

# MAINE STATE LEGISLATURE

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Department of Public Safety

## **Gambling Control Board**

20th Annual Report

2024

Janet T. Mills  
*Governor*

Michael J. Sauschuck  
*Commissioner*

Steven J. Silver  
*Chairman*

Milton F. Champion  
*Executive Director*



45 Commerce Drive, Suite 3  
Augusta, Maine 04333-0087  
Ph: 207-626-3900

[www.Maine.gov/dps/GCU/](http://www.Maine.gov/dps/GCU/)

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# INTRODUCTION

## OVERVIEW

The State of Maine Gambling Control Board was created in 2004 within the Department of Public Safety to carry out the functions specified in M.R.S. Title 8 Chapter 31 in response to a citizen's initiative to allow slot machines at two locations in Maine. In November 2005 Hollywood Casino opened with slot machines only and in November of 2011, after local approval allowed for them to add table games they began operating as a full casino in March 2012. In November of 2010, the citizens of Maine voted to allow a second casino in Oxford County. Oxford Casino began operations as a full casino with both slots and table games in June 2012.

## GAMBLING CONTROL BOARD

The board consists of 5 members appointed by the Governor. At least 4 of the board members must have training or experience in at least one of the following fields: corporate finance, economics, law, accounting, law enforcement, computer science or the gambling industry. One member must have experience in the harness racing industry. An elected official or candidate for elective office may not serve as a board member.

Members of the board serve 3-year terms, except that the Governor shall initially appoint one member for a term of one year, 2 members for a term of 2 years and 2 members for a term of 3 years. A vacancy is filled by appointment for the remainder of the unexpired term of that member. Members whose terms expire serve until their successors are appointed and confirmed. Members may serve no more than 2 full consecutive terms on the board.

Appointees must be reviewed by the joint standing committee of the Legislature having jurisdiction over gambling matters and are subject to confirmation by the Senate. The Governor shall appoint one of the 5 board members as chair. The member serves as chair at the pleasure of the Governor.

## BOARD COMPOSITION

Members who served on the Gambling Control Board in 2024 include: Chairman, Mr. Steven Silver, Esq and four Board members; Ms. Sari Greene, CISSP-ISSMP, CRISC, CISM, CISA, NSA/IAM, Chief, Noel March, M.A., Mr. Joseph Hanslip, Retired PD and Ms. Kelly Bickmore from the Harness Racing Industry. Ms. Greene resigned on October 8, 2024 with a replacement under review from two applicants.

In 2024 the Board held meetings in the Champlain Room located at Department of Public Safety Headquarters at 45 Commerce Drive in Augusta. However, by Board policy some meetings in 2024 were held completely virtual or partial participation through the zoom application. The topics discussed at the meetings of the Gambling Control Board include, but are not limited to:

- Regulating, supervising and exercising general control over the ownership and operation of slot machines and table games, the distribution of slot machines and table games and slot machine facilities and casinos,
- Adopt those rules the board determines necessary to administer and enforce MRS, Title 8, chapter 31,
- Take any action as may be reasonable or appropriate to protect the public interest and enforce chapter 31 and the rules adopted under this chapter including denial, suspension or revocation of a license,
- Approve or disapprove terms and conditions of uniform location agreements,
- Impose sanctions, penalties and costs of investigation and hearing against any applicant or licensee for violation of chapter 31 or the rules adopted,
- Regulate, supervise and exercise general control over the operation of advance deposit wagering in the State, and
- Review of relevant pending legislation.

## **GAMBLING CONTROL UNIT**

The Gambling Control Unit is a bureau within the Department of Public Safety. This Unit provides support to the Board under the direction of the Executive Director. The Unit is responsible for the licensing, auditing and inspection of corporations, business entities, individuals, table games, slot machines and their associated equipment used to operate casinos in Maine.

The Gambling Control Unit staff works 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 assigned to casino and advance deposit wagering oversight include executive director, deputy director, State Police detective, 1 inspector supervisor, 8 civilian inspectors, 2 auditors, 1 office specialist, 1 office associate.

There is also 1 identification specialist position in the State Bureau of Identification funded by the Gambling Control Board due to the large number of fingerprint submissions that the licensing process generates. The board's budget also funds 2 Assistant Attorneys General to assist with the legal work of the board.

