



FASTFACTS ON GAMBLING



ADDICTIONS
FOUNDATION
OF MANITOBA

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FASTFACTS ON GAMBLING

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INTRODUCTION TO FASTFACTS ON GAMBLING

Gambling is a controversial topic in today's society. Some people enjoy the thrill of a chance to win, or they simply like the entertainment a game brings. Others have no use for any kind of gambling activity, believing that the lure of the big win will cause players to become addicted.

In recent years, many provinces (including Manitoba) have expanded their gaming activities. All are involved in the sale of lottery tickets, while several others have introduced commercial casinos and video lottery terminals. Such activities raise a great deal of revenue for the provinces. It is this expansion that is sparking people's interest in the topic, as gaming is now more available to those who wish to participate.

To provide a source of information for those researching the topic of gambling, the Addictions Foundation of Manitoba (AFM) has produced this book, called *FastFacts on Gambling*. The book does not take sides in the gambling debate; instead, it offers a collection of facts and statistics on gambling, ranging from a historical perspective to the impact of problem gambling on individuals and families.

During our research, we discovered that, in some areas (gambling and the Internet, for example) information is just starting to become available because the phenomenon is so new. Other topics, such as the habits and consequences of problem gambling, are well covered in the gambling literature. For much of the content, we relied upon secondary sources and on the assistance of individuals who work in the industry in some capacity. We have attempted to identify all original sources in the endnotes so that readers can obtain more information if desired.

The information offered in *FastFacts* is not intended to be comprehensive or exhaustive. It is designed to be a quick reference tool, highlighting commonly asked questions or presenting interesting facts uncovered during the research phase.

For additional information about gambling, visit or contact the AFM library at 1031 Portage Avenue, Winnipeg (phone: 204-944-6233). For more information on AFM's Gambling Services, contact one of the AFM offices listed on page 54, or call Gerry Kolesar, AFM's Provincial Coordinator for Gambling Services at 944-6200.

TERMINOLOGY

Over the years, researchers in the gambling field have used various terms to describe individuals who have problems with gambling. When we report on the results of a study in this book, we use the term chosen by the original researchers. Therefore, readers will notice the following terms used throughout this book:

- problem gambler
- pathological gambler
- compulsive gambler
- probable pathological gambler
- disordered gambler
- addicted gambler

COMMON ACRONYMS

The following acronyms have been used in this book:

AFM	Addictions Foundation of Manitoba
ILC	Interprovincial Lottery Corporation
MGCC	Manitoba Gaming Control Commission
MHRC	Manitoba Horse Racing Commission
MLC	Manitoba Lotteries Corporation
WCLC	Western Canada Lottery Corporation
VLT	Video Lottery Terminal

Chapter One

DEFINING GAMBLING

Where does the word “gambling” come from?

The word “gambling” is rooted in the Anglo-Saxon word “gamenian,” meaning “to play” or “to sport.”¹

What is gambling?

The definition used by the Addictions Foundation of Manitoba is: Any gaming behaviour involving the risking of money or valuables on the outcome of a game, contest or other event. The outcome of the activity is partially or totally dependent upon chance.

In his book, *The Internet Gambling Report*, Anthony Cabot defines gambling as any activity that involves all three of the following elements: a prize, chance and consideration.²

A prize represents anything of commercial value. So, receiving a gift certificate would be a prize, but being declared champion of a contest would not.

The element of chance refers to the amount of skill involved. Even if some skill is needed to play, the activity is considered gambling if chance predominates. A game such as chess, for example, relies completely on skill and so is not considered gambling. Slot machines, on the other hand, work on pure chance and are the quintessential gambling game. (It should be noted, however, that one can gamble on the *outcome* of a game of skill, such as chess.)

The final element, consideration, must be something of intrinsic value – usually money. There can be a lot of grey area in determining what constitutes consideration. For example, going to a store to pick up a contest entry form and then putting a stamp on it would not represent consideration, even though it involves a small cost.

Would entering a contest be considered gambling?

As Cabot explains, if a person can enter a contest or promotion without being required to purchase a product or service, it is not considered gambling. But if the person who

purchases something has a better chance of winning the prize – by receiving additional entry forms, for example – it would be considered gambling.³

Is someone who says “I’m taking a real gamble on this new job” gambling?

While many people refer to everyday decisions as “a gamble,” they are not considered to be gambling. For example, taking a gamble on a new job or crossing a busy street may be risky, but they are not gambling as such.⁴

Is putting money into risky stocks gambling?

Researcher Robert Wildman II writes that some activities, such as stock market and real estate speculation, occupy a “grey area” and refers to them as “quasi-gambling behaviours.”⁴

On one end of the continuum are the people who put money into RRSPs each year. Even though there is some risk involved, these people are not gambling, but planning for the future.

On the other end of the continuum are those who play the market because they want to make a quick profit, or because of the excitement it gives them as they experience the highs and lows of the rising and falling stock prices. The Council on Compulsive Gambling of New Jersey’s website says that, for this type of gambler, “investment goals are unclear.” It suggests that an individual has “crossed over the line from investing to gambling” when the activity starts to affect relationships with spouse, family or employer, or when it causes financial problems.⁵

Perhaps a publication by the Alberta Alcohol and Drug Abuse Commission, which comments on the prevalence of gambling on stocks, options and commodities, best states the situation: “...the current research lacks a common agreement on where gambling ends and other forms of risk-taking begin, and the research community needs to address the issue.”⁶

What is the difference between gaming and gambling?

The two terms are sometimes used interchangeably, but they have separate meanings. Gaming refers to the playing of such games as checkers, chess and backgammon, while gambling refers to the act of wagering on an event's outcome.⁷

What different types of gambling activities are available?

A few of the more common games are described here.⁸

Wheel of Fortune: On the outer edge of a wheel of fortune, various symbols and groups of symbols are found. Common symbols used are spades, clubs, hearts and diamonds. The wheel is spun and a marker lands on one of the symbols or groups of symbols. Before the wheel is spun, players bet on which symbol the marker will land on.

Blackjack: Blackjack is a card game common in casinos in which players try to achieve a higher card count than the dealer without exceeding 21. Players place their bets before receiving any cards from the dealer.

Poker: Poker is a card game and there are many forms of play, common ones being seven card stud and draw poker. The object of most of the forms of play is to obtain a better poker hand than opposing players.

Poker hands, from lowest to highest, are: high card, pair, two pair, three of a kind, straight (any five cards in a sequence regardless of suit), flush (five cards of the same suit), full house (a pair and three of a kind), four of a kind, straight flush (five cards in sequence of the same suit) and royal flush (straight flush to the ace).

Monte Carlo Casino: A Monte Carlo casino is a casino held to raise money for a worthy cause. The sponsoring organization does not profit from the proceeds. In Manitoba, a maximum of four table games are allowed consisting of blackjack and wheels of fortune. A Monte Carlo casino is held in conjunction

with another event. For example, a town may hold a centennial event at which a Monte Carlo casino is set up to raise money for a charity group.

Roulette: The game of roulette has a large wheel divided into 38 sections. As well as being assigned a number, each section also has a colour – red, black or green. The roulette operator (known as a croupier) throws a little ball into the spinning wheel, which eventually drops into one of the numbered sections. Before the spin, players lay their bets on a table that has numbered and coloured sections corresponding to the wheel. Players can bet on a number, a colour or a combination of numbers.

Baccarat: In baccarat, a dealer deals two hands of two cards, face down. One hand is referred to as “the banker’s hand” and the other is called “the player’s hand.” Players bet on the hand they think will have a point total closest to nine.

Bingo: Players use a bingo card with labelled boxes arranged in rows and columns. A bingo caller draws numbered balls randomly from a bin. Players match the numbers called to numbers on their cards, trying to complete a pattern. Players completing a pattern using the fewest numbers within a certain time frame are winners.

Keno: In keno, players choose anywhere from one to 10 numbers on a keno card, which is then turned in to a “runner” or to a betting window. After all the tickets for a round of keno are registered, 10 out of a possible 80 available numbers are randomly drawn. To win, some of the players’ numbers must match some of the numbers drawn, just like in a lottery. Keno is now also played electronically; players use a screen to choose their numbers and the winning numbers are then posted on the screen.

Sports Draft: In sports drafts, which are run by charitable organizations, participants pay an entry fee to choose a number of players from a sports league to form their own “team.” (Players chosen come from a variety of actual teams in the league.) In the example of a hockey draft, the goals and assists achieved by the

A Selected Vocabulary of Cheating in Gambling

The following definitions of gambling jargon provide an entertaining look at the secret world of the unscrupulous gambler. These “insider” gambling terms were gathered through interviews and participant observation in Las Vegas between 1978 and 1986.

High belly strippers	Cards (usually face cards) that have been trimmed and sized along the long side in such a fashion that the dealer knows which cards have the highest value.
Check copping	Stealing chips from a stack by holding them to the palm of the hand with a paste.
Glim worker	Cheater who uses a mirror to see the undersides of cards as they are being dealt.
Pin gaff	Small pin or hog bristle embedded in the edge of a die to affect the roll on a blanket or felt.
Pipe salesman	Honest player; a square john, though not necessarily a sucker or pigeon.
Juice-joint	Gambling house that uses electricity to control magnetized dice.
Breastworks	Metal contrivance worn under a shirt, vest or jacket for holding a card or cards until needed.

Source: “Your cheatin’ hearts.” The Wager. Massachusetts Council on Compulsive Gambling. October 13, 1998. 3(41). Citing a second source: Clark, T.L. “Cheating terms in cards and dice.” American Speech. 1986. 61(1). pp. 3-32.

players on a participant’s “team” are added up. At the end of the season, the participant whose team has the most points wins a prize derived from the entry fees. It could be an article of value, money or both. Remaining money raised goes to a worthy cause. Sports drafts are also available for sports other than hockey.

Video Lottery Terminals and Slot Machines: VLTs are coin operated, free-standing electronic terminals on which computerized games of chance are played. Players put coins into the terminal in order to play the game. Winnings are registered as credits that can be played or collected by taking a “pay slip,” which is dispensed by the machine, to a cashier. Slot machines are similar to VLTs except that pay-outs are in the form of coins that drop into a trough on the machine. The types of games available on VLTs are many and varied. Some common ones are in the “match 3” format, in which players try to match the symbols in three windows. Examples include Lucky 7s and Breakaway. In the video poker format, games include Joker Poker, Deuces Wild and Jacks or Better.

Touch Tote Machines: Touch tote machines are available at Assiniboia Downs in Winnipeg. With these machines, bettors can bet on live races taking place at the track or on live races occurring in various locations across North America that are available through simulcasting. (For a definition of simulcasting, see page 35 in Chapter Six.) To play a touch tote machine, bettors must obtain a voucher from a pari-mutuel seller. The voucher is then inserted into the machine, establishing a cash balance against which the bettor can wager. Touch tote machines are under the jurisdiction of the Canadian Pari-mutuel Agency, a federal agency responsible for supervising, regulating and controlling betting on horse races.⁹

Video Tote Machines: Video tote machines are special video lottery terminals (VLTs) upon which a bettor can wager on a live horse race occurring at Assiniboia Downs. Bettors obtain a voucher from the VLT counter, then use the voucher in the video tote machine to make a bet on the race. The video tote machine is equipped with a television screen so bettors

can watch the race. Video tote machines also have other VLT games which the bettors can play while watching the race.⁹ Video tote machines are under the jurisdiction of the Manitoba Lotteries Corporation.

Raffles: People who buy raffle tickets are buying a chance to win an item of value or cash or both. The winning ticket is drawn from all tickets purchased. For example, charity groups often hold raffles for a new car, which is sometimes put on display in a mall near a table where tickets are being sold. A 50/50 draw is a raffle wherein half the money raised through ticket sales is awarded as the prize.

Lotteries: The Collins Paperback English Dictionary describes a lottery as “a game of chance in which tickets are sold, which may

later qualify the holder for a prize.” Using this definition, both raffles and keno would be considered lotteries. However, when Manitobans buy lottery tickets, they usually mean one of the tickets sold through the Manitoba Lotteries Corporation, including: Lotto 6/49, Pogo, Super 7 and various scratch and win tickets.

What are the odds of winning in some of these different games?

Lotteries: The odds of winning a lottery are determined mathematically. For example, in Lotto 6/49, six numbers are picked out of a pool of numbers between one and 49. The number of potential combinations is almost 14 million. Therefore, the odds of winning the jackpot on a single ticket are one in 14 million.¹⁰ It does not matter how many tickets are sold. If more tickets

Odds of Winning the Lottery					
<i>Source: Western Canada Lottery Corporation</i>					
GAME	HOW TO PLAY	COST	TOP PRIZE	ODDS: TOP PRIZE	ODDS: OTHER PRIZES
Lotto 6/49	Pick 6 numbers from a possible 49 numbers	\$1 for one 6 number selection	\$2.0 million or more	1/14 million	1/53 Prizes start at \$10
Western 649	Pick 6 numbers from a possible 49 numbers	\$1 for 2 selections	\$1.0 million	1/7.0 million	1/27 Prizes start at \$10
Super 7	Pick 7 numbers from a possible 47 numbers	\$2 for 3 selections	\$2.5 million and more	1/21 million	1/6 Prizes start with free tickets
Western	Scratch to see numbers <small>A total of 12 million tickets are produced</small>	\$1	\$25,000	1/1 million	1/4.5 Prizes start with free tickets
Blackjack	Scratch to see numbers <small>A total of 13.2 million tickets are produced</small>	\$1	\$21,000	1/500,000	1/4.8 Prizes start at \$2
Instant Bingo	Receive a callers card & 4 players cards <small>A total of 3.0 million tickets are produced</small>	\$3	\$20,000	1/500,000	1/3.86 Prizes start at \$3

are sold, the jackpot will be larger and the potential number of people who can win will increase, but the odds of winning on a single ticket don't.¹¹

A player can increase the odds of winning the jackpot by buying more tickets. However, the odds against winning are still astronomical. For example, if an individual buys 20 tickets per week for 52 years in a row, he will have spent \$54,989, but would still only have a 1 in 270 chance of winning the jackpot.¹²

Video Lottery Machines and Slot Machines:

VLTs contain a processor board that holds a game program. Each VLT has its own game program which operates independently from all other VLTs. Each program has its own random number generator, which determines wins and losses. Pay-outs for Manitoba's VLT game program are formulated and tested over 10,000,000 game cycles by both the manufacturers and an independent testing laboratory. Getting a random number from a VLT is just that – random. There is absolutely no order or pattern to the appearance of the numbers, and there is no way to predict which number might come up next.¹³

The pay-back for VLTs and slot machines work on percentages. For example, some casinos in Las Vegas, where competition is high, offer machines with a 99 per cent pay-back. This means that for every \$1 put in, players will theoretically get 99¢ back. (It does not mean that they have a 99% chance of winning.) In Manitoba, advertised VLT and slot machine pay-outs range from 92% to 96%.¹⁴ To put it another way, this means that for every dollar wagered in cash or credit, 8% will be lost to the machine over time.

In his research, Winnipeg Sun reporter Donald MacGillivray found that actual cash pay-outs are less than the advertised 92-96%. That's because players don't have to cash out – they can continue playing on credits. The VLT computer chips count accumulated credits as pay-outs even when these credits are not cashed out. Thus, a player may put in \$1 and win a number of times until he or she has accumulated the equivalent of \$10 in credits. Then the player may lose all the credits again and come out with nothing. The advertised pay-out percentages reflect these credits won even though the player did not cash them out.¹⁵

Roulette: In roulette, there are 38 numbered boxes (1 to 36, 0 and 00) into which a ball may fall on any one spin of the wheel. If you bet \$1 on any single number and win, you will be paid \$35, a pay-off of only 35 to 1, even though the true odds are 38 to 1. This means that the house edge is 5.26%. Ivan Solotaroff translates this in his article, *The Book on Gambling*: "If you're betting \$100 an hour on roulette in Las Vegas you will, in the long run, lose an average of \$5.26 an hour."¹⁶

Blackjack: The house take in blackjack can be as high as 20% if the player is inexperienced to as low as 1.2% if the player knows perfect strategy. (Perfect strategy involves playing in a predetermined fashion, taking into account your hand and the dealer's up-card.) Only card counters, who are few and far between, have a hope of completely evening the odds or achieving a very slight advantage in this game.¹⁶

Against All Odds

Lotto 6/49 is a popular lottery. This chart shows the chances of a single ticket winning a Lotto 6/49 jackpot compared to the probability of experiencing several other life events:

Winning the Lotto 6/49 jackpot	1 in 14,000,000
Dying in a bathtub this year	1 in 1,000,000
Dying from a flesh-eating disease	1 in 1,000,000
Being killed by someone's dog	1 in 700,000
Being electrocuted this year	1 in 42,852
Being murdered this year	1 in 42,852
Dying in a fire this year	1 in 31,031
Being killed in a car crash this year	1 in 7,895

Sources: The last four probabilities are derived from Nova Scotia statistics for 1992 ("Mortality – summary list of causes," Statistics Canada). The second, third, fourth and fifth are from "Worry not...consider the odds" by Brad Evenson of the Ottawa Citizen, in the Calgary Herald. August 27, 1995. A9.

Chapter Two

MOTIVATIONS TO GAMBLE

Note: This chapter describes some of the different ways people can be involved in gambling, as well as motivating factors that may lead people to gamble. For specific demographic information about problem gamblers, see Chapter Seven.

Why do people gamble?

There are a number of reasons to explain why people gamble, and these reasons may change for an individual over time.¹ Some of these reasons are:

For Recreation/Fun: The complex mixture of anticipation and potential reward involved in gambling makes the activity exciting for many people. Waiting for the wager to be resolved can be as exciting as the actual win or loss for many gamblers.

To Win Money: Gambling is probably the only form of recreation that also offers people a chance to make money. Gambling activity is almost always attached, at some level, to winning money. Winning money is connected to a host of different meanings for people, including meeting basic needs, security, freedom, power and just enjoying “the good life.”

To Support Charities: Participants in fund-raising raffles or the hospital lotteries commonly held in Manitoba are both donors and players. This dual role – supporting good causes and taking a chance to win a large amount of money – is particularly attractive to many people.

For Social Rewards: Regular gamblers become members of a distinct social world in which the price of membership is sustained gambling. Social interaction with other players offers frequent contact with like-minded individuals who share a special language and who understand the rigours of playing that all regulars must face.

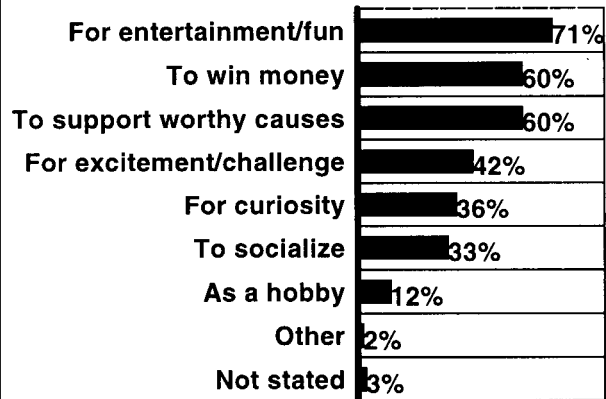
To Escape: For some people, gambling can provide an escape from current problems at home or work, or from the unpleasant emotional

states of anxiety or boredom. Gambling can also provide a positive mood modification effect or a good feeling that some people seek out through repeated gambling.

What are the main reasons Manitobans gamble?

A 1995 study of gambling in the general population in Manitoba asked respondents (those who had admitted to gambling at some point in their lives) why they gambled. Responses ranged from “entertainment or fun” (71%) to “as a hobby” (12%). Figure 1 shows the reasons why people gamble and the percentage of respondents who stated each reason for gambling.²

Figure 1: Why Manitobans Gamble



N=1106

Source: Problem Gambling Study: Final Report. Manitoba Lotteries Corporation. September 1995.

