NATIONAL COUNCIL OF LEGISLATORS FROM GAMING STATES COMMITTEE ON RESPONSIBLE GAMBLING LA JOLLA, CALIFORNIA JUNE 6, 2014 9:00 A.M. – 10:00 A.M. MINUTES

The Committee on Responsible Gambling of the National Council of Legislators from Gaming States (NCLGS) met at the Hyatt Regency La Jolla in San Diego, California, on Friday, June 6, at 9:00 a.m.

Sen. Maria Sachs of Florida, committee chair, presided.

Other legislators present included:

Rep. Helene Keeley, DE

Rep. David Richardson, FL

Rep. Tom Burch, KY

Sen. Art Wittich, MT

Rep. Lois Delmore, ND

Sen. Greg Brower, NV

Sen. William Coley, II, OH

Rep. Kevin Killer, SD

Others present were:

Susan Nolan, Nolan Associates, NCLGS Executive Director

MINUTES

The Committee accepted the minutes of its last meeting on January 10, 2014, in Hollywood, California.

RESPONSIBLE GAMING TRAINING FOR LOTTERY RETAILERS/EMPLOYEES

Paula LaBrie, Acting Director of the California Lottery, apprised the Committee of recent efforts on responsible gaming training for lottery retailers and employees. She said that the North American Association of State and Provincial Lotteries (NASPL) has been working with the National Council on Problem Gambling (NCPG) to create very good training materials that they have recently distributed to all the NASPL states. She said that the materials are targeted at training for both employers and retailers, that they are a work in progress, and that they are adaptable to all the states. She said they entail guidelines and that pre-testing and post-testing are involved. She noted that whether or not all the states would be able to implement this through an Internet-based process remains to be seen. She said that California has done some of this with their employees.

Ms. LaBrie said that some of the next steps in the process would be to set up a repository where NASPL, working with the NCPG, can gather information on best practices from all the states, and states could access that information. She said that all of the NASPL states have some sort of responsible gaming program in place and that they depend upon a state's resources. She said that all NASPL states recently participated in National Problem Gambling Month.

Ms. LaBrie said the programs vary and that some are at World Lottery certification levels. She reported that California is seeking Level Four World Lottery certification, the highest level of certification. She noted that Kentucky had received that level in the past. In response to a question from Senator Sachs, Ms. LaBrie affirmed that California has had a lottery since 1985.

Senator Sachs said that Florida Lottery is very successful and had recently experienced issues relating to the threat of underage gambling when putting Lottery outlets into public places like Wal-Mart or grocery stores.

Keith Whyte, Executive Director of the National Council on Problem Gambling, said that one of the things that underlies a good responsible gaming program is a good problem gambling program. He said that there is merit to posting the Helpline Number and training retailers but that when you are confronted with someone with a problem, you have to make sure there are resources available. He said that though the Seminoles provide some funding, Florida's "Achilles heel" is that the state does not allow use of any public funds for problem gambling treatment and that when someone calls the Florida Helpline, no help is available. He said that this is a structural issue that goes back many years and that it presents a real challenge when the Lottery expands, as it must, to meet legislative mandates. Mr. Whyte said that Florida responsible gambling is adequate but there are no underlying problem gambling services and that is a challenge.

Ms. LaBrie said that California has scrolling boards at instant ticket vending machines (ITVMs) and also on the Lottery website conveying a number of messages relating to problem gambling, such as asking if help is needed and indicating the 1-800 number. She noted that when the Lottery participates in public awareness month, information is put out in the newspapers and at lottery retail stores.

Terri Sue Canale, Chief of the California Office of Problem Gambling (OPB), added that the Office partners with the Lottery and provides brochures in six different languages and resources, which the Lottery uses at its point of sales. She said that during public awareness month, the Lottery prints the 1-800 number on every ticket and provides it on every electronic point of sales. She said that over the past two or three years, the Lottery has stepped up to make its efforts more cohesive with the things that the Office of Problem Gambling is doing.

Mr. Whyte noted that California has one of the most well-funded responsible gambling programs, with public health services underlying its responsible gaming efforts. He said that in Florida there are no brochures, and there are gaps that they are trying to work through.