## **EXECUTIVE DIRECTOR**

The Executive Director, reporting to the Gambling Control Board, provides leadership, administration and oversight of the three functional areas. Each area focuses on a different aspect of regulation within the gaming industry. Specific responsibilities include, but are not limited to:

- Enforcement of Maine Statutes, Board Rules and Licensee System of Internal Controls,
- Individual and business licensing to include investigations of qualifications,
- Investigate any alleged violations or complaints of the Chapter, rules or internal controls,
- Collect all funds, licensing and registration fees,
- Revenue distribution,
- Oversight of the Facility Monitoring Systems,
- Transport of gaming devices into, out of, or within the State,
- Rule development,
- Staff development,
- Budget planning, and
- Keep accurate and complete records of all areas of operation.

## **DEPUTY DIRECTOR**

The Deputy Director, reporting to the Executive Director, provides leadership, administration and Primary oversight of charitable gaming, fantasy contests and sports wagering while assisting the Executive Director in casino and ADW operations. Specific responsibilities include, but are not limited to:

- Enforcement of Maine Statutes and Board and Unit Rules,
- Investigate any alleged violations or complaints of the assigned chapters,
- Collect all funds, licensing and registration fees relating to charitable gaming, fantasy contests and sports wagering,
- Revenue distribution,
- Staff development,
- IT and Surveillance representative of the Unit in all areas, and
- Keep accurate and complete records from all areas assigned.

## **ADMINISTRATIVE SUPPORT**

The Office Specialist is the assistant and administrative support to the Executive Director. Responsibilities include, but are not limited to:

- Manage office protocol as directed by the Executive Director,
- Process all licensing of operators, business entities and individuals within the Board or Unit responsibility,
- Assisting auditors and inspector operations in their needs regarding tech support and

supplies,

- Preparing and recording of audio, video, and minutes of Board meetings,
- Coding and processing all bills for service, contracts and amendments to service, and
- Keeping the Gambling Control Board website up to date.

Licensing is processed by the Office Specialist who would ensure all initial or renewed applications are filled out completely and all supportive documentation is recorded. The Office Specialist would then assign the application to the Detective assigned to the Department and assist them with the completion of background checks such as:

- Collecting fingerprint cards,
- Online reviews of:
  - Corporate records,
  - PACER bankruptcy records,
  - Prior licensing,
  - Sex offender registry, and
  - Maine Revised Statute requirements.
- Forwarding financial information for review by 3<sup>rd</sup> party contractor with the department

Initial applications are sent in upon completion and can range from 10 to 20 a month; Renewal applications are submitted 60 days in advance of expiration dates and can range from 30 to 70 a month.

On average, there are 800 employees licensed annually by the Gambling Control Board. As well as 2 Casino Operator licenses, 11 Distributor licenses and 14 Gambling Service Vendor licenses. Advance Deposit Wagering Operators are licensed every 5 years.

The Office Associate is administrative support to the Deputy Director, Auditors and Charitable State Inspectors. Responsibilities include, but are not limited to:

- Administers the casino self-exclusion and the forfeiture program for self-excluded patrons,
- Assists Office Specialist,
- Processes applications for licensing or registration of charitable games of chance,
- Take calls and communications, directing to the appropriate area,
- Addresses walk-ins to the Unit with applications and questions, and
- Processes charitable organization complaints and responses as directed by the Deputy Director.

## **OPERATIONS**

There are 8 civilian Inspectors assigned to Hollywood and Oxford Casinos. Due to the change from central monitoring to facility-based monitoring, coverage is maintained from Tuesday through Saturday 7 am to 11 pm or 8 am to 12 midnight. Inspectors are now responsible for but are not limited to accepting and testing software and recording through work orders any

upgrades, movements for machines or RAM clears as appropriate prior to being placed into play. They complete random inspections and note any interest in the inspector pass-on log to report finding not only within the assigned facility but to also share information between facilities. There were 123 shipments of slot machines, table games or associated equipment into, out of, or within the State of Maine in 2024. Work orders completed from June 1 to December 31, 2024, were 496. There were 331 pass-on entries of interest between inspectors and between facilities. As a result of that monitoring there was 1 patron complaint, 17 formal complaints in 2024.

Additional responsibilities include, but are not limited to:

- Liaison with local, state and federal law enforcement agencies as needed,
- Receive, remove, record and label slot machines and table games,
- Adherence of Maine statutes, rules and facility internal controls,
- Administering the self-exclusion and finger printing program, and
- Being available to the public assisting as requested.

