



GAMING SERVICES ASSESSMENT:

Problem Gambling Services in North Carolina

Prepared for North Carolina Education Lottery
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Executive Summary

The North Carolina Education Lottery (“NCEL,” “the Lottery,” or “Client”) engaged Spectrum Gaming Group (“Spectrum,” “we,” or “our”) as a result of Senate Bill 574 of the 2019 session of the General Assembly of North Carolina, entitled “An Act to Study the Status of Sports Betting and Whether or Not to Establish a Gaming Commission.”

Section 1, Part 3 of the Act stated that the North Carolina State Lottery Commission shall “[e]xamine whether any additional resources may be needed for assistance to those with gambling addictions.”

North Carolina is home to many types of popular gambling, both legal and regulated (lottery, tribal casinos, and charitable gambling) and illegal or legal and unregulated (video sweepstakes, sports betting, and fantasy sports). This assessment reviews the responsible and problem gambling dollars, services, entities, and personnel associated with the negative consequences that arise for some gamblers.

Spectrum found that the State of North Carolina, through the Lottery, especially in comparison to its bordering states (Georgia, South Carolina, Tennessee and Virginia), spends an above-average amount of money – directly and indirectly – and devotes an above-average number of staff resources to responsible gambling and problem gambling services. The responsible gambling programs offered at the tribal casinos and at the Lottery have won awards, and have been evaluated to assess their efficacy. The prevention and intervention programs, as a result of the Lottery monies directed to the North Carolina Department of Health and Human Services (“DHHS”) Problem Gambling Program, are expansive and evidence-based.

At \$1 million annually, the North Carolina Education Lottery is the sole funder of the State’s efforts on problem gambling, through the Department of Health and Human Services, and is actively engaged in the evaluation and efficacy of these programs. Moreover, the Lottery is recognized as a proactive leader in the lottery industry regarding responsible gambling programs.

In a separate effort, the two Harrah’s-brand tribal casinos – operated by Caesars Entertainment and following Caesars responsible gambling Code of Commitment – provide internal trainings and provide resources to their casino employees and patrons. Finally, there is a statewide Council on Problem Gambling that has one volunteer staff member.

So, while the infrastructure, personnel, and programming are present to have a comprehensive statewide program in North Carolina, there is not one. Within North Carolina there are two reliable but distinct formal entities that are not equal in their efforts. The Lottery singularly funds and works collaboratively with the North Carolina DHHS Problem Gambling Program—the only state-sponsored program that is advertised and made available to all North Carolina citizens. The Eastern Band of Cherokee Indians, who own the two Harrah’s casinos and

contract Caesars to operate them, run an internal, corporate responsible gambling program available to their patrons. This two-entity, siloed approach results in multiple helplines, relying on different resources for help, and referencing or referring to a diverse number of programs that changes based on with whom one speaks, and there is no single and evidence-based approach to prevention, intervention, treatment, and recovery in North Carolina for people who choose to gamble.

Spectrum’s assessment concludes that there needs to be a comprehensive effort, either voluntary or regulated, that assembles a cross-section of service providers, advocates, industry representatives, and people in recovery together to find statewide solutions to many of the gambling-related problems created by multiple gambling industries in North Carolina and points all North Carolina residents to one helpline number and one set of intervention and treatment resource services. The services need to receive funding from all types of legalized gambling – currently the NCEL is the sole funder of state-based problem gambling services – and the breadth of such services need to expand as gambling is expanded statewide.

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Introduction

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Section 1, Part 3 of the Act stated that the North Carolina State Lottery Commission shall “[e]xamine whether any additional resources may be needed for assistance to those with gambling addictions.”

A. Methodology

Spectrum worked with the Massachusetts Council on Compulsive Gambling (“MCCG”) to undertake a qualitative and quantitative study of the current responsible and problem gambling services in North Carolina and its bordering states – Georgia, South Carolina, Tennessee and Virginia. We set out to determine the current attention, monies and policies focused on responsible and problem gambling in the State of North Carolina and its bordering states. Specifically, the objectives of this study were as follows:

- Compare problem gambling and responsible gambling funding and services in North Carolina with regional and national data on problem and responsible gambling funding and services. This will include a state-to-state comparison among lotteries, as well as other program funders.
- Analyze the quantity of services and utilization of funding and problem gambling services in North Carolina.
- Assess NCEL’s ability to measure the quality of problem gambling services in North Carolina and the efficacy of those services.
- Determine the number of responsible gaming programs funded by and/or existing at the Lottery, the two tribal casinos, and fantasy sports providers in North Carolina, and describe those programs and their evaluation components.
- Provide recommendations on future funding and initiatives if sports betting and a gaming commission are authorized and established in North Carolina.

This study includes data collection, research, analysis and interviews by telephone and by email. We contacted a wide range of stakeholders, including representatives from NCEL, the casino industry, and state human services and non-profit advocates. (See Appendix 1 for the interview list.)

We discuss more detailed methodology in Chapter II.

B. About Spectrum Gaming Group

Spectrum Gaming Group is an independent research and professional services firm founded in 1993 that serves private- and public-sector clients worldwide. We are a non-partisan consultancy that specializes in the economics, regulation and policy of legalized gambling worldwide.

Spectrum holds no beneficial interest in any casino operating companies or gaming equipment manufacturers or suppliers. We employ only senior-level executives and associates who have earned reputations for honesty, integrity and the highest standards of professional conduct. Our work is never influenced by the interests of past or future clients.

Each Spectrum project is customized to our client's specific requirements and developed from the ground up. Our findings, conclusions and recommendations are based solely on our research, analysis and experience. Our mandate is not to tell clients what they want to hear; we tell them what they need to know. We will not accept, and have never accepted, engagements that seek a preferred result.

Our 250-plus clients have included government entities of all types and gaming companies (national and international) of all sizes, both public and private. In addition, our principals have testified or presented before the following governmental bodies:

- British Columbia Lottery Corporation
- California Assembly Governmental Organization Committee
- Connecticut Public Safety and Security Committee
- Florida House Select Committee on Gaming
- Florida Senate Gaming Committee
- Georgia House Study Committee on the Preservation of the HOPE Scholarship Program
- Georgia Joint Committee on Economic Development and Tourism
- Illinois Gaming Board
- Illinois House Executive Committee
- Indiana Gaming Study Commission
- Indiana Horse Racing Commission
- International Tribunal, The Hague
- Iowa Racing and Gaming Commission
- Louisiana House and Senate Joint Criminal Justice Committee
- Massachusetts Gaming Commission
- Massachusetts Joint Committee on Bonding, Capital Expenditures, and State Assets
- Michigan Senate Regulatory Reform Committee
- National Gambling Impact Study Commission
- New Hampshire Gaming Study Commission
- New Jersey Assembly Regulatory Oversight and Gaming Committee
- New Jersey Assembly Tourism and Gaming Committee
- New Jersey Senate Legislative Oversight Committee
- New Jersey Senate Wagering, Tourism & Historic Preservation Committee
- New York Senate Racing, Gaming and Wagering Committee

- New York State Economic Development Council
- North Dakota Committee on Taxation
- Ohio House Economic Development Committee
- Ohio Senate Oversight Committee
- Pennsylvania Gaming Control Board
- Pennsylvania House Gaming Oversight Committee
- Puerto Rico Racing Board
- US House Congressional Gaming Caucus
- US Senate Indian Affairs Committee
- US Senate Permanent Subcommittee on Investigations
- US Senate Select Committee on Indian Gaming
- US Senate Subcommittee on Organized Crime
- Washington State Gambling Commission
- West Virginia Joint Standing Committee on Finance
- World Bank, Washington, DC

Disclaimer

Spectrum has made every reasonable effort to ensure that the data and information contained in this study reflect the most accurate and timely information possible. The data are believed to be generally reliable. This study is based on estimates, assumptions, and other information developed by Spectrum from its independent research effort, general knowledge of the gaming industry, and consultations with the North Carolina Education Lottery. Spectrum shall not be responsible for any inaccuracies in reporting by NCEL or its agents and representatives, or by any other data source used in preparing or presenting this study.

Some significant factors that are unquantifiable and unpredictable – including, but not limited to, economic, governmental, managerial and regulatory changes; and acts of nature – are qualitative by nature and cannot be readily used in any quantitative projections. No warranty or representation is made by Spectrum that any of the projected values or results contained in this study will actually be achieved. We shall not be responsible for any deviations in the project’s actual performance from any predictions, estimates, or conclusions contained in this study.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

C. Principal Authors

The principal authors of this study were Marlene Warner, MCCG Executive Director, and Phil Kopel, MCCG Data Management and Evaluation Director. Both have long histories in the responsible and problem gambling services fields and have conducted countless trainings, evaluations, and research projects within these disciplines.

Warner joined the MCCG as Program Director in 2001 and has served as its Executive Director since 2011. In her current role Warner works across the commonwealth with state and

local entities, including the Department of Public Health and the Massachusetts Gaming Commission, to advocate for policies and provisions to keep gambling safe and healthy, and to provide services for those negatively impacted by gambling disorder. She builds connections to treatment facilities and recovery-directed policies and uses evidence-based research to lobby for increased support and funding for responsible and problem gambling research and programs. In addition, Warner advises multiple states on their lottery and casino responsible-gambling policies, programs, and regulation. Specifically, and under her direction, the MCCG has operated the first GameSense program in the United States, the first pre-commitment tool, and a robust statewide voluntary self-exclusion and reinstatement program. Warner earned her M.A. from the George Washington University and B.A. from Gettysburg College.

Kopel has more than 27 years of market research expertise in the lottery industry. His experience includes conducting large-sample quantitative research and qualitative focus group studies and monitoring changing dynamics in the gambling industry. At the MCCG, he uses this knowledge to collect, analyze, interpret and disseminate science-based data concerning gambling and gambling-related disorders. Kopel earned a master's degree from Kent State University and a Bachelor of Science from the University of Massachusetts, Amherst.

Since its founding in 1983, the MCCG has established itself nationally as a leading organization dedicated to the research, awareness and treatment of problem gambling. MCCG possesses unsurpassed qualifications and experience to provide comparative and evaluative research on responsible gambling and problem gambling programs. MCCG is a private, non-profit public-health agency dedicated to reducing the social, financial, and emotional costs of a gambling disorder. It aims to increase the knowledge and information to serve as protective factors, to reduce the risk factors and impacts associated with gambling disorder and to provide a safety net of services easily accessed by anyone in need. It is an affiliate of the National Council on Problem Gambling and was one of the first councils of its kind in the US.

As experts in the field, MCCG has delivered numerous lottery-related services and programs across the United States. Specifically, it has provided introductory and advanced-level training programs to the sales agents in Connecticut, Massachusetts, Maryland, Michigan and North Carolina and at North American State and Provincial Lotteries (“NASPL”) conferences and professional development series. NASPL also partnered with MCCG to develop its first video training series for both lottery employees and lottery retailers. Most recently, in partnership with NASPL, MCCG conducted a survey with US lotteries and developed a resulting presentation on lotteries’ motivations and actions regarding responsible gambling. In addition to these projects, MCCG has worked with NASPL and National Council on Problem Gambling to develop, maintain, and assess applicants in the first US-based lottery verification program, RGV.

MCCG currently receives funds from the Commonwealth of Massachusetts’ Department of Public Health and the Massachusetts Gaming Commission, as well as private membership fees

from casinos and lottery for a program at MCCG entitled *The Massachusetts Partnership on Responsible Gambling*. In addition to its Massachusetts-based work, in the previous 10 years MCCG has completed training programs for the North American Association of State and Provincial Lotteries, as well as many state lotteries, including the North Carolina Education Lottery.

I. Background

A. Gambling in North Carolina

In North Carolina there are three types of legalized gambling:

1. Lottery through NCEL,
2. Casino gambling at two Harrah's brand casinos owned by the Eastern Band of Cherokee Indians ("EBCI"), and
3. Charitable gambling.

Popular illegal or legal and unregulated forms of gambling, reported in helpline reports and by industry members, are gray or sweepstakes machines, sports betting, and online gaming.

For the purposes of this report, and in assessing the various programs, we will refer to responsible gambling ("RG") and problem gambling ("PG"). When referencing *responsible gambling*, the term will be used to encompass all efforts (programs, policies, processes) used by an entity to engage patrons in play that helps keep the gambling activity fun and entertaining, and allows for players to utilize parameters such as time, money, and legality to determine that. In contrast, *problem gambling* will refer to the wide array of problems that can occur that signal that a player has developed warning signs that a problem is developing (subclinical) or that a problem with multiple signs has occurred (clinical addiction, for which the technical term is gambling disorder).

B. Literature Review: Responsible Gambling History

In the late 1980s and 1990s, the focus on responsible gambling and prevention was not universally accepted as an approach that worked with industry and other stakeholders. Research had most notably been performed with youth and adolescents, especially with student athletes and risk-taking (Cross et al. 1998), prevalence and correlates associated with problem gambling (Gupta and Derevensky 1998), identifying youth gambling prevalence and misconceptions (Ferland, Ladouceur, and Vitaro 2002), and evaluations of school-based prevention programs (Williams 2002).

There was no cohesive plan to bring stakeholders and public health officials together to support the reduction of gambling's harms on society. In 2004, a position paper was developed by Alex Blaszczynski, Robert Ladouceur and Howard Shaffer. It was known as "The Reno Model" because it was developed during a meeting held in Reno. This position paper established principles and a strategic framework to support an approach to limiting gambling-related harms (Blaszczynski, Ladouceur, and Shaffer 2004). As they stated in their paper, their objective was to

“(1) shape the direction for developing responsible gambling initiatives and (2) stimulate a rich and enduring dialogue about responsible gambling concepts and related initiatives.”

To this point there were many ideas that people had relating to how people should gamble more responsibly, but they often were based on anecdotal reasoning. The Reno Model promoted the need to adopt a strategic framework based on “sound empirical evidence” that could then promote targeted efforts to support the gambling industry to minimize harm and promote public health. (Blaszczynski, Ladouceur, and Shaffer 2004).

The paper identified the need for the industry and other stakeholders to agree on definitions relating to gambling-related harms, proper responsible gambling practices, and a responsible code of conduct. It promoted a need to establish boundaries of responsibility between industry, community and government. The industry had concerns about its effects on their businesses. It also raised concerns as to which community groups should be targeted for responsible gambling programs. In addition, questions arose as to how to train staff and properly approach and intervene with problem gamblers. Further, the paper noted that there was more that needed to be studied to understand characteristics of gamblers to avoid gambling harm. (Blaszczynski, Ladouceur, and Shaffer 2004)

Responsible gambling research since then has focused on self-limiting behavioral approaches to minimizing harm (Nelson et al. 2008), (Nower and Blaszczynski 2010). In addition, programs to minimize harm also focused on consumer protection and the concept of shared responsibility (Blaszczynski et al. 2011). A good review of problem gambling prevention measures can be found in *Problem Gambling Prevention: Before, During and After Measures* (Ariyabuddhiphongs 2013).

In 2014, as the responsible gambling movement continued to grow, Dr. Richard Wood and Dr. Mark Griffiths launched the *Responsible Gambling Review*, a Journal specifically devoted to responsible gambling (Wood and Griffiths 2014). This journal supported research papers focusing on such tools as pre-commitment (setting limits) (Griffiths 2015), and it provided a review of empirical research with respect to personal gambling behavior modifications that has resulted in more responsible gambling (Auer and Griffiths 2014).

Responsible gambling has also become an important topic at conferences, and there have been several conferences focused entirely on responsibility, including:

- Responsibility in Gaming in Europe <https://www.responsibilitygaming.com/>
- National Center for Responsible Gambling <https://www.ncrg.org/public-education-and-outreach/ncrg-conference-gambling-and-addiction>
- Gambling & Risk Taking Conference <https://www.unlv.edu/igi/conference>

- New Horizons in Responsible Gambling Conference
<https://2019newhorizonsrg.sched.com/>
- Massachusetts Council on Compulsive Gambling, 2019 Massachusetts Symposium on Responsible Gambling: Betting on Informed Player Choice and Innovation

One of the approaches that focuses responsibility on the gambler is known as self-exclusion. Ladouceur conducted a longitudinal study that showed many positive effects (Ladouceur, Sylvain, and Gosselin 2006), and Gainsbury found that this intervention program had been somewhat underutilized (Gainsbury, n.d.) and not completely effective in excluding those who self-excluded from the venues, but that it does show benefits.

A responsible gambling tool that has been gaining favor recently is setting limits (Auer and Griffiths 2013). This approach is designed to help the gambler develop an exit strategy. Empirical research had indicated it to appear positive, but there was some concern about mandatory pre-commitment systems for electronic machines. (Ladouceur, Blaszczynski, and Lalande 2012)

Paul Smith at the British Columbia Lottery Corporation (Smith 2014) conducted research that indicated promotion of problem gambling prevention and responsible gambling appeared to sound paternalistic and it sent the message of being an overarching government bureaucracy. As a result, the British Columbia Lottery developed a brand name and program using the term “GameSense,” which has been licensed by Massachusetts, Connecticut and MGM casino to promote responsible gambling. The GameSense brand has been widely accepted by the public. (“MGC Launches New GameSense Brand, Redesigned Website and Integrated Campaign” n.d.) (“CT Lottery Official Web Site – GameSense and Responsible Gambling” n.d.) (“GameSense” n.d.)

The concept of pre-commitment has been researched for both mandatory and voluntary spending limits, and it evolved into a brand at Plainridge Park Casino through the Massachusetts GameSense program known as Play My Way (“PlayMyWay” n.d.). Research is being done on this program to determine its level of success as a responsible gaming tool.

In 2016, the original authors of the 2004 Reno Model revisited their original science-based framework and responsible gambling principals (Shaffer et al. 2016). In this follow-up paper, they apply the original principals to clinical practice, review perspectives regarding treatment, and discuss key aspects of responsible gambling programs.

Further, the latest discussion of responsible gambling can be found in a book entitled “Responsible Gambling: Primary Stakeholder Perspectives” (Shaffer et al. 2019).

II. Methodology

Working with the MCCG, Spectrum assessed North Carolina’s programs and services individually and in the context of its bordering states. Secondary data were gathered, and qualitative interviews were conducted to generate the information needed to meet the narrow objectives of this project.

The qualitative analyses for this report were done through phone interviews and web content searches. We conducted interviews and noted interview content with representatives from various entities (see Appendix 1).

The quantitative analyses for this report were performed using 2016 gambling revenue, problem gambling budget data and helpline data collected for each of the 50 states by Jeffrey Marotta, Principal of Problem Gambling Solutions Inc., for “The 2016 Survey of Problem Gambling Services in the United States.”¹ This study offered the most current complete dataset for each state and was conducted on behalf of the Association of Problem Gambling Service Administrators (“APGSA”) and the National Council on Problem Gambling (“NCPG” or “National Council”). We were provided with this national raw data set so that it could be used in our analyses for this report. It is important to note that this survey is only completed every three years and includes data reported by each state’s problem gambling administrator and/or Council on Problem Gambling. One of the major limitations of this study is that it does not include money devoted to internal RG/PG efforts directed by the gambling industry. Therefore, it does not represent the additional monies the NCEL and two ECBI Harrah’s casinos devote to these efforts.

In 2005, the North Carolina legislature earmarked \$1 million per year from NCEL to go to the North Carolina DHHS for problem gambling treatment and prevention and support services, such as helpline and training. Without that funding from the Lottery there would be no statewide services. As of the 2016 APGSA report, that amount remained unchanged; therefore, only the Lottery – and not the casinos nor charitable gaming – contributes to the statewide problem gambling services and the safety net provided to those North Carolina residents who choose to gamble. Based on the data collected in 2016, North Carolina’s legislative appropriation ranked 27th out of 50 states in per-capita state funding for problem gambling services. The amount considered in the 2016 APGSA survey does not include other sources of funding for PG and RG that exist in North Carolina, such as internal RG spending by the lottery or the internal RG spending by the two tribal casinos.

¹ Marotta, J., Hynes, J., Rugle, L., Whyte, K., Scanlan, K., Sheldrup, J., & Dukart, J. (2017). *2016 Survey of Problem Gambling Services in the United States*. Boston MA: Association of Problem Gambling Service Administrators. https://www.ncpgambling.org/wp-content/uploads/2019/01/2016-Survey-of-PGS-in-US_FULL-REPORT-FINAL-12-19-2017-1-18.pdf

In order to categorize the United States for comparative analysis, we used a map that defined the states into five regions. The following map identifies the regions and the states that were assigned to each region.

Figure 1: Map showing US regions for comparative analysis



Source: Ducksters.com

The Southeast region, which includes North Carolina, extends west to Arkansas and Louisiana and south to Florida. This region includes states like Florida and Louisiana that are significantly different from North Carolina, so it lacks usefulness. In order to make this region more meaningful for this report, North Carolina was separated out for comparison, as was a smaller sub-region defined as Bordering States or NC Neighbors (Virginia, Tennessee, South Carolina, Georgia). It was defined based on these states that border North Carolina.

North Carolina itself was omitted from the NC Neighbors region, thereby allowing it to be compared separately to the Bordering States/NC Neighbors region (without overlap).

A. Data Analyses

The gambling revenue, funds for problem gambling services, and helpline call information were aggregated by state for each region and compared with North Carolina, the North Carolina bordering states (“NC Neighbors”), and the US.

Problem-Gambling Funding

Figure 2 (below) presents the following:

- 2016 gross gambling revenue, which includes lottery and casino revenue for each of the regions. While 2018 data exists, we chose to use the data currently utilized across the problem-gambling field from the most recent APGSA study.
- The revenue per capita 18+ provides comparative information as to the level of gambling expenditure across regions and compared with North Carolina and its neighbors.
- The Funds for the Problem Gambling Services and specifically for the National Council affiliates presents the level of funding for problem gambling support services.
- The Funds for Problem Gambling Services per capita 18+ and the funding for the National Council affiliates in each region provide comparative information as to the level of problem gambling support funding across regions and compared with North Carolina and its neighbors.
- In the United States, Problem Gambling Services funding averages \$0.29 per capita 18+ (includes states with and without public funding). The range is from a high of \$0.52 per capita 18+ in the Northeast Region to a low of \$0.03 per capita 18+ among the defined Bordering States/NC Neighbors Region.
 - In North Carolina, PGS funding is \$0.13 per capita 18+ compared with \$0.03 for its Bordering States/NC Neighbors.

Figure 2: US problem-gambling funding by region, 2016

	Gross 2016 Gambling Revenue (M)	Rev \$ per cap18+	Funds for Prob Gam Services (M)	Funds for Prob. Gam. Services per capita 18+ (M)	Pop. 18+
Midwest	\$30,048.9	\$575	\$20.4	\$0.39	52,292,769
Northeast	\$41,290.3	\$830	\$26.1	\$0.52	49,735,782
Southeast	\$32,745.3	\$486	\$6.8	\$0.10	67,318,724
Southwest	\$11,300.5	\$413	\$3.1	\$0.11	27,358,865
West*	\$20,950.0	\$404	\$16.7	\$0.32	51,794,746
USA	\$136,335.0	\$549	\$73.0	\$0.29	248,500,886
NC	\$2,383.6	\$304	\$1.0	\$0.13	7,833,320
NC Neighbors	\$10,787.4	\$403	\$0.7	\$0.03	26,737,374

Source: Calculated from raw data used for APGSA report. *Nevada was omitted from the West region because it is a global destination location. Including that revenue and dividing it by the local population would dramatically inflate the West region figure. Note: The term “revenue” refers to gross gambling revenue (sales) and not net revenue retained by the state.

Helpline

With respect to the helpline, the following table presents a comparison of total calls to intake calls for 2013 with those of 2016 for each region.

