can't base Atlantic City's crime rates on its base population. There's a million people that get put into here, so you have to control for this visitor population.

And so, I say, okay, well, how do I explain that? I think part of that explanation goes to the
question you asked, part of that is that, okay, the unemployed people are committing fewer crimes and they are being replaced by problem and pathological gamblers who are committing more crimes. And so, you get a net wash. There's no increase because as one goes down -- unemployment-related crime goes down, the problem and pathological gambling rate of crime goes up, and they are kind of washing.

I mean, I don't know if that's true or not, that's a research -- that's one way I explain that kind of data, but I have no idea whether that's -- you know, that explanation is accurate or not.

It's a sticky wicket. We are not talking about something that's very simple to understand, there's a lot of variables and they are not all controllable, and they are not all measurable. For example, how do you measure the tears of somebody at a funeral, for somebody who committed suicide? You can't. Or, how do you measure, you know, when children are angry at their parent for not being there, how do you measure that? You can't. You know, where's Dad, well, Dad is at the race track, Dad isn't
with me, you know, that kind of pain you just can't
measure, it's not measurable. Economists give up on
it, you know, and, frankly, I don't know how to
measure it either.

DOCTOR LESIEUR: Well, you could probably
measure things like that as well or as poorly as you
can measure a lot of the consequences of chronic
unemployment.

COMMISSIONER WILHELM: Right, yes.

CHAIRMAN JAMES: With that, I'm going to
end on that note, and want to thank our distinguished
panel, and, again, look forward to working with you as
we go throughout our work and our deliberations. I
would particularly ask your help as we come up with a
set of definitions of terms, as we are describing
problem and pathological gamblers, that we can all
work off to make sure that we are all using the same
and appropriate language.

I'm going to ask for a recess for five
minutes and ask that we come back together at 11:00,
and we'll hear our panel then.

(Whereupon, at 10:57 a.m., a recess until
CHAIRMAN JAMES: Here today to discuss the treatment side are Doctor Valerie Lorenz, Executive Director of the Compulsive Gambling Center in Baltimore, and Edward Looney, Executive Director -- I'm going to ask for quiet in the room, please, we have a very full agenda and we really do need to get through this -- Executive Director for the Council on Compulsive Gambling of New Jersey, and each of you will have 15 minutes, and please allow time for questions within that 15 minutes. Welcome, and we greatly anticipate your testimony. Thank you.

Doctor Lorenz.

DOCTOR LORENZ: Thank you, Chairman James.

First of all, I would like to thank you for the opportunity of being able to speak with you. I had sent information to this Commission prior, I understand there's a question of whether or not you have it, so I will have to change my comments from what I had intended to make and, perhaps -- you do have it now?

CHAIRMAN JAMES: Yes.