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The _____ MICHIGAN GAMING _____ Newsletter



ATTORNEY GENERAL AND DEPARTMENT OF JUSTICE FILE NOTICE OF APPEAL IN WIRE ACT CASE

Today, the United States Attorney General William Barr and the Department of Justice filed a Notice of Appeal in District Court challenging the June 20th New Hampshire Federal District Court decision which had rejected their interpretation of the Wire Act's application to online wagering, appealing the decision to the First Circuit Court of Appeals. *New Hampshire Lottery Commission, et. al v. Attorney General of the United States of America, Case No. 19-CV-00163-PB*

In January 2019, the Department of Justice ("DOJ") issued a Wire Act Opinion ("2019 Opinion") that reversed a prior 2011 DOJ Opinion that held that the Wire Act only applied to sports gambling. In response to the 2019 Opinion, the New Hampshire Lottery Commission brought suit, arguing that the 2019 Memo was incorrect as a matter of law and that if enforced, would shut down New Hampshire's online lottery sales. Multiple states, including Michigan, as well as industry groups have filed amicus briefs and participated in oral arguments. NeoPollard Interactive (an online lottery service provider) also filed suit making similar arguments, and the District Court consolidated the cases.

On June 3rd the District Court issued an Opinion holding that the Wire Act does not apply to forms of online gambling other than sports gambling and rejecting the DOJ Opinion. A motion for reconsideration was filed and the Court denied that Motion on June 20th. The appeal now moves the case to the First Circuit Court of Appeals which will review the legal decisions of the lower court. The case could have major implications for all forms of online gaming, including state lottery activities online.

MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES & WAGERING TAXES FOR JULY 2019

In a [press release](#) dated August 14, 2019, the Michigan Gaming Control Board (“MGCB” or “Board”) released the July 2019 revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino.

The three Detroit casinos reported \$119 million in aggregate revenue for July 2019, a 0.3% decrease from the same month last year. The results were 1.3% above the monthly revenue in June 2019. The year-to-date aggregate revenue of \$854 million was 0.8% higher than in the first seven months of 2018.

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

Revenue increased at MGM by 1.5% to \$51.7 million. MotorCity recorded a revenue increase of 0.3% to \$40.7 million. Greektown revenue decreased by 4.3% to \$26.6 million compared with July 2018 results.

The July 2019 market shares for MGM Grand Detroit, MotorCity Casino and Greektown Casino were 44%, 34% and 22% respectively.

During July 2019, the three Detroit casinos paid \$9.64 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.

GUN LAKE TRIBE CHAIRMAN BOB PETERS RECEIVES NATIONAL AWARD

On August 5, 2019, the National Center for American Indian Enterprise Development (the National Center) announced its **2019 Native American 40 under 40** award recipients. Bob Peters, Chairman of Tribal Council for the Gun Lake Tribe, was included as part of this influential group for 2019.

“I am honored to receive this special recognition from the National Center. Along with the Tribal Council, we are proud of the accomplishments we have made towards financial security for the Tribe, while providing more jobs and improving the quality of life in our local community,” said Chairman Peters.

Each year, the National Center recognizes 40 emerging Native American and Alaska Native leaders who have demonstrated leadership, initiative, and dedication and made significant contributions in business, their professions, or in their communities.

“The 2019 class of our Native American 40 under 40 award winners is a truly impressive group of amazing young leaders,” said Chris James, President and CEO of the National Center. “They join a growing community of past winners who are already making a difference in their communities and professions. I look forward to honoring their achievements and welcoming them into the 40 under 40 family.”

The awards gala will take place on August 24th at the Sheraton Grand at Wild Horse Pass in Phoenix, AZ. [Click here](#) to see the complete list of the 2019 Native American 40 under 40 award recipients.