Figure 3: Calls to problem-gambling helplines, by region, 2013 and 2016

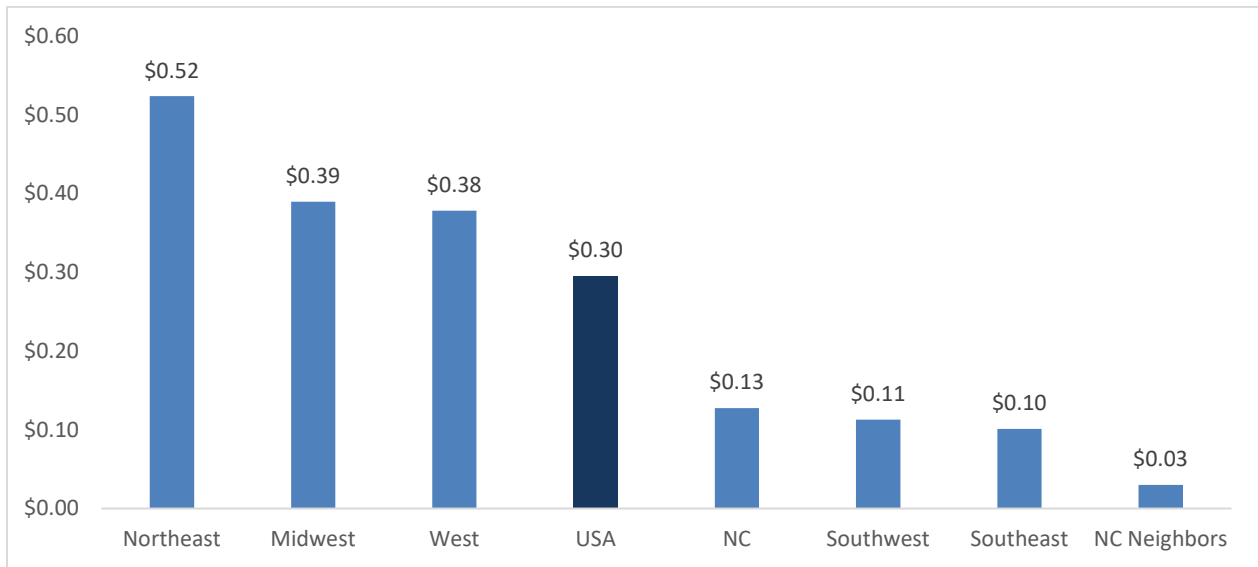
	Total Calls to Helpline 2013	Intake Calls to Helpline 2013	Total Calls to Helpline 2016	Intake Calls to Helpline 2016
Midwest	75,612	15,605	57,125	18,531
Northeast	59,388	7,373	83,109	7,821
Southeast	59,319	8,616	53,575	6,090
Southwest	17,051	1,586	6,994	1,315
West*	50,804	7,353	48,123	5,942
USA	262,174	40,533	248,926	39,699
NC	6,563	991	3,826	469
NC Neighbors	779	375	5,236	835

Source: Calculated from raw data used for APGSA report. *Nevada was omitted from the West region because it is a global destination location. Note: Cells in Figure 3 present total call count by adding state counts within each region

- Total calls to the helplines often include many non-intake calls (calls for reasons other than problem gambling, such as calls meant for the lottery) because the helpline information is often placed on the lottery tickets.
 - Helpline intake calls are defined as only those calls that were made by people experiencing a problem with their gambling, loved ones (such as family and friends), and treatment professionals, such as clinicians and treatment centers for referral support.
- We can also see from this table that nationally, helpline calls from 2013 to 2016 appear to be flat to somewhat down.
 - This might initially be surprising as gambling has been expanding throughout the country. However, this has been a national trend as those looking for help can often also obtain a variety of referral information directly from the National Council affiliate websites and/or self-treatment websites such as Gamblers Anonymous or Gam-Anon as easy as placing a helpline phone call.

The following chart presents the 2016 rate of problem gambling services funding per capita 18+.

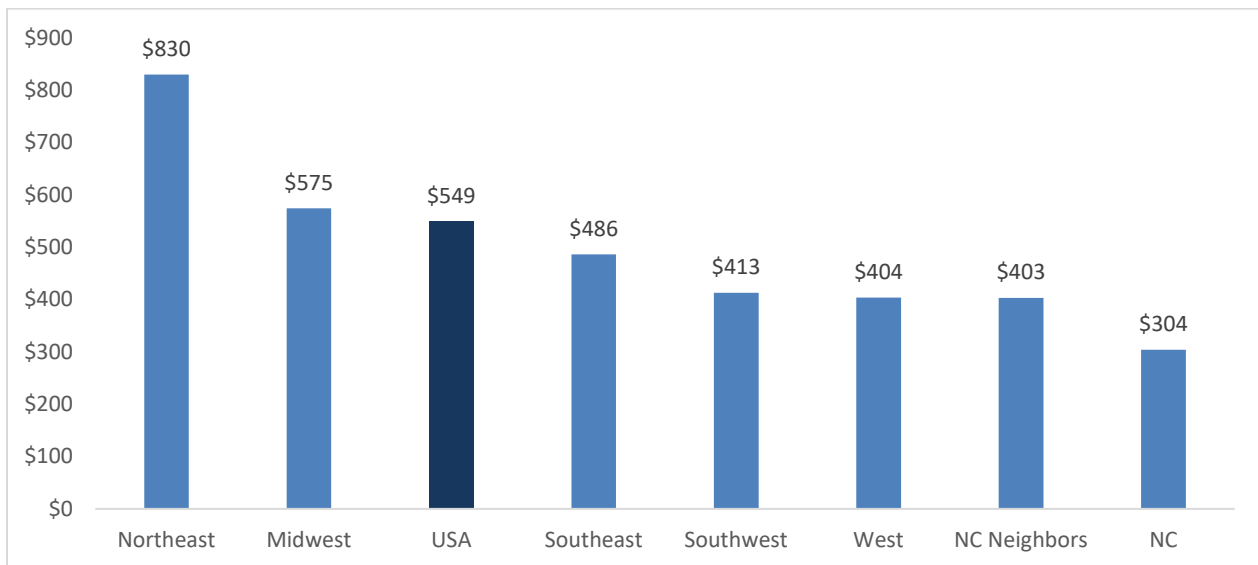
Figure 4: US problem gambling funding services, per capita 18+ by region, 2016



Source: Calculated from raw data used for APGSA report; for adults 18+

The following chart presents the 2016 annual gambling revenue per capita 18+, which includes lottery and casino revenue.

Figure 5: US annual gambling revenue (sales) per capita 18+, by region, 2016



Source: Calculated from raw data used for APGSA report; includes commercial and tribal casinos and lotteries; for adults 18+; Nevada revenue and population excluded.

III. NC Department of Health and Human Services: 2016 Behavioral Risk Factor Surveillance System

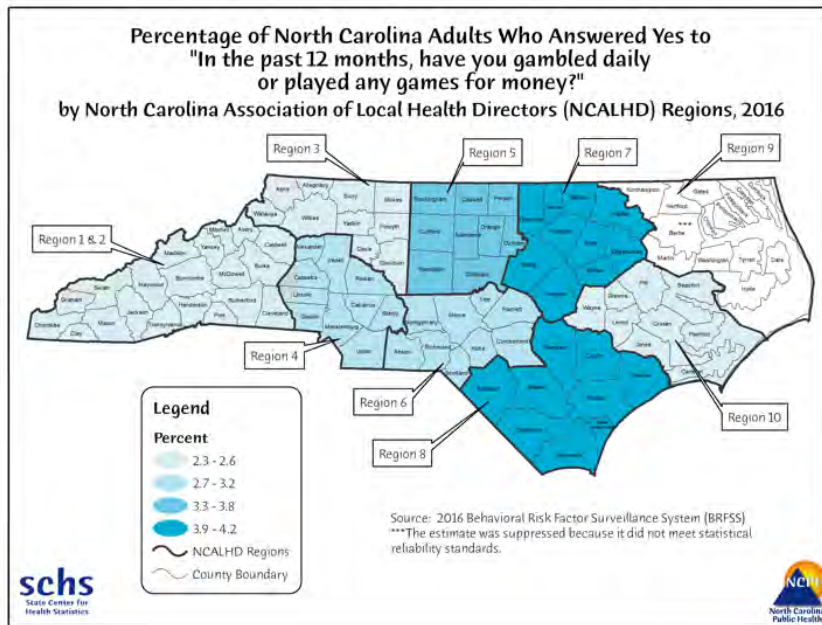
The Behavioral Risk Factor Surveillance System (“BRFSS”) was originally developed in 1984 by the Centers for Disease Control and Prevention as an annual state-conducted telephone-based survey, with the purpose of regularly collecting prevalence data about health-related risk behaviors, chronic health conditions and use of preventive services at local and state levels. The survey is comprised of a standardized set of core national questions and rotating questions.

In addition to the national questions, there are also opportunities for states and their affiliated health departments to include additional questions in areas of special interest to them. In the case of the North Carolina DHHS, they included gambling behavior questions in their 2012, 2014 and 2016 BRFSS questionnaires. The survey results are used to help the North Carolina Association of Local Health Directors (“NCALHD”) understand the rates of gambling behavior risk factors in the State and in their local regions.

In the 2016 North Carolina BRFSS questionnaire, 28.3% said they had gambled in the past year (3.2% gamble daily, 6.0% weekly, 5.9% monthly and 13.2% less than once per month).

Figure 6 presents the differences in percent among daily players by region. Daily play percentages range from a low of 2.3% in regions 1 and 3 to a high of 4.2% in regions 7 and 8.

Figure 6: NCALHD survey – percentage who have gambled daily, 2016

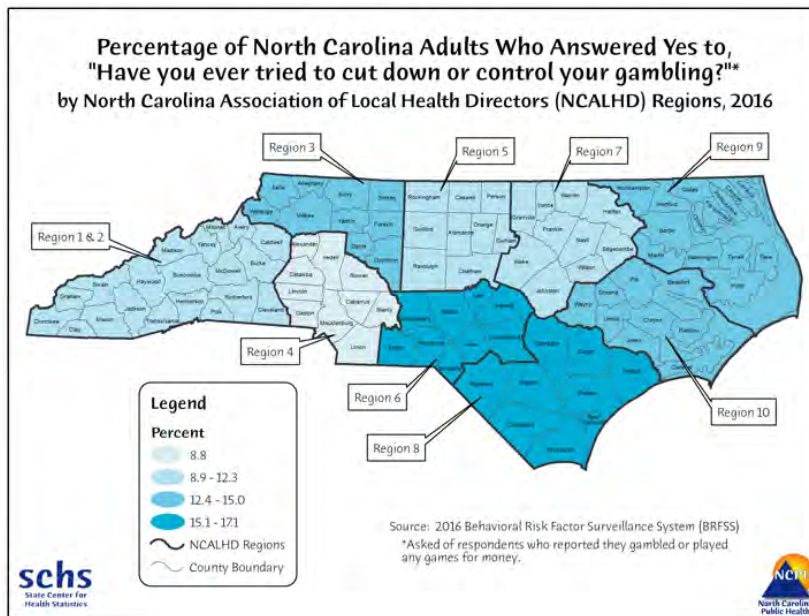


Source: North Carolina Department of Health and Human Services, 2016 survey of North Carolina Association of Local Health Directors

Statewide, among respondents who reported that they have gambled in the past 12 months, 12.3% said they have tried to cut down or control their gambling.

Figure 6 shows that the two regions with the highest percentage of daily (frequent) players are Regions 7 and 8. However, as shown in Figure 7 with respect to controlling gambling, a higher percentage of gamblers within Region 8 (17.1%) indicated an interest in cutting back compared with those in Region 7 (12.3%). The graphical comparison from Figure 6 to Figure 7 demonstrates that the BRFSS can help track, evaluate and support local programs designed to support modification of risky behavior from one region to another.

Figure 7: NCALHD survey – percentage tried to reduce or control gambling, 2016



Source: North Carolina Department of Health and Human Services, 2016 survey of North Carolina Association of Local Health Directors ([NC SCHS: Statistics and Reports: BRFSS: 2016 Survey Results for North Carolina](#))

IV. Industry: North Carolina Education Lottery

North Carolina has a diversity of resources as it relates to responsible gambling (“RG”) and problem gambling (“PG”), although few are mandated through statute or regulation. To date, the only state RG or PG specifics noted in North Carolina statutes or regulations are those in Chapter 18C that established the NCEL in 2006. The two mentions in the statute are as follows:

The Commission shall, in consultation with the Department of Health and Human Services, develop and provide information to the public about gambling addiction and treatment;

and

A transfer of one million dollars (\$1,000,000) annually to the Department of Health and Human Services (NCDHHS) for gambling addiction education and treatment programs.

In multiple interviews with NCEL employees, it is clear there is a strong and longstanding commitment to RG and PG services and that they go far beyond their State mandate to provide funding to problem gambling services. In fact, NCEL is the only provider of monies used to support the State of North Carolina’s problem gambling services. NCEL is a known leader in the lottery industry for its approach to RG and spends an annual average of more than \$4.6 million to maintain that priority. NCEL initiates responsible gambling efforts internally and externally for the players in North Carolina.

Commitment to RG is apparent across NCEL with efforts that include:

- A responsible gambling committee
- Stakeholder and retailer advisory panels that can discuss RG-specific objectives
- A full-time RG and Corporate Social Responsibility Manager who is active on the North American Association of State and Provincial Lotteries (“NASPL”) RG Committee and the National Council on Problem Gambling Communications Committee

Self-initiated, they incorporate RG and PG focused trainings at orientation for all employees and enhanced/booster trainings for employees who engage most with customers. The efficacy of these trainings is determined through pre- and post-tests and opportunities to practice their skill sets in role plays. Beyond their own employees, they also train their system of retailer agents and their advertising agency on an annual basis with online and video-based trainings. To ensure they are meeting the needs of employees and retailers they survey these groups for future training topics, and to keep them equipped with the latest news in RG, they send information through newsletters and online materials. Although Lottery employees and their family members are unable to play NCEL games, NCEL believes it is important to still provide their employees with appropriate resources in the event any employee needs help for their own or a loved one’s gambling problem; they have clinicians trained in gambling screening, assessment, and treatment modalities at the ready through their Employee Assistance Program.

In addition to trainings for its retailers, NCEL equips its agents with a Problem Gambling Helpline Button on its lottery terminals and problem gambling brochures in retail locations that can be used as supplemental material in case the player would like more information. This coupled with their voluntary self-exclusion program and the ability for players to set their own deposit limits online give players the ability to slow down or control their gambling.

Proactively, NCEL follows an enhanced code of conduct for marketing and advertising (Lottery Advertising Code, Appendix 4) and enlists multiple tools to ensure products are not harmful to the players. NCEL uses GamGard to review its tickets and other games for safety and appropriate play risk so that players can be entertained but not fall into despair. In addition, a committee of NCEL staff are in constant review of their instant, or scratch, tickets for appropriate and not misleading messaging and images, and they do annual financial and security audits to maintain the utmost and reputable safety requirements for their players and their retailers.

Beyond safety precautions, NCEL does a great deal of research on RG or more general operations research that involves RG questions. This allows for the Corporate Social Responsibility manager to know how and when to bolster or broaden the RG efforts and messaging, both internally and externally. An example of this research can be found in Appendix 8, which details an Ipsos study.

The NCEL, directed by the Lottery Act, follows a framework for responsibility. This framework includes requiring that the Lottery spend a minimal amount of its sales on its advertising budget, and it must abide by other policies, such as a ban on any advertising that may appeal to minors. NCEL pays specific attention to its advertising – online, print, or out in the public – and makes sure it does not appeal to youth and does not condone any use of cartoon characters or use of language that could resonate with children.

NCEL uses its RG marketing dollars to sponsor National Council conferences at a corporate membership level and to produce public awareness campaigns every March in Problem Gambling Awareness Month and during the National Council/McGill University Holiday Campaign. A new RG brand for North Carolina entitled Play Smart was launched on January 13, 2020, and is a player-focused responsible gambling and prevention program. The brand engagement includes a new website, advertising campaign, and point-of-sale messaging to educate players on how Lottery games work, encourage lottery play in a sensible and responsible way, and empower players to know what to do when playing the lottery no longer feels like fun. More information can be found at <https://nclottery.com/PlaySmart>.

Importantly, as a testament to its commitment to RG, NCEL has been awarded the World Lottery Association Level 4 and the NASPL/National Council Sustaining Verification Level. (These applications are too large for an Appendix but can be made available upon request.)

In addition to its RG programming, and due to the mandated \$1 million funding, NCEL has worked diligently and collaboratively with the North Carolina DHHS to establish comprehensive and award-winning programs. They work closely with the PG Program Director and a subcontractor, Morneau Shepell,² to determine the effectiveness of these programs and offer additional support to promote and provide help to those people in need. The PG Program, run by Director Smith Worth, offers statewide services that are based in scientific evidence and evaluated regularly. The prevention, public awareness, training and capacity building, treatment, and helpline services are offered and evaluated annually.

In the prevention realm, Morneau Shepell hires a full-time Prevention Coordinator, Alison Drain, to work with the DHHS PG Program. Using programs with federal recognition for their efficacy such as the Stacked Deck curriculum that teaches youth about the risks of gambling (Stacked Deck 2019 Report, Appendix 2), and various outreach opportunities and trainings, Drain is able to take her skills to students at high risk for a gambling problem. She talks to them about how to avoid risky situations, have the proper knowledge to not fall into the gambler's fallacy, and offers resources if students are already exhibiting behaviors that warrant intervention and/or treatment. She demonstrates knowledge growth through pre- and post- tests for each session. Beyond providing information, Drain engages college students to develop their own messages and knowledge through 15 annual mini-grants offered to North Carolina college groups and college educators and coaches; there are comprehensive reports completed throughout the duration of the grant. To enhance and better build informed programs and outreach, the PG Program aligns with the state and federal behavioral health risks surveys (YRBS and BRFSS) to ask gambling-related questions to assess engagement in gambling and what types of games are popular for North Carolina youth.

For adults experiencing a problem with their gambling, the DHHS PG Program has worked to develop capacity within a group of behavioral health clinicians to screen and treat gambling disorder and offer free treatment to all North Carolina residents seeking it. The PG Program staff members offer trainings, work through local universities, and have developed a train-the-trainer model to increase access to training content. In addition, they work to prepare clinicians for the national certification for gambling counselors. There is a standard approach to clinical screening (NODS-Clip) and to clinical assessment (NODS). All these efforts are evaluated on an annual basis.

The 24-hour helpline is staffed by Morneau Shepell. Callers receive referrals to local resources, such as treatment, as well as 12-step programs. If callers are not able to access

² Morneau Shepell is a North American company that provides programming on responsible and problem gambling to companies, state-administered treatment programs, and gambling operators.

treatment at a center with a licensed and certified clinician, the PG Program offers over-the-phone treatment (Call to Change Program for a predetermined number of sessions).

Finally, DHHS, when it has additional resources, plans to develop and implement statewide campaigns that promote the helpline and treatment resources across North Carolina. However, DHHS also expressed that more money for expansion and evaluation of programs, as well as improvement of North Carolina-specific research and general public awareness activities would help tremendously.

It is also important to note that as state entities NCEL and DHHS are unable to advocate for more services or funding; however, Worth is occasionally asked to testify on the content of proposed legislation.

V. Responsible-Gaming Practices by Others in Industry

A. Casinos

North Carolina's two casinos are owned by the Eastern Band of Cherokee Indians and operated by Caesars Entertainment: Harrah's Cherokee Casino Resort and Harrah's Cherokee Valley River Casino and Hotel. Only a one-hour drive from one another, these casinos are located in the southwestern part of North Carolina and are easily accessible to residents of Tennessee, Georgia and even Alabama.

As Caesars-operated casinos, the two EBCI properties adhere to Caesars' Code of Commitment for RG programming. The most impressive aspect of their RG programming is their training program, which is done primarily through an online RG portal. All employees receive evidence-based basic-level training. Upward of 150 staff members – primarily managers and supervisors – receive an intense, advanced-level training that allows them to be deemed an "Ambassador." As an Ambassador they are the employees called on when there is a patron with a gambling problem. In addition to the online trainings, Ambassadors are occasionally offered new topics and presenters; most recently they were trained by Judge Cheryl Moss of Nevada, who operates a therapeutic court focused on people with gambling problems, and PG Advocate and Council Executive Director Carol O'Hare. Gary Gray of the North Carolina Council on Problem Gambling ("NCCPG" or "North Carolina Council") often attends the trainings.

Both casinos boast four types of brochures and messages that promote RG (see Appendix 6). These are available on the floor in various locations such as their ATMs and kiosks, as well as to back-of-the-house employees. Beyond brochures, these two properties circulate RG messaging on all digital signage throughout casino and hotel operations. This incorporates the Project 21 messaging that reminds guests that no one under 21 should be on the floor or gambling. All messaging and collateral refer guests with a gambling problem to call, chat online, or text 1.800.522.4700, the National Council on Problem Gambling Helpline (not the previously mentioned statewide helpline paid for by the NCEL and administered by the DHHS).

Due to its overall corporate commitment to RG, Caesars has a Corporate RG Director, Carolene Layugan, who assists every property with any questions they have, as well as the training and marketing. In addition, Layugan audits the properties quarterly to make sure they meet the corporate RG standards and enlists the evaluation program; the last full evaluation was completed by Robert Ladouceur of Laval University in Quebec. Layugan is also the main contact for all Caesars properties to the National Council and its related programming and committees, as well as the National Center on Responsible Gaming and its research.

For those patrons who need to take a break, Caesars offers a voluntary self-exclusion ("VSE") program. The terms are one or five years, and a permanent (lifetime) term. People who

hope to enroll would do so with a trained security officer. Anyone who violates these terms will be asked to leave the property and may have harsher punishments if they pose a problem. Anyone who violated their VSE term and were detected through a jackpot win will have their winnings forfeited and surrendered by the casino. Those winnings are turned over to the North Carolina Council; in 2019, \$42,534 was given by the casino to the organization.

With the understanding that employees can have extreme rates of gambling problems in comparison to the general public, Harrah's does not allow employees to gamble at either of the casinos. Employee problems, including warning signs and potential treatment options, are discussed during the general training sessions. If employees do find themselves with a problem, Harrah's recommends they contact the helpline or the North Carolina Council.

Patrons and employees alike are further educated through the public awareness campaigns and efforts offered during Problem Gambling Awareness Month in March and Responsible Gaming Education Week, which was previously in August but is now in September.

It is also important to mention that the DHHS PG Program and Morneau Shepell have worked to integrate their resources into the materials handed out on property by the two tribal casinos (Prevention and Helpline Reports, Appendix 3). Despite being the two entities that provide statewide PG services and have a relationship with the casinos, there is not a relationship between the DHHS/Morneau Shepell personnel and the North Carolina Council on Problem Gambling leadership.

B. Bingo/Charitable Gaming

The North Carolina Department of Public Safety, under its Alcohol and Law Enforcement Division, licenses and oversees Bingo and Other Charitable Games for the State. There is no indication that these funds are used toward anything to do with RG or PG, but the state website does note that in 2014 – the most recent year for which information was available – there were gross receipts of nearly \$15 million.

C. Sports Betting

The two EBCI Harrah's casinos plan to implement sports betting in early 2020. Officials told Spectrum that no sports-specific RG or PG plans are currently in place; i.e., sports betting RG practices would be covered by the existing Caesars RG program.

D. Fantasy Sports

Given the qualitative and quantitative evidence from the DHHS helpline and programs, daily fantasy sports (“DFS”) continues to be a way that people engage in gambling or gambling-like behavior. Given that it has not been regulated, it is without parameters and policies to dictate

how the State should treat players who are exhibiting problems and/or experiencing a gambling disorder.

Spectrum reached out to the two largest DFS companies, FanDuel and DraftKings, but did not receive a reply. It is highly recommended that DFS, if legalized and regulated, whether as gambling industry or not, be aligned with other legalized forms of skill/chance gaming/gambling.

E. Video Sweepstakes

In all the interviews with North Carolina industry officials, advocates, and state employees, every individual brought up the gray or illegal machines known as the video sweepstakes machines and/or the cafes or game kiosks where they can be found. (Some are in standalone locations and others are in bars/cafes.) At one time, these machines were legal. They are now illegal, but they are still very accessible and available. Despite the question as to whether they are based on skill and dexterity or chance and whether the prizes are token vs. significant, it is evident by the helpline reports and the anecdotal evidence from treatment professionals that sweepstakes are still the game of choice for many North Carolina helpline callers/treatment seekers.

VI. Affiliate/Advocate: NC Council on Problem Gambling

Gary Gray is the Executive Director of the North Carolina Council on Problem Gambling (“NCCPG” or “North Carolina Council”), a private nonprofit entity and affiliate to the National Council on Problem Gambling. In conversation about North Carolina’s statewide responsible gambling and problem gambling services, it became immediately apparent that Gray holds this title and role out of a great concern with helping people who are struggling with a gambling problem. Gray explained his need to connect people to Gamblers Anonymous and that he “doesn’t actively solicit” or contract with the State or the gambling industry because he believes doing so would hamper his ability to do that. He was clear that neither he nor his Board of Directors would ever want that model to change. He expressed that he is content continuing to do occasional trainings with the Harrah’s casinos and that he had no relationship with the Lottery or the North Carolina DHHS programs. He did say he occasionally receives small amounts of money that is surrendered after a jackpot has been won by someone on the voluntary self-exclusion list at the casino. On the rare occasions when those funds have come in, he has spent them on materials distributed to high schools and colleges through Project 21 – a program from Harrah’s.

Gray said that when someone needs help in-state, he would rather send them to 12-step meetings but will send them to treatment if they request it. He also will refer them to out-of-state inpatient gambling treatment programs.

Gray is not compensated for his time on the helpline, nor are any of the other people who answer the helpline. He said they refer to an abstinence-based model and do not discuss harm-minimization.

Gray answers the helpline for callers who have called 1-800-522-4700 but appears to actively promote 1-336-681-8516 – the same number as Gamblers Anonymous for the Greensboro/Winston-Salem area. This is a different number than what the Lottery and the DHHS promote (877-718-5543). It is also important to note that there is also a general Gamblers Anonymous North Carolina hotline number (919-460-9039). Gray said he is generally unhappy with the promotion of the number with Lottery products. The materials in the packets sent out from his helpline include items created by National Council and Gamblers Anonymous.

