

DIVISION OF SPECIAL REVENUE

Gaming Policy Board

Minutes of Meeting

January 14, 2010

held on

555 Russell Road
Newington, CT 06111

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; Donald R. Kleber;
Anne K. Stiber; Joseph P. Tontini; Frank R. Virnelli; Viola Pietrandrea;
William Ryan; Gerald Gibson; Suzan Dummitt.

Guests: Steve Alford, Scientific Games, Inc.; Sgt. Jonathan Montey and
Det. Ted Parker, Connecticut State Police Casino Unit.

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 December 3, 2009 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 Wednesday, March 17, 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 for the off-track betting system, and offered to answer questions, if any.

Update: Lottery – There were three Instant games that received preliminary approval and
three Instant games that received final approval during the month of November.

Mr. Tontini noted that the Board received the information pertaining to the Mega Million
Game rules. (Attachment A) The Connecticut Lottery Corporation (CLC) will begin offering

this jurisdictional game for sale on Sunday, January 31, 2010 with the first drawing on Wednesday, February, 3, 2010. He noted that the Mega Millions game is similar to PowerBall.

Mohegan Sun: in November 2009 there were 50 jackpots of \$25,000 or more and five paid \$100,000 or more, and three were wide-area progressives. At the end of November 2009, Mohegan Sun had a total of 6,720 slot machines on the floor.

Foxwoods – in November 2009 Foxwoods there were 22 jackpots of \$25,000 or more and two that paid \$100,000 or more. Foxwoods also had a wide-area progressive jackpot that was on a penny game which returned \$42,000. At the end of November 2009, Foxwoods had a total of 7,336 slot machines on the floor.

Integrity Assurance: Mr. Virnelli noted that the Board has received the statistical as well as the revenue reports, and offered to answered questions, if any.

Mr. Virnelli provided a brief report on the transfers from unclaimed reserves to the state's General Fund by the Connecticut Lottery Corporation for the last nine fiscal years. He answered questions on the report, and upon a request by Ms. Russell, will provide the Board with a hard copy of the report.

Mr. Pendergast asked if Mr. Virnelli would discuss trending of the transfers at the next meeting.

Charitable Games: Ms. Pietrandrea provided the following update on the Charitable Games activity for the month of November:

During the month, registration renewal notices were sent to each manufacturer or dealer registered to sell or rent bingo, sealed ticket, or bazaar and raffle equipment. Bingo permittees may only purchase bingo cards and sheets, bingo balls and bingo drawing equipment from a registered dealer, sealed ticket permittees may only purchase sealed ticket dispensing machines from a registered dealer, and bazaar and raffle permittees may only purchase or rent raffle drums or games of chance from a dealer who is also registered with the Division. The Division is currently working with several firms that desire to register as one of the three types of equipment dealers eligible to register within the state. Several registrations were issued during the early part of December, and all registrations issued will be valid until December 31, 2010.

Considerable work was done during the month to create a table in order to collect certain data regarding sealed ticket dispensing machines. The table consists of information such as: the make and model of the sealed ticket dispensing machine, as well as the name and address of

the manufacturer or distributor; the sealed ticket permittee that bought or leased the machine; the date the transaction took place; and whether or not the machine was previously owned by another permittee. The next step is to enter the information into the new system. Once that is done, the information will then be available in one central source, which will allow the office and field personnel to easily access information while carrying out their assigned duties.

Security and Licensing: Mr. Kleber noted that the Division's relationship with the Connecticut State Police is outstanding.

Chairman Farrell asked the status of the West Haven Elks investigation as well as the investigation at Sports Haven. Mr. Kleber reported that the Sports Haven situation is an on-going investigation, a very in-depth investigation. He said he cannot comment right now on that investigation only to say it is on-going and active.

In regard to the West Haven Elks investigation Mr. Kleber said the Division filed the arrest warrant and made an arrest. He continued saying the Division worked closely with the West Haven Elks in that matter, as well as with the Division's Charitable Games Unit. As a result of this investigation a program has been set up whereby a meeting is held with the Elks to update them on the rules of charitable gaming and also on the security perspective.

Mr. Kleber referred to Mr. Tontini's report concerning the Mega Millions program. He said the Security Unit now is looking at its shifts as it pertains to the computer center. The shifts will have to be adjusted to accommodate the proper coverage.

He continued saying that the Division assisted the CLC in relocating their drawing studios to the Hartford Courant building.

Mr. Kleber said the Licensing Section is in the process of mailing the lottery retailer renewals. The license renewals are due back at the Division by March 15, 2010.

Mr. Pendergast questioned the large number of terminations at both casinos. Mr. Kleber said that terminations could partial layoff, particularly at Foxwoods. A termination falls into three categories: termination for cause, voluntary termination, and layoffs.

