

Department of Consumer Protection/Gaming Division

Gaming Policy Board

Minutes of Meeting

January 25, 2013

at

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

Members: Richard Antonetti; Edward F. Osswalt.

Staff: William Rubenstein, Commissioner; Donna Rector, Secretary; Frank R. Virnelli, Jr.; Anne K. Stiber; William E. Ryan; Viola Pietrandrea.

Guests: Steve Alford, Sportech; Alfred Dupuis, Connecticut Lottery Corporation.

Call to Order: Richard Antonetti called the meeting to order at 10:01 a.m.

Approval of Minutes: On motion made by Mr. Osswalt, seconded by Mr. Antonetti and unanimously voted, it was resolved that the minutes of November 16, 2012 be accepted as distributed.

Time and Place of Next Meeting: The next Gaming Policy Board meeting will take place at 10:00am on Friday, March 22, 2013 at the Department of Consumer Protection, 165 Capitol Avenue, Hartford in Room 126.

Commissioner's Update/William M. Rubenstein:

Commissioner Rubenstein gave an update on the Legislative package that the Department of Consumer Protection has recommended to the General Assembly, regarding different gaming issues. Regarding Charitable Gaming, the department's proposal is to streamline the permit types available for raffles. Currently there are seven different classes of permits available for varying lengths of time and varying amounts of money. Streamlining this reduces the types of permits and lengthens the time of permits, it will result in fewer permits issued and will be more user friendly to charities. This will help them conduct their fund raising events in a less complicated manner. Also in Charitable Gaming are changes that would allow permitted raffles and bazaars to be conducted in neighboring municipalities more easily with the permission of the municipality. Continuing with the transition on the sealed tickets, the department has gotten out of the sealed ticket business and has transitioned sealed ticket sales to private vendors under the statute. Currently the statute sets a firm price for sealed tickets at

10% of the value of the ticket. Their proposal is make a change to that to permit vendors to sell below that 10% level so that charities can get the benefit of competition. It is their view that this will result in a more competitive market, therefore charities will be able to maintain more money as a result.

The Department is also recommending the elimination of the Gaming Policy Board. Since the board was created in the 1970's, there have been significant changes both in the way Connecticut approaches legal gaming and the experience it has had with it. It has evolved from being an operator and regulator together of many games to getting out of the operation business; it doesn't run the OTB system, it doesn't run the lottery system and pari-mutuel events in Connecticut have diminished. What was important when the Gaming Policy Board was set up, no longer fulfills its mission. Commissioner Rubenstein also stated that keeping with the Governor's directive to us, in order to create efficiencies and to look for places to streamline government he has recommended the elimination of the Gaming Policy Board.

Mr. Osswalt commented that at this point it makes some sense to eliminate the Gaming Policy Board based on current circumstances. Mr. Antonetti concurred with his statement. Mr. Osswalt also noted that even though the board meets only four to five times a year, this may be the only opportunity the public has to voice a comment; however the public hasn't shown much interest over the years. Commissioner Rubenstein remarked that we currently provide information on our website available to the public. We issue reports to the legislature which is also available to the public. We try to make as much data available to the public and easily attainable as we can.

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 October and November, 2012.

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

Off-Track Betting

- Eleven track approvals were completed in the month of October, 2012.
- Ten track approvals were completed in the month of November, 2012.
- On November 15, 2012 the Department authorized Sportech to expand their telephone betting or advance deposit wagering (adw.) The approval used existing regulatory language to allow Connecticut accountholders to place wagers over the internet. The expanded service will not be available until final testing and approval by the department.

Lottery

- Two instant ticket games received preliminary approval and six games received final approval in October, 2012. In addition approval was given for the 5th on-line game Connecticut Super Draw 5. There will be 275,000 tickets sold and the top prize is one million dollars cash. The drawing will take place on January 1, 2013.
- Four instant ticket games received preliminary approval and five games received final approval in November, 2012.