What types of gambling are there?

The Addictions Foundation of Manitoba identifies five types of gambling in its *Manitoba Problem Gambling Assistance Program*.³

Casual/Social Gambling: This type of gambling is a form of recreation. While hoping to win, casual/social gamblers have an overall expectation of loss and treat their losses as a cost of the entertainment. None of their self

esteem is wrapped up in gambling, so losses are handled without difficulty. Gambling is usually only one of a number of recreational options for a social gambler.

Serious Social Gambling: This form of gambling, while still recreational in nature, consumes more of the gambler's time, money and energy. Gambling is often the main or only form of entertainment. Gambling is still secondary to family and work involvements.

Problem Gambling: This form of gambling refers to all gambling behaviour that adversely affects a person's physical or mental health or that impacts on significant areas of a person's life, such as employment, family or financial health. It is characterized by increased preoccupation with gambling, some loss of control, chasing losses (continuing to gamble in the hopes of winning back losses) and significant increases in time and money spent on gambling.

Pathological Gambling: Very serious gambling problems are classified as pathological gambling. Some people will use the term "gambling addiction" or "compulsive gambling" to describe this level of involvement.

According to the American Psychiatric Association, the definition of pathological gambling is: "Persistent and recurrent maladaptive gambling behaviour that disrupts personal, family or vocational pursuits."⁴

Professional Gambling: This form of gambling is rare and has been included for completeness. It involves gambling at games that offer a chance of getting an edge on the ever present house advantage. Examples include professional blackjack players, professional horse race gamblers and professional poker players. These people approach gambling primarily as a business, not as a form of recreation. They are able to control both the amount of money and the time spent gambling.

What is the "continuum of gambling?"

The previous questions help to describe different types of gambling and what may motivate people to gamble. However, there is a trend to view gambling behaviour on a continuum.⁵ At one end of the continuum is infrequent, non-problem gambling. At the other end is pathological gambling. The vast majority of gamblers remain at the non-problem end of the continuum, participating as a casual or social gambler all their lives. Others move through various stages and end up experiencing the severe problems associated with pathological gambling.

The Addictions Foundation of Manitoba describes five levels of involvement. They are:

- non-involvement;
- irregular involvement;
- regular involvement;
- harmful involvement;
- dependent involvement.

Two more categories are transitional abstinence and stabilized abstinence or recovery. These two levels indicate movement back towards the non-involvement level on the continuum.⁶

Are problem gamblers aware that their gambling is causing trouble in their lives?

A study about the gambling participation of adult Albertans found that 53% of those respondents considered to be probable pathological gamblers were aware that their gambling was causing problems in their lives. Interestingly, though, only 22% of these gamblers indicated that they had ever wanted to stop gambling. Fewer still (only 11%) said they had ever sought help for a gambling problem.⁷

Are pathological gamblers addicted to gambling?

The American Psychiatric Association classifies gambling as an impulse control disorder. Most addiction agencies refer to it as an addiction because it bears signs and symptoms similar to other addictions.

To illustrate these similar signs and symptoms, the chart on the next page shows six criteria from the lists of criteria for pathological gambling and for substance-related disorders

DSM IV Criteria for Pathological Gambling and Substance-Related Disorders: A Comparison

Gambling	Substance Disorder
◆ Repeated unsuccessful efforts to control, cut back or stop gambling.	◆ There is persistent desire or unsuccessful efforts to cut down or control substance use.
◆ Needs to gamble with increasing amounts of money in order to achieve the desired excitement.	◆ Tolerance, as defined by either of the following: a) a need for markedly increased amounts of the substance to achieve intoxication or desired effect; b) markedly diminished effect with continued use of the same amount.
◆ After losing money gambling, often returns another day to get even ("chasing" losses).	◆ The substance is often taken in larger amounts or over a longer period than was intended.
◆ Has committed illegal acts, such as forgery, fraud, theft or embezzlement, to finance gambling.	◆ A great deal of time is spent in activities necessary to obtain the substance, use the substance or recover from its effects.
◆ Has jeopardized or lost a significant relationship, job, or educational or career opportunity because of gambling.	◆ Important social, occupational or recreational activities are given up or reduced because of substance use.
◆ Is restless or irritable when attempting to cut down or stop gambling.	◆ Withdrawal, as manifested by either of the following: a) the characteristic withdrawal syndrome for the substance; b) the same (related) substance is taken to relieve or avoid withdrawal symptoms.
<p><i>Source: American Psychiatric Association, Diagnostic and Statistical Manual of Mental Disorders (Fourth Edition Revised). Washington, D.C.: APA. 1994.</i></p>	

found in the American Psychiatric Association's Diagnostic and Statistical Manual IV.

What causes someone to develop problems with gambling?

To date, studies have not proven definitively that there is any one cause of problem gambling. However, certain biological, psychological and sociological processes have been linked to problem gambling. The model used by Addictions Foundation of Manitoba – the "Bio-Psycho-Social Model" – to explain excessive gambling takes this into account. The following provides descriptions of the three aspects of this model.⁸

The Biological Aspect: Altered brain chemistry has been linked to problem gambling, but it is not possible to determine whether altered biochemical levels are a cause or a consequence of excessive gambling. As well, physiological studies of pathological gamblers have shown hemispheric differences in EEGs (electroencephalographs).

These are also commonly found in children with attention deficit disorder.

The Psychological Aspect: The psychological perspective views pathological gambling as a problem within the gambler's psyche or personality. It may be used as a stress-reliever, or some gamblers may be victims of their own irrational beliefs about winning that lead them to overlook the law of probability. Environmental risk factors might include growing up in a dysfunctional family and experiencing unresolved psychological or physical traumas, such as parental absence, emotional deprivation or alcoholism.

The Sociological Aspect: This approach looks at the influence of external and environmental factors to explain excessive gambling behaviour. For example, the observational learning and vicarious reinforcement from watching family or friends gamble may be how gamblers first become involved. Also, the game itself may

influence gamblers to continue gambling because of the intermittent reinforcement. Another environmental factor that may influence people's gambling is the availability and accessibility of gambling opportunities, which have increased over the last few years.

What are some of the signs that an individual may be having a problem with gambling?

The Addictions Foundation of Manitoba recognizes a number of signs, falling into four different categories, that may indicate a person is in over their heads when it comes to gambling. These signs are:⁹

IMPULSIVE BEHAVIOURS

- need to gamble with increasing amounts of money
- inability to control or stop gambling despite serious negative consequences
- gambling more money to try to recoup losses
- gambling for action or to escape problems
- inability to set limits on time or money spent on gambling activities
- inability to quit while ahead

PREOCCUPATION

- increasing frequency of gambling activities
- gambling for longer periods of time
- gambling becomes the major focus of thinking, even when not gambling
- gambling at every opportunity (meal breaks, misses work)
- restless or irritable if not gambling

MINIMIZING OF BEHAVIOUR

- minimizing losses and exaggerating wins
- lying to family members or others to conceal the extent of gambling behaviour
- believing that "the big win" is inevitable

DISREGARD FOR CONSEQUENCES

- failing to pay daily living expenses; in debt
- depleting bank accounts and investments; selling personal belongings to gamble or pay gambling debts
- relying on others to provide money to relieve desperate financial situation caused by gambling

- borrowing money from extended family members, friends and work colleagues in order to gamble
- becoming isolated from family members and friends in order to gamble
- becoming less interested and less aware of personal, family and occupational issues
- committing illegal acts, such as forgery, fraud or embezzlement, in order to gamble or pay gambling debts
- continuing to gamble despite health problems related to gambling

The above descriptions are considered by AFM Gambling Program staff as signs of problem gambling only. As Gerry Kolesar, AFM's Provincial Coordinator of Gambling Services, points out: "Not all individuals who display some of these behaviours have a problem with gambling."¹⁰

Why do problem gamblers continue to gamble even when it is causing problems in their lives?

As seen in Chapter One, gambling games are determined either completely or partially by chance. In all types of gambling, except for private bets between individuals, the operators of the gambling activity (the house) have a built-in advantage over the players. Thus, all games with a house advantage result in the players losing money over time. In any game a player may temporarily "get ahead" by luck. However, over time, no one can defeat the house advantage.¹¹

Why is it, then, that some people get caught up in gambling to such an extent that the behaviour becomes a problem?

Here are several explanations to help answer this question, as documented by the Addictions Foundation of Manitoba:¹²

VARIABLE REINFORCEMENT

Gambling games involve a variable reinforcement schedule, allowing gamblers "wins" of various amounts. These wins, and the belief that lost money can be regained by more gambling, contribute to persistence at gambling despite mounting losses.

ENTRAPMENT

Entrapment is an increasing commitment to a failing strategy. Problem gamblers spend time, energy and money gambling. After losing for a while, they begin to regard their expenditures as an “investment” rather than the cost of entertainment. Instead of walking away and accepting the losses, the entrapped gambler thinks the following:

- If I play long enough, I'll win.
- I've won before, so I'll win again.
- If I quit now, I'll feel stupid
- If I play until I win, I'll be proven right.

This thinking results in a commitment to not leave gambling as a loser, resulting in persistent gambling, mounting losses and an increasing urgency to gamble.

IRRATIONAL BELIEFS

Problem gamblers can develop irrational beliefs, providing them with a “reason” to continue gambling. Here are some of these beliefs:

The Gambler's Fallacy: The gambler's fallacy is the belief that one can predict the outcome of games of random chance based on past patterns. For example, the gambler believes that, if a coin has flipped heads nine times in a row, there is more of a chance that the next flip will be tails. In reality, in every flip of the coin, there is a 50-50 chance of getting heads or tails. The coin does not have a memory, nor does the roulette wheel or the dice.

The gambler's fallacy was first documented as “the Monte Carlo Effect” in 1957 by gambling researcher J. Cohen.¹³

Ability to Influence Outcome: Gamblers begin to believe that wins are produced by their own efforts rather than by the random operation of a gambling device or cards.

Magical Thinking: The gambler comes to believe that wins have been produced by thinking a certain way or even hoping or wishing for a win.

Superstitions and Rituals: Gamblers begin to believe that certain objects, ways of sitting or even articles of clothing may be helping or hindering their gambling wins.

Systems: Gamblers believe that by learning a certain system of betting they can overcome the house advantage (doubling up, for example). This results in inevitable failure.

Personification of the Gambling Device: The belief that a slot machine or VLT is deliberately punishing, rewarding, taunting or trying to make a player angry.

Near Miss Belief: The belief that by “almost” winning the gambler is on to something of significance, justifying further tries.

Cold or Hot Machines: The belief that if a VLT hasn't paid out for a while, it will pay out soon, or that if it has paid out recently, it is not due to pay out in the near future.

Chasing Beliefs: The attitude that money lost by gambling hasn't really been lost because it can be recovered through further gambling.



A LOOK AT GAMBLING THROUGH THE AGES

No one knows the precise origin of gambling as it appears to predate recorded history and to have developed differently in various countries. Evidence suggests gambling was done by the Egyptians, Chinese, Japanese, Hindus, Persians and Huns.¹ Archeological digs all over the world have confirmed that gambling has taken place since ancient times. For example, gambling tables have been found in buildings in the ruins of ancient Rome.²

Is there any evidence of problem gambling in the past?

It is known that Roman emperors Augustus and Caligula had passions for gambling. Some reports indicate that Claudius and Nero would be considered pathological gamblers under current definitions.² During the reign of Louis XIV, records stated that "I [Dusault] have found cards and dice in many places where people were in want of bread."² In England, during the reign of George II, it was reported that "The canker of gambling is surely eating into the very heart of the nation."³

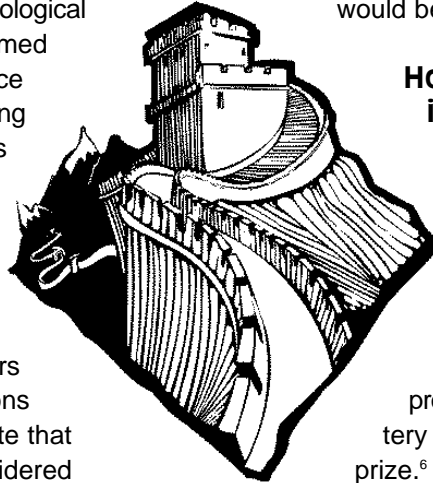
Were there periods when there was no gambling?

Considered to be the domain of the wealthy and the aristocratic, gambling controls were often introduced to discourage the activity among the lower classes. For example, Henry VIII allowed commoners to gamble legally only during Christmas.³ As far back as the 14th century, attempts were made by a number of countries, including Italy and Spain, to abolish or control gambling.⁴ It is noteworthy that recorded history shows the popularity of gambling and government revenues from regulated gambling "waxed and waned" over the years in many societies.³

Was there gambling in North America before Europeans arrived?

Gambling, seen as a "respectful way" of sharing the wealth by the Ojibway, was part of many native cultures long before Europeans

arrived. For example, the moccasin game was a native variation of the "shell game" in which an object was hidden under one of four moccasins and an opposing team had to guess which one, betting something of worth that the guess would be correct.⁵



How did gambling develop in the New World?

UNITED STATES

Prior to 1790, when there was no banking system in the United States, lotteries were used as a substitute means of financing. For example, to dispose of an expensive property, people sold tickets to a lottery in which the property was the prize.⁶ Lotteries were also used by cash-strapped governments to finance wars against the French and the Indians, to help build colleges (Yale, Harvard, Princeton, Dartmouth and Columbia), and for the construction of churches during the period from 1744 to 1765.⁷ They were also used to finance, in part, the American Revolution.⁸

By the time the country became independent, gambling was widespread and the governments were often the regulators and beneficiaries of the activities.⁹ In the face of public opposition to taxes, lotteries continued to flourish with both state and federal level governments using them to finance projects such as public buildings, roads, canals and bridges.⁷

Problems with gambling surfaced, though, as illustrated by the record of an employee of the now-defunct Bank of the United States who stole funds to buy \$2,000 worth of lottery tickets. (He was later caught and jailed.)⁸

Although the lotteries succeeded through the eighteenth century, growing sentiment about the exploitation of the poor and publicity surrounding fraudulent scams caused a ban on lotteries in all states by 1878 (except Louisiana, which succumbed in 1892). This was the end of the legal lottery in the United States until recent times.⁷

CANADA

Although Quebec authorities prohibited games of chance, lotteries were allowed to dispose of some property, as in the United States, or to raise money for charitable purposes or public projects. Again, the reason for their appearance was to substitute for an undeveloped banking system and to provide a means of tax collection when funds were suddenly needed.⁷

In 1817, the Assembly of Lower Canada passed a law outlawing gambling. The reason given for this law was, again, to prevent lower-class people, such as workers and servants, from ruining themselves. Raffles for charitable purposes continued to flourish in Lower Canada, as did buying tickets in American lotteries. Private lotteries took over from 1845-56 in Canada after American states began to ban lotteries.⁷

A law was passed outlawing lotteries and forbidding the sale of foreign lottery tickets in 1856. This was the end of legal lotteries in the whole of Canada, except Quebec, until recently. By 1882, the federal government amended its criminal code to outlaw all lotteries, including those in Quebec.⁷

In 1892, under the Criminal Code of Canada, “common gaming houses, lotteries, cheating at play and gambling in public conveyances” was prohibited. In 1900, small raffles not exceeding \$50 were allowed for charitable fundraising purposes. In 1910, horse racing was permitted at duly incorporated racetracks.¹⁰

Dice games, shell games, punch boards and the “disposal of goods by chance in which contestants paid money or other valuable consideration” were also prohibited by 1922.¹⁰ However, starting in 1925, agricultural fairs and exhibitions in Canada were legally permitted to offer a number of gambling activities.¹¹

In the 1950s, “the major recommendation advocated that there should be no state-operated lotteries in Canada as [the joint committee of the Senate and House of Commons] deemed it

inappropriate for the state to facilitate or actively promote gambling.” This attitude changed in 1969 when the Criminal Code of Canada was amended to allow state lotteries at the option of the federal or provincial governments. It has been noted by some that this amendment “decriminalized significant forms of gambling but only if such activities were duly authorized.”¹²

For more information on gambling in Canada, see Chapter Five.

Which countries have legalized gambling over the years?

Throughout its long history, gambling has alternately been legalized – many times in attempts to control it or to use the funds for public works – and then banned, due to scandal, fraud or recognition of the impoverishment suffered by affected families.⁷

By the nineteenth century, lotteries were outlawed in France, England, Belgium, the United States and Canada. Sweden banned them in 1841 but they were reintroduced in 1897. Lotteries survived non-stop in Spain, Portugal, Italy, Germany and the Netherlands.⁷

What are the origins of some of the various forms of gambling?

THE SLOT MACHINE

The slot machine was reportedly invented by Charles Fey, a California mechanic, in the late 1800s.¹³ It is known by various names around the world: poker machines in Australia, fruit machines in the United Kingdom and slot machines in the United States and Canada.

