

THE IMPACT OF GAMING AND CRIME STATISTICS

Project Report

May 2000

- Prepared for -

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The Impact of Gaming and Crime Statistics

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M O N A S H
U N I V E R S I T Y



**THE IMPACT OF GAMING
AND CRIME STATISTICS**

**A PAPER PREPARED FOR THE VICTORIAN
CASINO AND GAMING AUTHORITY**

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EXECUTIVE SUMMARY

This report to the Victorian Casino and Gaming Authority relates to the impact of gambling upon crime statistics.

This research has involved:

- a review of existing literature;
- an analysis of current data availability and collection procedures within the Victorian Justice System; and
- interviews and consultations with key stakeholders.

In arriving at the findings and recommendations, extensive discussions were undertaken with the Victoria Police, Court Services and Correctional Services in the Department of Justice. Gambling industry groups and welfare agencies were also consulted.

There is an increasing amount of research into most aspects of the gambling industry. Much of that research which was relevant to this project has been examined. National and international experts have been contacted and research reviewed.

There are two essential aspects of the project:

- there is a considerable amount of anecdotal and other evidence presented in this report that indicates that there may be significant levels of gambling related crime;
- official statistics currently collected in the three major areas of the Criminal Justice System cannot be, and are not, for a variety of reasons, used to identify crimes as being gambling related.

Having found that crime which may be related to gambling is not recorded as such, those areas which would be most appropriate for its collection and recording are identified; they are the Victoria Police and Correctional Services.

High quality data could be obtained from the Victoria Police, but this would require changes to policy, procedures and training as well as extra resources. Less valuable, but still useful, data could be obtained from Correctional Services with little intrusion upon and minimal resource implications on present procedures.

The researchers gratefully acknowledge the assistance and cooperation of Victoria Police, the Court System, Correctional Services, and other key stakeholders interviewed during the conduct of the project. They are listed in Appendices “A” and “B”.

Gavin Brown
John Van Groningen
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THE LINK BETWEEN GAMING AND CRIME STATISTICS

CHAPTER 1 INTRODUCTION/DEFINITIONS

Trends in Gambling

The 1990s have seen significant increases in legal gambling in Victoria. This is largely attributable to increases in gambling opportunities and venues. Casino gambling was approved and the establishment of Crown Casino and the rapid expansion in the number of Electronic Gaming Machines (EGMs) were significant factors contributing to the increase.

Parliament empowered the Minister for Gaming by Ministerial Direction under the *Gaming Machine Control Act 1991*, to determine and regulate the numbers and location of EGMs throughout Victoria. The State Government's share of gambling revenue as a proportion of the total state taxes, fees and fines in the past three years increased from 13% to 15%. Total gambling losses in Victoria in 1998/99 were \$3.46 billion compared with \$854 million in 1990/91.

In 1994, responsibility for the regulation of the gambling industry, other than the conduct of racing, was placed with the Victorian Casino and Gaming Authority (the Authority). A comparative history of gambling in Australia has been undertaken for the Authority by the Australian Institute for Gambling Research (Victorian Casino and Gaming Authority (VCGA) 1999B). In examining the economic trends of gambling in Victoria since the 1970s, that

research found that Victoria had been dominated by lotteries for most of the period; but that these were now decreasing in significance. EGMs are now the dominant form of gambling in Victoria with the largest proportion of gambling expenditure since their introduction in 1992. Casino gambling is also significant. In 1997/98, it contributed more than 20% of the per capita gambling expenditure (VCGA 1999B:37).

With the trend of increased gambling, there has emerged an ambivalence in the Victorian community towards the benefits of gambling. In research conducted in 1999 for the Authority by Roy Morgan Research, there were high levels of agreement among adult Victorians with the statements that gambling related problems have become worse in the past four years; that gambling is a serious social problem; that gambling is too widely accessible in Victoria and that the number of poker machines should be reduced.

Although less frequently agreed with, the majority of adult Victorians agreed with the statements that the onus is on the individual to control themselves when gambling by knowing what they can afford; that on the whole gambling is an acceptable activity in our community; that the introduction of poker machines has resulted in more jobs, that the casino provides a big boost to our state economy and that revenue from poker machines and the casino have helped the State Government balance its books.

In the same Roy Morgan Research, there were high levels of disagreement with statements that Victoria should have more casinos; that

there are not enough hotels and clubs with EGMs; and that gambling does more good in the community than harm. Overall there was a moderate swing in negative attitudes to gambling when compared with the previous year (VCGA 2000:Ex.Sum.).

Electronic Gaming Machines

Electronic Gaming Machines were introduced in Victoria in 1992.

The most recent published Ministerial Direction controlling the number, location and other matters concerning EGMs, other than those at the Melbourne Casino, set the maximum number of EGMs permitted in licensed premises throughout the State at 27,500. Not less than 20 % of those machines were required to be located outside the Melbourne Statistical Division. The proportion of machines located outside Melbourne at June 1998 was 26.9 %. (VCGA 1998:76).

Scope of Present Project

The scope of the present project as set out in the tender brief was to undertake an assessment of the collection and evaluation of statistics of crime related offences associated with the gambling behaviour of individuals. The three primary sources of information for crime statistics were identified as the Victoria Police, the Courts and Correctional Services.

The tender brief indicated that the research had been instigated at least in part in response to criticisms by Judges during the sentencing of several persons convicted of major thefts arising from problems related to gambling. Examination of transcripts indicated that the Judges were of the

view that adequate statistical information as to the link between gambling and crime was required.

Information as to whether a link between problem gambling and crime exists fell squarely under the Authority's objective of conducting research into and advising the Minister for Gaming on the social impact of gambling (VCGA 1998). The Authority identified a number of industry representatives and those in gambling support agencies as possibly being of assistance during the course of the research. The Tender Brief was introduced in the following terms:

The project is to focus on the collection of data relating to crimes committed by individuals as a consequence of their gambling. This will involve the tracking of offenders through the various records held by those entities who deal with offenders, including Victoria Police, the court system (Supreme, County and Magistrates' Courts) and Correctional Services.

An important element of the project is to ensure that the crime committed is in fact attributable to the gambling behaviour of individuals. Accordingly, it will be imperative that attempts are made to establish the reasons for their offences by those individuals who have been convicted of crimes and the significance of gambling in this.

The project is in no way to duplicate the Authority's gaming and liquor industries *Survey of Fraud and Other Criminal Conduct* which relates to crime committed on gaming premises in the conduct of their business.

Terms of Reference

The Terms of Reference, as detailed in the Tender Brief, indicated that the project was to evaluate the availability of crime statistics to enable a meaningful analysis of the association between gambling and crime. The deliverables in Stage One of the project were to:

1. identify the categories for which data is to be collected; the information is to be categorised into relevant groupings to enable comparison between years being made regarding the number and types of crimes, the demographic characteristics of the offenders and whether or not the person is a repeat offender. For example:
 - Crime types - white collar crime, burglaries, domestic violence etc., and
 - demographics - age, gender, occupation, place of birth, place of residence etc.

2. examine and assess existing data availability - this would involve liaising with those organisations which have data records and gaining access to those records. This includes establishing working relationships with:
 - Victoria Police
 - the various courts, Supreme, County and Magistrates’;
 - Department of Justice - Correctional Services Unit; and
 - other entities identified as being appropriate.

3. submit a report to the Authority detailing the availability and quality of the data from the various sources and obtain agreement from the Authority on the on the format in which the data is to be collected and what organisations -prior to the commencement of point 4.

The deliverables in Stage Two of the project were to:

4. collect data where available for the past few years - 1995, 1996, and 1997 (and where practicable back to 1992) and for the current year 1998;

5. recommend appropriate future data generation, collection and analysis procedures;

6. submit a report to the Authority detailing the impact gaming has had on crime statistics (it will be important to be able to distinguish wherever possible those cases where gambling behaviour can be established as contributing to the committing of a crime from those cases where the gambling behaviour and the committing of a crime may both be symptoms of some other underlying cause) and procedures for future data collection.

The present project forms part of the 1998/99 research

program conducted by the Authority. That program was developed in consultation with the Victorian Council of Churches Gambling Task Force and representatives of the gambling industry (VCGA 1998:35).

ABS Definition

The Australian Bureau of Statistics defines gambling in terms of both racing and gaming. Racing includes betting on horses (galloping, steeple chase and trotting events) and dogs. Gaming includes net patron losses on lotteries, casino games and EGMs, and other forms such as pools, bingo, raffles, scratch tickets and similar. The only non-taxed betting are casual card games and illegal activities such as Starting Price (S.P.) bookmaking.

Gambling Related Offence

The second important definition is that of a *Gambling Related Offence*. The work of Blaszczyński and McConaghy (1994B:133) and others defined this as *a criminal offence committed by a gambler or partner to fund his or her gambling either directly and/or indirectly to fund a shortfall of living expenses due to gambling*. “Directly related” was defined as those offences specifically motivated by a desire to obtain money to gamble. “Indirectly related” offences referred to those motivated by a need to cover shortfalls in meeting living expenses caused by gambling losses.

The crimes to be examined in this paper may be distinguished from venue crimes, organised crime and family violence in that they are committed by problem gamblers to support their gaming activities. Further, there is a need to distinguish between crimes committed by problem gamblers to support their addiction and offences committed by criminals who also gamble excessively. The scope of the present project specifically excludes these offences.

To establish that criminal offences are causally related to problem gambling, it is necessary to exclude the possibility that other factors such as the presence of an anti-social personality disorder independently account for both criminal behaviour and excessive gambling. Blaszczynski and McConaghy (1994B:129) administered a test for anti-social personality disorder to a sample of 306 problem gamblers, 15% met the criteria for anti-social personality disorder as defined. The study revealed that the majority of offending seemed to be committed independently of the anti-social personality disorder. That research project concluded that features of the anti-social personality disorder emerged in response to repeated attempts to conceal excessive gambling and its subsequent financial difficulties.

The definition of a gambling related offence in the present project was similar to the term *Criminogenic Problem Gambling* used in the definitive Western Canada study by Smith and Wynne (1999:33). They defined the term as meaning crime perpetrated or precipitated by persons with a gambling problem.

Problem Gambling

The term “problem gambling” is a more inclusive term than either “Compulsive” or “Pathological” gambling. The American Psychiatric Association set out the features of problem gambling in its Diagnostic and Statistical Manual (DSM IV) (American Psychiatric Association 1994). The South Oaks Gambling Screen (SOGS) was designed to identify persons who satisfied the diagnostic criteria for the disorder of problem gambling as set out in the DSM IV.

Dickerson et. al. 1997 conducted research for the Authority into the definition and incidence of problem gambling including the socio-economic distribution of gamblers. That study found:

1. The only definition of problem gambling that has been detailed in the literature, *pathological gambling*, remains the focus of significant academic argument and is couched in language that is not compatible with the Australian attitudes and social perspective on gambling.
2. The measures that have been developed to assess the occurrence of pathological gambling in the community are likely to prove over-inclusive and inaccurate when used in the Australian context.
3. The South Oaks Gambling Screen (SOGS) is the only international measure with acceptable reliability and validity, provided that when it is used in Australia it is interpreted in terms of the proportion of the population at risk of gambling-related problems using much higher cut-off scores than was originally intended.
4. Community surveys of problem gambling in different Australian States show that this at risk group of problem gamblers ranges between 1% and 3%, generally higher than the results found in the USA and Canada where access to all forms of gambling, particularly EGMs is more restricted.
5. One major concern about the use of the SOGS is that it is not sensitive to the unique ways in which different contexts can determine whether a player’s gambling has harmful impacts or not. Nor will it accurately address such issues in culturally diverse contexts.

6. The interviews with key stakeholders demonstrated that there was significant community and industry concern about the harm that was arising from people's gambling and an awareness of the variety of services and strategies in place in Victoria to address them.

The recommended definition of *problem gambling* to be adopted in Victoria is:

Problem Gambling refers to the situation when a person's gambling activity gives rise to harm to the individual player, and/or his or her family and may extend into the community

The objective is to avoid the pitfalls of academic dispute about the causes of problem gambling and to ensure that problem gambling research of the VCGA prioritises the assessment of the extent and degree of harm *per se*.

The Productivity Commission Final Report released in November 1999 cites with approval the definition of problem gambling as adopted by the Authority (Productivity Commission 1999B:6.3).

Conclusion

The major definitions were clarified at an early stage of the project to assist in discussions with the various stakeholders.

CHAPTER 2 METHODOLOGY

Scope

The scope of the project was relatively limited (Figure 1). The aim as set out in the Authority's Brief was to identify, collect and evaluate statistics of criminal offences associated with gambling behaviour. The primary sources of crime statistics were determined to be the three major components of the Criminal Justice System in Victoria; the Police, Courts and Correctional Services. The Authority's mandate in chart form is reproduced from the Tender Brief (Chart 1).

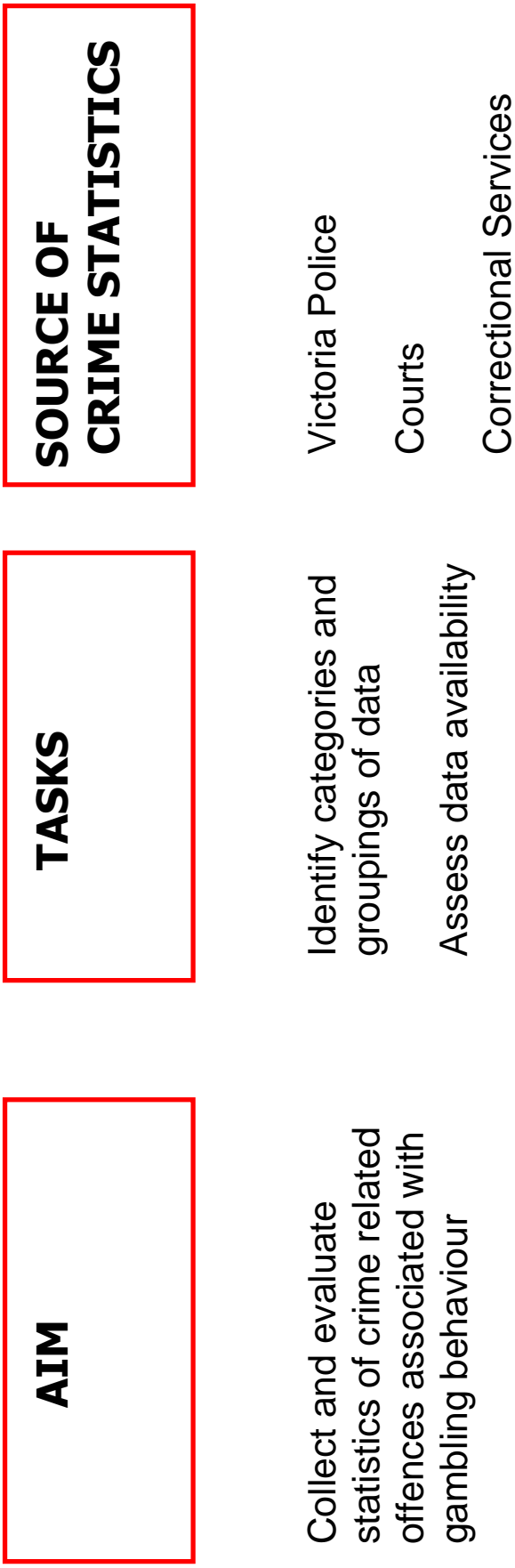
Approvals Required

The Victoria Police Research Coordinating Committee and the Victorian Department of Justice Ethics Committee (Figure 2) approved the project. The Victoria Police agreed to arrange for a focus group discussion with relevant staff, including statisticians responsible for analysis of Law Enforcement Assistance Program (LEAP) data, practitioners in the field, investigators, prosecutors and research and planning staff. The Victoria Police also provided information on LEAP and approved any reproduction of relevant forms.

The Department of Justice facilitated access to Court and Correctional staff and information data bases held by the Department.

