

Approved: CWJW 7/22/92
Date

MINUTES OF THE SENATE COMMITTEE ON JUDICIARY

The meeting was called to order by Chairperson Senator Wint Winter Jr. at
10:05 a.m. on February 10, 1992 in room 514-S of the Capitol.

All members were present except:
Senator Oleen who was excused

Committee staff present:
Mike Heim, Legislative Research Department
Jerry Donaldson, Legislative Research Department
Gordon Self, Office of Revisor of Statutes
Judy Crapser, Secretary to the Committee

Conferees appearing before the committee:
Julene Miller, Deputy Attorney General
William Ousley, Lenexa,
Allen Jones, Kansas Bureau of Investigation Special Agent Supervisor of the Gaming Unit,
Rob Gaskell, People Against Casinos
Staci Charles, People Against Casinos

Chairman Winter called the meeting to order by opening the hearing for SB 521.
SB 521 - state lottery limited to instant, keno and lotto games.

Chairman Winter stated that SB 521 would clarify what the Legislature feels was permitted under "lottery" when the Legislature and the citizens of Kansas voted on the constitutional amendment in 1988. He further noted that legal minds could not agree on the question of whether the "lottery amendment" could be limited by statute. He pointed out that having a separate "parimutuel amendment" leads some to the conclusion that "lottery" can be further defined by statute; others disagree.

Senator Martin expressed his concerns and cited the controversy on the "classification amendment" as a prime example of the fact the Legislature can not define a constitutional term.

The Chairman reiterated that many Kansans voted for the lottery amendment but against the parimutuel amendment. SB 521 is intended to express the view of the Legislature of what constitutes a "lottery." It is the duty of the Legislature to define and establish public policy of Kansas. He further stated that he did not believe anyone in the state understood that, by approving the lottery amendment, they also approved Las Vegas style casino gambling.

Julene Miller, Deputy Attorney General, presented the opinion of Attorney General Robert Stephan regarding blockage of casino type gambling. (ATTACHMENT 1)

Chairman Winter noted for the Committee that the Indian Gaming Commissioner expressed his opinion in a telephone conference that if SB 521 were passed by a constitutional majority, it would prohibit anyone from operating outside the parameters of the bill. He believes since the federal law does not speak to the specifics, it leaves to the states establishment of public policy.

Senator Martin again questioned the possibility of statutorily limiting a constitutional amendment as was attempted with the classification amendment. He argued that passage of SB 521 would definitely allow for a constitutional challenge in the courts.

The response was to point out two differences in the constitutional provisions: the self-executing provision of the classification amendment versus the lottery amendment's allowance for implementing provisions. The consensus of all present was that a challenge in the courts would occur regardless of legislative action. Many felt if no action was taken during the 1992 Legislative Session, it would be too late for any action including voting on a constitutional amendment.

Chairman Winter informed the Committee that Wayne Comer, Federal Bureau of Investigation, Washington D.C., requested their grave concerns of the negative consequences on law enforcement relating to casino gambling be expressed. Mr. Comer asked that their interest and concerns be known to the Committee even though he was unable to attend the hearing.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON JUDICIARY,
room 514-S, Statehouse, at 10:05 a.m. on February 10, 1992.

William Ousley, Lenexa, related his experiences gained in 22 years as a special agent with the FBI. He stated that organized crime has an interest in any type of gambling since it is the foundation of their "business" interests. He cited an example where efforts were made to infiltrate a tribal operation and, although rebuffed in this example, are successful more times than most people are aware. They use methods that are obviously outside legal parameters to obtain their objectives. Regardless of the regulations and enforcement efforts utilized, attempts by organized criminals will always be made to control gambling operations of any kind.

Mr. Ousley continued by stating that if the decision is made to broaden the legal gambling establishment in Kansas, an "iron system of control" will be necessary. That control will need to be in rules, regulations and enforcement efforts. He stated control is possible, but it comes at a rather high price in money and manpower. Competent, trained experts are required to maintain rigid standards and enforcement. He concluded that the intangible costs are often more devastating to those directly involved. The possibility of corruption attempts among both the business and the customers results in consequences that radiate throughout entire communities.

When asked his opinion about the current parimutuel operations in Kansas, Mr. Ousley stated he personally felt there is a critical lack of regulations by the commission, the legislation, policy, etc. Known convicted criminals have been seen at the current facilities, and there have been no efforts to address the possibility of organized criminal involvement. He stressed that, from his observations and experiences, if known criminals are allowed access to the facilities, the opportunity to become involved exists and is very real.

Allen Jones, Kansas Bureau of Investigation Special Agent Supervisor of the Gaming Unit, expressed his office's concerns about the impact on law enforcement if gambling activities were to be increased in Kansas. (ATTACHMENT 2)

Responding to questions, Agent Jones expressed his mixed feelings about allowing casino gambling in Kansas. He stressed that the business needs to be regulated, but he is concerned about the dependability of funding for law enforcement.

Rob Gaskell, People Against Casinos, testified in support of SB 521. (ATTACHMENT 3) He also presented the Committee with a copy of petitions containing 1,016 signatures opposing casino gambling.

Staci Charles, People Against Casinos, testified in support of SB 521. (ATTACHMENT 4)

The hearing was continued to Tuesday, February 11, 1992, at 10:05 a.m. in Room 514-S. The meeting was adjourned at 11:07 a.m.

Date Feb 10, 1912

VISITOR SHEET
Senate Judiciary Committee

(Please sign)

Name/Company	Name/Company
Ruth Diction, P.A.C.	
Staci Charles, P.A.C.	
Rob Mosher, P.A.C.	
Dick Taylor, Director	
Chuck Burley, Assoc.	
Jules Miller	A.G.
Frank Tiscadenio	A.G.
Lynette Wenger, P.A.C.	
Leda Smith	
Margie Cowley	
Nick Roberts / IGT	
Jim Hildebrand	de server
George Winger	Gov. office
Myron Anderson, Ind	
Charles Gladhart, PAC	
Kenda Battlett	CWA of KS
Frances Wood	WCTU Women's Christian Temperance Union
Dale Reese	
Carol Reese	WCTU + PAC
Allen Jones	KBI
Kyle Smith	KBI
J. Bowser	United Tel
Joni Wheeler	Sen. Karris staff
<i>[Signature]</i>	



STATE OF KANSAS

OFFICE OF THE ATTORNEY GENERAL

2ND FLOOR, KANSAS JUDICIAL CENTER, TOPEKA 66612-1597

ROBERT T. STEPHAN
ATTORNEY GENERAL

MAIN PHONE: (913) 296-2215
CONSUMER PROTECTION: 296-3751
TELECOPIER: 296-6296

Testimony of Julene L. Miller
Deputy Attorney General
Before the Senate Judiciary Committee
Re: Senate Bill No. 521
February 10, 1992

Mr. Chairman, Members of the Committee:

At the committee's request, I am here on behalf of Attorney General Stephan to brief you on the ability of the state to block casino type gambling in view of the federal Indian Gaming Regulatory Act.