In response to a question from Sen. Sachs, Mr. Whyte said regarding traditional lotteries and addictive gambling, there has always been less risk because of the structural characteristics of the lottery, but that as lotteries become more interactive with higher speed and higher stakes and as they converge with other forms of games, they will have additional risk factors.

In response to a question from Rep. Burch, Mr. Whyte said that problem gamblers typically come to NCPG by calling a helpline. He said that how they call depends on where they find the number so if the helpline number is on the back of a lottery ticket, that would prompt more lottery-related calls. Mr. Whyte said that NCPG had 317,000 calls to the helpline last year, including from Kentucky and all states, whether they had legalized gambling or not. Mr. Whyte said that 30 percent of those calls were from people who want to know how to deal with loved ones who are problem gamblers. He said folks are increasingly finding NCPG through the Internet. He said that NCPG got about three million hits to its website this year.

In response to another question from Rep. Burch, Mr. Whyte said that problem gamblers who engage in a treatment program or stay in Gamblers Anonymous for more than a year have a rate of abstinence or greatly reduced gambling of roughly 65 percent.

Mr. Whyte said that groups with increased risk factors are the young (under 24), males, veterans (high-risk takers), smokers, drinkers, or those with substance abuse problems, who will be likely to use gambling as self-medication.

RESPONSIBLE GAMING EFFORTS IN CALIFORNIA

Ms. Canale said that from a state level, California, being a very large state, has about 20,000 calling its helpline, with 4,000 to 4,500 actually seeking problem gambling help for themselves or a loved one. She said that the California OPG recently received funding, in 2009, for its treatment program. She said the

program is very new but it is a very robust program. She said that her clients come from the 1-800-GAMBLER helpline and they get referrals from families and friends who have heard about the 1-800 number and/or the OPG.

Ms. Canale said that using technology is huge right now because it is a less expensive form of advertising if you are in a tight budget in a state. You can use Facebook and Twitter and social media to advertise on tablets and mobile phones. She said you can target to a specific audience and a specific location. She said you can geo-locate casinos to lottery retailers and can send messages to those people's smart phones. She said the OPG targets folks who are in the vicinity of casinos or card rooms in California and retargets, sends a second message, if someone is in the area for more than a certain period of hours. Ms. Canale said you can get very specific at targeting individuals who might be at a higher risk.

Ms. Canale said that with responsible gaming programs, the most important thing in the beginning is education and training. She said that the OPG worked with the Lottery and the California Council on Problem Gambling, an affiliate of the NCPG, to develop an online training course. She said that with that course, the California Lottery was able to train 97 percent of its employees on problem gambling symptoms and signs and where to go for help. She said that this was phenomenal, as the target goal was 80 percent. She said you if can build a training program that sometimes you can do for a very minimal cost, it is important.

Ms. Canale said that California has \$3.4 million for prevention, education, research, and training and \$5 million for treatment. She said that \$8.4 million may sound like a lot, but in California it's really small so you have to use your resources. She said California ranks 26th in per capita spending on problem gambling.

Mr. Whyte said that unfortunately Kentucky provides no public funding for problem gambling. He said that the Lottery gives the Kentucky chapter \$7,000 a year, which is masked by the fact that Arch Gleason and others do a lot of volunteer work, but does not provide much assistance. He said that NCPG has a short retailer training video, which gives an idea of the sorts of things that NCPG is trying to help the lotteries provide, especially in states with limited resources like Kentucky and Florida.

Ms. LaBrie said that one thing that lotteries do, including the California Lottery, relating to second chance submissions—because there is a limitation to how many submissions you can make in a month—is to cut folks off if they reach that limit. She added that getting the word out there regarding the message to play responsibly and the 1-800 number to problem gamblers and their loved ones is vital and that the California Lottery attempts to do that in every way possible. She said that California has mandatory training for new retailers and problem gambling is included in that. She said that the challenge is to reach out to existing retailers as well.

