

1 THE COMMONWEALTH OF MASSACHUSETTS  
2 MASSACHUSETTS GAMING COMMISSION  
3  
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13 -----

14 RE: Forum on Responsible Gaming  
15

16 October 28, 2013, 9:00 a.m.

17 BOSTON EXHIBITION AND CONVENTION CENTER

18 Room 151B

19 415 Summer Street

20 Boston, Massachusetts  
21  
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23  
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1 P R O C E E D I N G S :

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3 MR. VANDER LINDEN: Good morning and  
4 welcome to the Massachusetts Gaming Commission  
5 forum on Responsible Gaming. My name is Mark  
6 Vander Linden and I am the Director of Research  
7 and Problem Gambling with the Commission. So,  
8 I started with the Commission almost exactly  
9 four months ago.

10 Before that, I directed problem  
11 gambling treatment and prevention services with  
12 the Iowa Department of Public Health. I have  
13 to say that even before coming to Massachusetts  
14 when I was in Iowa and working there, I also at  
15 the same time I sit on boards for the National  
16 Center for Responsible Gaming as well as the  
17 Association of Problem Gambling Service  
18 Administrators. And in all of these various  
19 roles, I had a chance to see what was happening  
20 across the country, what was happening in terms  
21 of problem gambling and responsible gambling in  
22 different jurisdictions.

23 I saw the issue of expanded gaming  
24 coming up in Massachusetts kind of as it was

1 evolving. I had been hearing from different  
2 people. So, it wasn't really all that  
3 surprising to hear that it had passed that  
4 Massachusetts was going to offer casino  
5 gambling and also open a slot parlor. What was  
6 surprising was the information that was  
7 bubbling up about how they were going to go  
8 about doing this.

9           What first caught my attention was  
10 obviously the amount of money that was being  
11 talked about of what was going to go into a  
12 public health trust fund to mitigate the  
13 problems that would be connected with problem  
14 gambling and problem gambling treatment and  
15 problem gambling prevention, research, pretty  
16 much unprecedented in the country.

17           As time passed and I joined the  
18 Commission, there's other pieces that caught my  
19 attention as well. Paying attention to the  
20 comprehensive statute, directing us exactly how  
21 we needed to move forward as we do this. The  
22 direction that's given to the Commission was  
23 very thoughtful, very detailed.

24           That in turn has translated into an

1     incredibly rigorous application process, a very  
2     intentional and aggressive research agenda.  
3     And also serious intention to broadly  
4     mitigating the problems that may arise through  
5     expanded gaming.

6             So, today is another step in that  
7     same spirit. It's the let's implement expanded  
8     gaming as thoughtful as we can. Let's raise  
9     the bar on how we are doing responsible  
10    gambling in the United States.

11            In a nutshell, what I'm hoping for  
12    from today, we are hosting a forum. The  
13    information drawn from this forum will provide  
14    a foundation for responsible gaming framework  
15    for Massachusetts. This is our chance to begin  
16    to take a stand on the numerous issues related  
17    to this matter. As we develop the framework  
18    we'll draw on guidance given from the statute,  
19    from the science that's available as well as  
20    from the best and most promising practices that  
21    are in the field today.

22            We very thoughtfully invited a whole  
23    host of panelists. They're recognized experts  
24    and innovators in their respective fields in

1 the work that they do. They're going to share  
2 their experience, their insight, in many cases  
3 the research that they have done as principal  
4 investigators. All of which will be an  
5 invaluable contribution to this process.

6 So, before we go any further thank  
7 you to our panelists who have come from near  
8 and far. We have them from Canada. We have  
9 them from Boston. We have them from New Jersey  
10 and places in between. I look forward to  
11 seeing what you have to say as we begin taking  
12 a look at this critical issue and developing a  
13 creative approach to responsible gaming.

14 So, the responsible gaming framework  
15 as I see it is going to serve many functions.  
16 First and foremost, what are we going to do  
17 with it immediately? The framework will be  
18 used as a guiding document as we draft the  
19 initial regulations to address problem gambling  
20 and responsible gaming at sites that are  
21 regulated by the Massachusetts Gaming  
22 Commission.

23 Second, it's going to inform our  
24 orientation as a Commission on responsible and

1 problem gambling issues as we continue to grow  
2 as an organization and as we work in  
3 collaboration with a range of stakeholders  
4 including but absolutely not limited to the  
5 Massachusetts Department of Public Health in  
6 the Massachusetts Council on Compulsive  
7 Gambling.

8 I think it will also assist gaming  
9 operators in understanding what practices they  
10 need to have in place. While we are  
11 regulators, we can also be collaborators and  
12 co-innovators with successful applicants to  
13 promote responsible gambling and to mitigate  
14 problem gambling.

15 So, I want to circle back and give  
16 you some of the basics in terms of what are the  
17 definitions of what I'm talking about here.  
18 So, our working definition for responsible  
19 gambling, responsible gambling is the provision  
20 of gambling services in a way that seeks to  
21 minimize the harm to customers and to the  
22 community associated with gambling.

23 When I talk about our responsible  
24 gambling framework, this is a set of concepts

1 and practices that are intended to reduce or  
2 eliminate the harms that can be associated with  
3 gambling while simultaneously maximizing the  
4 potential benefits of gambling. There are a  
5 number of frameworks out there with varying  
6 orientations on responsible gambling. Some of  
7 those frameworks were created or co-created by  
8 persons that are here today.

9           And I think it is imperative that we  
10 take a look at these frameworks, hear what they  
11 have to say, but I also think it's equally  
12 important that we as the Massachusetts Gaming  
13 Commission understand with the needs of  
14 Massachusetts is. And develop a framework that  
15 specifically speaks to those unique set of  
16 needs.

17           There's a number of potential  
18 practices that can be incorporated into a  
19 responsible gaming framework. I'm going to  
20 identify some of those, but please understand  
21 that we are going to circle back around to  
22 those as the day progresses.

23           Informed decision-making and player  
24 information about the nature of gambling. What

1 are the statistical odds of winning? What are  
2 the average payouts per machine? Information  
3 about how gambling really works. Common  
4 misperceptions that encourage false beliefs  
5 about the probabilities of winning.

6 We're going to talk about curriculum  
7 driven casino staff training on problem  
8 gambling and responsible gambling. We're going  
9 to talk about the health warnings and promotion  
10 campaigns about the risks and consequences of  
11 excessive gambling, the signs of an emerging  
12 problem with gambling, and the sources and  
13 access to information and assistance.

14 We'll talk about available and  
15 accessible voluntary self-exclusion options.  
16 This includes the protocols for encouraging  
17 persons seeking self-exclusion to also seek  
18 treatment for other forms of health that are  
19 available.

20 We'll talk about establishing  
21 practices for advertising and marketing  
22 materials that display responsible gambling  
23 messages and follows responsible gambling  
24 guidelines.

1                   We'll talk about the use of the  
2 loyalty player card data coupled with  
3 behavioral analytic software to provide  
4 information about information targeted to  
5 players showing signs of problematic gambling  
6 behavior.

7                   We'll talk about restricting  
8 technology design features and environmental  
9 variables that may contribute to excessive  
10 gambling including bill accepters, free spins,  
11 the availability of ATMs within gambling venues  
12 and features that promote false beliefs like  
13 near wins and the speed of play.

14                  Another trend that you frequently  
15 hear around this issue is harm minimization.  
16 As defined by the Australian Institute on  
17 Gambling Research, harm minimization policies  
18 are intended to reduce the social, financial  
19 and emotional risk that are related to  
20 gambling. The main aim of harm minimization is  
21 to reduce likelihood of damaging consequence of  
22 gambling through introducing preventive  
23 measures. Prevention is targeted through  
24 promoting responsible gambling practices and a

1 safe gambling environment.

2           So, why is this important? First,  
3 it's essential to the work of the Commission.  
4 In fact, if you take a look at the responsible  
5 gambling and mitigation of problem gambling  
6 it's woven into the statute that defines the  
7 work that we do. That's been taken and it's  
8 embedded in the core values and mission of the  
9 Commission, which is to provide to the greatest  
10 extent possible economic development benefits  
11 and revenues to people of the Commonwealth,  
12 reduce to the maximum extent possible the  
13 potential negative and unintended consequences.

14           Keith Whyte, who I like to use a  
15 quote from him. He's one of our speakers  
16 today. If we really want to maximize the  
17 negative effects of gambling -- gaming for the  
18 people of the Commonwealth, then we must  
19 simultaneously work to minimize the harm. To  
20 reiterate this to maximize any of the benefits  
21 means that at the same time we have to minimize  
22 the harms.

23           So, while we will be discussing the  
24 broad policy issues today, it shouldn't be

1 separated from the impact that it has on the  
2 individual. We have an opportunity here to  
3 implement measures to avoid loss and  
4 devastation that problem gambling causes, not  
5 just to the individual but as it ripples out to  
6 their families and to their communities.

7 I am going to turn it over to  
8 Commissioner Crosby here in just a second. But  
9 before I do that, I want to recognize -- I'm  
10 sorry, Chairman Crosby. I want to just  
11 recognize the assistance that I received from  
12 the staff at the Commission in organizing this,  
13 but also, and very importantly one of our  
14 partners the Massachusetts Council on  
15 Compulsive Gambling.

16 They have been with us, I think,  
17 since the onset really in trying to define  
18 where we need to go on a number of issues. The  
19 Massachusetts Council on Compulsive Gambling is  
20 our co-organizer. And since 1983, the Council  
21 has been a vital voice in defining and  
22 responding to the issue not just by the  
23 Commonwealth, but for a number of different --  
24 for basically around the country.

1           Their purpose is to reduce the  
2 social, financial and emotional costs of  
3 problem gambling. If you think about it, it is  
4 very in line with the work that we are trying  
5 to do at the Commission as well. Thank you  
6 Marlene, thank you Karen, and thank you  
7 Brianne, the staff that has helped us.

8           So, I am going to turn it over to  
9 Chairman Crosby.

10           CHAIRMAN CROSBY: Thank you, Mark.  
11 I'll be very quick. You've done a nice job of  
12 setting up sort of where we're coming from and  
13 what the issues are here.

14           There are one or two points that I  
15 want to make. First off, I just want to  
16 introduce the other Commissioners who are here.  
17 All five Commissioners are here and will be  
18 here all day, which says something about where  
19 we are coming from. Commissioner Enrique  
20 Zuniga, Commissioner Gayle Cameron,  
21 Commissioner Jim McHugh and Commissioner Bruce  
22 Stebbins all are here. We all did our  
23 voluminous homework that Mark gave us, hundreds  
24 of pages of reading to learn about the issues

1 of problem gambling.

2           Mark made it clear that we are doing  
3 what the Legislature told us to do. The  
4 Legislature made it clear that they were  
5 anxious to get jobs and revenue. And they were  
6 anxious on the other hand to keep negative  
7 consequences to the barest possible minimum.

8           The work that the Council, the  
9 present leadership and the prior leadership did  
10 in influencing this legislation to get  
11 attention to these issues was probably unique  
12 in the effectiveness with which you impacted  
13 this legislation. We're following your mandate  
14 as best we possibly can and with your continued  
15 participation.

16           But before I make just one point  
17 about that, I want to just introduce one other  
18 person who is here, whose presence I think says  
19 a lot about what this industry is trying to do.  
20 Jeff Freeman is the new president and CEO of  
21 the American Gaming Association. That is the  
22 top person in the entire country in the  
23 industry associations of the gaming industry.

24           Jeff's only been in this job for

1 four months, as you all know. The fact, that  
2 he would take the day, I guess, you're going to  
3 be with us pretty much the whole day, to be  
4 here says a lot about what the industry is  
5 trying to do and the priorities of the  
6 industry. This is not just us. This is a  
7 whole industry that's trying to get its arms  
8 around this issue as constructively as humanly  
9 possible.

10 One thing I am very much aware of,  
11 and it relates to what we're doing in  
12 Massachusetts, is the limitations of what we  
13 are trying to do here. Part of our homework  
14 that Mark gave us was a report from the  
15 Addictions and Lifestyles in Contemporary  
16 Europe Reframing Addictions Project, ALICE RAP.  
17 It's a European white paper. And it's a very  
18 thoughtful white paper. But it makes a point  
19 that is applicable to anybody in the business  
20 of problem gaming worldwide.

21 At one point, under what to do it  
22 says however formulating guidelines that are  
23 effective in preventing harm and protecting  
24 gamblers also addresses a central problem in

1 current gambling research. On one hand, high-  
2 quality systematic analysis of the  
3 effectiveness of interventions in achieving the  
4 desired aims are scarce. On the other hand, it  
5 would be unethical to remain inactive and wait  
6 until more evidence exists. Therefore,  
7 decisions under uncertainty are required,  
8 combined with a careful monitoring of the  
9 outcomes and corresponding modifications and  
10 guidelines according to an adaptive learning  
11 process.

12 Our legislation gives us a public  
13 health trust fund. When we are up and running,  
14 it will generate something in the range of \$15-  
15 \$20 million a year forever, as a percentage of  
16 gross gaming revenues to do principally  
17 research and programmatic strategies with  
18 respect to problem gambling, some broader  
19 interest in the research side to broader  
20 socioeconomic issues, but principally \$15-\$20  
21 million to deal with research and programmatic  
22 initiatives.

23 And our mandate is to do the very  
24 best we can today with the best information

1 that's out there. And by the way, there is a  
2 lot. A lot of this, as I read this stuff, yes,  
3 there is imperfect research but there's a lot  
4 of commonsense. And we don't have to tie  
5 ourselves up in knots trying to be perfect when  
6 that could be the enemy of the very good  
7 commonsensical approaches.

8           But we are missing hard academic  
9 quality data on the impacts. And our project,  
10 and Mark is director of research and problem  
11 gambling, is to do the best we possibly can do  
12 now and then on a longitudinal basis track  
13 forever how we've done. And make course  
14 corrections as need be. Create a body of data  
15 that is available to everybody to study. It  
16 will be widely available to everybody. So,  
17 this is a huge ongoing process.

18           The net of it is though we have got  
19 to start somewhere. And we've got to put a  
20 stake in the ground with the best research and  
21 the most constructive, most thoughtful, most  
22 provocative, boldest framework and structural  
23 outline of our programs that we can possibly  
24 come up with to start the ball rolling. And

1 that is the principal mandate of today.

2 This will not be just a conference.  
3 There will be a work-product that comes out of  
4 this with the help of all of our speakers. And  
5 we are excited about moving forward. We take  
6 this very seriously.

7 We are pleased that you all are  
8 here. Hopefully, there will be more because  
9 this is important. Thanks for coming. Jeff,  
10 thank you for flattering us with your presence.  
11 And I look forward to an interesting day.

12 MR. VANDER LINDEN: As Chairman  
13 Crosby said, this is kind of a working forum in  
14 a lot of ways. The information that we're  
15 taking from here will be translated into a  
16 white paper, which will be our framework that  
17 we move forward from in many ways.

18 So, with that, I'm going to  
19 introduce our first speaker who is Marlene  
20 Warner. She is the executive director of the  
21 Massachusetts Council on Compulsive Gambling.  
22 And Marlene is going to come up. She's going  
23 to give us a presentation.

24 What we'll do is we'll leave, if

1 there's time at the end, we'll open it up for  
2 conversation with the Commissioners and any  
3 questions that they have. After Marlene goes,  
4 then we'll have Dr. Howard Shaffer come up.  
5 Doctor Howard Shaffer is the associate  
6 professor of psychiatry at Harvard Medical  
7 School. In addition, he is the director of a  
8 division on addiction at the Cambridge Health  
9 Alliance.

10           You'll have to excuse my brevity as  
11 I introduce these speakers. We have an amazing  
12 panelist of speakers. Each of them brings an  
13 incredible wealth of knowledge, an incredible  
14 body of research with them. And I wish I could  
15 expand on it more, but there is simply just not  
16 time.

17           So, with that I am going to turn it  
18 over to Marlene. Thank you.

19           MS. WARNER: We are going to try to  
20 coordinate their computer with my computer so  
21 that we know what we are both doing here.

22           Good morning. I am so pleased I can  
23 be standing in front of you after a Red Sox  
24 win. It was going to be hard morning to start

1 off any other way. So, we've gotten through  
2 obstruction calls, we've gotten through --  
3 They're coming back to Boston. So, that's  
4 going to be good.

5 Thank you again for the opportunity.  
6 I really appreciate that each of the  
7 Commissioners have been very, very, very  
8 committed to this. God bless Steve. He was  
9 emailing me moments after -- responding to my  
10 emails moments after he was asked to be  
11 chairman.

12 Just as Mark said, everyone has been  
13 committed to this issue truly from day one.  
14 And truly the Council has walked hand-in-hand  
15 with the Gaming Commission as it relates to  
16 this. So thank you to all of you

17 I want to just be clear for anyone  
18 who is not clear who the Mass. Council on  
19 Compulsive Gambling is. A private, nonprofit  
20 health organization, as Mark stated, we have  
21 been around since 1983. This gentleman, Thomas  
22 M. Cummings started the Council in 1983. I  
23 think it's really important to not only talk  
24 about Tom in particular but to talk about what

1 he represents. And that is all of the people  
2 who have struggled in the past, currently and  
3 certainly in the future with gambling  
4 disorders.

5 That's at the very cornerstone of  
6 who we are and what we do is making sure that  
7 we are a resource on a number of levels for  
8 people who will end up with a gambling  
9 disorders. Gambling's been around since the  
10 beginning of time. And people will continue to  
11 have gambling problems. But we are really here  
12 talking about kind of a more focused area. But  
13 it's important to remember why the Council  
14 exists.

15 The Council secured funding or Tom  
16 secured funding in 1987, which is when Kathy  
17 Scanlon, the previous executive director also  
18 joined the staff, and advocated for a treatment  
19 system literally up until the day he died in  
20 1998.

21 I think the other really important  
22 key piece is to understand why it's us, why are  
23 we the ones who are talking with you today.  
24 That is our neutrality stance is a really key

1 piece. It's a key piece for all of the  
2 affiliates of the National Council on Problem  
3 Gambling. So, we're not alone in this. It  
4 allows us a lot of -- It's our position that  
5 allows us to understand that gambling can be a  
6 problem some folks. And that there is an issue  
7 for some folks. But for many others, gambling  
8 is a fine recreational form of entertainment.

9           So, we're neither for nor against.  
10 We provide sources and advocate for those  
11 people who might develop or are currently  
12 struggling with or are looking for support and  
13 recovery from a gambling disorder of any  
14 magnitude. And I think that's another piece is  
15 that we kind of look at it from soup to nuts.  
16 And I'll talk little bit more about that in the  
17 future.

18           And certainly, we advocate for  
19 gambling -- responsible gambling related public  
20 policy which is as Chairman Crosby alluded to  
21 how we ended up doing so much work as it  
22 related to the expanded gambling legislation.

23           Our mission Mark really covered, but  
24 I just wanted to be clear. Kind of key pieces

1 that we really focus on are information and  
2 public awareness, education, technical  
3 assistance and capacity building on a number of  
4 levels, advocacy as we just referred to.  
5 Helpline referral, I'd like to talk about that  
6 being our backbone. It's how we remember every  
7 day who we are serving and what we are doing.  
8 Recovery support services, which has become  
9 more and more important to the work that we do.

10 This might be a little hard for you  
11 to see, but I thought was an important piece to  
12 put in here. Ecological public health model,  
13 and I think the piece that's really important  
14 about this is the three circles there. We are  
15 talking about the biology, the environment, and  
16 the behaviors.

17 And I think what's important about  
18 that is that there is not kind of one key  
19 person to hold accountable that it's really  
20 group accountability when you look at a public  
21 health model for a number things, but  
22 especially as it relates to problem gambling.  
23 This reminds me a lot of how I was kind of  
24 "raised" in the field since 2001. Really

1 thinking about Dr. Shaffer and Dr. Coyne's  
2 public health model, thinking about the Reno  
3 model. These are the very kind of foundational  
4 pieces that help me understand how to address  
5 problem gambling in the Commonwealth of  
6 Massachusetts. And are also very helpful in  
7 terms of thinking how to proceed now as  
8 executive director.

9 I think the other key pieces here  
10 are that the interdisciplinary approach, there  
11 are so few folks right now focused on this,  
12 although we have to say our phones have kind of  
13 been ringing since 2011 in a way that they  
14 never rang for the several decades prior.

15 But it's important to kind of  
16 approach this with a number of different folks.  
17 Diversity, human rights and social justice,  
18 another piece I think a lot of folks really  
19 focus on the mainstream gambler. The folks  
20 that you see in the commercials. But there are  
21 all kinds of people impacted by gambling  
22 disorders. And we'll talk a little bit more  
23 about that in the future of this presentation.

24 Kind of most importantly what we

1 struggle with, despite all of our great  
2 resources here in the Commonwealth is movement  
3 from publication to public action, the science  
4 to service. We are so lucky, obviously, to  
5 have NCRG's one of their offices here in the  
6 Commonwealth. So, I have some great resources.  
7 And I happen to live in Salem and their office  
8 is in Beverly. So, we meet for lunch and we  
9 get to talk. So, that's fantastic.

10 I think that there is just so much  
11 more though. And I was just talking to Nathan  
12 this morning about some of the key questions  
13 that we have that we haven't figured out how to  
14 answer them. And I was pleased to hear that  
15 the scientists don't have the answers yet  
16 either. But there's a lot of that figuring out  
17 how do we move science to service.

18 Just to catch anyone up who is from  
19 out of town to kind of where we've been. From  
20 the late 1990s to 2011 a lot was happening in  
21 Massachusetts. I used to go around as program  
22 director doing all of the trainings in the  
23 state. And they referred to me as the gambling  
24 lady. Here comes the gambling lady coming to

1 take our last bit of fun away. That's how I  
2 was known when I walked in rooms.

3           There were four racetracks, two dog  
4 and two horse. For folks who are familiar, dog  
5 racing was banned several years ago. So,  
6 currently we have two horse tracks. The Mass  
7 state lottery has been and continues to be the  
8 most profitable lottery in the world, and all  
9 kinds of illegal gambling.

10           The number third-biggest way people  
11 call us to our helpline is sports betting with  
12 a bookie. It's alive and well in the  
13 Commonwealth. Open the paper, see the lines.  
14 Sit on the commuter rail home and I hear on  
15 everyone calling their bookies. So, it's  
16 definitely alive and well.

17           Sports betting, video poker,  
18 cybercafés, we know that House Speaker DeLeo  
19 went on a bit rampage about a year ago around  
20 the cybercafés. And that was a big piece.

21           Cock and dog fights, we've heard  
22 about. Years ago, I had gotten two calls about  
23 fish fighting, beta fish fighting. So, people  
24 will gamble on anything. And certainly a ton

1 of gambling at the fraternal clubs.

2 So, expansion goes for at least 10  
3 plus years, many expansion studies but we just  
4 didn't know enough. We knew that things were  
5 expanding. We knew there was a lot of gambling  
6 happening. And we were trying to hit it where  
7 it was at, but there was so much to cover.

8 The other thing that we knew was  
9 that we didn't have Mass-based data. But we  
10 did know that there was some really good  
11 studies out there. The most recent kind of  
12 comprehensive major study was done by Ron  
13 Kessler here at Harvard, the National  
14 Comorbidity Study that told us that if you  
15 looked at the subclinical and clinical  
16 diagnoses or rates, you looked at about two  
17 percent to three percent and a half of the US  
18 adult population in their lifetime having some  
19 adverse consequences, again, that's from  
20 subclinical on up. And based on these  
21 estimates between 125,000 to 225,000  
22 Massachusetts residents, but again it's based  
23 on national data that we're still trying to  
24 figure out how it's relevant.

1           I think this is something that a lot  
2 of folks are starting to come to understand but  
3 these numbers are still often surprising which  
4 is there really is high comorbidity with other  
5 disorders. With people who are likely to have  
6 -- Pathological gamblers which is not the term  
7 used anymore, but this is based on DSM 4  
8 language, pathological gamblers are  
9 significantly more likely to have mental health  
10 disorders and/or substance abuse disorders  
11 compared to those without gambling disorders.

12           So, 75 percent estimated to have an  
13 alcohol disorder. 38 percent with a drug use  
14 disorder, 60 percent with nicotine. Also,  
15 looking at bipolar or other mood disorders, 41  
16 percent anxiety disorder and over 60 percent  
17 with a personality disorder, really high  
18 comorbidities.

19           Again, I'm guessing Howard is not  
20 using this slide today, but has a great slide  
21 of all these intersecting circles and so few  
22 people end up with just a gambling disorder.  
23 That's absolutely what we are seeing. That the  
24 people who come and need our services and who

1 we're reaching out to have so many different  
2 needs. And it's really a call to action to  
3 work with so many different providers in the  
4 community.

5           So what has been our approach, our  
6 public-health approach up until 2011? Well, my  
7 staff has heard me say this all of the time. I  
8 talk about the sprinkle effect. We did a  
9 little bit here, a little bit there, but not  
10 necessarily as collectively as we would've  
11 liked. Dollars and interests were big forces  
12 against us.

13           But certainly doing some prevention  
14 and a little bit in schools, certainly some  
15 colleges, working with older adults. Doing  
16 some things in high-priority populations, we're  
17 working a lot with an Asian initiative. We did  
18 a fair amount in Chinatown, a little bit in  
19 Quincy, so some prevention.

20           Intervention, a little bit using  
21 some tools that were out there. Knowing that  
22 to and for question tools were available.  
23 Using some of the screening options through  
24 some of the community health centers.

1           Treatment I would say is the biggest  
2 area where we've spent time and money in the  
3 Commonwealth of Massachusetts. We have had  
4 upwards of 16 treatment centers. And up until  
5 2011, we had about 13 treatment centers. Those  
6 are outpatient treatment centers that the  
7 Department of Public Health manages. In our  
8 contract with the Department of Public Health,  
9 we are contracted to build their capacity and  
10 provide technical assistance to those training  
11 providers or treatment providers.

12           Then a little bit of recovery  
13 support, and I'd say a little. And we've done  
14 a lot more since then that I'll talk about in a  
15 moment.

16           The other thing and this was really  
17 at the leadership of Kathy is that engaged in  
18 listening sessions. There were a lot of kind  
19 of false starts thinking that yes, the gaming  
20 legislation is going to pass this year. The  
21 listening sessions were a great way for her to  
22 pull together various groups to say what do you  
23 know that we need to know here in the  
24 Commonwealth. So, pulling together

1 Legislature, legislative representatives,  
2 industry members, folks from Executive Office  
3 of Health and Human Services, Executive Office  
4 of Public Safety, the Attorney General's  
5 office, researchers, clinical and prevention  
6 professionals in Massachusetts and beyond, and  
7 folks in recovery.

8           Then as we've been referring to it,  
9 then there was a game changer. And that was  
10 the legislation finally being passed, something  
11 people had been waiting for a long time. And  
12 Governor Deval Patrick and a number of the  
13 folks who had been very good on this issue and  
14 also have been very key in terms of the problem  
15 gambling work.

16           These are really key pieces. Now  
17 Commissioners, I'm very impressed. You all did  
18 your homework. Because I saw the binders that  
19 left our office. So, the fact that you read  
20 them, hopefully you read them on the breaks  
21 from the Red Sox game.

22           These are all pieces that really  
23 came out of the Reno model. Like I said, this  
24 a really important framework. You are so lucky

1 to have two of the three authors here today.  
2 Because it really has laid a foundation in  
3 terms of how should we look at this issue and  
4 whose responsibility lies with.

5           So, the strategic framework, so  
6 while the legislation is a great starting  
7 point, and I'm going to talk about some of  
8 those pieces that Chairman Crosby and Mark  
9 spoke to earlier in a few moments, while it's a  
10 great starting point, it doesn't effectively  
11 coordinate the efforts across gambling types.  
12 Again, we talked about how our lottery grossed  
13 close to \$5 billion that's with a B, billion  
14 dollars last year. That's a tremendous amount  
15 of money. So, there's a ton of people already  
16 playing.

17           We know from some of our research  
18 that I'll talk about in a few moments that for  
19 every man, woman and child about \$721 is being  
20 spent on the lottery in Massachusetts. When  
21 you look at folks with some form of disorder of  
22 gambling, those numbers go up tremendously into  
23 the thousands. It's a problem for some folks.  
24 It is a true problem.

1           So, to not coordinate those efforts  
2 would be such a shame when we are looking at  
3 certainly expanding gaming into three casinos  
4 and a slot parlor. So, that is another piece.

5           The other piece is obviously that  
6 State Treasurer Grossman and certainly some  
7 members of the Commission and others in  
8 Massachusetts are certainly looking at Internet  
9 gambling. I think we all agree that it is on  
10 the horizon. When and where and how is still  
11 being determined. But that is certainly  
12 something that is going to come forward. So,  
13 not including that in the conversation again,  
14 would be shortsighted.

15           Key stakeholders, so Chairman Crosby  
16 and Commissioner Zuniga were very kind to join  
17 us for a common agenda meeting in May. This  
18 was a really key piece to us. When I started  
19 as executive director in 2011, one of the  
20 things that we knew was we had had a five-year  
21 strategic plan that we had oddly enough we  
22 didn't put on a shelf and we used.

23           And we had done most of what we had  
24 set out to do for those five years. So, we

1 were ready for another one. So, we sat down  
2 with a consultant who said how in the world are  
3 you going to build a strategic plan when  
4 there's five different things going on in  
5 Massachusetts? And as we know, the plans and  
6 the reality and the truth keep changing.

7           So, we said good point. And we  
8 can't do it all alone. We're not funded to do  
9 it all alone. We're not qualified to do it  
10 alone. We need to bring all of the different  
11 factors and groups together.

12           So, that's what we tried to do. We  
13 really tried to bring in the key stakeholders.  
14 We brought in gaming folks, industry folks. We  
15 brought in regulators. We brought in  
16 legislative folks. We brought in people from  
17 courts, people from the Department of Public  
18 Health, Public Safety. We brought in folks  
19 that represent recovery centers. We brought in  
20 treatment professionals, prevention  
21 professionals and again certainly folks in  
22 recovery. It was a great day. And I am going  
23 to go over some of those pieces.

24           But I think identifying those key

1 stakeholders and expanding those key  
2 stakeholders is going to be so important as we  
3 move forward in this effort.

4           Conceptual clarity and definitions.  
5 This is another really key piece. It's one of  
6 the things I was talking with Nathan from NCOG  
7 about this morning was the DSM 5 came out in  
8 May. The ATA put out this new DSM 5. It's  
9 kind of revolutionary in a number of ways.  
10 It's been long-awaited.

11           And it has given us this term where  
12 it has moved us not from pathological gambling  
13 to disordered gambling or gambling disorders.  
14 But it still hasn't even given us a lot of the  
15 language for what is subclinical. What is less  
16 than something that you could really bill  
17 insurance for. So, even having that  
18 definition, knowing what to call this is really  
19 important. It's really important.

20           So, we're all on the same page.  
21 Talk about severity talk about what are the  
22 issues when it relates to this community versus  
23 this community.

24           One of the things in Mark's previous

1 job and I remember him talking about in Iowa,  
2 one of the presentation I had seen him do was  
3 talking about how Iowa had done this tremendous  
4 job of making sure that most people knew about  
5 the helpline. And that they were really  
6 starting to focus on not folks with the most  
7 severe problems, but the folks that might meet  
8 two or three criteria and how do you get them  
9 more in the mix. And I think that is so key  
10 that you really identify your interventions in  
11 specific ways.

12 I think the other piece is, and this  
13 is one of the things we'll talk about today.  
14 And Mark and I have this conversation all of  
15 the time is what does gaming look like? What  
16 does gambling look like? What are the  
17 definitions even in terms of regions?

18 So, the Gaming Commissions is really  
19 working within these three kind of distinct  
20 regions. The Department of Public Health is  
21 working within six regions. How do we figure  
22 out who we're even talking about in the state?  
23 How do we define that? So, there's a lot of  
24 definitions that need to be clarified.

1                   Consensus regarding parameters. I  
2 think we are here to discuss this today, but  
3 the questions are so large that it's just kind  
4 of the tip of the iceberg. The who is in terms  
5 of responsibility and involvement. It's kind  
6 of really unclear so far.

7                   The what and the when it kind of  
8 debatable as you hear this afternoon as well.  
9 Are we worried about incidents or prevalence?  
10 Are we worried about prevention or treatment?  
11 There's a lot to discover and figure out. And  
12 do we worry about Mass residents who are  
13 gambling in Massachusetts? Are we worried  
14 about Mass residents who are gambling anywhere,  
15 Massachusetts or are the outside? Are we  
16 worried about the people who are out in other  
17 states and are gambling in Massachusetts and  
18 maybe creating some problems here, but then  
19 leaving? Who are we even talking about? So, a  
20 lot of that is kind of consensus building  
21 there.

22                   Data and evaluation, Steve talked  
23 about this earlier in terms of we have some  
24 data, we need so much more. And I think that

1 is one of the true strengths of the legislation  
2 is that that is -- nowhere has that amount of  
3 money and attention been paid to this issue.  
4 So, I think -- I was saying this to Rachel when  
5 I saw her Thursday night, she's got a lot of  
6 work to do, because there's a lot of  
7 information to uncover.

8           And evaluation is going to be so  
9 key. The whole world is looking at  
10 Massachusetts. Everywhere I go, people say  
11 what is going on in Massachusetts? They're  
12 waiting to see what do we find out. We have a  
13 tremendous responsibility on our shoulders.

14           And education, we are going to talk  
15 more about this today. Whose choices are they  
16 and how do they make those decisions? And how  
17 can we, this collective responsibility group,  
18 help inform that?

