

# ADDICTIVE GAMBLING

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HEARING  
BEFORE A  
SUBCOMMITTEE OF THE  
COMMITTEE ON APPROPRIATIONS  
UNITED STATES SENATE  
ONE HUNDRED SIXTH CONGRESS  
FIRST SESSION  
—————  
**SPECIAL HEARING**  
—————

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## ADDICTIVE GAMBLING

WEDNESDAY, JUNE 30, 1999

U.S. SENATE,  
SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN  
SERVICES, AND EDUCATION, AND RELATED AGENCIES,  
COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

The subcommittee met at 9:35 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Arlen Specter (chairman) presiding.  
Present: Senators Specter, Gorton, Reid, and Feinstein.

**STATEMENT OF HON. FRANK R. WOLF, U.S. REPRESENTATIVE FROM VIRGINIA**

OPENING STATEMENT OF SENATOR ARLEN SPECTER

Senator SPECTER. Good morning, ladies and gentlemen. The hearing of the Appropriations Subcommittee on Labor, Health and Human Services, and Education will now proceed.

We will be focusing this morning on the subject of addictive gambling. This follows a report which has just been completed by the National Gambling Impact Study Commission. Our first witness is the distinguished Member of the House of Representatives from Virginia, Hon. Frank Wolf.

The Commission study has raised very important questions in many directions. One of those questions is the issue of pathological addiction as we prepare for the subcommittee a bill which funds the National Institutes of Health as a matter of very substantial concern as to what kind of attention the National Institute of Mental Health ought to be directing at this very important problem. NIH has been in the field to an extent in the past. With the impact of the Commission's report, there is obviously a large area to be considered.

The subject is as current as today's headlines. The Philadelphia Enquirer this morning has a front-page story, which focuses on the very heavy impact of gambling, as the Enquirer puts it, and their contributions to candidates for elective office.

This morning's Washington Post has an editorial, citing our first witness, Congressman Wolf. This business last year made more than \$50 billion in profits. What business contributed more than \$13 billion to political campaigns, both Republicans and Democrats? What business in America spent \$600 billion—more than clothes or cars or groceries? There is a responsive op ed piece by Mr. Frank Fahrenkopf, the CEO of the American Gaming Association, challenging a good many of those conclusions, and asserting a very different point of view.

Our focus is going to be on the pathological aspect and what the National Institute of Mental Health ought to be doing. But obviously we will be considering a wider variety of issues, as well, necessarily.

I would turn now to Senator Reid.

OPENING STATEMENT OF SENATOR HARRY REID

Senator REID. Thank you, Mr. Chairman. I appreciate your taking the time to hold this hearing on this issue.

Prior to coming to the Congress, I served for 4 years as chairman of the Nevada State Gaming Commission, which is a regulatory arm for Nevada gambling. Mr. Chairman, Nevada has a very stringent regulatory structure. I think that structure speaks to the responsibilities and obligations of the industry.

I think, though, that we have to put this hearing today in its proper perspective, as I am sure we will. I, first of all, express my appreciation to all those individuals who served on the National Gambling Impact Study Commission. They took weeks of their time, and donated it to this study, for which I am grateful they took time away from their regular jobs and took a great deal of their time. I am grateful to them for that.

We have today testifying one of those individuals, Leo McCarthy, who served honorably in various elective capacities, from the State of California. Anyway, I appreciate his time and all the others.

But, Mr. Chairman, the State of Nevada has spent about \$7 million in the last couple of years to study the problem of gambling, those who have problems gambling. The gaming industry's effort to address the issue of pathological gambling I think is to be commended. But I would like to discuss for just a short time that there are some societal issues that are left unspoken in the current discussion on the problem of gambling. We hear a great deal about the need for greater emphasis for family values in our public discourse. I think we have to look at one of the cornerstones of the American family is personal responsibility.

I, for example, have trouble—as you know, Mr. Chairman, you have been involved in the debate dealing with bankruptcy—I have trouble telling someone—or allowing someone, I should say—who goes out and runs up a debt, saying that you do not have to pay that because your credit was too easy to obtain. I think, if somebody runs up a debt, they should have to pay it.

I think that I do not agree with those who say that because credit is easy to obtain, that they should not have to repay the money they borrowed. I think we have to look—these people are called shopaholics, they are addicted to buying things. That does not take away from their responsibility to pay for the things that they buy.

I want to make sure that in this discussion of gambling that we are not making excuses for people who look at gambling as a way of entertainment. I think that we too often today look at a culture of victimization surrounding bad behavior. I was stunned yesterday by reading in the paper a woman who killed eight of her babies—eight of her babies. She was given probation. She murdered eight of her children and she was given probation. That is a little hard for me to accept.

I want to make sure that in our discussion that we have with problem gamblers that we separate those who have a real problem with compulsive—I should say pathological—gambling to those who have problems comparable to those people who are shopaholics. People should be held responsible for the things they do. I think that, Mr. Chairman, as long as we understand that the majority of people who walk into casinos do that for the enjoyment they derive from being entertained, in effect, in these casinos. They know when they walk in that some win, some lose. I think most recognize that most lose.

I think when we start trying to make excuses for the losses that they take, that we are doing just that—making excuses. I certainly want to participate in anything that is done constructive to see what we can do if there is gambling addiction of some sort. I am happy to do that. But I want to make sure that we separate personal responsibility from those problems of true problem gambling.

I think we need to move to be less afraid to address issues of family values in our public discourse. I think this is part of that debate.

Senator SPECTER. Well, thank you very much, Senator Reid.

#### SUMMARY STATEMENT OF HON. FRANK R. WOLF

The impact of gambling, of course, is pervasive and very extensive. The Pennsylvania State Senate is taking up today the question of legalized gambling, as more and more people look to gambling as a source of revenue. The impact is enormous, with the dollar volume of gambling, and the social implications are enormous. We will try to put them all in context.

Congressman Wolf, thank you very much for joining us today.

Congressman Wolf has served Virginia's 10th Congressional District since 1981. He is a member of the House Appropriations Committee, Chairman of the Subcommittee on Transportation, introduced and passed into law the legislation establishing the National Gambling Impact Study Commission. Among his many outstanding credits is the fact that he is a Philadelphian, transplanted to Virginia, and a very active and able member of the U.S. Congress.

Welcome. Congressman Wolf, the floor is yours.

Mr. WOLF. Good morning, Chairman Specter, and my friend, Harry Reid. I appreciate this opportunity to testify on gambling addiction and the important research recommendations of the National Gambling Impact Study Commission.

Senator Specter, I want to thank you for holding this hearing in a timely fashion, to give those concerned a chance to speak about the explosion of gambling in America and the importance of a comprehensive and objective—and I stress the word “objective”—research on this issue. Americans now wager about \$600 billion a year, which is more than is spent on groceries. In 1992, it was \$329 billion a year. In 1974, it was just \$17 billion. That is a staggering increase of 3,500 percent over just a short 25 years.

The Gambling Commission noted in its report, and I quote: “With little stretch of the imagination, it is conceivable that some day gambling enterprises may be franchised and, at least in parts of the country, become as common as fast food outlets are today.”

As the Gambling Commission reports, gambling today is not just a harmless family entertainment. Millions of people have become addicted to gambling and have brought suffering to themselves, but also to their families. It is clear that before gambling gets the green light on Main Street America, careful consideration must be given to its impact.

We now know some very troubling facts about gambling and addiction. In Chapter 4.1 of the report—and I will read it—it says: “A 1997 meta-analysis of literature on problem and pathological gambling prevalence, the Harvard Medical School Division on Addiction, using past-year measures, estimated that at that time there were 7.5 million American adult problem and pathological gamblers; 5.3 million problem, and 2.2 million pathological.” The study also estimated that there were 7.9 million American adolescent problem and pathological gamblers; 5.7 million problem and 2.2 million pathological gamblers.

That is more than 15 million people having difficulty with gambling. Over half of them are our kids.

Rather than going into a lot of statistics, let me put it this way. There are currently more adult and adolescent problem and pathological gamblers in America than people residing in New York City. There are six times as many adolescent problem or pathological gamblers in America than men and women actively serving in our combined armed forces, the Army, the Navy, the Marine Corps, and the Air Force.

Again, 7.9 million adolescents have a gambling problem. That means that our Nation’s youth is disproportionately impacted by gambling.

One important research element has yet to be addressed, and I am hopeful the appropriate research agency will look into, is the number of at-risk youth in America, and what is it. If America continues on the path of bringing more and more gambling into cities and towns across the country, what does this mean for our youth population? Is there not an obligation, as public officials in the Congress, to know what is going on?

In the report, there is an analysis where they talk about some of the harm. They talk about it under suicide. Commissioners heard repeated testimony about suicide and attempted suicide on the part of compulsive gamblers. In Atlantic City, the Commission heard about a 16-year-old boy who attempted suicide after losing \$6,000 on lottery tickets. The NCAA has important material, which I will not take the time of the committee, in the Commission report, and does also talk and is very, very concerned about this problem with regard to young people.

There is another reason your hearing today is so important and so helpful. I think it is important that the Gambling Commission report, which illustrates an alarming problem, a pathological gambling rate among our Nation’s youth, was approved by a unanimous vote from a panel representing all sides. This may be the issue that both sides can come together on, because it was a unanimous vote on all sides of the issue.

