



STATE OF MAINE
Department of Public Safety
Gambling Control Board
87 State House Station
Augusta, Maine
04333-0087

PAUL R. LEPAGE
GOVERNOR
JOHN E. MORRIS
COMMISSIONER

TIMOTHY S. DOYLE
CHAIRMAN
PATRICK J. FLEMING
EXECUTIVE DIRECTOR

February 19, 2013

Governor Paul R. LePage
Office of the Governor
State House Station #1
Augusta, Maine 04333

Governor LePage,

Pursuant to 8 M.R.S.A. § 1003(2)(R), the Gambling Control Board is required to submit to you, by March 15th of each year, a report on slot machine and table game revenues, credits disbursed by the slot machine and table game operators, administrative expenses and the allocation of gross slot machine and table game income for the preceding year. The attached report includes the required information for the Hollywood Casino in Bangor and the Oxford Casino in Oxford.

The Gambling Control Board adopted this report at their meeting on 02/19/2013.

On behalf of the Gambling Control Board, I am pleased to submit the attached report to you.

Sincerely,

Patrick J. Fleming
Executive Director

CC: Members of the Joint Standing Committee on Veterans and Legal Affairs

Operations Update

The Gambling Control Board is responsible for the licensing, regulating and inspection of the corporations, people and machines that operate slot facilities and casinos in Maine. The Board also licenses the companies that sell associated equipment to the slot and casino operator(s).

2012 was a year of change for the Gambling Control Board and its staff. The gambling landscape in Maine went from a single facility with 1000 slot machines to two full casinos. Hollywood Slots began operating under its new name Hollywood Casino with the addition of table games in March and the Oxford Casino began operations in June of 2012. The Hollywood Casino is currently operating with 925 slot machines and 16 table games. The Oxford Casino is currently operating with 793 slot machines and 22 table games.

The Gambling Control Board staff has also changed considerably in the last year. The staff increased from seven to seventeen in order to properly regulate the addition of table games at Hollywood and the casino in Oxford. The current positions include an executive director, two State Police detectives, an inspector supervisor, nine civilian inspectors, two internal auditors, an office specialist, and an office assistant. There is also an identification specialist position in State Bureau of Identification funded by the Gambling Control Board due to the large number of fingerprint submissions that the licensing process generates and the board budget also funds an assistant attorney general to assist with the legal work of the board.

The licensing of the personnel at the facility and the people who own and run the companies doing business with Hollywood Slots of Bangor take up the majority of the State Police detective's time. The detectives annually investigate at least 6 international companies and approximately 850 individuals that are associated with the Hollywood and Oxford facilities. The interview sessions sometimes require out of state travel.

The nine civilian inspectors perform inspections and surveillance on the floor of the facilities. The inspectors are critical in maintaining a hands-on approach to our vigorous oversight at the facilities. The inspectors also assist other law enforcement agencies that have need of information from the slot facility. An inspector is present at the facilities at all hours that they are open.

The auditors provide day-to-day review of the operator's financial reports and insure proper payment of revenue to the State of Maine. Financial information is electronically collected from the slot machines through a central site monitoring system operated by Scientific Games. This monitoring system operates 24 hours a day/ 7 days a week to ensure correct accounting of machine play. The auditors also work with the casinos to ensure the proper reconciliation of the table games revenue because there is no electronic monitoring of table games.

Board Composition

Members who served on the Board in 2012 include: Tim Doyle (Chairman), Barbara Dresser, Harry Stickney, Joe Laliberte, and Matt Dyer.

The Board meets monthly in the Board Room located at Department of Public Safety Headquarters at Commerce Drive in Augusta.

The Gambling Control Board conference room has been outfitted with an internet feed to allow for people to listen to the meetings live through the Gambling Control Board website. The Board also makes that room available for other state entities without cost.

Administrative Expenses

<u><i>Gambling Control Board</i></u>	<u><i>Expenses FY 10</i></u>	<u><i>Expenses FY 11</i></u>	<u><i>Expenses FY12</i></u>
Part I: Personnel Services	\$438,550	\$391,680	\$526,623
Part II: All Other Expenses	\$424,564	\$402,604	\$523,354
Total Expenses	\$863,114	\$794,285.38	\$1,049,978.75

Revenue/Credits

Slot Machine Revenue 2012

The total amount wagered for 2012 at Hollywood Casino “Gross Slot Machine Income” as defined by 8 M.R.S.A. §1001(21), was \$567,206,439.89.

The total amount wagered for 2012 at the Oxford Casino “Gross Slot Machine Income” as defined by 8 M.R.S.A. §1001(21), was \$367,607,054.71

Table Games Revenue 2012

The taxable revenue from table games at Hollywood Casino for 2012 was \$6,470,963.73.

The taxable revenue from table games at Oxford Casino for 2012 was \$6,652,279.31

Credits Disbursed 2012

The amount of money or credits paid back to the players by Hollywood Casino in 2012 was \$510,993,514.24. This was computed by subtracting the net slot machine income from the gross slot machine income for 2012.

The amount of money or credits paid back to the players by Oxford Casino in 2012 was \$337,719,792.88. This was computed by subtracting the net slot machine income from the gross slot machine income for 2012.

Allocation of Slot and Table Game Income

Department of Education for K-12	\$8,137,043.39
Harness Racing Purses	\$5,352,958.75
Healthy Maine Fund	\$5,054,086.13
General Fund for Administrative Expenses of the GCB and for Gambling Addiction Services	\$9,566,400.71
Fund to Encourage Racing at Maine's Commercial Tracks	\$2,021,634.45
University of Maine System	\$2,206,307.70
Sire Stakes Fund	\$1,815,098.46
Agricultural Fair Support Fund	\$1,815,098.46
Maine Community College System	\$1,402,026.46
Penobscot and Passamaquoddy Tribes	\$1,195,490.47
Town of Oxford	\$ 730,790.83
City of Bangor	\$ 634,827.89
Fund to Stabilize off Track Betting	\$ 505,408.61
Oxford County	\$ 365,395.41
Dairy Farm Stabilization	\$ 298,872.62
Account held by the GCB for Distribution to Charitable Nonprofits to Conduct Beano and Games of Chance	<u>\$ 129,419.28</u>
Total	\$41,230,859.62