

GAMBLING IN THE CZECH REPUBLIC IN 2014

This issue contains a summary of the first annual report on gambling in the Czech Republic, which follows up on *Gambling in the Czech Republic, Its Correlates and Consequences*, a comprehensive analytical report published in 2014. *Gambling in the Czech Republic in 2014 – Annual Report*, a document created by the National Monitoring Centre for Drugs and Addiction (the National Focal Point) presents information concerning gambling regulation and policies, analysis of the gambling market, and trends in the prevalence of gambling and problem gambling in the Czech population, as well as information about the social correlates of gambling and gambling-related crime. It also addresses the areas of prevention and treatment.

Contents

Summary of the Latest Developments
Gambling Policy and Regulation
Gambling Market and Availability
Gambling in the Population
Problem Gambling
Gambling-related Crime
Prevention and Treatment

Summary of the Latest Developments

- In 2014 the Government of the Czech Republic integrated the policies covering both legal and illegal drugs and gambling. This step extended the mandate of the Government Council for Drug Policy Coordination (GCDPC). As an innovation, the issue of gambling was incorporated into the revised National Drug Policy Strategy for the Period 2010-2018 and the very first action plan for this area was drawn up.
- A new law on gambling, which is expected to come into force in 2017, is being prepared. It will open the market to foreign operators, impose stricter regulatory measures on the operation of gambling, and make it possible for the majority of gambling activities to be operated online. A change in the law concerning the regulation of advertising is also expected to impose stricter rules for gambling-related advertising.
- As early as 2016 an amendment to the Lotteries Act should cause higher taxation of gambling (especially with respect to electronic gaming machines – EGMs). A new gambling tax law is expected to come into effect in 2017. It will prescribe three tax rates for gambling and will effectively lead to a further increase in the taxation of gambling.
- The degree of regulation at the municipal level is rising. The number of generally binding ordinances to regulate gambling, particularly those imposing a complete ban on EGMs within the municipal limits, is growing.
- In 2014 CZK 138.1 billion was wagered in gambling, CZK 106.7 billion was paid out as prize money, and the



- operators' revenue from gambling amounted to CZK 31.4 billion. The total revenue of gambling operators rose by almost 10% in comparison with the previous year, with revenue from online fixed-odds betting recording a year-on-year increase by no less than 34%.
- > Almost two thirds of the gambling operators' total revenue is accounted for by the proceeds from EGMs, but the share of revenue from online fixed-odds betting is currently growing fast.
 - > Contributions (transfer payments) from gambling to public budgets amounted to CZK 7.92 billion, with CZK 2.40 billion (30%) being credited to the national budget and CZK 5.52 billion allocated to municipal budgets.
 - > As of 31 December 2014 there were a total of 5,958 gambling venues and special arrangements venues with centrally controlled EGMs and 566 casinos in the Czech Republic. There were 7,299 registered betting shops. Eight entities were licensed to operate online fixed-odds betting. The number of gambling venues and special arrangements venues dropped by 24% in comparison with the previous year, while the number of establishments registered as casinos rose by 20%. The number of EGMs was almost 67,000, which means an 8.6% year-on-year decline.
 - > Approximately one third of the adult population had engaged in a gambling activity in the last 12 months; they were mostly lotteries (including instant ones, i.e. scratchcards).
 - > Gambling activities other than lotteries had been engaged in by 18-19% and 8% of the population in the last 12 months and 30 days, respectively. 8-13% and 2-5% of the population had played online in the last 12 months and 30 days, respectively.
 - > The prevalence of gambling in the population is currently rising in relation to all gambling activities, excluding live casino games. This applies to both genders and all age groups below 64 years. The greatest relative increase has been recorded in the youngest age categories and in online gambling.
 - > Population surveys suggest that up to 440,000 people are at risk of the development of problem gambling, including 150,000 associated with the high-risk range. According to a survey among physicians, the number of persons who may meet the criteria for pathological gamblers is estimated at some 110,000. EGM gamblers, online gamblers, and those participating in fixed-odds betting are at the greatest risk.
 - > The prevention of gambling-related problems is insufficient. In the Czech Republic there is no national preventive programme aimed at gamblers and problem gamblers, preventive programmes targeted at children and adolescents are rare, and preventive and information campaigns are non-existent.
 - > There are 10-20 treatment and counselling facilities in the Czech Republic which may be considered as specialising in the provision of services for gamblers.
 - > As part of the subsidy proceedings managed by the GCDPC, a funding envelope to the tune of CZK 3-5 million was earmarked to support preventive measures and increase awareness about gambling-related issues in the period 2013-2015. An annual increase of CZK 30 million is planned for the forthcoming years. The number of gamblers receiving treatment in programmes supported by grants from the subsidy scheme administered by the GCDPC saw a year-on-year increase by 20%, to almost 700 individuals. Approximately 1,400 people were in out-patient treatment with a pathological gambling diagnosis and about 550 persons were hospitalised. ×

Gambling Policy and Regulation

> In 2014 the issue of gambling was explicitly made a component of the Czech drug policy. The Government approved of the National Drug Policy Strategy for the Period 2010-2018 being extended to include the topics of gambling and alcohol. This broadened the mandate of the Government Council for Drug Policy Coordination (GCDPC) in terms of an integrated drug policy, which now jointly incorporates the issues of alcohol, tobacco, illicit drugs, and gambling. Approved by the Government in November 2015, a gambling action plan for the period 2015-2018 was prepared in order to facilitate the implementation of the Strategy. The action plan sets out priorities for the areas of awareness raising, prevention, early diagnosis, higher availability of help and treatment, the reduction of illegal gambling operations, enforcement of regulatory measures, the implementation and funding of a comprehensive policy, the monitoring and assessment of the situation and regulation, especially the assessment of the effectiveness and impacts of resources and measures aimed at preventing and reducing problem gambling which are incorporated into the draft bill on gambling.

Major changes concerning the regulation of gambling are

being prepared. The Ministry of Finance of the Czech Republic (the Ministry of Finance) has drawn up a bill on gambling (for details see the box Gambling Act), a piece of legislation which should come into effect in 2017. Higher taxes on gambling should already be levied since 1 January 2016, on the basis of an amendment to the existing Lotteries Act (202/1990 Coll.): the tax rate for all gambling activities with the exception of EGMs will be raised from the previous 20% to 23% and EGMs will be subjected to a 28% tax rate (in addition to the daily fee for each machine being increased from CZK 55 to CZK 80). This amendment should also modify the system for distributing contributions from EGMs among the central government and municipalities to the effect that the existing 20:80 ratio will be replaced with one of 37:63. From 2017 the taxation of gambling should increase further, as indicated by the gambling tax bill. Also conceived by the Ministry of Finance, this prospective piece of legislation proposes three tax rates: 35% for EGMs, 30% for live (casino) games, lotteries, and bingo, and 25% for the remaining types of gambling. Different types of gambling activities were assigned to their respective brackets according to both the level of risk they present and the profit they yield. This is the reason, for example, why the

Ministry of Finance levies higher taxes on lotteries than on fixed-odds betting, which is riskier.

