



Michigan Gaming Control Board

Annual Report to the Governor



Calendar Year 2008

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Michigan Gaming Control Board
1500 Abbot Road, Suite 400
East Lansing, MI 48823

Submitted April 15, 2009
pursuant to the
Michigan Gaming Control & Revenue Act, as amended
(Public Act 69 of 1997)

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www.michigan.gov/mgcb



STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD
LANSING

JENNIFER GRANHOLM
GOVERNOR

RICHARD S. KALM
EXECUTIVE DIRECTOR

April 15, 2009

Honorable Jennifer Granholm
Governor of Michigan

**AN OPEN LETTER TO GOVERNOR JENNIFER GRANHOLM AND THE
MICHIGAN LEGISLATURE:**



On behalf of the Michigan Gaming Control Board ("Board"), I am pleased to present the Annual Report to the Governor for calendar year 2008, pursuant to Section 15(1) of the *Michigan Gaming Control and Revenue Act*, as amended, Public Act 69 of 1997, MCL 432.201 ("the Act"). This Annual Report is submitted not only to comply with the statutory reporting requirements under the Act, but to provide you with a summary of the Board's significant activities and operations. The Annual Report includes an updated progress report on the implementation, licensure, and regulation of authorized commercial casino gaming in the City of Detroit.

The year of 2008 brought challenging times for the Board. I would like to extend an enormous thank you to Board staff who completed the move from the East Lansing office to Cadillac Place in Detroit. This substantial task was accomplished while maintaining the high standards of licensing and regulation duties and responsibilities.

We began the year by welcoming our newest Board member, Mr. Michael Watzka, who replaced the long and distinguished service of Judge Michael L. Stacey, for a term expiring December 31, 2010. We ended the year by accepting the resignation of Board member Mr. Donald Robinson, and we thank him for his exceptional service. In addition, Board members Judge Benjamin Friedman and Ms. Barbara Rom were reappointed for terms expiring December 31, 2011, and I was reappointed for a term ending December 31, 2012.

One of the greatest challenges faced by the Board in 2008 has been the filing of Chapter 11 bankruptcy by Greektown Casino. The five appointed Board members faithfully carried out our charge under the Act by carefully adhering to the Act's guidelines and requirements. The bankruptcy development required an extraordinary effort not only by the Board, but also by Board staff to properly oversight the casino through the

process of working out of bankruptcy. The Board has ensured that Greektown Casino's financial covenants were met.

The overall revenues for the casinos increased by 1.85 percent over 2007. However, the final quarter of 2008 marked a decline in all the state's casinos. Despite a fourth quarter decline in Detroit casino revenues, the 2008 revenues increased by 1.84 percent (1.36 billion) in comparison to 2007. Also, the State of Michigan received over \$126 million in wagering taxes.

In fulfilling our duties and responsibilities under the Act, the Board continued to receive invaluable assistance from the Michigan State Police, Attorney General, and the Internal Revenue Service.

During 2008, the Administrative Rules were amended as part of an overall update to enable the Board to enhance regulation and licensing of vendors and suppliers of casino operations and provide improved service to the public.

Although only two of the casinos are now licensed and operational in their permanent locations, we fully expect Greektown Casino to have their permanent casino and hotel operations completed in 2009.

The Board will also continue to do all that is required to ensure that the three Detroit casinos remain suitable under the Act and conduct their casino gaming-related activities fairly and honestly and in compliance with state law.

Sincerely,

/s/

Damian Kassab
Chairman



FROM THE EXECUTIVE DIRECTOR



This year has been very challenging for the Michigan Gaming Control Board's management and staff. The move of the Licensing and Enforcement staff was completed from the East Lansing office to the Cadillac Place offices in Detroit. The staff displayed a high level of professionalism while handling a very demanding workload while not at full staffing. The Licensing Division in particular carried out their mission with efficiency and effectiveness that exceeded past objectives. I extend an enormous well done to the entire organization. I reaffirm my commitment to ensure the highest standards of the gaming industry.

I must express my appreciation to the Governor, the Legislature, our partner agencies and other public officials for their cooperation and service. Please take a moment to see our partner agencies accomplishments and contributions in Appendix 1 (Michigan Attorney General, Alcohol & Gambling Enforcement Division), and Appendix 2 (Michigan State Police, Gaming Section).

My sincere appreciation goes to the employees of the Board, who assure that our mission of fair and honest gaming is accomplished every day. The Board will continue to successfully and competently manage casino gaming and to meet the challenges of the gaming industry in Michigan.

Thank you for your interest in Michigan gaming. If you should need additional information or assistance, please contact us.

Sincerely,

/s/

Rick Kalm
Executive Director



Table of Contents

| <i>Section</i> | <i>Page</i> |
|--|-------------|
| Mission Statement & Introduction | 1 |
| Summary of the Michigan Gaming Control & Revenue Act..... | 2 |
| The Michigan Gaming Control Board Members - 2008..... | 4 |
| Organizational Chart..... | 6 |
| MGCB Staff as of December 31, 2008 | 7 |
| Michigan Attorney General, Alcohol & Gambling Enforcement Division | 8 |
| Michigan State Police, Gaming Section | 8 |
| Activities of the Board | 9 |
| Board Meetings..... | 9 |
| Board Resolutions | 10 |
| Notable Board Accomplishments | 11 |
| Minors and Compulsive Gambling..... | 17 |
| Board Revenues and Expenditures | 18 |
| Casino Revenues and State Wagering Taxes | 22 |
| Appendix 1 - Michigan Attorney General, Alcohol & Gambling Enforcement Div. | 24 |
| Appendix 2 - Michigan State Police, Gaming Section..... | 26 |



Mission Statement

"The Michigan Gaming Control Board shall ensure the conduct of fair and honest gaming to protect the interests of the citizens of the State of Michigan."

Introduction

In November 1996, Michigan voters approved Proposal E, authorizing the development of up to three licensed commercial casinos in Detroit. Proposal E subsequently took effect as law on December 5, 1996, as the *Michigan Gaming Control & Revenue Act* (referred to as the "Act"). The voter-initiated Act established the Michigan Gaming Control Board (referred to as the "Board" or "MGCB") as a Type I agency within the Michigan Department of Treasury, exclusively responsible for licensing and regulating the three authorized Detroit casinos. In July 1997, the voter-initiated Act was substantially amended by the Michigan Legislature's enactment of Public Act 69 of 1997. The amended Act provided for more stringent licensing criteria, substantially strengthened the licensing and regulatory authority of the Board, and provided for a system for collection of wagering taxes and fees for the City of Detroit and the State of Michigan.

The Board is comprised of five Michigan residents appointed by the Governor, with the advice and consent of the Senate. One member is designated by the Governor as the chairperson. Under the Act, no more than three members may belong to the same political party. The Michigan Legislature vested the Board with certain powers and duties specified in the Act, and such other powers necessary and proper to fully and effectively implement, administer and enforce the provisions of the Act relating to the licensing and regulation of authorized private commercial casino gaming in the city of Detroit.



