

DIVISION OF SPECIAL REVENUE

Gaming Policy Board

Minutes of Meeting

July 15, 2010

held at

555 Russell Road
Newington, CT

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

Staff: Paul A. Young, Executive Director; Suzanne J. Alix; Anne Stiber;
Joseph Tontini; Frank Virnelli; Viola Pietrandrea; Deborah Joraskie;
William Ryan; Paul Reiman.

Guests: Donald Barberino, Autotote Enterprises, Inc.; Detective Theodore Parker
and Sgt. Jonathan Montey of the Connecticut State Police; Marvin
Steinberg, Ph.D., Connecticut Council on Problem Gambling;

Call to Order: Chairman Farrell called the meeting to order at 10:30 a.m.

Approval of Minutes: On motion made by Mr. Antonetti, seconded by Mr. Pendergast
and unanimously voted, it was resolved that the Minutes of the May 18, 2010 meeting 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, September 16, 2010 at Division headquarters in
Newington.

Interim Reports

Gambling Regulation: Mr. Tontini noted that the Board has received the changes to the
hours of operation to the OTB system since its last meeting. He offered to answer
questions, if any.

Mr. Tontini briefly explained the requests received from Autotote Enterprises, Inc. for the
following: a request dated July 6, 2010 for Board approval to establish a simulcast

facility at 24 Eugene O'Neill Drive, in the city of New London pursuant to the terms of Section 12-571a (b) and 12-572(a) of the Connecticut General Statutes, such authority to include Sunday wagering. He noted that the New London City Council's certified Resolution in this matter was adopted at their meeting of July 6, 2010. Mr. Tontini said the Division recommends approval of this request.

A motion was made by Mr. Pendergast, seconded by Mr. Antonetti that it be:

“Resolved, That Autotote Enterprises, Inc.'s request to establish a simulcasting facility at 24 Eugene O'Neill Drive, in the City of New London, to include Sunday wagering, be approved.”

Mr. Osswalt said that it is apparent that this facility has been specifically sanctioned by its statute, which is now the law of the state of Connecticut, and he feels constrained to follow that law. Mr. Osswalt said he would vote yes in this motion.

The motion was passed unanimously.

Mr. Tontini continued with the second request from Autotote Enterprises, Inc. for permission to establish a simulcast facility at 103 Tolland Turnpike, in the Town of Manchester, Connecticut pursuant to the terms of Section 12-571a (b) and 12-572(a) of the Connecticut General Statutes, such authority to include Sunday wagering. He also noted that the Town of Manchester provided a certified Resolution that was adopted at their meeting of July 6, 2010.

On motion made by Mr. Pendergast, seconded by Mr. Osswalt and voted unanimously, it was:

“Resolved, That Autotote Enterprises, Inc.'s request to establish a simulcasting facility 103 Tolland Turnpike in the Town of Manchester, Connecticut, to include Sunday wagering, be approved.”

Update: Off-Track Betting – there were 16 track approvals for the month of April 2010 and five track approvals for the month of May 2010.

On July 9th there was an armed hold-up at the closing of the Waterbury off-track betting facility. The matter is still under investigation by the Waterbury Police Department. The Division will be informed of their progress with the investigation.

On May 14th the Rhode Island Governor signed legislation ending greyhound racing in the State of Rhode Island, and effectively ending greyhound racing in New England.

Lottery: there were eight Instant games that received preliminary approval and three Instant games that received final approval for the month of May 2010. Ten Instant games received final approval during the month of May 2010.

Mr. Tontini continued noting that the Connecticut Lottery Corporation (CLC) is proceeding with their plans to deploy their Instant Ticket Vending Machines (ITVM). These machines have not been in place since 1999. The new machines have the age verification concept where a driver's license may be scanned to determine the individual is of age to purchase a ticket. The machines will need to be in the line of sight, i.e. a courtesy booth. Mr. Tontini answered questions on the age verification process.

Mohegan Sun: In April 2010 Mohegan Sun had 15 jackpots of \$25,000 or more and six jackpots that paid \$100,000 or more. There were four wide area progressive jackpots for the same period. In May 2010 Mohegan Sun had 19 jackpots of \$25,000 or more and five jackpots that paid \$100,000 or more. There were five wide area progressive jackpots and two of those jackpots paid over a million dollars. For the months of April and May 2010 Mohegan Sun had a total of 6,405 slot machines on the floor.

Foxwoods: In April 2010 Foxwoods had 25 jackpots of \$25,000 or more and two jackpots that paid \$100,000 or more. There were no wide area progressive jackpots for that same time period. In May 2010 Foxwoods had 27 jackpots of \$25,000 or more and three jackpots that paid \$100,000 or more. There were three car/cash awards and one wide area progressive jackpot for that time period.

As of the end of May 2010, Foxwoods had 7,211 slot machines on the floor.

Integrity Assurance: Mr. Virnelli noted that the Board has received the financial statements and offered to answer questions, if any. Mr. Antonetti questioned the negative projection reports. Mr. Virnelli replied that a revenue projection meeting is scheduled for next week; however the Division is projecting that the revenue will continue to drop due to the competition in the area as well as the present economic situation. Mr. Antonetti asked for an update at the next Board meeting.

Mr. Virnelli continued with a brief update, attached hereto as 'Attachment A' on gaming in other states.

