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Minnesota Sports Wagering  
Senate State Government Finance and Policy and Elections Committee

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Chair Kiffmeyer, Vice Chair Koran and Members of the Committee:

On behalf of the National Council on Problem Gambling (NCPG) and the seven million plus Americans—including the estimated 152,000 (3.65% of the adult population) Minnesota adults—with gambling problems, I would like to make you all aware of several concerns NCPG has about the expansion of sports wagering.

I'd like to begin today by pointing out how timely this hearing is, as this March marks the seventeenth anniversary of March being designated as Problem Gambling Awareness Month (PGAM). PGAM is designed to achieve three goals: to increase public awareness of problem gambling; to increase the availability of prevention, treatment, and recovery services; and to encourage healthcare providers to screen clients for problem gambling. This grassroots campaign brings together a wide range of stakeholders – public health organizations, advocacy groups, and gambling operators – who work collaboratively to let people know that hope and help exist.

Today I speak for those who are at-risk for gambling problems, those who suffer from a gambling addiction, and for those in recovery who must remain anonymous. I speak for both young, old, men and women who will be harmed in the future from expanded gaming. We bear witness to the devastating impacts of a gambling addiction on individuals and their families and to the effectiveness of services that provide help and hope for those who struggle.

Problem gambling or gambling addiction is an important public health concern and includes all gambling behavior patterns that compromise, disrupt or damage personal, family or vocational pursuits. The essential features are increasing preoccupation with gambling, a need to bet more money more frequently, restlessness or irritability when attempting to stop, “chasing” losses, and loss of control manifested by continuation of the gambling behavior in spite of mounting, serious, negative consequences. In extreme cases, problem gambling can result in financial ruin, legal problems, loss of career and family, or even suicide.

The estimated annual social cost to Minnesotan families and communities from gambling-related bankruptcy, divorce, crime and job loss is \$72 million within Minnesota, 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.



The National Council on Problem Gambling operates the National Problem Gambling Helpline Network (1-800-522-4700). The network is a single national access point to local resources for those seeking help for a gambling problem. The network consists of 28 call centers which provide resources and referrals for all 50 states, Canada and the US Virgin Islands. Help is available 24/7 and is 100% confidential. The NCPG Helpline Network also includes text and chat services. These features enable those who are gambling online or on their mobile phone to access help the same way that they play. One call, text or chat will get you to problem gambling help anywhere in the U.S. 24/7/365. In 2019, the NCPG Helpline received **2,298 calls, texts, and chats from residents of Minnesota**. January and February of this year have already brought in calls from your state.

We also understand that Minnesota operates its own helpline, unfortunately I do not have access to the data on the number of calls that helpline has received.

Minnesota has an active and strong affiliate member of NCPG. That affiliate is Northstar Problem Gambling Alliance (NPGA). The presence of a state advocate for problem gamblers is **essential** as most individuals with gambling problems do not seek help due to the intense shame and stigma surrounding this hidden addiction. The primary focus of the NPGA is on promoting public awareness of problem gambling and problem gambling resources along with providing workforce development activities, including counselor training and training for gambling industry employees. The NPGA also plays an important role in Minnesota as an advocate for problem gamblers and their family members.

We can never eliminate the disease of gambling addiction, but we can and must make better efforts to prevent and treat it.

I would like to caution the members of this committee about a collision of three trends with expansion of sports betting:

1. vast increases in gaming advertising, especially exhortations to gamble during the game;
2. advances in technology including mobile phone gambling,
3. and a virtually unlimited menu of betting opportunities far beyond game outcome or even player performance.

This amalgamation of advertising, access, and action is unprecedented in America, and indeed anywhere else in the world. As a result, Americans will experience an unprecedented blitz of marketing; urging them to bet instantly from their phone on every action by every player on every play in every game in every sport.

Minnesota will be no exception. The expansion of legalized sports gambling in Minnesota will likely increase gambling participation and simultaneously problems. The dangers of this trend of advertising, access, and action pose to Minnesotans can be mitigated though, with a few measures:



1. Dedicate at least **one percent** of revenue to research, prevent, and treat gambling addiction.
2. Develop robust and enforceable responsible gaming programs for sports betting licensees and all gambling operators.
3. Conduct surveys of the prevalence of gambling addiction prior to expansion and at regular periods thereafter to assess problems.
4. Establish a consistent minimum age for sports gambling and related fantasy games.

