

## CHAPTER 4. PROBLEM AND PATHOLOGICAL GAMBLING

In its 1997 meta-analysis of literature on problem and pathological gambling prevalence, the Harvard Medical School Division on Addictions, using “past year” measures, estimated at that time that there were 7.5 million American adult problem and pathological gamblers (5.3 million problem and 2.2 million pathological). The study also estimated there were 7.9 million American adolescent problem and pathological gamblers (5.7 million problem and 2.2 million pathological).<sup>1</sup>

The “past year” estimates of American adults who gamble is 125 million. Based on the data available to the Commission, we estimate that about 117.5 million American adult gamblers do not evidence negative consequences (125 million minus the 7.5 million estimate of adults who are either problem or pathological gamblers). Because a comparable estimate of American adolescent gamblers has not been determined, there is no reliable way to calculate the number of adolescents who gamble without negative consequences.

There are several terms used to describe pathological gamblers. Clinically, the American Psychiatric Association (APA) in its Diagnostic and Statistical Manual of Mental Disorders (DSM-IV) classifies pathological gambling as an impulse control disorder and describes 10 criteria to guide diagnoses, ranging from “repeated unsuccessful efforts to control, cut back, or stop gambling” to committing “illegal acts such as forgery, fraud, theft or embezzlement to finance gambling.” (See Table 4-1.)

These 10 criteria represent three dimensions: damage or disruption, loss of control, and dependence.

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<sup>1</sup> Dr. Howard Shaffer, “Estimating the Prevalence of Disordered Gambling Behavior in the United States and Canada: A Meta-Analysis,” (1997), p. 51.

The National Research Council Review on Pathological Gambling states the American Psychiatric Association uses the terms “abuse” or “dependence,” not addiction. The lay public uses terms like “addiction” or “compulsive” interchangeably with the more scientifically accurate term “dependence.”

All seem to agree that pathological gamblers “engage in destructive behaviors: they commit crimes, they run up large debts, they damage relationships with family and friends, and they kill themselves. With the increased availability of gambling and new gambling technologies, pathological gambling has the potential to become even more widespread.”<sup>2</sup>

Most seem to agree that “problem gambling” includes those problem gamblers associated with a wide range of adverse consequences from their gambling, but fall below the threshold of at least five of the ten APA DSM-IV criteria used to define pathological gambling.

### THE RESEARCH

The Commission determined its first priority in studying problem and pathological gambling was to bolster existing research with updated data on gambling behavior of the general population, which would include the prevalence of problem and pathological gambling. In addition, measurements of the economic and social impacts on communities from legalized gambling were compiled. As part of its contract with the Commission, the National Opinion Research Center (NORC) at the University of Chicago conducted a national survey of gambling behavior in the U.S. population, including a set of questions focused on problem gambling. In that survey, NORC interviewed 2,417 adults by telephone (the “telephone survey”) and 534 adolescents by telephone (the “adolescent telephone survey”). In addition, 530 adults in gambling facilities (the “patron survey”) were interviewed to increase the sample size of

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<sup>2</sup> National Research Council, “Pathological Gambling: A Critical Review,” (April 1, 1999), p. Exec-2.

**Table 4-1**

**DSM–IV Criteria for Pathological Gambling**

Preoccupation	Is preoccupied with gambling (e.g., preoccupied with reliving past gambling experiences, handicapping or planning the next venture, or thinking of ways to get money with which to gamble)
Tolerance	Needs to gamble with increasing amounts of money in order to achieve the desired excitement
Withdrawal	Is restless or irritable when attempting to cut down or stop gambling
Escape	Gambles as a way of escaping from problems or relieving dysphoric mood (e.g., feelings of helplessness, guilt, anxiety, or depression)
Chasing	After losing money gambling, often returns another day in order to get even (“chasing one’s losses”)
Lying	Lies to family members, therapists, or others to conceal the extent of involvement with gambling
Loss of control	Has made repeated unsuccessful efforts to control, cut back, or stop gambling
Illegal acts	Has committed illegal acts (e.g., forgery, fraud, theft, or embezzlement) in order to finance gambling
Risked significant relationship	Has jeopardized or lost a significant relationship, job, or educational or career opportunity because of gambling
Bailout	Has relied on others to provide money to relieve a desperate financial situation caused by gambling

*Source:* National Opinion Research Center at the University of Chicago, Gemini Research, and The Lewin Group. Gambling Impact and Behavior Study. Report to the National Gambling Impact Study Commission. April 1, 1999. Table 1, p. 16.

potential problem and pathological gamblers.<sup>3</sup> Also, 100 communities across the country were selected for a detailed examination of the impact of gambling on a variety of indices, including financial health, crime, and social problems. NORC conducted case studies in 10 of these communities in which they interviewed 7 or 8 community leaders regarding their perceptions.

A separate research contract was given to the National Research Council (NRC) of the National Academy of Sciences for the purpose of conducting a thorough review of the available literature on problem and pathological gambling. This review covered 4,000 gambling-related references, including 1,600 specifically focused on problem or pathological gambling. Three hundred of these were empirical studies.<sup>4</sup> Together, the NORC and NRC reports have added substantially to the publicly available literature on the subject and provide a valuable addition to our knowledge of gambling behavior, along with a clearer picture of the effects of problem and pathological gambling on individuals and their communities. These research findings are not the last word on the subject, however, indicating that much more research is needed. The studies are included in their entirety with this *Final Report* and may be found on the accompanying CD-ROM.

Despite the lack of basic research and consensus among scholars, the Commission is unanimous in its belief that the incidence of problem and pathological gambling is of sufficient severity to warrant immediate and enhanced attention on the part of public officials and others in the private and non-profit sectors. The Commission strongly urges those in positions of responsibility to move aggressively to reduce the occurrence of this malady in the general population and to alleviate the suffering of those afflicted.

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<sup>3</sup> National Opinion Research Center, "Gambling Impact and Behavior Study, Report to the National Gambling Impact Study Commission," (April 1, 1999).

<sup>4</sup> NRC.

## ***Risk Factors for Problem and Pathological Gambling***

Although the causes of problem and pathological gambling remain unknown, there is no shortage of theories. For some, problem or pathological gambling results primarily from poor judgment and inadequate self-control. Others argue that problem or pathological gambling is often simply a developmental stage, which a person can outgrow. Especially interesting is research into the genetic basis of problem and pathological gambling. Given the present state of knowledge, there appears to be no single "root cause" of problem and pathological gambling; instead a variety of factors come into play.

According to the NRC study, certain patterns of behavior exist that may predispose a person to develop a gambling problem. For example:

- Pathological gambling often occurs in conjunction with other behavioral problems, including substance abuse, mood disorders, and personality disorders. The joint occurrence of two or more psychiatric problems—termed co-morbidity—is an important, though complicating, factor in studying the basis of this disorder. Is problem or pathological gambling a unique pathology that exists on its own or is it merely a symptom of a common predisposition, genetic or otherwise, that underlies all addictions?
- Pathological gamblers are more likely than non-pathological gamblers to report that their parents were pathological gamblers, indicating the possibility that genetic or role model factors may play a role in predisposing people to pathological gambling.
- Recent research suggests that the earlier a person begins to gamble, the more likely he or she is to become a pathological gambler. However, many people who report being heavy gamblers in their youth also report "aging out" of this pattern of behavior as they mature. This process is sometimes likened to college-age "binge" drinkers who may fit the definition of "problem drinker" while at school

but who significantly moderate their intake of alcohol after graduation.