FIGURE 1

SCOPE OF PROJECT



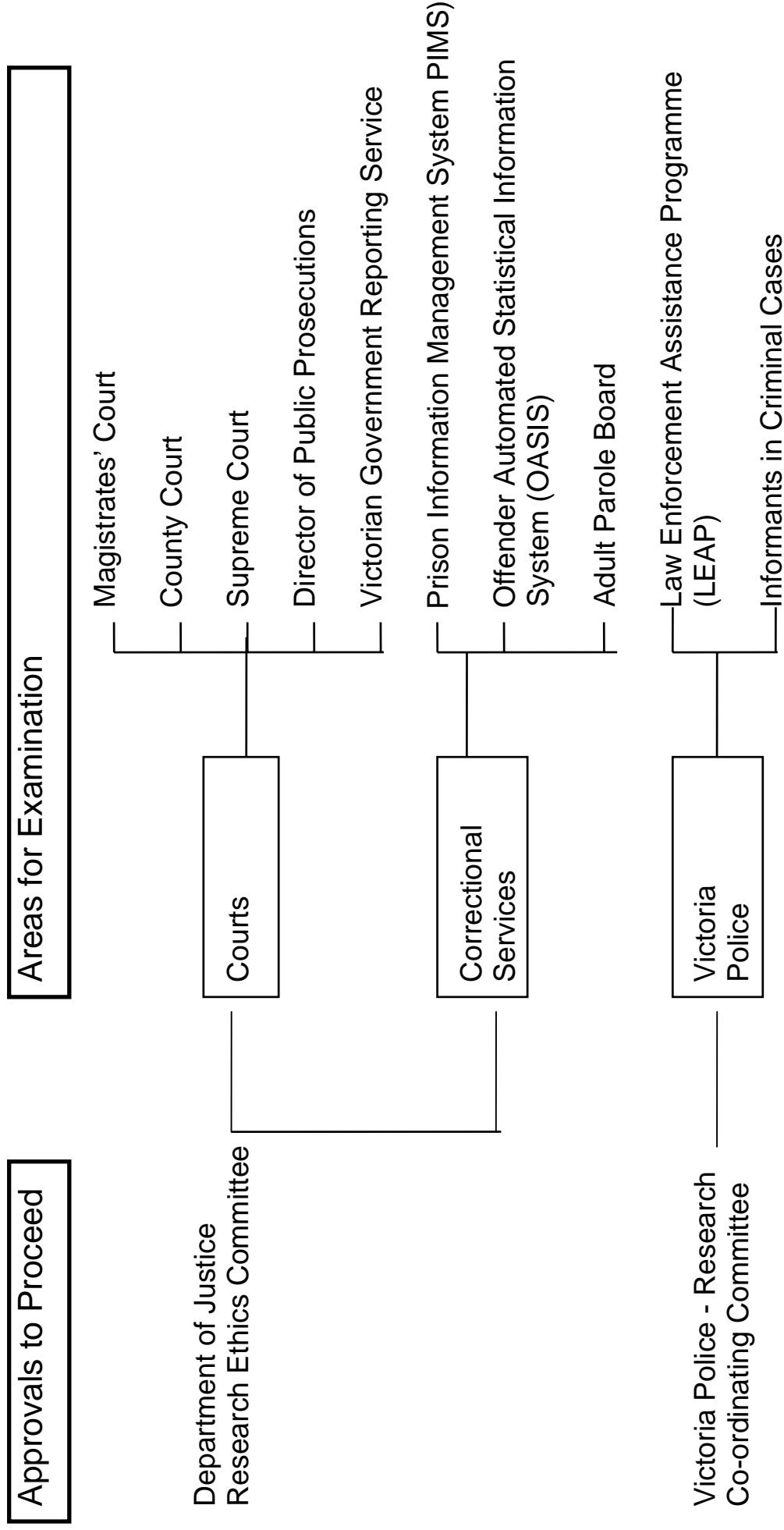
VICTORIAN JUSTICE SYSTEM RECORDS

To date, the following sources of information have been identified. These would need to be examined with regard to accessibility and content:

<p><u>Department of Justice</u> To undertake any research which the Department provides access to individual data records approval must first be obtained from the Department of Justice Research Ethics Committee.</p>	<p><u>Victoria Police</u> Records may be available through:</p> <ul style="list-style-type: none"> the computer system known as the Law Enforcement Assistance Program (LEAP); and records retained by the officer responsible for the preparation of a case to go before the Magistrates Court. <p>Victoria Police approval via its Research Co-ordination Committee is required to gain access to data.</p>	<p><u>Court System</u> <u>Magistrate Court</u> Details of proceedings in the magistrates court maintained on a computer system known as Court Link. Summary Statements are also retained which detail remarks by the sentencing judge.</p>	<p><u>Office of Correctional Services</u> Two computer systems maintain records pertaining to convicted offenders, these being:</p> <ul style="list-style-type: none"> Prison Information Management System (PIMS) which provides information on prisoner custodial sentences. OASIS - provides information regarding prisoners on parole and non-custodial sentences.
<p><u>Victorian Government Reporting Service</u> Maintains court transcripts for County and Supreme Courts.</p>	<p><u>Director of Public Prosecutions (Office of Public Prosecutions)</u> Acts on behalf of the Crown in the County and Supreme courts when dealing with criminal matters. Individual case files, transcripts and conviction returns can be accessed through the Victorian Government Reporting Service.</p>	<p><u>County Court</u> Individual case files, transcripts and conviction returns can be accessed through the Victorian Government Reporting Service.</p>	<p><u>Adult Parole Board</u> Makes decisions pertaining to the release of prisoners on supervised conditional release.</p>

FIGURE 2

VICTORIAN JUSTICE SYSTEM APPROVAL TO PROCEED



Research Questions

The Authority provided details of problem gambler support agencies and also of the gambling industry. In collaboration with the Authority and after an initial examination of research relating to the commission of criminal offences by problem gamblers, five research questions were identified. Agencies and key people to be approached and consulted were identified and contacted (Figure 3).

The first research question related to the extent of gambling related crime and, in particular, the extent to which crimes are attributable to problem gamblers. The major data sources identified and perused were research studies, consultation with problem gamblers support agencies and gambling industry representatives.

The second research question related to determining the characteristics of criminal offences committed by problem gamblers. The sources of information were similar to that necessary for the first research question. The Terms of Reference confined the examination to crimes committed by individuals as a consequence of their gambling.

The third research question was directed at an analysis of law enforcement policies and procedures. Information as to how and to what extent gambling related crime is monitored, addressed operationally and recorded in official statistics was needed. As gate keepers to the Criminal Justice System, the major data source is the Victoria Police. Data was also obtained from national and overseas research.

FIGURE 3

RESEARCH QUESTIONS

		Data Sources					
		Gambling Research	Support Agencies	Industry Groups	Police Strategies	Court Action	Corrections Processes
1. Problem Gamblers	To what extent are gambling related crimes attributable to problem gambling?	✓	✓	✓			
2. Types of Crime	What types of crimes are committed by problem gamblers?	✓	✓	✓			
3. Victoria Police	How and to what extent is gambling related crime monitored, enforced and officially recorded?	✓			✓		
4. Court System	To what extent are gambling related offences evident and officially recorded in the court system?	✓				✓	
5. Correctional Services	To what extent are correctional officials aware of gambling related offenders in the corrections area?	✓					✓

A number of groups within the Victoria Police, capture and record data relevant to the third research question. It was important that focus group discussions included representatives of these groups (Figure 4). Senior police management commented on force policies and practices. Prosecutions provided current information about relevant court procedures. Crime statistics and police research personnel explained and detailed LEAP processes. Members of the Major Fraud Squad, the Casino Squad, Gaming and Vice Squad, and informants in prosecutions shared their knowledge of gambling related crime in its many forms. Community policing staff provided information about the social consequences of problem gambling including family violence.

The fourth research question relates to the Courts. It sought to determine the extent to which gambling related offences are known and officially recorded by, the Courts. The data sources identified were the various administrative areas within the Courts (Figure 2). Research conducted nationally and overseas was also reviewed.

The question required an examination of information sources within the Courts. Discussions with senior court administrators within the Department of Justice, stipendiary magistrates, the Director of Public Prosecutions, Court Registrars, Victims Referral and Assistance Service, the Public Advocate and Legal Aid were conducted (Figure 5). Court statistics and transcripts were also perused.

FIGURE 4

DATA SOURCES FOR VICTORIA POLICE

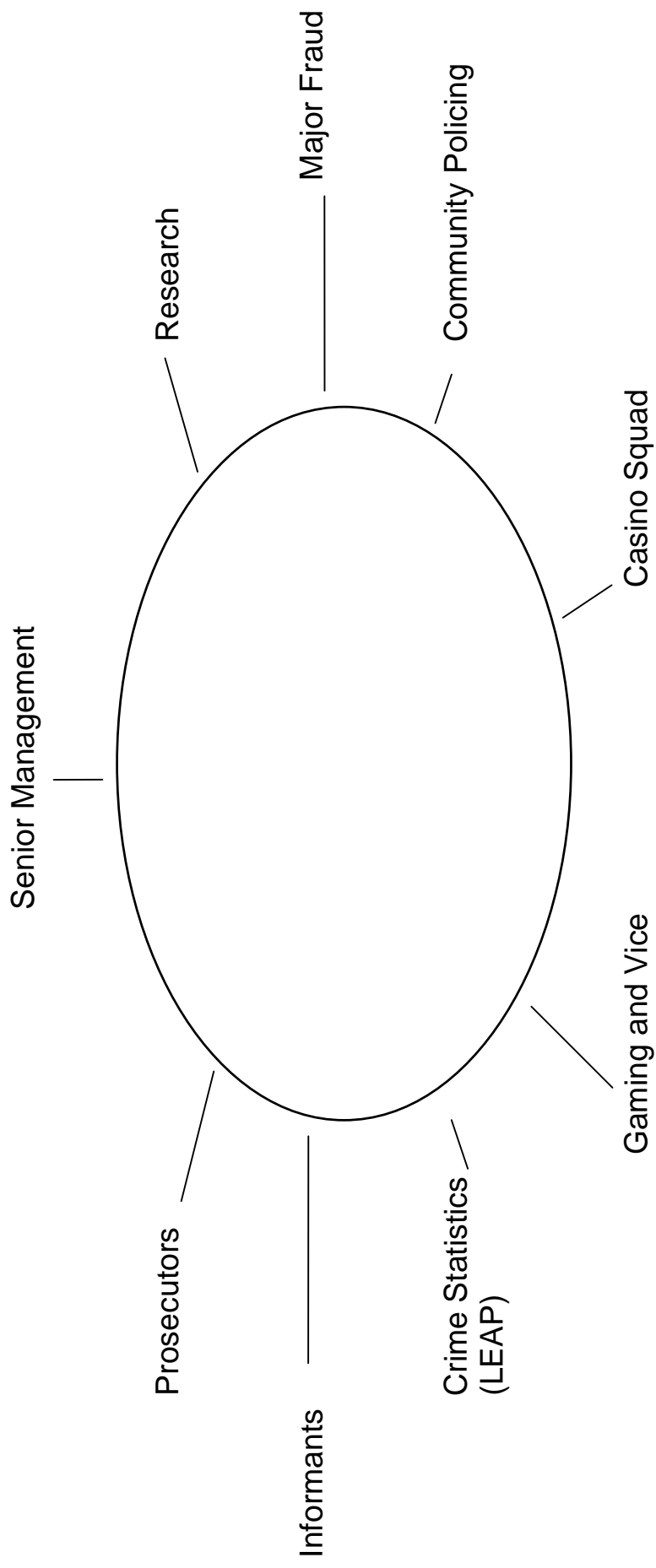
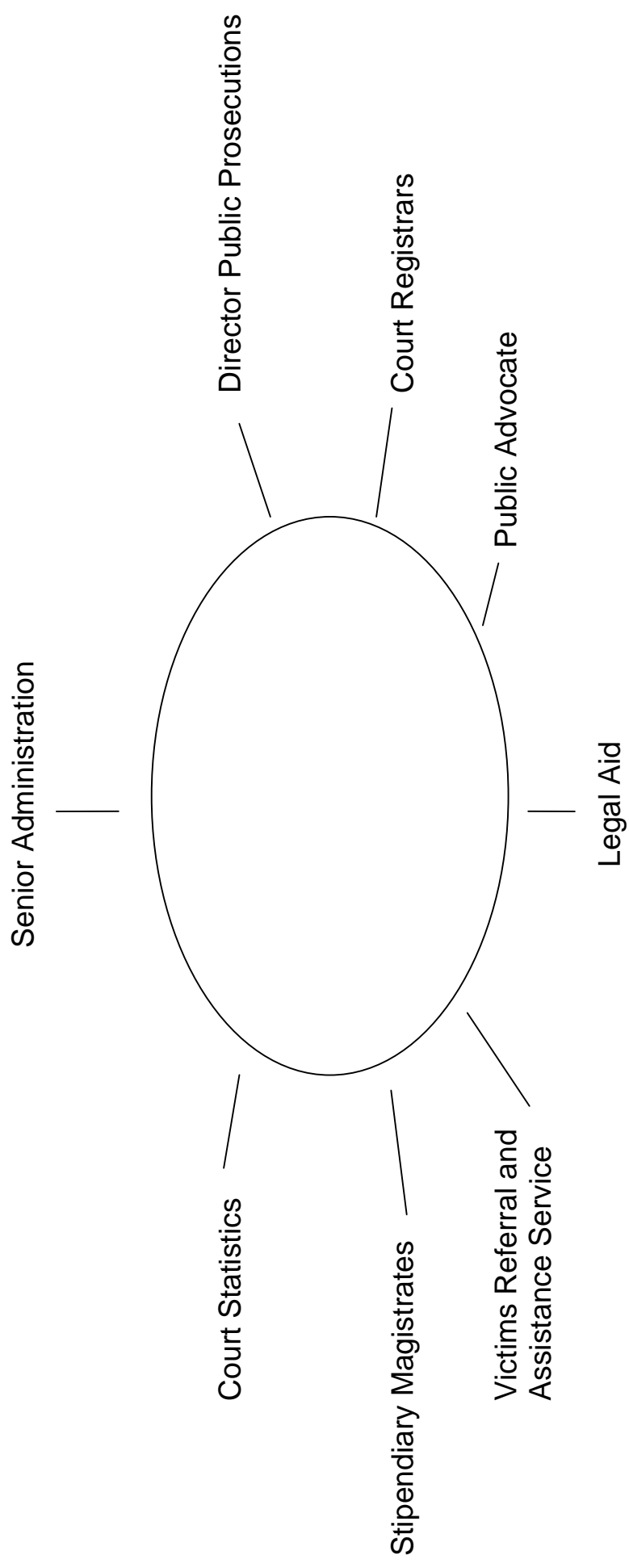


FIGURE 5

DATA SOURCES FOR COURTS



The fifth research question was directed at correctional services. It sought to ascertain to what extent correctional officials were aware of gambling related offenders undergoing sentences or placed on Community Based Orders (CBOs) supervised by Corrections and how these are recorded. Data sources held by corrections and relevant research studies both nationally and internationally were reviewed (Figure 3).

Comprehensive analysis of this data required input from Corrections senior management, community corrections staff and the adult parole board. An examination of correctional data bases and a review of specific research projects were undertaken (Figure 6).

Context

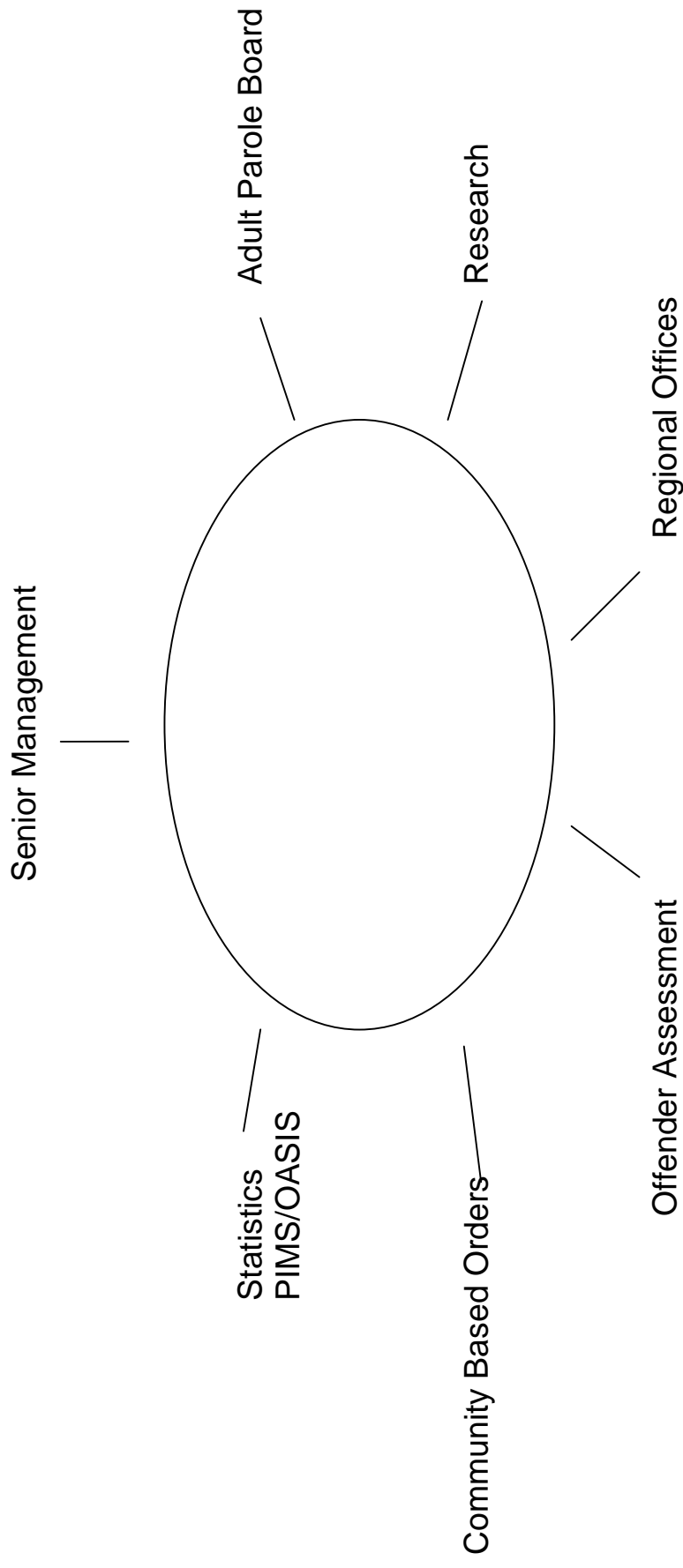
This research project forms part of the Authority's 1998/99 research program. At a time of significantly increased gambling, the study required a high degree of cooperation between the major components of the Criminal Justice System, industry representatives and members of welfare agencies.