Everyone who profits from sports betting bears responsibility for gambling problems. Dedicating a portion of profits from gambling to mitigate gambling harm is an ethical imperative and an economic necessity. **The only way to maximize benefits from sports betting is to minimize problem gambling.**

NCPG is neutral on legalized gambling, and therefore I will not take a position for or against any gambling bills. My primary goal is to advocate for services to prevent Minnesotans 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 Minnesota wishes to reduce criminal justice and healthcare costs of gambling addiction. Throughout the remainder of my testimony I hope to shed light on issues that are often overlooked when considering gaming expansion.

### **State Funded Resources**

Our 2016 National Survey of Problem Gambling Services found that Minnesota had a problem gambling treatment fund with a supported budget of roughly \$2.2 million. This led to Minnesota's ranking of 14th out of the 50 states in terms of per capita public funds dedicated for problem gambling services. The average per capita allocation of public funds for problem gambling services in the 40 states reporting publically funded services was 37 cents; Minnesota's per capita public investment was 40 cents. While barely above the national average, it's still a far way off from Delaware, the number one ranked state, with a per capita investment of \$1.46.

The survey also brought to light that Minnesota is one of just thirteen states to fund residential gambling treatment. In 2016, 175 individuals received residential gambling treatment and an additional 600 people enrolled into publicly funded treatment programs.

Best practices for state health agencies include the provisions below and we encourage DHS to identify where its programs meet or exceed them, where there are gaps and identify necessary funds and plans to ensure its problem gambling programs meet them prior to any additional expansion of gambling.

- ensure all definitions and policies are in accordance with the latest definition of gambling disorder and problem gambling, as defined by the American Psychiatric Association's, most current DSM;
- designate a senior staffer to be solely 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 state- and culturally-specific basic materials on gambling addiction;
- develop a plan to train all DMH behavioral health counselors in basic screening, assessment, treatment & referral;
- identify counselors with prerequisite education and certification to receive advanced training with goal to achieve national certification and become trainers.

The failure to adequately address this issue costs the state of Minnesota and hurts its most vulnerable citizens. The only ethical and economical path is to make sure that public funds are dedicated to prevent and treat increased gambling problems that are a direct consequence of expanded gambling.

### **Research/Surveying**

When considering new and expanded gambling legislation, regulations, policy or programs, the regulator should consider the precautionary principle, that there is a social responsibility to protect the public from exposure to harm, when scientific investigation has found a plausible risk. Few jurisdictions have conducted adequate prevalence research pre- and post-gambling expansion. Maryland and Massachusetts have conducted baseline studies, and Massachusetts certainly has the most thorough research effort in place. The Expanded Gaming Act requires that the Commission establish an “annual research agenda” in order to understand the sociological and economic effects of expanded gaming in the Commonwealth. The Commission engaged a university research team to oversee, evaluate and perform a multi-year, multi-method, multi-disciplinary, multi-phase comprehensive research project. We believe Massachusetts is a model of excellence and highly recommend their approach.

Evidence presented by Williams, Volberg & Stevens (2012) indicates that problem gambling rates started increasing in North America and Australia beginning in the late 1980s to early 1990s prior to achieving a peak in the late 1990s/early 2000s. This time interval is roughly coincident with the most rapid introduction and expansion of legal gambling opportunities in these countries (particularly electronic gambling machines (EGM) and casinos), the greatest increase in per capita gambling expenditure, and a significant increase in the overall rate of gambling participation.

It’s crucial that Minnesota fund research PRIOR to the expansion of sports betting and periodic monitoring be conducted thereafter to support evidence-based, data-driven responsive measures.

### **Vulnerable Populations**

NCPG has additional concerns about the impact of sports betting on the health of athletes, as research indicates that athletes are more likely to be at risk for addictions. Preventing and treating gambling addiction among players protects their health and the integrity of the game. Therefore, leagues and teams should establish specific gambling addiction prevention and education programs for youth athletes prior to high school all the way through college and into



professional sports. They should also ensure that athletes and personnel have a safe harbor to seek help for gambling related problems, and qualified personnel available to aid. Sporting organizations should provide mandatory educational briefings to players and team personnel on team/league policy regarding gambling and where to get help for gambling problems. They could also utilize their high-profile opportunities in the media to help send responsible gaming messages to their fans and the public at large.

