CHAIRPERSON JAMES:

At this point, I'd open it up for discussion, dialogue, comments. Let's start with Commissioner Lanni and then we'll go to Commissioner Wilhelm.

COMMISSIONER LANNI: Mr. Gleason raised an issue that I wanted to ask counsel's advice and maybe we can ask the executive director to check into this. I'd like to get an opinion from counsel as to the appropriateness of members of this Commission issuing press releases relative to Commission business especially prior to the hearings that we were going to discuss, with specific reference to Commission Dobson. Unfortunately he is not here at the moment, but I really would like to have some determination of that.

We had discussion at a meeting in Washington, D.C. at Dulles Airport, and as I recall from that discussion, I think the transcripts would support this, that we determined that all press releases would be issued by the Commission through the Chairman, and I'd like to have an opinion from counsel as to the appropriateness of this, for future reference.

CHAIRPERSON JAMES: Was that a Commission press release?
COMMISSIONER LANNI: Again, I think the transcript should be reviewed and I would like counsel's opinion.

But if I may move on to some questions, if I may, the question I have and maybe Ms. Paul would be best able to answer this, is of the 37 states and the District of Columbia that have lotteries, how many of those are in existence because of a vote of the people through an initiative referendum or a ballot issue in whatever factor?

MS. PAUL: I'm not sure about the District of Columbia. Of the 37, 27 of them went before a ballot of the people and 10 of them were voted on by their elected officials representing the people. So, 10 went to a legislative process, 27 went first to a vote of the people and then through the legislative process to structure how they'd operate.

COMMISSIONER LANNI: Thank you.

The second question pertains to and, again, you don't have the benefit, I suspect you won't be here this afternoon, but there is a gentleman named Robert Goodman, who represents something referred to as the United States Gambling Research Institute in Northampton, Massachusetts, wherever that might be, and
he has a prepared report, which has been submitted to
us only in the last few moments because it probably was
just delivered to staff in that period of time.

But there are some questions that he's
asking or points that he's raising that I think you'd
be far better able to answer. And if I may, from his
particular document that he will be presenting, it
talks about some of the questionable practices that
exist in lotteries. And one he talks about, he says,
last year, the Colorado State Lottery was embarrassed
into admitting that it had hired a behavioral research
firm called Mind Sort -- it sounds kind of interesting,
George Orwellian -- which analyzed which parts of the
brain people use to gamble. The public and
legislatures only learned of this after there were a
number of television and newspaper stories about this
practice. Are you familiar with this situation?

MS. PAUL: No. I'm not, but what I'd be
more than happy to do is have the Colorado lottery
director provide the Commission with a written response
to that question. What I'd be more than happy to do is
have the Colorado lottery director provide the
Commission with a written response to that questions
COMMISSIONER LANNI: In Massachusetts, the state lottery, in its zeal to increase revenues, has shown an unusual disregard for the mandates of the state legislature. Last year, according to a series of investigative reports in The Boston Globe, followed by a legislative committee report, the lottery was said to have circumvented a legislative cap on advertising by distributing $8 million dollars worth of free play coupons to businesses, as a substitute currency, in exchange for advertising and promotion.

Again, you may not be able to respond to this, but possibly the director from Massachusetts who was here obviously earlier, but before I received this document, I think it would be helpful to the Commission to have point and counterpoints since Mr. Goodman will be raising these issues and I think they're deserving of responses.

So, with permission of the Chair, it would be helpful to have a response from those two individuals to these particular points.

MS. PAUL: If it's all possible, Commissioner Lanni, I will try and get responses before this afternoon's testimony through phone calls. If I can't before this afternoon's testimony, then I
certainly will have those particular lottery directors respond in writing.

COMMISSIONER LANNI: And since this is becoming a part of the public record, I suspect that staff can provide you with a copy of the specific documents that relate those questions.

CHAIRPERSON JAMES: I think they're already, are they already on the back table, the testimony.

MS. PAUL: It's available to you back there and we would really appreciate that.

CHAIRPERSON JAMES: No problem.

COMMISSIONER LANNI: Thank you, very much.

CHAIRPERSON JAMES: Commissioner McCarthy.

