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.
My name is Ed Looney, I'm the Executive Director of the Council on Compulsive Gambling in New Jersey. We're a private non-profit organization. We are an affiliate of the National Council on Problem Gambling, which started in 1973, and now there are about 34 affiliate like ourselves all over the country and we have two in Canada.

Again, we only do prevention education referral, we don't do any treatment. I'd like to just give you an overview on the council and what we've been doing in New Jersey, and some of the problems we've been facing. I'd like to also talk on three different areas. I'd like to talk about adolescents, I'd like to mention something about seniors. I'd like to talk about the prison population, and I would like to give you four recommendations. I know in my written material I gave you, I think, over 100, I'm facetiously saying.

In essence, the council started in 1982 at the behest of the Health Department. The Health Department found out, they did a survey in 1979, and they found out there was 175,000 compulsive gamblers
supposedly in New Jersey and no information being
given to that.

So, we started it with some $50,000.00
money, and we were off and running. Our first help
line was in 1984. We got a bit 694 calls our first
year, the 1-800-GAMBLER, a very popular number, we are
able to get it now on every lottery ticket, every
racing industry, on every racing schedule, in every
casino advertising we have the 1-800-GAMBLER number.

In 1996, though, we now had 26,000 calls
from residents from New Jersey. We can throw out
about 30 percent of those as what we call calls that
were not -- they were not for compulsive gambling
issues, they were for maybe somebody saw the number on
the lottery, et cetera, but we really get about 16,000
good calls out of that 26,000.

In 1997, the figures are not in, but it
looks like around 33,000, so we are up about 7,000
calls for New Jersey residents.

We started, there was a need to start
certification of mental health professionals and treat
them about compulsive gambling, so our Council on
Compulsive Gambling started the first certification of gambling councils anywhere in the world and we are very, very proud of that. There is now about seven or eight different certifications all over the country, and as gambling comes into an area people are getting certified and learning about compulsive gambling.

We introduced our help line nationwide, and I've given you a report of three years, 1993, '94 and '95, where we documented every area code of the country that called that 1-800-GAMBLER number, and it's interesting that where you bring gambling into an area we saw increases in calls from those particular areas.

One good example would be Louisiana, if you get a chance to check that some time later. In 1993, we got, I think, 650 calls from Louisiana. In 1994 and '95, in '94 they brought in about ten or 11 riverboats into that area within a 14-month period of time, the next year we received 2,000 calls, and then when things settled down the following year we received 4,000 calls from Louisiana.

So, I think it kind of like gives a little
indication where we bring gambling into an area, and people are exposed to it, we are going to have some people that are going to call about problems.

I can tell you New Jersey had 12 Gamblers Anonymous meetings in 1976, today, as we speak, there's over 60 Gamblers Anonymous meetings in New Jersey. Again, that's a correlation we find from all over America, where we bring increasing gaming we see an increase in Gamblers Anonymous groups.

I'd like to tell you about adolescents real quickly. In 1985, that's a long time ago, we did a study in four major high schools in New Jersey, 792 youngsters in the junior and senior years, 55 percent of them happened to be female, and here's what some of the things they found. Eighty-six percent gambled at least once during the year, 32 gambled weekly in the year, 45 gambled in the casinos. By the way, a side note, in 1986, which I gave you some information on, all the casinos have to, and they do a heck of a job in trying to keep kids out, last year, though, in 1996, the figure was 53,000 kids were stopped at the door, 36,000 kids got on the floor, and out of that
36,000 kids that they took off the floor almost 400 of them were gambling, and over 400 of them actually were arrested and had to face a judge because of some significant thing they did, and mostly it was gambling.

We're finding it's not only casino gambling that kids are involved in, they gamble with lottery tickets. Lottery gambling and under-aged gambling in the state of New Jersey is pervasive, absolutely pervasive.

Forty-five percent they said they gamble on sports with a bookie. That's the real problem gambling that they have in high schools today. Forty-five percent also played the lottery, 12 percent told us that they did it weekly, illegal gambling with the lottery, not enforcing the rules, not enforcing the age limit. Twenty-nine percent said they wagered on horses and 11 percent gambled weekly.

I can tell you some of the crazy stories that I've experienced. I've spoken to probably 150,000 youngsters in the last 12 years in high school seminars, and I can tell you they gamble at nine and
ten years old in the inner city, they gambled on nickels on dimes, fun things between each other. By the time they get to high school they play cards for larger amounts of money. There's a new game in town called Seelo, that's been raging across America, in New Jersey it's at epidemic proportions. They play with three dice. Three years ago we had our first death in one of our counties of kids playing a game called Seelo, it's played with three dice. The number one form of gambling that kids get involved in, and get heavily -- that's problematic, is the sports betting. Organized crime is alive and well in the state of New Jersey, and in doing business with our kids, absolutely unequivocally. It's festering at the high school level, but when we get to the college level it's nearly epidemic proportions. I speak at about 15 colleges every year, we've got good documentation. NCAA has does some stuff because of "the integrity of the game" and we've got kids in football, college football kids betting on their games. They did a study with 2,000 athletes, and I'm sure you have that
copy, football players and basketball players, 2,000
of them said that, four percent of them said that they
gamble on their own teams, and 25 percent said they
gamble on other sports. I can go on any college
campus anywhere in America and within an hour I'll be
able to make a bet.

