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The _____ MICHIGAN GAMING _____ Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES & WAGERING TAXES FOR JULY 2018

In a [press release](#) dated August 14, 2018, the Michigan Gaming Control Board (“MGCB” or “Board”) released the July 2018 revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino.

The three Detroit casinos reported \$119.3 million in aggregate revenue for July 2018, a 0.3% increase from the same month last year. The results were 0.2% above the monthly revenue in June 2018. Through July, the three casinos recorded a 1.7% aggregate revenue increase compared with results for the first seven months of last year.

Please see the linked [State of Michigan official financial report](#).

Revenue decreased at MGM by 0.5% to \$50.9 million. MotorCity recorded a revenue increase of 0.3% to \$40.6 million. Greektown revenue increased by 1.8% to \$27.8 million compared with July 2017 results.

The April 2018 market shares for MGM Grand Detroit, MotorCity Casino and Greektown Casino were 43%, 34% and 23% respectively.

During July 2018, the three Detroit casinos paid \$9.7 million in gaming taxes to the State of Michigan, compared with \$9.6 million for the same month last year. The three casinos reported submitting \$14.2 million in wagering taxes and development agreement payments to the City of Detroit in July.

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.

SPORTS WAGERING UPDATE

In light of the Supreme Court's decision in May striking down a federal prohibition of sports betting, several states have moved forward with legislation and administrative rules. Other than Nevada, there are currently three states (Delaware, New Jersey and Mississippi) that have legalized sports betting and progressed to allow their casinos to accept sports bets.

Delaware was the first state to offer legalized sports wagering, with three casinos (Dover Downs, Delaware Park and Harrington Raceway & Casino) accepting wagers starting on June 5, 2018. Governor John Carney placed the ceremonial first bet. New Jersey was second out of the gate, with Monmouth Park offering sports wagering on June 15, 2018. Again, Governor Phil Murphy placed the ceremonial first bet. Borgata quickly followed, with Ocean Resort, Meadowlands, Bally's and Harrah's all accepting sports wagers by the end of July. In the south, Mississippi launched its sports betting on August 1, 2018 after administrative rules were approved by the Mississippi Gaming Commission. Beau Rivage became the first casino to offer sports wagering in Mississippi, although there are reportedly 13 other casinos that applied and will presumably be offering sports betting shortly. In addition, the Mississippi Band of Choctaw Indians passed an ordinance in late May to allow sports betting, although as of early August the ordinance had not been submitted to the NIGC for approval.

In addition to the states already offering sports wagering, Pennsylvania, Rhode Island and West Virginia have also approved sports wagering, although no casinos have obtained regulatory approval to offer sports bets quite yet. The Pennsylvania Gaming Control Board approved regulations at its meeting August 15th. No Pennsylvania casino has applied for a license however, so sports betting won't be ready by the start of football season. Rhode Island is targeting

October as its launch date, with Twin Rivers casinos in Lincoln and Tiverton being the only commercial casinos offering single-game sports wagering. The Rhode Island Lottery will oversee the sports betting. West Virginia will also utilize its Lottery to regulate sports betting. West Virginia recently announced that Hollywood Casino became the first casino to be licensed and they hope to open by September 1. West Virginia also awarded Fanduel a license in partnership with Greenbrier hotel and resort.

Many other states such as Michigan, Illinois and Massachusetts have sports wagering bills pending in their legislatures, but have not passed them. Other states such as Indiana, New York, and Connecticut reportedly have interest, but would either have to convene special legislative sessions or wait until 2019 to introduce legislation.

FinCEN DIRECTOR KENNETH BLANCO HIGHLIGHTS 11TH ANNUAL ANTI-MONEY LAUNDERING CONFERENCE

The 11th Annual Anti-Money Laundering Conference opened Tuesday, August 14th, 2018 in Las Vegas. In addition to FinCEN Director Kenneth Blanco delivering the keynote speech, the conference featured panels, presentations and addresses from FinCEN's enforcement division and keynote speeches from Eric Hylton, the Deputy Chief of IRS Criminal Investigations, and Leo Tsao, Chief of Bank Integrity Unit of the Department of Justice's Money Laundering and Asset Recovery Section.

Attendees were offered panels and workshops addressing all aspects of AML, including risks related to the Marijuana industry, SAR best practices, data analytics, cyber security, cryptocurrency and IRS investigations.

In his address, Mr. Blanco shared his perspectives as it affects the casino industry. His remarks in their entirety can be found [here](#). He highlighted how FinCEN uses the Bank Secrecy Act information casinos provide and how important it is to AML enforcement and prevention. He offered strategies for utilizing gathered information, getting it into the right person's hands and how it ensures casino compliance with FinCEN requirements. Mr. Blanco urged increased

information sharing through the 314(b) program, noting that increased information sharing between casinos and financial institutions helps crack down on potential laundering activity. Finally, he touched on emerging technology and its impacts on the casino industry. Mr. Blanco concluded his remarks by stating: “I am encouraged by the productive discussions FinCEN and the gaming industry have engaged in over the past several years. Events such as this one are important. I would be interested in hearing your thoughts on how we can broaden our reach.”

GLOBAL GAMING EXPO 2018 IS OPEN FOR REGISTRATION

The 2018 Global Gaming Expo (G2E), the largest gathering of global, commercial and tribal gaming professionals in North America, is now open for registration. G2E will be held October 8-11 at the Sands Expo Center in Las Vegas Nevada. Educational programs will begin on October 8. The exhibition hall will be open beginning on October 9.

The 2018 educational sessions will highlight a Sports Betting Symposium, AGA Innovation Lab and the National Center for Responsible Gaming (NCRG).

This year’s G2E exhibition hall will showcase everything needed for the casino floor and across all entities of gaming operation—from traditional casino fare to non-gaming amenities, digital products and business assistance.

All gaming industry professionals—executives, corporate management, tribal leaders and other professionals are encouraged to attend G2E. For more information, please visit the [Global Gaming Expo Website](#). If you are interested in registering for G2E, please click [here](#).