These latter findings are an indication that environmental factors are significant. One of the most obvious of these is the availability of gambling opportunities. Whatever the ultimate cause of problem or pathological gambling, it is reasonable to assume that its manifestation depends, to some undetermined degree, on ease of access to gambling, legal, or otherwise. And the limited available evidence appears to support this assumption:

- NORC examined the nearby presence of gambling facilities as a contributing factor in the incidence of problem and pathological gambling in the general population. In examining combined data from its telephone and patron surveys, NORC found that the presence of a gambling facility within 50 miles roughly doubles the prevalence of problem and pathological gamblers. However, this finding was not replicated in NORC's phone survey data alone.
- Seven of the nine communities that NORC investigated reported that the number of problem and pathological gamblers increased after the introduction of nearby casino gambling.<sup>5</sup>
- NRC's review of multiple prevalence surveys over time concluded that "[S]ome of the greatest increases in the number of problem and pathological gamblers shown in these repeated surveys came over periods of expanded gambling opportunities in the states studied."

An examination of a number of surveys by Dr. Rachel Volberg concluded that states that introduced gambling had higher rates of problem and pathological gambling.<sup>6</sup> The relationship between expanded gambling opportunities and

increased gambling behaviors was highlighted in the personal testimony received by the Commission. Ed Looney, executive director of the New Jersey Council on Compulsive Gambling, testified that the national helpline operated by his organization received significant increases in calls from locations where gambling had been expanded.<sup>7</sup>

## **ESTIMATING THE PREVALENCE**

A more contentious subject than the actual source of problem or pathological gambling is estimating the percentage of the population suffering from pathological or problem gambling, however it is defined. Different studies have produced a wide range of estimates.

One reason for the variation in estimates centers on the timeline used. For example, studies using the DSM-IV may make a distinction between those gamblers who meet the criteria for pathological or problem gambling at sometime during their life ("lifetime") and those who meet the criteria only during the past 12 months ("past year"). Each approach has its defenders and critics. For the purpose of measuring prevalence in the general population, lifetime estimates run the risk of overestimating problem and pathological gambling because these estimates will include people who may recently have gone into recovery and no longer manifest any symptoms. On the other hand, past year measures may understate the problem because this number will not include people who continue to manifest pathological gambling behaviors, but who may not have engaged in such behavior within the past year.

Prior to the research undertaken by this Commission, the data on prevalence was scattered at best. Nevertheless, virtually all estimates indicate a serious national problem. For example, Dr. Shaffer's review of the existing literature on the subject concluded that approximately 1.6 percent of the adult population

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<sup>5</sup> NORC

<sup>6</sup> Rachel A. Volberg, "Prevalence Studies of Problem Gambling in the United States," *Journal of Gambling Studies*, at 123 (Summer 1996).

<sup>7</sup> Testimony of Edward Looney before the NGISC, January 22, 1998.

(3.2 million people) are lifetime “Level 3” gamblers (comparable to the DSM-IV’s “pathological” gamblers). Another 3.85 percent (7.7 million) are lifetime “Level 2” gamblers (those with problems below the pathological level).<sup>8</sup>

A number of state-based and regional studies also have been conducted, with mixed results. A 1997 survey in Oregon indicated that the lifetime prevalence of problem and pathological gambling in that state was 4.9 percent.<sup>9</sup> Recent studies in Mississippi and Louisiana indicated that 7 percent of adults in those states could be classified as “lifetime” problem or pathological gamblers, with approximately 5 percent meeting “past year” criteria.<sup>10</sup> The problems inherent in measuring this disorder are indicated in a study of surveys carried out in 17 states, which reported results ranging from 1.7 to 7.3 percent.<sup>11</sup>

### ***The Commission’s Research Findings***

The goal of the Commission’s research was to provide reliable, solid numbers on the incidence of problem and pathological gambling in the national population and to better define the behavioral and demographic characteristics of gamblers in general. The NRC estimated the “lifetime” rate of pathological gambling to be 1.5 percent of the adult population, or approximately 3 million people. In addition, in a given year, 0.9

percent of all adults in the United States, approximately 1.8 million people, meet the necessary criteria to be categorized as “past year” pathological gamblers. The NRC estimated that another 3.9 percent of adults (7.8 million people) meet the “lifetime” criteria for problem gambling, and that 2 percent (4 million people) meet “past year” criteria. The NRC also stated that between 3 and 7 percent of those who have gambled in the past year reported some symptoms of problem or pathological gambling.<sup>12</sup>

The NORC study, based on a national phone survey supplemented with data from on-site interviews with patrons of gambling establishments, concluded that approximately 1.2 percent of the adult population (approximately 2.5 million people) are “lifetime” pathological gamblers and that 0.6 percent (approximately 1.2 million) were “past year.”<sup>13</sup> An additional 1.5 percent<sup>14</sup> of the adult population (approximately 3 million), fit the criteria for “lifetime” problem gamblers; “past year” problem gamblers were 0.7 percent of the population (approximately 1.4 million). Based on “lifetime” data, more than 15 million Americans were identified as “at-risk” gamblers.<sup>15</sup> At-risk gamblers are defined as those who meet 1 or 2 of the DSM-IV criteria. They are “at risk” of becoming “problem” gamblers, but may also gamble recreationally throughout their lives without any negative consequences. These figures varied somewhat when examining phone survey or patron data alone, and also when measuring “past year” gambling as opposed to “lifetime.” (See Tables 4-2, 4-3, and 4-4.) The incidence of problem and pathological gambling among regular gamblers appears to be much higher than in the general population. In NORC’s survey of 530 patrons at gambling facilities, more than 13 percent met the lifetime criteria for pathological or problem gambling,

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<sup>8</sup> Howard Shaffer, et al., *Estimating the Prevalence of Disordered Gambling Behavior in the United States and Canada: A Meta-Analysis* (1997).

<sup>9</sup> Rachel A. Volberg, *Gambling and Problem Gambling in Oregon: Report to the Oregon Gambling Addiction Treatment Foundation* at 37 (August 26, 1997).

<sup>10</sup> Rachel A. Volberg, *Gambling and Problem Gambling in Mississippi: Report to the Mississippi Council on Compulsive Gambling* at 31 (November 1996).

<sup>11</sup> See Rachel Volberg, *Gambling and Problem Gambling in New York: A 10-Year Replication Survey, 1986 to 1996, Report to the New York Council on Problem Gambling* (1996) and Lynn S. Wallich, *Gambling in Texas: 1995 Survey of Adult and Adolescent Behavior, Texas Commission on Alcohol and Drug Abuse* (1996). Cited in Henry R. Lesieur, “Costs and Treatment of Pathological Gambling,” *The Annals of the American Academy of Political and Social Science* (March 1998).

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<sup>12</sup> NRC, p. 3-6.

<sup>13</sup> 0.6 percent past year. Numbers are based on data from patron and telephone survey. (random digit dial data alone is 9 percent).

<sup>14</sup> 0.7 percent past year.

<sup>15</sup> 5.8 million past year.

