

# Trends & Policies in Criminal Justice

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## Adolescent Online Gambling and Policy Measures

### Introduction

The recent growth of online gambling among youth is alarming. They could have access online gambling websites and engage in gambling anytime and anywhere, which raises real concerns as they are highly likely to become addicted to gambling.

In reality, crackdowns on online gambling are barely carried out. Most of online gambling sites where the youth access and play are illegally run outside of Korea. Those offshore illegal online sites are abruptly closed to evade the law enforcement and return to business as usual.

Even though they well know the fact that online betting is illegal, the underaged continue to place betting based on the false belief they would never be caught by the law enforcement authorities. Sometime, adolescents with online gambling problems commit or are involved in secondary crimes such as, illegal loan, swindling and selling, or stealing for the purpose of making money to bet.

In order to find out unrevealed problems of underage gambling and present practical measures to deal with them, this study collected and analyzed opinions of experts in the field, interviews of teens with experiences of online gambling, and legislations and policies of foreign countries.

## Research Methods

- This research comprehensively reviewed the literature on online gambling and youth.
- The study analyzed policies as well as legislations of foreign countries to address adolescent online gambling.
- The report conducted in-depth interviews with youth having experiences of playing online betting. It interviewed 49 teenagers having gambled for more than 3 months to learn how they were first introduced to or began online gambling, types of games they did, and how they thought about online betting games.
- The researchers also interviewed 24 experts engaging in adolescent online gambling, education, or conducting research on this issue in order to analyze their views about current problems of online gambling in adolescents and measures to deal with them and future improvement plans.

## Results

### Overview of adolescent online gambling

- Under the criminal law, gambling could be defined as an act or a decision that a person takes in a hope of gaining money or profit of fortune. Teens are highly vulnerable to being addicted to online gambling for numerous reasons; There is no time-space constraints, as it is played on virtual space of Internet; Gameplay is very similar to that of conventional games; Anonymity on the Internet facilitates teens with lack of norm consciousness to be indulged into gambling.
- It is fair to say that adolescents falsely perceive online gambling as ordinary plays in most cases. There are factors that lead teens to be addicted to gambling such as impulsiveness, stress from school and family issue, impact of peer groups, and irrational belief of winning money.
- Online gambling among adolescents is also associated with negative outcomes such as dropping out of school, mental and physical health problems, economic difficulties caused by money losses, and committing additional crimes to make money for gambling.

### Current status of adolescent online gambling in Korea and policy measures

- Since 2015, 「Young People Gambling Report」 has been conducted every 3 year across the nation. The report said that 6.4% of school youth and 21.0% of out-of-school youth were highly risky when it comes to gambling addiction.
- The police report showed that even a large number of teens have played online gambling games while only 779 of them were arrested for illegal gambling from 2015 to the first half of 2019. One of the reasons for lower arrest rate is that requirements for accusing adolescents is much stricter than those for adults. Furthermore, even if they had been arrested on a charge of gambling, most of them were not referred to summary trial for minor crimes.
- The countermeasures introduced by the Ministry of Justice and authorities are mainly centered on offline gambling or adult gambling, therefore, regulations or responses for youth gambling are insufficient.

### Interview with the youth on gambling experience

- The interview showed that youth played online gambling not just at home or internet cafes, even at school during classes, or any places where they companied peers. Most of them were introduced into online gambling through peers or they got excited while watching others playing gambling and then they began online gambling by themselves.
- The majority of gambling youth played sport gambling like Sports ToTo or slot play online games, lasting for 40 or 60 seconds, in real time, for example Angels vs Demons, Ladder, Social Graph or so.