You talked about gambling before, and I
think if I ask anybody, let's list all the types of
ways we can gamble, you'd probably come up with six or
seven, but there's about 38 ways you can gamble.

When I go to the high schools, the kids ask
the question, Mr. Looney, how much is the most a
person lost betting and gambling? Well, up to four
years ago I said it was $18 million. The fellow was
a grandson of a fellow that owned banks in Iowa, and
he embezzled $18 million in a six-year period of time,
and he lost it all at Las Vegas and also gambling with
illegal book makers.

And then, a guy came along called Nick
Leeson, 28 year old genius that ran the Barrings Bank
of England, $1.4 billion. They are in disarray, they
are going to break up this Barrings Bank of England.
It's so old that the Barrings Bank of England, we borrowed money for the Louisiana Purchase. Nick Leeson is sitting in prison. If I get an evaluation on Nick Leeson the first thing I would do is ask him, Nick, do you think you have a gambling problem? He said, gambling problem, what are you kidding me, I'm an investor. And, if they were to let me invest that money for the next month they would turn around and I would have made money for that bank. He invested money in foreign banks, he used to market, he was doing arbitrage, I don't even understand this stuff. I've got two sons that are stockbrokers and they tried to explain it to me. But, this kid was 28 years old. So, we have stock market gamblers.

As we talked, on weekends in New Jersey we have pitbulls, kids are fighting with pitbulls on weekends. We have a Hispanic community, they are betting on -- fights, up in the community, the Cuban community, they are playing dominoes for big money, so we talk about gambling, let's not look at the casinos, let's look at the lottery, let's look at the whole picture. We have a tremendous amount of gambling and
a lot of people are being affected by it.

I don't want to get too much into colleges anymore, but I could tell you that, an inside story again, all state football player, sitting on top of his apartment building, 1987, he had stomach aches for two days, mom is saying, what are you doing up here, what's the matter, no, I've got a stomach ache. He's ready to jump off the top of his apartment building, and the mother just ran out, they grab each other, they cry, they hold each other. What's the matter, he says I'm so scared, Mom, I owe $800.00 to the bookie in school.

We have kids that took $6,000.00 out of a bank account, 16 year old kid in western New Jersey, to bet the lottery. It's dumb to buy lottery tickets, one or two, the key is, with all this advertising we have, the kid got hooked into this, he took $6,000.00 to use on lottery tickets. Okay. He lost, we got the call from the emergency room at the hospital because he slit his wrists. Okay.

I want to talk real quickly about seniors. These are the people, 32 percent of our calls in 1996, 2,000 seniors numbered, called us with a gambling
problem. Number one form of gambling for the casinos -- for the elderly, was casino gambling. They love to play Bingo, they love to play lottery. The state of New Jersey has 60,000 Bingo games in a year. We don't have high-priced Bingo, but we have the low price, but it doesn't matter, people still get in trouble.

Male seniors like to go to the race track. There's 2,000 buses that go to Atlantic City on a week, if you look at them, something like 60 to 70 percent are seniors. So, we see predominantly seniors.

Surveys we did on a bus in Atlantic City, in the bus terminals, we find there are 52 people on a bus, 49 people lose on an average. There's never any arguments going down on the bus trip, people are having fun, anticipation, excitement, and coming home many times we have the arguments.

We've talked to seniors. We opened a senior outreach program, the first one in the country, just because we were seeing so many seniors being devastated with compulsive gambling. We've spoken to senior citizens, we've spoken to 4,000 seniors, what
are they doing, some of the people are telling us that
they have equity loans on their homes. We are seeing
that there's stealing going on, fraud, credit card
fraud, little white collar crimes amongst themselves.
Seniors are being affected tremendously, and our
senior population we consider 55 years and over, I can
tell you that as we talk every day 3,000 people turn
50, and in the year 2010 we are going to have like 94
million seniors.

One casino executive told me that our regular
customers are 63 year old seniors.

