



**WRITTEN STATEMENT OF KEITH S. WHYTE
EXECUTIVE DIRECTOR
NATIONAL COUNCIL ON PROBLEM GAMBLING**

**Public Oversight Hearing on the Matter of I-Gaming and Public Hearing on B19-474,
Lottery Amendment Repeal Act of 2011**

COMMITTEE ON FINANCE AND REVENUE

Thursday, January 26, 2012

Dear Chairman Evans:

I would like to take this opportunity to follow-up on my June 29, 2011 testimony (attached) regarding internet gaming in the District of Columbia. I noted then that 30 years after the legalization of the lottery and on the eve of the implementation of internet gaming, to our knowledge there are no youth gambling prevention, responsible gaming education, problem gambling treatment, minimum age enforcement or gambling research programs. I outlined our efforts to reach out to the Lottery and Department of Health and provided a series of specific suggestions for each agency essential to provide the bare minimum of responsible gaming and problem gambling services. I also urged the Council to provide direction and funding.

Eight months later I am pleased to report the Lottery has taken significant steps to implement responsible gaming programs. However, the Department of Health has made no progress whatsoever to prevent or treat gambling addiction. We met with Department staff multiple times and gave free technical assistance and materials. No action was taken. As a result, the District still completely lacks any of the basic problem gambling services that must underlie an effective responsible gaming program. It is unacceptable D.C. appears unwilling or unable to address problem gambling.

We therefore urge the Council to:

- Direct the Department of Health to immediately act upon previous recommendations to establish a basic set of problem gambling services.
- Dedicate 1% of annual gaming revenue to a fund for problem gambling services at the Department of Health.
- Continue the mandate for the Lottery to provide responsible gaming programs.

These services are the most ethical and cost effective way to address gambling problems. Problem gambling is an important public health concern, characterized by increasing preoccupation with and loss of control over gambling, restlessness or irritability when attempting to stop gambling, and/or continued gambling despite serious negative consequences. This year

in the District we estimate there are approximately 5,000 pathological and 10,000 adult problem gamblers plus at least 5,000 at-risk youth aged 12-17. Problem gamblers also have high rates of co-occurring substance abuse and mental health disorders, including smoking, alcohol use and abuse, drug use and abuse, depression and suicidal behavior. The estimated social cost to families and the District from gambling-related bankruptcy, divorce, crime and job loss was approximately \$13 million in 2011. For a glimpse of the people behind these statistics, see the attached poem *Gamblers Fallacy* by Washington-native Kenneth Carroll, who provides a harrowing portrait of the impact of his father's gambling problem on their family.

Since 1982 it appears not one cent of the District's \$1.6 billion in gaming revenue has been spent to prevent or treat gambling problems. The historic failure to address this issue costs the city, hurts its most vulnerable citizens and raises significant questions about the ability of the District to responsibly operate current forms of gaming, much less new online gaming.

NCPG is neutral on legalized gambling, and therefore does not take a position on DC Law 3-172 or B19-474. Our primary goal is to advocate for problem gambling and responsible gaming programs. These services are essential if the District wishes to minimize the harm and thus maximize the benefits from legalized gambling.

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The National Council on Problem Gambling (NCPG) is the national advocate for programs and services to assist problem gamblers and their families. NCPG does not take a position for or against legalized gambling, but concentrates on the goal of helping those with gambling problems. We were founded in 1972 and our 40-year history of independence and neutrality makes the National Council the most credible voice on problem gambling issues. NCPG is a 501(c)(3) not-for-profit charitable corporation based in the District of Columbia. NCPG does not accept any restrictions on contributions.

