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The MICHIGAN GAMING Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR JULY 2008

The Michigan Gaming Control Board (MGCB) has recently released the July, 2008 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Aggregate revenue and taxes for all three Detroit casinos for the month of July 2008 were up by 1.98% in comparison to the same month last year. Revenue for MGM Grand casino was up by 22.26%, while MotorCity and Greektown casinos were down by 7.26% and 13.17% respectively, in comparison to the same month last year. The figures released by the MGCB are the gross receipts less winnings paid to wagerers.

Month in 2008	Total Adjusted Revenue 2008		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
January	\$46,637,248.81	\$39,366,692.84	\$27,534,937.58
February	\$47,021,788.41	\$38,326,971.88	\$26,999,351.20
March	\$50,217,833.17	\$41,307,354.29	\$32,230,050.35
April	\$46,864,254.06	\$40,703,507.79	\$28,572,470.64
May	\$52,973,612.49	\$41,948,166.18	\$28,131,129.20
June	\$48,671,864.67	\$38,097,328.05	\$23,227,140.19
July	\$50,536,862.66	\$39,579,086.48	\$25,423,936.01
Total	\$342,923,464.27	\$279,329,107.51	\$192,119,015.17

The figures do not include: 1) the State of Michigan share of the wagering

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tax; 2) the City of Detroit portion of the wagering tax; 3) any fees or other relevant city, state or federal taxes; 4) wages and benefits paid to casino employees; and 5) payments to suppliers, service providers or vendors.

For Greektown Casino, the State of Michigan's share of the wagering tax is 12.1% and the City of Detroit's share is 11.9%, for a total tax of 24%. This 24% tax has historically applied to all three Detroit casinos.

MGM Grand Detroit and MotorCity Casino have received a tax base reduction certification as a result of their facilities being declared "fully operational" by the MGCB. These properties are now subject to a wagering tax of 19%, with a 10.9% of this levy to go to the City of Detroit and 8.1% to be paid to the State of Michigan.

METRO DETROIT BARS RAIDED FOR ALLEGED ILLEGAL GAMBLING

On August 11, and as part of an on-going investigation by Michigan State Police and the Michigan Liquor Control Commission, the Michigan State Police Gaming Section announced that search warrants were issued and served at seven liquor establishments within the Metro Detroit area, in connection with alleged illegal gambling.

The investigation was the result of complaints dating back to 2006 involving allegations that local bars were paying customers for credits earned while playing video poker and video slot machines in these establishments. Those in violation of the Michigan gambling laws and Michigan Liquor Control Commission regulations potentially face felony charges of Maintaining a Gambling House.

Over \$21,000 and twenty-three video poker and slot machines were seized in the raids, according to a Michigan State Police Gaming Section press release.

According to D/Lt. Pamela Benzing from the Michigan State Police Gaming Section and Special Operations team leader, "[i]llegal gambling has a serious impact on local

communities. Video poker and slot machines are not regulated by the State of Michigan, which means bar owners and gambling machine vendors can profit by manipulating odds on jackpots. In this investigation, some individuals gambled away their entire paycheck without winning a single cent."

The raids are part of what authorities call, "Operation Unplugged," which consists of officers from the Michigan State Police Gaming Section, the Michigan Liquor Control Commission, FBI, Immigration and Customs Enforcement and officers from various municipal jurisdictions in Metro Detroit.. The Operation's aim is to stop illegal gambling from taking place within the community at places such as bars and restaurants.

To report illegal gambling in your community, please contact the Michigan State Police Gaming Section at (313) 456-4100.

ODAWA CASINO RESORT LAYS OFF 100 EMPLOYEES

Earlier this week, Odawa Casino Resort, located in Petoskey, Michigan announced the layoff of an estimated 100 tribal and non-tribal employees. The layoffs come as a result of the increasing price of gasoline and a sluggish Michigan economy.

According to the *Petoskey News-Review*, general manager Sean Barnard stated "[w]e were ultimately forced to face the reality of too many employees serving too few customers."

The layoffs consisted of 55 full-time employees as well as 45 part-time employees. Efforts have been made by the casino to put those who were laid off into contact with Michigan Works!, for outplacement services.

"Casinos are suffering along with everyone else. We'll have to ride it out and be as efficient as we possibly can" remarked Barnard. "In the long-term we'll be fine."