

Gambling Control Board Meeting Minutes

August 21, 2018 @ 9:00 am

Department of Public Safety – Gambling Control Unit Conference Room

Meeting started at 9:00 a.m.

Board members present: Chair Tim Doyle, Al Skolfield, Barbara Dresser, Greg McNeal and Robert Harmon

AG members present: Ron Guay, A.A.G. and Kate Johnson, A.A.G.

Gambling Board staff present: Executive Director Milton Champion, Kathy Robitaille, Mallory Reilly, Supv. Vicki Gardner, Lenny Yaskoweak, Det. Don Armstrong and Public Safety Deputy Commissioner Janet Joyeux.

Minutes of 6/19/18

Motion by Robert Harmon to accept as read

Seconded by Al Skolfield

Unanimous vote

Minutes of 7/24/18

Motion by Al Skolfield to accept as read

Seconded by Robert Harmon

Unanimous vote

Executive Director's Report – Milton Champion

- 1) Operations – (14) Shipments of machines and/or associated equipment shipped in June, to or from licensed facilities. On site inspectors completed (638) observations, (33) checklists, (9) minor violations being monitored from our activity log, (1) patron complaint, (2) dispositions of formal reports were sent for members review per statute. (10) self-exclusions.
- 2) In July, there were (23) Shipments of machines and/or associated equipment shipped to or from licensed facilities. On site inspectors completed (638) observations, (36) checklists. (6) minor violations being monitored from our activity log. (0) patron complaints. (1) disposition of formal reports was sent for members review per statute. There were (19) self-exclusions.
- 3) For the month of June 2018, we have identified an increase of 10.5% in total tax revenue for both facilities versus June 2017. Year to date we have identified an increase of 7.2% versus last year at the same time.
 - a. Oxford reported a 10.5% win for the month of June from slots and 23.2% win from table games. Oxford's payback percentage for June was 89.5%. Average gross win per machine of \$248.83
 - b. Hollywood reported a 10.6% average win for the month of June from slots and 27.1% win from table games. Hollywood's payback percentage for June was 89.4%. Average gross win per machine was \$165.84.

- 4) For the month of July 2018, we have identified an increase of 0.5% in total tax revenue for both facilities versus July 2017. Year to date we have identified an increase of 6.1% versus last year at the same time.
 - a. Oxford reported a 9.9% win for the month of July from slots and 21.6% win from table games. Oxford's payback percentage for July was 90.1%. Average gross win per machine of \$254.39.
 - b. Hollywood reported a 9.63% average win for the month of July from slots and 21.6% win from table games. Hollywood's payback percentage for June was 90.4%. Average gross win per machine was \$155.90

State Police Report – Detective Don Armstrong

- 1) Over the last several months, there has been an increase in applications for gaming licenses to this office. We have been working on getting those licenses investigated. Since the last meeting, we have investigated 71 new applications received. Additionally, since the last meeting, 104 renewal licenses were investigated and we continue to work on the pending licenses.
- 2) For criminal activity, there have been 14 thefts. For 12 of those, the funds have been recovered. The remaining two; an agreement was made between the casino and the suspect to pay the funds back with one. In the second theft, the party wanted to prosecute, so I located the suspect and issued him a criminal summons for theft.
- 3) Both casinos have had some counterfeit bills discovered while conducting the count. Those have been submitted to the Secret Service and there are no suspects on this. Calls for service from local police departments include 50 for Oxford for the past two months, that involves calls also to the hotel and parking lot. No word back from Bangor PD.
- 4) We have also received complaints involving non-profit gaming within the office. These have been investigated and are currently being worked on with the AG's office to see how we can proceed. Non-profit gaming was given to the Gambling Control Unit and when complaints come in, we do the best to investigate them.
- 5) Chairman Doyle wanted to remind the Board that non-profit gaming is not under their purview. It's the Dept. of Public Safety, Gambling Control Unit and the Executive Director that received it as expanded duties.

Unfinished Business – Dir. Champion

- 1) The Financial RFP was re-published for proposals due August 8. There were four submissions and on September 12th, the review committee is reviewing for recommendation to the Board to make a recommendation to the board for the September meeting.
- 2) ADW rules final adoption became effective June 23, 2018.

- 3) ADW RFP language was returned to me after procurement review and I am working on the comments made. Once accepted by procurement, it will go to legal for review and then be presented to the Board for final approval and publishing.
- 4) The Central Site Monitoring System RFP has completed all reviews and is presented to the Board today for approval to publish. He forwarded to the Board the legal and procurement comments. He did receive some comments from Kate Johnson, A.A.G that were mostly grammatical/typo changes. He will make those changes before it's sent to Procurement for publication.

Motion: by Al Skofield to approve the RFP with the changes recommended by Kate Johnson, A.A.G.