Mr. Pendergast asked if an individual is terminated "with cause", is the Division aware of the particular cause. Mr. Kleber noted that if the issue is a theft, the Division is notified; however, if it is an attendance problem, the Division is not involved. He said if an individual is terminated, the Division revokes their State gaming license, so they will have to re-apply in the future.

In the area of hires at both casinos with foreign workers, Mr. Antonetti asked if there was any large group change, especially doing the background checks, which could be a problem. Mr. Kleber said the applications from foreign workers have been down. He said he met yesterday with the Vice Chairman of Foxwoods and discussed that specific issue. Mr. Kleber said both parties agreed to open a dialogue with the company that provides the foreign workers to try and close the loophole in the hiring process.

A brief discussion ensued with Mr. Kleber and Executive Director Young answering questions for the Board.

Administrative Hearings: Mrs. Stiber noted that the Board has received the hearing reports as well as the Freedom of Information report and offered to answer questions on same if necessary.

In regard to the previously mentioned West Haven Elks case, the Compliance Meeting was held yesterday for both the organization and the former member-in-charge. The Compliance Meeting Officer will forward his recommendation to the Executive Director shortly. Mrs. Stiber said she would report on this matter at the next Gaming Policy Board meeting.

Mrs. Stiber noted that the Division has been working on the lottery regulations. The regulations were sent to the Governor's office, the Office of Policy and Management as well as the Department of Economic Development for their preliminary approvals. Once the Division receives those approvals, a public hearing will be scheduled.

Mrs. Stiber concluded saying that there is an appeal scheduled next week before the Freedom of Information Commission (FOIC) concerning the request for the initial Spectrum Gaming Study draft. She said under the FOIC laws, initial drafts do not have to be disclosed if the agency feels not to disclose and that was the decision of the Division. The decision was appealed and the Division will be presenting its arguments to the Commission next week.

Executive Director's Report: Executive Director Young provided the following report for the Board. Regarding the lottery renewals, the 2,700 renewals are really the brick and mortar buildings; within that 2,700 number, the Division licenses the corporation that runs the entity, so there may be several individuals within that number that are licensed, which could be three times that number.

The Division has submitted one bill to the legislature this year. The submission, **'An Act Permitting "Fifty-Fifty" Coupon Games At Certain Organization Functions And Athletic Events** was sent to the Governor's office and has been approved by that office. An appearance will be made next week before the Public Safety Committee, a committee that is beginning some of their hearings on bills that are being proposed.

Regarding the budget, a Commissioners' meeting was held yesterday where the Governor and the Secretary of the Office of Policy and Management (OPM) said the revenue projections and the actual revenue continues to be very soft. The Governor continues to ask that everyone hold the line and not spend. The Governor has also asked that Commissioners speak to contractors to see if they would drop the price.

The hiring process has been slowed down. The slow hiring has saved some money for the Agency. The budget continues to be number one with everyone and we will continue to work with the Governor's office, OPM and the Department of Administrative Services (DAS) to get it under control.

The Connecticut Lottery Corporation's start of Mega Millions game is a big change for the state. They anticipate more income for the state, but whether it will impact or diminish any of the other games, that lottery currently offers, is uncertain at this time. The hope is that it will have minimal impact. The Division will meet internally to project what we think the income levels might be.

Foxwoods: the Division received the December 2009 slot machine revenue figures that look to be off maybe \$100,000 year over year, which from their perspective is flat. Their contribution to the State for December 2009 is \$11.1 million, whereas last year it was \$11.2 million.

Mohegan Sun's December 2009 figures have not been received as yet. In conversation with Mr. Meskill he indicated that Mohegan Sun did not have a good month in that their figures could be off as much as 10%.

Recess to Hear Appeals: At this time, the Board recessed to hear the appeals of Ryan Tran of Foxwoods and Luis Rodriguez of Mohegan Sun.

The Board reconvened its meeting to record the following resolutions:

On motion made by Mr. Osswalt, seconded by Ms. Russell, unanimously voted, it was:

“Resolved, in the matter of Luis Rodriguez, the Board moves that the matter be remanded to the Division for a hearing as soon as the Division can schedule it, to consider the new evidence and his overall suitability for licensure.”

On motion made by Mr. Pendergast, seconded by Ms. Russell, unanimously voted, it was:

“Resolved, in the matter of Ryan Tran, the Board moves to uphold the decision of the Hearing Officer.”

Adjournment: On motion made by Mr. Pendergast, seconded by Ms. Russell and unanimously voted, the meeting adjourned.

Respectfully submitted,

Suzanne J. Alix, Secretary
Gaming Policy Board

Attachment (1)