

# MAINE STATE LEGISLATURE

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

**PAUL R. LEPAGE**  
GOVERNOR  
**JOHN E. MORRIS**  
COMMISSIONER

**TIMOTHY S. DOYLE**  
CHAIRMAN  
**PATRICK J. FLEMING**  
EXECUTIVE DIRECTOR

March 2, 2014

Governor Paul R. LePage  
Office of the Governor  
State House Station #1  
Augusta, Maine 04333

Governor LePage,

Pursuant to 8 M.R.S.A. § 1003(2)(R), the Gambling Control Board is required to submit to you, by March 15<sup>th</sup> of each year, a report on slot machine and table game revenues, credits disbursed by the slot machine and table game operators, administrative expenses and the allocation of gross slot machine and table game income for the preceding year. The attached report includes the required information for the Hollywood Casino in Bangor and the Oxford Casino in Oxford.

The Gambling Control Board adopted this report at their meeting on 02/18/2014.

On behalf of the Gambling Control Board, I am pleased to submit the attached report to you.

Sincerely,

Patrick J. Fleming  
Executive Director

CC: Members of the Joint Standing Committee on Veterans and Legal Affairs

## Operations Update

The Gambling Control Board is responsible for the licensing, regulating and inspection of the corporations, people and machines that operate slot facilities and casinos in Maine. The Board also licenses the companies that sell associated equipment to the slot and casino operator(s).

2013 was the first full year of having two casinos operating in the State of Maine. The Board had the opportunity to see what the effects of table games had on the gambling landscape of the state as well as what impact the Oxford Casino had on the Hollywood Casino. The data shows that the opening of the Oxford Casino had a definite negative impact on the patronage and revenues of the Hollywood Casino.

The Gambling Control Board staff has been working diligently to ensure that the casinos are in compliance with the statutes and rules that regulate the casino industry. They work closely with the casinos and other members of the industry to ensure a safe gaming environment for the patrons who choose to participate in gambling. The current positions include an executive director, two State Police detectives, an inspector supervisor, nine civilian inspectors, two internal auditors, an office specialist, and an office assistant. There is also an identification specialist position in State Bureau of Identification funded by the Gambling Control Board due to the large number of fingerprint submissions that the licensing process generates and the board budget also funds an assistant attorney general to assist with the legal work of the board.

The licensing of the personnel at the facility and the people who own and run the companies doing business with Hollywood Slots of Bangor take up the majority of the State Police detective's time. The detectives annually investigate at least 6 international companies and approximately 850 individuals that are associated with the Hollywood and Oxford facilities. The interview sessions sometimes require out of state travel.

The nine civilian inspectors perform inspections and surveillance on the floor of the facilities. The inspectors are critical in maintaining a hands-on approach to our vigorous oversight at the facilities. The inspectors also assist other law enforcement agencies that have need of information from the slot facility. An inspector is present at the facilities at all hours that they are open.

The auditors provide day-to-day review of the operator's financial reports and insure proper payment of revenue to the State of Maine. Financial information is electronically collected from the slot machines through a central site monitoring system operated by Scientific Games. This monitoring system operates 24 hours a day/ 7 days a week to ensure correct accounting of machine play. The auditors also work with the casinos to ensure the proper reconciliation of the table games revenue because there is no electronic monitoring of table games.

## **Board Composition**

Members who served on the Board in 2012 include: Tim Doyle (Chairman), Barbara Dresser, Harry Stickney, Joe Laliberte, and Matt Dyer.

The Board meets monthly in the Board Room located at Department of Public Safety Headquarters at Commerce Drive in Augusta.

The Gambling Control Board conference room has been outfitted with an internet feed to allow for people to listen to the meetings live through the Gambling Control Board website. The Board also makes that room available for other state entities without cost.

**Administrative Expenses**

<b><u>Gambling Control Board</u></b>	<b><u>Expenses FY 11</u></b>	<b><u>Expenses FY12</u></b>	<b><u>Expenses FY13</u></b>
Part I: Personnel Services	\$391,680.83	\$526,623.86	\$1,022,599.51
Part II: All Other Expenses	<u>\$402,604.55</u>	<u>\$523,354.89</u>	\$ 951,608.78
Total Expenses	<b><u>\$794,285.38</u></b>	<b><u>\$1,049,978.75</u></b>	<b><u>\$1,974,208.29</u></b>

**Revenue/Credits**

Slot Machine Revenue 2013

The total amount wagered for 2013 at Hollywood Casino “Gross Slot Machine Income” as defined by 8 M.R.S.A. §1001(21), was \$468,927,234.82.

The total amount wagered for 2013 at the Oxford Casino “Gross Slot Machine Income” as defined by 8 M.R.S.A. §1001(21), was \$677,739,277.12

Table Games Revenue 2013

The taxable revenue from table games at Hollywood Casino for 2013 was \$7,388,848.05.

The taxable revenue from table games at Oxford Casino for 2013 was \$13,261,867.60

Credits Disbursed 2013

The amount of money or credits paid back to the players by Hollywood Casino in 2013 was \$421,657,526.19. This was computed by subtracting the net slot machine income from the gross slot machine income for 2013.

The amount of money or credits paid back to the players by Oxford Casino in 2013 was \$619,385,328.67. This was computed by subtracting the net slot machine income from the gross slot machine income for 2013

**Allocation of Slot and Table Game Income**

General Fund for the administrative Expenses of the GCB and for Gambling Addiction Services	\$ 8,808,104.39
Gambling Control Board Other Special Revenue Account	\$ 619,521.50
Department of Education for K-12	\$15,914,673.69
University of Maine System	\$ 3,161,797.27
Maine Maritime System	\$ 23,969.36
Maine Community College System	\$ 2,176,422.89
Fund to Encourage Racing at Maine’s Commercial Tracks	\$ 1,703,217.43
Harness Racing Purses	\$ 4,841,583.18
Sire Stakes fund	\$ 1,860,952.61
Agricultural Fair Support Fund	\$ 1,860,952.61
Fund to Stabilize Off Track Betting	\$ 425,804.40
Penobscot and Passamaquoddy Tribes	\$ 2,334,157.94
Town of Oxford	\$ 1,432,316.34
City of Bangor	\$ 573,581.36
Oxford County	\$ 716,158.18
Healthy Maine Fund	\$ 4,258,043.68
Dairy Improvement Fund	\$ 434,307.57
Milk Pool	\$ 149,231.93
Veteran’s Assistance	<u>\$ 147,776.96</u>
Total	\$51,442,573.29