If Gray ever did receive much more money, he said, he would like to further promote public awareness of this problem and his helpline number.

There is currently no evaluation of the services offered by the North Carolina Council, but Gray did offer that he receives lots of return calls from people who rely on him for help.

A. Border States

To compare North Carolina's spending on responsible and problem gambling services with its neighbors, we reached out to the point person(s) in each of the bordering states – Georgia, South Carolina, Tennessee, and Virginia.

In Georgia, there are state-funded treatment services available to people in need that are accessible through the Department of Behavioral Health and Developmental Disabilities. These are paid for by a mandated \$400,000 annual grant from the Georgia Lottery. These funds are also devoted to counselor training and certification and a 24-hour helpline. There is no specific problem gambling administrator, according to Eric Groh, the Executive Director of the Georgia Council on Problem Gambling. The organization is run entirely by volunteers (including Groh), does not receive any funds from the state or the industry, and focuses on advocacy efforts and resource development. There are also responsible gambling and problem gambling initiatives within the Georgia Lottery, including player education, online safeguards and a Lottery Voluntary Self-Exclusion program. There are no land-based casinos, legal sports betting, or pari-mutuel wagering in Georgia.

South Carolina does not have a Council on Problem Gambling, so there is no statewide advocate. However, there are mandated funds that flow from the South Carolina Education Lottery to the Department of Alcohol and Other Drug Abuse Services (“DAODAS”). DAODAS oversees the 24-hour helpline and a system of county-based treatment professionals. Virginia Irving, the state administrator for South Carolina, said that her agency runs the helpline and is responsible for the maintenance of the contracts with the clinicians. She also reported that the helpline number is printed on all lottery materials. There are no land-based casinos or legal sports betting in South Carolina, but the state does have multiple horse tracks with pari-mutuel wagering.

Tennessee administers programs through its Health and Human Services program but has no organized state treatment. At this point, there are a few treatment professionals who would receive any phone calls from people worried about their gambling.

Virginia relies on the part-time work of the executive director of the Virginia Council on Problem Gambling, Carolyn Hawley. As a volunteer staff member with a volunteer Board of Directors, Hawley is an advocate for RG and PG services as a part of any expanded gambling. At this time, there are no state-funded services, and the helpline calls that result from Virginia callers are routed to West Virginia through a small grant from the Virginia Lottery. Hawley works collaboratively with the Virginia Lottery to promote the helpline and to educate the legislature that residents would be tremendously helped by state-funded resources and programs.

VII. Conclusion

Based on the information collected in this study, both qualitatively and quantitatively, North Carolina is a leader in responsible gambling and problem gambling services within the region as determined for this project – North Carolina and its bordering states. Across industries, there are a wide variety of people working to prevent gambling problems and to effect change and improve lives impacted by legalized gambling within the state limits. North Carolina, due to the \$1 million from the North Carolina Education Lottery spends on the Department of Health and Human Services Problem Gambling Program as its sole funder, also spends more money directly (and indirectly) on RG and PG programs and services than its neighbors.

North Carolina boasts a comprehensive responsible gambling program led by NCEL that goes above and beyond its mandate to offer services statewide and has been verified as a world-class program by both the World Lottery Association and the National Council on Problem Gambling. NCEL also funds prevention, intervention, and treatment programming through the North Carolina Problem Gambling Program. In addition to NCEL's direct and funded programs, North Carolina has RG and PG programming at its two tribal casinos and through the private, nonprofit advocate for recovery and 12-step programs.

However, the current responsible gambling branding, resources for help and helplines, and the treatment and recovery services available to North Carolinians are not offered and promoted equally by all gambling entities. NCEL and its collaborative work with the DHHS PG Program provide prevention, intervention, and treatment services for all North Carolina residents and account for the majority of the efforts in North Carolina. The other entity is the internal RG programming at the two Harrah's casinos for its patrons. While these two programs coexist, they could be much more effective if they were aligned and collaborated on their programs and evaluations.

It is also apparent that in the absence of one, unified regulatory body/written framework, each legalized form of gambling and its operators is creating its own policies, procedures, and success indicators, and some (charitable gaming and fantasy sports) have no RG/PG policies, evaluation or planning surrounding their existence.

Of note, the Harrah's Cherokee casinos intend to introduce sports betting as early as this year, and the casinos advised Spectrum that any problem-gambling issues related to this new form of gambling would be covered in their existing RG programs. While there are many similarities that can be implemented for sports gambling from current RG and PG programming at the casinos, it would be expected that brief interventions, sports betting advertising, and guidelines around betting beyond your limits, as well as rules and guidelines on how to bet on

sports in a safe way, would be addressed in any RG programming to new and existing patrons as sports betting is rolled out.

Further, video sweepstakes machines in North Carolina – indicated as a major source of gambling for those presenting with problems on the helpline and in treatment – are illegal and unregulated. Inconsistent regulations/policies/frameworks make it hard for people negatively impacted by their or a loved one’s gambling problem to easily access help.

VIII. Recommendations

North Carolina is clearly a regional leader in its approach to PG and RG services, and is a national leader among lotteries. Spectrum's recommendations are designed to build upon those services and enhance their efficacy. The people of North Carolina (and the people who patronize North Carolina gambling outlets from bordering states) deserve a comprehensive response to the legal and illegal gambling options available to them in the state.

In order to improve upon the impressive number of programs that the North Carolina DHHS has initiated and established with the \$1 million funded by the NCEL, there needs to be a review of revenue and program costs, allowing for consideration of an increase in the amount of monies devoted to RG and PG. It would be best if that conversation happened in a collaborative environment with the Lottery, the two tribal casinos, and other forms of legalized gambling.

Spectrum's principal recommendation is that there be one, unified, statewide approach to RG and PG that includes using a singular helpline number, a public-facing brand, policies regarding advertising and games, and comprehensive and consistent evaluation and regulation of RG and PG efforts. This would involve a volunteer effort or regulated requirement that could dictate operators of all legalized gambling follow these parameters:

- A warm and proactive brand approach to responsible gambling, so that if players walk into a Lottery agent or a bingo hall, or sit in front of a slot machine, they see one visually consistent message that lets them know help is available. This will also allow for a coordinated public education effort to help address the most at-risk and vulnerable populations, including youth.
- One universal helpline number that all gambling operators promote, and it should allow for people to receive comprehensive referrals to all services and programs in North Carolina. The recommendation is to assess what number is best known, but it is likely to be the one heavily promoted across North Carolina by the NCEL.
- It would be useful if there was a statewide code and understanding of what operators will or will not do when launching new advertising campaigns or releasing new games.
- If there was one statewide list of persons who voluntary self-excluded from all Lottery, casino and other legalized gambling, there could be more coordination and more awareness that a problem with one could lead to a problem with others.
- North Carolina has an opportunity to model itself off other states and jurisdictions that have small, unfunded or nonexistent affiliate/advocacy organizations and in response to that use a collaborative approach to establish a coalition of industry that choose to work together regarding RG and PG advocacy for policy and funding. This would allow for stronger language in future legislation, as well as coordinated messaging during Problem Gambling Awareness Month (March) and Responsible Gaming Education Week (in September).

- One area in which North Carolina is most lacking is its data collection and utilization for the improvement of public health. Building on the rich landscape of colleges and universities in the state, North Carolina could regulate the collection of population-based and anonymized data by all gambling operators to be analyzed by North Carolina researchers to better understand local trends in social gambling behavior and problematic, treatment-seeking behavior.
- North Carolina will benefit from regular – and consistent – evaluation of all RG and PG programs and services, regardless of how it is funded and where it takes place.

Appendix 1: Interview List

Spectrum interviewed the following individuals for this study, either by telephone or by email. A number of the individuals were interviewed more than once.

Last	First	Affiliation	Formal Title
Bauguess	Hayden	North Carolina Education Lottery	Director of Government Relations
Cheek	Townley	North Carolina Education Lottery	Corporate Social Responsibility Manager
Cooper	Will	Harrah's Cherokee casinos	Regional controller
Drain	Alison	North Carolina Department of Health and Human Services' Problem Gambling Program	Prevention Coordinator, North Carolina Problem Gambling Program at Morneau Shepell (Subcontractor)
Gray	Gary	North Carolina Council on Problem Gambling	Executive Director
Groh	Eric	Georgia Council on Problem Gambling	Executive Director
Hestermann	Dean	Caesars Entertainment	Director of Issues Management and Strategic Communications
Irving	Virginia	South Carolina Department of Alcohol and Other Drug Abuse Services	Helpline Manager
Kirk	Quan	North Carolina Education Lottery	General Counsel
Layugan	Carolene	Caesars Entertainment	Director of Responsible Business and External Equity Engagement
Littledave	Ahinawake	Harrah's Cherokee casinos	Marketing Services Manager
Michalko	Mark	North Carolina Education Lottery	Executive Director
Robinson	Brooks	Harrah's Cherokee casinos	General Manager
Suarez	Frank	North Carolina Education Lottery	Deputy Executive Director: Brand Management and Communications
Trantham	Ashley	North Carolina Department of Health and Human Services' Problem Gambling Program	Senior Manager, Customer Success, 2-1-1 and Responsible Gambling at Morneau Shepell (Subcontractor)
Whelan	Jim	University of Memphis	Professor (Clinical Health), Director of Psychological Services Center
Worth	Smith	North Carolina Department of Health and Human Services' Problem Gambling Program	Director, NC State Opioid Treatment Authority (SOTA); Division of MHDDSAS

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Appendix 3: NC Stacked Deck 2019 report

Following is *A Report on the NC Stacked Deck Program To Prevent Gambling Among Youth.*



NC STACKED DECK 2019

A REPORT ON THE NC
STACKED DECK
PROGRAM TO PREVENT
GAMBLING AMONG
YOUTH



EXECUTIVE SUMMARY

- Data for the 2019 Stacked Deck pre- and post- tests were collected through two online data collection surveys
- This report is based on the original data collection survey
- Eight community student groups, two middle schools, seven high schools, and one school with a mix of middle and high school students participated in the program in State Fiscal Year 2019
- Analysis conducted on the matched sample of middle school and high school students yielded the following findings:
 - Gambling is a very serious problem among NC youth; the prevalence estimates for weekly gambling and problem gambling are much higher than those of North Carolina adults
 - the Stacked Deck program led to changes in attitude toward and in knowledge and beliefs about gambling
 - Attitude toward gambling became more negative
 - Knowledge about gambling increased
 - Beliefs about gambling became more grounded on the law of averages
 - Decision-making and problem-solving skills improved
 - The Stacked Deck program led to reductions in gambling activities
 - Participants in the program played fewer games after intervention
 - They played less often than they did
 - Problem gambling went down

NC STACKED DECK 2019

Introduction

Stacked Deck is the only evidence-based program that has been found to be effective in preventing and reducing the risk of problem gambling among teens and young adults. Offered in five to six sessions that extend from 35-45 minutes each, the program is aimed at changing gambling-related attitudes, knowledge, beliefs, and practices. It also seeks to improve decision-making and problem-solving. The Stacked Deck Curriculum is heavily interactive, including activities such as role-playing. Participants have designed posters and produced videos with gambling prevention messages. In addition, the curriculum includes take-home “family pages” to engage parents and other family members in the program. Participating students are tested on the curriculum before and after the intervention.

The State has been implementing Stacked Deck through the North Carolina Problem Gambling Program since State Fiscal Year 2011. Outcomes have been consistently positive. The State transitioned into another online data collection system in 2019 which resulted in some data being entered in the old system and some in the new system. Since the questions in the two systems were not identical to each other, separate analyses were conducted for each online system. This report is based on the original data collection system.

SFY 2019 Analysis and Results

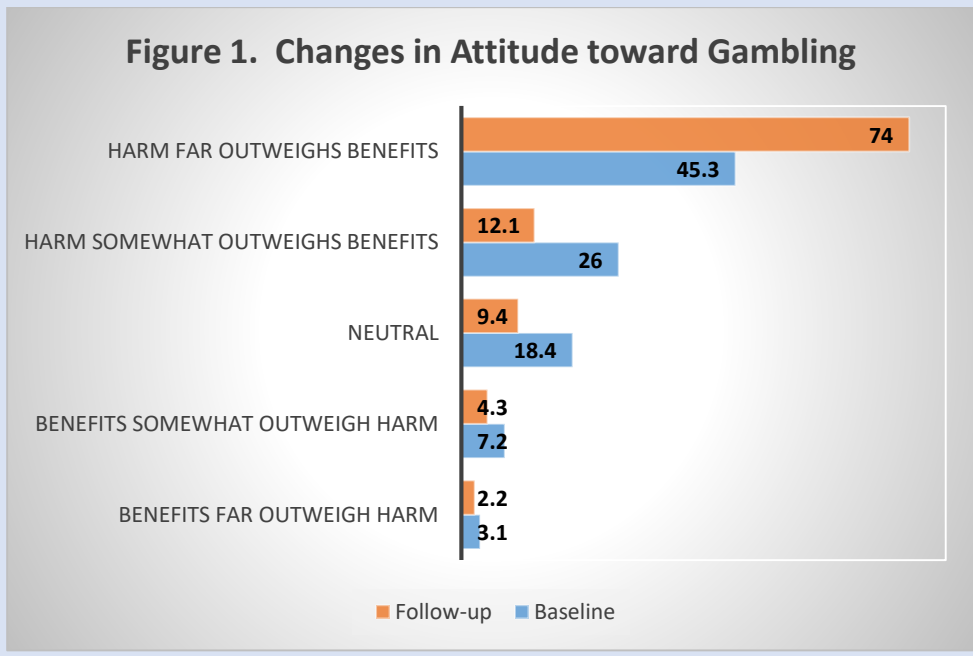
Analysis was conducted on participants who had data on both tests to determine the impact of the intervention on gambling variables (attitude toward gambling, knowledge, beliefs, decision-making and problem solving, and gambling behaviors). The matched sample consisted of 226 middle and high school students. The number of males (n = 111; 49.1%) was about equal to the number of females (n = 115; 50.9%). Most participants were in middle school (n = 210; 92.9%).

Results of the matched-pair analysis are shown below for attitudes, knowledge, beliefs, decision-making and problem-solving, and gambling behaviors.

Attitude toward Gambling Became More Negative after Intervention

Participants were asked about the benefit or harm that gambling has for society. The response options were used to construct a five-point gambling attitude score with the response “benefits far outweigh harm” rated as 1, “benefits somewhat outweigh harm” as 2, “benefits are about equal to harm” as 3, “harm somewhat outweighs benefits” as 4, and “harm far outweighs benefits” as 5.

Figure 1 shows changes in attitude after intervention. More participants believed that gambling had negative consequences after taking the Stacked Deck Curriculum, the intervention. The percentage of respondents who reported that harm from gambling far outweighed its benefits increased from 45.3 percent before intervention to 74 percent after intervention. At the same time, fewer thought that the benefits of gambling outweighed the harm it caused; the percentage who thought the benefits of gambling far outweighed its harm decreased from 3.1 percent before intervention to 2.2 percent after intervention; the percentage who thought its benefits somewhat outweighed its harm decreased from 7.2 percent to 4.3 percent.



A paired t-test analysis was conducted to determine whether the Stacked Deck intervention resulted in a significant change in attitude. The attitude score increased from 4.036 before intervention to 4.527 after intervention. The change in attitude was highly significant ($t = -5.594$; $df = 219$; 2-tailed significance = .000).

Participants Became More Knowledgeable About Gambling

With their participation in the Stacked Deck Curriculum, middle school and high school students increased their knowledge about gambling. They learned that gambling can be addictive, that hitting the jackpot does not always make the winner happier, and that teenagers and youth in their 20's have the highest rates of problem gambling.



Figure 2 and Table 2 show the extent of the changes in the gambling knowledge of participants for each of the ten items that make up the knowledge score. The largest change occurred in the item related to the “age groups with the highest problem gambling rate” while the smallest occurred in the item “gambling can be addictive”. Most participants knew about the addictive nature of gambling even before the intervention (84.7% before intervention; 92.8% after intervention).

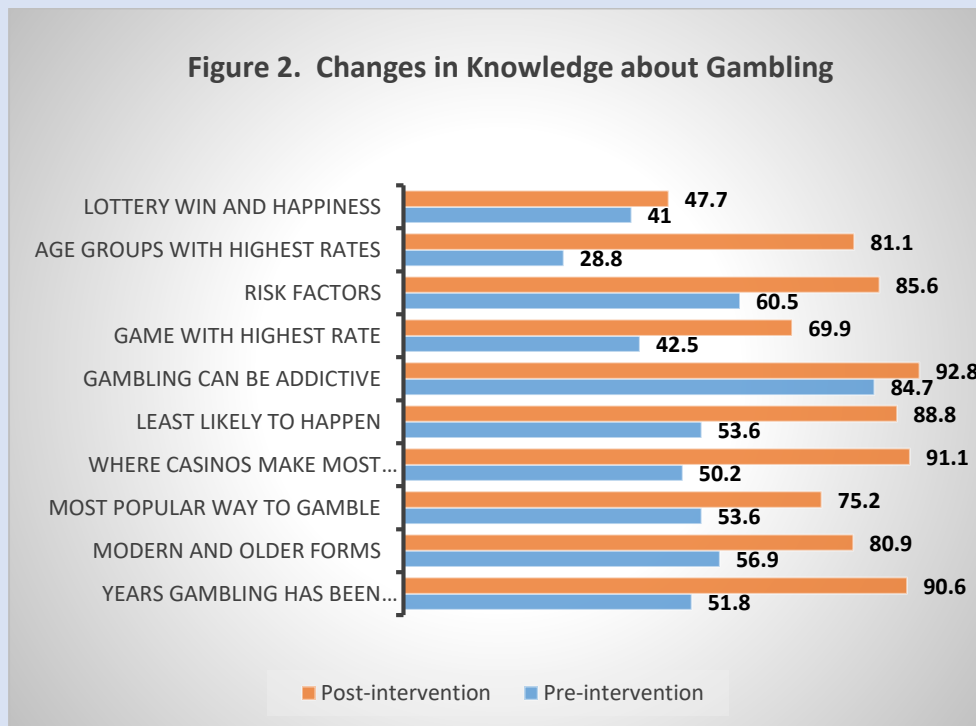


Table 2. Changes in Knowledge about Problem Gambling

Knowledge	Pre-intervention %	Post-intervention %	% change
Years gambling has been around	51.8	90.6	42.83
Modern gambling and older forms of gambling	56.9	80.9	29.67
Most popular way to gamble	53.6	75.2	40.30
Where casinos make the most money	50.2	91.1	81.47
Least likely to happen to the average person	53.6	88.8	65.67
Gambling can be addictive	84.7	92.8	9.56
Games with highest rates of problem gambling	42.5	69.9	64.47
Risk factors for problem gambling	60.5	85.6	41.49
Age groups with highest problem gambling rates	28.8	81.1	181.6
Lottery win and happiness	41.0	47.7	43.30

Each correct answer on the ten items of the Knowledge Section of the curriculum was scored as “1” and added together to construct a total belief score ranging from 0 to 10. Pre-intervention and post-intervention scores were compared using the paired t-test analysis. Mean knowledge scores increased from a mean of 5.26 before intervention to a mean of 8.16 after intervention ($t = 15.581$; $df = 202$; 2-tailed significance = .000). The change was highly significant.

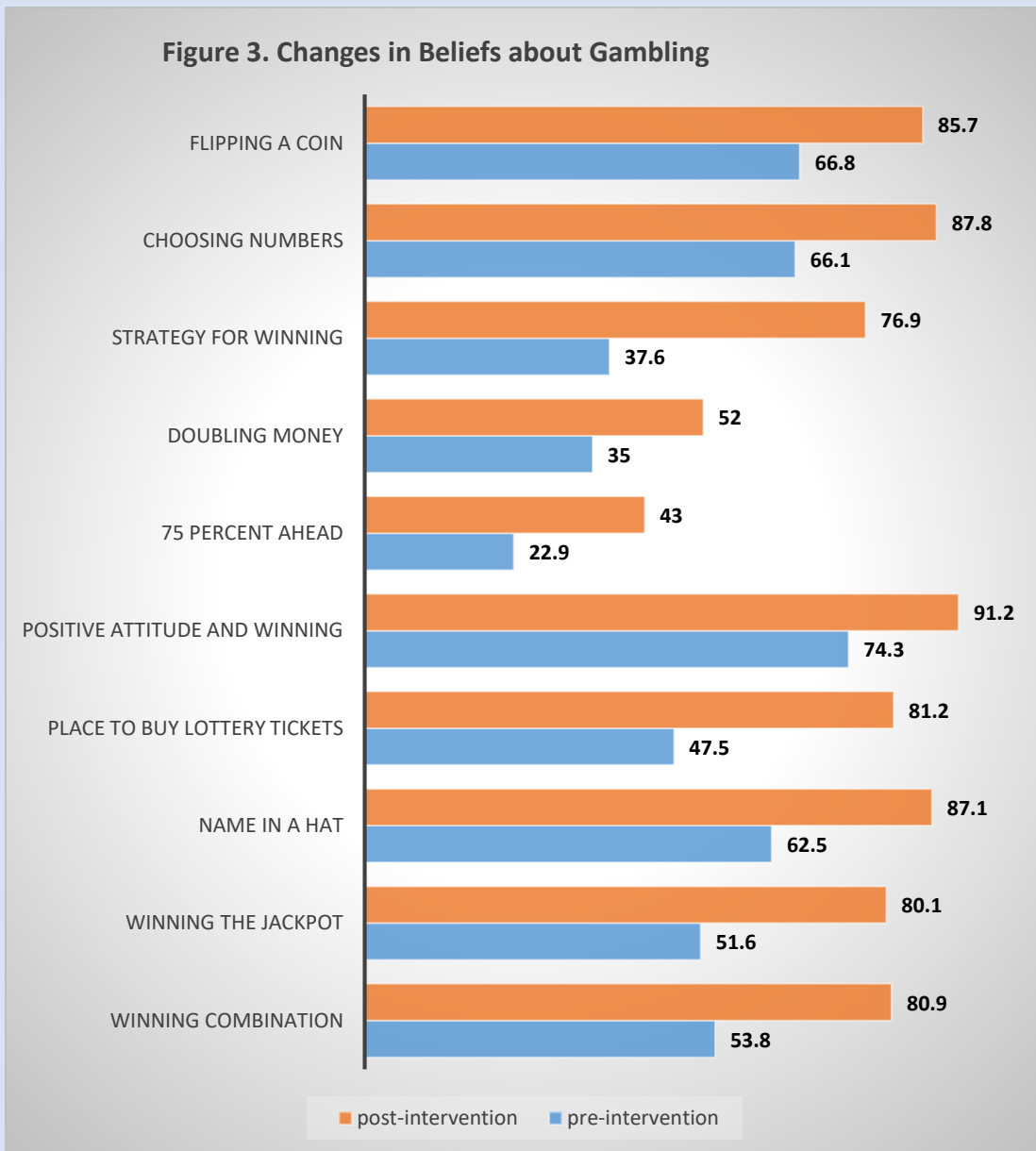
Participants Became More Resistant to Gambling Fallacies



Many people who gamble tend to hold beliefs that certain values, attitudes, and behaviors increase the probability of winning. For instance, there are individuals who believe that small convenience stores in rural areas that have not previously sold a winning ticket in a lottery jackpot have a greater likelihood of winning or that a certain combination of numbers is more likely to win than others. The Stacked Deck Curriculum includes a section on beliefs that teach participants about the likelihood of winning (all other things being equal) based on probability theory.

With their participation in the Stacked Deck program, participants became more resistant to gambling fallacies. Each of the items that made up the belief scores showed changes that were all in the desired direction.

Figure 3 depicts the extent to which beliefs changed after intervention. All of the changes were in the positive direction.



As shown in Table 4, the largest changes occurred in the items that asked about (1) the strategy for doubling one’s money, (2) the number of times one has gone to the casino if one has come ahead 75 percent of the time, and (3) the best strategy for winning.

Table 4. Changes in Beliefs about Gambling

Belief	Pre-intervention %	Post-intervention %	% change
Winning combination	53.8	80.9	50.37
Winning the jackpot	51.6	80.1	55.23
Name in a hat	62.5	87.1	39.36
Place to buy lottery tickets	47.5	81.2	20.64
Positive attitude and winning	74.3	91.2	22.75
75 percent ahead	22.9	43.0	87.77
Doubling money	35.0	52.0	111.28
Strategy for winning	37.6	76.9	75.05
Choosing numbers	66.1	87.8	32.83
Flipping a coin	66.8	85.7	28.29

Each correct answer on the ten items of the Beliefs Section of the curriculum was scored as “1”. Belief items were added together to construct a total belief score ranging from 0 to 10. Pre-test and post-test scores were compared using the paired t-test analysis. Total belief scores increased from a mean of 5.22 before intervention to a mean of 7.73 after intervention ($t = -14.518$, $df = 202$; 2-tailed significance = .000). The increase was highly significant statistically.

