

# 2019 Michigan Gaming Control Board Annual Report



# Annual Report to the Governor

**Calendar Year 2019**



Michigan Gaming Control Board  
3062 West Grand Boulevard, Suite L-700  
Detroit, MI 48202

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

This document is also available online at  
[www.michigan.gov/mgcb](http://www.michigan.gov/mgcb)



**GRETCHEN WHITMER**  
GOVERNOR

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

**RICHARD S. KALM**  
EXECUTIVE DIRECTOR

April 15, 2020  
The Honorable Gretchen Whitmer  
Governor of Michigan

**AN OPEN LETTER TO GOVERNOR GRETCHEN WHITMER 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 2019, pursuant to Section 15(1) of the *Michigan Gaming Control and Revenue Act*, as amended, Public Act 69 of 1997, MCL 432.201 (Act). This Annual Report is submitted not only to comply with the statutory reporting requirements under the Act, but to provide a summary of significant activities and operations of the Board and the Board's staff. The Annual Report includes a report on the licensure, regulation and operations of authorized commercial casino gaming in the City of Detroit for 2019.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Anthony".

Robert L. Anthony  
Chairperson



# Michigan Gaming Control Board

## FROM THE EXECUTIVE DIRECTOR

The three Detroit casinos experienced their second consecutive record-setting year in 2019. The casinos reported a combined record annual revenue of \$1.454 billion, which was more than \$10 million higher than the previous record revenue of \$1.444 billion set in 2018. Both MGM Grand Detroit and MotorCity Casino experienced their highest yearly revenue totals since the casinos opened in 1999. Greektown Casino reported \$337.2 million in adjusted gross revenue in 2019, which fell \$15.6 million short of the casino's all-time revenue record established in 2011.

In May, the Board approved an ownership change for Greektown Casino. Penn National Gaming now operates the gaming business, and VICI Properties owns the building and property. The casino reported a slight uptick in year-over-year revenue during 2019.

Pari-mutuel horse racing continues at Northville Downs, and the owners of Sports Creek track near Flint received a conditional 2020 race meeting license and simulcast permit.

During 2019, agency staff assisted the Attorney General's office and local authorities on investigations of 14 businesses that claimed to operate redemption games, which are legal in Michigan. Investigators determined the locations instead were offering casino-style video slot machines for patrons' use. The businesses were sent and complied with cease-and-desist letters.

Several gaming bills passed at the end of the legislative session in December and were signed into law. The agency immediately began preparatory work to implement new and changed laws.

The agency partnered in October with the Attorney General's office and FireKeepers Casino staff on an educational seminar on human trafficking for Detroit casino and agency staff.

Work continued in 2019 on the agency's new information technology management system, which is being developed with the assistance of the Department of Technology, Management and Budget. The agency now uses the system to process charity license and supplier applications.

Our agency supported the community through volunteerism in 2019. Through various group efforts, the staff volunteered to honor veterans, assist food banks and help families in need.

In addition to the Michigan Attorney General's office, the MGCB also works closely with the Michigan State Police, the Detroit Police Department and the commercial casinos' security directors. We appreciate the tremendous support they provide to help us fulfill our mission.

I would like to thank the Governor, the Legislature, our partner agencies and other public officials for their cooperation and service. My sincere appreciation goes to the Board and to MGCB employees for their dedicated service. Our professional, dedicated and committed staff believe strongly in our agency and its work, and I am proud of the job they do.

Sincerely,

/s/

Richard Kalm



# Michigan Gaming Control Board

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# Michigan Gaming Control Board

## 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*. The voter-initiated Act established the MGCB as an autonomous agency within the Michigan Department of Treasury (Treasury) exclusively responsible for licensing and regulating the three commercial Detroit casinos. In July 1997, the voter-initiated Act was amended substantially 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 MGCB and provided for a system to collect 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 and MGCB employees 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 commercial casino gaming in the City of Detroit.



# Michigan Gaming Control Board

## Michigan Gaming Control Board 2019 Board Members

### Mr. Robert L. Anthony, Chair



Mr. Anthony was reappointed by former Governor Rick Snyder to serve as Board Chair for a term at the pleasure of the governor. Mr. Anthony has served on the Gaming Control Board since January 2011 and was reappointed by Governor Rick Snyder to serve as a board

member for a four-year term expiring on December 31, 2022.

Mr. Anthony retired as a senior risk and quality partner of PricewaterhouseCoopers, LLP. Mr. Anthony served global clients over his career working closely with client audit committees and senior management on matters that included entity-wide risk analysis and risk management. He also served as a member of the PricewaterhouseCoopers Global Audit Policy Board.

Mr. Anthony graduated from the University of Michigan where he was awarded a B.A. and an M.B.A. He currently resides in Northville with his wife Catherine.

### Ms. Carla Walker-Miller



Ms. Walker-Miller of Detroit, president of Walker-Miller Energy Services, L.L.C., was appointed by former Governor Rick Snyder to serve as a board member for a term expiring on December 31, 2020.

### Mr. Patrick M. McQueen



Mr. McQueen, Managing Director of McQueen Financial Advisors, was reappointed by former Governor Rick Snyder to serve as a board member for a term expiring on December 31, 2019.

### Mr. Andrew T. Palms



Mr. Palms, Executive Director of Communications Systems at the University of Michigan, was reappointed by former Governor Rick Snyder to serve as a board member for a term expiring on December 31, 2019.

