

Quarterly Listing of Audit Requests for GOC Consideration

First Quarter 2014						
#	Topic Area	Possible Areas of Focus	Rough \$ estimate	Covered by other topic?	Past or current efforts in this area?	Additional Information
1	Maine Gambling Control Board, Department of Public Safety	<p>The extent to which the Gambling Control Board (GCB) is monitoring, overseeing and administering the contract for Central Site Monitoring Services (CSMS) in compliance with its governing statute and toward ensuring the State is receiving the correct amount of revenue from the two casinos.</p> <p>The extent to which the GCB considered and addressed actual and potential risks associated with the merger of the Board's contracted CSMS provider and the supplier/distributor of slot machines to casinos in Maine.</p>	<p>In 2013 the GCB's budget was \$2,598,817</p> <p>Casino revenues support the Gambling Control Board and contribute to a number of other State priorities as per 8 M.R.S.A. §1036.</p> <p>In 2013, according to the GCB's 2013 Annual Report, slot and table game income received by the State totaled \$51,442,573.</p> <p>The CSMS contractor is paid a rate of 0.885% of slot machine income.</p>	No	No	<p>The Gambling Control Board is responsible for overseeing casinos in Maine and contracts for Central Site Monitoring System (CSMS) services.</p> <p>A CSMS contractor electronically collects financial information from slot machines through a central site monitoring system. The CSMS contractor is responsible for the ongoing testing and verification of slot machines in the State's licensed gambling facilities.</p> <p>The current CSMS contractor recently acquired one of the companies that provide slot machines to Maine casinos. The requestor is concerned this relationship may present a conflict (one company supplying and overseeing slot machines), how the licensing was handled given the merger and the transparency of the process.</p> <p>2013 was the first full year Maine had two operating casinos.</p> <p>The original contract for CSMS services at Hollywood Slots in Bangor was let in 2005. It was a 5-year contract to 2010 with the option of 5 one-year extensions. In 2012/13 the GCB added CSMS services for the Oxford Casino to this contract, without an RFP, and the contract was extended to 2018 for a total period of 13 years.</p> <p>The requestor suggests that agencies with oversight responsibility may not be properly evaluating whether Central Site Monitoring System Services are being provided in accordance with existing agreements.</p> <p>The total amount wagered for 2013 "Gross Slot Machine Income" as defined by 8 M.R.S.A. §1001(21), was \$468,927,235 at Hollywood Casino and \$677,739,277 at the Oxford Casino.</p> <p>OPEGA has not yet conducted any independent research into this topic.</p>