Decision-Making and Problem-Solving Skills Improved

The Stacked Deck Curriculum includes a section designed to improve decision-making and problem-solving skills through a discussion of risk-taking behavior in general and risk-taking behavior with specific reference to gambling, barriers to good decision-making, and ways to overcome them. Four of the items in the tests completed before and after intervention address these skills. Two items ask participants about the frequency with which they weighed pros and cons before they make a major decision and how often their decision proved to be the right one. The third asked how participants rated themselves while the fourth asked about how their friends rated them as decision-makers. The responses consisted of a five-point scale (rarely, sometimes, about half the time, most times, and almost every time) which was converted into scores ranging from 1 (rarely) to 5 (almost every time). The five-point scale was further collapsed to construct a three-point scale combining “rarely” and “sometimes” as 1, “about half the time” as “2”, and “most times” and “almost every time” as “3”.

Figure 4 shows the changes in the responses that participants in the matched sample made to the item about the frequency with which they analyzed their choices and weighed the pros, cons, and odds of success before making their decision. The percentage who analyzed their choices and weighed consequences before making decisions increased from around 35 percent before the intervention to around 37 percent (37.1%) after intervention while the percentage of those who rarely or only sometimes weighed their decision decreased from around 42 percent (42.2%) before

the intervention to around 37 percent (37.2%) after the intervention. Chi-square analysis indicates that at least one of the changes was statistically significant (Chi-square = 32.176, n = 217, significance level = .000).

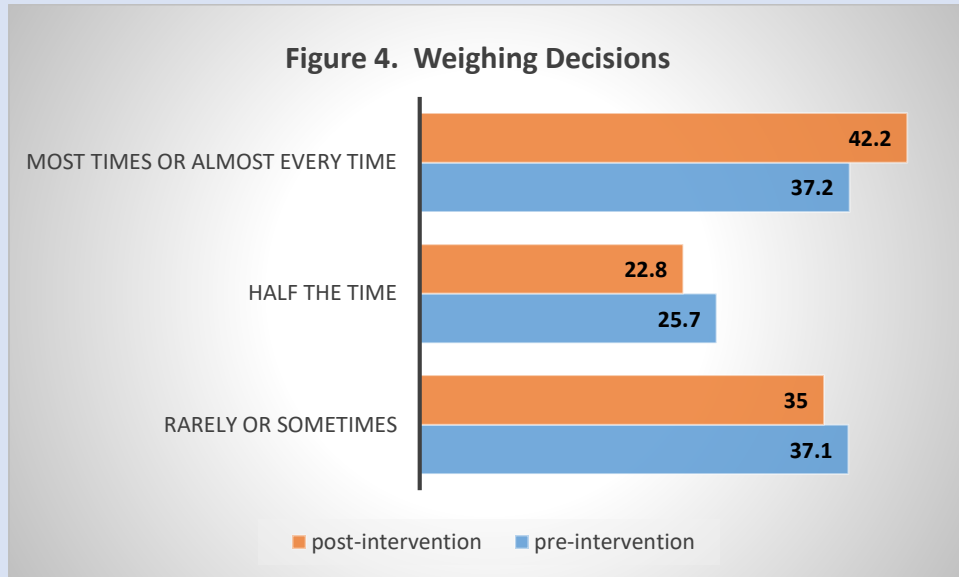
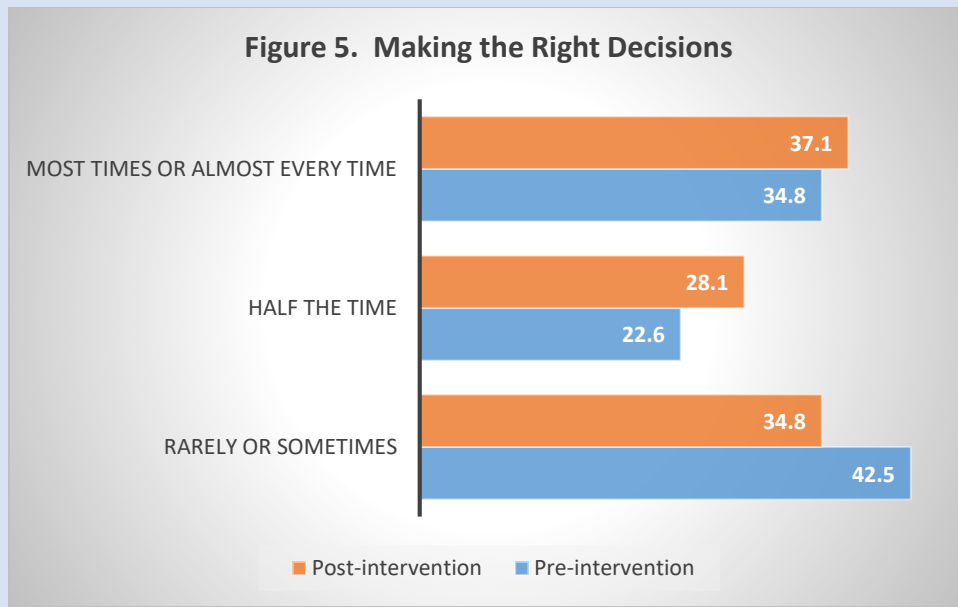


Figure 5 shows the responses participants in the matched sample made to the item that asked how often their decision proved to be the right one. The percentage who thought they made the right decision most times or almost every time increased from about 35 percent (34.8%) before the intervention to about 37 percent (37.1%) after the intervention while the percentage who thought they made the right decision rarely or only sometimes decreased from around 43 percent (42.5%) to around 35 percent (34.8%). Again, chi-square analysis indicates that at least one of the changes was statistically significant (Chi-square = 25.163, n = 219, significance level = .000).



Two other items in the Decision-Making and Problem-Solving Section of the Stacked Deck Curriculum asked participants how they and their friends rated them on decision making and problem solving. Again, the responses consisted of a five-point scale (very good, good, average, fair, poor) which was also converted into scores ranging from 1 (poor) to 5 (very good). The five-point scale was further collapsed to construct a three-point scale combining “fair” and “poor” into 1, average as 2, and “good” and “very good” as 3.

Figure 6 shows changes in how participants perceived themselves as better decision makers and problem solvers after the intervention. Slightly more than a fifth (21.4%) of participants saw themselves as “fair” or “poor” decision makers or problem solvers before the intervention with the percentage decreasing to about 11 percent (10.7%) after the intervention. The percentage who saw themselves as “good or very good” decision makers increased from about 48 percent (47.8%) to about 63 percent (62.5%) after the intervention. At least one of the changes was statistically significant based on chi-square analysis (chi-square = 42.172; n = 224, significance level = .000).

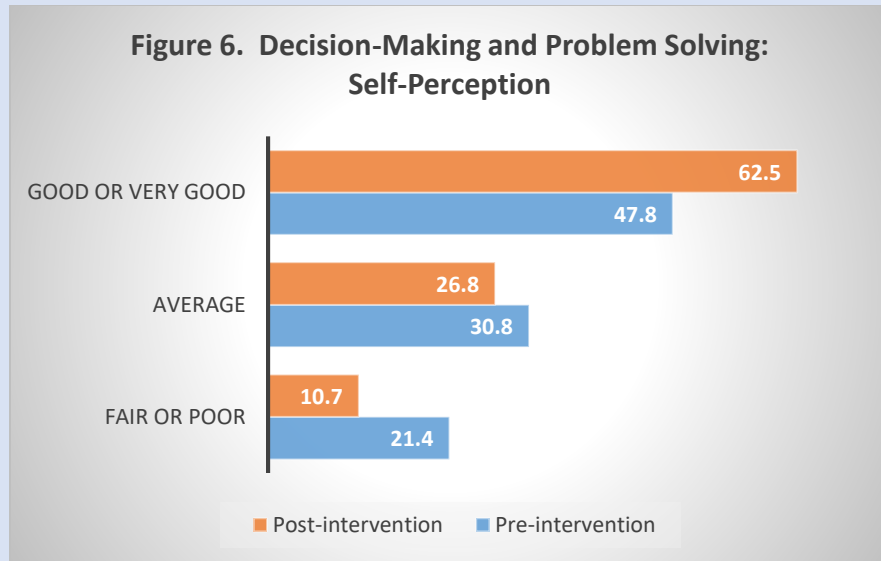
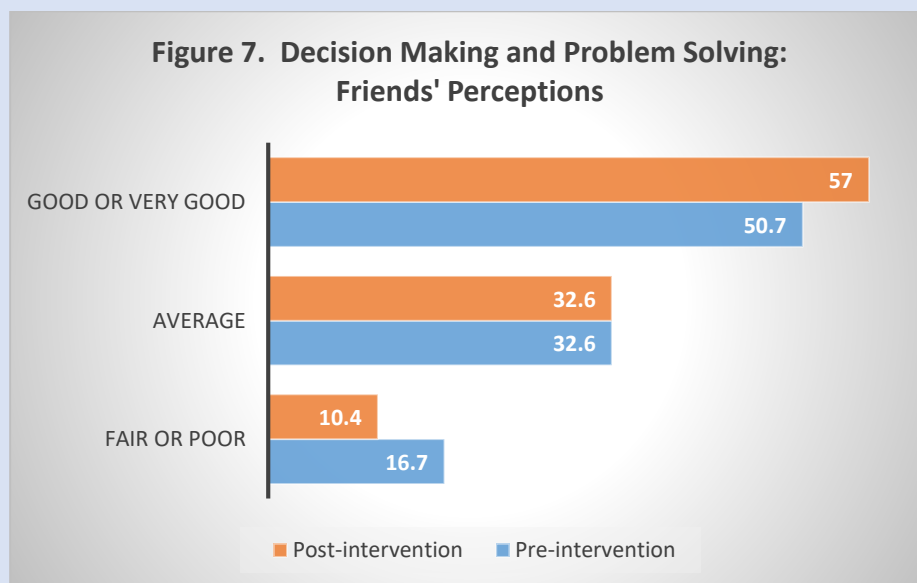


Figure 7 shows changes in how participants thought their friends perceived them as decision makers and problem solvers. The changes mirror those seen in the self-perception item. The percentage of participants who thought their friends perceived them as “fair or poor” decision makers and problem solvers decreased from about 17 percent (16.7%) before the intervention to about 10 percent (10.4%) after the intervention. The percentage who thought their friends perceived them as “good or very good” decision makers and problem solvers increased from about 51 percent (50.7%) before the intervention to 57 percent after the intervention. At least one of the changes was statistically significant based on chi-square analysis (chi-square = 66.126, n = 221; significance level = .000).



Gambling Behaviors Decreased

Curriculum participants were asked about the frequency with which they spent money on a list of ten popular gambling activities ranging from games of skill to internet gambling (enumerated in Table 5 below) in the three months preceding the pre- and post-tests on specified games. The response options were (a) “two to seven times a week”, (b) “once a week”, (c) “2 to 3 times a month”, (d) “once a month or less”, and (e) “did not gamble on the activity”.

The percentages of gambling at least once per month on each gambling activity decreased after the intervention as shown in Table 5.



The most popular games both before intervention were betting on sports (34.8%), betting on games of skill (33.9%), purchasing lottery tickets (30.2%), playing cards or dice for money (26.9%), buying instant-win tickets (26.9%), and bingo (26.4%).

The largest percentage changes occurred in playing slot machines with a percentage change of about 49 percent (49.14%).

Table 5. Gambling Games Played Before and After Intervention

Games	Pre-intervention %	Post-intervention %	% Change
Games of skill (pool, golf, darts, video games)	33.9	24.4	-28.02
Playing cards or dice for money	26.9	17.6	-34.57
Sports betting	34.8	20.4	-41.38
Lottery tickets	30.2	16.2	-41.36
Instant win tickets	26.9	16.6	-38.29
Bingo	26.4	16.4	-37.88
Slot machines	23.2	11.8	-49.14
Horse or dog racing	19.5	11.5	-41.03
Internet gambling	22.0	14.8	-32.73
Other	21.0	17.7	-15.71

Five gambling behavior variables were constructed based on the frequency with which each game specified in the pre- and post-tests were played in the three months preceding the tests. These are any gambling, gambling more than once a month and gambling at least once weekly. The fourth measure is the sum of each specified gambling game with a score of “1” indicating that the participant gambled in a game at least once in the three months preceding the test.

As shown in Table 6 below, more than half of the participants in the matched sample engaged in at least one gambling behavior. More than one out of three were gambling at least once per month and close to one out of three were gambling at least once a week. All three gambling behavior measures decreased after intervention, with the changes being statistically significant, based on the results of chi-square analysis.

Table 6. Frequency of Gambling Behaviors Three Months Preceding Pre- or Post-Test
(N = 223)

Gambling Behavior	Pre-intervention %	Post-intervention %	Chi-square Value	Significance Level
Any gambling	52.4	40.0	57.385	.000
More than once a month	37.3	25.3	61.371	.000
At least once a week	32.4	19.1	58.117	.000

The mean number of games played in the past three months decreased significantly from 2.61 to 1.63 ($t = -4.814$; $df = 222$; 2-tailed significance = .000.).

Problem Gambling Decreased

The Stacked Deck tests ask respondents whether they experienced serious problems such as stress or anxiety, arguments with friends or family, worries about money, health, and the law, or problems at school or work as an indicator of problem gambling. The percentage who reported serious problems consequent to gambling was 11.7 percent before the intervention, a figure which went down to 8.1 percent post intervention. The decrease was statistically significant (chi-square = 36.631; $n = 223$; significance level = .000).

The frequency of gambling may also be considered an indicator of problem gambling. People who consistently and regularly gamble at least once a week may be at risk for problem gambling. However, only 32 percent of those who gambled weekly reported serious problems associated with their gambling prior to the intervention.

Conclusions

Gambling is undeniably a problem among North Carolina youth. Before intervention, close to 12 percent of middle school and high school students who participated in the Stacked Deck Program in SFY 2019 reported that their gambling led to serious psychological, financial, legal consequences and impaired their functioning at school and at work. More than half of participants (52.0%) reported engaging in at least one gambling activity in the three months preceding the pre-test. More than a third (37.3%) gambled at least once monthly while close to a third (32.4%) played for money weekly.

The extent of gambling among the young is much higher than adult North Carolinians. The NC Behavioral Risk Factor Surveillance System (BRFSS) survey conducted in 2018 found the prevalence estimates of weekly gambling among adults at 6.1 percent and monthly gambling at 6.1 percent (<https://schs.dph.ncdhhs.gov/data/brfss/2018/nc/all/play.html>).

There is an evidence-based program called Stacked Deck to prevent gambling among youth. North Carolina has been implementing the program since 2011. Outcomes have consistently been positive. Attitudes toward gambling became more negative, knowledge about gambling increased, beliefs about the chances of winning became more grounded on probability theory, and gambling activities declined among students who participated in the program.

The Stacked Deck curriculum can be implemented easily. It comes with a manual and a video that guides teachers through didactic lessons and interactive group activities that students find entertaining. The cost of implementing it is relatively minimal.

Stacked Deck is clearly a program that works in preventing problem gambling and needs to be expanded to more schools throughout the state. Because of the high prevalence of gambling among youth, it needs to be supplemented with information about resources available to students whose gambling behavior needs more specialized treatment.



For more information on the NC Stacked Deck Program, please contact

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Appendix 4: 2019 Prevention and Helpline Reports

Following are the *Problem Gambling Helpline Report 19* presented by Morneau Shepell to the North Carolina Department of Health & Human Services, Division of Mental Health, Developmental Disabilities & Substance Abuse Services; and the *2019 NC Problem Gambling Prevention Report*.



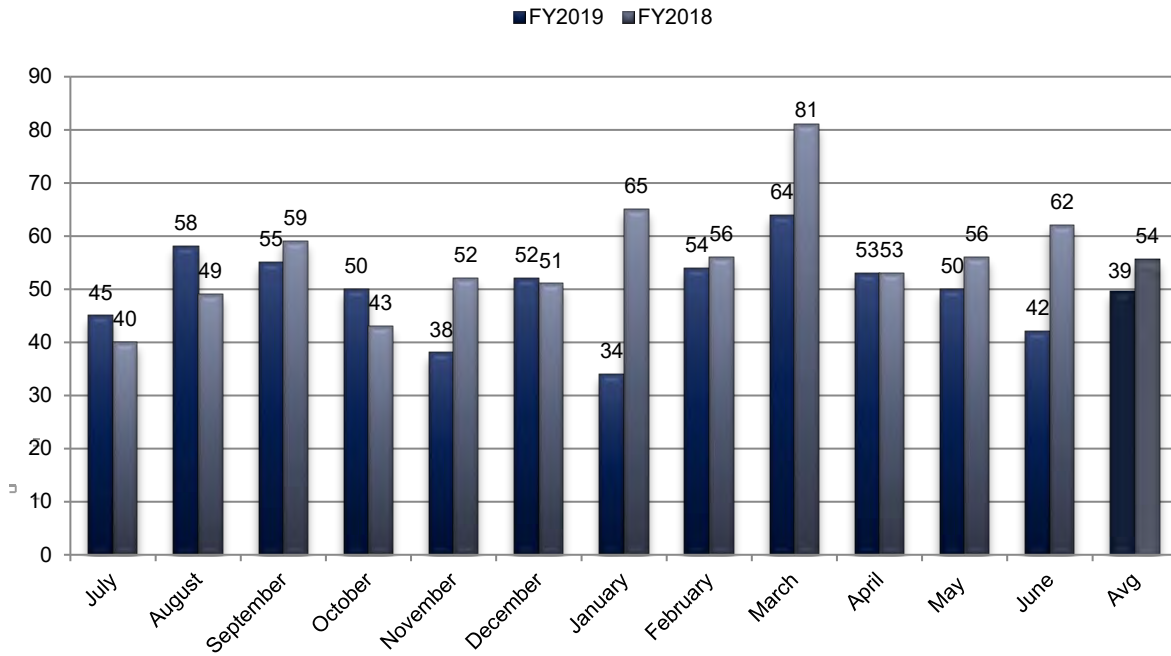
North Carolina Problem Gambling Program

North Carolina Department of Health & Human Services,
Division of Mental Health, Developmental Disabilities &
Substance Abuse Services

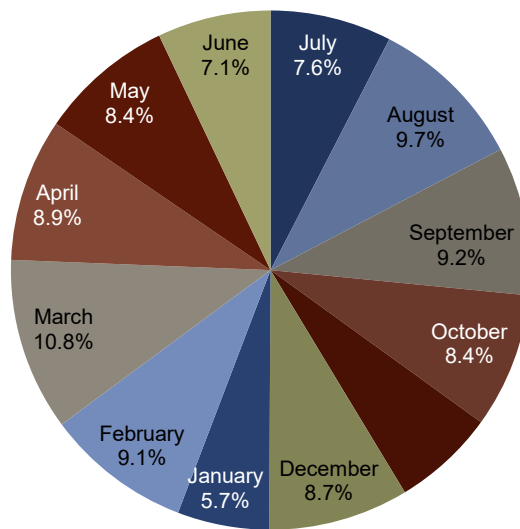
Presented by Morneau Shepell

North Carolina Problem Gambling Help Line Statistics July 2018 - June 2019

Monthly Intakes



FY2019 Monthly Intakes





North Carolina Problem Gambling Help Line Statistics July 2018 - June 2019

Number of Intake/Clinical Calls	595
Calls Answered (Intake, Non-Intake & Prank)	3890
Non-Intake Calls (includes prank calls)	3295
Obvious Prank Calls	10

Clinical Calls by Shift (EST)

First Shift 11:00pm - 7:59am	Second Shift 8:00am - 4:59pm	Third Shift 5:00pm - 10:59pm
84 14.1%	349 58.7%	162 27.2%

Caller Type

Problem Gambler	514	86.4%		Person Affected by Problem Gambler	81	13.6%
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Relationship to Problem Gambler

Child	7	8.6%	Sibling	8	9.9%	Spouse	23	28.4%
Parent	9	11.1%	Significant Other	16	19.8%	Other	18	22.2%

Caller Referral Source

Billboard	14	2.7%	NC Problem Gambling Website	54	10.2%	Radio Ad	7	1.3%
Indian Casino	50	9.5%	Newspaper Ad	3	0.6%	Relative/Friend	40	7.6%
Internet	140	26.6%	Other	69	13.1%	Support Group	4	0.8%
Lottery Ticket/Scratch Card	123	23.3%	Phone Book/Operator	0	0.0%	TV Ad	23	4.4%

Pandora/Spotify Referrals

(For Callers Who Indicated Internet or Radio Referral Source)

Pandora	5	62.5%		Spotify	3	37.5%
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Caller Ethnicity

African American	240	45.8%	Caucasian	243	46.4%	Native American	5	1.0%
Asian American	8	1.5%	Hispanic	14	2.7%	Other Ethnicity	14	2.7%

Caller Gender

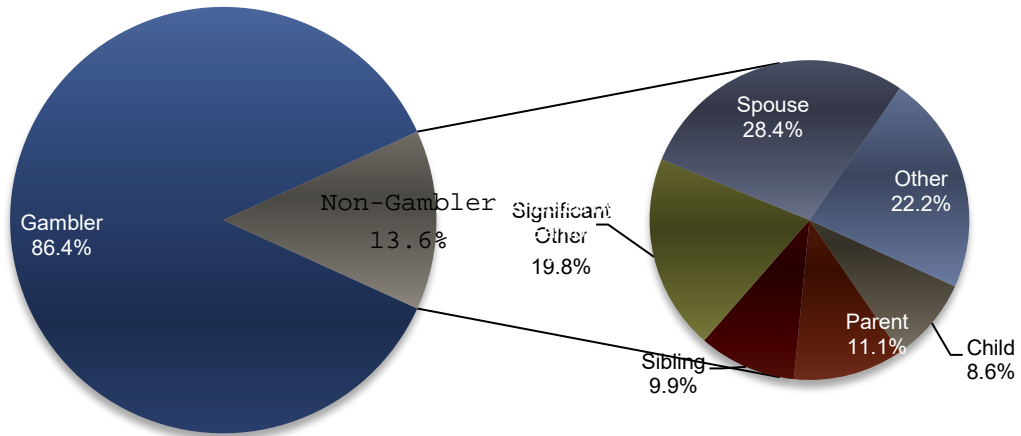
Female	275	46.2%		Male	320	53.8%
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Primary Problem Gambling Activities

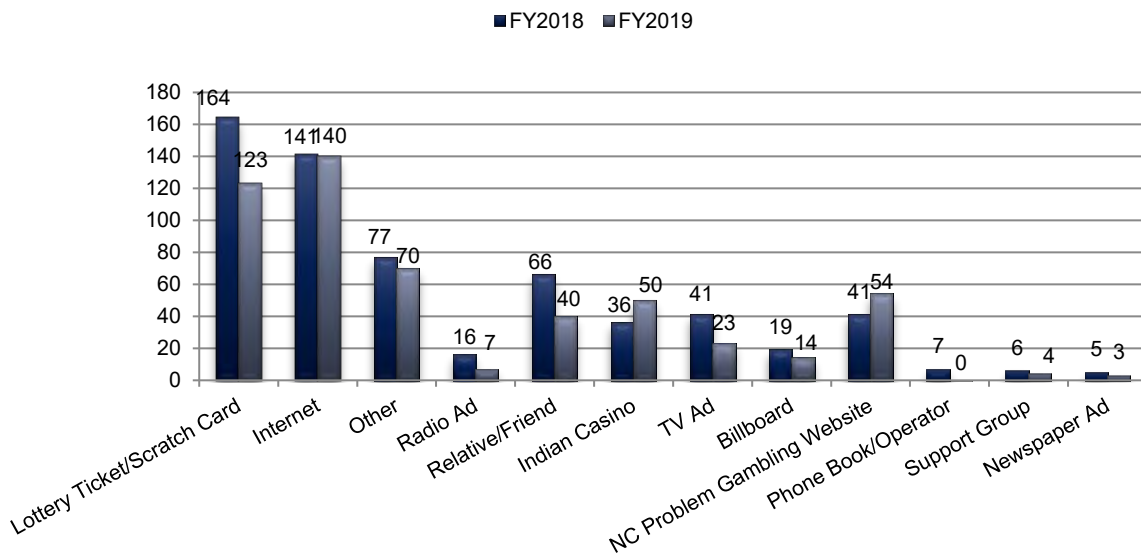
Bingo	2	0.4%	Keno	2	0.4%	Private Card Games	16	2.9%
Cherokee Casino	114	20.6%	Lottery	186	33.6%	Sports Betting	14	2.5%
Fantasy Sports	2	0.4%	Other	76	13.7%	Stock Market	1	0.2%
Horses/Dogs/Cock Fighting	0	0.0%	Out of State Casino	4	0.7%	Sweepstakes	113	20.4%
Internet Home Computer	24	4.3%						

