

Public Gaming Interviews ...

Keith S. Whyte

Executive Director, National Council on Problem Gambling

Public Gaming: *Part of your platform is that the federal government should allocate resources to the federal funding of Problem Gambling research and the development of prevention programs.*

K. Whyte: Correct. States need federal support for problem gambling programs just as they do for every other health issue. It's widely recognized that gambling addiction can be just as destructive as these other problems. But in the entire history of the United States, there's never been a single dollar of federal money that's been allocated to support the prevention of underage gambling or treatment of problem gambling. Our bill, the Comprehensive Problem Gambling Act, provides a little over \$14 million a year in competitive grants to state agencies, nonprofits and universities. This Federal support would allow for larger-scale and longer-term research on the causes, courses and consequences of problem gambling and point the way to programs that would reduce harm. All stakeholders will benefit from better information.

What will the catalyst be to cause more and better action to be taken?

K. Whyte: That's simple. We need leaders to step up. We can work together to create a better responsible gaming program than a regulator can impose. We have some people in the US lotteries who are doing it, but not enough. Scandinavia and Canada are leading the way, perhaps partly because they have been challenged by a hostile press and a concerned public to do so. But I would think it is pretty obvious that you do not want to wait for the media to attack you before doing everything you can to address problem gambling. The best defense is a good offense. NCPG is a resource for ideas and guidance, but we do not have the resources to develop actual evidence-based policies and programs. Of course, a great place to start is with the World Lottery Association (WLA) and their Responsible Gaming Framework.

It is the legislature that determines the relative priority of increasing the funds needed for good causes versus the amount of resources that should be channeled towards problem gaming programs. It's the job of lottery directors to execute the directives of the legislature. Don't you need to take the advocacy message of the National Council on Problem Gambling to the legislative and executive branches of government instead of the operator and the regulator?

Keith Whyte: You have a point and, as I have said before, I do respect the fact that lottery directors serve at the direction of their legislature. NCPG and our 35 state affiliate chapters certainly need to increase our direct outreach to legislators. But it is appropriate to engage with operators and regulators. First, it's implicit in your comment that responsible gaming programs need to be authorized by a legislature because they would either significantly cost the lottery,

and/or would significantly diminish lottery revenue. Correcting that misconception will go a long way towards creating a more proactive approach on everyone's part to solving these problems. I think on the cost side there are tremendous amount of initiatives that can be folded into every aspect of lottery operations at literally no cost or very low cost. We're talking about the cheapest things in the world like adding text to a website; adding links to a website; messages on tickets, add-ons to the advertising and promotion that is already being produced; creating a little box around the responsible gaming message on a ticket to bring attention to it, hosting meetings with your problem gambling council. These are some of the most basic things that lotteries can do without legislative approval and for no or low cost that will help promote responsible gaming.

On the other side of the equation, if you look at all the responsible gaming initiatives NCPG has proposed over the past 37 years, we've never seen any of these programs that correlated with a drop in sales. There are so many things that can be done to promote responsible gaming that do not seem to negatively impact sales.

The goal of enhancing the entertainment value that the players enjoy is quite consistent with effective responsible gaming messages. The result can and should be a branded experience that includes the experience of fun, the possibility of winning money, and the ethos of free choice coupled with personal responsibility, and responsible gaming. It's not hard to build these four values into the overall player experience and the result is a business that grows sales in a sustainable and healthy way.

Advocates of a 'legalized and regulate' approach contend that it is better for governments to take proactive control rather than to drive the activity underground where the vulnerable players receive no help. Do you agree with that concept?