The Indian Gaming Regulatory Act requires the state to negotiate tribal/state gaming compacts upon request of a tribe located within the state's borders. The act authorizes tribes to negotiate for inclusion in the compact any game permitted to be conducted by any entity, including the state. Attorney General Stephan has concluded that the state's constitutional provision authorizing a state owned and operated lottery opens the door to any game of chance due to judicial and statutory definitions of the term lottery and the fact that the term has not been otherwise defined. The act does not speak to, and therefore does not prohibit, the

Senate Judiciary Committee
February 10, 1992
Attachment 1

ability of the state to alter or clarify its public policy with regard to the types of games which should be prohibited.

If it is the desire of the legislature and the people of the state of Kansas to prohibit casino gaming, we believe the best way of demonstrating the public policy in this regard is by constitutional amendment. If, however, time constraints or other factors preclude this alternative, the Attorney General has opined that statutory prohibition would be a sufficient display of public policy as long as the prohibition operates across the board, prohibiting the state as well as anyone else from conducting the specific unwanted games. In so concluding, the Attorney General recognizes that there currently are no cases directly on point, but at least two courts have indicated they would lean in this direction.

1992 Senate Bill No. 521 excludes from the definitions of bet and lottery the specific games of instant lottery, keno, lotto and video lottery games. All other games of chance would be lotteries or bets criminally prohibited by K.S.A. 21-4303. Since the bill limits the games the state-owned and operated lottery may conduct, criminalizing all other games of chance across the board, it appears sufficient to block casino gambling involving games other than those listed.



JAMES G. MALSON
DIRECTOR

KANSAS BUREAU OF INVESTIGATION

DIVISION OF THE OFFICE OF ATTORNEY GENERAL

STATE OF KANSAS

1620 TYLER

TOPEKA, KANSAS 66612-1837

(913) 232-6000



ROBERT T. STEPHAN
ATTORNEY GENERAL

TESTIMONY

**ALLEN A. JONES, SPECIAL AGENT SUPERVISOR, GAMING UNIT
KANSAS BUREAU OF INVESTIGATION
BEFORE THE SENATE JUDICIARY COMMITTEE
FEBRUARY 10, 1992**

Mr. Chairman and Members of the Committee:

In the past, when law enforcement was called upon to address potential problems related to gambling, it raised concerns of infiltration by traditional organized crime groups. That is still a viable concern.

Traditionally, law enforcement held the view that organized crime was synonymous with the "Mafia," or "La Cosa Nostra (LCN)." This perception mandated a focus of law enforcement efforts on those groups. This preoccupation stemmed partly from LCN strength and its apparent influence in the gambling industry, when compared to other crime groups. Gambling, legal and illegal, has always been the basic stock-in-trade of the "mob."

In the everyday language of the police, the press and popular opinion, "organized crime" referred to a tightly-knit group of men of Italian descent who ran a crime business with a structure reminiscent of feudal relationships. But the view that organized crime is synonymous with La Cosa Nostra bears little relationship to the reality of organized crime today, especially as it relates to the explosive expansion of legalized gambling among the various states. If one considers the traditional LCN group as the ultimate on a scale of one (1) to ten (10), then there are a host of other criminal groups equally seeking to gain control of all or portions of the emerging gambling industry. The rise and expansion of some non-traditional crime groups has been fueled by

*Senate Judiciary Committee
February 10, 1992
Attachment 2*

02/07/92

Page 2

ominous trends in drug use and trafficking. Legalized gambling, due to the extensive flow of cash, provides a prime opportunity for the laundering of illegally gained profits.

When illegal activities are organized to maximize profit, more serious crime results: violence to eliminate competition or to evade law enforcement; corruption of public officials to nullify law enforcement efforts or to divert them to rivals; the infiltration of businesses to be used for criminal ends. Historically, as racketeers gain greater influence over governmental processes, they use their power to extend control not only over illegitimate sectors, but over legitimate sectors of the political economy as well.

On the low end of the scale, casino gambling has given rise to an increase in the usual assortment of conventional crimes, such as embezzlement, theft, fraud, cheating and game rigging, to list only a few. Gambling, which is the penultimate desire to get something for nothing, attracts individuals and conspiracies seeking to beat the system and gain the advantage. The large flow of cash also attracts criminals who don't gamble, but see opportunities. These and other related crimes must be expected and the resulting greater demands on law enforcement, courts and corrections addressed.

A gaming specialist with the Quebec, Canada Police recently reported his agency estimates that \$600 million to \$700 million is skimmed annually in Quebec alone from legal bingo games. In the Los Angeles area, home of

02/07/92

Page 3

Hollywood Park Racetrack and legal parimutuel gambling, it is estimated \$5 billion annually is bet with illegal bookmakers.

On the other end of the scale are concerns about groups organized for criminal activity involved in the hidden ownership of casinos, manufacturing and distribution of casino equipment, and management groups. From our perspective, stringent licensing requirements, extensive background investigations and constant monitoring must be mandatory.

State law enforcement plays a vital, if not crucial, role in the war against all levels and forms of organized crime. Crime control requires a collaborative effort; no one agency can do it alone, nor should we entrust the effort to one agency. In documenting the arrest, prosecution and conviction of members of a major LCN organization, the Pennsylvania Crime Commission cited the assembled resources of the Federal Government, the New Jersey State Police, the Philadelphia Police, the Offices of the Attorneys General of New Jersey and Pennsylvania, and the Pennsylvania and New Jersey Crime Commissions.

