

7 Social Costs

The price of . . . gambling is turning out to be every bit as high as opponents had said it would be – not only for those who get caught directly in its web, but for everyone else as well.

Editorial, Minneapolis Star Tribune (1995)

CHAPTER SUMMARY. The social costs of casinos are the real resources used to deal with their negative externalities – the harmful by-products of gambling that affect both those who gamble and those who do not – as well as the hard to measure and often immeasurable direct harm done to individuals. This chapter classifies the main kinds of social costs and summarizes what is known about their magnitude. We arrange costs in units commensurable to benefits to answer the following hypothetical question: What are the benefits and costs of moving from a policy of no casinos on one hand to the alternative policy of free-entry *laissez faire* regarding casinos on the other? Based on available numbers, costs exceed benefits by a factor of more than 3:1. Even when better estimates are available, it is likely that they will show that casinos fail a cost–benefit test.

Riva Wilkinson, wife of the Anoka County, Minnesota, sheriff,¹⁹² was responsible for accounts receivable at the elite Guthrie Theater, a well-known performing arts theater in Minneapolis. According to information later made public, her gambling compulsion caused her to begin to “empty the cash from the theater safe onto the blackjack tables at Mystic Lake Casino in Prior Lake, hand after losing hand.”¹⁹³ Discovering a deficit, accountants eventually learned that she had stolen \$418,000 in twelve months, but not before requiring 1,062 hours of Federal Bureau of Investigation (FBI) investigation; services of local police; Guthrie accountants’ time; services of the U.S. attorney’s office; judicial time of a judge, jury, and numerous court employees; and, ultimately, incarceration and supervised release. According to the investigation, these services cost the public \$100,646.57.¹⁹⁴ Incredibly, for every dollar stolen, the public paid \$.25.

As in the Wilkinson case, the social costs of casinos often fall hard on innocent parties that do not gamble. Laura Iserloth of Sheboygan, Wisconsin, was a sixty-four-year-old grandmother of seven who stole \$298 thousand from her employer, Kettle Moraine Employees Credit Union, over a ten-year period, driving it out of business.¹⁹⁵ In this chapter, we provide numerous examples of gambling-related crime, ranging all the way to murder, to make the connection between casinos and externalities.

SOCIAL COST TAXONOMY

SUMMARY. The social costs caused by casinos are classified as externalities because they represent direct harm to others that does not operate through the price system, are not borne by the agents that create them, and, therefore, are not included in the decision-making process of the externality-causing agents. The social costs of casinos include crime, business and employment costs such as lost time on the job, bankruptcy, suicide, illness, direct regulatory costs, family costs such as child neglect and abuse, and abused dollars. Ideally, these mutually exclusive categories of costs should fully identify the types of social costs attributable to casinos. Taxes raised to pay publicly borne social costs entail additional burden to society in the form of **deadweight**

losses. The public-finance literature has estimated that an additional dollar of taxes costs the private sector \$1.17 to \$1.57. The upward scaling of publicly borne costs could be counted as social costs as well.

It does not take many cases of the Riva Wilkinson type to account for a tremendous amount of social costs. For example, consider a community of 100 adults without casinos who decide to introduce them. Further assume that the availability of casinos each year causes just one tenth of 1 percent of the population to commit crimes as costly as Wilkinson's. Those 100 adults would have to divide \$10,064.66 in costs among them each year.

In Chapter 5, we explained the use of cost–benefit analysis as a tool to identify the framework for evaluating the social impact of casino gambling in the United States. Chapter 6 discussed the benefit side; we now look at the cost side.

According to Equation 5.12, casinos could create conditions that cause resources to be removed from the productive stream of the rest of the economy, as the Wilkinson case did, but they also could interfere with market operation. For example, the failure of a stolen art object to be retained in the hands of the individual who valued it most represents a social cost due to interference with market operation – in this case, the destruction of distributive efficiency.¹⁹⁶ To make the concept of social costs operational, in this chapter we separate them into nine categories and then examine cost estimates for those components for which numbers are available. The nine categories are crime, business and employment costs, bankruptcy, suicide, illness, social service costs, direct regulatory costs, family costs, and abused dollars. We briefly explain each category before discussing what is known about its size.

Crime

Gambling has been linked to a variety of crimes, including FBI Index I violent crimes (i.e., aggravated assault, robbery, rape, and murder) and Index I property crimes (i.e., larceny, burglary, and auto theft). Non-Index I crimes that have been tied to casinos include fraud, forgery

(including check forgery), tax evasion, tax fraud, confidence games (e.g., swindling, hustling cards, dice, or other games), bookmaking, working in an illegal game, pimping, prostitution, selling drugs, and fencing stolen goods. Representative coverage reads as follows:

A decade ago police and prosecutors in Louisville saw very few criminal cases for embezzlement and fraud linked to gambling debts. But that has changed in the past five years.¹⁹⁷

Smith et al. (2003) examined police records in Edmonton from January 2001 to July 2002 to assess gambling-related crime. They found 680 criminal offenses related to gambling such as fraud and employee theft. The most common were fraud, theft, forgery, and embezzlement to cover gambling losses. According to police records, casino transactions also accounted for 27 percent of counterfeit money seized during the eighteen months of the study. They found three suicides caused by gambling problems during this time.

Organized crime also has been associated with gambling. Although the connections are more difficult to monitor and denials by the industry are common, the connections are referenced frequently in the newspapers and courtrooms of America.

To be counted as a social cost, economists generally would assert that a crime must lead to real resources being used in policing, apprehension, adjudication, incarceration, and rehabilitation of criminals. It is a sometimes little understood fact that economists do not treat a stolen \$100 in property as a social cost because the thief is better off by the \$100 when the victim is made \$100 worse off. That is, an economist might assert that after a sixty-one-year-old resident of Jefferson County, Kentucky, pleaded guilty to embezzling \$493,180 from the U.S. Postal Service (USPS),¹⁹⁸ we must assume that the value to him of gambling and losing the stolen dollars at the nearby Caesar's casino matched one for one the value of the dollars to the USPS and, therefore, they represent no social cost. This conclusion is false if the value of gambling to the thief is less than the amount stolen. Moreover, if we drop the assumption in Chapter 5 that the benefits to all citizens are treated equally,

we can report the real resources stolen *as social costs to the victimized public*.

The mental anguish suffered by a crime victim – imagine a woman robbed in her home at night by an intruder – also would count as social cost (a negative amenity in the terminology of Chapter 5), but in practice would not be measured in any study of social costs because of the obvious difficulties. If a survey somehow were able to elicit truthful and accurate answers to the question: “Given the true probability of your being robbed in your home by an intruder, how much would you be willing to pay each year if it guaranteed that no episode of this type of crime would take place?,” such answers could be used to establish the social cost of this type of crime to the average citizen.

In summary, stolen resources are costs to the victimized public, and even when we count the gains of the thief as a social benefit and do not count mental anguish as a social cost, there frequently remains an associated social cost because the value of the property was greater to the victim.

Examples of crime drawn from news accounts over the three-year period 1998–2001 are provided in the examples section.

Business and Employment Costs

Business and employment costs borne by the employer, the employee, and society are as follows:

- lost productivity on the job because of reduced performance
- lost time and unemployment that includes sick days off for gambling, extended lunch hours, leaving early and returning late due to gambling, and firing because of gambling problems such as employee embezzlement

Problem and pathological gamblers frequently impose costs on their employers in the form of unreliable presence on the job and increased search and training costs to replace workers. These costs are greater for firms with higher requirements for their employees to have firm-specific training and knowledge. Between 21 and 36 percent of problem

gamblers in treatment reported losing a job because of their gambling (Lesieur, 1998b).

One often-misunderstood form of business and employment cost is *directly unproductive profitseeking* (DUP).¹⁹⁹ DUP refers to activities that remove resources from productive use and, although they may be personally rewarding to the agent, lower national income because they produce nothing of social value. A former colleague related that in Las Vegas, people were hired to watch selected slot machines to report how long they had gone without paying out. The watchers were paid \$10 an hour; presumably, those hiring them were able to make money by the knowledge they gained – or at least believed they did. Neither the watchers nor their employers were seeking entertainment from their activity. The time spent watching was time that could have been used in some other productive way. The activity would classify as socially unproductive profitseeking. In a political context, DUP might refer to an industry in a small country that devotes lobbying resources to pass protective legislation. Protection might lead to increased profits for the industry, but the resources used for lobbying are wasted from society's point of view because they produce nothing of direct economic value. In fact, in the case of a small country, a tariff harms the welfare of the country as a whole. One author describes DUP as “ways of making a profit (i.e., income) by undertaking activities which are directly unproductive; that is, they yield pecuniary returns but produce neither goods nor services that enter a conventional utility function directly nor intermediate inputs into such goods and services.”²⁰⁰ A professional poker player who does not gamble for enjoyment and gives up working to gamble for his living engages in DUP activity that reduces national income by the amount of his lost output. An individual who gambles for entertainment, on the other hand, purchases a service – entertainment – much like any other service, and does not engage in DUP.

