

**MICHIGAN GAMING CONTROL BOARD
YEAR END REPORT 2008
SUMMARY**

The Michigan Gaming Control Board consists of 5 members. All five Board members and the Executive Director are appointed by the Governor. They are assisted in their mission of regulating the 3 commercial casinos in Detroit by other state agencies. The mission of the Michigan Gaming Control Board is to ensure the conduct of fair and honest gaming to protect the interests of the citizens of the State of Michigan. There are 114 budgeted staff positions assigned to the Board that performs this mission. The headquarters for the Board has moved from Lansing and is now located at the State offices at Cadillac Place in Detroit. The following is a summary of their yearly activity for 2008.

Administration Division

The Administration Section successfully obtained approval in 2008 from the Office of the State Budget to increase the Board's employment target to its full staffing level of 114.

In calendar year 2008 the Board approved 257 applications from individuals requesting inclusion on the Disassociated Persons List. Since its inception in 2000, the Board has placed 2057 individuals on the self-exclusion list.

In 2008 the Records Section processed and digitalized 429,446 records. Most of these records were license applications and confidential investigations.

Enforcement Division

The Enforcement Division maintains a presence in each of the casinos 24/7.

With regards to the Enforcement Division, the Audit Section has completed fieldwork for nine (9) of the twelve (12) planned compliance audits at each of the three Detroit casinos. Auditors also ensure that the daily gaming taxes are paid by the casinos for every day the casinos are in operation. Also, the Gaming Lab has resolved 2,621 gaming device submissions and processed 95 casino internal control change requests. The Lab also assisted Michigan State Police, Michigan Liquor Control Commission and local law enforcement with multiple cases involving unlicensed gaming operations and potentially illegal games.

During 2008 the Regulation and Compliance Section investigated and resolved 62 patron complaints, reviewed and approved 15 new rules for games, investigated 27 manufacturer notifications and participated in 13 formal disciplinary proceedings, which resulted in fines from \$100 to \$30,000.

Licensing Division

Currently, the three Detroit casinos and related suppliers employ approximately 8,000 personnel which require occupational licenses. The Employee Licensing Section has successfully investigated and licensed over 98 percent of those employees.

In calendar year 2008 the Employee Licensing Section:

- Accepted 4,303 applications for occupational licenses
- Completed 1,430 occupational license application background investigations
- Completed 2,933 occupational license renewal investigations

Also, in calendar year 2008, 3,161 active vendor exemptions were issued and 438 vendor and supplier investigations were completed.

Attorney General

The Department of Attorney General advises and represents the Michigan Gaming Control Board and its staff as well as the Michigan State Police Gaming Section on matters pertaining to casino gambling authorized under the Michigan Gaming Control and Revenue Act. The Attorney General also represents the State's interests in Gaming Control Board licensing and disciplinary actions, and drafts opinions and memoranda of law on questions related to casino gambling in Michigan. In addition, the Attorney General's criminal division handles criminal prosecutions for casino-related crimes and tax enforcement cases dealing with civil forfeiture actions under the Tobacco Products Tax Act, jeopardy tax assessments, and criminal prosecutions.

In 2008 the Attorney General Alcohol and Gambling Enforcement Division has been working diligently on the pending Chapter 11 bankruptcy of Greektown casino. The Department of Attorney General works very closely with both the Board's Enforcement and Licensing Divisions. During 2008 the Attorney General has had over 100 requests for advice concerning licensing and enforcement matters. Its representation has resulted in the assessment of over \$820,000 in disciplinary fines against licensees.

Finally, the Attorney General through its criminal division prosecutes all casino related crimes and during 2008 has charged and prosecuted over 230 individuals for criminal violations of the Penal Code and Gaming Act. These charges include crimes of larceny, cheating, fraud, counterfeiting and trespassing.

Michigan State Police

The MSP Gaming Section provides law enforcement, both criminal and regulatory, assistance to the MGCB.

During calendar year 2008, MSP made 307 arrests and conducted 699 criminal complaint investigations. Most of these investigations were for gambling violations, fraudulent activities and counterfeit currency. Also, \$27,536 of gambling proceeds from 120 investigations of disassociated persons was turned over to the Department of Community Health, Compulsive Gambling Prevention Fund. MSP also maintains a presence in the 3 Detroit casinos and is able to respond 24/7 for an internal crime reported. The total number of arrests in 2008 for MGM Grand Detroit, MotorCity Casino and Greektown Casino were 131, 103 and 66, respectively.

The Gaming Section Special Operations Team conducted a lengthy undercover investigation into illegal gambling at several bars in the metro Detroit area. Search warrants were executed at 7 licensed liquor establishments where 23 video poker/slot machines and \$21,263.47 in cash was seized. Any casino style gambling outside of the Detroit or Native American casinos or is not authorized by Charitable Gaming is considered illegal and a violation of the Michigan Gaming Control & Revenue Act.

All funding for these activities are funded by an assessment on each of the 3 Detroit casinos.