Conclusion

There are a number of major research studies relating to gambling related crime. Many of these have been published in academic and scientific journals and have been the subject of scholarly debate. Problem gambling is a behaviour which is difficult to classify and from which

FIGURE 6

DATA SOURCES FOR CORRECTIONAL SERVICES



to obtain valid and reliable data. Problem gamblers cannot be tested as can drug and alcohol users. Gambling can be highly emotive and can be further complicated by the values and moral stance of researchers. The industry has a tendency to lobby on its own behalf as well as to conduct its own research. Industry generated research, in the view of many, is neither comprehensive, objective or reliable.

Following the determination of methodological concepts, a literature survey of both national and international research projects was undertaken. Definitions of gambling related crime and of problem gambling were formulated for use in discussions with the three criminal justice areas, welfare agencies and industry representatives.

Having established definitions of terms, these were used in discussions with stakeholders and others who were consulted. International and national research projects were reviewed to ascertain the degree to which certain types of offending had been recorded in official statistics. The research was designed to determine what evidence existed to relate the commission of crime to gambling.

The evidence examined ranged from anecdotal reports to that obtained from analysis of official statistics. The latter were obtained from the Victoria Police, the Department of Justice, Corrections and from a perusal of national and international research.

The definition of gambling related crime and the characteristics of offenders were discussed with spokespersons from welfare groups and the gambling industry to determine whether any other areas within and outside the criminal justice system record the type of information being sought.

CHAPTER 3 REVIEW OF EXISTING RESEARCH

Introduction

There are an increasing number of national and international research studies devoted to exploring the association between criminal behaviour and problem gamblers. The examination of this research in the present chapter is fundamental to the project in that it has a bearing upon each of the five research questions detailed in the previous chapter (Figure 3). This chapter reviews relevant local and national research and examines some major international studies. The selection of particular studies is based on their relevance to this research project as well as their currency.

Research in Australia

BreakEven Analysis (Victoria)

BreakEven is the major gambling addiction counselling program in Victoria (and in some other states) for the provision of counselling and support services for problem gamblers. Auspiced in Victoria by the Department of Human Services, the scheme is located at eighteen counselling agencies across the state. The program's clients may not be typical of problem gamblers as not all problem gamblers avail themselves of the services offered by BreakEven. According to Jackson et. al. (1998:8) members of some socio-economic groups, and ethnic communities and males generally are less likely to seek help. The data presented below is representative of the clients attending BreakEven problem gambling counselling services.

The Problem Gambling Research Program at the University of Melbourne analysed the *minimum data set* completed by BreakEven counsellors of their clients. That set allows for standardised comparison in recording data across the state. The data set captures critical information about clients treated by BreakEven. Each client is registered and assessment and closure information is analysed. Written guidelines to treating social workers ensure consistency across the state. In August 1997, the data set was changed to ensure comparability with the Australian demographic data collections (Jackson et. al. 1999:App."B").

An analysis of the minimum data set, revealed that there were 1817 problem gamblers who contacted BreakEven in the 1996/97 financial year. The most frequently named forms of recent gambling were EGMs (80.8%), totalisator (TAB) (15.9%), cards (4.5%) and horse/dog racing (3.9%).

The questionnaire administered by BreakEven included a number of items that were categorised using the Diagnosis and Statistical Manual (DSM IV) criteria. Nearly one in three (30.2%) of those attending the services reported that they had committed illegal acts to finance their gambling. These were defined as forgery, fraud, theft or embezzlement. It is impossible to speculate whether these offence descriptions were perceived by the clients as matching the legal definition of those types of criminal behaviour. More than three in four (77.4%) reported financial problems. More than two in three (68.7%) admitted lying to family members and

therapists to conceal the extent of their problem. About 60% indicated that they had repeatedly failed in attempts to control their gambling. There was a close relationship between the distribution of new clients and the geographical availability of EGMs (Jackson et. al. 1998:27).

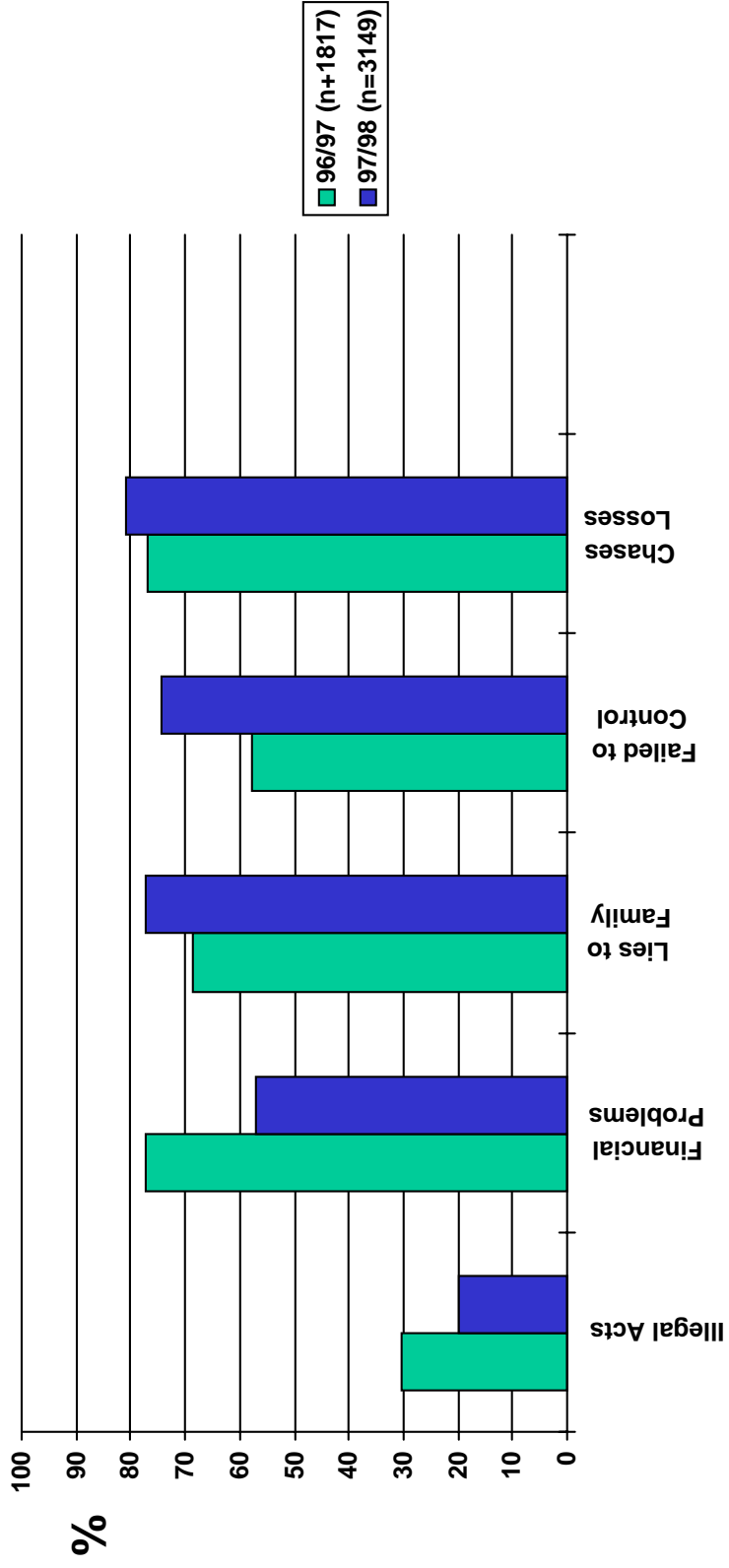
Analysis of the BreakEven minimum data set for the following financial year (1997/98), indicated that there were 3149 new clients who contacted BreakEven. The most frequently reported forms of recent gambling were EGMs (72.3%), TAB (13%), Lotto (3.9%), horse/dog racing (3.5%) and cards (3.5%). TAB gamblers were twice as likely to report having committed illegal acts (33.2%) than were EGM users (17.2%).

Overall, in the 1997/98 study, 20% of problem gamblers reported that they had committed illegal acts to finance their gambling. More than half (57%) admitted financial problems. A high proportion (77%) reported lying to family members and therapists, while a similar proportion (78%) admitted they had repeatedly failed attempts to control their gambling (Jackson et al. 1999A:27). Comparisons between 1996/97 and 1997/98 are depicted in Figures 7 and 8.

The Manager of the Problem Gambling Research Program at The University of Melbourne indicated without quantification that the research continued to identify a small number of problem gambler clients of BreakEven who self-reported that they had committed illegal acts to fund their activities. Further follow-up of these individuals was not possible because of respondent

FIGURE 7

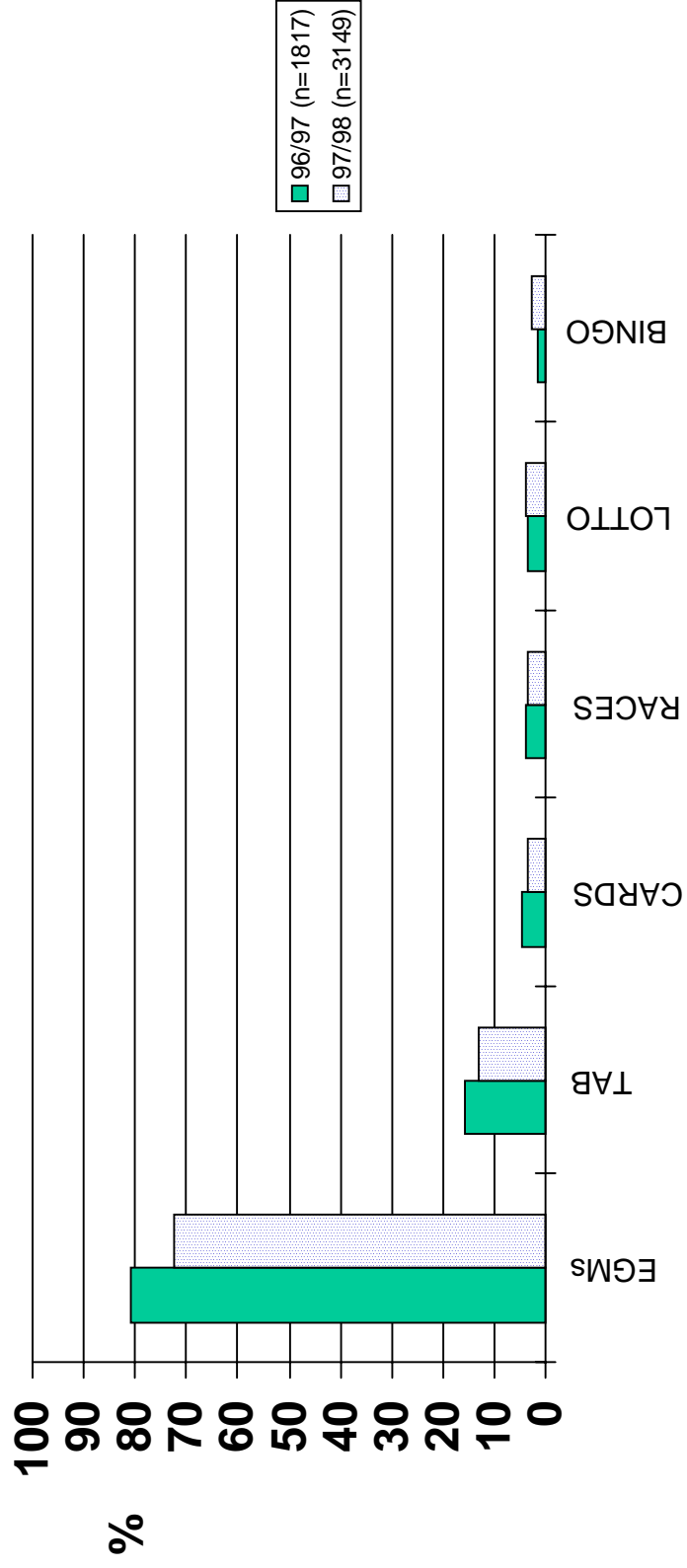
Problem Gamblers
Maladaptive Behaviour



Source: Jackson, et.al. 1998, 1999A

FIGURE 8

Problem Gamblers
Recent Activity Types



Source: Jackson, et.al. 1998, 1999A

anonymity. In view of Research Question Number 4 (Figure 3), the extent to which gambling related offences are evident and recorded by the courts, the Manager indicated that an attempt to conduct a small problem gambling pilot study within the Courts was discontinued because of implementation difficulties.

Blaszczynski Studies (New South Wales)

A number of research studies in Australia have attempted to establish the types of criminal offences committed by problem gamblers. Blaszczynski and McConaghy (1994A:99) used a semi-structured format to interview 306 problem gamblers in New South Wales, half of these were attending Gamblers Anonymous and the rest were receiving treatment in a hospital program. Most subjects had gambled on horseracing and on EGMs. Nearly 60% admitted a gambling related offence, defined as motivated by the need to obtain funds to maintain their habitual gambling behaviour. The research does differentiate between gambling related and other offences, however the authors do not clarify the relationship, if any, between respondents' perception of the offences and the legal definition of the crimes. Nearly a quarter (23%) of these reported having been convicted in a court hearing.

For a variety of reasons, self report rates of convictions are higher than the actual rate. Self-report of an emotional topic such as gambling can result in inaccuracies. Similarly, arrest rates underestimate the true prevalence of the behaviour because they fail to include non-detected

cases, those making restitution or other interventions circumventing prosecution. For these reasons, Blaszczynski and McConaghy (1994A:122) indicated that the results should be considered tentative until supported or refuted by independent replication.

The most common gambling related criminal offences committed by respondents in the Blaszczynski and McConaghy (1994A:108) research findings were theft (32%), embezzlement (22%) and misappropriation (7%). There were markedly fewer reports of more serious crimes (as defined in the study) such as burglary (5%), shoplifting (4%), armed robbery (3%) and drug trafficking (2%). Generally, the more serious offences resulted in a court conviction. Of the eight subjects reporting armed robbery, seven had been arrested and charged as had fifteen of the sixteen burglary offenders.

The median number of offences committed by the problem gamblers in the Blaszczynski and McConaghy (1994A:121) study varied considerably from drug dealing (30), theft (14), misappropriation (12), shoplifting (10) burglary (6), embezzlement (5) and armed robbery (4). A small number of subjects accounted for a disproportionate number of offences. Problem gamblers with higher debts (average \$8,000) were more likely to report being involved in criminal offending than those with lower debts (average \$2,000).

According to Blaszczynski and McConaghy (1994A:124), the nature of gambling related property crime reported by the subjects

interviewed or included in the study varied from theft from family members to large scale and premeditated fraud. The authors commented:

Gamblers forged their spouse's signatures on cheques or in opening new joint accounts, stole from petty cash, engaged in shoplifting to subsequently sell the goods at significantly reduced prices and stole from fellow employees at work. One enterprising individual paid a female stranger fifty dollars to impersonate his wife while he signed documents to establish a loan at a financial institution.

More serious offences included a repeated theft of vehicle spare parts for illicit sale, distribution and sale of marijuana and the embezzlement of significant amounts on a regular basis from large corporations or banks...

These findings led the researchers to indicate that there was a possible causal link between problem gambling and the commission of non-violent property crime.

Blaszczynski Prisoner Study (Western Australia)

Research, both Australian and overseas, involving the rigorous surveying of random groups of prisoners revealed high percentages of problem gamblers. Blaszczynski (1994:133) conducted research using 60 prisoners in Western Australian prisons. Thirteen met the criteria of problem gamblers. Over half of these reported gambling related offences with a significant number citing gambling as the main reason for offending. Nearly half reported that they had attempted unsuccessfully to cease gambling.

Productivity Commission (Australia)

In July 1999, the Federal Government Productivity Commission released its Draft Report; *Australia's Gambling Industries* for public discussion (1999A). The Final Report followed in November of that year (1999B). This

exhaustive study drew heavily on national and international research to comprehensively analyse the Australian gambling industry, the impacts of gambling, as well as, problem gambling and includes a range of policy guidelines and recommendations.

Among its key findings were that policy decisions on major gambling issues have in many cases lacked access to objective information and independent advice including information about the likely social and economic impacts and that community consultation had been deficient.

After defining problem gambling from a variety of viewpoints, the Commission observed that around 130,000 Australians are estimated to have *severe* gambling problems, and that a further 160,000 are estimated to have *moderate* problems (1999B:6.1). The prevalence of problem gambling is related to the degree of accessibility of gambling, particularly EGMs (1999B:8.1).

