

## NAGRA NEWS Summer 2013

### A Message from the President

After just a few months as serving as the president of NAGRA, I have to say how impressed I am with the talent and dedication of the members of this organization. I would like to thank our outgoing President Simone Syrenne. Without her, I would not be where I am today. She is a true professional and a constant source of information for me.

The conference in Virginia Beach was a great success. The conference was well-attended and feedback from attendees on most of the topics and speakers, including the Monday training opportunity, was very positive. I want to thank everyone who came to the conference for this great training opportunity and all the committee presenters/speakers for taking time out of their busy schedules to share their knowledge of the gaming industry with others. It is because of all of you that NAGRA continues to be a success.

Plans are underway for the 2014 NAGRA Conference to be held in Minneapolis, Minnesota, and the Conference Committee is hard at work putting together yet another great conference. This will be the



Lisa M. Christiansen  
NAGRA President  
2013

30th Anniversary of NAGRA and I encourage you to mark your calendars for this exciting event. Our conference will be held at the Radisson Blu Hotel, June 9-12, 2014. The Radisson is connected to the Mall of America and provides hundreds of fun things to do: from shopping, an indoor amusement park and even an aquarium. This would be a great time to bring your family along!

This year has brought about a lot of changes on the NAGRA board. I'd like to give a big welcome to our newest members, Treasurer Debbie Parpounas from Texas, Secretary Gary Vigneault from Arizona, Eastern Regional Director William Murray from Delaware and the

Midwest Regional Director Kathie Oviedo from Michigan. Along with our new board members, I welcome Michael Menefee from Virginia as the Charitable Gaming Interest Area Representative.

I would like to close by thanking everyone involved in NAGRA for making this the great association it is. I am honored to serve as your president this year. ■

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# NAGRA Launches New & Improved Website



We are excited to announce that we have enhanced the navigation and usability of the NAGRA website for members.

The new website offers more social networking features to foster collaboration within our community. Key features include a new more customizable member profile, ability to set up your own personal blog, online chat/instant messaging, favorites, and more!

[www.nagra.org](http://www.nagra.org)

## Want to Contribute?

Have an idea for an article for the NAGRA News? Would you like to contribute an article? Send in your idea today. Please include your name, agency, phone number and email address. Any member updates or insights into the industry make for great content! We appreciate your contribution.

Articles can be sent via email to [scottf@ewald.com](mailto:scottf@ewald.com) or mailed to the NAGRA office at 1000 Westgate Drive, Suite 252, St. Paul, MN 55114.

## 2013/2014 Newsletter Schedule

### Autumn:

Call for News: Oct. 1  
 Content Due: Nov. 1  
 Newsletter Emailed: Nov. 15

### Winter:

Call for News: Jan. 1  
 Content Due: Feb. 1  
 Newsletter Emailed: Feb. 15

## Board of Directors

### President

Lisa M. Christiansen

### Vice President

Andres Alvarez

### Past President

Simone Syrenne

### Treasurer

Debbie Parpounas, CPA

### Secretary

Gary A. Vigneault

### Eastern U.S. Regional Director

William Murray

### Midwestern U.S. Regional Director

Kathie E. Oviedo

### Western U.S. Regional Director

Norm DesRosiers

### Canadian Regional Director

David Peters

2013-2014 NAGRA membership renewals were mailed recently. We look forward to continued strong participation from all our valuable members. If you have any questions, please contact the NAGRA office.

## About NAGRA

NAGRA brings together agencies that regulate gaming activities and provides them a forum for the mutual exchange of regulatory information and techniques. Collecting and disseminating regulatory and enforcement information, procedures, and experiences from all jurisdictions provides ongoing gaming education and training for all members.

30<sup>th</sup>

**NAGRA Annual Training & Education Conference**

**June 9-12, 2014**

**Save  
the  
Date**



**Radisson Blu Mall of America**

2100 Killebrew Drive

Bloomington, MN 55425 USA

952-881-5258

Group Rates: \$141 single/double occupancy.

Make your room reservation today.