What, then, is organized crime? We offer the following definitions for your consideration:

1. FBI

Organized Crime: Any group having some manner of formalized structure and whose primary objective is to obtain money through illegal activities. Such groups maintain their position through use of violence or threats of violence, corrupt public officials, graft

02/07/92

Page 4

or extortion and generally have a significant impact on the people in their locales or region or the country as a whole. One major crime group epitomizes this definition - La Cosa Nostra.

2. Bureau of Alcohol, Tobacco and Firearms

Organized Crime: Those self-perpetuating, structured and disciplined associations of individuals or organizations who have combined together for the purpose of obtaining monetary or commercial benefits, or power, wholly or in part by illegal means, utilizing a pattern of corruption, violence and threats of violence to achieve their goals and protect their activities.

3. Pennsylvania

Organized Crime: The unlawful activity of an association trafficking in illegal goods or services, including but not limited to gambling, prostitution, loansharking, controlled substances, labor racketeering or other unlawful activities or any continuing criminal or other unlawful practice which has as its objective large economic gain through fraudulent or coercive practices or improper governmental interest.

02/07/92

Page 5

Obviously we in Kansas, have not had direct contact with legalized casino gambling and so the impact must, in part, be guessed. However, the experiences of other states suggest that there will be an impact due to both an increase in interest by organized criminal groups and the "low-level" crimes that always occur whenever large concentrations of money and people are found.

I'd be happy to answer any questions.

TESTIMONY TO SENATE JUDICIARY COMMITTEE-----Monday, 2/10/92

By: Rob Gaskell, Chairman
People Against Casinos (N. E. KS ad hoc group)---P.O. Box 294
R. 1 Box 14 Hiawatha, KS 66434
Horton, KS 66439 (my address)

Home # 913-872-3280
Work # 913-872-3212

Represented by: Senate- Don Sallee
House- Joan Adam

Mr. Chairman and distinguished members of the Judiciary Committee:

I come today in support of S.B. 521. Under what I would consider normal circumstances, this would indeed be highly unusual for me. I voted in 1986 not to allow the lottery to become part of daily life here in Kansas. It did, however and now it is up to all of us to deal with it. An important first step would be the approval of this bill.

As never before, the family unit as we have known it has come under attack from all quarters. At home my wife and I try to impress upon our three children that acceptable, right behavior should not be based on that which they see in their peers only.

Likewise the legislature, our elected representatives, hold a responsibility to the people of Kansas. That responsibility includes, wherever possible, the prevention of difficulties experienced in other states, such as New Jersey and Arizona, as well as California in both legalized and reservation type gambling. It is evident through various studies, excerpts of which I have looked at, show that young people far exceed older age groups in susceptibility to the often slick advertising and excitement which goes with it. These studies, conducted by compulsive and pathological gambling

*Senate Judiciary Committee
February 10, 1992
Attachment 3*

councils in New York, Minnesota, and Maryland shed much needed light on this issue. Some key points are;

- 1) There are somewhere between One and Two Million teenage gambling addicts in this country. These will likely need professional help in quitting.
- 2) St. Johns University sociologist H. Lesieur found that students were eight times more likely, in college to become addicted than adults.
- 3) When alcohol or drugs are used in conjunction with compulsive gambling, and often this is the case, that person is Three Times more likely to physically abuse his or her children.

We have witnessed locally, quite an increase in the level of violence with much of it being domestic-related. Violence in our schools nationwide has many of our teachers and administrators running for cover, or altogether too afraid to teach. One lawmaker has equated this area as being a zoo, recently. Without these new compulsive habits to feed, some additional violence could be prevented.

If Kansas is truly great, and I believe that it is; and if Kansas holds within its borders a quality of life which surpasses that of most other places, which I believe that it does; and we are proud of what Kansas stands for, we should distance ourselves from those things which tear at its very seams.

Kansas is renowned for its places of treatment in response to various ailments and conditions. We have, though, an opportunity through this bill, which I have characterized as a positive first step, not only to respond but to lead.

Here is the opportune time for us to say loud and clear that this is what we as a state meant by lottery.

It is my strongly held view that given the fact lottery and pari-mutual were all which were legalized in the 1986 amendment, and I.G.R.A. still two years hence, that no one could legally assume casinos to be a possibility at the time of the statewide vote.

Please take this "step in the right direction" by approval of this bill. I respectfully thank you for kind attention, Mr. Chairman, and senators on this committee.

Sincerely,

Robert L. Gaskell

Social Costs of Compulsive Gambling

An evaluation of three New York State treatment programs for compulsive gamblers found that their clients are predominately married white men in management positions or with their own businesses. They are in the middle income brackets and earn 38% of their total household incomes. Their involvement with compulsive gambling severely limits their contribution to society, and therefore has adverse economic and social effects.

Source: Rachel Volberg & Henry Steadman (1988) Compulsive Gambling Treatment Program Evaluation: 1987 Annual Progress Report, Hibany, New York).

Impact on Family Life

1. General disruption of family functioning - Compulsive gambling creates a secretive and mistrusting environment.
2. High incidence of separation and susceptibility to divorce - When compared with the general population, compulsive gamblers are more likely to have been married three or more times. (Kallick et al (1979) A survey of gambling attitudes & behavior. Ann Arbor, MI: Institute for social research).
3. Exploitation of family finances - 67% of total household debt is attributable to gambling (study of Gam-Anon members).
4. Effect on spouse:
 - 62% of spouses are harassed by creditors
 - 61% of spouses are violent toward gambler
 - 78% of spouses suffer from insomnia
 - 11% of spouses attempt suicide

Source: Valerie Lorenz & Duane Shuttlesworth (1983). The impact of pathological gambling on the spouse of the gambler. Journal of Community Psychology, 11, 67-76.

Impact on Quality of Work and Job Security

1. Compulsive gamblers are preoccupied with gambling or related debts while at work. (Robert Custer & Harry Milt (1985) When luck runs out. New York: Facts on File Publications.)
2. Unemployment is twice as high among compulsive gamblers as in the general population. (Rachel Volberg & Harry Steadman (1988) Refining prevalence estimate of pathological gambling. American Journal of Psychiatry, 145, 502-505.
3. Those who maintain jobs may be involved in embezzlement or employee theft - 25% of female compulsive gamblers and 40-50% of male compulsive gamblers have reported this. (Henry Lesieur, Ph.D (1984) The chase: Career of the compulsive gambler. Cambridge, MA: Schenkman Publishing.)
4. Those who own their own businesses usually exploit their assets as well as those of suppliers and other creditors. (Lesieur, 1984 & Custer with Milt, 1985).

