

Testimony Regarding House Bill 4083, February 5, 2012

David Elsbernd, Board Member of Voices for Problem Gambling Recovery (VPGR)

I would like to testify in favor of House Bill 4083.

House Bill 4083 would clarify the Oregon State Lottery Commission's role. Why is this important? The lottery has the unenviable task of maximizing profits while at the same time minimizing the harm done to Oregon citizens. In these financial times, the Lottery receives a great deal of pressure to provide as much revenue as possible to the state. According to statute, this must be 'commensurate with the public good'. However, due to the pressure to maximize profit, this 'public good' has seemingly been defined as 'maximizing profits', often at the expense of problem gamblers. Three to five percent of Oregon citizens potentially have a problem with gambling. This can result in losses which reach into the six and even seven figures for some gamblers. The problem to gamblers is severe: besides the financial losses, besides all the turmoil caused, pathologic gamblers have a higher rate of suicide than drug addicts, alcoholics, and those with other mental illnesses. The state should not profit on the misfortune of these gambling addicts.

Why do I think the Lottery needs firm guidance from the legislature? The lottery has a history of marketing to younger and younger folks. Their campaigns include bigfoot at a birthday party, monopoly scratch-offs, the 'What's in Santa's beard' promotion, and the aborted Orcade website seemingly targeting children. Lottery advertising material is often posted below the counter, right at child level, and lottery ticket displays are cut into the counter with a glass front where they are at eye level for a child. When our organization and others have pointed out that a campaign is potentially exploitative to young people, the Lottery has sometimes responded to public pressure. However, this has not prevented them from bringing out additional questionable marketing campaigns.

Cigarettes are regulated to prevent marketing to children, which is why Joe Camel was banned from the airways. Ads for alcohol cannot show the act of drinking, and alcoholic contests are banned by the Liquor Control Commission, which provides some protection for young people. The Lottery should also be cognizant of its duties to minimize harm, which for a government agency is more important than maximizing profit.

Right now, the Lottery practices are intended to maximize revenue without taking in to consideration the cost from an accounting standpoint. If the cost to Oregonians is as great as the revenue, as some researchers have reported, this is not beneficial to Oregon. It is time to step back and provide a more balanced approach, which will maximize the public good at the same time as providing a revenue stream. I believe this bill does an excellent job of implementing this, and I strongly urge your support.

David Elsbernd