BINGO

While some experts attribute the origin of bingo to the English, the Dutch or the Swedes, others believe it developed either from the 16th century Italian lottery game called Lo Guico del Lotto d'Italia, or from the popular lottery game, keno, first played in New Orleans during the 1840s.¹⁴

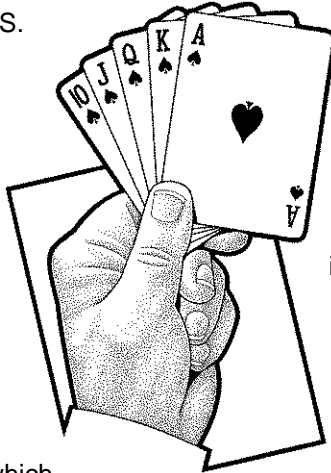


In the 1920s, bingo was played at local movie theatres in the United States. Operated as a “raffle” to avoid state laws against certain forms of gambling, the movie theatre games were the first to make bingo a form of public entertainment.¹⁴ Other reports say there was a game called beano played in the U.S. around the same time. In this game, beans were placed on cards with numbers and winners yelled out “Beano.” According to folklore, one winner mistakenly called out “Bingo.”¹⁵

LOTTERIES

The origin of the word “lot” is the Tuetonic root “hleut,” which meant the pebble that was cast to decide disputes and divisions of property. This is also the source of the Italian word *lotteria* and the French *loterie*, which eventually came to mean a game of chance.⁷

The first private lottery with monetary prizes in Western Europe was reportedly in Florence in 1530. When it turned out to be a great success, Venice created the first government monopoly in lotteries.⁷



DICE

Numerous archeological digs have turned up knucklebones or anklebones of sheep, which were presumably used for divination and for games of chance. By Roman times, the bones had clearly evolved into the modern shape of dice.¹⁶

PLAYING CARDS

It is believed by some that playing cards evolved from the fortune-telling tarot cards.¹⁷

A GLANCE AT GAMBLING AROUND THE WORLD

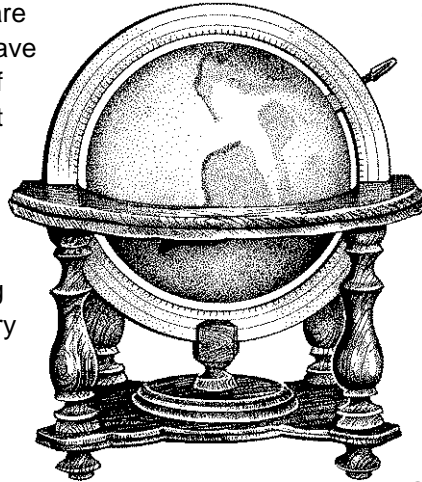
Canada and the United States are not the only countries which have seen an increase in the number of legal forms of gambling in the recent past. In fact, some consider the issue to be even more controversial across the Atlantic due to the large amounts of revenue generated. For example, gambling represents the 12th largest industry in the European Economic Community or Common Market.¹

The justifications for legalized gambling throughout the world today are basically the same as centuries past: to regulate an illegal activity and to generate revenue for needy governments in the name of public works and charities. Different areas of the world, however, have their own rules and approaches when it comes to the gambling industry. Here is a glance at a few countries around the globe:

UNITED KINGDOM

With the implementation of the Gaming Act in 1968, the United Kingdom was seen as having "the most humane gambling regulatory system." The Act provided for regulated gambling to meet unstimulated demand and is credited with eliminating protection rackets, reducing the number of casinos, making bingo a neighbourly form of gaming for modest prizes, and essentially protecting the public from the worst of the gambling industry's exploitive side.² With controls over casinos, bingo clubs and slot machines (known in the U.K. as fruit machines), the policy's key elements include the restriction of promotion or advertising, the requirement of a casino club membership, which involves a 48 hour waiting period, and the prohibition of alcohol in the gaming area.³

Since the introduction of a national lottery by Great Britain in 1994, some experts believe the U.K. has moved away from its "humane" policy of meeting unstimulated demand for gambling⁴ and into the arena of regulated gambling for revenue generation.⁵ There are



concerns that the establishment of the national lottery will also lead to a relaxation of regulation in the entire gambling market.⁶

FRANCE

It did not take long for slot machines in France to develop into a revenue boom. Sources note that within six years of their introduction, slot machines were generating US \$494 million per year.⁷

GERMANY

Although Kaiser Wilhelm and Chancellor Otto Van Bismark closed all casinos, they were later reopened by Hitler, reportedly to keep Germans from spending their gambling money elsewhere.⁸ A 1992 study determined that the number of legal casinos in Germany had doubled over the previous two decades.⁹ Gambling is now a modern tradition within Germany, home to some of Europe's most famous casino's, including the Baden-Baden.¹⁰

RUSSIA

The collapse of the Soviet empire in 1991-92 opened the way for commercial casinos. By 1995, there were approximately 1,000 casinos operating, only 600 of which were legal.¹¹

NORWAY

A 1993 study reported that the people of Norway had increased their gambling by 50% over the previous five years and estimated that 90% of Norwegians gamble occasionally.¹²

NEPAL

Entrance to casinos is restricted to the wealthy in Nepal. This has not, however, stopped widespread informal gambling among the rest of the Nepalese.¹³

TURKEY

While casinos are legal in Turkey, local residents are allowed access to the slots-only

casinos. The government levies heavy taxes on the casinos, but does not act as a regulator. Regulation is left to the discretion of the casino operator instead.¹⁴

AUSTRALIA

The Australian casino system, which started when the first casino opened in Tasmania in the late 1960s, initially followed the U.K. model of meeting unstimulated demand for gambling. Since then, it has purportedly moved towards the promotional style of the U.S. gambling industry.¹⁵

Australians are reported to spend \$408 per capita on gambling activities, an amount which is almost double the levels in the U.S. The popularity of gambling surged through the early 1990s, with casino and gaming machine expenditures rising 20% between 1989 and 1994, and overall gambling expenditures increasing by slightly less than 15%.¹⁶

In 1998, the New South Wales government began printing warning labels on all lottery tickets, racing cards and betting slips for popular games such as Lotto, Keno and Footy Tab. The same legislation requires operators of casinos, clubs and pubs to help set up treatment centres for problem gamblers. Recent figures indicate that gambling provides the NSW government with \$875 million a year in revenue.¹⁷

NEW ZEALAND

Like many countries, New Zealand has experienced a rapid expansion of legalized gambling since the mid-1980s. According to figures released by the New Zealand Department of Internal Affairs, per capita expenditures doubled from 1988 to 1990 with the introduction of new lottery games, video gaming machines and telephone track betting. Since that time, the country's first casino opened (1994) and nightly televised keno draws were added.¹⁸

TAIWAN

In attempts to quash gambling activities, the Taiwanese justice system is particularly intolerant of gambling crimes. Statistics for 1993 indicate that gambling crimes accounted for more than 38% of all crimes committed in the country, topping the list for criminal activity.¹⁹

SINGAPORE

Known for its strict rules and harsh penalties, Singapore prohibits any gambling activities, including the advertising or promotion of offshore gambling venues.²⁰

NATIVE AMERICANS

In 1988, the U.S. government introduced the Indian Gaming Regulatory Act to regulate gambling on reservations.²¹ By 1995, 130 tribes in 24 states had entered the casino business. Native American-run commercial gambling enterprises in that year are estimated to have generated US\$3.5 billion.²²

AMERICAN TLINGIT INDIANS

According to M.K. Heine (1991), in southeastern Alaska, gambling is part of the culture of the Tlingit Indians. Restricted to the domain of the male Tlingit, there is great respect and status attached to the ability to gamble away large amounts of valuables. On the other hand, women are responsible for bartering for goods – an activity which is also a game of skill involving consideration, chance and prizes – and are credited with being more skillful at this than their male counterparts.²³

UNITED STATES

In the U.S., various forms of legalized gambling exist in 48 states, with only Utah and Hawaii completely free of gambling. Casino gambling is legal in more than 20 states.²⁴

Over the years, Americans have increased their gambling expenditures by staggering amounts. The total amount of money legally wagered in the United States increased from \$17.3 billion in 1974 to \$586.5 billion in 1996. The amount of money earned by the gaming industry has also increased dramatically: it rose 5.6% to \$47.6 billion between 1995 and 1996.²⁵

A look at the sales of lottery products is also an eye-opener: between 1975 and 1996, the per capita sales of lottery products rose from approximately \$20 per year to \$150 per year.²⁶

Chapter Five

A CANADIAN PERSPECTIVE

In 1969, amendments to the Criminal Code of Canada legalized gambling and gave provinces the authority to license and operate lotteries and casinos. After this date, each province started to develop its own gaming policies and practices independently of each other.

Under the Criminal Code, only provincial governments can conduct and manage gaming activities. While the governments may opt to contract out some of the functions, the contractors remain under the authority of the province. The way gaming is organized differs slightly from province to province. The chart on pages 22 and 23 identifies some of the differences.

Are there any gambling activities that are prohibited in Canada?

Yes. The Criminal Code prohibits bookmaking and pool selling on any race, fight or single sporting event or athletic contest.

Until March 1999, it also prohibited dice games, so the popular game of craps, which is played in many U.S. casinos, was illegal in Canada. However, the Ontario casinos petitioned the federal government to amend the Code after the introduction of craps at casinos in Detroit, which compete directly with the Windsor and Niagara casinos.

There is no intent, at present, to introduce craps at casinos in Manitoba mainly because none of the province's close-by competitors (Minnesota and Saskatchewan, for example) offer it. As well, it is thought that dice games are not as popular here. The province's casinos already offer an electronic dice game (which had been allowed under the Criminal Code because "virtual" dice as opposed to real dice are used), but it takes only one of these games in each of the casinos to meet the demand.¹

Is there a law against cheating at gaming activities?

Yes. Section 209 of the Criminal Code makes cheating at play with intent to defraud an indictable offense. The maximum sentence is two years.

How has legalized gambling changed in Canada over the last 20 years?

From a national perspective, lotteries were the main activity for the first 20 years once gambling was legalized. By the end of the 1980s, they were bringing in close to \$2 billion in total revenue per year.²

That changed dramatically with the establishment of the first government casino in Winnipeg in 1989 and the introduction of the first legal VLTs in New Brunswick in 1990.³ Since then, lottery revenues have declined, along with horse race betting, while casino and VLT revenues have surged. Their addition boosted overall gambling revenues in Canada from \$2.7 billion in 1992 to \$6.8 billion in 1997.² This represents a 125% increase for the gambling industry compared to a 14% growth rate in all other industries. At the same time, gambling accounts for only a fraction of the economic activity in Canada, specifically 0.1% of GDP in 1997.⁴

What percentage of gambling revenues in Canada comes from casinos and VLTs?

While casinos and VLTs made up 10% of total gambling revenues in 1992, that figure had grown to 59% by 1997.²

How many VLTs are there across Canada and where are they located?

Almost 40,000 VLTs are in place across the country. The chart on the next page outlines the number of VLTs in each province and the number of machines per 1,000 people.⁵



Number of VLTs in Each Province†

Province	# VLTs	#VLTs/1000 people
Newfoundland	2,425	4.3
Prince Edward Island	422	3.25
Nova Scotia	3,599	4.0
New Brunswick	3,086*	4.26
Quebec	15,266	2.21
Ontario	none	N/A
Manitoba	4,934	4.52
Saskatchewan	3,343	3.38
Alberta	5,852	2.3
British Columbia	none	N/A
Territories	none	N/A

†The year data was taken for each province varies slightly. For specific years, see Chapter Five endnote #5.

*Total number will be reduced by September 30, 1999 when the final phase-out of VLTs in non-licensed establishments occurs.

Do Ontario and British Columbia have any other types of game instead of VLTs?

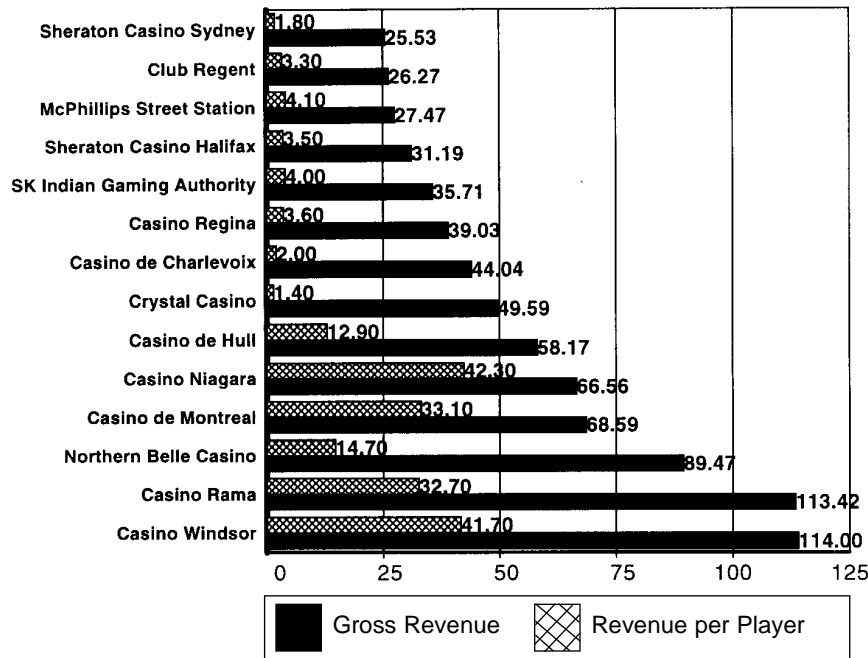
Public resistance in Ontario to the planned installation of 20,000 VLTs in charity casinos in 1998⁶ as part of a gaming expansion convinced the provincial government to put in slot machines instead.⁷ Critics view this move as a public relations ploy, referring to VLTs and slot machines as “the same thing.”⁷

A similar negative public response to VLTs on the west coast in 1994 led the government in British Columbia to choose slot machines over VLTs in casinos as part of that province’s planned gaming expansion (which was not implemented until 1997).⁸

However, the cities of Vancouver and Surrey have waged legal battles with the province of British Columbia over the government’s authority to install slot machines in casinos located in the two urban centres. To date, the courts have ruled in favour of the cities; the provincial government has appealed both decisions. In

the meantime, no slot machines are being installed or operated in either city.⁸

Figure 2: Gross Revenue & Revenue Per Player at Canadian Casinos (1997-98)



Source: “Casino Gambling in Canada.” The Wager. The Donwood Institute, Harvard Medical School – Division on Addictions, and Massachusetts Council on Compulsive Gambling. April 21, 1998. 3(16). Original source cited for chart: Canadian Gaming News. April 1988. Vol. 47. p. 11.

How much revenue is generated by Canada's casinos?

Figure 2 (at left) details the gross earnings per month (in millions of dollars), as well as the dollar amount won on average from each player for all of the commercial casinos in Canada as of April 1998. For example, Casino Windsor brings in \$43.7 million per month, which amounts to \$114 per player. Another example is Club Regent in Winnipeg, which brings in \$3.3 million per month, or about \$26 per player.⁹

GAMBLING ACROSS CANADA

A Province-to-Province Look at the Gaming Industry

	DESCRIPTION OF BODIES RESPONSIBLE FOR GAMING		VLTS: #, PAYOUT & LOCATION	VLTS: \$ RAISED 97/98	# OF COMMERCIAL CASINOS	GROSS GAMING REVENUE 97-98	NET GAMING REVENUE 97-98	HOW \$ ARE DISTRIBUTED
BRITISH COLUMBIA	British Columbia Lottery Corporation	Authorized by the province to conduct and manage lottery schemes in B.C. Assumed responsibility for conducting & managing of casino gaming in June 1998.	No VLTS permitted	N/A	16 (as of March 1999) (All are substantially smaller in size than those in other provinces.)	\$942.2 million	\$290.2 million	50% of the revenue goes to health care and the remainder goes to general revenue.
	British Columbia Gaming Commission	The provincial authority for licensing charitable or religious organizations to conduct and manage gaming activities.						
ALBERTA	Alberta Gaming & Liquor Commission	Responsible for regulating gaming, liquor and lottery activities.	5,852 92% payout Licensed establishments	\$618.3 million (gross after prizes paid) \$518 million (net to gov't) \$92.7 million (commissions to retailers)	Charity casinos only	\$618.3 million (VLTS-after prizes paid) \$77.9 million (slots-after prizes paid) \$169.9 million (lotteries-after prizes paid) \$476.7 million (casino gaming tables-before prizes paid) \$333.8 million (bingos-before prizes paid)	\$518 million (VLTS-net to gov't) \$46.9 million (slots-net to gov't) \$140.1 million (lotteries-net to gov't) \$83.7 million (casino gaming tables-net to charities) \$57.3 million (bingos-net to charities)	VLTS profits: 85%-gov't (Alberta Lottery Fund [ALF]); 15%-retailers. Slots: 70%-gov't; 15%-casino operator; 15%-charity. Lottery profits: majority goes to ALF, some monies are distributed through grants. (Note: majority of the ALF goes into general revenue.) Casino table game profits go to charity running the event. 100% of bingo profits go charity running the event.
SASKATCHEWAN	Saskatchewan Liquor and Gaming Authority	Responsible for regulating liquor and gaming in the province.	3,343 91.65% payout Licensed establishments	\$173.6 million gross (1996-97) \$132 million net to province (1996-97)	1 casino in Regina 4 First Nations casinos	\$117.7 million (1997-98 lottery revenue before prizes) \$173.6 million (1996-97 VLT revenue)	\$41.5 million (1997-98 net lottery revenue to Sask Sport) \$132 million (1996-97 VLT revenue)	Lottery profits: 40%-gov't; 60%-SK Lotteries Trust Fund to support sport, culture & recreation. VLT profits: 85%-gov't (general revenue fund); 15%-VLT site contractor.
	Sask Sport	Markets lottery tickets and disburses profits.						Casino Regina profits: 50%-general revenue; 25%-First Nations fund; 25% Associated Entities Fund (which directs resources to off-reserve charitable & non-profit organizations).
	Saskatchewan Gaming Corporation	Responsible for the commercial casino in Regina.						Four First Nations casino profits: 50%-First Nations; 25%-prov. gov't; 25%-First Nations charities.
	Saskatchewan Indian Gaming Authority	Responsible for the four First Nations casinos.						Money goes to general revenue fund. A portion (35%) of VLT revenue is dedicated to specific programs: 10% to municipalities on a per capita basis; 25% through Urban and Rural Economic Development Initiatives.
MANITOBA	Manitoba Lotteries Corporation	Responsible for gaming-related marketing and operations. Manages the casinos and a VLT network. Distributes & sells lottery tickets.	4,934 (as of January 1999) 92.8% average payout Licensed establishments	\$193.2 million gross \$121.3 million net	3 casinos in Winnipeg: McPhillips Street Station Club Regent Crystal Casino (scheduled to close spring 99)	\$358.8 million	\$225.2 million	
	Manitoba Gaming Control Commission	Regulates & controls gaming in the province and monitors social & economic impacts. Handles licensing, security & investigative services. Oversees First Nations gaming in MB.						

ONTARIO	<p>Ontario Lottery Corporation</p> <p>Ontario Gaming Control Commission</p> <p>Ontario Casino Corporation</p>	<p>Creates and markets gaming products.</p> <p>Has regulatory authority over casino & charitable gaming operations.</p> <p>Conducts & manages games in commercial casinos.</p>	None	N/A	<p>Casino Niagara</p> <p>Casino Rama (3-way partnership between the province, the Chippewas of Rama and the private sector)</p> <p>Casino Windsor</p> <p>Northern Belle Casino (a riverboat casino)</p>	<p>\$2.18 billion (lottery revenue)</p> <p>\$1.64 billion (casino revenue)</p>	<p>\$737 million (lottery revenue)</p> <p>\$640 million (casino revenue)</p>	<p>Lottery and casino revenues go to the province's consolidated revenue fund.</p>
QUÉBEC	<p>Loto-Québec</p> <p>La société des loteries vidéo du Québec</p> <p>La société des casinos du Québec</p> <p>Le régime des alcools des courses et des jeux</p> <p>La société des bingos du Québec</p>	<p>Involved in the operation of lotteries and other games of chance directly or through its subsidiaries (below).</p> <p>Markets and manages VLTs.</p> <p>Oversees casino operations.</p> <p>Regulates alcohol permits, horse races, publicity contests, etc. (totally independent from Loto-Québec).</p> <p>Manages bingo network.</p>	<p>15,266</p> <p>92% payout</p> <p>licensed establishments</p>	<p>\$585.4 million gross</p> <p>\$315.4 million net</p>	<p>3 casinos</p> <p>Montréal, Hull and Charlevoix</p>	<p>\$2.84 billion</p>	<p>\$1.09 billion</p>	<p>Money goes to general revenue. Of the annual profits of the 3 casinos, 5% goes to a Ministry that redistributes it to community organizations; 1% goes to international aid. Some monies are set aside in the operating budget of Loto-Québec to sponsor events (sports, festivals, etc.)</p>
NEW BRUNSWICK	<p>Atlantic Lottery Corporation</p>	<p>Manages lottery ticket sales and oversees VLT operations in the four Atlantic provinces.</p>	<p>3,086 (as of Feb. 1999)</p> <p>80-90% payout</p> <p>Licensed establishments</p> <p>(Phase-out in non-licensed places to be completed by Sept. 30/99)</p>	<p>\$119.2 million net receipts (\$ left in VLTs minus payment of prizes)</p>	None	<p>\$109.6 million gross profit</p>	<p>\$85.8 million net profit</p>	<p>Revenue raised through lottery tickets goes to the general revenue of each Atlantic province.</p> <p>VLT revenue: 53%-gov't; 23%-retailer; 24%-coin machine operator</p>
NOVA SCOTIA	<p>Atlantic Lottery Corporation</p> <p>Nova Scotia Alcohol and Gaming Authority</p> <p>Nova Scotia Gaming Corporation</p>	<p>See New Brunswick</p> <p>Manages and licenses all gaming except for VLTs and lottery tickets.</p> <p>Responsible for the operations of gaming in Nova Scotia.</p>	<p>3,599 (as of Feb. 1999)</p> <p>Minimum 80% payout</p>	<p>\$120 million net receipts (\$ left in VLTs minus payment of prizes)</p>	<p>2 casinos</p> <p>Sydney, Halifax</p>	<p>\$156.3 million gross profit</p>	<p>\$119.1 million net profit</p>	<p>Lottery revenue: same as N.B.</p> <p>VLT revenue: 70.3%-gov't; 29.7%-retailer</p> <p>Casino revenue: total of \$25 million from 95-98 to general revenue.</p>
PRINCE EDWARD ISLAND	<p>Atlantic Lottery Corporation</p> <p>Consumer, Corporate & Insurance Services, Provincial Affairs & Attorney General</p>	<p>See New Brunswick</p> <p>Responsible for issuing licences for charitable gaming.</p>	<p>422 (as of Feb. 1999)</p> <p>89-90% payout</p> <p>Licensed establishments</p>	<p>\$16.2 million net receipts (\$ left in VLTs minus payment of prizes)</p>	None	<p>\$18 million gross profit</p>	<p>\$14.5 million net profit</p>	<p>Lottery revenue: same as N.B.</p> <p>VLT revenue: 60%-gov't; 20%-retailer; 20%-coin machine operator</p>
NEWFOUND-LAND & LABRADOR	<p>Atlantic Lottery Corporation</p> <p>Department of Justice Lottery Licensing Division</p>	<p>See New Brunswick</p> <p>Manages and licenses all gaming except for VLTs and lottery tickets.</p>	<p>2,425 (as of Feb. 1999)</p> <p>80-96% payout</p> <p>Licensed establishments</p>	<p>\$68.5 million net receipts (\$ left in VLTs minus payment of prizes)</p>	None	<p>\$106.3 million gross profit</p>	<p>\$78.9 million net profit</p>	<p>Lottery revenue: same as N.B.</p> <p>VLT revenue*: 75.25%-gov't; 24.75%-retailer.</p> <p>*Up to \$400,000. On revenue in excess of \$400,000, split is 80.2%-gov't; 19.8% retailer.</p>

Are there any commercial casinos in Alberta?

