

**Statement of Donald F. Weinbaum, Executive Director,
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Legislative Gaming Summit

August 6, 2010 – Atlantic City

To: Senator Whelan, Assemblyman Burzichelli, and Panel Members

Thank you for the opportunity to speak today on issues related to gaming and gambling in New Jersey. What I have to share is different from most of the other speakers today, but it is equally important. It is an undeniable fact that some gamblers will eventually cross the line into compulsive or problem gambling. It is also true that any changes to gaming operations or oversight will have an impact upon the extent of problem gambling in our State. Depending upon the decisions made by policy makers and the legislature, the effect could be positive or it could be negative.

Most panel members are probably familiar with the Council. We are a not-for-profit (501c3) corporation that conducts education, prevention, outreach and referral services for people affected by compulsive gambling. We have been actively involved in serving New Jersey's citizens for more than 27 years. The Council owns and operates the 1-800-GAMBLER® HelpLine, which is available 24 hours a day/7 days a week to gamblers, their families and persons seeking information on treatment and other resources.

It is our policy to remain neutral on initiatives to expand gambling, which means that we neither support nor oppose such activities. Nonetheless, we do advocate for compulsive gamblers and their families and when necessary call attention to areas of concern or recommend changes that serve to protect public health and public safety.

Advisory Commission Report

It is our understanding that one focus of the Gaming Summit is to review and consider the recommendations of the Governor's Advisory Commission on New Jersey Gaming, Sports and Entertainment, as contained in its July 21, 2010 report to the Governor. The Commission's report makes a number of recommendations related to the casino and racing industries, but its focus was limited and the impact upon residents of New Jersey was not addressed in depth. *Notably, the report does not mention problem or compulsive gambling and does not look at potential or actual effects of changing gambling patterns upon the health of the state's citizens.* During the course of the Commission's deliberations the Council was advised that, while members were aware of these concerns, they were viewed as being outside of the scope of their charge, as defined by Executive Order 11. Their report did speak to the issue of regulatory reform, which could have implications for problem gambling, and to the Committee's interest in maintaining integrity.

Scope of the Problem

Pathological gambling is a significant mental health problem in NJ and across the United States. This addiction is recognized by the American Psychiatric Association and is included in its *Diagnostic and Statistical Manual of Mental Disorders*, the key reference text in the mental health field. In NJ, there are an estimated 350,000 pathological and problem gamblers statewide. Overall 2-5% of the population can be expected to develop signs of problem or compulsive gambling. Research has demonstrated that proximity to a gambling establishment is directly related to the incidence of compulsive gambling.

Callers to our 1-800-GAMBLER helpline report problems associated with casinos, lottery play, card games, sports betting, horse racing, and to a lesser degree other forms of gambling. Engaging in several different types of gambling has been found to be a better predictor of gambling problems than participation in any specific type of gambling.

Research elsewhere suggests that problem gamblers may comprise a significant proportion of the patrons who have continued to gamble in Atlantic City during the economic

downturn. Even so, over the past year, more and more callers are reporting to us that they now gamble in other states as well as NJ. *That tells me that our State's public health issues related to compulsive gambling go beyond the economic health of Atlantic City, the race tracks and other venues. Regardless of whether they gamble within or outside of NJ, New Jersey citizens are developing gambling problems and will continue to do so for the foreseeable future.*

Next Steps

We urge the members of this Gaming Summit to consider the following issues as you go about your deliberations. It is critical that any forthcoming revisions to casino control, racing, and other statutes and regulations do not inadvertently remove or otherwise compromise existing public health protections related to problem gambling. The same types of requirements should be extended explicitly to any new forms of gambling that may be proposed, including exchange wagering, sports betting, internet gambling, and electronic gaming machines. Some new forms of gambling will bring additional risks because of the nature of play or the target market; as appropriate, these issues should also be considered and addressed by the panels.

The following are 5 key components of a State Responsible Gaming Program:

1. *Public Awareness* – This includes requirements for posting of the 1-800-GAMBLER number and its use by operators in advertising and promotions. Awareness programs also should include educational messages to enable problem and compulsive gamblers, their families, and their friends to be aware of the help available for addressing problems related to out of control gambling. The Council is prepared to continue its work in this area and to assist the industry, but we need your help in maintaining these programs.
2. *Self-Exclusion* – Compulsive gamblers should be permitted to voluntarily exclude themselves from gambling and wagering venues. All operators should be expected to comply. Existing requirements for forfeiture of winnings by excluded persons should be continued and extended to new forms of wagering. Self-exclusion is considered to be an important tool for problem gamblers in early recovery, as it allows them to erect a barrier between themselves and their “drug of choice.”

3. *Exclusion of Minors* – Licensees should proactively address identification of under-age gamblers and support prevention of under-age play through educational programs and messages. The Council has a long history of working with State regulators and the industry around such campaigns.
4. *Employee Training* – Gaming operators need to ensure that staff receives training on signs of problem gambling and how to respond to patrons who request help.
5. *Funding for Community Prevention, Education, Intervention and Treatment Services for Problem Gamblers and their Families* - Funding for compulsive gambling services can be, and usually is, generated by dedicating a portion of new revenues or through annual licensing fees. Responsible Gaming programs across the country and throughout the industry virtually always include such funding provisions, which may be viewed as a cost of doing business.

New Jersey's current level of funding and reliance upon fine revenues to fund compulsive gambling services is out of step with the rest of the country and should be revisited. State funding for problem gambling was substantially reduced in the FY 2011 budget, and providers are at risk of closing their doors or denying services to problem gamblers and families in need.

Thank you for your consideration of these issues. The Council appreciates the past efforts of the Legislature to promote awareness about compulsive gambling and to ensure that prevention, education, and treatment services are available to those affected by this serious addiction. We look forward to being of service to Gaming Summit panel members as you develop your recommendations for reframing the state's gaming activities.

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