The Consequence is Crime

1. Compulsive gamblers may resort to crime to pay for gambling or related debts.*
2. The three most common crimes engaged in by compulsive gamblers are forgery, theft, and embezzlement. (* Henry Lesieur, Ph.D. (1984) The Chase: Cambridge, MA: Schenkman Books).
3. Society as a whole pays for this through the costs of arrest, prosecution, probation, parole, and imprisonment. (Robert Politzer, James Morrow, & Sandra Leavey (1985) Report on the cost benefit/effectiveness of treatment at the Jonn Hopkins center for pathological gambling. Journal of Gambling Behavior, 1).
4. Insurance companies and other financial institutions are particularly affected - 47% of male Gamblers Anonymous members reported insurance related fraud or theft. (Henry R. Lesieur, Ph.D. & Kenneth Puig, M.A. (1985) Insurance problems and pathological gambling. Journal of Gambling Behavior, 3).
5. A sampling of 77 patients seeking behavioral treatment for pathological gambling: 54% admitted to gambling related offenses, 21% were charged. Of pathological gamblers who committed offenses, two-thirds reportedly did so as a direct consequence of gambling induced problems.
6. Studies describe high rates of illegal behaviors in samples of pathological gamblers seeking treatment, and on the basis of statistical information have inferred a direct causal relationship between crime and pathological gambling.
7. Studies report between 21% of 85% of pathological gamblers become involved in illegal activities. Between 4% and 13% serve prison terms for gambling related crimes. (Blaszczynski, Alex; McConaghy, Neil and Frankova, Anna. (1989). Crime, Antisocial Personality and Pathological Gambling, Journal of Gambling Behavior, 5, 137-152).
8. A distinctive pattern of income-generating crime was found to be statistically associated with pathological gambling. A study by Custer and Custer found that 21% of a sample from Gamblers Anonymous in the U.S. and 46% of a sample of pathological gamblers treated by the Veterans Administration had been arrested specifically for one or more of a small group of crimes all emanating from attempts to obtain money for gambling. Source: Robert Custer & Lillian Custer (1978) Characteristics of the recovering compulsive gambler: A survey of 150 members Gamblers Anonymous. Paper presented at the Fourth Annual Conference on Gambling and Risk Taking, Atlantic City, N.J. (December)
9. In a group of 107 compulsive gamblers from the United Kingdom, 80% admitted illegal acts, while 48% had been convicted of gambling related crimes. (Brown, R.I.F. (1987). Pathological gambling and associated patterns of crime: Comparisons with Alcohol and Other Drug Addictions, Journal of Gambling Behavior, 3, 98-114.

Compulsive Gambling and Family Violence

--11% of compulsive gamblers are physically abusive of their spouses.

These figures are lower than the national norm, which is 29%. However, when spouses of compulsive gamblers were asked if they had ever been physically abusive toward their gambling spouses:

--61% of the spouses of compulsive gamblers reported physically striking or throwing something at their spouses.

This suggests that gambling produces a reactive form of violence on the part of the spouse, against the gambler's norm violative behavior.

Source: Valerie Lorenz & Duane E. Shuttlesworth (1983) The impact of pathological gambling on the spouse of the gambler. Journal of Community Psychology, 11, 67-76.

--Compulsive gambler parents are twice as likely to be physically abusive to their children, and gamblers with other problems, such as alcohol are three times as likely to be abusive than the general population.

Source: H. Lesieur & J. Rothschild (1989). Children of Gamblers Anonymous Members. Journal of Gambling Behavior, 5, 269-281.

Women and Gambling

- Approximately 1/3 of compulsive gamblers are women
Source: Rachel Volberg & Henry Steadman (1988) Refining prevalence estimates of pathological gambling. American Journal of Psychiatry, 145, 502-505).

- Women who gamble have above average intelligence (however, are not excessively competitive or ambitious).

- Most female pathological gamblers experience practically no "winning phase"
Source: Susan Darvas (1985) The female pathological gambler. Paper presented at the First National Conference on Gambling Behavior.

- Women tend to be closet gamblers and seldom brag about their wins.*

- For more than 3/4 of the women, escape was a dominant theme:†

- a) escape from memories of their upbringing
- b) escape from troubled husbands and loneliness

Family Background*

- 40% of the women came from a household where one or both of their parents were addicted to alcohol or gambling.
- 28% had alcoholic fathers and 3% had alcoholic mothers
- 42% had alcoholic parents **
- 14% had compulsive gambling fathers while 4% had compulsive gambling mothers
- 42% said either parent gambled too much **

Troubled and Absent Husband*

- Most women who are compulsive gamblers are married to troubled or absent husbands.
- 35% were married to alcoholics.
- 31% of the husbands were physically abusive
- 10% were married to substance abusers.
- 15% were married to compulsive gamblers.
- 28% were married to workaholics.
- 14% had husbands whom they knew were womanizers.
- 10% of the husbands were mentally ill.
- 57% were divorced at some point in their life.
- 46% of the divorced women believed their gambling was a major cause of their divorce.

Other Addictions*

- 24% were physically dependent (addicted) on alcohol or other drugs.* **
- 48% had abused drugs at some point.
- 20% said they were compulsive overeaters

Sources:

* Henry Lesieur (1988). The female pathological gambler. In W.R. Eadington (Ed.) Gambling research: Proceedings of the 7th International Conference on Gambling and Risk Taking. University of Nevada-Reno.

** Robert Custer, & Mary Lou Strachan (1989, June 2) The Nevada Experience: The female compulsive gambler in Las Vegas. Fourth National Conference on Compulsive Gambling, Des Moines, Iowa.