No. Alberta does not have any commercial casinos. However, charity groups can apply to the Alberta Gaming and Liquor Commission (AGLC) to obtain a licence (\$15 per day per table) to run a charity casino. The AGLC ensures the group is running the event to raise money for a legitimate cause. The group then goes to a private casino operator to run the event. The private operator charges for legitimate expenses, such as building and equipment rental. The rest of the money raised goes to the charity.

Although the private operator owns the premises where the casino event is being held,

the charity groups contribute a hands-on role during a casino. They supply volunteer staff and hire an advisor to manage finances and to keep track of money on their behalf. Financial control forms must be submitted to the AGLC, which completes a stringent audit.¹⁰

Charity casinos are run in a similar fashion in other Canadian provinces.

When were casinos introduced in British Columbia?

In British Columbia, the provincial government conducted a gaming policy review in 1994 which resulted in the prohibition of for-profit, Las Vegas-style casinos anywhere in the province.¹¹ However, in March 1997, the

Location of Canada's Commercial Casinos		
<p>NOVA SCOTIA</p> <p>Sheraton Casino Sydney</p> <ul style="list-style-type: none"> opened in 1995 <p>Sheraton Casino Halifax</p> <ul style="list-style-type: none"> opened in 1995 	<p>ONTARIO</p> <p>Casino Niagara</p> <ul style="list-style-type: none"> Canada's largest casino opened in 1996 as a temporary or interim casino <p>Casino Rama</p> <ul style="list-style-type: none"> a three-way partnership between the province, the Chippewas of Rama (Mnjikaning) First Nation and the private sector opened in 1996 <p>Casino Windsor</p> <ul style="list-style-type: none"> opened as an interim facility in 1994 replaced by a permanent complex in 1998 <p>Northern Belle Casino</p> <ul style="list-style-type: none"> the only riverboat casino in Canada was added in 1995 to alleviate overcapacity crowds at Casino Windsor 	<p>SASKATCHEWAN</p> <p>Casino Regina</p> <ul style="list-style-type: none"> opened in January 1996 <p>Silver Sage Casino</p> <ul style="list-style-type: none"> opened in Regina in 1994 a full-time exhibition casino <p>Emerald Casino</p> <ul style="list-style-type: none"> opened in Saskatoon in 1994 a full-time exhibition casino <p>Four First Nations casinos are under the regulation of the Saskatchewan Indian Gaming Authority. They are:</p> <p>Gold Eagle Casino</p> <ul style="list-style-type: none"> opened in North Battleford in 1996 <p>Northern Lights Casino</p> <ul style="list-style-type: none"> opened in Prince Albert in 1996 <p>Bear Claw Casino</p> <ul style="list-style-type: none"> opened on the White Bear Reserve in 1996 <p>Painted Hand Casino</p> <ul style="list-style-type: none"> opened in Yorkton in 1996
<p>QUEBEC</p> <p>Casino de Charlevoix</p> <ul style="list-style-type: none"> opened in La Malbaie-Pointe-au-pic in 1994 <p>Casino de Montreal</p> <ul style="list-style-type: none"> opened in 1993 open 24 hours a day as of September 1997 <p>Casino de Hull</p> <ul style="list-style-type: none"> opened in 1996 	<p>BRITISH COLUMBIA</p> <p>B.C. has sixteen government casinos as of March 17, 1999. These casinos are smaller than those in other provinces. (e.g. the largest casinos in B.C. contains a total of 300 slot machines and 30 table games compared with 2,670 slot machines 144 table games and in Casino Niagara in Ont.</p>	
<p>MANITOBA</p> <p>Crystal Casino</p> <ul style="list-style-type: none"> opened in Winnipeg in 1989 is scheduled to close in spring 1999, at which time slot machines and gaming tables will be moved to the other two newly expanded casinos (see below) <p>Club Regent</p> <ul style="list-style-type: none"> opened in Winnipeg in 1993 <p>McPhillips Street Station</p> <ul style="list-style-type: none"> opened in Winnipeg in 1993 		

B.C. government announced it would proceed with a number of smaller casinos (containing a maximum of 30 gaming tables and 300 slot machines¹²) in order to compete with casinos in other jurisdictions, particularly those in Washington state.¹³ The first casino proposals were approved in May 1998.¹⁴ By March 1999, there were a total of 16 across the province.¹⁵

What are the popular forms of gambling in Canada?

In a 1996 Family Expenditure Survey¹⁶ (FAMEX), respondents were asked to report their spending on four types of gambling activities. The results showed that government lotteries were the most popular (74%) followed by non-government lotteries and raffles (39%), casinos and slot machines (17%) and bingos (12%).

The order was quite different for average expenditures on these activities. For example, the highest average amount spent was on bingo (\$677), while the lowest average amount was spent on non-government lotteries and raffles (\$70).³ It is also interesting to note that bingo was the only gambling activity which showed a negative correlation with income (meaning the lower the income, the more spent on bingo).²

What is the average annual household expenditure on gambling in Canada?

The average annual expenditure reported by households participating in the 1996 Family Expenditure Survey (FAMEX) was \$423, with 82% of respondents indicating they spent money in at least one gaming activity.³

What is the relationship between household income and household expenditure on gaming activities?

The FAMEX survey found that household expenditure on gaming increased with household income. However, those households with higher incomes spent proportionally less than those households with lower incomes. For example, the annual average spending on gaming activities for households with an income of less than \$20,000 was \$296, or 2.2% of their total income. In contrast, households with an income of \$80,000 or more spent an average of \$536, which is only 0.5% of total income.¹⁷

What is the annual profit from legal gambling activities to provincial governments across Canada?

While overall gambling revenue grew, so did profits to provincial governments. On a national scale, profits rose from \$1.7 billion in 1992 to \$3.8 billion in 1997.² Alberta recorded the largest increase in profits while British Columbia experienced the smallest growth.

Provincial Profits From Gambling & Per Capita Spending							
Provinces	Expenditure per capita (18+)		Gambling Profits				
	1992	1997	Total			Share of Total Rev.	
			1992	1997	change	1992	1997
	\$		\$ millions		%	%	
Newfoundland	151	243	43	75	74	2.3	3.6
Prince Edward Island	236	340	8	13	63	1.8	2.4
Nova Scotia	200	296	69	102	48	2.6	3.4
New Brunswick	224	328	48	68	42	1.9	2.1
Quebec	134	348	473	1054	123	1.6	3.0
Ontario	109	300	530	1242	134	1.3	2.6
Manitoba	126	310	105	211	101	2.4	4.1
Saskatchewan	76	275	40	141	253	1.0	2.7
Alberta	99	328	125	643	414	1.1	4.2
British Columbia	157	153	239	262	10	1.6	1.2
Yukon/N.W.T.	72	75	-	1	100	-	0.3

Excerpted from Katherine Marshall. "The gambling industry: Raising the stakes." Perspectives on Labour and Income. Statistics Canada. Catalogue no. 75-001-XPE. Winter 1998. Vol. 10(4). p. 11. Citing from: National Accounts; Public Institutions (Financial management statistics); post-censal population estimates.

(Study author Katherine Marshall notes that this is likely because B.C., along with the two territories, did not have government casinos or VLTs in 1997.)¹⁸

How has the increase in gambling across the country affected employment opportunities in the industry?

In 1992, there were about 12,000 jobs available in the gambling industry. In 1997, the number of jobs had risen to 35,000, which is almost a 200% increase. In all other industries, the increase in the number of jobs in this time period increased by only 8%.¹⁹

Is gambling allowed on First Nations land?

Some First Nations across Canada, viewing gaming expansion as a means of economic and community development, contend that control and regulation of gambling activities on their lands should be under their sole

jurisdiction. Recent court decisions, however, have upheld the government’s authority to regulate and control gambling within respective provinces. Accordingly, the status of First Nations gaming development varies by province. Prepared by the Province of British Columbia as part of its evaluation for gaming expansion in 1997, the following information provides a brief description for each province.²⁰

Note: the terms “preferential revenue split” and “pooling mechanism” are used here.

Preferential revenue split indicates that the revenue sharing agreements between government and First Nations VLT sites are unique from agreements between government and commercial sites – with a greater share going to First Nations communities.

Pooling mechanism for sharing revenues refers to a special agreement whereby gaming revenues for native communities are pooled at a provincial level and shared by all First Nations

The Interprovincial Lottery Corporation

What is the Interprovincial Lottery Corporation?

The Interprovincial Lottery Corporation (ILC) provides a forum for provinces to participate in national lottery ticket sales. It is owned and jointly operated by all five Canadian lottery jurisdictions, which are:

- The British Columbia Lottery Corporation
- The Western Canada Lottery Corporation (comprised of Alberta, Saskatchewan and Manitoba along with the Yukon Territory and Northwest Territories, which are associate members)
- The Ontario Lottery Corporation
- Loto-Québec
- The Atlantic Lottery Corporation (comprised of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland)

The ILC is responsible for national lottery games such as Lotto 6/49, Super 7 and special event products (e.g. Celebration ‘98) for these five organizations.²² Each of the lottery jurisdictions also develops and markets lotteries exclusively for local markets. For example, The Plus and Sport Select are offered by the Western Canada Lottery Corporation.

Why is British Columbia no longer a member of the Western Canada Lottery Corporation?

British Columbia combined with the governments of the three prairie provinces to form the Western Canada Lottery Foundation (now Corporation) in 1974 to cooperatively sell lottery tickets. British Columbia decided to go on its own in 1985 because its lottery ticket sales were high enough to allow the province to sell its own product rather than sell cooperatively with the other provinces under WCLC’s umbrella.

groups, as opposed to revenues staying with the native communities that host casinos or VLT sites.

NEWFOUNDLAND/P.E.I.: No First Nations gaming.

NOVA SCOTIA: First Nations and charities each receive 50% of profits from one full-service casino. First Nations may self-license charitable gaming.

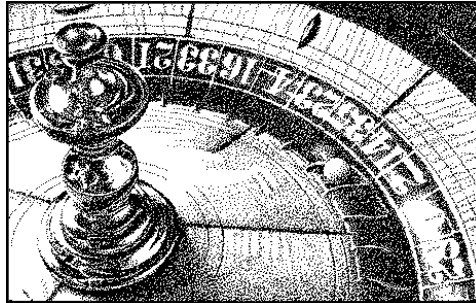
NEW BRUNSWICK: First Nations are permitted to apply for charitable gaming licences. VLTs are available through the standard process (preferential revenue split). There is no pooling mechanism for sharing revenue.

QUEBEC: One First Nations band is permitted to operate bingo on reserve lands. VLTs are available, through the standard process, for on-reserve liquor licensed premises. There is no pooling mechanism for sharing revenue.

ONTARIO: There is one dedicated full-service First Nations Casino which is owned by the Rama First Nation and operated by a private contractor under the direction of the Ontario Casino Corporation. Rama First Nation receives

no share of casino profit, only economic spin-offs. Resulting revenues are pooled for the provincial Aboriginal population.

MANITOBA: First Nations communities may establish a native gaming commission through a provincial order in council to license specified gaming activities on reserves. First Nations may also apply for charitable gaming licences from the Manitoba Gaming Control Commission. VLT agreements are negotiated with the Manitoba Lotteries Commission (preferential revenue split). There is no pooling mechanism for sharing revenue.²¹



SASKATCHEWAN: First Nations receive 25% of net revenue from Casino Regina and have seats on the board.

In addition, there are four First Nations casinos. Profits are shared among First Nations through the Federation of Saskatchewan Indian Nations.

ALBERTA & BRITISH COLUMBIA: There are no specific provisions made for First Nations gaming in either of these provinces. First Nations may apply for charitable licences through the regular process.

Chapter Six

GAMBLING IN MANITOBA

MANITOBA'S GAMING HISTORY

What is the history of gaming in Manitoba?

Gaming in Manitoba started to develop after the 1969 amendments to the Criminal Code legalized gambling. Here are some key dates and events in the almost 30 years of gambling history in Manitoba:¹

1970-73

- The Manitoba Lotteries Act is passed in 1971.
- The Manitoba Lotteries Commission is established to manage government lotteries.
- The Manitoba Lotteries Licensing Board is established. It licenses charitable organizations to operate charitable lotteries.

1974-76

- The Red River Exhibition and the Festival du Voyageur receive licences to operate full scale charitable casinos. Annual casinos are limited to 90-day operations.
- The Western Canada Lottery Foundation is established to conduct lotteries in the Western provinces. The Manitoba Lotteries Commission is the retailer of lottery tickets in Manitoba.

1980

- The Lotteries and Gaming Control (LGC) Act replaces the Manitoba Lotteries Act.

1982-84

- The Manitoba Lotteries Foundation Act replaces the LGC Act.

1984

- The Manitoba Lotteries Commission and the Manitoba Lotteries Licensing Board amalgamate to form the Manitoba Lotteries Foundation (MLF). The MLF is responsible for conducting and managing all lotteries in the province, with the exception of small raffles and horse racing.

- The MLF annually operates casinos for 90 days in Winnipeg and for 120 days in rural Manitoba.
- It acquires three full-time bingo facilities in Winnipeg and becomes the sole distributor of lottery tickets, authorized breakopen tickets and bingo paper in Manitoba.

1986

- The Winnipeg Convention Centre becomes the permanent site for seasonal casinos.

1989

- The Crystal Casino, Canada's first permanent gambling venue, opens in Winnipeg. It features slot machines, blackjack, roulette and baccarat, replacing operations at the Convention Centre and the majority of rural locations. Proceeds are directed to special health care projects in the province.

1990

- "Sport Select," a new series of sports wagering games, is introduced.
- The Pas Indian Band establishes Canada's first Native Gaming Commission through an agreement with the MLF. By 1995, 21 Native gaming agreements, representing 24 First Nations, are signed.

1991

- Video lottery terminals (VLTs) are introduced in rural Manitoba.

1993

- Club Regent and the McPhillips Street Station open in Winnipeg, offering bingo, slot machines and other forms of electronic gaming.
- The Manitoba Lotteries Foundation becomes a crown corporation called the Manitoba Lotteries Corporation (MLC).
- The number of VLTs in age-restricted locations outside Winnipeg has reached 2,100. In Winnipeg, 1,800 VLTs are introduced.

- A moratorium is placed on the expansion of VLTs and casino sites.
- The Addictions Foundation of Manitoba (AFM) is authorized to establish a problem gambling program budget at \$2.5 million over the next 4 1/2 years.

1994

- By September, there are 5,300 VLTs in 578 locations throughout the province.
- The moratorium is further defined so there will be no installation of additional machines at existing or new sites.

1995

- The government establishes the 14-member Gaming Policy Review Commission to review lottery and gaming policy in Manitoba.
- Additional funding is provided to the AFM (approximately \$1 million annually).

1996

- The Gaming Policy Review Commission issues a report in January outlining a number of recommendations. In June, the government implements the first and main recommendation of the review committee by introducing legislation to establish an independent gaming commission. Under the new system, the gaming commission regulates and controls gaming activity in the province. The Manitoba Lotteries Corporation focuses solely on marketing and operations and is regulated by the commission.
- In the same month, the government announces an implementation plan to address several other recommendations of the review committee. Highlights of the plan include:
 - a 10 per cent reduction in the number of VLTs;
 - a reduction in the number of VLTs operating at one site from the current limit of 40 to a maximum of 30;
 - a feasibility study to review all options concerning a new casino or consolidation of the Crystal Casino with the Club Regent and McPhillips Street Station operations;
 - a complete review of the VLT program every two years by the gaming commission;

- the exclusion of lifestyle advertising;
- a two-year transition period given to VLT site-holders to screen the VLTs from view by minors;
- a review by the gaming commission of the concept of municipal plebiscites to prohibit VLTs in their jurisdictions.

1997

- The Manitoba Gaming Control Commission (MGCC) commences operations on October 20.
- The government announces the Crystal Casino will close in spring 1999 when its lease expires. Casino operations will be consolidated with the planned expansions of Club Regent and McPhillips Street Station.

1998

- Construction starts on 40,000 square feet additions to Club Regent and McPhillips Street Station to accommodate consolidation of the Crystal Casino operations in 1999. (The work is scheduled to be completed in time for the Pan Am Games in summer 1999.)
- The government announces the addition of food and licensed beverage areas along with live entertainment and casino table games at Club Regent and McPhillips Street Station.
- The Addictions Foundation of Manitoba conducts training programs for personnel of video lottery terminal sites across the province to assist problem gamblers.
- Additional funding is provided to the AFM (\$1.5 million annually effective April 1, 1998).

LEGISLATION & REGULATION IN MANITOBA'S GAMING INDUSTRY

How is gaming regulated in Manitoba?

Each Canadian province has authority over lotteries and gaming within its borders pursuant to the Criminal Code of Canada.

In Manitoba, lotteries and gaming activities are operated and managed by the Manitoba Lotteries Corporation (MLC), a crown corporation of the provincial government. The MLC reports

directly to the minister responsible for lotteries and is regulated by the newly formed Manitoba Gaming Control Commission. The MGCC was established as a direct result of recommendations made by the Gaming Policy Review Commission. It commenced operations in October 1997.²

What is the role of the Manitoba Lotteries Corporation?

The MLC is responsible for gaming-related marketing and operations. Specific duties include:²

- managing and operating Club Regent and McPhillips Street Station and the consolidation of the Crystal Casino operations with these two venues. The MLC owns both remaining gaming venues;
- selling and distributing lottery products for lotteries operated by the Western Canada Lottery Corporation and the Interprovincial Lottery Corporation, such as Lotto 6/49, Instant Tickets and Super 7, in more than 800 retail locations in Manitoba;
- managing and operating video lottery terminals (VLTs) in locations throughout the province, as well as video tote machines at Assiniboia Downs. (Video tote machines are combination VLT and pari-mutuel wagering machines.);
- selling of breakopen tickets and bingo paper throughout the province;

The MLC is not responsible for:

- bets made on horse racing (which is governed by the Manitoba Horse Racing Commission – see page 35 for more information on this topic);
- raffles offering prizes under \$3,000 (which are licensed by municipalities);

What is the role of the Manitoba Gaming Control Commission?