Use reservation code: NAMGRA

**Visit Minneapolis/St. Paul**

**Bloomington/Mall of America Visitor Information:**

A pedestrian-and-pedal-friendly downtown and welcoming Midwestern vibe make it easy for first-time visitors to quickly feel at home in Minneapolis and St. Paul. Snow can fall here from October to April, so the arrival of warm weather launches a full throttle, June-August celebration of arts, music, and cultural festivals; farmers markets (17); and fan-friendly Minnesota Twins baseball (played downtown at Target Field—ranked the top sports stadium in North America by ESPN The Magazine). Survey the vibrant scene from the new CRAVE restaurant rooftop patio near the State Theatre, then grab a bike at the nearest Nice Ride Minnesota kiosk (\$5 plus trip fees) and cruise all or part of the Grand Rounds National Scenic Byway, a 50-mile urban trail loop. With 22 city lakes and the mighty Mississippi, playing on, in or near the water always is an option. Indoor activities center on the city's 57 museums and the 4.2 million-square-foot Mall of America - housing 520 plus stores and Nickelodeon Universe, the nation's largest indoor family theme park.

*Watch for more details as they become available.*

**Radisson Blu Mall of America, Bloomington, MN**

Radisson Blu Mall of America is the only hotel conveniently connected directly to Mall of America, the largest indoor entertainment and shopping mall in the United States. The hotel is a short drive from the state capitol in downtown St. Paul and minutes from the heart of downtown Minneapolis via the Metro Transit Light Rail commuter system. Minneapolis-St. Paul International Airport is also less than five miles away from our hotel property near the Mall of America south entrance. The hotel features:

- World-class shopping, dining and entertainment are footsteps away in the attached Mall of America.
- The hotel boasts superb guest rooms and suites where guests can enjoy one of three fashion-inspired Urban, Naturally Cool or Mansion House room styles, all of which include amenities such as complimentary high-speed, wireless Internet, flat-screen televisions and individual climate control.
- The FireLake Grill House & Cocktail Bar represents the best of American cuisine, with eclectic design and a timeless mix of classic American heartland flavors.
- Guests enjoy complimentary 24-hour access to the hotel's Fitness Center, which includes a fully equipped fitness room, indoor pool and spa. ■

# Special Offer to Our Trade Affiliate Members

NAGRA invites all Trade Affiliate members and gaming industry professionals to take a special role in the organization’s Annual Training and Education Conference. NAGRA recognizes that regulators have a unique opportunity to learn about emerging technologies, types of gaming and industry services from the many firms that support the gaming industry. Our members are interested in seeing and learning firsthand about products and services that support the gaming industry. We encourage you to review the display and sponsorship opportunities soon to be detailed on the NAGRA website and to review the full conference agenda to see the high-caliber training programming that is central to this conference.

We have designed the display and sponsorship opportunities with high respect for rules that regulators need to follow. For example, that is why we do not

have specific refreshment breaks or lunches sponsored by any one particular firm, as it might preclude a regulator from participating in that activity if they have any kind of regulatory relationship with that firm. The opportunities were designed specifically to:

1. Give trade affiliate members and other firms greater visibility in front of the regulatory community;
2. Help educate regulators about emerging and current gaming technologies;
3. Showcase your company’s specific technology to upper level regulators in North America.
4. Support NAGRA in continuing to offer an annual conference with high-quality training and education opportunities for regulators.



NAGRA appreciates your consideration and support!

## Sponsorship Levels

	Trade Affiliate Members	Non-Members
Platinum	\$6,000	\$7,500
Gold	\$4,800	\$6,000
Silver	\$2,400	\$3,000
Bronze	\$1,200	\$1,500
Exhibitor	\$ 400	\$ 500

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# Michigan Whistleblower’s Complaint Upheld by US Sixth Circuit Court of Appeals

US Sixth Circuit Court of Appeals held that former Michigan Gaming Control Board employee whistleblower who was fired stated valid First Amendment retaliation complaint despite AG claims of official immunity. [Click here to read the complete ruling.](#) ■

# Gaming Laws Could Pose Risk for Fantasy Football Craze

By Barnini Chakraborty, Published August 31, 2013, FoxNews.com

The trash talk around the water cooler is already underway as hordes of fantasy football players get ready to draft their teams. The NFL has even gotten into the act with a web site for stats and strategies.

But managing a dream team of real players could get some betting fans in hot water with the authorities. In states where high-stakes fantasy sports technically falls under the definition of prohibited gambling, players could be risking more than their pride.

Much of the confusion over the legality of operating and participating in fantasy league-land centers on murky state gaming laws clashing with broad federal policies.

"In many cases, state regulations are stricter than federal regulations," law professor Marc Edelman told FoxNews.com. "Most fantasy agreements -- especially those in any chance states -- violate state law."

"Chance states" are those that prohibit or limit the legality of a player getting paid if a game involves an entry fee or prize, or if the outcome of the game relies on an element of chance.

