POLICY BRIEF

The Truth About Underage Gambling and Lottery Vending Machines

In a recent *Arkansas Democrat-Gazette* article, Lottery Director Ernie Passailaigue implied that lottery vending machines would reduce underage gambling. He claims that the primary security measure, an ID scanner that "reads a bar code off of a driver's license" will be effective, since it would prevent the use of false identification. He went on to say that the machines would be placed "in sight of an employee who can monitor what goes on with the machine" and that "they can stop the transaction" if there is any reason to doubt a player's age.

Mr. Passailaigue attempts to balance his position by conceding that "there is no fool-proof system," but it is clear that he is trying to have it both ways. The truth is, either you want to minimize the possibility of underage gambling or you do not—and the facts (and just plain common-sense) prove that vending machines will make it easier for minors to gamble. Underage gambling has already been made easier by the very existence of a state-run lottery, even without the machines.

The Facts

- Professor of Psychiatry Durand Jacobs of Loma Linda University Medical School in Riverside, California, cited in the San Diego Union-Tribune, observed that teen gambling spikes significantly in states that launch lotteries. Jacobs found that most children gamble first with parents or family, and that adolescents are five times more like to have gambling problems compared to adults.[1]

- A 1999 study found that about 60% of Indiana adolescents had played instant lottery games. "The major problem with vending machine sales is it is awfully difficult to enforce the legal-age requirement," said Reece Middleton, one of the authors of the study. "Have you ever been to a convenience store when school let's out?" he asked. "The stores can be packed with children, and the clerks have their hands full manning cash registers."[2]

- Earlier surveys in various states show that a high percentage of under-age adolescents play the lottery: Louisiana (32%)[3] Texas (34%)[4] Connecticut (35%)[5] Massachusetts (75%)[6]

- **One considerable factor in underage lottery play is the use of vending machines** or VLTs in some states. Little law enforcement, if any, is exercised to prohibit minors from purchasing tickets from vending machines. States with VLTs, like Massachusetts and Connecticut, are likely to have more problems with underage gambling than those states which outlaw self-service lottery ticket machines.[7]

- In 1999, the Connecticut Lottery Corporation (CLC) removed all VLTs from community settings, in part because these machines increased availability of lottery tickets to minors. However, in the state's desperation to deal with the current huge budget deficit, the CLC is now planning to return to selling lottery tickets from vending machines despite the strong evidence that even without vending machines, a high percentage of youth in Connecticut (35% of high school students) and other states purchase lottery tickets.[8]

It's Time to Ask the Hard Questions

- Why do we need the lottery ticket vending machines?
- Mr. Passailaigue has said that initial cost for the machines will be $1.5 million to $2 million, but what about the cost of maintenance and upkeep?
- How will these machines impact people who are already problem gamblers?
- Lottery supporters say that the vending machines will provide extra security by requiring an ID to be scanned, however, it will be impossible for the machines to be monitored 24/7. Even if the machines aren't placed in convenience stores, putting them in larger retail stores will only make monitoring them for underage gambling more difficult for store clerks.
- Lottery ticket vending machines encourage problem gamblers to hide their growing addiction. Instead of looking a clerk in the eye and buying a ticket, a problem gambler can just quickly buy one out of a machine and avoid human contact. Why would the State of Arkansas encourage destructive behavior?
- Vending machines will send a mixed message to Arkansans, who are being lead to believe that the state cares about and wants to help problem gamblers, not make their problem worse.
- It has been said that the lottery will fail without vending machines. This cannot be even remotely true, since the state has a monopoly on the lottery.
- Who in Arkansas doesn't have access to a lottery outlet? With thousands of outlets already in operation, why are vending machines necessary?
- Proponents argue that if we don't expand the lottery, then we are putting student scholarships in jeopardy. How much longer are we going to allow the Lottery Commission to hide behind the children and avoid any real criticism?

---

[1] Michael Stetz, "Betting On Their Future: Gambling's allure increasingly being peddled to children," The San Diego Union-Tribune, 2 February 2002, News, p. A-1.

[2] Doug Sword, "Bill targets lottery vending sales; State senator says he wants to discourage minors from buying scratch-off tickets out of machines,

" The Indianapolis Star, City final Edition, Business, 9 January 1999, Pg. 1D.

[3] Joe Gyan, Jr., "More Louisiana Youths Try Gambling than Drugs," [Baton Rouge, La.] Advocate, August 8, 1997.

[4] Lynn S. Wallisch, "Gambling in Texas: 1995 Surveys of Adult and Adolescent Gambling Behavior," Texas Commission on Alcohol and Drug Abuse, August 1996, p. 78.

[5] Lyn Bixby, "Lottery Pitch Seen as Luring Kids," Hartford Courant, October 23, 1997, p. A4.

[6] Scott Harshbarger, Attorney General of the Commonwealth of Massachusetts, "Report on the Sale of Lottery Tickets to Minors in Massachusetts", July, 1994, p3-4. Quoted in National Gambling Impact Study Commission (NGISC)report, July 1999, p 3-5.

[7] "State Lotteries: History, Practices, Issues, and the South Carolina Education Lottery" University of South Carolina College of Liberal Arts Institute for Public Service and Policy Research, January 2004

[8] "Governor Rell Proposes Introduction of Potentially Dangerous Electronic Gambling..." Connecticut Council on Problem Gambling, June 2009 (http://www.ccpg.org/news/keno.html)