The MGCC is responsible for:³

- regulating and controlling gaming and acting as a policy advisory to government on issues related to gaming;

- overseeing First Nations gaming in the province;
- licensing of charitable and religious organizations for gaming-related activities;
- providing security and investigative services (e.g. ensuring that all lottery suppliers, employees and equipment are registered);
- conducting public hearings and appeals; addressing complaints related to lotteries and gaming.

What is charitable gaming and how does it work in Manitoba?

Charitable gaming is when a charitable or religious organization holds a gaming activity to raise money for a cause that will benefit the community. One example is a hospital selling tickets on a chance to win a house with the proceeds going towards cancer research. Another is a community club holding a bingo to raise money for a new arena.

If a charitable organization wants to hold a gaming activity, it must apply to the MGCC for a licence. Once a licence is granted, the organization must follow the terms and conditions set out by the MGCC.⁴



What do you have to do to become a retailer of lottery tickets?

A prospective retailer must apply to the MLC to be able to sell lottery tickets. The retailer's location potential is evaluated based on its ability to generate incremental lottery sales and profits. Over 300

applications are reviewed each year, but the MLC only proceeds with one or two. There are over 800 retailers of lottery tickets in the province, which equals about one for every 1,200 people.⁵

How do lottery ticket retailers get paid?

Lottery ticket retailers earn a 5% sales commission and an additional 2% for redeeming winning tickets up to \$1000.⁵

Who owns the lottery kiosks in the malls?

Lottery kiosks are privately operated by the person who has entered into an agreement with the MLC to sell lottery tickets. These agreements are the same no matter where the tickets are sold, whether it be at a convenience store or in a mall kiosk. Expenses incurred by the lottery ticket seller, such as the cost of operating a kiosk, are the responsibility of the seller.⁵

Do you have to be a certain age to buy a lottery ticket, such as a 6/49 or Sports Select?

The MLC strictly enforces a policy stating that players must be at least 18 years of age to purchase or sell lottery tickets, to play VLTs or to participate in gaming activities at casinos and entertainment centres. However, there is no actual law restricting the age one must be to purchase or sell lottery tickets.⁵

What's the difference between casinos and entertainment centres?

A casino (Crystal Casino in Hotel Fort Garry in Winnipeg) offers table games, such as blackjack and roulette. The two venues known as entertainment centres (Club Regent and McPhillips Street Station) do not offer these games. Instead, they offer paper bingo and touchscreen games, such as video poker, bingo and keno. All three venues have slot machines.

This difference will no longer exist when Crystal Casino closes in spring 1999. At this time, the Casino's operations will be consolidated with expansions at Club Regent and McPhillips Street Station. Once the 40,000 square foot additions are completed at these two venues, each will receive 28 traditional table games from 56 previously located at Crystal Casino. There will also be four new poker tables at each site and a combined total of close to 1,000 slot machines.⁶

Why did the government choose to close Crystal Casino?

In light of the pending expiration of the Casino's lease in 1999 and as

a recommendation of the Gaming Policy Review Commission, the government initiated a review of casino and entertainment centre operations. Conducted by Price Waterhouse, the report concluded that a downtown casino was not financially viable because Club Regent and McPhillips Street Station already serve as successful tourist destinations. As well, the report stated that the gaming market is mature, with challenges coming from increased competition; it recommended that the government concentrate on maintaining its existing market share.⁷

Why are liquor and casino-style gaming tables being introduced at Club Regent and McPhillips Street Station?

The same report recommended that food, licensed beverage services, live entertainment and a wider variety of games be part of the newly expanded and enhanced facilities in order to compete with Casino Regina in Saskatchewan and casinos in the United States.

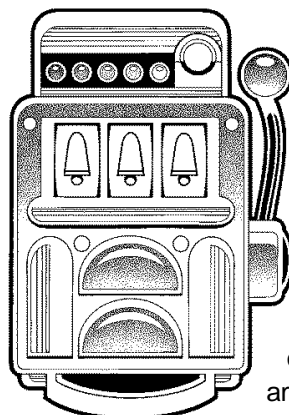
Whereas gamblers at Casino Regina and American casinos can drink while they are gambling, liquor will be offered only in the restaurant and lounge areas at Club Regent and McPhillips Street Station.⁶ (Manitobans are permitted to drink while playing VLT machines as these are located in licensed areas, such as hotels and lounges.)

Does Manitoba allow bank machines in casinos?

No. Unlike Casino Regina, there are no bank machines on the premises at Club Regent or McPhillips Street Station.

What is the difference between a slot machine and a video lottery terminal (VLT)?

Players of slot machines get their pay-outs in coins that drop into a trough on the machine. If desired, players can receive prizes of over 500 coins by cheque. Slot machines accept 5¢, 25¢ and \$1 coins. Prizes offered depend on the game played and amount wagered. For example, progressive



slot machines are available offering a jackpot that grows from \$250,000.

When VLT players want to cash out, they get a ticket from the machine which indicates their pay-out. The ticket must then be taken to a cashier on-site to be cashed in. VLTs accept both 25¢ and \$1 coins. Players must wager from one credit (25¢) to five credits (\$1.25). The maximum prize is \$1000.

In Manitoba, slot machines are found only in Club Regent, McPhillips Street Station and Crystal Casino, the latter of which is closing the the spring of 1999. VLTs are allowed in Manitoba Liquor Control Commission licensed venues that serve alcoholic beverages, such as cocktail lounges and hotel beverage rooms.

How many VLTs are there in Manitoba and where are they located?

Manitoba ranks first across the country for the highest number of VLTs per capita. (See the chart on page 21 in Chapter Five for details.) For example, Manitoba has 4,934 VLTs in operation compared to 5,852 in Alberta, even though Manitoba has half as many people.

The table below, provided by the MLC, shows the number of machines available and how these machines are distributed throughout the province as of February 1999.

	#VLTs	#SITES
Rural Hotels/Lounges	2,221	309
Rural Veterans Clubs	251	41
Winnipeg Hotels/Lounges	1,801	187
Winnipeg Veterans Clubs	190	21
First Nations	331	15
Assiniboia Downs	140	1
	4,934	574

Source: Manitoba Lotteries Corporation.

How much of the total gambling profits in Manitoba come from VLTs?

VLTs are the greatest source of gambling revenue in the province. The MLC's 1997-98 annual report indicates that VLT revenues represented \$121.3 million or 54% of the total gambling profits for Manitoba.

Who owns the VLTs in operation in Manitoba?

VLTs are owned by the MLC. Owners of Manitoba Liquor Control Commission bars and lounges must apply to the MLC if they want to become a "siteholder." They must meet terms and conditions set out by the MLC. If they do, a VLT agreement is signed.⁵ These signed agreements are then registered by the MLC with the Manitoba Gaming Control Commission (MGCC).

What percentage of the VLT revenue do siteholders receive?

Siteholders receive 20% of the gross proceeds after the prizes are paid out. This amounted to \$50.4 million in 1997/98.²

Are there any programs to identify problem VLT gamblers in the community?

Yes. The Addictions Foundation of Manitoba, in partnership with the MLC, the MGCC and representatives from the hotel and restaurant industry, initiated the "Problem Gambling Assistance Program" as a pilot project in winter 1998.

These one-day training sessions are designed to help staff (personnel of hotels, restaurants, casinos and other venues in which gaming may occur) to identify problem gamblers, no matter what gaming activity they may be involved with. However, because many of the participants work in venues that offer VLTs as the only gaming activity (hotels, for example), the program focuses primarily on gamblers who may be having a problem with VLTs.⁸

A survey of Problem Gambling Assistance Program participants completed in March 1999 revealed that an early intervention program of this type is needed and useful; prior to the training session, 80% of those surveyed were aware of a customer in their venue with a gambling problem. Almost all of the participants said they would "definitely recommend" the program to others in their industries.⁹

MANITOBA'S GAMBLERS

How many Manitobans gamble?

According to a Statistics Canada survey of household expenditures, 81% of participating Manitoba households reported spending money on at least one gambling activity in 1996. Manitoba, along with Saskatchewan and Nova Scotia, reported the highest number (28%) of households gambling in casinos, on slot machines and on VLTs, compared with the national average of 17%. Participation in non-government lotteries and raffles by Manitobans was also higher than the national average (59% vs. 39%).¹⁰ (See chart below.)

How much do Manitoba households spend on gambling?

In the same Statscan survey, Manitobans spent an average of \$390 on gambling activities in 1996 compared with the national average of \$345. (See chart below.) Manitoba ranked third

in terms of total household gambling expenditures across all of the provinces.¹⁰

Winnipeggers spent an average of \$149 on casinos and slots/VLTs – more than twice the national average of \$60 and representing the highest amount spent per household in all the Canadian cities.¹¹ After including the lower amounts spent by those in rural Manitoba, the average expenditure by Manitobans came in at \$125.¹⁰

FIRST NATIONS GAMING AGREEMENTS

What is a First Nations gaming commission?

In 1990, the Province reached agreement with First Nations groups regarding jurisdiction over gaming on reserves. Twenty-nine First Nations gaming agreements, representing 31 First Nations, have been negotiated with the province since then. First Nations agreements

give an on-reserve gaming commission the authority to license gaming events on the reserve, including bingos, raffles, breakopen tickets and other licensable events. This means that a charitable organization planning to run a gaming event on the reserve (a bingo, for example) obtains a licence from the reserve's gaming commission rather than from the MGCC. (Charitable organizations operating on reserves without gaming commissions may apply to the MGCC for licences.)⁴

Can First Nation Reserves have VLTs on their land?

Yes. The MLC has VLT agreements with 15 First Nations Gaming Commissions. A reserve can operate up to 40 VLTs. They must be located in age-restricted establishments.⁴

What is the commission kept by the First Nation Reserve?

Ninety per cent of the net revenue from VLTs goes to the reserve; 10% goes back to the MLC for administration costs.⁴

Average Household Expenditure on Games of Chance: Comparing Manitoba with the National Average			
Activity	Indicators	National Average	Manitoba
At least one gaming activity	Avg. Exp. per household	\$345	\$390
	% reporting	82%	81%
Government lotteries	Avg. Exp. per household	\$176	\$126
	% reporting	74%	64%
Non-government Lotteries & raffles	Avg. Exp. per household	\$27	\$35
	% reporting	39%	59%
Casinos/VLTs/ slot machines	Avg. Exp. per household	\$60	\$125
	% reporting	17%	28%
Bingos	Avg. Exp. per household	\$82	\$104
	% reporting	12%	13%

Source: Family Expenditures in Canada. Statistics Canada. 1998.

THE ECONOMICS OF GAMING IN MANITOBA

How much money was raised through gaming in Manitoba in 1997-98?

The MLC's 1997-98 annual report indicates that the net revenue was \$225.2 million. The main sources of revenue were VLTs, profits from Crystal Casino, Club Regent and McPhillips Street Station, and revenue from the sale of lottery tickets, bingo paper and breakopen tickets.²

The following chart shows the net revenue from gaming sources as reported in the MLC's 1997-98 annual report.²

Net Revenue from Gaming Sources: 1997-98	
Video lottery	\$121.3
Lottery	38.7
McPhillips Street Station	35.6
Club Regent	27.3
Crystal Casino	7.3
Bingo & breakopen sales	3.2
Interest income	0.58
Other	0.07
Licence fees	[0.44]
	\$233.7
General & admin expenses	8.5
	\$225.2

Source: Manitoba Lotteries Corporation 1997-98 Annual Report

How much money was raised through charitable gaming in 1997-98?

Total net profits of \$16.3 million (after prizes and expenses) were raised by charitable organizations in 1997-98.⁴

Do charitable organizations pay a licensing fee?

Yes. Organizations that run charitable gaming events pay a licensing fee to the MGCC. The fees are used by MGCC to cover the cost of administration and regulatory activities.⁴

The fee for ongoing bingos, one-time bingos, raffles, wheels of fortune, Calcutta auctions and

sports drafts is 1.5% of the gross revenue. The fee for a Monte Carlo event is \$5 per table per day. There is no fee for breakopen ticket licences.⁴

Who gets the money raised from gaming in Manitoba?

The majority of revenue generated through MLC gaming activities is distributed to the provincial government where it is used to meet the overall priorities of Manitobans and to support social programs and local community activities. (Prior to 1995, these funds were earmarked for specific projects, such as health and educational projects, transfers to local governments and deficit reduction.)¹²

A portion of the revenue goes to other recipients. Of the \$225 million in revenue in the 1997-98 fiscal year, \$3.9 million went to charitable organizations for their work as volunteers at the MLC bingos, and \$966,500 was distributed to the Addictions Foundation of Manitoba. The remaining \$220 million was drawn into the general revenue fund of the Province of Manitoba.²

A portion of VLT revenue (35%) is dedicated to specific programs. Of this revenue, 10% is allocated unconditionally to municipalities on a per capita basis; the remaining 25% supports continued growth and economic development through both the Urban and Rural Economic Development Initiatives.⁴

How do gambling profits compare to other sources of revenue for the government?

Representing \$211 million in profits in 1996-97, gambling reportedly placed behind income tax (\$1.4 billion) and retail sales tax (\$745 million) as the third largest own-revenue source for the Manitoba government.¹³

How much money was allocated by MLC for the treatment of problem gamblers?

The Addictions Foundation of Manitoba received \$966,500 from the MLC in 1997-98 and \$1.5 million in 1998-99 for gambling related

services. These services include treatment programs for problem gamblers, prevention and education programs, a youth problem gambling program, the Manitoba Problem Gambling Helpline, and research and program evaluation.¹⁴

HORSE RACING IN MANITOBA

How is horse racing monitored in Manitoba?

Horse racing is monitored provincially through the Manitoba Horse Racing Commission (MHRC), which issues licences to race tracks to hold races. The MHRC is responsible for ensuring that horse races are run fairly.¹⁵

The Canadian Pari-mutuel Agency is a federal agency responsible for supervising, regulating and controlling betting on horse races. It licenses race tracks to conduct betting activities. Betting on horse races is the only form of gaming still included in the Criminal Code of Canada. Jurisdiction for other gaming activities was handed over to the provinces in 1969.

When did horse racing become legal?

Unlike other gambling activities, horse racing has operated in Manitoba since the turn of the century.

How many horse racing tracks are there in Manitoba?

Assiniboia Downs in Winnipeg offers thoroughbred racing. About 10 rural tracks apply for and receive licences to run harness racing during two and three day events held throughout the year.¹⁵

What is pari-mutuel betting?

Pari-mutuel betting is used at the race track. Bettors pick a horse they think will win (come in first), place (come in second) or show (come in third). Pay-outs depend on the odds of the horse winning, placing or showing.* If a lot of people bet that a horse will win, the

pay-out will be less. If few people bet that the horse will win, the bet is known as a "long shot," but the pay-out will be higher.

In pari-mutuel betting, the house take is fixed and all of the residual money raised through betting is paid out to the bettors based on a calculation of odds.¹⁶ (An example of a calculation of odds is found below in the question "Where does the money wagered through betting on horse races go?")

*Note: There are other forms of pari-mutuel betting besides win/place/show.

Where do you go to bet on a horse race?

Bets can be placed at the track or at one of five teletheatres located in licensed hotels in Winnipeg. Teletheatres have television screens on which live races at Assiniboia Downs are broadcast. Bets placed at a teletheatre are electronically recorded in the same pool as bets coming in at the race track. Simulcast wagering,

which allows bettors to wager on races occurring at race tracks across Canada and the U.S., can also be done at the teletheatres.

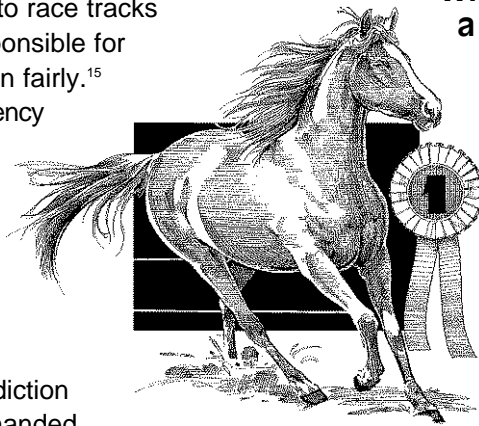
Another way that bettors can wager is by TAB (Telephone Account Betting). To do this, bettors set up an account at the track, which allows them to phone in bets for a race. They can then watch the race on cable television.¹⁷

What is the minimum and maximum bet that can be placed on a horse race?

The minimum bet is \$2.00. There is no maximum.

Where does the money wagered through betting on horse races go?

According to Sharon Gulyas, General Manager of the Manitoba Jockey Club, the money is divided between the patrons who have winning tickets, the Association (racetrack), a provincial levy and a federal levy. The percentage



that goes to each of these depends upon the type of wager. For example, on a win/place/show wager, 7.5% goes to the province, 0.8 % goes to pay the federal levy, 9.7% goes to the track and the rest (82%) goes to patrons with winning tickets.¹⁷

How does the province spend its percentage?

According to MHRC's Wayne Anderson, the money is all returned to the industry. Percentages go to three places: to fund the regulatory and administrative activities of the MHRC, to assist the breeding industry, and to support the purses offered at the race tracks. The latter assists tracks in offering attractive purses so that horse owners will come to Manitoba.¹⁵

How is the federal levy allocated?

The federal levy goes to the Canadian Pari-mutuel Agency, where it is spent on the regulatory activities it provides. These activities include: post race testing of horses for banned substances; filming entire races (race patrol

service) and taking still photos of the official order of finish with specialized equipment; and providing auditing services to ensure that the money wagered is distributed according to the regulations.¹⁸

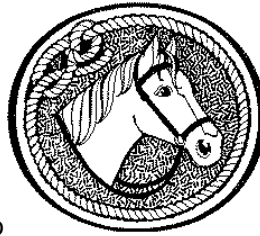
How do the owners of the horses get paid?

Owners race for purses offered by the track. The track has a "purse pool" which it builds up through money contributed from its take of the wagering money.

At Assiniboia Downs in Winnipeg, a purse might be \$10,000. Sixty percent of that goes to the first place winner, 20% goes to second place, 10% goes to third place, 5% goes to fourth place, 3% goes to fifth place and 2% goes to the HBPA (Horseman's Benevolent and Protective Association), a group that represents the horsemen.¹⁷

How do the jockeys get paid?

The owner of the horse pays the jockey out of the winning purse. If the horse doesn't win, a minimal jockey fee is paid (usually about \$40).¹⁷



Chapter Seven

PREVALENCE & CONSEQUENCES OF PROBLEM GAMBLING

What is the prevalence of gambling in Manitoba's general population?

The most recent survey examining the prevalence of gambling among Manitoba's adult population was completed in 1995 by Criterion Research Corporation for the Manitoba Lotteries Corporation (MLC). The survey found that 92% of adult Manitobans have participated in at least one gambling activity in their lifetime.¹

What are the favourite gaming activities of gamblers in the general population?

The same report asked respondents from the general Manitoba population who had participated in more than one type of gambling activity to indicate which activity was their favourite. Lottery or scratch tickets came in first at 22%, VLTs came in second at 18% and bingo came in third at 10%.² Other activities and their rankings are found in the chart below.

Favourite Gaming Activities of Gamblers in the General Population	
ACTIVITY	% REPORTING
Lottery or scratch ticket	22
VLTs	18
Bingo	10
Casino slots	8
Cards not in casino	8
Raffle tickets	4
Casino tables	4
Sport Select	3
Betting on games of skill	2
Informal bets	2
Racetrack betting	2
Sport pools	2
Speculative investments	1
Breakopen tickets	1
None	3
Not stated	10
<small>N=897 Source: Manitoba Lotteries Corporation. Problem Gambling Study. 1995.</small>	

What are the demographic differences between gamblers and non-gamblers in Manitoba's general population?

