



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

STEVEN SILVER
CHAIRMAN
MILTON CHAMPION
EXECUTIVE DIRECTOR

Gambling Control Board
Minutes of April 20th, 2021 Board Meeting
Held online via Zoom application.

CALL TO ORDER

Chairman Steven Silver called the meeting to order at 9:00 am via Zoom application online due to the current Coronavirus pandemic.

MEMBERS PRESENT ONLINE

Steven Silver, Board Chair

Sari Greene; left meeting at 9:45am

Chief Noel March

Joseph Hanslip

Chair Steve Silver introduced the new members of the Board, whose bios can be located on the Maine Gambling Control Unit's website: Sari Greene of South Portland, Chief Noel March of Bangor, and Joseph Hanslip of Sanford.

STAFF PRESENT ONLINE

Milton Champion, Executive Director

Vicki Gardner, Inspector Supervisor

Mallory Reilly, Office Specialist I

Det. Don Armstrong

James Horr, Auditor

Katie Johnson, Assistant Attorney General

John Nichols, Assistant Attorney General

MINUTES REVIEW AND APPROVAL

Approval of the February 2021 Minutes was tabled until the May meeting when all members who were present for that meeting are present to vote for their approval.

EXECUTIVE DIRECTOR'S REPORT

In March 2021 there were 6 shipments of machines and/or associated equipment shipped to or from licensed facilities. On site inspectors completed 625 observations, 27 checklists. There were 7 self-exclusions. There was 1 formal complaint of a potential violation placed in the dashboard. There were 6 minor violations that will continue to be monitored from the Unit's

activity log. There were 2 patron complaints and no dispositions of formal reports sent to members per statute.

For the month of March 2021, the Unit has identified an increase of 95.3% in total tax revenue for both facilities versus March 2020. If you'll recall both facilities closed around March 16, 2020 due to the covid 19 pandemic. March 2021 versus March 2019, pre-pandemic the Unit has identified a minor decrease of 15.7% which should indicate a comeback is on the way. Year to date the Unit has identified a decrease of just 6.1% versus last year at the same time. And versus last year, April, May will show 100% increases with June openings bringing the numbers back into range.

Oxford reported an 8.6 % win for the month of March from slots and 25.3% win from table games. Oxford's payback percentage was 91.4%. Average gross win per machine of \$478.28. Hollywood reported a 9.8% average win for the month of March from slots and 22.1% win from table games. Hollywood's payback percentage was 90.2%. Average gross win per machine was \$396.82.

Executive Director Champion gave a Legislative update.

- LD 554 – An Act to Create Gaming Equity and Fairness for the Native American Tribes in Maine. This amends the Maine law to provide that gaming is allowed under the terms established by the federal Indian Gaming Regulatory Act. **Tabled in work session.**
- LD 587 An Act Regarding the Licensing of Persons to Conduct Advance Deposit Wagering. This bill increases from one to not more than 3, the number of persons the Department of Public Safety, Gambling Control Board may license through a competitive bidding process to conduct advance deposit wagering.
- LD 623 – An Act to Amend the Advance Deposit Wagering Laws. This bill allows commercial tracks, off-track betting facilities and multijurisdictional account wagering providers to obtain a license to conduct advance deposit wagering. **Waiting on work session dates**
- LD 1060 – An Act to Increase the State Revenue from Casino Net Income, Reallocate the State Distribution and Provide Tax Uniformity. **ONTP out of committee.**

STATE POLICE REPORT

Detective Don Armstrong of the State Police presents his report to the Board. He informs the Board that there were 24 new license and 67 renewal license investigations completed, and there are currently 39 still pending. There were 6 TITO thefts, 5 of those the funds were recovered, 1 is still pending, and no counterfeit bills were discovered. The Bangor Police Department was called but Det Armstrong did not hear back from them and the Oxford Police Department was called a total of 13 times.

Chief Noel March asked Det Armstrong what a TITO theft was. Det Armstrong informed him that it stood for "Ticket in, Ticket out" and that this sort of theft is when one of those tickets has a cash value on it and is left behind and another patron takes it to cash in.

Special Report for New Members – Katie Johnson, AAG presented to the Board members a PowerPoint presentation full of information on what their duties are as members of the Gambling Control Board. The presentation can be found in the audio for the April meeting.

License Applications for Review-

Suzohapp Inc. – Gambling Services Vendor License Renewal

Chief Noel March moves to approve Suzohapp Inc. as a Gambling Services Vendor for renewal.

Mr. Joseph Hanslip seconded the motion, moves to roll call.

Members

Steven Silver: Yea

Chief Noel March: Yea

Joseph Hanslip: Yea

The motion passed 3 in favor.

Everi Payments – Gambling Services Vendor License Renewal

Mr. Joseph Hanslip moves to approve Everi Payments as a Gambling Services Vendor for renewal.

Chief Noel March seconded the motion, moves to roll call.

Members

Steven Silver: Yea

Chief Noel March: Yea

Joseph Hanslip: Yea

The motion passed 3 in favor.

Gaming Partners International USA – Table Games Distributor License Renewal

Chief Noel March moves to approve Gaming Partners International USA as a Table Games Distributor for renewal. Mr. Joseph Hanslip seconded the motion, moves to roll call.

Members

Steven Silver: Yea

Chief Noel March: Yea

Joseph Hanslip: Yea

The motion passed 3 in favor.

Konami– Slot Machine Distributor License Renewal

Mr. Joseph Hanslip moves to approve Konami as a Slot Machine Distributor for renewal. Chief Noel March seconded the motion, moves to roll call.

Members

Steven Silver: Yea

Chief Noel March: Yea

Joseph Hanslip: Yea

The motion passed 3 in favor.

