

OCTOBER, 2011
TESTIMONY STATEMENT
CONCERNING POTENTIAL OF A CONSTITUTIONAL AMENDMENT
RELATING TO CASINO GAMING AND ENHANCING THE RACING
INDUSTRY IN NEW YORK STATE

Thank you for the opportunity to present on such a serious topic as enhancing the racing industry and ending state limits on casino gaming in New York State. We are testifying on behalf of the Alcoholism and Substance Abuse Providers of New York State, Problem Gambling Committee, and as providers of the only stand alone problem gambling outpatient treatment program on Long Island, The Pederson-Krag Center, GamPro.

As we know, the decisions being made by the Governor and the NYS Legislature on the issue of a constitutional amendment relating to casino gaming and enhancing the racing industry in New York State could undeniably impact the citizens of our state both positively and negatively.

While we are not opposed to or supportive of expanding racing, gaming and wagering, we do advocate for the prevention, treatment and recovery of those at risk for or experiencing the effects of problem or pathological gambling; calling attention to areas of concern and recommending changes for the public health of the citizens of New York.

Approximately ONE MILLION New Yorkers currently have a gambling problem. The prevalence of pathological gambling is influenced by both the access to gambling and the duration of the exposure to gambling. OASAS New York Problem Gambling Survey Statistics indicate that "twenty percent of adolescents currently have or are at risk of developing a gambling problem, and five percent of adults over 18 have a gambling problem." In 2010-2011 NYS sponsored gambling generated approximately \$3.1 billion in revenue for New York. (NYCPG Fact Sheet) The projection for 2011-2012 year is a \$267 million increase in revenues. (NYCPG Fact Sheet)

Increased gambling opportunities will increase social costs. Increased social costs include increased rates of problem and pathological gambling issues for New York State citizens that will translate into financial problems such as credit issues, bankruptcy and foreclosure, criminal justice issues such as theft, fraud, and embezzlement, challenges for families such as; other addictions, domestic violence, divorce, and suicide.

An example of these social costs is the story of John Q Citizen.

John Q lost his successful career because his pathological gambling addiction caused him to embezzle from his employer over a period of five years. He was in a position of authority and managed to conceal his gambling addiction and need for more and more money to chase his losses in hopes of replacing what he originally took.

He became depressed, anxious and stressed and he engaged in uncharacteristic behaviors so he could save his life, his marriage and career. Over time, he kept losing and became

more and more desperate. His employer became suspicious and this ultimately led to a criminal complaint. He was soon arrested and charged with grand larceny. John was a husband, father and son. He had attained an advanced college degree, came from a good family, was a devout member of his faith and had been a pillar in his community before his gambling addiction consumed his life.

Over this time period, he had turned into someone else. His introduction to gambling occurred when some of his international clients wanted some "action" while in the U.S. He experienced a large reinforcing win during the first exposure and he couldn't imagine that anything could be more exciting or profitable. It was a respite from his structured, predictable life. He had become a criminal, a thief and could no longer provide for his family.

During this time he thought of taking his life on a daily basis. He was convinced that his family would be better off without him. He was hospitalized for depression after a friend became so concerned about him she dragged him to a local hospital ER. He had no private insurance since he was fired from his job.

The hospital referred him to our Partial Hospitalization Program as a step-down and to ensure his success at reintegration into the community. His medical records reported he was despondent over vocational and financial issues and never mentioned pathological gambling; they reported that they don't screen for gambling issues. They didn't understand that patients often don't report gambling issues because they are ashamed of their behavior, and it is an invisible disease. Problem and pathological gambling is often difficult to detect until severe financial and psychiatric issues occur and then it comes down to screening and assessment by trained, experienced staff. Most medical and mental health providers often do not have adequate training to assess and screen for problem gambling, they need to be trained in order to assure a good public health outcome. Our center screens throughout all of our departments so, fortunately, John was appropriately referred for the correct continuum of care.

After a long trial he was sentenced to jail by a judge who lacked insight into the addiction of pathological gambling. He was not given the option of treatment as an alternative to incarceration for a non-violent crime.

After his release from prison, John was court ordered to five years of probation. He worked a minimum wage job because he could not find a professional position where the employer was willing to take a chance on a convicted felon. On his only day off, he came to treatment on a self pay/sliding scale basis and finally learned about this disease and what triggered him.

While he was incarcerated his wife worked two jobs to support the family. They lost their home to foreclosure. She and the children received help from some public programs to help make ends meet. Eventually, his marriage ended as did his family relationships.

In June of 2011, ALL 41 NYS OASAS Problem Gambling Prevention programs lost their funding and *were eliminated* by NYS due to State budgetary issues.

A dollar spent on problem gambling prevention, treatment and recovery services saves more than two dollars in social costs (National Council on Problem Gambling.) NYS' current funding is insufficient to meet the needs of our citizens and does not adequately address prevention, treatment, recovery or research. Half of one percent of gambling revenue could provide approximately 15 million dollars in funding or about 79 cents per each New Yorker.

In Michigan, funding for problem gambling services comes from casino licensing fees; in New Jersey funding is from off track betting; in Iowa, there is a set-aside from the gaming industry; in Maine, racinos direct funds to treatment; in Indiana, an admission tax from 13 gaming boats provides funding; in Louisiana, treatment funding comes from gaming taxes; in Delaware, one percent of the profits from slot machines is utilized.

In New York a dedicated fund does not exist. If there is going to be enhanced gaming and wagering in NYS, the only way it should be done is responsibly; through a dedicated funding stream created from racing, gaming and wagering revenue for the prevention, treatment and recovery of problem and pathological gambling.

Respectfully Submitted,

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