This study found that gamblers (those who have participated in any gambling activity in their lifetime) and non-gamblers (those who have never gambled) differed significantly in two areas: education and household income. Gamblers are significantly more likely to have at least a high school education (84%) than non-gamblers (70%). Gamblers were also significantly more likely to have annual household incomes of over \$25,000 (72% for gamblers versus 54% for non-gamblers). In terms of gender, age and marital status, the survey found gamblers and non-gamblers to be similar.¹

What is the prevalence of problem gambling in Manitoba?

The 1995 Criterion Research study found that 4.3% of the population in Manitoba are problem or pathological problem gamblers.

Of that percentage, 2.4% are problem gamblers (defined as individuals whose everyday lives may be affected by their gambling behaviour, but who cannot be diagnosed as in immediate need of treatment) and 1.9% are probable pathological gamblers (defined as individuals who may be in need of treatment).³

How does Manitoba's problem gambling rate compare to the overall rate for North America?

In 1997, three researchers from the Harvard Medical School (Shaffer, Hall and Vander Bilt) attempted to come up with problem gambling prevalence rates for United States and Canada through a meta-analysis of 152 previously conducted independent studies from various geographical areas.⁴ (A meta-analysis tries to establish more precise estimates of the prevalence of a phenomenon – such as problem gambling – by empirically integrating the findings of other studies.)

The analysis looked at studies from across the U.S. and Canada, including the 1995 problem gambling prevalence study completed in Manitoba by Criterion Research Corporation. The study found that past-year rates* of level 3 gamblers (gamblers with the most severe level of disordered gambling) are 1.14% of the adult general population.⁵ The past-year rates for level 2 gamblers (gamblers with sub-clinical levels of gambling problems) are 2.8% of the adult general population.⁶

*Past-year rates represent the proportion of participants from the adult general population who have had a gambling problem in the past year.⁵

How do these prevalence rates translate into actual numbers of people who are having difficulty with gambling?

Based on the Canadian 1996 census, the researchers estimated that, in Canada, approximately 300,000 adults are level 3 gamblers and 600,000 adults are level 2 gamblers.⁷

The researchers also estimated the approximate number of problem gamblers in the United States based on the U.S. 1997 census. They found that 2.2 million adults are level 3 gamblers and 5.3 million adults are level 2 gamblers.⁷

Is there a profile of a pathological gambler?

No – at least not one that is consistent from region to region. Numerous studies of gamblers in both the general population and in treatment programs across Canada have come up with varying profiles of pathological gamblers.

For example, a study done by Addictions Foundation of Manitoba comparing gambling clients with substance abuse clients found that the gamblers were more

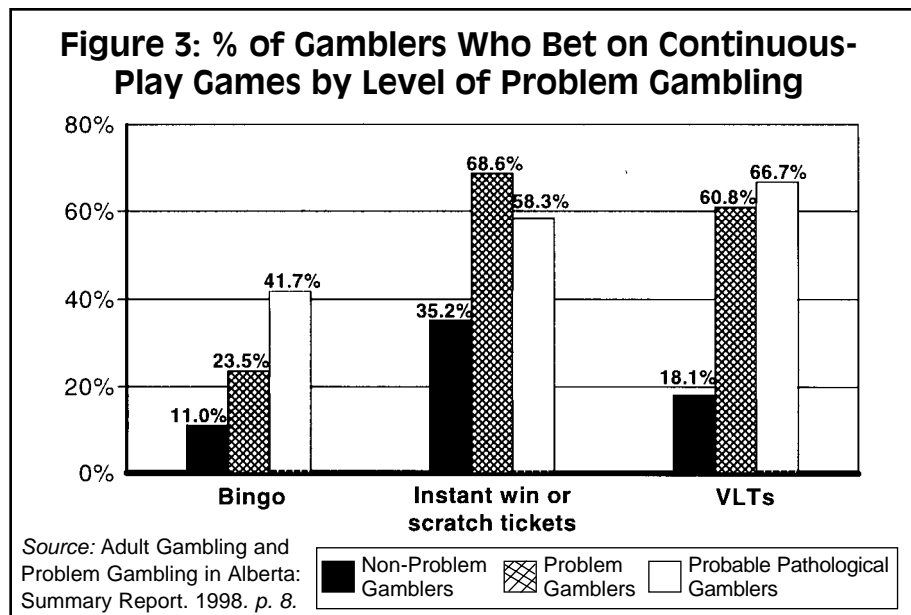
likely to be married males age 35 to 50 with complete high school or post-secondary education. Gamblers were also more likely to be employed, own their own homes and have annual household incomes of \$50,000 or over.⁸

However, an Alberta study of the general population presents a completely different profile. It found that probable pathological gamblers were more likely than non-problem gamblers to be single, divorced or separated males under 30 years of age with an annual household income under \$20,000. The probable pathological gamblers were also more likely to be Aboriginal in ethnic origin with lower education levels than non-problem gamblers.⁹

An Alberta study on gambling and problem gambling specifically among indigenous people revealed that in this sub-group, problem gamblers are more likely to be female than male.¹⁰

Do problem gamblers exhibit certain gambling habits?

While keeping in mind that profiles of gamblers differ from study to study, it is interesting to note some identifiable gambling habits found among probable pathological gamblers in Alberta. The general population survey found that these gamblers were more likely than non-problem gamblers to play all types of gambling activities and to play continuous-play games, such as VLTs.¹¹ See Figure 3.



What specific information is available about gamblers in Manitoba?

Except for the 1995 and 1993 Criterion Research Surveys cited earlier, along with a youth prevalence study completed by the Addictions Foundation of Manitoba (AFM) in 1999 (see Chapter Eight), very little information exists about gamblers in Manitoba's general population. However, AFM has been keeping detailed statistics on an annual basis since 1994-95 for clients in its adult gambling treatment program and for callers to AFM's Gambling Helpline. Data from these sources provides valuable information concerning the profiles and patterns of problem and pathological gamblers.

The information in the following section is derived from: a) forms completed by clients entering AFM's gambling program from April 1997 to March 1998, and b) statistics gathered between April 1997 and March 1998 about people who called AFM's gambling Helpline.¹²

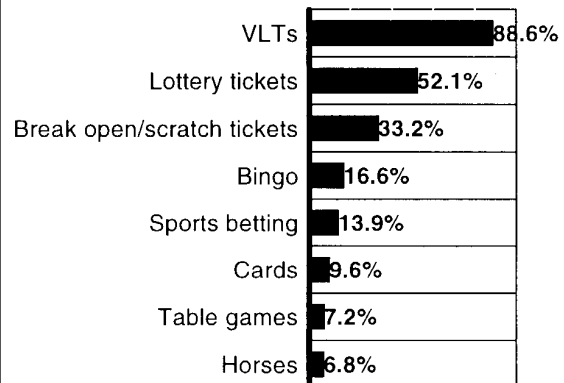
How many people are involved in AFM's Gambling Program?

The number of admissions to AFM's Gambling Program has increased substantially over the years since its inception. In 1993/94, there were 218 admissions. The number rose steadily each year to 1,265 admissions in 1997/98.

What gaming activities do AFM clients participate in and how often do they play?

The gaming activity chosen the most by AFM gambling clients is playing VLTs or slots – 88.6% play weekly or more. Other popular gaming activities among clients are buying lottery tickets (52.1% buy them weekly or more) and buying break open or scratch tickets (33.2% buy them weekly or more). Information on other gaming activities played by AFM gambling clients is found in Figure 4.

Figure 4: Games Played Weekly or More by AFM Clients



N=269-367

Source: Addictions Foundation of Manitoba

Where do AFM clients do their gambling?

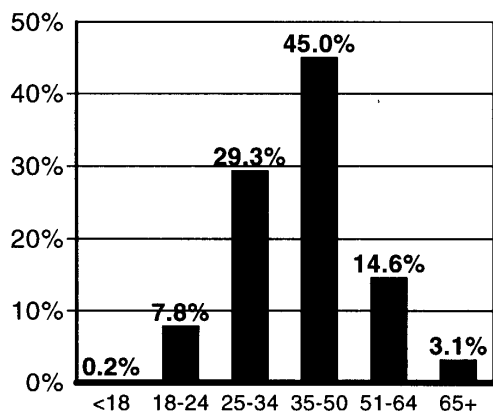
Consistent with the statistics on favourite gaming activities discussed above, the most popular venue of choice of AFM gambling clients is local hotels/restaurants, where VLTs are available: 66.6% reported gambling in these establishments weekly or more, with 13.2% reporting daily attendance. The second most popular venue is lottery outlets/kiosks, with 38.8% purchasing tickets there weekly or more.

McPhillips Street Station and Club Regent attracted 15.5% and 14.1% respectively of AFM gambling clients on a weekly or more basis. Other establishments attended by clients include Crystal Casino, Legions and the race track.

What were the ages of the clients involved in AFM's Gambling Program?

The largest proportion of clients attending AFM's Gambling Program were 35 to 50 years of age (45%). This age group was followed by gambling clients 25 to 34 years of age (29.3%). As shown in Figure 5, other age groups and the proportion of clients attending were: age 17 or less (0.2%), 18 to 24 (7.8%), 51 to 64 (14.6%) and 65+ (3.1%).

**Figure 5:
Age of AFM Gambling Clients**



N=540 Source: Addictions Foundation of Manitoba

Are there more males than females in AFM's Gambling Program?

Yes. Statistics from intake and assessment forms for AFM's Gambling Program indicate that 52.5% of the program's clients were male and 47.5% were female. These statistics are almost identical to the proportion of males and females who called AFM's Problem Gambling Help Line: 52.8% of the callers were male and 47.2% were female.

What is the marital status of AFM's Gambling Program clients?

Almost two thirds (62.8%) of the clients who attended AFM's Gambling Treatment Program in 1997-98 were married. Of the remaining clients, 14.8% were never married, 9.8% were separated, 8.1% were divorced, 3% gave "other" as their marital status and 1.5% were widowed.

What level of education have AFM's gambling clients achieved?

More than half of the gambling clients have at least some high school education (56%). Of these, 30% completed their grade 12 while 26% did not. Only 2.7% of the clients have less than a grade 9 education. Some clients obtained more than a high school diploma. Specifically, 18.5% have a partial or complete community college or technical school diploma, and 14.6% have a partial or complete university degree. Graduate degrees were earned by 4.2% of the

clients, and 4% have some other post secondary education.

What is the employment status of AFM's gambling clients?

Most of the clients in AFM's Gambling Program are employed either full-time or part-time (60.7%), while 17.1% are unemployed. Homemakers make up 6.4%, students 2.4%, retired people 8.1%, and 5.3% are in the "other" category.

What are the occupations of AFM gambling clients?

Most of the gambling clients worked in one of four occupational groups: managerial/administrative (13.3%), general labour (12.7%), clerical (12%) and service occupations (10.8%). The remaining clients worked in a variety of other occupations.

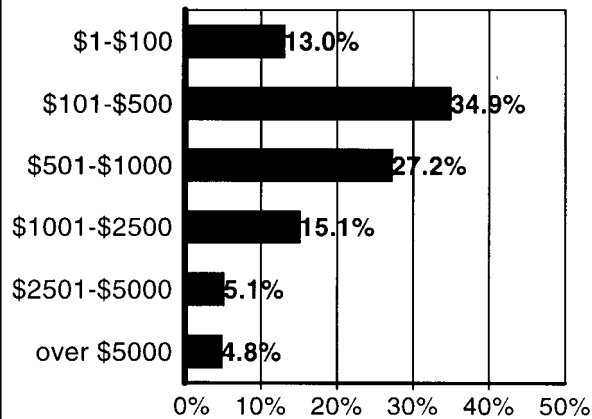
What is the household income of AFM's gambling clients?

AFM's gambling clients report a variety of levels of income, with the largest proportion earning between \$30,000 and \$39,999 (17.4%) followed closely by those in the \$50,000 to \$75,000 income bracket (16.6%). Those earning less than \$10,000 accounted for 10.9% of clients, while 14.2% earned between \$10,000 and \$19,999 and 12.6% earned between \$20,000 and \$29,999. At the other end of the scale, 12.4% reported being in the \$40,000 to \$49,999 bracket and 6.7% earned more than \$75,000. A total of 9.3% of gambling clients either didn't know what they earned or declined to divulge the information.

How much money did AFM gambling clients lose each month over the past year?

Almost 35% of AFM gambling clients reported losing between \$101 and \$500 a month in gambling activities. A further 27.2% lost between \$501 and \$1000 a month, while 15.1% lost between \$1001 and \$2500. A small proportion of gamblers lost even more than this. For example, 5.1% lost between \$2500 and \$5000, and 4.8% lost over \$5000. See Figure 6 (next page).

Figure 6: Amount Lost Gambling Per Month in Past Year



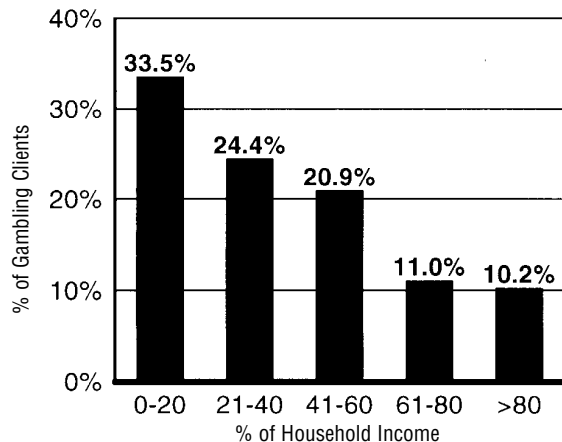
N=372

Source: Addictions Foundation of Manitoba

What percentage of household income did AFM gambling clients spend on gambling in the past year?

One third of AFM gambling program clients reported spending between 0 and 20% of their household income on gambling activities. Almost one quarter spent between 21 and 40% of their income. At the other end of the scale, 10.2% of clients claimed to have spent over 80% of their family income on gambling. For a further breakdown of percentage of household income spent on gambling, refer to Figure 7.

Figure 7: % of Household Income Spent on Gambling in Past year

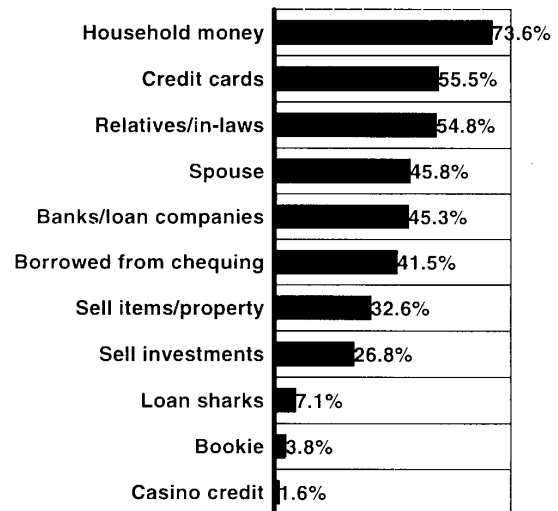


N=373 Source: Addictions Foundation of Manitoba

Where did AFM gambling clients get money to gamble?

A large proportion (73.6%) of AFM gambling clients took money from their household incomes to spend on gambling. Credit cards were the next most popular source of gambling money: 55.5% of clients reported using their cards to obtain the money they needed for gambling. Other clients (54.8%) received money from relatives or in-laws, while spouses were the source for 45.8% of clients. Other sources of gambling money and the percentage of clients who used them are found in Figure 8.

Figure 8: Where Did AFM Clients Get the Money to Gamble?

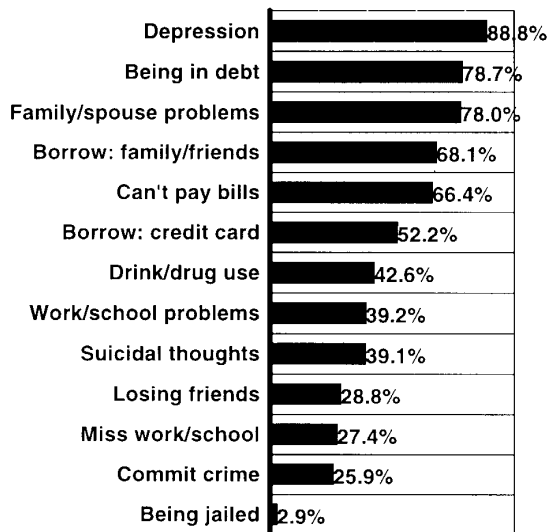


N=316-348 Source: Addictions Foundation of Manitoba

What are the consequences of problem gambling in the lives of AFM gambling clients?

Problem gambling has many negative consequences in the lives of AFM gambling clients. For example, a large proportion (88.8%) report that at some point in their lives they have felt depressed. Two other consequences, each reported by over three-quarters of the clients, are being in debt (78.7%) and experiencing problems with their families and/or spouses (78%). Also high on the list of gambling consequences is having to borrow from family and/or friends (68.1%). Figure 9 shows other consequences of gambling reported by clients.

**Figure 9:
Consequences Experienced
by AFM Gambling Clients**



N=324-345 Source: Addictions Foundation of Manitoba

What are some other effects of gambling on AFM clients?

AFM clients report a variety of other effects of gambling in their lives. These include gambling more than they intended (84.4%), feeling the need to cut down on their gambling (80.3%), having guilty feelings about gambling (80.5%), feeling annoyed by criticism from others about their gambling (67%) and borrowing money from friends, family or work to support their gambling (63.7%). See Figure 10.

Figure 10: Other Effects of Gambling on AFM Clients



N=460-471 Source: Addictions Foundation of Manitoba

Have things ever been so bad for AFM gambling clients that any have considered committing suicide?

Yes. Some clients have thought about suicide and have even attempted it. Responses to questions about suicide yielded the following results:

- almost two-thirds (60.8%) of gambling clients have felt at some time that life is not worth living;
- over half (52.5%) have thought about suicide;
- of those who have thought about suicide, 23.1% have actually attempted it;
- of those who have thought about suicide, 46.5% have attempted it more than once.

Is there an association between substance use problems and gambling problems?

A 1998 study completed in Alberta shed some light on this subject. It revealed that problem gamblers were 1 1/2 times more likely than non-problem gamblers to be both frequent and heavy drinkers. (A frequent drinker is defined as someone who drinks weekly or daily. A heavy drinker is defined as someone who drinks three or more drinks per session.) The study also showed that problem gamblers were twice as likely as non-problem gamblers to be smokers.⁹

A study completed by the AFM in 1996 found some interesting data about gambling clients and alcohol use. While 86.2% of the problem gambling clients indicated that alcohol was their drug of choice, only 13.8% reported using it during the 45 days prior to admission to the gambling program. A possible explanation for this – based on observations by AFM gambling staff – is that gambling clients are often heavily involved in gambling just prior to admission to the exclusion of most other activities, including alcohol consumption.¹³

Another 1996 AFM analysis of client data found that gamblers had a much higher rate of tobacco consumption than the general population across Canada (58.9% of the gamblers smoked versus 27% of the general population¹⁴). However, substance abusers had a higher rate of smoking (83.4%) than the gamblers.¹⁵

Chapter Eight

YOUTH AND GAMBLING

Why is it important to look at youth and gambling?