In recent years municipalities have scaled up their efforts to regulate the availability of EGMs on their territories by means of generally binding ordinances. In 2014 such ordinances

were in effect in almost 500 municipalities in the Czech Republic. In particular, the number of municipalities with a complete ban on EGMs is growing. Research carried out by the Department of Geography of the Faculty of Science of Palacky University in Olomouc showed that the municipalities where EGMs had existed in the past were not interested in



Gambling Act

Recently a new bill on gambling entered the legislative process. Expected to come into force in 2017, this new piece of legislation is to:

- > introduce an information system covering gambling operations,
- > open the Czech market to foreign operators,
- > modify the categorisation of gambling activities and determine the requirements for operating them,
- > make it possible for the majority of gambling activities to be operated online and determine the requirements for operating them,
- > introduce a new system for authorising technology-based games (EGMs), live games (i.e. casino games), and bingo, where the Ministry of Finance issues the primary authorisation for the operation of gambling activities and municipal authorities issue secondary authorisations for gambling venues or casinos; the Ministry of Finance and, as an innovation, customs offices will act as supervisory authorities,
- > limit the types of gambling premises to gambling venues and casinos (the special arrangements venues type will no longer exist), ban the operation of slot machines, and introduce the mandatory registration of players engaging in certain types of gambling (such as EGMs and fixed-odds betting) and the majority of online gambling activities,
- > introduce pre-commitment options for technology-based and online games, i.e. a player can preset a maximum number of log-ons or a minimum period of time before the next gambling session is activated; some of the pre-commitment strategies will also be available for other types of gambling (such as fixed-odds betting, live games, and bingo); players will also have the opportunity to (self-) exclude themselves from all types of gambling activities,
- > exclude from gambling individuals on subsistence allowances and persons subjected to bankruptcy proceedings; both excluded and self-excluded individuals will be included on a list maintained by the Ministry of Finance.

FIGURE 1
Examples of scratchcards targeted at children



Sources: <http://losy.sazka.cz/slonik-stesti-ab74/>, <http://home.tipsport.cz/stiraci-losy/>, <http://www.loteriefortuna.cz/stiraci-losy/> [2015-04-21]



Changes in the Regulation of the Advertising of Gambling

The regulation of the advertising of gambling has been insufficient. As part of the discussion of the draft of the “amendment law” (related to the new gambling legislation) which is expected to come into force on 1 January 2017, the pending legislative process also involves considerations of changes in the marketing of gambling. The bill forbids advertising to contain messages which may imply that participation in a gambling activity may be a source of monetary gain. It also prohibits the targeting of advertisements at minors and requires warnings about the risks of gambling to be displayed. Currently, the marketing of some gambling targeted at children is unexceptional

in the Czech Republic (Figure 1). The prospective Gambling Act, also expected to come into effect in 2017, forbids gambling venues to advertise their services on the exterior of the buildings that house them. The responsibilities of gambling advertisers were already specified in 2015 by virtue of Act No. 202/2015 Coll., which, among other things, amended the law on the regulation of advertising and the law on radio and television broadcasting. As an innovation, the circulation of any advertisement for gambling operated without authorisation is the responsibility of the advertiser, with the customs offices being the bodies competent to enforce the law.

their operation being resumed. A third of the municipalities where EGMs are currently placed regulate the availability of such facilities, while half of them are not considering regulatory measures – the reasons may include a limited number of EGMs on the territory of these municipalities or the absence of negative socioeconomic effects on the local population. The vast majority of municipalities do not view revenues from gambling as significant for the municipal budgets. However,

the discord between the regulation on the municipal and national levels persists: in about a quarter of the municipalities which regulate gambling by generally binding ordinances EGMs authorised by the Ministry of Finance are still in operation despite the local regulatory measures. Municipalities generally agree that it is necessary to scale up the regulation and control of gambling operations and take centralised action to reduce their availability (especially that of EGMs). ✕

Gambling Market and Availability

> According to the Ministry of Finance, the money wagered on gambling in the Czech Republic in 2014 amounted to a total of CZK 138.1 billion, CZK 106.7 billion was paid out as prize money, and gambling revenue (the aggregate sum of money lost by players on gambling) reached CZK 31.4 billion. When compared to that for 2013, the revenue from gambling in 2014 recorded a 9.8% rise (Graph 1).

In the Czech Republic the highest wagers and gambling revenue are associated with EGMs (CZK 84.2 billion and CZK 20.3 billion respectively), which represented almost two thirds of the market in terms of gambling revenue (with video lottery terminals [VLTs] accounting for more than half of the market share).

Online gambling has been experiencing rapid growth in recent years. In 2014 the amount of money spent on online fixed-odds betting was CZK 29.4 billion, with the proceeds from gambling reaching CZK 3.3 billion, which is a 34% year-on-year increase. Czechs also play on online portals which are not licensed in the Czech Republic, however, to a degree that is no less than they do on the Czech ones. One of the reasons is that some of the types of online gambling are not allowed

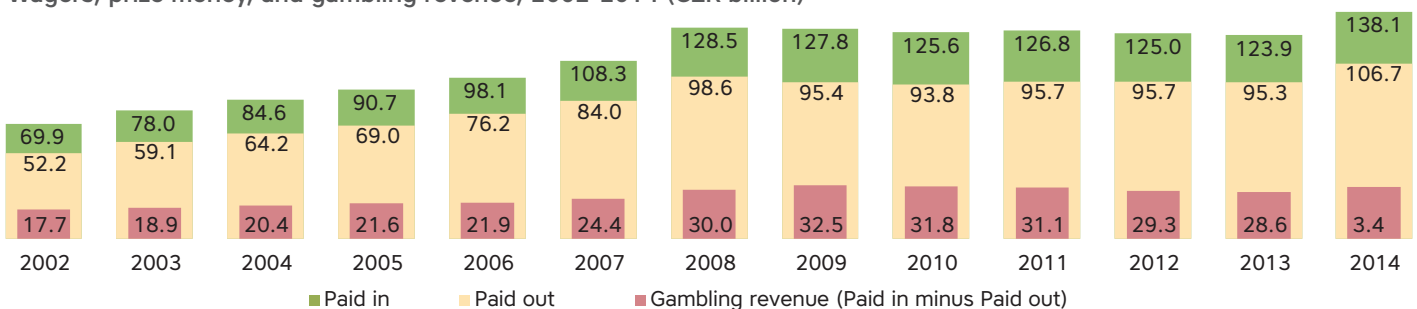
in the Czech Republic. Presumably, the Czech Republic may lose at least CZK 650 million worth of transfer payments from these gambling activities on a yearly basis.

In 2014 numerical lotteries accounted for approximately 12% of the market, while fixed-odds betting in land-based outlets constituted some 6% of the market share when measured in terms of gambling income.