**WRITTEN STATEMENT OF KEITH S. WHYTE
EXECUTIVE DIRECTOR
NATIONAL COUNCIL ON PROBLEM GAMBLING**

PUBLIC OVERSIGHT ROUNDTABLE ON THE MATTER OF I - GAMING

COMMITTEE ON FINANCE AND REVENUE

**Wednesday, June 29, 2011 – 10:00 a.m.
Room 120 - John A. Wilson Building**

Dear Chairman Evans:

I-gaming poses both risks for problem gamblers and opportunities for responsible gaming. NCPG is neutral on legalized gambling but has concerns about the lack of services to **Prevent, Educate, Treat, Enforce and Research (PETER)** gambling and problem gambling in the District. One of the obstacles to any problem gambling or responsible gaming efforts in D.C. is that we're at essentially at zero in each aspect of PETER and will have to rapidly build from scratch. Just to reiterate the current state of affairs in the District, 30 years after the legalization of the lottery and on the eve of the implementation of I-gaming, to our knowledge there are no youth gambling prevention, responsible gaming education (except the D.C. Lottery Play Responsibly webpage), problem gambling treatment, vendor age enforcement or research programs. The historic failure to provide these programs costs the city, hurts residents and raises questions about the ability of the District to operate, regulate and profit from current forms of gaming, much less expanded I-gaming. NCPG, as the national advocate for problem gamblers, strongly encourages the D.C. Department of Health to develop comprehensive problem gambling programs and the D.C. Lottery to adopt extensive responsible gaming policies. This issue particularly resonates given your high profile as the first jurisdiction in the US to legalize and regulate I-gaming.

Problem gambling is an important public health concern, characterized by increasing preoccupation with and loss of control over gambling, restlessness or irritability when attempting to stop gambling, and/or continued gambling despite serious negative consequences. Nationwide approximately 2 million adults (1%) meet criteria for pathological gambling in a given year. An additional 4-6 million (2-3%) adults plus 500,000 youth between the ages of 12-17 show less severe but still serious symptoms of a gambling problem in a given year. For the District, that means approximately 5,000 pathological and 10,000 adult problem gamblers plus at least 5,000 at-risk youth. The estimated social cost to families and communities from gambling-related bankruptcy, divorce, crime and job loss was almost \$7 billion last year, \$13 million for the District, mainly in criminal justice and healthcare costs. Problem gamblers also have high rates of co-occurring substance abuse and mental health disorders, including smoking, alcohol use and abuse, drug use and abuse, depression and suicidal behavior. Regardless of the legality of internet gambling, millions of Americans today are experiencing gambling problems, devastating individuals, families and communities.

The limited research and information we have on internet gambling shows that internet gambling in the U.S., Canada and the U.K. has the lowest participation rates of any form of gambling, regardless of the legality of internet gambling in the jurisdiction. Internet gamblers are also extremely likely to gamble in multiple “traditional” forums, to the extent it appears internet gambling is an add-on for people already involved in gambling. Internet gamblers who spend significant amounts of time and money, while relatively rare, are more likely to meet problem gambling criteria.

It is likely that individuals with gambling problems will find the internet attractive for pursuing their addiction. Risk factors for gambling problems on the internet include high speed of play, perceived anonymity, social isolation, use of credit/non-cash and 24-hour availability. Of course, many of these factors can also be found in “traditional” forms of gambling.

I have met with senior staff at both the D.C. Lottery and D.C. Department of Health and believe both are sincerely interested in partnerships to address PETER, but the D.C. Council needs to provide both the mandate and support to these agencies, including authorization of necessary funding, in order for these partnerships to fulfill their promise. As neither the Lottery or Department of Health have developed any significant problem gambling or responsible gaming programs in the past 30 years since the lottery was established, the District has to make up for a lot of lost time. Going from worst to first is always a challenge, but as the first jurisdiction to legalize I-gaming it is imperative the District also is able to showcase its problem gambling and responsible gaming programs.

In our discussions with the Lottery they have outlined a substantial online responsible gaming program. We are excited about their willingness to use the graphical and interactive structure of the internet to try to create informed consumers with access to a variety of information and controls designed to encourage safe choices and discourage unsafe behavior. Some of the proposed programs are revolutionary and would set the standard for online responsible gaming. With other addictive behaviors such as alcohol or tobacco use, responsible usage programs are usually done at home and school, yet with online account-based wagering the amount of information and possible interventions are essentially unlimited. We were pleased to hear about their intent to:

- set weekly and monthly deposit limits;
- utilize player tracking software to detect possible problematic patterns of play;
- provide both self exclusion and cooling off periods; and
- continue an ongoing commitment to work with and provide information to problem gambling advocates.

