

**Draft of the Gambling Control Board Meeting Minutes
February 24, 2010
45 Commerce Drive, Augusta, Maine**

Meeting opened at 12:40 p.m.

Board members present: Chairman George McHale, Cushing Samp, New member Harry Stickney – welcome to Harry!

Excused: Dick Arnold and Joseph LaLiberte (new member)

Staff members present: Exec.Director Robert Welch, Auditor Scott Woods, Det. Don Armstrong, Sgt. Bill Gomane and Secretary Kathy Chamberlain

Legal counsel: Bill Stokes, Deputy A.G.

MINUTES FROM 12/16/2009 MEETING

Motion Not a quorum present today of the former members present on 12/16. No vote.

EXECUTIVE DIRECTOR’S REPORT – ROBERT WELCH

WMS License renewal – received February 2010 for processing.

LD 833 - \$50,000 was to be put forward for responsible Gaming, however it’s been raised to \$70,000. The Office of Substance Abuse will be taking over Responsible Gaming.

2-1-1- Calls – the Office of Substance Abuse is compiling info from the calls received to see if anyone received counseling for any reason of the 5583 people who had called the 2-1-1- line. Questions asked:

“Have you gambled?”

“Has it affected your family?” – 3.6% of the people in this group (202) answered positively. Of the 202 people, some callers were identified to have mental illness issues which accounted for 63% or 128 people of the 202.

Bangor PD Calls for Service Received for January: 9 total calls with one drug-related, 5 for intoxicated persons and 3 for calls off the gaming floor. The December totals were mailed to the Board.

Status of Mr. Welch’s position with the DPS budget:

As of 2/23, the DPS budget was tabled in the Appropriations Committee. The suggestion to move Gambling to DAFS was also tabled, so no further word on any of it at the moment.

FINANCIAL UPDATE – AUDITOR SCOTT WOODS

The Board has received the latest revenue sheets from Scott. Scientific Games’ final numbers are what we go by. Scott does receive the numbers also from Hollywood Slots. Adjustments are done daily if need by, comparing the #'s between the two entities. Hollywood Slots pays us for expired tickets, in February of each year. They also pay taxes on them. No storms in February which affects the persons playing at HS, so HS has done well. The Basketball Tournament in Bangor was last week, so that helped out the revenue too.

STATE POLICE ACTIVITY UPDATE – Det. Don Armstrong

Since the last Board meeting in December, the Gambling Control Unit has received and process 53 applications. MSP has had 12 investigations at HS with everything from citizen assistance to thefts. Thefts – four – two of which the D.A.’s office refused to prosecute - therefore two are being considered for prosecution. Det. Armstrong met with members of the Penobscot County D.A.’s office and Hollywood Slots to learn more about what we do. HS is monitored or covered by staff on state shutdown days.

UNFINISHED BUSINESS

Budget update – everything is tabled for now.

NEW BUSINESS

March Legislative Report - On 3/15/10, Dir. Welch submitted the required annual report to Legislature and emailed it to the Board. No one had any questions. It will be put on the Gambling website.

Complaint # 123009 – 01: WMS Gaming, Inc. a licensed slot machine distributor had had one warning a few years ago about sending gaming software directly to Hollywood Slots instead of separately from machines, to the Gaming Office as required. Hollywood Slots had ordered eight machines to be delivered on 12/31/09 to Bangor. Four sets of software was found by personnel in the machines that went directly to Bangor. It was Dir. Welch’s recommendation that they receive a formal letter of reprimand. What is the risk of this sending software directly to Bangor? Games wouldn’t come up and time would be spent trying to figure out why.

Motion: by Cushing that a firm letter of reprimand with a description of the incident be sent to WMS, with the stipulation that should it happen again, will face a fine.

Seconded: by Harry Stickney

Vote: 3-0

Complaint #010110-01: On New Year’s Eve, the gaming floor was supposed to stay “up” until 3:00 a.m. Instead the Scientific Games system shut everything down at 1:15 a.m. This was supposedly set so that these games would go until 3:00 a.m. 500 people were in the facility at that time, who were under the assumption they had until 3:00 a.m. to play, but were made to leave. This was a loss of revenue therefore for both HS and the state.

A letter was sent with the monetary figures of lost revenue, to Attorney Dan Walker, but no response as of yet. The Board can deduct this amount from the contractor. They would have to send us the money instead of trying to rectify it electronically. At 1:15 a.m. Sci Games tried to reset the floor, but received the computer code that it was closing down. This has supposedly been rectified since this time and assured it wouldn’t happen again.

PUBLIC COMMENTS

John Osborne, General Manager of Hollywood Slots addressed the Board. He provided them with a summary of his background experience for their information. He also provided the Board with a Q&A sheet that Legal and Veterans Legislative Committee had requested from him on adding table games to an existing facility with slot machines. He also addressed the issue about the machines going down prematurely on New Year's Eve. What is the damage done with the machines going down to the 500 people who were there? Are they now going to speak negatively of their experience, damaging Hollywood Slots reputation? Penn National (parent company of Hollywood Slots) has reached out to Scientific Games about this issue. They did receive a letter from Scientific Games, saying that Penn is not a party to the contract with them. Penn is considering other avenues to pursue this. Good weather has played a part in revenue being up.

Promotional Credits issue: It comes down to the AG's office decision. A meeting is scheduled the 2nd week of March with the AG's office and Gambling. Mr. Osborne remarked that he would like to reinstate the promotional credits if possible. He is hoping for a second look at these.

HS has expanded their breakfast buffet six-fold to include customized waffles, etc. They are very proud of their facility and the services it offers.

**Next meeting on 4/8/10

Adjournment at 1:40 p.m.

Respectfully submitted,

Kathy Chamberlain
former secretary