Table 4-2

Comparison of Problem and Pathological Gambling Prevalence Rates, General Adult Population

	University of Michigan (1976)		Harvard Meta-analysis (1997)		National Research Council (1999)		NORC RDD/Patrons Combined		NORC RDD (1999)	
	Rate per 100,000	Category	Rate per 100,000	Category	Rate per 100,000	Category	Rate per 100,000	Category	Rate per 100,000	Category
<b>Lifetime</b>	0.77	Probable compulsive gambler	1.60 (range = 1.35-1.85)	Level 3	1.5	Level 3	1.2	Pathological	0.8	Pathological
<b>Lifetime</b>	2.33	Potential compulsive gambler	3.85 (range = 2.94-4.76)	Level 2	3.9	Level 2	9.2	Sum of at risk (7.7) and problem (1.5)	9.2	Sum of at risk (7.9) and problem (1.3)
<b>Past year</b>	—	—	1.14 (range = 0.90-1.38)	Level 3	0.9	Level 3	0.6	Pathological	0.1	Pathological
<b>Past year</b>	—	—	2.80 (range = 1.95-3.65)	Level 2	2.0	Level 2	3.6	Sum of at risk (2.9) and problem (0.7)	2.7	Sum of at risk (2.3) and problem (0.4)

Notes: Level 3 = disordered gambling that satisfies diagnostic criteria; level 2 = pattern of gambling that is associated with adverse consequences but does not meet criteria for diagnosis as a pathological gambler; At risk = 1 or 2 DSM-IV criteria and lost more than \$100 in a single day; problem gambler = 3 or 4 DSM-IV criteria and lost more than \$100 in a single day; pathological gambler = 5 or more DSM-IV criteria and lost more than \$100 in a single day; RDD = household telephone survey; RDD/patrons combined = household telephone survey and interviews with patrons of gaming venues. National Research Council study used same codes as Harvard meta-analysis.

Sources: University of Michigan Survey Research Center for Commission on the Review of the National Policy Toward Gambling (1976); Shaffer et al., *Estimating the Prevalence of Disordered Gambling Behavior in the U.S. and Canada: A Meta-analysis* (1997); National Research Council, *Pathological Gambling: A Critical Review* (1999); National Opinion Research Center, *Gambling Impact and Behavior Study* (1999).

**Table 4-3**

**Comparison of U.S. Adult Pathological and Problem Gambling With Alcohol and Drug Dependence and Abuse (percent)**

	<b>Pathological Gambling</b>	<b>Alcohol Dependence</b>	<b>Drug Dependence</b>	<b>Pathological and Problem Gambling</b>	<b>Alcohol Dependence and Abuse</b>	<b>Drug Dependence and Abuse</b>
<b>12-month</b>	0.9	7.2	2.8	2.9	9.7	3.6
<b>Lifetime</b>	1.5	14.1	7.5	5.4	23.5	11.9
<b>Source</b>	Committee analysis of Shaffer et al., 1997 data	National Comorbidity Survey (NCS): Kessler et al., 1994	National Comorbidity Survey (NCS): Kessler et al., 1994	Committee analysis of Shaffer et al., 1997 data	National Comorbidity Survey (NCS): Kessler et al., 1994	National Comorbidity Survey (NCS): Kessler et al., 1994

Source: National Research Council. *Pathological Gambling: A Critical Review*. Washington, DC: National Academy Press, 1999. pp. 3-21.

**Table 4-4**

**Comparing Lifetime and Past-year Prevalence Rates of Adult Psychiatric Disorders in the United States: Where Does Disordered Gambling Fit?**

<b>Disorder</b>	<b>Lifetime (%)</b>	<b>Past year (%)</b>
Gambling Disorder (level 3*)	1.6	1.1
Antisocial Personality Disorder	2.6	1.2
Obsessive-Compulsive Disorder	2.6	1.7
Drug Abuse/Dependence	6.2	2.5
Major Depressive Episode	6.4	3.7
Generalized Anxiety Disorder	8.5	3.8
Alcohol Abuse/Dependence	13.8	6.3

\*Level 3 = satisfies diagnostic criteria for pathological gambling as defined in DSM-IV.

Source: Shaffer, H.J., Hall, M.N., and Vander Bilt, J. *Estimating the Prevalence of Disordered Gambling in the United States and Canada: A Meta-analysis*. Boston: President and Fellows of Harvard College, 1997. p. 60.

Table 4-5

## Prevalence of Gambling Problems Among Demographic Groups

Demographic Characteristic	At-Risk (n=267)	Problem (n=56)	Pathological (n=67)
	<i>Lifetime/Past-Year</i>	<i>Lifetime/Past-Year</i>	<i>Lifetime/Past-Year</i>
<b>Gender</b>			
Male	9.6 / 3.9	2.0 / 0.9	1.7 / 0.8
Female	6.0 / 2.0	1.1 / 0.6	0.8 / 0.3
<b>Race</b>			
White	6.8 / 2.7	1.4 / 0.6	1.0 / 0.5
Black	9.2 / 4.2	2.7 / 1.7	3.2 / 1.5
Hispanic	12.7 / 3.7	0.9 / 0.7	0.5 / 0.1
Other	8.8 / 1.8	1.2 / 0.5	0.9 / 0.4
<b>Age</b>			
18–29	10.1 / 3.9	2.1 / 1.0	1.3 / 0.3
30–39	6.9 / 2.1	1.5 / 0.8	1.0 / 0.6
40–49	8.9 / 3.3	1.9 / 0.7	1.4 / 0.8
50–64	6.1 / 3.6	1.2 / 0.3	2.2 / 0.9
65+	6.1 / 1.7	0.7 / 0.6	0.4 / 0.2
<b>Education</b>			
Less than HS	10.0 / 2.4	1.7 / 1.2	2.1 / 1.0
HS graduate	8.0 / 3.5	2.2 / 1.1	1.9 / 1.1
Some college	7.9 / 3.5	1.5 / 0.8	1.1 / 0.3
College graduate	6.4 / 2.0	0.8 / 0.2	0.5 / 0.1
<b>Income</b>			
< \$24,000	7.3 / 2.6	1.6 / 0.7	1.7 / 0.9
\$24,000–49,999	6.9 / 3.2	1.8 / 0.9	1.4 / 0.6
\$50,000–99,999	8.0 / 2.5	1.3 / 0.7	0.9 / 0.2
> \$100,000	13.4 / 4.9	1.4 / 0.4	0.7 / 0.2

*Source:* National Opinion Research Center at the University of Chicago, Gemini Research, and The Lewin Group. Gambling Impact and Behavior Study. Report to the National Gambling Impact Study Commission. April 1, 1999. Table 7, p. 26.



while another 18 percent were classified as “at risk” for developing severe gambling problems. By comparison, the NORC random digit dialing survey of 2,417 members of the general population found that 2.1 percent met the lifetime criteria for pathological or problem gambling, while 7.9 percent were classified as “at risk.”