I want to tell you one fast story about the
seniors. I get five to six calls like this that I get
choked up on. These are the hard calls. The widow
who is 65 years old has been well taken care of by her
husband who has passed away. Six years ago my husband
died, I had plenty of money, but I'm lonely. I don't
want to get involved with other men. We are finding
that the senior citizens are very lonely people. I
don't want to get involved with seniors, I feel so
missed with this relationship. I found a bus trip down
to Atlantic City, a fun trip with other people. You
know, the loneliness was gone, but when I came back it
was there again. So, more frequent trips to Atlantic
City, and they break down on the phone.
I get five or six of them, come to the hot
lines and listen to them. I can't, I can't, I'm so
embarrassed, I'm relying on my kids, and these people
can't make a come back, that's my seniors.
Let's go to the prison population, and real
quickly I'm going to tell you, in New Jersey we have
28,000 people that are housed in prison. I've been
going to prison meetings for 27 years and doing
education in prison. I can tell you that Henry
Lesieur, the gentleman that was over here before, a
most remarkable individual, gave us some wonderful
statistics, 30 percent of the people in prison
indicated themselves that they did something illegal
in order to get money to gamble.
We are a smart society, we spend $25,000.00
to $28,000.00 in New Jersey to house a prisoner for
one year. Give me $5,000.00 and I'll show them how you
can treat the compulsive gambler. Recidivism rate in
1986 in New Jersey, I don't know what it is now, but
a person coming out of prison, the corrections prison, they call it corrections now, we correct people, and it's a joke, 28 percent of the -- 46 percent of the people will commit a crime within the first year, 92 percent commit within five years. We, in other words, have rehabilitation of people in prison in the state of New Jersey in 1985 of eight percent.

We found that there's not only compulsive gamblers in prison, we know there's drug addicts. They tell me in some prisons that they did studies where 63 percent drug and alcoholics. We think there's 30 percent of those that are compulsive gamblers also, so without treatment these people are going to come out and commit more crimes.

Let me just finish up some of the things that I'd like to think we should do. Every compulsive gambler goes through three things, the winning, losing and desperation stages. During the desperation stages they do two things that other addicts don't do, high criminal activity. Eighty to 90 percent of people in Gamblers Anonymous will tell you they did something illegal in order to get money to gamble. A lot of
them do white collar crimes, fraud, credit card,

employee theft type of thing.

The other thing that's high is all

bankruptcies. There was a study that just came out on

bankruptcies. Guess which county, they took every

county in the country, and it's a survey that we

didn't do, and it came out that they said that if you

had a gambling entity within that county, in one of

them 18 percent higher bankruptcy rates. If you had

five gambling entities within that county, it jumped

to 35 percent. Guess which county in the state of New

Jersey has 71 percent highest bankruptcy of the

average of all the counties in New Jersey, Atlantic

County. So, again, bankruptcies we know, we've been

knowing that for years, compulsive gamblers get

involved in that type of thing and it costs a lot of

people money.

The desperation phase is a very tough phase

for family members, too, and the compulsive gambler

affects between six and ten people in a very

significant way.

Here are my four suggestions. Federal
office on problem and compulsive gambling, absolutely,
unequivocally, you need something like that, dignify
compulsive gambling, put it in its place next to
addictions on the federal level, you have to do that.
Curriculum from K-12, there's not one
curriculum in any schools in the country. I go to 35
high schools a year. One of the police officials
said, Mr. Looney, why don't you go to the
kindergarten, that's where you've got to start, and
he's right. We've got to give education -- they are
gambling in the sixth grade, that's when they start,
so we really need education K-12.
We need to fund counselors, like ourselves.
Most states do not give money for compulsive gambling.
Most states do not give any money for compulsive
gambling, and most states don't give anything for
compulsive gambling. We have 34 affiliates that have
more passion, more understanding, more intellect than
I do, I got some money from our state, our state gave
us some money, which was wonderful, they gave us
$500,000.00. We had a premier operation, we can do
all these wonderful things, there's people that can do
the same things all across the country but they don't
have the money to do it.

The other thing --

CHAIRMAN JAMES: Mr. Looney, thank you very
much.

MR. LOONEY: -- okay.

CHAIRMAN JAMES: I'm going to ask you to
submit, of course --

MR. LOONEY: Sure, I gave it.

CHAIRMAN JAMES: -- and I'm sure we have
them, but for the benefit of the audience we will have
the rest of your statement in writing.

MR. LOONEY: Okay.

CHAIRMAN JAMES: And, I do want to thank
both of you.

I will take the time for one or two
questions from any commissioners before we move on to
Mr. Wexler.

COMMISSIONER LANNI: For Doctor Lorenz,
I think you made a compelling oral
argument. I don't think we've met before, have we?

DOCTOR LORENZ: No, we haven't. Well, I
heard you speak at the opening of the MGM Grand.

COMMISSIONER LANNI: You really did?

That's amazing.

DOCTOR LORENZ: Yes, I did.

COMMISSIONER LANNI: I didn't join MGM

Grand until June of '95. I must have been there in

spirit, if not in person. But, if you thought you

heard me, I appreciate that.

DOCTOR LORENZ: No, I thought it was you,

I apologize.

