

The Society for the Study of Gambling Newsletter

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The Editor welcomes unsolicited manuscripts, correspondence, book reviews and other items which are of interest to SSG members. Books and book reviews should be sent to the editor.

The Society holds regular meetings twice a year in London. Further details are available from the Honorary Secretary.

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The Society for the Study of Gambling was formed in 1977 to provide a forum for those concerned with research into gambling, to promote its scientific study especially as far as the psychological, social and economic aspects are concerned, and to inform the public about these matters.

The membership of the Society is drawn from a wide circle of people who have an interest in various aspects of gambling. They range from social workers and psychiatrists who deal with 'compulsive gamblers' to members of the commercial gambling industry. It is a condition of the Society that there should be freedom of opinion and practice among its members, so that the Society does not take any particular stance in relation to gambling.

Papers are reproduced in the Newsletter as a record of the Society's meeting, and/or at the invitation of the editor, and are not intended as an alternative to publication in a learned journal. Any of the standard reference systems is acceptable.

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EDITORIAL: The National Lottery (Revisited)

Mark Griffiths

Psychology Department, University of Plymouth

Even after such a relatively short time, the National Lottery already seems to be an established part of British culture. Most people I know speak very positively about its introduction and I myself have bought tickets and have little negative to say about the Lottery in itself. However, that does not mean that its introduction should pass uncritically without looking at the experience of other countries and looking at some of the more subtle possible knock-on effects - particularly in the area of future gaming legislation.

In most peoples' minds, the National Lottery is already established and in addition to this it is intrinsically linked with "good causes". At a very subtle (or maybe not so subtle) level the message is getting through that the National Lottery is a good thing and that therefore "gambling is good". Is this something we should be worried about?

One thing that has had very little airing in the debate over the National Lottery is the fact that it is a regressive form of taxation and that those people who can least afford to buy Lottery tickets are the ones who will buy them most. It has been estimated that working class people are four times as likely to buy a Lottery ticket than the middle classes. In essence the National Lottery is taxing the least well off people in today's society. Is this fair?

Much has been made of the fact that 28% of the money raised from the Lottery will ploughed back into charitable causes. However, charities themselves will receive only one fifth of this (i.e. 5.6%) because the rest will be divided between the arts, sports and the Millennium Fund. Many people I know are reducing the amount they give to charities because they believe they are contributing via the National Lottery. The Government's own advertising sells the message that "everyone's a winner" and if such an action is generalised it will hit the charities hard.

Another criticism is that the "good causes" will benefit the middle classes more than those in the working classes. However, as I have mentioned earlier, it is the working classes that are more likely to buy Lottery tickets. In effect, the working classes are helping to subsidise people that are better off than themselves. Surely this is wrong?

My major concerns about the introduction of the National Lottery have nothing to do with the Lottery in itself but have more to do with possible future legislation. The Government's own policy on gambling is that *gambling should not be stimulated*. However, the Government are actively and blatantly stimulating gambling through mass television advertising and advertisements in the National press. The advertising to date has been very "slick" and has either been designed to make people think they have a good chance of winning the jackpot rather than the actual one in fourteen million chance ("It could be you") or has been designed to play upon peoples' charitable instinct giving an impression of altruism ("Everyone's a winner").

Some people may argue that the Lottery is not a real form of gambling but this is not the case. Any situation in which people risk and stake money on a future event is gambling. Thus buying tickets for the Lottery is a bona fide form of gambling. This is not a grey area! The Government

are clearly not adhering to their own policy of non-stimulation in this area. As a result (and as not to appear hypocritical on the issue) the gambling laws in this country are going to have to be relaxed. Some parts of the Gaming Industry (e.g. the Football Pools companies) are already worried that they may lose some of their custom to the National Lottery and are now allowed to sell their tickets in more outlets than they used to previously. It will not end here. All areas of the Gaming Industry will want to be on a level playing field. Steps in this direction are already happening. Recently we have seen the introduction of evening betting and Sunday racing. This is more than a coincidence and needs to be monitored. In a subtle way, gambling is being condoned by society in the same way alcohol was earlier in the century. If the gambling laws are relaxed and gambling becomes another product that can be advertised (i.e. stimulated") it will lead to a natural increase in uptake of those services. This in itself will lead to more people who experience gambling problems (although this may not be directly proportional) because of the proliferation of gaming establishments and relaxation of legislation.

A lottery is a form of gambling although most people seem to view it as intuitively harmless. This may be so for a majority of people but in countries where lotteries are well established, there are now increasing numbers of "compulsive" lottery gamblers seeking professional help (e.g. USA, Spain, Holland etc.). For some people (a small but significant minority) lottery gambling causes as many problems as other forms of gambling.

Since the National Lottery is now going to go ahead, the Government should consider giving *priority funding* to those charities and organisations who provide advice, counselling and treatment for people with severe gambling problems.

And finally....

I would just like to end on a different note and say that this is my last issue as editor of the SSG Newsletter. I have enjoyed my time as editor but the pressures in other areas of my academic life are now beginning to mount and I am finding I cannot devote the time I would like to the Newsletter. However, I leave the editorship in the very capable hands of Christopher Hill who I know is a familiar name and face to regular SSG attenders. Christopher has kindly provided some autobiographical details for Newsletter readers and I wish Christopher continued success with the editorship.

THE NEW EDITOR: A short autobiography

Christopher Hill

After studying philosophy and psychology (then called Moral Sciences) at Cambridge I had short spells in the city, in HM Foreign Service (now the Diplomatic Service) and in the Institute of Race Relations in London, where I was Assistant Director.

In 1965 I took my first teaching job, at what was then the University College of Rhodesia, where I taught Government. I was there for UDI (Southern Rhodesia's Unilateral Declaration of Independence), and was imprisoned and deported by the Smith regime in August 1966. I then joined the University of York, as a Lecturer (later Senior Lecturer) in Politics. The initial appointment was for a year, but I stayed until I took early retirement in 1993.

In 1972 I founded York's Centre for Southern African Studies, an interdisciplinary group for research and postgraduate teaching, and remained its director until 1982. I was also Secretary to its fund-raising wing, the Southern African Studies Trust, and later became a Trustee. For the two years 1988-1990 I took unpaid leave from the University of York, and taught part-time at a public school, Cranleigh, in the South of England.

In 1990 I became Education Consultant to the Jockey Club in London. This appointment continues with the British Horseracing Board, which took over responsibility for education and training in the racing industry from the Jockey Club. My first task was to construct a scheme of graduate recruitment for the industry, and I was then invited to stay on and take responsibility for the resulting programme of courses, etc.

I have written four books, two on South Africa and two on the connections between sport and politics, and was contributing editor of a book on human rights, published by Penguin for Amnesty International, and of another on trade with South Africa. I have also written numerous chapters and articles in books, learned journals, periodicals and newspapers.

I am at present getting ready for the press the second edition of my book Olympic Politics, and have recently done research on casino gambling in South Africa. I gave a paper on this subject, another on relations between the British Horseracing Board and the bookmakers, at a conference in Las Vegas last year.

I am a Trustee and Honorary Officer of a national youth charity in London, Youth Clubs, UK.

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A YOUNG EUROPEAN'S LOOK AT GAMBLING

Paul Bellringer

Director, UK Forum on Young People and Gambling

In September 1994, Paul Bellringer led a week long residential course on Young People and Gambling, organised through the European Confederation of Youth Clubs, which took place at Avon Tyrrell -Youth Clubs UK's residential centre in the New Forest. He was expertly assisted by co-leaders Gill Nelson and Andy Upson of Youth Clubs Hampshire and Isle of Wight. This is a summary of the report he has prepared for the European Federation.

The aims of the course were:

- To increase awareness of gambling issues across Europe
- To develop an understanding of the attractions of, and problems that can be caused by, gambling.
- To consider factors that may encourage young people who gamble to do so responsibly and without problems.

Twenty-eight young people, aged between 17 and 25 attended what turned out to be a brilliant week, that emphasised the values of a participative and small group learning approach. They came from Austria, Belgium, Cyprus, Denmark, Finland, Holland, Iceland, Ireland, and the UK.

Arrival became a somewhat traumatic event as it coincided with a Signalmens' strike day, but by midnight everyone had safely gathered. The next morning we began.

"WHAT IS GAMBLING" was the first activity designed to put gambling in its social context, to think about how it fits in society, and what it meant for each person.

This determined that gambling is legal in all countries but the extent differs from place to place: that gambling opportunities are increasing across Europe; that risk taking is attractive to the individual and to society; that gambling is causing increasing problems but in some countries the problems are comparatively small; and that the Government and the Operators are the only real financial winners.

"WHAT IS IT LIKE FOR YOU?" was a survey of questionnaires that participants had researched in their own countries. Whilst the information was often incomplete and in some instances a guess we determined that where age restrictions were applied it was usually between 15 and 18; Cyprus is the only country without slot machines; Lotto, Bingo and Lotteries are least restrictive in age and casinos most restrictive, that underage gambling takes place in all countries; and that a significant percentage of estimated gambling addicts are under 25 years in age.

"TAKING A CHANCE" was a series of team games designed to experience taking a chance. Each involved placing a 'stake' to try and win ECU's by getting a high score. The games of

archery, netball shoot, can stacking, ball race, and darts contained an element of skill but the last, rolling two dice, was pure chance. One team won on the dice, three went for broke and lost, and one quit whilst just ahead. The results reflected real life in that it is possible to win, that it is also possible to get carried away and lose everything, and that being prudent is enjoyable and you may win. As one participant said:

"Much fun for everyone to understand the thrills and spills of gambling"

"PLEASURES AND PROBLEMS" was a simulated public meeting to discuss a proposal by 'Gambling Unlimited International' to open a Las Vegas style casino in 'Eurotown'. Everyone had a specific role representing the Town Council, who had to listen and decide; backers for 'Gambling Unlimited'; those against the proposal; and members of the public. It was described as fun and helpful in understanding the various pro's and con's. The use of role-play helped overcome language barriers and made it more meaningful as illustrated by this quote.

"You get caught up in your role and you find more and more arguments that will back you even though you don't believe in them"

"A GAMBLER'S TALE" looked at the downside of gambling with excerpts from two videos followed by a talk by a recovering compulsive gambler - it was that which really conveyed understanding as the following quote highlights:

"Tim was able to convey a message much more powerfully than any other way. Many of us felt the desperation.. ":

"FEELING THE PAIN" followed on from Tim's story as groups were asked to put together a play or mime that expressed the destructiveness of a gambling addiction as felt by: the gambler; the gambler's partner; the gambler's children; the gambler's friends; and the gambler's employer.

A deep feeling of pain, loss and conflict was conveyed that in some instances was quite moving. The exercise conveyed real feeling and emotions and several people commented on how powerful the presentations were as this quote showed:

"We think that all the groups made some brilliant plays and mimes which very well showed the pain caused by a gambling addiction"

"RECKLESS or RESPONSIBLE" was a small group exercise to prepare and present in some visual way the differences between a reckless and a responsible gambler. Unfortunately we did not have a camcorder so for some this was similar to the earlier plays, but others felt it consolidated previous learning and gave them confidence to separate the reckless from the responsible.

