

DIVISION OF SPECIAL REVENUE

Gaming Policy Board

Minutes of Meeting

May 28, 2009

held at

555 Russell Road
Newington, CT 06109

Members: William F. Farrell, Chairman; Richard Antonetti; Paul F. Pendergast;
Edward F. Osswalt; Gayle A. Russell.

Staff: Paul A. Young, Executive Director; Suzanne J. Alix; Paul D. Bernstein;
Raymond Camarco; Anne K. Stiber; Joseph Tontini; Frank Virnelli;
Viola Pietrandrea; William Ryan; James Schmitt.

Call to Order: Chairman Farrell called the meeting to order at 10:35 a.m.

Approval of Minutes: On motion made by Mr. Osswalt, seconded by Mr. Pendergast and unanimously voted, it was resolved that the Minutes of the April 16, 2009 meeting not be read and that the Minutes be accepted as distributed.

Time and Place of Next Meeting: The next meeting of the Gaming Policy Board will take place at 10:30 a.m. on Thursday, June 25, 2009 at Division Headquarters in Newington.

Interim Reports

Gambling Regulation: Mr. Tontini reviewed the changes to the hours of operation in the off-track betting system since the Board's last meeting.

Update: Off-track betting – there were 19 track approvals during the month of April 2009. The new non-simulcasting site for the off-track betting system in Milford opened on March 31, 2009 and for the first full month of operation it did about \$152,000.

On April 15th, the Division met with representatives from Autotote Enterprises, Inc. (AEI) regarding the rebranding efforts. AEI is changing the name of the branches in its racing centers

to Winners. The new signs will be installed by April 29, 2009. The Division formally approved Phase I of this change on April 23rd.

The Twin Rivers Racetrack and Casino announced on April 29th that they are filing for bankruptcy protection. They also announced that they will cease greyhound operations on August 8, 2009.

Lottery – there were two Instant games that received preliminary approval for the month of April 2009 and one Instant game that received final approval for the month of April 2009.

Sales started for the new on-line game “Lucky for Life” on March 29, 2009 and the first drawing was held on April 2, 2009. The nine drawings in April 2009 totaled \$3.3 million. The Connecticut Lottery Corporation (CLC) is happy with these totals.

Mohegan Sun – There were 37 jackpots of \$25,000 or more for the month of April 2009. Four jackpots paid \$100,000 or more. There were no wide-area progressive jackpots for this month.

At the end of April 2009, Mohegan Sun had a total of 6,752 slot machines on the floor.

Foxwoods – There were 23 jackpots of \$25,000 or more for the month of April 2009. There was one car/cash jackpot award.

At the end of April 2009, Foxwoods had a total of 7,603 slot machines on the floor.

Integrity Assurance: Mr. Virnelli reviewed the statistical reports for the Board that included the revenue reports, transfers to the General Fund as well as the grants to municipalities.

A brief discussion ensued from a question by Ms. Russell concerning the lottery delinquencies. Both Executive Director Young and Mrs. Stiber explained the process and answered questions on same.

Charitable Games: Mr. Bernstein provided by update on the Charitable Games activity for the months of March and April 2009, attached hereto as ‘Attachment A’. Mr. Bernstein concluded with an update on the legislative activity which has taken place since the Board’s last meeting, attached hereto as ‘Attachment B’.

Executive Director Young commented on Bill #5608 An Act Concerning The Issuance Of Liquor Permits To Casinos That Permit Smoking In Such Premises saying that the Mohegan Tribe sent a letter to the Governor. The Governor acknowledged receipt of the letter, which outlines what they are going to do relating to the smoking issue, which is submit to the Division, yearly, a report on the smoking conditions at the casino. Since this all took place, the

Mashantucket Tribe has also sent a letter to the Governor, who has also signed it as a receipt, and it is virtually the same letter. The Mashantucket Tribe will now provide a yearly report to the Division as it relates to smoking in the casino. The Division will monitor both casinos in this regard.

Security and Licensing: Mr. Camarco noted that the Board has received the monthly statistical data in their mailing.

Mr. Camarco reported on an incident at Mohegan Sun and the State Police finding of a sawed off shotgun on the property. Mr. Camarco explained the incident and the process involved to bring the case to a close.

Mr. Antonetti commended the action taken to resolve the issue. He said it was a job well done and he hopes that the procedures continue along those lines. Mr. Camarco said he would pass Mr. Antonetti's comments along to the Connecticut State Police since they were the department that performed all the work involved. Mr. Camarco also said that the State Police are on top of these situations.

