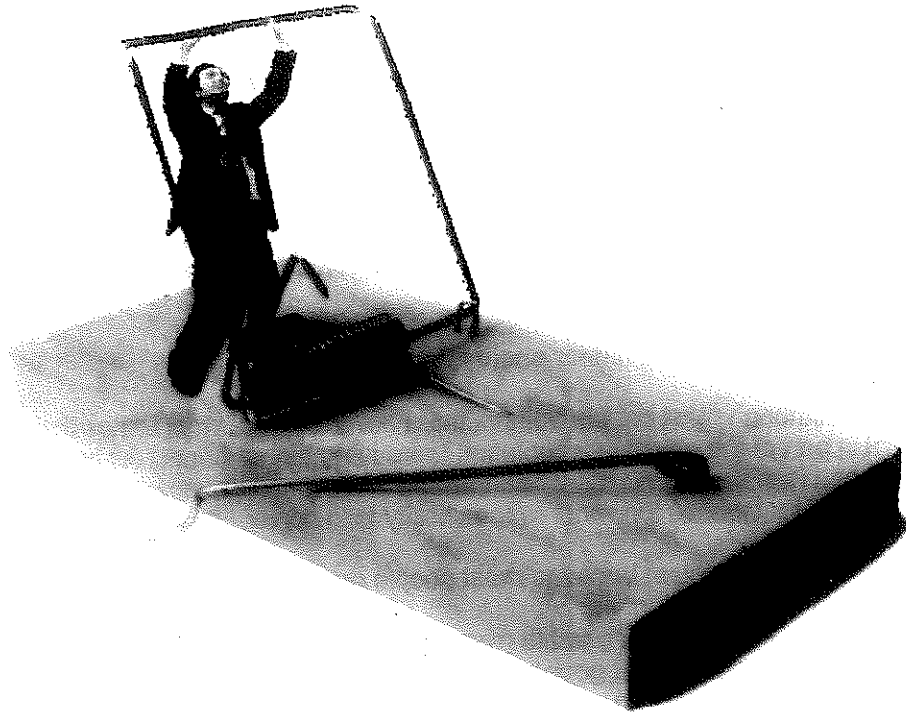


Malloy's Advocacy For More Gambling Alarming



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By MARVIN A. STEINBERG
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Gov. Dannel P. Malloy's recent announcement of plans to significantly increase Connecticut's dependence on gambling as a source of revenue was alarming — particularly his consideration of online gambling, sports gambling, keno and his desire for "a more aggressive lottery."

Connecticut already has an aggressive lottery with about 2,800 locations all across the state, with extensive advertising at the retail level and in the media. Bringing keno to Connecticut would be an aggressive action as it would expose thousands of children in restaurants to gambling for long periods of time. Children would be directly involved by watching and helping their parents gamble in keno before, during and after their meals.

It is troublesome enough that despite the lottery's efforts, many minors have indicated in Connecticut research studies that they purchase tickets themselves. The state encourages minors to gamble by the law that allows adults to give lottery tickets to children as gifts.

In Gov. Malloy's outline of plans to expand gambling, there was an absence of expressed concern about the negative personal and social consequences that more pervasive gambling opportunities will create. There was also no assurance that adequate funds would be allocated preventively.

As I prepare to retire as executive director of the Connecticut Council on Problem Gambling on Jan 31, I am very pleased about the many accomplishments of the council since its beginning in 1980. There is much disappointment, however, in how little we have accomplished in educating and influencing legislators and governors about their responsibility relating to problem and underage gambling. It has been an uphill struggle and the hill has become even steeper as states race to legalize new gambling and increase existing gambling with the fervor of a gold rush — trying to expand gambling and cash in before neighboring states do.

There is widespread frustration felt by many of us in the problem gambling field over the unwillingness of

Malloy gambling: Gov. Dannel P. Malloy's plan to expand gambling i

government to acknowledge and take responsible action about the reality that when more people gamble and when people gamble more, problem gambling increases as well. This is a research-based finding, as is the fact that problem and pathological gamblers account for approximately 30 percent of gambling revenue despite being only about 5 percent of all gamblers. It is incumbent upon governments that profit from gambling to sufficiently fund programs for preventing and reducing problem and underage gambling.