COMMISSIONER LANNI: That's all right.

I have a question. I thought your oral

testimony was quite meaningful, and I support most of

what you said. You did not refer much in the oral

testimony, or if I listened correctly at all to

illegal gambling. Yet, in your written testimony you have

reference to illegal gambling.

With the studies and the treatment that

you've been involved in, to what degree have you been

-- do you find people who have the problems that they

have and that you've dealt with are products of

illegal gaming as compared to legal gaming?
DOCTOR LORENZ: Probably 20, 25 percent might be illegal gambling, and typically those are sports bettors, and they tend to be some of our younger addicts. Most of our residential patients, the most acutely disturbed tend to be casino gamblers first, at a lesser level the race track gamblers, with a long history of gambling. But, really, we see all types of gambling, whether it's lottery addicts, Keno addicts, Bingo addicts, the devastation is the same and the contributing factors are the same.

COMMISSIONER LANNI: A couple of follow-ups, if I may. I think we've established the fact that we probably haven't met. Do you know a number of people in the gaming industry?

DOCTOR LORENZ: Yes, I do.

COMMISSIONER LANNI: You do, executives.

DOCTOR LORENZ: I know some.

COMMISSIONER LANNI: You obviously have a very low opinion of them, in looking at your second to last paragraph in your written response, you indicate that we are totally lacking in personal responsibility and integrity. I'm offended by that, we've never met,
but if you choose to believe that some 700,000 people
in this country are lacking in integrity and
responsibility you have not done a very good study.

DOCTOR LORENZ: I am talking about the
response to pathological gambling, which has been
virtually nil. Over the many years, the 20-25 years
that we have spoken with casino personnel, with
lottery personnel, as well as personnel from other
gambling venues.

COMMISSIONER LANNI: You also refer to the
fact that we are totally lacking in social
consciousness and the gaming industries are enemies,
the industry is an enemy, not an ally.

DOCTOR LORENZ: That's right, I totally
believe that, and that's --

COMMISSIONER LANNI: You also --

DOCTOR LORENZ: -- based on 25 years of
experience. The help that has been given to
pathological gamblers, either for employees of the
industry or for non-employees, is minimal. Again, we
have had any number of employees, either from casinos
or state lotteries, who do not have health insurance,
who do not get the support from the industry for the
treatment that they need.

COMMISSIONER LANNI: You also indicated
here that a preponderance of the casino personnel
represent this Commission, can you tell me how five of
the people on this Commission represent the casino
industry?

DOCTOR LORENZ: I see no representative
here from the pathological gambling industry. I see
three of them directly connected, directly or
indirectly connected, which would be you, and Mr.
Bible and Mr. Wilhelm.

COMMISSIONER LANNI: Yes. You indicated,
I think also, that people who have pathological
problems are very good with numbers. I don't think
you are very good with numbers, I can tell you that,
pathological or not, and there's no reference to that.
Maybe your oral word is more logical than your written
word.

And, I'm very offended by your second to
last paragraph. It's not substantiated.

DOCTOR LORENZ: Quite frankly, I'm quite
good with numbers. As a matter of fact, I majored in
banking before I got into the mental health field.

COMMISSIONER LANNI: I hope the bank did a
little bit more successfully in its operation than you
did in your written word.

DOCTOR LORENZ: They did very well, thank
you.

COMMISSIONER LANNI: Good, I'm glad they
did, but I'm offended by that, it lacks credibility,
and it really -- it's a sad thing, because you made a
wonderful oral presentation. Most of your letter was
quite reasonable, and, as I said, I agree with most of
it, but when you come to the second to last paragraph
and attack an entire industry, you lose credibility
with me.

DOCTOR LORENZ: Mr. Lanni, we have spoken
with state lottery directors, casino personnel, other
gambling venues for many years. How much money is
allocated for pathological gambling, for treatment,
for prevention, for research? I think that answers
your question.

COMMISSIONER LANNI: Doctor, I shan't get
into an issue of discussing things with you, but that
is a definite non-sequitur.

CHAIRMAN JAMES: Again, I want to thank our
two panelists, I appreciate your input this morning,
and now we're going to hear from Mr. Arnold Wexler.
Mr. Wexler, where are you? There you are.
Good morning.
MR. WEXLER: Good morning, it's a pleasure
to be able to appear in front of this Commission, and
I appreciate the opportunity.
My name is Arnie Wexler. I've been
President of Arnie and Sheila Wexler Associates since
1994. We do trainings, education seminars and
consultings, evaluations and treatment service for and
about compulsive gamblers. I'm also a recovering
compulsive gambler, and placed my last bet April 10,
1968.
I'm not a prohibitionist. My only
objective is to help compulsive gamblers and their
families. We've been involved in trying to raise
public awareness on this issue for over 29 years.
Thirty years ago this month I was in the