Women and Gambling (cont'd)

Treatment Experiences

- 23% have attempted suicide (20% have made gambling related attempts). * **
- 65% have been treated by mental health professionals. * **
- Female Gamblers Anonymous members utilize mental health professionals more than males in GA *
- 34% of the women went to therapist prior to GA without mentioning gambling - Most therapist aren't making referrals to GA who could do so. * **
- 23% of the women have been or are currently members of anonymous programs other than GA. *

Women Borrowing and Crime

- 73% of the women used illegal means to finance their gambling (bad checks and employee theft were the most common crimes) *
- in spite of this, women come into GA and treatment with fewer debts than their male counterparts. *

Sources:

- * Henry Lesieur (1988). The female pathological gambler. In W.R. Eadington (Ed.) Gambling research: Proceedings of the 7th International Conference on Gambling and Risk Taking. University of Nevada-Reno.
- ** Robert Custer, M.D. and Mary Lou Strachan (1989, June) The Nevada Experience: The Female Compulsive Gambler in Las Vegas. Paper presented at the Fourth National Conference on Compulsive Gambling, Des Moines, Iowa.

Spouses of Compulsive Gamblers

Characteristics of Spouses of Compulsive Gamblers

1. 19% of wives of compulsive gamblers reported being raised in families where gambling or other compulsive behavior occurred. *
2. 29% said their parents had lengthy periods of separation, many ending in divorce. **
3. Wives of compulsive gamblers may have a need to be needed and therefore, they foster a dependency relationship with their gambling spouse - they provide 'bailouts' and will lie and cover up for the gambler. ***
4. Many wives blame themselves for the gambling problem and will experience anger, frustration, fear and denial while in treatment. Robert Custer & Harry Milt (1985) When Luck Runs Out, New York: Facts on File Publication.)

Impact of Compulsive Gambling on Spouse and Family

1. 11% of wives of compulsive gamblers have attempted suicide. + **
2. 25% of children of compulsive gamblers have behavioral or adjustment problems related to school, drug or alcohol abuse, gambling, running away and arrest. *
3. 99% of financial problems in families of compulsive gamblers are directly related to gambling. *
4. 65% of wives of compulsive gamblers gave their spouses their personal savings to gamble or pay debts - 46% gave their earnings to the gambler for the same purpose. *
5. 56% of wives of compulsive gamblers borrowed money from friends and relatives to help the gambler finance his habit - 54-67% borrowed from friends and relatives in order to meet the basic needs of their family. * **
6. 62% of wives of compulsive gamblers were harassed by bill collectors and 50% were threatened by bill collectors. +
7. 58% of wives of compulsive gamblers indicated that unsatisfactory sexual relations was due solely to the gambling activity. +

Sources:

- * Valerie Lorenz & Duane Shuttlesworth (1983) The impact of pathological gambling on the spouse of the gambler. The Journal of Community Psychology. 11, 68-75.
- ** Valerie Lorenz (1981) Differences found among catholic, protestant, and jewish families of pathological gamblers. Presented at the Fifth National Conference on Gambling and Risk Taking, Lake Tahoe, Nevada.
- + Valerie Lorenz & Robert Yaffee (1988) Pathological gambling: Psychosomatic, emotional, and marital difficulties as reported by spouse. Journal of Gambling Behavior. 4, 13-26.

YOUTH AND GAMBLING

- 42% of 14 year olds in one New Jersey study had gambled.
- 49% of 15 year olds
- 63% of 16 year olds
- 71% of 17 year olds
- 76% of 18 year olds
- 88% of 19 year olds

Source: Arcuri, A., Lester, D., & Smith, F. (1985) Shaping adolescent gambling behavior. Adolescence, 20, 935-938.

- 86% of New Jersey youths had gambled in the past year.
- 32% had gambled once a week or more on various forms of gambling.
- 45% bet on the numbers of lotteries with 13% doing this weekly.
- 46% of New Jersey youths gambled in casinos with 3% doing this weekly.
- 26% of youths have gotten free drinks in the casinos.

Source: Henry Lesieur & Robert Klein (1987) Pathological gambling among high school students. Addictive Behaviors, 12, 129-135.

- 9% of youths said gambling harmed relationships with their families.
- 61% of the youths have gambled with their parents.
- 5% hide betting slips, lottery tickets, or other signs of gambling.
- 6% cut classes to gamble
- 5% of the youths would like to stop but don't think they can.

-males are likely to show signs of compulsive gambling than females
-2% would more be considered pathological gamblers according to DSM-III.

Source: Robert Ladouceur Ph.D. & Chantal Mireault (1988). Gambling behavior among high school students in the Quebec area. Journal of Gambling Behavior, 4, 3-12.

- 24% of the parents object to their child's gambling.
- 14% use their lunch money for gambling.
- 2% take money from someone they live with, without their knowing, and use it for gambling.
- 5% sneak bets over the phone or sneak out to gamble.
- 10% did something illegal to get money to gamble.
- 5% sold drugs; 3% shoplifted; 4% stole in other ways in order to gamble.

Source: Henry Lesieur, Ph.D. & Robert Klein, M.H.S. (1987) Pathological gambling among high school students. Addictive Behaviors, 12, 129-135.

-- A review of studies of teen gambling noted that 4-6% of high school students surveyed in the U.S. showed signs of probable pathological gambling.***

In 1987 the New Jersey Casino Control Commission reported that:

- 197,842 under aged youth were refused entry to N.J. casinos ***
- 34,018 under aged youth were ejected from the casino floor.***

*** D. Jacobs (1989). Illegal and undocumented: A review of teenage gambling and the plight of children of problem gamblers. In H. Shaffer et al. Compulsive gambling: Theory, research, and practice. Lexington, MA: Lexington Books.

YOUTH AND GAMBLING (cont'd)

"Mind set" of the individual in the early stages of gambling addiction:

1. preoccupation with gambling
2. overuse of gambling
3. solitary use
4. unplanned and unscheduled use
5. special "gambling money"
6. symbolic gambling
7. increased risk tolerance
8. mental effects of gambling are important
9. success fantasies
10. denial that gambling could be a problem
11. egotism
12. sense of original discovery
13. attitude toward work -- money for gambling

Source: Julian Taper (1980) The early detection of pathological gambling. Paper presented at Gamblers Anonymous- Gam-Anon Eastern Regional Conference, Catskill, New York (May).

Children of compulsive gamblers

- 70% felt angry about gambling most or all of the time
- 56% felt depressed most or all of the time
- 60% felt hurt about parents gambling
- 45% felt hateful
- 31% felt abandoned
- 26% felt guilty
- 42% felt helpless

Source: Henry Lesieur, Ph.D. & Jerome Rothschild, A.C. (1989) Children of Gamblers Anonymous Members. Journal of Gambling Behavior, 5, 278.

