

HB 2549 Testimony

Authorizes Oregon State Lottery Commission to issue registrations to fantasy contest operators to organize or offer fantasy contests.

Chair Paul Holvey and members of the House Committee on Business and Labor,

The Oregon Lottery has expanded well beyond its initial mandate to sell pure lottery tickets, branching off into video lottery terminals, scratch-offs, and raffles. Continued expansion into fantasy sports is not warranted or desirable, as we don't want Oregon to be a gambling mecca. Asking the Lottery to regulate fantasy sports is like asking the cigarette companies to regulate themselves. It's a conflict of interest. Oregonians don't want this – only 12% believe the Lottery should expand to the internet. Asking a vendor to design a non-gambling form of fantasy sports is also unrealistic, as a private corporation's first duty is to produce a profit for the shareholder, not to produce a socially responsible product.

The state does not sell alcohol, cigarettes, weed. It is unseemly for the state to profit from products that potentially cause citizens harm. Unlike a business, the state's purpose is not to make a profit. The state's primary purpose is to insure the well-being of its citizens. It seems the motivation for the Lottery's involvement in fantasy sports is to profit from the fortunes or misfortunes of overenthusiastic sports fans. This is not seemly, any more than the state pushing cigarettes would be seemly.

The economic and social costs of gambling to the state and its citizens have been shown to be least as great as any possible economic benefit. Inasmuch as fantasy sports is a gambling activity for a large number of participants, it only adds to the problem.

Problem Gambling cuts across all socioeconomic and age groups, and can cause any susceptible person to destroy their finances, marriage, possibly run afoul of the law, or even drive them to suicide in despair of ever conquering a gambling addiction. However, using the Lottery to promote fantasy sports targets a new group not drawn to traditional Lottery games, that of young men. Sports fantasy will create more gambling addicts and more pain. And it's a form of gambling that is particularly attractive to teenage young men.

Video Lottery Terminals are the most addictive form of gambling in Oregon. However, the advent of electronic and internet gambling may be even worse, due to its ubiquitous nature. Please do not allow this measure to give fantasy sports a foothold in Oregon.

David Elsbernd, Board Member
Voices of Problem Gambling Recovery

Problem Gambling in Oregon and Public Health Concerns

Over 80,000 Oregonian adults have gambling problems, and most affected prefer Oregon Lottery games.

- ✂ One in every 37 Oregon adults meets the criteria for being current problem or pathological gambler (*Moore, 2006*).
 - ✂ Most Oregonians in problem gambling treatment (7 in 10) report preference for video lottery retailers (*Oregon Health Authority, 2012*).
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Problem gambling is connected with other addictions and is costly to Oregonians.

The estimated annual social costs of problem gambling to Oregonians is approximately **\$508 million annually**, while we are only spending about \$4 million per year to prevent and treat the problem (*Oregon Council on Problem Gambling, 2012*). The following are data from problem gamblers in Oregon's gambling treatment system (*Oregon Health Authority, 2012*):

- ✂ **Financial Debt:**
Problem gamblers reported an average of more than \$30,000 in personal gambling debts.
1 in 4 gamblers experienced serious job-related problems.
Half (47.3%) reported their gambling cost them a marriage or significant relationship.
 - ✂ **Alcohol Abuse:**
About 3 out of 10 problem gamblers admit to struggling with alcohol.
 - ✂ **Suicide:**
1 in 10 made a suicide attempt within six months to entering treatment.
 - ✂ **Crime/Legal Issues:**
1 in 4 admitted they committed crimes to attain gambling money.
One in ten reported legal problems.
 - ✂ **Drug Use:**
1 in every 10 problem gamblers admits to having a serious drug problem.
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Youth gambling is a growing concern and is connected to other risky behaviors.

One in every 25 Oregon teens (ages 13-17) is at risk for, or meets the criteria for, problem gambling (*Volberg, 2007*).

Youth gambling and other risky behaviors are connected. (*Source: Oregon Health Authority, 2012*) Oregon Student Wellness Surveys from 2012 for 6th, 8th and 11th grade students show that kids who gamble are than those who don't are at (x 2) **twice** the risk to:

- ✂ have **abused alcohol + binge drank** in the past month.
- ✂ have **attempted suicide** in the past year.
- ✂ have **used marijuana** in the past month.
- ✂ have **skipped school** in the past month.

Gambling itself may not *cause* these other behaviors, but is highly correlated. There is increasing need for public awareness of problem gambling, in addition to more research needed on the effects of newer forms of gambling (particularly electronic and mobile gambling). Prevention and treatment efforts are seen as effective and vital in helping mitigate problem gambling.