The fact of business and employment costs to society related to gambling has been recognized for centuries in societies that have had experience with gamblers. In 1638, a Massachusetts statute based on the Idleness

Organized Crime

The federal government generally regulates the gambling industry very little, except when organized crime is involved (Frey, 1998). According to Lee and Chelius (1989), the New Jersey Casino Control Commission kept New Jersey casino ownership and management free from organized crime, but organized crime played a large role in the casino labor unions. Despite industry denials, reports of organized crime connections to casinos are common. A sampling from 1998–2001 includes the following:

- “The Illinois Gaming Board on Tuesday rejected a planned Rosemont casino, concluding that top officials of the would-be riverboat had misled the board and that some investors had links to mob figures. ‘The investigation record establishes the insidious presence of organized crime elements associated with this proposed project that cannot be ignored,’ Gaming Board Administrator Sergio Acosta said in a statement to the board.” (*Chicago Tribune*, January 31, 2001)
- “Tribes across the country consistently say there’s no proof of any organized crime infiltration,” said (Assistant Florida Attorney General John) Glogau. “But law enforcement people say that’s nonsense.” (*St. Petersburg Times*, February 19, 1999)
- Lacking the resources to start and run casinos, many tribes turn to outsiders. In the process, some have welcomed individuals with histories of illegal gambling and suspected ties to organized crime because they brought money to finance casinos or to ensure players have ready access to cash. FBI officials quoted by The Tribune acknowledged that there are crooks and con artists in the Indian gaming industry. (*Associated Press*, 18 January 1999)
- Angelini was sentenced to three years of imprisonment in 1993 for conspiring with other Chicago organized-crime figures to use mob money to gain control of an Indian reservation casino in San Diego County, California. (*Chicago Tribune*, October 24, 1999)
- With the sentencing of a former tribal councilwoman, the case of the Pittsburgh mob’s failed attempt to set up shop on the Rincon Indian Reservation (near San Diego) has come to an end. . . . The tribe’s contract with a consortium called the Columbia Group . . . later was exposed as a mob front. (*Sacramento Bee*, April 21, 1998)

- The leading advocate for an Indian casino for New Buffalo, Michigan, a lakeside resort community about 90 minutes from Chicago, is identified by law enforcement officials as an associate of several Chicago organized-crime figures, the *Chicago Sun Times* has learned. (*Chicago Sun Times*, December 13, 1998)
- Federal court documents and South Carolina corporate records show a link between South Carolina's video gambling industry and a Pittsburgh organized-crime ring. ([Charleston, SC] *Post and Courier*, February 15, 1998)
- Three loan-sharking arrests in California casinos . . . Police link to Asian organized-crime groups . . . (*Arizona Republic*, September 11, 1998)
- (T)he presence of organized crime remains strong through covert ties to seemingly legitimate casino operators, according to Tom Fuentes, chief of the FBI's Organized Crime Section in Washington, D.C. (14 December 1998)
- Chinese organized crime may be pocketing more than \$500,000 in [Las Vegas] Strip casino money each month, say Metro Police detectives. . . . (*Las Vegas Review-Journal*, January 21, 1999)
- (Dune Lop) Moy [an inveterate gambler who owed a Chinatown bookie] was tapped out. Two months ago, authorities found his beaten body folded and stuffed into a large green suitcase that had been tossed in the weeds in Weymouth. Now, as the investigation continues, sources familiar with the Chinatown underworld believe that Moy was marked for murder by Asian organized-crime figures, or their mob associates, intent on sending a chilling message to their customers: Pay your debts or die. (*Boston Globe*, June 3, 1999)
- Offshore Internet gambling sites are proving a safe bet for organized-crime groups looking to launder money. . . . British officials are warning that dirty money is flooding through the sites. (*Agence France-Presse*, November 25, 2000)

Statute of 1633, which outlawed the possession of gambling devices such as cards and dice, was passed to prevent unproductive time and idleness associated with gambling.²⁰¹ In 1847, Pennsylvania law incorporated the observation that gamblers were “parasites and thieves.” In the twentieth

century, Nobel-prize-winning economist, Paul Samuelson, connected DUP to gambling as follows:

There is, however, a substantial economic case to be made against gambling. . . . It involves simply sterile transfers of money or goods between individuals, creating no new money or goods. Although it creates no output, gambling does nevertheless absorb time and resources. When pursued beyond the limits of recreation, where the main purpose after all is to “kill” time, gambling subtracts from the national income.²⁰²

Bankruptcy

Bankruptcy imposes social costs by diverting resources to lawsuits, legal costs, and bill-collection costs. Never-paid debts of gamblers are a social cost to the rest of society.

From 1980 to 1998, personal bankruptcies in the United States rose more than four times.²⁰³ In 1998, 1.3 million Americans defaulted on their debts by declaring bankruptcy. The changing legal environment, the intense marketing of credit cards by banks with less regard for credit-worthiness, and the diminished social stigma of bankruptcy are among the reasons for the secular increase in bankruptcy filings.²⁰⁴ Since the mid-1990s, the increase in casinos has been another cause for rising bankruptcy. Federal bankruptcy forms require listing “all losses from fire, theft, other casualty, or gambling within one year immediately preceding” the commencement of the case.²⁰⁵ Casino-industry sources report that 40 to 60 percent of the cash wagered in casinos is not carried onto the property; this means that credit cards and cash machines are supplying the difference.²⁰⁶

Research on the connection between casinos and bankruptcy is ongoing. Because there are many causes of bankruptcy, the connection to gambling has been challenged by the casino industry, as have the estimates of other social costs. The connection is supported by information from a wide variety of geographical areas and a number of formal studies. Casinos opened in Baton Rouge in 1994. The Baton Rouge Crisis

Intervention Center subsequently reported that gambling-related calls jumped from 39 in 1993 to 1,375 in 1995. Consumer Credit Counseling Services (CCCS) of the same city also reported a significant increase in the number of people with gambling-related problems calling for assistance. At the same time, the personal bankruptcy rate rose 53 percent for the first half of 1996 compared to the year earlier; bankruptcy lawyers stated that gambling was a factor.²⁰⁷

Kansas City's casinos opened in 1994. By 1996, bankruptcies were on the rise in Kansas City. The Kansas City offices of CCCS reported, "Before the [casino river] boats, we saw maybe one person a year because of a gambling problem. Now about twenty people a month come in because of gambling-related issues."²⁰⁸

Michelle Clark Neely, writing for the the St. Louis Federal Reserve, concluded that "Compulsive gambling is increasingly being blamed for the rising tide of bankruptcy, especially in the states that have casinos."²⁰⁹

Wisconsin opened its first casino in 1991. In 1996, the AP reported from Wisconsin, "People in eastern Wisconsin are seeking bankruptcy protection at a pace 25 percent greater than last year, and gambling is often a factor, bankruptcy lawyers and financial counselors said. According to them, one in ten bankruptcies is linked to gambling debts – more than double the rate of years past."²¹⁰

The connection between casinos and bankruptcy is corroborated by the testimony of attorneys who specialize in bankruptcy and credit-counseling services.²¹¹ A 1995 study in Minneapolis of 105 bankruptcy filers found that 52 percent had gambling losses; the average gambling loss was \$22 thousand.²¹²

A study conducted by Iowa State University also found a connection between casinos and bankruptcy.²¹³ SMR Research Corporation of Hackettstown, New Jersey, reported in 1998 that information from experts on the financial impact of gambling has been consistent that more than 20 percent of compulsive gamblers have filed for bankruptcy as a result of their gambling losses.²¹⁴ "The 298 U.S. counties which have legalized gambling within their borders had a 1996 bankruptcy filing rate

18 percent higher than the filings in counties with no gambling, and the bankruptcy rate was 35 percent higher than the average in counties with five or more gambling establishments.”²¹⁵ In areas near major casinos, “gambling-related bankruptcies account for 10 to 20 percent of the filings.” Follow-up studies three years later “confirm a finding that SMR made in 1997: Some of the rise in personal bankruptcy has been related to the dramatic 1990s spread of casino and other legal gambling in the U.S.”²¹⁶ According to SMR, their work

elicited an angry response from the American Gaming Association (AGA), the casino industry trade group. The AGA published an article suggesting that our entire study was about nothing but gambling, and was entirely without merit. . . . Their analysts must have misplaced the other 226 pages. . . .

According to SMR, 2.5 to 10 percent of annual bankruptcy filings in the United States have a gambling component. “Virtually all studies (other than commentary or sponsored work by the gaming industry) show a relationship between compulsive gambling and insolvency.”²¹⁷

Suicide

Studies of problem and pathological gamblers report that they both contemplate and commit suicide at a rate higher than the general public (Lesieur, 1992, 1998c; and Frank, Lester, and Wexler, 1991). Nationally, deaths by suicide number about twelve per 100 thousand population per year, or 0.012 percent. Studies report that 15 to 24 percent of Gamblers Anonymous gamblers and hospitalized pathological gamblers have attempted suicide, rates that are five to ten times the average for the general population.²¹⁸ Of these gamblers, 12 to 18 percent have made potentially lethal suicide attempts; 45 to 49 percent have made plans to kill themselves; and 48 to 70 percent have seriously contemplated suicide (Lesieur and Anderson, 1995).

Such information is invaluable, but leaves questions unanswered. That is, we know that suicide and suicide attempts are elevated among

pathological gamblers. We also know that gambling causes suicide, but we do not know precisely how large the phenomenon is because of information limitations. Moreover, the suicide of a pathological gambler who was also a drug addict and alcoholic could have been caused by a combination of his or her addiction, alcoholism, and gambling pathology. Thus, examples of individuals with no known problems prior to gambling who develop gambling problems and kill themselves are particularly important.

