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.
DOCTOR LORENZ: Thank you.

I have specialized in the field
of compulsive gambling now for 25 years. I was
originally trained in community psychology. In
community psychology, we look at what are the hostile
agents in a community that affect the health of the
citizens. Pathological gambling is of concern to
mental health practitioners now, not just in the
United States, but across the world.

In 1978, there was one conference,
sponsored by the University of Nevada, which had
topics on compulsive gambling. Today there are
national and international conferences several times
throughout the year looking at the issues of
compulsive gambling.

Compulsive gambling is a problem that
exists in other countries and in the United States. There
are hospital-based and out-patient treatment programs
now, not just in the United States, but they are also
in Canada, in Germany, in Great Britain, in Spain, in
Argentina, in Italy, in Australia, they are everywhere
now.
Today, pathological gambling is widespread. It is found among all age groups, and, again, having said that, I've been in this field for 25 years, when I originally entered this field typically a pathological gambler would be someone in the 45-50 year age range, typically a White middle class businessman, lawyer, accountant, who typically would have the money and the time to fly to Las Vegas or to go to the race track, that has changed with the proliferation of gambling, all forms of gambling, whether it's casino gambling, whether it's state lotteries, whether it's race track, off track betting parlors, Keno, slot machines, legalized Bingo parlors and even legalized sports betting. Today, compulsive gambling is found among all age groups, all social classes, all economic classes, among the highly educated, as well as among as the illiterate, among the highly skilled and successfully employed, as well as among the unemployed, of all races, religious beliefs, both sexes. It has become a democratic illness and has been termed the addiction of the '90s, and it, without
a doubt, has become a national health problem.

Pathological gambling is a psychiatric disorder. It has been recognized by the American Psychiatric Association and the World Health Organization since 1979. It has been acknowledged by the American Medical Association, by the courts, and by the insurance companies.

Unfortunately, it has not been recognized readily by the general community as an illness. It is still seen as a vice, or a sin, or as a sign of weak moral character. Why? I would suggest it is because our governments, our state governments and our local governments, and the gambling industry itself, has failed to allocate the funds necessary for education and prevention programs.

We have talked in the past session about a definition, and the various definitions that are occurring. Quite frankly, I put it in terms of addictions. We have alcohol abuse and there is alcohol dependence. We can use a similar analogy, gambling abuse and gambling dependence. When I am speaking about pathological gambling I am talking
about the equivalent of alcoholics or drug addicts,

I'm talking about pathological gamblers, individuals

who have become addicted to gambling.

   Recognize, too, though, that there is a

vast difference between someone who is hooked on

nicotine, who smokes cigarettes and develops

emphysema, and, perhaps, may die from it, and from

someone who is hooked on gambling, who affects many

people in his life or her life, as well as people from

whom he is employed, or whom he employs. A compulsive

gambler, who owns a company, and uses company funds to

support his addiction, whether it is casino gambling,

or race track gambling, or regardless of what type of

gambling, that company owner can take the company down

and every one of those employees can lose their jobs.

I have seen it happen.

   There are many contributing factors to

pathological gambling. It is not any one factor, and

having treated compulsive gamblers for many years, I

have absolutely no difficulty in stating this and

proving it, I see it daily with every one of our

patients. The most significant and the primary factor
is that of being born into a dysfunctional family of origin. There is no question about it, that two thirds of our compulsive gamblers have typically a father who is either addicted to alcohol, it may be drugs, but typically 60 percent have an alcoholic father, and that addiction may be past or present. There typically is a major illness, either a physical illness or a psychological illness such as depression, perhaps, in the other parent. There are parental difficulties. There is inconsistent parenting. There is lack of nurturance and guidance, and there is abuse in these families, and that abuse may be physical abuse, it may be verbal abuse, it may be psychological abuse, more in the forms of neglect, and, yes, it is also sexual abuse. So, the dysfunctional family of origin is there, and I state that because in treatment compulsive gambling we must also treat the family.

A second factor contributing to pathological gambling is the emphasis on money that occurs within these families. These families are almost unique in it, and it is either because they come from an impoverished background or money is
taught to the children as a measure of one's worth.

Another contributing factor are the unique personality characteristics of the compulsive gambler. They are very competitive. They are above average in intelligence. They have a facility with numbers that is just amazing, but as Doctor Volberg indicated they also have low self-esteem, poor coping skills, poor conflict resolution skills, poor communication skills, and all of these issues become treatment issues.

There may also possibly be a genetic component. We have not had the monies to do the neurological studies that need to be done. Certainly, a major factor are those critical life incidents, those losses, the traumas, the stressors, that lead to anxiety and to depression, for which gambling, or alcohol, or drugs become that alternate escape.

There is no doubt in my mind also that the availability of gambling is a factor. We can now gamble walking down the street buying lottery tickets. We can phone in our bets, whether it's to the race track or whether it's to the bookie. We can mail in our subscriptions to the lottery.
Another environmental factor is that of gambling advertisement, gambling advertisement definitely is directed to our young children and that is imprinting on the young mind.

There is easy access to cash and credit cards. It is not at all unusual for a college student to have ten, 20 solicitations for credit cards. Credit has also been extended to casinos, that certainly contributes to the ongoing addiction.

