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NCLGS Adopts Resolution on Responsible Gaming Standards

On Friday, July 14, 2023, The National Council of Legislators from Gaming States ("NCLGS") adopted a <u>resolution</u> aimed to aid states in addressing responsible gaming at its 2023 Summer Meeting in Denver, CO. NCLGS is an organization consisting of state lawmakers hailing from jurisdictions across the United States that work to educate legislators, partake in the creation of public policy, and play a role in the federal representation of states before Congress and the executive branch, all relating to gambling and gaming issues.

The active NCLGS President is Senator Jon Ford of Indiana. Sen. Ford oversaw the vote by the NCLGS Executive Committee to approve the resolution. In regard to this new development, he noted, "Gaming in the United States is authorized and regulated at the state level, but states need guidance as gaming grows. This two-year effort by legislators is the first to leverage what we have learned for the benefit of our members as they grapple with this critical need."

NCLGS President-Elect Shawn Fluharty, Delegate of West Virginia, as well as NCLGS Vice President Christie Carpino, Representative of Connecticut, also commented on their approval of the resolution, specifically noting the importance of problem gambling and the states' ongoing roles in addressing it.

Notable takeaways from the new NCLGS resolution include the following suggestions:

- 1. One accredited national problem gambling helpline number within all jurisdictions;
- 2. State or jurisdictional advertising guidelines to ensure that marketing is targeted only to those who are of legal age to gamble, that marketing

follows standards not to offer content, themes, and promotions that have special appeal to those consumers most at risk for gambling problems, and to ensure there are programs that audit and monitor the content of third-party marketing affiliates;

- Policies and programs that enable customers to discontinue their play temporarily or permanently through exclusion programs from gaming activities statewide and across multiple jurisdictions with multiple term lengths;
- 4. Coordination of gambling exclusion lists to prevent people with gambling problems and others on exclusion lists from problematic play in other states.

Detroit Casinos Report \$101.5 Million in June Aggregate Revenue

According to the June <u>revenues</u> released by the Michigan Gaming Control Board ("MGCB"), the three Detroit casinos reported \$101.5 million in monthly aggregate revenue in June. Table games and slots generated \$101.9 million in revenue, and retail sports betting yielded a negative \$395,606 in large part due to a patron successfully winning \$972,000 at MotorCity Casino on June 18.

The June market shares were:

- MGM, 46%
- MotorCity, 32%
- Hollywood Casino at Greektown, 22%

Monthly revenue for table games and slots rose 3.8% when compared to June 2022 results. June revenue decreased 2.7% compared to May 2023 results.

When compared with June 2022, monthly gaming revenue results were:

- MGM, \$47.0 million, decrease of 2.7%
- MotorCity, \$32.5 million, decrease of 3.0%
- Hollywood Casino at Greektown, \$22.4 million, increase of 36.8%

The three Detroit casinos paid \$8.3 million in gaming taxes to the State of Michigan, compared to \$8.0 million for the same month last year. The casinos also reported submitting \$12.1 million in wagering taxes and development agreement payments to the City of Detroit in June.

The three Detroit casinos reported \$8.1 million in total sports betting handle and total gross receipts yielded a negative \$378,641. Retail sports betting qualified adjusted gross receipts (QAGR) reported for June decreased by \$1.3 million compared to May 2023. Monthly QAGR fell by \$844.308 when compared to June 2022.

June QAGR by property were:

- MGM, \$30,010
- MotorCity, negative (\$708,625)
- Hollywood Casino at Greektown, \$283,009

The three Detroit casinos reported submitting taxes on retail sports betting in the amounts of \$11,832 to the State of Michigan, and \$14,462 to the City of Detroit for June 2023.

Fantasy contest operators reported total adjusted revenues of \$1.9 million and paid taxes of \$155,539 during May 2023.

Top revenue generators for the year through May were:

- PrizePicks, \$7,098,907.92
- DraftKings, \$2,381,885.06
- FanDuel, \$1,048,451.94

For the first 5 months of 2023, fantasy contest operators reported \$10.8 million in aggregate fantasy contest adjusted revenues and paid \$903,369 in taxes.

FY 2022 Indian Gaming Revenue Breaks Records at \$40.9 Billion

On July 19, 2023, the National Indian Gaming Commission's ("NIGC") Chairman E. Sequoyah

Simermeyer and Vice Chair Jeannie Hovland announced the <u>release</u> of the Fiscal Year 2022 (FY 2022) Gross Gaming Revenue ("GGR") <u>Report</u> that showed an overall total increase of 4.9% from FY 2021. GGR totaled \$40.9 Billion, an increase of \$1.9 Billion over FY 2021 GR. Seven of NIGC's regions showed an increase over FY 2021: Portland by 1.0%, Phoenix by 15.7%, St. Paul by 3.4%, Rapid City by 9.1%, Tulsa by 10.6%, Oklahoma City by 4.0%, and D.C. by 10.8%. This continues the FY trends showing overall yearly increases from 2002-2022. The Indian gaming industry has shown steady increases for the past 20 years, with the exception of 2020.

