

Department of Consumer Protection/Gaming Division

Gaming Policy Board

Minutes of Meeting

November 16, 2012

at

**165 Capitol Avenue, Room #126
Hartford, CT 06106**

Members: Richard Antonetti; Edward F. Osswalt.

Staff: Michelle Seagull, Deputy Commissioner; Donna Rector, Secretary; Frank R. Virnelli, Jr.; Anne K. Stiber; Donald R. Kleber; William E. Ryan; Viola Pietrandrea.

Guests: Chelsea Turner, CLC; Steve Alford, Ted Taylor and Frank Chesky of Sportech.

Call to Order: Richard Antonetti called the meeting to order at 10:00 a.m.

Approval of Minutes: On motion made by Mr. Antonetti, it was resolved that the minutes of the September 21, 2012 meeting be accepted as distributed. A correction was noted by Mr. Osswalt that the approval from the June 25, 2012 meeting should reflect that Mr. Osswalt abstained from the vote due to his absence from that board meeting. On motion made by Mr. Osswalt, seconded by Mr. Antonetti and unanimously voted, it was resolved that the corrected minutes be accepted.

Time and Place of Next Meeting: The following are the proposed next sequence of meeting dates for 2013 which will take place at 10:00am at DCP, 165 Capitol Avenue, Hartford in Room 126:

January 25, 2013
March 22, 2103
May 24, 2013
June 21, 2013
August 16, 2013
October 11, 2013

On motion made by Mr. Osswalt, it was resolved that the approval of the proposed meeting dates for 2013 be accepted.

Deputy Commissioner's Update/Michelle Seagull:

In the state's efforts to find efficiencies, the Police Officers that handle the oversight of lottery drawings will be replaced with Lottery Drawing Officers, while the Police Officers will be given opportunities to perform police related duties elsewhere. With the recent retirement of Deborah Joraskie, casino licensing is now reporting to Paul Reiman.

Gaming Regulation Program/William Ryan:

Mr. Ryan noted the Board has received the approved changes to the Off-Track Betting (OTB) hours of operation for August and September, 2012.

Mr. Ryan also noted the Board has received the request from Spotech for approval of the 2013 operating dates for the CT OTB System. The Gaming Division recommends approval of the dates as submitted. Mr. Osswalt moved to approve the dates of the CT OTB System and seconded by Mr. Antonetti.

Mr. Ryan gave a brief synopsis of the activity conducted by the Gaming Regulation Program for the months of August and September, 2012.

Off-Track Betting

- Nine track approvals were completed in the month of August, 2012.
- Ten track approvals were completed in the month of September, 2012.

Lottery

- Seven instant ticket games received preliminary approval and six games received final approval in August, 2012.
- Four instant ticket games received preliminary approval and six games received final approval in September, 2012.

Foxwoods

- In August, 2012, Foxwoods had 19 cash jackpots that paid over \$25,000. There were no Jackpots that paid over \$100,000.00.
- In September, 2012, Foxwoods had 10 cash jackpots that paid over \$25,000. There were two Jackpots that paid at/over \$100,000.00, one was a WAP.
- As of the end of August, 2012, Foxwoods had a total of 6,239 slot machines on the floor.
- As of the end of September, 2012, Foxwoods had a total of 6,335 slot machines on the floor.

Mohegan Sun Casino

- For the month of August, 2012, Mohegan Sun had 7 jackpots that paid \$50,000 or more. Three that paid over \$100,000, one was WAP.
- For the month of September, 2012, Mohegan Sun had 14 jackpots that paid \$50,000 or more, two paid over \$100,000
- As of the end of August, 2012, Mohegan Sun had a total of 5,883 slot machines on the floor.
- As of the end of September, 2012, Mohegan Sun had a total of 5,814 slot machines on the floor.

At the September 21, 2012 meeting Mr. Osswalt had a question about Mohegan Sun's licensing requirement in regards to the management agreement with Resorts.

On September 14, 2012 the New Jersey Casino Commission approved the management contract between Mohegan Gaming Advisors and the Resorts Casino Hotel to operate the Resorts Casino in Atlantic City for a five year period. The Mohegan Gaming Advisors is owned by Mohegan Sun Gaming Authority and the MGA must obtain a gaming related casino service industry enterprise license which is somewhat less than a full casino license.

Accounting & Gaming Auditing Division/Frank Virnelli:

Mr. Virnelli noted that the Board has received the monthly statistical reports for August & September and offered to answer questions, if any.

He continued by providing an update on what is happening with casinos in Massachusetts.

Connecticut

The Mohegan Tribe announced that it has an agreement with Bally Technologies to use Bally's iGaming platform to offer free on-line poker at both Mohegan Sun and its Pennsylvania casino.

There is an agreement with creditors to restructure a \$2.2 billion of debt of the Mashantucket Pequot Tribal Nation.

Rhode Island

Voters approved a referendum to allow Twin River in Lincoln to have table games but rejected a separate proposal to allow Newport Grand to have table games. Both facilities actually won the state-wide vote, but each also had to garner the approval of the local municipality. The people of Newport rejected the proposal for Newport Grand.