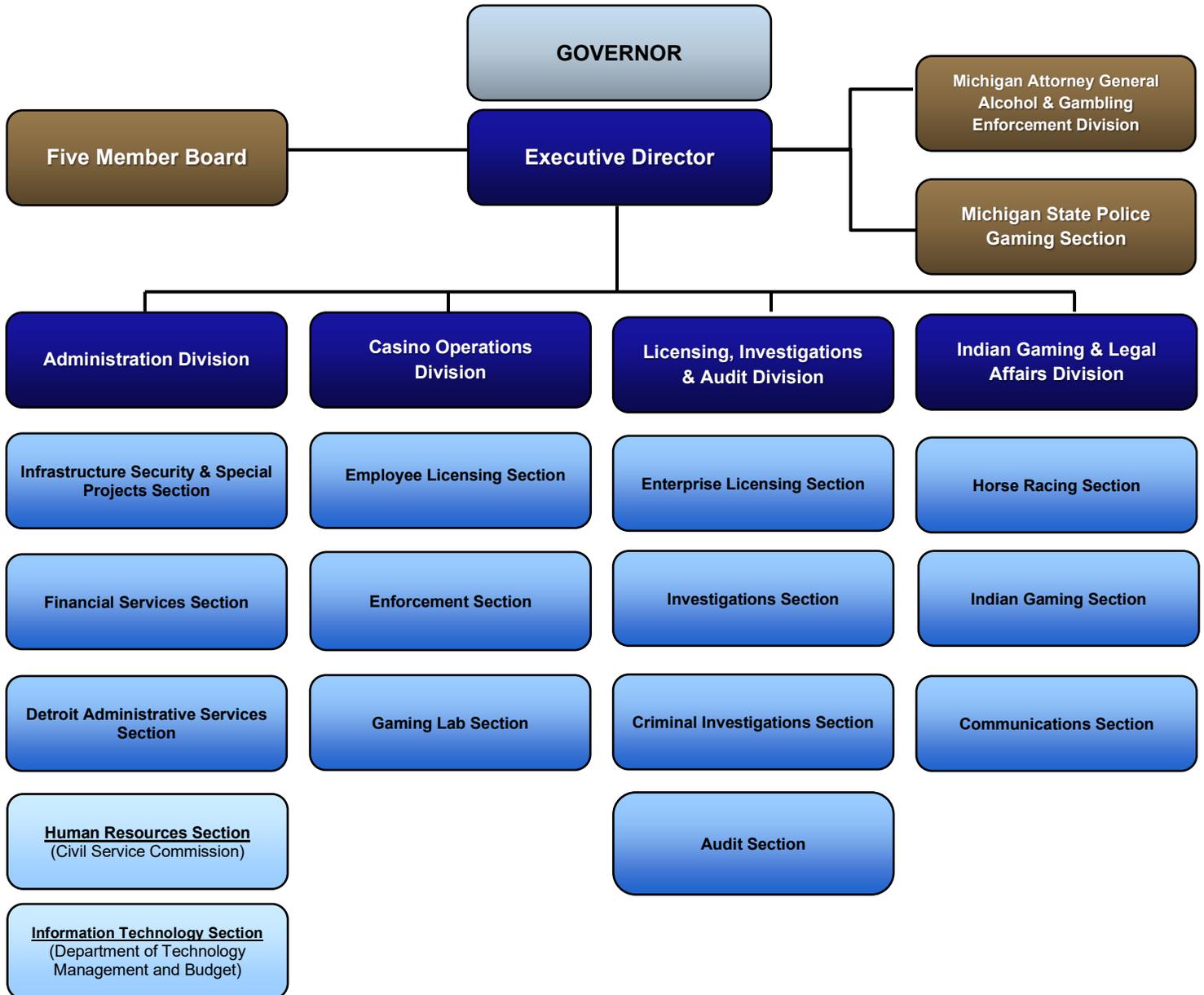
### Ms. Barbara Smith



Ms. Smith, owner of the Law Offices of Barbara B. Smith, PLLC, and of Smith Mediation Center, was appointed by former Governor Rick Snyder to serve as a board member for a term expiring on December 31, 2020.



## Organizational Chart





# Michigan Gaming Control Board

## Activities of the Board

### Board Meetings

From inception, the Board has encouraged public input regarding policies, procedures and activities related to licensing and regulating the three Detroit commercial casinos. To conduct Board business, inform and receive input from the public, the Board held four public meetings in 2019. At these meetings, the Board not only conducted its official business, it 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 Cadillac Place, 3062 West Grand Boulevard, Suite L-700, on the following dates:

March 12, 2019	September 10, 2019
May 21, 2019	November 5, 2019

The Board adjourned to closed session after the 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). 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, were held in accordance with Michigan's Open Meetings Act.



# Michigan Gaming Control Board

## MGCB Notable Activities



### **Administration Division**

The Administration Division interacts with agency staff to ensure operational needs are met and provides administrative support services to all six MGCB locations.

### **Financial Services Section**

The Financial Services Section assists MGCB staff in administrative support to ensure that commodities and services are delivered to the agency in the most efficient and effective manner. Located in MGCB's Lansing office, the section interacts with agency staff to ensure their operational needs are met. This includes assisting management in determining annual budget needs to provide the tools necessary to meet the objectives of the agency's mission. Financial Services also monitors spending and ensures accounting transactions are completed and properly executed. Notably, this includes verifying the amount of wagering tax paid by the three Detroit casinos. The section also facilitates the procurement of commodities and services required for operations. Maintaining records of all agency purchases and processing payments related to the acquisition of goods are significant duties related to procurement. Financial Services also assists MGCB employees in completing air, hotel, and rental car reservations and approving expense reimbursement requests. Monitoring fleet vehicle usage and maintenance is also a section responsibility. The Financial Services Section also has responsibilities related to human resources.

### **Infrastructure, Security & Special Projects Section**

The Infrastructure Security and Special Projects Section is responsible for agency security (physical and data) and business continuity for MGCB. In addition, the section serves as agency liaison to DTMB for the completion of IT-related projects and assists other MGCB sections with various State of Michigan and MGCB-specific projects upon request.

One of the section's primary projects in 2019 was continuing management and support of the ongoing MGCB IT modernization project, Case Handling and Information Processing System (CHIPS). The project was brought in-house by MGCB and DTMB in 2018 after the contract with the original vendor was terminated. It was replaced with a staff augmentation approach and the section coordinated with DTMB project staff to manage and control the project more effectively. In April 2019, MGCB began to use CHIPS for Phase I of the Millionaire Party information. These management and support efforts will be required throughout the full implementation of the project by the last quarter of calendar year 2021.



# Michigan Gaming Control Board

The section maintains continuous efforts to review, audit and update the MGCB Business Continuity Plan. The annual review schedule was established, and other disaster preparation activities were conducted, including preparing and coordinating with the agency's back-up office location provider for a threat level event that included tabletop exercises and site tests.

## **Detroit Administrative Services Section**

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The Detroit Administrative Services Section provides records management oversight for the agency's paper records and ensures electronic images of records are available to staff in the MGCB's online record repository. The section processes all Freedom of Information Act (FOIA) requests in accordance with the *Michigan Freedom of Information Act*, PA 442 of 1976. The section also ensures the MGCB complies with the State of Michigan and MGCB retention schedules established for all documents.



# Michigan Gaming Control Board



## Licensing, Investigations & Audit Division

The Licensing, Investigations & Audit Division is responsible for licensing the commercial casinos and their employees and suppliers, administering licensing exemptions, reviewing casino debt transactions, reviewing transfers of ownership in casino and supplier licensees, providing millionaire party program licensing and conducting regulatory and criminal investigations in conjunction with the Michigan Attorney General’s office. This division also is responsible for ensuring the proper reporting of revenue by licensees and compliance with their Internal Control Standards.

### Enterprise Licensing Section

In addition to the responsibilities outlined above, the Enterprise Licensing Section assists the Investigations Section with analytical review of financial documentation related to ongoing investigations and with income tax recovery from licensed applicants.

Suppliers providing gaming-related goods or services to a commercial casino must be licensed by the MGCB. Suppliers providing nongaming-related goods or services to a commercial casino also must obtain a license from the MGCB unless qualified for an exemption from licensing requirements.

Vendor exemptions, supplier license exemptions and subcontractor exemptions are conditional waivers of the supplier licensing requirements of the Act and Administrative Rules. These exemptions must be approved by the Executive Director and must meet specific eligibility requirements established by the MGCB.

The following chart depicts the number of entities holding a supplier license or exemption from licensing requirements as of December 31, 2019.

<b>Entities Licensed or Exempt Through MGCB (As of December 31, 2019)</b>	
Commercial Casinos	3
Licensed Suppliers	102
Supplier License Exemptions	289
Vendor Exemptions	519
Subcontractor Exemptions	13
<b>Total</b>	<b>926</b>



# Michigan Gaming Control Board

## **Millionaire Party**

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The Executive Director enforces the oversight of millionaire party events through the *Traxler-McCauley-Law-Bowman Bingo Act*, Public Act 382 of 1972 (Bingo Act).

A millionaire party is an event where imitation money or chips are used to place wagers on games of chance customarily associated with casino gaming. The most common millionaire party poker game conducted throughout the state is Texas Hold'em, either tournament style or player on player. Other preferred games include Omaha, which is played player against player, and blackjack, which is player against the house. Millionaire parties are held by non-profit organizations to generate funds for charitable purposes.

## *Qualified Organizations*

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Qualified organizations (commonly referred to as "charities") are defined in the Bingo Act as bona fide religious, educational, service, senior citizens, fraternal or veterans' organizations that operate without profit to their members and either have been in existence continuously as an organization for a period of five years or are exempt from taxation as 501(c).

## *Locations*

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Locations may be at church venues, K of C halls, VFW halls, etc. As of December 31, 2019, 38 locations were approved to host millionaire parties on a recurring basis.

## *Suppliers*

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Millionaire party suppliers are licensed by the Executive Director to provide goods and services to a qualified organization. As of December 31, 2019, there were 23 active millionaire party suppliers licensed by the Executive Director.