The Commission also suggested that the incidence of problem gambling varied by mode - highest for regular users of EGMs and racing and lowest for lotteries. EGMs were associated with 65-80% of problem gamblers receiving counselling. Problem gambling is significantly greater in Australia than in North America. Although there were few clear individual factors, other than age, associated with a higher likelihood of problem gambling, the Commission's estimates are likely to understate the number of people with *severe* gambling problems (1999B:6.59).

The Commission closely examined the relationship between problem gambling and crime and found that:

- around one in ten problem gamblers have committed a crime because of their gambling;
- up to two thirds of problem gamblers in counselling have committed a crime to finance their gambling;
- the offences committed are mainly non-violent property crimes (larceny, embezzlement, misappropriation); and
- while the majority of offences committed do not result in legal action (and many go unreported), around 40% of offenders are charged and convicted (1999B:7.67).

According to the Commission, the rate of criminal offences varied between 20% and 76% according to the particular study examined,. The range was obtained from samples of gamblers attending problem gambling counselling agencies and prison inmates with high SOG scores (1999B:7.60).

The Commission carefully reviewed the evidence both for and against the existence of a causal link between problem gambling and crime without arriving at a definitive conclusion. Their findings, however, suggested that most crimes committed by problem gamblers are gambling related and motivated by a specific need to obtain funds for gambling or a need to cover shortfalls in financial commitments caused by gambling losses (1999B:H15).

Research into the types of crime committed by problem gamblers reviewed by the Productivity Commission indicated these generally were non-violent white collar crimes such as embezzlement and fraud (1999B:7.63).

As for the official statistics about gambling related crime, the Productivity Commission observed:

not all of the offences that are committed by problem gamblers lead to arrest or prosecution because some of the offences are not serious enough to be detected;
not all crimes that are committed are reported to the police;
not everyone who commits an offence gets caught; and
only some of the offences end up in the courts (1999B:H18).

The Productivity Commission observed that less serious criminal offences by problem gamblers may not be reported to the police, as they are often resolved within the firm or family (1999B:7.64).

The Commission, in discussing the fact that many gambling related crimes are not officially recorded as such, observed:

There appears to be offsetting influences at work which confound the extent to which crimes that come before the Courts are identified as gambling related. On the one hand, it is held that there is an increasing tendency for some offenders to claim the defence of *gambling addiction* as a mitigating factor in the hope of securing a more lenient sentence...but, on the other hand, there are also some offenders who suffer from a gambling addiction who apparently do not disclose this to the Courts as a reason for the offence (1999B:H20).

Other than crime associated with problem gamblers, the Commission (1999B:10.1) concluded that:

Crime associated with the gambling industry itself is no longer a significant issue-indeed the legalisation of gambling and associated probity and other controls, may have *reduced* associated criminality.

The Commission further observed that street crime in the vicinity of gambling venues and petty crime have shown no significant increases and that organised crime has not been able to obtain a foothold in the gambling industry. Organised crime has not been able to obtain a foothold in the gambling industry. On the other hand, loan sharking and money laundering remain serious matters.

Queensland Study

A study in Queensland in 1995 examined the impact of gambling, in particular EGMs, on crime (Queensland DFYCC 1996). Part of the research involved 121 persons attending BreakEven programs and 74 prisoners on remand at the Arthur Gorrie Correctional Facility. Key findings from the analysis of BreakEven respondents revealed that many of the crimes were committed against family and friends and were often unreported. Nearly 70% of male and 57% of female clients had some type of legal difficulty including 12.9% who had taken money in order to gamble and 39.8% who had appeared at court or served a gambling related sentence. Young single males on low incomes were dominant in this last group. Well over half (57%) had been gambling at the problem level for more than five years. Men generally waited longer than women to address their problem gambling.

Of the remandees interviewed, (13.9% participated), 31.1% reported personal or financial difficulties as a result of gambling. Twenty-three per cent spent more than they could afford, 5.4% indicated they had stolen in order to play EGMs and 6.8% felt that playing EGMs had resulted in their imprisonment. Prisoners interviewed reported that they gambled frequently and in a variety of ways.

The researchers suggested that the policy implications of their study included the notion that early intervention for problem gambling may significantly reduce the social impact of the behaviour and that there is a need to develop a data base within the legal system to monitor gambling related crime. They further opined that the introduction of EGMs made the temptation to gamble much stronger and led to problem gambling at younger ages and for a shorter duration before personal difficulties emerged.

The Queensland study reported a need for police, courts and correctional services to include *gambling related crime* as a component of their routine databases so that these types of crimes and their frequency can be routinely assessed (Queensland DFYCC 1996:48). Generally the research findings were similar to those of other studies of cohorts of the Australian population (Blaszczynski and McConaghy 1994A, Dickerson 1996, Productivity Commission, 1999B).

Australian Institute for Gambling Research

The Terms of Reference of this project were discussed with the Director, Australian Institute for Gambling Research located at the University of Western Sydney at MacArthur. The Director had earlier attempted to establish the extent of the link between problem gambling and crime in the Northern Territory but the data available was not reliable. Studies using court transcripts invariably revealed significant data gaps. The Queensland Police Service had recoded some crime statistics in an attempt to quantify casino related crime in that State. The research project is in the early stages and results are as yet not available.

Overseas Research

Introduction

Only a small sample of the overseas research relating to gambling and crime has been reviewed. To do otherwise in the time available was not possible. The research projects reviewed from a variety of disciplines and perspectives indicated that gambling and crime is a major public issue especially in the United States.

United States

The gambling industry in the United States has existed for many years. More recent is the casino industry which for a number of years involved three centres; Reno and Las Vegas, Nevada and Atlantic City, New Jersey. The 1990s witnessed a vast increase in casino activity in virtually all states. A significant number of casinos owned and operated by Indian Tribes

have been established on reservations and elsewhere. Federal law and Bureau of Indian Affairs guidelines permit Native American tribes to purchase land in non-tribal locations and operate gambling enterprises on that land, providing local and state authorities give their approval for such a project.

According to Grinois et. al. (1999), the 1997 commercial casino industry (including Indian facilities), enjoyed revenues of \$US26.3 billion, (\$US138 per adult). Revenue in non-Indian casinos increased from \$US8.7 billion in 1990 to over \$US20.5 billion in 1997 - an increase of 240%. Over the same period, the number of counties with casinos increased from 25 to 167. (Revenue in this context is the net amount of money the operator extracted from gamblers). Generally, the trend of significant increased accessibility to gambling was not unlike that which occurred in Victoria during the same period.

National Gambling Impact Study Commission

Concerned about the impact of casinos on a range of social issues, the U.S. Congress in 1996 established the National Gambling Impact Study Commission (NGISC) with a wide mandate . In part, this comprised a comprehensive legal and factual study of the social and economic impacts of gambling including an assessment of the relationship between gambling and levels of crime and of existing enforcement and regulatory practices intended to address such a relationship; together with an assessment of problem gambling and its impacts on individuals, families, businesses, social institutions and the economy. The Commission conducted a large number of

public hearings; commissioned research and in June 1999 handed down its report to Congress (NGISC 1999).

The NGISC final report recommended a pause in the expansion of gambling so that the costs and benefits could be assessed. The Commission was particularly concerned with the proliferation of EGMs across the country which it termed *convenience gambling*. It observed that State regulations were weak and inconsistent. Between 1.7 and 2.6 million adults met the criteria for problem gambling in the past year. The NGISC recommended that legal gambling be restricted to those aged 21 years and over, and that *convenience gambling* should be decreased and special programs be developed for problem gamblers.

The NGISC (1999:7.12) indicated the most conclusive evidence linked problem gambling and crime. The commission cited evidence repeatedly received and commissioned research reports to support this finding. Beyond problem gambling, linking other types of crime to gambling was difficult. Often the scope of such studies were confusing and there were real difficulties in separating the effects of gambling from the effects of tourism. NGISC recommended further studies.

A Deputy Director of NGISC indicated that, to his knowledge and without quantification, the link between problem gambling and crime statistics had not been examined at federal, state or local levels. It was an extremely difficult issue to pin down especially where there are significant

jurisdictional and cultural issues. While many law enforcement officials wanted to collect the information, direction, commitment and cooperation from Government clearly would be required. It was noted that defendants in criminal cases are rarely, if ever, probed regarding their motivation for committing crimes. Arrests for burglary and embezzlement reveal little about gambling as a motivator. Most studies to date have focussed on street crime in the proximity of gambling establishments to the locale where the crimes were committed. These statistics miss out on the other half of the problem; whether or not the crimes committed were motivated by gambling.

As part of their contract to NGISC, the National Opinion Research Centre of the University of Chicago (NORC) conducted a 10-community case study on the impact of increased access to legalised casino gambling. Respondents included local businessmen, law enforcement officers, planners and addiction specialists all of whom had lived in the areas being studied for a considerable time. All but one of the communities reported an increase in debt problems. In some communities it was discovered that people were gambling on their credit cards and taking out cash advances near the casino. Three communities reported an overall increase in crime. White-collar crimes, such as forgery and credit card theft were perceived to be on the increase in seven of the communities in the NORC study. Two communities reported an overall decrease in crime.

According to the NORC study, family violence appeared to be increasing. Seven communities reported an increase in problem gambling. Overall, most

of the increased activity was among those who gambled regularly in the past. Substance abuse, was a major problem in each of the communities with increased alcohol and drug-related crime. Respondents believed that a high proportion of problem gamblers also have substance abuse difficulties (NORC 1999:73).

University of Nevada Study

The gambling industry has spawned a large number of lobby groups both supporting the industry (such as the American Gaming Association) and opposing it (such as the National Coalition Against Legalised Gambling (NCALG)). The need for objective and reliable research has led to the creation of bodies such as the Institute for the Study of Gambling and Commercial Gaming in 1989, based at the University of Nevada, Reno. The Institute was the first program of its kind. Among its aims, is that of broadening the understanding of gambling industries and promoting research so that the impact of gambling on society can be ascertained and addressed.

Staff from the University of Nevada are researching the impact of casinos upon crime and the quality of life. That study is unique in that it has the cooperation of seven police agencies and is analysing a wide range of offences. The University of Nevada researchers hope to publish their findings within twelve months. They are critical of much of the gambling and crime research undertaken to date, indicating that it is methodologically flawed - some ignoring the type of populations at risk and others not comparing their findings to similar jurisdictions without casinos.

Achieving the cooperation of seven independent police agencies was not easy and reflects the jurisdictional nightmare that exist in the United States. As an example, the Agent in Charge, Lakewood Investigations, Colorado Division of Gaming indicated that the State of Colorado has gaming in only three small towns but there are at least six different police agencies which have a significant presence in the towns involved and many more than that which claim to be affected by the gaming activities in the three towns.

American Gaming Association

On behalf of the peak industry body, the American Gaming Association, Jeremy Margolis, a former District Attorney and police chief, conducted an analysis of the research relating to casinos and crimes in the United States (Margolis 1997). He examined four major gambling studies, two concerning the impact of casinos on crime in Atlantic City, one in New York and the other in Baltimore. Margolis generally concluded that researchers often failed to take proper account of the increased numbers of persons attracted to the casino and the vicinity, and had relied in their comparisons upon statistics of residential population which were significantly lower.

When Margolis applied his *Concept of Average Daily Population* to these and other studies in a variety of gaming jurisdictions (Las Vegas, Atlantic City, Iowa, Illinois, Missouri, Louisiana, Mississippi and Colorado/South Dakota) the crime increases reported in those studies were

replaced with straight lines or in some cases actual decreases. Margolis concluded that cities with casinos are just as safe as communities which do not have them. Increases of crime, he postulated, are typically limited to traffic violations and property crimes of the petty variety.

Margolis (1997:a16) suggested that reported crime can increase as a result of changes in law enforcement procedures and priorities, changes in criminal opportunities as well as differences in reported crime in surrounding locations. He was critical of the concept of a *Casino Factor* by which some researchers calculated that, among other increases, the presence of a casino would lead to minimum increases of crime of at least 132 crimes per 1,000 residents. Margolis suggested that the *Casino Factor* has not been accurate in estimating crime levels in any of the long-term casino communities (Margolis 1997:a53).

Margolis cast some doubt on the claim that the presence of, or proximity to, a casino in a community had an impact on crime rates. He argued that the debate had often been marked by the use of "anecdotal research, statistical sleight of hand and distortions which have led to sweeping and erroneous conclusions about entire populations, industries and cultural patterns" (Margolis 1997:a68).

The Margolis study was launched enthusiastically by Frank Fahrenkopf, the President and CEO of the American Gaming Association, in December 1997 describing it as: *a remarkable job, an exhaustive and*

complete work and a valuable and enduring addition to the literature on the topic. It is not surprising that some researchers such as McGowan (1997) have questioned the value of the *for* versus *against* aspects of gambling studies. It should be noted that Margolis did not attempt to measure the amount of crime which may be committed by problem gamblers.

The Margolis analysis cast serious doubts upon the often quoted claim by Goodman (1995:50) that 40% of white collar crime was attributable to gambling. Goodman has been critical of the gambling industry for a number of years. In his work, Goodman blamed the industry for having legislators supportive of the gambling industry investigate the funding of his own study. Goodman's study was financed by the Ford Foundation and the Aspen Institute, both respected and objective organisations (Goodman 1995:viii).

County Level Crime Study

In research commissioned by the NGISC, three economists used (1977-1996) county level crime data to study the connection between casinos and crime (Grinois et al. 1999). The researchers tracked the years in which particular casinos began operating during the 20 year period when the number of casino counties increased from 14, (all in Nevada), to nearly 170. By 1996, twenty-one states permitted casinos and Indian casinos had spread beyond reservations. The study analysed FBI Part 1 offences (murder, robbery, criminal sexual assault, aggravated assault, burglary, theft, motor vehicle theft and arson) and found that casinos increased crime after a lag of

3-4 years. On average, the crime index in casino counties was 8% higher because of that factor. The exhaustive study used FBI data from every county and controlled for factors which can adversely impact on the crime rate such as population density, population distribution by age, sex and race and income, unemployment and retirement. In general, casino counties were found to have higher population density and income.

The Grinois study was particularly valuable in its development of a powerful theoretical framework before the subsequent data analysis. The researchers hypothesised that casinos may reduce crime, especially during the construction stages, by providing wages to unskilled workers and by economic development of derelict neighbourhoods. Casinos, on the other side of the equation, may increase crime by slowing economic development, by concentrating the number of victims with money; by attracting visitors who may commit crime and also by increasing problem gambler numbers who may commit illegal acts to finance gambling.

Grinois et al. (1999:11) hypothesised that crimes committed by problem gamblers included fraud, forgery, theft and even murder. These crimes occur to pay off monetary debts due to gambling. The effects of problem gambling, it was hypothesised, would not be felt for the first few years. In this *lag time* the gambling habit consolidates and the full extent of criminality develops.

Analysis showed that in 1977, Part 1 crimes were 6% lower in casino counties than in non-casino counties, however by 1995 they were 11% higher. Robbery was the only crime in which the number of offences were not higher than in 1977. Analysis of population, income and other demographic changes demonstrated that the findings were valid and reliable. Counties that introduce casinos might expect a reduction in crime during the construction stage and no increase in crime during the first two years of operation but a significantly higher crime rate thereafter. In 1996, the aggravated assault rate was 112 times higher and the rape rate 8 to 12 times higher. Property crime, with the exception of car theft showed similar trends. Car theft was characterised by a constantly increasing trend in both casino and non-casino counties.

Grinois et al. (1999:26) calculated the contribution of casinos to recorded crime. In 1996, this amounted to 7.9% of Part 1 crimes made up of 10.3% of violent crime and 7.7% of property crime in casino counties. The share of crime for car theft was nearly 30%, robbery (20%), the remainder varied between 3% and 10%. The murder rate was the only offence on which the presence of casinos had no impact. Overall, the patterns found were consistent with the theories that problem gamblers commit crime as they deplete their resources. Non-residents who visit the casino may both commit and be victims of criminal activities. The functions of casinos increase the potential benefits of illegal activity. The report concluded that these costs outweigh the potentially positive effects of casinos in increased labour market opportunities.

Canada

Smith and Wynne (1999) recently completed a detailed study of the impact of both legal and illegal gambling in Western Canada. Funded by the Canada West Foundation, a non-profit and non-partisan research institute, the research examined the linkages between gambling and crime and the complications caused by gambling to law enforcement agencies and the criminal justice system.

Similar to the trends in Victoria, the availability of legal gambling in Canadian provinces has increased rapidly during the past decade. One of the three foci of research for this exploratory study were crimes committed by problem gamblers, how these were monitored and responded to by the police and dealt with by the criminal justice system. More than three in four (77.4%) reported financial problems.

The researchers were forced to rely on qualitative data such as individual perceptions, a literature review and a perusal of print media stories. Efforts to obtain statistical data were frustrated by the fact that none of the law enforcement agencies in the Western Provinces kept records indicating whether gambling was a contributing factor to the commission of a crime.