Recent years have witnessed the growing phenomenon of gamblers killing themselves on-site at a casino. For example, in an August 1999 episode, a Florida “gambler who had lost \$87,000 jumped to his death off a ten-story casino parking garage Wednesday in the third such suicide in Atlantic City in eight days.”²¹⁹ Eight similar suicides were reported by January 18, 2001.²²⁰ In Detroit in January 2000, an off-duty police officer lost \$15,000 to \$20,000 playing high stakes blackjack at the newly opened MGM Grand Casino. After losing \$4,000 in his soon-to-be last hand, he rose and, using his concealed gun, fired a bullet into his own head, killing himself instantly. In Rhode Island,

Police sources said that Carvalho, who had no history of addictions and lived a quiet, middle-class life, had developed a gambling habit over the past few months that began on a trip to Las Vegas this summer. Police believe he was driving home from Foxwoods Resort Casino when, in desperation, he killed himself.²²¹

The victim had a 14-year-old-daughter whom he had dropped off on the Sunday before his body was found hanging from a piece of twine tied to a tree branch in a densely wooded area. Police who investigated the bank employee’s background reported, “He was squeaky clean.”²²² The same article reported other suicides, including one in the Foxwoods parking lot where the victim ingested a mixture of drugs and cut his arms; a thirty-eight-year-old woman who drowned herself in the Thames River after losing at Foxwoods and gambling the maximum amount allowed on her credit cards; and a number of attempts, including a man who shot himself in the head in a Foxwoods parking garage.

Not all gambling suicides are so public. Like the Rhode Island bank employee, a former Hillsdale, Illinois, fire chief embezzled more than \$150 thousand from the department's account over four years to pay gambling debts. The police investigation found that he had lost \$104,873 between April 1996 and May 1999 at the Lady Luck Casino, compared to winnings of only \$14,823 for the same period. His body was found in his truck, dead of carbon-monoxide poisoning, at a nearby rural cemetery in May 1999.²²³

Government data make the study of suicides difficult because not all suicides are reported or recorded as suicides, nor are the reasons for suicide always known or recorded. Phillips, Welty, and Smith (1997) studied the relationship between gambling meccas and suicide. Their research found that deaths in Las Vegas were 2.5 times more likely to be a result of suicide than deaths in other comparably sized metropolitan areas.²²⁴ Stronger evidence of a connection, however, was that Atlantic City and Reno visitors were 1.75 and 1.50 times more likely to die in suicides than tourists in other nongambling areas. In Atlantic City, which introduced casinos in 1978, the suicide rates did not become elevated until after casinos were introduced.²²⁵ McCleary et al. (1998), in a study funded by the AGA, the lobbying arm of the gambling industry, contested the Phillips, Welty, and Smith findings. Although gambling clearly has been the cause of many suicides, the full extent of the influence and when it will be identified in the aggregate statistics of regions with a prominent casino industry remains a question for further research.

Illness

Gambling has been tied to a number of forms of illness, including depression, stress-related illnesses, chronic or severe headaches, anxiety, moodiness, irritability, intestinal disorders, asthma, cognitive distortions, and cardiovascular disorders. Many of the costs of sickness are borne by the gambler, but they also can lead to real resource costs to society as a whole, usually in the form of treatment costs.

The Maryland Department of Health (1990) noted that problem and pathological gamblers are prone to more automobile accidents than the

population at large.²²⁶ The connection between casinos and elevated alcohol consumption, drug use, and other potentially harmful activities has been an often-observed aspect of gambling.²²⁷ Statistical procedures applied to samples that include individuals who have gambling problems only, in addition to individuals who engage in multiple potentially harmful activities, can sort out the contributions from different sources. Economists using econometric techniques routinely deal with the problem of multiple causes in their studies. To produce good numbers, however, requires good samples and sufficiently large numbers of observations to identify the size of the effects that are present. In the absence of firm estimates of the strength and extent of a connection between casino gamblers and impaired driving habits, for example, such costs other than the measurable illness costs must be treated as zero.

Social Service Costs

The extreme financial stress and employment difficulties associated with problem and pathological gambling can lead to unemployment and require periods in which government assistance is needed. Social service costs include therapy and treatment costs, as well as unemployment insurance costs, Medicaid, energy assistance costs in some states, and the cost of other social services, such as welfare and food stamps.

Direct Regulatory Costs

As discussed in Chapter 3, gambling has been regulated by government because it historically has been subject to fraud and abuse. Direct regulatory costs are paid primarily by government through taxes on society as a whole. A carefully done 1999 study in Louisiana found that the costs to the state of regulating gambling were \$50.02 million per year. Dividing this by 3,026,372 – the estimated number of adults twenty years and older in the state in 1999 – implies that the direct regulatory cost per adult was \$16.53.

Family Costs

The family costs related to gambling include the costs of divorce, separation, spousal abuse, and child neglect and abuse. Children of pathological gamblers report reactions of depression, anger, and sadness. Many of the spouses and children of pathological gamblers are physically and verbally abused.²²⁸ Research conducted for the National Gambling Impact Study Commission found that 53.5 percent of pathological gamblers reported having been divorced, whereas only 18.2 percent of the nongamblers were divorced.²²⁹ Again, we make the obligatory observation that there are other causes of divorce that may interact with pathological gambling. Many of these costs are nonmonetary, but others imply real resource costs to society. Most are rarely measured or quantified. Those that do enter into social computations typically arise when social intervention becomes necessary, as in the case of divorce. These costs represent resources lost to other uses and can be measured by the cost of the services provided.

Abused Dollars

Abused dollars is the term applied to lost gambling money acquired from family, employers, or friends under false pretenses. Stealing from an employer that is never reported out of concern for the employee, stealing that is never reported because the thief is a relative or friend, and money “loaned” under duress that is never repaid are examples of abused dollars.

We have discussed the issue of social accounting that applies to recording social costs in the case of theft. A similar situation applies to abused dollars. It is often wrongly asserted that abused dollars do not represent social costs because “the thief gets the money.” This view fails to recognize that if \$1 thousand is abused, the rest of society loses \$1 thousand of real goods and services that it represents and that – even treating the thief’s gain as part of the social calculation – there remains a social cost connected to abused dollars. For example, if the abuser does not receive equal value from his or her use of the money – say, he or she sells the \$1 thousand stolen electronic good to someone who is

only willing to pay \$500 – then society as a whole has a social cost of \$500.

EXAMPLES

SUMMARY. It is important to put a face on the social costs of casinos because many of the social costs are hidden. Among the more visible consequences is crime. Examples of crimes caused by gambling are not difficult to find; a search of the Internet and America's newspapers and magazines is all that is required. Many involve individuals without a record of previous criminal activity or evidence of other social problems. The number of examples presented here could easily have been greater. Also included are a few examples involving other social issues. The following examples are dated mostly between 1998 and 2000.

"A woman who lost more than \$30,000 at Joliet [Illinois] casinos was sentenced to twenty-one years in prison Wednesday after a judge determined she suffocated her seven-week-old child to collect insurance money to continue her gambling habit." (*Copley News Service*, 10/23/99)

"A South Bend [Indiana] man convicted of murdering a man for his casino winnings was sentenced to sixty-five years in prison. The prosecution charged that (Abdullah) Alkhalidi was having financial problems and killed Claude Purdiman, Jr., 29, for the approximately \$2,000 he won while the two were together early May 3 at the Blue Chip Casino in Michigan City." (*Las Vegas Sun*, 3/14/00)

"A Hancock County [Mississippi] woman says she killed her mother and husband last year as part of a suicide pact made in despair over large gambling debts the trio had run up at Gulf Coast casinos. Julie Winborn pleaded guilty in the death of her husband, Grady Winborn, 57, and her mother, Inez Bouis, 66. She was sentenced Thursday to two life sentences. She had testified that the three lost \$50,000 at casinos and decided to end their lives because they could not repay bank and credit union loans." (*Associated Press*, 9/10/99)

"Clay County [Missouri] Judge Larry Harman on Monday sentenced an Overland Park (Kansas) woman to fifteen years in prison for killing her husband in a Northland church parking lot. Bonnie Knapp, 50, spoke

barely above a whisper Monday when she admitted stabbing 85-year-old Joseph Knapp in the parking lot of Avondale Baptist Church in Kansas City, North, on August 22, 1997.

Knapp was accused of stabbing her husband more than seventy-five times because he would not give her more gambling money. Prosecutors said the crime occurred after the couple and a friend left Harrah's North Kansas City Casino & Hotel about midnight." (*Kansas City Star*, 12/21/99)

"Two former employees at a Westport [Missouri] bank facility pleaded guilty Thursday to a decade-long embezzlement of about \$1.58 million that, among other things, financed gambling sprees and vacations in exotic locales." (*Kansas City Star*, 3/16/00)

"Prison sentences have been ordered for two men, including a former loan officer who admitted having a gambling addiction, for defrauding a Morgan City [Louisiana] bank of \$250,000 through false loans." (*Associated Press*, 11/4/99)

"The abuse of gambling has led to many 'social evils' and any government that encouraged gambling has a lot to answer for, [Australian] Prime Minister John Howard said today. Mr. Howard was commenting after a Melbourne woman was charged with manslaughter yesterday over the death of her nineteen-month-old baby after leaving it in extreme heat inside a car as she gambled at a hotel." (*AAP Newsfeed*, 2/24/00)

"After sixteen months of study, the Governor's Task Force on Illegal Gambling says the problem has increased as Texas has embraced legal gambling.

'The proponents of gambling have largely succeeded in persuading the broader culture to accept gambling as a legitimate form of entertainment rather than a vice,' the task force concluded. 'The impact, from a fiscal perspective, has been enormous.'