-- Children of problem gamblers in one study were more likely to use alcohol, cocaine, overeat, and gamble than other children. They were also more likely to have an unhappy childhood and teenage years, have legal actions pending, and have more school problems than their peers.

Source: Durand Jacobs (1989). Illegal and undocumented: A review of teenage gambling and the plight of children of problem gamblers. In H. Shaffer et al. Compulsive gambling: Theory, research and practice. Lexington, MA: Lexington Books.

-- Compulsive gambler parents are twice as likely to be physically abusive to their children, and gamblers with other problems, such as alcohol are three times as likely to be abusive than parents in the general population.

Source: H. Lesieur & J. Rothschild (1989). Children of Gamblers Anonymous members. Journal of Gambling Behavior, 5, 269-281.

Dual Addiction Among Compulsive Gamblers

- A recent study has shown that 52% of Gamblers Anonymous members evidenced problems with alcohol and/or substance abuse. (Richard Linden et al. (1986) Pathological gambling and major affective disorder: Preliminary findings. Journal of Clinical Psychiatry, 47, 201-203.)
- 47% of inpatients in a Veterans Administration compulsive gambling inpatient program had abused alcohol or other drugs at some point in their lives. (Luis Ramirez, Richard McCormick, Angel Russo, & Julian Taber (1984) Patterns of substance abuse in pathological gamblers undergoing treatment. Addictive Behaviors, 8, 425-428).
- A study of female compulsive gamblers showed that 40% grew up in households where one or both parents were addicted to alcohol or gambling - 28% had alcoholic fathers, 10% had alcoholic mothers, 14% had compulsive gambling fathers and 4% had compulsive gambling mothers.
- 54% of the women in this study had been dependent on something other than gambling (alcohol, drugs, overeating, overspending, sexual addiction) at some point in their lives.
(Source: Henry Lesieur (1988). The female pathological gambler. In W.R. Eadington (Ed.) Gambling research: Proceedings of the 7th International Conference on Gambling and Risk Taking. University of Nevada-Reno.
- In a study of alcohol and substance abusing inpatients in a private psychiatric hospital, 9 percent were probable pathological gamblers and another 10 percent were problem gamblers. (Henry Lesieur, Sheila Blume, Richard Zoppa (1985) Alcoholism, drug abuse, and gambling. Alcoholism: Clinical and Experimental Research, 10, 33-38).

Physical Illnesses suffered by
Compulsive Gamblers and Spouses of Gamblers

A survey of Gamblers Anonymous members and their spouses in Gam-Anon concerning their physical health disclosed the following:

	<u>Compulsive Gambler*</u>	<u>Spouse**</u>
Depression	46%	47%
stomach problems	42%	37%
insomnia	35%	n/a
feeling faint or dizzy	31%	27%
headaches or migraines	29%	41%
asthma	18%	14%
high blood pressure	17%	11%
back aches	17%	18%
angina, heart pains, palpitations	16%	n/a
hypertension, shortness of breath, rapid breathing irregularities	n/a	23%
stiff neck	14%	n/a
weak or nervous	14%	n/a
excessive intake of fluids	13%	n/a
excessive urination	12%	n/a
dermatitis, hives or rashes	12%	n/a
ulcers	9%	n/a
temporary amnesia	4%	n/a

n/a -- not available

Sources:

* Valerie Lorenz & Robert Yaifee (1986) Pathological gambling: Psychosomatic, emotional, and marital difficulties as reported by the gambler. Journal of Gambling Behavior, 2, 40-49.

** Valerie Lorenz & Robert Yaifee (1988) Pathological gambling: Psychosomatic, emotional, and marital difficulties as reported by the spouse. Journal of Gambling Behavior, 4, 13-26.

Psychiatric Illnesses Suffered by Compulsive Gamblers

Two recent studies looked at the psychiatric illnesses of compulsive gamblers.

	Veteran's Administration hospital inpatients n=50	Gamblers Anonymous** members n=25
major depressive disorder	76%	52%
hypomanic disorder	38%	n/a
manic disorder	6%	n/a
schizoaffective disorder	2%	n/a
alcohol abuse	n/a	12%
panic disorder	n/a	20%

n = The number of individuals who took part in the study.

Sources:

* Richard McCormick, Angel Russo, Luis Ramirez & Julian Taber (1984)
Affective disorders among pathological gamblers seeking treatment.
American Journal of Psychiatry, 141, 215-218.

** Robert Linden et al (1986) Pathological gambling and major affective disorder: Preliminary findings. Journal of Clinical Psychiatry, 41, 201-203.

--24-40% of male compulsive gamblers and 59% of female compulsive had seen a mental health professional prior to joining GA.

--Of these very few were referred to GA by their therapists. There is a great need to educate mental health professionals on the symptoms of pathological gamblers.

Sources for males:

Robert Custer & Lillian Custer (1978) Characteristics of the recovering compulsive gambler: A survey of 150 members gamblers anonymous. Paper presented at the Fourth Annual Conference on Gambling and Risk Taking, Atlantic City, N.J. (December), 22.

Rena Nora (1984) Profile survey on pathological gamblers. Paper presented at the Sixth National Conference on Gambling and Risk Taking, Atlantic City, N.J. (December).

Source for females:

Henry Lesieur, Ph.D. (1987) The female pathological gambler. Paper presented at the 7th International Conference on Gambling and Risk Taking, Reno, Nevada (August).

Suicide among Pathological Gamblers

-- Eighteen percent of Gambler Anonymous members and 24% of Veterans Administration hospital patients in one study reported attempting suicide. (Robert Custer & Lillian Custer (1978) Characteristics of the recovering compulsive gambler: A survey of 150 members of gamblers anonymous. Paper presented at the Fourth Annual Conference on Gambling, Reno, Nevada.)

-- Twenty percent of female Gamblers Anonymous members reported attempting suicide. (Henry Lesieur, Ph.D. (1987) The female pathological gambler. Paper presented at the 7th International Conference on Gambling and Risk Taking, Reno, Nevada (August).