Summary of the Michigan Gaming Control & Revenue Act

Michigan Gaming Control & Revenue Act, as amended (Public Act 69 of 1997):

- Authorizes up to three licensed casinos in the city of Detroit (MGM Casino was licensed in July 1999; MotorCity Casino was licensed in December 1999; Greektown Casino was licensed in November 2000).
- Creates the Michigan Gaming Control Board (a Type I agency within the Michigan Department of Treasury) and vests the Board with exclusive authority to license, regulate, and control casino gaming in the three authorized Detroit casinos.
- Authorizes the Board to promulgate necessary administrative rules to properly implement, administer and enforce the amended Act.
- Provides for the licensing, regulation, and control of casino gaming operations, manufacturers and distributors of gaming equipment and other casino suppliers, and casino and supplier employees.
- Establishes standards and procedures for the issuance of casino licenses, casino supplier licenses, and occupational licenses, and the approval of gambling games and gaming equipment and devices.
- Authorizes civil and criminal penalties for violation of the Act.
- Authorizes and imposes certain state and city wagering taxes on casinos and various fees on casino, supplier and occupational licensees.
- Requires the deposit of state casino wagering tax revenues in the state school aid fund for K-12 public education in Michigan.
- Authorizes the City of Detroit to levy and collect wagering taxes and municipal services fees to defray the cost of hosting casinos and provide funding for police training and public safety programs, local economic development programs, youth development programs, capital improvements, local tax relief, and other programs to improve the quality of life in the city of Detroit.

- Creates the state services fee fund to provide funding for the operations of the Board to license, regulate and control casino gaming; and for the state's compulsive gambling prevention program; and other casino-related programs.
- Requires annual Board registration of local labor organizations that represent casino gaming employees.
- Requires certain safeguards by casino licensees to prevent compulsive and underage gambling.
- Prohibits political contributions by certain persons with interests in casino and supplier license applicants and licensees to state and local political candidates and certain committees.
- Establishes certain requirements and safeguards for members, employees and agents of the Board, license applicants, licensees, and others involved in gaming to prevent conflicts of interest.





Michigan Gaming Control Board

The Michigan Gaming Control Board Board Members - 2008

Mr. Damian Kassab, Chairman



Mr. DAMIAN KASSAB

Mr. Kassab was reappointed by Governor Granholm to a term which expires on December 31, 2012. Mr. Kassab has served as the chairman of Warren Bank since 1997. Previously, Mr. Kassab formed an investment bank, Seger Financial, Inc. Mr. Kassab is a graduate of the University of Michigan, and has a law degree from the University of Colorado. Mr. Kassab resides in Rochester.

Hon. Benjamin Friedman



Hon. BENJAMIN FRIEDMAN

Honorable Benjamin Friedman of Huntington Woods, partner of Friedman & Lichterman, P.C. law firm and previous 45B District Court judge was reappointed for a term expiring December 31, 2011. He succeeds the Honorable Roman S. Gribbs whose term has expired.

Mr. Donald Robinson



Mr. DONALD ROBINSON

Mr. Robinson of Detroit, president of Donald L. Robinson & Associates consulting firm. The Governor appointed Mr. Robinson for a term expiring December 31, 2008. He was initially appointed to fill the vacancy of the late Judge Geraldine Bledsoe Ford.

Ms. Barbara Rom



Ms. BARBARA ROM

Ms. Rom of Bloomfield Hills, partner of Pepper Hamilton, LLP law firm in Detroit. Ms. Rom was reappointed for a term expiring December 31, 2011. She succeeds Ritchie T. Davis whose term has expired.

Mr. Michael Watza



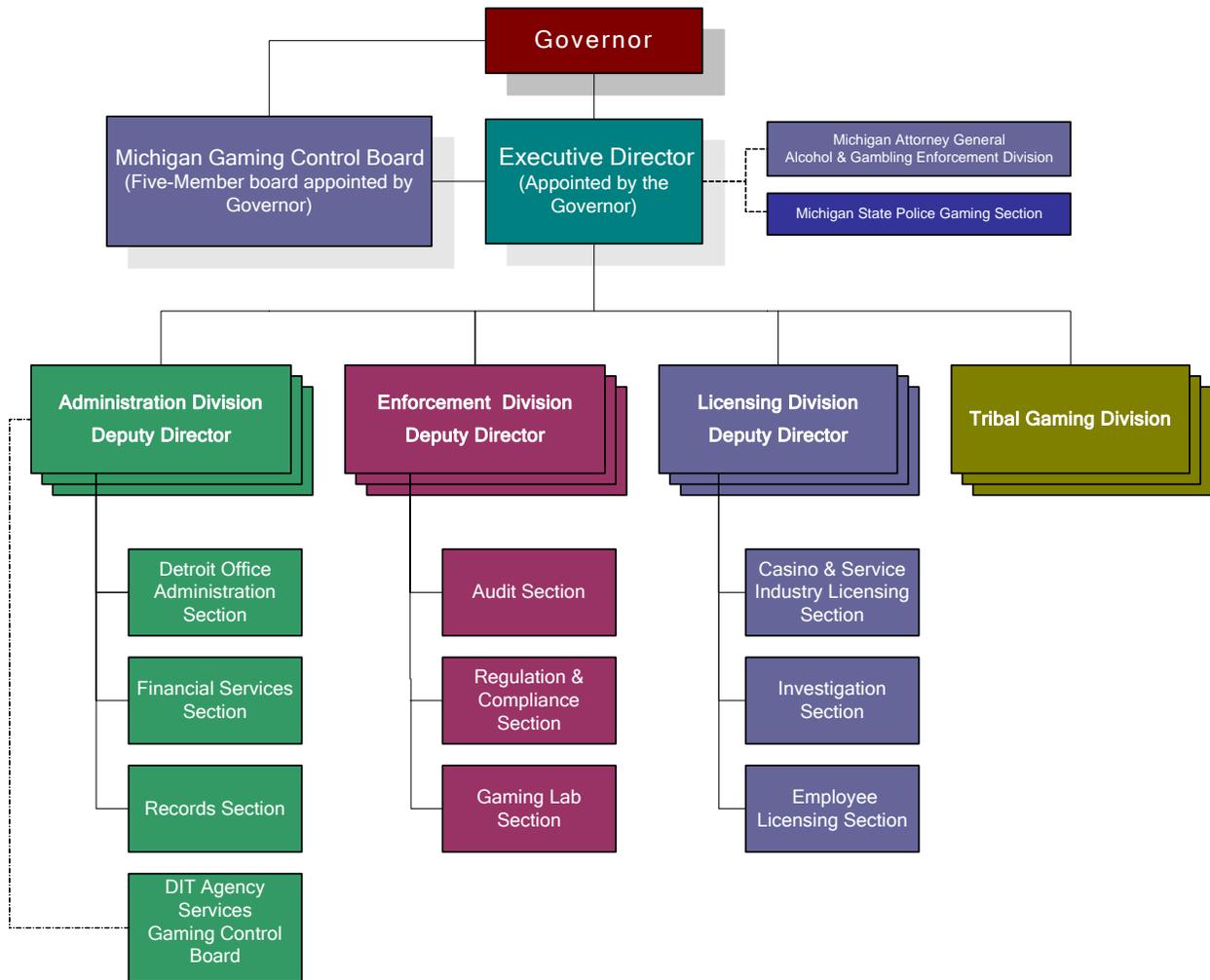
Mr. MICHAEL WATZA

Mr. Watza of Northville, partner of Kitch, Druthas, Wagner, Valitutti and Sherwood, is appointed for a term expiring December 31, 2010. He succeeds the Honorable Michael Stacy whose term has expired.





