

Extending access to

GAMBLING

MONEY

**Graham
Brooks**



&

Tom Ellis



VOTE!

Proposition A:

We Should extend access to Gambling

Proposition B:

We Should not extend access to Gambling

Extending Access to Gambling:

Graham Brooks

- Aims:
- Historical Aspect
- Definition
- Difference between Gambling and Investment?
- Gambling and Economic Growth
- Challenging Addiction
- Gambling Commission and Regulation

Gambling Is Nothing New!

Chinese Gambling - circa 2300 BC

Greece (Crete) Gambling - circa 1800 BC

Egypt (Thebes) Gambling - circa 1600 BC

Britain Gambling – circa 1612

Present Day: 8,800 Betting Shops, 140 casinos (16 new proposed), 2,135 Internet sites worldwide

What is gambling?

- Gambling is defined as:
- “activity where there is at least ‘an agreement between two people...there is a stake...the result is dependent on an uncertain situation (event) and whilst participation can be avoided, it is actively pursued” (Moody, 1974:19).
- However, it can be seen as:
- a form/type of leisure, entertainment, a form of consumption, an opportunity to socialise/display skill

What is Gambling?

- Is it gambling to:
 - Place money on a horse race every week?
 - What if a person only has a bet once a year in the Grand National or Derby?
 - Buying a lottery ticket?
 - Purchasing a ticket at a church raffle?
 - Speculation on the stock exchange?
- (Bear-in-mind Gambling is “ seen as having a stake/uncertain event/chosen)

Investment?

- Investment defined as:
- “A calculated ‘risk’ on an uncertain event/movement in the market....

Investment?

- Nick Leeson – (1994) £827 million
- Yasuo Hamanka - (1996) £1.5 billion
- John Meriwether - (1998) £2.3 billion
- Jérôme Kerviel – (2008) £3.9 billion
- Northern Rock (2009) £724 million
- Lehman Brothers (2009) \$2.8 billion
- Bank of Scotland (2009) £24 billion

- Total UK £500 Billion

Investment?

- Investors lose YOUR MONEY
- Investors suffer NO CONSEQUENCES
- Investors make people UNEMPLOYED
- Investors STAKE on an UNCERTAIN EVENT, which is CHOSEN
- Investors are GAMBLING

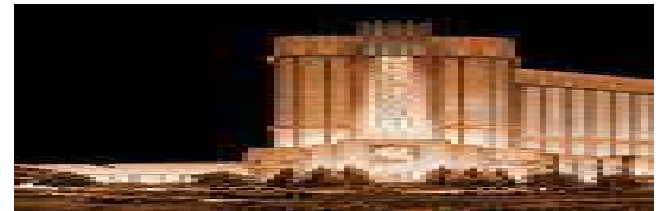
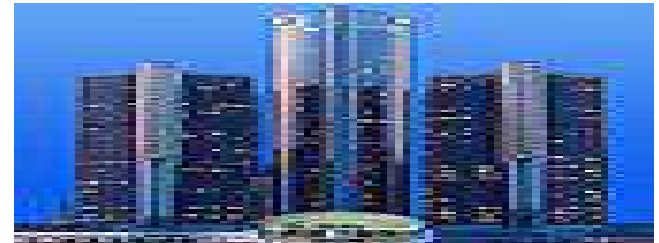
Gambling: The case of Detroit

- Urban Decay
- Unemployment
- Crime
- Prostitution
- Violence
- Addiction



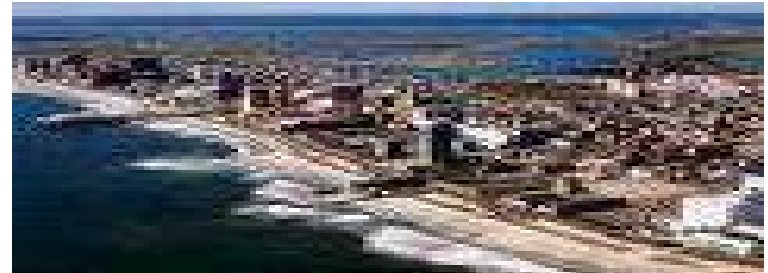
Gambling: The Case of Detroit

- 3 'super' casinos has regenerated economy and public services
- Tax (\$440,000 - \$500,000) (\$170m per annum)
- Creation of 10,000 jobs
- Addiction rare
- (Clarke 20 October 2007)



The Case of Atlantic City

- Gambling legalised in 1978
- 34 *million* visitors a year
- £3 *billion* a year now spent in Atlantic City
- Regenerated City



Addiction?