19           So, quickly I'll go through these.  
20 Problem gambling highlights and the  
21 legislation. Again, Chairman Crosby talked  
22 about the Public Health Trust fund, the on-site  
23 "treatment" center which I'll be speaking about  
24 this afternoon, statewide exclusion list, the

1 self- and third-party. There's a lot of  
2 questions about third-party piece. Certainly,  
3 self-wide exclusion having that being statewide  
4 is another important piece that's not being  
5 done in a lot of other places.

6 Helpline numbers being posted and  
7 being posted in multi languages. A very robust  
8 research agenda, as I pointed out. A gaming  
9 policy advisory committee was required as a  
10 part of this legislation and having a  
11 subcommittee specifically on addition and  
12 naming specifically the Mass Council on  
13 Compulsive Gambling a really key piece.

14 Guidelines on credit extension and  
15 check-cashing, I'd say that this is one of my  
16 kind of biggest areas of concern. And I think  
17 there's a lot more conversation to take place  
18 here. And this is something certainly that  
19 Commissioners have been asking about since we  
20 did our first forum last June, where folks  
21 talked about getting these ridiculous  
22 extensions of credit despite not having the  
23 means to back that up. And being able to cash  
24 checks at the Connecticut casinos in a way they

1 couldn't do in some other states and that that  
2 was a roadblock for some other places but not  
3 for here.

4           Responsible gambling guidelines and  
5 marketing was included in the legislation,  
6 payback statistics posted. Smoke-free  
7 environment, that's a huge public-health piece.  
8 Years ago when I was talking to folks from some  
9 of the casinos and they were talking about how  
10 Massachusetts was the last frontier for  
11 gambling. And they were so excited to get into  
12 Massachusetts once the legislation was passed.  
13 They said, oh, man, but we just hope those  
14 casinos aren't smoke-free.

15           It's a real concern for the casino  
16 industry. And I think it's a real interesting  
17 and probably important piece as it relates to  
18 the comorbidity issues and how this relates to  
19 problem gambling. Again, another interesting  
20 thing to study.

21           And then another really key piece is  
22 the gaming divisions of the attorney general's  
23 office and the state police, another true  
24 opportunity to make this interdisciplinary I

1 think in a way that we just haven't seen in the  
2 past.

3           Some important collaborations and  
4 partnerships moving forward that we have really  
5 relied on tremendously. Regional collaborate  
6 meetings for treatment of priority populations.  
7 Again, referring to the sprinkle effect. We  
8 have had all of these different treatment  
9 centers, but they haven't been talking to one  
10 other. They talk to us.

11           We said this work is going to get  
12 important enough and is going to become robust  
13 enough that we aren't going to be able to be  
14 the only ones that you speak with. You have to  
15 speak to one another. So, really building  
16 those groups. We've been pulling them together  
17 making sure that they have their own dialogue  
18 with one another, both on the treatment side  
19 and prevention of priority populations.

20           We've also been trying to further  
21 engage community groups in a whole plethora of  
22 areas in making sure that they understand the  
23 importance and formality of this issue. That  
24 it is science-based. So, establishing MOUs has

1     been a nice way to start to do that.

2                 We did offer municipality  
3     checklists. And one of the things that I've  
4     recently done is hired Brianne in the back of  
5     the room there. One of the things that she'll  
6     be doing is working with all 351 cities and  
7     towns while probably starting with some of the  
8     priorities will be host and surrounding  
9     communities of the casinos and slot parlor.

10                We know again all 351 cities and  
11     towns re host to lottery agents. We have  
12     nearly 7600 lottery agents in the Commonwealth  
13     of Massachusetts. So, it's important to make  
14     sure that those municipalities are ready. They  
15     are ready for either the current gambling  
16     problems -- I had a mayor tell me just a few  
17     months ago that they have absolutely no  
18     gambling problems in their town. And if a  
19     casino is not sited there, he is not worried  
20     about it. But he's fooling himself.

21                Just last Thursday, I met someone  
22     from his town who said he has had a lifelong  
23     gambling problem. And I'm sure there are  
24     plenty of people like him.

1           So, I think bringing that awareness  
2 to that community level and helping them to say  
3 this does not need to be costly. Let us as a  
4 statewide organization help you get connected  
5 to the right resources, help you identify  
6 what's in your community already. And we can  
7 come in and help build that capacity.

8           Again, Mass Gaming Commission has  
9 been an important collaboration and partnership  
10 for us. And certainly they've listened.  
11 You've listened and you hired Mark, which has  
12 been fantastic. Mark has a really unique  
13 position as you all know in terms of gaming  
14 commissions. There is a slightly similar  
15 position in Pennsylvania, but really no one has  
16 been committed to this issue in the way the  
17 Mass Gaming Commission has been. So, kudos to  
18 you.

19           Another really important piece has  
20 been the Mass Partnership on Responsible  
21 Gambling. This was started years ago. It  
22 served a certain purpose, kind of had gone dark  
23 for a while and then we brought it back in  
24 2011. This is an industry association group

1 right now. And we're hoping to continue  
2 expanding.

3 We have many of the, not all, but  
4 many of the current bidders out of the 11  
5 bidders for the slot and casino bids. We also  
6 have the Mass State Lottery. We've had the New  
7 England Convenience Store Association. We're  
8 hoping to have more vendors and industry  
9 members join. And then continue to expand that  
10 out to community groups. It's a great way for  
11 us to further catch the groups that we want to  
12 connect with.

13 And they are doing a lot of common  
14 goals in language despite being competitors in  
15 the room. They also are looking at what are  
16 some of the unique and interesting ways to  
17 train their employees. And doing a lot of  
18 education and public awareness.

19 I am going to run through these,  
20 because you are I'm sure much more interested  
21 in listening to Howard than me. The developing  
22 a common agenda, there is a lot of information  
23 here. Basically, when we sat all of those key  
24 stakeholders down, we came up with a lot. So,

1 I'm just going to read the top ones and kind of  
2 run through them.

3           Increase public understanding of all  
4 facets of problem and responsible gambling  
5 through a broad-based focus on education. So,  
6 education was a mainstay that kept coming out  
7 of that day.

8           Minimize harm through a broad-based  
9 public health approach that's data driven and  
10 fact based and use scientific evidence and best  
11 practices. So, we know not all reality comes  
12 from science, although some of the scientists  
13 may disagree with me in the room, but what we  
14 do understand is that to lend credibly to the  
15 work that you do is so key.

16           So, we wanted to really make this a  
17 true focus and make sure that it was fact-based  
18 and data driven. So that might come from some  
19 community data but trying to use scientific  
20 evidence to move that forward to a best  
21 practice.

22           Ensure broad-based coordination both  
23 regionally and statewide among treatment  
24 providers, public-health, industry, regulators,

1 recovering gamblers and their families and  
2 communities under a strategic leadership  
3 structure. Chairman Crosby kind of pushed this  
4 issue that day. And I thought it was so key.  
5 Because again, I think he realized that day and  
6 I think we have been realizing for a long time  
7 that not one organization can handle this  
8 alone. It is a collective responsibility. I  
9 think that's the key piece of today. Whose  
10 responsibility -- What falls where?

11 I will say that out of all of these  
12 different things, and I'll go through the next  
13 three, the Mass Council then took our marching  
14 orders from this and said what can we carve out  
15 and do? And these are our goals for the next  
16 three years. We've created our organizational  
17 goals from these.

18 But now one of the things I'm going  
19 to be doing is going out to the key leaders of  
20 all of the different stakeholder groups that we  
21 had there and say we've taken this chunk, but  
22 here's what's left. What can you take on?  
23 What are the pieces you feel like you can own?

24 Promote prevention to fight it where

1 it starts. That's pretty clear right there and  
2 can cover a whole lot of groups.

3 Build a community of advocates to  
4 ensure strong social policy and ownership of  
5 the issue. Again, it shouldn't just be me up  
6 at the Statehouse. It should be a number of  
7 folks up at the Statehouse pushing for the  
8 pieces that are important to them. And not  
9 just at the Statehouse, there's a number of  
10 ways to advocate.

11 Keith will recognize this. This is  
12 his. Ensure approach is multi-faceted and  
13 ongoing following the PETER principle,  
14 prevention, education, treatment, enforcement  
15 and research. I will say for the Mass Council,  
16 we added recovery at the end.

17 I am going to skip over all of this,  
18 but data is so important. We did a major Mass  
19 Council survey. Phil Capell ran it. He's in  
20 the back of the room here, our data and  
21 research director. And one of the things we  
22 found out is that there are some interesting  
23 pieces about Massachusetts that we didn't know.  
24 That whole report is online.

1           We did a nice piece at the  
2           Legislature back in September. And we're going  
3           to be doing that again in Worcester and trying  
4           to take that out to some of the communities  
5           that it really impacts, the data really tells  
6           us a story about. So, I'm not going to cover  
7           all of this so that you can hear from Howard.

8           Let me just stop there and just see  
9           if there is maybe a minute or two for  
10          questions. Thank you, very much.

11          MR. SHAFFER: Good morning. I want  
12          to thank Commission Chair Crosby, Commissioner  
13          Zuniga, Cameron, McHugh and Stebbins and Mark  
14          Vander Linden for inviting me here today.

15          This is certainly a very important  
16          day. And because of its importance, because of  
17          the topic, I want to dedicate my comments to  
18          the memory of my friends and colleagues Tom  
19          Cummings and Joanna Franklin who would indeed  
20          be very, very proud that we are talking about  
21          these issues here today.

22          My topic, as you can see, is  
23          responsible gambling from concept to practice.  
24          I am going to take this topic on in a fairly

1 straightforward way. I want to share something  
2 about the concept and something about the  
3 practice or operationalizing the concept. So  
4 that you can have some ideas that probably will  
5 both bother you and help you alike. I'm going  
6 to be very quick so try and keep up with me.  
7 If you can't, I'll holler.

8           Let me begin by doing what we're  
9 required to do at Harvard and tell you these  
10 are the organizations that fund my work. I  
11 don't think I have any conflict of interest.  
12 If anybody thinks that my comments are  
13 conflicted, please let me know.

14           Gambling has a long past but a short  
15 history. My colleague Peter Nathan said this a  
16 number of years ago. Peter is perhaps the  
17 father of alcohol treatment in America who got  
18 very interested gambling. And he wanted to  
19 remind us all that despite the fact that people  
20 have been gambling since the beginning of  
21 recorded history, what we know about gambling,  
22 the science, the history, the recorded history  
23 is actually rather brief and recent. So, the  
24 science is short on issues of responsible

1 gambling.

2           So, my objectives for this morning,  
3 I want to consider as I mentioned the concept  
4 of responsible gambling. I want to discuss the  
5 practice as distinct from the concept and the  
6 strategy of responsible gambling. And I want  
7 to describe some of the values that are  
8 relevant. Because the science is short, the  
9 values become critical. And here we are at the  
10 hub of the universe, so to speak, Boston where  
11 all values seem to have originated.

12           So, if you think about it, science  
13 tells us about what works. Values however  
14 guide us about what to do. Here we stand on  
15 the precipice of a what to do question in the  
16 face of limited science. I had to throw this  
17 in. Art reflects how we do what we do. And it  
18 seems to me that that's the style of life. But  
19 make no mistake about it, the science is short,  
20 the values are long.

21           And you will be forced, as Chairman  
22 Crosby already emphasized, you will be faced  
23 with making decisions because you have to. You  
24 are obligated to. It's a social obligation and

1 you won't have all of the information necessary  
2 to make that decision. I want to talk a little  
3 bit about that today.

4           So, let's start with the concept.  
5 Some ideas have already been put forward. So,  
6 I am going to be moving rapidly through these  
7 ideas. By responsible we mean having the job  
8 or duty of dealing with or taking care of  
9 something or someone.

10           We mean by responsible to be able to  
11 be trusted to do what's right or to do the  
12 things that are expected and required.  
13 Usually, responsibility involves important  
14 duties, decisions that we trust people to do.  
15 So, there are a lot of people trusting us,  
16 trusting the Commission, trusting the state  
17 Legislature to do the right thing about  
18 gambling.

19           And the responsibility of course  
20 applies both to individuals, companies, groups,  
21 and even Commissions. So, we all have a  
22 responsibility with respect to responsible  
23 gambling.

24           Let's take a look at responsible

1 gambling. It was born out of the idea of  
2 responsible drinking programs. That's where  
3 the idea came from. The first responsible  
4 gambling programs were created in Canada and  
5 the Netherlands. They are derived from public  
6 health or corporate social responsibility  
7 perspectives.

8           The focus on population level effort  
9 is primary to responsible gambling programs.  
10 Even though we will occasionally deal with  
11 individuals, the idea of the program is to  
12 affect large groups. And some of those groups  
13 are vulnerable for example underage gamblers,  
14 disordered gamblers, high-risk gamblers and so  
15 forth.

16           So, now let's move from responsible  
17 gambling to responsible gambling programs.  
18 Responsible gambling programs are evidence-  
19 based initiatives designed to prevent the  
20 incidents, the number of new cases, and reduce  
21 the prevalence of gambling related harms. We  
22 tend to think I think disproportionally about  
23 the prevalence of gambling problems. But  
24 actually stopping new cases is a central aspect

1 of responsible gambling programs.

2           These are in fact different contrary  
3 to a couple of comments already this morning,  
4 but I think they are different from treatment  
5 and harm reduction efforts because treatment  
6 and harm reduction efforts focus on gamblers  
7 who already have problems. Responsible  
8 gambling programs really should be focused  
9 primarily on people who don't, but include  
10 components for people who do have these  
11 problems.

12           This is a bit like a cold shower my  
13 next comments. We have to do it, but you may  
14 not like it. That is that a responsible  
15 gambling initiative requires us to distinguish  
16 strategies from tactics. Unfortunately, almost  
17 everyone involved wants to talk about tactics.  
18 The agenda for today is a tactical agenda.  
19 It's not strategic at all. And the strategic  
20 issues determine the tactical issues that  
21 you'll include in your responsible gambling  
22 program.

23           Strategy establishes the goals  
24 against which we evaluate the influence of

1 tactics or practices. It sets up broad strokes  
2 agenda.

3           Once we implement some initiatives,  
4 we have an obligation to determine (1) whether  
5 the elements of our responsible gambling  
6 initiative are being applied. In practice,  
7 it's easy to set a law or regulation, but it's  
8 not so easy to check and see whether people are  
9 doing what they're supposed to do.

10           (2) Science can do this, are they  
11 effective? Does the responsible gaming  
12 components do what they intend to do and do  
13 they have some impact, meaning do they attract  
14 the right people.

15           And finally the program reflects the  
16 values of the community. Responsible gambling  
17 programs ultimately are a reflection of  
18 community values.

19           So, the first task is one of  
20 regulators and policymakers. The second task  
21 is the task of scientists. Dr. Volberg will be  
22 telling you about how the patterns of gambling  
23 changed throughout the state. And the last  
24 task, the task of values is the task of

1 ethicists. And we're going to talk a little  
2 bit more about that.

3           Now the Reno model has already come  
4 up this morning. Marlene introduced the Reno  
5 model. It provides a strategic playing field  
6 for developing responsible gambling  
7 initiatives. And it's intended to stimulate an  
8 enduring dialogue about responsible gambling  
9 concepts and initiatives. It really laid the  
10 playing field out. And Alex Blaszczyński and  
11 Robert Ladouceur were my colleagues on this.  
12 And you are going to hear from Dr. Ladouceur  
13 later today.

14           So, this leads us to the question of  
15 who is responsible for responsible gambling?  
16 It seems to me that there are many people who  
17 are responsible. Consumers, the players,  
18 purveyors, the operators, the government  
19 regulators, healthcare providers and interested  
20 community groups those both on the pro-side and  
21 the anti-side of gambling all have an important  
22 stake in responsible gambling.

23           Ultimately, everyone is responsible  
24 for responsible gambling. And I couldn't help

1 but be reminded of the last speech given by  
2 Senator Hubert Humphrey. He reminded us, and  
3 you've heard this in many different ways. But  
4 these are the words of Hubert Humphrey: "The  
5 moral test of government" -- You can think  
6 about this as the moral test of community or  
7 society. -- "is how the government treats those  
8 who are the dawn of life, the children, those  
9 who are in the twilight of life, the elderly,  
10 those who are in the shadows of life, the sick,  
11 the needy and the handicap."

12           These are all the people for whom  
13 we're going to put together responsible  
14 gambling program. These are the targets, so to  
15 speak, of our interests in terms of gambling  
16 and many other things. These are the people  
17 who are counting on us to be responsible.

18           So, what are the institutional  
19 foundations of responsible gambling? Corporate  
20 social responsibility departments provide the  
21 foundation upon which operators build  
22 responsible gambling programs. So, corporate  
23 social responsibility programs are critical.

24           Public health departments on the

1 other hand provide the foundation upon which  
2 governments create responsible gaming programs.  
3 So, you've heard a lot about public health  
4 approaches already. David Coyne and I were the  
5 first I believe to apply a public-health  
6 approach to gambling. Having done that, we've  
7 now seen those ideas adopted around the world.

8 I'm here to say that that not the  
9 only way to view these kinds of problems. It's  
10 become a very popular way. And I'm a little  
11 bit like Groucho Marx, I don't really want to  
12 be a member of anybody that would have me as  
13 part of the club. So, I'm concerned when I see  
14 everyone beginning to take a singular  
15 perspective about these kinds of matters.

16 I do think a public-health approach  
17 is a very helpful and important to this  
18 discussion. I simply want to remind you it's  
19 not the only way to think about these kinds of  
20 things.

21 So, Harvey Skinner from the  
22 University of Toronto commenting on the public-  
23 health model said that the public-health  
24 perspective is that it applies different lenses

1 for understanding gambling behavior, analyzing  
2 its benefits and costs as well as identifying  
3 strategies for action. This is the driving  
4 force behind the public-health approach.

5 My colleague Jeff Derevensky said  
6 referring to the gambling field, this a field  
7 that is not without controversy. This is a  
8 complicated endeavor and I'm sure that both the  
9 Commissioners in the Legislature and everyone  
10 here already knows that this is a field not  
11 without controversy.

12 Mark Vander Linden said in some  
13 correspondence not so long ago when referring  
14 to responsible gambling, not just the gambling  
15 field, it's complicated endeavor with more  
16 problems than answers. We're in a mine field.

17 So, let's think about who we're  
18 talking about. Let's start with public-health  
19 language to describe gambling problems. Level  
20 zero is the people who don't gamble. Level 1  
21 are the people who gamble with no symptoms.  
22 They don't have any problem. We think of them  
23 as recreational gamblers. Level 2, people who  
24 gamble but have some level of symptomatology

1 but they might not meet diagnostic level.

2           Level 3, people who actually meet  
3 some diagnostic standard. They meet some code.  
4 And level 4, which often gets left out of this  
5 system is the prevalence of people who actually  
6 seek help. And believe it or not, there are  
7 people who will seek help for gambling who  
8 don't meet diagnostic code. Then there will be  
9 many, many people who meet diagnostic code that  
10 won't seek help for gambling.

11           So, let's look at a framework for  
12 public-health action so you can see where you  
13 can apply responsible gambling principles.  
14 There are a range of behaviors. The first are  
15 the non-gamblers, people who don't gamble.

16           Then there are people who gamble  
17 healthy in a recreational way. And then there  
18 are people who gamble in some unhealthy way.  
19 As you can see, this is not the DSM, the  
20 diagnostic manual, because I know DSM there'd  
21 be DSM 6. So, I'm trying to leave it to double  
22 digits.

23           There's always a new diagnostic code  
24 but this is a public-health principle. This is

1 the responsibility we have is to take care of  
2 our people who are healthy and maintain their  
3 health. And for the people who are not, see if  
4 we can help them.

5           They have a range of gambling  
6 problems that range from none to severe. Here  
7 comes the opportunity for responsible gambling  
8 programs and activities. There's a range of  
9 interventions. They range from on the left of  
10 that mark, you can't read it, primary  
11 prevention then secondary prevention, and then  
12 on the right tertiary prevention or treatment.

13           We have an obligation though to  
14 promote health for the healthy gamblers and to  
15 reduce harm for the people that have problems.  
16 Those harms might be minor for the people who  
17 are fundamentally healthy gamblers. And they  
18 might be major for those that are unhealthy  
19 gamblers. So, we think of that as treatment  
20 from brief to intense. But make no mistake  
21 about it, all of these elements provide the  
22 foundation for responsible gambling programs.

23           If we talk about responsible  
24 gambling programs, we have to talk about

1 irresponsible gambling programs, because how do  
2 we know the difference between responsible  
3 gamblers and irresponsible gamblers?

4           And irresponsible gamblers, by the  
5 way, are not always people who are sick.  
6 They're just irresponsible. So, they are  
7 different but their features often overlap with  
8 disordered gamblers.

9           So, synonyms for irresponsible, I  
10 like these, reckless, rash, careless,  
11 thoughtless, foolish, impetuous, impulsive,  
12 delinquent, derelict, negligent, harebrained --  
13 kind of like adolescents. Adolescents is a  
14 time when they're disordered and engage in all  
15 of these kinds of behaviors. But if you think  
16 about it, adolescents aren't necessarily  
17 diagnostically ill in the sense that we think  
18 of mental health problems.

19           For the most part, irresponsible  
20 behavior reflects observer values. Sometimes  
21 by some legal determination, the courts for  
22 example often determine who is responsible and  
23 who is irresponsible and what it might cost  
24 them. Even the DSM reminds us that gambling

1 disorders should be perceived and considered in  
2 a cautionary way. That the diagnosis of  
3 disordered gambling may not be exculpatory  
4 unlike other mental illnesses.

5           So for example, here's our problem.  
6 It's a taxometric problem really. Taxometric  
7 referring to the categories by which we  
8 identify and consider extreme behaviors. Is  
9 the behavior of an ill gambler different than  
10 the behavior of a recreational and healthy  
11 gambler? So far, the science on this suggests  
12 no. The behaviors may be more intense but they  
13 are not different. So, we have all kinds of  
14 illusions of control for example, among  
15 recreational gamblers that are also prevalent  
16 among ill gamblers.

17           So, here's an example of some fellow  
18 that comes in to the emergency room at one of  
19 our great teaching hospitals in Boston. The  
20 nurse says he has pallor, shakes, nausea  
21 fatigue. One of the team says this must be a  
22 flu outbreak. And the nurse correctly says no,  
23 it's Red Sox playoff time.

24           We can't really identify with the

1 precision required what a disordered gambler  
2 is. We simply can't do it. Science isn't  
3 there yet.

4           We can do it on a population level.  
5 We're pretty good at identifying the prevalence  
6 of a disorder. But when you do that you apply  
7 a screen and the screen won't identify the same  
8 people. So, scientists tend to use multiple  
9 screens. The point is at the individual level  
10 we're imprecise. At the group level we have  
11 some level of precision.

12           So, now let's think about the  
13 practice of responsible gambling or the  
14 parameters for safer gambling behavior.  
15 There's little scientific evidence, as I said,  
16 that would specifically direct us to build a  
17 responsible gambling program. There's some,  
18 but it would require a leap, I think.

19           Most responsible gambling efforts  
20 are guided by community, corporate and  
21 individual values. It's values that will drive  
22 Massachusetts responsible gambling programs at  
23 least at the outset. Once we have data, we can  
24 begin to revise.

1           So, the Declaration of Independence  
2 reminds us that we have the unalienable right  
3 to pursue life, liberty and happiness. My old  
4 colleague and friend George McGovern, Senator  
5 George McGovern reminded me in a very poignant  
6 way said two of these will almost always be at  
7 odds with the other. Despite the fact that we  
8 a three-part model for the pursuit of rights,  
9 those who pursue happiness will almost always  
10 be at odds with someone who might pursue life  
11 for example, or personal liberties.

12           And Benjamin Franklin we should  
13 remember said those who would give up essential  
14 liberty to purchase a little temporary safety  
15 deserves neither liberty nor safety.

16           The boundaries of responsible  
17 gambling programs are set by our values. So,  
18 we need to remember Benjamin Franklin as we  
19 move forward because there are efforts that  
20 responsible gambling programs that would have  
21 us remove liberty. The older I get, the more I  
22 agree with Benjamin Franklin. The younger I  
23 was, the less I agreed with Benjamin Franklin.  
24 Especially during my training, I really thought

1 health was more important than liberty. I'm  
2 not so sure anymore.

3           So, if we're going to talk about  
4 values, then I think we need to talk about  
5 values at the highest level. As you begin to  
6 contemplate responsible gambling programs and  
7 their various elements, what are the value  
8 judgments that you need to make, to decide  
9 whether and how you want those tactical  
10 components?

11           My colleague Wes Boyd, a  
12 psychiatrist and ethicist suggests that there  
13 are four basic ethical principles that we need  
14 to consider. We need to consider the  
15 principles of autonomy or free choice,  
16 beneficence to do good, ignoring maleficence to  
17 avoid doing harm, the old medical ethics notion  
18 of do no harm. And justice, we want to be  
19 fair.

20           Here I think I want to suggest to  
21 you this morning again that a little like a  
22 cold shower that these principles ought to be  
23 guiding our strategies and tactics as we build  
24 responsible gambling programs. We need to

1 think about these values as we make choices.

2           So, what are the strategies? I'm  
3 going to go very quickly here and I think I am  
4 on time. What are the strategies of  
5 responsible gambling initiatives? If you look  
6 at the last 10 or 15 years in the United  
7 States, you can see the strategies tend to  
8 target the initiation of gambling, gambling and  
9 gambling related activities, and the  
10 consequences of gambling.

11           And the kinds of programs are things  
12 like awareness, prevention, advertising to deal  
13 with initiation. To deal with gambling  
14 signage, employee training, alcohol service  
15 efforts, credit limitations and loss limits,  
16 and finally the consequences, self-exclusion  
17 programs, helplines and treatment programs. We  
18 have a lot of this already in Massachusetts  
19 through the Mass Council on Compulsive  
20 Gambling.

21           What are the strategies? People  
22 jump to the tactics too fast. From a strategic  
23 level, we want to talk about fairness of the  
24 game, minimum core information for players or

1 potential players, protection of vulnerable  
2 players. These are at a different level of  
3 analysis. This is not what you do. This is  
4 what we're obligated to do in many ways.

5 And there are many of these things  
6 here. I'm going to bore you with all of them,  
7 because there are a number of different ways to  
8 think about strategies.

9 Let's just jump to tactics. My  
10 comments are a bit recursive. If you think  
11 about tactics in the United States, again since  
12 2002 I just took a sample of states and their  
13 responsible gambling activities. These are the  
14 things that the states are doing. You can  
15 notice that not all states do all things.  
16 That's the point. Different states choose  
17 different things because they reflect their  
18 values, not because science told them to or not  
19 to do something.

20 But what you'll notice here and I  
21 apologize for the gobbled slide that most  
22 efforts are being paid to gambling and the  
23 consequences of gambling and only about 13  
24 percent or so are being paid toward initiation.

1 So, prevention is not getting the attention  
2 that treatment and other consequences are.  
3 That's not unusual. That happens in most areas  
4 of health actually.

5 So, the public-health triad provides  
6 you with a different way of thinking about your  
7 strategies and tactics. We might want to  
8 attack the host, the player for example and the  
9 characteristics of risk that they bring to the  
10 problem. We might want to attack the agent,  
11 the gambling delivery technology though there  
12 is really no evidence to support that. You can  
13 also attack the environment or the context  
14 within which people gamble.

15 Our forum today has a number of  
16 topics this afternoon. I would argue that  
17 almost all of these are tactical not strategic.  
18 If you take up your responsible gambling  
19 considerations from a tactical point of view,  
20 you're putting the cart before the horse. You  
21 need to decide first what your values are in  
22 order to establish strategies. And from the  
23 strategies there are many, many, many tactics,  
24 many tactics.

1                   So for example, I was honored to  
2 participate in the CEN workshop which is the  
3 EU's workshop to establish standards for  
4 gambling across the EU. They started with  
5 strategies and had a very interesting way of  
6 doing it.

7                   For example, they said they wanted  
8 to -- I won't bore you with all of these  
9 because these are readily available any you can  
10 get this material. They wanted to protect  
11 vulnerable customers. They had 21 ways of  
12 doing that. They wanted to prevent underage  
13 gambling, 14 ways of doing it. They wanted to  
14 combat fraudulent and criminal behavior, 16  
15 ways of doing it.

16                  They wanted protect customer  
17 privacy, six ways. They wanted to provide  
18 prompt and accurate customer payments, 11 ways.  
19 Fair gambling, 22 ways, responsible marketing,  
20 10 ways, commitment to customer satisfaction  
21 support, seven measures, and safe operating  
22 environment, this was the CEN U.

23                  I'm not suggesting that you do this,  
24 but you can see the strategy of adopting

1 strategies first and then many measures.

2 Chairman Crosby already mentioned  
3 the ALICE RAP policy paper series. This refers  
4 to the EU's Addiction in Lifestyles in  
5 Contemporary Europe, ALICE, Reframing  
6 Addictions Project. They went at this in a  
7 similar way but they came up with different  
8 strategies and tactics.

9 So, let me just share their  
10 strategies. The tactics are in white. The  
11 strategies are in yellow. Their first  
12 strategy, protect consumers. The second,  
13 prevent underage gambling. The third,  
14 establish independent regulatory agencies. The  
15 fourth, guarantee responsible business behavior  
16 of gambling operators. The fifth and final one  
17 provide access to services for treatment.

18 The tactical approaches are  
19 described in the ALICE RAP papers which the  
20 Commissioners have. But I know the rest of you  
21 can simply log on Google and you'll find it.

22 If we think about a tactical  
23 approach exclusion programs not so simple.  
24 This is a very complicated area. Because

1 exclusion involves self-exclusion, which is  
2 where we jump to rapidly and other initiated  
3 exclusion. Real exclusion programs by the way  
4 are simply translated into I'm not going to  
5 gamble. I don't have to up for that. I can  
6 simply decide not to gamble. So, when you  
7 think about the self-exclusion program, there  
8 are all other exclusion programs.

9           So, the purveyors of gambling have  
10 every right to exclude customers for certain  
11 behaviors. So, they can exclude people. That  
12 wouldn't be a self-exclusion program. That  
13 would be an other exclusion program.

14           Then we have voluntary exclusion  
15 programs where people can enroll in self-  
16 exclusion programs. These are like suicide  
17 contracts between psychotherapist and patient.  
18 They are useful for a percentage of the  
19 population. Dr. Ladouceur can talk about that  
20 but they are not legally binding. People don't  
21 always behave in ways that they contractually  
22 agree to. And the contract is not always  
23 binding.

24           So, since I've already suggested

1 that you're a bit ahead of yourself in the  
2 tactical level, let me suggest other activities  
3 that you might consider that aren't on the  
4 agenda today. And I am going to be very brief,  
5 because my goal here is not to suggest I have  
6 something better. That's not my purpose. My  
7 purpose is simply to kind of poke you and say  
8 don't move and commit too quickly for  
9 responsible gambling initiative until you've  
10 considered all of the strategies and all of the  
11 tactics.

12 Steve Jobs said it I think  
13 perfectly. We need to think like a beginner.  
14 We need to think fresh about this to do the  
15 best we can for our citizens and our guests  
16 that come to Massachusetts. For example, we  
17 could match responsible gambling interventions  
18 to gambling setting and player characteristics.  
19 There is no reason to think that responsible  
20 gambling approaches one-size-fits-all.

21 We can engage in SBIRT, screening,  
22 brief intervention, referral to treatment,  
23 which now by the way is paid for by insurance  
24 companies and the government both Medicare and

1 Medicaid pay for this service. It's been  
2 extremely successful with alcohol and drug  
3 problems.

4 We could screen our young people in  
5 our schools, pediatrician offices. We can  
6 screen the elderly. We can screen the broad  
7 majority of adults. We can provide gambling  
8 screening days in Massachusetts. All of these  
9 are responsible gambling initiatives. We have  
10 to think about how we want to do it. So SRIRT  
11 is a possibility.

12 And finally, I want to close by  
13 simply saying that if we don't evaluate what we  
14 do, and I know we intend to evaluate what we're  
15 going to do so, I'm very happy about that, we  
16 can't really determine whether our strategies  
17 or tactics are effective. And whether they  
18 have the impact that is desired.

19 The program evaluation, I won't deal  
20 with every one of these issues, but the program  
21 evaluation steps that I've outlined here are  
22 not nearly as important as the arrow that shows  
23 up on the illustration. The arrow simply  
24 suggests that whatever you do, you need to feed

1 that information back on the research side so  
2 that you can reevaluate your strategies and  
3 tactics.

4           They will work even if they don't  
5 work the first time around. I am very  
6 confident about our ability to intervene and  
7 help people live more healthy lives. But that  
8 doesn't mean that every one of our efforts  
9 works any more than it does when the Red Sox  
10 suggest that buying beer at the end of inning  
11 six or seven is the end of beer in Fenway Park.

12           Anyone who goes to Fenway Park knows  
13 that that policy for responsible drinking leads  
14 to hoarding of beer, spilling of beer and  
15 drinking perhaps more beer than they might have  
16 drank if there had been no policy.

17           So, this is a very tricky area and  
18 one of considerable importance. I think I'm at  
19 time. So, I will stop there and thank you very  
20 much again for having me. I don't know whether  
21 we have time for questions or not. I'll leave  
22 that to you.