Organizational Chart





Michigan Gaming Control Board Staff

Executive Director.....(1)
 Executive Assistant(1)

Administration Division

Deputy Director(1)
 Executive Assistant.....(1)
 Accountant.....(1)
 Administrative Manager(1)
 Financial Manager(1)
 Budget Assistant.....(1)
 Departmental Analyst.....(1)
 Detroit Office Administrator.....(1)
 Detroit Office Secretaries.....(4)
 Document & Records Analyst.....(1)
 Document & Records Supervisor(1)
 Document & Records Technicians.....(4)
 Departmental Analyst.....(1)
 Information Systems Specialists.....(2)
 Information Systems Analysts(2)
 Information Systems Technician(1)
 Information Systems Program Manager.....(1)
 Database Administrator.....(1)
 Information Systems Programmer(1)
 Native American Gaming Lead Auditor.....(1)
 Native American Gaming Staff Auditor.....(1)
 Network Administrator(1)
 Procurement Analyst(1)
 Receptionists.....(2)
 Records Section Manager(1)

Enforcement Division

Deputy Director(1)
 Executive Assistant(1)
 Casino Audit Section Manager(1)
 Casino Compliance Section Managers.....(3)
 Casino Daily Operations Manager..... Vacant
 Gaming Lab Manager.....(1)
 Casino Auditors.....(9)
 Information Systems Auditor.....(1)
 Gaming Lab
 Equipment Technician.....(1)
 Gaming Laboratory Auditor Vacant
 Gaming Laboratory Engineers.....(2)
 Gaming Laboratory Secretary(1)
 Regulation Officers.....(22)

Licensing Division

Deputy Director(1)
Executive Assistant.....(1)
Casino & Service Industry Section Manager.....(1)
Employee Licensing Section Manager(1)
Investigation Section Manager(1)
Departmental Technician.....(1)
Financial Analysts.....(4)
Licensing Section Secretary(1)
Regulation Officers.....(15)

Michigan Attorney General, Alcohol & Gambling Enforcement Division

Division Chief(1)
Division Head Secretary(1)
First Assistant Attorney General(1)
Assistant Attorneys General(4)
Legal Secretaries(2)

Michigan State Police, Gaming Section

Inspector.....(1)
Secretary.....(1)
Detective First Lieutenant(1)
Administrative Sergeant.....(1)
Secretary.....(1)

Special Operations Unit
Detective Lieutenant.....(1)
Detective Sergeant.....(1)
Detective Specialists.....(5)

Casino Operation Unit
Detective Lieutenant.....(1)
Detective Sergeants.....(3)
Detective Specialists.....(12)



Activities of the Board

In calendar year 2008, the five-member Board was comprised of the following gubernatorial appointees:

- **Mr. Damian Kassab** was reappointed by Governor Granholm to a term that expires on December 31, 2012. Mr. Kassab serves as chairman.
- **Hon. Benjamin Friedman** was reappointed by Governor Granholm for a term expiring December 31, 2011.
- **Mr. Donald Robinson** was appointed by Governor Granholm for a term expiring December 31, 2008.
- **Ms. Barbara Rom** was reappointed for a term expiring December 31, 2011, by Governor Granholm.
- **Mr. Michael Watza** was appointed for a term expiring December 31, 2010, by Governor Granholm.

BOARD MEETINGS

From its inception, the Board has encouraged public input regarding its policies, procedures, and activities related to licensing and regulating the three authorized Detroit casinos. To conduct Board business, inform, and receive input from the public, the Board held eleven public meetings in 2008. At its public meetings, the Board not only conducted its official business, but also provided the public and news media with opportunities to ask questions and offer comment regarding casino gaming issues, and the Board’s relevant policies, procedures, and activities. The Board met at the Detroit Office located at the Cadillac Place, 3062 West Grand Boulevard, Suite L-700, on the following dates:

| | |
|---|---|
| January 2008* | August 12, 2008** |
| February 12, 2008** | September, 2008* Cancelled - Kwame Kilpatrick |
| March 11, 2008** | Hearing |
| April 8, 2008** | October 8, 2008** |
| May 13, 2008** | November 3, 2008** |
| June 5, 2008 - Special Meeting Greektown | December 17, 2008** |
| June 10, 2008** | |
| June 27, 2008 - Special Meeting Greektown | * No Meeting |
| July 2008* | **After public meeting, Board adjourned to Closed Session |

The Board adjourned to Closed Session after nine of the eleven public meetings, to review confidential materials that were part of casino license applications and applications for placement on the Board's Disassociated Persons List, and thus protected from public review and disclosure under Sections 4c and 25 of the *Michigan Gaming Control & Revenue Act*, as amended, Public Act 69 of 1997, MCL 432.204c and MCL 432.225(4)(c). The Board called two special meetings. There was no Closed Session after the two special meetings. Closed Sessions are not open to the public, nor are minutes of such sessions available to the public, under Michigan's Open Meetings Act, as amended, Public Act 267 of 1976. All Board meetings, whether open or closed, are held in accordance with Michigan's Open Meetings Act.

BOARD RESOLUTIONS

The Board adopted four resolutions in calendar year 2008:

Resolution No. 2008-01 (Adopted 06/10/2008) - A Board Resolution Acknowledging The Contributions and Accomplishments of Assistant Attorney General in Charge John "Jack" Cahill of the Michigan Office of the Attorney General.

Resolution No. 2008-02 (Adopted 06/05/2008) - A Board Resolution Authorizing the Attorney General to obtain Outside Counsel to Assist with representing the Board in Bankruptcy Proceedings filed by Greektown Casino, L.L.C. and its entities.

Resolution No. 2008-03 (Adopted 11/03/2008) - A Board Resolution Acknowledging The Contributions and Accomplishments of Board Member Donald Robinson And Commending Him For Distinguished and Honorable Service to the Michigan Gaming Control Board.

Resolution No. 2008-04 (Adopted 12/17/2008) - A Board Resolution Amending the Comp Program Provisions of Resolution 2006-01, Section IV (5) (a-d).



Notable Board Accomplishments

ADMINISTRATION DIVISION

Office Relocation

All staff and office functions have been relocated from the East Lansing office. This has resulted in 34 positions being relocated to Detroit and 18 positions (six of which are Department of Information Technology) being relocated to state offices in Lansing. Additionally, nine Attorney General positions have been relocated to other offices in Lansing and Detroit. To date, 27 of the 34 Michigan Gaming Control Board (MGCB) positions relocated to Detroit have been re-staffed.

The Casino & Service Industry Section, Investigations Section, and the Records Section are now located in Cadillac Place. The Records Section office and records storage area were completed last December. The Michigan State Police (MSP) Gaming Section office in Cadillac Place is scheduled for completion this summer. The MGCB Cadillac Place office remodel and reconfiguration should be completed by the end of this year.

With the relocation, the address for the MGCB main office is:

Michigan Gaming Control Board
3062 W. Grand Blvd.
Suite L-700
Detroit, MI 48202-6062
(313) 456-4100

Disassociated Persons Program

In 2008, the Board approved 257 applications from individuals requesting inclusion on the Disassociated Persons List. Since its inception in 2000, the Board has placed 2,057 individuals on the self-exclusion list.

Detroit Office

The Administration Division worked with the Governor's Office and the Department of Management and Budget to accommodate the Detroit Mayor hearing, Detroit Public Schools Hearing, and the Insurance Advocates Hearing. In addition, accommodations were made for five MGCB administrative hearings and 11 monthly and special Board meetings.

