

DIVISION OF SPECIAL REVENUE

Gaming Policy Board

Minutes of Meeting – August 20, 2009

held at

555 Russell Road
Newington, CT

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; Viola Pietrandrea; Joseph P. Tontini; Deborah Joraskie; Judi Kirchner; MaryAnn Naylor; William Ryan; Kathleen Tetreault.

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 June 25, 2009 meeting not be read and that the Minutes be accepted as distributed.

On motion made by Mr. Pendergast, seconded by Mr. Antonetti and unanimously voted it was, resolved that the Minutes of the July 23, 2009 telephone conference 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, October 15, 2009 at Division Headquarters in Newington.

Interim Reports

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

Update: Off-Track Betting – eleven track approvals were completed for the month of June 2009.

Governor Rell signed legislation on June 18, 2009 allowing the Milford and Putnam facilities to become simulcast facilities pending local approvals, which were received on July 23, 2009. The Executive Director granted the Division's approval on the same day for the Milford facility.

Autotote Enterprises, Inc. (AEI) has started work on the Putnam facility and is hopeful of an early September opening of this simulcast facility.

Lottery – there was a PowerBall winner yesterday, August 19, 2009, in South Carolina.

There were two Instant Games that received preliminary approval for the month of June 2009 and four Instant Games that received final approval for the month of June 2009. Sales for the new on-line game, Lucky4Life, started on March 29, 2009. The nine drawings in June 2009 produced \$3.2 million, averaging about \$364,000 per drawing, which was up slightly from the previous month.

The Instant Game 1001 includes a new scratch-to-cash feature which players will check the status of their tickets by using the ticket checker. Lottery agents will benefit as it is easier to validate tickets with the new barcode system.

On August 2, 2009, the Connecticut Lottery Corporation (CLC) reduced the ticket claim period from one year to 180 days for all on-line tickets. All Instant tickets, starting with Instant Game 1001 also will have a six month period to cash tickets. Executive Director Young noted that the 180 days starts at the conclusion of the game, as the game might take a year to end. Mr. Tontini also noted that with the on-line ticket games, the time period is 180 days from the day of the drawing. The CLC has provided legal notices through the media and have provided this information on their website.

Mr. Tontini continued saying that besides offering the New York Yankees and the Boston Red Sox \$5.00 Instant ticket, last year and this year, the CLC will be issuing a \$5.00 New York Giant's ticket starting on August 26, 2009.

Mohegan Sun: in June 2009, there were 66 jackpots of \$25,000 or more and five jackpots of \$100,000 or more, in addition to three wide area progressive jackpots. At the end of June 2009, Mohegan Sun had a total of 6,749 slot machines on the floor.

Foxwoods: In June 2009, there were 30 jackpots of \$25,000 or more and five jackpots of \$500,000 or more in addition to two car/cash jackpots. At the end of June 2009, Foxwoods had a total of 7,595 slot machines on the floor.

Integrity Assurance: Deborah Joraskie, Accounting Manager with the Integrity Assurance Unit, reviewed the financial statements for the Board, which included the transfers to the General Fund. Ms. Joraskie provided a recap of the lottery sales from the last fiscal year to the present.

Mr. Pendergast questioned the available of casino data within bordering states, and other locations, for a comparison to determine whether our state is doing better or worse than other states. Executive Director Young stated that the Division does not normally have that data available however some information could be developed and shared at the next Board meeting. He continued saying that the New Jersey casino revenues have been down in the double digits month after month. Foxwoods, this month, was down 13% this month. Atlantic City is down in the neighborhood of 20%, 17%, and 18% in their income. Executive Director Young also noted that with New Jersey, everything is included in their figures, i.e. table games because they are a commercial casino. Connecticut only speaks to the slot revenues. He said the Division will attempt to obtain some figures and report back to the Board at its next meeting.

Charitable Games: Ms. Pietrandrea provided an update on Charitable Games for the months of June and July as follows:

Considerable work was done in recent months to provide the Charitable Games Field Operations Section with a level of automation it never had before. A Field Operations screen and menu were developed in order to connect the field staff to all operational areas within Charitable Games. All information needed by field personnel is now available under a Field Operations program, which was put into production and made available to all users during June. This was a major accomplishment which has facilitated a more efficient operation.

Staff has also been working to update the Charitable Games portion of the Division's website. Among other things, the new area will be more user-friendly and will include more helpful information, including sealed ticket purchasing information and color promotional materials for all of the sealed ticket games currently on sale. We will also be updating some information on our bazaar and raffle activities, including information regarding the permit application process.