Even those in the gambling business recognize that there is a problem. Also, a majority of the Commission called for a pause, or a moratorium, or what I would characterize as a cease-fire, on fur-

ther gambling expansion until more is known about its effects on families and communities. They are saying that we need to look deeper, as gambling continues to spread and becomes more commonplace. They asked for time for policymakers to consider this matter, as you are—and I commend you—doing today.

Also very telling is that after the Commission's 2-year study of gambling in America, they had only scratched the surface in uncovering the actions and consequences of the Nation's fastest-growing industry. Quite frankly, I am not surprised. The reason I became involved with the gambling study was based on my own experience in trying to find a comprehensive, objective view on gambling.

In 1994, there was an effort to bring riverboat gambling to my home State of Virginia. I watched the lobbying effort, the political process in the State capital from a distance and, over a time, became convinced that the gambling industry was offering something that was not good for the State of Virginia. But yet it was very, very difficult—there were many lobbyists coming in and telling the things that it may very well do, but no lobbyists talking for the moms and the dads and the young people.

As a result of this, I concluded that a thorough review was called for. But when I looked, there were no good answers to any of the questions. There was relatively little objective information available. What I found, however, were studies conducted by the gambling industry and for the gambling industry, which seemed to support all of their claims, in glossies and brochures and advertisements. The Gambling Commission report is a revealing and a valuable resource for any concerned American. However, it should not be mistaken as a peer-reviewed, comprehensive and long-term report on the problem of pathological gambling in America.

The research that is needed is outlined in Chapter 8 of the report, which I am sure Mr. McCarthy will cover, and was directed in large part to the National Institutes of Health and the Department of Health and Human Services. The purpose of the proposed research is to determine in an objective manner the extent of the problem of pathological and problem gambling and what can be done to avoid what some call a growing addiction to gambling by people of all ages.

On this critical issue, only limited information is currently available. It should be noted that the research recommendations of the Gambling Commission report was also approved on a unanimous vote, with all the commissioners voting in favor of this groundbreaking research.

I strongly urge the committee to heed the wisdom of the Gambling Study Commission and provide the support for further research they recommended. The American people I think would like to know all the facts about gambling before making this decision to allow gambling to come into their community. They deserve to know the full extent of the problem of pathological gambling as well as what can be done about it.

There are already an alarming number of problem and pathological gamblers in America—over 15 million by one of the most conservative estimates. What is going to happen if gambling becomes more prevalent, more common and more available? That is one question we should ask NIH and HHS to answer.



## PREPARED STATEMENT

With that, Senator, I just again thank you for the opportunity to testify. I want to follow up on what Senator Reid said. I want to thank all of the panelists on the Commission that came together and spent a lot of time coming out with a pretty good read.

Senator SPECTER. Congressman Wolf, we thank you for your testimony. We thank you for your leadership in the field.

[The statement follows:]

## PREPARED STATEMENT OF HON. FRANK R. WOLF

Good morning, Chairman Specter, I appreciate this opportunity to testify on gambling addiction and the important research recommendations of the National Gambling Impact Study Commission (NGISC). As many of you know, I was the House sponsor of the legislation which created the commission. I have followed the commission's work and seen the recommendations recently released.

Chairman Specter, thank you for holding this hearing in a timely fashion to give those concerned a chance to speak about the explosion of gambling in America and the importance of comprehensive and objective research on this issue.

Americans now wager about \$600 billion a year, which is more than is spent on groceries. In 1992 it was \$329 billion a year. In 1974 it was just \$17 billion. That is a staggering increase of 3,500 percent over 25 years. And the gambling commission noted in its report that "with little stretch of the imagination, it is conceivable that, some day, gambling enterprises may be franchised and, at least, parts of the county, become as common as fast food outlets are today."

As the gambling commission reports, gambling today is not just harmless family entertainment. Millions of people have become addicted to gambling and brought suffering to themselves and their families. It is clear that before gambling gets the green light on "man street" America, careful consideration must be given to its impact.

We now know some very real and troubling facts about gambling and addiction. According to the gambling commission report: "[in] 1997 . . . the Harvard Medical School Division on Addictions . . . estimated at that time that there were 7.5 million American adult problem and pathological gamblers [and] 7.9 million American adolescent problem and pathological gamblers."

That is more than 15 million people having difficulty with gambling and over half of them are kids.

Rather than going into a lot of statistics, let me put it this way: there are currently more adult and adolescent problem and pathological gamblers in America than people residing in New York City; there are six times as many adolescent problem or pathological gamblers in America than men and women actively serving in our combined armed forces—the Army, Navy, Marine Corps, and Air Force.

Again—7.9 million adolescents have a gambling problem. That means our nation's youth is disproportionately impacted by gambling. One important research element as yet to be addressed, and I am hopeful the appropriate research agency will look into, is the number of "at-risk" youth in America. If America continues on the path of bringing more and more gambling to cities and towns across the country, what does this mean for our youth population? Is there not an obligation as public officials to know what is going on?

That is another reason your hearing today is so important and so helpful.

I think it is important that the gambling commission report which illustrates an alarming problem and pathological gambling rate among our nation's youth, was approved on a unanimous vote from a panel representing all sides of the issue.

Even those in the gambling business recognize that there is a problem. Also a majority of the commission called for a "pause" or moratorium, or what I'd characterize as a cease fire, on further gambling expansion until more is known about its effects on families and communities. They are saying that we need to look deeper as gambling continues to spread and becomes more common place. They asked for time for policymakers to consider this matter, as you are doing today.

Also very telling is that after the commission's two-year study of gambling in America, they had only scratched the surface in uncovering the actions and consequences of the nation's fastest growing industry. Quite frankly, I am not surprised. The reason I became involved with a gambling study was based on my own experience in trying to find comprehensive and objective information on gambling.

In 1994, there was a strong effort to bring river boat gambling to my home state of Virginia. I watched the lobbying effort and the political process in Richmond from a distance and, over time, became convinced that the gambling industry was offering something that was not good for Virginia.

When all was said and done, casino and river boat interests spent over a million dollars on well connected and lobbyists from both political parties. Gambling proponents hold the record for lobbying expenses in Virginia and they could afford it. Gambling profits are in the billions of dollars. But who lobbies for the family living down the street from the new betting parlor . . . or the high school kids that pass by video poker machines in corner convenient stores—or the moms and dads that have to worry about what their child is doing when they are out of the home?

I concluded a thorough review was called for. But when I looked, there were no good answers to my questions. There was relatively little objective information available.

What I did find, however, were studies conducted by the gambling industry and, for the gambling industry, which seemed to support all of their claims glossy and brochures and advertisements.

The gambling commission report is a revealing and invaluable resource for any concerned American. However, it should not be mistaken for a peer-reviewed, comprehensive, and long-term report on problem and pathological gambling in America. The research that is needed is outlined in chapter eight of the report, and was directed in large part to the National Institutes of Health and the Department of Health and Human Services. The purpose of the proposed research is to determine the extent of problem and pathological gambling and what can be done to help avoid what some call a growing addiction to gambling by people of all ages. Believe it or not, on this critical issue only limited information is currently available.

It should be noted that the research recommendations of the gambling commission report were also approved on a unanimous vote with all the commissioners voting in favor of this ground-breaking research.

I strongly urge the committee to heed the wisdom of the National Gambling Impact Study Commission and provide the support for the further research they recommended. The American people deserve to know all the facts about gambling before making the decision to allow gambling in their community. They deserve to know the full extent of problem and pathological gambling, as well as what can be done about it.

There is already an alarming number of problem and pathological gamblers in American—over 15 million by one of the most conservative estimates. What is going to happen if gambling becomes more prevalent, more common, and more available? That is one question we should ask NIH and HHS to answer.

I again thank you, Chairman Specter, for holding this hearing and providing me the opportunity to testify. I will be happy to answer any questions.

Senator SPECTER. As you know, our custom is not to question, at least at any length, the members who appear here. We have a very distinguished group of panelists who are going to be coming up, a long hearing schedule, and the Senators on the subcommittee also have many, many other duties. So unless there is some pressing question, we are going to thank you for your appearance here today, and we look forward to working with you.

Senator REID. Mr. Chairman, if I could just say one thing. This may surprise the people in Nevada, but I live inside the Beltway, in McLean, which is in Congressman Wolf's district. So, even though my permanent residence is in Searchlight, Nevada, my partial residence when I am in Washington is in the district of the great friend of Nevada gambling, Frank Wolf.

Mr. WOLF. Well, I would say to the Senator, in answer to that, I do consider you a good friend.

Senator REID. I hope so.

Mr. WOLF. Second, if you will also look at the appropriation bills, I have been very, very sympathetic to the people of Nevada. During the term that I have been chairman of the House Appropriations Committee, Nevada has done very, very well with regard to transportation.

Senator REID. We have reciprocated, too.

Mr. WOLF. So I appreciate your friendship and your compliment. It is accurate. I have been your friend. I have been a friend because you have had a lot of transportation improvements that you would not have had if I did not serve. I appreciate that very, very much.

Senator REID. But also, Frank, we have reciprocated. We have taken good care of Northern Virginia, my second home.

Mr. WOLF. Well, I appreciate that. Harry, you know, in this business, sometimes people say "my friend," and it is in sarcasm. I do consider you a friend. We have not personalized this.

Senator, as you know, we have never made a negative comment about other people. We are not in the business of attacking people. Harry and I have worked together.