The media should promote the local and National Problem Gambling Helpline (800-522-4700) as a public service in every newspaper and media outlet which prints or publicizes betting lines or odds. I'm pleased to report we are in discussions with ESPN around this issue and call on their competitors to follow their lead. I'm also pleased to announce our Safer Sports Betting Initiative (SSBI). The initial SSBI goal is to raise awareness of potential gambling addiction-related problems and suggested responsible gambling solutions among states, leagues, gambling operators, and other stakeholders.

Sports betting legislation that allows internet, mobile and online gambling options may further increase risk factors for gambling addiction, but this technology also allows additional opportunities to enhance the responsible gaming features described above including setting limits and exclusion programs. Therefore, NCPG urges legislators and regulators to utilize NCPG's best practice Internet Responsible Gambling Standards (IRGS) as the basis for any internet or mobile gaming. Gaming vendors and operators are encouraged to pursue NCPG's Internet Compliance Assessment Program (iCAP) to receive an independent audit confirming they meet the IRG Standards. Not only will this make it easier for all stakeholders to have a consistent responsible gambling program across various jurisdictions, systems and license holders but most importantly it will provide those who gamble with continuity of protection.

### **Internet Responsible Gambling Standards (IRGS)**

NCPG has developed the Internet Responsible Gambling Standards to help guide discussions among all stakeholders on internet gambling (online and mobile gambling of any sort) including legislators, operators, regulators, advocates and the public.

The standards contain specific recommendations in the areas of policy, staff training, informed decision-making, assisting players, self-exclusion, advertising and promotion, game and site features, and working with research.

NCPG reviewed current internet responsible gaming codes and regulations from around the world to guide the development of these standards. The final recommendations flow from its 40 years plus of experience in problem gambling issues, existing international codes, empirical evidence and feedback from experts in the field including operators, regulators, researchers, clinicians and advocates. It also considered Federal laws governing the online purchase of age-controlled products like alcohol and tobacco.

The NCPG standards are ever evolving as internet and mobile gambling-related legislation, regulation and technology also continue to evolve, and it is strongly recommended that operators

and regulators consult with experts in the problem gambling field during the development and implementation of internet and expanded gambling.

NCPG believes the below requirements should be included in any gambling/gaming legislation:

- **Policy**

- **Policy commitment:** Corporate policy makes a clear commitment to responsible gambling and identifies expectations for corporate leadership. The policy should seek to ensure that the prevention of gambling related harm is included in all strategic decisions.
- **Strategy:** The operator has a responsible gambling strategy with defined goals and a clear plan of action.
- **Evaluation and Reporting:** The strategy should be evaluated annually for progress and a report made publicly available.
- **Support:** A portion of the organization's internet gambling revenue should be dedicated to reducing the social costs of gambling addiction.

- **Staff Training**

- **Corporate policy:** A senior staff member is responsible for implementation of responsible gambling policies and procedures, and that person is listed on the website. There are regular reminders to all Directors, managers and staff about the organization's responsible gambling policies, and general updates on industry best practice.
- **Training:** All staff should be trained every year on responsible gambling, including but not limited to, definitions of key terms, myths and facts and where to get help, with content updated as necessary. Customer-facing staff should have enhanced annual training in player protection and responsible gambling interventions. These staff members are taught skills and procedures specific to their position to respond to situations where a player is in distress. Staff knowledge of responsible gambling should be tested as part of the training. Training should be developed or evaluated by an unaffiliated third party with experience in gambling addiction and responsible gambling.