COMMISSIONER MCCARTHY: Ms. Paul, I appreciate that when we ask you to comment about how lotteries in other states are running, the mere fact that you're head of the National Association doesn't really put you in a comfortable position of critiquing what's going on. So, I'm not going to ask you about any particular practices in Colorado or elsewhere. I've read that same story in previous newspaper accounts of it, nor would I ask Mr. Gleason.
But I would ask either of you, starting with you Ms. Paul and Dr. McGowan, you too, please, with this backdrop. This Commission is undertaking a lot of outside research and we're seeking objective people that don't come from any particular industry or point of view that's so completely dedicated on this subject pro or con. And one of the areas we're looking at are lotteries and how they're functioning because the charge of the Congress in the enabling statute that created this Commission was to look at the social and economic consequences of all forms of legal gambling in the United States and of course, lotteries now, as enormous revenue generators, are a part of that study.

Now, we don't have any naive assumptions that the 37 states that have lotteries are going to be persuaded to repeal them if there were some case that could be made to do that, but already in the brief time that we're looking at this, we see that there are accounts of certain kinds of practices and we're not assuming that that's general across the states because it's coming to us, so far, anecdotally from certain lotteries. So it's certainly premature to suggest it's any kind of national pattern. We don't know that.
But with that backdrop, let me take a couple of quotes that you gave in your testimony, Ms. Paul, and ask you to try and help us reconcile these things. You said it's the board's duty to maximize revenues and I think I wrote down that quote accurately. Then you also said it's their duty to operate in a socially responsible manner. Now, maybe those two things are not always an easy fit, and let me ask you specifically about a couple of ideas that were presented by the previous panel. One, do you think it appropriate, at least in some states where they have a history of certain forms of advertising, the Mind Sort idea and so on.

Is it appropriate to have some sort of separate entity, whether it's a single individual, whether it's a small commission of some kind, overseeing certain functions of the lottery operation itself? I'm not talking about auditing and so on because usually there are state officials, a treasurer or state controller who are already assigned the responsibility and that seems to be going all right. I'm talking about things like the form of advertising that may occur. We've got a number of interesting comments on whether advertising is overreaching or not.
And secondary, apart from advertising, I'm talking about the notion of, as lottery revenues go flat, of seeking different kinds of instruments, video lottery terminals, is the line as it's been suggested in earlier testimony, between what some of the things that casinos do and some of the things that lotteries do and try to getting people to bet, is that beginning to blur a little bit and so do we need someone independent?

The impression we get again and again is that the commissions that regulate lotteries and the directors who are the chief administrative officers of those lotteries, they're doing everything they can to maximize revenue and no one is saying, wait a minute, we're a public body, we're a state government. We're suppose to be representing a certain value structure here. No one seems to be saying, well, gee, is that kind of advertising, you know, is that correct?

And I'm not saying that this is Georgia or Kentucky, my impression of Georgia is you folks probably have done the best job of dedicating revenues, you know, once you get past the question of propriety of government promoting gambling in the first place, you folks seem to have done a good job so you don't
have problems of gee, this is for education, but then
you have less appropriations going into education so is
it substitution, or is it really new money? I mean,
you solved that in a different way. So, this isn't any
comment on either of your states. And without naming
any other states, would you comment on these couple of
things that I've referred to.

MS. PAUL: Well, first of all, I think your
first question had to do with separation, and as I
heard the last panel, we talked about it, some of you
and some of the panel members talked about it, is it
appropriate for the people who administer it to oversee
it? Without divulging which political party, I have
worked in two states where I worked for the
administration of a governor of one political party
where the House and Senate Oversight Committees were
controlled by the other political party. That's about
as much separation as you can get in terms of
oversight.

So, the people who administrated the
lottery came of the executive branch of government, the
oversight committees come from the legislative branch
of government. In addition, the type of committee
you're talking about is exactly what exists in Georgia
and, I believe, in Kentucky an absolutely separate seven member volunteer board, who are presidents of corporations and lawyers and CPA's, who care a great deal about social responsibility who approve everything that we do, to see to it that while we're maximizing revenues. Because there is the belief in Georgia that the programs we fund are very, very important, that we do so in a socially responsible way.