Senator SPECTER. Back to the subject at hand.

Mr. WOLF. Yes.

Senator SPECTER. Senator Feinstein.

Senator FEINSTEIN. Yes, if I may. I would just like to thank you. Incidentally, you also take good care of California, and I appreciate that very much.

Mr. WOLF. We hope to help you in the mass transit issue.

Senator FEINSTEIN. I know. I thank you for that.

But I would really like to thank you for the Commission's work, too. Because I think the Commission's recommendation for a moratorium is something we should give very strong consideration to. I have watched developments in California, and I am very concerned about what is happening. You know, the reasons, generally, for approval of gambling are economic. Yet, increasingly what we see for individuals is economic disaster and a kind of new addiction, if you will, that settles in. So I think, both in terms of the economic and the social rationale for gambling, that you have raised a very important point. That is that it is time for this Nation to take stock of where it is going with gambling.

So I want to say thank you very much. I think it was courageous and I think this is very important.

Mr. WOLF. Thank you, Senator Feinstein.

Senator REID. Chairman Specter, while I have Congressman Wolf and you here—you having such a dramatic impact on what goes on, on things relating to the law and the Senate—I think it would be great if we took some time to look at illegal gambling in the United States. You know, this Commission was not allowed to do that. Illegal and unregulated gambling I think would be enlightening to everyone.

Mr. WOLF. Thank you, Senator.

Senator SPECTER. Well, I used to spend a lot of time on that.

Mr. WOLF. You did in Philadelphia, sir. I know that. Thank you very much, sir.

Senator SPECTER. Thank you very much, Congressman Wolf.

**STATEMENT OF STEVEN E. HYMAN, M.D., DIRECTOR, NATIONAL INSTITUTE OF MENTAL HEALTH, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Senator SPECTER. We are going to call our remaining witnesses all together, because the interchange, we find, can be very useful. So, if at this time Dr. Steven Hyman would come forward, the Hon.

Leo T. McCarthy, Dr. Timothy Kelly, and Mr. Leonard Tose, and Dr. Kenneth Winters, as well.

OPENING STATEMENT OF SENATOR DIANNE FEINSTEIN

Let me turn to Senator Feinstein. This would be a good time to introduce former Lt. Governor McCarthy.

Senator FEINSTEIN. I thank you very much, Mr. Chairman, for this privilege. I am just delighted to welcome Leo McCarthy to Congress. I have known him for close to 30 years now. I have watched him. During the 1970's, he was Speaker of the California Assembly. He was one of the primary formulators of State policy in education, in health, in infrastructure, in the environment, and in most of the significant areas of California's needs.

He served as Lt. Governor of California for 12 years, from 1982 to 1994. During that time he was Chairman of the California Commission for Economic Development. In 1995, he became president of the Daniel Group, which is a partnership engaged in international trade and other business enterprises. He was appointed by the Senate Democratic Leadership to the nine-member National Gambling Impact Study Commission.

I might just say, Mr. Chairman, that Mr. McCarthy is one of California's most distinguished citizens. As such, I am just delighted to welcome him here today.

Senator SPECTER. Thank you very much, Senator Feinstein.

We turn now to Dr. Steven Hyman, the Director of the National Institute of Mental Health. Dr. Hyman received his B.A. from Yale, a master's from the University of Cambridge, and M.D. from the Harvard Medical School. Prior to coming to the National Institute of Mental Health, he was Professor of Psychiatry at Harvard Medical School, the director of Psychiatric Research at Massachusetts General.

Dr. Hyman, thank you very much for joining us here today. All statements will be made a part of the record. As it is our custom, the 5-minute green light will go on, with the 1-minute yellow warning and then the red stop.

Dr. Hyman.

SUMMARY STATEMENT OF DR. STEVEN E. HYMAN

Dr. HYMAN. Thank you for inviting me, Chairman Specter, to discuss this important problem.

I want to assure everyone here that NIH, not just the National Institute of Mental Health, but also our sister institutes, the National Institute on Drug Abuse and the National Institute on Alcohol Abuse and Alcoholism, are quite interested in this topic. On the other hand, it is true that like many mental and behavioral disorders, this problem has previously been swept under the rug to some degree, and we now find ourselves really starting with a nascent research field in the face of an already extremely large problem.

Let me also say, in response to some of Senator Reid's comments, that it is not our goal to medicalize all of human behavior. Indeed, treatment for pathological gambling and for many addictions requires that people take responsibility for themselves. In all of these treatments, people are asked to repay their debts.

I think more to the point, in research from the National Institutes of Health, what we really want to focus on is the prevention of and treatment of people who really have an extreme problem. In particular, there are two classes of individuals: those who turn to gambling as they might turn to drugs or alcohol, as an illadvised attempt to self-medicate untreated depression or loneliness or some other mental distress that would be better handled in another kind of setting; and, second of all, youth.

We have become very much aware that there is a large group of youth who are risk-taking and thrill-seeking, who are at risk for many behaviors, not just pathological gambling, but also drug abuse and also for unsafe sexual behaviors that might expose them to HIV. We at the National Institute of Mental Health are very much involved in understanding these youth risk behaviors that can lead to dire health consequences; that is, can people get captured in a situation, if it is gambling, where they might run up debts that ruin their family, that mortgage their ability to go on to higher education, and might lead to depression and suicide. So we really are focused, I believe, on a serious and pathological situation.

Now, we welcome the Commission's recommendations. I am particularly delighted to see that the Commission was interested in the highest quality, peer-reviewed research, even though that means that some of the answers that they want might be put off for some months or years as this nascent field develops, with our encouragement and our technical assistance.

#### RESEARCH AREAS

I would just like to review for you some of the important areas that the NIH is interested in with respect to pathological gambling. On the one hand, you can see the rich opportunities, but on the other, I think you can see that these are very elemental questions that we are asking. We are really at the very beginnings, and I do not want to disguise that.

We need to know what are the behavioral and also brain mechanisms that explain out of control behavior. Just as we might ask, for an alcoholic, why they keep drinking even when they have dire medical consequences, they have lost their job and their family, we have to ask why is it that somebody who is engaged in gambling, who, by a certain point, knows they should not be, continues this behavior despite enormous debt, despite family disruption, despite missing work.

Is this, in some cases as I have alluded to, an expression of another disorder, such as depression—and we believe in some cases it is? Can we really call this an addiction? That is, are there shared brain mechanisms—and we can discover this—that are very similar to the behaviors that might lead to cocaine addiction or tobacco addiction, in the people who really develop severe trouble?

Are there social and cognitive factors that might help? For example, posting the real odds of winning or losing and giving different educational messages to especially young people. What are the predisposing factors? Are there different types of pathological gamblers? Might they require different treatments? Does risk run in

families? Are there genetic predispositions, as there are, for example, to other risk-taking behavior, such as alcoholism?

Very important, what is it that occurs in the transition from responsible gaming to pathological gambling? That is a very analogous question to what occurs in the transition from social drinking to severe alcoholism. We have to understand those mechanisms if we are going to intervene in an incisive way.

How many people with pathological gambling are also involved in other self-destructive behavior, such as drinking or drug addiction? The early evidence seems to suggest that many of them are, and there may be some shared mechanisms.

How prevalent is pathological gambling? You have heard from the Commission and from some good surveys some preliminary results. NIMH is now working to try to answer some of the questions posed by Representative Wolf. That is, how many youngsters might actually be at risk of pathological gambling? It is actually very difficult right now to get these answers, but I think it is very important for us to get these data.

What treatments are effective in preventing and managing relapse? We are now funding the first highly successful peer-reviewed grant in the behavioral treatment of pathological gambling, and we look forward to the results.

#### PREPARED STATEMENT

What is the effectiveness of treatments delivered not only in academic health centers but also in clinical and community settings? As I said, these questions are strikingly elemental. They tell you both where we are scientifically and where we need to go. But it is a research agenda that the NIH is committed to.

Thank you very much.

Senator SPECTER. Thank you very much, Dr. Hyman.

[The statement follows:]

#### PREPARED STATEMENT OF DR. STEVEN E. HYMAN

Thank you for the opportunity to testify this morning about research issues related to pathological gambling. As other testimony this morning illustrates compellingly, for those who lose control and gamble compulsively, there can be devastating consequences—professionally and personally.

As the National Gambling Impact Study Commission recognizes in its report, gambling involves an array of policy, scientific, and other issues that go well beyond the scientific research focus of the National Institute of Mental Health (NIMH) or the National Institutes of Health (NIH). I will focus here solely on the issues within our scientific domain. We are, of course, open to scientific exchanges with other agencies so that tools, methods, and findings of importance are widely and quickly shared with those who can benefit from them. In fact, it is possible that the broader impacts that problem and pathological gambling may have on the health and welfare of individuals, families, and communities may suggest the utility of developing a more comprehensive approach within the Department of Health and Human Services to transform scientific findings into other programmatic activity.