## *On-Site and Post Inspections\**

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In 2019, the MGCB conducted 1,331 on-site and post-event inspections. Each inspection is an opportunity for Board staff to interact with and counsel charitable organizations on how to manage their events while complying with the Act and Administrative Rules.

*\*On-Site Inspections:* Regulation officers conduct inspections during ongoing millionaire party events to ensure compliance with the Act and Rules.

*Post Inspections:* Regulation officers conduct inspections of qualified organizations after a millionaire party event has taken place. All game documents and financial records are reviewed, and the principal officer is interviewed.

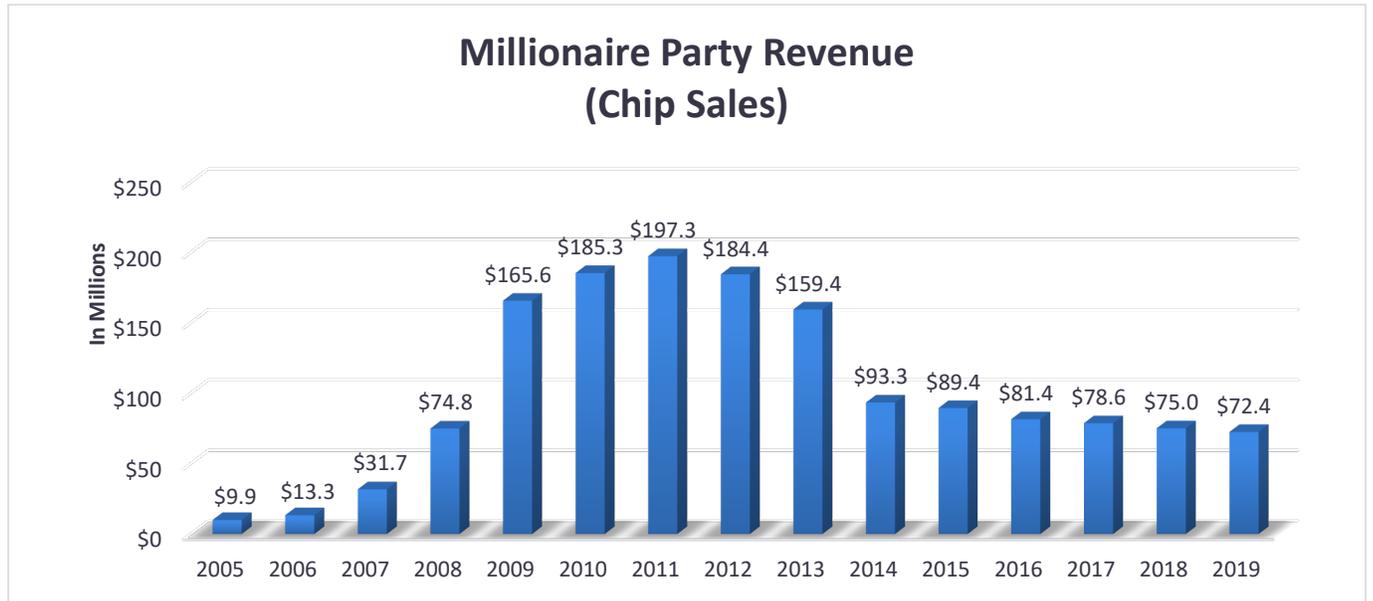


# Michigan Gaming Control Board

## Licensing Activity

For calendar year 2019, a total of 2,149 millionaire party licenses were issued authorizing 7,966 separate millionaire party days. This resulted in the sale of approximately \$72.4 million in chips at millionaire parties with net profits to charities of approximately \$6.3 million. Licensing volumes in 2019 remained relatively consistent throughout the year.

The charitable organizations self-report financial data for their millionaire party events to the MGCB.



*\*2016 revenue differs from that reported in the 2016 Annual Report due to a calculation error identified and corrected.*

## Licensing and Event Days

The chart below represents licensing and event days trends since 2010.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Licenses Issued</b>	8,217	7,894	7,218	5,339	3,022	2,820	2,619	2,387	2,228	2,149
<b>Party Event Days</b>	29,964	29,212	27,119	18,997	10,508	10,146	9,608	8,714	8,129	7,966



# Michigan Gaming Control Board

## **Investigations Section**

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The Act requires each supplier to renew its license annually to determine its continued eligibility and suitability. The Act also requires the Board to evaluate the eligibility and suitability of key individuals and businesses associated with the applicant. These individuals and businesses are referred to as “qualifiers.” Qualifiers include affiliated companies, officers, directors, managerial employees, and owners of the applicant.

In 2019, MGCB staff conducted supplier investigations throughout the United States, Canada, Japan, Germany and Belgium.

The Investigations Section also conducted three casino renewal investigations. Recommendations for approval of the three casino renewals were approved by the Board on September 10, 2019.

## **Criminal Investigations Section**

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The Criminal Investigations Section (CIS) functions as a professional resource providing gaming investigative expertise to Board staff as well as federal, state, county and local agencies. The main purpose of the CIS is the administration of criminal justice. This includes conducting investigations, in conjunction with AG investigators and state and local police departments, into allegations of illegal gambling which could constitute a violation of the Michigan Penal Code. In addition, and to a lesser degree, the CIS conducts regulatory and administrative investigations into matters falling under the jurisdiction of the Board and/or its Executive Director.

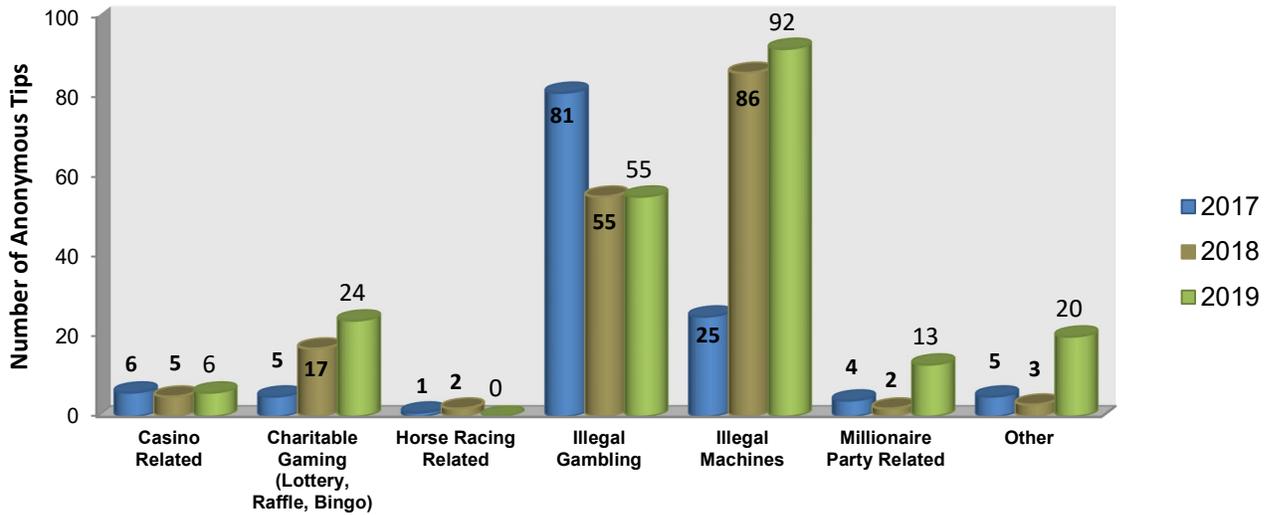
In 2011, the MGCB established an anonymous tip line and email address for the public to report illegal or suspected illegal gambling activity. All information received is reviewed for credibility and appropriately assigned to gather additional information. As a result, the CIS forwarded 29 anonymous tips to other agencies for follow-up while initiating 33 CIS investigations.