And, last, but by no means least, and I do hope that this is something that the Commission will study very carefully and do something about, and that is the lack of health care, the lack of insurance, the problems that have been generated by managed care companies, and the lack of trained professionals who can possibly treat pathological gamblers.

Pathological gambling, while it is its own illness in its own right, is always a function of underlying factors and cognitive disorders, and these become a major focus of treatment.

Consequently, over the many years that I, as a researcher, or a clinician, have looked at
treatment programs across the country, and across the
world for that matter, we have at this point developed
a treatment program which does lead to a high success
rate, which is very different from the kinds of
successes that we see, or failures, for instance, that
we see in the alcohol or substance abuse field.

We have learned to use a comprehensive
treatment team, the psychiatrists, the psychologists,
the social workers, the addictions counselors, the
adjunctive therapies, whether it's art therapy or
acupuncture, all of these serve a different purpose and
all of these, in our program, are used not just by the
gambler, but also by the individual family members who
themselves, as a result of this excessive gambling,
which very often has gone on for years, leads to
depression and anxiety.

Our patients today are much more seriously,
psychiatrically disturbed than they were ten years ago
or 15 years ago. Back then, perhaps, Gamblers
Anonymous alone would have been sufficient. It is no
longer. Absolutely, I support Gamblers Anonymous, but
in a junction to professional treatment, not just for
the gambler, but also Gamanon for family members.

Gamblers Anonymous is a support group, it does not get to the underlying factors that contribute to this illness.

And, the additional problem we have with Gamblers Anonymous is, perhaps, by comparison between Washington and Baltimore, where our Compulsive Gambling Center is located, there are more chapters of Alcoholics Anonymous than there are Gamblers Anonymous in the entire country. Gamblers Anonymous has a very high attrition rate.

Our difficulty with managed care companies at this point, as Doctor Lesieur reported to you, about a third of our patients, perhaps, have health insurance. Most of them do not have -- none of them have money to pay for treatment, very rarely do the families have the money to pay for treatment, very few of them have health insurance, and if they have health insurance the managed care companies tend to deny the appropriate treatment and the amount of treatment that is necessary for adequate recovery.

Insurance companies sometimes have an
arbitrary exclusion for pathological gambling, and I

certainly hope that this is something that the
Commission will recommend be undone. I have seen
insurance policies where it specifically says that
treatment for pathological gambling is excluded, that
needs to change.

There is the high cost of policies,
restricted coverage for family members, the denial of
basic psychological testing which needs to be done on
these patients, because gamblers are experts with
words, and they present an image of themselves, and
through psychological testing we can much quicker get
to the underlying factors in the individual and start
an appropriate treatment strategy.

I wish to point out that the cost of
incarcerating one compulsive gambler is greater than
the cost of treatment the gambler and the family
members, resulting in restored health, improved
health, better than they ever had before, and
returning the individual to productive work and
employment.

You had asked me to make various
recommendations. Certainly, I would support the recommendations made by Professor Lesieur and Doctor Volberg. This Commission, if nothing else, recognize that the problem of compulsive gambling exists in our society, stop denying it, stop saying it is not as bad or it is not this or it is not that. The problem is here, and we need to do something about it, instead of encouraging activities that will expand the issues of compulsive gambling.

I had not thought of the idea of having the -- what was it Doctor Lesieur said about the central resource for gambling information, but certainly that is necessary. There are other things that need to be done. I think it is incredibly harmful, as a clinician, as a parent, as a researcher, as someone going to court repeatedly now with these compulsive gamblers, it is incredibly harmful to have young children being allowed in casinos. We do not allow them in bars at all hours of the night, this needs to stop.

We need to have a uniform minimum age. It's 21 in most states for alcohol, we should have a
similar age for compulsive gambling. We need to look
at the advertising that is being done by lotteries,
state lotteries, in particular, tend to appeal to
young children, it needs to stop. We don't need
themes of marbles and pirates for lottery advertising.

We need to look at our correctional system.
There's only one state, Minnesota, which at this point
looks at offenders who have committed financial
crimes, who are routinely given an assessment to
determine if they may have a gambling addiction. This
is something that should be done in every single
state.

We need to do something similar with our
bankruptcy courts. Our bankruptcies across the
country are going up. Many of them are related to
compulsive gambling. For many cases, this is another
bail out, it is clinically unsound, and we need to
look at what we are doing in terms of our
bankruptcies.

I would certainly hope that this
Commission, if nothing else, can also establish a
permanent office on compulsive gambling, just like
there is a permanent Council on Alcoholism. There is
no reason in today's day of knowledge on pathological
gambling that our various Senate and House committees,
whether it's in Congress or whether it's in state
legislatures, should not have a committee on
compulsive gambling. Every Department of Health
should have an office of compulsive gambling, just
like we have offices on alcoholism and other
disorders. That's the very least that we can do.

And, certainly, I would hope that Congress,
and the gambling industry, whether it's the casinos,
and the state lotteries, and the other forms of
gambling, get together with us in the mental health
field and address the problems that have been created
by managed care and the lack of insurance, because
unless these individuals are treated we're simply
going to expound the problems.

CHAIRMAN JAMES: Thank you, Doctor Lorenz.

Unfortunately, I'm going to have to ask you to stop
there and turn now to Mr. Looney.

MR. LOONEY: Thank you.