And yet the third way that social responsibility certainly becomes audited is the fact that every single thing that a state lottery does is subject to open records and a great deal of scrutiny by the press. So, when you're dealing with press scrutiny of what you do, and in many instances, opponents of your executive branch as oversight committees of what you do and in many instances a seven member board of citizens to see to it that you respond in a socially responsible way, I think there is, indeed, in many and in fact, most instances, the type of separation that I've heard you all talk about.

MR. GLEASON: Mr. McCarthy, if I might weigh in here, we are public entities as Rebecca said, and I think in a very real sense, a great deal of oversight is by the public process is, in fact,
resident. I'm called before committees of our legislature to talk about the lottery, its operations. And just within the last ten days was before a legislative committee which was considering legislation with regard to advertising.

I think every successful head of a lottery in North America looks at themselves as accountable to the general public. I've always said there's kind of a simple statement that I try to go by and that is the lottery ought to be exactly what the citizens and the elected officials of the state of Kentucky want it to be. And that means that I have to keep an ongoing dialogue with those individuals.

And in the state of Kentucky, for example, if we choose to do video lottery, it would probably take an act of the general assembly for us to be able to do so which would involve a thorough public discussion of whether that was an appropriate venue for us to pursue. In trying to administer our social responsibility, our board, like the board of the Georgia lottery, recognizes that, you know, that we have a public obligation.

We've looked at what the yields out of those forms of games might be for Kentucky and have
adopted the philosophy that that is, and it's a formal
stated policy found within the minutes of the Board of
Directors of the Kentucky Lottery Corporation, that we
would not pursue any of those venues unless so directed
by the members of the General Assembly and the
administration of the Kentucky state government. That
is in a very real sense a limitation and we've all
agreed that those are the boundaries by which we'll
operate.

Now, obviously, financial pressures can
change a legislative body's decision as to whether they
want to go down a certain road or not, but I think we
have to rely on the public process to sort that out.

I know you, I think your history is that
you were an elected public official yourself and I
think you must have faith in that process.

COMMISSIONER MCCARTHY: If I could respond,
I know Dr. McGowan has some remarks to make, I have
faith in the process. I also have a keen awareness of
the weakness of the process and one of the things we've
been told repeatedly is that state officials at both
executive and legislative levels have become so
dependent upon revenues coming from lotteries because
the philosophy of refusing to consider any kind of tax
increase in the country has become a sacred credo. So, lotteries are a godsend to those who have some favorite programs that they want to spend on. And how much conscious analysis of advertising or use of instruments to expand marketing of lottery sales weighs against the force of the need for revenue from lotteries because you don't want to vote for tax increases. I don't know how that weighs out even assuming there are many good people in elective office.

MR. McGOWAN: Now, Commissioner McCarthy, I think your point is well taken. One of the things that was interesting earlier this morning that people were making the comments about what we learned about lotteries early in American history and the fact that when there was the great scandal in D.C. when the person who was running the lottery there ran off with the money and that closed the D.C. lottery.

But maybe we have a good lesson to learn from the old lotteries. The one interesting thing the old lotteries did, they were one time affairs. In other words, you built the yard, the buildings at Harvard Yard, you built the Erie Canal. In other words, the state didn't get dependent. In those days, in other words, you had a lottery for a good purpose of
which we're doing it now, but then that's when it ended.

Obviously, we're not going to end the lottery, but I think one of the problems we're running into right now is illustrated in my home state of Pennsylvania. The funds for the Pennsylvania lottery are used for older citizens. So, it subsidizes mass transit and it subsidizes drugs for senior citizens in Pennsylvania. Well, as the price of drugs goes up, obviously, the lottery then has to raise more money.

At one point, in the State of Pennsylvania, the lottery commissioner of Pennsylvania formed the biggest purchaser of drugs in the country because they were trying to buy their own drugs in order to serve the citizens. That's a problem. I think in general, the reasons why lotteries got sold were to do the good purpose.