Without quantifying it, the task force said the downside also has a large bottom line, especially at the state's multibillion-dollar lottery. 'Its substantial social costs, however, while actual and acknowledged, have yet

to be accurately measured,' the report says about the lottery." ([Austin] *American-Statesman*, 1/27/99)

"A fifty-six-year-old [Southern California] compulsive gambler pleaded guilty Tuesday to several bank robberies and the attempted murder of a police officer. . . . Ball has been battling a severe gambling addiction since at least 1971, when he received the first of his four state and federal robbery convictions, [his attorney] said. His struggle was highlighted in the past year when he won \$250,000 from a casino bet on horseraces. . . . and lost the entire amount within three weeks, [his attorney] said." (*Los Angeles Daily News*, 10/27/99)

"A worker at Harvey's casino [Omaha, Nebraska] ran out of luck after stealing money from his employer to gamble at Ameristar [casino]. Andrew Beam, 34, of 1910 Jones Saint, who earlier pleaded guilty to stealing more than \$10,000 while a slot machine technician at Harvey's, has been granted a deferred judgment and ordered to repay the loss." (*Omaha World-Herald*, 10/26/99)

"[Mississippi] Gulf Coast banking officials are looking for the best combination of security measures to deal with an increase in bank robberies that has accompanied the growth in casinos and other businesses since 1992. Harrison, Hancock, Jackson, and Stone counties reported only two bank robberies in each of 1990 and 1991. Robberies have climbed from that time, reaching a high of thirty holdups in 1997." (*Associated Press*, 10/11/99)

"Anthony Czamara, who is serving a jail term for stealing from a Hamburg (New York) bistro, Friday was ordered to serve a prison term of two to five years for embezzling more than \$77,000 from a Buffalo restaurant. The judge said Czamara's 'troublesome' history of criminal 'shortcomings' seemed linked to both his admitted alcoholism and his addiction to gambling." (*Buffalo News*, 10/10/99)

"Compulsive gambling within the Southeast Asian community in the Twin Cities has increased so much that some families have been left homeless, said Diane Dovenberg, who works with Southeast Asians.

'I'm hearing more and more about gambling with Southeast Asian refugees,' she said. 'They have experienced horrendous trauma from war, escaping their own countries, spending years in refugee camps in Thailand, and then experiencing the trauma of coming to this country and having it be so different from the lives they were leading over there. The hopelessness is relieved at the casinos.'" (*Minneapolis Star Tribune*, 10/12/99)

"Before casino gambling, [Atlantic City] was home to numerous thriving churches of various denominations. But in recent years, churches and synagogues have begun to close. The Rev. Patrick J. Hunt, pastor at [the Church of the Ascension], said the casino industry is helping society gradually erode. 'We want anybody to come to church,' Hunt said. 'But gambling is a vice and the casinos do their darndest to make sure we don't exist and that every other church doesn't exist.'" (*Atlantic City Press*, 10/11/99)

"Of the forty-two armed robberies investigated by the York County Sheriff's Office this year, twenty-three have been video-poker-related. Additionally, there have been at least seventeen property crimes directly connected with video gambling machines, including burglaries, larcenies, and fraud. But Cauthen, Fortson, York County Sheriff Bruce Bryant and other law enforcement officials throughout the region say those numbers don't begin to paint the whole picture. Many domestic cases that officers respond to involve arguments that stemmed from one spouse's gambling habit. Deputies are responsible for serving civil court papers, such as divorce decrees, and Bryant said a growing number of those appear to be tied to gambling. Police also say they spend more and more time responding to false reports filed by gamblers who don't want a spouse to learn they lost money to the video machines." (*Charlotte Observer*, 10/3/99)

"A Denham Springs [Louisiana] man was sentenced Monday to thirty-seven months in prison and ordered to repay \$933,845 to victims of his investment scam. U.S. District Judge Frank Polozola told Mike D. Nolan he was responsible for 'a very big case of fraud' that hurt lots of people,

including a widow who lost her nest egg and couples whose marriages fell apart because of failed investment schemes. . . .

The judge said Nolan's gambling problem fueled the fraud scheme." ([Baton Rouge, Louisiana] *Advocate*, 9/28/99)

"There is a trail of broken homes, bankruptcies, crime and suicides, say those who work with problem gamblers in that state. 'We've treated some people who have lost their life savings on the lottery,' said Jack Gronewald, chief operating officer of Ridgeview Institute, a mental-health treatment center near Atlanta. . . .

[T]here were four groups of Gamblers Anonymous meeting in Georgia when the lottery was instituted there in 1992, but today there are ten or more groups, indicating that the number of problem gamblers increased, and some play only the lottery." (*Birmingham News*, 9/24/99)

"A [Las Vegas] woman who embezzled more than \$1 million during her eighteen-year career as a paralegal with the U.S. attorney's office was sentenced to thirty months in prison Friday. Elizabeth 'Becki' Simmons, who has admitted having a gambling problem, pleaded guilty in March to embezzlement, making false statements, and filing a false income tax return." (*Las Vegas Review-Journal*, 9/18/99)

"Former (Mississippi) state worker, Deidre Marshall, has been sentenced to five years of probation for embezzling \$100,000 from a state program for the disabled. Marshall said she stole the money to pay for her compulsive gambling habit." ([Baton Rouge, Louisiana] *Advocate*, 9/12/99)

"It is a hard-edged reality that happens – at casinos, at racetracks, at church bingos, at state lottery outlets. The Mississippi Coast has seen a twenty-six-fold increase in the number of Gamblers Anonymous meetings – to thirteen a week – since the first casino opened in 1992." (Lexington [Kentucky] *Herald-Leader*, 9/12/99)

"A three-month investigation by the *Pittsburgh Tribune-Review* found Pennsylvania Lottery sales come disproportionately from the poor and working class. In Allegheny County, the most recent lottery records

available show stores in neighborhoods with per capita incomes lower than \$20,000 sold more than twice as many tickets per resident as those in neighborhoods where average incomes exceeded \$30,000.

The lottery's 1997 study found 39 percent of 'heavy' players – those who bet at least once a week – report household incomes below \$25,000 a year." (*Pittsburgh Tribune-Review*, 8/22/99)

"A German tourist jumped to his death off a ten-story casino parking garage Wednesday in the third such suicide in Atlantic City in eight days. On August 17, a gambler who had lost \$87,000 jumped to his death off a Trump Plaza roof. On Monday, a dealer at Caesar's Atlantic City Hotel Casino committed suicide by leaping off the casino's parking garage. (*Associated Press*, 8/25/99)

"An Edgefield County [South Carolina] man was killed in a shootout at a casino he apparently was attempting to rob. Dexter Wooden, 25, went to Bryant's Discount Beverage Center Wednesday night and tried to hold up four customers who were gambling." (*Associated Press*, 8/26/99)

"–Tourism. City officials insist the Milwaukee casino draws few tourists and say most gamblers are lower income residents of the city and Milwaukee County.

–Crime. Prosecutors have not broken cases directly related to casinos, but the district attorney reports his staff has seen more burglaries, larcenies, and crimes of opportunity related to gambling. The most celebrated local case involved a woman who stole nearly \$100,000 from her grandmother to gamble in Milwaukee and other Wisconsin casinos." ([Milwaukee] *Journal Sentinel*, 12/27/98)

"Debts of more than \$100,000 prompted a woman's botched bank-robbery attempt that led to an eight-hour hostage situation on New Year's Eve [in Olathe, Kansas], her attorney said. [The suspect's attorney] told [U.S. Magistrate David] Waxse that [Pheng] Siriboury was 'addicted to gambling' and had run up debts – 'maybe as high as \$150,000.'" (*St. Louis Post-Dispatch*, 1/6/00)

“Bankruptcies citing gambling debts as a contributing factor have jumped since the riverboats entered the Kansas City market in mid-1994. The first Kansas City area riverboat casino opened in mid-1994. In that year, only 13 of the 3,501 bankruptcy filings in Kansas City – 0.37 percent – listed gambling losses. . . .

By 1998, 194 of the 5,618 persons who filed – 3.5 percent – said gambling was a contributing factor in their bankruptcies. They listed unsecured debts of more than \$7.5 million, much of it to credit-card companies. Bankruptcy lawyers and gambling counselors say actual figures might be higher because people are reluctant to admit they have a gambling problem.” (*Kansas City Star*, 1/9/00)

“The battle against domestic violence is gaining ground, and work by University of Nebraska Medical Center researcher, Dr. Robert Muellemann, is helping. ‘It looks as if problem gambling in the partner is going to be as much a risk factor as problem alcohol, and that’s really new information,’ he said.” (*Daily Nebraskan*, 1/13/00)

A former [New Bedford, Massachusetts] elementary school principal has admitted stealing \$20,000 in student funds she used to support a gambling habit, prosecutors said.” (*Associated Press*, 1/13/00)

Terry Twist, a former supervisor at a Naperville (Illinois) bank whose cooperation helped lead to federal charges against two bank supervisors, pleaded guilty Thursday to his role in the theft of nearly \$90,000 from the bank vault in a staged holdup. Twist, 26, had sizable gambling debts.” (*Chicago Tribune*, 1/14/00)

“A gambler losing big dollars in the high-roller area of the MotorCity Casino in Detroit pulled out a gun Wednesday, shot himself in the head, and died, police said. Terrified gamblers fled from the blackjack table where off-duty Oak Park Police Sgt. Solomon Bell had been consistently losing large bets, witnesses said.” (*Detroit Free Press*, 1/27/00)

“A thirty-seven-year Detroit Fire Department veteran threatened to kill himself while gambling at the MGM Grand Detroit Casino on

Thursday, police said. 'I guess he lost all the money he had, and he made a statement to the dealer saying he was going to do the same thing as the gentlemen yesterday did,' [a police spokesman] said." (*Associated Press*, 1/27/00)

"Two multinational lottery operators spent more than \$135,000 in 1999 in their efforts to win access to South Carolina lawmakers and put a lottery on the ballot." (*Augusta Georgia Chronicle*, 1/22/00)

"A man known as the 'Groucho Marx' bandit was sentenced Friday to more than four years in prison for a pair of bank robberies in Southcentral Alaska. Federal public defender, Richard Curtner, said [Scott] Morgan was deep in debt because of gambling and alcohol addictions." (*Associated Press*, 1/22/00)

