

# Illegal Gaming Machines

## Fact Sheet for Michigan Businesses



**Gambling in Michigan is illegal, unless authorized by state law, and involves the elements of consideration, prize, and chance.** Michigan law prohibits accepting money, or anything of value, with the understanding that money, or something of value, will be paid to any person contingent upon the outcome of an uncertain event.

### What Makes Using Gambling Machines Illegal

- The player pays to play them (**consideration**).
- The outcome of the games is determined primarily by accidental or fortuitous circumstances (**chance**) beyond the control of the player.
- The player may be awarded something of value (**prize**).
- They don't fall within the parameters of current state law.

### Examples of Machines Used for Illegal Gambling



### Consumer Impact

- The public is exposed to gambling games with unregulated and adjustable payout percentages.
- Consumers have no method of resolving disputes with operators and/or suppliers of the gaming machines.
- Businesses using these machines for gambling are prone to more serious criminal activity.

### Myths gaming machine suppliers may tell Michigan businesses:

**1. The machines can be used legally because there is an element of skill.**

**FALSE**

Through various court cases and expert witness testimony, Michigan judges have ruled that there is no real element of skill.

**2. The machines can be played legally because payouts are made in the form of a gift card.**

**FALSE**

A gift card is still a valuable item and considered a prize element of gambling.

**3. The machines can be played legally because they are considered "redemption" games.**

**FALSE**

Redemption games must fit specific criteria. This does not include a game in which winning depends primarily upon circumstances beyond the control of the player.

### Potential Consequences for Michigan Businesses with Illegal Gaming Machines:



**Loss of State Licenses**



**Criminal Prosecution**



**Monetary Fine**



Report Illegal Gaming Machines:

☎ 888-314-2682

Questions? Contact the Michigan Gaming Control Board:

☎ 313-456-4100

## Real Life Consequences

- 64 search warrants issued.
- 1,474 machines seized.
- More than \$557,136 in cash forfeited to local law enforcement.



*On September 20, 2023, the MGCB oversaw the destruction of several unauthorized and illegal gaming devices at City Recycling, Inc. in Detroit, MI.*



## SEE SOMETHING? SAY SOMETHING!

Michigan citizens can report illegal or suspicious gambling activity and share as much information as possible with the MGCB by:



Calling **1-888-314-2682**, a dedicated phone line for anonymous tips, during normal business hours or leaving a voicemail after business hours.



Sending an email (NOT anonymous) to **MIGamblingTip@michigan.gov**.



Submitting a form located at **Michigan.gov/MGCB** to report tips anonymously.

*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.*