I think actually it was probably one of the worst things that's happened. If you're going to have a lottery, just put it in the general fund and do not make it specific for one purpose because as the expense of that one purpose goes up, in this state it's used for aid to local towns and cities. Obviously as the cost of a fire truck goes up or a police cruiser goes
up, you're putting incredible pressure on the lottery
to raise more money because they are the people that
are paying for that. In general, I think it's a bad
idea to absolutely use lottery funds for a specific
purpose. It's better to just keep it in the general
fund.

CHAIRPERSON JAMES: Dr. McGowan, we did
hear a really interesting perspective this morning
taking a historical look at the lottery and how it has
evolved, not over the years, but over the centuries.
Just for the sake of the layman, what's the difference,
and when we say lottery, it's almost with a very broad
brush stroke, and the lottery of a century ago and your
comments just now spark that and I don't think people
are really focusing on the difference between what they
perceive to be the lottery and a Keno game.

MR. McGOWAN: Right. I mean, clearly we're
talking about before the Civil War and up to 1840, I
would say that was the first round of lottery play and
then after the Civil War, Louisiana came out with a
wonderful lottery called the serpent which was run by
ex-Civil War generals and they were only used as a
game.
Clearly, by the way, technology has allowed us to have the various types of games that we have now, so when we talk about earlier in history, you just had a simple game where there was a simple drawing. That was it. Obviously, today we have daily number games. We have lotto games. We have the instant games. We have video poker. We have the Keno games.

In this state, most restaurants you walk into, what I would say the Ground Round, not obviously the fancy restaurants, but the regular restaurants will all be playing Keno. For instance, every sports bar in this town has a Keno game played in it. In the old days, let's face it, it was more like the Irish Sweepstake mentality. It was kind of neat to buy a ticket every once in a while. Now, it's constantly put before you so there's a difference there.

I also think it's one of the reasons why people get tired of playing games because familiarity breeds contempt. So, once again, if you're a lottery commissioner you've somehow got to keep your players interested, which is why the instant game thing is a better revenue for them.

COMMISSIONER BIBLE: I have a question of Mr. Gleason and Ms. Paul. It's a little bit along the
same lines as Commissioner McCarthy's in terms of independent oversight and I gather, Mr. Gleason, from your biography that you're director of the West Virginia lottery. Were you before or after Mr. Bryan?

MR. GLEASON: Unfortunately, I was both.

COMMISSIONER BIBLE: Why don't you describe the circumstances that led to his resignation and eventual incarceration.

MR. GLEASON: Well, actually, Mr. Bryan was convicted of contract breaking in simple terms and went to federal prison. I don't know that we can throw out the baby with the wash. Unfortunately, you know, Mr. Bryan didn't conduct himself in an honorable way. That lottery has continued to operate appropriately as it should both before and after that event, but unfortunately, he did not conduct himself as do the great majority of lottery directors, virtually all lottery directors that I'm aware of did before and after.

COMMISSIONER BIBLE: And I guess my question would be, well, to both of you, what sort of ethical conduct applies to lottery directors and the employees and the commissioners in the lotteries in your jurisdictions? And secondly, what sort of
suitability standards do you subject your vendors to? I notice that you both use GTECH as your vendor and as you know, they've been involved in a lot of controversy. I read a rather lengthy Fortune Magazine article that suggests a large amount of wrongdoing within the corporate structure, within the corporate culture, the chairman just recently resigned after litigation in Great Britain. And I'm curious as to what steps or what investigations you take to determine the suitability of your vendors?

MR. GLEASON: Well, I'll speak on behalf of Kentucky and I think Rebecca certainly will speak on behalf of Georgia. There will be similarities in every state I think in the U.S. Every vendor of a major lottery specific product in Kentucky must undergo a thorough background investigation, is prohibited by statute from having any form of gambling or felony conviction. That is the same standard that is imposed as is in Georgia on every employee of the lottery.

From the standpoint of the employees, every employee, we have a formal code of ethics that was required for us to promulgate and go under administrative review by our authorizing statute or enabling legislation. I can only speak to my own
experience having had seven years of experience in dealing with the GTECH Corporation, and it's not up to us to defend them obviously, but we maintain an arms length relationship from them. Our standards require that we can't accept even a lunch from any vendor by our code of ethics. I have never had any experience with GTECH which was anything but honorable. And they have always delivered the service in a high caliber quality to the lotteries which I've administered.