The Detroit Administration Section was heavily involved in and spent many hours on the office relocations to the Cadillac Place building and the build out of the satellite offices in the casinos.

Records Section

The Records Section renovation combined the East Lansing and Cadillac Place records rooms and offices to the concourse level of Cadillac Place.

During 2008, the Records Section processed:

- 393 Freedom of Information requests/Background checks
- 377,602 Pages posted to the agency document management system
- 32,338 Scanned batches
- 1,370 New applications added to the agency document management system
- 2,933 Renewal applications added to the agency document management system
- 5,726 Compliance records filed
- 9,084 Inactive “paper” files were destroyed

Michigan Department of Information Technology

The Information Technology staff assigned to the MGCBC purchased two new application servers. These servers were included in the relocation of the MGCBC server network from the East Lansing office to the new Lansing office in the Lottery Building in October of 2008. This major undertaking took months of planning and preparation and was completed with a minimal downtime of less than four hours during a weekend evening. Additionally, the office relocations required moving computers, network equipment, and network reconfigurations.

A new case management system was developed and implemented during the fall of 2008, and an information portal was developed and implemented that generates notifications to staff for event driven processing.

Indian Gaming Section

The Indian Gaming Section is charged with duties that oversee the Tribal Casinos as laid out in the Tribal-State Compacts that provide Native American tribes to operate casinos in Michigan. There are four staff positions assigned to this section which perform this mission.

The Indian Gaming Section conducts audits, inspections, and verifications to ensure accurate computation of casino slot net win totals. These oversight activities ensure accurate payments to local revenue sharing boards, local units of state government, and the Economic Development Corporation and payments to the Michigan Strategic Fund pursuant to the terms of Tribal-State Class III Gaming Compacts and Federal Consent Decrees.

Net win and payment verifications were regularly conducted at all 19 tribal gaming casinos. There are 17,229 tribal casino slot machines within the 19 tribal casinos that generate \$1.1 billion in revenue.

The Indian Gaming Section, as the 20th tribal casino opens in August, will be hiring additional staff in 2009. New auditors will handle the increase in the total number of tribal casino slot machines and oversight; the Battle Creek FireKeepers casino will be opening in 2009, and the new Gun Lake Tribe's casino in 2010 or 2011.

ENFORCEMENT DIVISION

Audit Section

The Audit Section has completed audit fieldwork for nine of the 12 planned compliance audits at each of the three Detroit casinos for 2008. Audit staff are currently completing the fieldwork for the remaining three audits, which includes: Table Games, Electronic Game Devices, and Accounting. Final reports for all audits will be issued by the end of first quarter in 2009. The Audit Section is continuing in its efforts to meet the yearly performance goal for review of casino wagering tax receipts. Licensee financial information is reviewed and analyzed on a monthly and quarterly basis.

Gaming Lab Section

The Gaming Lab continues to play a critical role in the mission of the Board by testing and analyzing all gaming devices and equipment, reviewing casino requested internal control changes, and assisting in investigations to help ensure the integrity of casino games and accurate reporting of gaming revenue.

During 2008, this section:

- Resolved 2,621 gaming device submissions, assignments, tests, and reports.
- Processed 95 request for casino internal control changes.
- Developed procedures and provided training on new methods of performing field verification that will save the Board and the casino licensees many hours each year.
- Designed and monitored complex audit of a casino licensee's slot accounting system and related internal controls that ensure proper reporting of gaming revenue.
- Coordinated with the Department of Treasury and the Attorney General's office to finalize the escheatment of unredeemed ticket voucher funds to the state in accordance with the Michigan Unclaimed Property Act. Previously unrecognized revenues for the state are expected to be in excess of \$500,000 per year by 2012.
- Assisted the Attorney General's, Revenue and Collections Division, with two personal income tax cases involving regulated gaming.

- Assisted the MSP, Michigan Liquor Control Commission, and local law enforcement departments with multiple cases involving unlicensed gaming operations and potentially illegal games.
- Joined the special joint task force to better understand, coordinate, and control unlicensed gaming operations.
- Provided financial accounting expertise in the highly complicated and very public case of bankruptcy involving a casino licensee.

Regulation & Compliance Section

This section continues to carry out the seven days a week, 24 hours a day, monitoring of the casinos' responsibilities to ensure gaming integrity. The regulation officers assigned to this section are located in the three Detroit casinos and are authorized by the Act to investigate alleged violations of the Act and the Administrative Rules, and system of internal controls to ensure that all casino facilities, activities, and games are in compliance.

During 2008, this section:

- Initiated more contact with the public and licensees by opening MGCB satellite offices within the respective casinos.
- Investigated and resolved 62 patron complaints regarding the conduct of gaming at a Detroit casino.
- Reviewed and approved 15 new rules for games at a Detroit casino.
- Administered 99 surveillance alteration request investigations regarding the addition, deletion, or modification of the surveillance coverage at a Detroit casino. Additionally, the section reviewed and approved the transition from an analog to a digital surveillance system at two of the casinos.
- Coordinated and cooperated in 18 investigations involving the MSP, Michigan Liquor Control Commission, and the local police department, among others, which involved a casino, supplier, or occupational licensee.
- Investigated 27 manufacturer notifications regarding the revocation or withdrawal of software or hardware that was defective, malfunctioned, or otherwise had a detrimental impact on the conduct of gaming operations at a Detroit casino.
- Electronically tested slot machines at the Detroit casinos to verify the gaming software was approved and in compliance with the Act and Administrative Rules.
- Conducted electronic testing on slot machines, including the EPROM and other data. This included the jackpots of \$100,000 or more on 11 slot machines to ensure they were not compromised and fair and honest gaming standards are maintained.
- Verified the reporting and accountability of cash and cash equivalents at all three Detroit casinos by conducting unannounced financial counts of all cage and cage departments.
- Identified noncompliance with the Act and Administrative Rules, *to wit:*

Formal disciplinary proceedings that required the Attorney General's office to draft complaints against casino, supplier, and/or occupational licensees were finalized on 13 occasions. The disciplinary actions ranged in fines from \$100 to \$30,000. Other penalties

included warning letters, license revocations, license suspensions, System of Internal Control changes, and required computer software changes. Six actions are pending.

LICENSING DIVISION

In September 2008, the Licensing Division was relocated from East Lansing to the Cadillac Place in Detroit, which resulted in a large turnover in staff. In calendar year 2008, 50 percent of the Licensing Division staff were replaced with new employees, and two new section managers were hired for the Investigations and Casino and Services Industry Sections. In addition to new managers, the executive director appointed a new deputy director and a new senior executive management assistant. There are currently two financial analyst, two regulation officer, and one departmental technician position vacancies. These positions will be filled by the end of the first quarter of 2009.

Employee Licensing Section

The Detroit casinos and related suppliers employ approximately 8,000 personnel in positions that require an occupational license. The Employee Licensing Section has successfully investigated and licensed over 98 percent of those employees. The remaining employees were issued temporary licenses pending completion of a background investigation.

During 2008, this section:

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

The average number of days from receipt of an occupational license application to license grant recommendation to the Board or executive director during 2008 was:

- Level 1 applications - 12 days
- Level 2 applications - 15 days
- Level 3 applications - 9 days

Investigations Section

In 2008, the Investigation Section experienced a great deal of employee turnover. This was marked with the filling of the section manager position and the additional hiring of new regulation officers. In addition, the financial analysts positions were moved from the Investigation Section to the Casino and Service Industry Section.