In the release, Simermeyer noted, "Across Indian country, tribes pursue economic sustainability through gaming by relying on the robust regulatory reputation for which Indian gaming is well known and made better when supported by efficient and effective measures."

Vice Chair Hovland also highlighted the geographic and financial diversity of Indian gaming reflected in the latest GGR: "We have cause to celebrate the opportunity successful Indian gaming operations affords tribes to invest in the future and improve the quality of life for individual Native people, and their families, and their communities."

Per the release, revenues are calculated from independent financial statements of 519 gaming operations, owned by 244 federally recognized tribes and located across 29 states.

NIGC Warns of Phone Scams

The National Indian Gaming Commission ("NIGC") issued a press release to alert tribes, tribal gaming regulatory authorities ("TGRAs") and tribal gaming operations of impostor scams. There have been numerous instances of these scams resulting in losses totaling in the hundreds of thousands of dollars, and there have been additional reports of other failed attempts at both commercial and tribal gaming operations. These claim to be vendors, state, or tribal officials. In the event of receiving one of these calls, the NIGC asks tribes

to report the calls to tribal or local law enforcement, the local <u>FBI office</u>, and the <u>U.S. Secret Service</u>, as well as report to the <u>NIGC Region Offices</u> in order to ensure the prompt spread of awareness and information.

The NICS noted: "These social engineering scams utilize perceived authority, fear, and urgency to manipulate employees into breaking internal controls." Scammers are attempting to collect a cash payment or facilitate a cash deposit on the calls while operating under the false pretenses of an "emergency" with "dire" consequences. Scammers may seem credible, offer firsthand knowledge, or use spoofed phone numbers to make the caller ID appear familiar to the victim.

Methods of scammers listed out by the NIGC include:

- Scammers pretend to be someone of authority. They use social engineering to learn about your business.
- Scammers will create urgency. They will rush you into making a quick decision, creating a sense of urgency and trying to persuade you to not follow internal controls or approval process, or other verification procedures.
- Scammers may use intimidation and fear.
 Scammers will tell you that something terrible is about to happen if they do not receive payment immediately.
- Scammers use untraceable payment methods.
 Scammers often want payment through peer-to-peer payments, Bitcoin, wire transfers, reloadable cards, gift cards, or cash. These are methods that are nearly impossible to reverse or track.

Tips provided by the NIGC include:

- Train staff with access to cash and financial accounts to be aware of these and other similar scams.
- Ensure that approved internal controls, policies, and procedures are up-to-date and provide protection of casino assets.
- Remind staff to follow the approved internal controls for movement of cash, transfer of

funds, or payment of outstanding invoices.

- Remind staff to verify the request independently by calling or communicating directly with their supervisor or manager using the methods and means provided for in the internal controls or through established procedures.
- Train staff to be alert and understand what suspicious activities may look like with both guests and employees, and to report any such activities to a supervisor or manager. Such suspicious activities may include instances of other casino employees not following internal controls and/or policies and procedures.
- Train staff to not deviate from established controls and procedures, regardless of who is allegedly on the phone, and to be aware of any caller who demands to stay on the phone and will not hang up or end the conversation.
- Direct staff who receive such calls to immediately alert co-workers, security, surveillance, the supervisor, or manager on duty, TGRA, and law enforcement.
- Train staff to consider limiting the direct transfer of external callers to sensitive areas, and instead transfer those calls to the Security Office for service.
- Report phone scams or other similar incidents (whether successful or not) to the NIGC Region Offices so that the information can be shared with other tribal facilities to raise awareness and prevent other scam attempts.

The NIGC suggests emailing <u>training@nigc.gov</u> for more information and offers resources to help improve internal controls.

Submit Your Nomination for Emerging Leaders of Gaming 40 Under 40

Emerging Leaders of Gaming ("ELG") is now accepting nominations for ELG 40 under 40. This annual recognition was created to support young executives on the path to industry leadership. Members of the industry are annually invited to nominate themselves or a colleague for the ELG 40 under 40, honoring 40 rising stars of the

gaming industry under the age of 40.

Individuals named to the ELG 40 under 40 receive:

- Recognition in Global Gaming Business magazine, including an individual profile.
- Recognition at the ELG 40 under 40 event during G2E.
- New! Invitations to programming for ELG 40 under 40 alumni.

Are there individuals that come to mind in your organization, individuals that go above and beyond your expectations who are under 40? Have you worked with or noticed someone in the public or private sector on the path to leadership? Do you believe your abilities set you apart from your peers?

ELG is accepting nominations now until August 1.

Submit Your Nomination