The argument some make, though, is that the victor of a fantasy game is determined through skill, not chance.

Arizona, Iowa, Louisiana, Montana and Vermont are among the "chance states," said Edelman, a law professor at City University of New York, Baruch College, Zicklin School of Business.

Federally, the law that regulates online gambling -- called the Unlawful Internet Gambling Enforcement Act of 2006 -- protects fantasy football leagues, though players are supposed to report their winnings to the IRS.

But some states like Florida say they want no part of the fantasy phenomenon and have technically banned it. Other states are less clear with the laws they have on the books and what it means for pay-to-play groups.

Once a novelty game between industry friends, fantasy football has skyrocketed into a national obsession, complete with armchair general managers and game-day experts

giddy over calling the shots from their man (and woman) caves.

Typically, in fantasy football, players draft a roster of real NFL players and keep score against each other based on how their players do in real games. Touchdowns, field goals, yards gained, sacks and interceptions generate fantasy points as sedentary owners go head-to-head each week.

The popularity of the game has given way to countless websites, blogs and magazines. Groupon even featured a special in August that taught newcomers the tactical maneuvers needed for a successful season.

The problem is that the sport has morphed into a billion-dollar betting industry that conflicts with state gaming rules and regulations. [Read more.](#) ■

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# Revolutionary Electronic Pull-Tab: Part 1

By Mark Newton, Published August 1, 2013, *Casino Enterprise Management*  
(Check the CEM September 2013 issue for Part 2 of this article.)

From the first beano game developed by Edwin Lowe in 1929, charitable gaming in North America has had one consistent element: change. The old adage that “the surest predictor of future behavior is past behavior” is certainly true for charitable gaming. Technological advancements have been the driving force in maintaining charitable gaming’s ability to remain relevant in an ever-changing entertainment-based culture. This is especially true in today’s computerized and gadget-rich environment.

If we think about the environment into which beano was introduced, it is one where electricity was in its infancy—most people literally got around by horse power. Newspapers were printed using type set by hand, and most people didn’t travel more than 100 miles from where they were born their entire lives. The game of beano, however, still managed to spread across the country and was adopted by many charitable organizations as a fundraising mechanism. The popularity of beano, or bingo, as it was to become known, has not waned in the ensuing century and is still providing hundreds of millions of dollars to charitable organizations for their good works.

The evolution from a paper medium to a digital medium is well underway in virtually every aspect of our society, and charitable gaming has not been spared. Bingo has undergone technological changes throughout its existence, including advancements such as shutter cards in the 1960s and disposable paper and ink daubers in the 1970s. The introduction of computers in the late 1980s had the greatest impact to the play of the game and the economics of the modern bingo hall. A detailed evolution of electronic

bingo devices can be found in the January 2012 issue of *Casino Enterprise Management*. Electronic bingo devices provided to individual bingo players greatly increased the number of bingo cards a bingo player could play. No longer did you need to be a bingo savant to play many cards—you could now rent a device that would “mind” your cards for you. This allowed players to participate in the game at a level predicated by how much they wished to wager on the game rather than at a level predicated by the number of cards they could physically play. This was revolutionary.

## Bingo’s Challenges

Bingo managers were quick to realize that the increased player spend would be beneficial to their games and allow for increased profits, and soon electronic bingo card minders became the norm, not the exception. But this did not happen overnight. The process took many years and had a number of obstacles in its path, including player acceptance and the regulatory environment.

Aside from player acceptance, the challenge was incorporating electronic card minders into the regulations that arose around the game. Regulations were primarily enacted to protect charities from unscrupulous operators and protect the players from any kind of fraud within the game itself. Given that the regulations were developed around the technology of the day, imagine the challenges with getting approval for an electronic device when regulations defined the game of bingo as being played on a paper card. I must tip my hat to the pioneers whose creative and persuasive arguments opened the door to allow the first electronic devices to enter the marketplace.

*Read more.* ■

*“The evolution from a paper medium to a digital medium is well underway in virtually every aspect of our society,”*

# Are Casinos Still a Safe Bet?

By Nichole Russell, Published September 2013, *Governing.com*

*Delaware lost revenue when its neighboring states opened their own casinos -- something that's happening around the nation. But some argue that even with more competition and less profit, states are still winning.*

The house always wins. Except when it doesn't. That's a lesson learned recently in Delaware, where the state's three racetrack casinos have seen major revenue declines in recent years, falling from \$230 million in 2011 to \$217 million last year, a 5.5 percent drop. (Only neighboring New Jersey saw a bigger fall-off, losing 8.2 percent of gaming revenues in 2012.)

