CHAIRPERSON JAMES:

Dr. Steinberg, I will begin with you as we await the arrival of Dr. Clotfelter. And we welcome you and thank you for being with us this morning.

I would ask all of the panelists to please join us at the table right now. And there are some name tags on the table, it would be helpful if you would find one that looks a lot like your name and put it in front of you.

DR. STEINBERG: Well, you caught me by surprise. I expected to be number three.
CHAIRPERSON JAMES: With travel schedules unfortunately that was unavoidable, but we appreciate your being here this morning.

DR. STEINBERG: Thank you.

I would like to extend my thanks to the Commission for the opportunity to express concerns and also offer recommendations that generally reflect the views of the 35 state affiliates of the National Council on Problem Gambling, of which I am a vice president and secretary.

The National Council on Problem Gambling does not take a position on the question of whether gambling should be legalized, but does take a position regarding the way in which gambling is conducted and the impact on problem gambling and underage gambling. Our Councils have tried to stay clear of the strong pro and con positions of the gambling debate.

Although I represent a problem gambling council, I've spent considerable energy collaborating with the gaming industry, and that it has been
mentioned of the partnership that exists in an ongoing way with Foxwoods Resort Casino. Also I have collaborated with the American Gaming Association in co-authoring The Responsible Gaming Resource Guide and have worked with the regulating body in Connecticut to develop guidelines and policies for problem gambling.

I'd like to make three points relating to problem gamblers and lottery. Number one, the lottery is a form of gambling and consequently there are lottery players who are problem gamblers. It should not be necessary for me to have to make the point, but there are still too many people who are reluctant to accept these well documented facts. The lottery of course is gambling which is also, is often entertaining. The lottery is not the only form of gambling which is often not recognized as gambling. The primary example is the stock market, and other financial markets. As one who is especially concerned about this area of gambling, I'm pleased that the
Commission is considering including financial markets gambling at the Chicago meeting in May.

The second point about problem gamblers and the lottery is that a substantial number of callers to state problem gambling help lines are concerned about lottery problem gambling. For example, recent statistics from Connecticut, New York and Texas indicated that between 15 and 40 percent of the callers were concerned specifically about lottery problems. Two weeks ago at a hearing on a lottery bill at which I was testifying in Hartford, a legislator asked the lottery director what percent of compulsive gamblers have a problem with lottery. The lottery director's response was, "about 20 percent".

Third point about problem gamblers in the lottery. Problem gamblers in the lottery are fundamentally no different than problem gamblers in any other form of gambling with respect to the negative impact on the gambler, his or her family and the community. Any vulnerable person who is a lottery
player can develop a gambling problem. Within the range of compulsive lottery players who have called the Connecticut help line, have been a lottery jackpot winner and employees and proprietors where the lottery is sold.

In fact, analogous to alcoholism among bartenders, employees on the gaming floors at casinos and parimutuels are at risk for developing a gambling problem. Buying a hundred or a thousand instant or scratch tickets in the lottery is no different than putting a hundred or a thousand dollars in a slot machine.

In fact, as lotteries expand the variety of gambling options they offer, the boundaries between casino and lottery gambling is becoming blurry. For example, some lotteries offer slot machines under the name video lottery terminals. The lives of those who are vulnerable to a gambling addiction are as damaged by an addiction to lottery games as to any other form of gambling.
I'd like to make four points, five points, relating to the responsibilities of state government and the lottery relating to the issue of problem gambling.

Just quickly, because others are going to address this. I think that state governments are compromised in the role of gambling regulator when states directly and indirectly operate the lottery. It is my view that when a state is the operator of a form of gambling such as the lottery, the state often loses the ability to adequately regulate the spread of lottery and the way it's promoted.

Second point. State governments excessively promote the lottery, lottery advertisements should be passive rather than aggressive. I define passive as not reaching to or targeting any individuals, households or groups.

Here are two examples of aggressive advertising. One, asking customers as they come to the counter at a retail store if they want to purchase a
lottery ticket. Lottery tickets should not be in competition with Mars bars. The Attorney General in Connecticut recently stopped this practice in Connecticut. Second example of aggressive marketing is advertisements mailed to homes blindly, especially if they contain free coupons, they will get in the hands of adolescents as well as recovering problem gamblers.

Should it be the official policy of a state government to encourage people to start gambling when they would otherwise not gamble? Should it be the official policy of a state government to entice people who have begun to buy lottery tickets to become habitual purchasers? And what about those who become compulsive gamblers and who are trying to recover from this disorder, they are not shielded from the inundation of lottery advertisements and availability of lottery in all segments of the community.

And in the two casinos in Connecticut, people can request permanent self-exclusion if they have a problem with casino gambling. And they can
effectively stay away from the casino. How can a person with a lottery problem effectively stay away from the 3,300 retail lottery outlets in Connecticut that are aggressively marketing lottery.

Third point. An excessive number of minors are gambling in the lottery due to ineffective monitoring by retailers and lottery personnel. Results from state surveys of high school students indicate that between 30 and 35 percent of students report purchasing lottery tickets themselves. This is far more than gambling in any other form of state sanctioned gambling. This problem will only get worse if states continue to install lottery vending machines across communities. I ask the question, haven't we learned from the example of widespread under age access to cigarette vending machines?

Fourth point. Very few state regulatory bodies and lottery departments have comprehensive responsible gambling programs. Such programs have mission and policy statements in writing and a built in
structure to implement goals. To my knowledge there is only one state lottery that has an employee who's title and primary area of concern is problem concern.

Fifth point. Few state governments provide significant funding for public awareness education, prevention programs, professional training, treatment programs and research. It would be helpful if there were some agreement among states as to responsibility for funding and for appropriate models for adequately funding of these programs.

In my view, the best of the practices to date is to utilize a percent of gross or net revenue from all state sanctioned gambling. The fiscal responsibility of state governments would then expand when lottery and other state sanctioned gambling are successful.

Now I will close with four points relating to the federal government. The recently published meta analysis of problem gambling research conducted at Harvard University demonstrated a consistently higher
rate of problem gambling among teens than adults in studies across the United States and Canada. In view of the high rate of problem gambling among high school students, I would strongly recommend that the Commission's planned problem gambling prevalence study also include 16 and 17 year olds. It is very important to obtain at the same point in time comparable data for adults and teens.

Problem gambling information obtained from those who are closest to adulthood will allow for database estimates of the future incidents of problem gambling when these teens obtain full access to a wider variety of legal and illegal forms of gambling.

Second point. Federal and state dollars are needed to develop educational curricula that provide information about problem gambling that parallels the curricula for alcohol and other drugs. Education in the schools along with family education programs will go a long way toward preventing a significant number of future cases of problem gambling.
Third point. The federal government should include pathological gambling in the Americans with Disabilities Act. Americans afflicted with pathological gambling need to be understood in the same terms and receive the same services and protection under the law as the citizens with related disorders, with the related disorders of alcoholism.

Last point. The federal government provides no funding for public awareness education, prevention programs, professional training, treatment programs and research in the area of problem gambling. A national institute on gambling and gambling abuse should be established with adequate funding for these services.

While there is sporadic funding for the National Council on Problem Gamblings affiliates state councils, both from state governments and the gaming industry, there are few vehicles or mechanisms for funding vital services on the national level. A substantial ongoing federal commitment of funds is
needed to support programs to gain further understanding of pathological gambling through research, to develop prevention programs, and to outreach and case find for treatment, the millions of citizens affected by the addictive psychiatric disorder of pathological gambling.

Thank you.

CHAIRPERSON JAMES: Thank you.