## **AUDITING**

Since the use of a central site monitoring system was discontinued in June 2024, changes were made to the daily auditing processes used to review and reconcile casino operator financial reporting of slot machine revenue, which is the basis for most of the weekly taxes due to the State. These auditing processes now test operator controls being used to ensure the completeness and accuracy of facility-based monitoring system accounting by machine, which is electronically collected from the slot machines 24 hours a day, 7 days a week. Financial information reported from this system processing is reviewed and tested to ensure the proper payment of revenue to the State of Maine. Any detected variances or errors are corrected. Examples of causes of variances can be:

- Slot machine malfunction or loss of connection
- Hand Payouts
- Coin Tests
- Unclaimed, missing or Voided Ticket In/Ticket Out (TITO) Tickets

Inspectors observe the drop and count of table game activates to ensure the proper recording of the table games revenue because there is no electronic monitoring of table games. Until a re-evaluation is completed, other unit staff are being held responsible for safeguarding and accounting for state revenues and allocation of funds to various accounts in accordance with Maine Revised Statute. The statistical information for slot machine and table revenue is posted weekly on the Gambling Control Unit website along with all other pertinent information at <https://www.maine.gov/dps/gcu/>.

Auditors are also assigned to other areas of responsibility within the Unit which include advance deposit wagering, charitable gaming, fantasy contests and sports wagering.



## **INVESTIGATIONS**

The majority of the State Police detective's time is dedicated to conducting all suitability investigations for gaming licenses. In 2024, there were 249 new license investigations conducted along with 259 renewal license investigations that included business entities.

The detective also provides to the Maine Gambling Control Board police reports, court documents, interview responses and any other evidence the board needs to assist in determining the issuance or denial of a gaming license.

The State Police Detective also is responsible for assisting other regulatory agencies from other jurisdictions with their suitability investigations while also being tasked with other State Police assignments and maintaining required training. Some agencies that have been assisted are Federal (FBI, ICE, DEA) State (State Police, MDEA) County Sheriff's Office and local town law enforcement.

## **PROBLEM GAMBLING**

The Board finds that the State has a compelling interest in ensuring that persons have access to information and resources to address problem and compulsive gambling. Prior to commencing slot machine or casino operations the slot machine or casino operator shall submit its responsible gaming program to the Board. The program shall address the following areas:

- Be designed to promote responsible gaming in accordance with the requirements of Chapter 13 of Board Rules. The slot machine or casino operator must submit the written materials concerning problem gambling, as required by Chapter 13 section 6(1)(C), to the Board for approval thirty days prior to posting or providing the materials in the casino or slot facility,
- Be designed to promote responsible alcohol service and consumption identifying all employee training related to alcohol service. Shall identify the procedures designed to prevent a visibly intoxicated individual from gambling or consuming alcohol at the casino or slot machine facility,
- Shall identify the means to prevent minors from gambling, consuming alcohol and purchasing tobacco products at the slot machine or casino facility and address any unattended minors found at the slot machine or casino facility, and
- Identify the standards the slot machine or casino operator shall follow in its marketing campaigns designed to prevent promotional materials or communications from being directed specifically to individuals who have self-excluded themselves from the facility, as required in Chapter 13 section 6(3)(G), or who have requested that they not receive such materials or communications.

In 2024 there were 175 self-exclusions: 105 – 1 year, 17 – 3 years, 27 – 5 years and 26 – lifetime. Currently there are 473 self-excluded people on the state list which is an increase of 32 from 2023.

## ADVANCE DEPOSIT WAGERING

The Board is responsible for the administering and enforcement of the laws and rules governing Advance Deposit Wagering (ADW). On July 26, 2023, LD 731 was approved by Governor Mills which was “An Act Regarding the Licensing of Persons to Conduct Advance Deposit Wagering”. That bill repealed the provision of law that directs the Department of Public Safety, Gambling Control Board to award, through a competitive bidding process, one bidder the privilege to be licensed to conduct advance deposit wagering and instead allows commercial tracks, off-track betting facilities and multijurisdictional account wagering providers to obtain a license to conduct advance deposit wagering. The bill also requires licensure of employees of advance deposit wagering operators. After three publications, rules were adopted on October 8, 2024. At the time of this report, we have had two potential operators apply for licensure.

## Events that shaped the 2024 Gaming Season in Maine

LD 2070 “An Act to Implement a Facility-based Monitoring System for Slot Machines “ became law and the transition as directed was completed by June 30, 2024. This bill directed the use of facility monitoring systems versus the use of a central monitoring system and saves the State of Maine 1.1 million dollars a year with duplicate system coverage.

LD 2080 “An Act to Create a Universal Exclusion List for all forms of Gambling in the State” became law and allows patrons to voluntarily exclude themselves from casino, advance deposit wagering, sports and fantasy collectively or separately under the guidance of the Gambling Control Board.

LD 504 “An Act Regarding Licensing Fees for Small Slot Machine Distributors” became law allowing a reduced fee for smaller distributors of slot machines to have fewer than 50 machines per casino location.