# Michigan Gaming Control Board

The following table illustrates the types of activity reported to the MGCB through the tip line over the past three years:

**Anonymous Tips Received  
by Type of Activity**



## Investigations Involving Occupational Licensee

During 2019, the CIS conducted 67 investigations into alleged violations by holders of an MGCB-issued Occupational License. These investigations focused on licensee suitability.

As a result of these investigations, 11 individuals voluntarily surrendered their Occupational Licenses.

## Exclusion List

The MGCB is committed to ensuring a safe environment for those who patronize the three licensed casinos in Detroit. One way to accomplish this goal is to exclude individuals who may adversely affect the public’s confidence and trust in the integrity of casino gaming from entering the three state-licensed casinos as outlined in MCL 432.204a(1)(l).

The Exclusion List, which is posted on the MGCB website, contains the names of individuals who meet the criteria for exclusion and are not allowed into any of the three licensed casinos. Violating this exclusion is a misdemeanor criminal offense.

During 2019, 31 individuals were investigated to determine whether they met the criteria for exclusion from the three licensed casinos in Detroit. Fourteen individuals were added to the Exclusion List in 2019, while 16 are in the process of being excluded.



# Michigan Gaming Control Board

## Audit Section

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In 2019, the Audit section continued to perform historical and operational audits to ensure revenue was reported properly and the licensees complied with their Internal Control Standards (ICS) and the Administrative Rules.

Audit objectives include providing reasonable assurance the operating activities for the three commercial casinos conform with administrative rules and regulations and ICS. These rules and ICS include requirements impacting the integrity and reliability of reported gaming revenues and related taxes.

Audit staff completed nine internal control compliance audits in 2019, and final audit reports were issued for them. Auditors conducted these compliance audits at each of the three commercial casinos for gaming operations in the areas of Accounting, Cage Operations, and Credit Operations.

Cumulative findings for the three casinos included: two administrative rule violations, 14 issues of noncompliance to internal control standards, two administrative modifications to internal control standards, and eight procedural improvements. The casino licensees were notified of the findings and have responded with their remedial action plans accordingly.

In addition, Audit staff completed the review of 1,095 daily tax returns and 36 monthly tax returns. This provides reasonable assurance the reporting of \$1,454,274,694 in gaming revenue to the State of Michigan and payment of \$117,796,250 in state wagering taxes were free of material misstatement.

Audit staff completed the review of monthly credit reports and quarterly reports for 2019 to ensure the licensees complied with the Administrative Rules and their ICS. Monthly and quarterly financial information licensees are required to submit is reviewed and analyzed accordingly, and no material issues were noted.

In 2019, the MGCB Audit Section confirmed \$184,229,506 in wagering taxes and development agreement payments were made to the City of Detroit.



# Michigan Gaming Control Board

## Casino Revenues and Wagering Taxes

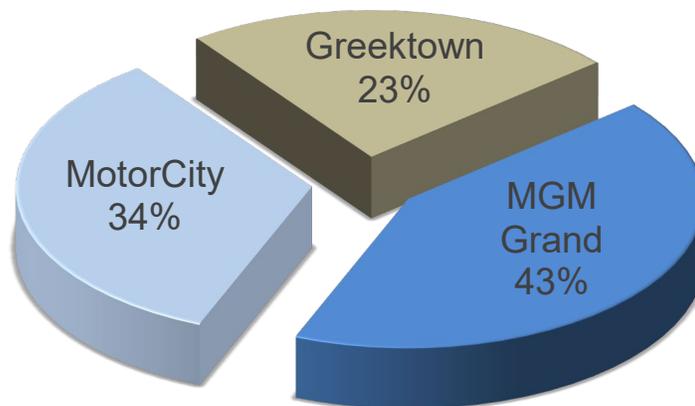
### Casino Revenues

The Act defines “adjusted gross receipts” as the licensee’s gross gaming receipts less winnings paid to wagerers. “Gross receipts” are defined as the monetary value collected from gaming less a deduction for bad gaming debt. The adjusted gross receipts of the Detroit commercial casinos include both table games and electronic games of chance.

The following is a monthly and annual summary of the adjusted gross receipts and market share for the three Detroit casinos for calendar year 2019:

Month	MGM GRAND CASINO	MOTORCITY CASINO	GREEKTOWN CASINO	TOTAL DETROIT CASINOS
January	\$ 48,937,084	\$ 37,421,251	\$ 25,726,444	\$ 112,084,779
February	49,463,084	38,679,403	26,417,526	114,560,013
March	59,249,519	49,112,238	32,024,512	140,386,269
April	52,353,242	43,466,259	29,254,521	125,074,022
May	54,408,448	41,916,726	29,447,359	125,772,533
June	50,711,254	39,896,518	26,896,908	117,504,680
July	51,706,850	40,726,055	26,611,613	119,044,518
August	53,005,352	40,014,701	26,826,208	119,846,261
September	46,498,648	38,887,865	26,912,017	112,298,530
October	48,866,641	39,309,413	27,487,727	115,663,781
November	53,901,178	40,781,909	29,521,105	124,204,192
December	54,413,760	43,354,335	30,067,021	127,835,116
<b>Total</b>	<b>\$ 623,515,060</b>	<b>\$ 493,566,673</b>	<b>\$ 337,192,961</b>	<b>\$ 1,454,274,694</b>

### Detroit Adjusted Gross Receipts \$1,454,274,694





# Michigan Gaming Control Board

## State Casino Wagering Tax

Section 432.212 of the Act 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 8.1 percent is deposited in the State's School Aid Fund to provide additional funds for K-12 public classroom education.

In calendar year 2019, the combined 8.1 percent State Wagering Taxes paid by the three Detroit casino licensees and deposited in the State School Aid Fund totaled \$117,796,250.

The following is a monthly and annual summary of the State Wagering Tax payments for the three Detroit commercial casinos for calendar year 2019:

Month	MGM GRAND CASINO	MOTORCITY CASINO	GREEKTOWN CASINO	TOTAL DETROIT CASINOS
January	\$ 3,963,904	\$ 3,031,121	\$ 2,083,842	\$ 9,078,867
February	4,006,510	3,133,032	2,139,820	9,279,362
March	4,799,211	3,978,091	2,593,985	11,371,287
April	4,240,613	3,520,767	2,369,616	10,130,996
May	4,407,084	3,395,255	2,385,236	10,187,575
June	4,107,612	3,231,618	2,178,649	9,517,879
July	4,188,255	3,298,810	2,155,541	9,642,606
August	4,293,433	3,241,191	2,172,923	9,707,547
September	3,766,390	3,149,917	2,179,873	9,096,180
October	3,958,198	3,184,062	2,226,506	9,368,766
November	4,365,995	3,303,335	2,391,210	10,060,540
December	4,407,515	3,511,701	2,435,429	10,354,645
<b>Total</b>	<b>\$ 50,504,720</b>	<b>\$ 39,978,900</b>	<b>\$ 27,312,630</b>	<b>\$ 117,796,250</b>



# Michigan Gaming Control Board

## City of Detroit Wagering Tax

Section 432.212 of Public Act 69 of 1997 imposed a 9.9 percent wagering tax on the adjusted gross receipts received by each Detroit casino licensee from casino gaming authorized by the Act. Public Act 306 of 2004 amended the original Act. Effective September 1, 2004, the City of Detroit wagering tax was temporarily increased by 2 percent to 11.9 percent. The elevated tax rate was reduced by 1 percent to the current rate of 10.9 percent when each of the three Detroit casinos became fully operational.