Suicidal Ratings of Pathological Gambling Inpatients

	Frequency	Percentage
Lethal attempt	6	12%
Prepared for serious attempt	6	12
Mentally rehearsed a plan or made suicidal gesture	3	6
Thought of specific method	9	18
Frequently thought of suicide but no specific method	11	22
Occasional thought of suicide	5	10
No apparent suicidal tendency	10	20
Total	50	100%

Source: Richard A. McCormick, Angel Russo, Luis Ramirez, & Julian Taber (1984) Affective disorders among pathological gamblers seeking treatment. American Journal of Psychiatry, 141, 215-218.

Insurance Related Fraud and Theft Engaged in by Pathological Gamblers.

Types of Claim, Fraud or Theft	Number and Percent of Sample Admitting This Behavior
Made a false claim after auto accident	72(32%)
Stole something which you know ins. co. had to pay for	48(21%)
False claim other than fire or theft	36(16%)
Staged claim other than fire or theft	35(15%)
Faked business or home burglary or property theft	34(15%)
Took part in or profited from arson	25(11%)
Created or staged an accident	19(8%)
Caused loss to insurance company in which you were bonded and ins. co. had to pay	17(8%)
<hr/>	
Engaged in any of the above	107(47%)
Engaged in two or more of the above	70(31%)
Engaged in four or more of the above	29(13%)
Sample size for this section of survey	228(100%)
Average Dollar Value Involved -----	\$65,468
Average Dollar Value Involved (including those who did not do any of the above) -----	\$30,705

Source: Henry Lesieur Ph.D. & Kenneth Puig M.A. (1987) Insurance problems and pathological gambling. Journal of Gambling Behavior, 3, 123-136.

Crime and Compulsive Gambling

Type of illegal Activity	*	**	+	**
	Hospital Inpatients n=40	50 Females n=50	Veterans Adm. & Gamblers Anon. n=190	Female/Male Prisoners n=36/n=68 F M
check forgery	30%	40%	33%	55% 28%
embezzlement	28%	24%	38%	22% 13%
forgery	16%	16%	16%	36% 16%
employee theft				
tax evasion	10%	12%	28%	0% 6%
tax fraud	13%	4%	16%	3% 1%
any illegal activity to finance gambling including "street crimes"	65%	68%	n/a	97% 97%

Combined

- check forgery 34%
- civil loan fraud 31%
- embezzlement & employee theft 30%
- forgery 20%
- tax evasion 19%
- tax fraud 12%

n = The number of individuals who took part in the study.

Sources:

- * Henry Lesieur, Sheila Blume, & Richard Zoppa. research conducted for study of gambling among alcohol & drug inpatients (1986)
- ** Henry Lesieur, Ph.D. (1988). The female pathological gambler. In W.R. Eadington (Ed.) Gambling research: Proceedings of the 7th International Conference on Gambling and Risk Taking. University of Nevada-Reno.
- + Henry Lesieur, & Robert Klein (1985) Prisoners, gambling, and crime. Paper presented at the Annual Meetings of the Academy of Criminal Justice Sciences, Nevada.
- ++ Rena Nora, M.D. (1984) Profile survey on pathological gamblers. Paper presented at the Sixth National Conference on Gambling and Risk Taking, Atlantic City, N.J.

Surveys of male and female prisoners in New Jersey, found that 30% were pathological gamblers. +

13% of the prisoners acknowledged that they were in prison because of gambling related problems. The others were addicted to alcohol or other drugs as well as gambling. +

The pathological gamblers who turned to white collar crime had exhausted their legal options first and turned to illegal options when they felt trapped with no other way out. (Henry Lesieur, Ph.D. (1984) The chase: Career of the compulsive gambler. Cambridge MA: Schenkman Books.)

Compulsive Gambling and Prisoners

- * Female prisoners (85%) are more likely to have gambled than male prisoners (76%).
- * 63% of females gambled at least once a week.
- * 48% of males gambled at least once a week.
- * "Believe I am a compulsive gambler"
 - female 10.2%
 - male 10.0%
- * "gambling related to why I am in prison"
 - female 13%
 - male 13%
- * pathological gambling
 - female 30%
 - male 30%

Common Crimes of Pathological Gamblers in Prison

(A study of 230 Male Prisoners and 118 Female Prisoners)

Note: These crimes were to finance gambling or pay gambling debts.

Male	Female
54% selling drugs	54% selling drugs
51% hustle at pool, golf and bowling	50% hustle at pool, golf and bowling
50% hustle at cards or dice	56% Check forgery
50% part take in con games	42% fencing stolen goods
47% burglary	39% prostitution

-The estimated cost of compulsive gambling by the prisoners is in the hundreds of millions of dollars.

* Source: Henry Lesieur, Ph.D. & Robert Klein, Ph.D. (1985) Prisoners, Gambling, and crime. Paper presented at the Academy of Criminal Justice Sciences Annual Meetings, Las Vegas, Nevada.

At present there are Gamblers Anonymous groups set up in some of the correctional institutions in the following states:

Ohio	Massachusetts
Texas	New Jersey
Connecticut	New York
Georgia	Virginia
Pennsylvania	Wyoming
Michigan	

GA groups have also been set up in correctional institutions outside of the U.S. They are located in:

Australia
Canada
England

The National Council on Problem Gambling Inc. 445 West 59 street,
New York, N.Y. 10019 tel: (212) 765-3833

3-18/19

Some Casino Facts

-- As of 1988 2 states and Puerto Rico have legal and operative casinos.
(Gaming and Wagering Business (1988) Vol. 9, pp.22-24.)

-- The amount of money wagered on casino gambling in the US rose from 145 billion dollars in 1987 to 196 billion dollars in 1989. (Source: 1989 Gross annual wager: (1990) Gaming and Wagering Business, vol. 11, no 7, p.3).

-- 4.0% of this money is retained by the casino.

-- 95.7% is returned to the public. (Source: Vicki Abt, James Smith, Eugene M. Christiansen, (1985) The business of risk. University Press of Kansas).

-- Gamblers Anonymous members and the casino.

Males (survey of 201 members)

lifetime -- 67% played the casinos

once/week or more -- 18%

addicted -- no information

Source: Henry Lesieur, Ph.D. (1986) Survey conducted in connection with the South Oaks Gambling Screen.

Females (survey of 50 members)

lifetime -- 86% played in the casinos

once/week or more -- 58%

addicted -- 50%

Source: Henry Lesieur (1988). The female pathological gambler. In W.R. Eadington (Ed.) Gambling research: Proceedings of the 7th International Conference on Gambling and Risk Taking. University of Nevada-Reno.