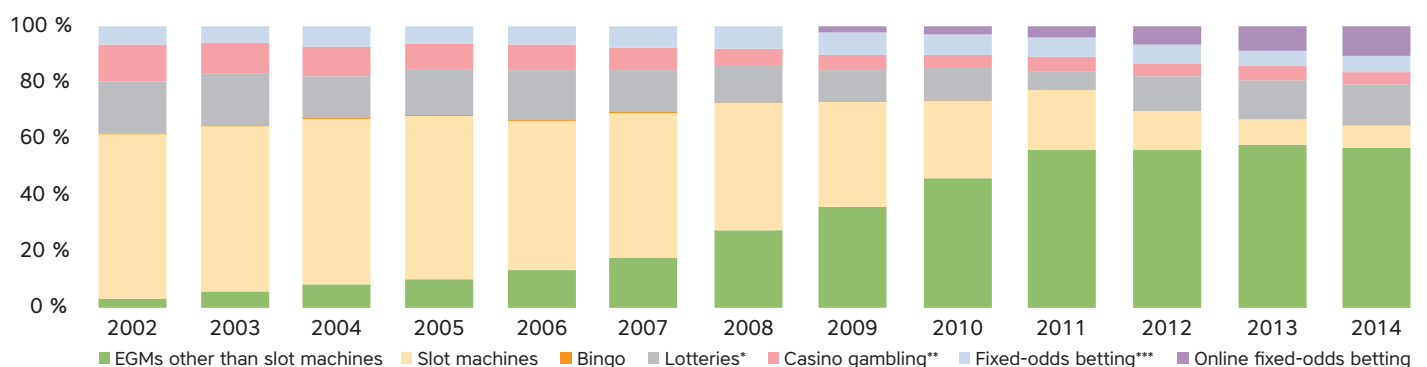
When looking at the market developments in terms of the individual types of gambling activities, it can be seen that the share of EGMs other than slot machines grew rapidly until 2011. Since then it has remained rather stable, while the percentage of the income from slot machines has experienced a dramatic decline in the past five years. A rapid growth of the share of online fixed-odds betting has been observed since 2009 (Graph 2). This trend also reflects the ascending prevalence of online gambling among the general population (see below).

According to the Ministry of Finance, 58 entities are licensed to operate some of the types of EGMs in the Czech Republic. At the end of 2014 approximately 67,000 EGMs and

GRAPH 1
Wagers, prize money, and gambling revenue, 2002-2014 (CZK billion)



GRAPH 2
Shares of the total gambling revenue by gambling activities, 2002-2014 (%)

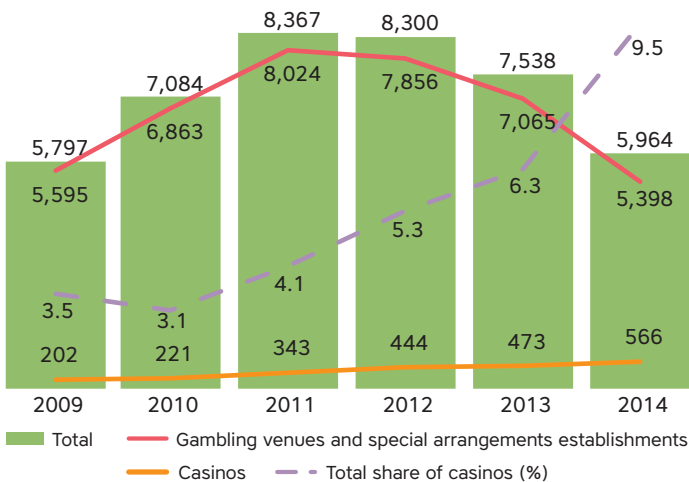


Note: * including lotteries with monetary or tangible prizes, raffles, numerical lotteries, and instant lotteries, ** including fixed-odds, horse-race, and pool betting, *** including casino-based gambling and card tournaments

2,700 casino games were authorised in the Czech Republic. The number of EGMs has been declining since 2011. While there was a year-on-year drop in the number of VLTs by almost 3,000 (6%), the number of slot machines authorised by the Ministry of Finance grew by 691 (20%).

At the end of 2014 gambling games authorised by the Ministry of Finance were being operated at 5,964 facilities, including 5,398 gambling venues and special arrangements establishments and 566 casinos. While the number of establishments with EGMs declined by almost 21% against the previous year, the number of machines only dropped by 9%. This implies an increasing gambling capacity of various gambling premises and casinos. There was a decline in the number of gambling venues and special arrangements establishments (by 1,667, i.e. 24%, year on year), while the number of casinos rose by 20% (Graph 3). According to the Ministry of Finance, however, actual live games were only being operated in 214 casinos (38%). This suggests that the majority of establishments registered as casinos are in fact "mere" gambling venues. This situation may be due to the operators'

GRAPH 3
Numbers of gambling venues and special arrangements establishments and casinos, 2009-2014



efforts to avoid regulation by municipalities or take advantage of the higher limits on the amounts that can be bet and lost. The overall statistics did not include special arrangements venues offering slot machines authorised by municipalities only, as their numbers are not accounted for centrally (their number in 2013 was estimated at 2-3 thousand).

Towards the end of 2014 the greatest relative availability of establishments with EGMs and casinos was ascertained in the Karlovy Vary (9.2 establishments per 10,000 inhabitants), Zlín (7.6), and Moravia-Silesia regions (6.7). The districts with the highest relative numbers of establishments were Cheb (12.0), Břeclav (11.5), and Tachov (11.3). While the largest numbers of establishments with EGMs authorised by the Ministry of Finance can be found in the areas near the state borders, gambling venues with slot machines licensed by municipalities are more common inland. The greatest concentration of EGMs licensed by the Ministry of Finance can be found in the north and west of Bohemia¹, in the districts situated near the state border, in the south of Moravia, in large cities (regional capitals), and in locations popular with tourists. X

Contributions to Public Budgets

In 2014 public budgets gained CZK 7.92 billion worth of contributions (transfer payments) from gambling. Of this sum, contributions from EGMs amounted to CZK 6.21 billion (78%), while contributions from other gambling activities equalled CZK 1.71 billion (22%). In comparison with 2013, the total public revenue from gambling decreased by CZK 135 million (1.7%). While the income from EGMs recorded a year-on-year increase of CZK 228 million, revenues from other types of gambling declined by CZK 363 million. Out of the total of CZK 7.92 billion, CZK 2.40 billion (30%) went to the national budget and the remaining CZK 5.52 billion was distributed among municipal budgets (91% of the revenues originated from EGMs and 9% from other gambling activities).

Gambling in the Population

> The data below draws on the results of a survey titled "The Prevalence of Drug Use among the Population of the Czech Republic" (carried out by the National Focal Point in association with *ppm factum research* in 2014) and the "Survey on Czech Citizens' Opinions about and Attitudes to the Issues of Health and Healthy Lifestyles" (carried out by the National Focal Point in association with INRES-SONES in 2014).