A brief discussion ensued regarding projections and trends of the industry. Executive Director Young said the Division will develop information on both topics and provide it to the Board as its next meeting.

Charitable Games: Ms. Pietrandrea provided the following update on the Charitable Games activity for the months of April and May.

The working papers for the first three games Charitable Games ordered from its new sealed ticket vendor were executed on April 19th, and we received delivery of these games on Monday, May 10th. The shipment included tickets for 'Fun Money' which is a \$.50 per ticket game, 'Jackpot Deluxe', which is a \$2.00 per ticket game, and 'Wild Black Cherry', which is a \$1.00 per ticket game. There were a few minor issues that had to be addressed with the vendor, but overall the first delivery of tickets went fairly well. On May 17th, four packets of tickets for each game were sent to Engel Game Testing of Bismarck, ND, for testing purposes.

The working papers for the next three games ordered from the Division's sealed ticket vendor were executed on May 13th. Charitable Games received these three new sealed ticket games on Tuesday, May 25th. The shipment included tickets for 'Silver Express', which is a \$.50 per ticket game, 'Ice Cool Bucks', which is a \$1.00 per ticket game, and 'Money Trail', which is a \$.50 per ticket game. Four packets of tickets for each of these games were also sent to Engel Game Testing for testing purposes.

Security/Licensing: In the absence of Mr. Kleber, Ms. Joraskie stated that the Board has received the reports for the months of May and June and offered to answer questions.

Ms. Joraskie said the casino license renewals will begin within the next two weeks. Work continues in regard to the SportTek purchase by Scientific Games.

On June 4th there was a mechanical failure with the machine during the Cash Five lottery drawing. The #2 ball was stuck in the blower as the third ball was being drawn. Our Security presence noticed it and stopped the drawing. The decision was made that they go off-air; they released the #2 ball and continued with the drawing. A new machine was obtained and a second set of numbers was drawn for Cash Five and that machine was used for the rest of the drawings.

Executive Director Young stated that for that particular day there were two winning numbers for that Cash Five drawing. No complaints were filed. An investigation is on-going relative to the incident and to prevent it from happening again.

Chairman Farrell asked the status of the AFIS machine. Ms. Joraskie said everything is fine. Ms. Joraskie said that in regard to the background checks, the numbers increased a little bit. Sgt. Montey said the numbers are a little higher than they have been but the State Police are working continually to decrease them.

Administrative Hearings: Mrs. Stiber noted that the Board has received the monthly reports and offered to answer questions, if any.

She continued with the following update: the Division is still awaiting the Governor's office as well as the Office of Policy and Management's approval of the proposed lottery regulations.

The Division is currently preparing for the Amnesty Program pertaining to the delinquent lottery sales agents. The program runs from October to December. Those applicable agents will be notified of the program during the month of September.

The Declaratory Ruling, in reference as to how interest is assessed against delinquent lottery sales agents, has been appealed to Superior Court. This matter has been turned over to the Attorney General's office and the Division will be supporting them in any capacity that they need.

Executive Director's Report: Executive Director Young provided the following update: Since the Board's last meeting, the legislature completed their session. The Amnesty Program was passed and the Division will work diligently on it. There are approximately 450 agents that are eligible for the program, and the Division will attempt to contact them. The program allows the agent to pay off their debt to the state of Connecticut; they may pay 50% of the interest owed to the state of Connecticut. The principle stays the same and the penalty that is assessed by the Division stays the same.

The legislature passed another bill which changes the way the Division allows charitable institutions to advertise. Previously the only way to advertise was by a lawn sign on the property where the event was going to be held. Through the passage of this bill, the organization may advertise with lawn signs, providing they meet the local zoning laws, as well as the homeowner's permission. An organization may also advertise on its web page. The Division will need to develop regulations for this advertising.

The legislature also chose to eliminate the field operations in Charitable Games. The field staff would visit a bingo operation to ensure it was operating according to statute. They would also monitor raffle applications, duck races, cow chip raffles, etc. The Division has spent a considerable amount of time finding other positions in state service for the field staff. Everyone was accommodated in an existing open slot within the system. The Division will be sending out informational letter to the organizations notifying them of continued oversight.

New Business: Marvin Steinberg, Director of the Connecticut Council on Problem Gambling (CCPG), addressed the Board emphasizing the concerns on behalf of the CCPG in a recent letter to the Board. He asked if the Board had received the letter and also asked if they would grant his request for a meeting.

Chairman Farrell said he has received the letter as well as others on the Board with the exception of Mr. Pendergast.

Dr. Steinberg said his observation is that problem gambling and underage gambling is not on the Board's permanent agenda, and he feels that the Board should receive a report every month from someone who is knowledgeable in this area. He continued saying that his purpose for attending the meeting is to let the Board know that the CCPG is available to address the issue, which he feels is a very important issue that has not been addressed. He asked that the Board review his letter and take the necessary steps to address the matter.

Chairman Farrell said the Board has received the letter and has asked Mr. Young to review everything listed in the letter and provide a report to the Board with his outcome and comments. The Board will discuss the report and will make Dr. Steinberg aware of its decision.

Adjournment: On motion made by Mr. Antonetti, seconded by Mr. Pendergast and unanimously voted, the meeting adjourned at 11:25 a.m.

Respectfully submitted,

Suzanne J. Alix, Secretary
Gaming Policy Board

Attachment (1)