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
desperation phase of compulsive gambling. I was 30 years old, I was married, I had two children in the house, I was in debt for three years of my annual salary. I thought about suicide on a daily basis for a few years up to the time I stopped gambling, and I thought it was the only way out, to be honest with you.

I also, at that time in my life, was a plant manager of a Fortune 500 company, and was supervising 300 to 400 people, coming to work every day with a suit and tie on. You couldn't see my disease because it was hidden, unlike alcoholism or drug addiction.

My experience is not unique. Most gamblers have similar stories to tell, as you heard last time from some of them. They've lost relationships, careers, educational pursuits, their obsession to gamble is all encompassing and they are unable to think about anything else but gambling.

Many, at this stage of their addiction, are committing illegal acts to support their gambling addiction.
Doctor Bob Custer, the first man to do
treatment on compulsive gambling, or started the
VA Hospital, I should say, described compulsive
gambling to me one time and he said, it's
people who have lost all hope, who are severely
depressed, felt hopeless and alone, and at the stage
of the desperation phase gamblers felt like suicide
was really the only way out. The devastation from
compulsive gambling is far reaching.

Go back to April, 1977, in Bridge City,
Louisiana, a young woman was baby sitting a two-year
old baby, left the baby in the car while she played
video poker. When she returned hours later, the baby
was dead.

In August of 1997, I heard about a sergeant
in the U.S. Army from Hunter Air Field in Savannah,
Georgia, who left a ten-day old baby in the car with
the same type of experience, also video poker player.

There's a man today in death row in New
Jersey, contracted to kill his wife after he got $1.5
million worth of insurance on her, and at that time he
was in debt due to gambling problems.
I recently came across one of the most horrifying stories I've ever heard. It was a 19-year-old college student from New York, who couldn't cope with a gambling debt of $6,000.00 that he bet on the Super Bowl, on the World Series. He purchased a toy gun, he led police on a car chase, when approached he pulled the gun out of his pocket and was killed by the unsuspecting police officer. That's a classic case of a suicide.

In Somerset County in New Jersey, the prosecutor who embezzled money because he had a gambling problem from his partner's business ventures, and was sentenced to a crime when he fled the state of New Jersey, he ended up in a Nevada hotel where he shot himself to death.

Compulsive gambling is cutting across all segments of society today in America. I've spoken on many college campuses, and you want to talk about denial, the college campuses have the real denial about this problem. They still believe that there's no problem with drugs and alcohol on the college campuses, so they are surely not going to deal with
gambling.

The fact is, I've done six articles for the NCAA News, and you get calls from hundreds of kids who have a problem, you hardly ever get a call from an administrator over the last six years that I've done these articles.

Senior citizens are another segment of the population reporting considerable increase in gambling problems. There are countless sad stories about people in this age group who are addicted to various forms of gambling in their golden years.

There are more female compulsive gamblers seeking help today in America than ever before.

I did the Oprah Winfrey show four years ago, and I can tell you, after that Oprah Winfrey show, when I was the Executive Director of the Council in New Jersey, we got 7,000 calls in a one-week period from people seeking help. Sixty-five percent of those calls were from women, from females.

State legislators are consistently adding more legalized gambling opportunities without even addressing their constituents who are or will become
compulsive gamblers. State lotteries alone do about 

$44 billion. The chances of winning the state lottery 

are just as good if you got a ticket or you don't have 

a ticket.

You see ads on television where governors 

are holding up lottery tickets and say, buy a lottery 

ticket, support your state. Can you imagine if that 

same governor held up a bottle of alcohol and say, buy 

alcohol because the state gets tax revenue from 

alcohol, people would be outraged.

How many times have you seen in a 

convenience store a parent rubbing off a lottery 

ticket holding their five-year old kid in their hand, 

and what kind of message are we sending? Does that 

say to the kid, you don't have to go to school, you 

don't have to get an education, you're going to buy a 

lottery ticket and become a millionaire? It's easier 

for a youngster to purchase a lottery ticket today 

than to buy a can of beer or a pack of cigarettes. 