Approximately half of the adult population in the Czech Republic (over 60% of the men and over 40% of the women) had engaged in some form of gambling, including lotteries, at least once in their lifetime and approximately one third of the population had gambled in the last 12 months. The percentage of the adult population reporting having participated in gambling activities other than lotteries in the last 12 months saw a marked year-on-year increase, from about 12% in 2013 to 18-19% in 2014. Lifetime gambling figures rose for all the types of gambling activities that were reported, with the exception of casino games. The greatest increase was recorded in online gambling and fixed-odds betting. A dramatic rise

was observed in the prevalence of online gambling pursued by men under 35. Nevertheless, the level of participation in gambling activities rose across all age categories and in both genders. A relatively high percentage of regular gamblers seem to engage in multiple games.

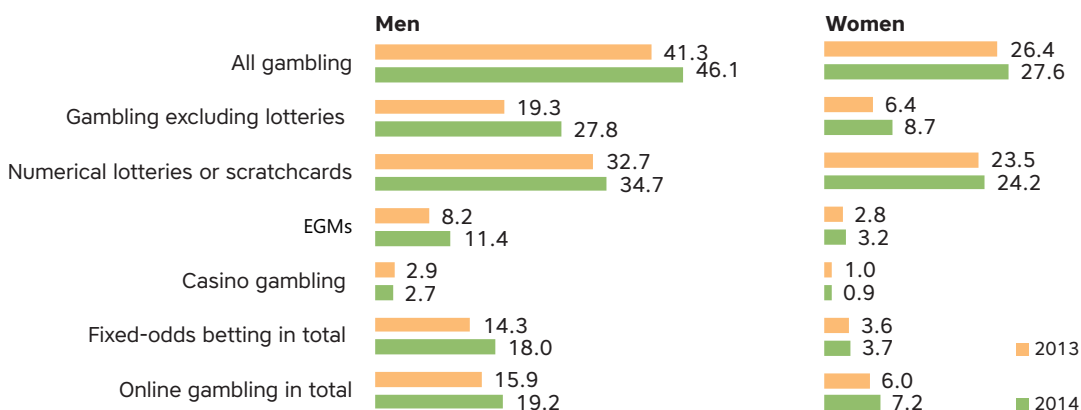
Lotteries and scratchcards account for the majority of gambling experiences; 29% of the adults reported having participated in lotteries in the last 12 months. 18-19% of the adults (approximately 30% of the men and 7-8% of the women) had engaged in gambling activities other than lotteries in the last 12 months. In the last 30 days, instant or numerical lotteries had been participated in by 14% of the population (17% of the men and 10% of the women) and some form of gambling other than lotteries had been pursued by 8% of the population (14% of the men and 2-3% of the women).

6% of the respondents (10-11% of the men and 3% of the women) had played EGMs in the last 12 months and 2%

¹ Historically, the Czech Lands consist of two territories: Bohemia, in the west, and Moravia, in the east.

GRAPH 4

Gambling among the general population above 15 in the last 12 months, 2013 and 2014, comparison by gender – based on data from the “Survey on Czech Citizens’ Opinions about and Attitudes to the Issues of Health and Healthy Lifestyles” (%)



(3% of the men and 1% of the women) had done so in the last 30 days. 10-15% of the population (mainly men) had participated in fixed-odds betting in the last 12 months, while 5-6% of the individuals had done so in the last 30 days (9-10% of the men and 1% of the women).

Lifetime online gambling was reported by 23% of the adults (32% of the men and 15% of the women). 8-13% of the respondents (depending on the study) had gambled online in the last 12 months and 2-5% in the last 30 days. The most common types of online gambling include pre-event fixed-odds betting and live betting (engaged in by 6% and 4%, respectively, in the last 12 months), card games (6%), numerical lotteries (4%), slot machine-type gambling, and casino games (2% each). Young men, in particular, are at risk of problem online gambling, as they tend to seek an anonymous environment and are more prone to wager excessive amounts as a result of their losing track of time while at play.

Gambling is generally much more widespread among men. The lowest gambling-specific gender differences are found for numerical and instant lotteries (Graph 4).

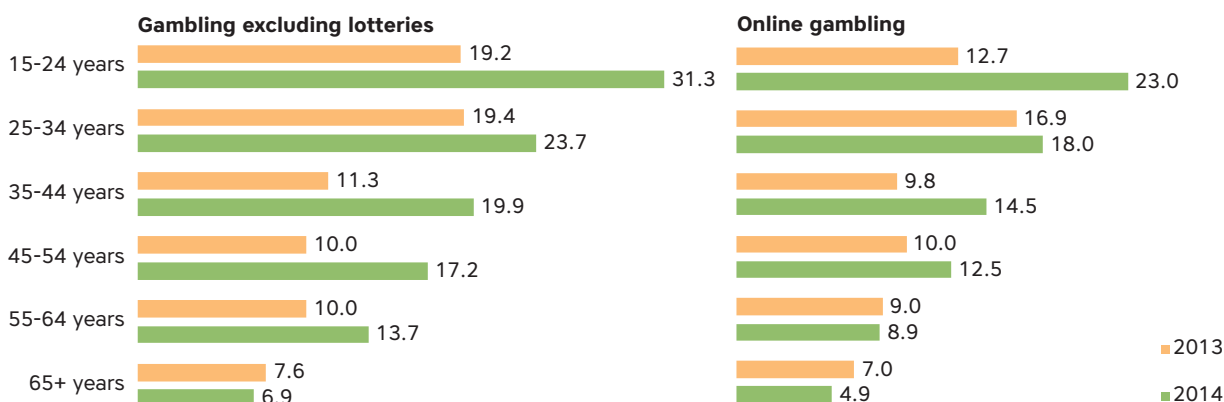
There are major age-specific differences in the degree of engagement in the individual types of gambling activities. While lotteries are widespread among middle-aged and older people (the highest prevalence rate, 35.1%, was found among individuals in the 45-54 age category), other gambling games are more common among younger age groups. The highest

prevalence rates of EGM playing, fixed-odds betting, and online gambling in the last 12 months were found in the age categories up to 34 years (Graph 5). The degree of participation in gambling activities other than lotteries and in online gambling saw a year-on-year increase, the greatest being in the youngest age group, aged 15-24, among whom the increase was more than half as regards gambling excluding lotteries, and online gambling reached almost double the levels reported in the previous year. The prevalence of online gambling, including online fixed-odds betting, also grew significantly in the 35-44 age group, though. On the other hand, the 25-34 age group showed almost no increase in the level of their experience with online gambling.