We welcome the Commission's recognition of the importance of peer review to ensure that research funded by NIH is of the highest scientific value. Science of the highest quality is essential to the responsible use of taxpayer funds, to the credibility of the findings, and to efficient research progress in addressing all public health problems, including compulsive gambling. We also welcome the Commission's encouragement of scientific knowledge that could contribute to the effective prevention of pathological gambling. Last year, NIMH, along with its sister institutes—the National Institute on Drug Abuse (NIDA) and the National Institute on Alcoholism and Alcohol Abuse (NIAAA)—issued a special Program Announcement (PA) to alert investigators of our interest in funding excellent science focused on patho-

logical gambling. We are already planning to issue an amendment to this PA this year, and we will incorporate into our communications to the field the Commission's recommendations for longitudinal research regarding the initiation, nature, and course of youth gambling in the context of other youth behaviors and factors. We will also incorporate the Commission's recommendation for research on risk and protective factors for adults' transition to pathological gambling.

We at NIMH approach pathological gambling—as we do all research on pathological behavior and mental illness—in a broad context of basic and clinical research spanning multiple disciplines and diverse perspectives. We believe that our understanding of pathological gambling, like all disorders within our purview, will benefit both from research specifically targeted to its diagnosis, prevention, and treatment, as well as from a large body of other NIMH basic and clinical research that provides a relevant context. That broader body of research includes basic behavioral studies on decision-making, risk-taking, self-control, and compulsive behavior; neurobiological studies on how behaviors such as gambling alter brain functioning resulting in compulsion and loss of control; clinical studies on mood disorders, compulsive behaviors, and the relationship between the two; as well as rigorous evaluation of treatments and preventive interventions and their delivery in diverse real-world settings. Indeed, as we look forward to developing further research on pathological gambling, it is important to make sure that this research benefits from knowledge, methods, and perspectives in related but more fully developed areas of basic and clinical study. These may offer clues to common biological and psychological origins, and may suggest some new avenues for prevention and treatment.

We need to understand why certain people seem to be unable to control their behavior. Perhaps the mechanisms involved are the same as those involved in better understood mental disorders or in addictions to alcohol or drugs of abuse. We need to find these answers in order to make real headway in developing a solid scientific foundation for understanding, diagnosing, treating, and preventing pathological gambling through research of high quality. It is very early in the development of research field. Little is now known through rigorous research about the underlying biological and psychological features of pathological gambling, about developmental risk and protective factors, or about its natural course, effective treatments, or the prevention of relapse. But what we do know about other compulsive behaviors may offer clues.

The bulk of the NIH research is conducted through grants to researchers around the country who submit research applications that are rated of high scientific merit through a rigorous scientific peer review process. Until this past fall, only a few researchers had applied to study pathological gambling. But with increased interest shown by the gambling research community, in combination with basic and clinical research in related areas, we are beginning to move forward.

I am very pleased to announce that NIMH is in the process of funding a rigorous scientific evaluation of psychosocial treatment for pathological gamblers. This research, which received virtually the best possible rating of scientific merit in our rigorous scientific peer review process, will receive almost \$1.2 million in NIMH support over 5 years. The research plan is to involve 220 pathological gamblers in a study determining whether cognitive-behavioral treatment might offer therapeutic effects over and above those obtained through Gamblers Anonymous, a self-help approach modeled on Alcoholics Anonymous. Cognitive-behavioral treatment has been found effective in use for various relevant disorders (mood disorder, conduct disorder, addictions, obsessions and compulsions) and, in a smaller scale study in Canada, with pathological gamblers. Mindful of constraints on service funding, the investigator has designed the treatment to be administered briefly (in 8 weeks). The effectiveness of providing this treatment in groups, with professional leaders, will be compared to providing it through a self-help manual. What works best for whom will also be determined. This investigator has also developed—with benefit of her multidisciplinary training in experimental psychology, prevention and addiction treatment—plans for other research concerning the treatment of pathological gamblers, and we look forward to her additional clinical research contributions.

Questions about the nature of the underlying mechanisms involved in compulsive gambling, and the frequent co-occurrence with substance abuse make pathological gambling of interest to other components of NIH, such as NIDA and NIAAA. Each of these institutes has funded a research grant concerning pathological gambling. NIDA's is concerned with pathological gambling as a non-pharmacological addiction, and is examining several relevant biological systems for clues to underlying factors that could then be targets for intervention. NIAAA's grant involves a large survey to explore the relation of substance abuse disorders and pathological gambling in the context of community factors that include the availability of gambling.

As stated earlier, in order to stimulate more such research applications, NIDA and NIAAA joined with NIMH last summer in issuing a Program Announcement (PA) for research on pathological gambling. This PA encouraged all disciplines to consider basic, clinical, and services research in this area, and provided for a date for receipt of applications and a special review group devoted specifically to these applications. Consistent with our general experience with research grant applications in a relatively new research area, the scientific peer review of the first submissions under the PA resulted in no applications with ratings of scientific merit in the normally fundable range. Many of the applications in response to the PA were very promising, and if the applicants adequately address the various concerns of the reviewers and resubmit their applications at a later date, some may well improve sufficiently in scientific quality to be within the fundable range in the next round of review.

We feel very strongly that funding studies of low or questionable scientific quality does not advance the scientific knowledge base and is not a responsible use of taxpayers' funds. It is likely that over the next several years we will be able to support research studies of high scientific merit that will help us understand the roots of pathological gambling and offer more effective techniques for its prevention and treatment. To this end, NIMH staff provides technical assistance to investigators with promising applications. Thus, the initial submissions in response to the PA are not lost opportunities, but first steps for some on the road to funding.

NIMH staff have also been encouraging research grant applications from interested scientific investigators working in the gambling area by conducting a workshop on applying for a grant at the recent conference of the National Council on Problem Gambling held just a few weeks ago.

My testimony would not be complete without noting that NIMH also contributed financially and scientifically to the National Gambling Impact Study Commission's national survey on the social and economic costs of gambling. NIMH staff looks forward to examining the final report on the survey and its data for possible additional analyses concerning the relation of mental health variables to pathological gambling.

Pathological gambling, has complex origins and, like so many other disorders examined by NIMH researchers, requires a broad multidisciplinary approach. These disciplines span epidemiology, genetics, neuroscience, developmental psychopathology, as well as behavioral, cognitive, and social science. The kinds of questions we are encouraging researchers to answer are these:

1. For many persons, gambling is an interesting and enjoyable activity, with no or minimal adverse effects on their finances, work, or relationships with family members and others. But for some people, gambling becomes seriously maladaptive and results in major financial losses, interferes with work, and disrupts relationships with family and others. What explains such "out of control" and injurious behavior? What are the underlying factors?
2. Is it primarily a reflection of another disorder (e.g., depression) or a non-pharmacological addiction, a result of social-cognitive factors (e.g., faulty cognitions and reinforcement schedules), or a reflection of other factors?
3. What are the predisposing factors? Are there different types of pathological gamblers for which different models are required to explain their gambling? Does risk run in families, and perhaps reflect the contribution of genes?
4. What occurs in the transition to pathological gambling at the behavioral level and in the brain? What factors influence that transition?
5. To what extent, and in what ways, is alcohol and drug use concurrent with pathological gambling? In these cases, is the gambling and substance abuse a reflection of common or different factors, and what are the nature and interactive effects of pathological gambling and substance abuse?
6. How prevalent is pathological gambling? How is it defined? What are the reliability and validity of various definitions?
7. What strategies are most effective for preventing pathological gambling?
8. For pathological gamblers, what treatments are effective for this behavior and for co-occurring disorders and problems, such as the risk of suicide?
9. What treatment models are effective for preventing and managing relapse and related problems?
10. What is the effectiveness of treatments delivered in clinical and community settings? These questions are strikingly elemental. They tell you both where we are scientifically, and where we need to go. It is a difficult research agenda. But we are on our way.

I would be happy to answer any questions.



**STATEMENT OF LEO T. McCARTHY, COMMISSIONER, NATIONAL GAMBLING IMPACT STUDY COMMISSION**

Senator SPECTER. We turn now to Commissioner Leo T. McCarthy, a member of the National Gambling Impact Study Commission; president of the Daniel Group, as Senator Feinstein has outlined. Commissioner McCarthy was Lt. Governor of California until 1994. In the late 1970's, he served as the California State Assembly Speaker. He has a very distinguished record in public service, on the World Trade Commission, the University of California Board of Regents and the California State University Board of Trustees.

Welcome, Governor McCarthy. The floor is yours.

Mr. McCARTHY. Thank you, Mr. Chairman. I am grateful for your kind remarks and for those of my old friend, Senator Feinstein, and for my friend, Senator Reid, as well.

I thank you for this invitation to appear, representing our Commission. I am accompanied today by our Executive Director, Dr. Tim Kelly. Your invitation asked us to address the research-related recommendations of the Commission, Chapter 8. Chair Kay James asked me to be the primary drafter of those recommendations. Of course, I consulted with all my colleagues on the Commission, as well as a number of the top researchers in the field across the country. So there are many co-authors to this, but I will take the blame for any negative aspects.

What I am addressing is 8 of the 16 research recommendations directed by the Commission towards Congress, respectfully recommended to the Congress, and an additional one to the Department of Labor. Of course, I will try to answer questions on any aspect of what we have been doing for the last 2 years, but I am going to focus on those.

Let me stress at the outset, Mr. Chairman and members of the committee, that these research recommendations were unanimously adopted by all nine members of this Commission, including the three members that have some close historical relationship with the industry itself. By way of background, the Congress provided \$5 million to the Commission to do its work, for which we are grateful. Almost half of that was devoted to outside research. We immediately saw the lack of research, particularly what I would describe as non-advocacy research that all sides could rely upon.