It is possible that the numbers from the NRC and NORC studies may understate the extent of the problem. Player concealment or misrepresentation of information and the reliance of surveyors on telephone contact alone may cause important information on problem or pathological gamblers to be missed. For example, among pathological gamblers, a common characteristic—in fact, one of the DSM-IV criteria—is concealing the extent of their gambling. Data in the NORC survey support the theory that even non-problem gamblers tend to understate their negative experiences related to gambling. And, in fact, survey respondents greatly exaggerated their wins and underreported their losses<sup>16</sup> Similarly, respondents were five times more likely to report that their spouse’s gambling contributed to a prior divorce than to admit that their own gambling was a factor.<sup>17</sup> Thus, the actual prevalence rates may be significantly higher than those reported. Additional research is needed to verify the full scope of problem and pathological gambling.<sup>18</sup>

## **CHARACTERISTICS OF PATHOLOGICAL GAMBLERS**

Although it is impossible to predict who will develop a gambling problem, it is clear that pathological and problem gamblers are found in every demographic group, from college students to the elderly, housewives to professionals, solid citizens to prison inmates. (See Table 4-5.) The following short vignettes relate the personal testimonies of the dangers and tragic consequences of pathological gambling.

<sup>16</sup> NORC, pp. 31-34.

<sup>17</sup> NORC, p. 48.

<sup>18</sup> NORC.

Mary began visiting the riverboat casinos in Kansas City, Missouri, shortly after her husband of 40 years died. “It was something to do. The lights, the music, there were people around. You could forget where you were at,” she said. March 9, 1997, marked the one-year anniversary of her husband’s death. She decided to stay out that night to help forget the pain. She won several jackpots, including one of \$28,000. From then on, Mary became a regular. Casino workers knew her by name, and treated her as a VIP. In 1997, she received 14 W-2 forms from the casino, each representing a jackpot of over \$1,200.

But behind the wins were many, many losses. The money from her husband’s life insurance, his \$50,000 annual pension, and Mary’s monthly social security payment all went to the casinos. She then racked up \$85,000 in debt on her 14 credit cards. She was forced to file for bankruptcy. Not one did anyone in the casinos ever ask this 60-year-old grandmother if she had a problem with gambling. Instead, besides the free rooms and meals at the casino, she was also bombarded with marketing mailings. “They know you have no control,” she said. “They do everything they can to lure you in.”

—“Mary”

As a child, Scott watched his parents scrape by paycheck to paycheck. He vowed it would be different with him. “I thought the way to a good life was money,” the New York native said. “And I thought the way to a lot of money was gambling.” Scott placed his first bet with a bookie his freshman year of college. He found himself in debt within weeks. Later, he stole \$600 from his first employer, a supermarket, to cover gambling debts.

At age 24, Scott made his first trip to Atlantic City, his “real downfall.” “The casinos were an escape,” he said. “They gave meaning to my life.” They also helped Scott block out the depression caused by his earlier gambling activities. Sometimes he would make the two-hour drive twice each weekend. Other times he gambled as many as 50 hours straight.

His relationship with his parents, friends, and even girlfriends crumbled as his obsession with gambling grew. His savings account dwindled to nothing. He embezzled \$96,000 from the stock brokerage where he worked, then wrote \$100,000 in bad checks. Even his arrest, jail time, and then subsequent placement under house arrest didn’t deter him.

“I still went to Atlantic City with ankle bracelet on,” he said from the inpatient treatment center where he was being treated for his pathological gambling. “Nothing mattered to me but gambling.”

—“Scott,” New York

Bob and Robin C. sent their middle child off to college with high hopes. Rann was a state speech champion who graduated from high school in Kalispell, Montana. During his freshman year at Montana State University, they thought all was well with Rann. It was not. His first extended time away from home left him feeling isolated and lonely. He found relief by playing video keno.

Virtually overnight, he was hooked. Within months he had pawned almost all his possessions to gamble. He was forced to live out of his car. His parent remained in the dark until they discovered that Rann had been forging checks from their checking account. And until they found rifles, skis, and other belongings missing from their home. Rann had pawned them for gambling money.

Bewildered by their son’s behavior and at a loss as to how to help. Bob and Robin decided on a “tough love” approach. They called the authorities, who placed Rann in jail, and then in a pre-release program. During the months in pre-release, Rann was allowed to work. When he completed his sentence, he was given the \$2,500 he had earned during that time. Within a few days, Rann had gambled it away. Then he stole and pawned a VCR belonging to his employer. He was caught and sentenced again, this time for seven months.

Rann has begged for help for this “devil” that has tormented him. But the state of Montana, which profits handsomely from the losses of problem and pathological gamblers, does not offer help for compulsive gambling. Rann’s parents are attempting to locate professional help and to find the resources to pay for that help. Without it, they fear greatly for Rann’s future.

—“The C. Family,” Kalispell, Montana

Debbie had never been to a casino. So, shortly after casinos opened in nearby Black Hawk and Central City, Colorado, Debbie suggested to her husband that they make the hour trek from their Denver home. They enjoyed their first visit, then went again a few days later.

The novelty quickly wore off for Debbie, a licensed professional counselor. Such was not the case for her husband. Before long, he was visiting the casinos four and five nights a week. Within three months of their initial visit, Debbie became aware that the couple would have to file for bankruptcy. Her husband had lost close to \$40,000 in those three months—losses their combined income of \$3,000 per month could not sustain.

Still Debbie’s husband continued to gamble. Debbie filed for divorce, ending

17 years of marriage. Before his gambling problems, Debbie described her husband as a stable individual, an involved father with a strong work ethic. After gambling problems developed, Debbie found her husband virtually unrecognizable. There were episodes of domestic violence and bizarre behavior.

“The husband I divorced was not the husband that I married,” she said. “He’s a total stranger to me. He became a liar, he became a cheat, he became engaged in criminal and illegal activities.”

— “Debbie,” Denver, Colorado

As demonstrated by these testimonials, problem and pathological gambling affects a wide range of people and their families. Research is attempting to better classify those people at greatest risk, however, For example:

- Both the NRC and NORC studies found that men are more likely to be pathological, problem, or at-risk gamblers than women.
- Both studies found that pathological, problem, and at-risk gambling was proportionally higher among African Americans than other ethnic groups. Although little research has been conducted on gambling problems among Native American populations, the few studies that have been done indicate that Native Americans may be at increased risk for problem and pathological gambling.<sup>19</sup>
- NORC reported that pathological gambling occurs less frequently among individuals over age 65, among college graduates, and in households with incomes over \$100,000 per year.<sup>20</sup> NRC concluded that pathological gambling is found proportionately more often among the young, less educated, and poor.<sup>21</sup>

<sup>19</sup> NRC, pp. 4-6, 4-16.

<sup>20</sup> NORC.

<sup>21</sup> NRC, pp.3-15.

- Researchers have discovered high levels of other addictive behavior among problem and pathological gamblers, especially regarding drugs and alcohol. For example, estimates of the incidence of substance abuse among pathological gamblers ranges from 25 to 63 percent. Individuals admitted to chemical dependence treatment programs are three to six times more likely to be problem gamblers than are people from the general population.<sup>22</sup> In its survey, NORC found that “respondents reporting at-risk, problem, and pathological gambling are more likely than low-risk or nongamblers to have ever been alcohol or drug-dependent and to have used illicit drugs in the past 12 months.”<sup>23</sup>
- The Commission heard testimony that the prevalence of pathological gambling behavior may be higher among gambling industry employees than in the general population<sup>24</sup> and Dr. Robert Hunter, a specialist in pathological gambling treatment, has estimated that 15 percent of gambling industry employees have a gambling problem.<sup>25</sup> In recognition of this potential problem, 24 of the 25 largest non-tribal casinos surveyed by the Commission provide health insurance covering the cost of treating problem or pathological gambling among their employees.<sup>26</sup>

## UNDER-AGE PROBLEM GAMBLING

One of the most troubling aspects of problem and pathological gambling is its prevalence among

<sup>22</sup> NRC, pp. 4-15.