Today's teens are the first generation to grow up in an environment of increased access to a wide array of gambling options and a relaxed social acceptance of gambling as a government regulated activity. Along with this, youth may be at greater risk of developing gambling problems than adults because of some of the factors associated with adolescence. As Bev Mehmel of AFM's Youth Unit points out:

"It is well-known that the teen years are a time of transition, experimentation and risk taking. Teens are less mature psychologically, emotionally and socially, and they can be impulsive. They are also just learning about managing money."¹

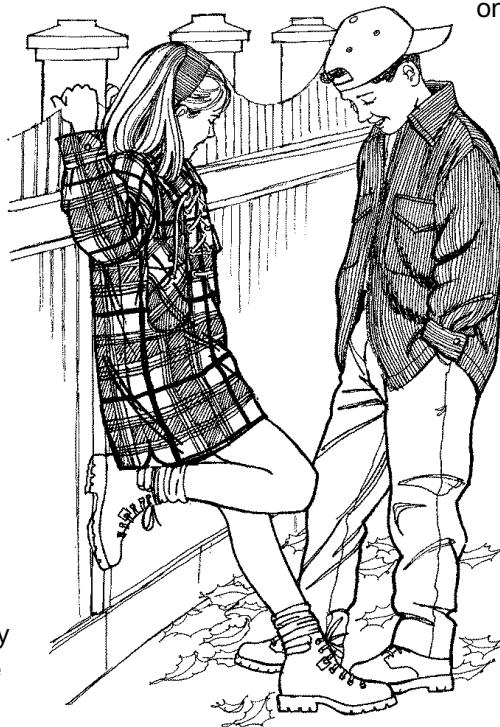
What is the risk of gambling problems among youth?

There is evidence indicating that adolescents have higher risk than adults of developing problems with gambling. For example, the Addictions Foundation of Manitoba recently conducted a study to determine the prevalence of gambling and problem gambling among youth (12 to 17 years old) in the general population. A total of 1,000 youth were interviewed by telephone between January 13 and March 4, 1999.² The study showed that 8% of youth were at risk of developing a gambling problem and 3% were problem gamblers, compared to 2.4% and 1.9% for adults. (The adult rates are from a 1995 prevalence study.)³

A 1995 survey in Alberta showed even higher rates for youth. It reported that 23% of adolescents showed indications of problem gambling, compared to 5.4% of the adults surveyed.⁴

Is there a relationship between youth problem gambling and becoming an adult problem gambler?

There is a real need for longitudinal research in this area. However, there is some evidence to indicate that youth problem gambling may lead to adult problem gambling. The 1995 Alberta adolescent gambling study found that problem gamblers were more likely than non-problem gamblers to look forward to trying out VLTs and casino games, such as blackjack and roulette, once they were old enough to legally access them.⁴



Is there a relationship between the age people start gambling and problem gambling?

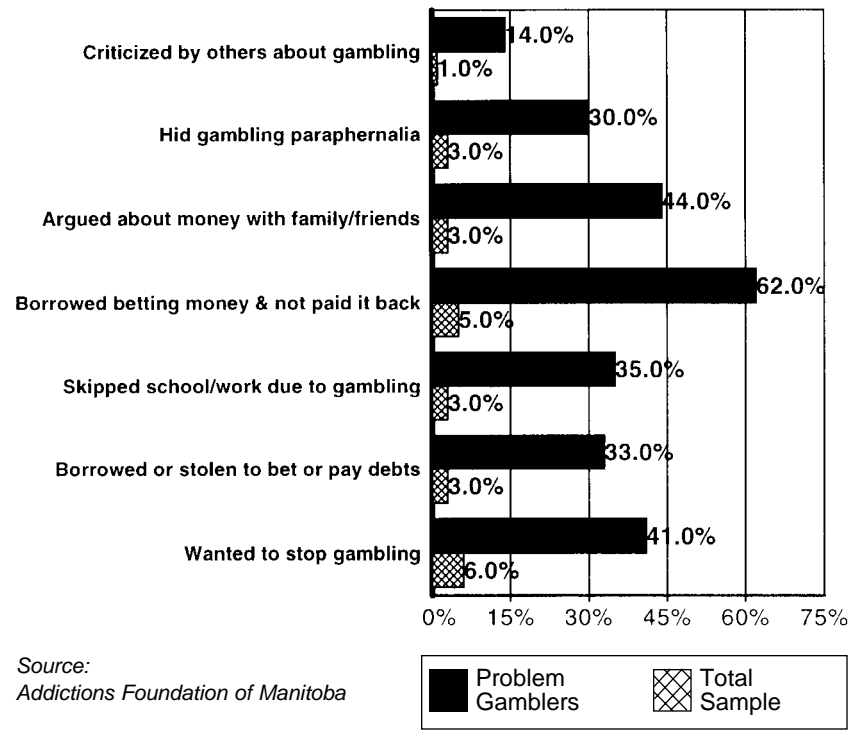
The previously mentioned Manitoba study asked youth participants at what age they had their first gambling experience. The results showed very little difference between the categories of gamblers: both non-problem and at-risk gamblers started gambling at 9.3 years of age, while problem gamblers started at 8.5 years of age.²

In contrast, a 1998 Alberta study with adults found that 25% of probable pathological gamblers and 15.7% of problem gamblers started gambling when they were between 6 and 10 years old, compared to only 6.8% of non-problem gamblers.⁵

How do youth perceive gambling as an activity?

Shaffer (1996) reported that only 25% of adolescents perceived gambling as "potentially dangerous" compared with alcohol (60%), tobacco (64%), inhalants (64%), marijuana (71%), stimulants (75%) and narcotics (75%).⁶

Figure 11: Consequences Experienced by Manitoba Youth as a Result of Gambling



What are the consequences for youth who develop a gambling problem?

The Manitoba study revealed that, compared to responses from participants in the total sample, problem gamblers experienced many more consequences as a result of gambling. For example, 65% of the problem gamblers reported borrowing money and not paying it back, compared to only 5% of the total sample. Arguing with family and friends about money was reported by 44% of the problem gamblers, but only by 3% of the total sample.² Other consequences experienced are shown in Figure 11.

How do adolescents pay for gambling?

An Ontario study (1994) of 400 adolescents aged 12 to 19 reported that 24% of respondents got the money to pay for gambling debts from their parents, 16% from lunch money, 9% from other relatives, 7% from the sale of personal property, 4% from financial institutions, 4% by stealing from parents or roommates and 2% by using credit cards.⁷

The Manitoba study found that the problem gamblers had more money to spend than did the total sample: 31% of the problem gamblers reported obtaining \$50 or more a week from allowances, jobs and other sources. Only 21% of the total sample had access to that much money. This difference could be partly explained by the fact that the problem gamblers reported working more: 64% work 10 or more hours a week, compared to only 34% of the total sample.²

How much do adolescents spend on gambling?

The Manitoba study found that, in an average month, 29% of problem gamblers spent between \$11 and \$50 on gambling, 8% spent between \$50 and \$100 and 6% spent over \$100.²

The previously mentioned Ontario study also looked at this issue. It found that 25% of youth with no gambling problems spent up to \$10 a day, while 60% of problem gamblers spent that much. Amongst those adolescents

considered to be probable pathological gamblers, 53% had spent up to \$100 on a single day.⁸

Do gambling problems run in families?

The Manitoba study indicates that it may. It found that 31% of the problem gamblers had parents who gambled too much (according to the youths' perceptions), compared to only 9% of the total sample.²

The Ontario study found similar results. In it, 15% of the youth who reported no gambling problems had a friend or family member with a gambling problem. That figure rose to 47% for adolescents with gambling problems.⁷

Who do young people gamble with?

Shaffer (1996) surveyed 486 children in Grades 7 through 11 and reported that 15% of children actually made their first bets with their parents and another 20% did so with another family member.⁹ Gupta and Derevensky (1997) found that 81% of the children they surveyed in Montreal (aged 9 to 14) that reported gambling did so with family members. Of those, 40% said they gambled with parents, 53% with siblings and 46% with other relatives, such as grandparents, aunts and uncles.¹⁰



How many youth gamble?

The earlier mentioned Ontario study (1994) of 400 adolescents reported that approximately 65% had participated in at least one gambling activity in the previous 12 months.¹¹ The Manitoba study found that 78% of the youth surveyed had participated in at least one gambling activity in the past 12 months.²

What is the prevalence of problem gambling amongst youth?

After analyzing a number of prevalence studies of adolescent gambling behaviour in North America, Shaffer and Hall (1996) concluded that between 4.4% and 7.4% of adolescents

between the ages of 13 and 20 showed patterns of compulsive or pathological gambling behaviour and a further 9.9% to 14.2% were at risk.¹²

The Manitoba study found that problem gambling prevalence among youth age 12 to 17 falls just below this range. It indicated that 3% of the youth surveyed showed signs of being problem gamblers, while 8% were at risk of developing a problem with gambling.²

How do these prevalence rates translate into actual numbers of youth with gambling problems?

A meta-analysis of 152 previously conducted independent studies of adults and youth in Canada and the U.S., completed by Shaffer, Hall and Vander Bilt (1997), estimates that approximately 200,000 adolescents in Canada have severe problems with gambling, while 600,000 are experiencing sub-clinical levels of gambling problems.¹³

Using Manitoba study results, it could be estimated that approximately 7,600 12 to 17 year olds in the province are at risk of developing a problem with gambling, while about 3,000 youth are problem gamblers.²

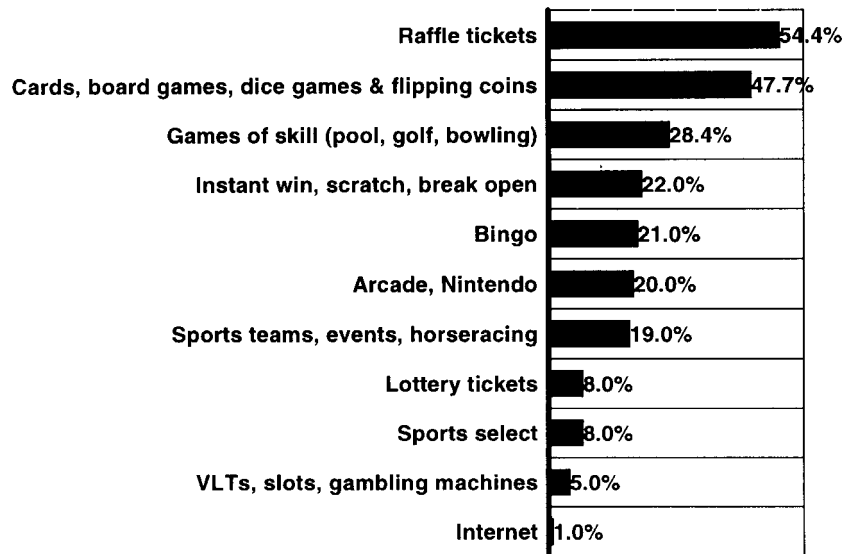
Does frequency of gambling increase as a youth gets older?

The Manitoba study found that the likelihood of participating in gambling activities increases with age. Whereas 29% of the 12-year-olds surveyed reported that they had never gambled, only 16% of the 17-year-olds were non-gamblers.²

Is substance use associated with gambling problems among youth?

The Manitoba study did find an association between substance use and gambling problems. For example, 25% of the problem gamblers reported using alcohol once a week or more, compared to just 7% of the total sample. It also

Figure 12: Gambling Activities Played by Youth in Manitoba



Source: Addictions Foundation of Manitoba

found that 52% of the problem gamblers, compared to 16% of the total sample, smoke cigarettes at least daily. More problem gamblers also reported using marijuana or hash in the past year (54% compared to 20% of the total sample).²

A recent study completed by researchers from Children’s Hospital at Harvard Medical School, Boston, also shed some light on this question. This study found that adolescents who gambled reported participating in an “increased number of at-risk behaviours in other areas of their lives.” The study, which involved nearly 17,000 adolescents (from grade 8-12), determined that 15% of those teens who reported gambling in the past year used illegal drugs, compared with 8% of teens who had not gambled in the past year. Of those who reported having problems related to gambling, 28% reported using illegal substances.¹⁴

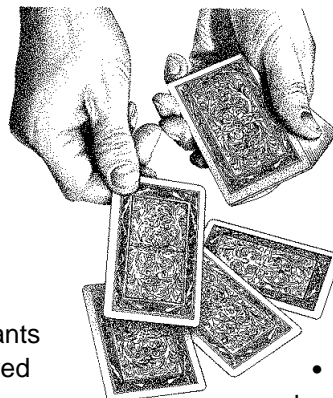
What forms of gambling are popular with youth?

The Manitoba study asked participants which forms of gambling they had played at least once in the last 12 months.

The results indicated that the most popular form of gambling among youth was buying raffle tickets (54%) followed by betting on cards, board games, dice or coin flips (48%). The third most popular form of gambling was games of skill, such as pool, golf or bowling (28%). The extent of the popularity of other gambling activities among Manitoba youth is found in Figure 12.²

Do youth problem gamblers seek help?

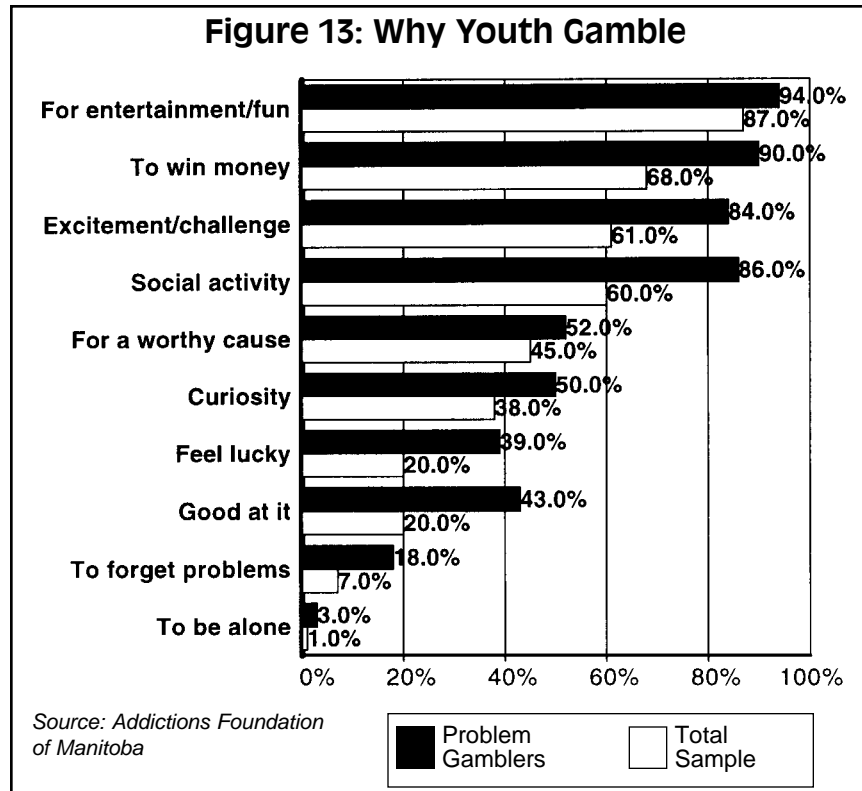
A total of 27% of Manitoba’s youth problem gamblers reached out for help. Of these, 70% approached their school counsellor or a teacher.²



What are the characteristics of an adolescent problem gambler?

The Manitoba study found that, compared to the total sample, adolescent problem gamblers were²:

- more likely to think that their parents gamble too much;
- more likely to have problems in school;
- less able to talk to parents about problems;



- more likely to have used substances in the past year;
- less happy with life in the past year;
- more likely to have felt anxious, upset or depressed in the past year;
- more likely to have had problems with police in the past year.

What's the difference between the genders when it comes to adolescent problem gambling?

The 1994 Ontario study found that adolescent males were more likely to have "some gambling problems" (43% vs. 23%) and to have "probable pathological gambling problems" (7% vs. 2%).⁸

In contrast, no differences between males and females were found in the Manitoba study: 3% of males and 3% of females were identified as problem gamblers.²

What is known about Aboriginal youth and gambling?

An Alberta study completed in 1995 involving 961 Aboriginal students from grades 5 to 12 found that factors such as age and gender carried essentially the same influences in this group as they did in general surveys. What varied was that many of the youths in this study had suffered the loss of family members or friends. Amongst those classified as at-risk or problem gamblers, 44% had at least one friend die in the previous one or two years and 77% had lost at least one family member in the past one to two years.¹⁵

Why do youth gamble?

Youth in Manitoba gamble for a variety of reasons, including for entertainment or fun, to win money, for the excitement and challenge and to socialize with friends. (See Figure 13.)

EFFECTS OF PROBLEM GAMBLING ON THE FAMILY

For most families, participating in gambling activities means an opportunity to have fun and to enjoy each other's company. Gambling might consist of nothing more than a recreational game of rummy on a Saturday night.

In other families, one parent may enjoy an odd afternoon at a casino, a bingo hall or a local pub that offers VLTs. For most of these families, gambling behaviour has no ill effects.

However, in a small number of families, someone else's gambling may be causing serious emotional and financial hardships. In these families, a parent may be so consumed by gambling that he or she has very little of anything left to give spouses and children. Families who have little disposable income are particularly vulnerable to the effects of excessive gambling. Money spent gambling may result in a missed mortgage payment, fewer grocery purchases, utilities being turned off or the sale of personal items – all of which have implications for the entire family.¹

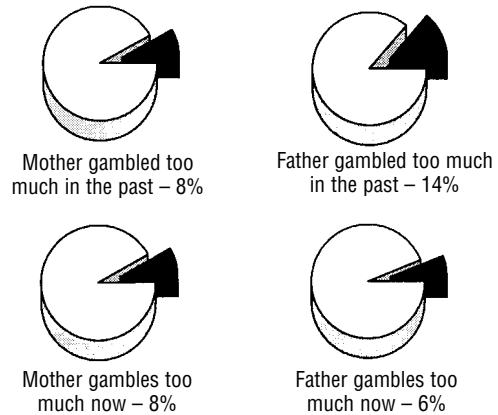
The following questions and answers will shed some light on problem gambling and how it effects the family.

Does problem gambling run in families?

There is some evidence indicating that problem gamblers may come from a family where a parent was also a problem gambler. For example, 8% of all AFM problem gambling clients in 1997-98 indicated that their mothers had gambled too much in the past, while 14% said the same of their fathers. In the same group of problem gambling clients, 8% reported that their mothers gamble too much now, and 6% reported that their fathers do.

An American study also found a link between parental problem gambling and pathological gambling in the study's participants. Participants whose parents were problem gamblers were three times more likely to have serious gambling problems themselves than participants who did not have parents who gambled. As well, those participants whose grandparents had gambling problems were two times more likely to be problem gamblers.²

Figure 14: % of AFM Problem Gambling Clients Who Report Parental Problem Gambling



Source: Addictions Foundation of Manitoba

Is it easy to tell if a family member is a problem gambler?

Not usually. When a family member is having a problem with drugs or alcohol, there are often obvious signs, such as intoxication or a tell-tale smell on the breath. With gambling, there are often no visible signs. It's true that some problem gamblers may exhibit mood swings or spend a lot of time away from home, but these signs could just as easily indicate some other problem. In fact, the problem may be so invisible that as gambling progresses in frequency and severity, families are often in the dark about the extent of the problem.³

If someone has a problem with gambling, what are the effects on the family members?

Individuals who become seriously involved in gambling spend increasingly more time, energy and money on their chosen activity. The seriousness of the gambling problem starts to surface when increased gambling is coupled with a decrease in time, energy and money spent on the family.

In many instances, family members may not know what is going on – they just know that the gambling spouse or parent isn't there for them.

Much of the gambler's time is spent away from home at gambling activities, but even when at home the person may be preoccupied and thus unreachable to family members. As well, all of the person's energy is spent either gambling or thinking about gambling, so again he or she remains emotionally unavailable to the family. Family members may also start to become aware that finances are a problem, but may not understand why because the gambler may be lying to cover up gambling expenditures. In any regard, the family is likely to be negatively affected by difficult financial circumstances.⁴

What effect does a parent's problem gambling have on his or her children?