Seconded: by Barbara Dresser

Unanimous vote

- 5) Child support withholding – legal response over concerns of those not accepting jackpots because of the child support debt they owe. Katie Johnson, A.A.G. advised she had contacted DHHS, the Head of the Division of Child Support, which will be the unit's contact person going forward. We can notify them now if there is a jackpot and she has the ability to step in and create a lien to get the money by whatever means through a legal standpoint. Kate Johnson, A.A.G. reported that there is an Order to Withhold and Deliver, which would order the Casino to provide the funds to DHHS or go to court as well. So, there is a mechanism for DHHS to obtain the funds from the winners at the casinos who owe child support. Chairman Doyle inquired if DHHS did step in and take the money, does the person have to claim the winnings as income? Kate Johnson A.A.G. spoke with DHHS only, a lien is created by operation of law and DHHS is entitled to those funds. She would have to do some more research on that to see. Ron Guay, A.A.G. offered a general understanding circling around child support is that the person theoretically never receives the money or controls the money, it's used to satisfy the debt they have, and that satisfaction of debt would constitute the definition of income. The fact that they didn't have control of the money or write a check, it's the satisfaction of the debt. He would suggest that, thinking these are rare events, that the casinos would contact DHHS and have them do the "heavy lifting" because ultimately, they would have to obtain the relief in court, not the casinos. We would not ask the casinos to deal with this and become detectives for DHHS. He believes if they have a reasonable belief, to contact DHHS directly and let them take care of it, or contact the Exec. Director and make the connection.

New Business

- 6) The Resolution process of previously identified authorities delegated to the Executive Director – To date, Dir. Champion recognized that there have been 11 Resolutions initiated and administered to identify formally the authority delegated to the Executive Director. From a list of duties given to the current Director from the former Director, a review was completed to identify any additional areas of authority that would need to be placed in a formal resolution as requested by the Chairman Doyle.

Dir. Champion went through them and identified three for conversation with the Board:

- a) First, ability to negotiate contracts;
 - b) Second, to take action to protect public safety; and
 - c) Third, to approve temporary licenses
- 7) Chairman Doyle advised that the prior Executive Director also brought forward issuing subpoenas and taking oaths and Chairman Doyle chose to not bring those forward to the Board. The other was to resolve some investigations that would not have otherwise have been delegated previously...i.e. consent agreements.
- 8) AAG, Katie Johnson looked at these three from a statutory standpoint. First, in negotiating contracts, she thinks that arguably, the Director already has the power to negotiate contracts. Under Board statute, it's the power to enter into contracts that must be delegated, not negotiated. The third potential resolution topic is to approve temporary licenses. No resolution would be needed under Statute 1015 which makes a temporary license automatic.
- 9) Chairman Doyle remarked that my goal was when this all got started fourteen years ago, was to have a book of delegations containing the authority given to the Executive Director by the Board. I don't know how you could ever research 14 years of minutes to find previous delegated authorities. It has been Chairman Doyle's goal to get these delegations on a list of resolutions that can be passed on to future Boards. When new delegations take place, they can go forward as Resolutions.
- 10) Under taking action to protect public safety. Chairman Doyle commented that he felt that there may be times when the Executive Director would have to handle issues in the best interest of the public prior to or within the time frame from one Board meeting to the next and as a result the Executive Director would have the ability to make decisions and bring them to the Board at the next meeting.
- 11) AAG, Ron Guay advised that it might be helpful to understand the concept of protecting public safety, certainly that is an obligation of this Board. The relationship in this statute, this Board sits in judgement of potential violations. You are like judges, you look at your laws and rules, rule-making is an advance pronouncement of what you think your laws say, if you have a violation that a resolution has not been reached with the licensee, you folks sit in judgement whether or not it's been proven there's a violation and what the consequences might be. That is the essence of your job. In terms of protecting public safety, that is the role you play in that. The Dept. is tasked in the statute, the Dept. shall and must investigate all these things and then report to this Board the finding of their investigation. 97% of the time the reports are after the fact, after things have been agreed to – so that is the enforcement part of this piece. He can't envision what the Board would delegate to the Dept. The Board exists within the Dept. You are subject matter experts at casino gambling laws and gambling laws. In terms of investigating complaints, that's sort of the enforcement piece. In summary, not sure what you could delegate to the Dept. Chairman Doyle advised at this point he is hearing no resolutions that require formulation.

12) **The Financial RFP Review Committee** –It was found that the Executive Director has a conflict of interest with one of the bidders for this RFP and therefore has removed himself from the committee. As well, Board member, Greg McNeal has also removed himself from the committee as he is resigning his position on the Board. Member, Col. Alfred Skolfield has offered to replace member McNeal. However, it was discovered that one of the bidders is an entity that happens to provide financial accounting to another employer of whom Col. Skolfield is a board member as well. Since he would be in a position to cast a vote for various vendors who are competing for the contract – he raised this issue to see if he would be able to participate on the Financial RFP Review Committee. In discussing this, AAG Guay noted that Col. Skolfield has no direct relationship with the vendor and does not have the power to determine who the Board selects as a vendor. In AAG Guay’s opinion since I could not see where he could leverage a decision in the Board selection process, I advised Col. Skolfield I did not see a conflict with him participating in the Financial RFP Review Committee.

Public Comments

None

Motion to adjourn: Greg McNeal

Next meeting will be September 25, 2018