At the end of the day, even though we had generated some very good research, we had added to the meager body of knowledge in the field of legal gambling, we knew that there were many unanswered questions, as Dr. Hyman has just suggested. I am going to quote from a couple of passages of the Commission report.

In past years, Congress initiated research on other disorders in effective and visionary ways. The Nation knows far more about drug and alcohol abuse because Congress strongly supported research that provided indispensable data. Where it makes sense, those models should now be followed to understand the benefits and costs of legal gambling, including the causes and effects of gambling disorders.

You have already set the model. You have already shown how important this kind of research is. Before I get to the specific comments on the recommendations, just a bit of the background that

members of this Commission were looking at before they formulated these research recommendations. Congressman Wolf referred to the Harvard Medical School Division of Addictions: 4.4 million past year adults and adolescent pathological gamblers, 11 million adult and adolescent problem gamblers; 15.4 million people.

Our own primary contractor, the National Opinion Research Center, came out with higher numbers when they included pathological, problem and what they call at-risk. The industry disputed the at-risk category. Rather than get into the middle of that dispute, let us use the lower numbers. Let us use the Harvard study; 15.4 million adults and adolescent problem and pathological gamblers tells us we have a tremendous problem. When you add the family members that are adversely affected, you have got a rather large number.

There are eight research recommendations involving Health and Human Services agencies. Let me first just take a quick look at 8-4, 8-6 and 8-8. Pursuant to your earlier encouragement, NIMH has already invited research recommendations in the areas Dr. Hyman described. We hope that you will further encourage NIMH, within NIH, to also look at 8-4, on youth; 8-6, on problem gamblers; and 8-8, on treatment outcomes. They would do a magnificent job and help the public and all policymakers. Then please look at 8-2 and 8-7.

We respectfully recommended to you that you direct SAMHSA to undertake two bits of important research. One is to add gambling components to the National Household Survey on Drug Abuse. That is the only place where we can get the proper dimensions to really understand gambling disorder prevalence in this country.

Then the second was 8-7, adding gambling questions to the Periodic Surveys of Mental Health Providers by SAMHSA. That is the only place where we are really going to be able to assess treatment outcomes.

In closing, Mr. Chairman, the other recommendations that are affiliated with Health and Human Services could fit within some kind of intra-departmental working group if that is what this committee thinks ought to be constructed.

Finally, the critical recommendation to the Department of Labor, that we study job quality. Part of the up side of legal gambling is that a lot of people have gotten better jobs. They have lifted the standard of living for their families, but we need to know a lot more about the quality of those jobs—pensions, wage, security. It would help us in understanding the up side as well as the down side of legal gambling.

Thank you, sir.

Senator SPECTER. Well, thank you very much, Commissioner McCarthy.

We have been joined by Senator Gorton, from Washington. Any comment you would like to make at this time, Senator Gorton?

Senator GORTON. No, thank you, Mr. Chairman.

Senator SPECTER. We turn now to Dr. Ken Winters, Director of the Center for Adolescent Substance Abuse, and Associate Professor of Psychiatry at the University of Minnesota. Dr. Winters also serves as a Senior Research Associate within the Department

of Psychiatry at the University, and is currently directing a special project on youth gambling.

Thank you for joining us, Dr. Winters, and we look forward to your testimony.

**STATEMENT OF KEN WINTERS, Ph.D., DIRECTOR, CENTER FOR ADOLESCENT SUBSTANCE ABUSE AND ASSOCIATE PROFESSOR OF PSYCHIATRY, UNIVERSITY OF MINNESOTA**

Dr. WINTERS. I also appreciate the invitation to be able to spend some time with this committee.

I also served on the National Research Council's Committee that studied the impact of pathological gambling. We spent about a year reviewing the empirical literature. It was a report that was part of the Impact Commission's efforts. Sometimes that report, though, may get lost a little bit, because some of our research conclusions are a bit different from the Commission's. What I thought I would do is highlight three or four main themes from that report.

The first has to do with the great need to increase public awareness about this complex disorder of problem and pathological gambling. I think one of the biggest stumbling blocks in educating the public about pathological gambling is this issue of volition. Clearly, there is a voluntary component to initial involvement in gambling. But as gambling progresses to a pathological and clinical level, the influence of some type of disordered motivational or drive state overwhelms the individual.

This is very similar to what Dr. Hyman mentioned earlier as trying to study the neuroscience behind such behavioral disorders as pathological gambling, like we are doing in our studies of alcoholism and drug addiction. Science can play a key role in helping the public better understand this intersection of voluntary behavior and dysfunctional drive state. Various forums and models that have been used successfully by NIH could be harnessed in this effort.

These examples include focusing a national issues forum on gambling in America, initiating town hall meetings to encourage a dialogue between the public and scientific community—I know the National Institute on Drug Abuse has done an excellent job with that kind of model—and increasing public awareness through the media.

The second issue I want to raise also piggy-backs nicely with one of Dr. Hyman's comments. This has to do with the need to increase awareness among health care professionals about gambling problems in medical and psychiatric clients. One of the most reliable findings from our research literature review in the National Research Council's report was that pathological gambling is highly associated with other behavioral disorders, particularly depression, alcoholism and drug abuse.

For example, the elevated risk for pathological gambling may be in the area of 10 to 15 times greater among those with a substance use disorder compared to those without such a disorder. But it is likely that pathological gambling goes undetected in the majority of these co-disordered cases because screening for gambling problems is not yet a routine part of clinical practice in the mental health and substance abuse fields.

You may be aware of the NIAAA-sponsored program referred to Alcohol Screening Day. This is something that occurred, I think, in the month of May. This involved a national and coordinated initiative in which health centers all over the country focused for one day on screening for alcohol problems among medical patients, as well as those in the community who desired a free screening. A similar initiative, a problem gambling screening day, I think could go a long way toward both increasing the awareness of this problem among health professionals and providing us with a better indication of the true treatment need for this disorder.

Now, the third and final issue pertains to some of my thoughts about the research needs. I think the single most important conclusion from the National Research Council's report is that we have only a fair scientific knowledge base in the prevalence of problem and pathological gambling, and we have a very dismal knowledge base in the other areas of science. Just in terms of the prevalence issue, since there are a lot of numbers that are thrown out, our report took a more conservative stance on the estimates of pathological gambling.

There is a lot of dispute on how to measure it, how to define problem or pathological gambling. One could look at it as a spectrum of disorders. It would be analogous to saying, what is the rate of alcoholism; do we include in that definition heavy drinkers, those that meet abuse criteria and those that meet dependence criteria, or do we define it by just talking about the severe end, the dependence end?

If you look at the severe end of the continuum and make estimates, our report concluded that about 1 percent of American adults suffer from a current—within the past year—problem with pathological. That would be roughly 1.8 million adults. For adolescents, about 6 percent of them may suffer from a problem. And between the 12 to 18 age range, that would be about 1.1 million. It is important just to have that context in mind.

But the other domains of research—etiology, social and economic impacts, prevention and treatment—we are not even close to having a fair scientific knowledge base. It is my understanding that the American Psychological Association will be initiating the Decade of the Behavior in the year 2000. I think this would be an excellent time to have NIH dedicate funds to gambling research, perhaps with matching funds from the industry, so that comprehensive and longstanding research programs can be developed.

I am not interested in borrowing from Peter to pay Paul or, to put it another way, I am not interested in suggesting we borrow from Steve Hyman at NIMH and pay Allen Lechner at NIDA. But as a start, I think we should attempt to try to piggy-back on existing studies, where it would be very cost-efficient to add gambling variables, as well as to try to allocate some dedicated funds so that some of our most interested and brightest scientists can develop long-term and comprehensive research programs.

Thank you for the time this morning.

Senator SPECTER. Thank you, Dr. Winters. Thank you very much.

Our next witness is Dr. Timothy Kelly, Executive Director of the National Gambling Impact Study Commission. Previously he

served as Research Director and was Commissioner of Mental Health Retardation and Substance Abuse Services at the Virginia Department of Mental Health. He received a B.A. from Virginia Commonwealth University, a master's from Gordon Conwell Theological Seminary, and an M.S. and Ph.D. from Vanderbilt.

Thank you for joining us, Dr. Kelly, and we appreciate your testimony.

**STATEMENT OF TIMOTHY A. KELLY, Ph.D., EXECUTIVE DIRECTOR, NATIONAL GAMBLING IMPACT STUDY COMMISSION**

Dr. KELLY. Thank you, Chairman Specter, Senators. My pleasure to be with you today to discuss some of the research findings from the National Gambling Impact Study Commission.

Let me begin with a message, if I could, from the Commission's Chairman, Kay James. She asked that I convey her gratitude for your timely response to this important topic, the role of gambling in America. She regrets not being able to attend due to long-scheduled prior commitments, but is confident that Commissioner McCarthy and I and the others here today can provide you with the information that you need in order to move ahead with these matters.

Specifically, she is hopeful that you will find merit in the proposed research recommendations and that the appropriate agencies may soon begin to pursue this line of inquiry in a comprehensive manner. We are very encouraged with the interest that Dr. Hyman has expressed.

On her behalf, thank you for the invitation to present this testimony.

Chairman Specter, I want you to know that the research recommendations before us today were hammered out—and I mean hammered out—by a group of nine commissioners, who worked tirelessly to accomplish the charge given by Congress. That was to study the economic and social impacts, both positive and negative, of gambling in America today.

