

# NAGRA News

A Quarterly Publication of the North American Gaming Regulators Association

## MESSAGE FROM THE PRESIDENT

Serving this past year as the NAGRA President, it has been an honor meeting and working with the Board of Directors and NAGRA members.

As members, many of you have offered your advice/ideas on how to increase our membership, improve technology, and you have offered recommendations to enhance NAGRA and our conferences. All feedback is welcome and we encourage all of you to continue providing ideas for improvement. In addition, we always welcome volunteers who are interested in participating on the board or on a committee.

At our last mid-year board meeting we discussed many topics and issues to improve NAGRA initiatives. It was decided to work closer with our webmaster to launch new information and trends to keep data fresh with a goal of an annual recap of accomplishments. We discussed the possibility of a repository of information that would be easily accessible to all



Kathie Oviedo  
NAGRA President 2017/2018

NAGRA members. A committee was appointed to look at our bylaws to consider amendments where needed. Another committee was appointed to restore the NAGRA Newsletter. Discussion was held regarding membership renewal and how we can improve what NAGRA offers to its members. As we move forward into the next year, one of our goals is to provide a platform where a regular exchange of ideas and information of mutual interest could take place.

I would like to take this opportunity recognize the members of our current NAGRA Board and to thank all of them for their dedication, hard work, and interest in making NAGRA a success:

- Michael Manefee, Virginia Dept. of Agriculture and Consumer Services, NAGRA Vice President
- Desira Glenn, Texas Lottery Commission, NAGRA Treasurer
- Alfonzo Royal, III, Texas Lottery Commission, NAGRA Secretary
- Dave Jeseritz, Montana Gambling Control Division, NAGRA Past President

Our Regional Directors are as follows:

- Tom Mungham, Alcohol and Gaming Commission of Ontario (Canadian Region)
- Robert Moncreif, New Jersey Division of Gaming

[Continued page 10...President](#)

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## NAGRA LEADERSHIP OPPORTUNITIES

It's not enough for us to serve the gaming industry. At NAGRA, we also encourage our members to be engaged and involved, and we create opportunities for this purpose.

Since we're a member-based organization, we need Gaming Regulator and Trade Affiliate member volunteers. In exchange for your time and your support, you will develop leadership skills that will benefit you both professionally and personally. Please consider serving with our Membership, Programming, Conference Committees, or any one of our Gaming Interest Groups. Volunteering is just as easy as it is rewarding.



## 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.

### 2017/2018 Newsletter Schedule

<b>Autumn:</b> Content Due: November 1	<b>Winter:</b> Content Due: February 1
<b>Spring:</b> Content Due: May 1	<b>Summer:</b> Content Due: August 1

Articles can be sent via email to Lisa Christiansen at: [lchristiansen@mt.gov](mailto:lchristiansen@mt.gov)  
NAGRA News is a quarterly newsletter sent to NAGRA members electronically.

For questions regarding the newsletter, contact NAGRA at:  
[northamericangamingregulators@gmail.com](mailto:northamericangamingregulators@gmail.com)

The opinions expressed in NAGRA News articles are those of the authors and do not necessarily represent the position of the North American Gaming Regulators Association

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## 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.

# 2018 NAGRA ANNUAL TRAINING & EDUCATION CONFERENCE

## JUNE 5-8, 2018 by Michael Menefee



What does world famous barbeque, live music, and a colony of 1.5 million Mexican free-tail bats have in common? If you guessed that the common denominator among these three things is the great city of Austin, Texas, then you are correct. From June 5 to June 7, the North America Gaming Regulators Association (NAGRA) will converge onto Austin for its 34<sup>th</sup> Annual Training and Education Conference, which is packed full of educational seminars and opportunities to meet fellow gaming regulators across North America. With

the emergence of new games and technology, there is no doubt the gaming industry and marketplace is ever evolving. The Chinese philosopher, Confucius once said, “to know what you know and what you do not know, that is true knowledge.” Therefore, when it comes to enlightening myself with this knowledge, I learn forward and my attendance at this annual conference is part of it. This year, the conference will bring a diversity of speakers spanning over many sectors of the gaming industry and marketplace. Our confirmed speakers will present valuable information on regulating sports wagering in North America, investigating illegal bookmaking, money laundering, and regulating electronic pull-tab devices to name a few of the seminars. Additionally, the opportunity to continue to learn forward does not end with the seminars, but rather it continues with valuable discussions with your fellow gaming regulators on a variety of other topics and your attendance only enriches it. The registration rates are \$595 for early bird and \$695 for regular rate after May 1 for NAGRA members. In addition, the cut-off date for hotel reservation at the AT&T Executive Education and Conference Center is May 4, so do not delay and make your commitment to attend now because your attendance only further deepens all of our knowledge as we all learn forward. If none of that motivates you to join your fellow gaming regulators at this year’s conference, then perhaps the world-famous barbeque, live music, and a colony of 1.5 million Mexican free-tail bats will convince you otherwise. I will see you in Austin.