-- Casino gambling among college students varies by state.

	<u>lifetime</u>	<u>weekly</u>
Nevada	84%	29%
New Jersey	75	6
New York	39	3
Oklahoma	27	less than 1%
Texas	20	0%

Source: Henry Lesieur, et al. (1990, August). Gambling and pathological gambling among college students. International Conference on Risk and Gambling, London.

-- Casino gambling among high school students varies by state.

	<u>lifetime*</u>	<u>weekly**</u>
New Jersey	46%	3%
Connecticut	11	
California	7	
Virginia	5%	

Sources: * D. Jacobs (1989). Illegal and undocumented: A review of teenage gambling and the plight of children of problem gamblers. In H. Shaffer et al. Compulsive gambling: Theory, research and practice. Lexington, MA: Lexington Books.

** H. Lesieur and R. Klein (1987). Pathological gambling among high school students. Addictive Behaviors, 12, 129-135.

February 10, 1992

My name is Staci Charles. I live in Hiawatha with my husband and two children ages 5½ and 4. Before we had children I had the privilege of teaching third grade students for 5 years in the Sabetha School District. I have always loved children and teaching. In High School I taught dancing at home in the basement which my parents remodeled to make a studio. Through college I taught swimming lessons and spent one summer counseling at an athletic camp and one summer coaching The Sabetha Swim Team. I have been a Sunday School teacher and the director of the Vacation Bible School in our local church. I volunteer my time once a week at the Hiawatha Elementary School. I chose to postpone my teaching career and much needed paycheck in order to stay home and be the one with the greatest amount of influence in our young children's lives. We want to pass on the traditional values which our parents gave us that have helped us be happy and successful in life. We feel that Kansas is one of the best places in the United States to raise a family: We do not take our rich heritage for granted.

There are givers and there are takers in our society. I represent the many parents in Kansas who are giving their utmost to insure the next generation of Kansans are responsible citizens ready to lead this nation forward. The takers are those who wish to use people at any cost for

Senate Judiciary Committee
February 10, 1992
Attachment 4

their own financial gain. As a parent I'm finding it increasingly difficult to raise a family without being bombarded by the takers at every turn. The liquor retailers wanted to make money, so we scrape the bodies of innocent children off our highways every year. The tobacco industry wishes to make money and now studies show that second hand smoke does increase a child's chances of contracting lung cancer. Publishers of pornographic magazines make a lot of money so child pornography, abuse, rape, incest and murder are at an all-time high. Our federal government needs more and more money to pay for the federal deficit which taxes a families income to the point where both parents need to work leaving some children neglected or dumped at over-burdened "day care" facilities. As a teacher I saw the increasing number of neglected children with low self-esteem. Schools are struggling to teach more children with behavioral disorders because many parents have too many problems of their own to attend to their children's needs. Because the takers put their own personal pleasures before the best interests of society, the AIDS virus and teenage pregnancy are so rampant that schools feel obligated to distribute condoms. I could go on but the list is too long. In short, the takers have created more than enough problems for society, and it's past time to say NO MORE.

Now the profiteers in Hiawatha, together with the Kickapoo Tribal Chairman, wish to use a loop-hole in the

Constitutional Amendment vote of 1986 which allows a state-owned and operated lottery to bring a casino to our area. The Federal Indian Gaming Act of 1988 does allow tribes to operate all forms of gambling approved by that state, but Kansans have not approved of casinos. If voters did approve of every form of class III gambling, why can't any citizen open up a casino? Why does Ralph Decker need to come seeking a bill to approve the slot machines which gambling promoters euphemistically labeled "Video Lottery"? It is not right that Kansas voters lose the intent of their vote because of a federal act which came along two years later.

What kind of Kansas will we leave our children if we add casino gambling to the list of social ills? According to the National Council on Problem Gambling, compulsive gamblers are twice as likely to be physically abusive to their children, three times as likely when drugs or alcohol are used. 17% of compulsive gamblers attempt suicide, and 67% of the total household debt is attributed to gambling.

The consequence of compulsive gambling is crime. Forgery, theft, fraud, embezzlement, drug dealing and prostitution are the most common types of crime committed by pathological gamblers. Studies show that up to 80% of compulsive gamblers resort to crime to fund their gambling habit. Society as a whole pays for compulsive gambling through

costs of arrest, prosecution, probation, parole, imprisonment, state-funded treatment programs such as Gam-Anon, and higher insurance rates, to name a few.

Some say Kansas ought to welcome the chance to become like the "progressive" states which have casino gambling. No thanks. I think of a much-read Oxford professor named C.S. Lewis who wrote about true progress. He explains that when one finds he has made a wrong turn down a road, progress cannot be made until he turns around and goes back to the place where the mistake was made. Indeed, if one continues down the wrong road, he becomes more and more lost and regresses with each advance. Progress will not be made in Kansas by turning down the gambling road. Why not be different from other states who promote gambling and keep Kansas a clean and safe place to live? Good economic development could come as industries from other states search for employees with strong work ethics and find those kind of people in Kansas.

Shortly after my husband and I made a public stand against the casino planned for our town, I received an anonymous hate letter. In it the writer ridiculed me for choosing to stay home with our children. "You don't even have a job...you are just a mother - what do you know?" and, "why don't you just fade into the woodwork?" were some of the comments. Those who hope to profit from a casino would like

all us dumb family people to just leave town, or else hand our children over to them so they can make another buck. I'm proud to be a mother at home. Raising two toddlers is the hardest job I've undertaken and I've learned more from raising our children than I learned in 4 years of studying Elementary Education at the University. Soon we will celebrate the birthdays of two of Americas greatest men. They were trained to be leaders by their mothers. When we remember George Washington, we should honor his mother as one of the most influential women in our history. If more profiteers continue to disrespect the proud profession of raising children into responsible citizens, there won't be anyone left to lead our country. Are we going to go down the road to fast money for a few no matter how many lives will be ruined, or are we going to turn back to the place where we made the first mistake and find our way to true progress for Kansas?

I beg you to think of the families raising children when you vote on Senate Bill 521. Narrowly defining the lottery would be the first step towards insuring that the people of Kansas get that which they intended to adopt in the lottery vote of 1986.