North Carolina Problem Gambling Help Line Statistics July 2018 - June 2019

Caller Type

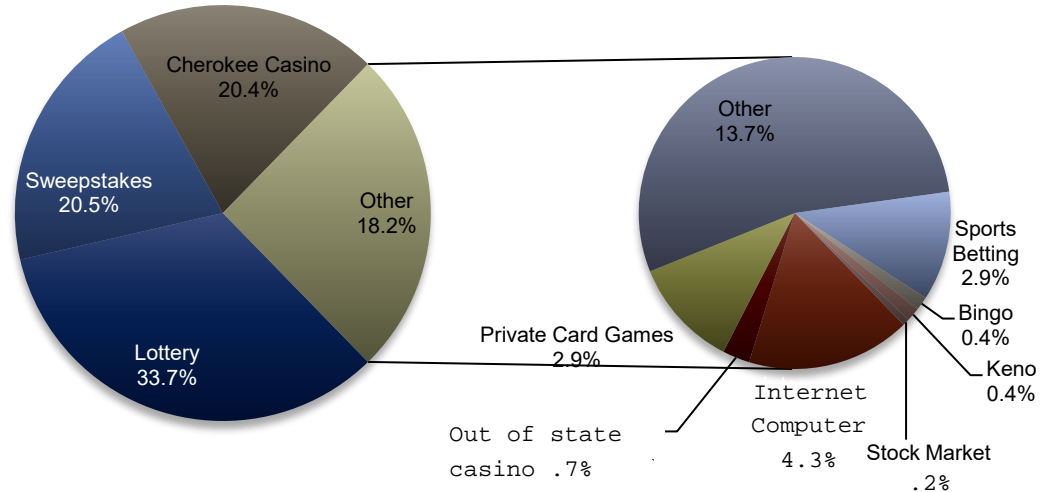


Caller Referral Source

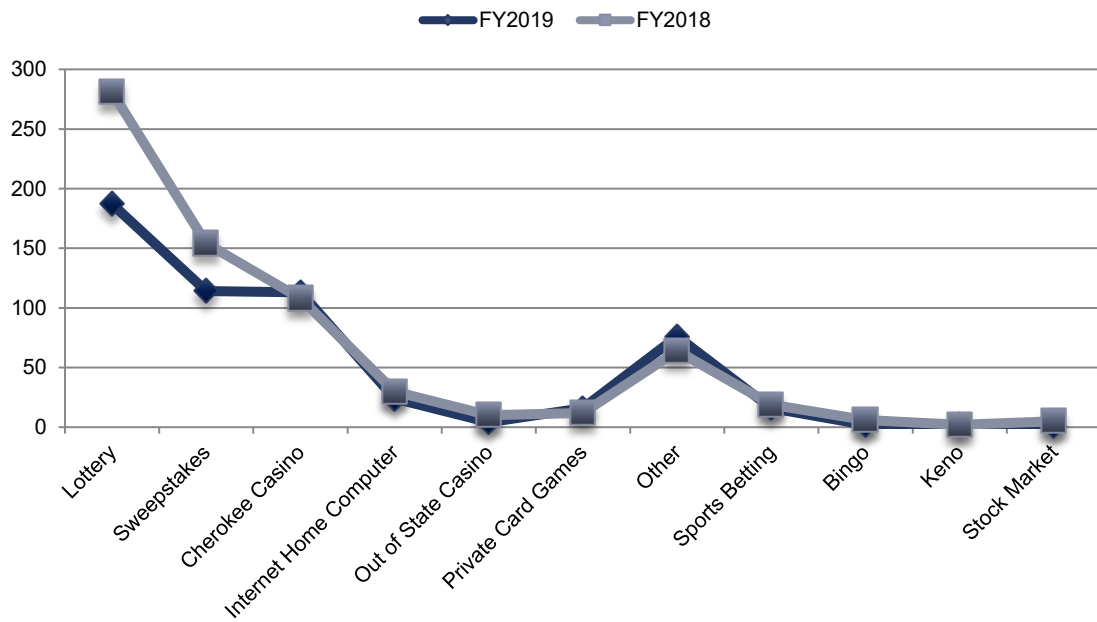


North Carolina Problem Gambling Help Line Statistics July 2018 - June 2019

Primary Game of Choice



Primary Game of Choice



*From page 2, Fantasy Sports was added to Sports Betting to total 16 at 2.9% of total reported

North Carolina Problem Gambling Help Line Statistics July 2018 - June 2019

Total Number of Gambler Callers

514

Secondary Problem Gambling Activities

(Multiple Answers)

Bingo	3	Keno	2	Private Card Games	4
Cherokee Casino	24	Lottery	62	Sports Betting	5
Horses/Dogs/Cock Fighting	2	Other	15	Stock Market	0
Internet Home Computer	11	Out of State Casino	11	Sweepstakes	41

Lottery Game Preference

(For Gamblers Who Indicated Lottery as Primary or Secondary Gambling Preference)

Drawings	18.7%	Scratch/Instant	81.3%
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Casino Game Preference

(For Gamblers who indicated Cherokee or Out of State Casinos as Primary or Secondary Gambling Preference)

Machines	68.2%	Table Games	31.8%
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Percentage of Gamblers Playing Fantasy Sports

Yes	5.1%	No	94.9%
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Type of Fantasy Sports

Same Day	50.0%	Weekly	14.3%	Season Long	35.7%
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Gambler Military History

Never Active	94.3%	Currently Reserve	0.0%
Currently Active	0.2%	Veteran	5.5%

Personal Life Impact

(Multiple Answers)

Alienation of family	96	Lost job	12	Suicidal attempts	0
Jail/Arrest	2	Physical health	24	Suicidal thoughts	8
Loss of primary relationship	89	Stress/Depression/Anxiety	345	Unknown	32

Financial Impact

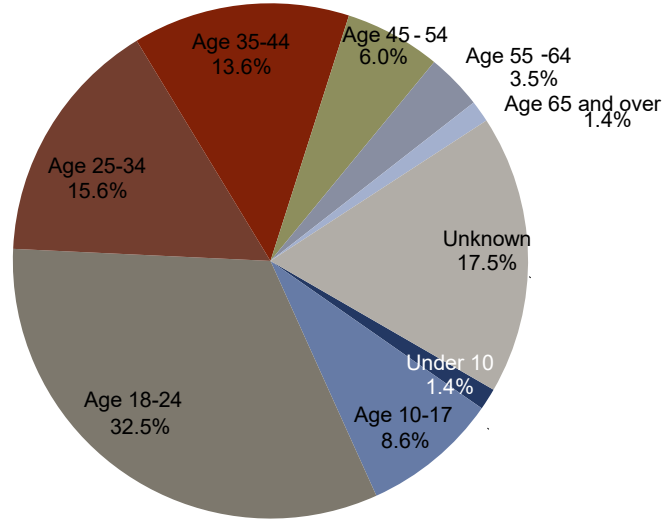
(Multiple Answers)

Borrowing from family/friends	119	Paying household bills	196	Written bad checks	9
Credit Card	145	Stealing	5	None	102
Embezzlement	1	Using equity or savings	34	Unknown	28

North Carolina Problem Gambling Help Line Statistics July 2018 - June 2019

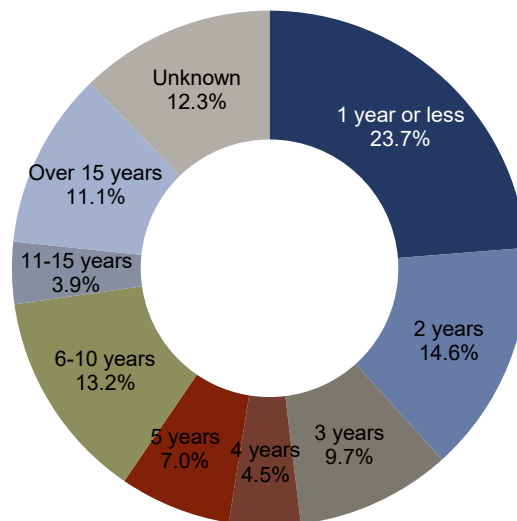
Age First Gambled

Under 10	7	1.4%	Age 25-34	80	15.6%	Age 55-64	18	3.5%
Age 10-17	44	8.6%	Age 35-44	70	13.6%	Age 65 and over	7	1.4%
Age 18-24	167	32.5%	Age 45-54	31	6.0%	Unknown	90	17.5%



Length of Gambling Problem

1 year or less	122	23.7%	4 years	23	4.5%	11-15 years	20	3.9%
2 years	75	14.6%	5 years	36	7.0%	Over 15 years	57	11.1%
3 years	50	9.7%	6-10 years	68	13.3%	Unknown	63	12.3%



Other Addictive Behaviors

(Multiple Answers)

Alcohol	34		None	286
Drugs	22		Unknown	111

Harm Status

Considered Suicide	16	3.5%	Attempted Suicide	2	0.4%
Planned Suicide	0	0.0%	No Ideation/Plan/Attempt	445	96.1%

Past Treatment Experience

Gamblers Anonymous	8	2.0%	Professional Gambling Tx	12	2.9%	Substance Abuse Tx	15	3.7%
Mental Health Tx	30	7.3%	Self-Ban Program	1	0.2%	None	343	83.9%

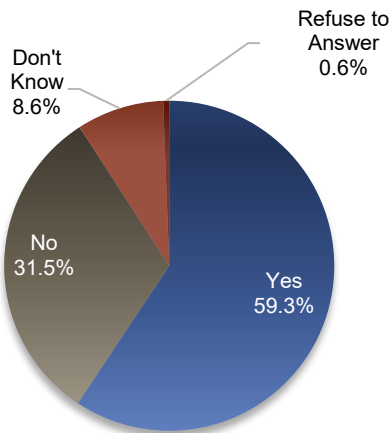
Current Treatment Experience

Gamblers Anonymous	9	2.3%	Professional Gambling Tx	8	2.0%	Substance Abuse Tx	3	0.8%
Mental Health Tx	17	4.3%	Self-Ban Program	0	0.0%	None	361	90.7%

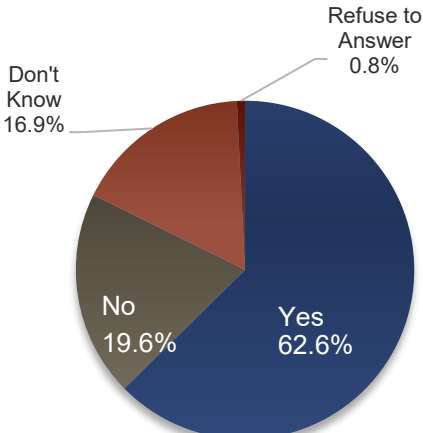
State Diagnosis Questions

	Yes		No		Don't Know		Refused to Answer
Tried to cut down gambling?	305		162		44		3
Lied about Gambling?	322		101		87		4
Spent two weeks thinking about future gambling?	252		178		80		4

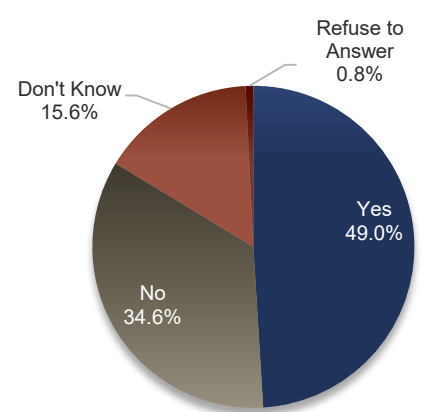
Loss of Control?



Gambler Lying?



Gambler Preoccupation?



July 2018 - June 2019

North Carolina Problem Gambling Help Line Statistics July 2018 - June 2019

Total Number of Non-Gambler Callers

81

Non-Gambler Impact

(Multiple Answers)

I worry about it sometimes	57	It is hard to talk to anyone about it	9	I am still paying for it financially	21
It is affecting my health	8	I am concerned about my/others safety	16	It doesn't affect me anymore	1

Non-Gambler: What Would You Like to See Happen?

(Multiple Answers)

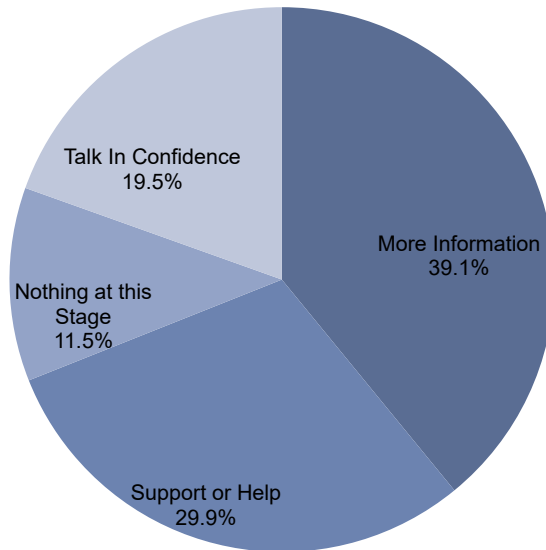
I would like more information	34	I would like support or help	26
I would like to talk in confidence	17	Nothing at this stage	10

Sources of Assistance for Caller

(Multiple Referrals Possible)

State Funded Treatment	318	Family C2C	3	LME/Crisis Services	0
C2C	192	GA/GamAnon	127	Did Not Want Referral	114

Non-Gambler Action Requested



North Carolina Problem Gambling Help Line Statistics July 2018 - June 2019

Number of Callers Per County

		Guilford	51
Alamance	7	Halifax	9
Alexander	1	Harnett	10
Anson	5	Harris	1
Beaufort	1	Haywood	2
Bertie	5	Henderson	1
Bladen	1	Hertford	1
Brunswick	7	Hoke	2
Buncombe	15	Iredell	12
Cabarrus	6	Johnston	4
Caldwell	3	Lenoir	3
Camden	1	Lincoln	2
Carteret	3	Litchfield	1
Catawba	6	Macon	4
Cherokee	1	Martin	3
Chester	1	Mcdowell	2
Clay	1	Mecklenburg	53
Cleveland	5	Montgomery	4
Columbus	3	Moore	1
Craven	8	Nash	7
Cumberland	9	New Hanover	15
Dallas	1	Northampton	2
Davidson	10	Onslow	3
Davie	2	Orange	4
davis	1	Pasquotank	1
Duplin	1	Pender	3
Durham	21	Perquimans	1
Edgecombe	3	Pitt	8
Forsyth	14	Preston	1
Franklin	8	Queens	1
Gaston	11	Randolph	6
Granville	4	Richmond	9

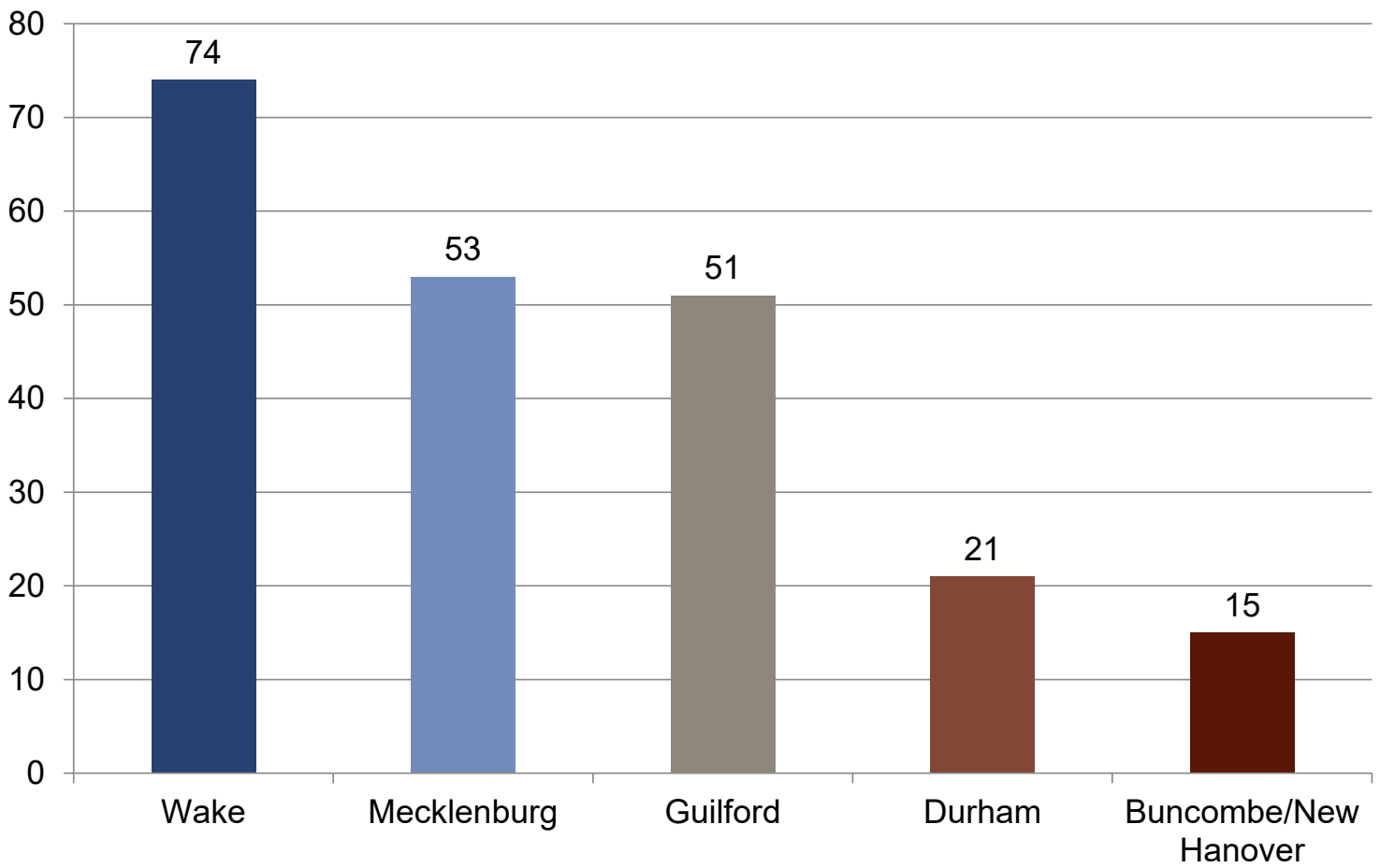
North Carolina Problem Gambling Help Line Statistics July 2018 - June 2019

Number of Callers Per County

Robeson	8
Rockingham	3
Rowan	8
Sampson	1
Scotland	1
Stanly	3
Stokes	2
Surry	3
Swain	1
Transylvania	1
Union	5
UNKNOWN	65
Vance	6
Wake	74
Warren	1
Watauga	2
Wayne	5
Wilkes	6
Wilson	4
Yadkin	1
Yancey	1
York	1
	<hr/>
	595

North Carolina Problem Gambling Help Line Statistics
July 2018 - June 2019

Top 5 Counties



North Carolina Problem Gambling Help Line Statistics July 2018 - June 2019

Total Text Subscriptions	164
Total Number of Gambler Intakes	514
Percent of Total Gamblers Enrolled	32%
Number of Gambler with Phone	428
Percent of Gamblers with Phone Enrolled	38%

Gambler Gender

Female	77	47.0%	Male	87	53.0%
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Gambler Age

Under 18	3	1.8%	Age 35-44	32	19.4%	Age 65 and over	5	3.0%
Age 18-24	14	8.5%	Age 45-54	39	23.6%			
Age 25-34	33	20.0%	Age 55-64	16	9.7%			

Stage of Change

Pre-contemplation	15	9.1%	Action	20	12.2%
Contemplation	61	37.2%	Maintenance	0	0.0%
Preparation	68	41.5%	Recycling	0	0.0%

North Carolina Problem Gambling Help Line Statistics
July 2018 - June 2019

Number of Text Conversations 113
Number of Chat Conversations 76

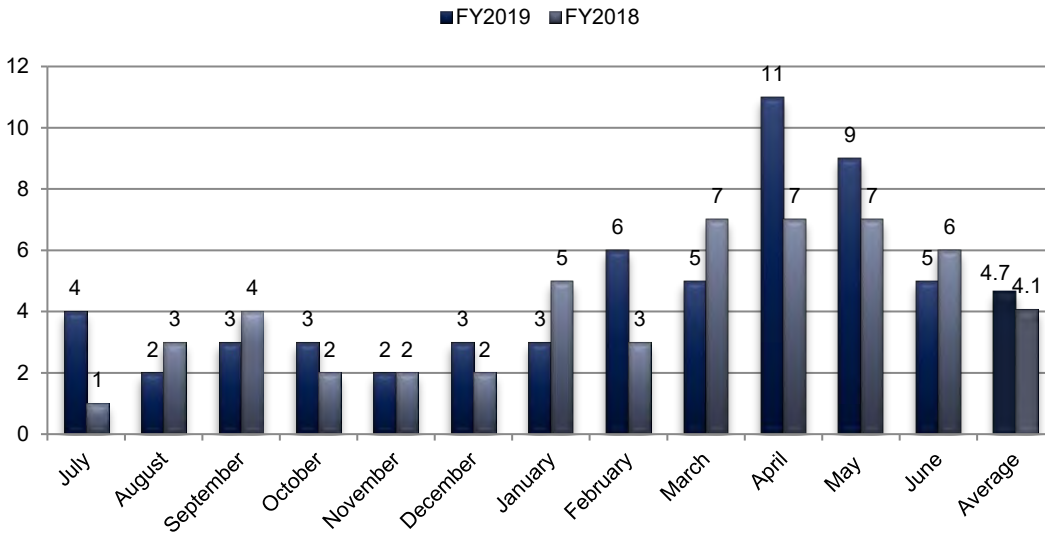
Chat Info

Gambler 2
Non-Gambler 0
Non-Specified 74

North Carolina Problem Gambling Help Line Statistics July 2018 - June 2019

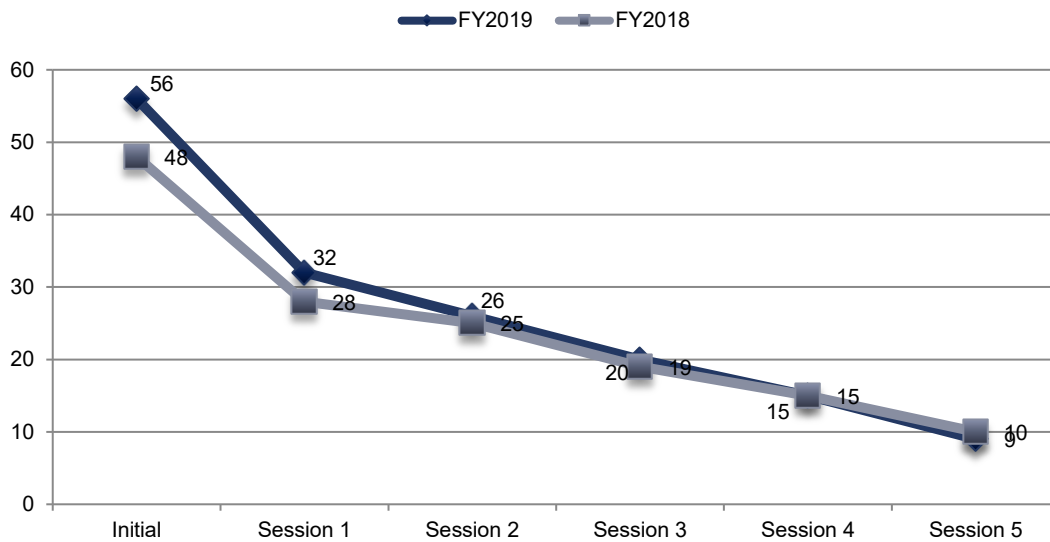
New C2C Cases by Month

	July	August	September	October	November	December	January	February	March	April	May	June	AVG	TOTAL
FY2019	4	2	3	3	2	3	3	6	5	11	9	5	4.7	56
FY2018	1	3	4	2	2	2	5	3	7	7	7	6	4.1	49



Completed Sessions

	Initial	Session 1	Session 2	Session 3	Session 4	Session 5	TOTAL
FY2019	56	32	26	20	15	9	158
FY2018	48	28	25	19	15	10	145