I remember getting a call from a daughter 

of a father, 72 years old, who owed $140,000.00, and 

never bought anything else but lottery tickets.
Another form of gambling often overlooked is the stock market. Many compulsive gamblers get involved in this form of gambling. Stockbrokers, who are compulsive gamblers, today are churning people's money in order to get money to support their gambling addiction, and it's a pretty common practice.

Sports betting is another very interesting phenomenon. The only place you can place a legal bet in America is Nevada on a sporting event, so why do all the papers in America carry lines and odds?

In three more days, this country will be facing the biggest one-day gambling event of the year. For some people, the Super Bowl Sunday is just another day, but for compulsive gamblers Super Bowl is like New Year's Eve is for the alcoholic.

Although compulsive gamblers are known to gamble on anything, and I was one of those people, by the way I never gambled in a legal casino in my life neither, any form of gambling, many prefer casino-type gambling because it's quick, fast action. I have serious concerns about under-aged gambling, how free drinks are served and handled, and policies regarding
markers and credit. When casinos offer comps to a compulsive gambler they truthfully fuel the fantasy and sometimes push compulsive gamblers over the edge.

From Memphis, we heard about the widow who had two daughters whose husband committed suicide as a result of compulsive gambling. He was allowed to continue gambling in a casino in Tunica, Mississippi, even though the checks kept bouncing that he was writing. After his suicide, the wife sued the casino and they filed bankruptcy.

A man I know had a $500,000.00 credit line in a casino, and as a TTO they increased one day his credit line to $1 million. He eventually ended up owing $2.5 million that he could not pay because of compulsive gambling problems.

I know a woman who came for help a few years ago, that was earning $14,000.00 a year in a supermarket she worked, and ended up owing $90,000.00 in casino markers.

I know that casino workers are at a greater risk for compulsive gambling. Compulsive gamblers like quick, fast action, and they find that in those kind of jobs.
A well-hidden fact that people don't even talk about or know about, is that there are slot machines all over the Armed Forces bases out of the United States, and if you don't think that's a problem you've got another guess, because we were asked, my wife and myself were asked last year, to go to Japan to do a workshop at the Far East Addictions Conference in Camp Zama, Japan. You've got to see the soldiers and their dependents who are gambling on poker machines on the Armed Forces bases.

Race tracks, which were a dying industry and now are on the upturn, with simulcasting off track betting, poker rooms and slot machines, it used to be a four-hour event at the race track, it now can be an all day and sometimes an all night event.

But, I want to commend Mr. Bob Mulcahy who is speaking this afternoon. He was the first man that came to me when I was running the Council and said he voluntarily would like to put up signs, if you or someone you know has a gambling problem, at the race track, and that goes back about 15 years ago.

When it comes to a discussion about
treatment for compulsive gambling, it's a real sad fact that there's such little available throughout the country. After Gamblers Anonymous, there's really not much more. There are many gamblers and family members who require additional services of professional counselors.

As far as in-patient treatment, there's a few Veterans hospitals and there's some treatment centers scattered across the country. My wife was instrumental in starting the first in-patient treatment center in New Jersey at the New Hope Foundation when she worked there, and added gambling treatment to the existing alcohol and drug treatment.

We were also lucky enough to train a facility called Sierra Tucson in Tucson, Arizona, it's a private treatment center and they have added a compulsive gambling unit to their facility.

Most of the available --

COMMISSIONER McCARTHY: I'm sorry, which facility was that again?

COMMISSIONER McCARTHY: Is that a
privately-run casino?

MR. WEXLER: No, it's a treatment center.

COMMISSIONER McCARTHY: Oh.

MR. WEXLER: Most of the available
facilities are private, and, unfortunately, most
insurance companies do not cover treatment for
compulsive gamblers. More often than not, the
clinician needs to use an alternative diagnosis, which
is really a joke, in order to receive payment from
insurance companies to cover compulsive gambling
treatment. Obviously, when most compulsive gamblers
are ready or willing to go for treatment, they don't
have any resources to do it, and neither do the family
members.