"KEEPING IT FUN" was an exercise in shaping a policy and developing a strategy for an individual, a youth group and for society. The learning experience is best summed up by the quote:

...everybody was ready to put down what they believed was the best policy. .. People had different ideas and it was interesting to hear other points of view."

Ideas for an individual included: staying in reality, setting personal limits, and having access to information; for a youth group it was having education/discussion sessions, having no fruit machines on the premises, and holding a poster competition to raise awareness; and for society ideas included having clear rules that are strictly monitored, an across the board minimum age of 18 for all gambling, and more rehabilitation and support services for problem gamblers and their families.

"**GETTING THE MESSAGE**" was a creative exercise to get groups to develop imaginative ways of putting across education and problem prevention programmes. This produced some excellent Raps, songs and posters even if they did shade more to the negative messages. With kind permission of the young people concerned here is one of the raps.

THE RAP TRAP

Chorus

Gambling - is it good or is it bad?

It might be fun when you win but

when you lose it drives you mad

Unlike drugs and alcohol

it's not seen as an addiction,

But listen up this gambling stuff

Can mess up how you function

Chorus

In our youth club what we need

is a lot more information

Don't hide the truth let's tell our youth

Who need this education

Chorus

So wake up everybody to

The message of our Rap

Fill that void, don't be an android

Kick casinos, slots and crap(s)

Chorus

"**ACTION PLANS**" were an important component of the course to ensure ideas and learning was taken back to all the countries represented. As the extent of gambling varies from country to country it was perhaps more difficult for those participants where it is not a big issue or where problems are small. However, every country prepared a plan that was practical and based on their own situation.

VISITS were arranged to supplement the learning, to give a real feel of the atmosphere and to hear from those that run gambling operations. The first was to hear from those that run gambling operations. The first was an amusement arcade at a nearby seaside town where a mechanic talked

about machines, the costs involved and the scale of the takings. The second was to a city based casino where we learnt of the facilities, club rules and policy, and regulations. We were also given a demonstration of roulette by trainee croupiers and a run down of penalties for regulation infringements by the regional representative of the Gaming Board.

Of course in having the luxury of a whole week plenty of time was put aside for relaxation. On one visit Ten Pin bowling was available at a big discount rate thanks to Allied Leisure, and free time for shopping was built in to both visits.

The recreational facilities at Avon Tyrrell are superb so the heated outdoor pool was popular as was the five a side football, handball, netball come any ball game court. Archery, volleyball and tennis were also played and two disco's and a visit to a local youth centre brightened up a few evenings.

It was my first experience of running a week long event so started out with some trepidation but found it an exhilarating experience. It was very rewarding to work with this group of committed, enthusiastic and cheerful young Europeans. As to their verdict on the week - the following quotes reflected the general feeling:

"It makes it so much easier to express yourself when you step in a role. De-roling is quite new for me but I find it very helpful"

I wish that this could last longer because we've all learned how to face a problem and how to operate within it "

"Seven wonderful days, the programme has been very smashing so far. "

"I didn't think an issue could be looked at in such depth and yet in such a fresh and interesting way."

The full report is now available through the UK Forum on Young People and Gambling. I will be happy to help anyone who wants further information on the methods used or wishes to develop a similar course.

FAMILY ENTERTAINMENT IN LAS VEGAS

Paul Bellringer

Director, UK Forum on Young People and Gambling

Paul Bellringer has recently returned from Las Vegas where he attended the 9th International Conference On Gambling & Risk Taking. These conferences, which take place every three to four years, bring together from around the world representatives from the gaming industry, regulators, gamblers, legislators, researchers and those concerned with the social impact of gambling. Paul, who spoke about aspects of the work of the UK Forum On Young People & Gambling, was particularly struck by the lack of resources for education, prevention and treatment programmes in the UK compared with some states in America. He picked up four important trends relevant to his work, and these are that:

Gambling opportunities are increasing worldwide.

A global legitimisation of gambling is taking place

The gambling environment is being promoted as an attraction for all the family.

The gaming industry is more prepared to recognise the incidence of problem gambling.

In this article he shares some of his impressions of Las Vegas and puts the growth of gambling in context.

Las Vegas is a phenomenon, a larger than life tinsel town, an oasis in the Majeve Desert. Seen from the air neat blocks of houses, each with its own swimming pool, c o n t i n u e to extend boundaries further into the arid barren land surrounding a boom town that is growing at the rate of 2000 people a month. The attractions are its three major industries of sex, entertainment and gambling.

That gambling predominates is quickly apparent as casino after casino beckons its neon lit fingers as enticement to the 24 million visitors that make a pilgrimage to this gambling capital of the world. The traditional image of Las Vegas is, however, changing as it vies with other great American entertainment complexes such as Disneyworld to attract the whole family to its panoply of entertainment. As one entrepreneur put it - the aim is to forge a marriage between gaming and the American pop culture.

New casino hotels are springing up which not only provide a range of gambling choices for adults but feature a theme that is attractive to everyone. For example, outside the Mirage hotel is a spectacular simulation of a flaming volcano that `erupts' every 15 minutes throughout the day and late into the evening. The most popular attraction at the moment is to be seen at the entrance of Treasure Island. A realistic cannon battle between a pirate ship and a British man-of-war draws huge crowds and encourages you to enter the casino to sample further wonders inside.

Contained within this family concept are distinct market segments. The primary target is the `baby boomers'; those around forty who want to be entertained, want to see what they don't

usually get the chance to see, and want to experience special effects. Market research suggests that this group feel guilty about leaving their children behind so they tend to take short trips as a family. Las Vegas is adjusting to capture their interest. Apart from the adults their teenage children are being viewed as a specific target, and the 5-11 year olds are also being wooed as the gamblers of tomorrow.

The best example of how this multi billion dollar industry is enticing families to this hitherto adult playground is that of the MGM Grand Hotel. Opened only a few months ago it stands on a 112 acre site straddling The Strip. It is the largest hotel in the world with 5001 bedrooms, an outdoor swimming pool complete with beach, ten restaurants, a food court that includes McDonalds, five bars, and a Hollywood theatre whose stage is graced by some of the biggest names in show business.

At the core of its Wizard of Oz theme is a 33 acre park with all the rides, adventure games and attractions you'd expect covering seven floors of a turreted magic kingdom. Additionally can be found a fairground style entertainment complex described as the 'Midway area with 30,000 square feet of fun and excitement for all ages and 30 of the hottest games around'. Near the food hall is the 'Oz Arcade', an amusement arcade area open 24 hours a day offering virtual reality experiences, car and motor cycle simulators allowing up to eight competitors the chance to race against one another, laser games, and banks of video games. Some of these games are set at a level too low for adults but perfect for a five year old to play. Only a few feet away is a solid bank of large screen video games all offering the irresistible challenge for teenagers of Mortal Combat II

But it is the vast carpeted space of the casino that dominates the ground floor and provides the main thoroughfare to all the other attractions. Covering an area equivalent to 2.5 football pitches it contains over 3500 slot machines, 830 video poker machines, and 165 gaming tables.

Walking among the rows of slot machines you notice that the symbols differ from the fruit images in the UK. Stars, bars, and numbers adorn the reels of these chrome and plastic machines. Painted in primary colours they are smaller than those we are used to seeing and most still sport a lever as well as a 'spin reel' button. But players are most tempted by the prospect of winning \$1000's and by a payout ration that can be as high as 98%. From 5 cents (a nickel) to \$5 a spin prizes increase with the number of coins you put into a machine at any one time. The plink, plink, plink of the turning reels, sounding similar to a supermarket check out till, provide backdrop noise that pervades the casino 24 hours a day.

On the stools in front of these machines sit the punters, but the image seems far from glamorous: more women than men, in all shapes and sizes, many casually dressed in t-shirts and shorts, they feed coin after coin into one, two or even three machines at a time. Some, wearing a glove on the hand that they pick up the coins with, play for hour after hour clutching their large plastic pots in which to store their winnings or collect more coins or tokens from the mobile and static cashiers.

The walkways between the banks of machines are thronged with the casino guests; adults with eager intense faces showing a range of emotions from being happy and carefree to tense and downcast, and their children often looking fidgety and bored or, if they are still at the buggy stages, oblivious in sleep. All hope for that big win or for a succession of small wins, for the machine to disgorge cash onto a tine tray with a satisfying chunk, chunk, chunk that rises above

the hubbub of the casino floor.

One area is devoted to the 'cashless slot machine' which enables you to win 'clean money'. By pre-purchasing a smart card the need to feed coins into the machine is done away with and winning are credited to the card or to a printout which can then be exchanged for cash. There is some resistance to the introduction of these machines in the UK as they are seen as a move away from the psychological attraction of the immediacy of the traditional machine with its captivating sound of coins falling onto a tin tray. Intermingled with the familiar slot machines are video poker machines which are not yet legally sanctioned in the UK. These machines, which are a great draw throughout America, invite you to pick a 'royal flush' or other winning poker hand from the five cards displayed on the screen.

When you have had enough of the slot machines and you go up to the bar for a drink, or to the food hall for something to eat, screens sunk into the counter catch your eye. Whilst there you can play Keno - a numbers game with similarities to bingo, or more video poker. Refreshed and still solvent you can sample the avenues of green baize tables behind which stand the croupiers offering card games of Blackjack, Baccarat, and three varieties of poker. The minimum stake ranges from \$2 to \$100 on these tables with more select cordoned off areas available to those who wish to play for higher stakes. If cards don't attract you there is always the lure of the roulette wheels or the very popular 'craps' - the American dice game.

Having tried the attractions of the MGM Grand you head for the exit to emerge from the artificially lit, comfortably air conditioned atmosphere of the casino into the incredible dry heat of this desert region with a temperature around 100° F. Strolling along The Strip you ignore the contact magazines offering a range of sexual services that are thrust at you by seedy groups of men and begin to explore some alternative casinos. Each is slightly different, perhaps has a different theme, is more up or down market, or has a unique atmosphere. The message is, however, the same ..come play in our establishment, and win. More than one establishment offers 'The Loosest Slots in Town' meaning they offer the highest payout ratios, some offer free or very cheap food, bigger and better winnings are suggested by others and inside many big casinos, fast cars or Harley Davidson motor cycles are on display in glittering splendour as the ultimate prize. Competing perhaps with the MGM Grand's big non cash prize of a house worth the equivalent of £185,000.

