



National Council
on Problem Gambling

**Statement of Keith S. Whyte, Executive Director
National Council on Problem Gambling**

**Submitted for the Record Concerning
H.R. 2266, "Reasonable Prudence in Regulation Act" and
H.R. 2267, "Internet Gambling Regulation, Consumer Protection and Enforcement
Act"**

**United States House of Representatives
Financial Services Committee
Thursday, December 3, 2009, at 10:00 a.m.**

Dear Chairman Frank, Ranking Member Baucus and Members of the Committee:

Thank you for the opportunity to testify on these bills. National Council on Problem Gambling (NCPG) is the national advocate for programs and services to assist problem gamblers and their families. Our mission is to increase public awareness of pathological gambling, ensure the widespread availability of treatment for problem gamblers and their families, and to encourage research and programs for prevention and education. As the advocate for problem gamblers, NCPG does not take a position for or against legalized gambling, but concentrates on the goal of helping those with gambling problems. We were founded in 1972 and our 37-year history of independence and neutrality makes the National Council the most credible voice on problem gambling issues. We are a 501(c)(3) not-for-profit charitable corporation. NCPG does not accept any restrictions on contributions.

Major NCPG programs include the National Problem Gambling Helpline Network (800.522.4700) a single national point of access for problem gambling information that received over 255,000 calls in 2008; National Problem Gambling Awareness Week; the National Conference on Problem Gambling, now in its 24th year; and an information clearinghouse. In addition, the majority of problem gambling services are provided on the state level by the 35 state affiliate chapters of NCPG.

I have been Executive Director since October 1998. My prior public policy experience includes positions at the American Gaming Association, American Bar Association and the U.S. Department of Health and Human Services. I am a graduate of Hampden-Sydney College. Neither I nor NCPG have received any Federal grants or contracts related to gambling issues since October 2006.

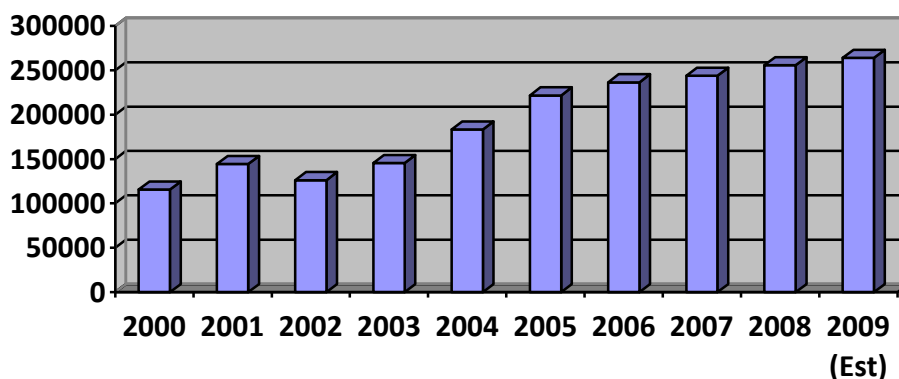
The National Council on Problem Gambling neither supports nor opposes H.R. 2266 or H.R. 2267. My purpose is to provide additional information and a broader perspective on problem gambling to assist the committee in its consideration of these matters.

Problem gambling is an important public health concern, characterized by increasing preoccupation with and loss of control over gambling, restlessness or irritability when attempting to stop gambling, and/or continued gambling despite serious negative consequences. Approximately 2 million adults (1%) meet criteria for pathological gambling in a given year. An additional 4-6 million (2-3%) adults plus 500,000 youth between the ages of 12-17 show less severe but still serious symptoms of a gambling problem in a given year. The estimated social cost to families and communities from gambling-related bankruptcy, divorce, crime and job loss was almost \$7 billion last year. Problem gamblers also have high rates of co-occurring substance abuse and mental health disorders, including smoking, alcohol use and abuse, drug use and abuse, depression and suicidal behavior. Regardless of the legality of internet gambling, millions of Americans today are experiencing gambling problems, devastating individuals, families and communities.

The limited research and information we have on internet gambling shows that internet gambling in the U.S., Canada and the U.K. has the lowest participation rates of any form of gambling, regardless of the legality of internet gambling in the jurisdiction. Internet gamblers are also extremely likely to gamble in multiple “traditional” forums, to the extent it appears internet gambling is an add-on for people already involved in gambling. Internet gamblers who spend significant amounts of time and money, while relatively rare, are more likely to meet problem gambling criteria.

While participation in internet gambling by U.S. residents appeared to decline after the passage of Unlawful Internet Gambling Enforcement Act (UIEGA), we did not see a decrease in indicators of gambling problems, such as helpline calls. There are a number of possible explanations, including that our time frame is too short to see the effect. Figure 1 shows the total calls to the NCPG National Problem Gambling Helpline (800.522.4700) for the past 10 years.

National Problem Gambling Helpline Calls, 2000-2009



It is likely that individuals with gambling problems will find the internet attractive for pursuing their addiction. Risk factors for gambling problems on the internet include high speed of play, perceived anonymity, social isolation, use of credit/non-cash and 24-hour availability. Many of these factors can also be found in “traditional” forms of gambling.

The graphical and interactive structure of the internet provides an opportunity to create informed consumers with access to a variety of information designed to encourage safe choices and discourage unsafe behavior. With other addictive behaviors such as alcohol or tobacco use, such educational programs are usually done at home and school, not at the point-of-sale. The amount of online information and possible interventions are essentially unlimited.

The technology also exists to allow players and operators to set limits on time, wagers, deposits, etc...as well as to exclude themselves. These programs can be improved by utilizing the data collected by these websites to develop profiles of general online wagering behavior. From this information medians and benchmarks could be created to allow the development of predictive programs for abnormal usage as well as publicized norms, an important prevention tool. We urge the Committee to add language to require operators, as a condition of licensure, to provide public access to de-identified data on player behavior for research purposes.

It is important to note that gambling regulation is only a small part of a comprehensive solution for underage and problem gambling. A comprehensive solution would include funded programs for prevention, education, treatment, enforcement and research, or PETER, to effectively address the mental health disorder of problem gambling. It is regrettable that H.R. 2267 does not contain any funding for such programs.

We call the Committee’s attention to H.R. 2906, the Comprehensive Problem Gambling Act, which would amend the Public Health Service Act to authorize Federal health agencies to address problem gambling and appropriate a total of \$71 million over five years for competitive grants to states, tribes, universities and non-profit organizations for the prevention, treatment and research of problem gambling. We appreciate that Chairman Frank and several Committee members are co-sponsors of the bill and urge all Members to support this groundbreaking legislation.

The most ethical and effective response to problem gambling issues raised by gambling and internet gambling—regardless of legality—is a comprehensive public health approach. Problem gambling, like other diseases of addiction, will likely never be eliminated, but we can and must make better efforts to minimize and mitigate the damage.

Mr. Chairman, thank you and the Committee for the opportunity to submit my remarks for the record and I would be happy to respond to any questions.