



**RICK SNYDER**  
GOVERNOR

STATE OF MICHIGAN  
**MICHIGAN GAMING CONTROL BOARD**  
DETROIT

**RICHARD S. KALM**  
EXECUTIVE DIRECTOR

July 29, 2013

Dear Licensed Supplier and/or Qualified Organization,

In June 2012, the Governor transferred the regulatory responsibility of millionaire parties to the Michigan Gaming Control Board (MGCB) from the Bureau of State Lottery (Lottery). Since the transfer, the MGCB has conducted over 900 on-site and post-inspections of different qualified organizations (charities) resulting in nearly 300 violations to the charities and suppliers involved. Many of these violations are the result of the operators of the event violating the Bingo Act, rules or other state laws. However, the licensed charities are held responsible for the management of the event, thus are sanctioned for these violations.

The MGCB has also retained the services of a gaming consultant who visited and assessed activities at many sites statewide. What has been observed and acted upon indicates several areas of deep concern relating to gaming integrity, compliance with the Bingo Act, and protecting the charities involved. There appears to be an inherent lack of internal controls at many events. Observations indicate lack of adequate security, proper record keeping, proper oversight of the gaming operations, and illegal non-charitable gambling.

Charities have been suspended from conducting games at six different venues due to investigations that revealed evidence of crimes or illegal gambling, violations of the Bingo Act and Liquor Control Commission (LCC) violations. Law enforcement reported incidents at permanent recurring millionaire party locations were analyzed from January 1, 2010 through March 31, 2013. This information revealed 4 armed robberies; 47 assaults; 3 weapons offenses; 72 disorderly persons; and 11 frauds. Not included in the above statistics are several criminal and regulatory investigations statewide which are currently ongoing. The gaming board staff, through the Executive Director, has a duty to protect the integrity of charitable millionaire parties and ensure the qualified organizations are protected and complying with the Bingo Act.

The enclosed regulatory requirements are in response to some of the aforementioned issues. Additional requirements may be forthcoming along with proposed rule changes.

It is my hope this will assist in gaining compliance with the Bingo Act and rules, limit exposure to fraud or crime, and enable charities to continue to utilize regulated charitable millionaire parties in their fundraising efforts.

Sincerely,

/s/

Richard S. Kalm, Executive Director  
Michigan Gaming Control Board