MS. PAUL: Commissioner Bible, I think each state has its own code of ethics, depending upon what is either in their statute devised by their board of directors or devised by their legislature. In Georgia, as an example, every employee goes through a criminal background check. All levels of management go through a much more extensive full criminal background check with members of the Georgia Bureau of Investigation, which we would call the GBI, actually flying to talk to your, I have to fly from Georgia, I grew up in Indiana, talk to your high school teachers and your next door neighbors and anybody you've ever done business with. Anyone you've every worked for, bosses, et cetera. All employees of the Georgia lottery are drug tested and follow the code of ethics that the legislature and our
board have decided are the appropriate level of controls on those employees.

In terms of GTECH Corporation, in all instances that I'm aware of, there is a very open, very public bidding process to select a vendor and certainly in my case, since I have zero technical skills as well as in what I believe to be most cases, the lottery director doesn't serve on the evaluation committees. They are committees of technical expertise et cetera to come through that selection process.

In Georgia's case, from the point in time that we sign a contract until the lottery began, and the one pressure that you both have talked about that was a very real pressure, students had been given HOPE scholarships and pre-kindergarten programs had been opened prior to the lottery beginning. So there was a very close, short time frame with which to start the lottery and we had 67 days to install computers with 6,000 retailers and the performance was exemplary to make that happen so that revenues could come in under the time frames that were set up by the legislature.

COMMISSIONER BIBLE: Would it be helpful or harmful to have a third-party agency review your vendors for suitability and I think you mentioned just
a criminal standard? I recognize the corporation has not been convicted of any wrongdoing, although one of its officers has been charged with a fairly substantial charge, I believe, out of either New York or New Jersey, but would it be helpful to have, to have third-party scrutiny of your vendors in terms of suitability?

MR. GLEASON: Well, I think that's what our background investigations are determined to do in their suitability from a standpoint of being able to deliver the service. We do and we retained in the case of our request for proposal, an outside consulting firm to help us determine the technical capabilities and help to review that and we retained the Battel Memorial Institute who is one of the largest consulting firms in the world. But from the standpoint, I'm not sure--

COMMISSIONER BIBLE: And I don't mean to put you on the spot. GTECH was invited to appear on this panel and apparently declined.

MS. PAUL: In terms of a third-party, our background checks are done by the Georgia Bureau of Investigation and it's the Georgia Bureau of Investigation that either clears or doesn't clear someone that we either do business with or we hire.
COMMISSIONER BIBLE: Is that mostly criminal in nature or is it also business practice in nature? I assume you review the product.

MS. PAUL: The Georgia Bureau of Investigation wouldn't judge technology.

COMMISSIONER BIBLE: No. I'm thinking about business practices versus an arrest record. Did you review the work product? Do they submit the investigative report to you? Do you see the investigative report?

MS. PAUL: Yes.

COMMISSIONER BIBLE: Does it also include criminal justice information or does it include an evaluation of their business practices?

MS. PAUL: I'd have to know more of a definition by what you mean of evaluation of business practices. But the Georgia Bureau of Investigation certainly cleared the Georgia lottery to do business with any of the companies that we do business with.

COMMISSIONER BIBLE: Well, for instance, do you see a list of litigation that they're involved in, whether they're a plaintiff or a defendant, whether they're successful or not successful?

MS. PAUL: Yes.
COMMISSIONER BIBLE: You do? So, that's included within the product that's delivered to you.

MR. GLEASON: We would review all their SEC filings which they have mandatory disclosure requirements of all those matters as would every lottery in the country. And there's a great deal of communication among the lotteries as it relates to security and business practices and how these companies have conducted themselves, not just GTECH but every vendor that delivers services within the industry of that nature.

CHAIRPERSON JAMES: How many, excuse me, how many companies are there in the industry that deliver those types of services?

MR. GLEASON: Well presently there are three vendors who provide, who are providers, the computer services like GTECH does throughout the state--

CHAIRPERSON JAMES: In how many states?