23           MR. VANDER LINDEN: Right now we  
24 have some time for a break until about 10:45.

1 (A recess was taken)

2

3 MR. VANDER LINDEN: Good morning.  
4 We're going to go ahead and resume our morning  
5 session. Just as a reminder, the forum is  
6 being streamed right now. It will also be  
7 recorded and available through the Gaming  
8 Commission website, massgaming.com if you would  
9 like to go back and see any of the  
10 presentations that are happening today.

11 We have two other perspectives for  
12 the rest of the morning. We have David  
13 Stewart. David is counsel with the American  
14 Gaming Association. He is with a firm called  
15 Ropes and Gray and has been a partner there  
16 since 1989. I am going to let say David say a  
17 little bit more about himself and the work that  
18 he does with American Gaming Association.

19 Then following David we have Keith  
20 Whyte. Keith is the Executive Director of the  
21 National Council on Problem Gambling. He and I  
22 have worked together for number years. Again,  
23 just in recognition of the short amount of  
24 time, I am being very brief with their

1 introductions, but I certainly do hope that  
2 they have a chance to say who they are and  
3 where they're coming from.

4 In similar format, following their  
5 presentations I open it up for Commissioners to  
6 ask any questions that they may have and if  
7 they have any remarks. If time allows then we  
8 will open it to the rest of audience. With  
9 that, David, thank you.

10 MR. STEWART: Thank you, Mark and  
11 thank you Chairman Crosby and Commissioners for  
12 having this important meeting. It is important  
13 to us in the casino industry. As the Chairman  
14 noted, it was important enough that Mr. Freeman  
15 came up here just to listen. You guys have to  
16 listen today too, but so do we.

17 I have represented gaming clients  
18 since the mid-1980s. And I have worked for the  
19 American Gaming Association as outside counsel  
20 since it began in 1995 and have worked on  
21 responsible gaming issues throughout that  
22 period.

23 I've been asked today to address the  
24 evolution of responsible gambling, addressing

1 very specific topics, the origin of the AGA's  
2 own code of conduct for responsible gambling,  
3 and the industry's perspective on governmental  
4 regulation of responsible gaming. I note that  
5 you've already noted that this is a low-tech  
6 presentation. It's just me.

7           Before getting to those issues  
8 though, I wanted to adopt the mantra that  
9 everybody is so far that there is a foundation  
10 that many of us start with in talking about  
11 responsible gaming. That is the paper that set  
12 out the Reno model in fall 2004 in the Journal  
13 of Gambling studies by Dr. Blaszczynski, Dr.  
14 Shaffer and Dr. Ladouceur.

15           To just quote from that the position  
16 taken there was that any responsible gambling  
17 program rests on two fundamental principles.  
18 One, the ultimate decision to gamble resides  
19 with the individual and represents a choice.  
20 And two, to properly make this decision,  
21 individuals must have the opportunity to be  
22 informed. The paper also then says "within the  
23 context of civil liberties external  
24 organizations cannot remove an individual's

1 right to make that decision."

2           The AGA and its member companies  
3 agree with that position and it is at the  
4 center of our programs as is a commitment to  
5 develop and implement programs guided by peer-  
6 reviewed scientific research. AGA member  
7 companies individually and through the  
8 Association make every effort to provide  
9 individuals with accurate and straightforward  
10 information based on sound science so they can  
11 make up their own minds, make their own choices  
12 as to whether and how much to gamble.

13           We do recognize that there are those  
14 who cannot gamble responsibly. And the  
15 companies are committed to working with medical  
16 healthcare and research professionals to help  
17 those individuals. We understand that having a  
18 gambling disorder is a serious affliction with  
19 real consequences for gamblers and their  
20 families.

21           Responsible gaming, which was  
22 started as a voluntary program of the AGA was  
23 not created as a regulatory compliance program.  
24 It was implemented because it's the right thing

1 to do. We live in these communities where we  
2 operate. People who come in and play there are  
3 our neighbors. We want to treat them fairly.  
4 And we want them to look on our businesses as  
5 fair good places.

6 We cannot control every aspect of  
7 how customers experience our product but we are  
8 committed to providing them a socially  
9 responsible manner.

10 Of course, even before the AGA was  
11 formed in 1995, member companies were working  
12 with treatment providers and problem gambling  
13 counselors to promote responsible gaming. As  
14 part of that effort, in the 1980s and even  
15 earlier, commercial casino companies had  
16 developed programs for employees, patrons and  
17 communities, but as the industry expanded, it  
18 became clear that the issues warranted an  
19 industry wide response.

20 When the AGA was first founded in  
21 1995 its leadership declared the industry's  
22 commitment to develop sound policies for  
23 responsible gaming. And within a year, the  
24 National Center for Responsible Gaming was

1 launched with funds provided by the industry.

2           Our policy has been that although a  
3 small percentage of Americans have gambling  
4 problems and it's been a very stable percentage  
5 over the years quite strikingly so, one problem  
6 gambler is one too many. We try to work very  
7 much in partnership with the efforts of the  
8 treatment community, regulators and  
9 policymakers. We have welcomed their help and  
10 ideas, which have been essential to our  
11 efforts.

12           Our challenge has been to develop  
13 programs that promote responsible gaming while  
14 still allowing the overwhelming majority of men  
15 and women who do not have gambling problems who  
16 gamble responsibly to enjoy the entertainment  
17 they want to enjoy.

18           We think it's very important to keep  
19 in mind that 97 percent of the population  
20 confirmed by a variety of nationwide studies do  
21 not experience this disorder. So, when we  
22 think about changing how we operate, changing  
23 how the games operate to try to deal with the  
24 people who have problems, we are also affecting

1 97 percent of the people as well.

2 Our pre-existing company specific  
3 programs vary based on each company's  
4 experience. We were concerned that there was  
5 some inconsistency across the industry. So, we  
6 set to draw upon that experience to try to get  
7 together best practices of each company for a  
8 standard that could fly industry wide.

9 We set up an industry wide task  
10 force, a responsible gaming task force which  
11 was charged with the responsibility of  
12 developing this program. It included top  
13 executives, people from administration, human  
14 resources, operations, communications and  
15 General Counsel. The lawyers always get in.

16 From outside the industry, we  
17 reached out to professionals from universities,  
18 state problem gambling councils, people with  
19 expertise in dealing with problem and underage  
20 gambling.

21 The first effort we produced was in  
22 1996, a release of the responsible gaming  
23 resource guide. It was the first comprehensive  
24 compilation of responsible gaming practices,

1 procedures and ideas. It was created as a tool  
2 for our members so they could use it when  
3 creating their own programs.

4 It offers step-by-step instructions  
5 for establishing programs, organizing training  
6 programs for supervisors and employees.  
7 Educational materials curricula, employee  
8 assistance programs for those affected by  
9 problem gambling. We know that our own  
10 employees sometimes experience these problems.  
11 People attracted to casinos are sometimes  
12 people who have a real interest in gambling and  
13 that can sometimes can lead them astray. Also  
14 providing educational programs to the wider  
15 community.

16 That same year of course is when the  
17 National Center for Responsible Gambling or  
18 Gaming or NCRG was founded. Then we announced  
19 that we would be making contributions to a  
20 center to fund research and programs, about  
21 gambling disorders, there was some skepticism.  
22 Some notion that how independent could that be?

23 Our response to the skeptics was  
24 simple. Judge us by what we do. The NCRG has

1 been operating for 17 years. It has been the  
2 largest source of private funding for research  
3 on gambling disorders and youth gambling. The  
4 gaming industry's contribution of \$25 million  
5 or so has enabled NCRG funded studies that have  
6 led to the publication of more than 215 peer-  
7 reviewed articles that have been cited by more  
8 than 11,000 times in scientific literature in  
9 leading publications, Harvard Review of  
10 Psychiatry Addiction and so on.

11 The research has been conducted at  
12 our great institutions, Harvard, the University  
13 of Chicago, Yale, Johns Hopkins, Massachusetts  
14 General Hospital and on and on. We continue to  
15 invite the skeptics to judge the NCRG's efforts  
16 based on we have achieved. Because its  
17 research has withstood the test of time.

18 In our earlier studies in 1997, the  
19 NCRG supported an effort by Harvard Medical  
20 School's Dr. Shaffer to conduct a meta-analysis  
21 on prevalence rates of pathological gambling  
22 among adult populations. The findings were  
23 published in 1999. After that the National  
24 Research Council re-analyzed this data to pull

1 out US prevalence rates, and confirm that the  
2 past year prevalence rate for pathological  
3 gambling was 0.9 percent and for problem  
4 gambling was two percent. And that has been  
5 strikingly consistent over the years in other  
6 studies.

7           The NCRG also was a major catalyst  
8 in bringing together treatment providers. For  
9 several years now it has been host to a  
10 national treatment provider workshop series.  
11 In this outreach initiative, mental health and  
12 addiction treatment providers come together.  
13 They can exchange and better understand the  
14 most up-to-date peer-reviewed research on  
15 gambling disorders and then can apply those to  
16 their clinical practices.

17           The workshops are hosted in  
18 partnership with state and regional  
19 organizations. Researchers and clinicians can  
20 gain accreditation from the California  
21 Foundation for the Advancement of Addiction  
22 Professionals, the California Board of  
23 Behavioral Sciences, the NAADAC, association  
24 for addition professionals.

1           The NCRG also operates an annual  
2 conference on gambling and addiction. Brings  
3 together responsible gaming advocates from  
4 across the spectrum of the gaming sector,  
5 operators, regulators, policymakers as well as  
6 researchers. It showcases numerous research  
7 findings. Since 1999 it has grown steadily.  
8 The conference now draws more than 300 people a  
9 year.

10           Perhaps the NCRG's most important  
11 contribution has been according to many of the  
12 scientists that it has legitimized the field of  
13 gambling disorders study. It's broadened its  
14 scope and impact and it has attracted  
15 extraordinary talent. So, we now do get the  
16 top lines in the field promising young talent  
17 from prestigious institutions.

18           Let me turn to the AGA's code of  
19 conduct for responsible gambling. We passed  
20 out some brochures. It's this one, the  
21 fetching teal color. It was another step in  
22 the evolution of our efforts. It again  
23 included a cross-section of people from our  
24 member companies. We consulted widely with

1 people, with the professionals and medical and  
2 treatment people. It was adopted in 2003 and  
3 then adopted by our board of directors in 2004  
4 and implemented.

5           The code of conduct specifies  
6 policies and procedures that we think are  
7 justified by the available scientific research.  
8 It's been in effect for almost a decade now.  
9 It's been a consistent program, which each of  
10 our members agrees to adhere to.

11           Some of the elements of the code of  
12 conduct were already codified in some states.  
13 Many of its elements were not then required by  
14 law and still aren't. But the commercial  
15 casinos and equipment companies voluntarily  
16 agreed to abide by those elements and to  
17 conduct self-audits of their own adherence.

18           Our goal is to have the AGA members  
19 integrate responsible gaming practices into  
20 every aspect of their daily operations with  
21 employees, patrons and the public in mind. The  
22 code addresses everything from employee  
23 training and the prevention of underage  
24 gambling to responsible alcohol service and

1 responsible marketing and advertising.

2 I'd like to talk about some of the  
3 specifics in the code. Just as Dr. Shaffer  
4 framed his presentation in terms of strategy  
5 and tactics, we all view the world from where  
6 we sit. We viewed it as where as an industry  
7 to whom do we owe responsibilities. That I  
8 think accounts for the structure you see here.  
9 We decided to present it as a pledge to our  
10 patrons, to our customers, a pledge to our  
11 employees and a pledge to the public to the  
12 overall community.

13 Starting with the pledge to our  
14 employees, AGA members are required to educate  
15 new employees about responsible gaming. They  
16 routinely train existing employees to improve  
17 their understanding and refresh their  
18 knowledge, so that they know where employees  
19 can get further assistance. They are also  
20 required to post responsible gaming awareness  
21 signage along with toll-free helpline numbers  
22 at places within the building where employees  
23 would congregate.

24 I would note just following up on a

1 point Dr. Shaffer made, that there are 11  
2 states in which our members operate that don't  
3 require any employee training, but we have set  
4 it is a standard for us. We think the employee  
5 training part is important because they are on  
6 the front lines. They interact with patrons on  
7 a daily basis and many are, as I mentioned,  
8 gamblers themselves. They need to understand  
9 these issues and they need to be able to tell a  
10 patron where to get help.

11 Our pledge to the public states that  
12 the companies will support and promote  
13 research-based policies on responsible gaming.  
14 This includes continuing to contribute to the  
15 NCRG, to use the findings of the NCRG funded  
16 peer-reviewed research in developing our own  
17 best practices.

18 The largest part of the code is our  
19 pledge to our patrons. It requires AGA members  
20 to make easily accessible to them both at the  
21 casino and online -- So much of our interaction  
22 with our customers as with every business has  
23 migrated to the Internet. -- information that  
24 they should have including the odds of winning

1 at various games, signs of problem gambling,  
2 where they can find help, whether it's by  
3 hotline or not.

4 We also have brochures for those  
5 purposes in your materials. We have the house  
6 advantage, a guide to understanding the odds.  
7 Taking the mystery out of the machine, a guide  
8 to understanding slot machines. Then the  
9 overall guide to responsible gaming. Our  
10 members keep these materials available on the  
11 floor and employees are trained to provide them  
12 to customers in appropriate settings. And  
13 customers can just take them of course at any  
14 time.

15 We did include in the code of  
16 conduct a provision for creation of a program  
17 for self-exclusion. It's built into your  
18 legislation we know. It allows customers to  
19 place their names on the list of those  
20 prohibited from gambling at a particular  
21 facility or receiving casino privileges. We  
22 broke that down so they can choose not to  
23 receive complimentaries. They can choose to be  
24 excluded from credit, to not receive

1 promotional messages. They used to be by mail,  
2 now they are mostly by email. They can choose  
3 to be denied check cashing, and of course  
4 overall exclusion.

5 We think this more than anything  
6 reflects our commitment to respect the  
7 individual's right to make informed choices.  
8 Seven states don't require self-exclusion, but  
9 our members do.

10 It's a tool that can help those with  
11 gambling disorders take personal  
12 responsibility. It has been proven by research  
13 to have some positive effect. The Division on  
14 Addictions at the Cambridge Health Alliance at  
15 Harvard conducted the first study of the long-  
16 term effects on people enrolled in self-  
17 exclusion programs.

18 They found that while most  
19 participants did not stop gambling permanently,  
20 a significant percentage experienced reduced  
21 gambling problems after enrolling in the  
22 program. In fact, research by the division and  
23 others has indicated that the very act of  
24 signing up for a self-exclusion program can be

1 a powerful tool.

2           Returning to the code, it also  
3 requires companies to make efforts to prevent  
4 underage gambling, to serve alcoholic beverages  
5 responsibly and to advertise responsibly.  
6 Included in the section on advertising is the  
7 provision that company's marketing materials  
8 should include responsible gaming messages with  
9 helpline information. It should not be  
10 targeted toward minors. Finally, every company  
11 commits to conduct an annual audit of its own  
12 compliance with this code.

13           The bulk of the code has not changed  
14 in 10 years. Because it was coming up to its  
15 10th anniversary, we did convene a group to re-  
16 examine it. We updated some of the language.  
17 Living with the code, we had learned that some  
18 phrases could be used better.

19           We also had to make some revisions  
20 to reflect the greater electronic communication  
21 that we have with customers so that the  
22 marketing messages and those issues covered  
23 electronic as well as paper materials. As  
24 the industry continues to evolve, the code will

1 continue to evolve too. We intend to continue  
2 spreading the message that knowing the code has  
3 had a positive impact on responsible gaming.

4 We do a lot to promote the code.  
5 Every summer there is a responsible gaming week  
6 nationwide. Properties will run programs  
7 within -- Member companies will have on their  
8 properties programs to promote it. We do a  
9 great deal of public outreach.

10 Let me also talk about just quickly  
11 about the brochures. I skipped a point, which  
12 I should have made. They are also all  
13 translated. So, they're available not only in  
14 English and Spanish, but also French, Chinese,  
15 Korean and Vietnamese.

16 In addition to the publications, we  
17 did produce and release a video titled What Are  
18 The Odds. The NCRG produced another titled  
19 What is a Gambling Disorder. Those are  
20 available online and through our website. All  
21 of our materials are available on our website.

22 Our membership is not the entire  
23 industry. There are many companies that don't  
24 belong to the American Gaming Association, but

1 we still make our materials available. They  
2 are free to copy them and use them as they see  
3 fit. We don't know to the extent that they do  
4 or not. We were struck to discover that the  
5 Canadian Gaming Association seems to have used  
6 a lot of our materials and that's fine.

7 Let me then turn to the final topic  
8 I have, which is the industry's perspective on  
9 regulation of responsible gaming. We tried to  
10 take a measured approach. We focused on  
11 education rather than direct intervention. Dr.  
12 Shaffer talked a bit about the issues of  
13 liberty.

14 We think the decision to gamble is a  
15 personal choice. And it requires that the  
16 individual exercises discipline and individual  
17 responsibility. As I said, the vast majority  
18 of people, 97 percent the studies tell us, can  
19 gamble responsibly. And we want to be sure we  
20 deliver a quality product to those people that  
21 we show them a good time. At the same time,  
22 making sure to the extent we can that people  
23 who cannot gamble responsibly can find the help  
24 that they need.

1           We think regulations should follow  
2 that same approach. We want to provide  
3 customers with the tools that empower them to  
4 make the right decisions for them. And when  
5 you consider future regulations, we would  
6 encourage you to take a look at our website.  
7 We do have a handbook on the website. It's  
8 called Responsible Gaming Statutes and  
9 Regulations.

10           There's a sheet that looks very much  
11 like what Dr. Shaffer put up on his screen  
12 showing all of the different states and their  
13 different programs. I think you may be struck  
14 by the very different approaches different  
15 states have taken. There are some common  
16 ground and important common ground. Minimum  
17 age requirement of 21 to gamble, regulations  
18 for alcohol service, problem gambling treatment  
19 funding, employee training although not a  
20 universal requirement, self-exclusion programs  
21 although not a universal requirement and  
22 requirements for signage and advertising.

23           Many of the newer commercial casino  
24 states, Kansas and Pennsylvania, now require

1 operators for when they apply for a license to  
2 submit a responsible gaming plan.

3 I hope my comments illustrate the  
4 seriousness with which we've tried to approach  
5 this problem. And I hope you will experience  
6 as you work on this problem how closely we wish  
7 to work with regulators in this area. We will  
8 always encourage you to pay particular  
9 attention to the peer-reviewed scientific  
10 studies and evidence and to be a bit weary of  
11 conventional wisdom about the gaming industry.

12 Conventional wisdom it turns out in  
13 this industry is not always true. The things  
14 that make sense when you first think about them  
15 don't always. Conventional wisdom suggests  
16 each time you play a slot machine your chances  
17 of winning get better. Putting all that money  
18 in it must mean that you're going to get paid  
19 off soon. Not true. Your odds of winning  
20 every time you play are exactly the same. We  
21 tell our patrons that.

22 Another example is that even though  
23 there's been a dramatic expansion of gambling  
24 -- When I first started working as a lawyer for

1 the industry, there were casinos in two states  
2 and a couple of small facilities in Puerto  
3 Rico. That was it. Now it's in counting  
4 tribal casinos in 38 states. It's been an  
5 explosion. There are over 900,000 slot  
6 machines in this country.

7 But with that remarkable expansion  
8 pathological and problem gambling prevalence  
9 rate has stayed steady. That's pretty  
10 interesting. It's a little counterintuitive  
11 but there it is. That's what the science tells  
12 us. That reinforces our hope, our belief that  
13 what we are doing makes sense.

14 That it allows us to deliver the  
15 kind of product we want to deliver to our  
16 customers and that we are not making things  
17 worse. We have experienced that in many states  
18 with strong and prudent regulations, we  
19 encourage other states to look at those  
20 programs before deciding to add a new  
21 requirement, one that is untested. One that  
22 maybe seems intuitively like it would be great.  
23 There is often a temptation among the states to  
24 do the other state one better. We're smarter

1 than they are. We're bolder. We're braver.

2 But that's not always going to turn  
3 out to be true. And I think it's useful for  
4 all of us to be a little bit humble about what  
5 we try to do and to respect the hard work that  
6 other people have done in trying to figure out  
7 how to discharge their responsibilities.

8 Thank you very much for your time  
9 and I wish you great good fortune in your  
10 efforts.

11 MR. WHYTE: Good morning. My name  
12 is Keith Whyte, I am the executive director of  
13 the National Council on Problem Gambling. I  
14 feel like it's a great honor to speak right  
15 before lunch. Everybody is ready to go by this  
16 point, but I will try to keep my remarks brief  
17 and keep us on schedule.

18 Again, I have to thank the  
19 Commission. I think every time I meet with the  
20 Commissioners and now I have finally met all  
21 five of you, I keep bringing these sort of warm  
22 words of welcome from Washington, DC. You guys  
23 are doing such a great job. We loved your  
24 approach and all that. It really sounds like

1 flattery, but it's nice when it's true as well.

2 That doesn't always happen in DC.

3 But it is true. I think this is a very  
4 thoughtful, deliberative process. We've been  
5 happy be a part of it, certainly our chapter,  
6 the Massachusetts Council has been a huge part  
7 of this. Again, it would have been nice to  
8 have said, well, you're doing the same thing  
9 we've done over and over for the last 18 years.  
10 Nothing new under the sun, da, da, da.

11 If every state that had been  
12 considered expanded gambling had done this sort  
13 of process I think we would be in a much  
14 different place nationally than we are now.

15 With that, I would just like to tell  
16 you a little bit about the National Council on  
17 Problem Gambling. We've got a robust body of  
18 folks here. And I'm almost embarrassed to say  
19 that I've only been doing this for 18 years.  
20 When you really think about the folks on this  
21 panel, I'm actually still probably a junior  
22 member of this fraternity. Only 18 years of  
23 experience in gambling issues, the National  
24 Council has been around since 1972.

1           So, we represent I think, and people  
2 like Dr. Volberg represent four decades, more  
3 than four decades of experience on problem  
4 gambling and responsible gaming. And I think  
5 there is a lot that we can learn from this. We  
6 are the aggregate for programs and services to  
7 assist problem gamblers and their families.

8           It's a long way of saying that I  
9 think we are the group that brings together all  
10 of the stakeholders, regulators, legislators,  
11 the public, obviously operators and people with  
12 gambling problems. We want to be the hub of  
13 that wheel because we are neutral on legalized  
14 gambling. And we don't really have a stake in  
15 this. Our stake is to make sure again that we  
16 advocate for programs and services for  
17 gamblers.

18           As Marlene said earlier, language is  
19 important. In talking with the Commission and  
20 in looking at this, I think yes, there is a  
21 broad public health approach to gambling that  
22 we all of embrace I think we all internalize.  
23 But I understood that our point here today was  
24 to really focus on responsible gaming which in

1 my mind under the traditional framework means  
2 what the operators can to do.

3 So, I think we are referring to  
4 responsible gaming in two different ways. In  
5 the statute, responsible gaming is the role of  
6 the Massachusetts Gaming Commission to make  
7 sure that gambling is provided responsibly.  
8 But who does the responsible gaming? Again,  
9 that's the operators. And I think Howard's  
10 talk was very important but I believe our focus  
11 here today is to focus on what is it that  
12 operators could and should be doing to provide  
13 their gambling responsibly.

14 What is Commission -- Looking at it  
15 the other way, what is the role of the  
16 Commission making sure that the operators are  
17 providing that those they offer they make  
18 responsibly. I think that's going to be the  
19 focus of later on this afternoon. So, language  
20 is important.

21 I think what we're talking about  
22 here today is not the entire public-health  
23 approach in the entire state of Massachusetts  
24 although that's part of this. I think what

1 we're really focusing on is what is it that  
2 operators need to do? What is it that the  
3 Commission wants the operators to do? What is  
4 it that the advocates need the operators to do?

5           And clearly that intersects with  
6 prevention, treatment, education, enforcement  
7 and research. It intersects with all of the  
8 aspects of this.

9           What I'd like to talk about is again  
10 the plain language definition. Everybody has a  
11 little bit different definition. As Marlene  
12 said, language is important. This is what  
13 we've operationalized. It's the obligation of  
14 operators to minimize individual and community  
15 harm through a formal internal program of  
16 responsible gaming and support for external  
17 services. I'll come back to this.

18           I make a distinction for a number of  
19 reasons including the fact that I was the  
20 director of research for the AGA. I made a  
21 distinction responsible gaming which is  
22 primarily what an operator does. They provide  
23 gambling in a responsible manner. I make a  
24 distinction between that and problem gambling,

1 which is the more health based services that  
2 folks like the Council does, the Department of  
3 Public Health and others.

4 I think in some ways of course these  
5 two things are together. In fact, I would say  
6 you can't have adequate or effective  
7 responsible gaming without having good health  
8 services and vice versa. These two different  
9 things must be integrated. But the industry  
10 has very little role in treatment or  
11 prevention.

12 And many of these public health  
13 things that Howard and others have talked about  
14 that is an important part of their framework  
15 but that is not what the lottery or the tracks  
16 or the charitables or the casinos are supposed  
17 to be doing. That is not where they need to be  
18 involved.

19 Some of the elements of their  
20 responsible gaming programs do affect those  
21 areas. Some of those things do intersect.  
22 When we talk about broad-based consumer  
23 education of course you're messaging the people  
24 that are not just your customers but the

1 potential customers. Your messages reach other  
2 people.

3           So, I think when we talk about  
4 responsible gaming it's primarily the onus on  
5 the industry. What is it that they're supposed  
6 to be doing?

7           So, I think Dave brought up a very  
8 great point. When we started with the  
9 responsible gaming back in '95 and '96, the  
10 gaming resource guide, one of the primary areas  
11 was underage. That was a really, really  
12 important focus. I think we've lost a little  
13 bit of that. I think we've gone onto things  
14 like behavioral data tracking and all of this  
15 stuff that we talked about on the panel.

16           And we sort of lost a little bit  
17 that focus because gambling is a regulated  
18 industry. Why is this essential, ethical and  
19 economical reasons. I love the phraseology of  
20 essential, ethical and economic. It's kind of  
21 taken from Jane Jones, she has a version of  
22 this, gambling is held to a higher standard as  
23 a regulated industry. We hear this a lot. We  
24 have to do so much more. It's because it's a

1 regulated industry that's one of the reasons  
2 gambling is held and has always been held to a  
3 higher standard.

4 Responsible gaming is good customer  
5 service. A lot of this, as David said, is  
6 almost indistinguishable from things like  
7 proper alcohol service. If you have a customer  
8 in distress on the floor, you need to address  
9 that customer. You may not know and it may not  
10 even matter why they are having a problem.

11 You just know it's good customer  
12 service. You need to address that there is  
13 someone in distress on your floor and you need  
14 to take some appropriate steps to deal with it.  
15 It's not necessarily gambling related. It's  
16 not necessarily alcohol service related. It's  
17 just good customer service. This is the way  
18 all businesses have to operate.

19 We know and as has been mentioned  
20 obviously responsible gaming is important for  
21 the industry because it's knowing that even if  
22 their employees only met the rate of gambling  
23 problems in the general population that would  
24 still be a significant number. But we believe

1 the rate of gambling problems among gaming  
2 industry employees is actually higher. There's  
3 a cause and effect there.

4           It builds public support and I think  
5 that's important. I don't say you should do  
6 responsible gaming because it should build  
7 public support. That's not my problem. But I  
8 think it is important for the Commission and  
9 for industry to do that. There's a real  
10 imperative here.

11           As David said, it's important to  
12 note most of these efforts start out as  
13 voluntary efforts. This is not regulated. And  
14 as we'll talk about many states, it's very  
15 inconsistent. You are not required to do some  
16 of this, but I think there are a lot of good  
17 reasons why it's in the industry's best  
18 interest to do so. Mitigates individual and  
19 community harms. I think that's a basic one.

20           And here's the part that is an  
21 attestable assumption but I think the research  
22 will show this. And I think it already has.  
23 Responsible gaming is important if for no other  
24 reason than again, as Mark said earlier, you

1 cannot maximize public benefit without  
2 minimizing some of these costs. We know from  
3 all of our experience in substance abuse, for  
4 example, that people with gambling problems  
5 have high social costs.

6           And that these social costs are  
7 borne by those exact same governments that are  
8 trying to maximize the revenue. Even if the  
9 cost were one-to-one, it would still make  
10 ethical sense to do responsible gaming even if  
11 every dollar that a problem gambler abused was  
12 matched by just one dollar in gaming revenue,  
13 it's just ethically you would say I still want  
14 to help some of these people who have problems.

15           We suspect, and we suspect quite  
16 strongly and I'm sure we'll be able to prove  
17 this that problem gamblers have costed a great  
18 deal.

19           I would say that by minimizing the  
20 social cost of gambling addiction, especially  
21 criminal justice and health care costs, you are  
22 reducing costs borne by the state government.  
23 Oregon, Jeff may be able to talk about this  
24 later, Oregon has done some good cost-benefit

1 stuff, Iowa, Nevada. States that have had good  
2 evaluation programs are starting to show that  
3 these folks are heavy users of the healthcare  
4 system. And the other services of the  
5 healthcare system, you recall slides on  
6 comorbidity. These are folks that are in the  
7 system that gambling maybe exacerbating their  
8 existing problems and costing the state health  
9 agencies a ton of money. That's the economic  
10 approach. I think there's some real good  
11 reasons out to do this.

12 So where we are in the state of the  
13 art, Mark asked me to talk a little bit about  
14 why we think this initiative in Massachusetts  
15 is so important. The reason it's so important  
16 is right now the responsible gaming is  
17 inconsistent, incoherent and I might even say  
18 incontinent. It is a burden on everybody. It  
19 is not just a problem for the industry,  
20 although again having to do some of these  
21 things in a different in means in every certain  
22 jurisdiction is real pain. It's a problem for  
23 consumers.

24 When the rules change not just when

1 we go from state to state but from industry to  
2 industry, many consumers don't really make the  
3 distinctions as we do, oh, I'm in a racino now.  
4 That's means the minimum age has changed. Wait  
5 a minute, this is run by a lottery, so that  
6 means I'm actually playing a video lottery  
7 terminal. This stuff is opaque to consumers.

8 But the rules change and often quite  
9 a lot between. So, for example one of the  
10 things that we've worried about from 1996 is  
11 we've got different minimum ages for every  
12 different legal form of gambling in general.  
13 They're starting to harmonize a little bit, but  
14 really is it 18, is it 21? You can have  
15 facilities that are next to each other, one  
16 that may be a racino and one that may be a  
17 casino with almost the same game and different  
18 minimum ages.

19 I think that's a real problem when  
20 we talk about why this initiative in  
21 Massachusetts is important, starting to work  
22 towards some more national models, some more  
23 national standards to think through some of  
24 this is important.

1           The North American Association of  
2 State Registered Lotteries recently did an  
3 audit, if you will, of responsible gaming of  
4 their member lotteries. Of the 42 lotteries  
5 that responded, they listed 33 different  
6 problem gambling helplines. In no rational  
7 world do you have 33 different helplines.  
8 That's like back in the old days, if you had to  
9 have a different 911 for every single state.

10           We figured it out for the public  
11 health side, if you need help, you dial 911.  
12 You don't care where you are. You don't care  
13 if it's regulated by the racing commission or  
14 the lottery commission. We literally have  
15 states with different helplines for different  
16 industry segments much less in different  
17 jurisdictions. So, there's a lot we can do  
18 again to show folks that this works and start  
19 to harmonize this a little bit.

20           We talked about self-exclusion. I  
21 think it's striking when you look at the AGA  
22 responsible gaming statute which is a great  
23 publication, self-exclusion is the second most  
24 endorsed responsible gaming measure across all

1 of the commercial casino jurisdictions. I  
2 think there is way too much reliance on self-  
3 exclusion. I think as Howard said, this after  
4 someone has initiated gambling usually. It's  
5 after someone has not only initiated gambling,  
6 but has a problem. And has enough of a problem  
7 where they're going to go to exclude  
8 themselves. You want to talk about the cart  
9 before the horse. Placing primary reliance of  
10 self-exclusion as a responsible gaming strategy  
11 is really admitting failure.

12 Self-exclusion itself, I think, the  
13 way it's evolved has placed a little bit too  
14 much of a burden on the individual. It must be  
15 primarily the burden of the individual.  
16 There's got to be some tripods of  
17 responsibility there among the regulator and  
18 the operator.

19 When we talked about where  
20 Massachusetts is going to lead the rest of the  
21 field in terms of a model, again, taking this  
22 public-health approach and operationalizing it,  
23 a couple people have referenced PETER, which  
24 we've added some R's to. So, you'll see

1 prevention, education, treatment, enforcement,  
2 research, responsible gaming and recovery.  
3 Those are the last three R's. As this evolves  
4 we have added to it.

5           It's important to note that again,  
6 using a lot of Venn diagrams today, these do  
7 all intersect. I think responsible gaming is  
8 an aspect of an overall comprehensive informed  
9 player choice public-health approach. That's  
10 worthy in and of itself. Talking about, again,  
11 how does the industry offer its products? How  
12 do the regulators control is authentic? And  
13 how do the consumers respond to what is being  
14 offered?

15           I think that's the heart of some of  
16 this stuff. You need to have -- Again, if one  
17 of your responsible gaming tactics, if you  
18 will, is to promote a helpline number, you  
19 have got to have somebody on the other end of  
20 that helpline to answer it and refer treatment.

21           Of course, an element of responsible  
22 gaming is having services to underlie these  
23 programs. Of course, you can't have effective  
24 responsible gaming if you're not doing

1 prevention. Because if you have people that  
2 are walking into your facility with absolutely  
3 no idea about the odds and randomness. From a  
4 young age, they haven't learned the gambling  
5 and adult activity, all of the things we know  
6 and that we teach kids about alcohol for  
7 example, if you will. If we are not doing that  
8 with gambling, then your responsible gaming  
9 efforts are not going to be effective because they  
10 can't be effective.

