



STATE OF MAINE
Department of Public Safety
Gambling Control Board
87 State House Station
Augusta, Maine
04333-0087

JANET T. MILLS
GOVERNOR
MICHAEL SAUSCHUCK
COMMISSIONER

TIMOTHY S. DOYLE
CHAIRMAN
MILTON CHAMPION
EXECUTIVE DIRECTOR

Gambling Control Board
Minutes of October 15, 2019 Board Meeting
Held in the Gambling Control Conference Room at 45 Commerce Drive, Augusta, ME

CALL TO ORDER

Chairman Tim Doyle called the meeting to order at 9:00 am.

MEMBERS PRESENT

Timothy Doyle, Board Chair
Alfred Skolfield

Barbara Dresser
Robert Harmon

MEMBERS ABSENT

Greg McNeal

STAFF PRESENT

Milton Champion, Executive Director
Vicki Gardner, Inspector Supervisor
Mallory Reilly, Office Assistant II
Katie Boynton, Office Specialist I
Det. Don Armstrong, MSP

James Horr, Auditor
Ron Guay, Assistant Attorney General
Michael Sauschuck, Commissioner
Janet Joyeux, Assistant to the Commissioner

MINUTES REVIEW AND APPROVAL

September 2019 Meeting Minutes

Tim Doyle presents two errors to the minutes. Ms. Barbara Dresser was listed as having made two motions during a meeting she was not present. The mistakes were corrected prior to the meeting.

Mr. Alfred Skolfield moves to approve the September 2019 minutes as amended. The motion is seconded by Mr. Robert Harmon. The motion carries unanimously with one abstention (Ms. Barbara Dresser).

EXECUTIVE DIRECTOR'S REPORT

Executive Director Milton Champion provides his report to the Board. In September 2019, there were 9 shipments of machines and/or associated equipment shipped to or from licensed facilities. On-site inspectors completed 758 observations and 37 checklists. Two minor violations are being monitored from the activity log. There have been no patron complaints and two dispositions of formal reports were sent for members to review per statute. There were 10 self-exclusions.

For the month of September 2019, the Unit has identified an increase of 0.6% in total tax revenue for both facilities over September 2018. Year-to-date, there has been an identified increase of 0.5% versus last year at the same time. Oxford reported an 8.2% win for the month of September from slots and a 22.3% win from table games. Oxford's payback percentage for September was 91.8%, with an average gross win per machine of \$234.75. Hollywood reported 9.8% average win for the month of September from slots and 28.1% win from table games. Hollywood's payback percentage for September was 90.2% with an average gross win per machine of \$169.76.

The Advance Deposit Wagering (ADW) Request for Proposals (RFP) was published on October 2nd. There will be no public hearing. Questions regarding the contents of the RFP are due October 25th. Proposals are due on December 10, 2019.

Chairman Tim Doyle asks for information regarding the message sent out from TwinSpires regarding ADW. Ron provides information regarding the educational letter sent by the Board in May.

STATE POLICE REPORT

Detective Don Armstrong provides his report to the Board. During the last two months, 58 new licenses and 99 renewal licenses were investigated. There are 40 licenses pending processing and investigation. There were 24 thefts and all funds have been recovered, accounts have been flagged, or local agencies are handling recovery. Bangor Police Department received 25 calls for service. The calls for service to Oxford Police Department have not been received.

UNFINISHED BUSINESS

Promotional Credits

Executive Director Milton Champion requests that the Board authorize Routine Technical rulemaking on promotional credits as well as to correct the MICS which were previously approved.

Mr. Robert Harmon motions to proceed with rulemaking. The motion is seconded by Ms. Barbara Dresser. The motion carries unanimously.

NEW BUSINESS

SOC Report – Central Site Monitoring System

Executive Director Milton Champion provides information about the authorization of and requirements to proceed with the SOC (Service Organization Control) Audit. The Unit was audited by the Office of the State Auditor. They requested the SOC be completed. The Board cost is \$10,000 as the SOC Audit will be combined with one done by the Bureau of Alcoholic Beverages and Lottery Operations (BABLO). If the contract was bid out separately, at a later date, the cost could be \$50-60,000.

Mr. Alfred Skolfield moves to proceed with the SOC Audit. The motion is seconded by Ms. Barbara Dresser. The motion carries unanimously.

Request for Removal from Self-Exclusion List

The Board reviewed two letters submitted by lifetime self-excluded individuals. There was discussion of how best to proceed with determining if an individual is prepared to be removed from the lifetime exclusion list. The Board would like to develop a process going forward.

Mr. Robert Harmon moves to table discussion on the removal of persons from the lifetime self-exclusion list. The motion is seconded by Mr. Alfred Skolfield. The motion carries unanimously.

HOLLYWOOD CASINO REQUESTS DISCUSSION ON COMPLAINT RESOLUTION

Attorney's Joshua Tardy, Katie Foster, and Michael West representing Hollywood Casino and their parent company, Penn National, came before the Board to discuss their frustrations with the Unit regarding complaint resolution, particularly how it relates to the timeline of complaint 19-20. Mr. Tardy informs the Board that Hollywood is withdrawing their request for a hearing in complaint 19-20 and will pay the proposed \$3,500 fine. Mr. Tardy briefs the Board on the timeline of events. Hollywood's position is that there was an undue delay in scheduling the hearing. Hollywood would have stipulated to the facts of the case and expects that the hearing could have taken 45 minutes. Mr. Tardy asked for clarification on the Assistant Attorney General's authority to deny a request for a hearing and disagreed with the Board's role regarding the pretrial process. There was significant discussion about bringing in consulting experts to review processes at Hollywood. Ms. Katie Foster asks the Board what procedure will be followed if the processes set forth in the Rules and Statute are not.

Commissioner Michael Sauschuck told the Board, staff, and public that he doesn't like the word toxic in any situation. He stated that when he was recently briefed on the situation regarding this hearing that he said to move it up and issue the Notice of Hearing in a more timely fashion. His focus is on communication and process and believes that there has been a communication breakdown and hopes to rectify that going forward. Chairman Timothy Doyle and Mr. Robert Harmon also addressed the breakdown in communication. After additional discussion, Chairman Doyle stated that he wants the hearing process to move swiftly and for the Board to have all information as soon as possible; this discussion wouldn't be occurring today if there wasn't a

problem. Additionally, there was a concern around one incident resulting in multiple violations and the lack of information being given to the Board. These concerns were to also be a part of the meetings with facilities, the Commissioner and Executive Director.

Chairman Doyle said time is needed to review the documents and for the facilities to meet with the Commissioner and the Executive Director. The Executive Director let the Board know that he does communicate successfully with the facilities frequently, and that this one incident is not to be taken as the standard of communication all around.

PUBLIC COMMENT

Attorney Dan Walker, representing Oxford Casino told the Board that his client has gone through something similar to Hollywood and supports this process.

ADJOURNMENT

Mr. Robert Harmon motions to adjourn. The motion is seconded by Mr. Alfred Skolfield. The motion carries unanimously.

The meeting adjourns at 10:24 AM. The next Board meeting will be announced after a date has been selected.

Respectfully submitted by:

*Katie Boynton
Office Specialist I*

Board approved: January 21, 2020