

## Allred sounds alarm on VLTs

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MLA Ken Allred took aim at video lottery terminals (VLTs) this week, questioning whether the crown corporation that runs them is being upfront with the public about how the machines work, how the finances are reported and what the true cost is to the province.

Allred raised the issue with AGLC employees and members of the corporation's board who appeared in front of the legislature's public accounts committee on Monday. Allred drew many of these questions from a book by local author Gisele Jubinville.

Jubinville is a former VLT addict who poured more than \$400,000 into the machines, an addiction she details and recounts in a new book.

Allred took significant issue with the advertised payout rate on the machines of 92 per cent.

Those numbers play out in the AGLC's 2011 annual report that shows the corporation took in roughly \$7.4 billion in revenues from the machines and paid out approximately \$6.8 billion, which corresponds to the 92-per-cent payout rate. After paying commissions to the bars and casinos where the units are played the corporation nets about \$500,000.

Those numbers don't reflect hard cash however, but rather reflect the total credits that are won and played.

Allred called those numbers deceptive and pointed to a change in the way the AGLC reported them that started in 1999. Prior to 1999, the corporation reported the money that went into the machines and the cash that was paid out.

Those numbers show a payout rate closer to 69 per cent, which is what Allred argued is the true number.

In response to Allred's questions, Kent Verlik, the corporation's director of social responsibility, said that the current numbers reflect player behaviour.

"Quite often players will turn, if you will, almost six times the amount they lose and just play. So every time they put in you know \$20 and play, they earn credits as they play and they'll recycle those credits."

In response to another MLA's question, Verlik said according to their research 50 per cent of the AGLC gambling revenue comes from problem gamblers.

Citing the high cost of problem gambling, which he said included losses of retirement savings and suicides in some cases, Allred asked the panel why they weren't providing a better picture of the payouts.

"How does AGLC justify misleading the citizens of Alberta by providing deceptive information on payout rates?"

CEO Gerry McLennan rejected the idea the AGLC was misleading anyone.

"The chips that are in these machines are all approved by a gaming laboratory that is hired by us and contracted to ensure that these machines do pay out what we are saying. The AGLC does not mislead the residents of Alberta on any function we undertake."

After the meeting, Allred said he has had a growing concern about gambling in the province since earlier this year when he found out someone working at the legislature committed suicide because of a gambling problem.

"This whole thing is, we really need to look at and see if the profit we are making is really paying off vis-à-vis the social problems we are creating."

Allred said he wanted to start the conversation on the issue of problem gambling. He said the province would be hard pressed to give up on VLTs and slot machines because the revenue funds countless community groups.

"It is not something that is going to be solved overnight, but I think we need to do a really close study of problem gambling."

Jubenville said she was pleased to see Allred asking questions she has been asking the AGLC for years. She said the key to ending her addiction was to understand how the machines really worked.

"The truth is the only thing that starts the healing process. That is the only thing that is going to help these addicts."

Allred also raised questions about the design of the machines, including asking why the government hadn't done more to slow them down.

Jubenville said she is also glad he raised the issues because she argues the machines make it extremely difficult for someone to use them responsibly and set limits as the government suggests.

"The machines are designed to undermine your ability to play responsibly, they are designed to make you to chase your losses."

She said the government forces cigarettes to be labelled as an addictive product and there is no reason VLTs and slot machines shouldn't carry the same warnings.

"My government should be forced, if you are going to keep the machines, to cover each and every machine in Canada 75 per cent in warning levels."

Beyond her obvious personal interest in the issue, Jubenville said she believes all Albertans should be concerned about the machines, because they are part owners.

“We need to talk about this ... the machines are owned and operated by the government and they have a duty to care.”

Angelle Sasseville, a spokesperson for the AGLC said they hoped to have an answer to Allred soon about why the AGLC started reporting the VLT financial results differently in 1999. She said they were also looking into research Allred brought up about the speed of VLT machines and would present that to the committee when it was available.