11 In no other field do we do basically  
12 prevention, primary prevention, all of our  
13 prevention at point of consumption at point of  
14 sale. It would be like saying that when you're  
15 of age to drink and you walk into a bar that's  
16 when we're going to tell you about responsible  
17 drinking. That's when we're going to tell you  
18 not to drive drunk.

19 No, we reinforce the message at  
20 point-of-sale. But that message starts so much  
21 earlier. Again, these elements do intersect  
22 and reinforce each other. Treatment, you can't  
23 have good responsible gaming like in let's say  
24 a state that rhymes with excess, in Texas. We

1 get over 1000 calls a month to our national  
2 helpline. There's not a single cent of public  
3 funding for problem gambling treatment services  
4 in Texas.

5           So, when the lottery advertises our  
6 helpline, they are doing so knowing the people  
7 that call that line will not be able to get  
8 help. That is not responsible gaming. Yes,  
9 they've got a helpline number listed. Yay,  
10 they've done the right thing. They checked off  
11 the box in terms of their standards, but there  
12 is no services underlying that.

13           Again, I think it's the same  
14 approach. The services, you need to have it  
15 the other way too with a good public-health  
16 approach that informs how people gamble  
17 responsibly. And the responsible gaming  
18 informs people how they can get help if they  
19 need it.

20           I won't belabor the point except to  
21 say that we haven't really sussed out this  
22 model yet. And I think that is what we are  
23 here to talk about today. The panel after the  
24 break is going to talk about some very specific

1 elements of what operators may be able to do  
2 that would help move responsible gaming  
3 forward. Because there hasn't a lot of  
4 innovation in this field.

5 I think the other thing that is  
6 implicit in this is that most jurisdictions  
7 don't even have a comprehensive plan on  
8 gambling. If you think about that, I'm not  
9 aware of any United States jurisdiction, even  
10 Nevada, that has a comprehensive sort of  
11 industrial plan for how we're going to manage  
12 all of the forms of gambling in our state.

13 Massachusetts very well maybe the  
14 first. That says a lot, because the industry  
15 is silent. Racing is different than lottery,  
16 but that's all convergent. Technology is going  
17 to change all of that. Policy should change  
18 all that. We don't treat gin and beer  
19 separately from a regulatory policy approach.  
20 We have gone to a unitary alcohol policy. And  
21 we need to do the same as much as we can within  
22 gambling.

23 Several states do have problem  
24 gambling plans. We've got some good sets of

1 plans. Jeff's done one in Oregon, Iowa Mark.  
2 So, I think there's really good -- there's some  
3 good models out there but none of those plans  
4 that I'm aware of have been fully integrated  
5 within a statewide responsible gaming  
6 framework.

7 So, we talked about the public-  
8 health side. And we've talked a little bit  
9 about what the lottery might do in Oregon, here  
10 and what the casinos might do in Iowa. I think  
11 we haven't fully fleshed it out yet. And I  
12 think we'll have a real opportunity.

13 As David said, the AGA at least  
14 their member companies do an internal audit.  
15 That's good, but it's not enough. We've got to  
16 move to some external auditing validation  
17 certification accreditation. Canada has moved  
18 there. I think the process in Ontario is very  
19 helpful. We certainly have some efforts in  
20 Europe and other places.

21 It's simple to say that it's always  
22 important to have someone take an external look  
23 at this stuff. That could well be and that  
24 should be I think in some cases a condition of

1 a renewal of licensure. It might be through  
2 the Commission. It might be through a body  
3 like the National Council. There's lots of  
4 ways to do this stuff.

5           Because it's important to note that  
6 for example, that the World Lottery Association  
7 has and has had for a number of years a  
8 responsible gaming framework. And there's  
9 levels from one to four. There's some  
10 historical reasons why not all the US lotteries  
11 are members of WLA. But in that time, only six  
12 have gone through a process of external  
13 certification and evaluation, six out of 46.  
14 We're lagging far behind when it comes to  
15 talking the talk and then walking the walk.  
16 And I think that assurance that someone outside  
17 of your group has done that is important.

18           Why a national framework? Why a  
19 national responsible gaming framework?  
20 Massachusetts has an opportunity to help set  
21 the standard certainly. And I think it's going  
22 to be beneficial for the industry, because they  
23 have to comply. If you think about a  
24 multinational company, or a multijurisdictional

1 company, they've got to comply with a different  
2 set of standards in every single jurisdiction  
3 they operate.

4 I know operators that have to print  
5 their brochure with different helplines for  
6 every different state. There's one national  
7 helpline that covers all jurisdictions that  
8 they could use. But some states require that  
9 you use their state helpline, notwithstanding  
10 the fact that you walk across state borders and  
11 that helpline doesn't work anymore.

12 The last thing you want someone that  
13 has a gambling problem to do is call a state  
14 helpline and be told well, you crossed from  
15 Missouri to Kansas. You're still in Kansas  
16 City, but you're just on a different side of  
17 the state line and therefore you get a message  
18 saying please hang up. That is not what you  
19 want somebody with a gambling problem possibly  
20 suicidal to hear ever. And it's inconvenient  
21 for the industry. It's inconvenient for  
22 consumers. It makes everything harder.

23 Obviously, as I said earlier, it  
24 would help consumers to have one more common

1 set of standards that applied across  
2 jurisdictions, across segments, industry  
3 segments within a jurisdiction, especially  
4 these days as technology blurs these lines.  
5 Marlene referenced the Internet a little bit  
6 and we're doing a lot of work on social  
7 gambling. But we need to start thinking about  
8 harmonizing our gambling policy and going from  
9 the top down rather than the bottom up.

10 I think that's the opportunity  
11 either with this informed choice model, with  
12 the research agenda, with the eyes of the world  
13 on Massachusetts that's what we have. Because  
14 there are really no losers in developing some  
15 more consistent, coherent national models on  
16 this. Everybody wins. All of the stakeholders  
17 benefit by these sorts of conversations.

18 With that, I think we are at time.  
19 Again, thanks to the Commission for having us  
20 up here and engaging in this important  
21 conversation. Thank you.

22 MR. VANDER LINDEN: We have just a  
23 couple of minutes left before we will break for  
24 lunch. I guess I would open it up to our

1 Commissioners for any comments or questions  
2 that they may have from the folks who have  
3 already spoken today.

4 CHAIRMAN CROSBY: I have one Mark.  
5 Howard Shaffer said that he felt that the focus  
6 today was really almost all tactical and didn't  
7 really have a strategic focus. And we really  
8 needed to have a strategic focus first. Keith  
9 just talked about responsible gaming being a  
10 focus -- this event being a focus on what we  
11 want from operators rather than in general.

12 Could you clarify where you're  
13 coming from on those two points? What is your  
14 sort of macro view of what we're doing, what  
15 we're trying to take away on those two issues  
16 in particular.

17 MR. VANDER LINDEN: I think we are  
18 trying to pull out what some of our values are  
19 on this. That we aren't just accepting one  
20 specific model that has some solid backing to  
21 it.

22 When I spoke this morning, I said it  
23 really is important for us to know what we need  
24 for Massachusetts, what we need as regulators

1 moving forward. And I think that that to some  
2 degree is trying to pull out what our values  
3 are and being able to define this.

4 I think Keith said that we need to  
5 move towards a national type of framework.  
6 What was the second part of your question?

7 CHAIRMAN CROSBY: He interprets  
8 responsible gaming as meaning what can the  
9 operator do. And he thought that was  
10 principally what we were focused on here today  
11 was what can the operator do, which would ipso  
12 facto sort of be a tactical focus as opposed to  
13 a higher-end strategic focus. Is that the way  
14 you're interpreting this as well?

15 MR. VANDER LINDEN: Actually, I  
16 think that it's both. I want to be co-  
17 innovators with the gaming industry and with  
18 our operators. I think that there's a lot of  
19 lessons, a lot of information that they have  
20 that is essential here. I think that us as  
21 regulators on the other side have absolutely an  
22 obligation to be thinking strategically about  
23 what our needs are and how we can best  
24 represent our constituents and our stakeholders

1 throughout the state.

2 CHAIRMAN CROSBY: So, it's both.

3 MR. VANDER LINDEN: I would say  
4 absolutely it's both. The idea behind a  
5 framework is that it really is both. We want  
6 to be able to define where we stand on these  
7 issues, but we also want to be fluid enough and  
8 reflective enough through evaluation, through  
9 process that we're paying attention to the  
10 information that is coming to us from all sides  
11 of this, which I think that's kind of a  
12 beautiful thing, if you will.

13 That we are interested in listening  
14 to stakeholders from all areas. And I think  
15 that's reflected a little bit today. We have a  
16 very broad range of perspectives that are  
17 coming to the stage today. And we need to hear  
18 those.

19 CHAIRMAN CROSBY: Right. That's my  
20 perception too. I think by framework, by  
21 talking about structuring a framework, you are  
22 inherently talking about first a broad  
23 strategic approach and then eventually settling  
24 on what are the proper tactics to accomplish

1 those strategic objectives.

2 But I do think that Howard's point  
3 is worth remembering when you structure your  
4 white paper. We are spending a lot of time  
5 this afternoon talking about a series of  
6 individual tactics.

7 And his mission was to talk concept  
8 to practice. So, he was there for the purpose  
9 of helping us frame the larger picture. But as  
10 you write you white paper at the end of this,  
11 as you structure your framework, remembering to  
12 have it flow down from strategy to tactics as  
13 well as the variety of constituent groups who  
14 have duties within those strategies and  
15 tactics. I think that's a good structure to  
16 keep in mind.

17 MR. VANDER LINDEN: I think so too.  
18 I thought it was really helpful.

19 COMMISSIONER MCHUGH: I just wanted  
20 to follow up and maybe piggyback off of that  
21 little dialogue you just had, and ask about how  
22 we go about identifying the strategic  
23 objectives. Others have identified them in  
24 other places. But the last three speakers we

1 heard had, it seems to me, a slightly different  
2 if not more than slightly different strategic  
3 approach to this problem, primarily, in the  
4 points that they emphasized, the points of  
5 departure, if you will that they emphasized.

6 So, I wonder what your vision is for  
7 how we identify the strategic objectives that  
8 we're going to settle on, and then fill out the  
9 tactics to execute them.

10 MR. VANDER LINDEN: I think one,  
11 what we learned today will help at least  
12 provide some type of mold or some meat to the  
13 bones. I think the bones themselves, the  
14 statute, they give us some direction in which  
15 to head. Third, I don't think that it settles  
16 on today as the defining day for the strategy,  
17 neither for the strategy or for the tactics.

18 I see the work moving forward is  
19 that this is really helpful. This brings in a  
20 lot of information from different perspectives.  
21 We as a Commission need to decide where we lie  
22 with that strategy, what resonates with what we  
23 know about the statute, what resonates with  
24 what we know about our process and values as a

1 Commission.

2           COMMISSIONER MCHUGH: I agree with  
3 that, but my own thinking is evolving. I guess  
4 I started from an operator based kind of focus.  
5 I've heard a lot today and since we've been  
6 doing this about the need for freedom of choice  
7 and how you allow the freedom of choice to  
8 operate at its maximum level but at the same  
9 time having programs that intersect at the  
10 point where that level becomes dangerous. So,  
11 those are two different kinds of strategic  
12 approaches it seems to me.

13           So, I guess I'm struggling with what  
14 the next step is and how to reconcile them  
15 apart from just doing more listening and more  
16 reading. And then coming up with a set of  
17 values.

18           CHAIRMAN CROSBY: I do think that we  
19 have apropos of this, we are particularly  
20 looking for guidance as to what we need to put  
21 in our regs. relative to what the operators can  
22 do when they get their licenses and how we can  
23 be ready to support that and enforce that and  
24 so forth. And that's very time sensitive (A).

1 So, I do think there is a particular focus on  
2 that.

3 (B) We've also talked about having  
4 another such forum rather soon and maybe in  
5 collaboration DPH who is the primary program  
6 provider and the Mass Council maybe to talk  
7 more about that aspect, the actual in the field  
8 treatment, etc. kind of stuff. So, I think we  
9 are sort of implicitly looking -- I think the  
10 emphasis for us in our learning curve is how do  
11 you smartly set values, standards and regulate  
12 the industry and the operators? So, at least  
13 as a matter of priority I think that's there.

14 COMMISSIONER MCHUGH: I understand  
15 that. And I understand the need to move  
16 quickly to the regulatory mode. But the  
17 regulations are the paradigm of tactics. What  
18 I am hearing today is really important. We  
19 need to figure out what kind of strategies  
20 those tactic are designed to support. So,  
21 that's where I'm having difficulty.

22 CHAIRMAN CROSBY: Right.

23 MR. VANDER LINDEN: Commissioner,  
24 are you feeling like the strategy, we're a long

1 ways from having a strategy? And that there is  
2 some concern about being able to get our  
3 regulations in that time-sensitive manner?

4 COMMISSIONER MCHUGH: I'm not  
5 feeling that we're necessarily a long way from  
6 getting them. It's just something that I  
7 personally haven't considered deeply before.  
8 I've been enmeshed in tactics. I've thought  
9 about tactics. A lot of the very thoughtful  
10 people who have we reached out to have talked  
11 about tactical things. What to do with the  
12 slot machine, put speed bumps in there so  
13 people don't go into the zone and that kind of  
14 thing. We'll hear more about that this  
15 afternoon.

16 But how strategically are we going  
17 to position ourselves? I am sure there's a lot  
18 that we can take advantage of from work that  
19 has been done elsewhere. The kinds of lists  
20 that were produced, the kinds of things that  
21 the AGA has already done. I personally haven't  
22 focused on that a lot. Maybe that's the answer  
23 that I should just focus on that.

24 COMMISSIONER CAMERON: Mark, the one

1 piece we haven't heard, and I know we will is  
2 in order to make decisions about obviously you  
3 need an initial strategy, but that could change  
4 as well as the tactics after you are able to  
5 measure the results. Is what you are doing  
6 effective? And that's a piece that's missing  
7 in so many programs, the ability to measure if  
8 what you're doing is effective. I just haven't  
9 heard about that yet. And as I did this  
10 reading, it struck me. This is good but how do  
11 we measure? How do we know it's effective?

12 MR. VANDER LINDEN: Exactly. We'll  
13 have Dr. Volberg talking this afternoon as one  
14 piece of the puzzle for this afternoon, to talk  
15 about the importance of that evaluation. Dr.  
16 Shaffer spoke to that piece as well.

17 I just want to say in some ways I  
18 think we are further along. The Commission in  
19 its early stages as the statute was written, as  
20 this Commission was formed, are further along  
21 than many places.

22 The values and understanding of  
23 where we need to go based on the explicit  
24 language of the statute, I think all of that is

1 a fantastic foundation to help define what our  
2 values are, where our strategy needs to settle.  
3 And then our tactics will fall into place from  
4 there. There's been a lot of work that's been  
5 done, even as a young organization.

6 COMMISSIONER ZUNIGA: I just was  
7 going to make the point or underscore a point  
8 that Keith Whyte made, which is much of these  
9 efforts at the operator level are voluntary.  
10 And we will -- we have made mitigation and  
11 problem gambling specifically a big factor in  
12 our evaluation process.

13 So, I know we're all looking forward  
14 to what our applicants have to say about what  
15 they do, how they are thinking about our  
16 statute and our demographics in this area,  
17 because that could also inform our processes as  
18 well.

19 MR. VANDER LINDEN: Right.

20 CHAIRMAN CROSBY: One last thing,  
21 Mark. When Jeff Marotta leads the afternoon  
22 panel, we've got two-and-a-half hours in that  
23 afternoon panel, I think, yes, two and a half  
24 hours to really chew on this and to hear the

1 various speakers. When his opening remarks,  
2 when he talks about example of responsible  
3 gaming frameworks, it might be helpful to have  
4 him sort of articulate his notion of what he's  
5 talking about as he moderates the discussion  
6 about putting together a framework. Where does  
7 it fit in the strategic tactics in this  
8 conversation?

9 MR. VANDER LINDEN: Okay, great. We  
10 will break for lunch. We will reconvene here  
11 and launch our afternoon session at one  
12 o'clock. Thank you.

13

14 (A recess was taken)

15

16 MR. MAROTTA: Good afternoon,  
17 everybody. I want to thank the Massachusetts  
18 Gaming Commission and all of you for attending  
19 this afternoon's session and today's really  
20 landmark event the way I see it. It's my  
21 privilege to introduce to you this afternoon's  
22 panel.

23

24

It is composed of a number of  
experts in their respective fields. Mark

1 Vander Linden has done a really outstanding job  
2 in bringing this crew together. With today's  
3 discussion we are still working on the slides.  
4 So, I am going to extend my introductions a  
5 little longer than I thought I was going to.

6 We're going to be talking about 10  
7 topics related to the development of  
8 responsible gaming strategies and tactics. Our  
9 format today provides for an introduction of  
10 each of these topics by our panelists. This is  
11 going to be challenging in that each one of  
12 these panelists can really write a novel and  
13 provide a whole course load of materials on  
14 their respective topics.

15 Instead of getting a course load  
16 content, we're going to be restricting our  
17 comments to about 12 minutes on the timer.  
18 Then 15 minutes per topic area, allowing for a  
19 few minutes from the other panelists whose  
20 wealth of information extends beyond the topic  
21 that they're immediately introducing.

22 So, with that format, we'll be kind  
23 of going down the line. I won't be providing  
24 much in the way of introducing the panelists

1 regarding their background and expertise. I  
2 can tell you that they are all very  
3 distinguished. I will invite them to provide  
4 any information about their background as part  
5 of their 12 minutes.

6           Because we are starting a little  
7 late and our time is so short, I just wanted to  
8 go ahead and begin this first presentation,  
9 which is providing a larger kind of framework  
10 for the panel. The panelists were asked to  
11 talk about components of responsible gaming  
12 strategy or tactics. And it's important to  
13 understand that these tactics or components are  
14 part of a much broader responsible gaming  
15 strategy.

16           This morning we heard different  
17 perspectives. And I thought it was very  
18 interesting and very useful to hear our morning  
19 speakers as they presented kind of different  
20 concepts of responsible gambling in different  
21 ways.

22           For instance, Dr. Shaffer talked  
23 about responsible gambling from a much broader  
24 perspective talking about how it fits within a

1 broader public-health approach as well as other  
2 models can be applied. We also heard about  
3 responsible gambling, Keith was talking about  
4 it from a national perspective and how what  
5 occurs here in Massachusetts could have  
6 national ramifications. And we heard from the  
7 AGA talk about the industry's perspective on  
8 responsible gambling.

9           One of the things that is important  
10 I think for us to understand today is the  
11 objectives of our meeting and its ultimate  
12 goal. And that is to assist the Massachusetts  
13 Gaming Commission develop responsible gambling  
14 strategies, frameworks, rules and regulations.  
15 And so really, the universe that we are talking  
16 about today is much more limited than we heard  
17 this morning. It is responsible gaming from  
18 the perspective of a regulator and how that is  
19 going to fit within Massachusetts only to those  
20 casinos and slot parlors that are under the  
21 regulatory jurisdiction of the Massachusetts  
22 Gaming Commission.

23           So, although today's topic may seem  
24 very kind of focused on the operator, it is

1 necessarily focused so because that's the area  
2 of influence that the Massachusetts Gaming  
3 Commission has.

4           When we look at responsible gaming  
5 frameworks from an international perspective,  
6 we can see that they've been developed by two  
7 different bodies. One are trade associations  
8 -- There's actually three bodies. One is an  
9 academic community. And the Reno model is a  
10 great example of that.

11           The Reno model is a great model,  
12 however it is very broad. So, it has certain  
13 applications to how regulation is determined.  
14 However, it's really a much broader model. It  
15 speaks much more broadly to how as a broader  
16 community we can address this topic. So,  
17 there's this kind of academic body of research.

18           There's structures that have been  
19 developed by trade associations and the  
20 American Gaming Association. There's others as  
21 well. There's the European Lotteries  
22 Associations. There's a World Lottery  
23 Association. They have also developed  
24 responsible gambling frameworks. And it's

1 interesting to look at the frameworks that  
2 they've developed, because when we do look at  
3 them, we can understand just how those  
4 frameworks fit the environment that they were  
5 born from and that they're applicable to.

6 It's clear when we look at other  
7 frameworks that they don't all transfer to  
8 other jurisdictions in their entirety, because  
9 they are so specific to the environment that  
10 they were born from.

11 We're up and running. These are  
12 the trade associations I spoke of. This just  
13 an examples of the World Lottery Association  
14 the way that they put together their framework.  
15 They have 10 program components within their  
16 larger framework. And as you see from looking  
17 at those components, they mirrored some of the  
18 components the we'll be hearing more about this  
19 afternoon.

20 From the governmental responsible  
21 gaming kind of codes of practice, there's  
22 examples out there from the international  
23 community, the Australian Government  
24 Productivity Commission has put forth a set of

1 recommendations. Their framework hasn't been  
2 universally applied within Australia. However,  
3 it did a nice job of laying out the strategies  
4 and tactics.

5           There's also the Queensland  
6 Responsible Gaming code of practice. That one  
7 is an enforceable code.

8           And then what the UK has done with  
9 their gaming commission has taken a bit of a  
10 different tactic and embedded responsible  
11 gambling into the regulations that one would  
12 normally see within a code of regulations  
13 around gaming.

14           This is the Australian Productivity  
15 Commission's policy trilogy. And as you see  
16 here, they have three strategies. Underneath  
17 the strategies, they have a number of tactics.  
18 In fact, this may be even more defined than a  
19 particular tactic. And it goes into great  
20 detail regarding the specifics of the approach.

21           The Queensland Responsible Gaming  
22 code of practice. I'm just showing you these  
23 to give you an idea of the different structures  
24 that other governmental regulatory bodies have

1 laid out. Here you see that their practices  
2 are categorized under these six different  
3 strategies.

4           The UK Gaming Commission, one of the  
5 -- what you see there is their principles is  
6 keeping gaming fair and safe for all. When we  
7 talk about values, I think they laid out their  
8 value there. And their strategies and their  
9 tactics followed. You have that here in  
10 Massachusetts.

11           In fact, if you look on your agenda,  
12 it opens up with a mission statement of the  
13 Massachusetts Gaming Commission. And within  
14 that mission statement, it lays out I think  
15 very nicely what are the values. Apparently,  
16 the values are really what you are kind  
17 authorizing language to move forward as you  
18 develop your regulations. So, you do have a  
19 nice base work to work from such as what they  
20 did here in the UK.

21           With that, I'm going to -- If any  
22 panelists want to throw in any comments. Okay.  
23 Let's go ahead. We're a little bit behind  
24 schedule already. I'm now going to turn it

1 over to Dr. Natasha Schull.

2 DR. DOW-SCHULL: I diverged only  
3 slightly from what was asked of me by Mark,  
4 which was to talk about the regulative  
5 adjustments that could be made to the  
6 technological design features of gambling  
7 machines, because I think it's important to  
8 situate that approach and those kinds of  
9 interventions and adjustments in the larger  
10 framework of regulative approaches.

11 Different regulatory approaches  
12 imply different models of accountability. So,  
13 these are the kinds of questions that arise  
14 when you consider different models of  
15 accountability, different approaches to  
16 mitigating the harms of problem gambling.

17 Specifically, in the case of  
18 gambling machines, which I'm talking about  
19 today not just because that is my area of  
20 expertise but because it's currently  
21 associated, this form of gambling with the  
22 highest problem gambling rates in western  
23 countries. So, I think it's instructive to  
24 focus here. So, when it comes to this question

1 of how a policy might mitigate problem  
2 gambling, here are the different answers to  
3 this question.

4           Who or what is in control in the  
5 machine gambling encounter? Who or what should  
6 be held accountable for loss of control, the  
7 gambler, the industry and its products, some of  
8 their interaction perhaps? Which should be  
9 regulated and how?

10           So, there's a kind of what I think  
11 of as an accountability spectrum running from  
12 individual to the industry. And in a sense all  
13 of these different -- I wasn't here this  
14 morning, but I imagine we've already been talk  
15 about different approaches and interventions  
16 fall in different places along this continuum.

17           You could say that the most -- at  
18 the end of the spectrum of the individual is  
19 this idea that gambling is a free choice. It's  
20 straightforward. And this would imply a kind  
21 of intervention that it's purely self-  
22 regulation that that's what's called for.

23           In its extreme form, the idea is  
24 that the market should be free and unregulated.

1 And individuals should fend for and be  
2 responsible for themselves.

3 A somewhat more moderate version of  
4 this logic is the idea that rational behavior  
5 is a function of informed choice. In other  
6 words, the capacity to be responsible depends  
7 on full information. And accordingly, consumer  
8 education would be the intervention suggested  
9 here. This would leave the machine features  
10 and function intact and use instead signs,  
11 displays and pamphlets to educate gamblers.  
12 The idea here being the aim is to help gamblers  
13 be good shoppers. So, it fits that approach to  
14 consumer protection

15 One example of this, here is an ad  
16 sponsored by the American Gaming Association in  
17 one of its responsible gaming campaigns. So,  
18 you see a gentleman who is sort of taking it  
19 upon himself to manage himself. He says  
20 without setting limits, it's easy to get  
21 carried away. There's many other examples  
22 that I could put up there.

23 Next slide we have this relatively  
24 new idea of pre-commitment, which is a very

1 exciting idea. To my mind, it clusters with  
2 these other individual oriented solutions.

3 In the sense, and you'll hear more  
4 about this I imagine a few talks down the line  
5 here. This involves individuals presetting  
6 limits on time, frequency or money spent  
7 gambling prior to starting to play. This is a  
8 kind of self-accounting software. I've heard  
9 it described by designers of such software as a  
10 control aid or a personal navigator which helps  
11 the gambler "enact responsibility".

12 I just wanted to show a couple of  
13 images. These are out of date but I thought  
14 they were interesting because this is one of  
15 the very first if not the very first iteration  
16 of a comprehensive pre-commitment kind of  
17 software program by TechLink in Canada. I  
18 won't go into the details of this. I just  
19 wanted to show the way the focus is on the  
20 person. It's sort of a personal banking scheme  
21 where it's my account, my money limits. You're  
22 regulating yourself.

23 Just another example, which Mark  
24 actually brought to my attention. This

1 relatively new Playscan software. This is a  
2 more recent iteration which even features  
3 things -- You can't see it from there. -- like  
4 self-assessment tools to evaluate and even  
5 diagnose yourself and whether you might be  
6 gambling in problematic ways.

7           Finally, I just wanted to note that  
8 pre-commitment is some have noted it's a  
9 promising strategy for mitigating harms but  
10 that the parameters with which it has been  
11 implemented so far often make it quite  
12 ineffectual. This has to do with policymakers  
13 who are eager to embrace something like this,  
14 but very reluctant to inconvenience non-problem  
15 gamblers or to adversely affect revenues.

16           So, it's just the difficulty.  
17 There's pre-commitment and then there's pre-  
18 commitment. There's many ways in which you can  
19 implement it. Will it be fully voluntary?  
20 Will it be fully mandatory, somewhere in  
21 between? Will all casinos be linked together?  
22 Many details there that again I'm not going to  
23 get into.

24           With regard to where we're at now at

1 this accountability spectrum, so far the  
2 product has been left pretty much totally  
3 intact. And all of the energy is focused on  
4 the person helping her to regulate herself  
5 better through the kind of self-management.

6 I don't think that's a bad -- just  
7 to be upfront -- a bad thing. I think that's  
8 great, but I think it has to come also with  
9 some awareness with the fact that this is a  
10 person and product encounter. And that it is  
11 also important to regulate the product through  
12 parameter modifications to minimize harm.

13 I will not stand here and pretend  
14 that I know which parameters should be  
15 modified, but it is not the case that there is  
16 no evidence. This is not a more research --  
17 certainly more research needs to be done, but  
18 not at the cost of pressing pause on any kind  
19 of implementation of what could be called a  
20 technological design modification, because  
21 there is evidence out there, quite compelling  
22 evidence that certain things do work and that  
23 others don't.

24 Given my own work on design of slot

1 machines, the last of these that Mark really  
2 wanted me to focus on. So, in the remainder of  
3 my minutes, I will just take you on a worldwind  
4 tour just to get these things out there on the  
5 table as part of this conversation about  
6 regulation opportunities here in Massachusetts.

7 This worldwind review of the  
8 different ways design features have regulated  
9 or that gaming jurisdictions have proposed to  
10 regulate them. And then I'll wrap up by  
11 highlighting a few of the measures that have  
12 actually proven themselves worthy of  
13 implementation that I think should be seriously  
14 considered by this Commission.

15 So, time -- I sort of organized  
16 these loosely under three categories. Time is  
17 a very important kind of intervention site.  
18 So, here are just some interventions that have  
19 either been suggested or implemented at  
20 different jurisdictions around the world.  
21 Displaying a permanent on-screen digital clock.  
22 I should have put a digital clock up there. I  
23 went analog.

24 Mandating timeouts at certain

1 intervals, mandatory cash outs at whatever  
2 minutes of continuous play following a five- or  
3 10-minute warning. Slowing down the rate of  
4 wheel spin. And there's lots of discussion on  
5 this in the 2010 Australian Productivity  
6 commission report and the earlier 1999 one.  
7 Pausing the wheels between spins. And  
8 increasing the time interval between bet and  
9 outcome.

10 Just to focus on one of these for a  
11 second, some countries mandate a minimum time  
12 gap between games. One country for example  
13 Belgium it's three seconds. Spain is five  
14 seconds. South Australia is 2.1 seconds it is  
15 really specific. I can just imagine the policy  
16 conversations there to arrive at that number,  
17 and three seconds in Tasmania and Queensland.  
18 And Bob has done a lot of work in this area.  
19 So, he could speak to it in the discussion.

20 Next slide, money. So, another  
21 focus obviously is on machine features that  
22 play a role in the monetary transaction, which  
23 is considered a big part of problem gambling.  
24 I should say that removing ATMs from casinos or

1 at least imposing withdrawal limits on ATMs is  
2 something that's been shown to be highly  
3 effective. That doesn't directly concern the  
4 gambling machine itself. So, I'm going to  
5 focus on those.

6 One would be decreased maximum bet  
7 size. Some point to Europe where there are far  
8 lower rates typically than in places like  
9 Australia and the States. People surmise that  
10 this is why the problem gambling rates are  
11 lower there as well because there are these  
12 lowered bet and win sizes.

13 Remove bet maximum coin features is  
14 another idea. Not just an idea, in some places  
15 this has been implemented. Removing bill  
16 acceptors or restricting bill acceptors to  
17 small bills. Dispensing payouts in cash rather  
18 than tickets which could be immediately re-  
19 gambled.

20 Requiring loss limits. For  
21 instance, in Missouri I believe until 2008,  
22 there was a \$500 loss limit. Mind you this was  
23 a two-hour riverboat ride. So, it was a kind  
24 of unique set up.

1                   Showing bet amounts in cash rather  
2 than as credits or showing them in terms of  
3 your win/loss ratio. Then decreasing the  
4 number of lines on which to bet.

5                   I'm not going to get into this. It's  
6 very complicated. But on this last item,  
7 problem gamblers are known to play the largest  
8 number of possible lines with the minimum bet  
9 per line. This is called the min/max or  
10 perhaps it's mini-maxi play strategy. So,  
11 regulating this it appears really does target  
12 which is that sweet spot of targeting problem  
13 gamblers while not really interfering with non-  
14 problem gamblers. Very few jurisdictions  
15 impose these kinds of limits. One exception is  
16 in Australia where no more than 50 lines are  
17 permissible and in Queensland and 30 in  
18 Tasmania. You may say 50 is a lot, but people  
19 mind that it goes 100, 200 lines is quite  
20 common.

21                   The final sort of collection -- How  
22 am I doing on time? I have two more minutes.  
23 Okay. The final sort of collection would be  
24 these. Again, others here have done research

1 on this. Reality check messages to bring  
2 players back to awareness.

3           This has been a big focus on machine  
4 modification. You can see it as a kind of more  
5 progressive or radical versions of posters and  
6 pamphlets of consumer education in a way. It's  
7 more of an intervention. Along with these  
8 various different kinds of messages that are  
9 proposed are also the question of how to  
10 deliver a messages. Do you want to pop them?  
11 Do you want to flash them? Do you want to  
12 scroll them, right to left, up to down?

13           It has been shown, there's actually  
14 been quite a lot of studies on this that  
15 dynamic translucent messages that scroll across  
16 the screen work better than static messages to  
17 get gamblers attention and effectively reduce  
18 problem play.

19           So, I just wanted to put up what  
20 objections to this could be. This objection  
21 would be unintended consequences. Here's a  
22 statement from a gaming association speaking  
23 directly to this. That changing the machine  
24 doesn't help the person. Gamblers will adjust

1 their behavior to compensate for technology-  
2 based attempts to limit their gambling, etc.

3 I actually agree with this in many  
4 cases. Slow down the rate of play people will  
5 play longer. You can find these but not across  
6 the board. It's not so simple as anything you  
7 do the gambler is going to bypass it. That's  
8 too easy. It may or may not be true that some  
9 of these have unintended consequences. To my  
10 mind, that is not a reason to do nothing. And  
11 what that statement leaves out is the fact that  
12 there is evidence actually that some of the  
13 measures I've reviewed actually work, by which  
14 I mean they reduce problem gambling without  
15 compromising the experience for everyone.