Join us in  
congratulating  
Richard Ask.



EXCELLENCE  
IN GAMING REGULATION  
2017

## Minnesota Charitable Gambling is Booming

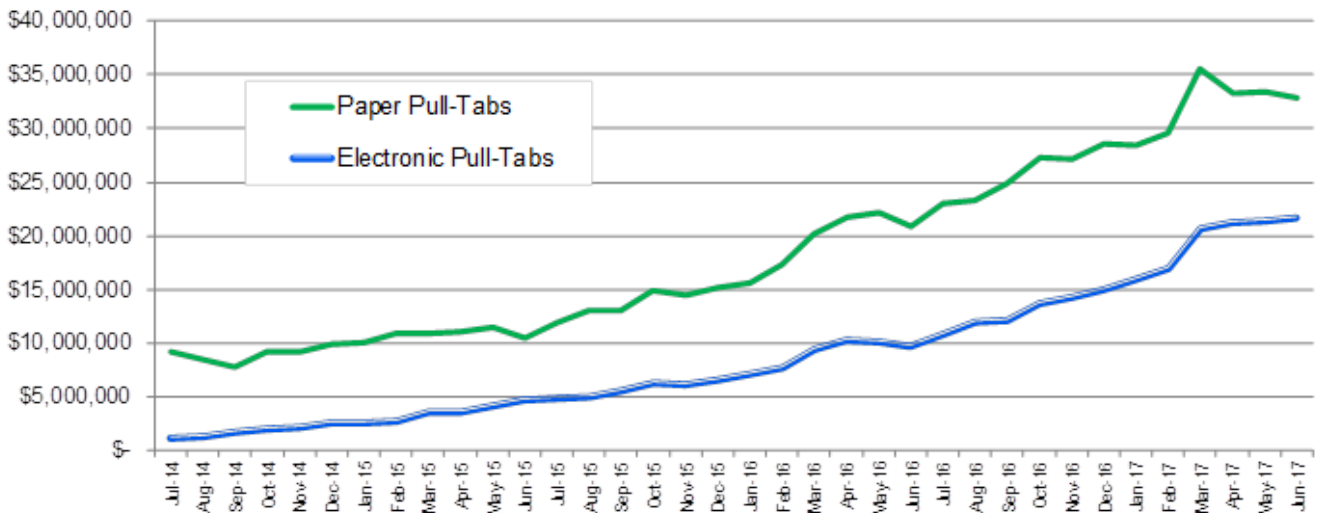
By Chris Mau, Compliance Supervisor, Minnesota Gambling Control Board

For the first half of FY2018, Minnesota’s charitable gambling gross receipts were up 16% over the same period last year. Since 2012, sales have increased 63% from just over \$1 billion to \$1.73 billion in 2017. For FY2018, Minnesota’s charitable gambling receipts could exceed \$2 billion for the first time.

The two main factors contributing to this increase are Minnesota’s strong economic recovery following the Great Recession and the introduction of electronic pull-tabs and electronic linked bingo in 2012. From 2010 through 2016, Minnesota’s real median household income went up \$4,948 providing the discretionary income that may be fueling the growth in sales (the US household income rose by just \$2,524 during the same time period). However, Minnesotans that spend some of that extra income on gaming seem to be