Types of online gambling (multiple responses)			
Types	Play frequencies (person)	Types	Play frequencies (person)
Sports ToTo	34	Virtual soccer	8
Ladder	29	Sun & Moon slot	7
Social graph	12	Snail race	7
Angels vs Demons	20	Super mario	5
Even or odd game	14	Power ball	4
Ostrich run	10	Pharaoh	2
Card games	9	Token	1
Baccarat	9	Unover	1
		Play nine	1

- The teens answered that they used their pocket money or allowances for online gambling. For some extreme cases, they were involved in crimes such as stealing, online scams or extorting money from peers. They spent less than 2 hours playing online gambling per day on average. They lost 780,000 KRW by betting while winning 1.3 million KRW per day. In other words, they lost a total of 16.74 million KRW while winning 18.44 million KRW by online gambling. One of the respondents said that the total amount of gambling debts he owes amounted to 130 million KRW.

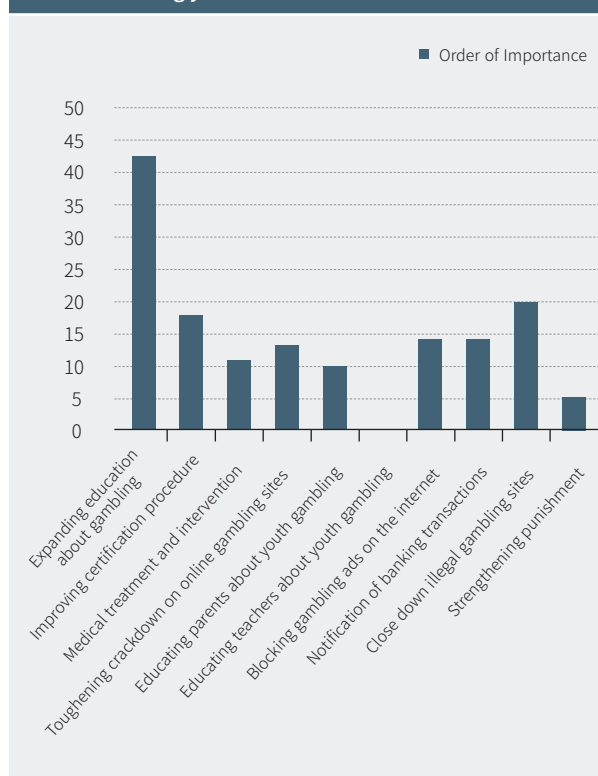
Amount of time and money for online gambling		
Time and betting money	Average	Standard deviation
Time on the internet (hour)	7.42	4.23
Time playing online gaming (hour)	3.78	2.11
Time playing online gambling (hour)	2.04	1.50
Lost money from gambling per day (10,000 KRW)	78.78	162.25
Gambling income per day (10,000 KRW)	130.85	177.69
Total amount of lost money from gambling (10,000 KRW)	1674.44	4046.21
Total amount of gambling income (10,000 KRW)	1844.35	4433.03
Amount of charges per day (10,000 KRW)	54.36	120.68
Weekly allowance (10,000 KRW)	3.29	3.64

- In fact, gamblers bet a large sum of money, but they were not aware how much money they lost, because they stayed in a cyberspace only for a short time and used digital currencies for gambling. The half of interviewees said that they did not play online gambling anymore because they got stressed from financial pressures of paying off gambling debt, or they realized that any gambler would lose in the end. It is found that any intervention or preventive measures from parents, teachers or any others were not much helpful them to stop playing gambling.
- Those youth said that crackdowns on online gambling were barely carried out. Either campaign or education to raise awareness of problems of gambling in school is only superficial or at odds with reality. They believed that those campaigns or education are not helpful to prevent teens from indulging in gambling or stop gambling. They answered that tough crackdown or harsh punishment on operators or web developers of illegal online gambling websites rather than users would at least induce an effect on gambling prevention among youth.

## Opinions of experts on online gambling

- Experts are well aware of seriousness of youth gambling. They said that forms of online gambling are very similar to those of online games. Online gambling incorporates features of online games, like providing stochastic game items, to make users more engage in the game. Users have opportunities to sell game items for cash. For those reasons, online gambling sites blur lines between the legal and the illegal.
- Contrary to reponses of youth interviewed, experts said that education on gambling prevention is effective. The majority of experts explained that youth addicted to gambling need treatment and protection. They also said that toughening crackdown on illegal gambling sites or punishment on those site operators have practical limitations.