So, doesn't it make sense for the state of Connecticut to set aside a tiny percentage of all gambling revenue for prevention, treatment and research? Not to the government. Here are four typical responses I have received many times from government officials.

First: "Other programs have a higher priority for funding dollars."

My response: Although most people believe there are more important issues than the gambling problem, when government is part of the cause of a problem, there is no higher priority for government than to responsibly address the needs of those who have been harmed. The encouragement and promotion of gambling is a slippery slope for government whose foremost responsibility is to serve and protect citizens.

Second: "It isn't a big problem because most people gamble responsibly."

My response: Those who cannot gamble responsibly matter, whatever their number. Gambling is the only potentially dangerous activity that government encourages its citizens to do, and from which government profits. Gambling can be highly toxic (e.g., divorce, bankruptcy, crime and suicide) for some of those who gamble and also for an average of 10 people who are negatively affected by the consequences of that one person's gambling.

Third: "Government doesn't create the problem because there were addicted gamblers before legalized gambling began and problem gambling would exist even if all legalized gambling disappeared."

My response: Nevertheless, legalized gambling has increased the problem by its widespread availability, accessibility and promotion.

Fourth: "It is already legal in nearby states and it doesn't seem to be a problem there."

My response: Officials in these other states have no basis for claiming it isn't a problem because they only evaluate whether or not it is profitable.

I am concerned that the current administration could follow in the footsteps of previous administrations by considering problem and underage gambling as an afterthought, if at all.

Marvin A. Steinberg is executive director of the Connecticut Council on Problem Gambling.

A Government Promoting and Profiting from Gambling has the Responsibility to its Citizens to Utilize Significant Gambling Revenue to Prevent Problem and Underage Gambling and to Treat the Casualties

1. A. Introduction

B. We are in a time period in which states are seeking to increase their dependence on revenue from legalized gambling

- CT and many other states are protecting their gambling dollars and racing toward the new "gold mine" of online gambling
- Gambling dollars are much more easily accepted by the public than new taxes and much quicker to come by than the relatively slower process of growing the business sector.
- The fiscal crisis has lessened concern about the inevitable negative consequences of new gambling. Assuming that benefits will be great and costs will be minor without the data on which to base the decision to expand gambling is not fulfilling the government's duty to protect the public.
- Over time, there have only been a relatively small numbers of legislators who have been committed to addressing the human toll of problem gambling. Now, the recession and budget deficits seem to have convinced many legislators, including some of those who were previously skeptical, that the profit projections from expanding gambling far exceed the costs to individuals, families, the workplace, and the community.

2. A. The CT Council on Problem Gambling (CCPG) is a private nonprofit organization incorporated in 1980; CCPG was the first of the current 37 state affiliates of the national Council on Problem Gambling (NCPG).

B. Mission: The Council's mission is to reduce the prevalence and impact of problem and pathological (compulsive) gambling on individuals, families, and society.

C. Major Present and Past Programs:

- Problem Gambling Helpline: 1-888-789-7777: Confidential, toll-free, 24 hour assistance for problem gamblers and their families in CT.
- Problem Gambling Chat: on CCPG website www.problemgambling.org. Live chat (M-F, 5pm-midnight; Sat/Sun Noon-midnight) has allowed us to reach adolescents and young adults who are reluctant to call a Helpline.
- Public Awareness and Prevention Education:
 - ❖ Information disseminated to all media outlets; i.e. Press releases; interviews; PSA's
 - ❖ Lectures and seminars: non-profit organizations, schools, businesses, etc.
 - ❖ Presence at local/statewide Health Fairs/Conferences engaging a variety of audiences, e.g., youths, seniors, women.
- Information Clearinghouse: brochures, fact sheets, educational DVD's, posters, etc.