It's difficult to resist the great come-on in this mecca of gambling, unless perhaps you see through the tinsel and bright lights and reflect on the fact that the real winners are those who run the gambling empires. You might be further disillusioned when you reflect on the fact that up to 11 million Americans are said to experience problems through gambling, and three quarters of a million of this group are under 21. At first sight this appears strange as the law throughout America is quite clear, gambling is illegal under the age of 21. Anyone under that age caught gambling can, and often is, prosecuted and fined. The operator too faces sanctions for allowing underage gambling and several big companies take steps to minimise the risk with poster campaigns that contain messages like:

"If you're under 21 and caught gambling; one pull, one spin, one roll, can put you in the jackpot of your life. If you're under 21 you're gambling with your life"

"18 or 21 if you don't check their license, we could lose ours"

Three major factors are said to contribute to this high incidence of problem gambling among young people. Firstly, it appears that the law is not enforced and a walk round the Las Vegas casinos confirmed that under 21's do get away with playing the slot machines, whilst younger children are watching and absorbing the gambling behaviour of their elders. Secondly, parents very often condone or encourage their children to gamble. Dice and card games are popular 'backroom' games for children and college students. An increasing number of States have slot machines in stores and other retail outlets to which under 21's manage to gain access. Thirdly, advertising of gambling activities is allowable and recent campaigns have been exerting an influence on young people by extolling the virtues of family entertainment. A recent TV advert promoting the casino concept showed a family listlessly sitting around their home looking bored and the same family full of excitement and happiness in the casino setting.

A further example was provided at the Conference by a casino promotional video which focused on a young couple playing roulette and shot in such a way to portray an image of glamorous sophistication coupled with a seductive sensuality. However, the burgeoning growth of the gaming industry is not confined to the State of Nevada. Throughout America gambling is on the increase and the message that is being promoted is the same as in Las Vegas - it is family entertainment.

As well as the extension of existing gaming in many American States a change in the law has recently allowed gambling to take place on riverboats in States where gambling on land is still illegal. The opportunity to get away from it all on a river cruise and gamble the night away lends itself to the provision of a rounded entertainment experience. The story of the growth of gaming on Indian Reservations is, perhaps, the most interesting development the other side of the Atlantic. This clearly demonstrates that used wisely, the enormous profits made by those who run gaming operations, can have a lasting and beneficial effect on a whole community and, in particular, on the younger generation.

Hounded and cheated out of their traditional homelands and confined to designated areas that are more often than not unfertile or poor crop producing areas, legislation was passed in the 1970's that allowed Indians to set up their own casinos. They are allowed to regulate these casinos, and keep the revenue they generate after paying a levy in lieu of tax to the federal government. The wealth created in the last 20 years from their casino operations has enabled the development of a badly needed infrastructure within the North American Indian nation (this Indian nation within the USA nation is unique to the world). It has enabled them to build hospitals and schools, to greatly improve public sanitation with a consequent decrease in disease, to develop education programmes, and to sharply bring down the 1970's figure of 75% unemployment among the Indian Tribes. For the first time in modern USA history young Indian people have the opportunity of good elementary and further education, a real chance of rewarding work, and the prospect of opportunity and hope ... thanks to gambling.

This sort of benefit provided from the profits of gaming must be acknowledged as well as the fact that the industry provides thousands of jobs. Returning to Las Vegas the MGM Grand alone employs 12,800 people so nation-wide it supports an awful lot of paycheques. It is right that some of the wealth generated by gambling should be used to benefit the community as a whole and, in particular, to help the disadvantaged and the casualties of gambling.

A legitimisation of gambling is taking place both sides of the Atlantic and although we don't have anything to match Las Vegas the opportunities to gamble in the UK are increasing. It is likely to prove one of the fastest growing industries as we move towards the 21st century. If we are to keep a sense of proportion and avoid blind obeisance to the Great God Greed we need to match this growth with education and problem-prevention programmes directly aimed at, and involving, young people ... and we need to be doing it now.

REGULATING GREAT BRITAIN'S NATIONAL LOTTERY

David Miers

Cardiff Law School, University of Cardiff

Introduction

The National Lottery Act 1993 introduces into Great Britain a national lottery similar to those which are commonplace within the rest of Europe and in North America. The Act adds to existing statutory provisions permitting small scale lotteries, but the prize levels contemplated by the government for the national lottery are widely perceived by those reliant on the existing provisions as a threat. They are similarly perceived by the organisers of the football pools which, though legally distinct in their requirement of an exercise of skill, in effect amount to another form of soft, long-odds gambling.

The decision to introduce a national lottery is a marked departure from the policy that has traditionally characterised the approach of successive British governments to commercial gambling; that is, that to the extent that there exists an unstimulated demand for the particular gambling medium, it is the function of government only to regulate its supply so as to protect the consumer from exploitation. It is not, by contrast, the function of government to encourage the creation of, or participation in, gambling media for the purposes of revenue generation. This is not to say that governments do not seek to derive revenue from the commercial gambling market. All forms of commercial gambling are subject to betting and gaming duties and there are instances of the hypothecation of this revenue (the Horserace Betting Levy, and more recently the redirection of 2.5% of pool betting duty to the maintenance of football stadia). But these pale into insignificance by comparison with the revenue the government hopes will be generated by the National Lottery. It is estimated that, once established, it will achieve an annual turnover in Great Britain of £8 billion, assuming (unrealistically) no diversion of expenditure from structurally similar gambling media to the Lottery. From that £4 billion, 12% will go to the Treasury in lottery duty (£480 million, similar to the yield from general betting duty levied on horse and greyhound race betting), and 25% to the five nominated good causes (£1 billion, equivalent to the total yield from betting and gaming duties in 1992/3).

This shift in policy direction is of considerable importance for other areas of commercial gambling. As the Gaming Board notes in its 1994 Annual Report, the sectors of the gaming industry for which it is responsible have, in recent years, become increasingly impatient with the strict regulatory regimes that govern them and which were created by the Gaming Act 1968 in response to specific social pathologies. Encouraged by successive Conservative governments' preference for deregulation, these sectors now strongly believe these regimes to be "outdated, intrusive and unnecessary" (Gaming Board 1994; para 8). Moreover, "the promotion and stimulation of gambling necessary if the [National] Lottery is to be a success is regarded as difficult to reconcile with the Government's established policy, under which the Board operates that the demand for gambling should not be unduly stimulated" (Gaming Board 1994; para 8).

While the Gaming Board has made it clear "that it will not support or advance changes which attack the heart or structure of the 1968 Act and the policy on which it rests" (Gaming Board 1994; para 12), it has viewed some proposals for change sympathetically; for example, an increase in the maximum payouts for gaming machines sited in casinos, changes in the permitted areas regulations (which confine the location of casinos to specified parts of Great Britain) to reflect population shifts, and an increase in the number of jackpot gaming machines in bingo clubs (Gaming Board 1994; para 13). There are also signs that the Home Office, the government department traditionally responsible for the regulation of commercial gambling, is prepared to soften its earlier more *dirigiste* approach towards the regulation of off-track betting. In the summer of 1994 it announced that it proposes to liberate betting shops from the restrictions currently requiring their street front windows to be obscure and to contain no moving display, to permit their external advertising to indicate available bets and odds, and to permit the sale on the premises of pre-packaged sandwiches and snacks (The Times 20 July 1994). And as a further indication that the government now perceives at least some gambling media in terms of their potential for consumption as a leisure product, as distinct from their potential for social pathology, it may be observed that the government department responsible for the National Lottery is the Department of National Heritage, a recently created Department of State dubbed (even by its first Secretary of State) the "Ministry of Fun".

The purpose of this paper is to describe the regulatory structure created by the Act. It is in three parts. The first describes briefly the basic structure for the management of the National Lottery. The second identifies a basic model for the regulation of commercial gambling. The third illustrates this model through a detailed analysis of the regulation of the Lottery.

1. The Basic Structure of the National Lottery

1.1 Running and Promoting the Lottery

The National Lottery (established by s.1 of the National Lottery etc Act 1993 [RA 21 October 1993]) is, according to the Vision statement prepared by the Office of the National Lottery (OFLOT; Invitation to Apply (ITA) para 1.4), intended to be a "tasteful and acceptable way to win money" which will "capture the imagination of the nation with a series of fun and simple, high quality games that are attractive to adults across the country." The Act provides for the Lottery to be run by a single private sector operator licensed by the Director General of the National Lottery (DG) under s.5. That operator must be a single purpose company "limited to the running of the National Lottery, the promotion of constituent lotteries, ancillary services, other activities necessarily incidental to the preceding, or the holding of interests in wholly owned subsidiaries which undertake similar activities." (ITA para 4.11). On 14 February 1994 (the date specified by OFLOT for the submission of tenders) eight applicants submitted bids to become that single operator, and on 25 May 1994 the Director General announced that the s.5 licensee would be Camelot Group plc, a consortium of Cadbury Schweppes, De La Rue, Racal Electronics, GTech, and ICL (hereafter, Camelot).

The s.5 licence does not of itself authorise the promotion of any lotteries under the authority of the National Lottery. The Act creates a two-tier licensing system which separates the function of running the National Lottery (s.5) from that of promoting individual lotteries (s.6). Whereas the s.5 licence is an exclusive licence granted to a single company, there may well be more than one s.6 licence. The DG has made no assumptions about the identity of those who are to be licensed

under s.6 to promote lotteries; one of these licensees may therefore be the s.5 licensee (ITA para 4.14). However, it is very unlikely that the DG will grant a s.6 licence to any company that does not either have the support of the s.5 licensee or is contractually bound to it in relation to its lottery activities (ITA paras 4.15-4.16). What is envisaged is that there will be a variety of individual lottery promotions which together will constitute the National Lottery (s.1). Thus Camelot intends, under the authority of s.6, to promote lotteries itself, but may also enter into agreements with other companies who will in turn promote individual lotteries on Camelot's behalf.

This separation of licences is intended to allow the DG greater flexibility to intervene in order to fulfil his statutory duties under s.4 than would be possible under a unitary licence. The s.5 licence will run until 30 September 2001; that is, for just over 7 years (unless of course the licence is revoked). This is longer than was originally envisaged. During November 1993 the DG held informal meetings with those then expressing interest in applying for a s.5 licence. One of the points made was that given the investment required for the establishment of the Lottery (say £250 million), more than 5 years (a minimum period initially canvassed by the government) would be required to make a return on capital. The duration of the s.6 licences has not yet been determined, but their length is typically likely to be shorter than the s.5 licence, "varying according to the nature of the lottery or lotteries which it licenses to be promoted". (ITA para 4.17); possibly for 2 to 3 years. The DG will review both the performance of s.6 licence holders and the control exerted by the s.5 licensee over them, and will intervene to prevent the marketing of lottery games that are undesirable or not in the best interests of consumers. This may entail the termination or revocation of licences.

1.2 Distributing the Profits

The two functions of running the Lottery and promoting individual lotteries are themselves quite separate from those associated with the distribution of its proceeds. These are to be paid to the Secretary of State by the s.5 licensee (who will in turn receive them from the s.6 licensees promoting individual lotteries) who will himself pay them into a National Lottery Distribution Fund [NLDF]). The proceeds will then be distributed between the five good causes in their statutory proportions (20% each), to be allocated to individual projects by their corresponding distributing bodies: the arts, sport, the national heritage, charity and events to mark the end of one and the beginning of a new Millennium. The creation of three new statutory bodies whose purpose is to regulate the Lottery and distribute its proceeds (OFLOT, the Millennium Fund and the National Lottery Charities Board), together with the Act's attendant bureaucracy did not escape criticism; we may also speculate as to what will follow OFLOT: OFGAM, OFBET perhaps?