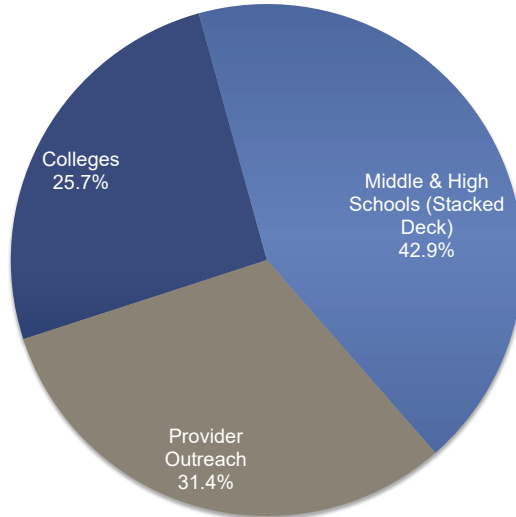


North Carolina Problem Gambling Outreach & Prevention Statistics

July 2018 - June 2019

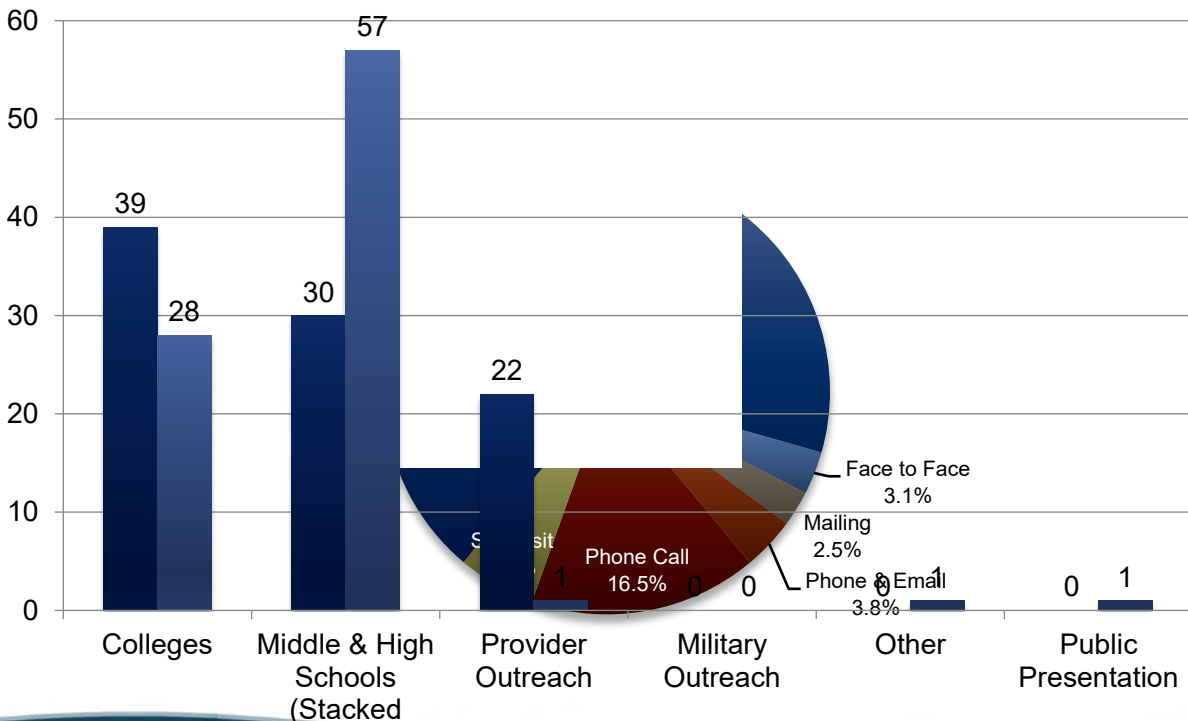
Prevention Projects

Colleges	18	25.7%		Provider Outreach	22	31.4%
Middle & High Schools (Stacked Deck)	30	42.9%		Military	0	0.0%
Public Presentation	0	0.0%		Other	0	0.0%



Annual Comparison

■ FY2019 ■ FY2018



North Carolina Problem Gambling Help Line - Quality Assurance Statistics

July 2018 - June 2019

Total Number of Intakes

595

Quality Assurance

Total Number of QA Survey Attempts	135*	Percentage of Survey Completions/Intakes (n=595)	4%
Percentage of Total Number of Intakes/Attempts (n=595)	23%	Percentage of Survey Completions/Attempt (n=135)	17%
Total Number of QA Surveys Completed	23		

Survey Respondents

Problem Gambler	22	Person Affected by Problem Gambler	1
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Survey Questions

	Yes		No	
Were you able to speak to a help line counselor immediately?	18 (78%)		5 (22%)	
Did you think the help line counselor what understanding? (n=22)	18 (82%)		4 (18%)	
Did you receive a referral to a counselor/mental health agency?	15 (65%)		8 (35%)	
If yes, did you make an appointment with a counselor/agency? (n=15)	11 (73%)		4 (27%)	
Did you meet with a counselor about the problem?	7 (39%)		14 (61%)	
Did you think that calling the 800# helped you to recognize the extent of your/someone else's gambling problem?	17 (74%)		6 (26%)	
If you called re: your own gambling problem, are you still gambling? (n=22)	9 (41%)		13 (59%)	
Would you recommend the 800# to someone with a gambling problem?(n=22)	19 (86%)		3 (14%)	

*Figure based on number of help line callers willing to disclose contact information for follow up.

North Carolina Problem Gambling Help Line - Quality Assurance Statistics

July 2018 - June 2019

Total Accepted State Funded Treatment

229

Quality Assurance

Total Number of QA Survey Attempts	171*	Percentage of Total Number of Intakes/Survey Completions (n=229)	6%
Percentage of Total Number of Intakes/Attempts (n=229)	75%	Percentage of Total Number of Survey Attempts/Completions (n=229)	8%
Total Number of QA Surveys Completed	14**		

Survey Respondents

Problem Gambler	13	93%		Person Affected by Problem Gambler	1	7%
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Survey Questions

		Yes		No
1. Did you meet with a provider?	8	(57%)	6	(43%)
2. If yes (#1), did you meet (or have a phone session) with the provider within one week (7 business days) of your call to the help line? (n=8)	8	(100%)	0	(0%)
3. If yes (#1), during your initial session/visit, did the provider conduct a gambling assessment? (n=8)	8	(100%)	0	(0%)
4. If yes (#1), did the provider provide additional support (i.e. books or written information) that you could take home with you? (n=8)	8	(100%)	0	(0%)
5. If yes (#1), was the provider's office setting comfortable and professional? (n=8)	8	(100%)	0	(0%)
6. If yes (#1), did you find your session(s) helpful? (n=8)	8	(100%)	0	(0%)
7. If yes (#1), would you recommend the provider to other help line callers? (n=8)	8	(100%)	0	(0%)

*Figure based on number of help line callers willing to disclose contact information for follow up.

** Completed surveys include those that indicated that the provider did contact them within one business day, but then also indicated not meeting with the provider (answering just the first 2 questions, nullifying the remaining 6 questions on the actual survey).

2019 NC Problem Gambling Prevention Report

Stacked Deck

Four Stacked Deck trainings were performed in 2019 for a total of 54 teachers and counselors. Twenty-six site visits occurred and the Fidelity Check list was reviewed with each site. There were 42 Stacked Deck grants during the 2018-2019 SFY. Approximately, 3,680 students participated in the curriculum and 32,974 were exposed to the outreach efforts by the students. These outreach efforts included PSA's and poster competitions. Below are two examples of the outreach efforts.

To the right: Murphy Middle School Students who won the Problem Gambling poster competition at their school. A press release was also sent into the community that reached approximately 6000 people.



Heide Trask PSA video can be found at the link: <https://www.youtube.com/watch?v=BN458sk15Ek>

The policies and procedures for the Stacked Deck grant were reinforced in this fiscal year through emails, webinars, phone calls, and site visits. Ninety-five percent of the grants were received by August 30, 2019. The prevention coordinator conducted webinar trainings on how to apply for the grant that were recorded and emailed out with the RFP packages. A point system was created this year to continue to boast the quality of grant applications received.

The prevention coordinator led a year-long conversation with the Stacked Deck authors/researchers on updating the curriculum. The curriculum has been updated and the New Jersey Problem Gambling Commission will be working with the Stacked Deck researchers on piloting the new curriculum in New Jersey and publishing research.

Colleges and Universities

In the 2019-2020 SFY there were 15 college and university grants. The outreach efforts reached approximately 65,222 people on college campuses.

The prevention coordinator promoted Dr. Tracy Poe's research on problem gambling among college students by applying for conference speaking engagements and reaching out to colleges. Dr. Tracy Poe and the prevention coordinator co-presented at the NC School Nurses Conference with 19 people in attendance, Connecting Communities in Schools Conference with 4 people in attendance, and University of North Carolina at Chapel Hill behavioral health team with 13 people in attendance.

The prevention coordinator began working with the National Council on Problem Gambling Prevention Committee by joining the Emerging Issues Subcommittee. She engaged by writing two white papers on social casino gaming and the converging of gaming and gambling. With this new information, the prevention coordinator created a presentation and embarked on a three-month long road tour to college and universities and organizations by giving 17 presentations. This also included doing site visits at the colleges and engaging them in conversations about how to improve the grant programs. The prevention coordinator recorded a webinar for the North Carolina Chapter of Social Workers which is now a part of their online curriculum. She also gave webinars to the National Council on Problem Gambling Help-Line Committee for about 10 people. In addition, one webinar included a prevention coordinator from Michigan who became interested in Stacked Deck. The prevention coordinator provided training to the prevention coordinator on the curriculum.

The prevention coordinator implemented a point system and site visits in order to boost the quality of grant applications. Two webinars were available for grantees to learn about the reporting process and applying for the new grant cycle. One of the webinars was recorded and emailed out with the full RFP package. One hundred percent of all grant applications were received by August 30, 2019.

Appalachian State University implemented its second biennial campus assessment of the student body in 2019. This assessment measured health-related behaviors and experiences. More than 1,800 students participated in this year's assessment and within this sample 725 (40%) indicated they had experienced significant concerns regarding finances in the past 12 months. Within this sub-sample of 725, 16% (n=113) reported having gambled with money during this time; although, most reported gambling less than \$100 during this time-period. Given these observations it became imperative to staff to continue to educate the students of Appalachian about the potential harm associated with problem gambling and build upon existing prevention techniques. Appalachian State University took this information to build a program on financial wellness and information on problem gambling to students who will be identified in screening as vulnerable with a target of reaching 150 students. This is a good example of a school utilizing prevention methods to reach those that could be at-risk for problem gambling.

Problem Gambling Awareness Month

All grantees were emailed a kit to participate in Problem Gambling Awareness Month. The kit included graphics from the National Council on Problem Gambling, social media posts, and a sample press release. An example of success from this initiative was the University of North Carolina at Greensboro. They participated this year and reached 20,000 through social media posts.

To the right: Shaw University engaged in poster competition and developed a PSA during Problem Gambling Awareness Month. The winners of the poster competition were rewarded by going bowling.

Shaw University Video PSA link:
<https://youtu.be/V-MO743VLDk>



To the right: Elizabeth City State University graphic design department attended a webinar conducted by the prevention coordinator on problem gambling. The grant and program coordinator, Clarence Gross, indicated to the prevention coordinator that the students became very reflective following the presentation regarding their own habits. The team put together a marketing campaign that included a PSA and print media. This campaign was release during April and March, Problem Gambling Awareness Month. The PSA is available upon request.



GAMBLING AWARENESS FORUM

- Webinar Q&A Session
- Event Giveaways
- Learn More About Problem Gambling!



April 15th, 2019
NSC Room 216
Starts 3:00 pm



Outreach Events

There were 22 outreach events during the year. Providers and the prevention coordinator teamed up to go across the state in order to promote awareness of problem gambling, treatment, and prevention services. Approximately 8235 people were reached during those events. Two examples of events include the NC Substance Misuse Conference and four NC Strive events across the state directed at the military. The prevention coordinator also began attending Substance Use Disorder prevention trainings and began learning about the different prevention strategies being utilized across the state.

Special Presentation at National Council on Problem Gambling

The prevention coordinator submitted a proposal to the National Council on Problem Gambling Conference which was held in Denver, Colorado in July of 2019. The proposal was accepted and the prevention coordinator implemented a PED talk to approximately 250 people.

The video can be found on the NC Problem Gambling Program YouTube page

<https://www.youtube.com/watch?v=xRumMz9Tpgw&t=14s>

Sports Betting Summit

The Sport Betting Summit will occurred in March Of 2019. The prevention coordinator planned and implemented a college and university problem gambling panel that discussed their grant activities and what impact they had on campus. Approximately 170 people were in attendance at the day-long summit.

Appendix 5: NCEL Advertising Code

Following is Chapter 7, Section 7.05, “Responsible Marketing and Advertising Standards,” from the *North Carolina Education Lottery Policies and Procedures Manual*, revised in 2018.

NORTH CAROLINA EDUCATION LOTTERY POLICIES AND PROCEDURES MANUAL

CHAPTER 7 – MARKETING/ADVERTISING/COMMUNICATIONS

7.05 – RESPONSIBLE MARKETING AND ADVERTISING STANDARDS

PURPOSE

To establish the best practices for the North Carolina Education Lottery's marketing and advertising efforts in order to uphold and promote its responsible gaming commitment.

BACKGROUND

The North Carolina Education Lottery recognizes that its marketing and advertising communications are critical to the responsible sale of lottery games. In an effort to ensure that our advertising and marketing practices fully reflect both State/Federal regulation and industry best practices, the NCEL has created a Marketing and Advertising Code of Conduct for all marketing and advertising endeavors based on World Lottery Association (WLA) and National State and Provincial Lottery Association (NASPL) standards as we believe they are in our best interest of the general public. We encourage individual responsibility in decision-making regarding lottery play by adults, and discourage abusive use of lottery products. NCEL advertising urges adults who choose to play the lottery, to do so responsibly. We support and comply with the laws of our state and are committed to applying the highest ethical standards and principals of the WLA and NASPL as outlined in our Standards. This policy establishes standards for responsible marketing and advertising to make certain all advertising, marketing and communications are conducted responsibly.

POLICY

1. All marketing, advertising, and communications initiatives conducted by the NCEL and potentially effecting lottery stakeholders will adhere to the standards and requirements outlined in the Standards section.
2. To ensure that these Standards are followed and all initiatives appropriately reviewed, routing forms will be utilized for the consideration and approval of all creative communications including but not limited to: TV ads, radio ads, point-of-sale material, social ads, digital ads, Hulu ads and out-of-home signage. This process provides an important safeguard to confirm consistent review of all marketing and advertising campaigns in order to guarantee that these meet responsible gaming principles as outlined in this Policy.
3. A *Review Guide for Final Ad Approval* must be completed for each communication. Required approvals are based on the specific communication for which approval is sought.
4. A minimum of two (2) individuals listed on the *Review Guide for Final Ad Approval* and the DED of Brand Management and Communications must review and sign for all ads including: social ads, digital ads, Hulu ads and out-of-home signage. Individuals included for potential review are as follows: Advertising Coordinator, Digital Communications Specialist, Digital Marketing Coordinator, Communications Director, Advertising Director, and Marketing Director.
5. A minimum of two (2) individuals listed on the *Review Guide for Final Ad Approval* and the NCEL Executive Director must review and sign for approval of

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all TV, radio, and point-of-sale. In the case of point-of-sale (POS) material, at least one piece of POS from a campaign must be reviewed and found compliant with the required standards. The Director of Marketing is responsible for applying the approved creative to any other POS pieces included in the campaign.

6. For marketing and advertising communications that require a greater investment of creative time and financial resources from the NCEL, a *Review Guide for Creative Concept Approval* must be completed at the onset of a project such that accountability and enforcement of responsible marketing is managed throughout the creative process. Although every effort will be made to avoid bringing forward for evaluation any concept which does not align with the NCEL's marketing and advertising Standards, diligent examination of concepts prior to production will allow sufficient time to make changes deemed necessary to successfully address a potential concern or risk.
7. A minimum of one director and deputy executive director, as well as the Executive Director, must review and sign the *Review Guide for Creative Concept Approval* before any production work may begin.
8. Original copies of all *Review Guides for Creative Concept Approval* and *Review Guides for Final Ad Approval* will be maintained by the originating department (marketing, advertising or communication) and will be subject to review by management and/or NCEL auditors.

RESPONSIBLE GAMING MARKETING STANDARDS

Content

1. Advertising should be consistent with principles of dignity, integrity, mission and values of the industry and the North Carolina Education Lottery.
 - Advertising should neither contain nor imply lewd or indecent language, images or actions.
 - Advertising should not portray product abuse, excessive play or a preoccupation with gambling.
 - Advertising should not imply nor portray any illegal activity.
 - No advertising may have the primary purpose of inducing persons to participate in the Lottery.
 - No advertising may intentionally target specific groups or economic classes.
2. Advertising should not degrade the image or status of persons of any ethnic, minority, religious group nor protected class.
3. Advertising should appropriately recognize diversity in both audience and media, consistent with these standards.
4. Advertising should not encourage people to play excessively nor beyond their means.

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- Advertising and marketing materials should include a responsible play message when appropriate.
- Responsible play public service announcement or purchased media messages are appropriate, especially during large jackpot periods.
- Support for problem gambling programs, including publications, referrals and employee training is a necessary adjunct to lottery advertising.
- Advertising should not present, directly nor indirectly, any lottery game as a potential means of relieving any person's financial or personal difficulties.
- Advertising should not exhort play as a means of recovering past gambling nor other financial losses.
- Advertising should not knowingly be placed in or adjacent to other media that dramatize or glamorize inappropriate use of the product.

Tone

1. The Lottery should not be promoted in derogation of nor as an alternative to employment, nor as a financial investment nor a way to achieve financial security.
2. Lottery advertisements should not make false promises and should not present winning as the probable outcome.
3. Advertising should not denigrate a person who does not buy a lottery ticket nor unduly praise a person who does buy a ticket.
4. Advertising should emphasize the fun and entertainment aspect of playing lottery games and not imply a promise of winning.
5. Advertising should not exhort the public to wager by directly or indirectly misrepresenting a person's chance of winning a prize.
6. Advertising should not imply that lottery games are games of skill.

Minors

1. Persons depicted as lottery players in lottery advertising should not be, nor appear to be, under the legal purchase age.
2. Age requirements should, at a minimum, be posted at the point of sale.
3. Advertising should not appear in media directed primarily to those under the legal age.
4. Lotteries should not be advertised nor marketed at venues where the audience is reasonably and primarily expected to be below the legal purchase age.
5. Advertising should not contain symbols or language that is primarily intended to appeal to minors or those under the legal purchase age.
6. The use of animation should be monitored to ensure that characters are not associated with animated characters on children's programs.

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7. Celebrity or other testimonials should not be used which would primarily appeal to persons under the legal purchase age.
8. NCEL advertising must be tastefully designed and presented in a manner to avoid appeal of NCEL games to minors.

Game Information

1. Odds of winning must be readily available to the public and be clearly stated.
2. All advertising promoting the sale of lottery tickets or shares of a particular game must include the actual or estimated overall odds of winning the game and any other items required by the Lottery Act.
3. Advertising should state alternative cash and annuity values where reasonable and appropriate.

Beneficiaries

1. Lotteries should provide information regarding the use of lottery proceeds.
2. Advertising should clearly denote where lottery proceeds go, avoiding statements that could be confusing or misinterpreted.

MEDIA PURCHASE AND PLACEMENT

As detailed in the *Responsible Gaming Marketing Standards* section, lottery advertising should not appear in media directed primarily to those under the legal age. The NCEL will make every reasonable effort to avoid such programming, and deems this *unapproved programming*.

In an effort to avoid unapproved programming, the lottery's agency of record will perform a detailed review of all media buys prior to submission to the NCEL. In turn, the NCEL will also review these same buys for unapproved programming.

If an unapproved program is found, the NCEL will immediately contact the agency so that the identified spot (media weight) found in the unapproved programming can be moved to another acceptable program.

If a media outlet inadvertently airs a lottery spot in unapproved programming and this error is detected through the invoice review process by the agency or by the lottery, the NCEL will not pay for the spot. The spot will be noted on the invoice with the error message *unapproved programming* and a credit taken on the invoice.

Although the NCEL and/or the agency of record will make every effort to inform the media outlet of the necessity of avoiding unapproved programming, if the NCEL determines that the frequency of errors or nature of the programming poses unacceptable risk, the NCEL may at its discretion, cancel existing media at the earliest

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date to avoid penalty and no longer purchase the media outlet for an undetermined period of time.

If after such a time, the media outlet is able to show to the NCEL's satisfaction a way(s) found to avoid unapproved programming, then the NCEL at its sole discretion may opt to resume media buys with the network. Additional monitoring will be performed by the agency and lottery to review performance. At a minimum this will include flagging all media invoices from the network and an agency record of unapproved programming errors for a minimum of one quarter.

ADVERTISING COMPLAINTS AND TRACKING

To establish best practices for the NCEL's Brand Management and Communications Division to track, address, and report all complaints received regarding NCEL advertisements in an effort to uphold and promote its corporate social responsibility commitment.

BACKGROUND

From time to time, the NCEL receives complaints regarding ads. These complaints may be received by the NCEL through letters, emails, phone calls, and post to social media accounts such as Facebook and Twitter. To accurately track these complaints, the NCEL has developed a database where all complaints can be logged. In order to maintain a useful database and while respecting the individual's privacy preferences, the NCEL will endeavor to solicit as much information as possible, such as the specific ad and/or game at issue and the individual's identity. This information, along with a record of the NCEL's response, will be recorded in the database. The database is strictly for tracking purposes only.

Brand Management and/or Communications will address any and all concerns directly if the complaints were posted through social media or complaints that have been escalated from the customer service supervisor via phone or email. Any ad with twenty (20) or more complaints will be reported to the North Carolina State Lottery Commission. However, a Commission member may request information regarding any complaints, regardless of quantity, and the NCEL shall immediately provide the requested information.

The NCEL continues to maintain its right to withdraw an advertisement for any reason, including feedback and comments received by the public. The NCEL will continue to ensure that its advertisements will avoid poor or questionable taste or will never intentionally irritate through aural or visual content or presentation. The NCEL will continue to apply high ethical standards in advertising and marketing communications.

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POLICY

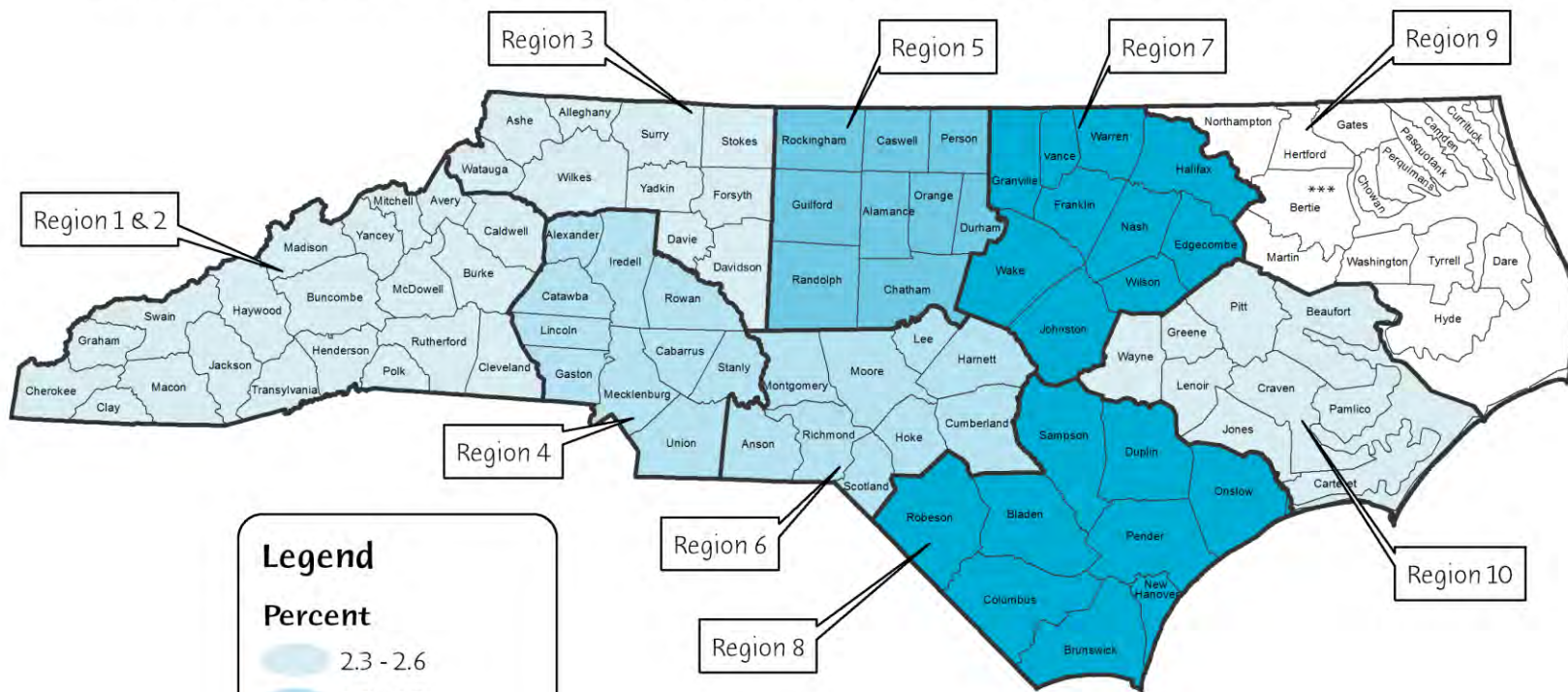
1. Customer Service, Advertising, and Communications personnel will enter all ad complaints in the Advertising Complaints application located in RMS (Retailer Management System).
2. Complaint information includes (if provided): date, game, origin of complaint (blog, email, phone call, player hotline, social media, other), ad campaign, detail of offense, NCEL response
3. If provided, information about the ad campaign, game name, perceived offense, and the name of the individual reporting the offense will be recorded in the database.
4. The Advertising Department will review the reporting from the Advertising Complaints application on a weekly basis.
5. The database will enable the complaints to be sorted by ad. If a total of twenty (20) or more complaints are received regarding an advertisement, notification will be provided to the NCEL Commission along with information the various complaints/comments.
6. Any complaints received through any channel that require immediate response will be escalated to the Communications Department for prompt response.
7. Individuals may utilize multiple channels for the same complaint. The NCEL will log all complaints, noting such duplication whenever feasible. However, complaints cannot be deleted once an entry has been created.