Development agreements also exist between each of the three Detroit casinos and the City of Detroit. Within these agreements, an additional 1 percent of each casino's adjusted gross revenue is required to be disbursed daily to the city. Once a casino reaches \$400 million in adjusted gross revenue for a calendar year, an additional 1 percent is required. The requirements outlined within the development agreements are in excess of what is required by the Act.

In calendar year 2019, the combined City of Detroit Wagering Taxes paid by the three Detroit casino licensees totaled \$184,229,506. Currently, this represents a significant percentage of the City of Detroit's budget.

The following is a monthly and annual summary of the City of Detroit Wagering Tax payments for the three Detroit commercial casinos for calendar year 2019:

Month	MGM GRAND CASINO	MOTORCITY CASINO	GREEKTOWN CASINO	TOTAL DETROIT CASINOS
January	\$ 5,823,513	\$ 4,453,129	\$ 3,061,447	\$ 13,338,089
February	5,886,107	4,602,849	3,143,686	13,632,642
March	7,050,693	5,844,356	3,810,917	16,705,966
April	6,230,036	5,172,485	3,481,288	14,883,809
May	6,474,605	4,988,090	3,504,236	14,966,931
June	6,034,639	4,747,686	3,200,732	13,983,057
July	6,153,115	4,846,401	3,166,782	14,166,298
August	10,505,986	4,761,750	3,192,319	18,460,055
September	5,998,325	4,627,656	3,202,530	13,828,511
October	6,303,797	4,772,124	3,271,039	14,346,960
November	6,953,252	9,260,866	3,513,011	19,727,129
December	7,019,375	5,592,709	3,577,975	16,190,059
<b>Total</b>	<b>\$ 80,433,443</b>	<b>\$ 63,670,101</b>	<b>\$ 40,125,962</b>	<b>\$ 184,229,506</b>



# Michigan Gaming Control Board



## **Indian Gaming & Legal Affairs Division**

### **Indian Gaming Section**

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Notable accomplishments and further details of actions completed by the Indian Gaming Section can be found in the separate Indian Gaming Annual Report.

### **Horse Racing Section**

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Michigan's pari-mutuel horse racing industry operated during 2019 at Northville Downs, which offered 51 days of live racing on weekends from March 22 through June 8 and again from Sept. 13 through Dec. 14. The track originally requested 44 days of live Standardbred racing. Officials later asked to extend the race meeting by eight dates, and the extension was approved in a Sept. 10 order. Icy track conditions forced the cancellation of one November race date. In 2018, Northville Downs offered 59 live Standardbred race dates.

The City of Northville continues to review a proposal to redevelop the Northville Downs property. In April 2018, Farmington Hills-based Hunter Pasteur Homes had announced an agreement to purchase and redevelop the property.

AmRace & Sports L.L.C., a Delaware firm, applied in fall 2018 for licenses to offer Thoroughbred racing in 2019 at Sports Creek track near Flint and was granted a race meeting license with conditions. In February, AmRace & Sports surrendered the 2019 race meeting license. Later in 2019, the Delaware firm also applied for and was granted a 2020 race meeting license with conditions. The track has been closed since January 2015 and previously offered Standardbred pari-mutuel horse racing.

On Dec. 20, Gov. Gretchen Whitmer signed legislation amending the Horse Racing Law to allow the agency's Executive Director to license third-party facilitators to conduct advance deposit wagering. ADW is pari-mutuel wagering by internet on live and simulcast horse races. The amendment was part of a package of gaming-related bills that became law in late December. The agency currently is reviewing implementation of the law, which requires the third-party facilitator to enter an agreement with all race meeting licensees and certified horsemen's organizations in the state.



# Michigan Gaming Control Board

<b>Summary of Horse Racing Revenue</b>	
<b>January 1, 2019, through December 31, 2019</b>	
Simulcast Wagering Taxes*	\$2,118,924
Occupational License Fees	25,535
Outs**	156,665
Racing Fines	6,175
Track Licenses	2,000
Other Revenue	610
Revenue Transfers	(6,805)
<b>Total Horse Racing Revenue</b>	<b>\$2,302,493</b>
<b>State Tax Summary</b>	
Northville Downs	<b>\$2,118,924</b>

\* The simulcast wagering tax is 3.5% of all wagers on simulcast races at each licensed track. Live wagering is not taxed in Michigan. The simulcast wagering tax total was calculated based on date earned and verified by independent auditors. Timing differences exist when reconciling to the State accounting system due to the actual depositing of revenue occurring in the subsequent calendar year.

\*\* "Outs" are uncashed winning tickets. Governed by Public Act 505, 1998, the race meeting licensee (the track) keeps 50% of the winning payout on the tickets and the other 50% is deposited into the Agriculture Equine Fund.

For additional information regarding horse racing, please refer to the MGCB 2019 Horse Racing Annual Report.



# Michigan Gaming Control Board



## Casino Operations Division

### Employee Licensing Section

The Detroit casinos and related suppliers employ approximately 7,000 personnel in positions requiring an occupational license. These individuals are licensed for a two-year period. In 2019, the section received 4,420 new and renewal occupational applications for investigation.

Occupational and Renewal Applications Received in 2019	
Supplier/Vendor	1,036
MGM Grand Casino	1,554
MotorCity Casino	1,036
Greektown Casino	794
<b>Total</b>	<b>4,420</b>

In addition, licensing actions were taken against occupational licensees due to various violations of the Michigan Gaming Control & Revenue Act and Administrative Rules as depicted below:

Licensing Actions Against Occupational Licensees in 2019	
Voluntary Surrenders	6
Voluntary Withdrawals	31
Warning Letters	4
Summary Suspensions	8
Notice of Opportunity to Show Compliance	23



# Michigan Gaming Control Board

## Enforcement Section

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The Enforcement Section continues daily monitoring of the casinos' responsibilities to ensure gaming integrity. Regulation officers located in the three Detroit casinos are authorized by the Act to investigate alleged violations of the Act, Administrative Rules and internal controls systems to ensure all casino facilities, activities and games are in compliance.

### *Violations Issued/Fines Imposed*

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During 2019, the Enforcement Section issued violations, warning letters and imposed fines as follows:

#### **Greektown Casino, L.L.C. (GTC)**

2/13/2019: GTC was issued a warning letter for allowing a person to work with an expired occupational license. The violation occurred 10/16/2018.

2/15/2019: GTC was issued a warning letter for allowing a promotion to extend beyond the Board-approved end date. The violation occurred 3/3/2018.

3/14/2019: GTC was issued a warning letter for allowing people to enter the count room without authorization. The violation occurred 11/23/2018.

3/14/2019: Three (3) GTC Occupational licensees were issued warning letters for entering the count room without authorization. The violation occurred 11/23/2018.

3/15/2019: A GTC playing card supplier was issued a warning letter for supplying incomplete decks of cards. The violation occurred 10/23/2018.

3/28/2019: GTC was issued a warning letter for soliciting the patronage of a DP. The violation occurred 8/10/2018.

3/28/2019: GTC was issued a warning letter for allowing a minor to enter the casino. The violation occurred 11/3/2018.

3/28/2019: GTC was issued a warning letter for allowing a minor to enter the casino. The violation occurred 12/12/2018.

3/28/2019: GTC was issued a warning letter for allowing a patron to be served alcohol after hours. The violation occurred 11/25/2018.

3/28/2019: One (1) GTC occupational licensee was issued a warning letter for serving alcohol after hours. The violation occurred 11/25/2018.



# Michigan Gaming Control Board

4/4/2019: GTC was issued a warning letter for soliciting the patronage of a DP. The violation occurred 1/5/2019.

4/4/2019: The MGCB issued an Underage Citation with a fine of \$2,500 to GTC for allowing a minor to enter the casino. The violation occurred in 2018.

4/10/2019: The MGCB issued an Underage Citation with a fine of \$2,500 to GTC for allowing a minor to enter the casino. The violation occurred in 2018.