The report concluded:

...documentary and statistical data were limited as neither law enforcement agencies nor courts compile comprehensive data reports on the incidence of gambling related crime. When police officers lay criminal charges, the record-keeping systems do not provide coding protocols for identifying "gambling" as a salient factor (the exception is for breaches

of the Criminal Code that pertain specifically to illegal gambling activities). Furthermore, most of the criminal cases that appear in provincial courts do not have written transcripts filed with the court record; while this is less the case in Courts of the Queen's Bench, fewer gambling related cases appear in the higher court. This means that many more court cases are held daily, weekly or monthly in the Western Provinces than are reflected in computerised data bases. The result is that we obtained relatively few criminal court cases wherein gambling is a factor in proportion to the number of cases actually tried. In light of this discrepancy, it is conceivable that court cases reported in this study are not representative of gambling related criminal cases, either in terms of volume or type (1999:35).

As part of their analysis, Smith and Wynne described police generally as not unsympathetic to the plight of problem gamblers committing gambling related crime. The agencies surveyed, did not regard the monitoring of such behaviour as a high priority, especially following the legalisation of many gambling activities. Specific regulatory bodies existed in all provinces (1999:74). Police expertise had been allowed to dissipate. Police generally believed that court penalties in gambling cases were lenient especially when compared with the sentencing of drug traffickers.

The court cases examined by the researchers generally revealed that problem gamblers who appeared in court were charged with non-violent white collar crimes. In most cases the victims and offenders were known to each other. In some cases, problem gambling had been used as a defence (1999:86). The Courts generally did not see an increased number of gambling related cases. The researchers comment in explaining this minuscule number:

It is important to note, however, that many of the cases involving the unlawful behaviour of a gambling addict are settled out of court. For instance, in employee theft cases it is common for the employer to cut a deal with the accused in order to avoid the negative consequences for both parties that could come out in a trial (1999:90).

Smith and Wynne concluded that it was impossible to accurately assess the magnitude of gambling related crime. Official statistics minimise the problem. Police agencies tend to indicate that there is a significant problem and they accuse regulators and the gambling industry of having a vested interest in minimising any associated problems (1999:94).

Other Overseas Research

An examination of literature and correspondence from several universities indicated that a study of the link between problem gambling and crime statistics was not the subject of major research projects to date. It was not possible to establish from the Heads of Correctional Services and very senior law enforcement officers that such research had been undertaken in either Japan or Hong Kong.

Conclusion

A broad range of projects and studies were examined in the quest to answer the five research questions (Figure 3). Many findings related to criminal offences committed by problem gamblers. On the basis of the research data reviewed, there is a strong case that points to a link between problem gambling and crime (the first research question).

In terms of the second research question, problem gamblers tended to commit non-violent property offences. Other than the recent Canadian study (Smith and Wynne 1999), there are few studies which specifically attempt to probe the issue of how law enforcement monitor and record gambling related offences, how they are dealt with in the court system and what happens in corrections. These findings indicate that the present project is unique in Australia.

CHAPTER 4 VIEWS AND OPINIONS

Introduction

This chapter includes information and opinions obtained from a number of representatives of gambler support agencies and from the gaming industry. Also referred to in the chapter are the views of members of the judiciary and of the magistracy. It should be noted that the persons consulted and the information they provided was accepted as accurate and representative of the agencies and organisations consulted.

The *Gaming Machine Control Act 1991* provides for not less than 87% of EGM turnover to be returned to players as prizes. The net cash balance, being the difference between the total amount wagered and the sum of all prizes paid, is split equally (where the venue is a club) between the venue operator, the gaming operator and the Government. In the case of hotels, the venue operator receives only 25% of the net cash balance, with 8.3% being directed to the Community Support Fund which was established pursuant to section 138 of the Act.

Many of the agencies and organisations referred to in this chapter are funded by the Community Support Fund. The *Gaming Machine Control Act, 1991* permits the Fund to be utilised to fund the Authority's research activities as well as a wide range of programs aimed at problem gamblers.

Comments from the Courts

Court Hearings

Over the past three years, speculation about the causal relationship between gaming and crime has been the subject of comment by at least four County Court Judges (Barnett, Gelbart, Jones, Morrow) during the sentencing of accused persons whose crimes resulted from problem gambling. Some of these received considerable publicity in the media. The common features of these crimes were that they involved problem gamblers, committing white collar crimes over a period of time, involving large sums of money which was used for gambling. Convicted persons were evenly distributed as to gender. Many had attended Gamblers Anonymous (G.A.), BreakEven or other counselling groups or contacted G-Line. Little money was repaid.

The financial losses to employers on occasions had placed their businesses in jeopardy. In one case, a problem gambler fraudulently mortgaged the house of a neighbour/friend (R v Petrovic, 23.2.1998). Most of the accused pleaded guilty, a common phenomenon of white collar criminals faced with damning documentary evidence.

Judge Barnett was critical of the fact that that no specific statistics were kept about the association between crime and gaming. In sentencing James Lim in December 1997, His Honour commented:

In your case I do propose to give weight to your gambling addiction. I accept that you are unlikely to offend in a similar way in the future...

I also accept that since the introduction of poker machines and the opening of the casino in this State, and the widespread aggressive urging to the public to gamble, crimes like yours are likely to become more and more frequent.

Initially I was concerned that there was sufficient anecdotal evidence to demonstrate at present that there did exist a significant increase in gambling crimes without resort to actual statistics. The accuracy of anecdotal evidence, of course, is often hard to assess. I am told by the Prosecutor, that there are no figures kept in relation to crime and gambling at the Casino, by the DPP, the Casino Control Authority, the Casino itself, or indeed the Victorian Police as to the incidents of gambling induced crime at the Casino.

However, since your plea, and in the time allowed, I have taken the opportunity of reviewing sentences that involve an addiction to gambling as the motivation for criminal conduct in this court in the year of 1996. I have reviewed some 22 sentences that make reference to compulsive gambling at the Casino as a component. Not all the cases involved theft, some related to the trafficking of heroin and some related to armed robbery. I think that one relates to blackmail as well. It is significant that some 13 cases however do relate to theft or the obtaining of a financial advantage by deception. In one case there is a sum stolen in excess of a million dollars, at least five involve thefts in excess of \$100,000 or more.

These are a selection of a limited example of instances of criminal conduct such as yours, as I say, this court heard during 1996. Whilst there are reports from time to time in the media, from the Magistrates Court, without the benefit of further research, I am in no position to assess the overall pattern of offences with gambling as a component, that motivates criminal conduct and summary matters. But the probabilities, however, is the Magistrates Court figures, if available, would demonstrate at least a similar pattern of crime generated by gambling.

Magistrates interviewed for this project generally believed that while increased gambling generated significant social problems, there was, in their opinion, no evidence that it had resulted in a new crime wave. In some regions, Magistrates noted increased numbers of pleas based on alleged

addiction to gambling. In their view, this was the exception rather than the rule. Magistrates indicated, however, that some defendants may be too ashamed to claim a gambling addiction as responsible for their offending. Others, for cultural reasons, would not mention that they had a gambling problem. Defendants charged with crimes later found to be gambling related, generally had been charged with white collar non-violent offences against property. The fact that these were gambling related did not necessarily come to the attention of the Magistrate.

In a view without quantification, the Deputy Chief Magistrate advised a conference about gambling issues that she believed the liberalisation of gambling laws had not brought about a crime wave. She conceded that excessive gambling was a significant social problem but this fact about a defendant may not be raised in court (Levine 1998).

Gambling Support Agencies

The Authority provided the contact details of key people in nine support agencies who should be consulted. The Terms of Reference were sent to each of these and contacts made. Four of these, G-Line, Broadmeadows Care, Catholic Social Services and BreakEven indicated that site visits and discussions would be helpful. Subsequent consultations were undertaken. Three Agencies, the Australian Multicultural Foundation, the Victorian Council of Social Services and the Salvation Army provided useful information over the telephone. Only one agency did not respond.

The Department of Human Services was also contacted. Crime and gambling issues were discussed with the Project Manager, Community Programs and Youth Policy. That Office was responsible for a number of problem gambling research studies including the analysis of BreakEven services. They suggested that care was required in an analysis of the BreakEven research because of data unreliability and interpretational difficulties, nevertheless the analyses was regarded as valuable within the Department.

The Manager referred to in the previous paragraph indicated that, other than for the BreakEven information, there was no data kept by the Department which could measure the impact of gambling on crime statistics. Problem gambling services, funded by the Community Support Fund and coordinated by the Department of Human Services are more comprehensive to those in any state in Australia.

A recent seminar, conducted by the Department of Human Services funded by the Community Support Fund, explored the financial and legal issues arising from support provided to gamblers and their families. Participants criticised the fact that neither the criminal nor the civil courts maintained statistics indicating in which cases gambling was an issue so that trends could be identified and, where necessary, remedial actions to address the problems implemented (Levine 1998:36).

The seminar criticised the fact that many prisoners and persons on Community Based Orders have significant personal difficulties including problem gambling and financial debts which must be identified if these are to be addressed. Some of these individuals had also been the victims of sexual abuse or domestic violence. Imprisonment and community supervision should be seen as an opportunity to effectively treat these major issues if problem gamblers were not to reoffend. In addition, unaddressed financial problems will exacerbate the impacts on families while offenders are imprisoned or serving a Community Based Order (Levine 1998:37).

G-Line

G-Line is a 24-hour, nationwide, free telephone counselling service for problem gamblers. Commenced in 1993, the service is an arm of the Addiction Research Institute. In Victoria, G-Line is funded by the Community Support Fund coordinated by the Department of Human Services. The counselling is carried out by forty-three experienced part-time professionals. Confidentiality and anonymity are guaranteed. Media publicity campaigns had been undertaken and advertisements of the services offered are displayed at gambling venues. A data base is generated from callers, but this does not provide specific statistics concerning gambling related crime. In 1996/97 and 1997/98, more than a third of problem gamblers attending BreakEven had been referred through G-line (Jackson et. al. 1998:15, 1999A:39).

BreakEven

BreakEven is the generic name for a State wide counselling service for problem gamblers which also provides community education programs. Commenced in 1994, the service is delivered by 18 agencies at approximately 100 sites. It is financed through the Community Support Fund and coordinated by the Department of Human Services.

Each BreakEven agency offers free and confidential advice to its clients by specially selected and trained psychologists and social workers. Counselling occurs in a harm minimisation framework. The BreakEven community education officers have special responsibility for identifying trends in problem gambling.

BreakEven staff affirmed that problem gambling can have a detrimental impact, not only on the players, but also on partners, families and the community generally. Financial crimes can have a devastating impact on the lives of a considerable numbers of persons. A sub-group of problem gamblers present a range of problem behaviours in addition to excessive gambling. BreakEven staff interviewed believed that easier accessibility to gambling (especially of EGMs) is a major factor contributing to the increase of the number of problem gamblers.

Most problem gamblers counselled by BreakEven who admitted committing illegal acts are not sensational cases involving hundreds of thousand of dollars. It is also conceded that the perception of offending by those clients would need to be tested against the official definitions of crime

used in prosecutions before the courts. The offenders are generally trusted employees in small or medium businesses stealing from employers especially where record keeping is poor. Often they are people who have extended their lines of credit (credit cards/personal loans) beyond any chance of repayment and have to sell assets and possibly their homes to meet their debts. Some have been declared bankrupt. Nearly all suffer from public or personal stigma.

BreakEven also provides a service to problem gamblers who have been charged by the police and are following legal advice that attendance and counselling may be of assistance in their cases. Court reports are also prepared by BreakEven counsellors. The average length of treatment with BreakEven is six sessions. BreakEven counselling is available for persons sentenced to imprisonment and to those on Community Based Orders (CBOs). Success is measured in terms of abstinence from gambling and the resolution of other issues. In the short-term, this may be as high as 70% of clients but long-term success is often unclear.

Data obtained from BreakEven clients across the State is collected and collated as the *minimum data set*. This includes a number of questions based on the Diagnosis and Statistical Model (DSM IV) relating to problem gamblers' maladaptive behaviours such as stealing and the commission of other illegal acts. This data is collated, analysed and published by the University of Melbourne. None of the BreakEven

representatives spoken to were aware of data being recorded which addresses the impact of problem gambling upon crime statistics.

Financial and Consumer Rights

There are over one hundred financial counsellors attached to a variety of community agencies throughout Victoria. The Chairperson of the Gambling Issues Working Group, Financial and Consumer Rights Council located at Broadmeadows Care, (Department of Human Services) was consulted. He reported that counsellors generally have expertise in credit law and debt collection practices. Recently, the Council prepared an analysis of the impact of gambling upon women (Brown and Coventry 1997).

Problem gamblers frequently use the financial service, particularly in gaining skills in money management and budgeting. According to financial counsellors, the proliferation of EGMs and the increased accessibility to these since 1992 has resulted in significant increases in the number of problem gamblers seeking assistance. This, they observed, has been exacerbated by the fact that EGMs tend to be concentrated in lower socio-economic areas where disposable income is limited.

Over 25% of problem gambling clients who access these services disclose to counsellors certain illegal activities including defrauding the Australian Taxation Office or Social Security, stealing, embezzlement, domestic violence and blackmail (Levine 1998:8). In many cases, the need to protect assets and third parties are paramount, and consequently,

prosecutions do not follow the disclosure of information. Bankrupt persons who gamble excessively may be proceeded against under the *Bankruptcy Act* and a term of imprisonment upon conviction is not unknown.

Problem gambling difficulties are compounded for partners and families of gamblers from non-English speaking backgrounds. Financial counsellors in Broadmeadows work closely with a number of ethnic groups including the Spanish, Arabic and Turkish communities. Cultural issues within these groups may hide the commission of offences by members which otherwise might be reported to the police. Excessive gambling, they point out, can lead to social isolation of the gambler's family.

Financial counselling is also provided to prisoners, especially problem gamblers, who almost invariably have significant debts. The management of these debts will exacerbate while they are imprisoned. Broadmeadows Care had not compiled statistics about gambling related crime.

Interchurch Gambling Task Force

Discussions were undertaken with the Interchurch Gambling Task Force. The Terms of Reference and the intended methodology and purpose of the project were discussed. The Task Force, which is comprised of representatives of seven major churches has been extremely vocal in criticising the gambling industry. The Task Force has produced a number of anti-gambling publications. They had no objective information of the impact

of gambling upon crime. They were of the view that such data would be valuable in establishing trends and identifying issues in excessive gambling.

Miscellaneous Groups

A number of welfare agencies expressed support for the research project after receiving a copy of the Terms of Reference. These included representatives from the Victorian Council of Social Services, the Salvation Army and the Australian Multicultural Foundation. The last was particularly concerned to limit stereotyping of ethnic groups as heavily involved in gambling. All were of the view that valid and reliable data concerning gambling related crime would be of great assistance.

Gambling Industry Groups

The Terms of Reference were sent to key executives in six gambling industry enterprises. Crown Casino believed that a site visit and discussions would be helpful. Spokespersons for three other companies, Tattersall's, TABCORP and the Australian Hotels Association also provided useful information. Two companies did not respond.

Crown Casino

Crown Casino indicated that to their knowledge there was no system for police or any other agency recording offences as being motivated by gambling. There is a need to recognise that problem gambling behaviour could be exaggerated for use by defence counsel in court to seek sympathy from the bench and leniency in the sentence or penalty imposed. In

appropriate cases, a sentencing option to require the offender to undergo problem gambling counselling had the support of Crown Casino.

Crown Casino stressed the point that the opening of the Casino in Melbourne virtually eliminated illegal gambling in Victoria and the criminal activities and offences associated with illegal gambling. Crown Casino was conscious of the publicity given to incidents and cases where it was claimed that gambling may have contributed to illegal behaviour. They conceded that not all instances of illegal gambling related behaviour are reported to the police.

Crown Casino claimed to have information indicating that a number of problem gamblers exhibit other major personal problems. They stressed that time devoted to gambling or money spent on gambling activities, of themselves, do not define problem gambling nor does it mean that the person is a problem gambler.

Other Industry Representatives

Industry representatives consulted were not aware of any research which examined the link between gambling and crime. While they support such research, they recognised that valid and reliable measures would be difficult to obtain. One spokesperson indicated that a complicating factor is the propensity of defence counsel to argue that excessive gambling had resulted in their client offending thus avoiding the concept of individual responsibility.

Spokespersons generally believed that there is a philosophical issue that needs to be addressed as to the extent to which Government should protect people from themselves. They were of the view that measurement of problem gambling is difficult and that the South Oaks Gambling Screen (SOGS) and self-reporting surveys have limitations. They assert that many problem gamblers exhibit a variety of dysfunctional behaviours and that in the absence of gambling, these people would still need support and assistance.

Conclusion

The research design of the present study sought the opinions and views of support agencies and industry representatives to address the information required by two of the research questions (Figure 3). These were the existence of gambling related crime by problem gamblers and the types of gambling related crime committed by that group. Significant qualitative information was obtained. The interviews of social workers and other professionals in support agencies provided valuable anecdotal information relevant to the research questions. Industry representatives consulted were perceived to minimise the level and types of gambling related crime.

CHAPTER 5 VICTORIAN JUSTICE SYSTEM RECORDS

Introduction

A major aspect of the research was to establish the awareness of and recording by the Victoria Police, the Courts and Correctional Services of gambling related crime. The scope of the project required an assessment of availability, identification and categorisation of data, of gambling related crime committed by problem gamblers held by the three agencies (Figure 1). This Chapter follows the detail of Chart 1 to provide information obtained from these key stakeholders in the Criminal Justice System which are fundamental to the research project.