- No clear definition of gambling addiction
- American Psychological Association (APA) unsure how to define/categorise in DSM-IV
- It is a cognitive and/or behavioural (problem/pathological gambling etc)
- Clinical cases (individuals) then generalised

Gambling Prevalence Survey

- 250,000 addicted?
- Less than 1 percent of population
- Pathological illness – need help
- Addictive person?
- Restricting access - USA
- Latest survey numbers went down
- More than 99 percent no addiction
- No *real* treatment – victim receives advice
- Addicts more than one problem
- Restrict access leads to crime

Gambling Commission

- Protect public, the young and vulnerable
- Laws needed updating (last time 1968)
- Operational since 2007
- Number of cases
- Work with police

THE CASE FOR GAMBLING: SUMMARY

- Gambling is popular
- No real difference to investment
- Generation of wealth
- Gambling addiction questionable
- Free will

Restricting Access to Gambling:

Tom Ellis

- Aims:
- Historical Aspect
- Difference between Gambling and Investment?
- Gambling and Economic Growth
- Confirmed Addiction
- Regulation

Gambling as a problem is nothing new!

- It is a vice, addictive, linked to crime:
- Knights Tale [knightstalegambling.wmv](#)
- Not all cultures involved in gambling
- Organised Crime [Casino Money.wmv](#)

What is Gambling?

- Gambling is defined as:
- “activity where there is at least ‘an agreement (*in favour of casino/bookmaker*) between two people (*individual and/or organisation*)...”
- there is a stake (*can you afford it*)...
- the result is dependent on an uncertain situation (event) (*nonsense – fixed event*)
- and whilst participation can be avoided, it is actively pursued” (*pursued willingly or no control*).

Investment and Gambling

- Investors make money
- Investors distribution of wealth
- Investment *is* business
- Investors suffer no addiction
- Investment no link to crime
- Gambling individuals win
- Gambling money back to casino/bookmaker – low paid, low skilled work
- Gambling is business for casinos/bookmakers
- Gambling is addictive
- Gambling is linked and **CAUSES** crime

Limited 'questionable' Growth: Gambling and Social Problems

- Increase in suicide rates in Las Vegas and Atlantic City
- Increase in crime rates
- Children left in cars in Japan and Australia while mother/father is gambling sometimes resulting in death of child
- 250,000 KNOWN to be addicted – therefore underestimate
- Family breakdown – little help for victims (children)
- Tax on poorest
- National Lottery paid to relay playing fields of Eton

Limited 'questionable' Growth: Atlantic City

- Increase in crime
- Increase in prostitution
- Increase in suicides
- No real growth – day visitors from New York

New Jersey murders

Counties are listed in order of greatest percentage increase.

COUNTY	Through 12/21 2008	Through 12/21 2009	percentage change
Monmouth	6	8	33%
Atlantic	22	26	18%
Middlesex	15	17	13%
Essex	109	115	5%
Cape May	0	2	na
Gloucester	0	2	na
Passaic	25	25	0%
Ocean	5	5	0%
Sussex	1	1	0%
Hunterdon	0	0	0%
Warren	0	0	0%
Salem	4	0	na
Hudson	33	32	-3%
Burlington	13	10	-23%
Bergen	7	5	-29%
Mercer	24	17	-29%
Camden	64	45	-30%
Morris	3	2	-33%
Union	20	12	-40%
Somerset	2	1	-50%
Cumberland	16	8	-50%
Statewide	369	333	-10%

Source: State Attorney General's Office;
Atlantic County Prosecutor's Office

Press graphic

Gambling: Crime and Addiction

- Addiction,(as with drugs) CAUSES acquisitive crime
- Addiction breakdown of family
- Addiction denied by Casino/Bookmakers
- Poor gambling out of desperation
- Crime: Fraud and corruption and Match-Fixing
- Ease of access – growth in underage gambling
- Las Vegas Mayor ex-mob defence lawyer
- Gambling cities link to illegal ‘jobs’ - prostitution

Gambling and Crime: Fraud and Deception (1)

- *Horse Racing*: Robert Winston banned in 2004 for 1 year after passing information for reward in 21 races.
- Chris Munce sentenced to 30 months in prison for taking money for racing tips in Hong Kong
- *Cricket*: Hansie Cronje South African Cricket Captain fixed matches in 2000
- *Football*: Juventus, Milan, Lazio and Fiorentina relegated or docked points for match fixing in 2006 & whole of Chinese professional football riddled with matchfixing

