

Department of Consumer Protection/Gaming Division

Gaming Policy Board

Minutes of Meeting

April 19, 2012

at

**555 Russell Road
Newington, CT 06111**

Members: Richard Antonetti; Edward F. Osswalt.

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

Guests: Lt. Frances Conroy & Sgt. Todd Harbeck, Connecticut State Police; Chelsea Turner, Connecticut Lottery Corporation and Steve Alford, Sportech.

Call to Order: Richard Antonetti called the meeting to order at 10:00 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 the February 9, 2012 meeting be accepted as distributed.

Time and Place of Next Meeting: The next meeting of the Gaming Policy Board will take place at 10:00 a.m. on Thursday, June 21, 2012 at DCP, 165 Capitol Avenue, Hartford, Room #126.

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 January and February, 2012.

The second item on the agenda is a request from Sportech Venues for the approval to adopt three new wagers; Tri-Super (Trifecta-Superfecta), Super Hi Five and Place Pick All. The wagers are offered at various horse and greyhound tracks throughout the country. Mr. Ryan offered to answer questions, if any. Motion to approve the three wagers was made by Mr. Osswalt, seconded by Mr. Antonetti. Commissioner Rubenstein intervened that for the record, because we have had resignations from other members of the board and we have a long standing attorney general's opinion that allows the board to proceed with just two members on the panel so long as their actions are unanimous, we want everyone to know that we are operating within the rules here.

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

Off-Track Betting

- Seven track approvals were completed in the month of January, 2012.
- Ten track approvals were completed in the month of February, 2012.

Lottery

- One instant ticket game received preliminary approval and six games received final approval in January, 2012.
- Six instant ticket games received preliminary approval and four games received final approval in February, 2012.
- Approved the end of the “Ct Lucky-4-Life” Game.
- The “Lucky for Life” regional lottery game between the Connecticut Lottery Corporation, the Maine State Liquor & Lottery Commission, the Massachusetts State Lottery Commission, the New Hampshire Lottery Commission, the Rhode Island Division of State Lottery and the Vermont Lottery Commission pursuant to the Lucky for Life Regional Game Agreement.

The game is a double matrix-style game with a drawing each Monday and Thursday in which players select five (5) unique numbers in the Matrix 1, from one (1) to forty (40) inclusive PLUS one (1) Lucky Ball number in the Matrix 2, from one (1) to twenty-one (21) inclusive. Game Tickets must be purchased for \$2.00 per play, or multiples thereof and the player receives one play for each \$2.00 wagered. The “Lucky for Life” game is a set and split prize payout game based on the prize levels described in the “Lucky for Life” Official Game Rules.

Foxwoods

In January 2012, Foxwoods had 12 cash jackpots that paid over \$25,000. There was 0 jackpot that paid over \$100,000.

In February 2012, Foxwoods had 10 cash jackpots that paid over \$25,000. There were two jackpots paid at/over \$100,000. Both were wide area progressive jackpots.

As of the end of January, 2012, Foxwoods had a total of 6,329 slot machines on the floor.

As of the end of February, 2012, Foxwoods had a total of 6,326 slot machines on the floor.

Mohegan Sun Casino

For the month of January, 2012, Mohegan Sun had 4 jackpots that paid \$50,000 or more. Two were wide area progressive jackpots that paid over \$100,000.

For the month of February, 2012, Mohegan Sun had 15 jackpots that paid \$50,000 or more. Five paid over \$100,000, two of which were wide area progressive jackpots.

As of the end of January, 2012, Mohegan Sun had a total of 6,109 slot machines on the floor.

As of the end of February, 2012, Mohegan Sun had a total of 6,050 slot machines on the floor.

Information Technology, Accounting & Gaming Auditing Division/Frank Virnelli:

Mr. Virnelli noted that the board has received the monthly statistical reports for January and February and offered to answer questions, if any.

He continued by providing an update on what is happening with casinos in Massachusetts.