More than 400,000 criminal offences are reported or detected in Victoria annually. Introduced in 1993, the Law Enforcement Assistance Program (LEAP) is a mainframe computer based crime information system providing police with relevant and timely information about offences, offenders and suspects. LEAP software, adapted from a program in the United States, has been stringently evaluated over the period.

Victoria Police Practices

LEAP Data Base

The LEAP data base used by the Victoria Police is a relational data base which captures and categorises particulars of all crimes, family incidents and missing persons formally recorded by police. The operational

effectiveness of the police is dependent upon the timely availability of information. Consequently, the data base is on-line and updated constantly. A range of statistical reviews and analyses are produced from LEAP including the annual *Crime Statistics* (Victoria Police 1998).

LEAP Objectives The primary objective of LEAP is to provide a computer based information resource for operational police that helps minimise the incidence and effects of crime on the community by:

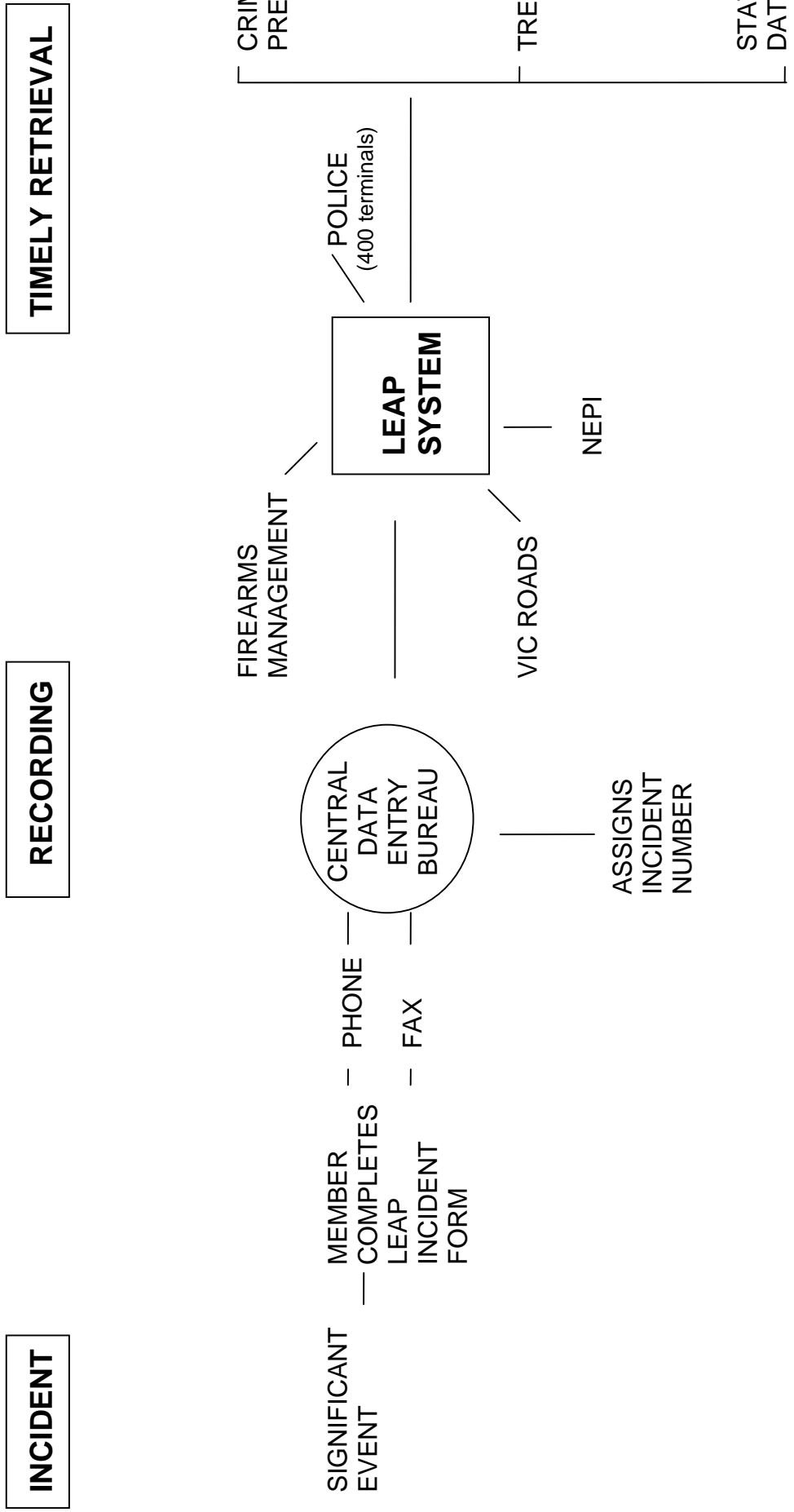
- improving police effectiveness in crime prevention and control;
- providing an analysis of crime trends which enable proactive strategies to be implemented; and
- providing accurate measurement processes at all levels of utilisation (Figure 9).

LEAP provides mechanisms for the timely and accurate recording and retrieval of information about crime in Victoria, police field contacts, warnings about dangerous persons and their addresses, and persons and locations of interest, and vehicle histories. The system also utilises external data from the National Exchange of Police Information (NEPI), VICROADS and Firearms Management Systems.

LEAP Categories The data bases include information about crimes, criminal offenders, victims, witnesses, family violence intervention orders, missing persons, stolen property, property seized/recovered, warrants of apprehension, attendance register, bail requirements, offender processing and investigation related matters.

FIGURE 9

PRESENT POLICE RECORDING PRACTICE



The principal method of data capture is by members completing a series of relevant forms of which there are about 30. Three of these have been reproduced (Chart 2). After supervisors have checked prepared forms for accuracy and completeness, these are phoned/faxed to the Central Data Entry Bureau. Bureau staff enter LEAP information onto the data base. Police and other authorised persons are able to access the LEAP data at about 400 locations around Victoria. Patrolling members can access the system by car radio or telephone (Figure 9).

LEAP does not include information about the motives for a crime. For such information to be recorded, specific questions as to the motives of the person being processed would have to be asked. This would require significant amendments to LEAP programs and a change of culture for police moving from capturing factual data to a data base which would also hold qualitative and subjective information (Figure 10).

The potential amount of processing and effort required to establish the motives of why a crime was committed may be gained from an examination of two typical white collar crimes. These are the types of crimes found by research to be frequently committed by problem gamblers. For 1997/98, there were 35,191 *Deception* offences and 15,981 alleged offenders proceeded against for that range of offences. The estimated total value of deception offences was over \$117 million. Similarly, there were 65,224 general *Theft* offences recorded and 12,019 persons charged with those

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REPORT DATE	REPORT TIME	PRINCIPAL VICTIM FAMILY NAME																																						
02/02/2000	0934																																							
Cross Box if supplementing an existing incident <input type="checkbox"/>		AND provide the INCIDENT No. _____																																						
BRIEF SUMMARY OF INCIDENT: <small>Do NOT include Victim's name, street or vehicle numbers or other confidential information</small>																																								
STOLEN PROPERTY TOTAL VALUE	DAMAGED PROPERTY TOTAL VALUE	CRIME AGAINST THE PERSON		VICTIM SIGNATURE re RECEIPT OF COPY																																				
\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No																																						
CRIME SCREENING (Cross if answer YES) <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input checked="" type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 <input type="checkbox"/> 11																																								
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INVESTIGATION STATUS <input type="checkbox"/> Active <input type="checkbox"/> Pending <input type="checkbox"/> Completed <i>(ONLY Supervisor to complete Investigation Status)</i>																																								

CASE PROGRESS NARRATIVE [include all investigations undertaken and all other details of the incident not elsewhere described on attached forms]

Sample

SUB-INCIDENT

INCIDENT FAX SEQUENCING
Page No. / Total No. of Pages

VP Form L2

REPORT DATE: 02/02/2000 MEMBER REG. NO. MEMBER STATION

If supplementing an existing sub-incident, cross this box AND provide the SUB -INCIDENT No. OR If this is a new Sub-incident, then provide the existing INCIDENT No.

OFFENCE CODE. OFFENCE OFFENCE COUNTS

SUB INCIDENT RESULT Unsolved Offender Processed (inc. Caution) Intent to Summons CPWD NOD Other

COMMITTED AT OR BETWEEN hrs on and hrs on

Sub-Inc. Location

Flat No. Street No. Street Name & Type

TOWN/SUBURB COMMITTED AT SUB-DIST

PRINCIPAL VICTIM

Cross if Business name Mni No. 1st Name

FAMILY NAME 2nd Name

DOB Age Sex Male Female Ethnic Appearance

Flat No. Street No. Street Name & Type

TOWN/SUBURB State Postcode

Home Phone Bus. Phone

Other Phone Are there other sub-incidents? Yes No

Is a property attached to this sub-incident? Yes No Are there other names for this sub-incident? Yes No

Indicate Type of Premises or Area Where Incident or Event Occurred

RESIDENTIAL LOCATIONS

- Dwellings Private
- Flat/Unit Apartment
 - House
 - Bungalow
 - Caravan/Mobile home
 - Houseboat
 - Ministry of Housing

- Non-Private
- Boarding house
 - Holiday house
 - Guest house
 - Nursing home
 - Hotel/Motel
 - Other Dwelling

- Other Residential
- Clothesline/laundry
 - Back yard
 - Front yard
 - Garage
 - Shed
 - Premises under Construction
 - Other residential

COMMUNITY LOCATIONS

- Educational
- School
 - School ground
 - Other Educational

- Health
- Hospital
 - Medical Centre
 - Dental
 - Other Health

- Religious
- Church
 - Other Religious

- Public Transport ONLY**
- Train
 - Train Station
 - Railway Car park
 - Tram/Tram Stop
 - Bus/Bus Stop
 - Depot/Terminal
 - Freight Yard
 - Office
 - Taxi

- Other Transport
- Private car
 - Airfield
 - Boat
 - Dock/Wharf
 - Carpark (single level)
 - Carpark (multi level)
 - Other Transport type/area

- Justice
- Police Station
 - Court
 - Prison/Detention Centre
 - YTC
 - Other Justice facility

- Open Space
- Parkland/Reserve
 - Rural
 - Vicar's Block
 - Beach/Foreshore
 - Other Open Space
- Streets/Footpaths
- Street/Lane/Footpath

- Other Community location
- Cemetery
 - Civic Centre
 - Gallery

OTHER LOCATIONS

- Administrative/Professional
- Business Office
 - Other Admin/Professional

- Banking
- Bank
 - Credit Society
 - ATM/EFTPOS
 - Other Financial Institution

- Retail
- Chemist/Pharmacy
 - Service Station
 - Jeweller
 - 2nd Hand Dealer
 - Supermarket
 - Department Store

Retail (contd.)

- Car Sales Yard
- Milk bar
- 24hrs Convenience
- Restaurant/Fast food
- Other Retail

- Wholesale
- Any Wholesale

- Warehouse/Storage
- Any Warehouse/Storage

- Manufacturing
- Factory
 - Other Manufacturing

Agriculture

- Farmland
- Orchard
- Other Agricultural

- Recreational
- Licensed premises
 - TAB
 - Cinema
 - Sports Area/Facility
 - Other recreation/Sports

- Other Locations
- Brothel/Massage Parlour
 - Construction Site
 - Other Locations

- UNSPECIFIED LOCATION
- Unspecified/Unknown Loc

BURGLARY REPORT

INCIDENT FILE SEQUENCING
Page No. / Total No. of Pages

VP Form L4

REPORT DATE: MEMBER REG. NO: MEMBER STATION: CROSS THIS BOX FOR ATTEMPTED BURGLARY:

If supplementing an existing sub-incident, cross this box AND provide the SUB-INCIDENT No. OR If this is a new Sub-incident, then provide the existing INCIDENT No.

OFFENCE/ EVENT CODE: OFFENCE OR EVENT: OFFENCE COUNTS:

SUB INCIDENT RESULT: Unsolved Offender Processed (inc. Caution) Intent to Summons CPWD NOD Other

COMMITTED AT OR BETWEEN: hrs on and hrs on

Sub-Inc. Location:

Flat No.: Street No.: Street Name & Type:

TOWN/ SUBURB: COMMITTED AT SUB-DIST.:

PRINCIPAL VICTIM: Cross if Business name Mni No.: 1st Name:

FAMILY NAME: 2nd Name:

DOB: Age: Sex: Male Female Ethnic Appearance:

Flat No.: Street No.: Street Name & Type:

TOWN/ SUBURB: State: Postcode:

Home Phone: Bus. Phone:

Other Phone: Are There other sub-incidents? Yes No
Are there other names for this sub-incident? Yes No

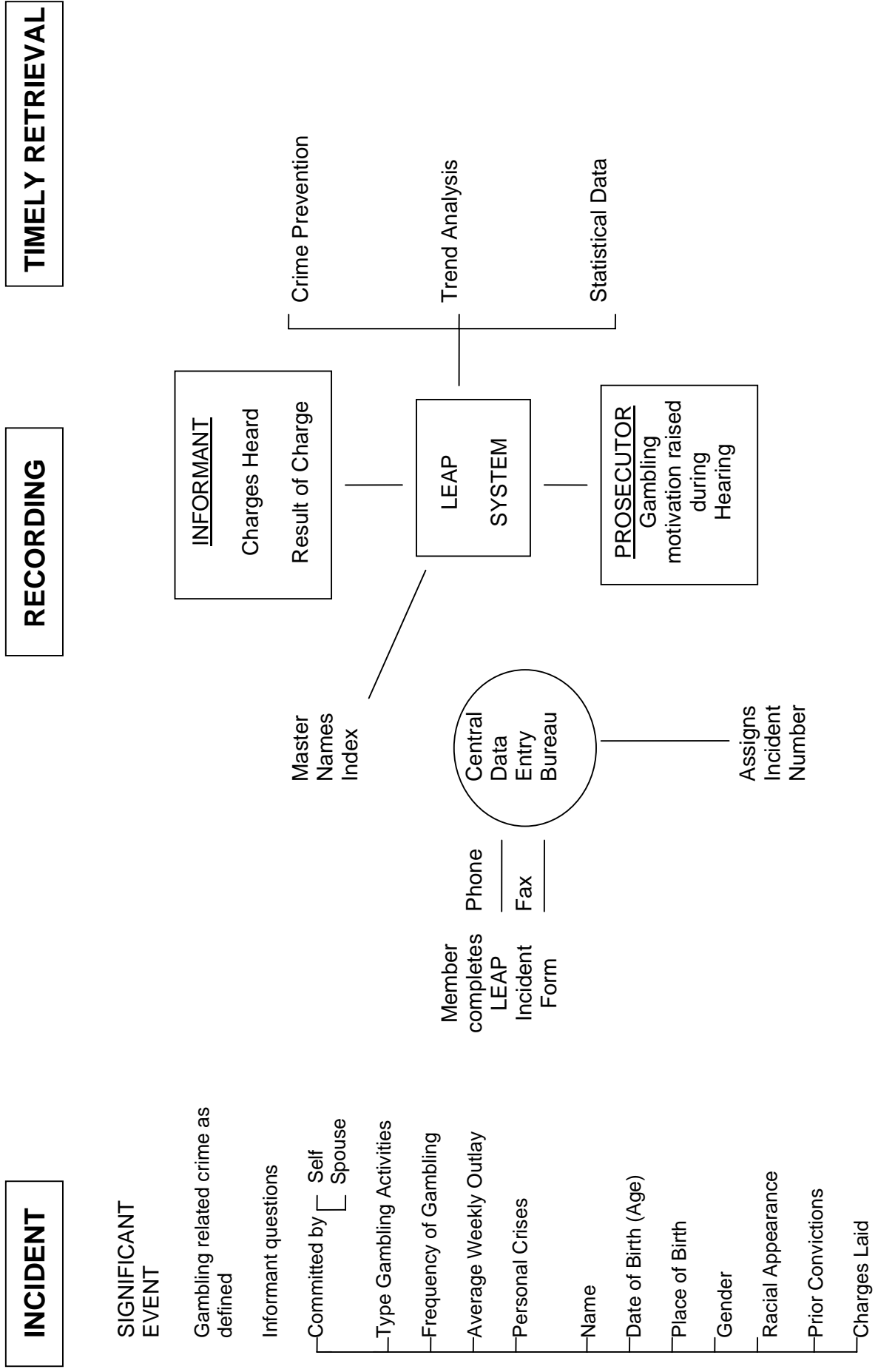
Is property attached to this sub-incident? Yes No