Camelot has committed itself to pay to the NLDF an average annual percentage, after the deduction of lottery duty, from 28.3% to 32.2% across a range of revenue scenarios. At its highest, the contribution will be over 35% of marginal net revenue. These predictions form part of the licence conditions and, as such, must be taken as representing a serious estimation of the strength of the lottery market in Great Britain. Certainly even the lowest percentage figure exceeds the contribution range (23%-25%) that was commonly relied upon in the earlier stages of the debate. In its first year Camelot estimates the yield to the NLDF to be £750m; over the life of the licence, in excess of £9 billion from a £32 billion turnover (28%). It is, of course, not possible to predict accurately the exact levels of participation and therefore of yield. But on the

assumption that the basic on-line Lotto ticket will cost £1 and that 70% of the population participates (38 million spending £2 a week, £104 a year henceforth; and in the peak year predicted by Camelot, the turnover of £6.5 million will require a per capita outlay of £169. It remains to be seen whether the lottery market will prove to be more resilient than has been the case elsewhere, and what proportion of the yield to the NLDF will be at the expense of existing long odds gambling expenditure, some of which already sustains the good causes identified by the Act.

1.3 The Regulator

While the distribution of the proceeds is a matter for the distributing bodies, the s.5 and s.6 licensees will be regulated by the Director General of OFLOT (the Office of the National Lottery, established by s.3 of the Act) Mr Peter Davis. I shall deal with his powers in more detail later, but we may note here the duties which s.4 of the Act impose upon him. The DG shall exercise his functions in the manner he considers most likely to secure (s.4(1)) first that the lottery is run "with all due propriety", and second, that "the interests of every participant ... are protected." Subject to these (s.4(2)), the regulator "shall do his best to secure that the net proceeds of the National Lottery are as great as possible."

Processes designed to implement this triumvirate of propriety, consumer protection and income maximisation permeate the Act and, in much greater detail, the paragraphs of the substantial Invitation to Apply document, which contains 108 pages of explanation of and a 116 page draft s.5 licence. In summary, the ITA document begins (ITA para 2.2.4): "The Government envisages a tasteful Lottery which will be viewed as a fun and acceptable way to win money, and which will generate revenue for the NLDF. The integrity and security of the National Lottery needs to be beyond reproach, with stringent controls imposed to ensure that all aspects of the Lottery are transparent, fair and honest."

2. A Basic Model for the Regulation of Commercial Gambling

I turn now to describe and evaluate the way in which the National Lottery will be regulated. By regulation for this purpose I mean the following: that when regulated, the collective aspects of a given enterprise are subject to a regime under which either entry is validated or performance is monitored (or both) by an agency that (a) is formally independent of the enterprise, (b) has powers to set or to initiate the modification of standards of entry and/or performance, and (c) may, in the event of noncompliance, invoke sanctions which, in addition to monetary penalties, typically entail temporary or permanent exclusion from the enterprise. It is this structural coherence that distinguishes a regulatory regime from a simple congeries of rules enforced by private individuals or by agencies of general social or fiscal control (though these may have a role to play within the regime) (Arason and Miller 1980: 851). It is therefore to be expected that the control of commercial gambling will encounter the difficulties that are concern any regulatory regime, such as standard setting, compliance seeking, tendencies to monopoly, and capture (Breyer 1979; Skolnick and Dombrink 1980).

The regulation of commercial gambling typically involves the supply of those facilities that will meet such demand as would otherwise be satisfied by an uncontrolled (illegal) supplier or that will encourage consumer spending in turn to serve some specific or general economic purposes. Sometimes the aim is to achieve a mix of these objectives, but any permutation involves to a

greater or lesser degree the containment (social control) or stimulation (revenue generation) of a demand for gambling facilities. Whether the object of regulating commercial gambling is the former or the latter, it is necessary to manage both the supply of and demand for gambling opportunities. In the case of the social control model, the objective of such management is to preclude consumer exploitation; in the case of revenue generation, it is to preclude the misdirection of the funds. But it will also be necessary, even if the objective is to maximise revenue, to guard against exploitation, since if consumers feel that they are not getting value for money, or that the promoters are overly acquisitive, spending may decline. While consumer protection may, in a revenue generation model, be given a lower priority than revenue maximisation, it will have to figure in the regime at some point, even if minimally. What is of interest in this regard is the explicit hierarchy of values in the National Lottery etc Act 1993.

The first characteristic of a regulatory system is the imposition of quality controls upon prospective suppliers of gambling facilities. Such controls may also govern those who are to be the regulators (Cohen 1982: 13-15). In the case of the National Lottery, the DG sought, by the imposition of scrupulous procedures, to ensure the integrity of the tendering process by attaching to it the same priority that has been given to propriety in the management of the Lottery (ITA para 5). For example, all phone calls to OFLOT were logged, all contacts with OFLOT by applicants were via a fixed procedure (ITA sec 5.6), and the DG refused offers to travel to Australia to see OZLOTTO in practice. The ITA was at pains to indicate, for example, that while applicants were free to submit their applications before the due date (14 February 1994), no benefit would thereby accrue.

The desire to ensure complete fairness between applicants (OFLOT no doubt thinking here of the judicial review applications that followed the ITC's hearing of applications for TV channels, and which, indeed, were briefly threatened by one of the disappointed applicant) extended also to the oral presentation made between 14-22 April 1994. Each applicant was invited to make a one hour presentation in which it would be judged on the "depth, strength, quality and experience of management" and on its "ability to maximise the proceeds to the Distribution Fund." The maximum of six representatives per applicant could use slide projectors (leaving copies of the slides with the DG) but not corporate videos, and no new information supporting the application was to be presented (ITA para 5.10).

Although the detailed measures of regulatory systems vary (McMillan 1989: 403), it is generally acknowledged that there are certain characteristics that will need to be present in any system if the objectives of gambling regulation are to be met. There are two principal sets of characteristics comprising any regulatory system (Miers 1984). One will consist of measures designed to "provide a workable method to screen undesirable elements from the gaming enterprise and ensure the continued integrity of the operation" (Nevada State Gaming Board, 1983). The most obvious paradigm lies in the highly sophisticated controls over the supplier of casino gaming; but a system of supplier control applies, to a greater or lesser extent, to all regimes. The second will consist of measures controlling the conditions under which participation by the player occurs. A third necessary characteristic are arrangements for ensuring compliance with these controls.

This combination, on the one hand, of controls affecting the supplier's entry to and continued presence in the lottery market, and on the other, of conditions affecting the player's participation, are intended to satisfy OFLOT's vision of a Lottery that will be run (and be seen to be run) "in a fair, trustworthy manner that is beyond reproach. To facilitate this, the Licensee will be subject

to rigorous accounting and auditing procedures, and the DG will monitor key aspects of the Lottery's operation. Measures to ensure the security of the National Lottery will be of paramount importance to minimise the risks from theft, fraud or misuse. Players must be able to buy tickets secure in the knowledge that should they become winners, prizes will be paid in accordance with the relevant game rules in a quick and efficient manner. No game may take place without proven processes in place to handle every aspect of the game and such processes will be subject to regular checks and controls." (ITA para 1.4). All of these issues are the subject of detailed guidance in the ITA and also figure in the Draft Licence (DL) included in the ITA. In describing the regulatory regime for the Lottery, I shall draw extensively on these documents.

Schematically, the model is as follows:

1. Supplier Controls

- 1.1 Market entry controls
 - 1.1.1 quality control
 - 1.1.1.1 personal qualities
 - 1.1.1.2 management qualifies
 - 1.1.1.3 business and financial qualities
 - 1.1.1.4 employee qualities
 - 1.1.2 quantity control
 - 1.1.2.1 numbers
 - 1.1.2.2 location
- 1.2 Performance standards
 - 1.2.1 transaction control
 - 1.2.2 systems control
 - 1.2.3 financial control
 - 1.2.4 consumer protection

2. Participation Controls

- 2.1 Access controls
 - 2.1.1 personal qualities
 - 2.1.2 advertising
- 2.2 Game-related controls
 - 2.2.1 game types
 - 2.2.2 game frequency
 - 2.2.3 game processes
 - 2.2.4 game environment

3. Compliance

- 3.1 Compliance systems
 - 3.1.1 Information
 - 3.1.2 Prior approval
 - 3.1.3 Inspection
 - 3.1.4 Modification
- 3.2 Enforcement and Expulsion
 - 3.2.1 Enforcement
 - 3.2.2 Expulsion

3. The Model in Action

1. Supplier Controls

1.1. Market Entry Controls

1.1.1 Quality Control

The first characteristic of a regulatory system is the imposition of quality controls upon the prospective suppliers of commercial gambling facilities. These vary in their intensity, usually in accordance with the susceptibility of the medium in question to exploitation by the supplier. Typically such controls envisage the vetting of an applicant's prior record in this or similar regulated activities and of the applicant's known or reputed associates; the existence of sufficient capitalisation and resources to comply with the law (solvency standards); the legal status of the applicant which, if it is not autonomous, the other entities of which it is a part; the applicant's internal financial, managerial and administrative structures; the applicant's external financial condition; and any present and predicted ability to establish and enforce controls by which the conduct of the facilities will comply with the law.

A primary feature of such controls will be the inclusion of highly discretionary decisions (Lehne, 1986: 85-118), turning on judgements of an applicant's 'character' (Skolnick and Dombrink 1980; Michael 1982), or on whether the applicant is, as in the case of casino licences in Great Britain, likely to be 'capable of and diligent in' securing the integrity of the facilities (Miers 1987: 85-88; see also *R v Gaming Board for Great Britain, ex p Benaim and Khaida* [1970] 2 QB 417, and *Rogers v Secretary of State for the Home Department* [1973 2 AC 388]). Where they are based on hearsay and uncorroborated evidence, such decisions inevitably raise questions of due process, but the desirability of such individualised screening is generally held to be beyond question, even if, as in the case of small-scale lotteries, it is no more than a registration procedure.

1.1.1.1 Personal Qualities

One of the concerns that recurred in the debates on the Bill was the potential for abuse of the Lottery by those entrusted with its management and promotion. The Rothschild Commission in 1976 pointed to abuse of the lottery market (Royal Commission, 1976), and with a predicted average annual turnover of £4 billion for the national lottery, the temptation for abuse will be the more powerful. The Act requires that the DG not award a s.5 licence unless he is satisfied that the applicant is "fit and proper". This phrase occurs in other areas of the regulation of commercial gambling. Thus the grant or renewal of a bookmaker's permit or a betting agency permit may be refused if the applicant is not a fit and proper person (Betting, Gaming and Lotteries Act 1963, Sched 1 para 16(1) (a) and 17(6); see *Hades v Chief Constable of Edinburgh* 1961 SLT (Sh Ct) 44). Under the Gaming Act 1968 Sch 1 para 20(1)(6) and (c) the licensing justices may refuse to grant or renew a gaming licence on the ground that the applicant is not a fit and proper person; see *R vs Crown Court at Knightsbridge, ex p International Sporting Club* [1982] QB 304). As to the National Lottery, the Minister said that the DG "will make it his first priority to see that no one who has exhibited criminality or any other kind of unfitness to operate is allowed to be part of a consortium. He will scrutinise people's fitness closely. He has the power to ask for papers, documents and information in any other form that he may need to assure himself that the people asked to run the lottery are fit and proper persons to do so."