Access to this data (de-identified to protect confidentiality) is critical to allow us to fully assess the impacts of I-gaming and to develop better evidence-based guidelines. The Lottery has also engaged with NCPG in a positive working relationship on discussions about advertising and has stepped up their support of the National Problem Gambling Helpline (800.522.4700), which receives approximately 1,000 calls per month from the District, in spite of the lack of promotion and referral resources for callers.

In meetings with Department of Health staff we have suggested they:

- designate a senior staffer to be responsible for problem gambling issues;
- add brief gambling screens to intake/assessment and data tracking systems;
- add gambling participation & problem symptom questions to existing surveillance, monitoring and survey efforts;
- develop D.C.-specific basic materials (brochure, fact sheet, poster, etc...) on gambling addiction utilizing existing templates;
- develop a plan to train all DOH substance abuse counselors in basic screening, assessment, treatment & referral using a mix of methods including hosting gambling-specific training conference, train-the-trainer model and continuing education;
- identify individuals with prerequisite education and certification to receive advanced training with goal to achieve national certification and become trainers; and
- co-host a training conference.

These recommendations, if implemented, will help establish at least a rudimentary problem gambling safety net prior to the onset of live I-gaming this fall. We believe one of the most immediate problems facing the metro region is the lack of services to prevent and treat gambling addiction. Therefore, NCPG will convene the 1st Conference on Prevention & Treatment of Problem Gambling in the DMV (District, Maryland & Virginia), tentatively scheduled for early September in downtown D.C. The event will be organized by NCPG and our regional chapters and would bring national problem gambling experts to D.C. for 2 days of free or low-cost training. We have invited the Department of Health to co-host and hope to work with regional health agencies as well. We will solicit sponsorships from the D.C. Lottery and other regional lotteries and gaming operators. Attendees will receive the bare minimum necessary to screen, assess and refer problem gamblers, and to provide limited treatment of gambling addiction as a disorder co-occurring with a substance abuse or mental health problem. As co-host, DOH and regional health agencies could provide in-kind support by helping to promote the event and recruiting attendees from staff, contractors, private providers and other D.C. agencies (schools, corrections, mental health, aging, etc..). Additional and ongoing training will be necessary to sustain and expand the workforce.

Our primary goal is to advocate for services to prevent D.C. residents from developing gambling problems and to ensure services are available to treat those who develop this devastating disorder. Comprehensive problem gambling and responsible gaming programs are critical if the District wishes to minimize the harm and thus maximize the benefits from legalized gambling

National Council on Problem Gambling (NCPG) is the national advocate for programs and services to assist problem gamblers and their families. NCPG does not take a position for or against legalized gambling, but concentrates on the goal of helping those with gambling problems. We were founded in 1972 and our 39-year history of independence and neutrality makes the National Council the most credible voice on problem gambling issues. NCPG is a 501(c)(3) not-for-profit charitable corporation based in the District of Columbia. NCPG does not accept any restrictions on contributions.

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Kenneth Carroll
Photo: Mary Swift

Gambler's Fallacy

for DJ Renegade and baby Joel

(Gambler's Fallacy: The term refers to the mistaken belief that one may predict correctly in a completely chance or random situation.

— B.P. Burn, *Compulsive Gambler*, 1973)

at Friday night card parties,
where obscene desperation & bluesy joy commingled,
our kitchen filled with smoke from fried whiting and marlboros

my father placed his faith in pale royalty & long odds,
while mommy begged him to believe in the full house he made,
the five girls and three boys who slept through
the raucous card games and did not care about
his mounting debt and descending ego

daddy thought those hours spent with his
face behind those losing hands was his
bid to make a better life for us,
to provide for us what could not be gained with a janitor's salary

like the kings & queens that betrayed him,
his belief was such a royal deceit, a lie invented and believed in
to mask his selfish fear

thirty five years later,
my father is as rare an occurrence in my life as a royal flush
an empty phantom who waited thirty years too late
to greet his first born son with the same joy as a pair of aces

my father's friends tell me what a great poker player he was,
recount some meaningless moment when his skills at five card stud
sent them home broke and amazed

I don't tell them about the family he wagered
and lost — the children left to play out the cards he dealt us —
I just answer poker-faced, "no, haven't seen him in a while."

— *Kenneth Carroll*