"A former [Memphis] Service Merchandise store manager who admitted stealing more than \$150,000 in deposits and gambling much of it away in Tunica casinos was sentenced to six years in prison Tuesday." ([Memphis] *Commercial Appeal*, 2/2/00)

"Rosemont (Illinois) Mayor Donald E. Stephens is getting a hefty reward for his role in convincing state lawmakers to approve sweeping gambling law changes last year. Campaign finance records obtained Wednesday show Stephens received \$96,000 in contributions from gambling interests in the six months after Governor George Ryan signed legislation that opened Cook County to a casino, created lucrative subsidies for the horseracing industry, and allowed casinos to stay dockside rather than cruise." (*Chicago Daily Herald*, 2/3/00)

"Sixteen employees or owners of 'cash for gold' shops that line Atlantic City's casino strip were accused Thursday of preying on the desperate by charging up to 500 percent interest on hocked jewelry." (*Associated Press*, 2/10/00)

"An admitted thief and pathological gambler has six months to pay almost \$155,000 back to the Pierre (South Dakota) Area Chamber of Commerce or face time in the women's prison. Former chamber financial

manager, Linda K. Thomsen, 55, was sentenced Tuesday afternoon.” (*Pierre [South Dakota] Capital Journal*, 2/16/00)

“The death of a [Frederick, Maryland] debt-ridden accountant who badgered a colleague into shooting her was a homicide, not a suicide, so her life insurance company must pay out \$1.5 million, a judge ruled. Circuit Judge Mary Ann Stepler ruled last week against Allstate Life Insurance Co. in a dispute over the 1996 death of Mary Gaye Fister. Fister, a forty-five-year-old high-rolling gambler, died on a country road where she had gone with fellow accountant Lawrence H. Goldman. He said they planned to make the death look like a mob hit so that Fister’s creditors could collect in insurance money the \$800,000 she owed. . . .

Investigators said Fister persuaded friends and clients to lend her money to support a lifestyle that included driving her turbocharged red sports car to Atlantic City casinos, where she sometimes lost as much as \$30,000 per trip.” (*Las Vegas Sun*, 2/14/00)

“A former casino consultant fought back tears as he told a federal jury Thursday that he funneled hundreds of thousands of dollars in payoffs to former [Louisiana] Governor Edwin Edwards and his son Stephen – before and after Edwards left office in 1996. Ricky Shetler’s testimony was backed by Shetler’s own ledgers and conversations secretly recorded by the FBI.

It was the most damaging to date in the six-week-old trial and, perhaps, in the forty-year public life of the often scandal-plagued four-term governor who was acquitted of federal racketeering charges in 1986. Federal prosecutors say Edwin and Stephen Edwards and five other men took part in a years-long series of schemes to manipulate the licensing of riverboat casinos.” (*Associated Press*, 2/24/00)

“A notorious Chinatown gang has expanded its loansharking operation to legal card clubs in the Bay Area, particularly the Lucky Chances Casino in Colma, according to an FBI affidavit made public yesterday.” (*San Francisco Chronicle*, 3/4/00)

“By the time former Placerville [California] police officer, Jerry Olson, was arrested for bank robbery last month, he had hit ‘rock bottom,’ his father said. Battling drug addiction and crushed under gambling debt, the thirty-nine-year-old already had lost his job. FBI agents say he may have robbed ten banks in Northern California and Nevada.” (*Associated Press*, 3/8/00)

“Casino Rama, one of Canada’s most lucrative gambling palaces, was supposed to be a financial saviour to Ontario’s impoverished First Nations. For two members of the Rama Chippewa band that hosts the casino, it’s meant something quite different: personal downfall, criminal records, and a humiliating admission of guilt before their tight-knit community. The pair were quietly convicted recently of stealing more than \$100,000 from the Mnjikaning band to fuel out-of-control gambling habits.” (*Ottawa Citizen*, 11/15/99)

“The number of gambling-related suicides in Quebec has more than doubled this year from last. According to reports provided by the Quebec coroner’s office, fifteen people, all men, have killed themselves so far this year because of their gambling problems. That’s up from six in all of 1998, and two in 1994, when the provincial government first legalized casinos and video lottery terminals.” ([Montreal] *Gazette*, 11/25/99)

“Gambling debts led former Hillsdale (Illinois) Fire Chief Bill Phillips to siphon more than \$150,000 out of the department’s bank account, investigators have concluded. Phillips, 56, was found dead in his truck at a rural Hillsdale cemetery May 19, the victim of carbon monoxide poisoning.” (*Associated Press*, 11/24/99)

“Nearly five months have passed since the MGM Grand Detroit Casino opened its doors near the Salvation Army’s Bagley Center, and since then, the stream of penniless gamblers looking for a helping hand has been steady. . . .

As casinos, lotteries, and other recreational gambling spread throughout Michigan, workers at social service agencies say the number of people

reaching out for help is growing. Five years ago, metro Detroit had about six Gamblers Anonymous groups; today there are about twenty, said Warren Biller, director of the Michigan Council on Problem Gambling.” (*Detroit Free Press*, 12/7/99)

“The sentencing of a [Greensboro, North Carolina] life insurance agent who cheated his clients out of at least \$1.6 million was postponed on Wednesday for the third time. [Paul] Blackburn said he embezzled the money to feed a gambling addiction. He fantasized about gambling, fell asleep to dreams of gambling, and could spend twenty-six hours playing craps in a casino without rest.” ([Greensboro, North Carolina] *News & Record*, 12/16/99)

“Households earning less than \$25,000 accounted for 35 percent of the California Lottery’s ticket sales last year, its newly released review shows. “The 32 percent of Californians with incomes below \$25,000 account for less than one in every five dollars earned by state residents, [David Rogosa, a statistician and associate professor at Stanford] said in a telephone interview. Based on that, their 35 percent share of lottery purchases ‘is far, far greater than their proportion of (the) income,’ Rogosa said.” (*Sacramento Bee*, 12/15/99)

“Authorities say they have linked a woman arrested in Bradenton [Florida] to what might be the largest and most profitable burglary ring in the country. Barbara Dolinska is a member of a roving group of bandits who travel the country committing burglaries, Baton Rouge, Louisiana, police detective Jonny Dunham said Wednesday. ‘Dolinska and her cohorts like to gamble,’ authorities said. ‘They committed many of the crimes in areas that either had riverboat gambling operations or other kinds of gaming,’ Dunham said.” (*Sarasota [Florida] Herald-Tribune*, 12/23/99)

“A Florida man who lost about \$50,000 while gambling [in Atlantic City] during the past two days died Tuesday after he jumped seven floors from a Trump Plaza Hotel and Casino roof onto Columbia Place, officials said.” (*Atlantic City Press*, 8/18/99)

“A former Brown County [Wisconsin] deputy treasurer convicted of embezzling \$197,000 was sentenced Friday to twelve years in prison. Prosecutors contend Barbara Berger, 47, stole the money over three years to support a gambling habit.” (*Associated Press*, 8/20/99)

“An addiction to riverboat gambling led Boone County’s [Kentucky] property valuation administrator to plead guilty to a theft charge Friday. David Turner admitted to authorities he used as much as \$45,000 in office funds to feed his habit.” (*Cincinnati Enquirer*, 8/14/99)

“Four days after [Illinois] Governor [George] Ryan signed gambling legislation, the Empress River Casino deposited \$10,000 into the governor’s campaign fund. On the same day of the Empress contribution, Hollywood Casino gave \$10,000 to a Senate Republican campaign fund controlled by Senate President James ‘Pate’ Philip (R-Wood Dale), who favored last spring’s gambling deal. In fact, more than 40 percent of the \$272,405 that gambling interests gave last spring to Ryan and members of the General Assembly came during May and June, a critical period when the measure passed the Legislature and the governor signed it.” (*Chicago Sun-Times*, 8/11/99)

“Tribal leaders declared victory in July when the House defeated a measure that would have forced tribes opening casinos to continue to hammer out agreements with state governments first. Before the vote, fifty of the American Indian leaders met with top House Republicans – a landmark day that reflected the growing political clout of tribes bolstered by a newly vigorous self-determination movement and financial gains from casino gambling. Since the 1991–92 campaign cycle, Indian tribes have shelled out more than \$3.3 million in soft-money contributions to the Republican and Democratic national committees.” (*Detroit News*, 8/11/99)

“The number of Wisconsin communities holding Gamblers Anonymous meetings has mushroomed from six to twenty-nine since 1992, the year Indian tribes began agreements with the state to open casinos, and half of today’s meetings are within 30 miles of a casino, an Associated Press

review found. During a typical week, nearly 250 people attend Gamblers Anonymous meetings statewide seeking help with gambling problems, compared with about 100 in 1992. . . . ‘Eleven people who contacted the group in 1997 committed suicide because of gambling,’ John W. said.” (*Chicago Tribune*, 8/2/99)

“In the first six months of 1999, Attorney General Bill Lockyer received at least \$32,500 in campaign contributions from California card clubs he licenses and regulates, according to campaign reports filed yesterday with the state.” (*San Francisco Chronicle*, 8/3/99)

“The gaming industry increased its financial contributions to federal candidates and political parties by about 400 percent from 1992 through 1998. The General Accounting Office, the investigative arm of Congress, found that total gaming donations rose from \$1.1 million in 1992 to \$5.7 million in 1998.” (*Las Vegas Review-Journal*, 7/28/99)

“Tuesday in Ridgeland, a woman whose ten-day-old baby died in a sweltering car while she played video poker, was given a suspended sentence and five years’ probation. “York County [South Carolina] Sheriff Bruce Bryant said many of the social problems brought on by video poker are not recorded in police reports. ‘Arguing over video poker is the reason for many domestic-abuse cases,’ Bryant said. ‘We’ve had murders in York County because of video poker.’” (*The State* [Columbia, South Carolina], 7/23/99)