- Professional Training: Training opportunities in Problem Gambling Prevention available to health, human service, mental health, and addiction professionals and the gambling industry.
 - ❖ Main Event: Annual CCPG Conference
- Specialized Programs:
 - ❖ College Mini-Grant Program: provide key personnel/programs on college/university campuses with stipends to address gambling/problem gambling through student-run activities. Currently 16 universities/colleges interested in a grant opportunity
 - ❖ Business/Workplace Education and Training – through chambers of commerce, employee assistance programs, etc.
- Research: Research studies conducted on critical issues in the problem gambling arena, with a focus on high-risk populations, i.e., adolescents, senior citizens, women and substance abusers.
- Legislative and Public Policy
 - ❖ Collaboration with local and statewide organizations to advocate for state funds to initiate and bolster prevention and treatment programs for problem gamblers and their families and for the development of public policies aimed at minimizing problem gambling in Connecticut.
 - ❖ Maintain contact with legislators to provide information about the issues of problem and underage gambling in Connecticut.

D. Collaborations/Partnerships

- Ongoing cooperative and collaborative relationship with Problem Gambling Services (DMHAS)
- CT Coalition for Responsible Gambling:
 - ❖ Mission: Forum for sharing responsible gambling approaches and activities and for planning community educational activities during National Problem Gambling Awareness Week and at other times. Members include representation from the gambling industry (CT Lottery Corporation, Sportech, Mohegan Sun, and Foxwoods), Problem Gambling Services and the CT Council.
- Partnership for Responsible Gambling
 - ❖ A collaboration existed between the CT Council on Problem Gambling, DMHAS's Problem Gambling Services and the CT State Lottery to primarily address youth and underage gambling, e.g., "Gambling is not Child's Play" holiday campaign; TV PSA "You Tell a Friend".

3. A. Problem Gambling: In 1980, the mental health professions recognized "pathological" gambling as a mental disorder – an impulse control disorder – which characteristically results in painful consequences for the individual and family. It is also a serious public health problem as it affects the workplace and other community institutions. Related health and mental health conditions, divorce, debt, bankruptcy, homelessness, crime and suicide result in enormous costs to society. Detailed information on these serious and often devastating effects may be found in the 2009 Spectrum Report on the Department of Consumer Protection's Gaming Division's website (formerly the Division of Special Revenue) and in CCPG's annual Helpline Reports found at www.problemgambling.org.

4. A. The CCPG is neutral about the existence of legalized gambling. We are neither pro nor anti gambling. That the Council is not anti gambling is evidenced by our long history of collaboration with the public and private gambling industry in CT. This, of course, does not mean the CCPG pro gambling. In fact, there are circumstances under which the Council has publicly expressed concerns and objections to specific proposals for gambling. These include one or more of the following:
- When a proposal for the introduction of new forms of gambling or for the expansion of existing forms of gambling are likely to have a negative impact on vulnerable groups;
 - When gambling bills/proposals do not contain specific protective factors to minimize harm;
 - When there are no provisions in the proposal for evaluation of impact;
 - When there is no provision in the bill to increase funding for prevention and treatment.
5. A. Certain forms of gambling are potentially more dangerous than others. These include electronic gambling machines {slots and video lottery terminals (VLTs)}, scratch tickets, keno and online gambling. We are concerned that proposals for keno and online gambling are forthcoming in this legislative session. Although my remarks will focus on the special issues of online gambling, CCPG's concerns about keno are just as strong now as they were when keno was last proposed and are detailed in the information we have provided for you.

Issues with online gambling include:

