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The _____ MICHIGAN GAMING _____ Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO AGGREGATE REVENUES & WAGERING TAXES FOR OCTOBER 2017

In a press release dated November 14, 2017, the Michigan Gaming Control Board ("MGCB" or "Board") released the October 2017 aggregate revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino.

The three Detroit casinos reported \$112.7 million in aggregate revenue for October 2017, a 1.7 percent increase from the same month last year. Please see the linked [State of Michigan official financial report](#).

Year-to-date aggregate revenue of \$1.17 billion rose 1.2 percent above the Detroit casinos' revenue for the first 10 months of 2016. October revenue fell a fractional 0.9 percent compared with September 2017 results.

Revenue rose at MGM by 2.2 percent to \$48.4 million and at MotorCity by 3.2 percent to \$38.4 million when compared with October 2016 results. Greektown revenue was down 1.2 percent to \$25.9 million compared with October 2016 results.

The October 2017 market shares for MGM Grand Detroit, MotorCity Casino and Greektown Casino were 43%, 34% and 23% respectively.

During October 2017, the three Detroit casinos paid \$9.1 million in gaming taxes to the state of Michigan compared with \$9 million for the same month last year. The three casinos reported submitting \$13.9 million in wagering taxes and development agreement payments to the City of Detroit during October.

All three casinos are subject to a wagering tax of 19%, with 10.9% of this levy payable to the City of Detroit and 8.1% payable to the State of Michigan.

The figures released by the Board are the gross receipts less winnings paid to wagerers. The figures do not include: 1) any fees or other relevant city, state or federal taxes; 2) wages and benefits paid to casino employees; 3) payments to suppliers, services providers or vendors; nor 4) other normal business expenses.

FLINT MAN FACES FELONY LARCENY AND CHARITABLE GAMING VIOLATION CHARGES FOLLOWING INVESTIGATION

Per a [Michigan Gaming Control Board press release](#) dated November 16, 2017, a 43-year-old Flint man was arraigned November 9 in 66th District Court on felony larceny and charitable gaming law violation charges. These charges were made following an investigation by the Michigan Attorney General's Office and the MGCGB.

Investigators say James Russel Johnston, Jr. violated state charitable gaming law by requiring a supplier to pay him gambling profits at Owosso Poker Room, 1405 East M-21, Owosso. Johnston allegedly received nearly \$30,000 in improper payments from late August 2014 until October 2015 when the MGCGB suspended gaming at the location.

Johnston allegedly ran games at the Owosso Poker Room by setting up someone as a fake gaming supplier for his location while Johnston actually ran the supplier business behind the scenes. Charities reported Johnston handled all scheduling and any issues related to financial statements. The location also allegedly exceeded chip sales limits during tournaments.

“When an unlicensed location receives gambling profits, it is against the law and undermines the integrity of charitable gaming,” said Richard Kalm, executive director, MGCGB. “These kinds of illegal activities can rob charities of the ability to raise

funds successfully when the MGCGB must enforce the law and stop gaming. It also can cast a cloud on the good works the charities do.”

Under Michigan law, charities manage their own gaming events or may get help from a licensed gaming supplier who may provide dealers, cards, chips and similar items. Location owners such as bars or service organization halls are authorized to receive only reasonable rent payments from a charity and may not be involved directly or indirectly in charitable casino-style gaming.

The felony charge, larceny by false pretenses, carries a penalty of 15 years in jail and/or a \$15,000 fine. The misdemeanor charge, conspiracy to commit gambling-charitable gaming supplier violations, has a penalty of one year in jail and/or a \$1,000 fine.

Currently, charities are working with a licensed supplier and renting the same space for charitable gaming.

A criminal charge is merely an accusation, and the defendant is presumed innocent until proven guilty.

FIREKEEPERS SHOWING THANKS BY INCREASING THEIR ANNUAL TURKEY DONATION FOR LOCAL COMMUNITIES

FireKeepers Casino Hotel announced this week that a donation of 2,500 turkeys has been made to five area food banks, as well as The Kendall Street Pantry in Battle Creek, continuing a successful campaign to help those less fortunate enjoy a traditional meal this holiday season.

For the eighth consecutive year, FireKeepers Casino Hotel has generously provided turkeys to five area food banks prior to the start of the holiday season; this year, the company raised the bar by providing an additional 1,500 turkeys for the Battle Creek area, bringing the total number of turkeys donated to 2,500. Since opening, FireKeepers Casino Hotel has made it a point to contribute to local area food banks, and many

community organizations not only during the holiday season, but throughout the year.

This also includes distributions to the FireKeepers Local Revenue Sharing Board (FLRSB), distributions to the state of Michigan, as well as focusing business operations on local spending.

“As we enter the holiday season, we extend our level of care at a time of great need in our surrounding communities,” stated Kathy George, FireKeepers CEO. “The food banks we have partnered with do a tremendous job year-round and we are happy to help provide holiday meals for families in need.”