The analysis of the subgroup of minors in the 2014 population surveys suggest that 10-30% of the individuals aged 15-17 had engaged in some form of gambling at some point in their lives. These were mostly lotteries, fixed-odds betting, and online gambling games. Minors’ gambling on EGMs in gambling venues or casinos was reported sporadically. The situation thus seems to have improved, although the risk of excessive engagement in online gambling is of concern. When interpreting the results, however, the low representation of minors in these surveys should be taken into account. Local studies suggest that some children are initiated into gambling, including EGMs, as early as at the age of 10. Approximately 5-15% of 15-year-old children reported having played EGMs and up to 25% of the children had experience with fixed-odds betting. ✕

GRAPH 5

Gambling in the last 12 months, 2013 and 2014, comparison by age groups – based on data from the “Survey on Czech Citizens’ Opinions about and Attitudes to the Issues of Health and Healthy Lifestyles” (%)



Problem Gambling

> In 2014 the estimates of the number of individuals at risk of problem gambling were available using the data from the Lie/Bet screening questionnaire incorporated in the population survey on Czech citizens' opinions and attitudes and the estimates generated by a survey among Czech physicians in 2014 (conducted by the National Focal Point in association with INRES-SONES). In comparison with the 2012-2013 period, no statistical significant difference was found, although mean estimates rose.

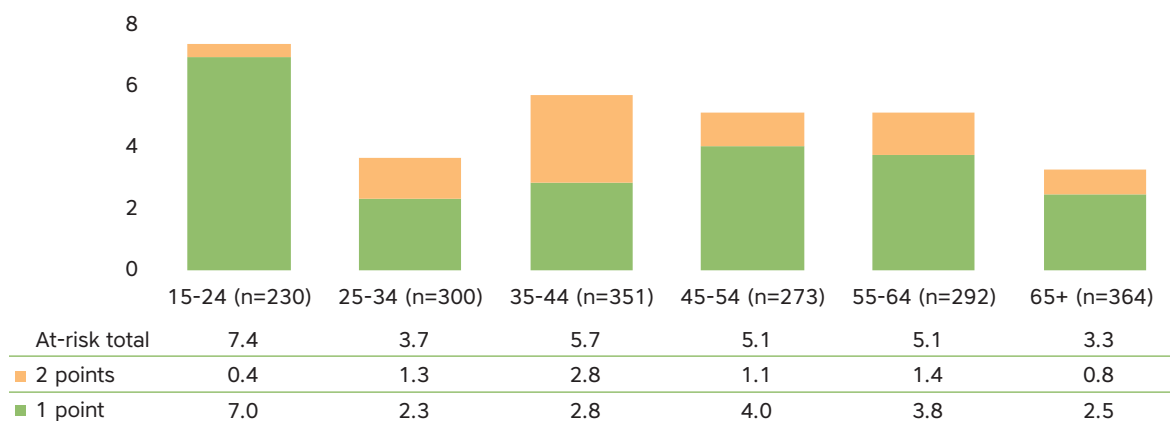
Approximately 5% of the adult population and 14% of those who had gambled in the last 12 months are at risk of problem

gambling (at least one point score on the Lie/Bet scale) in the Czech Republic, which represents some 440,000 people above 15 years of age. An estimated 1.5% (about 150,000 people) are at high risk of problem gambling (two points score on the Lie/Bet scale), with women accounting for about a quarter of this number.

While the highest percentage of risk of the development of problem gambling (at least one point score on the Lie/Bet scale) is exhibited among the 15-24 age group (7.4% of the general population and 18.1% of those who had gambled in the last 12 months), so far this group has the smallest

GRAPH 6

Percentages of people above 15 at risk of the development of problem gambling, by age categories (%)



Terminology and Diagnosis

In this text, the terms "problem gambling" or "pathological gambling" are used to refer to serious forms of gambling disorder. It should be noted at this point, though, that the latest revision of the Diagnostic and Statistical Manual of the American Psychiatric Association (DSM-V) has introduced the term "gambling disorder", or "disordered gambling", and placed it under the broader category "Substance-related and Addictive Disorders" to reflect a number of features, including neurobiological ones, which all these disorders have in common. In addition, the number of diagnostic criteria has been reduced from ten to nine ("committing illegal acts" has been removed) and the minimum number of criteria that must be met for the diagnosis of gambling disorder have gone down from five to four (4-5 criteria being met are associated with a mild disorder, 6-7 with a moderate one, and 8-9 with a severe disorder). A gambler who meets 2-3 criteria is found to be "at risk". Referring to the last-12-month period, the DSM-V criteria are as follows:

- > needs to gamble with increasing amounts of money in order to achieve the desired excitement;
- > is restless or irritable when attempting to cut down or stop gambling;
- > has made repeated unsuccessful efforts to control, cut back, or stop gambling;

- > is often preoccupied with gambling (e.g. having persistent thoughts of reliving past gambling experiences, handicapping or planning the next venture, or thinking of ways to get money with which to gamble);
- > often gambles when feeling helpless, guilty, anxious, or depressed;
- > after losing money gambling, often returns another day to get even ("chasing" one's losses);
- > lies to conceal the extent of his or her involvement with gambling;
- > has jeopardised or lost a significant relationship, job, or educational or career opportunity because of gambling;
- > relies on others to provide money to relieve desperate financial situations caused by gambling.

The two-item Lie/Bet scale can be used to estimate the number of persons at risk of problem gambling. The respondent is asked whether he or she has ever had to lie to others about his or her involvement with gambling and whether he or she has ever felt the need to bet more and more money. One point scored on this scale represents a low risk of problem gambling, while two points are associated with a high risk of disordered gambling.

proportion of individuals at high risk (0.4% of the general population and 1.1% of those who had gambled in the last 12 months), as a gambling disorder has not developed in them yet. On the other hand, the highest percentage of gamblers at high risk falls into the 35-44 age category (2.8% of the general population and 7.2% of those who had

gambled in the last 12 months (Graph 6). The highest levels of risk are reported for EGM gamblers: a total of 43% of those who had played EGMs in the last 12 months are at risk (Graph 7), with 16.8% of them falling into the high-risk range. Fixed-odds betting and online gambling come second and third in terms of risk: approximately a quarter of the

Risk Potential of Gambling Activities

Together with gambling operators and service providers and civil society activists, the National Focal Point attempted to assess the degree of risk of the individual types of gambling activities in the Czech Republic. The level of risk is influenced by the structural characteristics of gambling games, such as the size of the stake and the frequency of consecutive gambling sessions. A number of these factors are involved in the so-called behavioural conditioning and reinforcing of problem gambling and trigger the urge to play. The Assessment Tool to Measure and Evaluate the Risk Potential of Gambling Products (AsTERiG)² was chosen for the pilot assessment of the level of risk posed by different gambling activities in the Czech Republic. The AsTERiG is used to evaluate 10 criteria with different weights. The greatest weights were assigned to "Event frequency" and "Continuity of playing", while "Sensory product design" has the lowest weight. The AsTERiG criteria are defined as follows:

- > Event frequency – a unit of time between a stake and the next stake opportunity. The shorter the interval between stakes, the riskier the game. Shorter intervals between stakes increase the arousal from gambling and urge gamblers to play on. It makes it more difficult for a player to keep their distance from the game and stop playing.
- > Interval of payback – a period of time between the gambling result and the prize money being paid out. Very short intervals between paybacks encourage the player to continue gambling. If the interval is longer, the chances that a player refrains from wagering the amount they have won in their next gambling session are higher.
- > Jackpot – the amount of prize money which is formed by the accumulation of a part of the money lost on bets made by all the players participating in the game. The size of the jackpot increases expectations from the capitalisation on the bet and thus makes the game more attractive.
- > Continuity of playing – a period of time during which it is possible to gamble without interruption or any major changes between the rounds or sessions, i.e. bets being made.
- > Chance of gaining a profit – the probability of realising a profit with each game (including winnings which do not yield money in excess of the amount wagered). The

higher the chance of winning, the higher the expected amount and attractiveness of the bet.