MICHIGAN ASSOCIATION ON PROBLEM GAMBLING CELEBRATES CONTINUED PARTNERSHIP WITH GUN LAKE CASINO

In a press release dated August 8, 2019, The Michigan Association on Problem Gambling (MAPG) announced the continuation of a long-standing partnership with one of its Corporate Members, Gun Lake Casino, to help address problem gambling in the state of Michigan.

“Gun Lake Casino was the first gaming entity to join MAPG and we are very happy to continue our partnership,” said Michael Burke, Executive Director for MAPG. “Gun Lake Casino is a part of a dedicated team of volunteers throughout the state who seek to help those who may be negatively impacted by gambling.”

Comprised of a cross section of the problem gambling community in Michigan, MAPG’s mission is to advocate for treatment, prevention, education, training, research and evaluation of pathological gamblers and their families.

“Since opening in 2011, Gun Lake Casino has been focused on providing a fun and safe entertainment environment,” said Jose Flores, vice president and general manager for Gun Lake Casino. “We have remained committed to MAPG through the years and provide annual training to our team members to continue raising awareness about responsible gambling.”

MAPG also serves as the Michigan affiliate to the National Council on Problem Gambling (NCPG). For more information about becoming a MAPG member, please click [here](#).

MIDWEST SPORTS WAGERING UPDATE: INDIANA SET TO GO LIVE WITHIN 30 DAYS

As the state of Michigan continues to debate the legalization of sports wagering and other gaming expansion options, Indiana and Illinois have passed laws permitting wagering on sports. In Ohio there are two bills pending (HR 194 and SB

111) although passage does not appear to be on the horizon as lawmakers debate what the appropriate agency would be to oversee sports wagering, as well as other details related to its rollout.

Indiana is set to be the first neighboring state to authorize sports wagering. All indications are it will likely occur around the start of the 2019 NFL season. Under state law the first wager cannot be placed until September 1, 2019. In an article in the Journal Gazette, Jenny Reske, Deputy Director at the Commission stated: “September 1 is the first day the activity can be offered but there are a lot of regulatory steps that need to be accomplished prior to launch.” Noah Hirsh, Assistant General Manager for the Horseshoe Casino located in Hammond, Indiana told The Times that “construction is progressing on Horseshoe’s 5,300 square foot sportsbook.” He noted that work should be completed by Labor Day. The casino’s website states that the sportsbook will open in September, but no formal opening date has been announced.

By an [adopted Resolution](#), the Indiana Gaming Commission has given its Executive Director broad powers with regard to the implementation of sports betting. The Indiana Commission is set to review rules relating to sports wagering and to consider adoption at its August 28th public meeting set for 1 p.m.

Ms. Reske told the Journal Gazette that “there could be a two-tier rollout – retail betting at the casinos and OTBs followed by the online/mobile component.” The following casinos have been issued temporary certificates of authority to provide sports wagering to their customers:

- Ameristar, Belterra,
- Blue Chip Casino,
- Caesars Southern Indiana,
- French Lick Resort,
- Hollywood Casino,
- Hoosier Park,
- Horseshoe Hammond,
- Indiana Grand,

- Winner's Circle Clarksville,
- Winner's Circle Indianapolis, and
- Winner's Circle New Haven.

DIRECTOR OF FinCEN SPEAKS AT 12TH ANNUAL LAS VEGAS ANTI-MONEY LAUNDERING CONFERENCE

On August 13, 2019, Kenneth A. Blanco, Director of the Financial Crimes Enforcement Network (FinCEN), shared his perspective on topics currently effecting the gaming industry. In delivering his remarks, Mr. Blanco hoped to set the stage for further discussions to be fostered during the remainder of the conference.

These topics included:

- The impact of advanced technologies;
- Sports betting and mobile gaming;
- Relevance of convertible virtual currency (CVC) advisory to casinos;
- Culture of compliance; and
- Regulatory reform, innovation and BSA value.

To read the complete release of Kenneth Blanco's prepared remarks, please click [here](#).