Appendix 6: NCDHHS BFRSS Gambling Results

Following are the full results of the Behavioral Risk Factors Surveillance Survey from the North Carolina Department of Health and Human Services.

Percentage of North Carolina Adults Who Answered Yes to "In the past 12 months, have you gambled daily or played any games for money?"

by North Carolina Association of Local Health Directors (NCALHD) Regions, 2016



Legend

Percent

- 2.3 - 2.6
- 2.7 - 3.2
- 3.3 - 3.8
- 3.9 - 4.2

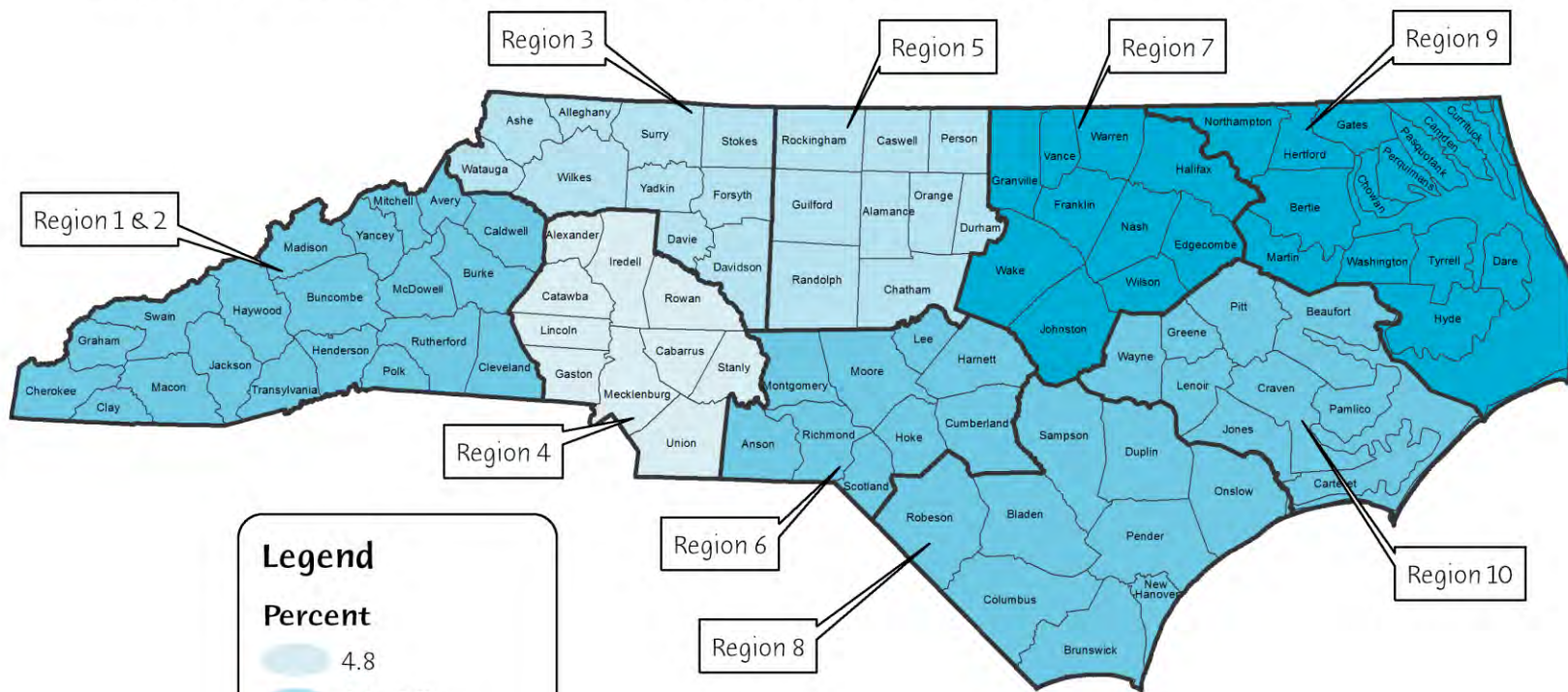
NCALHD Regions

County Boundary

Source: 2016 Behavioral Risk Factor Surveillance System (BRFSS)
 ***The estimate was suppressed because it did not meet statistical reliability standards.

Percentage of North Carolina Adults Who Answered Yes to "In the past 12 months, have you gambled weekly or played any games for money?"

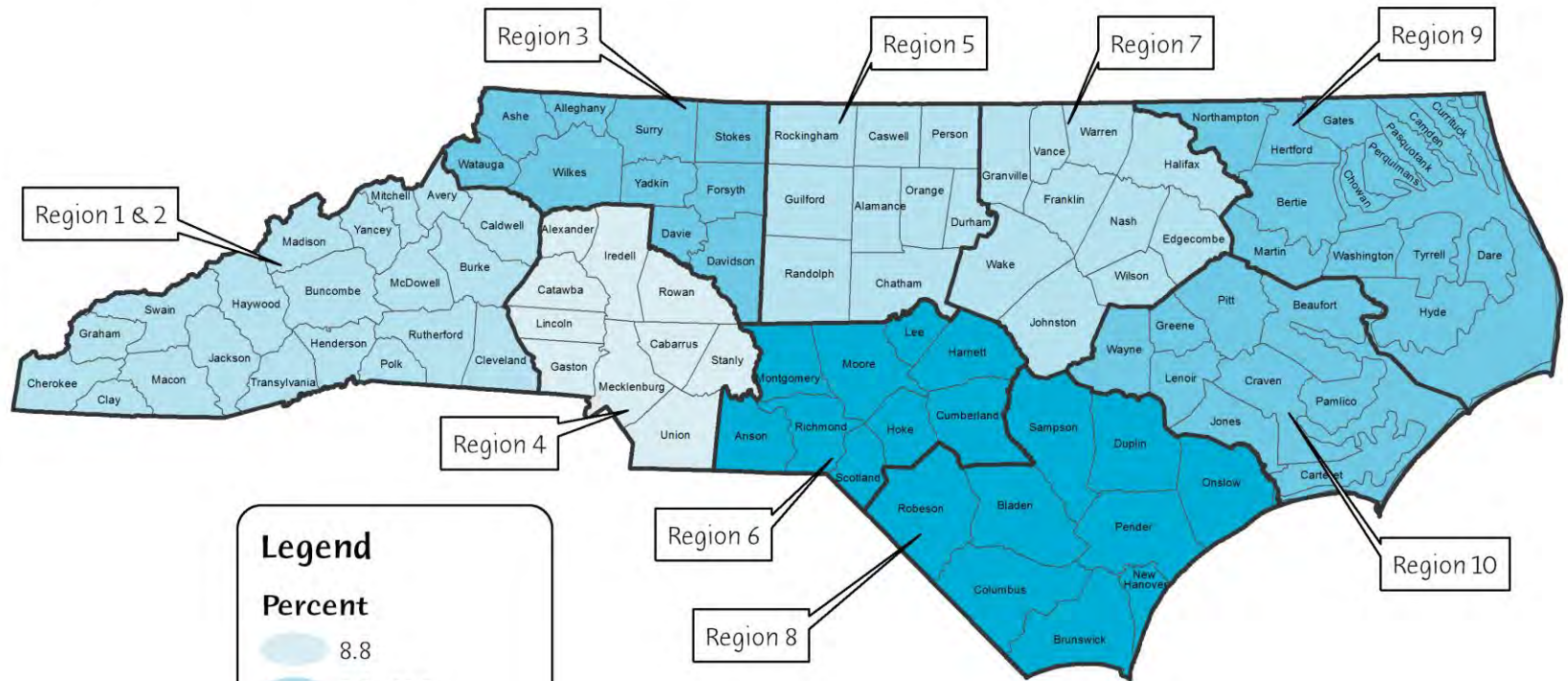
by North Carolina Association of Local Health Directors (NCALHD) Regions, 2016



Source: 2016 Behavioral Risk Factor Surveillance System (BRFSS)

Percentage of North Carolina Adults Who Answered Yes to, "Have you ever tried to cut down or control your gambling?"¹*

by North Carolina Association of Local Health Directors (NCALHD) Regions, 2016



Source: 2016 Behavioral Risk Factor Surveillance System (BRFSS)
¹Asked of respondents who reported they gambled or played any games for money.

Appendix 7: Caesars Entertainment Responsible Gaming/Problem Gaming Brochures

Following are brochures that Caesars Entertainment, operator of the two Harrah's Cherokee casinos in North Carolina, makes available to patrons at its casinos.

**More than three decades ago,
we became the first casino
company to create a responsible
gaming program.**

**At Caesars, we want to make
sure all of our customers have
a great time. That's why we
educate our employees about
responsible gaming, and
encourage our customers
to play responsibly.**

**Caesars Entertainment is dedicated
to creating memorable experiences
for our guests.**

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It's what we are all about - PEOPLE PLANET PLAY - and how we care for our people, our communities, our planet and our guests.

For more information go to
<https://www.caesars.com/corporate/corporate-social-responsibility/play/responsible-gaming>

Responsible Gaming Is Our Business.SM
If you think you or someone you care about may have a gambling problem, call or text 1-800-522-4700.

Caesars has programs in place that allow a customer to restrict certain casino privileges, such as casino credit, check-cashing, mail, or prohibit casino play. Please contact an employee if you are interested in learning more about these programs. And if you think you or someone you care about may have a gambling problem, call or text 1-800-522-4700.



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RESPONSIBLE GAMING MEANS:

**Knowing
when to stop**



At Caesars, we want all of our customers to enjoy gambling as a planned and budgeted entertainment option — like an evening out for dinner, the theater, or a sporting event. We recognize, though, that a small percentage of people may have problems gambling responsibly.

This brochure contains a number of key questions to ask yourself and your loved ones to help identify potential signs of a problem.

WHEN MIGHT GAMBLING BE A PROBLEM?

While the following is not a diagnostic test and should not be used as such, many people who have called gambling help lines have answered yes to one or more of the following questions.

1. Do you lose time from work due to gambling?
2. Is gambling making your home life unhappy?
3. Is gambling affecting your reputation?
4. Have you ever felt remorse after gambling?
5. Do you ever gamble to get money to help pay debts or to otherwise solve financial difficulties?
6. Does gambling cause a decrease in your ambition or efficiency?
7. After losing, do you feel you must return as soon as possible and win back your losses?
8. After a win, do you have a strong urge to return and win more?
9. Do you often gamble until your last dollar is gone?
10. Do you ever borrow to finance your gambling?
11. Have you ever sold any real or personal property to finance gambling?
12. Are you reluctant to use “gambling money” for normal expenditures?
13. Does gambling make you careless of the welfare of your family?
14. Do you ever gamble longer than you had planned?
15. Do you ever gamble to escape worry or trouble?
16. Have you ever committed or considered committing an illegal act to finance gambling?
17. Does gambling cause you to have difficulty in sleeping?
18. Do arguments, disappointments, or frustrations create an urge to gamble?
19. Do you have an urge to celebrate any good fortune by a few hours of gambling?
20. Have you ever considered self-destruction as a result of your gambling?

You wouldn't leave your child alone in a shopping mall or at a baseball game. It should be no different in a casino.

At Caesars, responsible gaming means making sure that parents understand the importance of supervising their children at all times.

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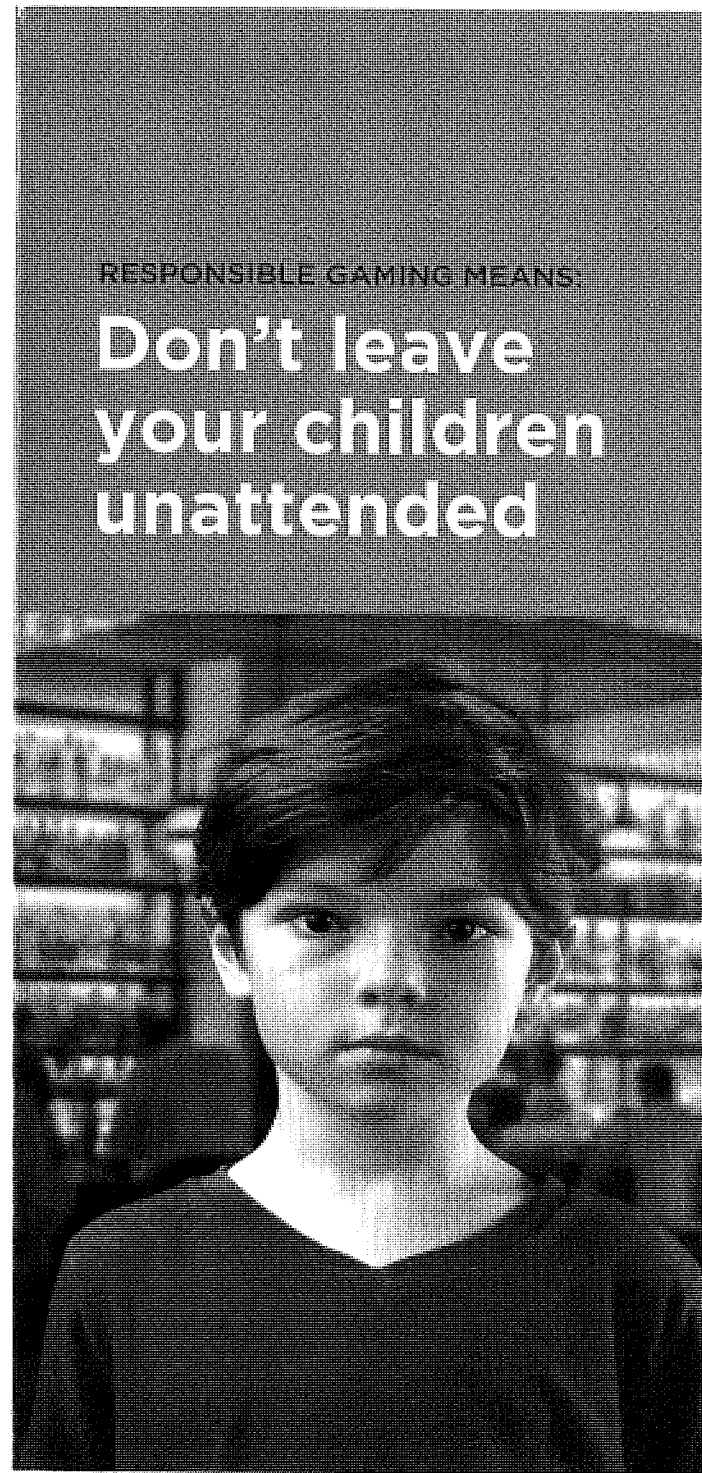
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RESPONSIBLE GAMING MEANS:

Don't leave your children unattended



Caesars works hard to provide a fun, exciting environment for all of our customers.

We want you to enjoy your stay at our casinos. But it's important to remember that casinos are just like any other public place, and children must never be left alone. That means parents need to be responsible for supervising their children at all times.

If your child becomes lost or missing during your hotel-casino visit, make sure you notify casino personnel immediately.

UNDERSTANDING THE RULES

Caesars places the highest priority on the enforcement of all laws and regulations pertaining to underage gambling and drinking. Since parents must be responsible for the safety and behavior of their children, it is critical that they understand these laws.

That's why Caesars follows these policies.

- We adhere to all local curfews and laws. Hotel guests traveling with minors should inquire about these laws at check-in.
- Employees working in appropriate areas receive training in handling situations involving unattended children, underage gambling, and alcohol consumption.
- If a child or minor appears to be without appropriate supervision, or in violation of local curfews or other laws, security or appropriate personnel will be

contacted and will remain with the child while reasonable steps are taken to locate the parent or legal guardian on property or by telephone. If efforts to reunite the child with the parent or legal guardian are unsuccessful, security personnel will contact an appropriate third party, such as the police department or department of youth services, and release the child to their care.

- We adhere to all laws regarding unattended children, underage gambling, and consumption and purchase of alcoholic beverages.

Children are not allowed to loiter on the gaming floor, or accompany a parent who is gambling. Please ask security personnel to find out more about local laws.

problems, or to impress others. Never gamble when it interferes with work or family responsibilities, when in recovery for addictive disorders or dependencies, when the form of gambling is illegal, or when trying to make up for prior gambling losses.

6. Excessive use of alcohol when gambling can be risky. Irresponsibly using alcohol can affect a person's judgement and interfere with the ability to adhere to predetermined limits.

Caesars has programs in place that allow a customer to restrict certain casino privileges, such as casino credit, check cashing, mail, or prohibit casino play. Please contact any employee if you are interested in learning more about these programs. And if you think you or someone you care about may have a gambling problem, call or text 1-800-522-4700.

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RESPONSIBLE GAMING MEANS

Keeping your golden years golden



CHARACTERISTICS OF RESPONSIBLE GAMING

Most adult gamblers are social gamblers—they do it for fun and entertainment. Experts agree that casual gambling with affordable wagers can be a harmless, enjoyable pastime. Responsible gamblers understand that gambling entails risk. That's why gambling responsibly means setting predetermined, acceptable limits.

People who set responsible limits are gambling with funds they can afford to lose. Those limits differ from person to person, according to their financial situation. Setting those limits—and sticking to them—is crucial, especially for people living on fixed incomes.

You can establish your own limits and provide direction to others by developing a set of personal guidelines to determine whether, when and how much to gamble.

1. **The decision to gamble is a personal choice. No one should feel pressured to gamble—from other people or themselves.**
2. **Gambling is not essential for having a good time. Gambling should not be perceived as necessary to have fun.**
3. **Limits should be set before you start to gamble. Money spent on gambling should be considered the cost of entertainment for the evening. People should only gamble with money they can**

afford to lose. A person who chooses to gamble should set an absolute time and monetary limit, and stick with it.

4. **Borrowing money to gamble is a bad idea. Borrowing money from friends, relatives, or any other source with the intention of repaying with gambling winnings is always high risk, and should be avoided.**
5. **There are times when people should not gamble. Certain emotional states can heighten the risk of gambling. Avoid gambling when feeling lonely, angry, depressed or under stress or when coping with the death of a loved one. Similarly, gambling should not be used as a way to solve personal or family**



You've worked hard your whole life, and now you're enjoying the fruits of your labor—your retirement. It's a special time to enjoy your loved ones and your hobbies.

You have much more time to enjoy—time you can use to read, take walks, fish, golf, play cards, travel, explore new places, go to the movies, even volunteer around town. Visiting a casino is another activity that many seniors find enjoyable. There's an exciting atmosphere, and an occasional night out gambling can be fun and exhilarating.

But, as with many other things in life, it's possible to get too much of a good thing. Moderation is the key for all who gamble, regardless of age. Gambling responsibly means keeping it fun.

SUPERSTITIONS AND FALSE BELIEFS

It might be fun to imagine that rubbing a rabbit's foot improves a player's chances of hitting a jackpot, but the reality is that this "magical thinking" has no impact whatsoever. Cheating aside, there's nothing a player can do—no ritual and no lucky charm—to influence the outcome of any casino game. Superstitions can't determine whether a player wins or loses because every casino game—whether it's blackjack, craps, a slot machine or a skill-based or hybrid game—is based on randomness, or chance.

To understand gambling, it's also important to understand the concept of "independent events." Each spin of the wheel or roll of the dice is considered an "independent event," meaning that the chances of a specific outcome remain the same and are not influenced by previous events. For example, if a player has just rolled snake eyes, the player is no more or less likely on the next roll to get snake eyes again. Slot machines are not any more or less likely to hit a jackpot just because they haven't hit for a while. A player cannot influence the outcome of traditional slot machine play through any decision-making strategy.

And roulette wheels are no more or less likely to land on red if they have just previously landed on black. So called gambling "hot streaks" are merely random sequences of events perceived by players to be favorable on hybrid or skill-based games, such a trend may be influenced in part by the player's level of skill. Over time, the overall outcome of the game will favor the casino and always approach the house advantage.

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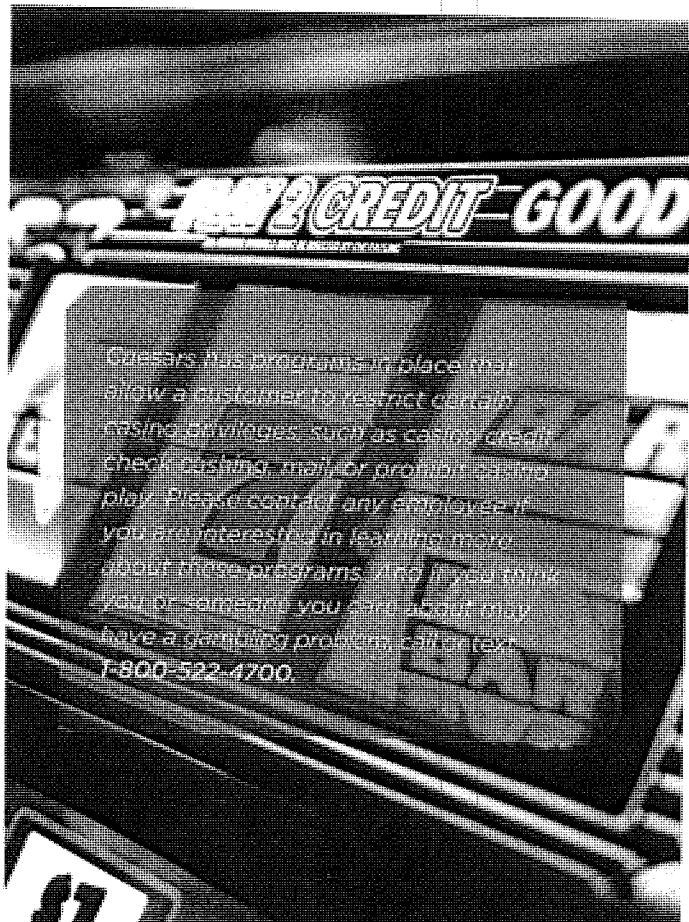
THE HOUSE ADVANTAGE

A guide to understanding the odds



GOVERNMENT REGULATION

While some people believe that casinos can "rig" slot machines and other games, the reality is that the actions of every casino in the United States are tightly controlled by regulatory agencies, which ensure that all the games are fair and determined by chance. Slot machines must meet stringent technical and operating standards, including specific payout percentages, before they ever reach the casino floor.



CASINO HOUSE ADVANTAGE AND EXPECTED LOSS

	House Advantage	For every \$100 bet, the player can expect to lose...
BACCARAT		
Player/Banker	1.1% - 1.2%	\$1.10 - \$1.20
Tie	14.4%	\$14.40
BLACKJACK		
	0.5% - 1.5%	50¢ - \$1.50
CRAPS		
Pass/Don't Pass	1.4%	\$1.40
Prop Bets	10% - 16.7%	\$10 - \$16.70
KENO AND SPORTS		
Keno 1 - 15 Spots	25% - 30%	\$25 - \$30
Video Keno	8% - 15%	\$8 - \$15
Sports Betting (Bet \$11/Win \$10)	4.5%	\$4.50
ROULETTE		
Single Zero	2.7%	\$2.70
Double Zero	5.3%	\$5.30
REELS		
Nickel Slots	7% - 12%	\$7 - \$12
Quarter Slots	5% - 10%	\$5 - \$10
Dollar Slots	2.5% - 6%	\$2.50 - \$6
VIDEO POKER	0.5% - 5%	50¢ - \$5

Note: For games with strategic decisions (e.g., blackjack, video poker), an "average player" strategy is assumed. For games in which rule/pay variations exist (for example, slot machines), a typical offering is assumed although an operator may, subject to governmental requirements, provide for a greater or lower house advantage. The information in this brochure is provided for the purposes of illustration only. Actual house advantages and hold percentages may vary.

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Whether you play slots, craps, blackjack, roulette or any other game in a casino, it is important to remember that games of chance are based on random outcomes and always favor the casino. These games of chance are a form of entertainment, at a price to you, the player. Casino gambling should not be considered a way to make money.

This booklet provides information about the advantage the casino has in various games—also known as the “house advantage.” Beyond mathematical probabilities, it covers other factors a player should take into account, such as the amount wagered, length of time spent playing a game and, to a degree, the level of a player’s skill at certain games (including hybrid or skill-based games). Finally, the booklet discusses some of the common myths associated with gambling that should be understood before betting on any casino games.

UNDERSTANDING THE HOUSE ADVANTAGE

Casino games are designed with a house advantage. Mathematically, the house advantage is a measure of how much the house expects to win, expressed as a percentage of the player’s wager. For example, in a wager with a house advantage of five percent, the player will lose, on average over time, \$5 for every \$100 wagered. House advantages vary by region, casino and game. In some games, player betting or skill decisions can affect the house advantage, but it’s important to keep in mind that the house always has some advantage against the typical player.



We encourage you to play responsibly by betting within your limits and by recognizing that over time, the house will come out ahead.