Priorities identified by experts to prevent gambling addiction among youth



## Policies to prevent gambling addiction among adolescents in foreign countries

- Many foreign countries strictly block access of youth under 18 to online gambling websites. Operators of online gambling websites have to have their own certification procedures and tools to screen out minors so as to prevent teenage users from accessing them from the beginning.
- For example, as a part of prevention policy, the U.K. requires operators of online gambling websites to run gambling addiction prevention programs such as 'time-out' or 'self-exclusion' programs as a part of gambling addiction prevention policy. With the time-out system, the operators can check access time of users and block them for a certain period of time. In addition, the U.K. sets up the Responsible Gambling Strategy Board which encourages media outlets to voluntarily place restrictions on ads on sites that contain or link to online gambling sites.
- Many foreign countries treat online gambling by minors as illegal. Japan and the U.K. actively regulate online games which provide stochastic game items.
- When it comes to treatment of gambling addiction, in 2017, the U.K. sets up a charity 'GambleAware' which provides gambling treatment services and is committed to minimizing gambling-related harm. For Germany, state governments run their own gambling addiction treatment programs and prevention services. To pace with policies, the authorities are required to rethink about minors' gambling, departing from prevention policies for adults and look at it from a different angle.

## Policy Recommendations

### New awareness and approaches are needed to deal with youth gambling

- In fact, youth gambling shares similar characteristics of youth prostitution as they have mistakenly believe that they would not be caught. Even though they know gambling is illegal, some of them fall victim to secondary crimes caused by gambling. Considering characteristics of minors' gambling, rather than punishment and attendant social stigma, protection and medical treatment would be much more effective.

## **Proactive approaches to adolescent online gambling**

- The authorities should come up with comprehensive measures to deal with youth gambling, make them aware of the fact that they can not win money through gambling in the end, and provide gambling prevention education that resonate with them. In line with prevention education and campaign for youth, awareness campaign and education should be provided to parents, teachers and other stakeholders.

## **Needs of early intervention and blocking access to gambling routs**

- It is required for gaming sites operators to notify to parents when youth open accounts. Limitations on buying game items should be extended to cover all types of games. The authorities should strictly regulate stochastic game items.
- Related agencies and authorities should establish a cooperation system to block youth access to illegal gambling sites and come up with measures to prevent gambling addiction; suspending accounts which are suspected to be used for illegal purpose; introducing the system introduced in France which shifts the burden of proof to operators so as to confiscate their illegal profits; strengthening a certification system by multiple steps; introducing the age check system in the U.K.; undoing betting when identification is not confirmed. For portals or social network services, ads regulations should be operated on banners about gambling sites, or automated ads on prevention of gambling addiction should be created on a voluntary basis. Simply put, portals and SNSs should put a self-inspection system in place.

## **Protecting youth from gambling addiction and treatment**

- Treatment and education programs for youth with experiences of playing gambling should be expanded and varied. It is needed to shift the focus from punishment to treatment. Conditions for suspension of indictment should be expanded such as completing counseling and treatment by Korea Center on Gambling Problems or the education program on cyber crime by the Juvenile Delinquency Prevention Center. Treatment order at Korean Center on Gambling Problems could be ordered as an additional condition of probation.

- Authorities should collect data on minors' gambling and a trace system to prevent their addiction to gambling. Furthermore, they may cooperate with hospitals or centers for addiction problems in communities or private counsel centers to provide continuous treatment for youth with gambling addiction. It is necessary to standardize gambling addiction programs run by each institution or organization across the nation for effective treatment.

## **Major Keywords**

- Online gambling, Youth under 18, Stochastic items, Game, Crackdown on illegal gambling



## Memo

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## **Change**

Human Behaviors  
Community Response  
Social System