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The _____ MICHIGAN GAMING _____ Newsletter



THE INNOVATION GROUP RELEASES WHITE PAPER ON CORONAVIRUS RECOVERY IN THE CASINO GAMING INDUSTRY

Yesterday, The Innovation Group announced the release of a study, entitled *Coronavirus Recovery Analysis, A Gaming Industry White Paper*, which discusses the impact of COVID-19 on the gaming industry as a result of the pandemic.

In releasing the White Paper, The Innovation Group stated the following:

The Innovation Group (TIG) has been following COVID-19 and its impact on the gaming industry since the pandemic entered the global stage in mid-January. Initially, we tracked domestic and international gaming activity and revenue declines on a market by market basis, until it became clear in mid-March that casinos along with the entire hospitality and leisure industries would essentially shut down. Since then, our focus has been multi-fold: (1) We have stimulated dialogue between tribes, operators, investors, and regulators to discuss how they are addressing business needs during closure and their best practices. (2) We have been looking forward, developing a forecast model for a wide range of potential recovery patterns across gaming markets which can be adapted on a local market basis as new information and data become available. (3) We are tracking customer sentiment so that our Innovation Analytics team can use player perceptions to refine forecasts and inform marketing decisions in the new gaming environment. Today, we release our analysis of potential recovery patterns for the gaming industry from COVID-19.

Big picture, the study provides a preliminary analysis of potential recovery patterns of the gaming industry from COVID-19. US commercial casino revenue for 2019 is utilized as the baseline in the recovery model forecast, and presents regional percentage recovery estimates that apply to commercial and tribal casinos. Destination, international and online gaming markets are considered qualitatively in the report. The analysis applies a range of demand recovery scenarios based on the level of decline in the economy and in perceived customer security; ramp up of economic recovery and; ramp up of consumer acceptance for spending and use of public spaces.

A copy of the White Paper is available [here](#).

NIGC RELEASES REOPENING GUIDANCE FOR TRIBAL CASINOS

On April 24, 2020, the National Indian Gaming Commission issued reopening guidance for tribal casinos who are considering plans to open their casinos and can be found [here](#). The guidance notes that the NIGC has developed a COVID-19 Environment, Public Health and Safety (EPHS) Preliminary Assessment that our compliance staff will use to assess a gaming operation's compliance with 25 C.F.R. part 559. The COVID-19 EPHS Preliminary Assessment's focus is on EPHS and does not address specific internal controls or asset protection that should be considered when reopening. The assessment lists 23 questions that the assessment will review ranging from whether there are any tribal, local, county and state restrictions business and gatherings to cleaning requirements to PPE equipment to social distancing.

In addition to the EPHS factors, the NIGC has broken down its reopening guidance into five areas: (1) Regulatory and Staffing Concerns; (2) Public Health & Safety Recommendations; (3) Considerations for Gaming Floor; (4) Considerations for Security and Surveillance; and (5) Considerations for Cage/Vault and Revenue Audit.

In the accompanying letter, E. Sequoyah Simermeyer, chair of the NIGC, noted: "In addition, information related to preparation measures for reopening is available on the recently updated NIGC Frequently Asked Questions document. As operations and tribal regulatory bodies identify operational questions and propose site specific solutions, the NIGC will continue to expand on how mitigation measures protect the public's safety and ensure a fair gaming operation." The NIGC FAQs can be found at <https://www.nigc.gov/commission/faqs>.

MICHIGAN CASINOS ORDERED TO STAY CLOSED UNTIL MAY 28TH

Detroit casinos will remain closed through May 28th after Governor Gretchen Whitmer extended the previous order limiting places of public accommodation.

"Although we are beginning to see the curve flatten, we are not out of the woods yet. We must all continue to be diligent, observe social distancing and limit in-person interactions and services to slow the spread of COVID-19," said Governor Whitmer.

Governor Whitmer signed Executive Order 2020-69 yesterday, ordering the Detroit casinos, racetracks, and millionaire parties to remain closed. The tribal casinos in the State have chosen to follow the Governor's previous directives, so it is likely that they will be closed continue to be closed as well.

"Michigan now has more than 40,000 cases of COVID-19. The virus has killed more Michiganders than we lost during the Vietnam War," said Governor Whitmer. "Extending this order is vital to the health and safety of every Michigander. If we work together and do our part, we can help reduce the spread of COVID-19 and save lives."

The full text of Executive Order 2020-69 can be found [here](#).