(Official Report, House of Commons, vol. 230, col. 328). Thus, OFLOT conducted exhaustive enquiries, in particular in consequence of unsustainable allegations being made about GTECH, one of the Camelot Group. Altogether, OFLOT vetted 1300 individuals and checked 230 companies throughout some 26 countries.

In this connection, s.19 of the 1993 Act disapplies s.4 of the Rehabilitation of Offenders Act 1974 (and Article 5 of the equivalent Northern Ireland Order) in cases where the DG is determining whether to grant or revoke a licence under Part I of the Act or in the case of an appeal to the Secretary of State against the revocation of such a licence. These provisions treat as spent some past convictions after a given period of time. However, as it is central to the licensing process that the DG is able to discover whether an applicant is a "fit and proper" person, the government took the decision that it would be appropriate to permit the DG to ascertain these convictions.

Having a statutory duty to ensure that the lottery is properly run, the DG must be able to identify all those having interests in or influence over the s.5 applicant. Apart from the basic incidents of legal personality (ITA paras 7.1 and 7.4: general company information, name and registration, directors and key employees) the DG is concerned, for example, to ensure that the licensee has adequate powers to require shareholders to supply information concerning their interests, and to be able to suspend their voting and dividend rights until such interests are clarified (ITA para 7.1.3, note 5).

1.1.1.2 Management qualities

Given the likely level of public interest, and in order to protect participants' interest, the DG was particularly concerned to be assured that the applicant will be managed (ITA para 7.2.2 note 1) "in accordance with the highest standards of corporate governance." This includes compliance with the Code of Best Practice formulated by the Cadbury Committee report on the Financial Aspects of Corporate Governance. Thus there are requirements that the executive and non-executive directors be of an appropriate number and calibre, and that there be an appropriate division of responsibilities within the executive directors; in particular, who is to be responsible for securing compliance with the terms of the licence (ITA para 7.4.1). Where it exists, details must be supplied on experience in lottery operations, either within the UK or elsewhere (ITA para 7.7).

1.1.1.3 Business and financial qualities

The purpose of the section concerning financing structure (ITA para. 7.2) is to assist the DG to judge the ability of an applicant to continue in business throughout the period of the licence, and allowing for fluctuations in the lottery market over that time. During the tendering process, the DG made it clear (ITA para 6.2) that an applicant whose business plan appears "to offer a better prospect of a greater return to the NLDF than the business plan of another applicant, in equivalent economic and market circumstances, is more likely to be selected than that other applicant." Comment on OFLOT's choice of Camelot suggests that it was the Group's ability to convince the DG on the likely turnover that it would be able to generate that was, in combination with GTECH's expertise, persuasive.

Apart from supplying statements of share capital, borrowing facilities, loans, etc, applicants were required to submit a detailed business plan for the Lottery (ITA para 9). Paragraph 8 of the ITA requires the applicant to make a commitment, which will be a condition of the licence, to the percentage return of the proceeds that will be payable to the NLDF (after the deduction of lottery duty (ITA para 8.1 note 3)). As noted earlier, Camelot have indicated a range between 28.3% and 32.2% of turnover. Changes in lottery duty are expressly catered for (ITA para 8.3). This return is to be expressed in terms of tranches payable annually over the duration of the licence under the most favourable market conditions. The DG also required applicants to demonstrate consistency in the target prize totals (ITA para 8.2), and sensitivity to altered market conditions (ITA para 9.1.2). Their business plans were also required to clarify any ancillary activities in which the s.5 licensee intends to engage (DL 4).

Applicants were required to provide a development plan (ITA para 9.3) and to indicate their marketing strategy (ITA para 12). There were also conditions concerning the launch of the Lottery (ITA para 8.4; Camelot have indicated a £10 million spend on the launch), retail build up (ITA para 8.5), marketing spend (ITA para 8.6), and the timescale for the development of the Lottery (ITA para 8.8) to which applicants were invited to commit themselves. The launch date for the Lottery has been a key element. Here again, Camelot was able to persuade OFLOT that its expertise would enable the Lottery to be launched in early November 1994, before Christmas spending masks its impact.

1.1.1.4 Employee qualities

In addition to the applicant's own key employees, whose details must be included in the s.5 application, the DG was concerned to ensure that those retailing lottery tickets will be conversant with the security and quality controls that will be imposed by the ss 5 and 6 licences. The efficacy of systems and transaction controls (discussed below) inevitably depend upon the levels of honesty and training of employees and retailers. Certain levels of expertise and of surveillance are also necessary in connection with ensuring the integrity of the game, in particular where participation controls aim to protect players from over-commitment.

Accordingly, the ITA required that applicants specify their arrangements with retailers (IT A para 11.3), which are to include detailed provisions on the payment of prizes only to validated winners. Camelot have indicated that they have already contacted some 10,000 retail outlets for the sale of Lotto tickets. There must also be comprehensive arrangements for the support and control of retailers (ITA para 11.8) and retail sales forces (ITA para 11.9).

1.1.2 Quantity Control

A second primary market entry control places restrictions on the quantity of gambling opportunities. Quantity control concerns three inter-related factors: the number of outlets offering the particular gambling medium, their location, and the number of occasions on which opportunities to participate in that medium are offered. We deal in this section with the first two of these factors; we return to the question of frequency of games in the sections dealing with participation in the Lottery.

1.1.2.1 Numbers

As with the question of the location of a given gambling medium, the determination of the number of outlets will involve a variety of considerations; some ecological, some dependent on evidence of demand, others responding to less tangible notions of what is a socially acceptable level of supply. In the case of casino gaming, for example, the criteria of quantity employed may involve the determination of some conception of existing or potential demand. These may depend on (controversial) assessments by the regulatory body (such as the Gaming Board for Great Britain), may exclude some indicators of demand altogether, for example, from those other than tourists (as in the Bahamas) or of those under 18 years of age (this is commonplace), or they may require positive evidence of demand on the part of individuals (as in Great Britain).

In the case of the Lottery, there will, as we have noted, be only one s.5 licence, and it is expected that there will be only a few s.6 licensees. But these licences do not of themselves limit the number of outlets offering opportunities to participate in the Lottery. Prime among these will be the retail outlets, such as tobacconists and supermarkets at which passive game lottery tickets may be bought; sometimes from kiosks and attended vending machines. All of these are included in Camelot's 10,000 outlets, which are expected to rise to 27,000 by the close of the Lottery's first year of operation. It is also expected that punters will be able to purchase tickets in an active game generated at a terminal installed in the retail outlet. There is no statutory limit on the number of such terminals, or indeed on the number of other outlets that might be managed by s.6 licensees. Such limits as do exist will be imposed by, or be negotiated as part of, the contract between the s.6 and the s.5 licensee (DL 2), who will be expected not to propose such quantity of outlets as will either be self cancelling in terms of the generation of proceeds for the NLDF, encourage over-consumption, or offend the DG's notions of what amounts to a tasteful lottery.

1.1.2.2 Location

Similar considerations apply to the location of the places in which lottery tickets may be bought (media availability). Sometimes, arbitrary controls based on demographic or geographical factors may be imposed. Again, in the case of casino gaming, controls may place gambling facilities beyond what is, or was at one time considered the reach of certain members of a community (for example, there are no casinos within 60 km of Paris, a distance that prior to automotive travel was thought to be too far for a day's return journey); be established to discourage citizens from going to other countries to gamble (as in Denmark); or confine facilities to areas popular for tourism (for example, Portugal and Spain).

As noted earlier above, s.12 gives power to the Secretary of State to make regulations in relation to the promotion of lotteries which form part of the National Lottery, including (s.12(2)(b)) the places in which tickets may be sold. In determining what restrictions should be imposed on these locations, the government started from the proposition that it wished to see tickets being generally available. The French experience, where tickets are available only in *tabacs*, was cited as an example of a lottery that had, because of this restriction, underperformed. In Britain, National Lottery tickets will be available in newsagents and tobacconists, petrol stations, off licences (including those in supermarkets) and in shopping malls, where they are likely to be available from kiosks.

Two principle considerations have informed the restrictions that the government has placed on ticket availability. One is its policy against mixing gambling media in any one outlet, in particular where the media are structurally distinguishable. Traditionally this has meant, for example, that betting and gaming facilities are kept distinct (in recent year the Home Office has resisted proposals from betting shop licensees to permit them to install small-scale gaming machines in their premises), and that what is regarded as the softer end of the gambling spectrum - long odds betting on the football pools, and lotteries - ought not to be subject to the same rigour in the controls that are placed on them as apply to hard gaming. There is also, in the case of betting shops, an incompatible age restriction (18 is the minimum age for placing a bet in a betting shop, whereas a Lottery ticket can be bought by a 16 year old). Thus under para 5 of the Regulations, the sale of Lottery tickets shall not be permitted in betting offices, on racecourses when racing is occurring, on greyhound tracks, in amusement arcades or bingo halls. In a further extension of this policy, s.18 prohibits the receipt or negotiation by a person holding a bookmaker's or betting agency of a bet on the outcome of any lottery within the National Lottery.

The second consideration proceeds from the government's demand that the Lottery be tasteful. This means that the selling of tickets ought not to be intrusive (para 4(1) of the Regulations provides that tickets shall not be sold in the street nor by door to door selling (para 7) - a further consideration here is that door-to-door canvassing encroaches on territory traditionally held by the pools). A kiosk may be sited in the street only if there is no space in the supplier's premises to accommodate purchasers (para 4(2)). These restrictions are similar to those presently governing societies' and local lotteries (Lotteries Regulations 1977 SI 1977/256 paras 5-8). The Minister also indicated in debate that telephone selling will not be permitted. Neither should the lottery attract criticism because it permits unsupervised purchase. Where vending machines are used, they must be attended by someone authorised by the s.5 or the s.6 licensee. "Attended" for this purpose means (para 6(2)) being in a position to control the operation of the machine" and in particular to take action to prevent the purchase of tickets by any person whom he believes has not attained the age of 16 years."

Later the Minister indicated that tickets may not be sold in pubs, in part because these are customarily relied on by charities. A second reason is that pubs already house small scale gaming machines authorised under 2 34 of the Gaming Act 1968, and, as already has been noted, the government is keen to distance the National Lottery from what might be described as slightly harder forms of gaming.