Early analysis is that Twin River, which hopes to begin offering the new games next summer, will impact Foxwoods more than it would Mohegan Sun.

Massachusetts

The Massachusetts Gaming Commission has released a strategic plan for issuing casino licenses. According to the plan, the first casino license could be awarded by February 2014 and the casino could be built by late 2015 to 2016. The slots-only facility could open by next November if it is awarded to an existing track.

The federal Bureau of Indian Affairs rejected the compact that the state and the Mashpee Wampanoag Tribe had agreed to. The BIA ruled that the 21.5 percent of the tribe's gambling revenue that the state would receive is too high. This despite the fact that the non-tribal tax is 25%. The state and the tribe have said they would renegotiate and try to come up with something that can be approved.

Hard Rock International did not submit a proposal for a casino in Springfield, saying it might now consider the Boston area. That leaves MGM Resorts, Ameristar and Penn National Gaming as the three remaining in Springfield. Whichever would emerge from that group would still have to compete with the Mohegan's Palmer proposal.

Rush Street Gaming out of Chicago has recently expressed interest in bidding for a Massachusetts casino, although it has not announced where that might be.

Mr. Antonetti asked Mr. Virnelli to prepare budgetary and projection updates for the next meeting.

License Services – Charitable Program/Viola Pietrandrea:

Ms. Pietrandrea gave a brief update on Charitable Games activity for the months of August and September, 2012.

Since transitioning the sale and distribution of sealed tickets to manufacturers and distributors, they've received numerous game submissions from each manufacturer; however, they find that often time's pertinent information hasn't been included. Due to this situation, they have contacted each of the four sealed ticket game products manufacturers and requested a reasonable limit to the number of submissions and reminded them to provide all artwork and information necessary for approval. Each manufacturer complied with this request last month and provided all necessary information with their most recent game submissions. At this point in time, it appears that the sealed ticket game approval process is running fairly smoothly.

Gaming Surveillance, Enforcement & Assurance Program/Don Kleber:

Mr. Kleber noted that the Board has received the licensing and security reports for the months of August and September, 2012 and offered to answer questions, if any. Mr. Kleber mentioned that the numbers on the security reports for outstanding licenses are at their lowest that they've seen and their relationship with the State Police and the Background Unit continues to be strong. Mr. Kleber recently traveled with the Connecticut State Lab to meet with Scientific Games about the integrity testing of the instant ticket products. On this trip they were able to look at how the testing is done and to see if there are any old tests that aren't practical anymore and to see if there new items that should be added to the testing protocols to ensure that games are secure for the public and for the Connecticut Lottery Corporation.

Legal Division/Anne Stiber:

Ms. Stiber noted that the Board has received the monthly hearing reports and offered to answer any questions. Ms. Stiber addressed an issue that was raised at the last board meeting about the Sealed Ticket Regulations. The Sealed Ticket Regulations were approved by the Regulation Review Committee and filed with the Secretary of the State and are in effect. The question was raised about the Gaming Policy Board appeal; the ability of a permittee to appeal if their permit is suspended, revoked or fined. The Sealed Ticket Regulations were silent to that issue previous to the last change and they continue to remain silent. However, the provision is in the statutes that allows for that. There is no conflict with the statute and that ability remains in effect. Ms. Stiber mentioned that with the sealed ticket regulations they really focused on addressing the changes to the statute. Issues have been identified beyond other areas of charitable games, bazaars and raffles, etc. that they would like to update because they have not been updated in quite some time.

New Business:

Mr. Osswalt gave a testimony on the passing of Paul D. Bernstein in April of this year. Mr. Bernstein was a thirty-nine year employee first of the Commission on Special Revenue, then the Division of Special Revenue retiring in July of 2009. He was in attendance at the first ever Gaming Policy Board meeting in July of 1979 and never missed a board meeting for thirty years. He began his career with Legal Gaming in 1970 and was a Legislative Liaison for the old Commission on Special Revenue; but back then he was referred to as a lobbyist not a Legislative Liaison. When the Division of Special Revenue was established, Mr. Osswalt had the opportunity to work directly with Mr. Bernstein when he became a Legislative Liaison and then subsequently in 1987/1988 he was given a task of building a Charitable Gaming Unit together with a small staff. Mr. Bernstein also served as Division Spokesman for a number of years. He was always focused on the goal that he was confronted with that period in time. He did a tremendous job as a Legislative Liaison and as the Charitable Games Unit Chief he always said that his regulation of charitable gaming helped the charities in two ways; first it forced a public confidence in their activities and secondly, it deterred those close to the charities who would take advantage of them in their gaming operations. Our sympathy is extended to his family and to his wife Theresa Sheehan, who herself is a former employee of the Division. Mr. Osswalt wanted to have the records reflect the loss that we've suffered. Mr. Antonetti recognized Mr. Bernstein's dedicated service to the State of Connecticut and that their condolences go out to his wife.

Adjournment:

On motion made by Mr. Antonetti, the meeting adjourned at 10:56am.

Respectfully submitted,

Donna Rector, Secretary
Gaming Policy Board