- **Supporting Informed Decision Making by Players**
  - **Safer Gambling Information:** Players are provided with highly visible and readily accessible tools and information to help them make more informed decisions about their gambling. The information should be presented in a way that can be clearly understood by a player with a sixth grade reading level. The responsible gambling information includes, but is not limited to, player-focused information on:
    - Practical tips on how to keep gambling within safe limits
    - Common myths associated with the applicable games
    - How the site’s individual games work, including randomness, house edge, odds of winning and payout ratios where applicable
    - Preventing access to a player’s accounts by underage, unregistered, unauthorized or excluded players
    - How to use the site’s responsible gambling tools and features
    - Risks associated with gambling
    - Signs of a potential gambling problem for themselves or their loved ones
    - How to access personal data on responsible gambling
    - Direct links to at least one organization dedicated to helping people with potential gambling problems. Regular testing for functionality occurs for all links to help services.
  - **Personal responsible gambling data:** Players have readily available access to their gambling history including amounts wagered, won and lost; time and money spent; games played; net wins/losses as well as session information. Players have access to their account details including all deposits, withdrawals, movement of funds between products, bonus information, restrictions such as exclusion events and limits, and net outcomes including total won or lost over a defined period. This information should be readily available across all platforms (including web, desktop, app).

Players can receive live updates during play about time and money spent and account balances in cash, not credits.

- **Limit setting:** The site must allow players to set a variety of limits and should encourage and even incentivize the player to do so. These limits must be clearly signposted when a player joins the site. ○ Players have the option of setting daily, weekly or monthly limits on the size of deposits.
  - Players have the option of setting a system-wide or a product-based limit on the amount of time or money spent

- Players should have the ability to block themselves from particular games or game types
- Players should be able to lower limits immediately.
- If a player requests increases in, or removal of their limits, there should be a delay of 24 hours before it can go into effect. After the period ends, the player must reconfirm their request for the limit to be changed before it goes into effect.
- **Play is stopped when the limit is reached.** Players may view the status of their limits on the account details page at any time either via web browser or mobile app.
- **Time Out:** Players have the option of setting time limits (time-outs). Time-outs are defined as instant stops in play that are at least 12 hours but less than six months. Longer stops in play are available under the self-exclusion procedure. Players may still receive marketing materials during a timeout, unless they wish to exclude.

## ASSISTING PLAYERS

**Policies:** Clear policies are in place for assessing and handling situations where a player indicates they are in distress or experiencing problems. Operators should have policies in place to monitor player activity for signs or triggers of problem gambling. There is a procedure in place to address third party (e.g., spouse, relative) concerns about players gambling behavior.

**Responding to player information requests:** Customer service agents are knowledgeable about the helpline, self-exclusion/timeout, responsible gambling, online gambling blocking software and local help resources and able to provide that information on request. All information should be in clear and simple language, ideally in multiple languages where necessary.

## SELF-EXCLUSION

**Self-Exclusion:** Self exclusion is a player-initiated restriction on their ability to play on the site. The self-exclusion functionality should be no more than three clicks from any game.

**Self-exclusion enrollment:** Players have the choice of registering online through their player account or with a customer service agent. Players have the option to register through a third-party provider recognized by NCPG or the regulatory agency.

**Exclusion Policy and Length:** Exclusion should be regulated and enforced and should be combined with any other exclusion program currently in place for Kansas Gaming Establishments, so that one single enrollment will exclude players from the maximum forms of gambling, for aligning durations, as possible.

**Communication with players:** Excluded players do not receive any communication from operators, including but not limited to, promotional materials, while they are on the exclusion list.

Players **are not** notified when they are eligible to be reinstated. Players may receive information about help and prevention services following an exclusion request.

**Access to Help:** Players who exclude also receive information about available help and prevention services (e.g., helpline number, blocking software, counseling, Gamblers Anonymous).

**Conditions of Exclusion:** Players receive clearly worded information that outlines the conditions of the ban. Players receive an outline of the conditions of the ban during registration and by email following registration, which should not contain promotional materials but includes:

- Length of exclusion
- The closure process for any accounts opened by the same person during the exclusion
- Requirements for reinstatement and renewal upon expiration of the exclusion
- How reward points, scheduled payments and remaining balances are handled

**Enforcement:** The player's account is closed or suspended so that no deposits or bets can be placed. Any new accounts detected following entry into a self-exclusion/timeout will be closed so that no deposits or bets can be placed.

**Reinstatement:** Reinstatement should involve the player demonstrating that they have seen a mental health provider and gone through a problem gambling intake process, to demonstrate that they've been educated on the topic. It does not require the provider to have "released" the player – just for the player to demonstrate that they have been educated.

**Renewal:** Players should never be automatically removed from the exclusion list (they must apply for removal, even when the ban was for a set duration). However, players may extend the minimum duration remaining on their ban with a written request. Extensions must be for at least 1 year.