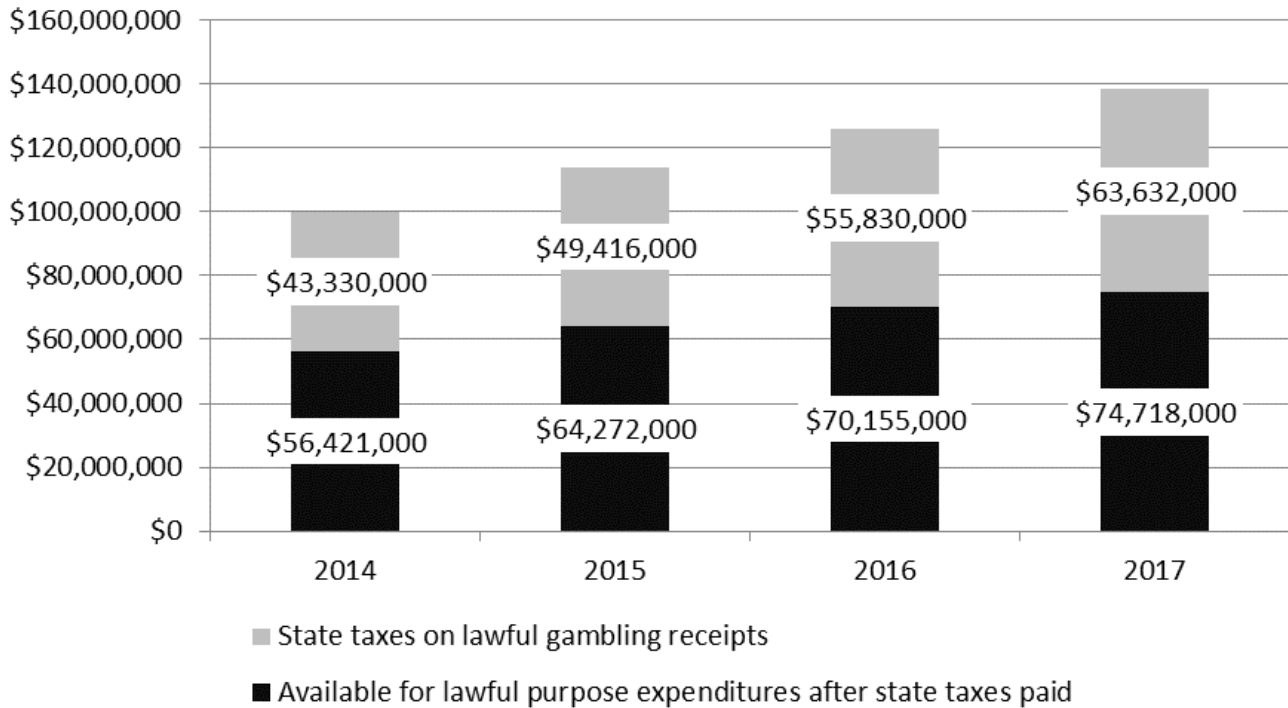
MINNESOTA GAMBLING CONTROL BOARD

**Comparison of Gross Sales at Sites with both  
Paper Pull-Tabs & Electronic Pull-Tabs, FY 2014 – FY 2017**



MINNESOTA GAMBLING CONTROL BOARD  
**Lawful Gambling Funds Available after Prizes and Expenses**

Both the state taxes paid and the amount available for lawful purpose expenditures after state taxes were paid have increased in each of the last four fiscal years.



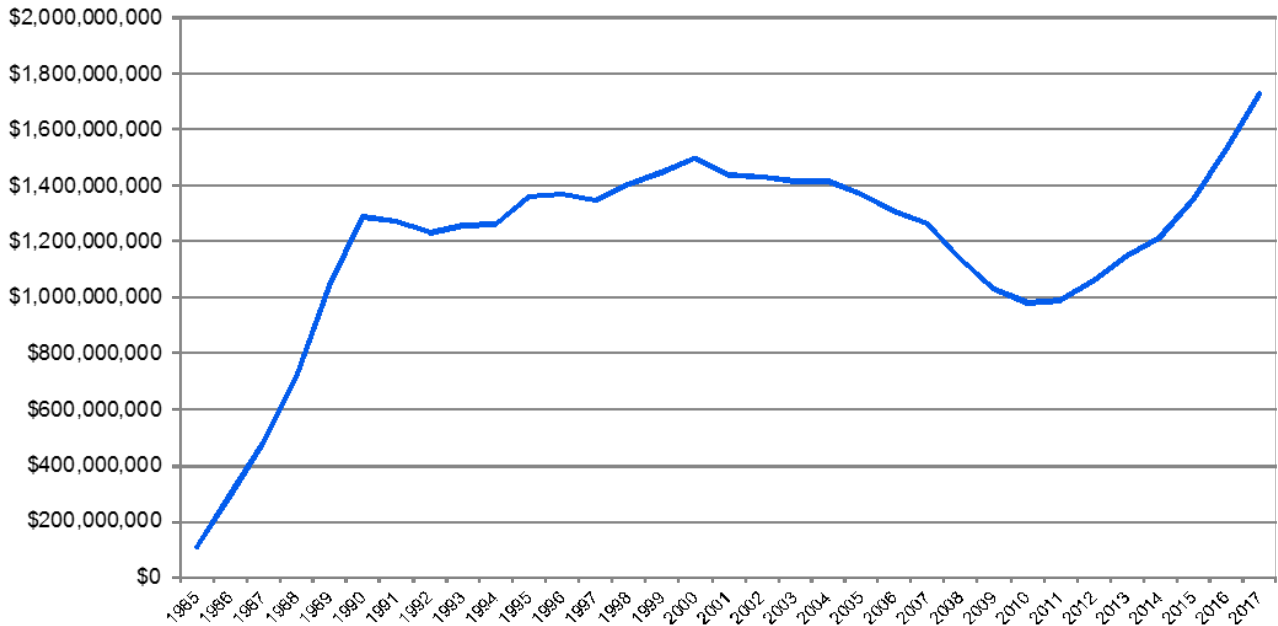
choosing charitable gambling over Minnesota’s other neighborhood gambling option, the Minnesota Lottery. Lottery sales, which include both scratch and lotto tickets, increased by just 8% since 2012.