Many compulsive gamblers go undiagnosed, as
we travel the country and train staffs we find 25 to
30 percent of people in for drug and alcohol problems
are compulsive gamblers.

I see the gambling industry today where the
cigarette industry was ten years ago. As stated in an
article recently written by Harrah's Vice President,
Ralph Berry, in Casino Executive magazine, "The public wants responsible gaming programs and their elected officials are listening. Are we?" Americans have spoken loud and clear and they expect casino companies to do their part to discourage problem gambling. Harrah's asks these two questions, it's based on a survey by Harrah: 78 percent of the questioners said yes that casinos should be responsible for programs to discourage compulsive gamblers, and 85 percent said casino companies should have programs to combat under-aged gambling. We now know the existence of compulsive gambling is not just fiction, but fact. We may not know the exact numbers of people afflicted by this disease, but we know that it's millions of people, even if you use the AGA numbers of 1.29 percent, we're probably looking at about 2.5 million people. I think the numbers are higher, but I'll buy the 1.29 numbers.

I think the time has come that the gaming industry and state legislators take their heads out of the sand, address this critical issue, and maybe save some lives.
I believe the Commission has power to create policy that might be able to help millions of Americans and family members who currently are suffering with this addiction.

The following are some recommendations that I'm suggesting. Any state, company or individual operating a gambling-related business should be mandated to have a responsible gaming program, but it's not sufficient, however, to have a policy written exclusively from within the company. It should be necessary to have input from qualified persons who have expertise on the subject of gambling.

Over the last several years, I've seen an openness in some gaming companies to begin addressing the issues, and we have worked with Carnival, Casino America, Astor in Indiana, and other gaming corporations, and we are currently employed as consultants to the Trump Casino here in Atlantic City. We have been working with them to implement the comprehensive gambling policy program, and it's no in effect.

I further recommend that anyone who works
in the gaming field must have education on the subject
of compulsive gambling.

Insurance companies should be mandated to
pay for treatment for compulsive gambling. All gaming
companies should pay for compulsive gambling treatment
for their employees and families, and the Trump
organization is now doing that with the policy that we
just instituted with them.

Any state or municipality that receives
revenue from gambling should be required to put a
percentage of that revenue into a fund to pay for
compulsive gambling treatment, education, awareness
and prevention regarding gambling, compulsive
gambling. Health professionals should have training
on the subject of compulsive gambling. Any new or
expanded gambling legislation should include a
component to deal with compulsive gambling issues.

Anyone incarcerated for a crime related to
compulsive gambling should receive education and
treatment while incarcerated. Gamblers Anonymous
meetings should be made available.

And, last, I think today we have an
opportunity to even bypass this Commission by the
President putting in an Executive Order requiring that
all gambling advertisements should include a hot line,
like 888-LASTBET, and that the Americans Disability
Act should include compulsive gambling, which is a
joke that it was left out.
I think very few people in this country
speak for or about compulsive gambling issues. Part
of the problem is still shame and embarrassment, and
even recovering gamblers lack the resources to carry
this message forward. The time has come for elected
officials in this country to stop ignoring compulsive
gambling, as it is an issue that affects millions of
people and millions of Americans, and as a nation we
need to deal in the same manner with compulsive
gambling as we deal with alcoholism and drug
addiction.
Thank you.
CHAIRMAN JAMES: Thank you very much. That
brings to a close our panel on pathological gambling
--, and I do want to thank you. We are running about
35 minutes behind schedule, and I just wanted to make
the commissioners aware of that.

We have the ability to ask questions in writing, but I would like to have a few minutes right now for any questions that you may have, but I wanted you to keep in mind that you can ask questions in writing as well.