In addition to sharing the burden and stress of financial problems, children are often witness to the struggle between parents as they argue over money and time spent gambling. Subject to the mood swings of the gambling parent, children may be alternately punished or rewarded as a result of a big win or loss. They may also feel torn between the two parents, seeing the non-gambling spouse as often angry and attempting to control the other parent's behaviour.⁵

Not surprisingly, research has shown that children who grew up with a problem gambler for a parent rated their upbringing as "poorer than most." Studies also indicate that these adolescents report being more anxious, insecure, subject to mood disorders and twice as likely to attempt suicide.⁶

Finally, there is evidence that children of pathological or problem gamblers are at a greater risk of developing their own addictive behaviours, including gambling.⁷

What are some ways that pathological gambling will affect two people in a marriage?

In her book, *Losing your \$hirt*, Mary Heineman says that when a gambling problem

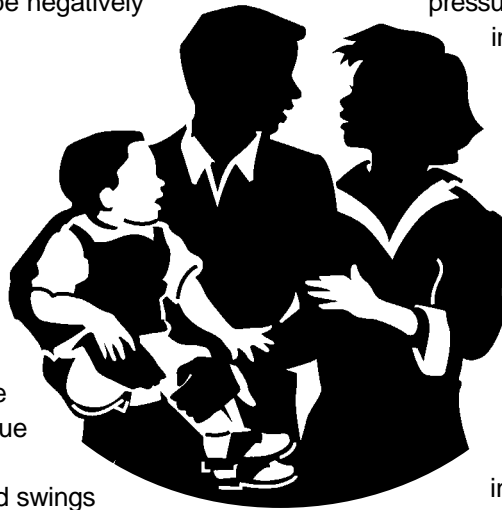
haunts a marriage, the husband and wife may look like the perfect couple – from the outside.⁸ But, like other chronic, progressive and devastating addictions, gambling will "tear away at every aspect of the couple's well-being." Heineman identifies some ways in which problem gambling affects each of the spouses:

THE GAMBLER

- financial ruin;
- physical problems (such as high blood pressure, ulcers, headaches, backaches, intestinal problems and serious heart problems caused by living a life of stress);
 - mental losses – problem gamblers concentrate most of their thoughts on gambling and are thus distracted from other activities (i.e. jobs);
 - emotional devastation – many problemgamblers become isolated, lonely, guilt-ridden, depressed individuals;
 - spiritual death – nothing but gambling matters to a problem gambler. As Heineman puts it: "Neither sunshine, nor beauty, nor the love of another human being has much place in the life of a compulsive gambler."⁹

THE GAMBLER'S SPOUSE

- financial implications;
- low self-esteem and depression caused by taking the caretaker role in the marriage. By taking this role, the husband or wife deprives him or herself so the problem gambler's needs can be met;
- mounting fear, stress and ill health;
- sexual deprivation. ("When the compulsive gambler is winning, he is so elated that he doesn't need sex. And when losing, he's too depressed to want it."¹⁰);
- lives with the gambler's compulsive lies;
- social isolation (cuts self off from family and friends to avoid confrontation of the problem);
- unreachable husband or wife, because he or she is so wrapped up in gambling.



What are some other effects of pathological gambling on the spouse and family?

Over the years, researchers have conducted numerous surveys examining this question. Here are some of the effects that have been reported:

- greater risk of suicide in wives of problem gamblers;¹¹
- greater risk of suicide, higher rates of substance abuse and lower grades than peers in children of problem gamblers;¹²
- eating disorders in spouses;¹²
- financial difficulties in families of problem gamblers that are directly related to gambling;¹³
- turning over of savings and earnings by wives to the gambler for gambling or paying of debts;¹³
- borrowing money from friends and relatives by wives to finance spouse's gambling or to meet basic needs of family;¹⁴
- harassment of wives by bill collectors;¹⁵
- physical abuse of wives or children by the problem gambler.¹⁶

Why is it important for members of the family to get treatment?

Even if a family member is unable to persuade the problem gambler to seek treatment, it can be helpful for others to get help. There can be a positive "ripple effect" on the entire family when one member starts the recovery process which may convince the problem gambler also to seek help.¹⁷

Are there any unique circumstances when treating pathological gamblers and their spouses?

Yes. When pathological gamblers admit to their problem and seek help, they are often

elated that they are doing something to turn their lives around. But the state of mind of the spouse may be completely different. His or her initial feeling may be anger and hurt, especially if the gambling just came to light after years of deception and financial problems.

If the gambler can remain abstinent, there is a chance – with the help of family counselling – that the spouse can learn to trust again.⁴

What can families do if they suspect gambling is a growing problem?

AFM Gambling Services recommends these do's and don'ts for people who suspect that one of their family members has a gambling problem:³

ACTIONS THAT DO LITTLE TO HELP THE FAMILY OR THE GAMBLER:

- becoming over-involved in monitoring and controlling gambling;
- ignoring the concern or minimizing perceptions of what is going on;
- making immediate long-term decisions about relationships.

ACTIONS THAT ARE HELPFUL TO THE FAMILY AND THE GAMBLER:

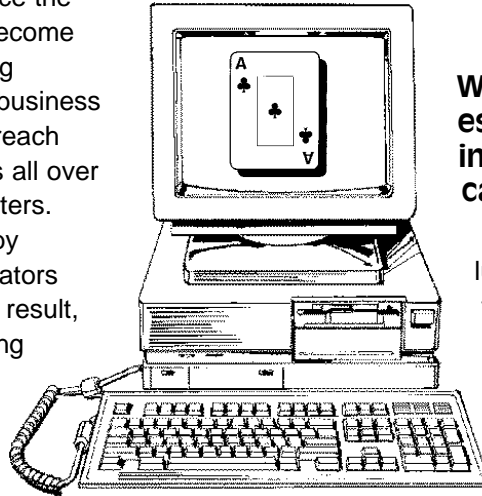
- acknowledging the problem;
- respectfully expressing concerns to the gambler;
- consulting helping resources;
- sharing concerns with support networks (trusted friends and relatives);
- seeking information about gambling and its effects;
- considering and planning for individual needs.

Chapter Ten

GAMBLING ON THE INTERNET

What is the role of the Internet in gambling?

As a worldwide system of interconnected computer networks, the Internet provides a forum to send out messages to an international audience. Since the mid-1990s, the Internet has become a popular venue for conducting commerce, with retailers and business owners recognizing they can reach millions of potential customers all over the world through their computers. This has not gone unnoticed by casino owners and other operators in the gambling industry. As a result, hundreds of web sites promoting gambling opportunities, products and services are popping up on the Internet.



What types of gambling are available on the Internet?

To date, the majority of gambling-related Internet web sites promote gambling destinations (mainly because many U.S. casinos are prohibited by federal law from advertising on TV, radio or by direct mail¹). Other sites sell gambling-related products or provide gambling-related information. (One example of the latter is an electronic magazine for gamblers called "Rolling Good Times.")

There are also a number of highly sophisticated "virtual casinos" or "cybercasinos" in which on-line gamblers can participate in casino-style gambling, such as slot machines, from their homes.² It is estimated that about 200 of these web sites currently exist.³

How are wagers placed on-line?

Electronic cash is the new form of payment system being developed for all types of commerce on the Internet. An example of this type of system is an instant on-line account backed by a credit or debit card.⁴

Here's how one web site, "Internet Casino" (located at www.casino.org), asks players to set up their accounts:

First check with your local government regarding the legality of gambling on the Web, then transfer funds from your credit card to SocietyCash.com and wait for authorization to play. Try your luck at poker, blackjack, slots, keno and more.

Why would a business establish a cybercasino instead of a physical casino?

There is a huge financial lure to develop cybercasinos; they can be set up for a fraction of the cost of an actual casino and do not require thousands of employees.⁵ For example, the first virtual or on-line casino – American-owned Internet Casinos, Inc. (ICI) –

was launched in 1995 for \$1.5 million and employed only 17 individuals. These low set-up costs are coupled with high returns: the founder of ICI claims that returns at his casino represent approximately 24% of each dollar wagered, significantly higher than the U.S. industry's average of 8% to 16%.⁶

How much is the Internet gambling industry worth?

Datamonitor PLC, a market researcher in London, England, estimates that the on-line gambling industry is worth \$535 million worldwide, and expects it to grow to \$10 billion within the next three years.³

How can governments regulate on-line gambling?

Governments around the world are grappling with writing new legislation to regulate gambling on the Internet. Key issues include control, enforcement, establishing boundaries in a borderless cyberworld, monitoring of fraud, auditing sites, and preventing access to minors and problem gamblers.⁷

The fact that the Internet crosses provincial, state and federal borders is one of the main complexities in the task of regulating gambling on this medium. Jurisdictional questions arise as to whether the on-line gambling activity should be subject to the laws of the region in which the gambler resides or the country from which the cybercasino operates.⁸ In attempts to sidestep legislation in Canada and the U.S., a number of on-line casino operators are setting up offshore locations in countries such as Dominica and Thailand.⁹ Some critics believe that individual government attempts to regulate gambling on the Internet will be ineffective, with site operators simply shifting countries and Internet addresses.¹⁰

Are there any concerns about on-line gambling?

Yes, there are several concerns. As mentioned previously, one is the difficulty of regulating on-line gambling. Gambling in Canada, as in many countries, is heavily regulated and controlled, with benefits accruing to the provincial and federal governments. Gambling on the Internet – a worldwide medium – is much more difficult to regulate, although several countries are attempting to do so through legislation.

Along with regulation problems, both local and federal governments are also faced with a tremendous loss of gambling revenue to private operators, who can operate sites from other countries and thus reap the financial benefits.

Ease of access by gamblers is another concern. The ability to gamble on the Internet is seen by some gamblers as convenient because they do not have to travel to a casino – all they have to do is log onto their computer. It is also private, with no one monitoring their activity or their spending. There is concern that this ease of access could be a possible contributing factor to an increase in problem gambling.

Finally, security of money transfers, confidentiality of credit card information, cheating

by players, and the integrity and legitimacy of host gambling sites (which cover such issues as pay-out of winnings and setting the odds in favour of the site) are all concerns which are obstacles to the growth of Internet gambling.¹¹

Are youth particularly vulnerable to gambling on the Internet?

There is concern that the availability of on-line gambling, combined with a computer-literate youth, may exacerbate the growing rate of gambling addictions among young people.¹² To date there is no conclusive evidence to correlate use of the Internet with gambling behaviours.¹³

Also, it will be difficult to bar youth from on-line gambling when the situation is remote and relatively anonymous through a computer.¹⁴

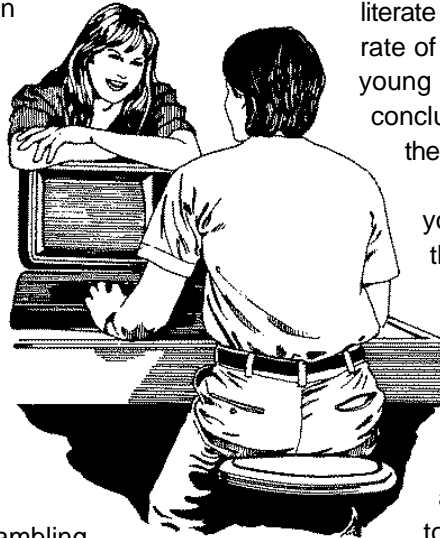
In an attempt to prevent access by minors, the government of Queensland, Australia, licenses the operators of virtual casinos and requires them to screen all potential gamblers who try to log onto their web sites. The

licensed operators must authenticate the player's age and identity before allowing them to gamble.¹⁵

Is on-line gambling legal in Canada?

Under the Criminal Code of Canada, provincial governments can conduct, or license an operator to conduct, lottery schemes. In 1996, federal Liberal MP Dennis Mills tabled a Private Member's bill (Bill C-353) to amend the Criminal Code of Canada to specifically address lottery schemes on the Internet. The amendment would allow only the federal government "alone or in conjunction with one or more of the provinces to operate or license a lottery scheme on the Internet in accordance with the regulations."¹⁶ The bill failed to reach a second reading and has not been reintroduced.¹⁷

In an evaluation of Internet gaming as part of a report prepared for the government of British Columbia (January 1999), it was noted that this may be a moot point. That is because



the federal Justice Department takes the position that the current Code already addresses the issue because it prohibits *any* lottery schemes other than those conducted or licensed by government gaming authorities.¹⁷

To date, there are no government lotteries offered on the Internet, although the Atlantic Lottery Corporation¹⁸ and Loto-Quebec¹⁹ have expressed interest in, or are evaluating, offering Internet gambling.

Montreal-based lawyer Mitchell Garber notes in *The Internet Gambling Report* that the Criminal Code, with or without the amendment, does not address the gambler. That is, it does not address the question of whether a Canadian can place bets legally at offshore Internet gambling sites.²⁰

In 1998, an attempt by the Ontario Jockey Club to accept wagers via the Internet failed after the Canadian Pari-mutuel Agency denied the request and the Federal Court of Canada upheld the decision.²¹

Which other countries have attempted to regulate cybergambling?

UNITED STATES: As in many countries, the issue of regulating gambling on the Internet remains largely unresolved in the U.S. Existing legislation (the 1961 Wire Act, which prohibits interstate gambling on sports by “phone or wire”), has been used by a number of states as a means of prohibiting sports betting on the Internet.¹⁷

The Internet Gambling Prohibition Act of 1997 (Bill S.474) seeks to expand the act to ban all forms of Internet gambling – including “virtual” casinos – in addition to sports betting.²² Penalties under the proposed law would include fines of \$20,000 (or three times the amount of bets accepted) plus up to four years in jail for businesses who set up illegal web sites. Individual gamblers would face being fined \$500 and up to three months imprisonment.²²

On July 23, 1998, the U.S. Senate voted to pass the bill and attached it as part of a “must

pass” spending bill covering Commerce, Justice and State departments in fiscal 1999.²³ In October, however, in the face of critics of the bill, the House and Senate adjourned without adopting it.²⁴

One of the criticisms of the bill is that it requires Internet service providers to “police” the content of web sites offered by their clients, rather than simply to act as carriers. The question has also been raised as to whether U.S. legislation would hold up against offshore gambling operations.^{25,26}

In the meantime, a National Gambling Impact Study Commission has been established by Congress to evaluate gambling, including Internet gambling, in the U.S. The National Association of Attorneys General has also formed a working group to study the jurisdictional issues surrounding on-line gambling.¹⁷

AUSTRALIA: Queensland and the Australian Capital Territory have restricted Internet gambling to government offered or sanctioned sites.²⁷ Victoria allows private operators but prohibits the promotion of offshore sites within Australia.

EUROPE: Some European states are considering banning Internet gambling, while others have sanctioned it within their own borders and have even entered into reciprocal agreements with other jurisdictions (for example, Norway and Finland). Still other countries – Liechtenstein, for example – allow Internet gambling and have no territorial restrictions in place regulating who can play.

In 1998, the Gaming Regulators European Forum made a number of recommendations to those countries which allow Internet gambling, including the licensing of operators and the restriction of Internet gambling to residents within the jurisdiction’s licensing boundaries. These recommendations have not been officially adopted yet.²⁸

TREATMENT & RESOURCES FOR PROBLEM GAMBLERS

What treatment is available for people who gamble too much?

In Manitoba, the Addictions Foundation of Manitoba (AFM) provides a treatment program for problem gamblers. As well, a self-help group called Gamblers Anonymous offers assistance to people experiencing problems with gambling. Another source of assistance is psychologists and counsellors in private practice.

How does AFM's treatment program work?

The AFM Gambling Program offers group and/or individual counselling to help clients make healthier choices that will reduce or eliminate the negative consequences of gambling in their lives.

Counsellors meet with clients to discuss their situation and together set up a plan for positive change. Short term goals can include identifying and avoiding (or coping with) gambling triggers, avoiding gambling opportunities and limiting access to money. Counsellors also encourage clients to access support from family and friends, which can help reduce the isolation and secrecy that often accompany gambling addiction.

Another important part of counselling is helping clients understand the emotional payoff they get from gambling and then finding other ways to meet those needs.

Counsellors help clients understand the change process and prepare them to deal with the potential challenges and setbacks that are often part of this process.

In the long term, AFM's treatment program is designed to help gamblers to:

- establish an effective problem-solving approach;
- develop an approving self-concept;
- close the chase (stop trying to win back lost money) and grieve the losses;
- develop interpersonal skills;
- establish a satisfying work identity;
- enjoy self-esteem boosting activities.

Clients requiring additional financial, legal or counselling services are referred to appropriate resources. AFM counsellors also encourage clients to use the support of Gamblers Anonymous.¹

What is Gamblers Anonymous?

As literature from this organization states: "Gamblers Anonymous is a fellowship of men and women who share their experience, strength and hope with each other that they may solve their common problem and help others to recover from a gambling problem."²

GA's recovery program follows 12 steps, starting with admitting that a problem with gambling exists. With the help of their peers, gamblers are encouraged to change their lives around by facing their gambling problem and by making amends to all those who have been hurt by it.²

GA groups meet in many communities all across North America. It is recognized that together they can bring about changes within themselves that will allow them to live a life without gambling.³

RESOURCES FOR PROBLEM GAMBLERS:

AFM's gambling programs can be accessed by calling one of the following offices:

Winnipeg	944-6382
Beausejour	268-6166
Gimli	642-5162
Portage la Prairie	857-8353
Selkirk.....	785-2354
Ashern	768-3515
Altona	324-8349
Morden	822-1296
Brandon.....	729-3838
Dauphin	622-2021
Killarney.....	523-8158
Minnedosa.....	867-3849
Rosburn	859-2375
Ste. Rose du Lac.....	447-4040
Swan River	734-2030
Thompson	677-7300
Flin Flon.....	687-1770
Lynn Lake.....	356-8405
The Pas.....	627-8140
Library (Winnipeg).....	944-6233

MANITOBA PROBLEM GAMBLING HELPLINE NUMBER IS: 1-800-463-1554

GAMBLERS ANONYMOUS: Call the Helpline number listed above and ask for information about GA groups that meet in your area.

ENDNOTES

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The Addictions Foundation of Manitoba

(AFM) provides a broad range of services related to problems with alcohol, other drugs and gambling. If you need help for yourself or someone you know, or if you want more information on this topic, please contact your nearest AFM office.

OFFICE	PHONE	FAX
Winnipeg Region	944-6200	775-5261
Assessment/Intake	944-6200	775-5261
Community Prevention Programs	944-6260	774-8091
Family Services	944-6229	284-5520
Problem Gambling Services	944-6368	774-8091
Impaired Drivers Program	944-6290	774-8091
Methadone Program	944-6203/6204/6207	786-8480
Rehabilitation Services	944-6200	775-5261
Women's Centre	944-6229	284-5520
Community-based Youth Services	944-6235	772-8077

Winnipeg Satellite Offices

Altona	324-8349	324-6946
Ashern	768-3515	768-2961
Beausejour	268-6166	268-6100
Gimli	642-5162	642-8012
Morden	822-1296	822-3794
Morris	746-2240	324-6946
Portage la Prairie	857-8353	239-4860
Selkirk	785-2354	785-9056

Western Region (Brandon)

729-3838 727-1610

Dauphin	622-2021	638-6077
Killarney	523-8158	523-8316
Neepawa	476-7200	476-7201
Rossburn	859-2375	859-3024
Swan River	734-2030	734-9509
Ste. Rose du Lac	447-4040	447-4050

Northern Region (Thompson)

677-7300 677-7328

Flin Flon	687-1770/1771	687-7361
Lynn Lake	356-8405	356-8416
The Pas	627-8140	623-6264

Provincial Administration (Winnipeg)

944-6200 786-7768

Library/Resource Centre (Winnipeg)

944-6233 772-0225

E-mail library@afm.mb.ca

Problem Gambling Helpline

Outside Winnipeg Toll Free 1-800-463-1554
Winnipeg 944-6382