- > Availability – the accessibility of gambling opportunities (in terms of place and time). The higher the accessibility of a gambling activity (e.g. where gambling establishments are open around the clock or are abundant), the higher the risk it poses.
- > Multiple playing/stake opportunities – an opportunity to place several stakes at the same time (e.g. placing bets on several roulette numbers) and/or participate in several gambling opportunities at the same time (e.g. playing multiple EGMs, online poker tables, or online portals at the same time).
- > Variable stake amount – the extent to which gamblers can choose the size of their stake while playing. When "loss-chasing", players tend to risk and bet higher amounts to win back the money they have lost.
- > Sensory product design – in particular, auditory and visual effects during play or as a mere element of promoting the device (e.g. flashing lights on EGMs in a gambling venue) enhance so-called preferential perception and dependence on gambling.
- > Near-wins – results which make a gambler believe that he or she has almost won (narrowly missed winning). Like actual wins, near-wins increase arousal, strengthen the inclination to gamble, and lead to gambling dependence. The stronger the feeling of a near-win elicited by the game, the higher the risk it poses.

The results of the pilot assessment of the level of risk posed by different gambling activities in the Czech Republic are summarised in the table below:

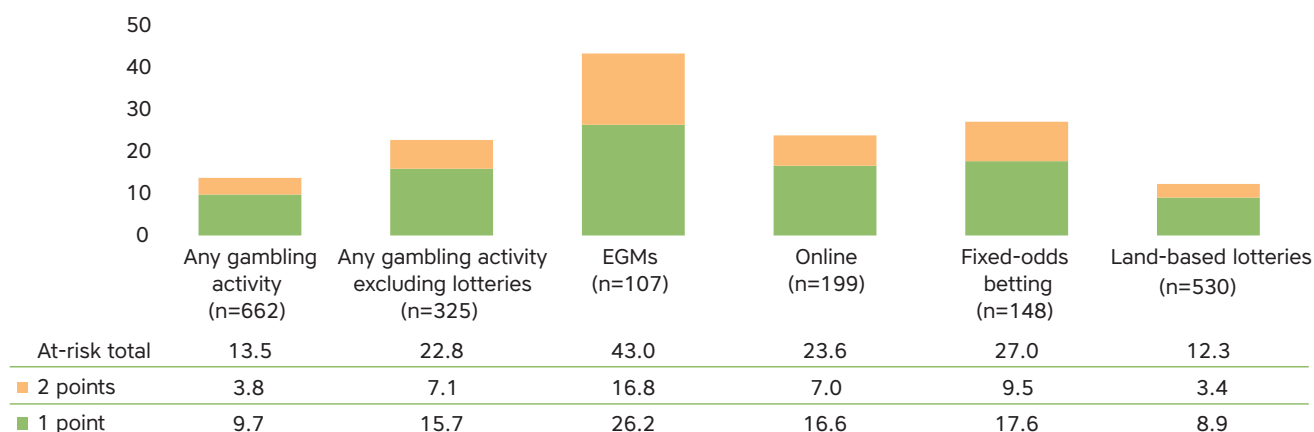
Type of gambling activity	Risk potential
Instant and numerical lotteries	Low to moderate
Land-based fixed-odds betting	Low to moderate
Online fixed-odds betting	Moderate to high
Live casino games	Moderate to high
EGMs	High
Online poker	High
Online casino games	High to extreme

However, methodological issues arose in relation to the evaluation of certain parameters and the participants differed in their evaluation of some of the parameters. It also turned out that it is difficult to assess gambling activities by categories; each game should be assessed individually. The results of this evaluation should therefore be interpreted as indicative only.

² PEREN, F. W. 2010. *Assessment Tool to Measure and Evaluate the Risk Potential of Gambling Products AsTERiG*. Sankt Augustin, Germany: Research Institute for Gambling and Gaming.

GRAPH 7

Percentages of people above 15 at risk of the development of problem gambling, by type of gambling activity (%)



Harm to Health and Other Consequences of Problem Gambling

A research study of a sample of pathological gamblers (male only) undergoing residential treatment in the psychiatric hospitals in Bohnice, Kroměříž, and Opava was conducted from 2012 to 2013. The investigators described the gamblers' sociodemographic profiles and the trajectories of their gambling careers. 139 patients participated in semi-structured interviews and 147 completed the SOGS³ questionnaire. The average age of the respondents was 34.6, with the modus being only 22. As for the highest level of education attained, 45% of the respondents had secondary education with the school-leaving examination, 37% secondary vocational education without the school-leaving examination, 13% had gone to primary and middle school only, and 4% were university/college graduates. The gamblers had predominantly played EGMs, generally in gambling venues. Their degree of involvement with fixed-odds betting had also been high. They often showed psychiatric comorbidities and substance use.

The majority of the respondents worked as tradesmen and technicians, many of them working shifts. Other occupational areas included amusement, catering, gambling operations, and taxi driving. Jobs involving elevated levels of stress (drivers, professional athletes, and health professionals) were also common. The proportions of the respondents who had never been unemployed and those who had been unemployed at some point in their lifetime were almost the same. The embezzlement of money at work was reported by 15% of the respondents and another 27% had committed thefts, forgery, and other offences.

The length of their gambling careers ranged from 0.5 to 40 years and they had generally taken off at the age of twenty or so. The gamblers generally experienced their first serious gambling-related problems after six to eight years, but it took them another four years on average to enter treatment, usually after hitting rock bottom and facing the dire consequences of their gambling. Pathological gambling has negative effects on the key life domains. Gamblers experience major relationship problems, lose their employment, and become deeply indebted. They tend to use legal and illegal substances, suffer from anxiety and depression, and have suicidal thoughts or have attempted suicide. They

³ the South Oaks Gambling Screen

resort to embezzling money entrusted to them at work, stealing, forgery, and other types of offending because of their gambling problems. 82% of the respondents reported having stolen or "borrowed" money from their relatives, partners, etc., but they did not regard such behaviour towards the people close to them as illegal.