16 Last slide, last two slides. To  
17 answer what does work, I would turn to the  
18 recent and direct you all to the recent  
19 comprehensive study by Bob Williams who is a  
20 key member of the Sigma team and a highly  
21 regarded researcher internationally. This is  
22 his summary of a gambling machine parameter  
23 modifications here.

24 I won't read it all exhaustively but

1 he basically says some really do appear to  
2 reduce harm, eliminating early big wins, slower  
3 speed of play, reducing the number of betting  
4 lines, eliminating bill acceptors and dynamic  
5 pop-up messages, reducing maximum bet size.  
6 And probably something that will never come to  
7 pass here in the States, taking the seats away  
8 -- duh.

9           He also says there is insufficient  
10 evidence to support things like -- there's a  
11 lot of concern on what's the payback rate.  
12 That doesn't seem to really for various  
13 detailed reasons I won't get into have an  
14 effect. Maximum win size doesn't. Mandatory  
15 cash outs don't seem to have an effect nor do  
16 on-screen clocks. So, there are some things  
17 that appear to work and some that don't.

18           And finally, again, I would point  
19 you to his article. He does a nice job. I've  
20 just plucked a few out of sort of recommending  
21 what the best practices are. If scientific  
22 research should guide policy, as the Reno model  
23 and other frameworks suggest, it is clear that  
24 there is evidence to suggest that Massachusetts

1 has at its fingertips a number of very  
2 compelling things it could do.

3           The evidence also suggests what will  
4 not be so helpful. For example, the most  
5 commonly adopted prevention measures are  
6 awareness and information campaigns,  
7 responsible gambling features, posters, casino  
8 self-exclusion, those are the least effective  
9 and there is evidence for that.

10           So, not that they are bad or  
11 shouldn't exist but it's clearly been shown  
12 that those don't work as well.

13           So, there's going to be more  
14 evidence coming on board thanks to the player  
15 tracking statute that exists in Massachusetts,  
16 which offers this really remarkable  
17 opportunity, I think, to gather evidence for  
18 what are the most harmful aspects of gamblers  
19 and gambling machines. What are the best ways  
20 to mitigate those? And also what doesn't work  
21 so well to mitigate those?

22           So, like it or not, we're going to  
23 have here in Massachusetts a kind of laboratory  
24 for gathering scientific evidence to answer

1 some of these really compelling questions in  
2 the field of problem gambling. I will stop  
3 there. Thank you.

4 MR. MAROTTA: Unfortunately, we  
5 don't have time for questions. Next up in our  
6 whirlwind tour of responsible gambling  
7 components, advertising and marketing  
8 practices. And this one is mine.

9 There's two basic rationales for why  
10 we need to have different advertising and  
11 marketing prohibitions out there. Basically,  
12 when we talk about marketing and advertising,  
13 they fall into the category of prohibitions or  
14 signage requirements is generally how they  
15 fall.

16 For the prohibitions, the idea is  
17 the assumption is consumer gambling has a  
18 causal relationship to some social ills. Then  
19 if we aggressively advertise then people are  
20 going to gamble more or perhaps people who  
21 otherwise may not choose to gamble may be  
22 enticed to do so.

23 The empirical research, I'm not  
24 going to go into the first one about the social

1    ills, but there's a little bit of empirical  
2    research that starts gleaning information on  
3    the second assumption. That is does  
4    advertising promote or impact gaming behavior?  
5    What a few say, and again, this is very small  
6    body of research out there specifically on  
7    gambling advertisement.

8            But what it's found is there's few  
9    reports. One is there is an association  
10   between those that gamble and those that  
11   recognize gambling advertising. This shouldn't  
12   come as no big surprise to any of you. If  
13   you're interested in a certain topic, you're  
14   going to be more prone to actually observe it  
15   and recall that promotion.

16           There's also some research that's  
17   been done with young up people that is an area  
18   of concern. What that body of research has  
19   found in general and also specifically to  
20   gaming is that young people do seem more  
21   susceptible to advertising in general and that  
22   would include gambling advertising. You could  
23   read the other two as I just kind of really try  
24   to zip through these.

1           The National Gambling Impact Study  
2 has looked at this issue of advertising and  
3 wanted to inform regulatory bodies out there  
4 and others on how to move forward addressing  
5 the issue of advertising and gambling. This is  
6 back in 1999.

7           Their recommendations are that  
8 regulatory agencies should ban aggressive  
9 advertising, especially for those that might be  
10 considered at-risk populations. And the ones  
11 they pointed out were impoverished  
12 neighborhoods and youth. And then operators  
13 and associations of gambling organizations  
14 voluntarily adopt enforceable advertising  
15 guidelines. I think what we've seen since that  
16 time as these recommendations have been pretty  
17 much applied.

18           The next one, one of what I view is  
19 a prevailing opinion was written by Mark  
20 Griffiths was that there is a lack of research  
21 in this area. However, there is reason to  
22 believe that gambling advertising should fall  
23 into the same categories or similar categories  
24 as what we know about alcohol and tobacco

1 promotion. And that that body of research is  
2 much deeper. And that we need to be cautious  
3 in the way that we move forward with the  
4 advertising of gaming products.

5 The next set is really guidelines  
6 around marketing and communication practices.  
7 There's quite a few out there at this point.  
8 Here's just a couple of examples. The Nova  
9 Scotia Gaming Corporation advertising the code  
10 of advertising standards. I think it's one of  
11 the better ones out there. What they did is  
12 they broke it down into these categories, which  
13 you see in front of you.

14 Compliant, compliant basically means  
15 compliant with other regulations around  
16 advertising. There are broader regulations  
17 kind of out there about truth and fairness. So  
18 that the gaming advertisements should comply  
19 with broader codes. That they be honest, fair  
20 and open. That they include responsible gaming  
21 messaging, they protect minors. There's  
22 limitations around promotions, reflecting the  
23 Nova Scotia values.

24 The Western Cape advertising

1 standards, again, these are just kind of two  
2 that I picked out of several that are out  
3 there. They organize it differently around  
4 content, tone, specifically around minors. How  
5 to avoid advertising that is particularly  
6 attractive to minors. And there's a section on  
7 gaming information so that there's transparency  
8 in the way the games are -- the public is  
9 educated about those games.

10           Signage requirements, this is  
11 another area of rule that we often see in  
12 various jurisdictions. Again, not a large body  
13 of research but some of the research that is  
14 out there on signage I think is encouraging.  
15 And that is that patrons recognize signs.

16           So, they are observed or remembered  
17 by patrons in gaming facilities regarding that  
18 there is help available. They may not recall  
19 the specific number but they know that there is  
20 a helpline and that there are services. And  
21 that the casino management staff find this  
22 particular area of responsible gambling as  
23 helpful.

24           And lastly, there are some reports

1 that suggest that problem gamblers find this  
2 information particularly useful. That the  
3 place that many of them get information of  
4 where to go for help is actually in the gaming  
5 venue.

6 And the last slide is just an  
7 example of that last point. Don't pay  
8 attention to this big graph, the big graph that  
9 is going to pop up there. It shows that over  
10 time we were kind of tracking some things.

11 Really what I want to point out is  
12 that, and this work was done in Oregon, where  
13 over 1500 problem gamblers come into treatment  
14 each year into its public system where we're  
15 able to collect some pretty good information.  
16 The number one place by far that gamblers who  
17 come into treatment get their information is at  
18 the gaming venue itself.

19 So, that adds the credence that  
20 there is quite a bit of importance to having  
21 good signage in the gaming facilities. That  
22 might put us back up to our schedule.

23 Any questions around signage and  
24 advertising? With that, Dr. Lia Nower.

1 DR. NOWER: Hi there. Everybody  
2 awake? Okay, well this will put you to sleep.

3 I'm going to talk about key elements  
4 of informed choice. Howard Shaffer, Bob  
5 Ladouceur, Alex Blaszczynski and I did a paper  
6 that we published. And I'm going to go over  
7 some of the elements. We sort of distilled a  
8 lot of the things -- things from a lot of these  
9 things that you have been listening to into one  
10 sort of framework article.

11 So, the key elements of informed  
12 choice and this was from the I Part kind of  
13 distilled days, the promotion of informed  
14 choice for the community, improved measures to  
15 protect gamblers and more effective and  
16 efficient counseling services. So, those are  
17 the major components that when we are thinking  
18 about what goes into these this is what we're  
19 trying to make sure we have this balanced on  
20 all of these levels.

21 So, requirements for informed  
22 choice, competence -- You can sort of put these  
23 up quickly. -- that the individual is able and  
24 competent to make reasoned decisions based on

1 information provided. That there's disclosure  
2 and understanding. That there's an awareness  
3 of the characteristics, operations and nature  
4 of the products and an awareness of the risk  
5 implications and consequences of consuming the  
6 products.

7           So, part of what sort has come to  
8 the forefront in these discussions is well, we  
9 don't understand the difference between a real  
10 wheel and a virtual wheel. We just don't  
11 understand that all of these components came  
12 into play. Or we don't have -- The person  
13 feels like if I only would have known.

14           Now those of us that have treated  
15 problem gamblers for years and years know that  
16 that's only marginally true. A lot of them  
17 know and they still go ahead anyway. But  
18 that's been one of the arguments. And that  
19 there's not adequate disclosure about the  
20 different mechanisms, the odds and how that  
21 would affect them.

22           Although, as we just heard the  
23 return to play, the hit rate, those types of  
24 things while they're conceptually important,

1 they haven't proven to really have any real  
2 effect on player behavior.

3           So, the first thing we look at is  
4 the characteristics of the information. Is it  
5 relevant to the product? Is it accurate in its  
6 content? Not misleading or deceitful,  
7 accessible to all potential participants,  
8 provided in an understandable form, provided in  
9 full and delivered in a timely fashion.

10           So, when we're sort of thinking  
11 about -- When we're thinking what information  
12 should we provide, you sort of want to hit all  
13 of those notes and be sure that whatever you  
14 are providing encompasses those things.

15           When you're thinking about people's  
16 attitudes, you want to think about whether it  
17 warns of potential risks and harms associated  
18 with gambling, informs players of the operation  
19 and characteristics of games. There's a lot of  
20 people who think that the more lines they play,  
21 the more chance they have off winning, when we  
22 know that's not true. So, that's the type of  
23 information.

24           And there has been different places

1 that have done a good job. I went to in Sydney  
2 they have this -- It was not put on by gambling  
3 people, but they had done a lot of informed  
4 choice things just to teach your average person  
5 about games and how they work. And can you  
6 guess this? What would you think if you were  
7 given this?

8           It's amazing how we don't really  
9 know a lot about how these things work. It  
10 informs the players of the probabilities of  
11 winning, the role if any of any skill where the  
12 outcome is determined by chance.

13           So, people that think I can learn to  
14 play video poker with the same level of skill  
15 that I could play poker at a table. Is that  
16 true? Is that not true? What is the actual  
17 information?

18           It should foster responsible  
19 gambling practices. Assist gamblers in  
20 monitoring levels of expenditure in terms of  
21 time and money. So, it should help people.  
22 We've just done these studies in Canada that we  
23 haven't published yet where we put virtual  
24 headsets on people. And we looked at

1 behavioral economics paradigms where we looked  
2 at decision-making under situations of risk.

3           So, if a person is under a win-loss  
4 condition, and if they set for themselves a  
5 subjective versus an objective goal, how will  
6 that influence their chasing behavior? So,  
7 some of what we were looking at is people are  
8 losing, and they objectively know this is how  
9 much an average person would loses in an hour,  
10 and they're losing more. Does this affect  
11 whether they persist?

12           So, those kinds of mechanisms sort  
13 of help that person gauge themselves against  
14 the average person, sort of a key to them sort  
15 of thinking maybe I need to slow down or that  
16 type of thing.

17           When we started looking at this, we  
18 took all of the different decision-making  
19 models that we could find. And I'm going to go  
20 over them really quickly. The cognitive ones  
21 are the ones that pertain most to gambling.  
22 So, in health, we looked at health models which  
23 basically ask the consumer do the costs  
24 outweigh the benefits? Do you have a sense of

1 personal efficacy? Do you believe you're  
2 capable of performing the behavior despite  
3 obstacles? So, does the person think that they  
4 can control their gambling? Or do they feel  
5 that they're not in control?

6 Are the positive byproducts of  
7 discontinuing the behavior significant enough?  
8 And we know, there's a lot of -- part of the  
9 reason why gambling has moved out of impulse  
10 control is because it's not really true in the  
11 classical sense that it's a compulsion.

12 The reality is for most people  
13 gambling is an ego-syntonic not ego-dystonic  
14 activity, which is why people persist a lot of  
15 times in the face of all these adverse  
16 consequences. What are the positive byproducts  
17 of me stopping? And when you do this cost-  
18 benefit analysis, they have to outweigh the  
19 benefits of continuing. What are the attitudes  
20 and/or social norms that determine intentions,  
21 which in turn guide behavior? Those are some  
22 things that we took away from the health  
23 models.

24 The cognitive models are the ones

1 we're probably more familiar with, which is we  
2 talk about traditionally in gambling. The  
3 psychological distress results from  
4 dysfunctional beliefs, skills or structures  
5 that an individual's interpretation of events  
6 determine how a person will feel or behave and  
7 identify and modify dysfunctional belief  
8 structures will -- actually it should say  
9 should change behaviors and emotions.

10           So, when we look at gambling, of  
11 course, the core dysfunctional cognitive  
12 beliefs are the illusions of control where I  
13 somehow believe that I can control the outcome  
14 of random events. Superstitious beliefs, if I  
15 just have one more little troll with purple  
16 hair at my bingo game, I'm going to win. That  
17 was my grandmother's belief system.

18           Biased evaluation, if the sun is  
19 shining at the game the longer that I play, I  
20 don't think we have gamblers fallacy up there,  
21 which we should. If my system doesn't work  
22 with sports betting, it's because it rained.

23           Then the erroneous perceptions of  
24 randomness, not realizing what we're taught in

1 our lives to view things in terms of patterns.  
2 And here there is no patterns. Just because  
3 three came up three times doesn't make it any  
4 more or less likely to come up the next time.

5 So, this is sort of what the  
6 cognitive model actually looks like. You have  
7 these beliefs that you can control the outcome  
8 that you want to feel powerful, important. You  
9 develop these superstitions around gambling.  
10 And you over estimate the likelihood of  
11 winning.

12 Then when you have a stressor at  
13 work that triggers these beliefs. And you feel  
14 anxiety and your heart racing. And you have  
15 these thoughts which we call in cognitive  
16 behavioral therapy automatic thoughts. I'm an  
17 incompetent person. I'm a loser. I'll never  
18 be good enough. You feel depressed and all  
19 that sort of comes together and you gamble.  
20 You start gambling or you gamble more.

21 So, some of the things you want to  
22 think about when you're looking at informed  
23 decision-making from a cognitive perspective,  
24 is there any evidence for this belief? What is

1 the evidence against this belief?

2           So, these are things when you're  
3 designing things for gamblers, they need  
4 objective evidence of am I gambling to excess?  
5 Is this a smart thing for me to continue  
6 pursuing? And when you're thinking about how  
7 you're going to develop interventions, you have  
8 to have these sort of as the basis of your  
9 thought process.

10           What is the worst thing that can  
11 happen if you abandon the belief? What is the  
12 best thing that can happen if you abandon the  
13 belief? So you have this very complicated  
14 model of vulnerability factors and all your  
15 behaviors, thoughts, emotions.

16           The precipitants or the triggers,  
17 then the maintaining factors psychological,  
18 social, environmental and comorbidity. And  
19 then your treatment moderators, your  
20 motivation, your social support, your treatment  
21 expectations and all these things kind of  
22 coalesce.

23           So, small wonder that when reviewing  
24 the literature on why these things do or don't

1 work, that a lot of them don't work because  
2 this is an enormously complex and individual  
3 process. And we are trying to superimpose a  
4 generalization on something that is very, very  
5 person specific.

6           So, what we're trying to do overall,  
7 those are like the major models that we found  
8 that sort of pertain to this. What we're  
9 trying to do is to provide relevant educational  
10 information that's necessary to objectively  
11 evaluate your gambling options and modify  
12 erroneous cognitions. That's kind of it in a  
13 three-point nutshell.

14           We want to detail the benefits of  
15 responsible gambling and potential social and  
16 personal costs of excessive gambling to provide  
17 sufficient guidelines to assist individuals in  
18 identifying their current level of responsible  
19 gambling. And target specific gambling  
20 activities, social demographic groups, and  
21 stages of change to promote optimal information  
22 dissemination. And to use several mediums.

23           Like those of us that teach college  
24 students or other students know somebody

1 understands a test, somebody understands a  
2 little essay, somebody understands short answer  
3 and somebody wants to write a paper. So, it's  
4 the same way with this. You have to have  
5 different mediums. You don't know what's  
6 really going to get through to a particular  
7 individual.

8           So, relevant questions to ask, when  
9 you are looking at industry and marketing  
10 promotion, what if any game-related information  
11 would best contribute to gamblers making better  
12 informed choices? What is the effect of  
13 general industry marketing and promotion on the  
14 initiation of youth gambling? And can this  
15 affect be minimized by harm reduction and  
16 prevention programs?

17           What elements of information are  
18 necessary for individuals to make healthy and  
19 responsible gambling choices? So, of all of  
20 those models we looked at, which things do we  
21 think are the most important? Which ones  
22 really bear the most on what we're trying to do  
23 here? What impact if any do casino sponsored  
24 responsible gambling policies have on

1 individual gambling choices?

2           Like all of these things we just  
3 heard that have been tried, what impact do they  
4 have? Well, Rob Williams found some of them  
5 seemed to have impact and some don't seem to  
6 have as much.

7           And then finally the guidelines that  
8 we came up with for promoting informed choice.  
9 On a universal, sort of on a macro level  
10 educate people on the nature of gambling as  
11 entertainment. This isn't an income generating  
12 activity.

13           Dispel myths that gamblers can beat  
14 the house. Explain probability odds, hit rate,  
15 return to player. Provides sufficient  
16 information on individual games to promote  
17 limit setting. Increase awareness of risk  
18 associated with excessive gambling.

19           Then on sort of a mezzo level like  
20 gambler specific information or micro level for  
21 people who aren't necessarily disordered,  
22 provide detailed and interactive information  
23 regarding specific games. Create promotional  
24 materials, resources and referrals for those

1 who gamble for non-entertainment purposes.

2           They have these for alcohol in  
3 senior centers and that. They don't have them  
4 for gambling despite the fact that buses pick  
5 them up in New Jersey and take them to Atlantic  
6 City.

7           Develop educational materials that  
8 identify gambling related erroneous cognitions  
9 and counter belief with information. So, know  
10 if you sit at that slot machine because you  
11 just put 10,000 in it doesn't make it any more  
12 likely to pay off. So, yes, you can go to the  
13 bathroom. Those are the kind of things that  
14 people say well if I get up then the next  
15 person is going to win a windfall.

16           Develop user-friendly screens to  
17 promote identification of the signs and  
18 symptoms of problem gambling behaviors.  
19 Provide concise repetitive messages to heighten  
20 self-awareness regarding expenditures and  
21 patterns of play.

22           And then we'll be looking at just  
23 problem gamblers. What should constitute  
24 informed choice for problem gamblers. Provide

1 assessment guidelines for determining the  
2 relevant health of one's gambling behavior and  
3 the position along the spectrum, which is what  
4 some of these manufacturers like Playscan and  
5 that are trying to do. With pictures, with  
6 sliders, with things from a sunny smiley face  
7 to a red frowny face, to give the person a  
8 visual as well as sort of a diagnosis health  
9 wise.

10 Offer resources and referrals for  
11 counseling hotline, self-exclusion and self-  
12 help services. Provide cost related  
13 information designed to educate problem  
14 gamblers on the financial and legal risks of  
15 excessive gambling. And develop strategies for  
16 adopting gambling limits and increasing  
17 responsible gambling behavior.

18 That's it. Thank you.

19 MR. MARCOTTA: Dr. Ladouceur.

20 DR. LADOUCEUR: I think I better  
21 change the slide myself because it will come at  
22 a progressive way and it will be complicated.

23 What we'll outline is to give you an  
24 idea of what the pre-commitment is. I've

1 called it the pre-commitment is the smartcard  
2 that's marked. As you know, the pre-commitment  
3 was essentially to have a card that you pre-  
4 commit an amount of time and money that you  
5 want to spend over a period of time.

6 When the card -- When your time or  
7 money is over, the machine will not be  
8 activated by the card. This is what we call  
9 the smartcard or what I call the smartcard that  
10 smarts. I'll tell you about what was the  
11 trigger of having the mandatory pre-commitment  
12 and the rationale and the many results.

13 That was in a paper that was  
14 published about a few months ago by Alex  
15 Blaszczynski and Daniel Lalonde. In 2010 in  
16 Australia there was an election. Julia Gillard  
17 negotiated with Andrew Wilson that if they do  
18 get in power they will introduce the mandatory  
19 pre-commitment on all poker machines in the  
20 country.

21 As you may know, she was elected  
22 prime minister. That created a fantastic  
23 political and scientific debate. The  
24 government established a series of meetings

1 with experts from the industry and from  
2 research. And a lot of people were strongly  
3 for the pre-commitment and some were strongly  
4 against this system.

5           Interestingly, in our review on the  
6 pre-commitment, we found 218 papers. Among  
7 them, 92 percent were opinion based and only  
8 eight percent were based on data. This concept  
9 was introduced, the pre-commitment, by an  
10 Australian Mark Dickerson who had the following  
11 rationale. In a study he found that while  
12 gambling, the majority of the gamblers lose  
13 control while they gamble.

14           So, what is going on when they  
15 gamble, it seems that your cognitive states or  
16 your decision-making Lia just mentioned may be  
17 blurred by different aspect. You dissociate.  
18 And the gamblers tell us that while we gamble,  
19 we forget about what's going on. And they have  
20 all kinds of erroneous perceptions. Actually,  
21 I can't disagree with that.

22           Therefore, we should make the  
23 decision before we start gambling instead of  
24 while we do gamble. So, the pre-commitment

1 makes a lot of sense. Do we have enough  
2 evidence to implement such a mandatory system  
3 to all machines in a given jurisdiction? Let's  
4 see the empirical result.

5           And for five minutes I will bombard  
6 you with some data, empirical data. The first  
7 one is a prevalent that was conducted in  
8 Norway. In 1907 (SIC) all gaming machines were  
9 removed in Norway. A year later, they  
10 introduced the machines with a mandatory pre-  
11 commitment on. Interestingly, the prevalence  
12 of problem gambling rose from 1.3 percent to  
13 2.1.

14           Why is that? Well, there are many  
15 explanations. Among them we can see that there  
16 was a migration from low intensity machine to  
17 the Internet. Or there may be some more  
18 illegal gambling. All those piece of data you  
19 will see I will make a wrap up at the end and  
20 hope to inform you Commissioners about the pre-  
21 commitment.

22           There were three studies conducted  
23 in Canada in Nova Scotia. And we'll go roughly  
24 over the three studies. There were machines

1 modified in 10 different venues in Nova Scotia.  
2 They had 121 regular gamblers. And the  
3 participants were not required to use the card  
4 every time they do gamble.

5           The results are based on self-  
6 report. Let's see the main result, 45 percent  
7 used the card every time they gambled. 87 used  
8 a summary statement that means how much money  
9 they put in the machine, they've lost or the  
10 time they've spent. And 52 limit setting  
11 option. They used that. 80 percent reported  
12 that they played more responsibly with the  
13 card. But 44 percent removed the card and  
14 continued gambling.

15           The main characteristics of the  
16 study was that the card was mandatory but the  
17 options were not mandatory. That's the second  
18 study. That was conducted in Las Vegas in a  
19 lab. The subjects were not using their own  
20 money to participate in this study.

21           The main results were that 75  
22 percent said they supported pre-commitment. 60  
23 percent said that they played more responsibly  
24 and they spent less money. 51 percent of the

1 participants used at least one responsible  
2 gambling feature. The most popular one was the  
3 summary of the expenditure.

4 But card swapping was very often  
5 reported. There was no actual reporting of the  
6 expenditure. And the summary of the losses  
7 that we think makes a lot of sense, in some  
8 participants it triggered chasing behavior.  
9 So, when I realized that lost I've \$200, and I  
10 should stop as we expect, that triggers that I  
11 should continue gambling to win back my losses.

12 The third study that was conducted  
13 in Nova Scotia was 161 regular players. The  
14 study was carried in the natural environment.  
15 The card used was mandatory but the features  
16 were optional. And there was some measure,  
17 self-reporting behavior measures. What are the  
18 results? 60 percent reported occasional or  
19 regular use of the responsible gambling feature  
20 mainly the summary of their behavior. 70  
21 percent reported that the system helped them to  
22 play more responsibly. And 57 reported  
23 spending less time and money.

24 But 50 percent borrowed the card of

1 a friend to continue playing. If you take only  
2 the gamblers who used their own card, 55  
3 percent reduced their expenditure. Six  
4 reported no change but 27 increased their  
5 expenditure with the mandatory pre-commitment  
6 card. Card swapping was frequent. 30 percent  
7 increased their expenditure.

8           There were three studies in  
9 Australia. And I'll go pretty fast, but I  
10 wanted to show you the main conclusion. Two  
11 trials were conducted in the metropolitan  
12 venues. And the main characteristics were 52  
13 gamblers were recruited on site. We don't know  
14 how many were asked to participate. The design  
15 include 45 minute telephone interview and three  
16 focus groups.

17           The main results use of the  
18 responsible gambling feature was low. 79  
19 percent reported no impact. Only 10  
20 participants reported that they were spending  
21 less with the card. And the post analysis  
22 showed that 42 percent spent less, five no  
23 change, and 53 percent spent more money  
24 gambling.

1                   There was a second arm of that study  
2 but very few people accepted to participate so  
3 the results cannot be discussed.

4                   The third study, there are two arms.  
5 Again, very small sample, no conclusion can be  
6 outlined. The study two there were difficulty  
7 in recruitment only 91 percent completed the  
8 telephone survey that was in six hotel venues.  
9 The patrons were able to the play with or  
10 without the use of the card.

11                   And the main results were 62 percent  
12 increased their awareness about their  
13 expenditure. 47 expressed more confidence  
14 playing with electronic gaming machines. 33  
15 percent rated the responsible gambling device  
16 as useful. And 60 percent reported setting a  
17 limit higher than the amount they usually  
18 spent.

19                   Why is the last point of that -- And  
20 the analogy I like to give is let's say on  
21 every Friday evening I go to a bar and I drink  
22 two beers. So, I have to pre-commit and I will  
23 sign for two beers. But a good friend of mine  
24 pops in the bar that I haven't seen him for a

1 while. So, I had my two beers. I will order a  
2 third beer. The waiter will say no, Bob. You  
3 had your two beers, you cannot have a third.  
4 The next time I pre-commit, what will I do? I  
5 will pre-commit to five beers in case of a  
6 friend comes in.

7           So, what are the main conclusion on  
8 the mandatory pre-commitment? It makes a lot  
9 of sense. The rationale is outstanding but as  
10 my friend Alex and fantastic paper that he  
11 wrote on conventional wisdom or commonsense it  
12 may look good. But the main results and the  
13 conclusion we can make is very, very small  
14 sample an unrepresentative sample that relied  
15 mainly on self-report data.

16           Failure to control for non-card use.  
17 Card swapping was very frequent, gamblers  
18 increased their expenditure instead of lowering  
19 it. Chasing losses was quite often in response  
20 to the information they got. And they set  
21 higher limits than they would normally do.

22           So, my conclusion is -- My  
23 conclusion based on data is mandatory pre-  
24 commitment was suggested for political reasons

1 instead of scientific reasons. This is what I  
2 like to wonder about. Things may make a lot of  
3 sense but we need data to evaluate that the  
4 expected results are reached.

5           And I will just finish with my  
6 favorite slide. I call it the unknown, famous  
7 unknown man who said something like that. I  
8 don't like data, they make me insecure because  
9 they are changing all the time. I prefer  
10 opinions. I prefer my opinions, because my  
11 opinions are stable, permanent and resistant to  
12 any change. Thank you very much.

13           MR. MAROTTA: Next up we have Keith  
14 Whyte.

15           MR. WHYTE: I am going to be real  
16 brief. I have no slides. Mark asked me to  
17 talk about behavioral system. Ironically, both  
18 Debi and Howard kind of did all of the research  
19 on this. So, I am not going to regurgitate  
20 their research because I would probably mess it  
21 up anyway.

22           What I would like to say is that we  
23 believe this offers a window into the soul, if  
24 you will. That behavioral tracking data

1 provides a great starting point, provides a  
2 great responsible gaming tool. It's really  
3 important to say that this is not the magic  
4 book.

5           It may even be a couple of years ago  
6 I said that as these loyalty club systems  
7 really become very complex and sophisticated as  
8 we move onto the Internet and their team has  
9 collected some amazing data about player  
10 behavior on the Internet because it's all  
11 tracked by the very nature of the beast.  
12 That's really going to unlock some of these  
13 existential questions we had about why people  
14 develop gambling problems.

15           It's not going to be that for any  
16 number of reasons, but I think it can be a very  
17 powerful tool but limited tool. It's helpful  
18 for us that have been in the industry a  
19 longtime to think about where the stuff came  
20 from.

21           Behavioral tracking systems started  
22 out way back in the 80s. It was simply  
23 denomination of the slot machine times time on  
24 device and there was a little bit of magic

1     sauce. Because if you knew if someone was  
2     playing a quarter machine and you knew they  
3     were playing for half hour or two hours or  
4     whatever it was, you could do some basic math  
5     and figure out their lifetime value. What the  
6     casino would expect on average that player to  
7     return.

8                     That was the basis of these early  
9     rating systems. Where instead of not  
10    necessarily time on slot machine, it was time  
11    at the table. If you're play a \$20 a hand and  
12    you're playing for six hours based on the  
13    theoretical -- based on the rules at the table,  
14    the casino would know you multiply that by a  
15    certain number and you get to the estimated  
16    lifetime value. It was very, very crude. It  
17    was predictive in a sense that this was based  
18    on general averages.

19                    Since that time in the last 30, 35  
20    years we've got a lot, lot better at this  
21    stuff. Not only is now many more aspects of  
22    player tracked with the new systems, but they  
23    are married with other databases as well. Your  
24    purchases at the casino, you purchases outside

1 the casino.

2           Again, one of the major limitations  
3 of this, one of the things that is obvious now  
4 is that it only captures your play within that  
5 certain property and that is if you choose to  
6 be rated. So, there's this whole thing about  
7 there's a lot of people who have loyalty cards  
8 who don't use them. And there's also a lot of  
9 people who never use loyalty cards at all or  
10 they use them inconsistently.

11           That doesn't track anybody's bets, it's  
12 just your play in the property. You have that  
13 same phenomenon on the Internet of course.  
14 You're tracked on one site. Then you leave and  
15 you go somewhere else and you go to another  
16 site.

17           So, data is helpful. I think one of  
18 the underlying principles of informed choice  
19 that behavioral tracking does help is that it  
20 helps us think about social norms. Again, a  
21 lot of our data on social norms has been based  
22 on self-report. And the more we can get a  
23 second kind of objective, different lens to  
24 look at what is normative behavior, that's

1 going to help us work and find the social norms  
2 and where folks deviate. So, it's a very  
3 powerful tool.

4           There's at least four systems right  
5 now operating in the market even in the online  
6 space. So, there's Bet Buddy, there's  
7 Playscan. There's Mentor. There's what 888  
8 developed. And these are producing a lot of  
9 information that Debi and her colleagues have  
10 done some great work on. So, I won't bore you  
11 with that. Except to say it is useful to a  
12 point. It's not the be-all to end-all.

13           In the question and answers space,  
14 you guys can talk a little bit more about what  
15 you found on the Internet, I hope, because I  
16 think that is very interesting.

17           What I would like to talk about is  
18 something that hasn't come up here yet that I  
19 think adds yet another lens to look at this  
20 behavior. That is looking at follow the money.  
21 As money becomes increasingly digital and even  
22 way back when in the days, for those of you who  
23 are veterans, of Central Credit, what you have  
24 is a very small group companies that are

1 providing basically money to gamblers across  
2 all of the gambling behaviors.

3           So, Central Credit will give you,  
4 every casino a credit score and a long-term  
5 value of these particular customers. So, it  
6 wasn't restricted just to single property. It  
7 was someone could be tracked across their spend  
8 usually within industry segments. Central  
9 Credit would see how you played within the  
10 casinos, but it wouldn't account for lottery  
11 play and things like that.

12           Now we've gone one step further and  
13 with prepaid cards for example, once someone --  
14 I'm sorry. I should step back. One of the  
15 other things about behavioral tracking data is  
16 it's generally not -- at the level we get, it  
17 doesn't identify particular customers. And I  
18 think there's lots of reasons why it shouldn't.  
19 There's all sorts of human protections and  
20 privacy protections and things like that.

21           By definition, payment processing  
22 does. It has to. So, when you're able to look  
23 as you're able to do now, and look at someone's  
24 -- if they're using credit, prepaid cards, even

1 some loyalty card systems are hooked into  
2 payment systems, by definition you follow that  
3 player's activity across all the gaming  
4 platforms they interact with.

5 I was talking to some industry folks  
6 at the conference that Judge McHugh and I were  
7 at. And they said we had someone we were  
8 watching. Literally somebody won a jackpot.  
9 They put it into a stored value card. We saw  
10 that they then went and had a great meal, spent  
11 a couple of hundred dollars on dinner at this  
12 property.