The Gambling Control Unit started the movement of its offices from Suite 3 to Suite 5 in the Department of Public Safety building located at 45 commerce Drive in Augusta Maine. This move should be completed by April 2025.

## FINANCIAL STATEMENTS

### Administrative Fiscal Expenses

	<u>Expenses FY23</u>	<u>Expenses FY24</u>	<u>Difference</u>
<b>PERSONNEL SERVICES:</b>			
SALARIES	933,445.93	1,017,476.81	84,030.88
	60,712.82	92,332.48	31,619.66
	935.00	825.00	(110.00)
BENEFITS	523,621.70	644,539.26	120,917.56
SUB TOTAL	\$1,518,715.45	\$1,755,173.55	\$236,458.10
<b>ALL OTHER EXPENSES:</b>			
PROF. SERVICES, NOT BY STATE	1,436,552.63	1,644,334.49	207,781.86
PROF. SERVICES, BY STATE	104,886.20	148,652.82	43,766.62
TRAVEL EXPENSES, IN STATE	794.20	170.41	(623.79)
TRAVEL EXPENSES, OUT OF STATE	2,462.23	6,872.12	4,409.89
VEHICLE OPERATIONS	110.50	0.00	(110.50)
RENTS	40,467.65	53,004.34	12,536.69
INSURANCE	3,950.92	5,940.81	1,989.89
GENERAL OPERATIONS	8,510.58	9,796.22	1,285.64
EMPLOYEE TRAINING	3,125.00	4,014.08	889.08
TECHNOLOGY	50,792.85	70,811.71	20,018.86
CLOTHING	0.00	1,931.30	1,931.30
EQUIPMENT & NON-STATE TECH	28,256.87	17,007.55	(11,249.32)
OFFICE & OTHER SUPPLIES	6,381.00	8,436.15	2,055.15
TRANSFERS	14,654.40	13,622.86	(1,031.54)
SUB TOTAL	<u>\$1,700,945.03</u>	<u>\$1,984,594.86</u>	<u>\$283,649.83</u>
TOTAL EXPENSES	<b>\$3,219,660.48</b>	<b>\$3,739,768.41</b>	<b>\$520,108.93</b>



# STATE REVENUE FUNDS COLLECTED CALENDAR YEAR

## SLOT MACHINE COLLECTED FUNDS 2024

	2023	2024	Difference
HOLLYWOOD	\$24,525,131.52	\$24,165,044.88	(\$360,086.64)
OXFORD	\$41,615,583.53	\$39,171,028.43	(\$2,444,555.10)
<b>TOTAL</b>	<b>\$66,140,715.05</b>	<b>\$63,336,073.31</b>	<b>(\$2,804,641.74)</b>

## TABLE GAME COLLECTED FUNDS 2024

	2023	2024	Difference
HOLLYWOOD	\$1,225,652.20	\$1,617,513.55	\$391,861.35
OXFORD	\$2,645,551.15	\$2,307,341.29	(\$338,209.86)
<b>TOTAL</b>	<b>\$3,871,203.35</b>	<b>\$3,924,854.84</b>	<b>\$53,651.49</b>

**TOTAL COLLECTED FUNDS 2024      \$ 67,260,928.15**

**FEES COLLECTED 2024                      \$ 619,496.71**

Fees include operators, vendors, individual employee, slot machines, table games and miscellaneous fines.

# ALLOCATION OF FUNDS COLLECTED AND DISTRIBUTED CALENDAR YEAR

## SLOT MACHINE ACTIVITY

**1% of the gross revenue collected from Hollywood Casino is distributed to the General Fund.**

39% of the net revenue collected from Hollywood Casino is distributed by and to the following:

4%	General Fund with fixed amount transferred to Gambling Addiction Services Fund
10%	Fund for a Healthy Maine
1.92%	University of Maine System Scholarship fund
0.08%	Maine Maritime Academy
10%	Harness Racing Purse Supplements
3%	Agricultural Fair Support Fund
4%	Fund to Encourage Racing at Maine's Commercial Tracks
1%	Fund to Stabilize Off-Track Betting
3%	Sire Stakes Fund
1%	Maine Community College System
<u>1%</u>	City of Bangor
<b>39%</b>	<b>Total</b>

46% of the net revenue collected from Oxford Casino is distributed by and to the following:

25%	Department of Education Grades K-12 Essential programs.
3.84%	University of Maine Scholarship Fund
0.16%	Maine Maritime Academy
3%	Maine Community College System Scholarships
4%	Tribal Governments of the Penobscot and Passamaquoddy Tribes
3%	GCB Admin Expenses and gambling Addiction counseling services
2%	Town of Oxford
1%	Agricultural Fair Support
1%	Harness Racing Purse Supplements
1%	Sire Stakes Fund
1%	Oxford County
0.5%	Dairy Improvement Fund
<u>0.5%</u>	Maine Milk Pool
<b>46%</b>	<b>Total</b>