“The conviction of [a Louisiana] ex-legislator imprisoned for a bribery scheme to protect video poker was upheld Thursday by a federal appeals court. Former state Senator Larry Bankston was found guilty in June 1997 of taking \$1,500 from one-time video-poker operator Fred Goodson.” (*Associated Press*, 7/22/99)

“Gambling problems led a former Columbus [Ohio] police officer to steal about \$20,000 in diamonds from a Northland Mall jewelry store where he was providing security.” (*Columbus Dispatch*, 7/17/99)

“A military judge ordered a compulsive gambler locked up for sixty days after she admitted she wrote about \$14,000 in bad checks to feed slot machines at Air Force clubs. Testimony at her court-martial yesterday at

Davis-Monthan Air Force Base showed that [Tech. Sgt. Gloria] Calhoun, a seventeen-year-veteran with a previously exemplary record, got hooked on slot machines last year at Osan Air Base in South Korea. (*Arizona Daily Star*, 7/15/99)

“Reno [Nevada] ministers said they have seen too many people who’ve lost rent money and more at slot machines, craps, and blackjack tables. ‘My appointment schedule is full with marriages that have been destroyed by gambling,’ said the Rev. Joe Taylor of the South Reno Baptist Church in southwest Reno near Meadowood Mall. He said his church receives ten to twenty calls a day from gamblers asking for bus tickets. “The Rev. Carey Anderson, pastor of the Bethel AME Church in Sparks. . . said he hears from abusive gamblers each week. ‘They’re calling us wanting money because they blew their rent on gambling,’ he said. ‘They can’t feed their children, and they can’t pay their rent. And they need food, and they can’t pay their power bills.’ The pastor said his phone log for Tuesday was typical: it showed thirteen gambling-related calls by 3 p.m.” (*Reno Gazette-Journal*, 6/30/99)

“Some of Illinois’ prosecutors are lending credence to a nationwide study that concludes gambling increases crime. Prosecutors in Tazewell and Peoria counties, near one of the state’s oldest riverboats, have seen a definite rise in gambling-related crime. Kevin W. Lyons, Peoria County state’s attorney, rattles off a list of cases where problem gamblers got in trouble. Just the other day, he said, his office won a conviction against a teacher who stole money to support a gambling habit. ‘I’ve convicted some lawyers and taken away their law licenses for stealing client money’ for gambling. . . . Stewart Umholtz, state’s attorney for Tazewell County, has seen embezzlement, theft, and burglary cases arising from problem gamblers. In fact, he asked state Rep. Michael K. Smith of Canton to sponsor a bill that would have provided state aid to prosecutors to help pay for increased caseloads resulting from gambling.” (*Copley News Service*, 6/28/99)

“Proponents of riverboat gambling and horseracing pumped \$1 million during the last two years into the campaign funds of [Illinois] legislators who voted for the sweeping legislative package that squeaked through

the General Assembly last month, a new study shows. The money is more than ten times the \$83,460 that progambling interests gave to lawmakers who later voted against the gambling package.” (*Chicago Tribune*, 6/14/99)

“A man arrested in the armed robbery of a [New Orleans] bar told deputies of his motive for the holdup: he wanted to recover the several hundred dollars he lost playing the lounge’s video poker machines.” (*Las Vegas Sun*, 6/14/99)

“New Jersey casino regulators have agreed to look further into payments totaling \$240,000 that a gaming company made to former Florida House Speaker Bo Johnson at a time when Florida was considering legalization of casinos.” (*Las Vegas Sun*, 6/9/99)

“A former employee for the Chicago Transit Authority was sentenced to twelve months in prison Wednesday in federal court for embezzling more than \$187,000 from the agency in less than one year. Sheila Short, 36, of Richton Park, admitted she blew the money gambling on the state lottery and riverboats.” (*Chicago Tribune*, 5/20/99)

“A veteran employee of the Lehigh and Northampton [Pennsylvania] Transportation Authority, who said compulsive gambling led her to steal \$17,765, has been put on three years’ probation. Margaret Hansen, who will be 65 next month, was fined \$2,000 and ordered to make restitution to the authority. . . . Authority lawyer, Kent Herman, and Executive Director, Armand Greco, said the restitution agreement was appropriate because Hansen was an exemplary employee for many years who fell victim to a gambling addiction in the latter part of her career.” ([Allentown, Pennsylvania] *The Morning Call*, 5/20/99)

“A 37-year-old Little Silver [New Jersey] man who a judge said compulsively fleeced people was sentenced yesterday to seven years in state prison for stealing more than \$150,000 from several banks through a check-kiting scheme. Joshua Roslin told Superior Court Judge John A. Ricciardi that he suffers from a gambling problem.” ([Neptune, New Jersey] *Asbury Park Press*, 5/15/99)

“The families of two politically connected lawyers who helped bring the Showboat Mardi Gras riverboat casino to East Chicago made more than \$20 million selling their interest in the riverboat after putting up essentially no money for the shares, a newspaper reports.” (*Associated Press*, 5/11/99)

“Former DeSoto County Supervisor James D. ‘Jake’ Person pleaded guilty Friday to embezzling \$50,000 from the DeSoto Shrine Club and gambling the money away in casinos in Tunica County.” ([Memphis] *Commercial Appeal*, 5/8/99)

“Before taking his life last November, Central Falls [Rhode Island] Police Chief Thomas Moffatt had misappropriated departmental funds and borrowed heavily from his officers to pay gambling debts, a state police investigation has concluded. Moffatt owed more than \$60,000 to his officers and possibly thousands more to several accounts within the department that were under his control, Col. Edmond Culhane, state police superintendent, said yesterday. Culhane declined to answer a question about a report that Moffatt owed \$40,000 to the Foxwoods and Mohegan Sun casinos. ‘The message from the whole thing is the dangers of gambling, quite frankly,’ said Culhane. ‘Tom Moffatt was a truly honorable guy. He had a superb career as a state trooper. He was a great family man and a terrific policeman. This was his one weakness and it took him down.’” (*Providence Journal*, 5/2/99)

“Fueled by profitable casinos at a handful of reservations, Native American leaders are planning to spend \$1 million to \$5 million in the 2000 election to try to defeat Republican Sen. Slade Gorton, whom they regard as their primary political enemy in the United States.” (*Seattle Times*, 4/5/99)

“Problem gambler Scott A. Correia gave a lesson Thursday in how not to commit a bank robbery. Police say the thirty-three-year-old Dartmouth [Massachusetts] man, who lives at 10 Sol-E-Mar Road, made several mistakes when he robbed \$1,300 from the Fall River Five Cents Savings Bank. ‘He used his parents’ car and parked near the bank, didn’t switch license

plates, dropped his baseball cap outside, and abandoned the vehicle a short distance from the bank,' according to police. Correia took the cash with him to the Foxwoods Resort and Casino, Ledyard, Connecticut, police said." ([Fall River, Massachusetts] *Herald News*, 4/3/99)

"Though casinos can now be found throughout the country, the gambling industry continues to lavish campaign contributions on its original allies, lawmakers from New Jersey and Nevada. New Jersey's two senators and the representative whose district includes Atlantic City are among the biggest beneficiaries of campaign cash from the industry, according to a report by the Center for Responsive Politics. From 1993 through 1998, Sen. Robert Torricelli, a Democrat, received \$86,600 from political action committees and individuals in the gambling business. That put him third among senators, behind only Nevada Sens. Harry Reid and Richard Bryan, also Democrats. . . . Among House members, New Jersey Rep. Frank LoBiondo, R-Vineland, received \$64,750 from gambling interests in 1997 and 1998, ranking him third nationally behind Nevada Reps. Shelley Berkley, a Democrat, and Jim Gibbons, a Republican. LoBiondo's district includes Atlantic City. 'With Congress taking more of an interest in issues related to gambling, the \$50-billion-a-year gambling industry has increased its giving to lawmakers.' The center reported that the gambling industry donated more than \$6.2 million to federal candidates and parties in the 1997-98 election cycle, twice what it gave during the last mid-term elections." (*Associated Press*, 4/6/99)

"After cleaning out her bank account, selling her possessions, and stealing from her employer to support her video poker habit, Jann knew she had hit bottom. 'I had used up all of my resources and abused the trust of everybody around me,' she said. 'You get very suicidal.' (*Associated Press*, 3/29/99)

"Citing severe losses from a gambling addiction, a prominent Plaquemines Parish [Louisiana] developer admits he forged documents and tried to sell residential lots he no longer had clear title to, his attorney said. But gambling losses to casinos in Louisiana and Mississippi pressured him to

Pleasant Ridge lots to raise money. Lots in the subdivision range from \$70,000 to \$127,000. George Ruppenicker, an attorney for Southern Title, Inc., which conducted the title search on the lots, said its insurance carrier has paid out more than \$1 million in claims related to Pleasant Ridge and Sercovich.” ([New Orleans] *Times-Picayune*, 3/31/99)

“[Michael Belletire, administrator of the Illinois Gaming Board] is resigning effective April 15 and will become chief operating officer of Specialty Events, an affiliate of Sportsman’s Park horseracing track in Cicero. Charles Bidwill III, the president of Sportsman’s, is a part owner of the Casino Queen riverboat in East St. Louis. Ed Duffy, the president of Specialty Events, is a consultant for Sportsman’s and the Casino Queen. Belletire and Gaming Board Chairman, J. Thomas Johnson, said the new job does not conflict with the board’s code of conduct, which prohibits members or employees from working for or representing a riverboat licensee or applicant within a year of leaving the board.” (*Associated Press*, 4/1/99)

“This is a tale of two counties. One is Hancock County, Georgia, a rural spot northeast of Macon where most residents are black, half the adults never graduated from high school, and more than a third of the children are poor. The other is Fayette County, a thriving Atlanta suburb where most residents are white, a fourth of adults have college degrees, and less than one percent of families receive welfare. Hancock doesn’t outdo Fayette on much. But it does beat its well-heeled neighbor in state lottery sales. Hancock’s lottery sales in 1997 translated to \$554 for every county resident from age 18 to 64. The same figure in Fayette came to \$139. . . .

