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The _____ MICHIGAN GAMING _____ Newsletter



MICHIGAN HORSE RACING SELF REPORTS: MSP AND MGCB INVESTIGATE HORSE RACE-FIXING

Yesterday, March 4, 2010, the Michigan State Police (“MSP”) announced that, in conjunction with the Michigan Gaming Control Board (“MGCB”) and the Ontario Racing Commission (“ORC”), they have executed multiple search warrants at three private residences in Southeast Michigan as part of an ongoing investigation into individuals suspected of fixing horse races at several of Michigan’s horse tracks.

Today, in an interview with *The Michigan Gaming Newsletter*, Mr. Rick Kalm, Executive Director of the MGCB, noted that the investigation was the result of self-reporting by the horse racing industry.

“The MGCB is committed to ensuring the highest standards of integrity in Michigan’s horse racing industry,” said Mr. Kalm. “Competitors can be assured races will be conducted fairly and those placing wagers should feel confident they have a fair chance to win.”

Michigan Harness Horsemen's Association President, Brett Boyd stated, “The Gaming Control Board is in place to ensure the integrity of our 75 year old family industry and we applaud their efforts to eliminate participants whose actions tarnish the reputations of thousands of hard working Michigan families that call Horse Racing their way of life.”

The investigation has identified as many as 30 harness drivers, trainers, owners and gamblers who are believed to have conspired to predetermine the outcome of certain races at Hazel Park Harness Raceway, Sports Creek Raceway and Northville Downs.

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“Anyone attempting to fraudulently influence the outcome of a horse race or to profit through fraudulent wagering is guilty of a felony,” stated Col. Peter C. Munoz, Director of the MSP. “The MSP takes these allegations seriously and is working closely with the MGCB to fully investigate these allegations and any race-related illegal activity.”

In October of 2009, the MGCB announced the implementation of an illegal gambling tip hotline to help the fight against unauthorized gaming in the state of Michigan.

Those individuals concerned with potential illegal gaming can call either the anonymous tip line at 1-888-314-2681 to report illegal gambling activities, submit tips electronically via email to MiGamblingTip@michigan.gov, or visit the MGCB website at: <http://www.michigan.gov/mgcb/0,1607,7-120-54347---,00.html>. The MGCB places much emphasis on the confidentiality of tipsters.

SENATE PASSES PURE MICHIGAN FUNDING BILL

On Wednesday, March 3, 2010, the Michigan Senate passed [Senate Bill \(“SB”\) 619](#), a measure that provides temporary additional funding in the amount of \$9.5 Million for Travel Michigan’s “Pure Michigan” advertising campaign. The measure passed the Republican-controlled Senate by a vote of 37-1 and has been referred to the House Committee on Tourism, Outdoor Recreation and Natural Resources. No hearings have yet been scheduled.

The additional funding provided by [SB 619](#) would be added to the \$5.4 Million in general funds that have already been appropriated for Travel Michigan, the state agency that oversees tourism marketing, in the current state budget. Though this additional funding would raise tourism promotion funding to nearly \$15 Million for the year. George Zimmerman, vice president of Travel Michigan, told *The Detroit News*, “This does give us enough money to fund regional advertising for the summer and fall. However, we don’t have the \$30 million we need to continue to advertise nationally, and it would be a shame to lose the momentum.” Even the bill’s sponsor, Sen. Jason Allen (R-Traverse

City), has admitted that [SB 619](#) is a “stop gap” measure to get through the current year so that a temporary funding source can be found.

The additional funding authorized by [SB 619](#) would allow the “Pure Michigan” campaign to continue radio, television and billboard advertising in nine key regional markets, including Chicago, Cleveland, Columbus, Dayton, Cincinnati, St. Louis, Indianapolis, Milwaukee and southern Ontario, Canada.

According to a recent Travel Michigan report, in 2009, the state agency spent approximately \$12.2 Million on tourism promotion, and generated more than \$41 Million in tax revenue to the state.

CASINO WINDSOR FACES LAYOFFS

On Monday, March 1, 2010, Caesars Windsor, located in Windsor, Ontario, Canada, announced that it will be laying off 80 full-time and nine part-time positions. The new round of layoffs affects unionized and non-unionized casino workers, and have been attributed to falling business at the casino.

In October of 2009, 120 full-time and part-time employees were let go. Monday’s announcement is the third round of layoffs to occur within one year, as 82 people in the food and beverage department were laid off in July of 2009.

Holly Ward, spokesperson for Caesars Windsor told *The Windsor Star*, “[l]ayoffs are always a last resort, but we have to align expenses with declining business. The reason for these layoffs is declining revenues.”

It was also reported that several departments at the casino were affected by Monday’s lay offs, including finance, food and beverage, hotel operations and security. The casino is also adjusting hours of various other services including restaurants and buffet.

When asked if the lay off were a surprise to workers, Pam Leach, CAW Local 444 representative for casino workers, told *The Windsor Star* that “[o]bviously, things have been slow.

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We've been faced with many challenges, from the passport issue to the Canadian dollar... It's a market condition."

According to statistics obtained by both the Ontario Lottery and Gaming Corporation and the Michigan Gaming Control Board, revenue for Caesars Windsor from January through December, 2009 totaled \$288.9 million (CAD).

RMC LEGAL AND RESORT ADVANTAGE PRESENT PART II OF FREE ONLINE WEBINAR SERIES; *COMPLIANCE ALERT: KEY ISSUES FOR 2010*

On March 24, 2010 at 2:00 p.m. EST attorneys David D. Waddell and Douglas L. Minke of Regulatory Management Counselors, P.C. (RMC Legal) will be presenting part two of a three part series entitled, "Compliance Alert: Key Issues for 2010." The program will provide relevant information for commercial and Native American casinos in Michigan and across the United States.

The Webinar Series is being produced through the joint efforts of RMC Legal, Resort Advantage, and Convey Computer Systems, Inc. Series 2, *Compliance FAQ's – What Others in the Gaming Industry Are Asking*, will be based on questions derived in Series 1 of the Webinar.

Series 1, *BSA, OFAC and FACTA—They're Not Mutually Exclusive, and Your Compliance Plan Shouldn't Be Either*, focused on the BSA and OFAC standards and gaming compliance requirements. In addition, it reviewed the FACTA/Red Flags rule and gave an overview of new regulations, proposed enforcement, and potential application to the gaming industry. To obtain a copy of Series 1 materials, please click or copy and past the following: http://www.resort-advantage.com/regform/Series1_webcast.aspx.

Persons who should consider attending Series 2 of the Webinar include casino operators, compliance managers and directors, accountants, regulators and lawyers.

To register for the free online Webinar Series, please visit www.resortadvantage.com/events-news/events-webinars/bsa-ofac-facta-series.html.