As Commissioner McCarthy stated, the Commission dedicated almost half of our budget, about \$2.5 million, to fund original research in this area that, to date, has been woefully under-researched and underfunded. And I want to take the opportunity, as well, on behalf of the Commission, to thank Dr. Hyman and the NIMH for their support. They collaborated in some of the research that we performed, and we are very grateful for that.

I believe that the resultant research that we produced significantly advances the body of knowledge on gambling's impacts, and that it provides a platform on which other researchers may begin to build. In fact, the Commission has decided to make our data available for any and all researchers who may want to pursue these issues. We are going to make sure that we archive it in a user-friendly way, including the actual data themselves, so that they can be drawn down actually from the Internet and used to continue the research that we have begun.

However, after 2 years and many research reports that have been presented to our Commission, it became clear to the commissioners that we have only scratched the surface of what needs to be done. At least we know enough now to be able to ask the right

questions. That is what these research recommendations actually are all about. These recommendations list the questions, or areas of research, that America must answer if she is to better understand the full scope and impact of gambling, both positive and negative.

As executive director, I can attest to the hard work put forward by the Commissioners in developing these recommendations. But, even more importantly, I can joint Congressman Wolf and Commissioner McCarthy in reporting that these research recommendations were indeed unanimously supported. They constitute, therefore, a set of unanimously supported research recommendations in the context of the unanimously adopted report. Given the divergent points of view represented among our Commissioners, I think that tells the tale for the value of the research being called for today.

I thank you for the opportunity, once again, to testify here this morning. I would be glad to answer any questions.

Senator SPECTER. Thank you very much, Dr. Kelly.

Our next and final witness is Mr. Leonard H. Tose, Philadelphian, graduate of Notre Dame University. In 1969, Mr. Tose bought the Philadelphia Eagles and took them to the Super Bowl after the 1980 season. In 1985, losses at Atlantic City casinos played a large part in his decision to sell the Eagles.

Mr. Tose has been very active in charitable affairs. He started the Eagles Project on Fly for Leukemia, the Ronald McDonald House, funding of the Oncology Wing at Children's Hospital of Philadelphia. I have known Mr. Tose as a friend for many, many years, going back several decades. And when this subject came up, I called him and asked him to consider coming before the subcommittee to tell of his own personal experiences, and he has agreed to do so.

We very much appreciate your being here, and look forward to your testimony.

#### **STATEMENT OF LEONARD H. TOSE, PHILADELPHIA, PA**

Mr. TOSE. Senator, I congratulate you for having this meeting, but I do not thank you for inviting me. You put me against scientists, doctors, lawyers. I do not know.

Senator SPECTER. You still have the advantage, Leonard; they are only four of them. [Laughter.]

Mr. TOSE. My problem is that I am practical about these things.

No. 1, and this is my opinion, which is not very scientific—I hope you will excuse me for that, gentlemen—the people that now have this problem are getting older. You are going to eliminate them when they die, because you are not going to change them, I do not think, with injections or lectures or so forth. My thoughts are simple. This teaching should start at the home, where the parents handle the child and tell them that it is not good.

I heard today that because people are getting more money, they can lose more money. Well, that is an easy thing to say, but, you know, there has to be a way. The guys that are dedicated to gambling and killing themselves, they are going to die away. It is a new generation.

Senator, speaking with some sort of shame, it is not any good to see that Pennsylvania has 8,000 outlets to sell lottery tickets. That

should not happen. You get a habit of gambling with lottery, where families take 5 or 10 bucks or 20 bucks, and it gets more and more. I think the harm in this country is the lottery. People see you can win \$100 million, but they do not know that it is 100 million to 1 that you will not win.

I think, with all humility, which I do not possess much of, the attack should start with the lotteries. They should not be, because kids can walk in and buy those tickets. They will sell them to anybody. For Pennsylvania, I am ashamed to say—and I know you are—that they have 8,000 outlets where people can buy lottery tickets. I do not know the status or the numbers that other States have, but I guess they are comparable.

You know, maybe this is heresy, but I would rather see gamblers go the casinos. They have got a better chance. At least they know the odds. They know what to do. If they did not drink there, it would not hurt them as much as it did me.

I have some other notes I better look at before I get thrown out of here. [Laughter.]

It is obvious that compulsive gambling is a sickness. I do not know how you cure that. All these gentlemen, who are professional doctors or whatever, or scientists, I do not know that they will ever come up with this either. Too many years have happened where we have not ever done that.

Does not it really get back to how we are raised? I know I did not gamble when my father was active and alive. I would have been afraid to.

Do we or do we not have to get to the families, to start to say this is wrong, this is bad, and have the States not have lotteries, where families, poor families or any kind of families, take part of their salaries out to go win this \$100 million, which they never do?

If I have abused my time, I apologize. Thank you, Senator.

Senator SPECTER. Mr. Tose, thank you.

During the questioning session, we are going to come back to you and ask you about your own experiences.

Mr. TOSE. Yes, I will be happy to tell you about them. Then you will be sad when you hear them.

Senator SPECTER. It is not an easy matter to discuss those things. But to the extent you feel comfortable, in one moment or two, we are going to turn to that subject.

I would like to begin with a question, first, to Mr. McCarthy and Dr. Hyman. On page 16 of the executive summary of the Commission report refers to Note: "In 1997 alone, State lotteries spent \$400 million on advertising campaigns, some of which targeted people in impoverished neighborhoods."

Earlier this month, the Supreme Court of the United States came down with a decision that first amendment freedom of speech protections prohibited any limitation on advertising for gambling. Senator Reid talks about the enforcement of laws against illegal gambling, which is a matter of enormous importance. There have been allegations that organized crime deals with legalized gambling. Certainly organized crime deals with illegal gambling, something I saw a great deal of when I was District Attorney of Philadelphia. There have been many reports about mob activity in both legalized and illegal gambling.

When the lottery was passed in Pennsylvania in 1972, I was District Attorney, and I took a strong public position in opposition to it, just as I responded a few weeks ago on the question of Pennsylvania gambling, thinking that it is a very heavy, indirect tax on the poor. These are very, very difficult issues.

But when we talk about targeting people in impoverished neighborhoods and we talk about, as Dr. Winters did, a higher percentage of juveniles involved in gambling than adults, an initial concern that I would express and ask for your comments, Dr. Hyman, to what extent might we expect pathological, compulsive gambling, out of control gambling, to hit the people who are at the bottom rung of the socioeconomic scale, not well-educated, not able really to care for themselves?

If gambling is legalized, they are going to be targeted. So that there is not a way to insulate any group, given the Supreme Court's decision. To what extent will there be an extra impact on those people, as the Commission put it, on impoverished neighborhoods?

#### IMPACT ON IMPOVERISHED NEIGHBORHOODS

Dr. HYMAN. Sir, I cannot predict, partly because of the lack of data. But we can look to the experience with tobacco, for example.

Senator SPECTER. You cannot predict because of the lack of data, but you can get some data?

Dr. HYMAN. We can get data. But, more than that, we do know some things—

Senator SPECTER. Could you get that through the National Institute of Mental Health?

Dr. HYMAN. Right. But we also know from tobacco—

Senator SPECTER. NIH has \$15.6 billion you have.

Dr. HYMAN. OK. But there are some very serious examples, actually, from tobacco, Senator Specter. We know—both access and glamorization of any product, even if people know at some level that it is harmful, does increase the risk of use. If we imagine—and I think it is fair to imagine—that a certain percentage of youth are going to be susceptible to getting captured; that is, from going to social gambling, as we have social drinking and social smoking, to a pathological state—

Senator SPECTER. Do you have any speculation, Dr. Hyman, as to the people in impoverished neighborhoods, whether they would be greater targets for being pathological or chronic gamblers?

Dr. HYMAN. I can say that people in poverty are—especially youth—are at higher risk for many, many social ills. Again, I do not want to make up data that I do not have about gambling, but I think you can extrapolate from many other social ills—

Senator REID. If the chairman will yield.

Senator SPECTER. Senator Reid, you will have a turn. Just a minute here. Let me have a round of questions, if you please.

Senator REID. But, Mr. Chairman, I was not going to—I just wanted to say that the last study on the National Commission Study on Gambling indicated just what you have said, that the more availability there is of gambling, the more people gamble. The poorer you are, the more tendency there is to gamble. That is in the prior report that was done by the Federal Commission.



Senator SPECTER. Commissioner McCarthy, on this subject—you have been in public policy for a long time and this is your section on the Commission—what suggestion would you have as to how we deal with it? This is a broad question? Senator Feinstein talked about a moratorium. We are looking at impoverished neighborhoods. We are looking at gambling as a source of revenue, a very regressive tax.

While my yellow light is on, you can speak during the red one; it is not yours, it is mine. How would you approach this very important problem?

Mr. MCCARTHY. Mr. Chairman, let me first address the question you started with on advertising. It is correct the U.S. Supreme Court has ruled that private sector gambling businesses may advertise freely as a form of free speech. But that does not necessarily pertain to lotteries or any other form of government-owned and operated gambling. Because they are a different animal, they have a higher accountability and responsibility to the public.

I believe that advertising constraints could be placed on State-run lotteries or any form of tribal government-run lotteries, for that matter. So, on the issue of advertising, I think we still have very much in the open.