A *Birmingham News* review of lottery sales in Georgia counties showed some trends. Generally, the lottery has weak sales in rich counties and strong sales in poor counties.” (*Birmingham News*, 3/23/99)

“A former federal paralegal [in Las Vegas] with a reported gambling habit embezzled as much as \$1.5 million over ten years by betraying the trust of her colleagues, U.S. Attorney Kathryn Landreth said Tuesday.” (*Las*

Vegas Sun, 3/17/99)

“Gambling interests gave more to [West Virginia] legislative candidates in 1998 than ever before, according to the latest figures from the People’s Election Reform Coalition. ‘Gambling donations to members of the Legislature totaled \$63,125 in the 1996 elections,’ [according to the coalition]. ‘Although the 1998 data is still being audited, PERC has already documented \$164,500 in gambling donations – an increase of more than 2.5 times.’” (*West Virginia Gazette*, 3/10/99)

“If Minnesotans have a reputation for generosity, this may be the reason: fifty of the state’s eighty-seven counties are above the national average in their disposition toward charitable giving, according to a recent study. Only sixteen counties are ranked below average. “Generosity generally flourishes in counties with average to relatively low pulltab and lottery gambling. Counties with high per-capita gambling include all but three of those labeled least likely to give by the national study.” ([Minneapolis] *Star Tribune*, 2/5/99)

“Florida officials say the Halloran saga shows how the tribe’s largely unregulated casinos are a powerful lure for organized crime. ‘Tribes across the country consistently say there’s no proof of any organized crime infiltration,’ said [Assistant Florida Attorney General John] Glogau. ‘But law enforcement people say that’s nonsense.’” (*St. Petersburg Times*, 2/19/99)

“[A]n Omaha woman [pled] guilty to charges that she took thousands of dollars from mentally retarded adults under her care. Police said the woman took \$21,000 from fourteen mentally retarded adults and used the money to play blackjack ‘at nearby casinos.’” (*Omaha World-Herald*, 2/21/99)

“A former San Jose police officer sentenced yesterday to fourteen years in prison for burglaries will continue to receive \$27,000 a year in disability benefits for his gambling addiction. Johnny Venzon, Jr., 48, had been accused of stealing from people on his own beat while in uniform. Venzon, who blamed his actions on a gambling addiction, often burglarized homes and then investigated the crimes.” (*San Francisco Chronicle*, 2/25/99)

“The former bookkeeper for a chain of Midas Muffler shops [in Wisconsin] pleaded guilty Friday to stealing a little more than \$306,000 from the stores to pay off gambling debts incurred first at Potawatomi Bingo Casino and later in Las Vegas.” (*Milwaukee Journal Sentinel*, 2/14/99)

“A federal jury convicted a suburban [Chicago] mother Thursday of insurance fraud in the death of her infant daughter, rejecting defense claims the baby died of Sudden Infant Death Syndrome. [Dina] Abdelhaq, an admitted gambling addict, had taken out a \$200,000 insurance policy on newborn daughter Tara fifteen months after another infant daughter died of unexplained causes. “Records from one riverboat casino showed that Abdelhaq had gambled there the day after the death of her first daughter, Lena, in 1994. On public aid and denied credit at a riverboat casino after she bounced checks, Abdelhaq took out the \$200,000 life insurance policy on Tara.” (*Chicago Tribune*, 2/13/99)

“A ring of Gaston County residents has stolen more than half a million dollars from video poker machines across South Carolina over the past year by unlocking the machines with copies of master keys, police said Monday. Police say about two dozen thieves took turns emptying video poker machines while partners distracted clerks and communicated across stores with an elaborate system of hand signals.” (*Charlotte Observer*, 2/16/99)

“A former East Fork [Nevada] Justice Court clerk pleaded guilty to one count of unlawful use of public funds in the theft of more than \$17,000 from the court. A gambling problem led to the embezzlement, according to court records.” (*Las Vegas Sun*, 1/2/99)

“Son Tram never talked about her husband. How the beatings had gotten worse in recent months since her husband began gambling and frequenting bars. But relatives knew. They tried to persuade her to leave. The last plea came from her younger brother, who stayed with her in her Olney rowhouse for the last couple of months. He told her to come and live with him and his family in Florida. She refused. Last Friday, her husband kicked the brother out of the house. Saturday morning, she was dead.

Trung Hieu Tram, 32, had bludgeoned his thirty-five-year-old wife in the back of the head with a hammer. . . . Recently, [Vin Thach's] niece had been struggling to feed the kids, telling Thach she had no money. Trung Hieu had been spending the family money betting on football and going to casinos, and he was going into debt." (*Philadelphia Daily News*, 2/2/99)

"In a string of murders that shocked the rural [Louisiana] River Parishes, six wealthy, mostly elderly residents were bludgeoned and stabbed to death in their homes, their safes stolen and pockets emptied. After six hours of denials in a stark white room in the courthouse, [Daniel] Blank broke down and wept, then confessed to a killing spree that went from October 1996 to July 1997, tapes and transcripts show. In only one brief statement does Blank even hint at his motivation for the brutality, although investigators said it is clear that he was in pursuit of cash to support almost daily trips to video poker halls and casinos. The chronic gambler's combined take from seven break-ins was about \$101,120, the records show, and he sometimes headed for casinos right after committing the crimes." ([New Orleans] *Times-Picayune*, 1/28/99)

"As Jim Hodges celebrated his startling victory on election night, a man stepped out of the raucous crowd to slap the Democratic governor-elect on the back and shout, 'Marvelous, governor!' The smiling man was Fred Collins, a multimillionaire and the biggest operator in South Carolina's fast-growing \$2.3-billion-a-year video-poker business. Hodges and his allies spent at least \$6 million to boost his candidacy. About half of that money came from video-poker operators." (*USA Today*, 1/7/99)

"The Mashantucket Pequots – who have given more than \$1 million to national political parties – now have a way to donate directly to candidates' campaigns. The Pequots, owners of the highly lucrative Foxwoods Resort Casino in Mashantucket, Connecticut, formed a political action committee, or PAC, last year, according to Federal Election Commission records." ([Hartford] *Courant*, 1/11/99)

"Nereida 'Nettie' Benitez saved for thirty years for her dream home. But now, her dream home is just a weed-filled hole in a lot next to her

by the builder, who stole her money. Benitez hired [Thomas] James to build her house and gave him her life savings, \$65,000.” (*Kansas City Star*, 1/14/99)

“After a night of drinking at a Kenner [Louisiana] casino Saturday night, a Ponchatoula man apparently shot himself to death in his car outside the gambling boat, police said.” ([New Orleans] *Times-Picayune*, 11/8/99)

“One man was shot to death and another critically injured following an argument outside the Mohegan Sun casino [Montville, Connecticut], police said.” (*Las Vegas Sun*, 11/8/99)

THE NUMBERS

SUMMARY. There are two ways to identify social costs: the first is through the study of problem and pathological gamblers, and the second is through direct statistical analysis. In 2003 dollars, the cost to society of an additional pathological gambler is \$10,330 based on studies performed in the mid-1990s, whereas the cost to society of an additional problem gambler is \$2,945. Accounting for the cost of raising tax dollars to cover some of these costs (see Chapter 8), raises the totals to \$11,304 and \$3,222, respectively.

Pathological gambling is a recognized impulse control disorder in the DSM-IV of the American Psychiatric Association. Pathological gamblers (often referred to as “addicted” or “compulsive” gamblers) are identified by a number of characteristics, including repeated failures to resist the urge to gamble; loss of control over their gambling, personal lives, and employment; reliance on others to relieve a desperate financial situation caused by gambling; and the committing of illegal acts to finance gambling. Problem gamblers have similar problems, but to a lesser degree. Often the two groups are combined and referred to as *problem and pathological gamblers*.

Medical research suggests that gambling may affect the brain in ways similar to addictive drugs and that a portion of the population may be more susceptible to the addiction response.²³⁰ With respect to gambling, the latent propensity to problem and pathological gambling becomes overt when the opportunity to gamble is available and sufficient *triggers* are present for the problem to manifest. Pathological gamblers are

generally found to constitute 1 or 2 percent of the population; problem gamblers are another 2 to 3 percent in gambling areas where casino gambling is available.²³¹ One study of gamblers in treatment found that 62 percent committed illegal acts as a result of their gambling; 80 percent had committed civil offenses, and 23 percent were charged with criminal offenses, according to a 1990 Maryland Department of Health and Mental Hygiene survey. A similar survey of nearly four hundred members of Gambler's Anonymous showed that 57 percent admitted stealing to finance their gambling. Moreover, the amounts are not small. On average, they stole \$135,000, and total theft was more than \$30 million, according to Henry Lesieur, of the Institute of Problem Gambling, before the National Gambling Impact Study Commission, Atlantic City, New Jersey, January 22, 1998. The National Gambling Impact Study Commission's final report, issued in June 1999, reported that among those who did not gamble (i.e., had not gambled in the past year), only 7 percent had ever been incarcerated. In contrast, more than three times this number (i.e., 21.4 percent) of individuals who had been pathological gamblers at any point during their lifetime had been incarcerated.