1.2 Performance Standards

1.2.1 Transaction Control

Gambling involves the making and re-making of countless exchanges of cash sums, in some instances, notably casino gaming, unrecorded. It follows from this feature of what is in most other respects a normal commercial transaction (Meyer 1980), that the opportunities for defalcation by employees and theft by customers are endemic. For this reason alone, some basic principles of effective gambling control need to be adopted (Santaniello 1982: 37; McMillan 1989: 388). The need is greater where the primary objective is revenue generation, since such opportunities are likely to subvert its realisation.

The ITA was emphatic first about the integrity of the Lottery and secondly about the security, reliability and durability of the procedures to be adopted by the s.5 and s.6 licensees for its realisation. These procedures must ensure that when a chance in the lottery is purchased, the money paid for that chance is transferred to the promoter and to no-one else, that the purchaser of that chance, should it win, be uniquely identifiable, and that no-one can win a prize who has not purchased a chance. Thus the ITA contains extensive requirements concerning ticket security (ITA 7.5.3) and record systems (ITA para 15.5), prize claim validation (ITA para 15.6), and cash management (ITA para 16.5). Applicants were required (ITA para 15.1) to detail the on-line and off-line facilities that will be installed to check the validity of tickets (which will require retailer support (ITA paras 15.3 and 15.4)), and to specify how ticket records will be maintained (ITA para 15.5).

1.2.2 Systems Control

Applicants were also expected to satisfy the DG, directly, or through subcontractors, that there would be in place such technical systems, services and infrastructures as would ensure the smooth running of the Lottery (ITA para 16; Background). These were to address three main areas: (1) the point of sale facilities for producing and selling tickets, validating claims and paying out low value prizes, managing cash transactions and transferring funds to the licensee; (2) the installation of appropriate communications between the licensee and the retail outlets permitting the exact reconciliation of tickets, receipts, and prizes; and (3) sufficient central management to secure these communications, and to prevent fraud, scams or other impropriety. Here the particular qualities of the Camelot Group were thought persuasive. The printers De Low anxiety Rue is long used to security printing (of bank notes and lottery tickets), Racal is engaged in high level electronics, and GTECH is well established as a provider of secure lottery systems in two thirds of US state lotteries, and more than 60 other lotteries world-wide.

The integrity of the Lottery will inevitably be heavily dependent on the technical systems relied upon. There are therefore extensive conditions specified in the ITA (para 16) and the Draft Licence (16-18) concerning their design and installation (ITA para 16.1), security (a particular concern is computer hacking (ITA para 16.2.5)), resilience (ITA para 16.2), and operational and testing procedures. By way of example, ITA para 16.2.6 requires the applicant to provide details of operational risks and threats to the security of its Lottery systems, and to propose countermeasures. These risks might include: duplicate tickets; lost, stolen and mutilated tickets; stolen terminals; terminal malfunction; cancellation of sales; under reporting of game revenue by the licensee; insertion of winning entries by the licensee after the draw, but prior to payment; the destination of unclaimed prizes; retailer protection; protection against fraud and defalcation by licensee's employees; and the prevention of syndicate scams.

1.2.3 Financial Control

Para 16 of the ITA also deals with the rigorous accounting and auditing procedures (ITA p 2) that the DG expects to be in place to ensure that the Lottery is not subject to fraud, error or corruption (ITA para 2.2.1). These procedures include process assurance (ITA para 16.3: audit trails, logs and systems), internal audit (ITA para 16.4), and cash management systems (ITA para 16.5).

1.2.4 Consumer Protection

The second of the statutory duties imposed on the DG by s.4 of the Act is to ensure that the interests of all participants in the Lottery are protected. Consumer protection figures specifically in ITA para 13. This requires that applicants should provide details about how information about the Lottery would be imparted to punters, and how their complaints would be dealt with (ITA para 13.1). The "Code of Practice on Customer Relations" required by para 13.3 must also indicate how punters will find out whether they have won, and if so, how much (ITA Para 13.2). These matters were all included in the Draft Licence (DL 8,11,12).

One of the DG's principal concerns is that when someone buys a ticket in the Lottery, s/he will be secure in the knowledge that the chance s/he is buying is indeed within the Lottery, and that s/he is therefore protected by the conditions imposed by the s.5 licence concerning the validation and prompt payment of prizes. The Act itself creates the offence of falsely advertising a lottery as being part of the National Lottery. Section 16 was introduced by the Government at the Report stage in the Lords. Its purpose is to ensure that "when a customer plays "the national lottery", he can be sure that he is indeed playing the national lottery, and not something which purports to be it."

Para 13 of the ITA (and see further DL 8, 11, 12) deals with information to and complaints from purchasers (ITA para 13.1), prizes and winners (ITA Para 13.2), and sets up a Code of Practice (ITA Para 13.3). During the debates on the Bill, concern was frequently expressed about the impact of the Lottery on the young, the poor and those likely to over-indulge; numerous amendments were tabled seeking, in various ways, to impose obligations on the DG to intervene (or at least monitor the impact) where the impact of the lottery threatened to cause harm. The government acknowledged some of these concerns, and while declining to accept any statutory duties in respect of them did accept their inclusion in the DG's remit (see advertising, section 2.1.3 below).

2. Participation Controls

Like supplier controls, participation controls can be more or less extensive, depending in part on the regime's objectives. Whether the preference is revenue generation or social control, there is good reason to ensure that the player is not conspicuously being placed at a disadvantage vis a vis the supplier. It is clear, however, that there are considerable differences between the environment of a Las Vegas casino and that of one located in Vancouver, London or Sydney, or between casino gaming and other gambling facilities. Participation controls centre upon a variety of factors which may be manipulated as part of a process of demand management.

2.1 Access-related Controls

2.1.1 Personal Attributes

Depending on government policy, such personal attributes as specific age attainment, membership conditions (Thompson and Dombrink 1989: 345), and financial creditworthiness are typical preconditions to participation in commercial gambling media. In the case of the National Lottery, the minimum age at which someone could participate was a constant issue.

Section 12 of the 1993 Act gives the Secretary of State power to make regulations in relation to the promotion of lotteries which form part of the National Lottery. Among other matters, these regulations may deal with the minimum age of persons to or by whom tickets may be sold. A number of attempts were made to amend the Bill so that lottery tickets could not lawfully be sold to those under 18. These amendments were resisted by the government on the ground that the existing ages for participation in societies' and local lotteries being 16 (Lotteries Regulations 1977 SI 1977/256, para 4), it would be confusing for retailers who would be able to sell one sort of lottery ticket to 16 and 17 year olds, but not another. Under the draft statutory instrument accompanying the ITA, para 3 provides that "No National Lottery ticket shall be sold by or to a person who has not attained the age of 16 years."

2.1.3 Advertising

Section 12 of the 1993 Act provides for regulations to be made governing the "manner" in which purchasers may be invited to buy lottery tickets (02(2)(b)), "the places, circumstances or manner in which signs relating to the lottery may be displayed (s.12(2)(d)), and specifying what information must appear in any advertisement (s.12(2)(c)). However, an amendment to the Bill requiring each ticket to state the odds against winning was resisted on the ground that since the odds won't be known until the day of the draw, it would be impossible to state them in advance. It is however, likely that these will be of the order of 14 million: 1 against.

By comparison with other commercial gambling media (where the law is stringent, and in the case of licensed bingo, impracticably complex), the government has no compunctions about permitting extensive (though tasteful) advertising of the Lottery. At its most extreme (as in the case of casinos), the advertising of commercial gambling media is confined to compliance with the normal public notice requirements associated with licensing procedures, and to mere statements of the location of the premises. By contrast with the principle of unstimulated demand (of which such controls on advertising are an implementation example), the government has every wish to encourage the purchase of Lottery tickets. Indeed, without constant advertising, there will always be doubts about the viability of a state lottery; Camelot expect to spend £26.5 million on advertising in the first year. There will be a National Lottery logo (which will remain with OFLOT irrespective of any changes in s.5 and 6 licensees (s.7)), which is the subjects of the draft s.5 licence (DL 7).

ITA para 12.2 required applicants to give details of their intended mix of promotion and advertising (it may be noted that there is no definition of "advertisement" in the Act - but compare the range of advertising media specified in s.42(8) of the Gaming Act 1968). These details were to include the rationale for the proposed mix, and the objectives of its different element; in particular the balance between long term support and short term stimulation (ITA para 12.2(iv)). The advertising plan was to comply with the existing controls on advertising specified by the Advertising Standards Authority and the Independent Television Commission, as must each applicant's own advertising Code of Practice required by condition 9 of the Draft Licence. In particular, any advertising must be (ITA para 12.2 note 4) consistent with, and supportive of, the "image of the Lottery as being high quality, tasteful and beyond reproach." This extends (DL 7) to the use in advertisements of the National Lottery Logo (which will of course survive beyond the lifetime of any one s.5 or s.6 licensee).

A connected matter are the plans each applicant intended for public relations. Two matters particularly reflecting some of the concerns voiced during the debate on the government's proposals figured in the ITA. There was considerable concern about the intended audience for and likely impact of Lottery advertising. The government indicated that the DG would want to "ensure that the lottery cannot focus advertisements on those under the age of 16 ... [and that] advertising should not link the lottery with the sale of alcohol or drugs, or with betting and gaming." Under ITA para 12.3 (iii), applicants were required to demonstrate "how attitudes to public and social issues relating to gambling will be managed", and "how the public will be assured that persons aged under 16 are not being put at risk." There was also concern about the impact of the Lottery on charities; in particular that s.6 licensees' advertising would associate a promotion with a given charity, with the possible diversion of income from it. The assurance was given that promoters would not be permitted to associate themselves with a named charity without its permission.

The government's policy on advertising the Lottery ran into some difficulty when an amendment permitting the pools to advertise on TV and radio, as the Lottery will be able to do, was moved in debate. This was resisted on the ground that, in line with its aspirations for the success of the Lottery, the government quite consciously wished to give the Lottery preferential treatment in obtaining access to the long-odds gambling market. It may be noted that the government was quite explicitly in its view that the Lottery would have to compete in this market, necessarily implying the shift of spending from one gambling medium to another that undermines the government's thesis that the Lottery will be a success because it will largely tap new money. The government threatened the pools (which as a matter of law involves an exercise of skill, and is thus treated differently from the law on lotteries) what if they wished to be treated equally with the Lottery, then they could equally be subject to the lotteries regulation; but later the government agreed to an amendment to the ITC code which will permit pools companies to sponsor TV and radio programmes which are themselves not related to gambling. However, amendments that would have permitted direct advertising by the pools were resisted by the government. Reflecting Rothschild's approval of the ban on the TV advertising of betting, the government view is that lotteries may advertise on commercial television and radio, first, because they are at the 'soft' end of the gambling spectrum; and secondly, because they are promoted primarily to benefit good causes. Betting and gaming, on the other hand, are promoted for commercial ends. We may note here the contradiction with what the government reckons will be the motive for purchasing Lottery tickets: to win prizes.