## TABLE GAME ACTIVITY

16% of the net revenue collected from Hollywood Casino is distributed by and to the following:

9%	General Fund: GCB Admin Costs and gambling addiction services
3%	Administrative Expenses of the Gambling Control Board
2%	Veterans Assistance Grant Fund
<u>2%</u>	City of Bangor
<b>16%</b>	<b>Total</b>

16% of the net revenue collected from Oxford Casino is distributed by and to the following:

10%	Department of Education for grades K-12 essential programs
3%	Other Special Revenue Fund: GCB Admin Expenses
2%	Town of Oxford
<u>1%</u>	Oxford County
<b>16%</b>	<b>Total</b>

## TOTAL ALLOCATION OF FUNDS BY RECIPIENT

General Fund <i>with fixed amount transferred to Gambling Addiction Services</i>	\$7,602,119.69
Gambling Control Board - Administrative Costs in the General & Other Special Revenue Fund Accounts	\$4,694,367.50
Department of Education for Grades K-12	\$22,656,037.62
Maine Maritime Academy	\$162,146.55
Maine Community College System	\$3,013,745.16
University of Maine System Scholarship Fund	\$4,162,255.74
Fund to Encourage Racing at Maine's Commercial Tracks	\$1,836,451.63
Harness Racing Purses	\$5,467,557.37
Sire Stakes Fund	\$2,253,767.08
Agricultural Fair Support Fund	\$2,253,767.08
Fund to Stabilize Off Track Betting	\$459,112.91
Penobscot and Passamaquoddy Tribes	\$3,406,176.39

Town of Oxford	\$1,991,506.01
City of Bangor	\$661,302.15
Oxford County	\$995,752.98
Healthy Maine Fund	\$4,591,128.98
Dairy Improvement fund	\$425,772.05
Milk Pool	\$425,772.05
Veterans' Assistance	\$202,189.24
<b>TOTAL ALL ALLOCATIONS</b>	<b><u>\$67,260,928.15</u></b>

# ADVANCE DEPOSIT WAGERING ALLOCATION OF FUNDS COLLECTED AND DISTRIBUTED CALENDAR YEAR

## ADVANCE DEPOSIT WAGERING COLLECTED FUNDS 2024

	2023	2024	Difference
IN STATE RACES	\$14,393.16	\$12,197.79	(\$2,195.37)
OUT OF STATE RACES	\$220,247.92	\$197,381.65	(\$22,866.27)
<b>TOTAL</b>	<b>\$234,641.08</b>	<b>\$209,579.44</b>	<b>(\$25,061.64)</b>

## ADVANCE DEPOSIT WAGERING ACTIVITY

5% of the net revenue collected from Advance Deposit Wagers is distributed by and to the following from in-state wagers:

10%	General Fund
20%	Off Track Betting facilities
1%	Sire Stakes Fund
10%	Agricultural Fair Support Fund
24%	Supplement Harness Racing Purses
20%	Track where wager was placed
15%	Commercial Tracks according to §1072 1., G.

5% of the net revenue collected from Advance Deposit Wagers is distributed by and to the following from out of state wagers:

10%	General Fund
36%	Off Track Betting facilities
1%	Sire Stakes Fund
10%	Agricultural Fair Support Fund
7%	Supplement Harness Racing Purses
36%	Commercial Tracks according to §1072 2., F.

### **ALLOCATION OF FUNDS FOR RACES CONDUCTED IN MAINE**

General Fund	\$1,219.74
Off Track Betting facilities	\$2,439.56
Sire Stakes Fund	\$121.98
Agricultural Fair Sup. Fund	\$1,219.78
Sup. Harness Racing Purses	\$2,927.46
Track where wager was placed	\$4,269.27
Commercial Tracks	\$2,158.98
<b>TOTAL ALL ALLOCATIONS</b>	<b>\$12,197.79</b>

### **ALLOCATION OF FUNDS FOR RACES CONDUCTED OUTSIDE OF MAINE**

General Fund	\$19,738.17
Off Track Betting facilities	\$71,057.39
Sire Stakes Fund	\$1,973.82
Agricultural Fair Support Fund	\$19,738.16
Sup. Harness Racing Purses	\$13,816.72
Commercial Tracks	\$71,057.39
<b>TOTAL ALL ALLOCATIONS</b>	<b>\$197,381.65</b>