<sup>23</sup> NORC, p. 30.

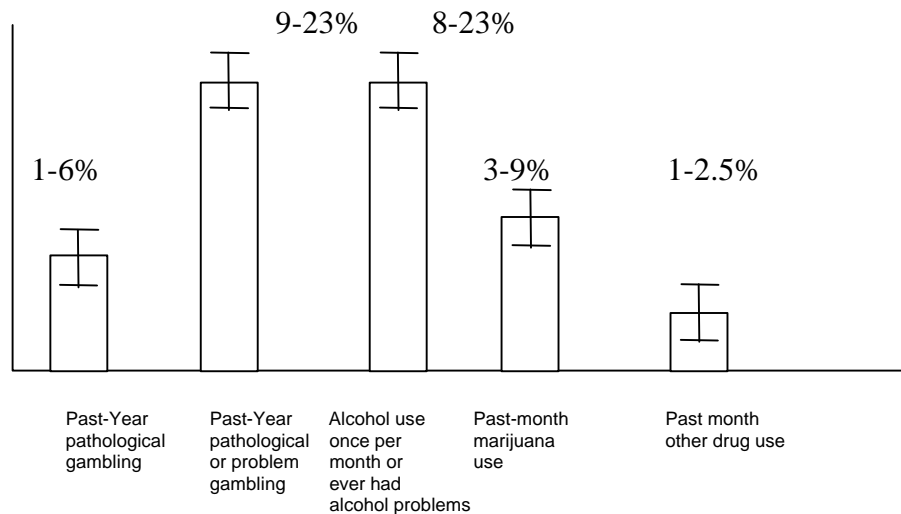
<sup>24</sup> Arnie Wexler, testimony before the NGISC, Atlantic City, New Jersey, January 20, 1998.

<sup>25</sup> Rex Butain, “There’s a Problem in the House,” *International Gambling & Wagering Business*, July 1996, p. 40.

<sup>26</sup> NORC’s analysis of NGISC casino survey, as described in this chapter, p. 15. In addition, about 6 of every 10 smaller, non-tribal casinos and a slightly higher proportion of tribal casinos also provided such coverage.

Figure 4-1

Gambling, Alcohol Use, and Drug Use Among Adolescents



Source: National Research Council. Pathological Gambling: A Critical Review. Committee on the Social and Economic Impact of Pathological Gambling, Committee on Law and Justice, Commission on Behavioral and Social Sciences and Education, National Research Council. Washington, DC: National Academy Press, 1999. Figure 3-10, p. 3-26.

youth and adolescents. (See Figure 4-1.) The available evidence indicates that individuals who begin gambling at an early age run a much higher lifetime risk of developing a gambling problem. Although the full scope of this problem remains to be defined, the Commission is unanimous in urging elected officials and others to focus on implementing more effective measures to address the problem of adolescent gambling.

There is much that the Commission does know regarding adolescent gambling, and much of it is troubling:

- Adolescent gamblers are more likely than adults to develop problem and pathological gambling. The NRC estimates that as many as 1.1 million adolescents between the ages of 12 and 18 are past year pathological gamblers, a much higher percentage than adults.<sup>27</sup> In the

NORC study, the rate of problem and pathological gambling among adolescents was found to be comparable to that of adults, but the rate of those “at-risk” was more than that for adults.<sup>28</sup>

- Based on its survey of the research literature on problem and pathological gambling among adolescents, the NRC reported that estimates of the “past year” rate of adolescent problem and pathological gambling combined range from 11.3 to 27.7 percent, with a median of 20 percent. Estimates of “lifetime” adolescent pathological and problem gambling range between 7.7 and 34.9 percent, with a median of 11.2 percent. Examining pathological gambling alone, estimated rates of “past year” adolescent pathological gamblers rates range between 0.3 to 9.5 percent, with a median of 6.1 percent. For “lifetime” adolescent

<sup>27</sup> NRC.

<sup>28</sup> NORC.

pathological gamblers, the estimates range from 1.2 percent to 11.2 percent, with a median of 5.0 percent.<sup>29</sup>

Clearly, adolescents are a segment of the population who are at particular risk of developing problems with gambling. This also is clearly an area in which targeted prevention efforts should be launched to curtail youth gambling. One program, funded by the Minnesota Department of Human Services, has developed a number of prevention measures aimed at youth, including the development of a curriculum that stresses the risks of gambling, speakers who relate their experiences with gambling, and the creation of posters and other printed material targeted specifically toward adolescents.

## THE COSTS OF PROBLEM GAMBLING

Estimating the costs of problem and pathological gambling is an extraordinarily difficult exercise—and a subject of heated debate. Without common standards of measurement, comparisons are problematic at best. Dollar costs would allow the clearest comparisons, especially in relation to the economic benefits from gambling. Yet, how can human suffering be tallied in terms of money? And many of the consequences commonly attributed to problem gambling, such as divorce, child abuse, depression, and so forth, may be the result of many factors that are difficult to single out. Inevitably, attempts to estimate the costs of problem and pathological gambling differ enormously.

### *The Costs to Problem and Pathological Gamblers*

Problem or pathological gambling can affect the life of the gambler and others in varied and profound ways. The NRC study stated that “although the research in this area is sparse, it suggests that the magnitude and extent of personal consequences on the pathological gambler and his or her family may be severe.”<sup>30</sup>

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<sup>29</sup> NRC.

<sup>30</sup> NRC, pp. 5-4.

That report notes that many families of pathological gamblers suffer from a variety of financial, physical, and emotional problems,<sup>31</sup> including divorce, domestic violence, child abuse and neglect, and a range of problems stemming from the severe financial hardship that commonly results from problem and pathological gambling. Children of compulsive gamblers are more likely to engage in delinquent behaviors such as smoking, drinking, and using drugs, and have an increased risk of developing problem or pathological gambling themselves.<sup>32</sup>

The National Research Council also noted the existence of a number of costly financial problems related to problem or pathological gambling, including crime, loss of employment, and bankruptcy. According to NRC, “As access to money becomes more limited, gamblers often resort to crime in order to pay debts, appease bookies, maintain appearances, and garner more money to gamble.”<sup>33</sup> NRC also states that “Another cost to pathological gamblers is loss of employment. Roughly one-fourth to one-third of gamblers in treatment in Gamblers Anonymous report the loss of their jobs due to gambling.”<sup>34</sup>

In addition, according to NRC, “Bankruptcy presents yet another adverse consequence of excessive gambling. In one of the few studies to address bankruptcy, Ladouceur et al. (1994) found that 28 percent of the 60 pathological gamblers attending Gamblers Anonymous reported either that they had filed for bankruptcy or reported debts of \$75,000 to \$150,000.”<sup>35</sup>

Others who are impacted by problem and pathological gambling include relatives and friends, who are often the source of money for the gambler. Employers may experience losses in the form of lowered productivity and time missed from work. Problem and pathological gamblers

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<sup>31</sup> NRC, pp. 5-2.