For the first two years after their introduction in 2012, electronic pull-tab and electronic linked bingo sales remained stagnant with gross receipts averaging around \$2 million per month (electronic linked bingo is played on the same devices as electronic pull-tabs, but typically accounts for only 2% - 5% of the total electronic device gross). Since then, due to better product, better regulation, and increasing acceptance by the charitable gambling industry, sales have increased fifteen-fold. Receipts for February 2018 hit \$31 million and will likely top \$350 million for the year.

Looking ahead, there’s still room for growth. Only 30% of Minnesota’s licensed charitable gambling sites (850 of 2,800 total sites) offer electronic pull-tabs or electronic linked bingo. Contrary to original projections, rather than cutting into the paper pull-tab sales, paper sales have actually increased at sites that offer electronics. If current trends hold, sales at newly added sites will continue to drive increases to Minnesota’s charitable gambling receipts as a whole.



MINNESOTA GAMBLING CONTROL BOARD  
**Lawful Gambling Gross Receipts FY 1985 – FY 2017**



Another potential growth opportunity is the introduction of sports-themed tipboards. State law allows Minnesota’s Gambling Control Board to approve sports-themed tipboard sales by its licensed charitable gambling organizations. However, the board’s executive director recommended that it not approve the games as they were considered illegal under federal law. Depending upon the Supreme Court’s ruling on New Jersey’s challenge of the Professional and Amateur Sports Protection Act (PASPA), the board may reverse its position and approve the sports-themed tipboards. In anticipation of the ruling, board staff is already working on rules needed to regulate these games. Although there aren’t any specific projections of potential sports-themed tipboard receipts, if approved, it’s generally felt that the games will be quite popular.

The average prize payout in Minnesota is 84% which resulted in net receipts of over \$277 million available for charitable contributions, expenses, and taxes in FY2017. After expenses and taxes were paid, approximately \$75 million was available for lawful purpose contributions—up from \$43.5 million in FY2012. The bottom line is Minnesota charities have more funds to benefit military veterans’ programs and youth activities, such as youth hockey and soccer, as well as other civic groups and outdoor activities, such as snowmobile trails and environmental programs.



# MICHIGAN CONTROL BOARD NEWS

Contact: Mary Kay Bean 313-456-1344, [www.michigan.gov/mgcb](http://www.michigan.gov/mgcb)

**FOR IMMEDIATE RELEASE: February 28, 2018**

## **Flint man pleads guilty to embezzling church's charitable gaming funds, must repay nearly \$37,000**

**Location:** Cadillac Place, 3062 W. Grand Blvd., L-700 – Detroit

**Time:** 11:00 a.m.

**Detroit** – A 79-year-old Flint man faces sentencing April 16 in 7<sup>th</sup> Circuit Court, Flint, after pleading guilty to embezzling charitable gaming funds and agreeing to repay \$36,862 to St. Pius X Catholic Church and School, Flint, and affiliated groups.

