

Gambling, Crime, the Law and the Criminal Justice System



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Agenda

- I. Introductions
- II. The law
- III. Crime
- IV. The Courts
- V. The Prisons
- VI. Wrap-up



Gambling VS Gaming

- Gaming is not as legislated as gambling
- Gambling must:
 1. Have an uncertain outcome
 2. Require consideration, e.g. \$, to play
 3. Have a winner and a loser



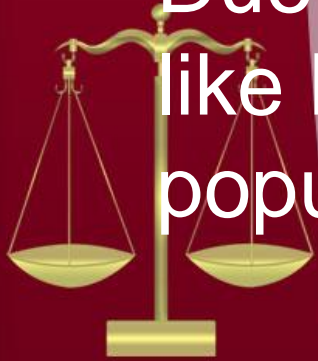
Gaming

- Games like Candy Crush are technically free but require spending money to excel at it
- Fantasy sports claim that the outcome isn't pure chance but require an element of skill



The Law-History

- In the early 20th century, most states prohibited gambling
- Many citizens violated these laws, however
- In 1931 most forms of gambling were legalized in Nevada
- Due in part by organized crime and people like Bugsy Siegel, casinos became very popular there



History-cont.

- Two good books on organized crime and gambling are Green Felt Jungle by Demaris and Reid (1963) & House of Cards by J.H. Skolnick (1978)
- By the 1960's, Howard Hughes and other legitimate investors started taking over the Las Vegas casinos.



History-cont.

- In 1961, the Federal Wire Act was passed making it illegal to gamble using wire communication. It didn't include horse racing and lotteries
- In 1977, New Jersey and Atlantic city legalized gambling



History-cont.

- In 1999, The National Gambling Impact Study Commission claimed that due to state regulations, organized crime (OC) ownership and operation of casinos had been purged and replaced with public corporations
- However, OC is still involved with legal and illegal gambling (on-line betting, gambling parlors, animal fighting); none of the latter are taxed



History-cont.

- Each state is able to regulate or prohibit gambling practice within its borders. Only Hawaii and Utah have no legal gambling
- By the 1970's, many states were beginning to soften their stand on gambling
- State run lotteries began in IL in 1974 and WI in 1988



History-cont.

- By 1989, there was the start of the proliferation of legal casinos in the US
- WI & IL opened theirs in 1991.
- In WI, state law prohibits non-commercial betting but it is rarely enforced; usually only after citizen complaints
- In 1999, WI decriminalized slots and video poker



History-cont.

- So what led to the liberalization of gambling laws

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History-cont.

- 1. Public demand-globally, gambling revenue is estimated to be \$423B (Banks-2014); in North America, 80% of citizens have gambled in the past year
- 2. Income to the government in taxes from winners and employees of gambling institutions
- 3. Tourism \$



On-Line Gambling and the Law

- In 1996, an Antigua-based company, Intercasino, became the first Internet Gambling Site (IGS) to accept an on-line bet
- By 2000, there were 1,000 IGS; today that number is about 3,500
- The revenue for them is estimated to be \$37.4B as of 2018



On-line Prosecution

- The 1st federal case against an on-line gambling business was against Jay Cohen, an owner of an Antiguan-based company called World Sports Exchange
- Cohen was imprisoned for 21 months in 2000
- Later, 3 of the largest internet poker companies were indicted



UIGEA

- In 2006, the US passed the Unlawful Internet Gambling Enforcement Act making it difficult to bet on-line by banning financial institutions from transferring \$ to on-line gambling bank accounts with criminal penalties up to 5 years in prison
- This includes automated clearing houses, card systems, check collection, \$ transmitting systems and wire transfer systems.