<sup>32</sup> NRC, pp. 4-7, 4-8, 5-2.

<sup>33</sup> NRC, p. 5-3.

<sup>34</sup> NRC, p. 5-3.

<sup>35</sup> NRC, p. 5-4.

often engage in a variety of crimes, such as embezzlement, or simply default on their financial obligations. During our site visits, the Commission heard testimony from social service providers that churches, charities, domestic violence shelters, and homeless shelters are often significantly burdened by the problems created by problem and pathological gamblers.

Some costs can be assigned a dollar figure. The Commission heard repeated testimony from compulsive gamblers who reported losing tens and even hundreds of thousands of dollars to gambling. Problem and pathological gamblers appear to spend a disproportionate amount of money on gambling compared to non-problem gamblers.<sup>36</sup> According to NRC, these individuals report spending 4½ times as much on gambling each month as do non-problem gamblers.<sup>37</sup>

### ***The Costs to Society***

In addition to the costs of problem and pathological gambling borne by the individual and his or her family, there are broader costs to society. NORC estimated that the annual average costs of job loss, unemployment benefits, welfare benefits, poor physical and mental health, and problem or pathological gambling treatment is approximately \$1,200 per pathological gambler per year and approximately \$715 per problem gambler per year.<sup>38</sup> NORC further estimated that lifetime costs (bankruptcy, arrests, imprisonment, legal fees for divorce, and so forth) at \$10,550 per pathological gambler, and \$5,130 per problem gambler. With these figures, NORC calculated that the aggregate annual costs of problem and pathological gambling caused by the factors cited above were approximately \$5 billion per year, in

addition to \$40 billion in estimated lifetime costs.<sup>39</sup>

NORC admittedly “focuse[d] on a small number of tangible consequences”<sup>40</sup> and did not attempt to estimate the financial costs of any gambling-related incidences of theft, embezzlement, suicide, domestic violence, child abuse and neglect, and the non-legal costs of divorce.<sup>41</sup> As a result, its figures must be taken as minimums. According to NORC: “The current economic impact of problem and pathological gambling, in terms of population or cost per prevalent case, appears smaller than the impacts of such lethal competitors as alcohol abuse (estimated annual cost of \$166 billion<sup>42</sup>) and heart disease (estimated annual cost of \$125 billion<sup>43</sup>). However, the costs that are measured through health-based estimates do not capture all of the consequences important to the person, family, or society. The burden of family breakdown, for example, is outside of these measures.”<sup>44</sup>

### **TREATING THE PROBLEM**

According to therapists and other professionals in the field, pathological gambling is a difficult disorder to treat. As with substance abuse, treatment for pathological gambling is a costly, time-consuming effort, often without quick results and with a high degree of re-occurrence. Given the lack of information about the root causes of the disorder and the relatively new awareness of the phenomenon, at least on a large scale, no single treatment approach has been devised. Instead, a variety of different approaches are employed, with mixed results.

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<sup>36</sup> Henry R. Lesieur, “Costs and Treatment of Pathological Gambling,” *The Annals of the American Academy of Political and Social Science*, March 1998, p. 164.

<sup>37</sup> NRC, p. 3-7. NRC notes that reporting of gambling expenditures in general is of “dubious accuracy.”

<sup>38</sup> NORC, p. 52.

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<sup>39</sup> NORC, p. 53.

<sup>40</sup> NORC, p. 41.

<sup>41</sup> NORC, p. 52.

<sup>42</sup> NORC, p. 54.

<sup>43</sup> NORC, p. 54.

<sup>44</sup> NORC, p. 53.

Unfortunately, as the NRC report noted, few studies exist that measure the effectiveness of different treatment methods. Those that do exist “lack a clear conceptual model and specification of outcome criteria, fail to report compliance and attrition rates, offer little description of actual treatment involved or measures to maintain treatment fidelity by the counselors, and provide inadequate length of follow-up.”<sup>45</sup> Not surprisingly, the effectiveness of these various treatments are “not well substantiated in the literature.”<sup>46</sup> However, one thing that is known is that each has a high recidivist rate. For example, the only known survey on the effectiveness of Gamblers Anonymous found that only 8 percent of GA members were in abstinence after one year in the group.<sup>47</sup>

Understanding the rate and processes of natural recovery among pathological gamblers also would enhance our understanding of the etiology of the disorder and advance the development of treatment strategies. Several Canadian investigators have recently embarked on investigations of natural recovery among disordered gamblers. Dr. Rachel Volberg has conjectured that prevalence studies, which usually show a lower rate of pathological gambling among adults than youth, might be evidence of one form of natural recovery, as young people experience the “maturing-out” process and leave behind risky behaviors as they enter adulthood.<sup>48</sup> Natural recovery estimates also will affect economic cost studies.

The majority of state affiliates of the National Council on Problem Gambling report that most insurance companies and managed care providers do not reimburse treatment for pathological

gambling, even though pathological gambling is a recognized medical disorder. As a result, people seeking treatment generally must pay out of their own pockets, which severely limits treatment options given the limited financial resources of most pathological gamblers. Even where treatment is available, however, only a small percentage of pathological gamblers may actually seek help. According to NORC, preliminary research suggests that only 3 percent of pathological gamblers seek professional assistance in a given year.<sup>49</sup>

### *Private Sector Efforts*

After a quarter century of dynamic growth and heated competition, leaders in the gambling industry are only now beginning to seriously address the existence of problem and pathological gambling among millions of their patrons. The American Gaming Association (AGA)—which represents a wide range of casinos—has initiated several efforts to address problem and pathological gambling and is the largest source of funding for research on problem and pathological gambling. Members of the AGA have committed \$7 million to researching several aspects of problem and pathological gambling. Helplines also have been established by AGA. In addition, the industry has created the *Responsible Gaming Resource Guide* (2nd Ed.), which lists programs and efforts in each state to assist problem and pathological gamblers.

However laudable these efforts, industry funds earmarked for treatment for pathological gambling are miniscule compared to that industry’s total revenue. Critics have assailed the relatively modest industry efforts in this area by asserting that a large percentage of gambling revenues are derived from problem and pathological gamblers. NORC calculated that they account for about 15 percent of total U.S. gambling revenues,<sup>50</sup> or about \$7.6 billion per year (based on total annual gambling revenues of

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<sup>45</sup> NRC.

<sup>46</sup> NRC.

<sup>47</sup> Ruth M. Stewart and r. Iain Brown, “an Outcome Study of Gamblers Anonymous,” *British Journal of Psychiatry*, volume 152, pp. 284–288, 1988, as cited in Henry R. Lesieur, “Costs and Treatment of Pathological Gambling,” *The Annals of the American Academy of Political and Social Science*, March 1998, p. 259.

<sup>48</sup> Rachel A. Volberg, “Wagering and problem wagering in Louisiana,” Report to the Louisiana Economic Development and Gaming Corporation (Roaring Spring, PA: Gemini Research).

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<sup>49</sup> NRC, p. 51.

<sup>50</sup> NORC, p. 33.

\$50 billion). Dr. Henry Lesieur calculated that problem and pathological gamblers account for an average of 30.4 percent of total gambling expenditures in the 4 U.S. states and 3 Canadian provinces he examined.