2.2 Game Related Controls

2.2.1 Game Types

Controls on the types of game may stipulate the number and variety of games offered, place restrictions on their attractiveness, provide for the universal and routine information about the odds against winning, eliminate mug bets and counting techniques that systematically work to the disadvantage of the bettor (for example, rounding down in pari-mutuel betting), and require legal modifications where technological change alters the manner in which a game is played (Holmes 1985; Eadington 1989: 14-15).

The games that are to be promoted as part of the National Lottery will establish its format and image; each applicant's "game plan" was therefore regarded as being "among the most important

parts of the application" (ITA para 10). A great deal of concern has focused on the kind of games that will be marketed as part of the Lottery. In response to fears that video lottery fever will grip the nation, the government assured Parliament that "our lottery will be very British" (not an assurance likely to bring cheer to fun lovers everywhere). Games that encourage excessive playing and addictive games will be banned, as will such as the speil games in the German lottery and the keno games in the United States.

Under ITA para 10.1, applicants were required to submit details on game design indicating, for each game likely to be promoted, its format and rules, mode of delivery to the punter, expected prizes, prize structure and payout ratio, frequency, themes and play symbols, and the number of parallel games. Camelot propose to introduce a simple on-line lotto game with participants choosing six numbers from a field of 49. At the less sophisticated end of the spectrum, passive games which may take the form of scratch cards with instant prizes available from the retailer will also be promoted. Applicants were required to specify how and why each game will appeal to punters, and what particular market segment (including the socio-economic profile of the likely purchasers) was sought. The portfolio of games was to indicate how they were to develop, how they would resonate or compete with other existing and potential lottery media, and how punter interest would be maintained. Applicants were also expected to provide details of market research on particular games, details of game design and evolution elsewhere, and calculations of likely participation levels.

In specifying target prize totals (ITA 10.2) and plans for s.6 licences, applicant had to satisfy the DG on a variety of issues, most of which concerned the reasons why a particular format (Lotto or instant lottery), prize structure (the likely level of jackpots, frequency of roll-overs), and time scale (frequency, lapse, simultaneity) had been chosen (ITA 10.1, notes). Camelot aim for a total prize payout ratio of 56.5% of net sales over the licence period; this compares with the 50% figure widely canvassed during the debates on the Bill.

2.2.2 Game Frequency

Neither the Act nor the Draft Licence impose any limit on the frequency with which lotteries will be promoted; by contrast, what was sought was flexibility. The government's intention is that the national lottery will have several games within it. Some may be more regular than others; some weekly, some monthly. The idea is that frequency will depend on the commercial judgement of the promoters, and of the s.5 licensee. Camelot has indicated that its initial lotto game will be a weekly draw, offering a top prize of £4-5 million. There will be smaller prizes for players who correctly match three of the winning six numbers, and a roll-over (up to three occasions only) which could yield a top prize of £8-10 million.

2.2.3 Game Processes

"The procedures used to perform all operational processes, from the design of the games through their playing lifetime, to the completion of prize pay-outs, must be conducted to the highest standards of quality, thoroughness and security.". They must also (ITA para 15, introduction), be "fun". The ITA made it clear that the process of buying tickets should not merely be a matter of obtaining a slip of paper for a £1. Players should be offered some choice in parameter selection, and variety in the number of possible draws and prize levels, including multiple options. The actual production of tickets, once the selection has been made, should be speedy,

and, where appropriate, automated.

The ITA also required applicants to show how players would be able to claim prizes at any participating outlet, and how the process of validating winning claims and paying out small prizes could be made with the minimum of delay. In the case of substantial draws that are likely to be made on TV, "the most visible and critical point of the Lottery" (ITA para 15.8, note 1), the processes for "must be of the highest integrity (using mechanical rather than electronic means) and must be demonstrably fair and in accordance with the rules of the relevant game. These televised weekly draws will almost certainly be made on BBC.

2.2.4 Game Environment

Environment-related controls concern the physical appearance of the premises in which the gambling facilities are set, their layout, and the provision of refreshments and entertainment. The government intends the use of the National Lottery Logo to be squeaky clean, both literally and metaphorically. In answer to concerns about litter (from kiosk tickets discarded by unsuccessful purchasers), the Minister indicated that this will be kept under review by OFLOT.

3. Compliance

3.1. Compliance Systems

3.1.1. Information

The s.5 and 6 licensees are required by s.7(2)(d), (e) and (f) of the 1993 Act to provide that DG with such information in such a form as he may require. The nature of this obligation (which also extends to contractors) is indicated at length in the draft licence (DL 5, 6, 24, 26). Section 7(4) ensures that once a licence has ceased to have effect, the DG will still be able to receive information, which he might require, for example to ascertain whether the proper sums have been handed over to the Distribution Fund, or to present his annual report. Clearly it is important that the DG should be able to gain access to such information and that the licensee should be fully accountable to the publicly appointed regulator for his actions even after the licence has expired.

3.1.2 Prior Approval

During the Report stage in the Lords, the Government moved a number of amendments which now appear as subjects 7(2)(b), (C) and (g), and s.7(4). Sections 7(2)(b) and (c) make it clear that licence conditions can require the licensee to refer matters to the director general for approval and can require the licensee to ensure that requirements offered or determined by the director general are complied with.

3.1.3 Inspection

The Draft Licence gives the DG power to inspect any aspect of the s.5 licensee's implementation of its licence at any time; and the licensee must ensure that any bodies subcontracted to it may, according to the terms of their contract, likewise be open to inspection (DL 22).

3.1.4 Modifications

Section 8 gives the DG power to vary conditions in licences. By s.8(2) these conditions may be varied without the licensee's consent if the licensee has been given a reasonable opportunity to make representations about the variation; the DG must therefore be under a reviewable duty to notify the licensee of any proposed variation so as to allow such reasonable opportunity. However, by subs 8(3), a variation without consent cannot be made where its effect would be the transfer of the licensee's property or rights or, in the case of a s.5 licence, if that licence provides that the condition in question cannot be varied without consent. The DG is also under a duty to give the licensee at least 21 days notice of the commencement of any variation made under s.8(2).

An amendment was moved at the Committee stage in the Lords which would have required the DG to publish the conditions of the licences granted under subjects 5 and 6. While some of these conditions will be made public knowledge, the amendment was resisted by the Government on the ground that it is important that some things in the licence should be kept private for the security of the operation of the national lottery. Section 7(2)(gambling) allows provision within the licence requiring the licensee to do things in connection with the licence ceasing to have effect and a new licence being granted. This measure cannot be used without the prior knowledge and agreement of the licensee (see s.8(1)) if the condition would result in the transfer of property and rights. Such an intention will have to be clearly stated before the licence is granted.

3.2 Enforcement and Expulsion

3.1.1 Enforcement

Section 9 provides for the enforcement of licence conditions. On application by the DG a court (or High Court or, in Scotland, the Court of Session) may, if it is satisfied that there is a reasonable likelihood that a person (who need not be the licence holder) will contravene a condition in a s.5 or a s.6 licence, or that a person has contravened such a condition and that there is a reasonable likelihood that it the contravention will recur or that steps could be taken to remedy it, grant an injunction (or interdict) restraining the convention, or order that it be remedied.

Section 13 creates an either way offence of contravening any requirement or restriction imposed by regulations made under s.12. A s.6 body corporate promoting any lottery within the National Lottery commits an offence if there is any contravention of a duty imposed under s.12, as do the company's officers if they consented to, connived at or were negligent with respect to the contravention.

3.2.2. Expulsion

Section 10 and Schedule 3 provide for the circumstances under which the DG may revoke a licence, the procedure to revocation of licences and for appeals to the Secretary of State against revocation (see further DL 31). By subs 10(1) and (2), the DG must revoke a s.5 or a s.6 licence if he is satisfied that the licensee is no longer or never was a fit and proper body. where the grounds specified in Sch 3 apply, revocation is at the DG's discretion. In broad terms, these grounds are (paras 1-5): that a condition in the licence has been contravened; that the licensee has

become financially unsound; in the case of a s.5 licence, that the licensee if failing to provide facilities that are necessary or desirable for the National Lottery; in the case of an s.6 licence, that the licensee is failing to take steps that are necessary or desirable to prevent fraud; or, in the case of both s.5 and s.6 licences, that any person involved in the business of running the National Lottery or of promoting any lottery, or who will benefit from such business, is not a fit and proper person.

Para 6 of Sch 3 obliges the DG to give notice of any proposed revocation, against which the licensee may make representations. Where fraud is involved in connection with a s.6 licence, the DG may suspend the licence from the date of such notice. The Secretary of State has made Regulations concerning the hearing of representations by and appeals from licensees.

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AN EMPIRICAL ANALYSIS OF THE FILM "THE GAMBLER"

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The media undoubtedly has a large impact on how we perceive the world in which we live - especially on the things we know little or nothing about. Pathological gambling is one social concern that has been portrayed by a number of movie makers around the world although the depth that each film explores the issue differs greatly. The world of gambling and gamblers has been portrayed in many films throughout the years (e.g. *The Sting*, *The Cincinnati Kid*, *Rain Man*). However, many of these film representations tend to cast gambling in an innocuous light and often portray gamblers as hero figures (Griffiths, 1989). One film which has dealt entirely with the downside of gambling is *The Gambler*. It was made in 1974 (111 minutes, directed by Karel Reisz) and starred James Caan in the lead role as Professor Alex Freed, a university lecturer in Literature and a compulsive gambler.

The film is probably the most in depth fictional film about the life of a pathological gambler and is probably one of the few films that the general public may perhaps have seen on this particular issue. If this is the case, it is only fair to ask whether the film accurately portrays the "typical" compulsive gambler. To attempt such a task, the DSM-111 (American Psychiatric Association, 1980), DSM-III-R (American Psychiatric Association, 1987) and proposed DSM-IV (Lesieur & Rosenthal, 1991) criteria for pathological gambling were used to assess the gambling pathology of the film's main character. In addition, further examination of other parts of the film's text and scenarios will be used to examine the film's theoretical perspective and its relevance to contemporary representations of pathological gambling.

Story Overview Of 'The Gambler'

The film is the fictional account of a few days in the life of a compulsive gambler called Alex Freed, a New York university professor in Literature. The start of the film sees Freed go into \$44,000 debt after gambling and losing at blackjack, craps and roulette in a casino. The film's main story is the attempt by Alex to pay back his debt to the mobsters. His mother, a doctor, gives him the money which he then gambles away almost immediately through sports betting. Faced with no money to pay the mobsters and no family to bail him out, he cancels his debt by illegally fixing a basketball game for the mobsters with the help of one of his students who is in the basketball team. The film's main theme besides pathological gambling is Freed's masochistic tendency which is highlighted in the final scene. Here, Freed walks into a white "no go" area of New York, walks into a bar, hires a prostitute, refuses to pay her and then is confronted by her knife wielding pimp who he dares to kill him. Freed then beats up the pimp but is cut savagely across the face by the prostitute using her pimp's knife. The film ends with Freed leaving the room with a heavily bleeding face.