Crime, Gambling & Gambling Disorders (GD)

- Even though it is safe to say there is a relationship between GD and crime, the research can not state there is a strong causal link
- This relationship is complex and dynamic
- There are many factors that must be considered



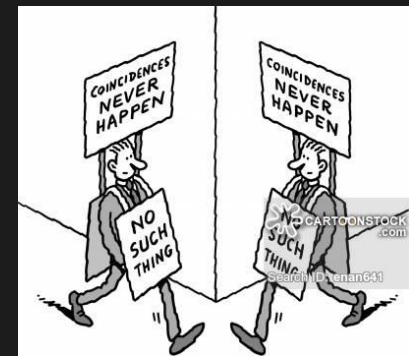
Causality

- There are three types of association:
- Co-incident- there is no link between gambling and crime; the person's offending behavior (OB) may proceed their gambling
- Co-symptomatic- gambling and OB may be part of a larger picture, e.g. impulsivity, other risky behavior
- Instrumental- where there is more of a causal link between gambling and OB



Co-incidental

- People with gambling disorders (PWGD) may commit OB for reasons unrelated to their gambling
- They may have been committing OB prior to their involvement with gambling
- As their gambling progresses, their OB may move to Instrumental



Co-symptomatic

- SUD & MH issues may contribute to OB
- These MH issues can include affective disorders, anxiety disorders, personality disorders, ADHD, and trauma
- PWGD who also have impulsivity issues or who are willing to engage in higher risk behavior are more likely to commit OB



Co-symptomatic-cont.

- Some OB may have been committed under the influence
- One study suggested that over 80% of PWGD were high risk of having a SUD (other ones have it at 50%)



Instrumental



- People who commit gambling related offenses (GRO) are more likely to do so as the severity of their gambling intensifies, as they owe more money, & as their overall outcomes (family, job) deteriorates
- Those who have committed GRO are more likely to require more intensive types of treatment
- They may commit violent crimes as well as monetary ones
- Various studies differ on their rates of PWGD who admit to committing GRO (one estimate was 37%, others had it as high as 69%)



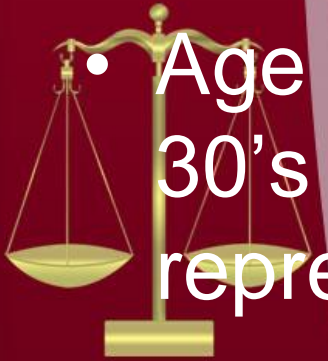
Violent VS Monetary GRO

- In one study of PWGD, 38.1% were victims of domestic violence and 36.5% were the perpetrators of it
- The National Coalition Against Legalized Gambling reported in 2000 that domestic assault rose 80% and child abuse rose 42% after the openings of casinos in South Dakota
- Co-morbidity of a SUD or MH condition may increase the possibility of an assaultive crime
- Common GRO include larceny (especially from family), burglary, robbery, identity theft, forgery, embezzlement, writing bad checks, fraud, drug sales
- It is estimated that people who commit GRO have a 20 X's more severe gambling problem than those who don't



Trends in GRO

- One study estimated that 71% of those who were incarcerated for GRO had a previous history of such behavior
- Men tend to have a higher percentage of GRO than females but the research on that isn't universal
- Age estimates tend to vary widely but mid 30's to 40's tend to be the highest represented group



More Trends

- For those who have been incarcerated for a non-GRO, a high percentage may turn to gambling later on
- It has been surmised that for them, casinos may offer a sense of belonging and esteem, plus there is the excitement of intermittent reinforcement. In addition, the offer of free alcohol may be an enticement



More Trends

- Psycho-social-familial factors likely will create risk factors
- Pressure from owing money to loan sharks may be a risk factor
- For those who commit GRO, they do so later into their gambling descent
- Many have exhausted all legal forms of obtaining money



Casinos & GRO

- It has not been universally agreed upon in the research whether the proliferation of casinos or gambling sites increase crime in the neighboring community or GRO in general
- Some studies have estimated that crime rates are 8% points higher in areas that have casinos than those that don't



Casinos & GRO-cont.

- In another study, places that have legalized gambling have an increase in PWGD, unemployment, debt/bankruptcy, family dysfunction, divorce, alcoholism, public health issues, and victimization/exploitation of others



Casinos & GRO-cont.

- A causal link between the opening of a gambling establishment and crime is difficult to establish because it can be argued that any crime increase may be due to the economic growth of the area, similar to what happens when a sports arena is opened
- Anti-casino coverage by the media can heighten the public's fear without providing accurate data



Other Theories

- There are other explanations of the relationship between gambling and crime
 - 1. Rational Choice Theory
 - 2. Social Learning Theory
 - 3. Control Theory



Rational Choice Theory

- The premise here is that people who engage in illegal activities have rationally concluded that the reward of the behavior is greater than the risk of being caught
- Question: How rational are PWGD who have progressed far into their addiction?