- Easy access by minors. In June 2002 the U.S. Federal Trade Commission (FTC) issued a Consumer Alert warning parents that it is easy for youngsters, particularly teenagers, to access online gambling sites. Research shows that the younger gambling begins, the more likely that a gambling problem will develop.
- Online gamblers tend to be younger. Teens and young adults have grown up playing video games online and are used to taking risks in these games. Comfort with Internet gaming readily transfers to online gambling, where they are prone to excessive risk taking.
- Access to online gambling is available 24 hours a day as long as a computer (or hand held device) is present. For people with a problem, the temptation is always there, making it especially difficult to stop.
- Legal on-line gambling opens the door to exploring many other gambling websites that are not legal, with many options for different forms of gambling.
- The operators of the legal website will have even less knowledge of, and control over, self destructive gambling than occurs at a gambling venue.
- Without outside distractions or impediments, the rate of gambling and frequent reinforcement from gambling can result in rapid development of an addiction.
- Compared to other venues for gambling, gambling online is a solitary activity, lacking many of the cues that help a person stop gambling in a social setting. The feeling of anonymity makes it easier for gambling to spiral out of control.
- There is easier access to one's credit and debit cards on a PC. Without a more concrete exchange of funds, as with cash, checks and withdrawal of money from an ATM, the loss of money may not feel real and the person can more easily gamble excessively.
- Online gambling can lead to a more immersive and dissociative nature of involvement. As with the obsessive entrancement of some computer games, there is the risk of spending so much time gambling online that it cuts out other facets of life.

Bringing gambling directly into people's homes is full of potential problems and currently beyond the ability of any state to adequately regulate. Considerable safeguards need to be put into place, requiring consultation from jurisdictions where these safeguards have proven successful.

B. Standards recommended by CCPG for use by legislators in evaluating whether or not new proposed gambling legislation is worthy of support:

- Do the citizens of CT want to expand gambling in the way proposed? Perhaps citizens do not support expanding gambling and their reasons are persuasive. The Quinnipiac conducted a survey during the debate over keno and found that by a 2 to 1 margin, those polled were not in favor of keno.
- Has the government sponsored an in depth systematic review of the scientific literature on online gambling to determine whether or not the research supports this major expansion of gambling?
- Does the proposal contain specific steps that are being taken which have proven to be effective elsewhere in preventing minors from accessing this form of new gambling?
- Will the implementation of the new gambling include features that have been demonstrated elsewhere to reduce harm for those who are problem gamblers?
- Does the proposal specify a method to be used to determine the impact of the gambling in the near term? For example, it would not be prudent or responsible to wait a number of years until the next mandated state sponsored study to determine the extent to which minors are gambling online and how they are subverting the methods in place to prevent this.
- Does the proposal contain adequate funding to address the anticipated increase in problem and underage gambling?

C. A proposed mechanism for funding.

- The Spectrum Report criticized the ad hoc funding of problem gambling programs and recommended that a planning process be adopted.
- Currently, funding for the state's Problem Gambling Services program is not adequate and not determined by any method of assessment of need. In the case of CCPG, voluntary contributions by the Mashantucket Pequot and Mohegan Tribes have been essential to supplement the relatively small level of state funding.
- CCPG's is proposing a systematic funding formula which has been utilized in other jurisdictions. A consistent tiny percentage of revenue from all sources of legalized gambling would be provided to programs specializing in preventing and treating problem and underage gambling as the level of revenue is a rough barometer of the level of the need for these funds. CCPG proposes that the appropriate percent of revenue would double the annual \$1.9 million allocation of state funds.

CONNECTICUT COUNCIL on
**PROBLEM
GAMBLING**

Why Keno is Not the Answer

1. **Legalizing keno would be a significant expansion of gambling, as it would introduce electronic gambling which is one of the most highly addictive forms of gambling.**

Statistics from CCPG's Problem Gambling Helpline and a number of studies in the U.S. and other countries have shown that electronic forms of gambling have a high degree of association with problem gambling. This was demonstrated in two studies in N.Y.S. which focused on keno and other forms of electronic gambling. Thus far in CT, electronic gambling has been available only at the two tribal casinos. If electronic keno becomes available in communities across CT, problem and underage gambling will increase as has happened elsewhere in the United States and other countries, often followed by a strong backlash from the community. The most recent example is the experience in Nova Scotia, Canada, with keno from March to September, 2009. The government in Nova Scotia implemented electronic keno despite strong objections by concerned citizens. After only nine months, the government withdrew all of the keno machines (at significant expense) due to lagging keno revenue and fear of increasing problem gambling.