K. Whyte: Part of our answer is that we do not take a position on whether a certain form of gambling should be legal or illegal. What we focus on are programs to help prevent problem gambling. In the United States you have large numbers of people gambling in all sorts of venues that are a massively complicated patchwork of legal, quasi-legal, illegal or criminalized activities.. On the one hand, as you point out, bookies and illegal gambling operations provide little or no assistance for problem gamblers. Typically, they do everything they can to maximize profit with no regard for the welfare of the player. So that's not good. On the other hand, there are many state lotteries that still have non-existent or inadequate player protection and responsible gaming programs. Many states spend literally not on single cent on problem gambling prevention, education, treatment, enforcement or research. Enforcement of underage gambling laws needs to be improved in almost all states, especially those with unattended ticket vending machines. So state regulation does not automatically lead to good programs to minimize harm from gambling addiction.

What about state regulated internet gambling?

I think it's fair to say that if the government sector of gaming starts going online—as I believe will eventually happen—they may very well do it better than a private sector operator, because I think the bar will be set much higher for state lotteries when it comes to implementing responsible gaming and player protection programs for internet gaming. Technology and the medium itself will enable different and perhaps better responsible gaming initiatives for online lotteries. For example, lottery products are now sold mostly through a retailer. This creates a major hurdle for lotteries to implement responsible gaming programs. The internet provides a direct connect to the player, a one-on-one relationship with the customer which is much more conducive to the dialogue needed to implement effective responsible gaming mechanisms. And the enlightened operators will hopefully look for creative new ways to help the online players play responsibly. But to answer your question, whether it's legalized or not, whether it's a private operator or government owned, the results depend on the operator and their level of concern and focus on the issue of problem gambling.

It sounds like you're saying that the effectiveness of problem gaming programs really is not influenced very much by the regulatory framework, that it has more to do with the mindset of the operator.

K. Whyte: Regulation is important, but good regulation is hard to find and regulators are as a group incredibly uninformed about problem gambling. They tend to be very much concerned with the law enforcement and security aspects, and the accounting aspects of making sure that every dollar goes to where it's supposed to go. In some cases regulators are handcuffed by very restrictive statutes in terms of what they are even allowed to do. That is the same situation with many lottery directors. As a result many industry leaders who should be in a position to effect positive change are laboring under some very, very restrictive statutes and don't have the flexibility to do what they know should be done. We have much better success working with operators and the public than we do with regulators. And the case is different in Europe. In Europe, most regulations explicitly address social protections and public health issues from a social welfare perspective. But the lottery statutes in the U.S. tend to be more focused on revenue and protecting and maximizing the states' narrow economic interest than focusing on public health or addiction aspects to minimize social costs.

What could regulators be doing in the U.S. that they are not doing as well as they should?

K. Whyte: First, regulators should be tasked with seeing their role as being to broadly protect the health and welfare of their state and citizens. Presently, it's more about protecting the integrity of the games and protecting the fiscal interests of the state. But it is obvious that problem gambling results in economic costs. So, even from the narrowest regulatory perspective of making sure that you're maximizing the benefit from gaming, that minimizing cost side of the equation can and should include addressing problem gambling. We would want to work with state legislators to encourage them to broaden the statutes, or to change the wording to make it clear that public health is also an important component of lottery regulation.

Part of the problem is that as a health issue gambling addiction is not in the realm of expertise of most lottery or regulatory staff. Ideally, experts from the Departments of Health, Human Services, and Mental Health would be involved in the process of creating the most effective solutions and programs to prevent problem gambling. But rather than throwing up their hands, lotteries and regulators should recognize this and take the appropriate action to engage the participation of their colleagues in other government departments.

What, though, could or should regulators be doing differently than they are doing now? What are some of the more progressive regulators doing to help?

K. Whyte: One example would be the UK Lottery Commission that funds and contributes to a number of large scale studies on a national level, and also some very directed research to help understand why some people who play the lottery develop problems while most don't. They're investing in the research to try to discern the causes of problem gambling, trying to understand what features of the games may be exacerbating a gambling problem. Addressing the issue from a big-picture point of view and investing in the research will help all the stakeholders to more effectively minimize the harm from problem gambling, and thus maximize the benefits from lottery operations.