13 Then two days later they cashed  
14 \$2000 of this winning at a different casino  
15 right down the road. They didn't go back to  
16 the casino where they won at. And then days  
17 later they were also cashing out. Is that  
18 indicative of a problem gambling behavior, I  
19 don't know. But it's an interesting pattern  
20 that you wouldn't have collected any other way.

21 So, I guess one of the things I  
22 would say is that sort of behavioral tracking  
23 data 1.0 is what we already have from loyalty  
24 systems. What we can get from all of these --

1 then it's infused in the Massachusetts law.

2 That's what we're going to get.

3 I think behavioral tracking 2.0 is  
4 following the money. And looking at as all of  
5 this cash becomes digital and all sorts of  
6 various platforms, there are some very  
7 interesting things we can do that is going to  
8 catch a player across segment and across  
9 platform. Theoretically, you're going to  
10 capture Internet play because by definition  
11 you're not using cash when you gamble on the  
12 Internet. You're going to capture social play.

13 And if you look at many of these  
14 payment processors they're very aggressively  
15 moving into these more technological markets,  
16 if you will. What they will tell you if you  
17 read the industry trades and if you talk to  
18 them, they will be able to track and sell back  
19 to the gaming industry that picture of a  
20 customer that they've never been able to have  
21 before.

22 You are going to get a customer's  
23 behavior across multiple properties and  
24 platforms by following their money trail rather

1 than working backwards and just following their  
2 activity within a certain property or within a  
3 certain segment.

4 I won't get into detail, but I do  
5 think -- just to say on the behavioral tracking  
6 side, information is power. And what we've  
7 seen is some limited research and evidence that  
8 even in, as Robert said, even in Norway  
9 Playscan has done some evaluations. Most of  
10 these scans are voluntary. Not everybody uses  
11 them. Those who do use them tend to be heavier  
12 gamblers, more active gamblers. And the more  
13 likely you are to be at risk in general, the  
14 more likely you are to use some of these  
15 features.

16 There's not a perfect correlation  
17 between some riskier gamblers use some more of  
18 the limits and less of the behavior analysis.  
19 But by and large in general there are some  
20 promising approaches. But again, you also have  
21 to think very much about the type of groups  
22 you're targeting.

23 Are we talking problem gamblers and  
24 you're using behavioral tracking to identify

1 and intervene with them? That's one whole  
2 discussion. Are we talking at-risk gamblers?  
3 Or are we targeting people that are not problem  
4 gamblers and trying to keep them at normative  
5 levels?

6 I think you can do all three, but we  
7 have to really distinguish between what is  
8 you're trying to use this data for and how you  
9 use it. The same thing applies obviously to  
10 the payment side.

11 But I think that for my money is  
12 going to become the most promising area of the  
13 window into the player's soul, if you will,  
14 watching how they play across different  
15 platforms and across different segments of the  
16 industry.

17 So, that's behavioral tracking in a  
18 very quick nutshell.

19 DR. DOW-SCHULL: Apparently, we are  
20 ahead of schedule. I just wanted to clarify  
21 that the data that's actually mandated in the  
22 statute here in Massachusetts is not the same  
23 data that you're referring. You said  
24 essentially this is what we're going to get.

1           Actually, it's pretty unprecedented  
2 and new in lots of ways. One way is that it  
3 will be linked across sites in Massachusetts.  
4 Another way is that you're going to know a  
5 whole set of levels that hasn't been collected  
6 and known before, like what games, how many  
7 lines are being played, what are the game  
8 features. An incredibly exciting,  
9 unprecedented, robust data set to look at.

10           And I'm surprised in your comments  
11 you didn't mention the so-called addiction  
12 algorithm that was developed by Tracy Stranahan  
13 and Tom Shelnik in Canada, which has using  
14 tracking data been able to identify a slide  
15 toward problematic behavior before any  
16 counselor, even the individual themselves would  
17 notice. It's to 95 percent accuracy at this  
18 point. And it's measuring variables across 500  
19 different points. And I think that's quite  
20 exciting.

21           And the thing about money, I hadn't  
22 heard that before. That's really interesting,  
23 but my first reaction would be that at the  
24 moment for instance, Gary Loveman put a

1 firewall between all financial information and  
2 marketing systems and tracking because of the  
3 liability. The liability issues that you're  
4 going to get sued if you know that players --  
5 how much they have in their accounts and how  
6 much they are spending and we're marketing to  
7 them.

8 That's just too frightening for the  
9 industry. So, he put an absolute firewall  
10 there. So, I'm just curious to see how  
11 feasible that actually is as a promising new  
12 direction with the money given the touchiness  
13 of that and the privacy issues around banking  
14 information, etc.

15 So, I just wanted to make those  
16 three comments.

17 MR. MAROTTA: We do have time for  
18 other comments if anybody in the panel has  
19 anything further to add. Then Dr. LaPlante.

20 DR. LAPLANTE: First Chairman Crosby  
21 and the Commissioners and Mark, I just wanted  
22 to thank you all for inviting me to introduce  
23 the topic of employee training.

24 As we all know gambling is expanding

1 worldwide. And key stakeholders such as  
2 yourself have responded to this expansion by  
3 requiring a lot of different things of  
4 operators including employee training.

5 Employee training programs really  
6 have proliferated in response to all of this.  
7 Although there are a lot of employee training  
8 programs that are out there around the world,  
9 very few of them have been actually evaluated.  
10 When I was preparing these slides, I did a  
11 quick database search of site info and found  
12 just four peer-reviewed evaluations of employee  
13 responsible gambling programs. I think two of  
14 them were Bob's. One was ours. Maybe one Bill  
15 Barne had was involved in.

16 So, I think with these programs  
17 there is some type of a presumption of efficacy  
18 that goes on. But the reality is a little bit  
19 different and it's a little bit less clear. The  
20 problem with all of this speaking as a  
21 scientist is without evaluation, we don't  
22 really know whether the program's results will  
23 be positive, whether they'll be beneficial for  
24 the employees and patrons. Whether they'll be

1 negative or whether they'll be neutral and have  
2 no effect whatsoever.

3           As Dr. Shaffer shared this morning,  
4 ideally when you develop a program like this  
5 you're going to want to integrate into it some  
6 type of an evaluation system. And perhaps the  
7 most important part of that is that feedback  
8 loop.

9           So, as you move from developing the  
10 program to monitoring to assessing to  
11 summarizing, you're going to want to provide  
12 feedback to the people who created and who are  
13 using the program so that they can be sure that  
14 the effects of the program are what they  
15 actually have intended.

16           I think that program evaluation is  
17 important for a lot of reasons. And it's not  
18 just because I think science is cool. It's  
19 also important because casino employees  
20 themselves are a rapidly expanding workforce.  
21 And we need to understand what is going on  
22 within that workforce. These employees have  
23 contact with the customer base that regularly  
24 is engaging in very risky behaviors, smoking,

1 drinking, gambling, other things. And these  
2 employees also often are required to facilitate  
3 help seeking. Either personally, they directly  
4 need to do this or impersonally they need to  
5 know where to send people to provide that help.

6 Finally, as was mentioned a couple  
7 of times this morning, employees themselves are  
8 at risk for gambling related problems. So,  
9 being required to participate in these types of  
10 programs hopefully would have some type of  
11 extra benefit for those employees who might be  
12 struggling.

13 A couple of years ago, the division  
14 had an opportunity to evaluate a responsible  
15 gambling training program at a large resort  
16 style casino out in Las Vegas. And what we  
17 were able to do was we were able to survey all  
18 new employees who were hired between July and  
19 December 2008.

20 Then we were able to survey them  
21 again about a month later after they had  
22 completed their orientation. What we wanted to  
23 understand since there was so little literature  
24 out there about how well employee training

1 programs actually work, we wanted to understand  
2 what are the effects of their training on  
3 employee's knowledge related to things like  
4 disordered gambling, opinions towards gambling,  
5 their ability to implement responsible gambling  
6 practices.

7           So, this is too small for most  
8 everyone to see, but for people who are  
9 interested this is how we got to our analytic  
10 sample of 217 employees. And we were able to  
11 follow about 56 percent of those employees  
12 overtime.

13           Most of the employees that we looked  
14 at were female in their mid-30s in the United  
15 States and had about four years of experience  
16 in the casino industry. Most spoke English but  
17 a very sizable portion spoke another language  
18 primarily in their home.

19           Most of the people that we surveyed  
20 were part of the hotel operations. 32 percent  
21 were front line casino services employees. The  
22 survey that we utilized had 44 questions. We  
23 asked a very wide variety of questions related  
24 to their individual demographics and health

1 characteristics. Their own knowledge about  
2 disordered gambling. Their knowledge about  
3 their casinos' responsible gambling policies  
4 and what they should do about them. And their  
5 own personal opinions about responsible  
6 gambling and gambling related problems.

7           What did we do with all of this  
8 information? We took it and we did what  
9 scientists do. We did some analytics and we  
10 came up with some merit scores, which is  
11 basically the amount of correct information  
12 that people were reporting on their surveys.  
13 And we also gave them demerit scores, the  
14 amount of incorrect information that people  
15 were reporting on their surveys.

16           We examined their pre-post changes  
17 from baseline pre-orientation to about one  
18 month later. We also examined their pre-  
19 orientation surveys to determine whether there  
20 were natural knowledge groups among employees.  
21 What do I mean by that? Natural groupings of  
22 people who are already coming in with  
23 information and ideas about gambling. Maybe  
24 you want to call it their responsible gambling

1 IQ or something like that.

2 We examined all of this information  
3 for their overall problematic impact, because  
4 we wanted to understand whether training  
5 program could actually put a dent in what  
6 people knew about responsible gambling. We  
7 also wanted to look at divergent impact, where  
8 the program worked, where the program didn't  
9 work. And then finally differentiated impact.  
10 Whether or not the program worked differently  
11 for different people.

12 Here's what we found as far as  
13 overall programmatic impact. And we felt like  
14 this was pretty promising, but these  
15 responsible gaming training programs could  
16 teach employees, even those who had been in the  
17 field for four years, could teach them some  
18 information about responsible gambling.

19 Overall we found a 15 percent  
20 increase in responsible gambling knowledge. We  
21 could break that down. Our survey broke it  
22 down into some subareas, understanding what  
23 addiction actually was, we found about an 11  
24 percent increase. Gambling and public health

1 16 percent. Their understanding of gaming  
2 regulations improved by 18 percent. And their  
3 understanding of science and best business  
4 practices improved by 20 percent

5 But we did find that the program did  
6 had some divergent impact. What you can see on  
7 the left and it's very small print, I  
8 understand, is the changes in the merit scores.  
9 So, the orange bars are the pre-orientation  
10 merit scores. And the brown bars are their  
11 post-orientation scores.

12 You can see that for all of the  
13 areas that were surveyed, there was a  
14 significant increase, significant improvement  
15 in what they answered correctly.

16 The graph on the right in contrast  
17 displays their demerit scores. And what we  
18 found is that there was no difference. We  
19 really weren't making a big impact on fixing  
20 the incorrect knowledge that the employees had.  
21 So, there was a perseverance effect. The  
22 people who had misinformation and believed it,  
23 we couldn't dissuade them through this program  
24 of that misinformation.

1           The last point from this study that  
2 I want to highlight relates to the  
3 differentiated impact of the program. We could  
4 look at this in a bunch of different ways. We  
5 could see whether the program worked better for  
6 men than women, or for people who had been in  
7 the industry for five or more years or fewer,  
8 by age, all sorts of different things like  
9 that.

10           What we decided to look at was in  
11 terms of their natural knowledge base. Most of  
12 the trainings that are out there have a one-  
13 size-fits-all presentation. That is you  
14 develop a program. You go in and all of the  
15 new employees who are required to take it get  
16 the same basic presentation. There's a  
17 baseline presentation and everyone gets the  
18 same thing. We wondered whether not this was  
19 appropriate.

20           What we did was we looked at their  
21 baseline scores and we did some analytics,  
22 which include things like cluster analysis.  
23 And we found that prior to orientation that  
24 there were some pretty clear groupings for the

1 employees.

2           What we found was that 19 percent  
3 answered our survey and they were completely  
4 correct in all of the items that we assessed  
5 them on. We called those individuals oriented.  
6 They were already oriented in the direction  
7 that we wanted them to be.

8           Almost 60 percent we called pre-  
9 oriented. Those individuals didn't complete  
10 the survey with distinction but they didn't  
11 make so many errors that it really set off any  
12 kind of warning flags.

13           About 23 percent, which is pretty  
14 meaningful, were what we called disoriented.  
15 These were people who answered so much  
16 information and so many questions incorrectly  
17 and in the ways that we felt were concerning  
18 that they deserve special attention.

19           So, what does disorientation look  
20 like? Here's an example of a disorientation  
21 item that these people tended to endorse. They  
22 suggested that regulations required that  
23 employee responsible gaming training programs  
24 include instructions for diagnosing disordered

1 gambling. Exposure to certain objects like  
2 drugs always causes addiction. The prevalence  
3 of pathological gambling in the US is 10 to 20  
4 percent. Gambling is risking something on the  
5 outcome of an event when the outcome is  
6 certain. Employee should take it upon  
7 themselves to determine if someone has a  
8 gambling related problem and stop him or her  
9 from gambling.

10 So, we thought that some of these  
11 things were a little bit alarming. And that  
12 these people probably should require a little  
13 bit maybe more intensive training.

14 Just for the visually minded, here  
15 is what these knowledge groups looked like at  
16 baseline. On the far left, the orange bars,  
17 you can see the disoriented groups performed  
18 much more poorly on the survey than those who  
19 are pre-oriented and oriented, the brown and  
20 yellow bars respectively.

21 So self-reported job category,  
22 whether they were frontline employees,  
23 restaurant workers, hotel services, that didn't  
24 relate to orientation group. Age didn't relate

1 to orientation group. So, this wasn't a  
2 young/old thing. Number of years in the gaming  
3 industry surprisingly didn't relate to  
4 orientation group.

5 So, what did relate the disoriented  
6 group? It was more likely that they would have  
7 larger proportions of woman. Employees who did  
8 not gamble during the past 12 months. Also  
9 employees who did not primarily speak English  
10 within their home. So, there could have been a  
11 language issue going on here as well.

12 The oriented group had larger  
13 proportions of employees who gambled during the  
14 past 12 months and those who primarily spoke  
15 English in their home.

16 Moving forward, what do we take away  
17 from all of this? Down at the bottom I'll say  
18 is probably one of the most important things to  
19 me. But I'll start with it and then I'll  
20 probably say it again because it's important.  
21 More program evaluation is needed for these  
22 type of training programs.

23 And it's not just employee training.  
24 It's the statewide prevention programs, the

1 intervention programs, the outreach programs,  
2 all of these need to have integrated into them  
3 evaluation because unless they have that we  
4 really don't know what's going on with them.

5 Programs also should consider  
6 whether or not the training needs to be  
7 targeted. If you have these natural knowledge  
8 groups, the employees who are coming in for  
9 orientation, you're running the risk of over  
10 and under training different groups of  
11 employees. This could really turn people off  
12 to the whole idea of responsible gambling.

13 If you have someone coming in and  
14 they've been there, done that and I'm hearing  
15 the same thing over and over again, it's really  
16 easy for them to just kind of tune out. So  
17 think about what it means to kind of understand  
18 that different people are coming in from a  
19 different place.

20 Finally, some of these training  
21 programs really are going to have to try to  
22 focus on what it's going to take to correct  
23 gambling misconceptions. Because if you have  
24 an employee who's out there on the floor and

1 they believe in the purple haired troll that  
2 Lia's grandmother believed in, and they try to  
3 tell a patron that gaming machine is due to  
4 hit, that's a problem if you have an employee  
5 who is out there and they're holding onto these  
6 misconceptions. We need to take care of it.  
7 Thank you very much.

8 MR. MAROTTA: We do have time for  
9 comments or questions. That is going to give  
10 you an extra five minutes.

11 DR. LADOUCEUR: This time I think  
12 I'll have good news about some different  
13 procedure. I think self-exclusion program is  
14 probably one of the program we think when we  
15 talk about responsible gambling.

16 I'll just say one word about why  
17 they are so important. The essential elements  
18 of regular or improved self-exclusion program,  
19 the evidence, empirical evidence on the  
20 benefits of improved and you see what I mean by  
21 improve in a few minutes. And I suggest some  
22 elements that could be added in the different  
23 self-exclusion program.

24 Among the pathological gamblers

1 identified in prevalence studies, few will seek  
2 formal treatment. The figures we are  
3 discussing at lunch what is the percentage of  
4 the problem gamblers or pathological gamblers  
5 that we identify in problem state that will  
6 seek professional treatment, my figure was 10  
7 percent over a three-year period, that means  
8 about three percent.

9 Friends were discussing 15 percent.  
10 I don't know whether there's any recent data on  
11 this issue, but one thing for sure we can take  
12 for granted that the majority of the people  
13 that we do identify in a given jurisdiction  
14 that are pathological gamblers will not seek  
15 professional help.

16 In a way, there's some good news  
17 about it. Some will overcome their problem by  
18 themselves. So, some will go to self-help group.  
19 Some unfortunately would need some professional  
20 help but will not seek it.

21 So, in that context the implication  
22 is that a variety of interventions need to be  
23 implemented. And self-exclusion program are  
24 simply among those intervention. We've

1 conducted quite few studies on the evaluation  
2 of self-exclusion. And I'll just give you an  
3 example of one of the studies we've done before  
4 we get to the improved self-exclusion program.

5 We conducted that study at four  
6 casino in the Provinces of Quebec and Canada.  
7 One of the big question, although it's not the  
8 main object of my presentation today, is what  
9 is the range of the self-exclusion period? The  
10 majority of the people will sign for a one-year  
11 or two-year self-exclusion. We strongly  
12 suggest that people will not sign for less than  
13 one year. But in the casino that I work with  
14 we will accept any length.

15 If someone wants to self-exclude for  
16 three months, we will not refuse it. At any  
17 rate, we excluded lifelong self-exclusion for  
18 many reason. Maybe Lia will say a word about  
19 the lifelong self-exclusion on her  
20 presentation. Roughly it was from six months  
21 self-exclusion period to five years.

22 The main goal of the studies was to  
23 assess the change in gambling behavior and  
24 gambling problems of people who signed for

1 self-exclusion. And we followed the self-  
2 excluded persons for two years.

3           Here is the design. If you self-  
4 exclude for six months, as you can see in red,  
5 after six months you are not a self-excluded  
6 patron anymore. But we will still evaluate  
7 those people at six months, 12 months, 18 and  
8 24 months. People who signed for 12 months,  
9 the first year they will be self-excluded but  
10 we will follow them after and see how they had  
11 done. The last group is for two years and we  
12 will follow them for the two years.

13           We followed 161 individual. It was  
14 their first self-exclusion contract or  
15 agreement. Each participant was contracted  
16 with, you can see on the previous slide, every  
17 six months to two years.

18           The main finding is that the urge to  
19 gamble was significantly reduced when you  
20 signed for self-exclusion. The perception of  
21 control over your gambling activity was  
22 significantly increased. And the intensity of  
23 the negative consequences of gambling such as  
24 daily activities, social life, work and mood

1 were significantly improved.

2           What is quite interesting is the  
3 number of pathological gamblers those will  
4 work, because people who sign for a self-  
5 exclusion, a great, great majority are  
6 pathological gamblers. And when we followed  
7 them, they did not meet the criteria and that  
8 was in the area of 25 to 30 percent. So, that  
9 means it's a procedure, which is quite useful.

10           Another interesting but maybe not in  
11 the correlance of the goal, we found that at  
12 six, 12 and 24 months about 40 to 50 percent  
13 had breached their contract at least once. So,  
14 that means breaching is not an exceptional  
15 behavior among those people who self-exclude  
16 themselves. And one comment expressed by many  
17 self-excluded patrons is that they felt alone  
18 after they signed the contract.

19           So, what can we do about that? In  
20 the self-exclusion program in the paper that  
21 Alex Blaszczyński that we wrote is how can we  
22 improve based on different, and now we're  
23 experiencing data, how can we improve self-  
24 exclusion.

1           The usual procedure, the way it is  
2 in conducted in the majority of jurisdictions  
3 that use self-exclusion is the gambler will ask  
4 an employee of the casino, very often the  
5 security people. They meet with the employee  
6 in a private room. They sign the agreement.  
7 And then they are on their own and they will go  
8 back when the agreement or the length of the  
9 contract is over.

10           A few observations, if the self-  
11 exclusion patron is identified in the venue,  
12 the operator will simply walk out the person.  
13 In our experience with the security people in  
14 the casino, they tell us that the great, great,  
15 great majority of people once they are  
16 identified, they do not resist. They know and  
17 they simply will walk away.

18           I know only one person in all of our  
19 studies that signed for self-exclusion on a  
20 preventative. That was simply someone who was  
21 a businessperson that had meetings at the  
22 casino. He was not a gambler. And they had  
23 those meetings. He started playing blackjack  
24 and he liked it. He told us I was not really

1 looking for our next meeting. I was looking  
2 for the location of our next meeting, because  
3 after the meeting, we would go and play  
4 blackjack. He said I better be careful about  
5 that and he signed. But the majority are not  
6 doing it on a preventive aspect but more  
7 because they have a problem with gambling.

8           Also, we have introduced self-  
9 exclusion in VLT parlors in Quebec. I think  
10 what you're discussing here in Mass there will  
11 be the racinos, right? And that could be  
12 implemented too in such venues.

13           What is the improved self-exclusion  
14 procedure? When they request for self-  
15 exclusion, they meet with personnel at the  
16 casino, usually the security. Security in the  
17 agreement offers an initial meeting with an  
18 educator. We don't say you're a therapist, but  
19 someone who is knowledgeable about gambling.  
20 And they will have the first meeting. They  
21 will sign for a compulsory meeting at the end  
22 of the self-exclusion period.

23           If they accept the initial meeting,  
24 they will have that meeting. I could tell you

1 more what is the content. Essentially, there's  
2 a lot of information about gambling. We give  
3 them feedback about their gambling habits and  
4 the different negative consequences of  
5 gambling.

6 After that evaluation, different  
7 service are offered counseling, financial  
8 counselor, Gamblers Anonymous meeting that they  
9 can attend, legal advices, support through  
10 telephone support and other kind of things.  
11 Then if they accept, they will have telephone  
12 support. At the end of the self-exclusion  
13 period, they will have this compulsory meeting  
14 with the educator.

15 If they do not show up for that  
16 meeting, self-exclusion is still active. So,  
17 they have to meet with the educator. If they  
18 refuse the meeting the initial meeting, they  
19 will still have the compulsory meeting at the  
20 end of the self-exclusion period.

21 What are the key aspect of this  
22 procedure? There is a voluntary meeting at the  
23 beginning. If desired, telephone support is  
24 provided. I'll just jump a little bit because

1 of time in this aspect.

2 Many ask for telephone support.

3 That means we provide them with a telephone  
4 number of a counselor. And they can call  
5 whenever they want. If I would ask them did  
6 they call, often call? They rarely called.  
7 But at the compulsory meeting at the end of the  
8 self-exclusion period, we ask them why you  
9 didn't call. And the answer was simply knowing  
10 that I could call any time was a great, great,  
11 great security blanket for me.

12 So, that was offered but they did  
13 not use it but in a way knowing that that was  
14 available was very important to them. Why this  
15 improved model? Simply to move away from the  
16 detection based enforcement model to more of a  
17 personal involvement and responsibility.

18 We did evaluate this program. There  
19 was the choice in the casino that if they did  
20 not want the improved program they could have  
21 the regular program the way I explained it at  
22 the very beginning.

23 Interestingly 39 percent accepted  
24 some for the initial meeting but 70 percent did

1 not show up. 70 percent attended the mandatory  
2 final meeting. So, that means that 30 percent  
3 still have their self-exclusion contract  
4 active.

5           The key findings, over the one-year  
6 follow-up the results showed that it was a  
7 significant decrease in the number of  
8 pathological gamblers among the people who  
9 self-exclude themselves. Decrease in time and  
10 money spent gambling. It doesn't mean that if  
11 you signed for self-exclusion that you will  
12 abstain from any form of gambling. The  
13 intensity of the negative consequences and the  
14 presence of depression and anxiety.

15           The majority of who attended the  
16 voluntary meeting find it quite useful. 97  
17 percent of those who participated in the  
18 mandatory meeting at the end said it was quite  
19 useful. And what they most appreciated in all  
20 of the procedure was the personal quality of  
21 the educator. That was the pivotal aspect.

22           Interestingly, they did not rate the  
23 active ingredients that we thought were the  
24 most important ingredients of the meeting but

1 the personal competence and empathy of the  
2 educator.

3           Some participants were reluctant to  
4 a mandatory meeting at the end. 18 emitted  
5 negative comments, they didn't like the aspect  
6 of being mandatory. Some said it should not be  
7 compulsory.

8           What are my suggestions about the  
9 self-exclusion? One thing we should know is  
10 that and this we all know now, I guess, the  
11 self-excluded individual is a very diversified  
12 and complex sample. And it's very difficult to  
13 conduct studies in casino. Some are very  
14 reluctant to participate in a study.

15           Based on our observation, probably  
16 one of the interesting avenue is to offer the  
17 buffet approach, which means that each patron  
18 could choose and comply to a set of the  
19 following options. They may decide that they  
20 want no additional measure. They just want to  
21 sign, go home and for one year, two years they  
22 don't want any contact. I think we should  
23 respect that.

24           Some maybe would like to try the

1 initial meeting. It's roughly about an hour  
2 and a half meeting, two hours. A meeting at  
3 the end of the self-exclusion period, telephone  
4 contact, few periodic boosters during the self-  
5 exclusion period, and other measures that we  
6 can think of.

7 So, what I'm saying here is if we  
8 can offer different component, different  
9 activities that would certainly be useful.

10 I just want to end with a few maybe  
11 some burning issues about self-exclusion. What  
12 should the operator do if the self-excluded  
13 patron breach? We know that 40 to 50 percent  
14 would breach at least once and they win a big  
15 prize. I did further to discuss that with a  
16 few of you during that meeting.

17 Well it seems clear from our  
18 knowledge and my clinical aspect on the self-  
19 exclusion, certainly the operator should not  
20 pay the winning to the self-excluded patron.  
21 Simply because it would be reinforcing  
22 breaching.

23 Is it sufficient to implement the  
24 self-exclusion program, I would say no. I

1 think we should evaluate the benefits. What  
2 has been said quite a few times over the day,  
3 we should evaluate and adjust the self-  
4 exclusion.

5 I could not stop myself bringing  
6 another issue. This is not on my slide, but we  
7 discussed earlier today, should we implement  
8 the procedure that a third party could exclude  
9 someone without his formal consent?

10 I was discussing this issue in  
11 Singapore at the Singapore casino introduced  
12 this component. They have no data. But my  
13 hypothesis was that for example if I would be  
14 up problem gambler and my wife for all kinds of  
15 reasons would go to the casino and exclude me,  
16 I may not be able to go back. That may be  
17 helpful for my gambling problem, but one thing  
18 for sure it will increase my marital problems.

19 So, I think we have to be careful  
20 about, like I've said before, common wisdom,  
21 what we think is good may not be necessarily  
22 supported by empirical evidence. Thank you  
23 very much.

24 DR. NOWER: You're getting some

1 exercise in swinging your heads from side to  
2 side.

3           So, I am going to talk about -- And  
4 I want to say before I start and I have this as  
5 the end of my slide, but in case I don't  
6 emphasize this enough. Joe Kelly from SUNY  
7 Buffalo, I got this topic at 9:00 a.m. Friday  
8 morning, and had to get all of this legal  
9 research, which I would never have been able to  
10 do without him on a Saturday emailing me reams  
11 of articles and cases. So, I just want to say  
12 he's an enormous help.

13           What I am going to talk about today  
14 is -- And those of you that know me know I'm  
15 also an attorney, former criminal prosecutor.  
16 I am going to talk a little bit about some of  
17 the legal issues in self-exclusion and some  
18 things like if a state is going to craft an  
19 optimal program, what are some of the  
20 components that really should be in there, not  
21 from a conceptual level but from sort of a  
22 liability limiting perspective.

23           So, we know that the self-exclusion  
24 programs vary significantly by jurisdiction.

1 Litigation surrounding these programs at least  
2 in the US and Canada has largely resulted in  
3 dismissals or settlements. So, there what  
4 somebody would term a successful case but  
5 they've been sealed. We know which ones sort  
6 of settled, but we don't know for how much.

7           What I am going to do is review the  
8 legal issues in select published cases. Most  
9 of you are probably aware of the ones I'm going  
10 to talk about. There are some fun ones like  
11 handing bags of cash over in the Sydney casino,  
12 which I won't touch on. That one was settled.  
13 And suggest areas for future consideration.  
14 Posit suggestions for the development of a  
15 comprehensive liability minded self-exclusion  
16 program.

17           So here's some possible causes of  
18 action. The way that this has sort of been  
19 outlined, it's interesting there's been some  
20 interest in the law journals in this area.  
21 Students sort of chewing on some of these  
22 issues. Basically, these cases have sort of  
23 turned around a few different causes of action.

24           Accidental conduct, one of the

1 defenses sort of has been if there was any  
2 harm, which we're not saying there was any  
3 harm, but it's not reasonably foreseeable. The  
4 researchers established that a disproportionate  
5 or has shown that a disproportionate amount of  
6 gambling revenues comes from problem gamblers.

7 So, the casinos sort of have to  
8 establish that they can't identify individual  
9 problem gamblers. I would disagree with my  
10 esteemed colleague from MIT about these player  
11 tracking algorithms. There is no transparency  
12 in how they were developed. There's no outside  
13 empirical testing of them. And they make a lot  
14 of money off these.

15 And the rest of us are aren't able  
16 to do -- Howard's nodding. -- aren't able to do  
17 any research on them to prove whether they're  
18 valid or invalid. So, I would disagree that in  
19 any way people should take those algorithms as  
20 something we should use.

21 So, the accidental conduct, if a  
22 problem gambler that you can't take reasonable  
23 steps to prevent a pathological gambler from  
24 harming themselves. Those of you that either

1 know some or have them in your lives know that  
2 irrespective of everything else, if they want  
3 to continue to do something, they will.

4           When Missouri had the \$500 loss  
5 limits, all they would do is just go to a  
6 different casino. Or they would get cards  
7 under different IDs or something that. It  
8 didn't deter people who really wanted to gamble  
9 problematically.

10           Possible causes of action,  
11 intentional misconduct. So, knowing with  
12 substantial certainty that the consequences of  
13 their actions like intentional direct  
14 marketing, credit, other enticements to the  
15 self-excluded person. So, that's something  
16 that once the person self-excludes then if they  
17 start to get this marketing that's been an area  
18 where there have been suits.

19           They keep getting marketing  
20 materials. It's usually accidental which is  
21 the defense. But the person suing says no,  
22 it's not. They know, they want me to come  
23 back.

24           Negligence, they should have

1 reasonably foreseen harm and avoided conduct  
2 that led to harm. Is the operator under a  
3 legal duty to exclude or otherwise respond to  
4 those who exhibit characteristics of problem  
5 gambling? And if we're in the Netherlands, we  
6 would say yes. We're going to approach them  
7 and say, you've been gambling too much. But if  
8 we're here in the United States, we value our  
9 privacy. And typically that's not been the  
10 case.

11           So, the underlying analogy in most  
12 of these cases that have come up have been  
13 intoxication. A sort of dram shop for gambling  
14 argument. So, most jurisdictions don't allow  
15 intoxicated patrons who have suffered injury to  
16 recover from a bar unless the bartender or a  
17 waitress served an obviously intoxicated person  
18 or the injury was through a third-party.

19           So, the courts have reasoned since a  
20 drinker can't recover from a bar that has  
21 served them, a gambler shouldn't recover from a  
22 casino who let them gamble if the damage is  
23 just to themselves or there not sort of a  
24 proximate cause of the actual trip to the

1 casino.

2           The alcohol cases really do turn on  
3 proximate cause. So, what they'll say is the  
4 proximate cause is the liquor not the  
5 bartender. So, unless this bartender knew that  
6 this person was already drunk and gave them the  
7 alcohol and then they went out and hurt someone  
8 else you can't recover.

9           However, with gambling this  
10 particular author Bower in this one law  
11 journal, Northern Illinois Law Review argued  
12 that the harm could be seen to occur the moment  
13 the gambler is fed the dangerous substance,  
14 which is gambling. So, you have to sort of  
15 believe the activity is inherently nefarious  
16 not that it's the excess of the person.

17           And if the person self-excluded, the  
18 harm is foreseeable, which I think is a  
19 stronger argument. If the person is self-  
20 excluded and you continue to market to them,  
21 there is a potential for incurring some  
22 liability.

23           However, unlike with alcohol there  
24 is no law expressly prohibiting casino

1 operators from permitting disordered gamblers  
2 to gamble. There is no express rights of  
3 action or other civil remedies to provide  
4 disordered gamblers or persons affected by  
5 them.

6           If anybody who knows a lot about the  
7 tax and the domestic laws, there's nothing  
8 really to protect the creditors from going  
9 after a spouse if the gambler uses their credit  
10 card or the ATM card or whatever and they use  
11 it for gambling debts, the spouse is equally  
12 severely liable for those debts. So, we just  
13 have sort of a different system here.

14           A few cases I just want to go over  
15 quickly. The first one will just sort of show  
16 you the difference between the US and Canada  
17 and Austria. This Christian Hanz who was a  
18 problem gambler, he visited two Austrian  
19 casinos more than 100 time between '97 and  
20 2000. And the courts said the casino was  
21 guilty of gross malfeasance and negligent  
22 behavior by not restricting someone who  
23 exhibited all of the signs of pathological  
24 gambling. And ordered the casino to reimburse

1 about \$680,000, which was only 20 percent of  
2 his losses.