Casino & Service Industry Section

This section hired three financial analysts, a section secretary, and three departmental technicians. Also, there was an internal promotion to replace the manager of the Casino & Service Industry Section.

At the end of 2008, the Casino & Service Industry Section, through the executive director, had issued 3,161 active Vendor Exemptions. During 2008, the Casino and Service Industry Section completed 25 Transfers of Interest.

Vendor & Supplier End of the Year Totals

The numbers listed below are a combined effort of total investigations completed by the Investigations Section and the Casino and Service Industry Section. The Licensing Division issued approximately 214 supplier licenses.

During 2008, the following were issued:

- 224 Supplier License Exemptions
- 54 Temporary Non-Gaming Supplier Licenses
- 104 Licensed Non-Gaming Supplier Licenses
- 18 Temporary Gaming Supplier Licenses
- 38 Licensed Gaming Supplier Licenses

Also included:

- 2 Institutional Investors Licenses
- 38 Initial Supplier Licenses
- 31 Supplier License Renewals
- 11 Supplier License Withdrawals
- 24 Initial Qualifying Businesses
- 14 Qualifying Business Renewals
- 147 Initial Qualifying Individuals
- 67 Qualifying Individual Renewals

The following applications were denied:

- 3 Supplier Licenses
- 4 Qualifying Individuals



Minors and Compulsive Gambling

ANNUAL UNDERAGE AND COMPULSIVE GAMBLING STUDIES

Section 15(2) of the Act, MCL 432.215(2) requires that each casino licensee conduct an annual study on minors and compulsive gaming. Section 15(1) of the Act further requires that the Board include certain information regarding minors on casino premises, which each licensee must compile as part of their annual study. Following is a summary chart of the required information compiled and reported by each of the three Detroit casino licensees in their respective annual studies on minors and compulsive gaming for calendar year 2008.

Casino Licensees' Reported Contacts with Minors
on Licensed Casino Premises
During Calendar Year 2008

| | MGM Grand 1/1/08 - 12/31/08 | MotorCity 1/1/08 - 12/31/08 | Greektown 1/1/08- 12/31/08 |
|---|--------------------------------|--------------------------------|-------------------------------|
| 1. The number of minors who were denied entry into the casino. | 5573 | 2884 | 748 |
| 2. The number of minors who were physically escorted from the casino premises. | 1618 | 1 | 3 |
| 3. The number of minors who were detected participating in gambling games other than slot machines. | 6 | 0 | 0 |
| 4. The number of minors who were detected using slot machines. | 2 | 0 | 0 |
| 5. The number of minors who were taken into custody by a law enforcement agency on the casino premises. | 23 | 1 | 2 |
| 6. The number of minors who were detected illegally consuming alcohol on the casino premises. | 2 | 0 | 1 |



Board Revenues and Expenditures

STATE SERVICES FEE FUND

Section 432.212a of Public Act 69 of 1997 provides that all casino-related regulatory and enforcement costs, compulsive gambling programs, and other casino-related programs, activities, and services conducted by the Board, the Michigan Department of State Police, the Michigan Department of Attorney General, the Michigan Department of Community Health, and other state agencies shall be paid from annual fees assessed on the three Detroit casino licensees. Under the Act, each casino licensee is required to pay an annual assessment fee on or before the date on which the licensee first began operating its casino and each year, thereafter, on that date. The amount of each licensee's annual assessment is equal to 1/3 of \$25,000,000 adjusted annually by multiplying the previous year's assessment by the Detroit consumer price index, as defined and reported by the United States Department of Labor, Bureau of Labor Statistics. Based on this formula, each of the three Detroit casino licensees were assessed and paid a total of \$30,549,952 for calendar year 2008 and \$30,191,427 for fiscal year 2008.

From the annual assessment fees paid each year by the licensees, \$2,000,000 must be deposited in the state's Compulsive Gaming Prevention Fund. Up to \$1,040,000 may be distributed annually to the Domestic Violence and Treatment Board administered by the Department of Human Services. The remaining \$960,000 is to be used exclusively for the treatment, prevention, education, training, research, and evaluation of compulsive gamblers and their families, as determined by the director of the Michigan Department of Community Health.

APPLICATION AND LICENSE FEES, FINES AND COSTS

The Board is authorized by the Act to collect various license application fees to fund the Board's cost of conducting required background investigations of applicants for casino, supplier, and occupational licenses. After an applicant is determined eligible and suitable for licensure, the Act authorizes the Board to assess and collect license fees for both the initial issuance and subsequent renewals of casino, supplier, and occupational licenses. In addition to application and license fees, the Act authorizes the Board to order reimbursement of investigative costs and to impose fines as disciplinary actions to penalize violators of the Act or Administrative Rules of the Board. The Board collected application and license fees and other authorized fees, fines, and reimbursement of costs totaling \$2,625,835 for calendar year 2008 and \$2,871,254 for fiscal year 2008.

BOARD STATEMENT OF REVENUES AND EXPENDITURES

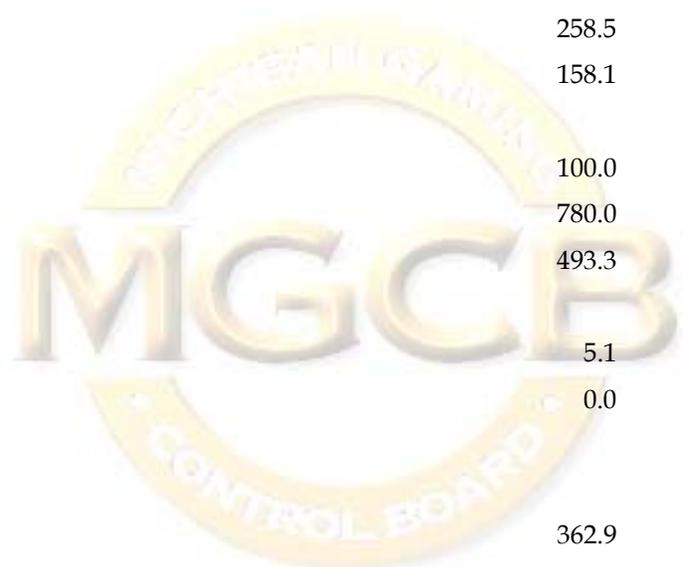
Section 432.215(1) of Public Act 69 of 1997 requires that the Board's Annual Report include an account of the Board's financial position and the results of operations under the Act, for the period covered by the report. While the Board, like other state agencies, operates on a fiscal year (October 1 - September 30) basis, the Act requires that the Board's Annual Report be based on the calendar year. To give a more comprehensive account of the Board's financial position and the results of operations, the following financial statement reports the Board's revenues and expenditures for both calendar year and fiscal year 2008.