Following a Michigan Gaming Control Board and Michigan Attorney General's office investigation, David Lee Thiese Sr. was charged with a 10-year felony count of embezzlement of \$20,000 to \$50,000. It is punishable by up to 10 years in prison and carries a possible penalty of a \$15,000 fine or three times the amount embezzled. Thiese Sr. entered a guilty plea on the 10-year felony count Feb. 22 at a pretrial conference in 67<sup>th</sup> District Court, Grand Blanc.

"We want to make sure charities receive the full measure of profits from charitable poker events they host," said Richard Kalm, MGCB executive director. "In this case, proper oversight and accounting practices weren't followed, but MGCB investigators audited the event results, uncovered the fraud and worked closely with the Attorney General's office to restore the missing funds to the charity."

Thiese Sr. deposited St. Pius X Church's net profits from charitable gaming into an account he controlled. The charities earned nearly \$60,000 in combined net profit from charitable gaming events, but he shared only \$22,900 in proceeds with the church. He agreed to pay in restitution the funds investigators said he kept for personal use.

Thiese Sr. was listed as the event chairperson for 28 charitable poker events held in the Flint area between 2012 and 2014. The events were licensed as benefits for the church, its school and other church-affiliated organizations. Michigan law requires the entire net proceeds of a charitable gaming event be devoted exclusively to the charity's purposes.

The charges followed an MGCB investigation of events held at the former Gloria's Poker Palace, Lucky's Poker Room and Pocket Aces.

The three so-called "poker rooms" are among several Michigan locations where charitable gaming was discontinued following investigations by the Michigan Attorney General's office and the MGCB. Thiese Sr. is the 15th person associated with the three locations to plead guilty to charitable gaming crimes since 2014.

*"The Michigan Gaming Control Board shall ensure the conduct of fair and honest gaming to protect the interests of the citizens of the State of Michigan."*

## International Association of Gaming Regulators (IAGR) Conference a Huge Success!

A message from the President of IAGR, Dale Fuga.

To all those who were able to attend, thank you for helping to make the 2017 Conference in Johannesburg such a great success! We had our largest attendance ever with over 250 registered attendees representing 41 gaming jurisdictions from 33 countries and every continent. This achievement was a direct result of the hard work and efforts of all of those involved.

Special thanks also to Mxolisi Zwane, Chair of the Gauteng Gambling Board (GGB) as well as

Executive Director Steve Ngubeni and their staff for their committed financial, logistical and moral support. IAGR Secretariat Mariah Echele along with the on-site team led by Pam Ndaba of Project Brand together with the GGB staff, did a superb job coordinating the entire event. The conference could not have proceeded as smoothly as it did without their commitment, dedication and attention to detail.

The conference program followed the theme ‘Recognizing tomorrow’s challenges by acting today’ with keynote speakers Dan Waugh, of Regulus Partners in the United Kingdom, and Gauteng Province Member of the Executive Council (MEC) Honourable Lebogang Maile opening the conference. Session topics keeping with this theme included regulating in a digital world, changes in the punter profile, the use of blockchain technology, Esports and responsible gambling. We also tried something new – an open microphone, member-driven issue and discussion session which was moderated by Birgitte Sand. The session was well received and we hope to include it again during next year’s conference.

### Social activities and networking

Of course, social activities along with the attendant networking opportunities, are also an important component of the conference which began with the Sunday IAGR Annual Golf Tournament and ended with the Thursday evening Farewell Dinner.



*Golf committee organizers and volunteers*

Whitesman deserve our thanks for arranging the program and speakers for the half-day IMGL Masterclass session. The support of both GLI and IMGL was greatly appreciated.

### IAGR Board Election Results

At the Annual General Meeting it was announced that the following Trustees were re-elected to the Board for their final term of office: Susan Hensel (USA), Bheki Mlambo (South Africa), Fortune Sekgaphane (South Africa) and Jerry See (Singapore). I applaud them for their continued commitment and dedication to IAGR. Trude Felde (Norway) was elected by the Board to

The Gala Dinner on Wednesday, with the re-creation of the Vilakazi Street Market in the dinner venue, was a memorable event which provided our attendees the opportunity to appreciate the look and feel of the market along with the opportunity to support local vendors and craftsmen. The entertainment along with the street dancers also provided a touch of local flavour.