4/10/2019: The MGCB issued an Underage Citation with a fine of \$6,000 to GTC for allowing a minor to enter the casino. The violation occurred in 2018.

4/10/2019: The MGCB issued an Underage Citation with a fine of \$2,500 to GTC for allowing a minor to enter the casino. The violation occurred in 2018.

4/16/2019: GTC was issued a warning letter for allowing unapproved software to be used in several EGDs. The violation occurred 8/24/2018.

4/17/2019: One (1) occupational licensee was issued a warning letter for allowing unapproved software to be used in several EGDs. The violation occurred 8/24/2018.

4/18/2019: One (1) supplier licensee was issued a warning letter for allowing unapproved software to be used in several EGDs. The violation occurred 8/24/2018.

4/23/2019: GTC was issued a warning letter for failing to notify the Board in a timely fashion regarding the presence of a DP. The violation occurred 1/11/2019.

4/23/2019: Two (2) GTC occupational licensee(s) were issued warning letters failing to notify the Board in a timely fashion regarding the presence of a DP. The violation occurred 1/11/2019.

5/21/2019: The MGCB settled a violation with a fine of \$12,500 related to GTC allowing a disassociated person to establish an account. After which, GTC sent marketing materials and advertisements to the disassociated person. The violation occurred in 2018.

5/21/2019: The MGCB settled a violation with a fine of \$12,500 related to GTC allowing a disassociated person to establish an unflagged account which allowed the disassociated person to obtain a jackpot. The violation occurred in 2018.

5/21/2019: The MGCB settled a violation with a fine of \$12,500 related to GTC allowing a disassociated person to open a new casino account. The violation occurred in 2018.

5/21/2019: The MGCB settled a violation with a fine of \$12,500 related to GTC being responsible for the distribution of a promotional mailer to a disassociated person. The violation occurred in 2018.



# Michigan Gaming Control Board

12/2/2019: One (1) GTC occupational licensee was issued a warning letter for failing to follow the rules of the game. The violation occurred 4/20/2019.

12/10/2019: GTC was issued a warning letter for failing to follow the rules of the game. The violation occurred 4/20/2019.

## **Detroit Entertainment, L.L.C. d/b/a MotorCity Casino-Hotel (MCC)**

3/8/2019: One (1) supplier licensee was issued a warning letter for supplying unapproved software. The violation occurred 7/22/2016.

3/19/2019: MCC was issued a warning letter for allowing chips to be sold outside of the cage/bank. The violation occurred 8/1/2018.

4/11/2019: MCC was issued a warning letter for allowing a minor to enter the casino. The violation occurred 2/9/2019.

4/11/2019: Two (2) occupational licensees were issued warning letters for allowing a minor to enter the casino. The violation occurred 2/9/2019.

4/16/2019: One (1) occupational licensee was issued a warning letter for failing to follow the rules of a game. The violation occurred 7/11/2018.

4/23/2019: One (1) occupational licensee was issued a warning letter for failing to protect assets. The violation occurred 1/25/2019.

5/30/2019: MCC was issued a warning letter for failing to properly retain playing cards following a bad beat payout. The violation occurred 12/22/2018.

5/30/2019: Two (2) occupational licensees were issued a warning letter for failing to retain playing cards properly following a bad beat payout. The violation occurred 12/22/2018.

6/13/2019: MCC was issued a warning letter for finding a playing card left behind in a card shuffler. The violation occurred 4/29/2019.

6/19/2019: The MGCB settled a violation with a fine of \$1,000 related to the progressive transfer of funds being made to a machine having a higher wage requirement than the machine from which the transfer was made. The violation occurred in 2018.

7/9/2019: MCC was issued a warning letter for allowing a DP enter the casino and collect another person's comp gift. The violation occurred 2/7/2019.



# Michigan Gaming Control Board

7/9/2019: Two (2) occupational licensees were issued warning letters for allowing a DP enter the casino and collect another person's comp gift. The violation occurred 2/7/2019

7/29/2019: MCC was issued a warning letter for finding a playing card left behind in a card shuffler. The violation occurred 2/7/2019.

8/1/2019: One (1) occupational licensee was issued a warning letter for defective playing cards. The violation occurred 1/1/2019.

8/2/2019: MCC was issued a warning letter for defective playing cards. The violation occurred 1/1/2019.

9/10/2019: The MGCB settled a violation with a fine of \$1,000 related to an employee exchanging poker chips outside the Poker Room Cage. The violation occurred in 2018.

9/25/2019: One (1) occupational licensee was issued a warning letter for improperly opening a gaming table. The violation occurred 4/8/2019.

9/26/2019: One (1) occupational licensee was issued a warning letter for violating the rules of a game. The violation occurred 5/1/2019.

10/30/2019: One (1) occupational licensee was issued a warning letter for failing to follow drop procedures properly. The violation occurred 4/4/2019.

11/1/2019: MCC was issued a) warning letter for allowing an unlicensed employee to work on the casino floor. The violation occurred 1/8/2019.

11/5/2019: Three (3) occupational licensees were issued warning letters for allowing an unlicensed employee to work on the casino floor. The violation occurred 1/8/2019.

11/5/2019: One (1) occupational licensee was issued a warning letter for failing to follow proper hand-pay procedures. The violation occurred 5/15/2019.

12/6/2019: One (1) occupational licensee was issued a warning letter for failing to notify surveillance prior to conducting a table fill. The violation occurred 5/31/2019.

12/6/2019: One (1) occupational licensee was issued a warning letter for allowing a person to enter the count room without signing in/out. The violation occurred 5/16/2019.

12/20/2019: One (1) occupational licensee was issued a warning letter for allowing a minor to enter the casino, be served alcohol, and game. The violation occurred 7/3/2019.



# Michigan Gaming Control Board

12/20/2019: Two (2) occupational licensees were issued warning letters for allowing a minor to enter the casino, be served alcohol, and game. The violation occurred 7/3/2019.

## **MGM Grand Detroit, L.L.C. (MGM)**

3/12/2019: The MGCB settled a violation with a fine of \$10,000 for using unapproved gaming software equipment. The violation occurred 2/6/2018.

3/15/2019: Two (2) occupational licensees were issued warning letters for loitering in a restricted area. The violation occurred 10/21/2018.

3/26/2019: MGM was issued a warning letter for allowing personal belongings in the cash cage. The violation occurred 12/19/2018.

4/23/2019: One (1) occupational licensee was issued a warning letter for allowing a minor into the casino. The violation occurred 11/16/2018

5/8/2019: MGM was issued a warning letter for allowing minors in the casino and serving alcoholic beverages to minors. The violation occurred 3/2/2019.

5/8/2019: Three (3) occupational licensees were issued warning letters for allowing minors in the casino and serving alcoholic beverages to minors. The violation occurred 3/2/2019.

5/15/2019: The MGCB issued an Underage Citation with a fine of \$2,500 to MGM for allowing a minor to enter the casino and gamble. The violation occurred in 2018.

5/30/2019: MGM was issued a warning letter for destroying casino records prior to the retention schedule. The violation occurred 1/7/2019.

5/30/2019: One (1) occupational licensee was issued a warning letter for destroying casino records prior to the retention schedule. The violation occurred 1/7/2019.

6/14/2019: MGM was issued a warning letter for failing to safeguard casino assets. The violation occurred 4/13/2019.

6/14/2019: Two (2) occupational licensee warning letters for failing to safeguard casino assets. The violations occurred 4/13/2019.

7/22/2019: MGM was issued a warning letter for allowing an employee to work with an expired license. The violation occurred on 4/3/2019.

7/23/2019: One (1) occupational licensee was issued a warning letter for allowing an employee to work with an expired license. The violation occurred on 4/3/2019.