MODUS OPERANDI: Cross applicable boxes in Code Tables

<p>RESIDENTIAL LOCATIONS</p> <p><u>Dwellings Private</u></p> <p><input type="checkbox"/> Flat/Unit/Apartment</p> <p><input type="checkbox"/> House</p> <p><input type="checkbox"/> Bungalow</p> <p><input type="checkbox"/> Caravan/Mobile home</p> <p><input type="checkbox"/> Ministry of Housing</p> <p><u>Non-Private Dwellings</u></p> <p><input type="checkbox"/> Boarding house</p> <p><input type="checkbox"/> Holiday house</p> <p><input type="checkbox"/> Guest house</p> <p><input type="checkbox"/> Nursing home</p> <p><input type="checkbox"/> Hotel/Motel</p> <p><input type="checkbox"/> Other Dwelling</p> <p><u>Other Residential</u></p> <p><input type="checkbox"/> Clothesline/Laundry</p> <p><input type="checkbox"/> Garage</p> <p><input type="checkbox"/> Shed</p> <p><input type="checkbox"/> Premises under construction</p> <p><input type="checkbox"/> Other Residential</p> <p>COMMUNITY LOC.</p> <p><u>Educational</u></p> <p><input type="checkbox"/> School</p> <p><input type="checkbox"/> Other Educational</p> <p><u>Health</u></p> <p><input type="checkbox"/> Hospital</p> <p><input type="checkbox"/> Medical Centre</p> <p><input type="checkbox"/> Dental</p> <p><input type="checkbox"/> Other Health</p> <p><u>Religious</u></p> <p><input type="checkbox"/> Church</p> <p><input type="checkbox"/> Other Religious</p>	<p><u>Public Transport</u></p> <p><input type="checkbox"/> Train Station</p> <p><input type="checkbox"/> Depot/Terminal</p> <p><input type="checkbox"/> Office</p> <p><u>Other Transport</u></p> <p><input type="checkbox"/> Airfield</p> <p><input type="checkbox"/> Dock/Wharf</p> <p><input type="checkbox"/> Car park (single level)</p> <p><input type="checkbox"/> Car park (multi level)</p> <p><input type="checkbox"/> Other transport type/area</p> <p><u>Justice</u></p> <p><input type="checkbox"/> Police Station</p> <p><input type="checkbox"/> Court</p> <p><input type="checkbox"/> Prison/Detention centre</p> <p><input type="checkbox"/> YTC</p> <p><input type="checkbox"/> Other Justice facility</p> <p><u>Open Space</u></p> <p><input type="checkbox"/> Parks/Reserve</p> <p><input type="checkbox"/> Rural</p> <p><input type="checkbox"/> Beach Foreshore</p> <p><input type="checkbox"/> Other Open Space</p> <p><u>Other Community Location</u></p> <p><input type="checkbox"/> Cemetery</p> <p><input type="checkbox"/> Civic Centre</p> <p><input type="checkbox"/> Gallery</p> <p>OTHER LOCATIONS</p> <p><u>Administrative/Professional</u></p> <p><input type="checkbox"/> Business Office</p> <p><input type="checkbox"/> Other Admin/Prof.</p> <p><u>Banking</u></p> <p><input type="checkbox"/> Bank</p> <p><input type="checkbox"/> Credit Society</p> <p><input type="checkbox"/> ATM/EFTPOS</p> <p><input type="checkbox"/> Other Financial Institution</p>	<p><u>Retail</u></p> <p><input type="checkbox"/> Chemist/Pharmacy</p> <p><input type="checkbox"/> Service Station</p> <p><input type="checkbox"/> Jeweller</p> <p><input type="checkbox"/> 2nd Hand Dealer</p> <p><input type="checkbox"/> Supermarket</p> <p><input type="checkbox"/> Department Store</p> <p><input type="checkbox"/> Car Sales Yard</p> <p><input type="checkbox"/> Milk bar</p> <p><input type="checkbox"/> 24hrs Convenience</p> <p><input type="checkbox"/> Restaurant/East food</p> <p><input type="checkbox"/> Other Retail</p> <p><u>Wholesale</u></p> <p><input type="checkbox"/> Any Wholesale</p> <p><u>Warehouse/Storage</u></p> <p><input type="checkbox"/> Warehouse/Storage</p> <p><u>Manufacturing</u></p> <p><input type="checkbox"/> Factory</p> <p><input type="checkbox"/> Other Manufacturing</p> <p><u>Agiculture</u></p> <p><input type="checkbox"/> Farmland</p> <p><input type="checkbox"/> Orchard</p> <p><input type="checkbox"/> Other Agricultural</p> <p><u>Recreational</u></p> <p><input type="checkbox"/> Licensed Premises</p> <p><input type="checkbox"/> TAB</p> <p><input type="checkbox"/> Cinema</p> <p><input type="checkbox"/> Sports Area/Facility</p> <p><input type="checkbox"/> Other Recreation/Sports</p> <p><u>Other Locations</u></p> <p><input type="checkbox"/> Brothel/Massage Parlour</p> <p><input type="checkbox"/> Construction Site</p> <p><input type="checkbox"/> Other Locations</p> <p><input type="checkbox"/> Unspecified, Unknown Location</p>	<p>POINT OF ENTRY</p> <p><input type="checkbox"/> Unknown</p> <p><input type="checkbox"/> Back</p> <p><input type="checkbox"/> Front</p> <p><input type="checkbox"/> Side</p> <p><input type="checkbox"/> Window</p> <p><input type="checkbox"/> Door</p> <p><input type="checkbox"/> Roof/Ceiling</p> <p><input type="checkbox"/> Floor</p> <p><input type="checkbox"/> Upper Level</p> <p><input type="checkbox"/> Other</p> <p>METHOD OF ENTRY</p> <p><input type="checkbox"/> Unknown</p> <p><input type="checkbox"/> Forced/Broke Door</p> <p><input type="checkbox"/> Forced/Broke Window</p> <p><input type="checkbox"/> Cut Hole</p> <p><input type="checkbox"/> Cut/Broke Lock</p> <p><input type="checkbox"/> Cut/remove Flywire</p> <p><input type="checkbox"/> Remove Louvre/Window</p> <p><input type="checkbox"/> Remove Roof Tile/Iron</p> <p><input type="checkbox"/> Unscrew Hinges</p> <p><input type="checkbox"/> Unlocked/Open Window</p> <p><input type="checkbox"/> Unlocked/Open Door</p> <p><input type="checkbox"/> Key Used</p> <p><input type="checkbox"/> Attempt Only</p> <p><input type="checkbox"/> Lock Manipulated</p> <p><input type="checkbox"/> Tape Used</p> <p><input type="checkbox"/> Invited In</p> <p><input type="checkbox"/> No Sign Forced Entry</p> <p><input type="checkbox"/> Other</p> <p>TYPE OF TOOLS USED</p> <p><input type="checkbox"/> Unknown</p> <p><input type="checkbox"/> Bolt/Tin Cutters</p> <p><input type="checkbox"/> Glass Cutters</p> <p><input type="checkbox"/> Sledge/Mul-Grips</p> <p><input type="checkbox"/> Oil/Explosives</p> <p><input type="checkbox"/> Brick/Rock/Missile</p> <p><input type="checkbox"/> Coat Hanger/Nylon Tape</p> <p><input type="checkbox"/> Key Used</p> <p><input type="checkbox"/> Jemmy/lever/screwdriver</p> <p><input type="checkbox"/> Vehicle</p> <p><input type="checkbox"/> Ladder</p> <p><input type="checkbox"/> Physical Force</p> <p><input type="checkbox"/> Taped Window Broken</p> <p><input type="checkbox"/> Not Visible Force</p> <p><input type="checkbox"/> Left Unlocked/Open</p> <p><input type="checkbox"/> Other</p> <p>THEFT RELATED</p> <p><input type="checkbox"/> Cash Related</p> <p><input type="checkbox"/> TV/VCR Stolen</p> <p><input type="checkbox"/> Home Hi-Fi Equip. Stolen</p> <p><input type="checkbox"/> Power Tools Stolen</p> <p><input type="checkbox"/> Household Electrical</p> <p><input type="checkbox"/> Jewellery</p> <p><input type="checkbox"/> Clothing Stolen</p> <p><input type="checkbox"/> Computer Equip. Stolen</p> <p><input type="checkbox"/> Prescription Drugs</p> <p><input type="checkbox"/> Handbag/Purse Stolen</p> <p><input type="checkbox"/> Payroll Stolen</p> <p><input type="checkbox"/> Domestic Animal</p> <p><input type="checkbox"/> Livestock Stolen</p> <p><input type="checkbox"/> Premises Ransacked</p> <p><input type="checkbox"/> Victim Baggage taken</p> <p><input type="checkbox"/> Smash Grab</p> <p><input type="checkbox"/> Safe Stolen/Tampered</p>
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FIGURE 10

PROPOSED POLICE RECORDING PRACTICE



types of offences. The estimated total value of general theft offences was more than \$65 million (Victoria Police 1998). A breakdown of the types of deception offences in 1998/99 is contained in Figure 11.

In the case of *deception* and *general theft* offences, if the information about motivation was to be routinely collected, not allowing for the fact that many persons are charged with more than one such offence, in the year in question, over 28,000 persons would have to be interviewed by investigators seeking information as to the motives of their criminal behaviour. Because problem gamblers commit a wide range of offences, the number of persons needing to be interviewed would increase exponentially.

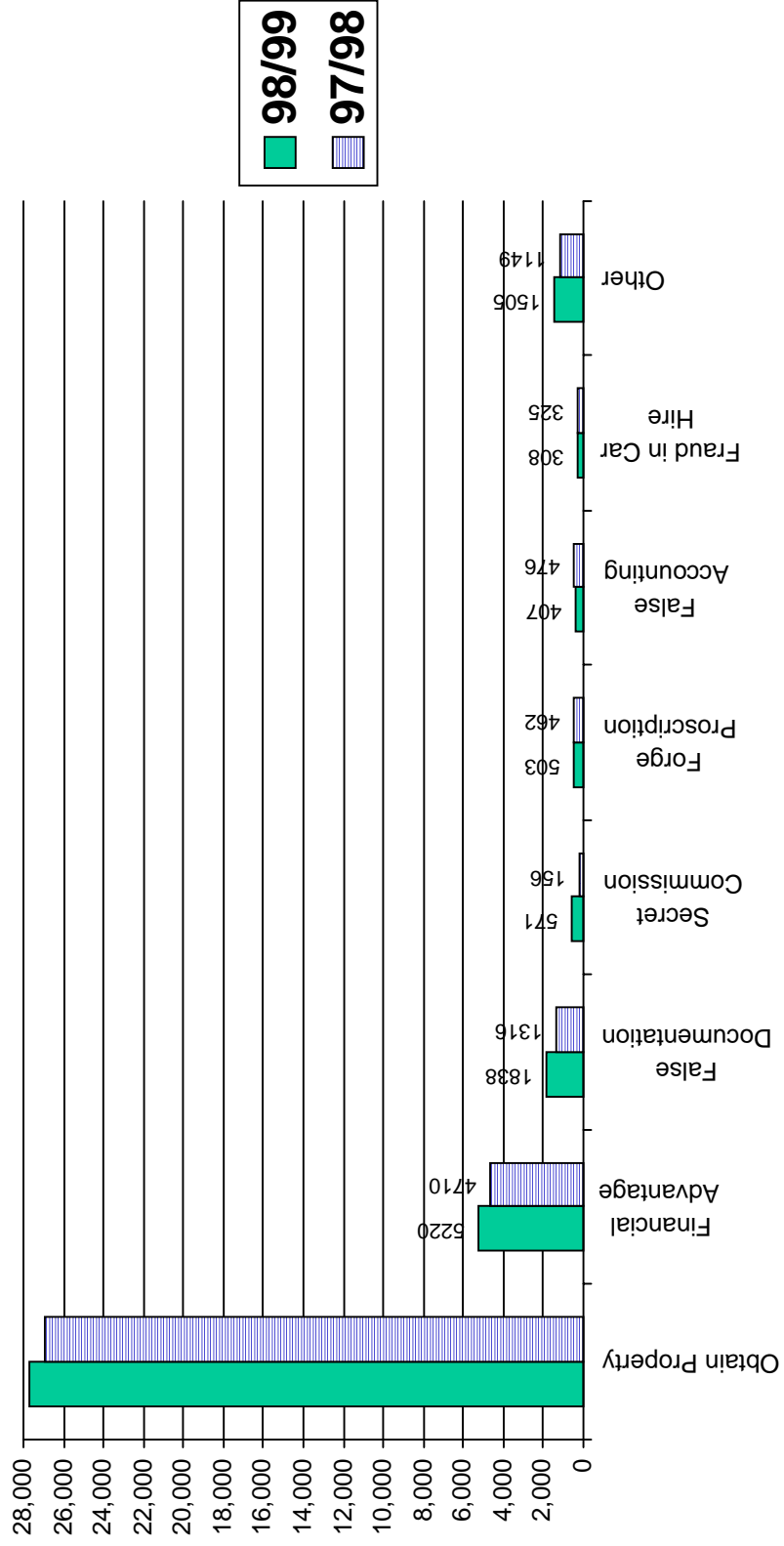
To establish the motives for a crime, the police officer completing the LEAP report would need to obtain information from the alleged offender to determine whether the offence fitted the definition of being gambling related as defined in Chapter 1. If the offence met that definition, the problem gambler/offender would then have to be asked about the range of gambling activities such as EGMs, the frequency of the gambling activities, the average amount spent on such activities and the presence of personal crises (Figure 10).

The LEAP Master Names Index (MNI) number would then have to be checked. This would facilitate recovery and confirmation of personal details such as name, age, gender, place of birth, residence postcode, racial

FIGURE 11

**TYPES OF DECEPTION
OFFENCES 1997/98 - 1998/99**

Source: Victoria Police(1999)



appearance and prior convictions. This would enable the information obtained by the police to be entered on the LEAP data base.

An alleged offender, however, may not raise or admit to police the motivation for his offence until he appears in Court and even then neither the offender or the prosecution has any obligation to raise the motivation for the alleged offence during the Court hearing. and whether the present or prior offences (if any) were gambling related. The outcome of the charges, if proceeded with, would not be known until the cases were adjudicated months later. There would need to be provision for police prosecutors in Magistrates Courts to collect data as to the motivation for the offences committed by offenders if they are raised. This is necessary so that information that had previously not been disclosed is captured and recorded at this stage. To facilitate analysis, prior convictions and offences charged would need to be categorised so that an accurate profile of the offender can be obtained (Figure 10 as previously referenced).

Focus Group Discussion

A focus group discussion including a statistician in the Victoria Police, senior police representing the Prosecutions Division, the Gaming and Vice Squad, the Community Policing Squads, the Policy Planning and Research Division, the Major Fraud Squad and the Statistical and Performance Monitoring Division was conducted. The purpose was to explore the issues of gambling related crime at a very basic level. Participants spoke anecdotally about gambling related crime of which they

were aware as statistical information of the nature being sought was not available.

Police were unanimous that at present there was no categorisation or recording of the motives of why crimes were committed. Crimes are entered in the annual *Crime Statistics* under the relevant offence heading such as *Obtain Property by Deception* of which there were many thousand reported by police in each financial year (Figure 11).

The only specific gambling related classifications in the *Crime Statistics* are venue offences such as being an *excluded person* entering and remaining at the Casino or *suffer gaming in a refreshment house*. These, generally minor offences, do not fit the definition of a gambling related crime as discussed in Chapter 1 which are the subject of this research project.

The focus group considered that, if it could be achieved, the recording of crime that had been determined to be gambling related would be of value to the Victoria Police. Decisions to extend or alter gambling-tasked initiatives could take into account this type of information in the allocation of future resources. The information would also be useful in achieving the Victoria Police crime prevention goals especially combating major crimes against property.

Courts Services

Cooperation by Courts

Discussions were undertaken with a number of Magistrates. A focus group discussion was held with representatives of the Courts and Tribunals Division and the Manager, Justice Statistics and Research, Department of Justice. Information was received from the office of the Director Public Prosecutions. All confirmed that there was no data kept by their offices that identified certain crimes as having been committed by problem gamblers.

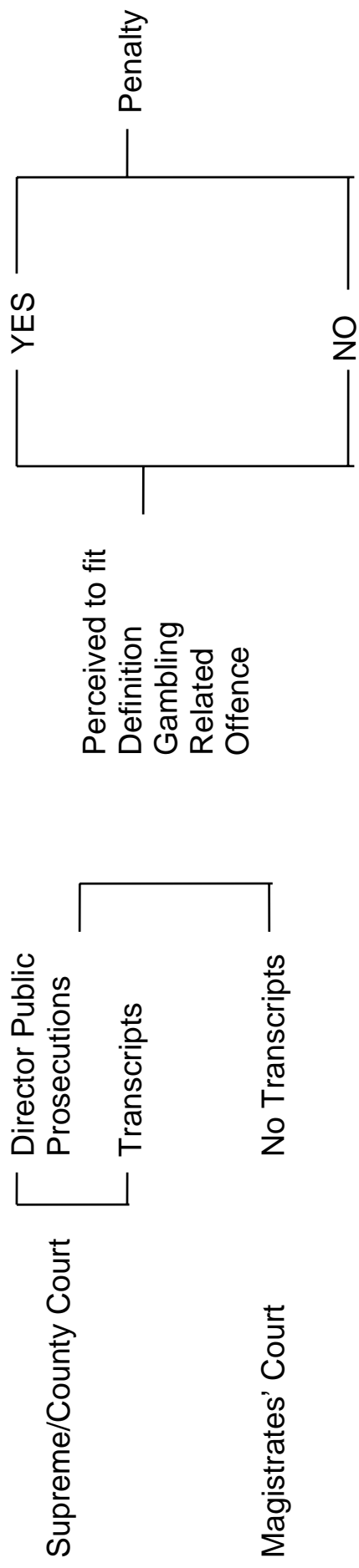
Measurement Strategies

Transcripts of cases before the Supreme Court (100+ cases annually) and the County Court (1800+ cases annually) were closely examined by Department of Justice officials and there was no reliable way in their view of identifying cases as being motivated by gambling from a perusal of the transcripts. It should be noted here that the cases which have been identified by judges as gambling related are those where the gambling related behaviour of the accused had been brought to the attention of the Courts.

