

July 24, 2020

Volume 26, Issue 29

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Editor in Chief

David D. Waddell, Esq.

Phone: 517.507.3859
waddell@rmclegal.com

Senior Gaming Analyst & Editor

Robert R. Russell, II

Phone: 517.507.3858
russell@rmclegal.com

Associate Editor

J.J. Burchman, Esq.

Phone: 517.999.5414
burchman@rmclegal.com

Features Editor and Reporter

Gabrielle Davis

Phone: 517.999.5416
gdavis@rmclegal.com

Subscription information:

info@michigangaming.com

A publication of

RMC Ventures, LLC

Asher Court

321 W. Lake Lansing Rd.

East Lansing, MI 48823

Phone: 517.507.3860

Fax: 517.908.0235

www.rmclegal.com

The _____ MICHIGAN GAMING _____ Newsletter



REMINDER: MGCB DEADLINES FOR ONLINE GAMING APPROACHING

As an important reminder, the Michigan Gaming Control Board (MGCB) published internet gaming and internet sports betting supplier applications on May 15, along with operator and vendor registration applications on June 30.

To advance the licensing process, the MGCB is asking for all operator applications to be submitted by July 31. Additionally, suppliers and vendors are asked to submit applications by August 14.

By submitting an application by these deadlines, applicants will best assure the likelihood of "going live" during the initial launch of internet gaming and internet sports betting in Michigan.

RMC Legal is very familiar with the forms, and can assist clients in the timely license application and approval process in Michigan. "The MGCB is very organized and systematic in their approach to licensing in this area, and the key to success is keeping a good and open line of communication," said Robert Russell, Gaming Analyst at RMC.

GAMING LABORATORIES INTERNATIONAL RELEASES REVISED STANDARD, "GLI-19 STANDARDS FOR INTERACTIVE GAMING SYSTEMS V3.0"

In a press release issued on Monday of this week, Gaming Laboratories International (GLI) announced that to further help the industry navigate the future of gaming it has released a revised standard, "GLI-19 Standards for Interactive Gaming Systems V3.0."

The standard provides regulators, suppliers, and operators with additional

clarity and best practices surrounding interactive gaming systems. GLI-19 V3.0 is available for download now at gaminglabs.com/gli-standards. GLI-19 V3.0 accomplishes several goals, including:

1. Providing better clarity between technical requirements, which would be evaluated in the lab, and operational controls and procedures, which would be evaluated on-site post system install.
2. Aligning GLI-19 requirements with overlapping requirements contained in other technical standards. For example, alignment to game requirements within GLI-11 and reporting requirements within GLI-33 where possible.
3. Reflecting industry best practices and global standards while providing an appropriate level of prescription that is minimally disruptive to the industry.

Enhancing sections pertaining to operational controls and procedures, including periodic security testing to help regulators and operators create more efficient and alternative processes to monitor interactive gaming operations.

“Over the past several months, GLI has worked closely with various industry stakeholders including suppliers, operators and regulators to ensure GLI-19 V3.0 represents the most highly developed set of technical requirements and practices available in the gaming industry. GLI-19 is especially important at this point in time with many jurisdictions across the globe looking to roll out Internet Gaming sooner than later,” said GLI Director of Technical Compliance Peter Wolff.

Multiple gaming regulators have already incorporated GLI-19 within their regulatory structure.

GLI is the only test lab that works with all global jurisdictions – existing and emerging – putting GLI in a unique position to help all stakeholders. The

GLI-19 standard, and all standards in the GLI canon, are examples of how GLI can help in ways no other lab can.

Each standard in the GLI Standard Series is a culmination of industry best practices and is continually updated based on industry feedback. The GLI Standards are true industry standards in that they are created using a collaborative approach which involves thousands of gaming industry stakeholders.

These standards are intended to assist regulators by creating baseline technical guidelines which they can adopt and/or utilize in the manner they see fit. In addition to assisting regulators, the standards are of tremendous value to suppliers who use the standards as a guide in their design and development process, saving both time and expense.

GLI-19 and the entire set of the GLI Standards Series is available for free download at www.gaminglabs.com.

NEW AGA STUDY FINDS SPORTS BETTORS ABANDONING BOOKIES FOR LEGAL MARKET

On Tuesday of this week, the American Gaming Association (AGA) issued a press release stating that new research shows consumers are moving their business away from illegal bookies and toward legal options. Average spending with illegal bookies fell **25 percent** in legal sports betting states last year, while legal online and mobile betting spend increased **12 percent**. Illegal offshore operators also saw a **three percent** increase in states with legal sports betting.