7/23/2019: MGM was issued a warning letter for failing to observe a shuffle and confirm all cards were accounted for. The violation occurred on 5/9/2019.



# Michigan Gaming Control Board

7/23/2019: One (1) occupational licensee was issued a warning letter for failing to observe a shuffle and confirm all cards were accounted for. The violation occurred on 5/9/2019.

7/26/2019: MGM was issued a warning letter for allowing an employee to work with an expired license. The violation occurred on 5/28/2019.

10/04/2019: One (1) occupational licensee was issued a warning letter for a dealer awarding a winning pot to the wrong player. The violation occurred on 12/30/2018.

11/5/2019: The MGCB settled a violation with a fine of \$5,000 related to variances from the Poker Cage vouchers which were subject to audit. Vouchers related to the Poker Cage were not reviewed in their entirety. The violation occurred in 2018.

11/5/2019: The MGCB settled a violation with a fine of \$7,500 related to MGM failing to comply with their internal control procedures. The violation occurred in 2018.

12/20/2019: MGM was issued a warning letter for allowing a minor to enter the casino. The violation occurred 8/15/2019.

12/20/2019: Two (2) occupational licensee was issued) warning letters for allowing a minor to enter the casino. The violation occurred 8/15/2019.

## Supplier Fines

### Interblock Luxury Gaming

3/12/2019: The MGCB settled a violation with a fine of \$12,500.00 related to the distribution of non-conforming gaming supplies & equipment. The violation occurred in 3/1/2017.

### Bally Gaming, Inc.

4/30/2019: The MGCB settled a violation with a fine of \$15,000 related to the shipment of unapproved software to a casino. The violation occurred in 2018.

### Incredible Technologies, Inc.

9/10/2019: The MGCB settled a violation with a fine of \$2,500 related to the distribution of unapproved associated equipment hardware to a casino. The violation occurred in 2018.

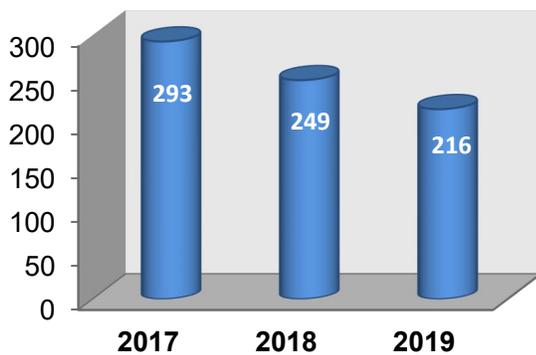


# Michigan Gaming Control Board

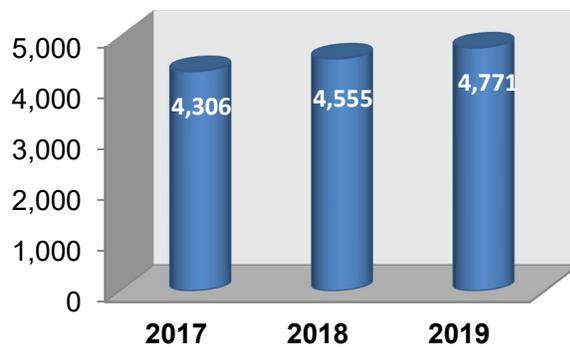
## *Disassociated Persons List and Problem Gambling Diversion Program*

The Act created the Disassociated Persons List (DPL) designed for problem gamblers who request self-exclusion for the remainder of their lives from entering and gaming at the three commercial casinos in the City of Detroit. The Act also states an individual who violates the terms and conditions of the DPL is guilty of criminal trespassing, which is punishable by imprisonment for not more than one year, a fine of not more than \$1,000 or both. As of December 31, 2019, the DPL program included 4,771 people.

**Approved DPL Applications by Year**



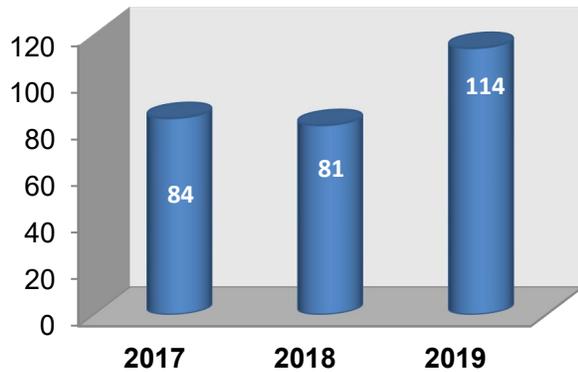
**Cumulative Approved DPL Applications Per Year**





# Michigan Gaming Control Board

## Diversion Program Completions by Year



In 2019, 103 first-time DPL offenders were offered the Diversion Program and 114 discharge summaries were received for those completing the program. Since inception, a cumulative total of 898 DPL offenders have been offered the Diversion Program and 733 have completed it.

*\*The Diversion Program offers a first-time offender the option of completing a treatment program rather than burdening the criminal justice system further. First-time offenders offered the Diversion Program within a calendar year may not complete the program until the following year. Statistics provided above are the number of completed individual diversion programs per calendar year.*

## Gaming Lab Section

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In 2019, the Gaming Lab Section completed 855 gaming product evaluations, of which 812 were for new gaming software and 43 were for new gaming hardware. The lab also processed 16 revocations of previously approved product submissions. Once revoked, a product is no longer approved for use in the commercial casinos.

Lab staff also performs forensic evaluations, reviews progressive liability transfers by the casinos, processes malfunction occurrences and manufacturer notifications, researches emerging gaming technologies, reviews data and reports used in gaming tax calculations, drafts rule waivers, creates policies and assists in addressing patron complaints.



## Minors and Compulsive Gambling

### Annual Underage and Compulsive Gaming Studies

Section 15(2) of the Act, MCL 432.215(2), requires each Detroit commercial casino licensee to conduct an annual study on minors and compulsive gaming. Section 15(1) of the Act further requires the MGCB include certain information regarding minors on casino premises, which each licensee must compile as part of the annual study. The following table summarizes the required information compiled and reported by each of the three Detroit commercial casino licensees in their respective annual studies on minors and compulsive gaming for calendar year 2019:

#### **Casino Licensees' Reported Contacts with Minors On Licensed Casino Premises During Calendar Year 2019**

<b>Number of Minors</b>	<b>MGM Grand</b>	<b>MotorCity</b>	<b>Greektown</b>
<b>Denied entry into the casino*</b>	<b>2,096</b>	<b>11,774</b>	<b>2,776</b>
<b>Physically escorted from the casino premises</b>	<b>5</b>	<b>0</b>	<b>1</b>
<b>Detected participating in gambling games other than slot machines</b>	<b>2</b>	<b>0</b>	<b>0</b>
<b>Detected using slot machines</b>	<b>0</b>	<b>1</b>	<b>0</b>
<b>Taken into custody by a law enforcement agency on the casino premises</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Detected illegally consuming alcohol on the casino premises</b>	<b>1</b>	<b>1</b>	<b>0</b>

\* Numbers indicate all patrons denied entry as reported by the casinos



# Michigan Gaming Control Board

## Board Revenues and Expenditures

### State Services Fee Fund

Section 432.212a of the Act provides all casino-related regulatory and enforcement costs, compulsive gambling programs, and other casino-related programs, activities, and services conducted by MGCB, the MSP, AG's office, MDCH, and other state agencies shall be paid from annual fees assessed on the three Detroit casino licensees. Under the Act, each casino 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 casinos were assessed and paid a total of \$34,460,510 for calendar year 2019 and \$34,908,889 for fiscal year 2019.

From the annual assessment fees paid each year by the licensees, \$2,000,000 must be deposited in the State of Michigan'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 Health and Human Services (DHHS). 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 DHHS.