Halifax Security – Gambling Services Vendor License Renewal

Chair Steve Silver moves to approve Halifax Security as a Gambling Services Vendor for renewal. Chief Noel March seconded the motion, moves to roll call.

Members

Steven Silver: Yea

Chief Noel March: Yea

Joseph Hanslip: Yea

The motion passed 3 in favor.

US Playing Card Company – Initial Table Games Distributor License

Mr. Joseph Hanslip moves to approve US Playing Card Co. as a Table Games Distributor. Chief Noel March seconded the motion, moves to roll call.

Members

Steven Silver: Yea

Chief Noel March: Yea

Joseph Hanslip: Yea

The motion passed 3 in favor.

UNFINISHED BUSINESS

Progressive Controller Internal Controls – Oxford

Chair Steve Silver introduced the agenda item. At the February 2020 Board meeting Sr. Director of Operations at Oxford Casino, Eric Franzen, presented to the Board proposed internal controls for linked progressives that were reviewed and vetted by the Gambling Control Unit. Internal control changes were discussed and agreed upon by both State of Maine facilities. Oxford Casino submitted its request for changes, and Hollywood was to submit its request shortly using the same verbiage. The Board decided to bring back the topic to the next meeting in March 2020 and vote when both facilities had submitted their request for changes. As a result of covid-19 closing casinos and state offices, the March 2020 meeting was cancelled. Therefore, the Director is offering both submissions for consideration by the Board.

Erik Franzen explained to the Board that Oxford Casino requested the internal control changes due to the fact that a lot of the newer machines that are coming online use proprietary hardware and their own manufacturer. The central site monitoring system uses a generic SAS protocol for the progressive systems, which was fine years ago. But because of the technology advancements, that no longer holds true. A lot of machines we can't have in the state because we can't run it through the central progressive controller. Oxford Casino is being limited by the machines that they can have.

Katie Johnson, AAG, reviewed the request and shared her concern with the Board that it does not comply with 8 M.R.S. § 1004(1), and could not recommend the approval of this request. Board members discussed the topic amongst themselves with the help of John Klein of GLI and Darrell

Frecker, General Manager of Scientific Games. This discussion can be accessed in the audio on the Gambling Control Unit's website.

Chief Noel March moves to table agenda items 7a and 7b (Progressive Controller Internal Controls – Oxford and Progressive Controller Internal Controls – Hollywood) until next month's meeting. Mr. Joseph Hanslip seconded the motion, moves to roll call.

Members

Steven Silver: Yea

Chief Noel March: Yea

Joseph Hanslip: Yea

The motion passed 3 in favor.

NEW BUSINESS:

Rule Chapter 20 – Slot Machine and Electronic Table Game Standards

Director Champion stated he rule package updates Chapter 20, adding electronic table game standards to this chapter. Chapter 20, Slot Machine and Electronic Table Game Standards updates Gaming Laboratory International GLI-11, which is Gaming Devices, to version 3.0 and adds three new standards, GLI-18 Promotional Systems version 2.1, GLI-24 Electronic Table Game Systems version 1.3 and GLI-25 Dealer Controlled Electronic Table Games version 1.2. Gaming Laboratory International (GLI) was created in 1989. Since then the company has certified more than 1.7 million items and has either consulted on and/or tested equipment for 480 jurisdictions.

Mr. Joseph Hanslip moves to adopt the proposed rules as well as adopt the written statement explaining the factual and policy basis of the rule. Chief Noel March seconded the motion, moves to roll call.

Members

Steven Silver: Yea

Chief Noel March: Yea

Joseph Hanslip: Yea

The motion passed 3 in favor.

Rule Chapter 29 – Promo Credits – Final Adoption

Director Champion stated the rule package changes controls for match play to permit patron's gaming chips used for match play to be equivalent to or greater than the value of the promotional item. Then with written comments Oxford responded requesting that §1 number 6 be removed or repealed that reads:

“Each licensed slot machine operator and casino operator must file every month with the Board a report on any daily or 24-hour issuance of a total of \$250 or more in promotional credits redeemed by a patron, including the amount issued, the name of patron, and the name and number of the employee who issued the credit.”

Because it is already in the Board's Minimum Internal Controls, Appendix A II-C

Complimentary services or items (comps), specifically:

F.) Reports – The Operator shall report to the Board, on a monthly basis, all complimentary services or gifts provided those have a value of \$250 or more. The report will include a description of the complimentary service or gift provided, the name of the recipient, and the reason that the complimentary service or gift was provided.

The difference between the two is the time of issuance and/or redemption. The current MICs do not specify a time and therefore is considered per issuance so a patron could receive 10-\$100 vouchers or \$1,000 for free play and it would not be a part of the current required reporting because it does not identify a specific time frame and the amount or more.

Katie Johnson, AAG has reviewed the rule change and states that this will need to go out for public comment again if the Board approves the amendment to rule and strikes Section 1(6).

Chief Noel March moves to approve the proposed rule, which is the match play promotional credit rule, which will change it to “or greater than” as well as the basis statement. Mr. Joseph Hanslip seconded the motion, moves to roll call.

Members

Steven Silver: Yea

Chief Noel March: Yea

Joseph Hanslip: Yea

The motion passed 3 in favor.

PUBLIC COMMENT –

None

Chief Noel March requested a tour of the Facilities and an orientation for educational purposes for the new Board members.

ADJOURNMENT

Mr. Joseph Hanslip moves to adjourn the meeting. Chief Noel March seconded the motion.

The meeting adjourns at 12:01PM. The next Board meeting will be held on May 18, 2021 at 9:00am.

Respectfully submitted by:

Mallory Reilly

Office Specialist I

Board approved: May 18, 2021