Social Learning Theory

- Criminal behavior is learned through imitation and direct experience
- Question: How would this apply to PWGD who have no criminal role models?



Control Theory

- GRO develops from low self-esteem and increased opportunities to commit crime
- Question: Isn't true that many gamblers score high on narcissism scales?



Costs

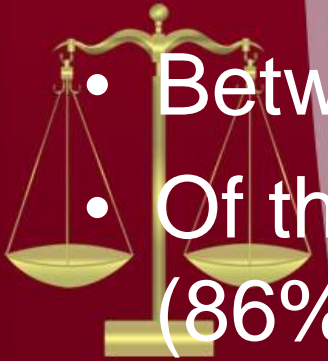


- One study estimates that each person who commits GRO costs the CJS \$2,431
 - This is an average regardless of whether or not they had been arrested and/or incarcerated
 - Other studies have estimated that 32% of PWGD have been arrested and their lifetime cost is \$10,000 and \$5,160 for incarceration
- One study estimated that PWGD are incarcerated 6 X's more than low risk gamblers



Who Does What?

- It is likely that a small percentage of people are committing a majority of offenses
- A 2005 New Zealand study interviewed 94 convicted females
- Of those, 18 had committed GRO
- Between them, they had 454 convictions
- Of the 18, 2 accounted for 390 convictions (86%)



Screening Issues



- In an Australian study done by Marshall (2003), in a random selection of 800 police apprehensions, only 6 presented with a gambling-crime link
- Of those 6 cases, the police did not seek out any information related to the motivation for the offense because they did not believe that had any strategic value for their job



Florida Screening

- In Florida, the Florida Council on Compulsive Gambling conducted a study of arrestees
- 17.4% of them presented with being high risk for having a gambling problem.



Missed Data

- There may be a lot of undetected GRO for various reasons:
- Some companies that have had employees embezzle may be reluctant to report it due to the fear of bad publicity
- Sports bettors may be hesitant to report their bookies



Gambling Treatment Courts

- The first gambling treatment court (GTC) was started in Amherst, NY by Jdg. Mark Farrell in 2001
- The goal of the court is to divert PWGD who have committed GRO out of the CJS and get them into recovery
- He used the term “Therapeutic Justice”
- It was modeled after Drug Treatment Courts that are much more prevalent in the US



Drug Treatment Courts (DTC)

- One study showed only 3.8% of potentially treatable chemically dependent arrestees saw the inside of a DTC
- That study stated that DTC can reduce crime by 40%
- Different studies stated 75-82% of DTC graduates never got re-arrested
- The ROI for these courts range from \$2.21-\$27.00 for every dollar spent



The GTC Process

- After arraignment, the candidate is given a thorough gambling assessment by a trained professional
- Recommendations are made and a therapeutic contract is signed
- Treatment can be in-patient from 1-6 months and out-patient can include individual and group therapy as well as vocational training



The Process-cont.

- Progress is monitored by the court and any violations of the contract is addressed
- Graduation may run 8 months to 3 years
- They claim recidivism rates are very low (25-30%) among graduates and 72% are in active recovery



Elsewhere

- In Nevada, legislation was passed in 2005 to fund treatment for PWGD, some of which was earmarked for the courts
- Judges were given discretion to also divert PWGD out of the CJS
- People who have committed violent crimes, e.g. domestic violence, are excluded
- In Washington state, there is also diversion for PWGD in drug treatment courts who are already receiving treatment for their SUD



Problems

- It may difficult to identify all of the appropriate candidates to be initially screened, e.g. no self-disclosure
- Outside of missing therapeutic sessions, it may difficult to monitor non-compliance (There is no urinalysis test for gambling)
- Another problem is that of the general public who don't fully agree gambling is an addiction and therefore don't advocate for more GTC



More Problems

- Without enough public support, there may not be enough funding to establish and run the GTC
- In some areas, there may not be enough gambling treatment resources for candidates to make diversion effective or practical
- Mandatory sentencing may preclude the use of diversion programs



Sentencing

- Some defendants disclose their gambling issues in hopes of getting a lighter sentence
- There are some Federal cases (US vs Roach, US vs Grillo) where the courts decided that mental disorders that significantly impair the defendant's capacity to control their conduct at the time of the offence could lighten a sentence
- In other countries, like Australia, courts have decided that GD alone is not enough to mitigate sentences (but combined with other MH issues, it might)