Statement of Revenues and Expenditures
(In Thousands)

REVENUES

| State Casino Gaming Fund | <u>Fiscal Year 2008</u> | <u>Calendar Year 2008</u> |
|--|--------------------------------|----------------------------------|
| Casino and supplier fines | \$ 355.1 | \$ 335.1 |
| Other | 0.4 | 0.4 |
| State Services Fee Fund | | |
| Annual assessments | 30,191.4 | 30,550.0 |
| Application fees: | | |
| Casinos | 201.5 | 201.5 |
| Suppliers | 258.5 | 218.5 |
| Occupational | 158.1 | 140.2 |
| License fees: | | |
| Casinos | 100.0 | 75.0 |
| Suppliers | 780.0 | 715.0 |
| Occupational | 493.3 | 456.9 |
| Other fees: | | |
| Badge replacement fees | 5.1 | 4.5 |
| Other | 0.0 | 0.0 |
| Native American Casino Fund | | |
| Oversight fees | 362.9 | 375.3 |
| Other | 0.0 | 0.0 |
| Lab Fund | | |
| Testing fees | 519.4 | 478.8 |
| Total Revenues | <u>33,425.7</u> | <u>33,551.2</u> |



EXPENDITURES**State Services Fee Fund**

| | | |
|---------------------------|----------|----------|
| Board | 7.4 | 16.2 |
| Administration | 15,850.6 | 17,732.1 |
| Background investigations | 618.0 | 613.8 |
| Information technology | 1,290.0 | 1,349.0 |

| | | |
|------------------------------------|-------|-------|
| Native American Casino Fund | 360.6 | 339.3 |
|------------------------------------|-------|-------|

| | | |
|-----------------|-------|-------|
| Lab Fund | 516.0 | 521.9 |
|-----------------|-------|-------|

| | | |
|---------------------------|-----------------|-----------------|
| Total Expenditures | 18,642.6 | 20,572.3 |
|---------------------------|-----------------|-----------------|

OTHER FINANCING SOURCES (USES)

| | | |
|------------------------------------|-----|-----|
| Transfers from other funds: | 0.0 | 0.0 |
|------------------------------------|-----|-----|

Transfers to other funds:**State Services Fee Fund**

| | | |
|--|-----------|-----------|
| Department of Community Health | (2,000.0) | (2,000.0) |
| Michigan Office of the Auditor General | (926.9) | (463.5) |
| Department of Treasury | (170.2) | (170.2) |
| Department of Agriculture | (8,630.9) | (8,630.9) |
| Department of Civil Service | (69.7) | (69.7) |
| Human Resources Optimization | (5.8) | (5.8) |
| History, Arts, and Libraries | (11.6) | (11.6) |

| | | |
|------------------------------------|-------|-------|
| Native American Casino Fund | (2.3) | (2.3) |
|------------------------------------|-------|-------|

| | | |
|-----------------|-------|-------|
| Lab Fund | (3.4) | (3.4) |
|-----------------|-------|-------|

| | | |
|---|-------------------|-------------------|
| Total Other Financing Sources (Uses) | (11,820.8) | (11,357.4) |
|---|-------------------|-------------------|

Excess of Revenues and Other Sources over

| | | |
|--|-------------------|-------------------|
| (under) Expenditures and Other uses | \$ 2,962.3 | \$ 1,621.5 |
|--|-------------------|-------------------|

Footnotes:

1. Approval for calendar year presentation was received from the Department of Management and Budget, Office of Financial Management.
2. Governmental fund types are accounted for using the modified accrual basis of accounting.



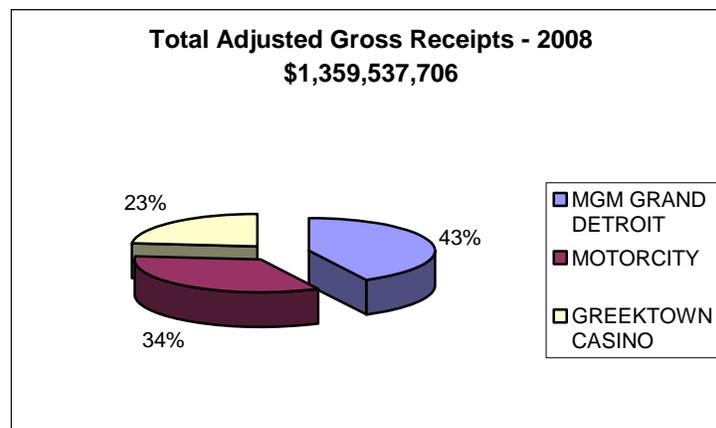
Casino Revenues and State Wagering Taxes

STATE CASINO WAGERING TAX

Section 432.212 of Public Act 69 of 1997 imposed an 8.1 percent State Wagering Tax on the adjusted gross receipts received by each Detroit casino licensee from casino gaming authorized by the Act. The Act defines “adjusted gross receipts” as being the licensee’s gross gaming receipts less winnings paid to wagerers. The 8.1 percent is deposited in the State’s School Aid Fund to provide additional funds for K-12 public classroom education. Public Act No. 306 of 2004 amended the original Act. Effective September 1, 2004, the State Wagering Tax was temporarily increased by 4 percent to 12.1 percent. Of the additional 4 percent, 3.5 percent is deposited in the State’s General Fund and .5 percent is deposited in the Michigan Agriculture Equine Industry Development Fund. The MGM and Motor City Casinos are no longer required to pay the additional 4 percent wagering tax due to the opening of their permanent casinos and hotels.

In calendar year 2008, the combined 8.1 percent State Wagering Taxes paid by the Detroit casino licensees and deposited in the School Aid Fund totaled \$110,189,484. The 3.5 percent State Wagering Taxes deposited in the General Fund totaled \$11,015,227. The .5 percent State Wagering Taxes deposited in the Michigan Agriculture Equine Industry Development Fund totaled \$1,573,604 for the same period.

The following is a monthly and annual summary of the adjusted gross receipts and State Wagering Tax payments for the three Detroit casino licensees for calendar year 2008:



