

To: Oregon House Committee on Business and Labor
From: Kitty Martz, MBA, CGAC II, CGRM
Date: September 17, 2019
Re: Concerns about “Scoreboard” launch by Oregon Lottery

As a professional who works in the problem gambling recovery field and an advocate for the current 100,000+ individuals who experience problem gambling disorder in Oregon, I am requesting to please **go on record with the following concerns about the Oregon Lottery and their launch of a state-operated digital sports gambling platform.**

It is my understanding that the intent of this initiative is to bail out the imminent PERS deficit. The estimated revenue (less than \$40 million in the next 3 years) from this platform scarcely makes a dent in that deficit, though **digital sports gambling in Oregon is not a way to generate revenue that is “commensurate with public good”.** *What forecasts have been made by the lottery as to the social costs related to increased addiction rates with increased access?*

The Oregon Legislature discontinued the first iteration of sports gambling in 2007 and illegal “gray machines” in 1992 to introduce Video Lottery terminals – *why would it not, then, be a legislative issue to essentially put a gambling device in the hand of every Oregonian? What legislation approved this? When were taxpayers consulted and given the opportunity to make an informed decision?*

There have been no administrative rules established (even temporary ones) and there will not be any released until months **after the platform launches** (originally scheduled for this month). *The process has been haphazard. Why?*

If you allow the lottery to go ahead with this platform, winnings will be in the form of currency, transferred directly to players, **a violation of the Oregon constitution** (Article XV, Section 4).

Smart phones and personal computers would now function as “gambling devices”, yet the Oregon Lottery surely will not function as an agent of the **Department of Revenue to collect the associated annual fee** (appx \$175) that tax code requires of retailers who host gambling devices in the form of Video Lottery Terminals at their venues.

There has not been an adequate examination of the social costs (e.g. crime, bankruptcy, increased dependence on government subsidy programs, etc.) that online sports gambling will cause. It takes three co-occurring variables to develop a problem gambling disorder: money, time and access. With this new platform, **players can instantly transfer large amounts of currency for solitarily play twenty-four hours per day.** Countless studies have correlated increased access with gambling addiction. *The lottery will tell you that players can place a limit on both their maximum wagers and losses. Please ask them how high that limit can be. Please ask them how self exclusion on the app is helpful when players will be able to gamble anonymously at brick & mortar venues at the beginning of 2020.*

It's unfathomable that the percentage of people with gambling disorder won't increase from the estimated appx. 3% that are currently diagnosed in the state. Yet the 1% of revenue that is, by law, earmarked for treatment and prevention has not been addressed when it comes to Scoreboard. **No monitoring plan for addiction research has been discussed, no disclosure of data or commitment to valid, reliable research results will be available to IMPARTIAL third parties to monitor.**

Of grave concern, this app effectively **targets and negatively impacts individuals in vulnerable and protected classes.** I work with a significantly higher percentage of homeless, disabled, older adult and non-Caucasian clients than is on par with our state demographics. With the availability of handheld gambling devices now being endorsed by our state government, **specific groups of individuals are going to suffer disproportionately.** Whether it's from generational trauma, chronic physical pain, loneliness/isolation, socioeconomic marginalization or a multitude of other challenges, **the people we are meant to honor and protect are going to be victimized by this regressive "tax" on the vulnerable.**

Despite the lottery's robust insistence to the contrary, "responsible gambling" features on current Video Lottery Terminals are perfunctory, at best. **There is no administrative rule that requires the lottery to allow a player to permanently exclude oneself from using the products.**

As a gambling treatment professional and a nationally recognized research presenter, I have attempted to establish a baseline of current Video Lottery Terminal winners' ages (and thus, players' ages). **This effort has been met with abject stone-walling.** My attorney received a confirmation of receipt for my public records request of **August 14th, 2019** but still no data, over a month later. ***The lottery will tell you that the ages/genders of players is personal player data, yet they are launching a platform that targets young men. Why would a professional like myself not be permitted to monitor demographic information? And if not me, who is?***

I, and other advocates, have brought these issues to the Oregon Lottery Commission and to lottery-related legislative sessions every opportunity possible for the past year. Our concerns have not been adequately addressed. They are operating unfettered and are not in a way that is "commensurate with the public good".

You will be told that neither the Governor, nor the lottery, intend to segue this platform into high transactive velocity games in the future. Please hold them to it and consider both sponsoring legislation in February to reverse this initiate and prevent further introduction of deliberately engineered addiction to our great state by outlawing line games on personal hand held devices.

Thank you,

Kitty Martz, MBA, CGAC II, CGRM
(503) 888 - 1583