In the wake of the declines, Delaware racino owners pushed for lower taxes, but they got something else: a bailout. In June, Gov. Jack Markell took the unusual step of giving a one-time \$8 million payout to be split among the state's three racinos.

The problem? Oversaturation. When Delaware's first casino opened in 1995, it was essentially the only gaming in town. Gamblers drove from Pennsylvania, Maryland and Virginia to try their luck in Delaware. But the first of Pennsylvania's 11 casinos opened in 2007; the first of three Maryland facilities opened in 2010. Delaware was surrounded.

It's become a familiar trajectory in the mid-Atlantic and elsewhere, as legalized gambling has expanded in the past couple of decades. New casinos open big, but revenues level off or decline when other options open nearby. In the early 1990s, six states allowed commercial casinos. Today, 18 states do, and a total of 30 offer some kind of commercial gaming, including on tribal lands.

Too often, says Jim Butkiewicz, an economics professor at the University of Delaware, states are

overly optimistic about the impact of casinos. "The government, in a sense, has been gambling on gambling," he says. Rather than a bailout, Butkiewicz says it may make sense for Delaware to allow one of its racinos to close, in order to help de-saturate its own gaming industry. "Not everybody is going to survive this market."

But despite oversaturation in some locales, casinos on the whole still represent a rather good bet for states, says Douglas Walker, an economics professor at the College of Charleston and an expert on the economic effects of gambling. Even with current downturns in Delaware and New Jersey, Walker says, the long-term impact of gaming is positive for state revenue growth and positive for wages and employment at the local level.

Walker's point is that even if a region has a glut of casinos, states are still collecting tax revenue from them. "If the state's only goal is to increase tax revenues," he says, "then adding more casinos will still probably do that."

After all, even with Delaware's recent dip in returns, gaming is still the state's fourth-largest source of revenue. That's likely one reason Gov. Markell opted for a bailout rather than a permanent tax-rate reduction.

"Governments love gambling because people are paying taxes voluntarily," Butkiewicz says. "So they're winners." ■

*"New casinos open big, but revenues level off or decline when other options open nearby."*

# Delaware's 3 Casinos Launch Free Online Gaming

By Doug Denison (The Wilmington, Del. News), Published August 28, 2013, USAToday.com

*Target is October for real-money online operation.*

Delaware's three casinos launched the first phase of the state's online gambling operation Wednesday, opening Web portals for free slots, poker, blackjack and roulette games.

The no-money games are precursor to the state's coming full-service, real-cash online gambling operation, now planned to launch at the end of October.

At 6 a.m. ET, each Delaware casino's homepage directed visitors to the Facebook-linked game platform DoubleDown Casino, run by slot machine company IGT, one of Delaware's contractual slots vendors.

Delaware remains on track to be the first state in the nation to offer a full compliment of legal casino games online, made possible by legislation that cleared the General Assembly last year.

Nevada legalized online poker in February, and sites there began operating in the spring. New Jersey is close behind Delaware in putting in place its online gambling law, passed earlier this year.

"This first phase will allow us to really get the players acclimated to the virtual world in a legalized environment," said Tom Cook, Delaware's secretary of finance.

While the free games will be open to players anywhere in the world, the coming real-money games will be available only to players within Delaware's borders in accordance with federal law.

Chief Executive Ed Sutor of Dover Downs Hotel & Casino (DDE) said the free play will be used as a regional marketing tool, combined with banners offering promotional deals and special offers.

*"Delaware remains on track to be the first state in the nation to offer a full compliment of legal casino games online,"*

"We are going to try to the best of our ability to get those people from the free-to-play to come play here," he said.

Free games will continue to be available when the real games come online, Cook said, with a variety of table games, card games and brand-name slot machine titles offered by the state's gambling vendors accessible through a single portal.

A link to the state's Council on Gambling Problems also will appear on the portal page, in smaller print under the casino logo.

The October launch date for real online gambling is a month later than state officials were shooting for when they awarded a contract for designing and operating the system earlier this year.

The winning bidder, a joint venture of current Delaware slots system manager Scientific Games and European online betting company 888 Holdings, will not be on the hook for the delay, Cook said.

"We set forth what I would call an aggressive goal of September," Cook said. "I said from the beginning this is something that, when it's ready, it's ready."

Cook said other facets of the state's online gambling operation will continue to develop. *Read more.* ■