Casino Revenues & Wagering Taxes 2008

| Calendar Year 2008 | | | | | | | | |
|--------------------|-------------------------|----------------------------|-------------------------|----------------------------|-------------------------|-----------------------------|-------------------------------|---|
| | MGM GRAND DETROIT | | MOTORCITY CASINO | | GREEKTOWN CASINO | | All Detroit Casinos | |
| Month | Total Adjusted Revenue | State Wagering Tax (8.1%)* | Total Adjusted Revenue | State Wagering Tax (8.1%)* | Total Adjusted Revenue | State Wagering Tax (12.1%)* | Total Adjusted Gross Receipts | Total State Wagering Tax (8.1% - 12.1%) |
| January | \$46,637,248.81 | \$3,777,617.15 | \$39,366,692.84 | \$4,763,369.83 | \$27,534,937.58 | \$3,331,727.45 | \$113,538,879.23 | \$11,872,714.43 |
| February | \$47,021,788.41 | \$3,808,764.86 | \$38,326,971.88 | \$4,637,563.60 | \$26,999,351.20 | \$3,266,921.50 | \$112,348,111.49 | \$11,713,249.95 |
| March | \$50,217,833.17 | \$4,067,644.49 | \$41,307,354.29 | \$1,489,138.28 | \$32,230,050.35 | \$3,899,836.09 | \$123,755,237.81 | \$9,456,618.86 |
| April | \$46,864,254.06 | \$3,796,004.58 | \$40,703,507.79 | \$1,982,866.29 | \$28,572,470.64 | \$3,457,268.95 | \$116,140,232.49 | \$9,236,139.82 |
| May | \$52,973,612.49 | \$4,290,862.61 | \$41,948,166.18 | \$3,397,801.46 | \$28,131,129.20 | \$3,403,866.63 | \$123,052,907.87 | \$11,092,530.71 |
| June | \$48,671,864.67 | \$3,942,421.04 | \$38,097,328.05 | \$3,085,883.57 | \$23,227,140.19 | \$2,810,483.96 | \$109,996,332.91 | \$9,838,788.57 |
| July | \$50,536,188.66 | \$4,093,431.28 | \$39,579,086.48 | \$3,205,906.00 | \$25,423,936.01 | \$3,076,296.26 | \$115,539,211.15 | \$10,375,633.54 |
| August | \$50,078,510.07 | \$4,056,359.32 | \$41,065,015.38 | \$3,326,266.25 | \$26,823,123.82 | \$3,245,597.98 | \$117,966,649.27 | \$10,628,223.54 |
| September | \$44,797,052.83 | \$3,628,561.28 | \$36,110,657.12 | \$2,924,963.23 | \$25,216,180.44 | \$3,051,157.83 | \$106,123,890.39 | \$9,604,682.34 |
| October | \$48,411,365.36 | \$3,921,320.59 | \$37,899,452.25 | \$3,069,855.63 | \$24,743,552.30 | \$2,993,969.83 | \$111,054,369.91 | \$9,985,146.06 |
| November | \$46,459,443.35 | \$3,763,214.91 | \$35,603,573.52 | \$2,883,889.46 | \$23,514,418.38 | \$2,845,244.62 | \$105,577,435.25 | \$9,492,348.99 |
| December | \$45,590,856.65 | \$3,692,859.39 | \$34,970,899.50 | \$2,832,642.86 | \$23,882,692.09 | \$2,889,805.74 | \$104,444,448.24 | \$9,415,307.99 |
| Total | \$578,260,018.53 | \$46,839,061.50 | \$464,978,705.28 | \$37,600,146.46 | \$316,298,982.20 | \$38,272,176.85 | \$1,359,537,706.02 | \$122,711,384.81 |

* The tax roll-back for MGM & Motor City with a rate of 8.1% for the State of Michigan and 10.9% for the City of Detroit, was effective as of October 3, 2007 & and December 31, 2007 respectively.





Michigan Gaming Control Board

Appendix 1: Michigan Attorney General, Alcohol & Gambling Enforcement Division

Introduction

The Alcohol & Gambling Enforcement Division within the Department of the Attorney General's Office was created in 2002. Since that time, it has advised and represented the following diverse group of state agencies: Michigan Gaming Control Board, Bureau of State Lottery, Liquor Control Commission, various units of both the Michigan State Police and the Department of Treasury, and the Racing Commissioner. 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.

On a daily basis, 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 Act. These activities include providing legal assistance to Gaming Control Board and state police investigators conducting background, regulatory, and/or criminal investigations. 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 short, the Attorney General provides legal counsel to the Board and its staff to:

- Ensure that all required casino taxes and fees are collected and properly remitted to the state and the City of Detroit.
- Ensure the casinos and licensees are accountable for violations of the Act and Administrative Rules.
- Ensure that competent and well qualified persons manage the casinos.
- Ensure there are viable operating and revenue generating casinos.

Summary of Activity

In 2008, the Attorney General's, Alcohol & Gambling Enforcement Division continued to receive daily requests for advice from the staff of the Board. The pending Chapter 11 bankruptcy of Greektown Casino has been particularly time consuming. This bankruptcy has required numerous hours of legal representation and consultation with the Board and its staff. The Attorney General is maintaining the Board's ongoing regulatory authority and protecting the integrity and viability of casino gaming in Michigan.

Weekly meetings with gaming Board staff are often and regular. The Attorney General's office works closely with the Board's Enforcement and Licensing Divisions. For instance, the Attorney General handled transactional law assignments for the Board this period involving total transactional money values well over 1.2 billion.

The Attorney General assisted in each of the enforcement and/or licensing matters referenced in this report. Just this year, it has had over 100 requests for advice concerning licensing and enforcement matters. This does not include the numerous times the Attorney General's office was consulted verbally or informally for advice.

The Attorney General's office representation this year has resulted in the assessment of over \$820,000 in disciplinary fines against licensees. Assistant Attorney Generals have advised and drafted over 125 orders, letters, and summary suspensions for the Board this period. Attorney General assistants also prosecute all administrative enforcement cases for the Board, wherein contested case hearings occur before administrative law judges.

New this year has been the creation of a gambling enforcement task force to address illegal forms of gambling in the state. Members of this group include: The Gaming Control Board, Liquor Control Commission, Attorney General, Michigan State Police, Department of Treasury and the Bureau of State Lottery. The purpose of the group is to educate local police about illegal gambling and the need to regulate and enforce the laws in the state. The Attorney General has helped take the lead with this task force assignment.

Through the Alcohol and Gambling Enforcement Division, the Attorney General takes action against businesses engaged in illegal gambling. For instance, one such pending lawsuit the Attorney General filed against Power Pick Player's Club of Michigan, Inc., alleges, they are conducting an illegal gambling business that potentially siphons funds from the School Aid Fund. The Attorney General also closely assists the State Police and the Liquor Control Commission with the lawful seizure of illegal gambling devices sometimes found in bars and restaurants across the State.

Finally, the Attorney General through its Criminal Division prosecutes all casino related crimes. During this period, as reflected by the figures below in the State Police portion of this report, the Attorney General's Alcohol & Gambling Enforcement Division has charged and prosecuted over 230 individuals for criminal violations of the Penal Code and Gaming Act. These charges included crimes of larceny, cheating, fraud, counterfeiting and trespassing.



Appendix 2 - Michigan State Police - Gaming Section

Introduction

Since its inception, the Michigan State Police (MSP) Gaming Section has undergone several transformations. In 1997, the sole function of the Gaming Section was to conduct the complex, in-depth background investigations relative to the ownership of the three Detroit casinos. An Enforcement Unit was added to the Gaming Section in 1999 to provide a law enforcement role inside the casinos. The Enforcement Unit provided for criminal law enforcement and assisted the Board in ensuring compliance with its administrative regulations. In 2001, the Investigative Unit of the Gaming Section was eliminated with that function being completed by regulation officers of the Board. MSP Gaming Section's primary role shifted to law enforcement, both criminal and regulatory, while continuing to provide limited background investigation assistance to the Board's Licensing Division. As the MGCB and the Gaming Section expanded, roles were further refined. Board's regulation officers provided for regulatory enforcement with assistance, upon request, from the Gaming Section. This change has allowed the Gaming Section to focus its attention on the MSP's more traditional role of criminal law enforcement. In 2006, the Gaming Section established the Special Operations Team (SpOT) to respond to developing crime trends, particularly illegal gambling outside of the casinos and money laundering inside the casinos.

Summary of Activity

Operating from the Cadillac Place office at 3062 W. Grand Boulevard, Suite L-700, in Detroit, the Gaming Section rotates their patrols between the three casinos.

During 2008, the Gaming Section effected 307 arrests. These included felony arrests for cheating at gaming, fraudulent activities, larceny, dealer/patron collusion, and conspiracy. Misdemeanor arrests included charges of underage gambling, minor in possession of alcohol, and trespass by disassociated persons. Additionally, fugitive arrests were made satisfying 59 fugitive warrants.