The gambling impulses stated by the respondents included money (the desire to win back the money they had lost and the vision of getting rich quickly), boredom, and time to spare, escape from problems and stressful situations, sensation seeking, and the use of alcohol and other addictive substances.

The respondents indicated that their choice of a gambling venue was influenced by its setting, the familiarity of the staff, anonymity in relation to other players, and the distance from their home. The choice of a gambling venue was also determined by the offer of bonuses such as refreshment and free transport home, the purpose of which is to encourage gambling and prolong it. Other risk factors which significantly increase the risk of (re-) lapse are the availability and accessibility of gambling establishments in terms of time and place (whether a person passes a gambling venue on the way home or to work and whether it is open non-stop).

The majority of the respondents reported more than CZK 20,000 as the highest amount wagered on a single gambling day. The total sum spent on gambling during their entire gambling career came to an average of CZK 3.2 million (minimum CZK 150,000 and maximum CZK 60 million). The average amount of the respondents' debts reached CZK 780,000 (minimum CZK 725 and maximum CZK 20 million). Those with no debts had generally had them paid by their relatives. Financial problems heighten the risk of relapse.

Sources:
 MAIEROVÁ, E., CHARVÁT, M. & MIOVSKÝ, M. 2014. Průběh a následky hráčských kariér u mužských pacientů hospitalizovaných v psychiatrických nemocnicích pro diagnózu F 63.0 patologické hráčství. *Česká a slovenská psychiatrie*, 110(6), 291–300.
 MAIEROVÁ, E., CHARVÁT, M. & MIOVSKÝ, M. 2014. Socio-demografický profil patologických hráčů v pobytové léčbě v psychiatrických léčebnách. *Adiktologie*, 14(1), 30–41.

respondents who had engaged in these gambling activities in the last 12 months were at risk of the development of problem gambling – 27.0% of the fixed-odds betters and 23.6% of the online gamblers.

The 2014 survey among Czech physicians yielded an estimate of 90,000-110,000 pathological gamblers or individuals experiencing serious gambling-related problems (it was 80,000-90,000 in 2012), i.e. approximately 1.1% of the Czech population aged 15 and older. However, the reliability of such estimates needs to be regarded as limited. A physician may not be aware of his or her patient's gambling problem or gamblers may not see a doctor at all. This is also indicated by the low numbers of people in treatment for pathological gambling.

Men predominate among problem gamblers in treatment (about 90%), but the proportion of women has seen a slight increase in recent years. The average age of a problem gambler in treatment is about 35. The primary problem gambling activity is EGMs, followed by fixed-odds betting, poker, and online card games or casino gambling games.

In addition to occupations with flexible working hours or easy access to money, people working in the gambling industry also comprise an at-risk group. According to a questionnaire survey carried out among croupiers in Prague-based casinos in 2013, for example, no less than 80% of them were at risk of problem gambling, with a third of them being found at high risk. ✕

Gambling-related Crime

> Primary drug-related crime comprises criminal offences which by definition involve engagement in gambling activities. In particular, they include the unlicensed operation of a lottery or similar game of chance and the operation of fraudulent wagers and games. Official reports mention only very few primary gambling-related criminal offences: 43 offences of the unlicensed operation of a lottery or similar game of chance were reported in 2014, with 10 persons being prosecuted for this type of offence. As regards the operation of fraudulent wagers and games, one offence of this type was reported in 2014, but the police did not instigate any criminal proceedings in this respect. According to the Ministry of Justice, five persons were prosecuted, five indicted, and 15 convicted in relation to any of the primary gambling offences in 2014. A typical example of the unlicensed operation of gambling is illicit gambling establishments which work as private membership clubs. According to licensed operators, as of April 2015 illegal EGMs were being run in 165 gambling venues.

An emerging phenomenon on the illegal gambling market in the Czech Republic is "quiz machines", the idea of which is to evade the Lotteries Act by displaying a general knowledge quiz question before the game is activated (Figure 2). They are presented as a quiz game because of that, but the questions are in fact very trivial. According to the Specialised Tax Office, in 2014 and in the first five months of 2015 there were 784 quiz machines in operation in 185 establishments. Despite some countermeasures being taken by the Ministry of Finance, the Specialised Tax Office, and the Police of the Czech Republic, efforts to eliminate the supply of quiz machines have failed so far. They seem to be frequent in municipalities which regulate gambling – the occurrence of

quiz machines was reported by 30% of the municipalities with generally binding ordinances.

Another issue related to the gambling market in the Czech Republic is unlicensed web portals offering various gambling games. A case that became well known is that of Lottoland, a Gibraltar-based company which, via the internet, makes it possible for Czech nationals to participate in games of chance such as the numerical lottery Eurojackpot. Although its Czech domain has been blocked, the company continues to target Czech players using another web address (Figure 3). Players who gamble on websites which are not licensed by the Czech

FIGURE 2
Example of a quiz question on a quiz machine



Source: Radek Nohl. Downloaded from <http://zpravy.aktualne.cz/domaci/reportaz-automaty-bez-povoleni-tady-buji-nelegalni-hazard/r-151bb206523d11e5b6b20025900fea04> [2015-11-01]

authorities run a risk of paying quite high fines. A fine of CZK 850,000, the harshest penalty ever imposed on an individual for illicit gambling in the Czech Republic, was levied in 2014. It may well be, however, that a great number of Czech players are not aware that they are breaking the law, as the web pages with information and links to online betting shops and casinos are localised for the Czech market and warnings saying that the site is intended for persons domiciled outside the Czech Republic are not displayed in such a way as to be easily seen by the users.

A specific type of gambling-related offending is match fixing. Involving the fixing of sports results, this is an issue associated with the fixed-odds betting on the results of sports competitions, especially football matches, at all levels. In January 2015, for example, five and twenty individuals were charged with giving and receiving bribes, respectively, in association with the fixing of football matches at lower-level competitions in the Central Bohemia region. Bets on football matches between under-18 teams appear very problematic in ethical terms, as young players may be more prone to succumb to the pressure of bribery. However, crime involving match fixing is not monitored on a systematic basis.

The term secondary gambling-related crime is used to refer to criminal offences committed as a consequence of gambling or in order to obtain the wherewithal for gambling or pay off a gambling-related debt. Because of their urge to play and, especially, as a result of their indebtedness and efforts to solve their debt situation, problem gamblers resort to problematic, immoral, and unlawful ways of obtaining financial resources – see also the box Harm to Health and Other Consequences of Problem Gambling.