Massachusetts

The Massachusetts Gaming Commission is now complete and has even met. As was reported last time, Stephen Crosby is the Chairman. He has been joined by Gayle Cameron, a former detective in the New Jersey Casino Gaming Bureau, Enrique Zuniga, Executive Director of the Massachusetts Water Pollution Abatement Trust, Bruce Stebbins, who works in business development for the city of Springfield and served in the William Weld administration and in the George H.W. Bush White House, and James McHugh, a retired Massachusetts state appellate judge. At its first meeting on Tuesday, April 10, the commission voted to seek an agreement with Spectrum Gaming and a New Jersey law firm for help creating regulations and law enforcement procedures.

The lawsuit of KG Urban Enterprises challenging the section of the law that gives a federally recognized tribe first chance at a casino in the southeastern part of the state was dismissed by the US District Court in Boston. KG has appealed and the hearing has been scheduled for June. The Mashpee Wampanoag Tribe, which would like to be that tribe, has unexpected competition from the Wampanoag Tribe of Gay Head-Aquinnah. The Aquinnah are based on Martha's Vineyard, have purchased three different parcels of land in the Greater Fall River area on the mainland. The Mashpee Wampanoags have identified land in Taunton, but their ties to the property, which the federal government must take into trust, is being challenged by the Pocasset Wampaoag of Fall River. According to the law, there must be a compact between a tribe and the state by July 31st of this year or the casino for that area is open to non-tribal interest. Governor Patrick apparently will negotiate with both tribes.

Mr. Osswalt asked if it was his understanding that Mohegan Sun has a pending application for a casino. Mr. Virnelli responded that they have property that they have identified in Palmer, Massachusetts but there is no application yet, the gaming commission is still trying figure out the criteria.

Mr. Osswalt asked, about the issues that seem to be surrounding Foxwoods with the fiscal situation and how does that impact us if at all? Mr. Virnelli responded, that we do the best we can to monitor it and a lot of this is at the tribal level, but the biggest source of income are the casinos and they are making their payments to us still and we are trying to make sure that continues.

Mr. Antonetti asked if there been some recent delay with the gaming commission in Massachusetts that might extend the May 30th deadline to file and he guessed there was a merging of the horse track business being merged in with the same commission. Mr. Virnelli responded that this needs to be legislative and they are trying to give the legislature more time. Mr. Antonetti said there seems to be a lot of activity in New York in gaming and is curious about the Video Lottery terminals that they want to bring into New York. Mr. Virnelli responded that they can have only certain machines in the state that is run by Genting. The other fact is that they have Electronic Table Games to get around the fact that they can't have real table games for that purpose. In view of VLT's they have had them at some of the other tracks there, Empire

City has those and slots and it looks like everyone is lining up allow full casinos in the state, but that would take a couple of years to get in place.

License Services – Charitable Program/Viola Pietrandrea:

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

During the months of January and February, sealed ticket permittees were notified that the \$.25 sealed ticket game, “Silver Streak” (Game #121), the \$1.00 sealed ticket game, “Wild Black Cherry” (Game #129), and the \$1.00 sealed ticket game, “Horse Race” (Game #126) had sold out. With the depletion of the \$.25 game and the two \$1.00 games, they no longer have any quarter or standard \$1.00 games in stock.

As made aware previously, they have been preparing to transition the sale and distribution of sealed tickets to a manufacturer/distributor system. An application form was developed and mailed to firms that had expressed an interest in registering as a Sealed Ticket Game Products Manufacturer or Distributor. Information was also posted on the Department’s website, concerning how to obtain an application for registration. Over the past month or so, they have received several application forms and have currently registered two manufacturers and one distributor. The last date of ticket sales for the Department will be April 20th. As of Monday, April 23, 2012, registered distributors may begin to sell and distribute sealed tickets to permittees. Ms. Pietrandrea offered to answer questions, if any.