Evidence in superior courts is recorded and transcripts are generally available for research, although extraction of data about gambling related crime is both time-consuming and difficult. No transcripts are maintained in the Magistrate's Court and some alternative data collection processes would be required (Figure 12).

FIGURE 12

COURT RECORDING PRACTICES



Correctional Services

Prisoner Information

Prisoner information and other correctional statistics are held within the Department of Justice and also by the Australian Bureau of Statistics (ABS). Most of these data bases do not identify and categorise types of crime cross-referenced to persons involved. The exceptions are the Prison Information Management System (PIMS) and the Offender Automated Statistical Information System (OASIS). These deal respectively with prisoners in custody, those on parole and those placed on non-custodial sentences supervised by Correctional Services. They include information as to the type and nature of offences committed.

Some idea of the number of persons recorded at Corrections may be obtained from the fact that there was a daily average of 2,433 persons imprisoned (including 119 women) in the financial year 1998/99. During the same period, there was a daily average of 5,761 Community Based Orders (CBOs) relating to 5,242 individual offenders. Of the CBOs, 1,696 were Intensive Corrections Orders (ICOs). At law an ICO is a prison sentence served in the community.

Consultations were undertaken with the Office of the Correctional Services Commissioners (OCSC) and with Community Based Corrections Regional Offices at Ballarat, Bendigo and Broadmeadows. In addition, the data held on the PIMS and OASIS data bases generated during

the interview of persons entering the system either to serve a term of imprisonment or to carry out Community Based Orders was analysed to establish that the information was routinely recorded.

Examination revealed that, although there were questions about the interviewed person's financial status, there was no specific prompts relating to gambling on the interview schedule. A computer-generated random sample of records of prisoners convicted of white collar crimes showed no entries concerning gambling. When the data of eight persons who were known to have been sentenced to lengthy terms of imprisonment for problem gambling related offences obtained from Court records was examined, there was no reference to gambling on the relevant data base for five of the cases. This confirmed the fact that this type of data is not being routinely captured and recorded.

Benefits of Problem Gambling Information

All officers interviewed believed it would be useful to obtain details about an offenders gambling behaviour. This would help to ensure that appropriate rehabilitation services could be recommended such as BreakEven or other counselling services. It would be useful in the management of such a person within a prison or on a Community Based Order. Gambling by prisoners and offenders on CBOs has traditionally been a management problem and information of this nature would assist Corrections in addressing these issues.

There was unanimous support for the inclusion of questions relating to gambling to be included in the intake interview of persons sentenced to Community Based Orders or a term of imprisonment(Figure 13).

Conclusion

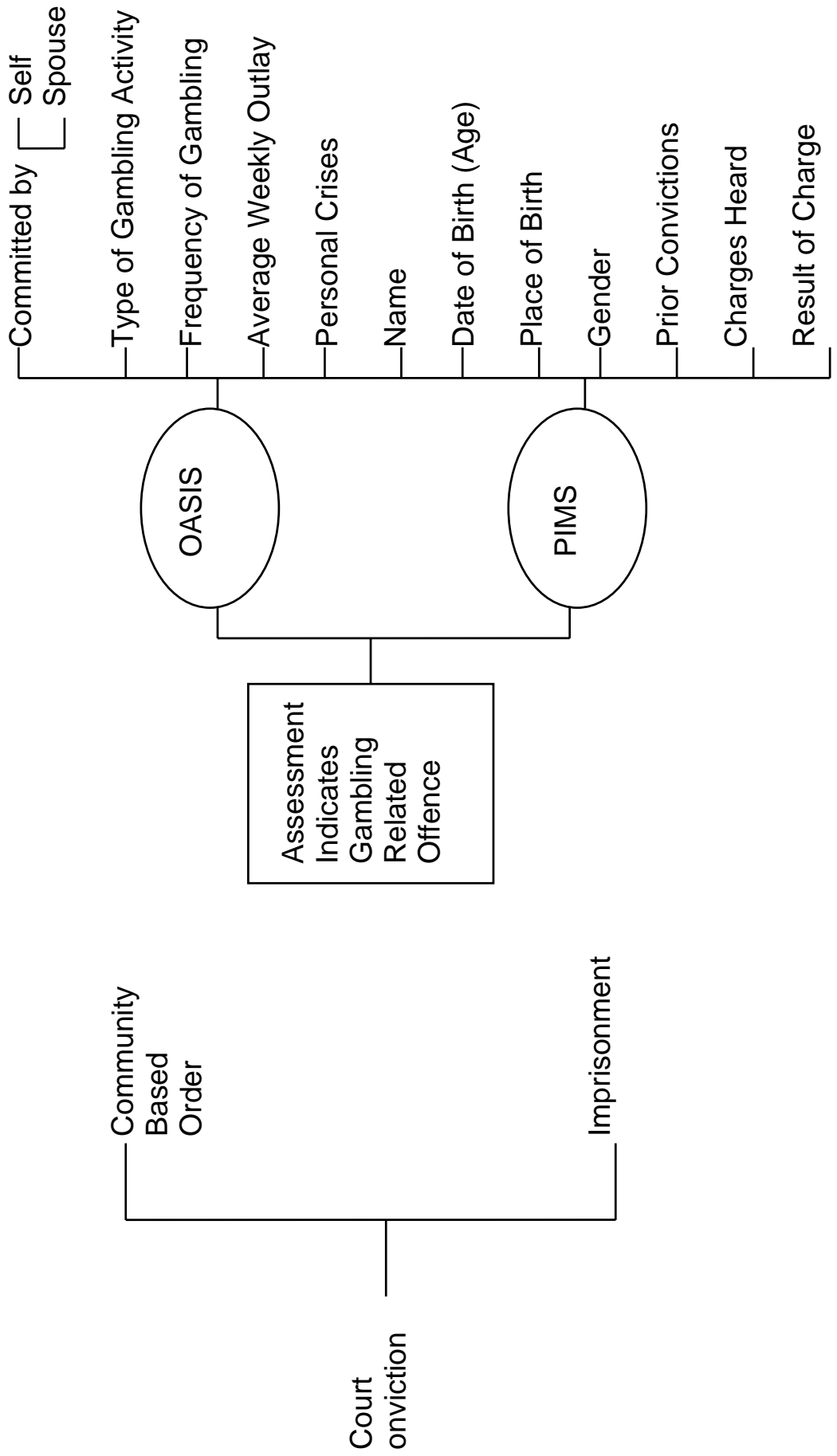
The Victoria Police and Correctional Services obtain and electronically enter demographic information at the early stages of their data collection process (LEAP, PIMS, OASIS). As such, both bodies record data relating to specified individuals about their dates of birth, gender, place of birth, place of residence, prior convictions, offences charged and penalties imposed. The police also categorise racial appearance on a four point scale.

Factors associated with gambling related crime which need to be identified for a complete picture of such offences were obtained from other research on the topic. These were used to augment the data detailing the demographic characteristics mentioned above and canvassed in focus group discussions. These included information as to the types of gambling activities undertaken as well as the frequency that gambling activities had been carried out, the average weekly gambling expenditure as well as the existence of personal crises such as financial problems, bankruptcy, counselling for problem gambling, physical breakdowns and relationship difficulties.

Court statistics are incident or offence related, do not include demographic details and cannot be used to assist in the project. Police and

FIGURE 13

PROPOSED CORRECTIONS RECORDING PRACTICE



correctional services data, however, provide a real opportunity to meaningfully advance the project.

CHAPTER 6 FINDINGS & RECOMMENDATIONS

Findings

The research project was undertaken in the context of increasing gambling opportunity, and community criticism of these activities in Victoria. The public has expressed reservations about the enhanced availability of gambling opportunities and the issue of problem gamblers has often been the subject of media scrutiny. The Community Support Fund has been valuable in the development of measures aimed at the prevention of problem gambling as well as assisting those who have gambling problems.

The Terms of Reference for this study can be summarised as firstly, to establish what crimes have been committed by problem gamblers and secondly, to identify the recording of gambling related crime in official crime statistics. The definition of *gambling related offence* was identified in the literature. The definition of *problem gambling*, had been established in recent research for the Authority (Dickerson et. al. 1997).

The concepts of *gambling related offence* and *problem gambling* were useful in discussions with key stakeholders, many of whom were not familiar with gambling theory. From these discussions, it was determined that *gambling related offences* are not recorded as such in official crime statistics. In the absence of appropriate policies and the implementation of necessary procedures, the existence and extent of gambling related crime in Victoria will remain hidden.

Quite early in the project, five basic questions were formulated to address the Terms of Reference set by the Authority. The first two of these related to problem gambling, the extent to which gambling related crime is attributable to problem gamblers and the type of crimes committed by such gamblers. The answers to these two questions have been addressed in a number of studies, and in observations by representatives of gambling support agencies and industry.

The three remaining research questions dealt with the role of the three major components of the criminal justice system in handling crime statistics linked to gambling. How and to what extent is gambling related crime monitored by the police, identified by the courts and, finally, responded to by correctional services. The data held by the criminal justice system to address these questions was examined.

The industry representatives contacted tended to minimise the extent of gambling related crime and of problem gamblers generally. Their focus was on the average gambler, who made few if any calls on gambling support networks. Most were unaware of whether or not gambling related crime was officially recorded.

Most gambling support groups and agencies contacted are funded by the Community Support Fund. They were invariably concerned about the impact of gambling upon their clients and, most particularly,

families. Many persons seeking help from these groups and agencies had committed criminal offences. Representatives confirmed that a few families had reported serious gambling offences by family members to the police. Agencies and groups consulted generally were unaware of the official recording of such offences.

Assistance from the Victoria Police enabled a limited probe of the method by which the police might record and manage gambling related crime committed by problem gamblers. At present, LEAP enables a criminal offender to be identified; but there is at present no systematic objective means at either the informant or prosecutor level to identify such a person's motivation for the commission of a crime.

Discussions with court officials facilitated a review of the sentencing remarks of a number of County Court Judges in problem gambling cases. Overall, however, it is not necessary for either defence or prosecution to mention the existence of gambling problems other than when they considered that to be in their best interests.

Access to discuss gambling related crime with representatives of correctional services was provided by the Department of Justice. Corrections data bases, with minor alteration, could be used to record whether a person had been convicted and sentenced for a gambling related criminal offence. The present interview format, which does not provide

reliable information relating to gambling behaviour, could be altered to include questions relating to the motivation for offences.

Discussion with stakeholders found a number of instances of the commission of gambling related crime, it was established that at present there is no comprehensive method in each of the three areas of the criminal justice system in which the data had been systematically captured and recorded in official statistics.

There were three major factors impacting on gambling related crime statistics which became evident. First, not all persons who admit to committing gambling related crime are charged by the police, second, when offenders are charged often there is no identification of these charges as being gambling related. Third, persons charged will not necessarily disclose to police, the courts and corrections that their particular offence was gambling related.

This project coincided with the release of the Reports of the Productivity Commission (1999A, 1999B) which examined the gambling industry in Australia in depth. The Commission was unable to find, in a scientific sense, a causal relationship between problem gambling and crime. It did, however, indicate that it was possible to distinguish between gambling related crimes committed by problem gamblers and those committed by criminals who incidentally gamble.

The Productivity Commission was more definitive in citing research to indicate that non-violent property offences were the most likely crimes to be committed by problem gamblers. That study also found that, for a variety of reasons, gambling related crime often was not reported to authorities and, as such, did not enter official crime statistics.

In addition to the Productivity Commission Report, three other National studies (BreakEven (1998), Blaszczyński and McConaghy (1994A), Queensland DFYCC) (1996)), focus on problem gambling and crime and have been considered in detail. All suggest a very close link between problem gambling and crime and identified the types of crimes generally committed as being non-violent white collar offences.

Of the four overseas studies (NGISC, Margolis, Grinois, Goodman) reviewed in detail, only one, Margolis, expressed reservations about the link between problem gambling and crime.

A Canadian study (Smith and Wynne) examined the criminal justice system in Western Canada in an attempt to ascertain the existence of statistics relating to gambling and crime and arrived at findings similar to the present project. That is, an almost total inability to identify the gambling related nature of an offence at each of the three major stages of the Criminal Justice System.

Recommendations

Victoria Police

As there appears to be some research evidence linking crime to problem gambling, it would be highly desirable to have valid and reliable data about gambling related crime. To be most useful, the data should be obtained as a matter of course across the State for at least three years. The police, as gatekeepers to the criminal justice system, would be the best organisation to generate the data. Such a project would require the closest cooperation and support from the Victoria Police.

In such a large study, data could be collected at two levels; by the police informant and the police prosecutor. The informant is the police officer who lays a charge against a defendant. The prosecutor presents that case before a court. Under this scenario, the police informant laying a charge would be responsible for determining if the case met the gambling related crime criteria. Possibly, the offender might volunteer the information, or the informant might obtain it in a non-leading investigative manner.

The informant would then complete a checklist about gambling activities, frequency, expenditure and personal information. Although it relies on an offender's self admission that the offence was gambling related, the research would provide valuable data.

The police prosecute all cases dealt with in Magistrates' Courts. The police prosecutor could be requested to enter data where a defendant at

the prosecution stage indicated that a crime met the appropriate definition of being gambling related.

Collection of the gambling related crime information would be greatly facilitated if the data was entered on the LEAP data base. This program allows for data to be electronically processed and hard copy data sheets would not be required.

Because of the complexity of a study of this magnitude, a small pilot study should be developed in a limited number of locations.

Courts Services

Valid and reliable data about the impact of gambling upon crime statistics cannot be collected at the court level. To obtain this data would require significant changes to judicial policy and practice. Such a process would require the assistance of the Clerk of Courts, posing accuracy problems as clerks may not actually be in court for the duration of the hearing. The record keeping required would be perceived by the clerks as quite foreign to their normal duties. As far as the County and Supreme Courts are concerned, there are no appropriate staff who could record such information.

Correctional Services

Valid, reliable and useful information about the impact of gambling upon crime statistics can be obtained from ongoing data generated by Correctional Services from the interviews of persons entering their programs. This would require some alteration to the present intake interview

schedule. While the respondents are a specific group having been convicted and sentenced to prison or placed on a Community Based Order, comparison of trends would provide very useful information for corrections as well as the Authority. Such research would require the cooperation of the Office of Correctional Services Commissioner.

It should, however, be pointed out that this Correctional Services initiative would only obtain information from those individuals who are the subject of a Community Based Order or prison sentence. Under this research scenario, information, including the details about gambling activities, frequency, expenditure and personal factors with a particular focus on determining whether or not these contributed to the person's criminal behaviour as defined by the Authority, could be incorporated in the intake interview

As with the police study, a pilot study would indicate the most effective research strategies.

It is recommended that the Authority discuss with Victoria Police and The Office of the Correctional Services Commissioner, the possibility of establishing pilot projects to collect the relevant data.

APPENDIX 'A'
ACKNOWLEDGMENTS - NATIONAL EXPERTS AND SPOKESPERSONS

Australian Hotels Association

Alan Giles

Australian Institute for Gambling Research

Jan McMillen

Australian Multicultural Association

Haas Dellal

BreakEven

Chris Freethy

Boadmeadows Care

Leigh Barrett

Catholic Social Services

Marilyn Webster

Correctional Services

Terry O'Donehue
John Richardson
Simon Smith
Isabel Hight
Malcolm Feiner
Ron Orr
Brendan Money
Kym Pointon
Donna Palma
Paul Mayhan
Marlene Lorensi
Jo Taylor

Crown Casino

Bill Horman

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Licensed Clubs Association

Margaret Kearney

RSL Licensed Clubs

Peter McPhee

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TABCORP

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Tattersall's

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VCOSS

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Victorian Multicultural Commission

Stephan Romaniw

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Superintendent Kevin Scott
Det. Superintendent John Whitmore
Det. Chief Inspector John Ashby
Acting Chief Inspector Jim Matthey
Inspector Leigh Smith

Sergeant Roger McGrath
Uma Rao
Jaquie Durant
Laurie Atkins
Chris Paterson

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C K Ng	Commissioner, Correctional Services

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Ichiro Sakai	Director-General, Corrections Bureau

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Wayne Johnson	Chicago Crime Commission
Jack Kirtland	Colorado Department of Local Affairs
Mark Nichols	University of Nevada
Cindy Raiolo	Colorado Gaming Commission
Doug Seay	National Gambling Impact Study Commiss.
Jim Tanner	Colorado Corrections Management Institute
C.A. Terhune	Department of Corrections, Sacramento
Philip Wargo	Colorado Division of Gaming

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