## **ADVERTISING AND PROMOTION**

**Advertising policy statement:** The operator has a clearly articulated commitment to advertising that does not mislead or target people with gambling problems or vulnerable populations such as minors. Advertising and promotions are not on any online pages that are geared towards responsible gambling. Advertising is not misleading about outcomes of gambling and does not misrepresent the odds of winning/losing.

**Complaints:** The complaints and disputes process should be easy to find on the website or app, and no more than 3 clicks away from the homepage / home screen.

## GAME AND SITE FEATURES

**Display Cash:** Games always display bets, wins, losses and account balances as cash, not credits or points.

**Game Features:** The site does not allow players to play games automatically using an auto play feature. The site avoids reinforcing myths (e.g., stop buttons are not available to avoid giving players the illusion of control or reinforcing the near miss.)

**New Features:** All new games and site technology are reviewed in advance for possible impacts on gambling-related harms utilizing a risk assessment protocol.

**Registration:** Players receive responsible gambling information during registration, agree to the terms before starting to play and receive this information by email following registration. Terms are provided to players upon registration, including information about bonuses, deposits, withdrawal and the disposition of player funds. Terms and conditions should be in clear and simple language, and available in other languages on request. Self-exclusion lists are checked during the registration process and excluded players are denied access.

**Multiple Accounts:** Players are not allowed to have multiple accounts on the same site. Where an operator has multiple sites, exclusion from one site should apply to all of the other sites. A separate self-restriction program may be implemented, permitting players to ‘restrict’ from a single site or form of games.

**Free Games:** Free or demonstration games should not be available to play without first signing into an account. Free or demonstration games have the same payout percentages, odds and age restrictions as paying games. Information about responsible gambling, as outlined above, will be provided if a free account is converted to a paid account, or funded with an account balance, or earns money through sweepstakes, promotions, or similar.

**Encouragement to Continue:** Players are not induced to continue gambling when play is in session, when the player attempts to end a session, or wins or loses a bet. Communications with players do not intentionally encourage players to: (a) increase the amount they play with, (b) gamble continuously, (c) re-gamble winnings, and/or (d) chase losses.

**Underage Gambling:** Sites have an affirmative obligation to put in place technical and operational measures to prevent access by those who are underage. The age verification process should be required as a part of registration and prior to deposit of any funds. Such measures include requiring the site to use a reputable independent third party that is commonly in the business of verifying an individual’s personal identity information. When an underage player is identified their play should

be immediately stopped and their account closed. The site policy should clearly describe any other consequences including how any winnings or funds in the account are handled.

## **RESEARCH**

**Transparency:** Play data from regulated internet gambling sites should be publicly available through the regulatory agency to qualified researchers. Data must be anonymized to remove personally identifying information, consistent with Federal and state privacy, intellectual property and freedom of information laws. A customer should be able to request and receive all of their account information.

**Evaluation:** A research program should be in place which monitors and reviews the effectiveness of the operators' responsible gambling policies, including tracking player usage and uptake of responsible gambling tools.

## **PAYMENTS**

**Exclusion:** Players should be able to exclude any electronic payment method (i.e. a specific credit card or checking account) from a site.

**Limits:** Players should also be able to set limits on their gambling-related financial transactions, including amount and frequency of deposits.

**Data:** Data on payments made by players should be publicly available through the regulatory agency to qualified researchers. Data must be anonymized to remove personally identifying information, consistent with Federal and state privacy, intellectual property and freedom of information laws. A customer should be able to request and receive all of their account information.

**Credit:** Players cannot obtain a line of credit from the site.

We know illegal gambling including sports betting occurs across Minnesota. Legalization will likely increase availability and acceptability of sports gambling and thus increase participation, which may lead to more gambling problems.

These recommendations, if implemented, will provide badly needed help to bolster the existing problem gambling safety net prior to the onset of expanded gaming. There will be a small but significant portion of gamblers who experience negative consequences as a result of sports betting. Together with all stakeholders who will profit from sports betting our challenge is to implement measures to reduce that harm as much as possible even as sports gambling expands across the nation.

I would like to thank the Chair for the opportunity to submit my remarks for the record and I would be happy to respond to any questions.