In all, the Gaming Section conducted 699 criminal complaint investigations during 2008. The largest numbers of investigations were of gambling violations, fraudulent activities and counterfeit currency. Counterfeit money continues to surface at Detroit-based casinos. The Gaming Section responded to 235 complaints of patrons in possession of counterfeit money, and seized \$13,110 in counterfeit currency. Additionally, the three casinos identified another \$17,230 in counterfeit currency within their cash cages. The total amount of counterfeit currency turned over to the U.S. Secret Service from the casinos during 2008 was \$30,340. Investigators continue to track occurrences via an in-house database to identify patterns and people. Most individuals are found to be in possession of a single counterfeit bill and maintain they received the money from stores, banks, and other casinos during legitimate business transactions. However, one individual was arrested for possessing fifteen counterfeit \$100 bills. This case is pending Attorney General authorization of criminal charges.

The Disassociated Persons List currently consists of 2,057 individuals. Disassociated persons are excluded for life from frequenting the casinos. Violating the exclusion is a misdemeanor offense and not only subjects the disassociated person to arrest, but also to forfeiture of all gambling “winnings” in their possession. The Board and the Attorney General’s office reinterpreted the Act and promulgated rules pertaining to this forfeiture of funds, which has significantly reduced the amount of funds seized and allows the casino to retain those proceeds. During 2008, the Gaming Section conducted 120 investigations of disassociated persons. Gambling proceeds in the amount of \$27,536.75 were seized, forfeited, and turned over to the Michigan Department of Community Health, Compulsive Gambling Prevention Fund.

The MSP and the Board, in conjunction with the City of Detroit Fire Department, are responsible for emergency management training at the casinos and are required to annually train licensed casino security and surveillance personnel in critical incident management. The training is designed to prepare casino surveillance and security personnel in the proper procedures to follow in the event of a fire, robbery attempt, bomb threat, Weapons of Mass Destruction incident, medical emergency, or other major emergency. Each of the three casinos participated in tabletop exercises, fulfilling their training requirement.



Complaints Initiated – Casino Operations

In 2008, MSP Gaming Section Casino Operations initiated 661 complaint investigations. The following is a breakdown of the complaints at each casino.

| | Complaints Initiated | | Complaints Initiated |
|---------------------------------|---------------------------------|-------------------------|---------------------------------|
| MGM Grand Detroit Casino | | MotorCity Casino | |
| Larceny | 7 | Larceny | 6 |
| Counterfeit Currency | 68 | Counterfeit Currency | 85 |
| Money Laundering | 0 | Money Laundering | 1 |
| Fraudulent Activities | 32 | Fraudulent Activities | 35 |
| Embezzlement | 3 | Embezzlement | 0 |
| MDOP | 7 | MDOP | 2 |
| Gambling Violations | 65 | Gambling Violations | 11 |
| Disassociated Persons | 58 | Liquor Violations | 0 |
| Liquor Violations | 1 | Disassociated Persons | 31 |
| All others | 40 | All others | 29 |
| Total | | Total | |
| | 281 | | 200 |

| | | | |
|------------------------|----|------------------------|----|
| Assists Other Agencies | 78 | Assists Other Agencies | 91 |
|------------------------|----|------------------------|----|

| | Complaints Initiated |
|-------------------------|---------------------------------|
| Greektown Casino | |
| Larceny | 8 |
| Counterfeit Currency | 82 |
| Money Laundering | 3 |
| Fraudulent Activities | 20 |
| Embezzlement | 2 |
| MDOP | 2 |
| Gambling Violations | 15 |
| Disassociated Persons | 31 |
| Liquor Violations | 1 |
| All others | 16 |
| Total | |
| | 180 |

| | |
|------------------------|----|
| Assists Other Agencies | 87 |
|------------------------|----|

Arrests - Casino Operations

In 2008, the Gaming Section's Casino Operations personnel arrested 300 individuals resulting in 322 charges.

The following is a breakdown of the charges and the number of persons arrested under each charge and listed by casino. **Figures are computed as counting all charges for each person arrested; i.e., one person may be listed under both Gambling Offense and Conspiracy if they were charged with both offenses at the time of their arrest.

| MGM Grand Detroit Casino | Arrests | Charges |
|-----------------------------------|----------------|----------------|
| Assault & Battery | 1 | 1 |
| Larcenies | 3 | 3 |
| Forgery | 0 | 0 |
| Conspiracy | 0 | 0 |
| Fraudulent Activities | 22 | 22 |
| Malicious Destruction of Property | 4 | 4 |
| Retail Fraud | 1 | 1 |
| Narcotics | 1 | 1 |
| Gambling Offenses | 26 | 27 |
| Liquor Violations | 2 | 2 |
| Fugitives | 17 | 17 |
| Disassociated Person/Trespassing | 50 | 51 |
| Other | 4 | 4 |
| Total | 131 | 133 |

| Greektown Casino | Arrests | Charges |
|-----------------------------------|----------------|----------------|
| Assault & Battery | 0 | 0 |
| Larcenies | 3 | 3 |
| Forgery | 1 | 1 |
| Conspiracy | 0 | 0 |
| Fraudulent Activities | 9 | 11 |
| Malicious Destruction of Property | 0 | 0 |
| Retail Fraud | 0 | 0 |
| Narcotics | 0 | 0 |
| Gambling Offenses | 8 | 8 |
| Liquor Violation | 1 | 1 |
| Fugitives | 12 | 18 |
| Disassociated Person/Trespassing | 30 | 30 |
| Other | 2 | 3 |
| Total | 66 | 75 |

| MotorCity Casino | Arrests | Charges |
|-----------------------------------|----------------|----------------|
| Assault & Battery | 0 | 0 |
| Larcenies | 4 | 4 |
| Forgery/Counterfeiting | 4 | 4 |
| Conspiracy | 8 | 8 |
| Fraudulent Activities | 23 | 24 |
| Malicious Destruction of Property | 2 | 2 |
| Retail Fraud | 0 | 0 |
| Narcotics | 0 | 0 |
| Gambling Offenses | 11 | 18 |
| Liquor Violation | 0 | 0 |
| Fugitives | 19 | 21 |
| Disassociated Person/Trespassing | 31 | 32 |
| Other | 1 | 1 |
| Total | 103 | 114 |

Special Operations

The Special Operations Team (SpOT) assisted MSP Casino Operations personnel with complex investigations stemming from activity within the three Detroit casinos, as well as investigating complaints of illegal gambling outside the casinos. Any casino-style gambling outside of the Detroit or Native American casinos that are not authorized by Charitable Gaming law are considered illegal and a violation of the Act.

SpOT often works in conjunction with the Michigan Liquor Control Commission and the Michigan Bureau of State Lottery in the investigation of illegal gambling, which often occurs in licensed liquor establishments that are also authorized lottery sites.

During 2008, SpOT activity included:

| | |
|--------------------------------|----------|
| Surveillances Initiated | 23 |
| Complaints Originated | 38 |
| Tips In | 44 |
| Tips Out | 1 |
| Trash Pulls | 1 |
| Search Warrants | 11 |
| Felony Arrests | 4 |
| Misdemeanor Arrests | 0 |
| Fugitive Arrests | 3 |
| Money Forfeited | \$40,182 |
| Value of Other Items Forfeited | \$14,800 |
| Number of Machines Seized | 31 |
| Assists to Other Agencies | 31 |
| LCC Violations | 36 |
| Warrants Requested | 20 |



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