MR. GLEASON: --and there's at least two more that appear to be entering the market.

CHAIRPERSON JAMES: Ms. Paul, how many states does GTECH currently manage?
COMMISSIONER BIBLE: There is a list attached to your--

MR. GLEASON: I think they have around 26 or 28 of the jurisdictions.

COMMISSIONER BIBLE: I didn't hear your response.

CHAIRPERSON JAMES: I'm sorry?

MR. GLEASON: They have around 26 or 28, I believe, of the U.S. lotteries are there.

CHAIRPERSON JAMES: 28 of the United States lotteries are managed by GTECH; is that correct?

MS. PAUL: Every lottery is managed by--

MR. GLEASON: They provide a service.

CHAIRPERSON JAMES: Provide the services. I'm sorry.

MR. GLEASON: Let me, maybe this will help the panel. I'd like to clarify something else. We, I said earlier we maintain an arms length relationship. We have a very formal and detailed contract and request for proposal, that, you know, specified exactly what it was that the vendor is to deliver to us. Our contract is 100 pages in length over and above the proposal. We administer that contract. We hold them accountable for the delivery of the services and if necessary we
enforce the penalty provisions of the contract to ensure that that happens. I mean, every lottery in this country takes integrity not only of its product but of its institution and the services it delivers as the most important attribute it has to maintain the public's confidence in it.

COMMISSIONER BIBLE: But it certainly seems to have been some controversy attached to the industry. I can think of, and I can't of her name in Colorado with Scientific Games, the awarding of that particular contract, Mr. Bryan in West Virginia. There's been, you know, there have been difficulties within the industry, some of the practices and principally the relationship between the vendors and the lottery employees or directors.

MR. GLEASON: Oh, I think in every instance corrective actions have been taken as necessary and behavior has been modified.

CHAIRPERSON JAMES: So, you're satisfied?

MR. GLEASON: I'm satisfied with the way the vendors have dealt with us. I think the lotteries insist on integrity in the way they deal with them, I guess it's been said, I don't know whether it was said by the panel, unfortunately you can't legislate
morality. If somebody chooses to conduct themselves in a less than honorable way, I'm not saying that GTECH has, but in the case of Mr. Bryan, you know, the system did work.

COMMISSIONER BIBLE: Has the lottery association itself adopted or suggested any kind of guidelines for ethical conduct for compliance matters as to how vendors deal with the state agencies?

MS. PAUL: The North American Association of State and Provincial Lotteries believes that that's a states' rights issue and each state should determine what the code of ethics should be for their state and that certainly has taken place and that is dealt with in every state, but it's not the association's purview to get into the business of what the states choose or choose not to do.

COMMISSIONER BIBLE: So, it varies state by state?

MS. PAUL: Yes.

MR. GLEASON: In West Virginia, for example, it was statutory as to what the ethical requirements of all the state officials, which included the lottery director, and the employees in the Kentucky or West Virginia Lottery, excuse me.
COMMISSIONER BIBLE: Thank you.

CHAIRPERSON JAMES: Any other questions?

COMMISSIONER MCCARTHY: Just one to add on to Commissioner Bible's comment. Are you aware of whether the governor's association has addressed the issue of a code of ethics in the administration of state lotteries?

MR. GLEASON: No, sir. I'm not.

MR. DePHILLIPPO: I attended a council state government's meeting and there was something there about that.

MS. PAUL: I think each state takes very seriously the integrity of its lottery and it may not always be the governor that you report to. In Massachusetts as an example, they report to the state treasurer. So I think each entity deals with it very specifically but we all don't report to governors.

CHAIRPERSON JAMES: Any other questions? I can't believe that we're ahead of schedule, but that's okay. That's a good thing.

Any other question or discussion for this panel. Well, I'd like to thank you, very much for a very interesting and very lively and very informative discussions and we look forward to your continued
participation as we go through our process and thank you for being here.

In looking at our schedule, we're about 45 minutes ahead of time. What is the will of the Commission at this point? I think because of our panelists who are prepared to come this afternoon that it's a little difficult to start earlier and because of the public comment period, so I would suggest that we have a break and a good lunch.