FIGURE 3
Lottoland website offering the Eurojackpot lottery product



Source: <https://www.lottoland.com/cs> [2015-12-11]

A relationship between gambling and criminal offending can also be inferred from the prevalence of problem gambling among the prison population. According to a questionnaire survey focusing on substance use among individuals serving a prison sentence, in 2014 a total of 32% of the inmates fell into the at-risk category for problem gambling (at least one point score on the Lie/Bet scale), with 18% of those falling into the high-risk category (two points score on the Lie/Bet scale). 14.3% of the offenders serving a prison sentence had stolen at least once in their life because of gambling or wanting to pay off a gambling-related debt. ✕

Gambling in Socially Excluded Communities

Conducted by the National Focal Point in association with the Agency for Social Inclusion at the turn of 2014 and 2015, a survey in 23 socially excluded communities suggested that the presence of establishments with EGMS is common in these areas or in their vicinity. In the context of other negative phenomena such as indebtedness, unemployment, poor housing, and low education, gambling is generally considered by social workers operating in socially excluded communities as a problem of medium concern. There are locations, however, where gambling is seen as a very serious problem. In particular, gambling in socially excluded communities is associated with the indebtedness of individuals engaged with gambling and their families, gambling by recipients of social security benefits, inebriety of patrons of gambling venues, and disturbing the peace, as well as property- or drug-related offending and usury.

Prevention and Treatment

> The Czech Republic is still lacking a national programme to prevent gambling-related problems, whether among the general and gambling population as a whole or among problem gamblers, and the degree of the implementation of preventive measures is generally low. The Responsible Gambling programme, formerly Progam.cz, aimed at promoting the principles of “responsible gambling” and intended for gamblers and the staff of gambling venues, was wound up at the end of 2014. A specific prevention project run by *Společnost Podané ruce*, a public service company, aimed at preventing problem gambling among primary and secondary

school students is being piloted. Formally, the prevention of problem gambling among children and adolescents is incorporated into the system of the school-based prevention of risk behaviour. School-based prevention programmes are subject to the certification of their professional competency. As of the end of 2014, 80 programmes (almost 50 organisations) had been granted this type of certification. Nevertheless, the available data suggests that the degree to which the issue of gambling has actually been integrated into prevention programmes has so far been rather low. Carried out by the National Focal Point in 2015, a survey among organisations providing certified programmes found that gambling as a separate topic is not covered by the curricula of their programmes. If at all, they deal with it only marginally. The reasons are the lack of demand on the part of schools and the absence of methodological guidelines.

The addiction treatment facility survey conducted by the National Focal Point in 2014 indicates that in the Czech Republic there are 10-20 treatment and counselling facilities which specialise in providing services for problem gamblers. In the long term, the treatment of pathological gambling has been provided by the psychiatric hospitals in Praha-Bohnice, Kroměříž, and Opava, for example. In the survey, however, the majority of the facilities stated that pathological gamblers account for no more than 10% of their clients (Table 1).

Since 2013 the subsidy scheme of the Government Council for Drug Policy Coordination (GCDPC) has also applied to programmes providing services for pathological gamblers. Such services are generally provided through two types of programmes: outpatient counselling facilities and drop-in and counselling centres. Some programmes also offer the option of anonymous contact and online counselling. A service of major significance to pathological gamblers is debt and financial counselling. Although sporadically, outreach work in gambling venues is also performed.

According to the final reports from the subsidy scheme of the GCDPC, in 2014 a total of 693 clients who were gamblers received professional services in 42 programmes, with 485 clients having participated in 11 specialised gambling-specific programmes which were beneficiaries of support from the GCDPC as part of a dedicated segment of its subsidy scheme. While the number of programmes providing services to pathological gamblers did not rise in comparison with the year 2013, the number of clients saw a significant increase from 2013 to 2014: from 554 to 693 (a 25% increase).

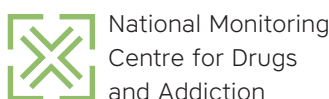
In the period from 2004 to 2013 approximately 1,300-1,400 patients diagnosed with pathological gambling received treatment from outpatient psychiatric clinics in the

TABLE 1
The percentage of pathological gamblers relative to the total number of clients of the facilities which reported pathological gamblers as one of their target groups (%)

Percentage of pathological gamblers (%)	Number of facilities
0	37
1-10	71
11-20	20
21-30	5
31-65	5
Total number of facilities	138

Czech Republic each year, with women accounting for about 13% in recent years. These statistics show a slightly upward trend. During the same period, the number of admissions to psychiatric wards for pathological gambling reached 500-550 annually, with women accounting for approximately 10-13% in recent years. Again, a rising trend is observed in this respect. When the number of patients relative to each 100,000 inhabitants of the individual regions are compared, in 2013 the largest numbers of pathological gamblers in outpatient treatment were in Prague and the Hradec Králové region (20.8 and 19.9 patients per 100,000 inhabitants, respectively), the lowest in the South Bohemia and Central Bohemia regions (8.5 and 7.5 patients per 100,000 inhabitants, respectively). In 2013 the largest number of hospitalisations per 100,000 inhabitants was reported in the Karlovy Vary region (7.6), the lowest in the Central Bohemia and South Bohemia regions (3.9 and 3.1 respectively). ✕

> This issue is based on the document *Gambling in the Czech Republic in 2014 – Annual Report* [MRAVČÍK, V., ROUS, Z., TION LEŠTINOVÁ, Z., DRBOHLAVOVÁ, B., CHOMYNOVÁ, P., GROHMANNOVÁ, K., JANÍKOVÁ, B., VLACH, T. 2015. Výroční zpráva o hazardním hraní v České republice v roce 2014. MRAVČÍK, V. (Ed.). Praha: Úřad vlády České republiky. ISBN 978-80-7440-126-8]. For detailed information and its sources specified according to citation standards see the Annual Report. ✕



National Monitoring
Centre for Drugs
and Addiction

ANNOUNCEMENTS / LINKS OF INTEREST

Information about substance use and gambling in the Czech Republic is available at <http://www.drogy-info.cz/>, <http://www.drogy-info.cz/en/>.

All the publications released by the National Focal Point (National Monitoring Centre for Drugs and Addiction), including all the issues of the "Zaostřeno" bulletin, are downloadable in electronic form from <http://www.drogy-info.cz/publikace/>.

Any orders for hard copies of the publications should be sent to grygarova.marketa@vlada.cz.

Map of Aid

<http://www.drogy-info.cz/en/map-of-aid/>

– changes in contact information should be sent to grygarova.marketa@vlada.cz.

Calendar of events

<http://www.drogy-info.cz/kalendar-akci/> – information about training events and seminars that concern addictology or are relevant to it and can be posted in the calendar should be sent to grygarova.marketa@vlada.cz.

Orders for the reedition of six DVDs with documentaries on drugs – the **Když musíš, tak musíš** ("When You Have To, You Just Have To") project – should be sent to grygarova.marketa@vlada.cz.

For the UniData and PrevData applications for maintaining a record of clients and interventions of drug services, including user support, visit <http://www.drogovesluzby.cz/>.

Website of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA): <http://www.emcdda.europa.eu/>.

The EMCDDA European Drug Report 2015: <http://www.emcdda.europa.eu/edr2015>.

A special issue of the *Adiktologie* journal dedicated to gambling – published in December 2015.