Gaming Surveillance, Enforcement & Assurance Program/Don Kleber:

Mr. Kleber noted that the Board has received the licensing and security reports for the months of January and February 2012 and offered to answer questions, if any. Mr. Kleber introduced the Connecticut State Police Casino Unit’s new commanding officer, Lt. Buddy Conroy who has just taken over the unit and who will be in charge of all of the backgrounds. Mr. Kleber reported that they have never been in better shape as far as background investigations go and that their numbers are down to roughly 500 outstanding. At the end of March they completed the lottery retailer renewals, with only two retailers outstanding out of over 2,700 retailers. The “Lucky for Life” did affect the drawing officers where there were some new procedures; they had training classes and worked closely with lottery during the transition of that regional game. There had been no issues or concerns since the transition took place. In March there was an armed robbery at the OTB in Waterbury, they do not have a suspect at this time, but are working closely with the Waterbury Police Department and the State Police. The two suspects that were involved in a number of larcenies at the OTB facilities a number of years ago are finishing up their time. During the transition to the tribal gaming manufacturers and distributors, his group works closely with Charitable Gaming doing backgrounds to ensure that the State’s interests are protected.

Mr. Antonetti asked if there was an incident at the Waterbury OTB about a year ago. Mr. Kleber responded that there was a similar incident about a year and half ago, but that it was never solved. Mr. Antonetti asked if anything had been done to further the security there. Mr. Kleber replied that they have not, being it’s a private corporation and that they have talked to them, but there are no requirements by the town or the jurisdiction to put police presence in there.

Mr. Osswalt stated that the division had an initiative a few years back to fingerprint lottery sales agents. Mr. Kleber said that the number of times a bill was introduced and it never moved forward. Mr. Osswalt asked if we are still able to do background checks. Mr. Kleber replied yes and criminal history on agents that sign releases as part of their agreement to be lottery agents even during renewal periods.

Mr. Osswalt asked Mr. Kleber what the fingerprint would have given us that we don't have with background checks? Mr. Kleber responded that a fingerprint is an absolute regardless of name, DOB or security number given. If there were a match on your fingerprints then it would also cover all of the continental United States and also some of our territories. Where as if they run a criminal history, generally it's in Connecticut. Fingerprints are the gold standard for a security check. Mr. Osswalt asked if the Gaming Division would be considering the reintroduction of this initiative in the future. The Commissioner commented that right now they don't have any real concern that the current system is not adequate to protect the integrity of the game.

Legal Division/Anne Stiber:

Absent.

Old Business:

Mr. Antonetti requested the testimonies of both the casinos provided at the public hearing and the attorney generals' statements that were delivered.

Mr. Osswalt asked Commissioner Rubenstein if there are any legislative initiatives that affect the Gaming Division that are being considered. Commissioner Rubenstein responded that the only legislative initiatives of which we are aware are those that affect the operations of the Lottery Corporation that allows them greater flexibility in the tools that they can use to assure financial responsibility of lottery agents; tools beyond bonding, letters of credit and cash deposits. The Division did not take a position on the matter but stated that we don't oppose it. Mr. Antonetti requested that the Commissioner be added to the agenda before Old Business to give a board an update on matters regarding the transition of movement, where we are, what's happening, staffing of the agency.

Mr. Antonetti asked regarding legislation, was there any consideration with Keno? Commissioner Rubenstein's understanding was that when he attended the Public Safety hearing prior to the session on internet gaming, they weren't going to move any increase of new gaming in the state in this session. This remains a discussion in some quarters but is not active right now. There is no legislative initiative that is pending.

Mr. Antonetti asked about staffing or replacing of individuals for the Gaming Policy Board? Commissioner Rubenstein responded that he has notified the Governor's office and his appointing people that they have had resignations on the Gaming Policy Board and that they are down to two members. His understanding is that they are moving forward with all deliberate speed.

New Business:

Mr. Antonetti and Mr. Osswalt were both in agreement that they would like to have a letter of recognition/citation from the Governor's office presented to William Farrell and Gayle Russell for their time and service to the board.

Adjournment:

On motion made by Mr. Osswalt and accepted, the meeting adjourned at 10:33 am.

Respectfully submitted,

Donna Rector, Secretary
Gaming Policy Board