The Division received three proposals in response to its Request for Proposal (RFP) for a new sealed ticket vendor. At this point in time, each member of the evaluation committee must review all material and sample tickets submitted as part of each proposal. Once the reviews have been completed, the committee members must evaluate each vendor's proposal in accordance with the guidelines of the evaluation process. Those reviews are currently underway, and the committee is scheduled to meet next month to discuss them.

On Tuesday, July 28th, the Legislative Regulation Review Committee voted on the proposed Administrative Regulations Governing Amusement and Recreation Bingo for Parent Teacher Association. The committee offered technical corrections to the proposed regulations; therefore, the recommendation of the committee was 'Rejection without prejudice'.

Changes to the language of the proposed regulations will be addressed, and the regulations will be resubmitted to the committee for review within the next week or so.

Security and Licensing: Mr. Kleber noted that the Board received the monthly licensing and security reports.

Mr. Antonetti asked why there were no monthly reports from the casinos. Mr. Kleber said the State Police, as a result of the Retirement Incentive Plan, have a new Lieutenant, who is only temporary, and they have just put in a Sergeant. This is a time period that while they are keeping up with the licensing and background information, there are new staff members that we have yet to meet with regarding the information we need to receive. Mr. Kleber said he will be meeting with the State Police soon pertaining to the reporting of information.

Mr. Kleber noted that there is a major investigation underway as a result of the incident at Sports Haven regarding a \$19,000 theft. A group of individuals from the southeastern portion of the United States have been identified. The Division is working with several other agencies outside the state. Mr. Kleber concluded that he feels great progress is being made with this investigation.

Mr. Antonetti questioned why there was not a report to the Board concerning this incident and briefly expressed his concerns. Executive Director Young noted that since this is an active investigation the Division is limited as to what it may report.

Chairman Farrell asked if there is an impact with the background investigations as a result of the Connecticut State Police retirements. Mr. Kleber said the licensing numbers are not reduced however they have not been increasing either. The situation will improve soon. The new administration at the Casino Unit is still in a learning process. Mr. Kleber continued saying that he will be meeting with member of the Casino Unit next week to address these issues. Chairman Farrell asked that Mr. Kleber convey the Board's concern about the detail that is assigned to the background checks on licenses and its maintenance.

Mr. Kleber continued by saying that the Security and Licensing Unit is entering the casino licensing renewal period, approximately 16,000 individuals to be licensed. The renewal forms just went out and they are expected back by November. He said Keno is on the table at the legislature and whether that comes to fruition or not is something that the Division will deal with. Keno will have a big impact on the licensing section.

Mr. Kleber concluded saying the Division is redeveloping the licensing renewal forms for the lottery retailers. This will provide the opportunity to add information that is needed. It will also allow the opportunity for a first step in a web-based program to download forms, saving the state time and money eliminating mailings.

Administrative Hearings: Executive Director Young noted that Mrs. Stiber is on vacation. The Board is in receipt of the monthly hearing reports. He stated that there was one Freedom of Information request for this reporting period from a senior citizens organization requesting information on the individual that reported their violation.

Executive Director Young requested the Board schedule a time to hear the following appeals: Anthony Leyko and Ryan Tran, both employees at the Foxwoods casino. There was general agreement to hear the appeals after the next scheduled Board meeting on October 15, 2009.

Executive Director's Report: Executive Director Young briefly noted that the Division was impacted significantly with the recent Retirement Incentive Program (RIP). There were twenty-two employees who took advantage of the RIP. He continued saying that as a result of the RIP, there are opportunities for employees to advance. The Gambling Regulation Unit has an employee who is advancing to a higher position. Joe Tontini, Unit Head/Gambling Regulation Unit introduced Kathleen Tetreault as a new supervisor at the Foxwoods casino, who is replacing Cyndy Drain. He said Kathy has been a long time employee of the Division. Mr. Tontini introduced Judi Kirchner who helped out doing double duty at both casinos from the time of the retirements to the present time. Mr. Tontini also introduced MaryAnn Naylor, who is the lottery supervisor.

Executive Director Young continued saying the situation in Sports Haven is an on-going investigation and he is sure that the integrity of the system is no longer at stake.

Keno is still in the Governor's budget proposal, but until there is a budget we will not know if Keno is a reality in the state.

Executive Director Young said the Division is working on a great deal of time is a settlement on Free Slot Play. He briefly provided a background of the Free Slot Play issue. The framework of a settlement is in place. The Governor's office is fine with the framework. Hopefully by the end of this month there will be some type of settlement on the lawsuit.

Adjournment: On motion made by Mr. Antonetti, seconded by Mr. Pendergast and unanimously voted, the meeting adjourned at 11:20 a.m.

Respectfully submitted,

Suzanne J. Alix, Secretary
Gaming Policy Board