

research snapshot

summarize | mobilize



Factors that drive lottery-related crimes in the United States

What this research is about

Lotteries are a popular form of gambling in the United States. It is possible for lotteries to be the subject of crimes. For instance, winning lottery numbers can be forged and ticket machines can be tampered with. Scams that involve telling a person that they have won a sweepstake they did not enter are also common. However, little is known about what drives these lottery-related crimes in the United States.

The aim of this study was to examine factors that drive lottery-related crimes. The researcher tested the hypotheses that 1) more corruption would increase lottery crimes, and 2) more enforcement would decrease lottery crimes. More corruption reflects poor quality of institutions and might lower the punishments for crimes. Enforcement in the form of police presence might deter people from committing crimes. The researcher also explored if sociodemographic characteristics (e.g., unemployment rate), presence of other forms of gambling, and casino gambling crimes might affect lottery crimes.

What the researchers did

The researcher used data made available by the U.S. government and trustworthy industry sources. They extracted data that were relevant to their study aim. The main outcome of interest was the number of lottery crimes, per capita, reported in each state for the year 2015. Number of corruption convictions per capita was used to indicate the level of corruption in a state. Enforcement was captured as the number of police officers per capita.

The researcher also included demographic variables, such as the proportion of people living in a state that

What you need to know

Lotteries are a common form of gambling in the United States. There are crimes associated with lotteries, such as forging winning tickets and scamming people by claiming they have won sweepstakes. This study looked at factors that drive lottery-related crimes in the United States. The researcher used data from trustworthy sources, including government and industry databases. The researcher extracted data relevant to factors that might have an impact on lottery crimes, such as corruption and law enforcement. They also looked at sociodemographic factors, like age, income, and race. Greater corruption was a primary driver of lottery crimes. Greater lottery prizes, more electronic gaming machines, and a higher per capita income were all associated with fewer lottery crimes.

is white, the proportion of people living in a state that is over the age of 65, unemployment rate, and income per capita. All the data were entered into a statistical equation that calculated how these factors influenced lottery crimes in each state.

What the researchers found

The researcher found several factors that are drivers of lottery crime. First, states that reported greater lottery prizes had fewer lottery crimes in 2015. Second, in confirmation of the first hypothesis, states with greater corruption had greater lottery crimes. Third, states with more electronic gaming machines had fewer lottery crimes. The presence of Native American casinos or the number of casino gambling crimes did not affect lottery crimes. Fourth, in

contrast to the second hypothesis, the number of police officers in a state did not impact the number of lottery crimes reported. Lastly, states with a higher per capita income (greater economic prosperity) had fewer lottery crimes.

The researcher then looked at how race, age, and politics impacted lottery crimes. They examined lottery revenue as a proportion of a state's total revenue. States with greater lottery revenue had less lottery crimes. Race, age, and having a governor that was a Democrat did not affect lottery crimes.

Finally, the researcher attempted to examine whether corruption causes lottery crimes or if corruption is correlated with lottery crimes (has a directional relationship with but may not be cause). The researcher did this by examining corruption alongside enforcement. For enforcement, the researcher looked at police employment per capita as well as how far each state's capital was from Washington, DC (the capital of the United States). The reasoning was that greater enforcement would deter corruption. The researcher found that corruption was likely to be exogenous to lottery crimes. A factor that is exogenous is one that is not affected by other factors in a statistical model. This supports the idea that corruption is a cause of lottery crimes in the researcher's model.

How you can use this research

This research would be valuable to gambling researchers. More research is still required on factors of lottery-related crimes. The author of this study suggested research on how lottery crimes evolve over time. Research in countries other than the United States is also required. Additionally, lawmakers and/or policymakers may find this study useful. Lotteries do not exist everywhere, and this study shows that there are costs and benefits to having them in a region.

About the researchers

Rajeev Goel is affiliated with the Department of Economics at Illinois State University in Normal, United States. Rajeev Goel is also affiliated with Kiel Institute for the World Economy in Kiel, Germany. For

more information about this study, please contact Rajeev Goel at rkgoel@ilstu.edu

Citation

Goel, R. K. (2021). Unkind roll of the dice: Drivers of lottery crimes in the United States. *Applied Economics*, 53(16), 1856-1866.
<https://doi.org/10.1080/00036846.2020.1854446>

Study funding

No funding was identified for this study.

About Gambling Research Exchange (GREO)

Gambling Research Exchange (GREO) has partnered with the Knowledge Mobilization Unit at York University to produce Research Snapshots. GREO is an independent knowledge translation and exchange organization that aims to eliminate harm from gambling. Our goal is to support evidence-informed decision making in safer gambling policies, standards, and practices. The work we do is intended for researchers, policy makers, gambling regulators and operators, and treatment and prevention service providers.

Learn more about GREO by visiting greo.ca or emailing info@greo.ca.