### Application and License Fees, Fines and Costs

MGCB is authorized by the Act to collect various license application fees to fund MGCB'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 MGCB 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 MGCB 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. MGCB collected application and license fees and other authorized fees, fines, and reimbursement of costs totaling \$1,749,580 for calendar year 2019, and \$1,749,589 for fiscal year 2019.



# Michigan Gaming Control Board

## **Native American Casino Fund**

The Indian Gaming Oversight program originally was established within the Office of Racing Commissioner, Department of Agriculture. The Governor of Michigan officially designated and authorized the Executive Director of MGCB and his designees, agents, and employees as the State of Michigan's representative to conduct the State's authorized inspections of tribal Class III gaming facilities and records, pursuant to and in accordance with the provisions of the various Tribal-State Compacts for the conduct of tribal Class III gaming on Indian lands in Michigan. Oversight responsibilities include conducting financial and compliance audits of the tribal casino's operations to determine the extent of compliance with the Tribal-State Gaming Compacts and related Consent Judgments. Board members of MGCB have no oversight role or authority over the Tribal-State Gaming Compacts. Within each of these compacts, it is outlined that the tribe shall make annual payments to the State to fund the costs incurred for carrying out functions authorized by the terms of the compacts.

Subject to certain exclusivity provisions, the Tribal-State Compacts and related consent agreements stipulate a percentage of annual net win, derived from all Class III electronic games of chance, is to be paid to the Michigan Strategic Fund (MSF) or Michigan Economic Development Corporation (MEDC). The MEDC provides funding to the Board for oversight related to these payments.

## **Lab Fund**

Administrative Rule 432.1842 of the Act provides that all gaming devices and equipment distributed to a casino licensee must be approved by the Board prior to being placed on the gaming floor of the Detroit casinos. It further provides the manufacturer or distributor of the equipment is required to pay the cost of testing. The lab has an established fee schedule for payments of various testing which is designed to fund the costs associated with testing.

## **Equine Development Fund (Horse Racing)**

Per Executive Order 2009-45, the Office of the Racing Commissioner and the position of Racing Commissioner were abolished, and those functions were transferred to the Executive Director of MGCB. All powers, duties, and functions of regulating live horse racing were placed with the Executive Director effective January 17, 2010. Board members of MGCB have no authority or role in regulating live horse racing. Prior to Executive Order 2009-45, the Office of Racing Commissioner was a Type-I agency under the Michigan Department of Agriculture. Executive Order 2009-54 maintains the authority, powers, duties, and functions under Section 20 of the *Horse Racing Law of 1995*, Public Act 279 of 1995, MCL 431.320 (Equine Development Fund) within the Michigan Department of Agriculture effective March 15, 2010. These Executive Orders gave regulatory authority of racing to the Executive Director, but the funding of this function is still retained by the MDARD.



# Michigan Gaming Control Board

## **State Lottery Fund (Millionaire Party)**

Per Executive Order 2012-04, the licensing and regulation of charitable millionaire party gaming was transferred from Lottery to the Executive Director of MGCB. This Executive Order transferred the licensing and regulatory authority of millionaire party gaming under the Bingo Act to the Executive Director of MGCB; however, the funding of this function is still retained by Lottery through the State Lottery Fund. All fees collected by MGCB in connection with Millionaire Party are remitted for deposit into the State Lottery Fund and all necessary expenses incurred by MGCB are financed from the State Lottery Fund. Board members of MGCB have no authority or role in regulating millionaire parties. Regulation of other forms of charitable gaming such as bingo and raffles remain with Lottery.

## **Board Statement of Revenues and Expenditures**

Section 432.215(1) of the Act requires MGCB's Annual Report include an account of financial position and the results of operations under the Act, for the period covered by the report. While MGCB, like other state agencies, operates on a fiscal year (October 1 – September 30) basis, the Act requires MGCB's Annual Report be based on the calendar year. To give a more comprehensive account of financial position and the results of operations, the following financial statement reports MGCB's revenues and expenditures for both calendar year and fiscal year 2019.

# Statement of Revenues and Expenditures

(In Thousands)

## REVENUES

	<u>Fiscal Year 2019</u>	<u>Calendar Year 2019</u>
<b>State Casino Gaming Fund</b>		
Casino and supplier fines	\$ 130.5	\$ 137.5
Other	1.6	1.6
<b>State Services Fee Fund</b>		
Annual Assessments	34,908.8	35,460.5
<u>Application Fees:</u>		
Casinos	2.7	2.7
Suppliers	210.6	225.6
Occupational	162.6	148.4
Vendors	15.9	15.6
<u>License Fees:</u>		
Casinos	75.0	75.0
Suppliers	490.1	490.1
Occupational	382.7	376.3
Vendors	49.0	48.7
<u>Other Fees:</u>		
Badge Replacement Fees	7.9	6.8
Other	0.5	0.5
<b>Native American Casino Fund</b>		
Oversight fees	805.4	830.7
<b>Lab Fund</b>		
Testing fees	220.5	220.8
<b>Total Revenue</b>	<b>\$ 37,463.8</b>	<b>\$ 38,040.8</b>
<b>EXPENDITURES</b>		
<b>State Casino Gaming Fund</b>		
Information Technology	(1,855.6)	(1,855.6)
<b>State Services Fee Fund</b>		
Board	(5.7)	(5.6)
Administration	(22,117.2)	(22,556.9)
Information Technology	(2,432.2)	(2,445.9)
<b>Native American Casino Fund</b>		
	(795.9)	(848.4)
<b>Lab Fund</b>		
	(216.7)	(263.5)
<b>Millionaire Party Fund</b>		
	(2,914.0)	(2,938.6)
<b>Equine Development Fund</b>		
	(945.5)	(1,076.6)
<b>Total Expenditures</b>	<b>\$ (31,282.8)</b>	<b>\$ (31,991.1)</b>

## Statement of Revenues and Expenditures (cont.)

(In Thousands)

### OTHER FINANCING SOURCES (USES)

#### **Transfers from Other Funds:**

Department of Agriculture	\$	960.2	\$	960.2
Michigan State Lottery		3,000.0		3,166.3
<b>Total Transfers from Other Funds</b>	<b>\$</b>	<b>3,960.2</b>	<b>\$</b>	<b>4,126.5</b>

#### **Transfers to Other Funds:**

##### **State Services Fee Fund**

Department of Community Health		(960.0)		(320.0)
Department of Human Services		(1,040.0)		(346.7)
Michigan Office of the Auditor General		(1,385.1)		(1,385.1)
Department of Treasury		(221.2)		(221.2)
Michigan State Police		(8,313.0)		(8,313.0)
Department of Civil Service		(223.1)		(223.1)

##### **Native American Casino Fund**

Department of Civil Service		(10.0)		(10.0)
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##### **Lab Fund**

Department of Civil Service		(3.8)		(3.8)
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##### **State Lottery Fund**

Department of Treasury		(45.3)		(45.3)
Department of Civil Service		(40.8)		(40.8)

##### **Equine Development Fund**

Department of Civil Service		(14.7)		(14.7)
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<b>Total Transfers to Other Funds</b>	<b>\$</b>	<b>(12,257.0)</b>	<b>\$</b>	<b>(10,923.7)</b>
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<b>Total Other Financing Sources (Uses)</b>	<b>\$</b>	<b>(8,296.8)</b>	<b>\$</b>	<b>(6,797.2)</b>
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<b>Excess Revenues and Other Sources Over (Under) Expenditures and Other uses</b>	<b>\$</b>	<b>(2,115.8)</b>	<b>\$</b>	<b>(747.5)</b>
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#### **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.



This Annual Report was not produced at taxpayer expense.  
[www.michigan.gov/mgcb](http://www.michigan.gov/mgcb)