

***Statement of the National Council on Problem Gambling Regarding Current
Internet Gambling Legislation***

*U.S. House of Representatives
Committee on the Judiciary
Subcommittee on Crime, Terrorism, and Homeland Security*

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Dear Chairman Coble and Ranking Member Scott:

Currently, Congress is considering law enforcement measures to address gambling on the internet. The National Council on Problem Gambling maintains a neutral position on legalized gambling, and therefore neither supports nor opposes HR 4777 (or HR 4411). My purpose is to provide additional information and a broader perspective that may assist the committee in its consideration of these matters.

Sponsors and supporters of these bills cite concerns about gambling by minors and preventing problem gambling as issues they believe these bills will address. However, the enforcement-oriented approach in these bills is only a small part of a comprehensive solution for underage and problem gambling. A comprehensive solution would include programs for prevention, education, treatment, enforcement and research, or PETER, to effectively address the medical disorder of problem gambling.

It is striking that none of the proposed internet gambling measures contains any funding for prevention programs for youth, treatment programs for problem and pathological gamblers or research to learn more about the causes and consequences of gambling problems. A snapshot of the anecdotal evidence shows there is little doubt that individuals have developed problems by gambling on the internet. The National Problem Gambling Helpline (800.522.4700) was dialed more than 30,000 times between January 1 and March 15, 2006. In a review of the 1,300 calls for immediate help, 106 clients (8%) reported that their primary problem was internet gambling. The predominant age of these individuals was aged 18-25 and when asked their occupation 16 reported they were students; other occupations included accountant, attorney, ER doctor, engineer, nurse, policeman and church worker. A recent study by the Annenberg Foundation found that almost 600,000 youth (aged 14-22) reported gambling on the internet on a weekly basis, and this age group also has the highest rates of gambling problems.

Gambling of all kinds is a growing national public health issue in the United States:

- Nationwide, over 75% of adults have gambled at least once in the past year.
- Legal gambling revenue (not counting most sports gambling, internet gambling or poker) was approximately \$80 billion last year.
- The primary public policy concern about gambling is the addictive disorder known as problem gambling.
- Problem gambling refers to the full spectrum of personal, familial, workplace, financial and legal difficulties experienced in relation to gambling.
- Nationwide, 3-4% of adults (6 to 9 million people) meet criteria for a gambling problem.
- The estimated social cost of problem gambling from bankruptcy, divorce, job loss & criminal justice costs was \$6.7 billion last year.

While the primary responsibility for services to help reduce the harm from problem gambling is at the state level, there is a need for specific, dedicated Federal support of problem gambling research and services. Therefore, we have requested that Congress designate funds to the National Institutes of Health (NIH) for research on problem gambling and the Substance Abuse and Mental Health Services Administration, Centers for Substance Abuse Treatment (CSAT) for services to help problem gamblers.

The NCPG is the national advocate for programs and services to assist problem gamblers and their families. Our mission is to increase public awareness of pathological gambling, ensure the widespread availability of treatment for problem gamblers and their families, and to encourage research and programs for prevention and education. As an advocate for problem gamblers, NCPG does not take a position for or against legalized gambling, but concentrates on the goal of helping those with gambling problems. Our 34-year history of independence and neutrality makes the National Council the most credible voice on problem gambling issues. We do not accept any restrictions on the use of contributions except as provided under Federal and state non-profit guidelines.

NCPG programs include the National Problem Gambling Helpline Network (800.522.4700) a single national point of access for problem gambling information; National Problem Gambling Awareness Week (www.npgaw.org); the Annual Conference on Prevention, Research and Treatment of Problem Gambling; and an information clearinghouse. In addition, the majority of problem gambling services are provided on the state level by the 35 state affiliate chapters of NCPG.

Thank you for the opportunity to provide these comments and we would be happy to provide any additional testimony or information on gambling and problem gambling issues.