COMMISSIONER LANNI: Madam Chair?

CHAIRPERSON JAMES: Yes.

COMMISSIONER LANNI: One matter, it's been, during one of the breaks, it was raised and brought to my attention that a number of people in the media are concerned that we don't have a media room available for them at each of our locations which would facilitate their contacts with their various home bases. So, on their behalf, I am recommending that staff provide some. I know it's probably money, but at the same time, I think we do have a responsibility, wherever possible, to have information available to the public as a result of the media. Following this, I would respectfully request that staff consider a manner in which we could have this arranged, maybe through some
cooperative involvement with one of the other agencies that we talked about before funding.

CHAIRPERSON JAMES: We will do everything in our effort that the media is accommodated. Any--

COMMISSIONER DOBSON: Madam Chair?

CHAIRPERSON JAMES: Dr. Dobson.

COMMISSIONER DOBSON: Would this be a good time for me to hear of what Mr. Lanni said about me in my absence?

CHAIRPERSON JAMES: Why not, we need something right before lunch.

COMMISSIONER LANNI: Commissioner Dobson always assumes the worst. Actually, we are graduates of the same alma mater, have the same feelings on a number of different issues.

My comment that I raised, Mr. Dobson, in your absence, was the determination and the request of the determination of counsel to this Commission, as to the appropriate aspect of any member of the Commission issuing reports relative to the Commission's work. I had understood at our discussions in Dulles Airport, some few meetings ago, that all press releases relative to the Commission work were going to be handled through the chair and through the Commission's offices itself.
And I merely asked for an interpretation of the appropriateness of any Commissioner, obviously with reference to your recent press release relative to this meeting here in Boston.

COMMISSIONER DOBSON: It's that simple. I would recall that the decision was, which is very appropriate that any official statement by the Commission should be released through the Commission staff and with the approval of the Commissioners. That does not mean that each of us is muzzled with reference to our own opinions, and I will not be so muzzled. I have a radio program everyday and I will talk about this subject or anything else that I choose to. And I'm not going to ask the Commission what I can talk about, nor will I ask who I can talk to on the press, in the press, as a private individual.

As a matter of fact, a member of this Commission is quoted in the Las Vegas Sun yesterday, so, again, I don't know what the rules are but they're going to apply equally to everybody, and I'm not going to be muzzled for a year and a half and not be able to express my own views about the work of this Commission. If that disappoints you, I'm sorry.
COMMISSIONER LANNI: Commissioner Dobson, I merely have asked for a legal opinion. If that upsets you, you'll have to be upset.

COMMISSIONER DOBSON: I also understand you made a comment about my not being here the last 30 minutes?

COMMISSIONER LANNI: No, my comment, again, sir, I wish you weren't so defensive, really, but the point was very simple. I merely said I wish--

COMMISSIONER DOBSON: If you didn't attack me, I would not be so defensive.

COMMISSIONER LANNI: Commissioner, I am not attacking you. If you feel it's an attack, that is certainly your right. My point was that I commented, and again, you always like to quote me when you're not here and you should really be here to hear me if you want to do that. I merely said, I'm sorry--

COMMISSIONER DOBSON: That's why I asked what you were saying, Mr. Lanni.

COMMISSIONER LANNI: I will say, Mr. Gleason raised the issue that reminded me about, he had referred to comments that you had made. As a result of that, it reminded me that it was a question I wanted to put before counsel of this Commission. I began the
comments, the transcripts, once again, as I indicated to you once before in a prior meeting, will indicate that I said I wish Commissioner Dobson were here. I wasn't complaining about the fact that you had, for whatever reasons, I think each of us have stepped out from time to time. And I certainly do not begrudge you or myself the right to do that.

I merely stated that I was sorry that you weren't here, but I know that representatives of your organization and you personally were here, so I did not think that you would not get the message.

COMMISSIONER DOBSON: I got it.