Now, whether we are talking about private or public, one of the recommendations in here is 3–19, which recommends that States with lotteries reduce their sales dependence on low-income neighborhoods and heavy players in a variety of ways, including limited advertising and numbers of sales outlets in low-income areas.

In addition to that, one of the four research recommendations to the States—the very first and most important one—asks that each State, particularly where there is a lot of gamblers within their constituency, undertake an annual or, at a minimum, a biennial prevalence survey—very few States do prevalence surveys now; maybe a lot of them do not want the information—to identify how many problem and pathological gamblers there are and to look at the demographic profile of those gamblers. Because we could establish how many are low-income.

Now, the information we have so far, Mr. Chairman and Senator Reid, is that the lowest of the income—those below \$15,000 annual income—they do not gamble much because they do not have much money to gamble. The highest—I think it is over \$75,000—they do not gamble very much. But between the \$15,000 and the \$60,000 or \$75,000, a lot of gambling occurs. Of course people, at \$15,000, \$20,000, \$25,000 household income levels do not have that much disposable income.

What we also found, sir, is on lotteries—and a lot of the State lotteries reject this—that about 5 percent of the people who buy lottery products, tickets, expend about 51 percent of the dollars in lotteries. What we want to know with the research we have requested the States to undertake is, looking at that 5 percent especially, what income levels are they in—there is a lot of information we can ask about it, and how many problem and pathological gamblers there are in there.

So there are a lot of untold questions—and Dr. Hyman does not need my defense at all; they are going to be examining a lot of critical areas—but there are other agencies, as I briefly suggested in

my statement, sir, that will look at some of these other aspects, some of the very questions you raised.

Senator SPECTER. Senator Reid.

Senator REID. Thank you, Mr. Chairman.

Dr. Kelly, are you familiar with the previous report that was completed by—the one prior to the one that you have just completed, in the seventies?

Dr. KELLY. I have certainly seen it, the 1976 report. I am not familiar with all of its details, but, yes, we have a copy of it.

Senator REID. But you are familiar with the findings that I related in my talking with the chairman here, that the report did say that the more availability there is of gambling, the more people gamble?

Dr. KELLY. Certainly.

Senator REID. The poorer you are, the more tendency there is to gamble?

Dr. KELLY. Certainly.

Senator REID. You would agree with those conclusions. I think, Mr. Chairman, that would answer part of the questions you did ask.

Governor McCarthy, you are also aware that I think the largest advertisers in any type of gambling are the lotteries?

Mr. MCCARTHY. Yes.

Senator REID. I mean they spent huge amounts of money with all their little trick questions about how much money you can make from lotteries.

Mr. MCCARTHY. Yes.

Senator REID. Is that a fair statement that, as far as advertising, they do?

Mr. MCCARTHY. That is a fair statement, Senator.

Senator REID. More than their share?

Mr. MCCARTHY. Yes.

Senator REID. Did the Commission's research—in answer to my original question—the Commission did not explore illegal gambling, is that true?

Mr. MCCARTHY. That is true.

Senator REID. If there were any additional studies done in the future, would you think that would be an appropriate avenue?

Mr. MCCARTHY. As a matter of fact, Senator Reid, illegal gambling is included in a number of the research recommendations, that we looked at both illegal—and we are particularly concerned about youth gambling, because often the gateway into gambling is illegal gambling, by definition. Although an amazing number of States allow 18-year-olds to gamble in different forms, starting with lotteries.

Senator REID. Mr. Chairman, would it be OK now if Mr. Tose told us his story?

Senator SPECTER. Sure.

Senator REID. Mr. Tose, would you tell us your experiences that you indicated earlier you wanted to give us?

Mr. TOSE. I started gambling, I guess, in college. Maybe in country clubs, we started to progress a little more in the amount of betting. I used to bet sports. Fortunately, when I bought the football team, I was not allowed to, so I did not bet on any sports.

The casinos fascinate people like me and others.

Senator REID. When did you buy your football team, the Eagles?

Mr. TOSE. The seventies. I sold them in 1985.

Do you have another question? Because I have forgotten the other one.

Senator REID. The original question was to explain your experiences with gambling.

Mr. TOSE. Well, you get trapped, you know. There is a famous saying amongst gamblers: I got to get even. But the only time you are even is before you started. There is no way you get even. You lose more and more. You lose your—and what I think has happened in some—maybe only a few—casinos, where they serve alcohol unlimited, they encourage you to drink. As you know, a gambler that is drinking is not a gambler at all. He is not a good gambler to begin with. That should be looked at.

That came up before a member of the Federal court who ruled against me when I sued, saying that it was—I do not know what it was—how you were allowed to drink. You are not allowed to—bartenders get put in jail for serving too many drinks. So I do not know. I never figured that out.

Senator REID. I am not personally familiar with your story. You lost a lot of money gambling?

Mr. TOSE. Did I lose a lot of money gambling? Yes, a lot.

Senator REID. You would agree with Kay James, who was Chairman of this Gambling Commission, that you are better off gambling in casinos rather than some of these other things like lotteries and things like that? You indicated that.

Mr. TOSE. I think so. But I have not heard it addressed at this meeting. I have not heard the people that bet sports, like football, baseball, basketball. You have not talked about them. Are they compulsive gamblers? I would think so.

I believe sincerely in what I said. It has to start at home. It has to start with the family. It has to start with training. If you do not give your kids an allowance, they will not get in trouble, et cetera, et cetera.

I do not know. I do not know that there is a cure. I hope there is. But certainly when States like Pennsylvania have 8,000 outlets, and you say do not let the poor people have access, they sure in hell have access with 8,000 outlets.

Senator REID. Thank you, Mr. Chairman.

Senator SPECTER. Thank you, Senator Reid.

Mr. Tose, as you have just stated, you took the case court because you felt that it was wrongful conduct on the part of the casinos to serve unlimited quantities of alcohol to you as a customer, knowing that that would influence your gambling and your losses.

Mr. TOSE. Yes, sir.

Senator SPECTER. You had very substantial wealth from a big trucking company, a family trucking business.

Mr. TOSE. Yes, sir.

Senator SPECTER. When you bought the Eagles and sold the Eagles, there were big dollars. It is I think a matter of public record, but would you mind saying now how much you sold the Eagles for?

Mr. TOSE. I think \$90 million, something like that.

Senator SPECTER. Would you be willing to say what your gambling losses were overall?

Mr. TOSE. Before or after?

Senator SPECTER. Both—before, during and after—all three.

Mr. TOSE. You will find that gamblers never like to tell what—it is not a question of tell; they like to forget what they lost, because they say, tomorrow, I will get them. So, I do not know, \$40 million, \$50 million. I do not know.

Senator SPECTER. Big enough that it is hard to round off, when you talk about \$40 million or \$50 million.

If you feel comfortable answering the question, Mr. Tose, would you consider yourself a compulsive gambler when you were at the casino, at the bar?

Mr. TOSE. Only when I had money.

Senator SPECTER. Only when you had money.

What do you think about the impact on, as the Commission characterized it, the people in impoverished neighborhoods? You have already suggested your answer by being very critical, as I agree with you, about the 8,000 outlets for lotteries in Pennsylvania. Is that targeting a group which is less able to protect itself?

Mr. TOSE. Yes, of course it does. But it is like saying to the kid you cannot smoke. He sends his brother in, who is older, or his friend, and he is of age, and so he smokes. If you are going to target areas where the poor people live, so you do not put in any of these lottery things, they will find a way. There is always a way to do it. You are not going to cure it by saying well, take it out of the poor people's district. If they want to gamble, they will find a way to bet that lottery.

What concerns me—and I heard today that the—what puzzles me rather than concerns me—is I heard today that the States can put any kind of advertising they want. Someone suggested that they advertise against the lottery. Well, that is like taking bread out of your own mouth. They are not going to advertise against the lottery if they have 8,000 places to sell it.

I would like to know some day what they do with this lottery money and where it goes. I once called them and asked them. I said, I am a senior citizen, what do I get as a benefit from the lottery? They said, well, we give you free bus service. I said, no, thank you. So I do not know the answers. If I knew the answers, I would tell you.

Senator SPECTER. Well, all you can tell us, to the extent you feel comfortable doing so, would be your own personal experiences, and I think people can learn. You were very high flying with your Super Bowl Eagles.

Mr. TOSE. Yes.

Senator SPECTER. \$40 million to \$50 million in losses. That tells a story. Can you give us some indication as to how you got these Eagles sucked in, a part of it, so that others who will be hearing what has happened to you might be able to be forewarned or guard against the so-called slippery slope?

Mr. TOSE. Yes, sir, I can give one thing: Do not drink when you gamble.

Senator SPECTER. Did you find the drinking significantly impaired your capacity to restrain yourself?

Mr. TOSE. I was not good to begin with. It just made it much worse.

Senator SPECTER. Would you consider yourself a compulsive gambler, Mr. Tose?

Mr. TOSE. Yes, sir.

Senator SPECTER. To use the Commission's fancier word, pathological gambler, would you consider yourself that, Mr. Tose?

Mr. TOSE. No, I do not think I am ready to be put in a home yet. [Laughter.]

Senator SPECTER. Well, I am not suggesting that.

Mr. TOSE. If you had suggested that, Senator, I would want to meet you in private. [Laughter.]

Senator SPECTER. Leonard, I would not suggest that publicly or privately, but I am always glad to meet you in private.