3           So, in contrast to that, the Joe  
4 McNeely case, some of you may know he was a  
5 Louisiana college football star. He died  
6 recently I think. He sued four Louisiana  
7 casinos federally. And his lawyer had  
8 contacted the casinos, informed them that he  
9 was a disordered gambler and asked them not to  
10 contact him, let him gamble or obtain credit.

11           The consideration for that the  
12 lawyer said was that we're going to tell  
13 everyone that you're good people, you're  
14 honorable people. That was the consideration  
15 for the "contract" that was alleged. There was  
16 no self-exclusion initiated and only one casino  
17 honored the request. And the file is sealed.  
18 The word is that there was some type of  
19 settlement but we don't know because it was  
20 sealed.

21           Tavares versus Resorts International  
22 Hotel, some of you may have met Tavares. She's  
23 something. In 2007, this Arelia Tavares who  
24 was a former New York attorney lost \$155,000 in

1 one weekend. And she sued six New Jersey  
2 casinos for \$20 million alleging breach of a  
3 duty of care after she identified as a problem  
4 gambler.

5 She also sued under RICO that the  
6 casinos collaborated to lure her out of New  
7 Jersey to gamble outside New Jersey. They  
8 dismissed her suit, because of no duty of care  
9 on the casinos and she didn't plead mail fraud  
10 on the federal charge. So, that was dismissed.

11 Then Merrill versus Trump Indiana,  
12 Indiana had a bad run. They had a few of  
13 these. So this Mark Merrill, he was a problem  
14 gambler. And the clinic contacted the casino  
15 as "guardian custodian trustee" to inform them  
16 to enter an oral contract to bar him. The  
17 gambler himself also wrote the casino and asked  
18 for self-exclusion.

19 There wasn't a formal process there  
20 until 2000. So, he couldn't actually go  
21 through the self-exclusion process. In '98 he  
22 returns to gamble. He is not barred. He  
23 loses. He robs banks. He goes to federal  
24 prison.

1           And the court granted a summary  
2 judgment for the casino and they said they owed  
3 no duty of care to him because the regulation  
4 was not in effect. And it didn't contemplate a  
5 private cause of action civil liability only  
6 fines. I'm going to mention that later. But  
7 that is important how you craft what you write.

8           I think this is the last one. The  
9 Williams case, this is another Indiana case.  
10 This David Williams who I think worked for the  
11 Department of Revenue for the state of Indiana.  
12 He was a former auditor. He gambled at Casino  
13 Aztar in Evansville. And his girlfriend, so  
14 this is sort of -- I put this in here because  
15 this is a third-party when you're talking about  
16 contemplating third-party intervention.

17           His girlfriend repeatedly contacted  
18 state officials and the casino for  
19 intervention. After reporting, he was  
20 contemplating suicide. Aztar's responsible  
21 gaming committee approached Williams. He  
22 sought help and was committed for suicidality.  
23 Aztar sent a cease admissions letter. He  
24 gambled away about \$160,000 between his

1 girlfriend's first call and this cease  
2 admissions letter.

3 He was absent for a year. And then  
4 as we know happens, he returned to the casino  
5 and gambled until he was identified, losing an  
6 additional \$15- to \$20,000. He sued under  
7 RICO, but he actually alleged mail fraud. He  
8 said the promotional materials the casino was  
9 sending him constituted mail fraud, and this  
10 was dismissed as frivolous. The judge spared  
11 him no dignity in dismissing this case.

12 I want to briefly touch on FinCEN.  
13 Probably most of you know Bob FinCEN. I do  
14 think there is some potential relevance of  
15 FinCEN on this whole self-exclusion discussion.

16 FinCEN has really ramped up  
17 investigations for alleged violations of the  
18 Bank Secrecy Act. Those of you, it's the US  
19 Treasury Department's Financial Crimes  
20 Enforcement Network. Recently the Sands Corp.,  
21 which owns Venetian and Palazzo, they had a  
22 \$47.4 million settlement with the Justice  
23 Department for failing to identify \$58 million  
24 in suspicious transactions.

1           The claim was that they failed to  
2 flag about \$45 million in wire transfers and  
3 \$13 million in cashier's check deposits between  
4 February 2005 and March 2007 by this Chinese  
5 national accused of trafficking narcotics.

6           Another really recent case that all  
7 of you will be really familiar with is the  
8 investigation of Caesars's MGM for alleged  
9 anti-money laundering violations. They are  
10 accused of failing to document the exchange of  
11 millions in foreign currency by high-rolling  
12 clients from China, Japan and Russia. The  
13 money was flown to casinos on planes and client  
14 arrives with less than \$10,000, which is what  
15 triggers FinCEN.

16           The question becomes if the  
17 government can impose a heightened duty to  
18 identify these violations, which is what's  
19 going on that then puts a higher duty on the  
20 casinos to track these players financial  
21 transaction spending, etc., which then means  
22 can't regulators then require the same  
23 diligence with regard to self-excluded persons.  
24 And this is where I say there's a really new

1 wrinkle in this whole discussion.

2           So, the primary issues in self-  
3 exclusion, the state regulations say licensees  
4 must maintain a list and submit internal  
5 control procedures but this is usually vague.  
6 It doesn't require the use of facial  
7 recognition software, which we know is not as  
8 great as the lay person really thinks it is  
9 license plate monitoring or other specific  
10 procedures.

11           The sanctions may or may not be  
12 imposed for violations. And if imposed, the  
13 sanctions may only be levied for those who are  
14 caught versus those who should have been caught  
15 and the casinos are permitted to keep the  
16 winnings or they donate the winnings. It  
17 depends on the legislation, but not required to  
18 return the losses. So, these are some  
19 considerations.

20           I heard one person say if the same  
21 diligence were applied to catch the self-  
22 excluders in the casinos as applied to the  
23 advantaged players who win at blackjack, a lot  
24 more of them would be identified. That's one

1 argument that's sort of been levied.

2           If we look at the lawsuits, the  
3 basis for these lawsuits are it's perceived as  
4 a win-win for the casinos. That there is no  
5 incentive to identify these people unless  
6 they're winning. So, there's sort of an unjust  
7 enrichment legal argument that's been put  
8 forward.

9           And that the responsibility is only  
10 on the patron despite a perceived contract. We  
11 may argue there is no contract. This is a  
12 barrier method. It's not a contract. But the  
13 basis for a lot of these lawsuits has been that  
14 there is a contract. I agree to stay out. You  
15 agree to keep me out. And there is some people  
16 who believe that the casino should have to  
17 return anything that patron lost as a result of  
18 them or put into a fund as a result of not  
19 being identified the same as the patron doesn't  
20 get to keep winnings.

21           Here's what I'm just going to give  
22 you considerations for self-exclusion. How am  
23 I doing on time, Jeff, okay? Okay. I tend to  
24 talk fast. So, the need for a centralized

1 system, I understand you all are going to have  
2 a centralized system. I come from Missouri  
3 that has a centralized system. I think that's  
4 the optimal system.

5 New Jersey's a nightmare, where I  
6 live now. In Missouri, the self-exclusion is  
7 run by the Missouri Gaming Commission through  
8 agents that work with the casinos. In New  
9 Jersey, it's just a patchwork. Some have good  
10 programs, some have no programs. The state has  
11 a program, but you have to drive to one of two  
12 offices. There is no coordination. And  
13 racetracks, forget it.

14 I've actually gone with a problem  
15 gambler who is on the self-excluded list to the  
16 racetrack while they played. And while they  
17 cashed out and no one ever asked them for  
18 anything. There's only 100 people on the list,  
19 how hard can that be? But there's no incentive  
20 for the racetracks to catch these people.

21 So, self-exclusion should be state-  
22 run, utilizing a centralized register that  
23 imposes uniform registration, identification  
24 and breach procedures. That's sort of how sort

1 of my own personal belief on it.

2           Then general considerations, you  
3 need to think about how long should the ban  
4 last. Missouri had a lifetime ban. And the  
5 pros of it were that basically most of us that  
6 are clinicians feel that once a person is a  
7 disordered gambler, let them do something else.  
8 Why dangle the cookie in front of a Weight  
9 Watchers person or whatever. I go to Weight  
10 Watchers. I don't do so well. Anybody who sat  
11 with me at lunch would know that. Right,  
12 Rachel? I had two of those little cupcake  
13 things. Anyway, once a disordered gambler, you  
14 might as well just stay out for life.

15           The cons are, what we found in  
16 Missouri was it's an enforcement nightmare.  
17 People move. They change their names. They  
18 die. And the list just grows unmanageable and  
19 you're trying to police all of these people.  
20 And it's just impossible.

21           So, under what circumstances can a  
22 person revoke their ban, at-will, after  
23 finishing some intervention, counselor  
24 certification? What is the minimum amount of

1 time and what's the role of third parties?

2 This third-party provision is a  
3 worry. I had the same worry when Missouri had  
4 the identification monitor that was monitored  
5 by Equifax. Because if I were a divorce lawyer  
6 or someone suing someone, I would say or  
7 someone doing credit ratings, I would try to  
8 get that data to somehow alter -- to use in  
9 court.

10 And in this situation, if any third-  
11 party in a domestic dispute can go in and  
12 exclude someone and then use that evidence to  
13 say they're a problem gambler, therefore they  
14 squandered -- You're getting yourself into the  
15 middle of something that may be really  
16 dangerous.

17 Some considerations for the  
18 operator, are there checking requirements,  
19 mandatory promotion of the program, how visible  
20 does it have to be, an ID system requirement  
21 like digital pictures. One of these the  
22 lawsuits they said well the state only gives us  
23 actual pictures not digital. So, we can't use  
24 facial recognition. So, something to think

1 about.

2 Penalties for both the gambler and  
3 the venue upon violation of the program.  
4 Training of casino employees. Requiring  
5 operators to remove self-excluders from  
6 marketing lists. And there have to be  
7 penalties. If people don't have penalties,  
8 there's not a lot of incentive.

9 So, now the last thing I just want  
10 to go over real quickly is what do I think, if  
11 I were writing a contract for self-exclusion  
12 what are the essential components of a self-  
13 exclusion agreement?

14 The gambler certifies that they are  
15 a disordered gambler and they want to self-ban.  
16 You don't have to know whether they are or they  
17 aren't. They're certifying they are. Gambler  
18 agrees that the casino has no independent  
19 knowledge of the truth of that claim.

20 The casino agrees to allow the  
21 patron to self-exclude and to remove the patron  
22 or have them arrested for trespass, if that's  
23 your provision. I'm just doing this as an  
24 example --- In the event the gambler is found

1 on the premises, the gambler understands that  
2 returning to the premises constitutes material  
3 breach. I think that's important because some  
4 of these cases have turned on who's breaching,  
5 the casino by not catching the person, or the  
6 person by going back?

7           What was genius in the Missouri  
8 thing that Kevin Mullally drafted that I  
9 thought was really, really a brilliant thing  
10 was the gambler agrees to notify the casino  
11 within 24 hours of the breach. No gamblers do  
12 this, so they're double preaching.

13           So, if they bring a cause of action  
14 against the state or the casinos, it's going be  
15 doubly difficult for them to even have a cause  
16 of action.

17           The gambler agrees that his or her  
18 failure to comply with this voluntary ban may  
19 result in trespass, arrest, prosecution,  
20 whatever you chose to put in. The gambler  
21 agrees that the winnings will be forfeited.  
22 The gambler understands that forfeited winnings  
23 will be donated to do whatever you're going to  
24 do with them. I think they're going into a

1 fund here or something.

2           The casino agrees that any losses --  
3 I personally would also make the casinos give  
4 the losses between the time of ban to a fund to  
5 make it look like there's a little bit of an  
6 investment. The casino agrees that any losses  
7 incurred by self-excluded gambler following the  
8 ban will be donated to whoever. The gambler  
9 releases and forever discharges blah, blah,  
10 blah, lawyer language.

11           Thanks again to Joe Kelly. He was a  
12 lifesaver.

13           MS. WARNER: I will not talk nearly  
14 that fast, and I consider myself a fast talker.  
15 First, let me just say a little bit about the  
16 third-party exclusion. Not a whole lot is  
17 clarified in the statute as it relates to that  
18 other than that it is managed through the  
19 courts. So, it's not as if someone can just  
20 sign you up for third-party exclusion. So,  
21 they have put some pieces in there.

22           Mark and I have discussed that a  
23 little bit in terms of needing to do a fair  
24 amount of work as it relates -- At this point,

1 I don't know that courts would have any idea  
2 what to do with someone who showed up and  
3 wanted to offer a third-party exclusion for a  
4 family member. Who is going to evaluate that  
5 and what is that criteria going to look like.  
6 I think there are a lot of important  
7 considerations there. So, I just wanted to say  
8 that piece.

9           So, I was lucky enough to be  
10 assigned the topic for which there is  
11 absolutely no research. So, you heard from all  
12 of these fantastic researchers. And Mark gave  
13 me a topic for which there is really nothing to  
14 go on, other than a lot of great discussion.

15           This is really a Canadian model in  
16 terms of looking at and I put it in quotation  
17 marks "on-site treatment" or "on-site clinical  
18 centers". It's something that the drafters of  
19 the legislation took some time to really go and  
20 take a look at and evaluate how it's being  
21 done. And there isn't kind of one specific way  
22 to do it.

23           So, I would say I spent a lot of my  
24 time -- I work with a lot of key stakeholders,

1 but spend a lot of time working with industry  
2 members. So, this Mass Partnership on  
3 Responsible Gambling, we spent an entire day  
4 primarily most of the day talking about these  
5 centers. This is what the casino bidders are  
6 really concerned about in terms of how to write  
7 that portion of their bids.

8 I am glad we're having a moment to  
9 discuss this. I'm going to skip over the slide  
10 actually, because I talked about it this  
11 morning and I'd like to just keep going.

12 One of the things I did say to folks  
13 this morning and as typical forums that  
14 oftentimes there's more questions than answers.  
15 This is absolutely 12 minutes of questions. I  
16 think it's because there are just so many  
17 different considerations.

18 In terms of the way that Howard laid  
19 out his presentation today, this is absolutely  
20 a place where the Gaming Commission and the  
21 Commonwealth of Massachusetts gets to decide  
22 what are the values we want to put into an  
23 opportunity like this. It's not really being  
24 done anywhere else. What are the values we

1 want to place on offering something like this.  
2 And what are the strategies and tactics that we  
3 want to impart through this product, so a great  
4 opportunity for us.

5           So, again, lots of questions.  
6 Defining what takes place at this on-site  
7 center. Who runs the on-site center? Where  
8 should they be located? That has been, I can't  
9 tell you, how much discussion just that has  
10 been, which is the gaming industry folks saying  
11 should it be in the middle of the casino?  
12 Should it be at the edge of the casino? Who  
13 should be staffing it? Should it be near where  
14 the Gaming Commissioners who are going to be  
15 on-site at the casino, should it be near them?  
16           Should the Gaming Commissioners be  
17 really far from that? Who should be in the  
18 eyesight of it? Lots of considerations about  
19 that. And really, what should it be named?  
20 Just when Mark and I talk about it, we can't  
21 come up with a common language. I've been  
22 joking because I've been calling it the BIC  
23 centers, which he keeps telling me is not going  
24 to stick, the brief intervention centers.

1           Simply because we know everyone is  
2 aware of the fact that it's not going to be  
3 treatment. I think there's a pretty common  
4 consensus that people aren't going to show up  
5 at a casino for treatment. I don't know.  
6 Maybe we could change the discussion, but  
7 that's been an ongoing dialogue for us.

8           And kind of who is it for? That's  
9 another big consideration. Certainly, the  
10 intention I think is that it's for patrons,  
11 patrons who have experienced a problem with  
12 gambling. As we talked about it today, there  
13 are so many different strategies for us to  
14 consider some of these strategies and tactics.  
15 We could think about it being more on the  
16 preventative end versus intervention and  
17 treatment end. And what does that look like?  
18 And how do we craft that?

19           The number one most frustrating call  
20 to receive on the helpline is from a family  
21 member whose loved one is at the casino, has  
22 been there for days upon days and they can't  
23 get them out. And I talk to industry members  
24 who also say that that's a really frustrating

1 phone call because they don't want to do with  
2 the family members.

3           There must be a place to help family  
4 members. This might be that place. There  
5 might be an opportunity for family members who  
6 may not be able, because again with that  
7 individual's right to be there gambling, may  
8 not be able to extract a loved one, but maybe  
9 they then can access some resources. There  
10 might be an opportunity for some type of  
11 intervention and help there.

12           And then employees, as you've heard,  
13 a number of people referred to today there are  
14 higher rates of gambling disorders among  
15 employees. Where are they accessing resources?  
16 Are they accessing it through HR? Are they  
17 accessing it through an EAP? Or might they  
18 use some version of this center in the front  
19 side, on the backend? What is happening in  
20 that center for those employees?

21           Is the setup the same for each of  
22 these groups? Like I said, is there a front  
23 side, a back side? And can the space be  
24 partitioned in some way? Is it staffed 24

1 hours a day? This is ongoing dialogue for  
2 helplines. This is ongoing dialogue as it  
3 relates to treatment. So anyway, this would be  
4 a dialogue for these centers. If it is, how  
5 are you going to get traffic in there? How are  
6 you going find a purpose for that person 24  
7 hours a day?

8           And can terminals play some role in  
9 this? Does it have to be staffed by a person?  
10 Is there some role for the terminals inside the  
11 center versus outside the center? There are a  
12 lot of different implications there as well.

13           So, I think the other piece is that  
14 these should not be isolated. They should be  
15 part of a system. And I described a little bit  
16 about the systems we currently have in  
17 Massachusetts and some of the systems we'd like  
18 to have in Massachusetts.

19           Lots of folks want to interact with  
20 these. So, looking at how prevention services  
21 interact with these on-site centers,  
22 intervention systems and resources and  
23 certainly treatment efforts. I would say that  
24 the treatment efforts, the treatment providers

1 currently are the ones most that are most  
2 interested in what is going to be happening  
3 with these on-site centers.

4           Looking at crisis teams. Certainly,  
5 casinos who operate in other jurisdictions know  
6 what to do if someone says they're suicidal.  
7 But do they have an idea of someone who's  
8 talking a little bit about suicide ideation but  
9 don't have a plan? Who are those crisis teams  
10 that are interacting? What is the training of  
11 that employee who is on-site?

12           The local hospitals, what do they  
13 know about problem gambling and how do they  
14 react with these centers? Outpatient treatment  
15 centers, what we'd love to see is how does  
16 someone who might have some interaction there,  
17 whether it be a screen or some resources, are  
18 they connected enough that they can then  
19 immediately be assigned an appointment at a  
20 local treatment center?

21           That way they don't have to make  
22 that separate phone call because we all know  
23 that if they have to make that separate phone  
24 call, it's not going to happen. So, that warm

1 transfer or that idea that they can immediately  
2 insert someone, very much the NIATx model.

3 Schools, correctional facilities,  
4 legal services, all those different services  
5 that are happening and need to be happening in  
6 tandem, who is coordinating that and how are  
7 they staying together?

8 Also the ideas in terms of how are  
9 they managed? How are they paid? If these  
10 folks are at all involved in the self-exclusion  
11 programs, how is that happening?

12 Could anyone looking for help walk  
13 in and do what they need to do? Or do they  
14 need to be somehow connected to the facility?  
15 Do they need to have a players card? Do they  
16 need be a known quantity?

17 For me, I'm not forgetting that I'm  
18 serving a whole lot of folks who currently  
19 dealing with gambling disorders and casinos  
20 aren't here in Massachusetts yet. But a lot of  
21 those folks are going to arrive at those  
22 casinos. So, how do we connect all of the  
23 various services that are out there.

24 And if folks may want to stay away

1 from the casinos or maybe some folks will talk  
2 about getting a rush just by walking up to the  
3 front door before they've ever placed a bet,  
4 wagered. What if there were able to step into  
5 there first before they made that decision to  
6 bet? How can they connect -- How can these on-  
7 site centers connect the services that are  
8 happening outside and inside and do they need  
9 to know this person as a known quantity?

10 Data, you've heard time and time and  
11 time again today about data, this is a really  
12 key piece. Because our system is so connected  
13 in terms of those three casinos and that slot  
14 parlor, it's so important to have data. So,  
15 let's not fool ourselves, the person who goes  
16 to the one in Region A is very likely to also  
17 go to the one in Region B and Region C. So, if  
18 they've given some information here at some  
19 point decided that there's only certain points  
20 of intervention sometimes in the cycle of  
21 addiction.

22 So, if there's an opportunity to  
23 have kept some of the information about that  
24 individual, do we want that? Do we want to

1 have personalized data? Do we want to just be  
2 collecting data in terms of evaluation of these  
3 centers? How far do we want to go? Obviously,  
4 we don't want to be violating HIPPA laws, on  
5 the other hand, is there some type of tracking  
6 data that will be useful to the individuals?

7 And I talked a little bit, can all  
8 of the data information be kept separate from  
9 personal identifying information?

10 And then similarly, what I talked  
11 about earlier in terms of the self-exclusion.  
12 Self-exclusion do we have some type of a  
13 certifying program where we know that a number  
14 of folks in the casino and outside the casino  
15 can help folks to get on, help patrons to get  
16 onto that self-exclusion list.

17 Can the people in the center maybe  
18 be the ones that do that certifying that are  
19 certifying people that show up at that ER that  
20 show up through the crisis team, that are  
21 showing up at the outpatient treatment centers  
22 as well as on-site. Why not coordinate that if  
23 we're going to be doing a statewide exclusion  
24 program?

1           This is just kind of my last little  
2 thing and Mark has heard me talk about this as  
3 well, which is attraction and not promotion.

4 This is an idea that I recently saw on  
5 idealist.org. This is a place where they have  
6 a barbershop for people who need legal advice.  
7 So, you go in under the auspices that you are  
8 getting a haircut, but there is a lawyer  
9 offering free advice in the back, like a real  
10 lawyer.

11           The idea is you don't have to feel  
12 ridiculous or feel somehow delinquent if you  
13 need help. That you are feeling like you're  
14 just any other patron at a barbershop.

15           And I wonder if there's some way for  
16 us to set up some type of opportunity for  
17 people to feel -- I find it hard to imagine  
18 that if I need help that I'm going to walk into  
19 a place and say, hey, you that I don't know I'm  
20 going to admit that unlike the thousands of  
21 people that are out there gambling, I can't  
22 control my gambling.

23           That is a really hard thing for  
24 people to do, to pick up the phone. And I

1 think it would be even harder to show up in  
2 person. But is there some way for us to sell  
3 these centers that is under the auspices of  
4 something else a little more normalized that at  
5 least brings them in the door and makes them  
6 feel a little more comfortable. And then they  
7 can really access some help however we decide  
8 to do that.

9 That's it, thank you.

10 MR. MAROTTA: Our last panelist Dr.  
11 Volberg. We've done very good keeping on  
12 schedule. We are only five minutes behind.  
13 And what I'd like to do is give you the five  
14 minutes and just take five minutes out of the  
15 break.

16 DR. VOLBERG: I knew I only had five  
17 minutes, which is why I didn't prepare these  
18 slides. I prepared slides, but didn't give  
19 them to the person who is in charge of slides.

20 I'd like to thank the Commission for  
21 inviting me to speak, Mark and Jeff. This is  
22 the end of a very lengthy session, I have to  
23 say. And I'm sure you have all been pounded  
24 into submission. So, thank you for sitting for

1 a few more minutes.

2 I just want actually make one small  
3 comment speaking to the topic that Marlene just  
4 finished up on, because like a number of us  
5 here, I had the solitary experience of going to  
6 Singapore and having a tour of the casinos. I  
7 actually was with a group that wanted to see  
8 the rooms where help would be provided to  
9 people who sought somebody out and asked for  
10 help.

11 We were all completely appalled  
12 actually when one of the casinos, I won't say  
13 which one, proudly led us to a space that they  
14 had set aside for people who needed help with a  
15 gambling problem. it was actually two chairs  
16 with a little table next to them or between  
17 them that was situated in the locker room for  
18 the casino staff. I was like, oh, I don't  
19 think this space is going to work very well for  
20 this purpose. You might want to think about  
21 it.

22 I think that sort of speaks to me to  
23 the importance of careful consideration in  
24 terms of implementation of many of these

1 responsible gambling ideas that we have. So,  
2 we've given you lots of ideas, but I think  
3 there's a lot of work to be done by many of the  
4 stakeholders to think about how it's actually  
5 going to be implemented.

6 I am going to actually talk a little  
7 bit about -- I've been asked to talk about  
8 evaluating responsible gaming programs. As you  
9 may have guessed by now, there's relatively  
10 little to tell you about. So, I think I'm  
11 going to talk about what might be possible.

12 A couple of years ago, I was asked  
13 to speak at a conference about building a  
14 robust responsible gambling program. I started  
15 out that talk by comparing two quotes. And I'd  
16 like to put on my glasses and read them for  
17 you.

18 One is a quote actually from the  
19 Reno model, article, the 2008 piece by Alex  
20 Blaszczynski and others where they actually  
21 state that individuals retain the ultimate  
22 responsibility to make responsible gambling  
23 choices. They frame that as industry and  
24 government and the community have to ensure

1 that there is adequate information, but it's  
2 ultimately up to the individual to decide.

3           Comparing that with a quote from  
4 Gerda Reith who some of you may have heard  
5 about or run across her work where she argues  
6 from a very sort of sociological position that  
7 in the case of gambling, the liberalization and  
8 deregulation of the industry and the  
9 simultaneous expectation that individual  
10 players govern themselves expressly tensions  
11 inherent in consumer capitalism.

12           Those are very theoretical remarks,  
13 but for me they sort of frame the essential  
14 tension when we're thinking about responsible  
15 gambling as is it the ultimate decision of the  
16 individual to act responsibly or is it the  
17 ultimate decision of government and operators  
18 and the communities of various kinds and many  
19 stakeholders to sort of provide a safety net,  
20 if you will, and to try to build a structure in  
21 place that will save people from falling off  
22 the cliff and getting into the arms with the  
23 (INAUDIBLE).

24           So, you've heard a great deal about

1 many, many different possible programs that  
2 have been implemented over not a particularly  
3 long period of time. You've heard about public  
4 employer education and signage and ethical  
5 codes of advertising. You certainly heard a  
6 lot about self-exclusion and exclusion  
7 programs, pre-commitment, environmental and  
8 machine design modifications, policies with  
9 regard to alcohol service and access to cash,  
10 improve referrals to treatment services and  
11 closer liaisons with treatment service  
12 providers.

13           There's a lot of possible tools and  
14 possible approaches out there, but the question  
15 that we keep asking is are these effective?  
16 You've heard once again that there are  
17 literally hundreds of studies out there, but  
18 only about 10 percent of them or even less  
19 actually speak to the data and actually provide  
20 useful information in terms of the  
21 effectiveness of any of these measures.

22           I have to say that's a bit  
23 disappointing I'm sure for all of you to hear  
24 on the Commission but hopefully in

1 Massachusetts we have plenty of researchers and  
2 plenty of goodwill.

3           And I think that the opportunity is  
4 here to build an evaluation of all of the  
5 measures that we take that hopefully will not  
6 only inform us here in the Commonwealth, but  
7 will also inform people in many other  
8 jurisdictions.

9           So, you've heard that there are very  
10 few initiatives that have been systematically  
11 evaluated. That responsible gambling measures  
12 are often introduced without evidence of their  
13 effectiveness.

14           Always a surprise to many people,  
15 really they didn't evaluate it before they  
16 decided that it would be a good thing to do.  
17 But no, it's what the guy in the next state  
18 over was doing. So, it must be great, because  
19 they decided to do it not knowing that that guy  
20 decided to do it because the guy before him  
21 decide to do it and the guy before him thought  
22 it seemed like a good idea. Or had a good  
23 drinking buddy that thought it was a good idea.

24           And there certainly are concerns

1 that interment some of these responsible  
2 gambling measures will negatively affect non-  
3 problem gamblers.

4           So, I guess the good news, if  
5 there's good news, there's always good news.  
6 The good news is that there actually are a  
7 growing number of certification and  
8 accreditation schemes that are out there,  
9 ECOGA, the World Lottery Association, what else  
10 do I have here, Responsible Gambling Check,  
11 which is the Ontario approach and then there's  
12 quite a number of others.

13           The recent emergence of these sort  
14 of certification efforts really speaks to the  
15 need and the desire for such systems. So, show  
16 us that you are being effective. Meet these  
17 criteria demonstrate that you are doing what we  
18 want you to do to be responsible purveyors of  
19 this product. That's the good news.

20           The bad news is that unfortunately  
21 all of these recent certification efforts have  
22 limitations that really hinder their goal of  
23 helping to prevent problem gambling.

24           So, there are a number of these

1 limitations that are of particular concern to  
2 many of us. There are clearly some conflicts  
3 of interest and a lack of independence of many  
4 of these certification efforts. There is in my  
5 opinion really insufficient transparency about  
6 what these certification bodies are requiring  
7 and how they are assessing whether people are  
8 meeting those requirements.

9           The existing standards, and this  
10 goes back to the work of the invisible person  
11 in this room I've come to realize is Rob  
12 Williams once again. The literature review  
13 that he and Bev West and Rob Simpson did which  
14 looked at all of the different responsible or  
15 problem gambling prevention programs. And  
16 basically rated them in terms of the evidence  
17 based but also whether they were relatively  
18 weak or relatively strong in terms of their  
19 ability to prevent problem gambling.

20           And Rob points out, he and his  
21 colleagues point out in the report that the  
22 existing standards that are implemented  
23 actually emphasize more of the relatively weak  
24 strategies and don't sort of put a foot down in

1 terms of strategies that probably based on not  
2 just gambling evidence but alcohol and drug  
3 evidence probably would be more effective.

4           So, just my final sort of point here  
5 is that there is an overriding challenge facing  
6 all of us when we think about responsible  
7 gambling, which is for truly effective  
8 responsible gambling initiatives, those  
9 effective initiatives are inevitably going to  
10 conflict directly with the ability to maximize  
11 gambling profits.

12           So, you're going to have to take  
13 really good measures that are going to be  
14 effective with the understanding that you're  
15 not going to generate the same level of profits  
16 as if you let your industry go ahead. And I  
17 think that's really a fundamental dilemma that  
18 we have to deal with going forward.

19           I think this is my final slide. In  
20 terms of responsible gambling and regulation,  
21 it seems to me that transparent and inclusive  
22 consultation processes prior to the  
23 implementation of responsible gambling  
24 strategies or programs are growing and are

1 needed. But enforcement really depends on  
2 regular assessments of responsible gambling  
3 measures. And along with that, I would say  
4 specific metrics of performance.

5 We have to start thinking about how  
6 we are going to measure these programs and  
7 whose feet are we going to hold to the fire  
8 when it turns out that they're not meeting the  
9 metrics that we set for them.

10 The assessments need to be  
11 published. They need to be made public. This  
12 Commission has front and center placed  
13 transparency. I would say that this is a place  
14 where responsible gambling measures have not  
15 met the mark internationally. That many of the  
16 measures that have been undertaken, there is no  
17 evidence because there's reports that got  
18 buried in a government agency something.

19 So, publication is essential. Peer-  
20 review is essential. I would say that the data  
21 should be made available to other researchers  
22 beyond the evaluation or audit teams. It never  
23 hurts to have somebody else to check your work.  
24 And there are clearly procedures that are

1 needed for funding and commissioning that kind  
2 of evaluation research, because it's not  
3 something that is just going to happen all by  
4 itself.

5           It was not my final slide. It's my  
6 next to final slide. So, in conclusion there  
7 is widespread agreement that responsible  
8 gambling should be a fundamental principle  
9 regarding guiding gambling industry and  
10 regulatory practice. I think you've seen that  
11 today. And you've heard from many people that  
12 subscribe to that from many different  
13 perspectives.

14           You've also learned that there is  
15 very little consensus as yet about how  
16 responsible gambling should be defined or what  
17 measures are most effective.

18           There is a need for good feedback  
19 systems. And there's disclosure needed to  
20 generate data so that all of the stakeholders  
21 can assess the performance of the measures that  
22 are put in place. You've heard me say this  
23 before.

24           So in conclusion, I'll take the

1 researcher's mantra and tell you that more  
2 research is needed. Thank you.

3 MR. MAROTTA: I would like to thank  
4 our distinguished panel one more time. And I  
5 thank all of you for enduring a very long  
6 session. And your reward is a break. We will  
7 reconvene at 4:00 for our final session.

8

9 (A recess was taken)

10

11 MR. VANDER LINDEN: The last 45  
12 minutes really is intended to be a dialogue. A  
13 dialogue about the issues that have been  
14 covered today to try to get some more  
15 clarification, to stimulate a discussion  
16 between our panelists and our Commissioners and  
17 the audience if there are points that people  
18 would like to make.

19 Before we kick it off, I know that  
20 Chairman Crosby had a few questions that he  
21 wanted to ask specifically or statements.

22 CHAIRMAN CROSBY: Thank you, Mark.  
23 I am going to have to leave in a couple of  
24 minutes. And I just wanted to get a couple of

1 things out on the table.

2 It's been an incredibly  
3 overwhelming. It's one of those drinking from  
4 the fire hose type things. You just get so  
5 much stuff. It's tremendously interesting,  
6 tremendously provocative. I now understand the  
7 quote that I read at the beginning, which is we  
8 have to go off and make decision with  
9 remarkably little real hard data.