Foxwoods

- In October, 2012, Foxwoods had 8 cash jackpots that paid over \$25,000. There were no Jackpots that paid over \$100,000.00.
- In November, 2012, Foxwoods had 13 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 October, 2012, Foxwoods had a total of 6,234 slot machines on the floor.
- As of the end of November, 2012, Foxwoods had a total of 6,230 slot machines on the floor.

Mohegan Sun Casino

- For the month of October, 2012, Mohegan Sun had 10 jackpots that paid \$50,000 or more. Three that paid over \$100,000, one was WAP.
- For the month of November, 2012, Mohegan Sun had 6 jackpots that paid \$50,000 or more.
- As of the end of October, 2012, Mohegan Sun had a total of 5,589 slot machines on the floor.
- As of the end of November, 2012, Mohegan Sun had a total of 5,560 slot machines on the floor.

Accounting & Gaming Auditing Division/Frank Virnelli:

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

He continued by providing an update:

Mr. Virnelli provided a brief revenue report that was asked for at the last meeting. He stated that the projections were from September of last year. For Lottery, they projected sales of just over \$1.09 billion, which is slightly higher than the \$1.08 billion from the previous fiscal year, and expect that they will be on target.

OTB, they foresaw a handle of \$182.3 million, which was a little under the \$187.9 million of FY 2012. However, with the on-line option starting in April, that could give them enough of a boost this FY to bring their total a little ahead of our figure.

He predicted that all Charitable Games would have sales of \$30 million, a slight drop from the previous year. They are currently behind our projections.

Foxwoods, they predicted would have a win of approximately \$558.7 million, about a 9% decline from the previous year. They are currently a little behind our projection.

Mohegan Sun, they also saw a drop of about 9% or a win of around \$627.3 million. They too are slightly behind our projection.

License Services – Charitable Program/Viola Pietrandrea:

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

During the period, Charitable Games began to prepare for the upcoming bingo and sealed ticket permit renewal period, as well as the registration renewal period for all bingo, sealed ticket and bazaar and raffle manufacturers, distributors and equipment dealers. At this time last year, they were still utilizing the Access database system, so this was the first year charitable games renewals would be generated from the CAVU licensing system. After the new renewal applications were created, they were sent to

all current permittees and registrants for completion. They were pleased to find that a significant number of firms and organizations renewed their registrations and permits prior to the end of the month.

Other than the legislative proposals discussed by the Commissioner, it's a relatively slow time of year for charitable gaming activities. It's generally slower around the holidays, but with the renewals and organizations planning their upcoming events in the Spring, the applications have been picking up.

Ms. Pietrandrea offered to answer questions, if any.

Gaming Surveillance, Enforcement & Assurance Program/Don Kleber:

Mr. Kleber absent.

Mr. Antonetti asked if there have been any changes at the casinos with State Police. Mr. Ryan mentioned that no changes have been implemented at this point, except for the State Police who are assigned to the casinos are now in uniforms. Commissioner Rubenstein stated that the compact governs the police oversight at the casinos and there's a discussion between OPM, the Department of Emergency Services and Public Protection about what is the most efficient way to achieve law enforcement goals while keeping costs down as low as possible. As to what the degree of State Police presence is, how much can we rely upon tribal police and what kind of training and certifications do tribal police have is an ongoing discussion.

Legal Division/Anne Stiber:

Ms. Stiber noted that the Board has received the monthly hearing reports and offered to answer any questions. Ms. Stiber stated that they are currently converting over to the e-Licensing System. This will allow better access to all the files and cases and permit you to see the status of where they're at. They are currently developing all the different fields they need to incorporate their particular files into the system. She is hoping to be done within the next couple of weeks.

Old Business:

Lottery Drawing Officers: The transition of this process continues. They are expecting to have new Lottery Drawing Officers in place by the end of February and transition the current Police Officers to other positions in state service.

Adjournment:

On motion made by Mr. Osswalt, the meeting adjourned at 10:32am.

Respectfully submitted,

Donna Rector, Secretary
Gaming Policy Board