

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

**Submitted for the Record Concerning
H.R.2046, "Internet Gambling Regulation and Enforcement Act of 2007"**

**Financial Services Committee
United States House of Representatives
Friday, June 8, 2007, at 10:00 a.m.**

Dear Chairman Frank and members of the Committee:

Thank you for the opportunity to testify on this bill. National Council on Problem Gambling (NCPG) is the U.S. 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 an 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 (on this day!) in 1972 and our 35-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 membership is restricted to U.S. companies, and NCPG does not accept any restrictions on the use of contributions except as provided under Federal and state non-profit guidelines.

NCPG programs include the National Problem Gambling Helpline Network (800.522.4700) a single national point of access for problem gambling information; National Problem Gambling Awareness Week (www.npgaw.org); the Annual Conference on Prevention, Research and Treatment of Problem Gambling; and an information clearinghouse. In addition, the majority of problem gambling services are provided on the state level by the 34 state affiliate chapters of NCPG.

The National Council on Problem Gambling neither supports nor opposes HR 2046. My purpose is to provide additional information and a broader perspective on gambling and specifically on problem gambling and responsible gaming that may assist the committee in its consideration of these matters.

It is important to note that 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 unfortunate that H.R. 2046 does not contain any funding for and responsible gaming programs.

It is likely that individuals with gambling problems will find the internet attractive for pursuing their addiction. Risk factors include underage access, high speed of play, anonymity, social isolation, use of credit/non-cash, 24-hour availability. A snapshot of the anecdotal evidence shows there is little doubt that individuals have developed problems by gambling on the internet. The National Problem Gambling Helpline (800.522.4700) was dialed more than 30,000 times between January 1 and March 15, 2006. In a review of the 1,300 calls for immediate help, 106 clients (8%) reported that their primary problem was internet gambling. The predominant age of these individuals was aged 18-25 and when asked their occupation 16 reported they were students; other occupations included accountant, attorney, ER doctor, engineer, nurse, policeman and church worker. A recent study by the Annenberg Foundation found that almost 600,000 youth (aged 14-22) reported gambling on the internet on a weekly basis, and this age group also has the highest rates of gambling problems.

Problem gambling is a serious and even life-threatening mental health disorder characterized by an increasing preoccupation with gambling, a need to bet more money more frequently, restlessness or irritability when attempting to stop, "chasing" losses, and loss of control manifested by continuation of the gambling behavior in spite of mounting, severe, negative consequences.

However, the graphical and interactive structure of the internet provides a revolutionary 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. An adjunct to an internet gambling site can be constructed that would provide interesting (and possibly mandatory) information, quizzes, video presentations, etc...on responsible gaming before players join or begin play. The scope of the information on the gambler is enormous and the number of interventions is limitless.

The technology also exists, unlike for other forms of gambling, to allow players and operators to set limits on limits on time, wagers, deposits, etc...as well as to exclude themselves. These standards can be improved by utilizing the data collected by these websites to develop profiles of general online wagering behavior. From this information (properly redacted and pooled to eliminate individual and site identification) medians and benchmarks could be created to allow the development of predictive programs for abnormal usage as well as publicized norms. Research in other addictive behaviors has shown that many of those who are at-risk do not have accurate information on normative use, and that the less accurate information one has, the more at-risk they are to develop a problem.

Clearly gambling on the internet raises some difficult issues, but it provides theoretical opportunities for operators to deliver responsible gaming programs that meet or exceed current standards in the "bricks & mortar" gaming industry.

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