### Contributions from GLI and IMGL

I would again like to recognize and thank James Maida, President of Gaming Laboratories International (GLI), and his staff for arranging the pre-conference Regulators’ Seminar and providing it as a value-added benefit for conference attendees. As well, International Masters of Gaming Law (IMGL) members Wayne Lurie and Garron





assume the role of Vice-President. Bruce Molnar (USA) and Cedrick Chiloane (South Africa) will remain as Treasurer and Secretary respectively. In accordance with the By-Laws, my term as President was extended for the coming year as former IAGR Vice-President and Trustee, Nick Tofiluk, resigned from the IAGR Board due to a change in employment. As Vice-President, Nick was instrumental in developing the theme and agenda for the successful Johannesburg conference. Nick worked tirelessly on behalf of IAGR and his insight and input will be truly missed.

### Call to action!

#### *The recreation of Vilakazi, a street market booth*

During the coming year, I hope to see more jurisdictional and ordinary members actively involved in our organization. I ask our members to provide suggestions for conference agenda topics, volunteer as conference speakers or moderators, suggest webinars, submit articles for our newsletters, and use the website and members' portal for seeking information and sharing ideas with fellow regulators. I encourage all members to approach me or any other member of the Board of Trustees with your ideas, suggestions, recommendations and even concerns or complaints which will help us better serve you and fulfill our mandate. In addition, the IAGR Board has several Trustees who are currently serving their second and final three-year terms. If you are interested in contributing your energy and vision to the leadership of IAGR and are willing to guide the association into the future, please consider responding to the next Call for Nominations prior to the next annual meeting in 2018.



*Hotel Scandic, Copenhagen*

### 2018 Conference – Copenhagen, Denmark

Our 2018 Conference will be held in Copenhagen, Denmark at the Hotel Scandic Copenhagen from September 17-20. Vice-President Trude Felde and former IAGR President Birgitte Sand are serving as Conference Committee Co-Chairs and will be looking for speakers and agenda suggestions very soon.

I also would like to extend a special invitation to all NAGRA members and ask you to join us in Copenhagen. Come to the conference, meet fellow regulators from around the world, share your questions, views and interesting ideas and help us foster better cooperation throughout the international gaming regulatory community. I hope many of you will be able to join us!

For more information about IAGR, its conferences and other news, please go to: [www.iagr.org](http://www.iagr.org)

*Dale Fuga, IAGR President*

...President cont'd

Enforcement (Eastern Region)

Joe Osterloh, Jamul Tribal Gaming Commission, (Indian Country)

Roger Pinson, Colorado Division of Gaming, (Western Region)

Sara Throener, Iowa Department of Inspections & Appeals, (Midwest Region)

It has been a great experience being able to work with such a talented and professional group of people who are not only leaders within their own agencies, but in our NAGRA organization as well. So while I extend a sincere thanks to each of them, I want to also extend that same thanks to their respective agencies, who allow them the time to travel and participate in the work of the board. Without the support of their member agencies, the NAGRA board could not function as well as it does.

I would also like to thank our conference coordinator Michelle Quinn, Director of Conference Planning Services, University of Montana, and Ginger Claussen, University of Montana, for the hard work they do to prepare NAGRA conferences. Due to their commitment and dedication we had a very successful conference in 2017 in Orlando, FL, and anticipate another great conference in 2018 in Austin, TX.

I would also like to acknowledge and thank this year's trade affiliates and sponsors at NAGRA's 2018 conference:

International Gamco, Inc., Melville LA

Texas Lottery Commission, San Antonio, TX

Powerhouse Gaming, Loomis, CA.

In addition, I would like to welcome and thank our 2018 sponsors:

Platinum Sponsor Grover Gaming, Greenville, North Carolina

Gold Sponsor Powerhouse Gaming, Loomis, CA

It is also a pleasure to welcome our new member Ysleta del Sur Pueblo Regulation Commission, Albuquerque, NM.

Please take a moment at our 2018 conference to welcome and thank our trade affiliates, sponsors, and new members.

So mark your calendars for NAGRA's 2018 conference June 5-7<sup>th</sup>, Austin, TX at the AT&T Executive Education & Conference Center. The venue offers government rates, great meeting space and many food and entertainment opportunities within a short distance. There is plenty of excitement with this conference not only because we have the opportunity to meet our colleagues but because we have an excellent agenda and speaker line up. I encourage booking your hotel reservations and registering for the conference promptly. Watch for our conference agenda at [www.nagra.org](http://www.nagra.org). I hope to see you there!!

Sincerely,

*Kathie E. Oviedo*

2018 NAGRA President