Other recent studies at the state level provide further evidence. A 1998 study commissioned by the state of Montana found that problem and pathological gamblers account for 36 percent of electronic gambling device (EGD) revenues, 28 percent of live keno expenditures, and 18 percent of lottery scratch ticket sales.<sup>50</sup> A 1999 study for the Louisiana Gaming Control Board indicated that problem and pathological gamblers in Louisiana comprise 30 percent of all spending on riverboat casinos, 42 percent of Indian casino spending, and 27 percent of expenditures on EGD machines.<sup>51</sup>

In addition to casinos, the pari-mutuel industry also has begun to take steps to address the issues surrounding problem and pathological gambling. In 1998, the American Horse Council published the “Responsible Wagering Resources Guide for Racing Managers.” Additionally, four major racing organizations—the National Thoroughbred Racing Association, Inc., the Thoroughbred Racing Associations of North America, Inc., Harness Tracks of America, and the American Quarter Horse Association—have joined together in an initiative to address problem and pathological gambling among both patrons and employees.<sup>52</sup> The American Greyhound Track Operators Association has advised that “an all out effort will be undertaken this year to educate both management and patrons” about problem and pathological gambling.<sup>53</sup>

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<sup>51</sup> Polzin, et al., “Final Report Presented to the Montana Gambling Study Commission,” Bureau of Business and Economic Research, University of Montana-Missoula and Gemini Research Ltd., September 30, 1998, p. 25.

<sup>52</sup> Letter from James J. Hickey, Jr., president, American Horse Council, to Leo McCarthy, Commissioner, NGISC, April 20, 1999.

<sup>53</sup> Letter from Henry C. Cashen II, counsel to the American Greyhound Track Operators Association, to Kay James, NGISC chairman, April 22, 1999.

### *Casino Questionnaire*

The Commission mailed a questionnaire to approximately 550 casinos nationwide. Of 143 responses, the top 25 non-tribal casinos responded. Four of the top 20 tribal casinos responded.

There are some hopeful signs found in the responses:

- 15 of the largest 25 non-tribal casinos use professional personnel to train management and staff to help identify problem or pathological gamblers among their customers or employees. Not quite half of all tribal and non-tribal casinos below the top 25 that responded said they used such personnel.
- 11 of the largest 25 non-tribal casinos said they formulated criteria to guide staff in identifying problem and pathological gamblers. Around 4 of 10 among the non-tribal casinos below the top 25 and the tribal casinos responding set such criteria for their staff to follow.
- 24 of the 25 largest non-tribal casinos offered insurance coverage for the cost of treating problem or pathological gambling among employees. About 6 of every 10 among non-tribal casinos below the top 25 and slightly more among tribal casinos did likewise.
- 20 of the 25 largest non-tribal casinos contributed during 1998 to programs or organizations that foster research or treatment for problem and pathological gamblers. About 7 of every 10 tribal casinos and about half of the non-tribal casinos below the top 25 also contributed in varying amounts.
- The top 25 non-tribal casinos averaged four referrals for treatment during 1998 of either employees or customers to persons qualified to provide options for professional treatment. Non-tribal casinos below the top 25 provided referral guidance nine times on the average during 1998. Tribal casinos averaged 16 referrals in the same period, to record the best effort.



### *Non-Profit and Other Efforts*

A number of grass-roots treatment groups have emerged throughout the United States in response to this problem. The National Council on Problem Gambling (NCPG) is a leader in this area, acting as a national coordinating body for its 34 state affiliates, as well as for other treatment organizations and self-help groups. Its overall purpose is to “disseminate information about problem and pathological gambling and to promote the development of services for those afflicted with the disorder.”<sup>54</sup> Among the services provided by the NCPG are a nationwide help line and a referral resource database. Funding comes from membership dues, affiliate dues, grants, and private contributions.<sup>55</sup>

One of the most important non-profit groups working in this area is Gamblers Anonymous (GA). Modeled after the 12-step program of Alcoholics Anonymous, individuals can attend meetings in their area to receive support and counseling from fellow problem and pathological gamblers and professionals. The number of GA chapters has increased from 650 in 1990 to 1,328 in October of 1998, a period of rapid legalized gambling expansion.<sup>56</sup> In contrast to other non-profit organizations, GA is entirely funded through private contributions, mainly from its members.

Although some colleges offer training courses for counselors and treatment programs for students with gambling-related disorders, the most important contribution at the university level is in research. One of the leaders in the field—the Harvard University Medical School Division on Addictions—supports ongoing research and publication on addictive behavior, including a focus on problem and pathological gambling.<sup>57</sup>

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<sup>54</sup> *Supra* note 4, at 23-24.

<sup>55</sup> *Supra* note 4, at 24.

<sup>56</sup> Information provided by Gamblers Anonymous International Service Office, Los Angeles, California.

<sup>57</sup> *Supra* note 4, at 26.

### *Government Response*

#### *State Efforts*

A few states have begun allocating a relatively small amount of money for treatment services, usually drawn from tax receipts on gambling revenues. These amounts, although inadequate to the task, represent a welcome start in providing sufficient resources.

Most state efforts involve contributing to non-profit organizations that deal with problem and pathological gambling. According to the National Council on Problem Gambling (NCPG), state governments focus on funding treatment and education on pathological and problem gambling rather than research efforts. However, state appropriations for problem and pathological gambling are small when compared to resources allotted to other mental health and substance abuse services.<sup>58</sup> According to the NCPG’s 1998 National Survey of Problem Gambling Programs, the combined resource allocation by states is approximately \$20 million annually to 45 different organizations.<sup>59</sup> This amount represents only .01 percent of the total \$18.5 billion that states receive from gambling.<sup>60</sup> Most of the funds are portions of tax revenues from gambling operations within the state, private industry contributions and contributions by tribal governments.<sup>61</sup>

The amounts of funding, types of assistance programs, and the contributors vary greatly from state to state. For example, Iowa allots over \$3 million—less than 0.4 percent<sup>62</sup> of its gross gambling revenues from lotteries, riverboat

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<sup>58</sup> *See id.*, at 18-19.

<sup>59</sup> National Council on Problem Gambling, American Gaming Association, North American Association of State and Provincial Lotteries, *1998 National Survey of Problem Gambling Programs* (1998).

<sup>60</sup> Eugene M. Christiansen, “An Overview of Gambling in the United States,” presented to the NGISC, February 8, 1999, Virginia Beach, Virginia. p.7.