Chairman Farrell questioned the cooperation of the security force at the casinos. Mr. Camarco said the security at the Tribes basically respond to medical emergencies, fire emergencies and surveillance. The security force is active on the floors of the casinos and if there are issues with customers and/or employees, they notify the State Police.

Mr. Camarco continued saying that during the month of April two arrests were made in the lottery area.

On May 1, 2009 the lottery drawings moved to Channel 61 in Hartford from Nutmeg Television in Plainville. A new television studio was built at the stilts building in Hartford on the Corner of Main and Church Streets. Mr. Camarco briefed the Board on the details of the move and the future move as well to the Hartford Courant building in Hartford, which will take place, possibly, in October 2009.

Mr. Camarco said the Division is in the process of redesigning the renewal forms for the lottery sales agents to cover a few issues that have come to us as far as change of personnel with the lottery agents. The new design will make it easier to track individuals.

Mr. Camarco continued saying the vendors applying for licensure at the casinos, in the past, were offered exemptions if they were licensed in New Jersey. The Division is designing an application for its own purpose whereby the Division will do its own background investigations. The process should be completed within a month or so.

Chairman Farrell asked the status of the AFIS system as well as the status of the background investigations. Mr. Camarco said the AFIS system is up and running. With regard to the background investigations, the lack of applications has helped in getting the backlog caught up.

Administrative Hearings: Mrs. Stiber provided the hearing reports for the month of April as well as the Freedom of Information requests.

Ms. Russell asked how the fines are set. Mrs. Stiber explained the process and answered questions on same.

Executive Director Young said there is pending legislation in this matter. The General Assembly is looking at a bill that would automatically raise all fines by a certain percentage.

Executive Director's Report: Executive Director Young provided the following update for the Board: the Governor, the Unions and the Legislature have been discussing a Retirement Incentive Program and several employees have taken advantage of it. The Division currently has 17 employees who have submitted their paperwork. The word from the Governor's office is that she needs to have a budget in place before discussions can take place relative to replacements, if any.

With regard to Keno, there is still no bill pending, however, there have been discussions on it. The Division has been asked to attend meetings on this topic since the Board's last meeting. The Division's position is that Keno is just another lottery game and the CLC has the authority to have new games.

The CLC has issued a Request for Proposal (RFP) for Instant Ticket Vending Machines. The RFP is due back soon. The Division will monitor this matter. There is authorization in the statutes for the machines.

The Division reviewed the first draft of the Gaming Study and has sent its suggestions, corrections, and modifications back to the vendor. The Division expects to receive the next versions of the Study any time now, and, hopefully by the next Board meeting the final product will be available.

On the federal level, Representative Barney Frank has introduced his internet gaming bill (bill numbers 2266, 2267 and 2268). States would have 90 days to opt out the bill. The bill would tax as a federal level at two percent. The states would probably jump on it as well. There have been some preliminary discussions as to how internet gaming will relate to our casinos and whether it is a violation of the compact. The Division will monitor this topic as well.

The state of Delaware has approved and is moving towards sports betting. It will be sanctioned by the NCAA if it does.

The simulcast bill has not yet passed at the legislature. This could be problematic for the off-track betting system in Connecticut.

Mr. Antonetti questioned the impact on the Division as a result of the upcoming retirements. Executive Director Young said 17 employees have announced their intention to retire. There were eleven open positions prior to this program that were part of the job freeze. The Division will be down 28 positions, were we not allowed to replace any of these announced employees.

Mr. Antonetti asked if this reduction will affect the Division's integrity and security. Executive Director Young said it is a little premature to respond. The budget negotiations are on-going and replacement will depend on the outcome of those negotiations. He said the Division may be allowed to fill some of those positions pending the budget results.

Mr. Antonetti said Executive Director Young could raise a red flag to the Board, if need be. Executive Director Young said Commissioners were asked to project how many employees they thought might take advantage of the retirement program. In addition, they were asked what would be the affects to the agency as a result of the retirements, i.e. if you can't fill 5% what would that mean, etc. Executive Director Young said his comments were that 5% would impede our ability to provide absolute integrity, 10% would be very difficult, and the top of the line would make it impossible to continue integrity.

Adjournment: On motion made by Mr. Antonetti, seconded by Mr. Osswalt and unanimously voted, the meeting adjourned at 11:30 a.m.

Respectfully submitted,

Suzanne J. Alix, Secretary
Gaming Policy Board

Attachments (2)