CHAIRPERSON JAMES: Let me just take the Chair's prerogative to say that I am happy to turn this over to counsel to take a look at. But I do believe that when we discussed this issue that it was very clear that individual members could continue to make any kind of statements that they felt or deemed appropriate, but that they would not represent the views of the Commission. And when I asked to see a copy of the press release, and it was released on Focus on the Family stationary and it was Dr. Dobson's opinion and he was releasing information that had been collected by his organization. Having said that, if
you'd like further clarification, I'd have no problem
with asking Mr. Terwilliger to look at that and look at
it in terms of our particular rules operating
commission.

We have nine very outspoken individuals and
I doubt that any one of them will be ever muzzled, and
I doubt that anyone would ever even hint at the
suggestion that any individual member of this
Commission could not or should not address the media to
represent their own particular views. And having said
that,--

COMMISSIONER BIBLE: Well, I want to add my
perspective--

CHAIRPERSON JAMES: Absolutely.

COMMISSIONER BIBLE: From my perspective, I
really don't care what any member of the Commission
says in terms of the radio shows or their private life
or what they talk about to reporters. I would kind of
like to see a copy of the press release if you're going
to issue one so I at least have a chance to take a look
at it before I have a reporter on the phone asking me
to comment on it. That's just a procedural aspect. I
don't think is a particularly--
COMMISSIONER DOBSON: I'd be happy to send copies of any press releases to every member of the Commission. I would assume that you would not think that would apply to interviews as well?

COMMISSIONER BIBLE: Oh, no, just press releases.

COMMISSIONER WILHELM: All I can say is you'd better load up your fax machine.

COMMISSIONER BIBLE: Well, it's just helpful though if you read the document before you have a reporter reading it to you and asking you to respond.

CHAIRPERSON JAMES: You know, I think we all suffer under that. I had a reporter calling me last week asking about a letter that was from a governor, and I had to call and get someone to send it to me because he released it to the press before he sent it to me.

COMMISSIONER BIBLE: And that's going to happen.

CHAIRPERSON JAMES: And that's going to happen. But in the interest of communication, I think it is helpful when we share those things with fellow Commissioners, and I don't think we're going to muzzle up here. That's not going to happen.
Commissioner Leone.

COMMISSIONER LEONE: I do have, I certainly don't want this to be misconstrued as a negative comment about the press which, of course, I would never make, but I do think that in the interest of moving the discussion along constructively, one of the problems we have is that sometimes the only way it seems possible to communicate on the substance of matters or to inject our opinions or reactions into the proceedings is because a reporter, they don't stop me or Paul here, but they stop some of the people who have much higher profiles, quite appropriately and then the comments come back to us and maybe one way too, I don't think we're dealing with people who are shy in my colleagues.

I think maybe one way is to build into the program some opportunity for us to talk. Since we're in the public anyway and we're talking about things that are going to be reported in the press anyway, first of all, I think give the press a better story which, of course, is not a trivial goal, but in addition, I think it would be healthier for the meetings of the group.
I, you know, often feel left out, and I don't want to importune people to keep you sure and let me, give me a heads up. Frankly, nobody even asked me to comment on the comments, so I'm in pretty good shape, but I'm interested. I'm curious. I like to--

CHAIRPERSON JAMES: Now, Dick, when you talk about more opportunity to talk, you mean in an informal setting?

COMMISSIONER LEONE: Among ourselves in an informal way as we're doing now. I think--

CHAIRPERSON JAMES: Well, we've got 45 minutes.

COMMISSIONER LEONE: I'm not proposing it. I'm not ready, but I do think that might be a useful thing to do and I think, I'd urge my colleagues, fellow Commissioners to come forward with their comments as we're going along.

CHAIRPERSON JAMES: Yes. And you know that I try periodically to include such things like that in our schedule and in our agenda to sort of force that to happen. But by the same token, I think if the Commission continues to operate under one of my old axioms, which is never attribute to malice what can more easily be attributed to , and then fill
in the blank, and if we hold each other to that
standard, we'll be just fine.

I'd be happy to sit here. We don't have to
leave and we can chat. We can talk and bond. I think
we should all have a group hug.

With that, the Commission needs to recess
until after lunch.

(Whereupon, at 12:17 p.m., the meeting was
adjourned for a luncheon recess.)