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# The \_\_\_\_\_ MICHIGAN GAMING \_\_\_\_\_ Newsletter



## GOVERNOR'S EXECUTIVE ORDER CREATES MGCB CRIMINAL INVESTIGATIONS SUBUNIT

Yesterday afternoon, Michigan Governor Rick Snyder issued [Executive Order No. 2012-7](#), which creates a Criminal Investigations Subunit (the "Subunit") within the Michigan Gaming Control Board ("MGCB"). Under the terms of the Executive Order, the Executive Director of the MGCB is charged with responsibility for, and direct control of, the Subunit, and is further required to arrange for the Subunit's proper staffing.

The stated purpose of the Subunit is to investigate criminal activity relating to any matter under the jurisdiction of the MGCB, or the Executive Director of the MGCB, including, but not limited to: "(1) Conducting criminal background checks on applicants for licenses and current licensees...;(2) Investigating claims of unlawful gaming or racing practices that, if true, would constitute a violation of the Michigan Penal Code; (3) Maintaining records of its criminal investigations; (4) Sharing records of its investigations with other criminal justice agencies; and (5) Reviewing information from other criminal justice agencies to assist in the enforcement and investigation of all matters under the authority of the Executive Director of the [MGCB]."

In a press release related to the issuance of the Executive Order, Gov. Snyder said, "[b]y creating a new subunit with expanded access to state and federal criminal justice information, the board will be better equipped to do its duty."

## SAULT STE. MARIE TRIBE OF CHIPPEWA VOTE TO APPROVE LANSING CASINO

On Thursday, May 3, 2012, the Sault Ste. Marie Tribe of Chippewa Indians ("Tribe") announced that the members of the Tribe voted in

favor of the Tribe's intention to move forward with plans to establish a tribal casino in downtown Lansing.

On March 20, 2012, the Tribe announced its plans to circulate ballots among its members regarding a vote on the Lansing project, which were provided to registered tribal members on April 13, 2012. The referendum, initiated by a petition signed by 106 tribal members, asked members for approval of Tribal Resolution 2012-11, a resolution approved by the Tribal board of directors that authorizes the Tribe to move forward with purchasing property, to enter into revenue sharing agreements, to make tribal distributions, and other items related to the proposed plan to open a casino in Lansing.

According to a press release from the Tribe, the final vote was 3,947 for and 2,311 against the referendum. The Tribe has already received approvals from the Lansing City Council to move forward with a land purchase agreement for a parcel near the existing Lansing Center in downtown. In the press release, Tribal Chairman Joe Eitrem stated that “[i]f we succeed in opening a casino in Lansing, it will provide a new source of funds desperately needed to fully fund and restore membership programs that have been cut, to replenish our Self Sufficiency Fund, to pay down our debt, and to bring more services to members.”

The Tribe plans to build a 125,000 square-foot gaming facility in downtown Lansing that would house an estimated 3,000 slot machines and 48 table games. The Tribe has estimated that the project would create 700 construction jobs and 1,500 full-time positions once the casino is opened.

The Tribe, however, must now seek approval from the federal government in order to move forward with the project. The Tribe must file the necessary documentation and applications for an off-reservation gaming expansion with the Department of the Interior. The Secretary of the Interior would then need to take the land in downtown Lansing into trust for the benefit of the tribe after determining that the Tribe would be eligible to open a casino at the location.

The City of Lansing and the Tribe have stated that their legal teams have reviewed the proposed plan and found that it is consistent with federal and state legal provisions. However, on February 7, 2012, Governor Snyder and state Attorney General Bill Schuette issued a joint letter stating their opposition to the project, in part, because the Governor has taken the position that the project would conflict with other tribal compacts in the state, as well as with federal law.

## OHIO CASINO UPDATE

### *Ohio Casino Control Commission Grants First Casino Operator's License*

At its meeting on May 2, 2012, the Ohio Casino Control Commission (“OCCC”) approved the casino operator’s license for Rock Ohio Caesars Cleveland, LLC (“Rock Ohio Caesars”), clearing the way for the opening of the Horseshoe Casino Cleveland on May 14, 2012. The OCCC also approved the casino management company license for Horseshoe Management Company, LLC, the company that will manage the Cleveland casino facility. The licensure of these entities followed a detailed suitability review of Rock Ohio Caesars, its executives and the shareholders of Rock Ohio Caesars, including Caesars Entertainment Corporation.

In response to the decision of the OCCC, Horseshoe Casino Cleveland issued the following statement, “[w]e are delighted to accept our gaming operator license from the Ohio Casino Control Commission today, and appreciate the Commission’s confidence and efforts to certify Horseshoe Cleveland as the first casino in the State of Ohio. Our 1,600 new Horseshoe Casino team members are fully prepared to open our doors on May 14, and look forward to celebrating this exciting moment in the heart of downtown Cleveland.”

During the May 2<sup>nd</sup> meeting, the OCCC also entertained a presentation from Penn National Gaming on the status of its Hollywood Casino Toledo facility, which the company hopes to open

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on May 29<sup>th</sup>. The OCCC is expected to approve the casino operator's license for this facility at its next public meeting on May 9, 2012.

*Ohio Bill Would Expand Charity Poker Rooms to All Ohio Counties*

A recent change made in the Ohio senate substitute for House Bill 386, a sweeping measure that would amend casino, horse racing and lottery regulation, extends the ability to operate charity card rooms to all of Ohio's 88 counties. Only Cuyahoga County currently operates a charity card room that is available for rent by qualifying nonprofit organizations to hold a charitable gaming event. This provision has drawn criticism from Ohio Governor John Kasich, and the bill's original sponsor, state representative Louis Blessing, has voiced concerns that it could cut into the revenues that will be earned by the state's four new commercial casinos and forthcoming racinos - which would also lead to a decrease in state wagering tax revenue.

The senate substitute for H.B. 386 could be voted on by the Ohio Senate as early as next Tuesday.