By studying the social costs connected with the activities of pathological gamblers, we can determine the average cost to society of an additional pathological gambler. The same procedure can be applied to problem gamblers. Combining what is learned with information about the number of problem and pathological gamblers provides cost figures for the entire society. The advantage of this procedure is that problem gamblers are an available object of investigation and have been increasingly studied; the disadvantage is that it overlooks social costs that do not derive from problem and pathological gamblers.

The second route to social cost looks directly at the levels of cost-creating activities such as crime, suicide, and bankruptcy. If areas with casinos have higher crime rates due to the casino, for example, this can be identified statistically. The direct route has the advantage that it considers more costs than just those caused by problem and pathological gamblers. On the other hand, the direct route is often difficult because it requires a sufficiently good sample of social statistics. It is often difficult

crime. Econometricians talk of “the Iron Law of Econometrics,” which says that estimated coefficients tend to be too low when the underlying data is measured imperfectly, a problem that is nearly always present to some degree. In many cases, such as suicide, the cause of the suicide may not be recorded at all. Relatively few studies of the effect of casinos on crime exist, and there is one national study on the effects of gambling on bankruptcy. For many other social costs, no direct studies exist.

In this chapter, we report social cost estimates derived from the study of problem and pathological gamblers. In most studies, problem and pathological gamblers were studied as a group. Because the social costs associated with a pathological gambler normally exceed those of a problem gambler, combining the two groups produces an estimate of social costs that lies between the costs of each. In the remainder of this chapter, we will continue to distinguish between problem and pathological gamblers when possible. In summarizing the literature, we will assign to pathological gamblers the results of studies that combined groups, which probably understates the social cost of a pathological gambler. In addition, many studies report that they consciously chose to understate the costs of social problems they found when choices had to be made, and that their numbers should be treated as conservative. For this reason, too, the social costs that are available may understate the true average cost to society of an additional pathological gambler. Lastly, not all social costs were estimated by some studies, and some social costs were not estimated by any studies. To the extent that social costs are omitted, the totals represented in this chapter also tend to be understated.

Social science rarely gets to study a situation where all variables can be treated in a controlled experiment the way they frequently can be in hard science. If not handled well, there are two issues that can cause the estimates of social costs to be inaccurate: the presence of multiple causality and sampling error. We have already discussed the problem of multiple causes of bankruptcy and the need to identify the separate contribution of casino gambling, for example. The issue sometimes appears under other names. In the medical profession, *co-morbidity* refers to situations where individuals suffering from one disease also suffer from others as well. Which disease killed the patient? In the present context,

are the problems of an alcoholic, drug-using gambler due to gambling or to substance abuse?

Research has found that many of the problems associated with gambling rise with the degree of pathology, but that other causal factors are also present. For example, the problem of job loss was reported by only 4 percent of low-risk, nonproblem gamblers who had been employed during the previous year, but was reported by 10.8 percent of problem gamblers and 13.8 percent of pathological gamblers.²³² After allowing for other factors that would lead to job loss that also were evident in the problem and pathological groups, it was predicted that the prevalence of job loss would have been 5.5 percent among problem gamblers and 5.8 percent among pathological gamblers. The role of pathological gambling, therefore, was to raise the rate of job loss from 5.8 to 13.8 percent, not from 4.0 (observed in nonproblem gamblers) to 13.8 percent that a less careful study might have inferred.

Many individuals suffering from gambling-related problems have no history of other problems, others do. With a representative sample of both types of individuals, it is possible in principle to identify the (possibly different) consequences of gambling on *both* groups. Schwer et al. (2003), for example, reported per individual average annual social costs of \$19,324 for their sample of 93 individuals with gambling problems, whereas the thirty-nine saying that they did not have other addictions had costs only eighty-eight percent as high, at \$17,056. The only comorbidity statistics currently available on the connection between pathological video-poker playing and other disorders from a South Carolina study show that although there is overlap, it is far from complete. The study found, for example, that 30 percent of pathological gamblers suffered from alcohol abuse, 70 percent did not; 18.75 percent suffered from drug abuse, 81.25 percent did not; 57.5 percent suffered from depression, 42.5 percent did not. Also reported were the figures for eating disorders (23.75 and 76.25 percent), compulsive shopping (22.5 and 77.5 percent), and bipolar depression (12.75 and 87.25 percent). In contrast, the percentages of pathological gamblers who engaged in behavior that was found to be “due to gambling” were as follows:

Grinols, E. L. (2004). Gambling in america : Costs and benefits. Retrieved from <http://ebookcentral.proquest.com>
 Created from file on 2019-05-21 08:32:10
 wrote bad checks, 74.4 percent; stolen from work, 37.1 percent; arrested,

41 percent; filed for bankruptcy, 25.7 percent; missed work, 71.4 percent; lost or quit job, 27.1 percent; suicidal ideation, 77.5 percent; and suicide attempts, 18.75 percent.²³³

A second problem that researchers must be careful to account for is the problem that their sample of problem and pathological gamblers may be unrepresentative of other problem and pathological gamblers. For example, if pathological gamblers who seek treatment are systematically different than pathological gamblers in general, then an uncritical extrapolation of their social costs would not be representative of social costs that apply to all pathological gamblers. For example, if pathological gamblers who commit the more damaging types of crime do not respond to surveys, crime costs based on sampled pathological gamblers would likely understate the true costs. If pathological gamblers in treatment are more likely to suffer from other disorders than those who do not seek treatment, assigning some of their costs to other disorders will again understate the share of costs due to pathological gambling in the general population. Most studies are aware of these problems and acknowledge the need to take them into account where they apply.

Table 7.1 lists the findings of nine studies that provide original research on the gambling social costs discussed in this chapter.²³⁴ The first row lists the location studied, the authors, and year of publication. Costs are distributed down the column according to type. All dollar figures are converted into common year 2003 dollars using the Consumer Price Index for urban consumers (CPI-U).²³⁵ Of the studies, Gerstein et al. (1999) study the fewest number of costs,²³⁶ estimating only lost time and unemployment, illness, and social service costs. On the other hand, it is the only study to provide data on illness. The right-hand column contains row averages for those studies with entries. The sum across averages, representing the estimate of the annual cost to society of one *pathological* gambler, is \$10,330.²³⁷

Table 7.2 replicates for problem gamblers the information in Table 7.1. As the table shows, the annual cost to society of a single problem gambler is \$2,945 in 2003 dollars. This figure represents only a partial cost estimate. Estimates for four of nine categories of social costs are not available.

In Chapter 8 we consider the implications of the social-cost figures.

TABLE 7.1. Social Costs per Pathological Gambler: 2003 \$

	MD	FL	WI	CT	SD	LA	US	SC	NV	Adjusted Row
CRIME					SD Leg.					
Apprehension and Increased Police Costs				\$41	\$1,129	\$34		\$65	\$51	\$224
Adjudication (Criminal and Civil Justice Costs)	\$3,619		\$733	\$568	\$31	\$420		\$266	\$46	\$344
Incarceration and Supervision Costs	\$5,724	\$18,898	\$450	\$508	\$431	\$447		\$252	\$173	\$3,023
BUSINESS AND EMPLOYMENT COSTS	\$22,803									
Lost Productivity on Job			\$1,506	\$1,833		\$82		\$605	\$1,457	\$715
Lost Time and Unemployment						\$3,511	\$353	\$1,125	\$1,529	\$1,643
BANKRUPTCY										
SUICIDE			\$306					\$66	\$381	\$251

	MD	FL	WI	CT	SD	LA	US	SC	NV	Adjusted Row
	Politzer et al., 1981	Office of Gov., 1994	Thompson et al., 1996	Thompson et al., 1998	SD Leg. Research Council, 1998-99	Ryan et al., 1999	Gerstein et al., 1999	Thompson, Quinn, 1999	Schwer et al., 2003	Averages for 1994-2003 Studies
ILLNESS							\$773			\$773
SOCIAL SERVICE COSTS										
Therapy/Treatment Costs			\$260	\$65	\$85	\$256	\$33	\$46	\$148	\$128
Unemployment and Other Social Service (Including Welfare and Food Stamps)			\$360	\$555	\$620	\$39	\$160	\$178	\$99	\$287
GOV'T DIRECT REGULATORY COSTS										
FAMILY COSTS										
Divorce, Separation								\$62		\$62
ABUSED DOLLARS	\$29,055		\$2,258	\$5,442	\$271	\$2,056		\$1,362	\$5,892	\$2,880
										\$10,330

WI, CT, SC, and NV figures were adjusted by the author to correct for multi-causality according to Schwer et al. (2003) findings. WI, CT, LA, SC, and NV figures were adjusted by the author for sample selection bias according to Ryan et al. (1999) findings.

Table 7.2. Social Costs per Problem Gambler: 2003 \$

	LA Ryan et al., 1999	US Gerstein et al., 1999	SD SD Leg. Research Council, 1998–99	Adjusted Row Averages, 1998–99
CRIME				
Apprehension and Increased Police Costs	\$16			\$16
Adjudication (Criminal and Civil Justice Costs)	\$198			\$198
Incarceration and Supervision Costs	\$210			\$210
BUSINESS				
Lost Productivity on Job	\$39			\$39
Lost Time and Unemployment	\$1,747	\$221		\$984
BANKRUPTCY				
SUICIDE				
ILLNESS				
SOCIAL SERVICE COSTS				
Therapy/Treatment Costs	\$121	\$398		\$259
Unemployment and Other Social Services (Including Welfare and Food Stamps)	\$18	\$171	\$620	\$270
GOV'T DIRECT REGULATORY COSTS				
FAMILY COSTS				
Divorce, Separation	\$968			\$968
ABUSED DOLLARS	\$3,318	\$790	\$620	\$2,945
	48.5%		59.8%	

Percent of corresponding study's pathological gambler cost.

LA figures were adjusted by the author for sample selection bias according to Ryan et al. (1999) findings.