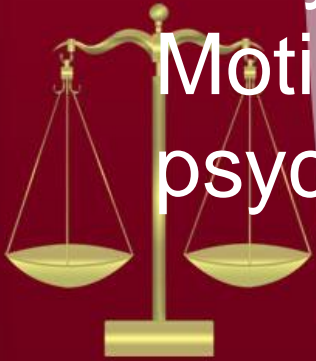
Gambling in Prison

- It has been theorized that PWGD have been more stigmatized in prison than other addictions by other inmates
- Despite that, the prevalence rate of problem gambling in prisons is 5-10times higher than the general population, with one estimate of 33%
- Williams (2005) found that 40% of the inmate population gambled during their incarceration
- In one study, 26% of male inmates reported gambling and 28% of females
- Another study by Howard Schaffer found that the rate of GD to be 14%



Help for PWGD in Prison

- There are several prisons that offer help for PWGD
- Oregon, Minnesota, Canada, Australia and New Zealand are some places that offer treatment for PWGD in prison
- They offer treatment strategies like Motivational Interviewing, CBT, psychoeducation & GA



Help-Cont.

- A program in an OR prison called “Get Out-Stay Out” provided six 1.5 hour psychoeducational sessions for female inmates
- The focus was on improving self-observation and self-control
- Only 12% of the graduates believed they still had a problem with gambling
- Graduates of a program in an Alberta Canada prison were determined to have a decrease in cognitive distortions regarding their gambling



Problems Providing Services

- GD services are not offered uniformly
- One problem in providing services for PWGD in prison is a general paucity of good treatment services in some local communities



More Problems



- Another problem is that some prison authorities don't see it as a major concern; they focus their attention on violent inmates and those with a SUD
- Some prisons interrupt treatment through operational disturbances: room allocation changes without notice, lock-downs, participants getting transferred to other prisons
- There is mixed data to show whether these programs reduce OB



Good News



- Places like the one in MN have received very high satisfaction rates by participants
- Providing programs improve offenders' attitudes and knowledge of their issues
- There is a report of lowered gambling rates 12 months after release amongst the graduates



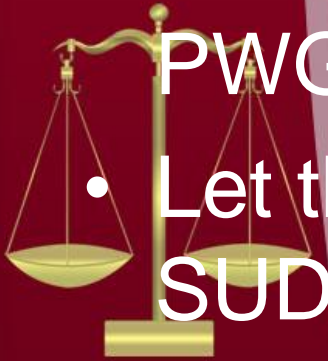
Alternatives

- In MN, three prisons added GD treatment components to an already existing SUD TX program and had very good results
- 84% of participants reported that they were either satisfied or highly satisfied with the program; 86% felt they had a better awareness of the risks associated with gambling; 89% were able to identify signs of GD; 92% were able to identify where they could go for help
- One estimate is that the cost of providing supervised treatment for this population is 1/6th of the cost to just incarcerate them without doing so



Recommendations

- What can you do?
- Provide education to your local lawmakers and CJS stakeholders
- Police, state's attorney/public defender's offices, probation, parole & even judges are all players that need to know about PWGD and the benefits of diversion
- Let them know what has worked well with SUD can also work GD



More Recommendations

- Help them understand the nature of GD and other co-morbid conditions and how they inter-relate and lead to a crime
- Explain how beneficial good screening tools and treatment can be in reducing recidivism
- Explain about the ROI of these services



Legislators

- Contact local law-makers and ask if you can meet with them or with their aides
- Bring concise, prepared written material and talking points
- Don't believe that your voice can't be heard
- Collect and deliver signed petitions of people you know who would support diversion programs



More Recommendations

- Whether it is done with legislators or the CJS officials, this can be done through providing training to these groups or meeting with them personally
- Providing webinars to them may also work
- Look for other interested stake holders as partners- Who might they be?



Get Organized

- Contact the NCPG and other chapters to see what they have done in the past
- The FCCG have prepared videos and PPT presentations that they've used to educate the CJS personnel
- There seems to be very little movement at this time-if there is no bandwagon to jump on, start one!!



Closing

- Any questions? Comments?
- Thank you!!