The Film's Theoretical Perspective

When Freed is asked by his girlfriend why he gambles to excess, Freed responds:

"It's just something I like to do. I like the uncertainty of it-I like the threat of losing ... the idea that... uh ...I could lose but that somehow I won't because I don't want to... that's what I like... and I love winning even though it never lasts"

This reply by Freed to some extent hints at the film's outlook on pathological gambling. However, the film's basic premise is that gambler's gambles because he wants to lose and thus partially adheres to Bergler's (1957) psychodynamic account of gambling. Bergler extended Freud's ideas about guilt relief in losing and argued the gambling act is a rebellious act, an aggression against logic, intelligence, moderation and morality. Ultimately, it is the denial of parental authority, a denial of the reality principle i.e. even the gambler's parents - who symbolise logic, intelligence and morality - cannot predict a chance outcome. According to Bergler, the unconscious desire to lose arises when gambling activates forbidden unconscious desires (e.g. parricidal feelings) and that the financial loss provides the punishment to maintain the gambler's psychological equilibrium. In essence, gambling is masochistic.

In the course of the film, the viewpoint that gambling is masochistic and motivated by a desire to lose is forwarded only once in a conversation by Freed and Hips, one of the mobsters who is also one of Freed's friends

Hips : *"Listen, I'm gonna tell you something I've never told a customer before. Personally I've never made a bet in my life. You know why? Because I've observed first hand what we see in the different kinds of people that are addicted to gambling, what we would call degenerates. I've noticed there's one thing that makes all of them the same. You know what that is?"*

Freed : *"Yes. They're all looking to lose"*

Hips : *"You mean you knew that?"*

Freed : *"I could have wiped the floor with your ass"*

Hips: *"Yeah? How?"*

Freed: *"By playing just the games I knew I'd win"*

Hips : *"The why didn't you?"*

Freed : *"Listen, if all my bets were safe they just wouldn't be any juice"*

The masochistic tendencies run throughout the film until the very final scene, although there has been another interpretation put forward by Rosenthal and Rugle (1994). They believe that there is a group of gamblers for whom it is not winning that is all important, but not losing. According to Rosenthal it is the risk of getting hurt and of losing everything that is exciting for them ("living on the edge") and which he described as omnipotent provocation (Rosenthal, 1986). This is a kind of deliberate flirting with fate (and danger) to prove one is in control. Rosenthal uses the final scene from *The Gambler* to argue such a thesis:

"In the climactic scene, the compulsive gambler-protagonist... walks the streets of Harlem, alone and at night, fully aware of the taunts and the threats that follow him. He enters a bar and provokes a fight with a prostitute and her knife wielding pimp. After getting slashed, he staggers out, blood pouring from his face. In the final frame, he has stopped to look in the mirror, and

while examining what will soon be a huge scar, he smiles. His expression says it all. He has gone to the edge, escaped with his life, and that, for him, is a big win" (Rosenthal, 1994; p.27)

From the synopsis of the film presented above, it could be argued that for Alex Freed, life in itself was one big gamble.

Although the theme of desired losing is the film's message, the desire to lose is suppressed when Freed talks to most people. To his students, Freed intellectualises his gambling using the work of Dostoevsky (who was indeed a pathological gambler himself). For instance, quoting from *Notes from Underground*, Freed lectures his students on reason and rationality. Although not alluding to gambling itself he quotes Dostoevsky's assertion

"Reason only satisfies man's rational requirements, desire on the other hand accompanies everything, desire is life"

To others around him (family, girlfriend, fellow gamblers, bookmakers), much of Freed's gambling talk is bravado. For instance, just as he is about to pay his debt to the mobsters with the money his mother has given him, he takes an impulse trip to Las Vegas with his girlfriend. The following short exchange then takes place between them

Girlfriend: *"Don't you think you oughta pay back the money before you go and lose it?"*

Freed: *"I'm not gonna lose it, I'm gonna gamble it"*

This kind of rhetorical optimism and self belief surfaces a number of times during the film. Returning from the trip to Las Vegas, he rings up his bookmaker to place a \$45,000 sports bet. The bookmaker asks him why he has made this particular bet. Freed says

"I can't lose. Why? Because I'm betting on them, that's why. I've got magic powers. I'm scorching. I'm as hot as a pistol"

Another similar example occurs while Freed is in Las Vegas playing blackjack. Freed has cards totalling eighteen and then asks the dealer to give him another card knowing that any card over a value of three would lose him his money. A short interchange between Freed and his girlfriend confirms his optimism and bravado

Girlfriend : *"You're crazy"*

Freed : *"I'm blessed"*

Throughout the film Freed is seen gambling on anything and everything including, it would seem, his own life in the final scene. Empirical reviews of the gambling literature (e.g. Walker, 1992) show that most pathological gamblers have a preference to one form of gambling. Thus, if "typical" pathological gamblers are those who only usually engage themselves in one particular form of gambling, it can be concluded that at one level Alex Freed is untypical. However, a more empirical way to test such an assertion is to measure the gambling behaviour using diagnostic criteria for pathological gambling. This is attempted in the following section.

Gambling Pathology

When the film 'The Gambler' was first premiered in 1974, there were no official diagnostic criteria for pathological gambling laid down by the American Psychiatric Association. Established criteria for pathological gambling were not introduced until third edition of the *Diagnostic and Statistical Manual of Menial Disorders* came out in 1980 - six years after the film's first premiere.

Despite the fact that the film makers had no official diagnostic criteria on which to base the character of Alex Freed (only the film writer's personal insight from his own pathological gambling experiences), the fictional gambler portrayed would be diagnosed as a pathological gambler on all three of the DSM's incarnations to date (see Tables 1-3). The three sets of criteria, although all different, do have similar dimensions running through all of them (preoccupation, chasing, family disruption, illegal acts etc.). However, it must be noted that DSM-III is quite different from the two subsequent sets of criteria as the latter two sets of criteria are based more on an addictive model of gambling. Since the film's basic premise is that gamblers' gamble because of their masochistic desire to lose rather than because they are addicted to the activity itself, it perhaps unsurprising that almost all of the DSM-III criteria are fulfilled by Alex Freed whereas "addictive" criteria (e.g. excitement, tolerance and withdrawal) included in the later incarnations of the DSM are not. The "excitement" of gambling is never explicitly discussed in the film except for Freed's statement that "If all my bets were safe they just wouldn't be any juice". This of course assumes that "juice" is excitement. However, it should further be added that even if the film does not explicitly examine excitement, the film to some extent conveys it. It could be argued that Freed's escalating need for greater and greater risks is explicit and those watching the film may even feel their own arousal levels escalating even if they feel a little uncomfortable watching it.

Table 1 : Number of criteria fulfilled by 'The Gambler' on the DSM-III criteria for pathological gambling (American Psychiatric Association, 1980)

<i>Criterion</i>	<i>Criterion fulfilled</i>
(A) The individual is chronically and progressively unable resist impulses to gamble	Yes - throughout film
(B) Gambling compromises, disrupts or damages familial, personal, and vocational pursuits, as indicated by a least three of the following:	
(1) Arrest for forgery, fraud, embezzlement or income tax evasion due to attempts to obtain money for gambling	No
(2) default on debts or other financial responsibilities	Yes - throughout film
(3) disrupted family or spouse relationships due to gambling	Yes - throughout film
(4) borrowing money from illegal sources	Yes - one scene only
(5) inability to account for loss of money or to produce evidence of winning money if this is claimed	Yes
(6) loss of work due to absenteeism in order to pursue gambling activity	Possibly
(7) necessity for another person to provide money to relieve a desperate financial situation	Yes -one scene only
<u>(C) The gambling is not due to Anti-Social Personality Disorder</u>	<u>Yes</u>

Criteria (A), (B) and (C) fulfilled- Person is a pathological gambler as defined by DSM-III

Table 2 : Number of criteria fulfilled by 'The Gambler on the DSM-III-R criteria for pathological gambling (American Psychiatric Association, 1987)

<i>Criterion</i>	<i>Criterion fulfilled</i>
(1) frequent occupation with gambling or obtaining money to gamble	Yes -throughout film
(2) often gambling larger amounts of money over a longer period than intended	Yes - implicit in film
(3) need to increase the size and frequency of the bets to achieve the desired excitement	Possibly (implicit)
(4) restlessness or irritability if unable to gamble	Yes -one scene only
(5) repeated efforts to cut down or stop gambling	No
(6) often gambling when expected to fulfil social or occupational obligations	Possibly
(7) some important social, occupational or recreational activity given up in order to gamble	Possibly
(8) continuation of gambling despite inability to pay mounting debts, or despite other significant social, occupational, or legal problems that the individual knows to be exacerbated by gambling	Yes- throughout film
(9) repeated loss of money gambling and returning another day to win back losses ("chasing")	Yes- throughout film

Five of the nine criteria definitely fulfilled -Person is a pathological gambler as defined by DSM-III-R

Table 3 : Number of criteria fulfilled by 'The Gambler' on the proposed DSM-IV criteria for pathological gambling (Lesieur & Rosenthal 1991)

<i>Criterion</i>	<i>Criterion fulfilled</i>
(1) Progression and preoccupation : reliving past gambling experiences, studying a system, planning the next gambling venture, or thinking of ways to get money	Yes-throughout film
(2) Tolerance : need to gamble with more and more money to achieve the desired excitement	Not explicitly
(3) Withdrawal : became restless or irritable when attempting to cut down or stop gambling	No
(4) Escape: gamble in order to escape from personal problems	Not explicitly
(5) Chasing : after losing money gambling, often returned another day in order to get even	Yes -throughout film
(6) Denial : denied losing money through gambling	Possibly
(7) Illegal activity : committed an illegal act to obtain money for gambling	Yes-one scene only
(8) Jeopardising family or career : jeopardising or loss of a significant relationship, marriage, education, job or career	Yes - throughout film
(9) Bail out: needed another individual to provide money to relieve a desperate financial situation produced by gambling	Yes -one scene only

Five of the nine criteria definitely fulfilled - Person is a pathological gambler as defined by proposed DSM-IV

Concluding Comments

An analysis of the film *The Gambler* shows that the character of Alex Freed is a fairly accurate representation of a pathological gambler and what is known about pathological gambling. There is anecdotal evidence that pathological gamblers identify with the film and that it is an accurate portrayal - at least of a gambler seen in treatment. The actions of Alex Freed (pre-occupation with gambling, deterioration of relationships due to gambling, returning to win back losses, illegal acts performed to solve problems etc.) are (i) familiar to anyone who encounters pathological gamblers in either a professional or personal capacity and (ii) would be similar to any pathological gambler regardless of the rhetorical justifications and subjective motivations, i.e. excessive gamblers will display the same observable behaviour despite different etiological roots or theoretical perspectives. If *The Gambler* is the only film that the general public ever see concerning pathological gambling, then it is fair to say they would go away with a good perspective on what pathological gambling is and what it can do to people. What the film does not do adequately is explain there is more than one reason as to why people might gamble excessively.

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