2. **Legalizing keno would increase the risk of gambling and problem gambling among minors.**

It is difficult to understand how a government with the responsibility of protecting minors from gambling could convince itself that children would not be detrimentally exposed to keno gambling at the dining table in a restaurant, especially with repeated exposure. Not only would minors closely watch their parents gamble, but in many cases parents would invite their children to participate, as has been observed in other states in which keno is widespread in restaurants. It would seem perfectly normal for many parents to allow their children to gamble with them at keno during dinner in a restaurant since they would assume that if the state believed it was harmful for children to have such intimate exposure to gambling, it would not have created this gambling opportunity at family occasions. CT law contributes to parental laxity in this regard. State law permits parents to gift lottery tickets to minors and also permits children to gamble for money side-by-side with parents at bingo in churches and other nonprofit venues.

3. **Legalizing keno would increase exposure and temptation to gamble for problem gamblers who are trying to stop and for recovering gamblers who have already stopped.**

Attempting to avoid keno in public places will add to the current difficulty of avoiding the proximity of the sale of lottery tickets in many public places that people frequent. With keno, people will gamble at nearby tables in restaurants or will clog aisles in convenience and other stores while waiting for keno results.

4. **Legalizing keno will increase exposure to the pairing of gambling and alcohol in businesses where keno is played and alcohol is consumed.**

The proposed keno bill would expand the number of places where a lottery product would be available in establishments that serve alcohol. As is known from the casino experience, drinking alcohol while gambling can be a potent mix, contributing to a deterioration of judgment and control over both gambling and drinking.

5. **When there is a fiscal need, the government has had a knee jerk response to address the problem through generating new gambling revenue.**

- a) **The government focuses on gambling's social benefits but ignores social costs.**

Given the widespread assumption in government that the social benefits of legalized gambling are high and the social costs are low, no government sponsored study in CT has attempted to measure the extent of social costs vs. social benefits.

- b) **The government appears not to understand that the free flowing gambling revenue pipeline cannot solve the state's fiscal problems**

Few government officials in CT imagined 15 years ago that gambling revenue would become the third largest source of state revenue and yet gambling revenue has not been a solution to deep or long term deficits. Despite the evidence that the "easy" solution of increasing gambling revenue is only a short term benefit (as the accumulation of social costs often erodes the benefits), the state still grasps at any gambling revenue, however small.

6. **The state is not prepared to meet the increased demand for problem gambling services if keno were to be legalized.**

- a) **Lack of awareness of the intrinsic relationship between increases of gambling revenue and increases in problem and underage gambling.**

There is nothing in Raised Bill No. 5343 which would authorize keno that includes an increase in funding for problem and underage gambling services. The current lack of sufficient funding for problem gambling services is especially unfortunate in that it is clear from the problem gambling literature that losses by problem gamblers are very disproportionately higher than non-problem gamblers, i.e., a large percent of gambling revenue is derived from problem gamblers.

It is astonishing that the state views increasing gambling revenue only as a way to meet budget deficits in non-gambling areas. Government's very first action should be to use some of the new gambling revenue to minimize the anticipated negative consequences to some of its most vulnerable citizens.

- b) Funding for problem and underage gambling services has been haphazard over the years and now is the time to begin systematic short and long term fiscal planning for these vital services.**

Whether or not keno is legalized, existing funding for problem and underage gambling services are insufficient and minuscule compared to both the need and the enormous revenue derived from legalized gambling. The CCPG recommends that the proposed legislation to legalize keno should contain a provision to raise the level of funding for the state's Problem Gambling Services' program from the current annual sum of \$1.9 million to \$3.5 million. Problem Gambling Service's clients lose more of their own and other people's money gambling in one year than Problem Gambling Services' entire annual budget.

It is important to note that the state's Problem Gambling Services has no funds budgeted to advertise its services while the CT Lottery Corporation advertises and promotes lottery products utilizing almost five times the amount of money Problem Gambling Services receives from the general fund to operate its agency. While these funds come from lottery revenue, no funds have ever been provided to Problem Gambling Services from the billions of dollars of casino revenue received by the state.

The CT Council on Problem Gambling is Neither Pro Nor Anti Gambling