The most influential factors for bettors who had shifted from the illegal to legal market are confidence that bets will be paid out (**25%**), awareness of legal options (**20%**), and a desire to use a regulated book (**19%**).

“We’ve known for a long time that Americans like

to bet on sports. This research affirms their interest in moving toward the protections of the legal market,” said AGA President and CEO Bill Miller. “Giving consumers convenient alternatives to the illegal market, like regulated mobile offerings and competitive odds, is key for getting bettors to switch to legal channels.”

Bettors overwhelmingly prefer legal operators, with **74 percent** saying it is important to *only* bet through legal providers. Despite this, **52 percent** of sports bettors participated in the illegal market in 2019. The study found that illegal sports betting is driven largely by confusion about online operators. More than half (**55%**) of consumers who placed most of their wagers with illegal operators believed they bet legally.

“Illegal, offshore operators continue to take advantage of unknowing consumers,” continued Miller. “This only worsened during the sports shutdown, with unregulated bookmakers offering odds on everything from the weather and shark migration patterns to whether your friends’ marriage will survive the pandemic. The AGA is focused on educating customers on how to wager legally and the dangers of the illegal market, especially with the return of the MLB and NBA this month.”

To help educate bettors, the AGA’s interactive [sports betting map](#) includes a comprehensive directory of licensed online and retail sportsbooks in states where sports betting is legal. In addition, the AGA is actively collaborating with federal and state law enforcement to enhance our collective understanding of the illegal marketplace; engaging publishers and [media](#) to ensure their platforms do not promote the illegal marketplace; and [educating the public](#) about the dangers associated with illegal sports betting operators.

As states continue to consider legalizing sports betting, AGA’s [newly updated sports betting principles](#) encourage policymakers to build regulatory frameworks that protect customers, ensure robust oversight, create a competitive environment, and promote customer convenience.

Background

- [Eighteen states](#) plus the District of Columbia now offer legal, regulated sports betting, with [four more states](#) poised to open legal markets in the coming months.
- Before the COVID-19 shutdown, 2020 looked set to become another record-breaking year with \$3.5 billion legally wagered in January and February, up from \$1.9 billion the same time last year.
- Legal sports betting is available to 22.4 million more American adults than before the COVID-19 pandemic, as Illinois, Michigan, Montana, Colorado, and Washington, D.C. have all gone live since mid-March.
- Americans have legally wagered more than \$22 billion on sports nationwide since the Supreme Court overturned PASPA, generating upwards of \$198 million in tax revenue to state and local governments.
- In March 2019, the AGA released a [first-of-its-kind study](#) on the sports betting consumer.
- The AGA’s [Have A Game Plan™, Bet Responsibly](#) public service campaign encourages responsible sports betting behavior, including using licensed, regulated operators.

Methodology

Heart + Mind Strategies conducted this survey on behalf of the AGA between December 2019 and January 2020. The survey includes 3,451 interviews among American adults over 21-years-old of various subgroups.

AGA PRESIDENT TESTIFIES BEFORE SENATE COMMITTEE: LEGAL, REGULATED SPORTS BETTING PROTECTS ATHLETES, GAME INTEGRITY

On Wednesday of this week, American Gaming Association (AGA) President and CEO Bill Miller testified before the U.S. Senate Judiciary Committee on how the legal, regulated sports betting market ensures game and wager integrity, protects collegiate and professional athletes, and helps detect suspicious wagering and unlawful activity.



Click [here](#) to watch Miller's testimony.

"The protection of the integrity of competition is central to the interests of the entire sports betting ecosystem," testified Miller. "The federal prohibition on sports betting was a failed endeavor that we shouldn't replicate. Instead, we should work together to further eliminate the pervasive illegal market and support experienced regulators whose oversight protects the interests and integrity of all involved."

In his testimony, Miller reiterated that the only way to protect athletes and competition from corruption is through continued legalization. "Nobody has a greater vested interest in avoiding scandal than legal gaming operators. In fact, licensed sportsbooks in Nevada have historically been the first to uncover match fixing, identifying irregular betting patterns and alerting regulators," he said.

Miller encouraged Congress to consider increasing the maximum federal penalty for match-fixing and repeal the federal excise tax on

sports wagers, which puts legal sportsbooks at a competitive disadvantage.

According to AGA research, 74 percent of American sports bettors say it is important to only bet through legal providers. Since the Supreme Court declared the Professional and Amateur Sports Protection Act unconstitutional in May 2018, 22 states and the District of Columbia have authorized sports betting.

A transcript of Miller's remarks, as prepared for delivery, is available at this [link](#) and testimony submitted for the record is at this [link](#).