

"Federation Corner" column

The Montgomery Sentinel - October 16, 2008

What they don't want you to know about gambling addiction

by Wayne Goldstein

MCCF Immediate Past President

There is a conspiracy to conceal the truth about gambling addiction that rivals the conspiracy to conceal the truth about tobacco addiction. For decades, this nation had an endless debate about whether nicotine was addictive and whether smoking caused cancer and heart disease. We are in the early stages of a similar debate about gambling addiction.

Organizations that profit from gambling argue that gambling is legitimate entertainment, that very few recreational gamblers become addicted, that it is someone's genetic makeup that predisposes them to become any kind of addict that may then result in gambling addiction, and, most importantly, that the findings of gambling addiction research are always inconclusive and always require further research. I have looked at dozens of abstracts of a wide range of such studies. All seem to minimally advance knowledge of gambling addiction and usually call for more study, including three published since June 2007: 'It is necessary to continue prospective research on exposure and adaptation theories as potential explanations for the development of pathological gambling. Longitudinal studies are needed to clarify the relationship between gambling and health in older adults in the context of healthy aging. Future research addressing whether underlying constructs, confounding variables, or interactions exist will further specify PG [pathological gambling] risk and inform prevention and intervention efforts.'

In February 2006, two professors, Earl L. Grinols and David B. Mustard published a revised 'Casinos, Crime, and Community Costs' (<http://www.terry.uga.edu/~mustard/casinos.pdf>). In it, they drew significant conclusions based on analyzing much information. They were the first to claim that casinos sometimes lowered crime in the early years through job opportunities but then increased crime after about five years as growing numbers of gambling addicts began to commit more crimes and criminals began to prey more and more on tourists and local residents in casino counties: 'We find that crime increases over time in casino counties, and that casinos do not just shift crime from neighboring regions, but create crime. We estimate the crime-related social costs in casino counties at approximately \$75 dollars per adult per year. Our sample covers all 3,165 US counties from 1977-96. Our empirical strategy addresses many limitations of the current research. First, by conducting the most exhaustive investigation and utilizing a comprehensive county-level data set that includes every U.S. county we eliminate sample selection concerns. Second, by analyzing crime effects over time we exploit the time series nature of our data. Third, we are the first to articulate a comprehensive theory about how casinos could increase or decrease crime. Last, we use the most exhaustive set of control variables, most of which are commonly excluded from other studies.'

In the January 2008 edition of a journal, another professor, Douglas M. Walker, responded to this study with 'Do Casinos Really Cause Crime?' (<http://www.econjournalwatch.org/pdf/WalkerCommentJanuary2008.pdf>). There was much technical discussion, but what made the biggest impression on me was this: "Sponsors of my consulting work have included the casino industry (e.g., American Gaming Association, Nevada Resort Association, Casino Association of Indiana) as well as government/research organizations (Alberta Gaming Research Institute and the Canadian Centre on Substance Abuse). I assume that the industry has hired me as a consultant because my social cost methodology (welfare economics) leads to significantly lower social cost estimates than the methodologies used by other researchers, including Grinols and Mustard. Much has been made of financial ties that researchers sometimes have to industry. For example, Grinols and Mustard have questioned the validity of casino crime research that was conducted or funded by pro- or anti-casino groups (28). In other work, Grinols has cited a paper of mine (Walker 2003) as being an example of 'shadow

research,' or work that is 'funded in the hope or expectation that it will contradict research unfavorable to the sponsoring industry'."

In the same January 2008 journal, Grinols and Mustard answered with: 'Correctly Critiquing Casino-Crime Causality' where they write: "Professor Walker raises five concerns that are standard in empirical research. We addressed these concerns in the working and published versions of the paper and discussed them with the referees and editor during the review process. Some are well-known statistical issues, some are data limitations, and some are methodology issues. All of his concerns speak of potential problems. He includes no new research or statistical results to provide evidence that the potential problems are actual problems or that they are important. Because he presents no new data, no new research, and his criticisms are largely addressed in the working and published versions of our paper, we have no reasons to alter the conclusions of our existing research. (<http://www.econjournalwatch.org/pdf/GrinolsMustardReplyJanuary2008.pdf>)."

This 'Battle of the Research Professors' takes place in other fields all of the time. However, one side in such battles is usually not backed by a multi-billion industry which has put together a comprehensive research conspiracy using an array of organizations and individuals to thwart those who would tell a different story from their research findings. At the front lines of this conspiracy to legitimize gambling is Harvard University. Harvard has been a co-conspirator since the Harvard Medical School's Division on Addictions accepted a research contract in 2000 from The National Center for Responsible Gaming to form the Institute for Research on Pathological Gambling and Related Disorders. "The Institute's mission is to alleviate the individual, social, medical and economic burdens caused by pathological gambling through support of rigorous scientific research. Advancing understanding of pathological gambling and related psychiatric disorders, such as substance abuse, will lead to improved methods of diagnosis, intervention, treatment and prevention."