<sup>61</sup> *ibid.*

<sup>62</sup> *International Gaming & Wagering Business*, August 1998, p. 13. Iowa’s gross gambling revenues were \$807 million in 1997.

casinos, and slots at racetrack—to the Iowa Gambling Treatment Program. One of the few state-run efforts, it consists of two main components: promoting public awareness and offering assistance through its help-line. However, the program does not address treatment, training, research or prevention. Connecticut's approach is more comprehensive and treatment-oriented. There, the state government contributes a portion of lottery revenues and pari-mutuel tax revenues to the Connecticut Compulsive Gambling Treatment Program. This non-profit organization offers services for training, treatment, and prevention, conducts research, and raises public awareness.<sup>63</sup>

Given the importance of prevention measures, especially those aimed at underage gamblers, some states have begun to establish public awareness and early intervention programs to curtail gambling problems before they begin or become severe. Few states, however, fund such programs at any significant level. The Commission heard testimony of one program funded by the Minnesota Department of Human Services that features several preventative measures that seem to be having a positive impact in that state. Many of those measures are aimed at youth, including the development of a curriculum that stresses the risks of gambling, speakers who relate their experiences with gambling, and the creation of posters and other printed material targeted specifically toward adolescents. Additional efforts have focused on other at-risk populations, including the elderly, people in substance abuse treatment programs, as well as specific ethnic groups.<sup>64</sup>

#### *Tribal Government Efforts*

A number of tribal governments with casinos contribute to non-profit organizations that deal with mental health issues, human services, and addiction. For example the Mashantucket Pequot Nation in Connecticut, which owns the Foxwoods

casino, contributes \$200,000 annually to the Connecticut Council on Compulsive Gambling. The Oneidas in Wisconsin contribute \$35,000 annually to the Wisconsin Council on Problem Gambling. Other tribal governments also work with the Indian gambling associations within their states to fund problem gambling programs and promote awareness of problem and pathological gambling through distributed literature in their casino properties.<sup>65</sup>

#### *Federal Efforts*

The principal contribution of the federal government to the treatment and prevention of problem and pathological gambling is in research, including that through this Commission and other entities. These include the national prevalence study undertaken by the 1976 Commission on the Review of National Policy Toward Gambling, a study of prevalence rates in selected states from 1988 to 1990 conducted by the National Institute of Mental Health;<sup>66</sup> a co-morbidity study examining the rate of problem gambling among methadone patients by the National Institute of Drug Abuse;<sup>67</sup> and the inclusion of policies on pathological gambling in the Worldwide Study of Substance Abuse and Health Behaviors Among Military Personnel in a report to the Department of Defense in 1992.<sup>68</sup> In addition to research, there has been limited federal funding allocated to treatment of pathological gamblers by the Veterans Administration since 1972.<sup>69</sup>

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<sup>65</sup> *Supra* note 4, at 23.

<sup>66</sup> Rachel Volberg, *The Prevalence and Demographics of Pathological Gamblers: Implications for Public Health* *American Journal of Public Health* 84 (1994).

<sup>67</sup> B.J. Spunt et al., *Prevalence of Gambling Problems Among Methadone Clients*. Final Report to the National Institute on Drug Abuse (1995).

<sup>68</sup> R.M. Bray, et al., *Worldwide Survey of Substance Abuse and Health Behaviors Among Military Personnel*, Report to the Department of Defense (1992).

<sup>69</sup> National Council on Problem Gambling, *Problem and Pathological Gambling in America: The National Picture* (January 1997) 17-18.

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<sup>63</sup> *ibid.*

<sup>64</sup> Testimony of Roger Svendsen before NGISC, New Orleans, September 11, 1998.

## **CONCLUSION**

More research on the prevalence and causes of problem and pathological gambling clearly is a priority. For the millions of Americans who confront problem and pathological gambling, treatment may be necessary and should be made readily available. For those in need of such treatment, the gambling industry, government, foundations, and other sources of funding should step forward with long-term, sustained support.

As the opportunities for gambling become more commonplace, it appears likely that the number of people who will develop gambling problems also will increase. Future research efforts must address not only the treatment of this disorder, but prevention and intervention efforts that may prove useful in stopping problem and pathological gambling before it begins. Prevention of problem and pathological gambling is especially important in adolescents, who appear to be a population at particular risk for developing problems with gambling.

## **RECOMMENDATIONS**

The Commission respectfully recommends that all governments take every step necessary to implement all relevant components of the recommendations offered here before lotteries or any other form of legalized gambling is allowed to operate or to continue to operate. Such requirements should be specifically itemized in a state statute as applicable to a state-run lottery. Similarly, such requirements should also be specified and made applicable for inclusion in tribal government law and tribal-state compacts.

4.1 The Commission respectfully recommends that all relevant governmental gambling regulatory agencies require—as a condition of any gambling facility’s license to operate—that each applicant adhere to the following:

- Adopt a clear mission statement as to applicant’s policy on problem and pathological gambling.

- Appoint an executive of high rank to execute and provide ongoing oversight of the corporate mission statement on problem and pathological gambling.
- Contract with a state-recognized gambling treatment professional to train management and staff to develop strategies for recognizing and addressing customers whose gambling behavior may strongly suggest they may be experiencing serious to severe difficulties.
- Under a state “hold harmless” statute, refuse service to any customer whose gambling behavior convincingly exhibits indications of problem or pathological gambling.
- Under a state “hold harmless” statute, respectfully and confidentially provide the customer (as described above) with written information that includes a state-approved list of professional gambling treatment programs and state-recognized self-help groups.
- Provide insurance that makes available medical treatment for problem and for pathological gambling facility employees.

4.2 The Commission recommends that each state and tribal government enact, if it has not already done so, a Gambling Privilege Tax, assessment, or other contribution on all gambling operations within its boundaries, based upon the gambling revenues of each operation. A sufficient portion of such monies shall be used to create a dedicated fund for the development and ongoing support of problem gambling-specific research, prevention, education, and treatment programs. The funding dedicated for these purposes shall be sufficient to implement the following goals:

- Undertake biennial research by a nonpartisan firm, experienced in problem gambling research, to estimate the prevalence of problem and pathological gambling among the general adult population. Specific focus on major sub-populations including youth, woman, elderly and minority group gamblers

should also be included. An estimate of prevalence among patrons at gambling facilities or outlets in each form of gambling should also be included.

- Initiate public awareness, education, and prevention programs aimed at vulnerable populations. One such purpose of such programs will be to intercept the progression of many problem gamblers to pathological states.
- Identify and maintain a list of gambling treatment services available from licensed or state-recognized professional providers, as well as the presence of state recognized self-help groups.
- Establish a demographic profile for treatment recipients and services provided, as state and federal laws permit. Develop a treatment outcome mechanism that will compile data on the efficacy of varying treatment methods and services offered, and determine whether sufficient professional treatment is available to meet the demands of persons in need.
- When private funding is not available, subsidize the costs of approved treatment by licensed or state-recognized gambling treatment professionals for problem and pathological gamblers, as well as adversely affected persons. Additionally, such funds shall ensure that persons in need of treatment can receive necessary support based upon financial need. Treatment cost reimbursement levels and protocols will be established by

each state.

4.3 Despite the fact that pathological gambling is a recognized medical disorder most insurance companies and managed care providers do not reimburse for treatment. The Commission recommends to states that they mandate that private and public insurers and managed care providers identify successful treatment programs, educate participants about pathological gambling and treatment options, and cover the appropriate programs under their plans.

4.4 The Commission recommends that each gambling facility must implement procedures to allow for voluntary self-exclusion, enabling gamblers to ban themselves from a gambling establishment for a specified period of time.

4.5 The Commission recommends encouraging private volunteerism of groups and associations working across America to solve problem gambling, especially those involving practitioners who are trying to help people who are problem gamblers. This should include strategically pooling resources and networking, drawing on the lists of recommendations these organizations have presented to the Commission, and working to develop uniform methods of diagnosis.

4.6 The Commission recommends that each state-run or approved gambling operation be required to conspicuously post and disseminate the telephone numbers of at least two state-approved providers of problem-gambling information, treatment, and referral support services.