COMMISSIONER McCARTHY: Madam Chair, I don't have a question, but I would like to ask Mr. Wexler if he would please send to the Commission a list of the companies for whom he has consulted, describe the work of whatever contract he had with them, and how much money was invested by each of those companies or groups within the industry.

MR. WEXLER: I think you have a list at the end of my statement of all the companies we've worked for.

COMMISSIONER McCARTHY: Something a little more definitive, though, if you'd flesh it out, please.

MR. WEXLER: I'd like to talk to you afterwards about that.

COMMISSIONER McCARTHY: Describe the work,
how much money is being invested by the companies, how
many people -- was it just for the employees of the
companies, or was it for customers as well?

MR. WEXLER: I can tell you the Trump piece
that we are doing is both.

COMMISSIONER McCARTHY: I don't want -- I'm
listening to the Chair, we are running pretty late, if
you wouldn't mind sitting down and mapping that out
for us and submitting it to us, we'll see it.

MR. WEXLER: We can basically do that.

COMMISSIONER McCARTHY: Thank you.

MR. WEXLER: Thank you.

CHAIRMAN JAMES: Thank you very much.

Any other questions?

Thank you, very much appreciate you being
here.

MR. WEXLER: Appreciate the time you gave
me, thank you.

CHAIRMAN JAMES: The Commission will now
hear testimony on the economic impact of gambling, and
we're very grateful to have with us today the
Honorable Steven Perskie, former Chairman of the New
Jersey Casino Control Commission, Joseph Faldetta,
President of the AC Restaurant and Tavern
Association, Robert Mulcahy, President and CEO of the
New Jersey Sports and Expo Authority, and Matthew
Walker, Director of the Research and Education for the
Hotel Employees, Restaurant International Union.

Let me say that in the interest of time,
and because we are running behind time, that I have
made a change in the agenda, and I just want to make
the public aware of that, if you are following your
printed agenda. Several of our hotel employees and
restaurant employees need to get to work, and we want
to accommodate their ability to do that, so we are
going to have a change and put them next to last, and
our panelists have agreed to that, and we thank you
for that.

Thank you very much.

COMMISSIONER McCARTHY: Madam Chair?

CHAIRMAN JAMES: Yes.

COMMISSIONER McCARTHY: Could we clear up
the background noise, please?

CHAIRMAN JAMES: Yes. We have been -- it
is a little bit disturbing, and it's difficult to hear
up here with the conversations in the back of the
room. Can I ask staff to ask people to please have
their conversations out in the lobby. It's a
wonderful lobby, it's large, and it will accommodate
you, outside.

COMMISSIONER McCARTHY: Let's close the
doors, too.

CHAIRMAN JAMES: Yes, and we will close the
doors.

MR. PERSKIE: Is Chairman Smith a part of
this panel as well? Did you inadvertently --

CHAIRMAN JAMES: Yes, and I'm sorry, I did
fail to call you. Thank you so much.

COMMISSIONER McCARTHY: Wrong guy to leave
out.

MR. PERSKIE: The Chairman has a strong
union, you understand.

CHAIRMAN JAMES: I think it fitting that we
hear from Mr. Perskie first, since he was the author
and the sponsor of both the constitutional amendment
to authorize gambling in New Jersey, and the enabling
statute, the New Jersey Casino Control Act, which passed in 1977.

Mr. Perskie, and all of our panelists, I would ask you to please proceed and allow time within your time for questions, so that we can have the opportunity to interact with you. I am going to ask the staff to please work hard to -- the gentleman standing right behind the press platform, can I ask you to move the conversations out into the hall, and then we're going to close the doors, and then we're going to hear from this esteemed panel.

Thank you very much. Please, go ahead.

MR. PERSKIE: Thank you, Chairwoman James and members of the Commission, good morning. I very much appreciate the invitation to appear here today and to present some information relating to the economic impact of gaming on Atlantic City and the state of New Jersey.

Inasmuch as I will be the only speaker before you who was involved in the effort to legalize gaming in New Jersey, I thought it would be helpful to you to explain what our purpose was, why we chose