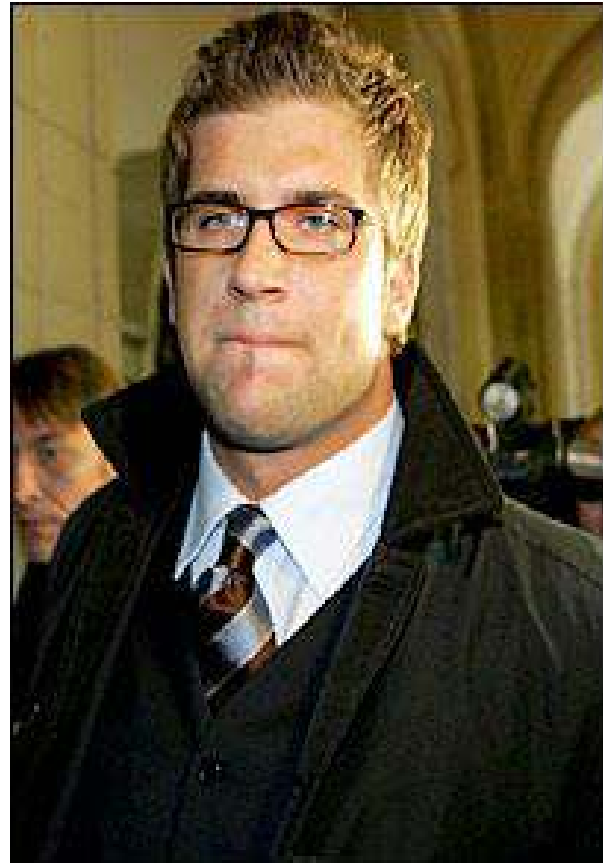
- **Anderlecht v Nottingham Forest, 1984:**

The only proven case of bribery affecting an English team's progression in Europe. Clough's Forest side won the first leg at the City Ground 2-0 only to lose 3-0 in Belgium, with a controversial goal ruled out. Anderlecht later admitted they had paid Spanish official Emilio Guruceta Muro (Cabron) £20,000 as "a loan" before the game



Gambling and Crime: Fraud and Deception (2)

- Referee Robert Hoyzer took bribes to fix matches in (German) Bundesliga.
- Hoyzer admitted to taking £70,000 Euros (£46,000) and a flat-screen television in return for influencing only 1 match between *Paderborn V Hamburg* in 2007.
- He was sentenced to 2 years 5 months in prison.



Gambling and Crime: Fraud and Deception (3)

- European Football (2009) 200 games spread across 9 countries under examination in the Champions' League and Uefa Cup
- KF Tirana (Albania), FC Dinaburg (Latvia), KS Vllaznia (Albania), NK IB Ljubljana (Slovenia) and Budapest Honved FC (Hungary).

Addiction and the Illusion of Control

- Is where the person gambling has personal expectations that far exceed the objective reality of the event in question
- For example:
- DO YOU prefer to pick own lottery numbers (rather than have a random 'lucky dip')?
- DO YOU interpret a winning bet in a game of cards as 'skill rather than luck' and yet when they lose it was 'the correct judgement, but they were just unlucky?'
- DO YOU think you can control a fruit machine because of skill?

Problem gambling

Missed work, production losses, forced terminations and unemployment compensation per gambler.

Criminal justice cost (thefts, arrests, trials, incarcerations and probations) per gambler; \$2,500

Treatment and social services ... \$500

\$300-450 million

\$19,000 per individual

20,000 to almost 40,000

\$10,000

About \$6,000

The annual cost of gambling among Southern Nevadans.

The annual cost of pathological gamblers in treatment programs.

Estimates of pathological gamblers in Southern Nevada.

Highest annual cost per individual in treatment program.*

* Includes bankruptcy debt losses and civil court costs.
SOURCE: Gamblers Anonymous.

De-regulation = Self-regulation

- Need Gambling Commission(s) in England and Wales and USA. Better than self-regulation
- More concerned to ensure 'open access' and raise revenue rather than taxes
- Supposed to protect vulnerable and prevent crime (note sporting cases earlier)
- Growth in online gambling – play at home/access easy/ensuring age limit
- Tote (government body) moved to Channel Islands to avoid paying tax!
- Money laundering – easiest way to clean money – no notification required \$10k – easy connection to terrorism

VOTE AGAIN!

PROPOSITION A:

WE SHOULD ALLOW THE EXPANSION OF GAMBLING

PROPOSITION B:

WE SHOULD NOT ALLOW THE EXPANSION OF GAMBLING

Thinking about your exams

- Is regulation the answer?
- If you criminalize gambling, it will go underground (linked to same debate for drugs?)
- Definition of Gambling
- 250,000 addicted – who else is affected?
- Is it a tyranny by the minority?