A 6/16/08 article titled: 'Gambling with science - Determined to defeat lawsuits over addiction, the casino industry is funding research at a Harvard-affiliated lab tells the story of this conspiracy:' (http://www.salon.com/news/feature/2008/06/16/gambling_science/)

With the ugly specter of gambling addiction, of ruined lives and families, hanging over their heads, gaming advocates will bolster their cases with research from the National Center for Responsible Gaming (NCRG), a nonprofit group, associated with Harvard University, that funds most of the scientific research on gambling addiction. The research will show that only a few unfortunate souls -- those predisposed to addiction -- will get into trouble, while everyone else can gamble for entertainment with no ill effects. But there's a serious kink in the studies: The NCRG is a wing of the casinos' main trade group, the American Gaming Association, which has committed a total of \$22 million to the center. To ethicists and casino critics, that relationship is a cautionary tale of science getting too close to industry. While NCRG leaders say they fund independent science, it's not a coincidence that the science aligns so well with the interests of the casinos. It's not that gambling executives are tampering with research findings, or scientists are skewing results. Rather, gaming executives are drawing extravagant conclusions from the studies. By trumpeting these conclusions, the gaming industry is helping casinos gain a legal foothold across the country -- and covering up the ways casinos profit from gambling addiction.

Between 6 million and 8 million Americans are thought to have trouble walking away from the casinos each year, with a full spectrum of consequences, according to the National Council on Problem Gambling [NCRG], an advocacy group. Frank Fahrenkopf, president of the American Gaming Association, laid out the gaming industry's lines of defense at a 1996 speech before industry bigwigs in Las Vegas. He called problem gambling the "Achilles' heel" of the industry and told the assembled executives that their "enemies" would use the issue in a "crusade to crush our livelihood."

Fahrenkopf said the issue hits home with state legislators, who could be turned against the expansion of gambling or convinced to pass restrictive regulations. (Regulations proposed in other countries include mandatory clocks on casino walls, "time out" periods after a certain amount of money is lost and maximum bet limits.) Meanwhile, media stories of gamblers who had lost everything tugged at the public heartstrings, jeopardizing support. "The growth of our industry is certainly endangered by the issue, and it is not hyperbole to say that the industry's very existence is at stake," Fahrenkopf warned.

The plan he proposed owed a debt to the tobacco industry executives who had spectacularly lost public support just a few years before, when they raised their hands before a 1994 congressional committee and testified that nicotine was not addictive. "Our industry cannot afford to make the mistake made by the tobacco industry," Fahrenkopf said. He told his colleagues that the gaming industry must not only admit that gambling addiction existed, but also lead the discussion of its origins, symptoms and social impacts.

To investigate those origins, the American Gaming Association created the NCRG, and the casinos keep it flush with money. This past September, the NCRG announced \$7.6 million in new funding commitments for the next five years, including \$2 million from Harrah's, \$2 million from MGM Mirage and \$1 million from International Game Technology, the largest slot machine manufacturer in the world. Its board of directors includes executives from MGM Mirage, Harrah's and the casino company Boyd Gaming Corp., as well as Judy Patterson, executive director of the American Gaming Association.

An example of the ways that the gambling industry simultaneously hides behind its research front groups and undermines the legitimacy of these groups is epitomized by the brochure for the upcoming 9th Annual NCRG Conference on Gambling and Addiction, to be held November 16-18, 2008 at the Mandalay Bay Hotel & Casino, Las Vegas, Nevada. My credulity is stretched to the maximum simply by learning that a conference to deal with gambling addiction will be held in a casino. Imagine a conference on alcohol addiction being held in a distillery. Here are some of the dubious goals of this conference: "New trends in science and society are raising provocative questions about gambling addiction. Will the definition of 'pathological gambling' change in the next edition of the Diagnostic and Statistical Manual of Mental Disorders? Are government-sponsored programs on gambling disorders using tax dollars wisely? How close are we to establishing a treatment standard for gambling addiction?"

I can't help but wonder if the goal of the conference organizers is to remove the stigma of gambling addiction by removing it from the list of mental disorders and to eliminate government funding for gambling addiction because it isn't a "real" addiction. A researcher is quoted in 'Gambling with science' as saying: "It's clear their ideal customer is the addict. They have a term, 'player extinction,' which means you lose all your money. They're talking about this as a goal!" A psychologist, [Henry] Lesieur says that by conservative estimates, 30 percent of the profits from gambling machines come from problem gamblers.

Furthermore, the brochure states: "The conference is designed to enhance your professional development--whether you're in the health care sector, the gaming industry, government or academia--by providing the following [partial list]:

- A critical perspective that will help gaming regulators and public officials evaluate policies that address gambling disorders.
- Updates on litigation related to gambling disorders and CLEs [Continuing Legal Education] for attorneys.

No matter what sector you're in, you'll also enjoy the following benefits:

- Behind-the-scenes tour of a casino.
- Access to Global Gaming Expo (G2E), the gaming industry's largest international trade show and conference.
- Discounted rates for combined G2E and NCRG Conference registration.

Next week, I intend to tell you some of the unique gambling history of Maryland, which was the second state in the country, after Nevada, to allow legalized gambling, in the form of slot machines, in 1947, and which then spent the next 22 years fighting over the negative impacts of those one-armed bandits until the last of them were removed in 1969.

The views expressed in this column do not necessarily reflect formal positions adopted by the Federation. To submit an 800-1000 word column for consideration, send as an email attachment to waynmgoldstein@hotmail.com