IMPLEMENTATION OF RESPONSIBLE INTERNET GAMING STANDARDS

Mr. Whyte gave an update on status of responsible gaming efforts relating to the Internet. He said that the NCPG has been around for 42 years, so as U.S. jurisdictions started to look at Internet gambling, the NCPG was able to utilize resources both domestically and internationally, where Internet gambling has been legalized and regulated for over a decade. He said that in 2012 the NCPG put together a set of Internet responsible gaming best practices, based on existing best practices from around the world. He said that since then, Delaware, Nevada, and New Jersey have legalized and regulated casino-style Internet gambling. He said that NCPG commissioned *Gambling Compliance* to put together a report on where these states are.

Mr. Whyte said that by way of background, NCPG is much like NCLGS in that it is neutral on gambling and it exists as a forum to bring people together. He said NCPG is an advocate as well but is not for or against legalized gambling. He noted that in 2013 NCPG released social gaming standards as well. He said that NCPG sees both sets of standards as very iterative as social gaming is a new, emerging field in

the U.S. and asserted that there is a lot more learning to be had from vendors, operators, and advocates and that there is a constant set of improvements. Mr. Whyte said that they are all available on the NCPG website.

Mr. Whyte said that the Internet standards break down into eight major areas, such as policy, training, and informed decision-making; how to assist players that may be in distress; advertising and gaming sector futures and research; and self-exclusion. He said the NCPG standards are drawn almost exclusively from UK and Canada-based regulations.

In response to a question from Sen. Sachs regarding how the U.S. can learn from UK and other experiences, Mr. Whyte said that on the International front, in terms of Internet gambling generally and responsible gambling online particularly, the UK and Canada are in the lead and that the regulation in all the rest of the world lags considerably. He said that looking at the UK and Canada, you find low rates of uptake generally and said that when he last checked only about seven percent of adults gambled online more than once a month. He said that those who did play online more often were much more likely to be younger, male, play multiple ways—and while not a lot of people play broadly, those who do are likely to play a lot and probably are more likely to have gambling problems. He said that the rate of gambling addiction among those who play online was certainly a little bit higher.

Mr. Whyte said that the NCPG had also seen that jurisdictions (UK and Canada mainly) that have adopted good responsible gaming programs have not seen spikes in addiction. He said that the timeframe is short and that in the UK we have a ten-year window, which is starting to be adequate, but that we know in some ways it takes a number of years to develop. So, he said, we can't be sanguine yet that if we use these responsible standards we won't see a spike in addiction. He said we can at least say in the short term, and maybe in the medium term, that legalization and expansion of gambling on the Internet is not associated with dramatic increases in gambling problems on a national level. Mr. Whyte said, however, that an argument may well be made that there is an increase in problems and severity on an individual level because most people who gamble online also gamble offline.

Rep. Keeley noted that as many know Delaware is one of the states that has online gaming and one of its legislation's mandates was to monitor any increase in problem gambling. She said that she hopes that NCLGS will receive further information on this issue.

Mr. Whyte said that in five years, it will be irrelevant whether an Internet game is casino-style or lottery-style, as there will be little difference, and that all games will be harmonized and converged and will be high-speed and high-stake games. He said that of the states that have legalized Internet gaming, New Jersey is doing the best job with most stringent Internet regulation, with 21 out of 30 practices in line/harmonizing with NCPG regulations.

In response to a question with Sen. Sachs, Ms. Canale said that California's treatment program provides (one-hour) telephone counseling sessions for those in rural areas, out-patient face-to-face counseling, intensive out-patient counseling three times a week, and residential treatments where a person can check in for recovery. She said that California built its program for affected family members to help them learn the best way to deal with the gambler and to set limits, as well as gamblers. She said after treatment gamblers are referred to Gambler's Anonymous and also do follow-ups after the program. She said that early indicators are that treatment is working and that people who came with eight or nine out of ten Diagnostic and Statistical Manual of Mental Disorders (DSM) criteria, such as loss of employment, home, and family, are leaving with two to three less of those criteria.

ADJOURNMENT

There being no further business, the meeting adjourned at 10:00 a.m.