Dr. WINTERS, give us the definition of—Mr. Tose calls himself a compulsive gambler, and I do not wish to describe anything as sinister or opprobrious as the term "pathological." That is a term that doctors use. But how would you define the term "pathological," because it is a term the Commission uses?

Dr. WINTERS. Good question. It really has two essential features. One is the person engages in the gaming activities, in the betting, beyond their physical means, beyond their physical wealth—financial wealth, physical—and it leads to negative consequences in addition to the financial ones, usually social. So that can be interpersonal, with their spouse, with work, et cetera. So it is betting over one's head, and that leads to significant life consequences for the individual. Usually the person even recognizes that but they continue to engage in the behavior. So you have this—

Senator SPECTER. My red light is on, but I had one other question for you, Dr. Kelly, before yielding to Senator Reid. That is, did your study comprehend the drinking issue, which Mr. Tose has eloquently testified to, about how it is a lure, how it is an impairment of capacity to gamble more and lose more?

Dr. KELLY. I think it is fair to say that the Commissioners were very aware of that, the fact that alcohol flows very freely, for instance, on most casino floors, and that we have heard in the testimony given by many of those individuals who came to testify about their own gambling problems how the two intersected. But I do not believe we directly addressed that in our research.

Senator SPECTER. Well, that is something perhaps Dr. Hyman can pick up.

Dr. HYMAN. Yes.

Senator SPECTER. Mr. Tose litigated this, as he said. You have, in the confluences of the law, a lot of considerations. Where the law would say, well, if Mr. Tose, an adult, is going to gamble, he knows what he is doing. And if Mr. Tose is going to drink and gamble, he knows what he is doing.

But there is another overarching principle. That is, if you have an institutional casino which makes a calculation on serving liquor, with a plan aforethought, malice aforethought, a legal concept, to encourage people to drink and to lose, to have impaired capacity, that there may be some liability. But, by and large, the individual responsibility, the assumption of the risk and contributory neg-

ligence and all those other fancy phrases which require a person to protect himself tend to dominate.

Do you have one final comment, Dr. Winters?

Dr. WINTERS. Well, let me just say two things. First, actually, the major research investment to the Alcoholism Institute is exactly on this point. It is on drugs and alcohol travelling with gambling. The other thing, to just underscore your point, Mr. Specter, is that people who are at risk for compulsive gambling are also at elevated risk, it appears, for drug and alcohol use. So, in some sense, the bar is already lower for them to get in trouble when there is availability of these substances.

Senator SPECTER. Dr. Winters?

Dr. WINTERS. Well, I know there has been discussion about lotteries, casinos, et cetera, and to what extent they are a risk for the development of pathological gambling. One of the things we have learned from interviewing pathological gamblers who are seeking treatment—that does not mean it is the representative sample of all pathological gamblers, but at least in treatment settings when we have this option—is that they talk about the action in the game.

Many venues have high action games. Obviously casinos have high action games. Lotteries do, especially when the Powerball is up to \$150 million. Sports betting, of course, can offer high action, as well. That is the games they prefer, and that is the games they lose their money on.

That can cut across all venues. And that leads to questions of how would one regulate that or how would one perhaps even restrict the loss of debt across these venues. You may have to regulate it in different ways.

The other issue is the legal age issue that has been raised a little bit here. There is wide variability across the country. Lotteries, though, are more available to 18-year-olds than casinos, although there are plenty of casinos that are available to 18-year-olds, as well. I know I thought that was one of the most interesting conclusions, or recommendations, from the Impact report, about raising the minimum age to 21, although you would have to do it uniformly or it would not really have much impact.

Senator SPECTER. Senator Reid.

Senator REID. Thank you, Mr. Chairman.

I say to Dr. Hyman, we have, I think, clearly established if you drink alcohol and drive, you are more likely to have an accident.

Dr. HYMAN. Absolutely.

Senator REID. So the fact is that the same would apply to casino gambling, is that not true?

Dr. HYMAN. Absolutely.

#### PERSONAL RESPONSIBILITY

Senator REID. You all were in the room when I talked earlier about our society, our having to take responsibility for the acts that we commit. As you know, there is a great tendency when someone does something bad, that you go back and find out if they were properly toilet trained and, you know, all those kinds of things.

Dr. HYMAN. We have stopped that, sir.

Senator REID. When did you do that, this morning?

Dr. HYMAN. The day before yesterday, sir. [Laughter.]

No, but I do get your point.

Senator REID. I use the example, Dr. Hyman, of people going up, running up these debts. Now, I ask you personally if you have a friend that you borrow money—that is a friend and it is easy to borrow money from him, and you go to the bank and it is hard to borrow money from the bank and you have to sign papers, you are just as morally obligated to pay back your friend as you are the bank; is that not true?

Dr. HYMAN. Absolutely.

Senator REID. My whole problem with all this is that I think we are making excuses for people's personal conduct. And I think in your studies, I would just like you to make sure you take that into consideration.

Dr. HYMAN. I do not want to repeat myself, but I said at the outset I agree with you—we should never medicalize our society, so that we remove personal responsibility. I think that is absolutely critical. Indeed, Mr. Tose did not like the word “pathological.” In some sense that has this implication of undermining personal responsibility.

I think, at the same time, there are people we have to worry about—and, again, with all due respect—and these are, first and foremost, people who have some other condition—for example, depression, especially older people, who find themselves trapped in gambling as a result of that condition; and second of all, youth. I think this gets to the legal age issue.

We know—and I know, Senator Specter, again, I am extrapolating from what we know about tobacco and alcohol and actually youth violence, which is something else I know you are very interested in—if we can keep children away from these vices until after they are 21, the likelihood of them getting captured is much, much lower.

Senator REID. Just like cigarettes, is it not?

Dr. HYMAN. Just like cigarettes.

So we do not yet have the data about gambling. But I would imagine that it would turn out to be very, very similar. So if we can focus much of our effort on people who have an impaired ability to resist these behavioral impulses, and on young people, I think we would do an enormous public health service.

Senator REID. I would just say in closing, Mr. Chairman, because I think we have talked about this at length, the casino industry, the legitimate, legalized casino industry, they have spent money, and are continuing to do so, to help fund referral hotlines, pay money for treatment groups, and other programs for awareness of people about these issues. I think that is important that they continue to do that.

I would say on behalf of the gambling that I represent, which is simply the State of Nevada, that we welcome the Federal Government getting involved in this in any way that they feel appropriate, to better understand problem gamblers. It is something we have been involved in. As I indicated in my opening statement, in the last few years we have spent \$7 million on that. I think it is good that the Federal Government is getting involved. Certainly there is no objection from the gaming industry to do this.

Dr. HYMAN. If I might, Mr. Chairman, I would just like to underscore your point, because it is one of the things you have touched on. It is something that actually Senator Specter I know is interested in, in other areas, which has to do with the Internet and other access. I think if we are really going to do the best possible public health service for our youth, we cannot compartmentalize and just think about access to State lotteries, but we also have to think about the broad access that we believe exists to illegal gambling and also the issue now of potentially unrestricted gambling on the Internet for our youth.

Senator SPECTER. Thank you very much, Senator Reid. And thank you, gentlemen.

Mr. TOSE. Senator, I think it would be unfair for me to characterize all casinos. I did not intend to say that. I think they are in the minority of forcing or offering liquor at the time of gambling. It does not apply to all casinos wherever you are.

Senator SPECTER. Well, thank you for that addition.

Gentlemen, thank you very much for coming in.

Mr. McCarthy and Dr. Kelly, the work of the Commission is very important and there are a lot of ramifications. And the subcommittee wanted to get an early start, because we have a very short window between now and the time we will be writing our appropriations bill. The National Institutes of Health have very substantial funds for gambling addiction research. We are looking to try to have an increase in the overall NIH funding, which will help them even further. This is a problem of enormous importance.

I thank Mr. Leonard Tose especially for coming in today and telling us about his own experiences. Mr. Tose has been a very highly visible member of really the national community, but especially Pennsylvania, and Philadelphia, when he owned the Eagles and when he has had the difficulties with gambling, and a man of great wealth and great ability. To lose \$40 million to \$50 million is a very, very difficult situation.

There are not many people who have the capacity or ability to lose that kind of money. But if you are at the lower end of the socioeconomic schedule, his situation dramatizes it. He accepts the term "compulsive gambler."

When Dr. Winters tells us about the young people, we are very concerned about that. Dr. Hyman mentions the issue of juvenile violence, which this subcommittee is looking at especially. We are going to target that with funds, although limited, with the Department of Health and Human Services, with the NIMH and the Surgeon General; and Labor, with the Youth Corps; and Education, with many of their programs. We are in a position to redirect some very substantial funding, considering that, in Surgeon General Koop's words, it is a national health problem. Gambling comes into the picture. It is all a composite.

So I think this was a very good start, and we are going to take a very close look at the issue. Congress will have a lot to say. They will be listening to what we say in State capitals, like Harrisburg, where they are considering legalizing gambling. I think it would be a very difficult matter if the riverboats come up the Delaware and dock in Philadelphia and seek our revenue sources in a very regres-



sive tax. But this is something we really have to work through as a national community.

CONCLUSION OF HEARING

Thank you all very much for being here, that concludes our hearing. The subcommittee will stand in recess subject to the call of the Chair.

[Whereupon, at 11 a.m., Wednesday, June 30, the hearing was concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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