OTHER FACTORS BEHIND WINNING AND LOSING

While the house advantage is useful for understanding the casino’s expected win (or a player’s expected loss) per bet, there are other factors that can influence the amount a player might spend when gambling in a casino.

Length of Time Played, Speed of Play and Amount Wagered: Because the odds always favor the house, the longer or faster a person plays a casino game, the more the person should expect to lose even in skill-based or hybrid games. In the same way, the more a person wagers, the more the person should expect to lose. For instance, if the “hold percentage” (or house advantage) for a typical slot machine is 10 percent, then, on average, a player will win back \$90 for each \$100 wagered. However, if this player then re-wagers the \$90, the player will again win back, on average, 90 percent of the \$90, or \$81. As the betting continues, over time players are more and more likely to lose money rather than win. An individual may lose more or less than the average, but the machine always comes out ahead in the long run.

Skill: The chances of winning are maximized when games involving an element of skill (in playing or betting)—such as blackjack or video poker or hybrid or skill-based games—are played at the highest level. Hybrid or skill-based games are any game approved by a gaming regulator in which a game outcome is dependent in whole or in part upon:

- a) the player’s skill, or
- b) other identifiers including characteristics of play.

However, with few exceptions, it’s important to remember that the house continues to

Appendix 8: Demographic Study: Who Plays the Lottery?

NCEL conducts or contributes to research that allows for RG questions and data. This is evidence of research that helps improve the RG program at NCEL.

Demographic Study: *Who plays the lottery?*

Demographic Survey Study

Goal:

We conducted the survey to ensure we have a good understanding of who plays our games. With that knowledge, we can do a better job of making sure we sell and market lottery games in a responsible way.

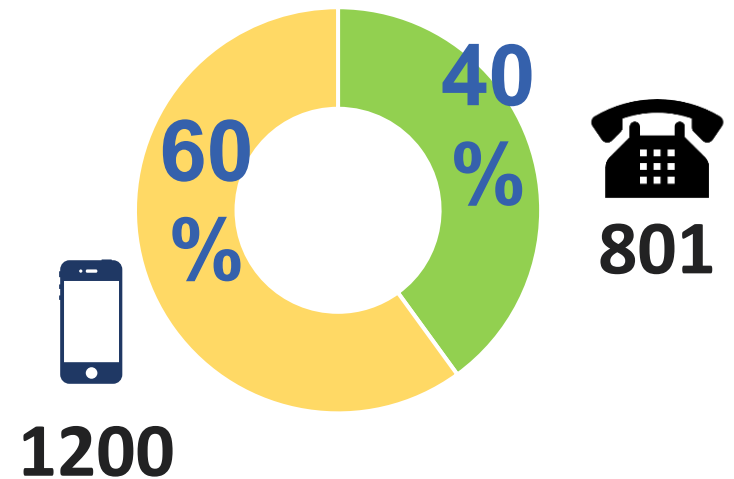
Overall Objective:

Find out demographic profile of North Carolina lottery players and compare that market to the general population of North Carolina adults over 18.

Methodology:

The N.C. Education Lottery partnered with Ipsos, a research and polling firm, to conduct a demographic profile of lottery players. The statewide telephone survey interviewed 2,001 North Carolinians, aged 18 or older, between May 23 and June 19. The results have a margin of error of plus or minus 2.2 percent.

2,001 Surveys Completed



Data Was Balanced to General Population Statistics

	GENDER		ETHNICITY				DMA			
	Male	Female	Caucasian	African American	Hispanic	Other	Charlotte	Greensboro	Raleigh	Rest of NC
Gen Pop Statistics/ Weighting Used	49%	51%	67%	20%	7%	6%	27.9%	17.6%	30.9%	23.6%

	EDUCATION			AGE			TELEPHONE USE				
	High School or Less	Some College	University or More	18 to 34	35 to 54	55 and over	Wireless Only	Wireless Mostly	Dual Use	Landline Mostly	Landline Only
Gen Pop Statistics/ Weighting Used	39%	32%	29%	28%	35%	37%	52%	15%	18%	9%	6%

* Ethnicity, education and Age numbers are based on the American Community Survey Census (2016)

** Gender numbers are from the Census Bureau (2017)

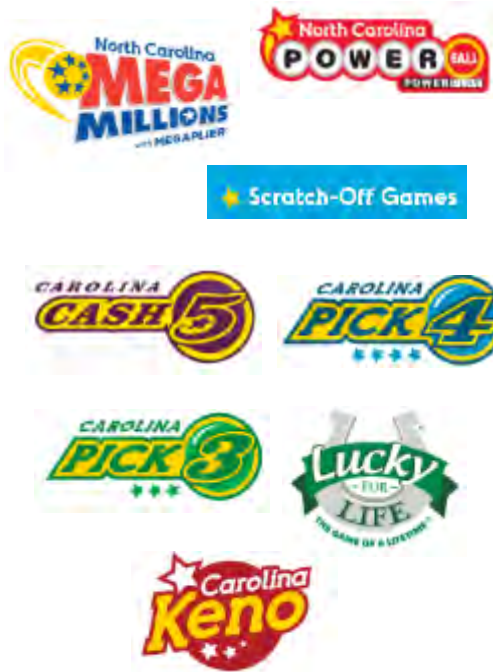
*** DMA data provided by the North Carolina Education Lottery

**** Telephone usage data is provided by the National Health Interview Survey (NHIS) (2016).

How do we define a Lottery Player?

A lottery player is defined as a person who has played any game in the past year.

Games



Past Year




LOTTERY PLAYER

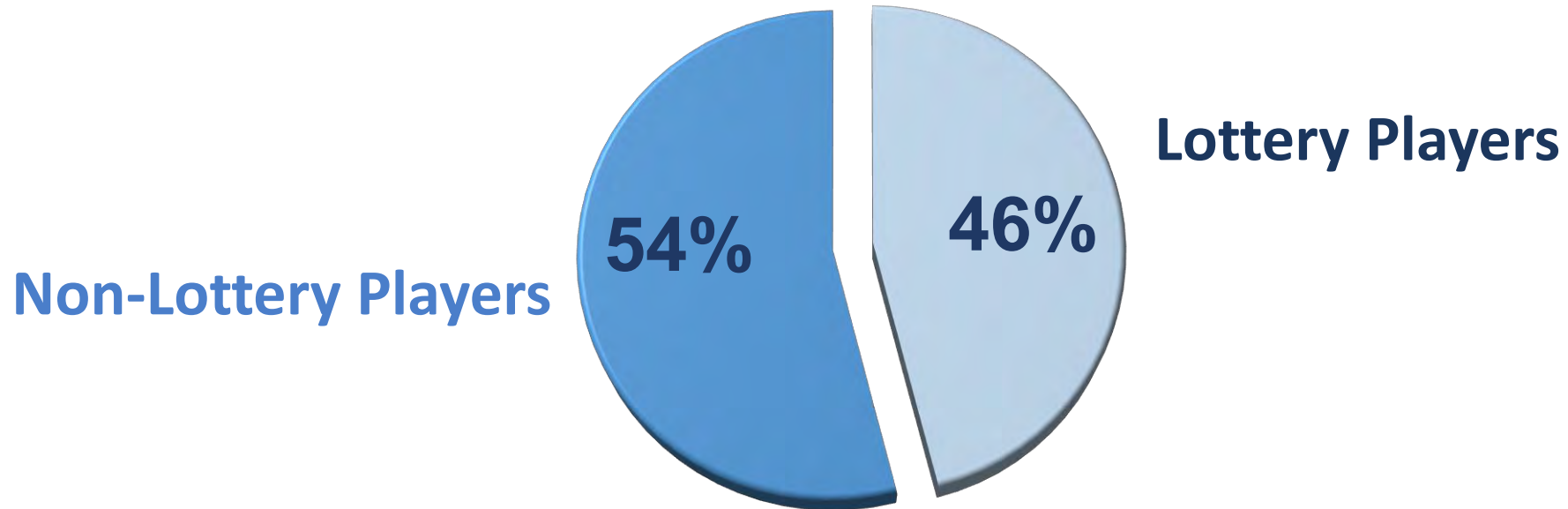
Played any game in past year.

Key Takeaway:

Lottery players look similar to the overall population of our state.

Lottery Players in The General Population

 NC General Population (18+)

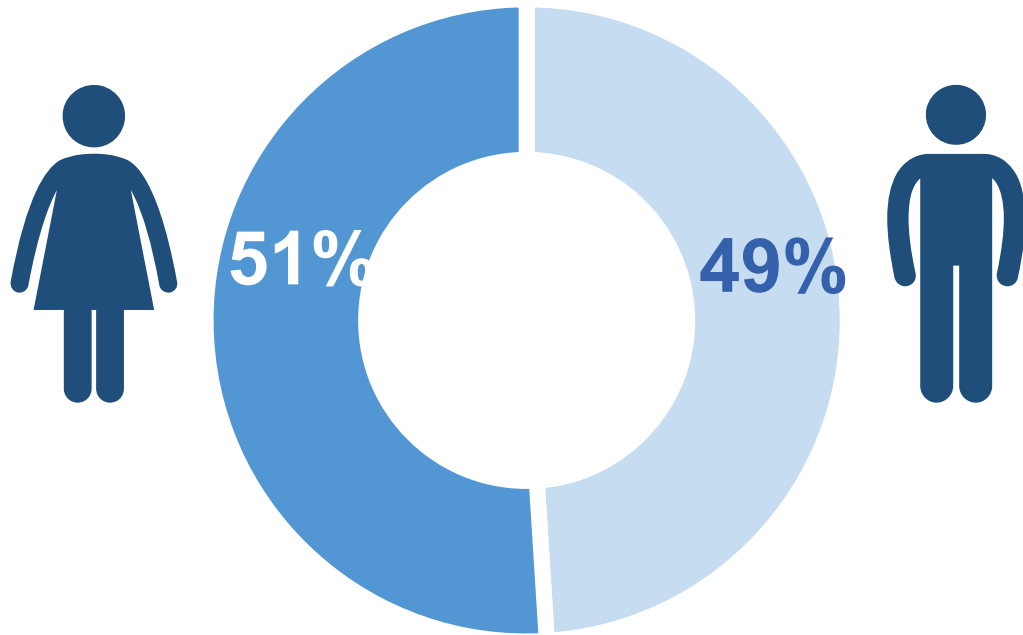


Gender

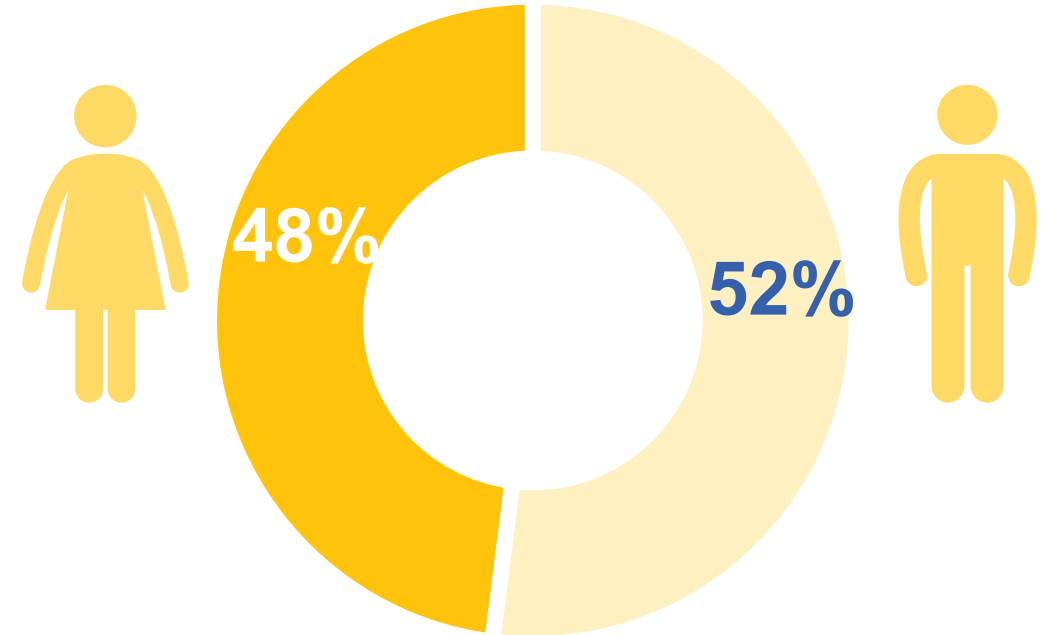
- A slightly higher percentage of lottery players are male -



NC General Population (18+)
(n=2,001)



NCEL Lottery Players
(n=920)

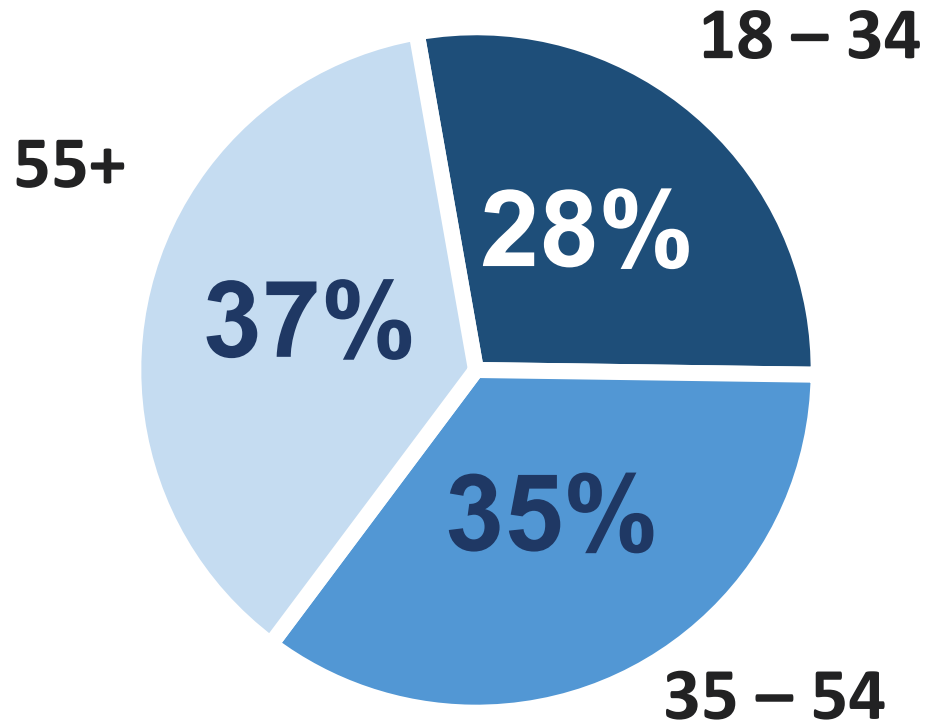


Age

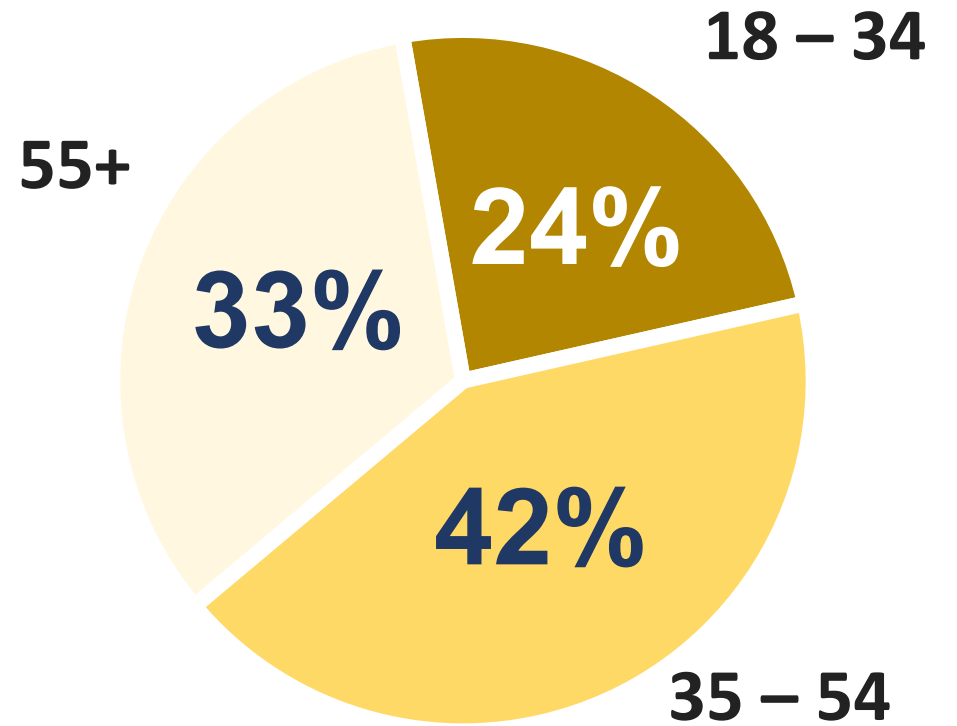
- More lottery players are middle-aged -



NC General Population (18+)



NC Lottery Players

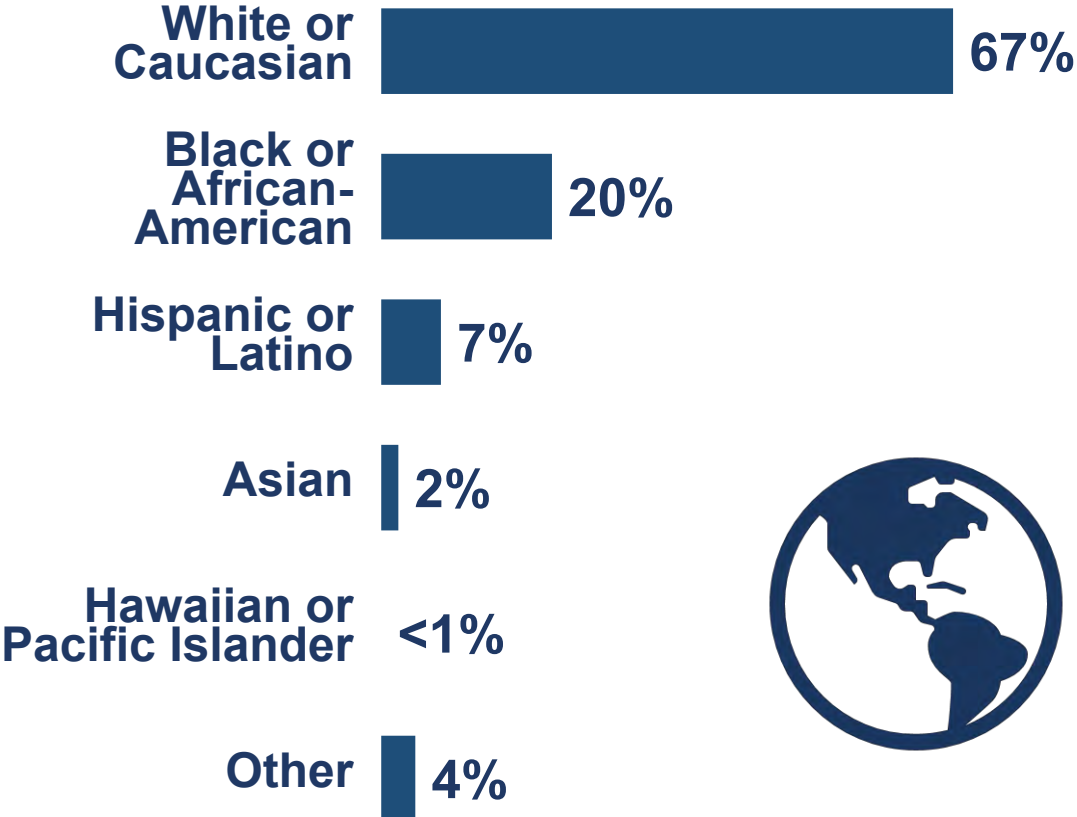


Ethnicity

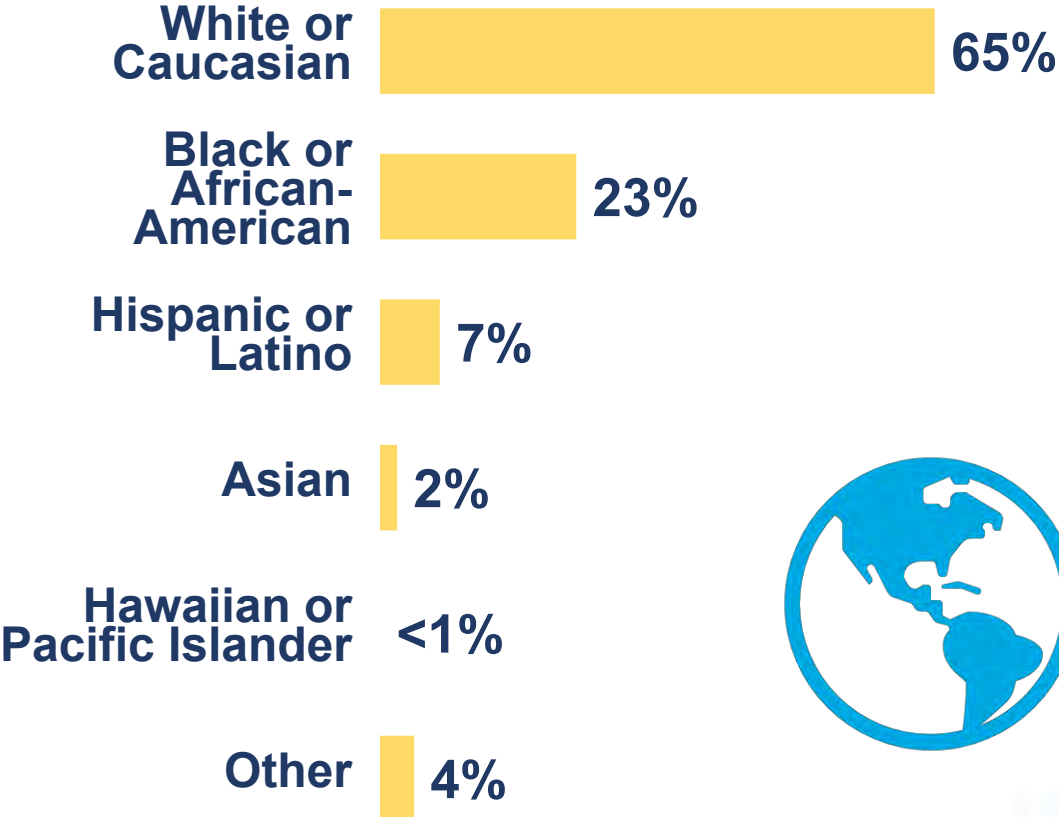
- Lottery players matched the general population, with the exception of a slightly higher percentage of lottery players are African-Americans -



NC General Population (18+)



NC Lottery Players



Education

- Fifty-nine percent of lottery players have attended some college or are university graduates -



NC General Population (18+)



39%
High school or less



32%
Some college



29%
University graduate

NC Lottery Players



41%
High school or less



34%
Some college



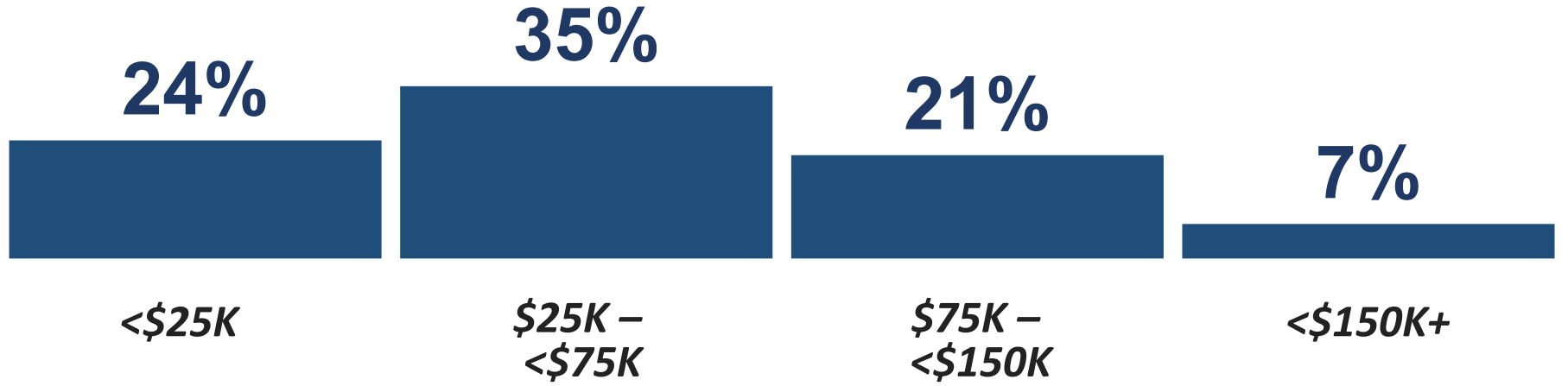
25%
University graduate

Household Income

- Lottery players matched the general population in terms of household income -



NC General Population (18+)



NC Lottery Players