10 I did say in my introductory remarks  
11 let's not let the perfect be the enemy of the  
12 good. We do have commonsense. And to a  
13 certain extent, this isn't rocket science. And  
14 yet, time after time I saw that my  
15 commonsensical reaction, like for example to  
16 the pre-commitment stuff, I said, wow, that  
17 really makes a lot of sense. That sounds like  
18 something we could -- So what if there's not  
19 that much research, we can really go down that  
20 road. Then along comes this data that suggests  
21 not clear how effective that is at all. So,  
22 I'm not sure that it is a matter of  
23 commonsense.

24 I am infinitely struck by both the

1 need for but also the opportunity that we  
2 continue to have. We do have this legislative  
3 mandate, which pretty much encompasses every  
4 aspect of possible areas to research. And I  
5 hope all of you will contribute your thoughts,  
6 you've got ideas about things we need to do.  
7 We do have this ability to put resources to  
8 bear on any of these other issues.

9           So, I am struck by, in addition to  
10 the really robust baseline survey that we've  
11 got going underway and additional dimensions  
12 that are going to be underway that there's a  
13 whole lot more that we need to do. And I think  
14 we really need to make sure that we don't miss  
15 anything.

16           Having said all that, what I would  
17 be interested in just reflections from you all  
18 about how do we realistically come up with sort  
19 of a suite of best practice strategies from all  
20 of this stuff? We have to put something into  
21 regs. and create an operational system starting  
22 sometime maybe possibly as soon as the  
23 beginning of -- the operational is the middle  
24 of next year. And certainly we need to have

1 the operators know how their system is going to  
2 gear up and if there's anything to do with  
3 machines, that takes lead time. We don't have  
4 a lot of time.

5 How would you all recommend this be  
6 synthesized and turned into a framework of  
7 thoughtful comprehensive best practices?

8 MR. WHYTE: From my perspective, I  
9 do think one of the most important aspects is  
10 partnership. And I think this is an industry  
11 -- this is a field where we cannot be afraid to  
12 work with industry advocates and regulators and  
13 kind of tripartite concept.

14 I think that there's a lot to be  
15 learned from what they've done voluntarily. I  
16 think that the best model is going to be a  
17 regulatory voluntary model. You work towards  
18 the goal of having good responsible gaming.  
19 The operators may well have some very good  
20 thoughts about where to start from. It's an  
21 iterative. It's an evolutionary process.

22 I suspect you wouldn't be able to  
23 design a full suite of absolutely everything,  
24 best practice from the get-go. But I think

1 very much especially with the research with the  
2 evaluation that's built into it that you could  
3 start from and lean on the industry's  
4 experience in a lot of these defined areas and  
5 work towards best practice.

6 That's my two cents. It doesn't  
7 have to be totally top-down regulatory driven.

8 MR. STEWART: If I might just  
9 suggest one thought, playing off what Keith  
10 suggested. I think there is -- having a blank  
11 sheet of paper is always sort of intoxicating.  
12 That was not necessarily what's there. There's  
13 a lot of experience to draw. And there are  
14 some interesting ideas out there.

15 Some turn out to have possibly  
16 counterintuitive outcomes, but an incremental  
17 approach as opposed to thinking well, as Keith  
18 said, we're going to nail it this time. We're  
19 going to get them all may be dangerous because  
20 then you're actually not going to be able to  
21 evaluate what you've done are and what the  
22 responses and what the outcomes are.

23 An incremental approach more where  
24 you look at opportunities and pick one. To

1 think well that might be worth trying. Let's  
2 see how that works. And then give yourself a  
3 chance. You have this mandate to evaluate to  
4 figure out if it does.

5 I don't mean to overplay this point,  
6 but it's not a catastrophe out there. We have  
7 people with gambling problems, it hasn't gotten  
8 worse. So, we need to work on it. We need to  
9 get better at it in a way that we can keep  
10 track of and make sense out of. That's all.

11 DR. NOWER: I have a four-year-old  
12 and she likes to play with these things that  
13 snap together in little constellations. That's  
14 sort of how I like to deal with these policy  
15 issues.

16 Mark has done a great job of  
17 outlining which issues we talk about here. I  
18 think as a Commission you pick like this issue.  
19 Let's make some decisions about this. And then  
20 you have -- We have all of the research stuff.  
21 Australia has had a lot of regulations.  
22 There's a lot of places. And look at what's  
23 actually been empirically tested and found to  
24 say yes, this seems there's some basis for

1 this. And you have a stepped-in approach where  
2 you get a workgroup together.

3           You look at all of the different  
4 things that have been tested with regard to  
5 this area. Then you say we're going to try  
6 one, two and three because those have an  
7 empirical basis. And we're going to follow the  
8 results of these things. Then four, five and  
9 six have different things. If this isn't  
10 enough, then we'll come back and we'll look at  
11 these things later. Then you move onto the  
12 next area.

13           And you start to build a framework.  
14 and then you can step things in later once it's  
15 all connected.

16           MR. WHYTE: I wouldn't be an  
17 advocate for programs for problem gamblers if I  
18 didn't say -- I think David is absolutely  
19 right. The evidence does not seem to have been  
20 a massive increase. But certainly I think that  
21 even under the adaptation model there is a  
22 spike after gambling is introduced. I think we  
23 would be remiss not to stay even if all of the  
24 previous cases, the spike seems to have leveled

1 off, the rate still seems to be trending  
2 upwards. And there is that spike that we have  
3 to deal with.

4 No one knows what Massachusetts'  
5 experience will be. There's nothing to lead us  
6 to assume that that will be the case here. Of  
7 course, correlation causation and all that. I  
8 think you're right in general this is within  
9 the same range but we shouldn't be that simple.

10 And I don't think you were saying  
11 there is no need for this. But I do think we  
12 have to acknowledge this is still untested.  
13 You're going to have to live through this. If  
14 there is a spike, even a minor one, a state the  
15 size of Massachusetts that's a fairly large  
16 number of people whose lives are going to be  
17 damaged to some lesser or massive greater  
18 extent.

19 DR. VOLBERG: Can I make a comment,  
20 which I think might speak to a concern that  
21 I've heard members of the Commission express,  
22 which is you only get one bite at the apple of  
23 getting responsible gambling right. And I  
24 think there is the biggest bite of the apple

1 that you can take at the beginning.

2 But the point that Keith made about  
3 an iterative process and how we've made the  
4 same point and I think a couple of people have  
5 as well is that I think we can put responsible  
6 gambling measures in place that are supported  
7 by the research evidence. But then we also  
8 need to think about what do we want to put in  
9 that might not be supported by the evidence  
10 that we think are commonsense ideas. Then have  
11 the evaluation sort of roll out and give us  
12 some data. Then craft a revised set of  
13 measures.

14 So, I think as regulators, we sort  
15 of have to think about you get bite one and  
16 then maybe bite two is smaller, but it's still  
17 a bite.

18 CHAIRMAN CROSBY: I think that's a  
19 good point. It's compatible I think with what  
20 everybody was saying. It is an easier task to  
21 Mark and the team. You don't have to do  
22 everything all at once. We don't have to be  
23 overwhelmed with anxiety if we can't get  
24 everything done at once. But to be thoughtful

1 and incremental, appropriately incremental  
2 about it, I think that's a constructive  
3 thought.

4 This has been a really phenomenal  
5 event. Thank you all very much. I appreciate  
6 it.

7 MR. VANDER LINDEN: I thought  
8 Howard's discussion using the principles of  
9 bioethics in terms of how to take a look at  
10 this made a lot of sense as well.

11 And it is much easier to handle when  
12 you think about taking these types of issues  
13 incrementally. Making sure that we construct a  
14 framework that is open to evolution, and open  
15 to adopting our practices as we get more  
16 information as we evaluate programs, all the  
17 efforts that we're doing and as the needs for  
18 Massachusetts changes as well. Other comments  
19 or questions?

20 COMMISSIONER CAMERON: I had a  
21 question about the evaluation, which of course  
22 we intend to do. That's easier said than done,  
23 because you really need the metrics or what is  
24 the system in place. Why is that lacking

1 elsewhere? Measures are tried, but then  
2 they're not evaluated so we don't know if  
3 they're effective. Is that people don't often  
4 think to put the evaluation piece in or is that  
5 just --

6 DR. NOWER: Call me a cynic, but I  
7 think there is a couple of reasons. The first  
8 one is that it costs money to do this. And a  
9 lot of times the states don't want to allocate  
10 the money. They have other uses for it and  
11 they don't see this as all that necessary.

12 And the second piece would be that  
13 sometimes we don't want to know what the answer  
14 is.

15 COMMISSIONER CAMERON: You don't  
16 want to know?

17 DR. NOWER: Right. So, we may not  
18 ask for evaluation of something that if it  
19 turns out to not be what we're hoping then  
20 we've got to actually do something about it.  
21 So, that would be the two reasons I would say.

22 COMMISSIONER CAMERON: My background  
23 is public safety, policing. It reminds me of  
24 the DARE program. Every police department we

1 taught all of these kids for years and years  
2 and it looked good. The lesson plan looked  
3 good, the program, the buy-in. But there was  
4 no ability to evaluate. That wasn't built in  
5 at the beginning. So, at the end there was  
6 really no way to know how effective it was.

7 DR. LAPLANTE: I think there are  
8 models that you can follow. I think that  
9 SAMHSA for example has very strict reporting  
10 requirements for the people who get their  
11 funding.

12 And if the state considered adopting  
13 something like that, something systematic where  
14 all of the intervention programs and  
15 educational programs and prevention programs  
16 had to comply with some type of a reporting  
17 system, then there could be independent  
18 evaluation. There could be self-evaluation and  
19 then there could be modification over time.

20 MR. WHYTE: I think the transparency  
21 piece that Rachel talked about a lot is so  
22 crucial to that. Because you should have been  
23 able from everybody else's experiences over the  
24 last 30 years of this stuff. You can't. You

1 haven't because if it even has been worked out,  
2 it's not been -- there's some great literature  
3 out there. And I think there's so much you can  
4 do to help not just yourselves but everyone  
5 else to figure out some of these questions that  
6 frankly should've been solved a long time ago  
7 that we haven't yet.

8 COMMISSIONER MCHUGH: Are we going  
9 to get the benefit of all of these slide  
10 presentations that were made?

11 MR. VANDER LINDEN: Yes, as long as  
12 our presenters are willing to give them to us.  
13 We will pull it together and we will post it on  
14 our website. And Marlene said that she would  
15 also be able to post it on the Mass Council's  
16 website as well. It is certainly information  
17 that will be taken and woven into our efforts  
18 moving forward.

19 COMMISSIONER MCHUGH: That's great.  
20 Because I'm still hung up in the same place  
21 that I was this morning. I'm not hung up  
22 there. But in evaluating the efficacy of a  
23 regulatory regime, it seems to me you have a  
24 pretty good idea of where you want that

1 regulatory regime to wind up at what cost.

2 To give an example, we could do a  
3 whole series of regulations, I'm sure, for slot  
4 machines that might have unintended  
5 consequences. But would stop everybody -- I'll  
6 make this irrational just to make the point. --  
7 stop everybody every 10 minutes so that we  
8 reinforce the fact that this is potentially a  
9 habit-forming device and a bad fish.

10 So, how do you get the set -- How do  
11 you devise the set of goals that you want  
12 balancing the needs of the individual patron  
13 and the needs of the industry, and the efficacy  
14 of what you are trying to do so you don't  
15 create a regime full of unintended  
16 consequences?

17 Maybe that's an iterative process  
18 that you build on what exists. You build on  
19 what has data. You build on a new thing that  
20 seems to work and get that it shows you that it  
21 does. But it seems to me as you do that, you  
22 have to have a philosophy.

23 And I say that because Dr. Volberg  
24 at the end presented two, it seems to me, very

1 different models at two different ends of the  
2 spectrum. One a person-based model, one an  
3 operator-based model. The reality is somewhere  
4 in between as Dr. Schull put it. It's the  
5 interaction of person and machine that has to  
6 be considered.

7           So, that's a windy description of  
8 why I still feel that I'm in the woods  
9 someplace.

10           MR. WHYTE: I think some of it is as  
11 Howard said, if the goal is to reduce incidents  
12 or to keep the level of gambling problems at  
13 where it is now. There's lots of places you  
14 can set that. Working backwards from that then  
15 you hypothesize what are the strategies that  
16 you would use to reduce incidents. It's mainly  
17 on the public-health side. That's testable.

18           But it would only be testable over a  
19 long period of time. I think that's the other  
20 trap of not letting perfect get in the way of  
21 the good. Some of these things are -- These  
22 are human subjects we're experimenting on in a  
23 way. Some of these you will be incredibly  
24 difficult to really and truly evaluate some of

1 these because you're not going to have, I defer  
2 to the scientists, but some of these control  
3 groups are really hard to assemble because this  
4 is very dangerous behavior that you're looking  
5 at.

6           It's really hard to say, okay, we're  
7 just going to let this group go and do it and  
8 we're going to protect this other group and see  
9 what the real difference between them is.

10           But not to say we shouldn't try.  
11 But I think the horizon too is a long way that  
12 is going to make that a challenge to getting  
13 there. The timeframe is really long in some of  
14 this stuff. To look at something like  
15 incidents, to really do a good longitudinal  
16 study, that's important.

17           DR. NOWER: But even the problem  
18 with that is establishing the causality between  
19 new cases and any particular prevention,  
20 intervention is just really difficult to do.  
21 That's why you sort of starting with places is  
22 it two seconds, is it three seconds, is it  
23 whatever. And making decision you want to do.  
24 Do you want to do this, and if so, what

1     timeframe do you want to try?

2                     You sort of at some point have to  
3     take what's already got some empirical evidence  
4     and then make a decision based on your options  
5     where you want to come down.

6                     MR. STEWSRT:     If I can just ask a  
7     question here?   And you're welcome to answer  
8     it, but I really just mean it as a question.

9                     There's some underlying premise that  
10    seems to be here that we're afraid of the slot  
11    machine.   It's this mesmerizing event -- force.  
12    It's known to put people in the zone.   It makes  
13    them zombies.   They are unable to control their  
14    actions.   And that the result is these  
15    massively addicted gamblers.   And we have to  
16    put in speed bumps.   And we have to put in two  
17    second delays or four second delays or timeouts  
18    every 50 minutes.

19                    I'd love it if people would step  
20    back for second and think about this question,  
21    which is if this machine is so powerful and if  
22    we've gone from whatever was in 1985, 30,000  
23    slot machines to now over 900,000 slot  
24    machines, and the incidents of pathological and

1 problem gambling is largely the same.

2 If these machines are being designed  
3 to create addiction or have the power to create  
4 addiction, they're extraordinarily bad at it.  
5 They're doing a lousy job.

6 COMMISSIONER MCHUGH: I use that  
7 example just because --

8 MR. STEWART: I know, but it's in  
9 the air.

10 COMMISSIONER MCHUGH: It is in the  
11 air. And it's in a book too.

12 MR. STEWART: Without data.

13 COMMISSIONER MCHUGH: I hear you but  
14 that is sort of leads into my point. How do  
15 you know? That's much too broad a question.  
16 I'm not really that far in the woods, but how  
17 do you construct a logical framework for  
18 evaluating not only those issues around slot  
19 machines, but other issues around other things  
20 that come up? And how do you respect, as Dr.  
21 Shaffer put it this morning, the individual  
22 autonomy, the process? All of those are  
23 components of this difficult problem. One is a  
24 highly volatile program like that AGA

1 advocates. That's certainly been tried. It's  
2 been tested. And it needs to be part of the  
3 regime.

4 So, I don't have any answers.

5 MR. MAROTTA: Just a couple of  
6 thoughts. There have been discussions on how  
7 do you approach this dilemma. A couple have  
8 come to mind. One is what are we balancing  
9 here? We're balancing first our liberty for  
10 protection of someone.

11 You can actually develop schemes to  
12 kind of evaluate where it falls along this  
13 continuum of personal liberty versus  
14 protectionism from our government. This has  
15 been done.

16 You look at driving. There's  
17 various ways that this dilemma has been  
18 approached. We could take some of these  
19 measures and we could kind of plot them on  
20 continuum and we could decide where they kind  
21 of fit. That's only one piece of it. The  
22 other piece is, of course, the evaluation.

23 Robert Williams piece that several  
24 people have mentioned regarding his review of

1 the prevention evidence the problem gambling  
2 prevention literature. He made a couple of, I  
3 think, very compelling conclusions. One, it's  
4 very difficult to determine on a component  
5 basis which of these things are making a  
6 difference.

7 He has rated, as Dr. Volberg has  
8 mentioned their potential impact. What we  
9 don't know is what is their cumulative impact?  
10 If we took away some that had low impact is  
11 that going to have a bearing on the ultimate  
12 impact? It's going to be a real challenge from  
13 an evaluation standpoint to kind of tease apart  
14 those, especially when you come to this  
15 cumulative impact.

16 The other thing that's in that in  
17 that piece of work, and I believe this comes  
18 from Rob Williams is we need to look at the  
19 potentials here. What is the potential for one  
20 revenue loss, one inconvenience or loss of  
21 entertainment and the potential impact on  
22 helping somebody?

23 For instance, if we put into place a  
24 delay or a break that occurs every five minutes

1 where there is this thing that pops up. There  
2 may not be much validity to that when you look  
3 at that. The empirical literature some people  
4 say that it's useful.

5           The downside is people may feel a  
6 little aggravated. It doesn't detract that  
7 much from the enjoyment. That's another way to  
8 look at it is if we are positively impacting  
9 very few people, one or two, but it could be a  
10 very significant impact. There's a small  
11 annoyance to thousands. Where do you draw that  
12 line? These are all things to ponder. I don't  
13 think there's any easy answers. In fact, when  
14 we talk about the development or rollout of  
15 this this is in line with what I think Mark was  
16 going with this.

17           The first piece is really putting  
18 together the framework. And that's the easy  
19 piece. We can maybe not reach -- we'll  
20 probably never be able to reach 100 percent of  
21 consensus on this, but in terms of the general  
22 principles, in terms of the general strategies,  
23 I think most people would be in agreement that  
24 this kind of makes sense.

1           In terms of what those actually look  
2 like in a regulation, where you're drawing the  
3 line, that's going to be difficult. That's  
4 where I think what some of our speakers have  
5 been saying, although I don't really bear into  
6 this in terms of having to maybe view this  
7 first draft as a first important step in the  
8 evolution but it's certainly not the final  
9 thought.

10           DR. NOWER: I also think that even  
11 if you look into some of these slot machines, I  
12 personally don't think that people suggest that  
13 slot machines are inherently addictive. I  
14 think that there is an interplay that people  
15 have noted with regard -- just like video  
16 games. And there's research on video games and  
17 kids.

18           I think that there's among the most  
19 efficacious strategies, there are ones that are  
20 more intrusive and have more startup time on  
21 the part of the operators. And there are some  
22 that are less. So, you sort of have to do a  
23 cost-benefit analysis on those.

24           Things like slowing down the wheel

1 spins or putting in time delays, they have to  
2 build that potential even if you don't start it  
3 out in the beginning. So, one way of  
4 evaluating these things is to take the  
5 strategies that you think you might want to  
6 implement and then decide from an industry  
7 standpoint what would be entailed and which  
8 ones would be a real pain and expense to go  
9 back and add. And if you're interested in  
10 those, start with those.

11 MR. WHYTE: Can we throw something  
12 out? The concept of drawing the line I think  
13 is important. And we heard a little bit about  
14 self-exclusion. And obviously it came up in  
15 the suitability.

16 I just think one of the important  
17 issues that we didn't talk about is there is  
18 still no established duty of care. When push  
19 comes to shove, as attorneys and this panel  
20 know, unlike in alcohol, there is no duty of  
21 care. And I don't know that Massachusetts  
22 would necessarily establish that on a legal  
23 basis, but I think until we do, you are going  
24 to have this playing field that differs from

1 state to state, from industry to industry.

2           And that by drawing a bright line,  
3 it would be agonizing as hell to draw. And I'm  
4 sure that would be a horribly divisive thing.  
5 But at some point without a bright line nobody  
6 really knows where that -- what is too much and  
7 what is too little. And I do think eventually  
8 that might benefit the industry in the short-  
9 term and I'd welcome your input on that. I  
10 mean that's naïve and Pollyanna-ish, but it  
11 seems to me from a policy perspective if you  
12 don't have that it makes things a little more  
13 difficult.

14           MR. STEWSRT: I think we do have a  
15 duty of care. It's set out in the laws and  
16 regulations, which we are held to. I've  
17 litigated a bunch of these cases. They are  
18 easy cases for the casinos to win because most  
19 judges actually think when you go into a casino  
20 and you gamble, you may lose. They are not  
21 surprised that somebody might lose.

22           So, the casino offers its product,  
23 which is gambling. And it's approved by the  
24 state. So, these plaintiffs generally almost

1 uniformly fail.

2           Sometimes you could have exterior  
3 evidence that would make the situation less  
4 attractive. Somebody is self-excluded.  
5 Somebody took the application for self-  
6 exclusion then sees them there and doesn't say  
7 anything, you could have a bad case. And then  
8 maybe there would be liability.

9           But I have to say, it seems to me  
10 the courts have been doing a fine job of that.  
11 I don't think this is something that is crying  
12 out for attention. I think you've got some  
13 tough issues in front of you and that's not one  
14 of them.

15           COMMISSIONER ZUNIGA: I wanted to  
16 throw out a question but to the concept of  
17 behavioral tracking. One of the  
18 recommendations that was talked about relative  
19 to doing away with the cash rewards or the  
20 rewards for the players.

21           It occurs to me that our ability --  
22 the ability of anybody, either the casino or  
23 the regulator to track behavioral data that  
24 will inform research is predicated on the fact

1 that people will volunteer information. And  
2 the best incentive for them to do that is often  
3 offering a bit of reward.

4 So, I just wanted to kind of throw  
5 that to the panel, see if I could have some  
6 more reaction or dialogue on that. Isn't there  
7 a bit of a tension there if there was no player  
8 behavioral data tracking, how can we inform the  
9 research that we want to make holistically?

10 MR. STEWART: Are you questioning  
11 the ethics?

12 COMMISSIONER ZUNIGA: No, no. The  
13 dilemma behind our ability to get information  
14 about players and the best way for anybody to  
15 do that is by offering some incentive to sign  
16 up into some kind of rewards program.

17 DR. LAPLANTE: I can probably  
18 comment a little bit on that. The Division  
19 since 2004 actually has been doing quite a bit  
20 with behavioral analytics but in the online  
21 states. What makes that a little bit different  
22 is that any of the operators can basically  
23 provide you with every single click that an  
24 individual makes on their website.

1           So, we've had the opportunity to  
2 have data sets as large as 47,000 people that  
3 we get. We requested and you get it at the end  
4 of the month. For all of the social scientists  
5 on the panel that is nothing short of kind of  
6 amazing to be able to have access to something  
7 like that.

8           You see everything that they do.  
9 You see every deposit, every withdrawal every  
10 -- switching from game to game. Every wager,  
11 every outcome, the amount of time that they are  
12 on, the amount of time that they are  
13 subscribing. You don't see them switching from  
14 provider to provider necessarily. So, you  
15 can't track their entire gambling ecology, but  
16 you can understand exactly what they're doing  
17 on the provider that you're working with.

18           I think that one of the major  
19 differences between that work and the land  
20 based work is exactly what you're identifying.  
21 Is that the people who would be contributing to  
22 the information that you could get from  
23 behavioral analytics in the land based  
24 providers are opting in.

1           So, you are not necessarily going to  
2 get a complete picture of what everyone is  
3 doing. And the people who are opting in might  
4 be opting it selectively. So, the quality of  
5 the data that's available, I think, is going to  
6 be quite different from what you would find in  
7 online space.

8           That is going to pose a whole bunch  
9 of challenges to figuring out whether or not  
10 that data -- figuring out the value of that  
11 data. Not that it's not going to have some,  
12 but I think it's going to be more difficult to  
13 get a complete understanding of just what you  
14 can get from it.

15           DR. NOWER: The only way to really  
16 do that is what Missouri had at the beginning,  
17 which is an ID system. Where when you come in,  
18 you have to use an ID. You have to use an ID  
19 for everything. So, it's tracked very  
20 similarly, but that's not a popular -- It's not  
21 really what most places are doing.

22           DR. VOLBERG: You cannot even get  
23 information across --

24           DR. NOWER: Right, unless they are

1 owned by the same company.

2 MR. WHYTE: Like I said, gaming may  
3 provide some of that getting ways to get that.  
4 But yes, I think that's absolutely true.

5 DR. NOWER: But having said that, if  
6 you require certain data -- This is not going  
7 to be a popular thing to say but having been a  
8 G2E many years, there's wonderful marketing  
9 programs that operators use that track a lot of  
10 really important variables for marketing  
11 purposes. That is a state were to mandate that  
12 those same tracking, even using an altered  
13 version of that software were required for  
14 tracking player data and then turned over for  
15 analysis, that could be really rich data.  
16 Definitely not the same as knowing every click,  
17 but it really could provide something. But  
18 states haven't gone that far.

19 DR. LAPLANTE: My guess is that they  
20 would build on something like that because it  
21 would be kind of a cost-effective way of  
22 achieving the tracking that you would need.

23 But think about all of the junk mail  
24 that you get from marketers. And you wonder

1 why did I get -- I don't own a dog. Why am I  
2 getting mail for pet insurance? Something  
3 happened in the marketing and then algorithms  
4 that they're creating based on my shopping  
5 patterns at Market Basket or whatever.

6 COMMISSIONER STEBBINS: I had a  
7 question and David instructed you in reviewing  
8 the AGAs code of conduct, it would be great and  
9 it would save us a lot of regulatory nightmares  
10 if we knew every applicant was subscribing to  
11 what you require of your members.

12 One of the bullets talks about AGA  
13 members where permitted by law will make  
14 available to the patrons explaining the  
15 possibilities of winning and losing. Why the  
16 requirement or kind of waiting to be allowed by  
17 law to make that information available?

18 MR. STEWART: I have to plead  
19 passage of time to some extent. That was  
20 composed more than 10 years ago. But I believe  
21 it is based on the concern that there are  
22 regulations that required the exact way in  
23 which odds can be disclosed.

24 In some states, it has to be a book

1 that is kept at a particular place in the  
2 casino and it has every game and every  
3 iteration. It's really thick and it's hard to  
4 read. It's not the best way to get the news to  
5 the players, and we're not crazy about it. But  
6 if that's the only way we're allowed to do it  
7 in that jurisdiction, we may not be able to  
8 give them the pamphlet we would rather give  
9 them. So, I think that is the constraint  
10 there. I think you can work around that.

11 COMMISSIONER STEBBINS: Okay.

12 DR. NOWER: Just as an aside, I also  
13 think it might be worthwhile to have some  
14 conversations with Norsk Tipping, people who  
15 are regulators in countries who require an  
16 enormous amount of tracking just to figure out  
17 what they are doing and see if there's anything  
18 that informs.

19 I think I gave you all of the Norsk  
20 Tipping documents. That's an extreme form of  
21 tracking, but that gives you a sense of what  
22 can be done. What is being done, and then you  
23 can figure out what you personally think is  
24 reasonable.

1                   COMMISSIONER ZUNIGA: I was also  
2 going to make an analogy -- We are going  
3 through policy thinking on our other field that  
4 I think dovetails into this discussion, one of  
5 internal controls. Then we looked at other  
6 jurisdictions that have been very prescriptive  
7 in terms of what they need to do to protect  
8 assets.

9                   Another approach which is pretty  
10 much a goal spaced or even a risk management  
11 approach set the goals, set the principles, set  
12 the guidelines and let the operators say  
13 respond to those goals.

14                  Is there a parallel here? I hear  
15 from some of the examples today when you  
16 establish a mandatory pre-commitment say, that  
17 may be too much on the prescriptive side. And  
18 it has these unintended consequences when  
19 people pre-commit to something that weren't  
20 going to to begin with.

21                  Whereas if you are more in the  
22 spectrum towards a risk, a mitigation or a goal  
23 setting principles we would be able to come to  
24 a better outcome. Is that a fair statement?

1 MR. MAROTTA: Take a little bit of a  
2 stab on that. I'm thinking about Kansas and  
3 also New Mexico where they asked their  
4 operators to submit a responsible gambling  
5 plan. They also provided some minimum  
6 requirements as to what those plans should be.

7 The downside to that approach is you  
8 don't have uniformity across the properties.  
9 Some will go beyond the minimum and some will  
10 meet the minimum. They are all very good at  
11 complying what they need to comply with in  
12 speaking with regulators in those  
13 jurisdictions. That's the downside is you may  
14 have some inconsistency between the different  
15 operators by taking that approach. And you may  
16 hope for more than the minimum, but you may not  
17 get it.

18 COMMISSIONER ZUNIGA: Thank you.

19 COMMISSIONER STEBBINS: I have a  
20 question. I think Dr. LaPlante you were  
21 talking about employment. As we partner with  
22 our community colleges to do a lot of screening  
23 up front of potential people that enter this  
24 industry, how can you discern whether somebody

1 is going into this business from all of the  
2 wrong reasons and just can't wait to hang out  
3 in a casino and misbehave, so to speak? Short  
4 of just asking them and hoping you get an  
5 honest reply.

6           What is the industry doing about  
7 that? What as regulators could we possibly do  
8 to help make sure that if it's an area where  
9 people can get tripped up and develop bad  
10 habits, we want to try to avoid that.

11           DR. LAPLANTE: I think that's a  
12 really great question. I'm not really sure  
13 what the industry is doing about it. I'm sure  
14 that they are hiring ---I don't know.

15           I would think that they potentially  
16 would want their hiring practices to try to  
17 make sure that people who are trying to work at  
18 the casinos or wherever for the right reasons.  
19 I think some people probably get through the  
20 cracks. That's why we see these disoriented  
21 people. There might even be people there for  
22 the wrong reasons in the other knowledge groups  
23 as well.

24           As far as what specifically can you

1 do, I don't know that I have the answer to that  
2 right now. What would I prescribe? I would  
3 think that it might be important for a new  
4 employee orientation to do something like some  
5 type of the pre-survey that you could try to  
6 find a little bit more information about where  
7 people are at at that particular moment. And  
8 you could track them in to different types of  
9 training.

10           Maybe there's a standard training.  
11 Maybe there's an expert level training. Maybe  
12 there's a specially designed training for  
13 people who seem like they might be headed on  
14 the wrong path. I would start with some type  
15 of a prescreen to see whether not that would be  
16 something that would be workable.

17           And it doesn't seem like it would  
18 require too much. Something that you could do  
19 right at the start of an orientation. It  
20 doesn't need to be something that's really  
21 elaborate I wouldn't think.

22           MR. VANDER LINDEN: We have reached  
23 the end of our time. I just want to thank each  
24 and every person who came to join this panel.

1 You're an amazing group of experts and you were  
2 each invited for very specific skills and  
3 knowledge in this area. I think today we had a  
4 range of persons and who they represent and  
5 maybe where their orientation is. And I think  
6 that some of that came out today.

7 I think that's great. It's good to  
8 hear a live range of voices. And I think it's  
9 really important for our Commissioners to hear  
10 that as well. Where we end up lying, where our  
11 framework goes will certainly be influenced by  
12 the discussion that happened today.

13 So, please know that your time and  
14 effort that you gave to prepare for this has  
15 not gone to waste. It certainly is -- It's a  
16 timely discussion for the Commission. It's a  
17 timely discussion for Massachusetts. And I  
18 think it's been an overall fantastic day. So,  
19 thank you.

20 Thank you to the Commissioners for  
21 your interest in this area. I came to work  
22 with the Commission for some very specific  
23 reasons and this was top of my list. You're  
24 very invested in these issues and it's just

1 honor to be aligned with that. So, thank you.

2 COMMISSIONER STEBBINS: Thank you  
3 Mark. Thank you for pulling the panel  
4 together.

5 COMMISSIONER MCHUGH: Thank you.

6 COMMISSIONER ZUNIGA: Thank you.

7 COMMISSIONER CAMERON: Thank you.

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9 (Forum concluded at 4:50 p.m.)

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1 GUEST SPEAKERS:

2 Marlene D. Warner, Massachusetts Council on  
3 Compulsive Gambling

4 Howard J. Shaffer, Ph.D., Harvard Medical  
5 School Division on Addiction, the  
6 Cambridge Health Alliance

7 David O. Stewart, Esq., AGA (Ropes & Gray)

8 Keith Whyte, National Council on Problem  
9 Gambling

10 Dr. Jeffrey Marotta, Problem Gambling Solutions

11 Dr. Natasha Dow Schull, Massachusetts Institute  
12 of Technology

13 Dr. Lia Nower, Rutgers University, School of  
14 Social Work

15 Dr. Robert Ladouceur, Laval University

16 Dr. Debi LaPlante, Division on Addiction at  
17 Cambridge Health Alliance

18 Dr. Rachel Volberg, Massachusetts Gaming  
19 Commission Social and Economic Impacts of  
20 Gambling

21 MASSACHUSETTS GAMING COMMISSION STAFF:

22 Mark Vander Linden, Director of Research and  
23 Problem Gambling

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C E R T I F I C A T E

I, Laurie J. Jordan, an Approved Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Laurie J. Jordan, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive on Transcript Format.

I, Laurie J. Jordan, further certify I neither am counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken and further that I am not financially nor otherwise interested in the outcome of this action.

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WITNESS MY HAND this 4th day of November, 2013.



LAURIE J. JORDAN  
Notary Public

My Commission expires:  
May 11, 2018