

NARRATIVE RESPONSES FOR INDUSTRY REGULATORS

5c. Is there any particular explanation for the increase (increased activities, particular problems, etc.)?

- 1 Growth of gaming in the state as well as evaluation of regulations
- 2 Not applicable
- 3 Inflation (salaries)
- 3 New positions
- 3 Upgrade equipment
- 4 More people
- 4 Inflation
- 4 Equipment
- 5 Addition of land base casino in 1999
- 6 Mostly the 50 extra people they were authorized to hire last October
- 7 No response
- 8 Increase in resources
- 9 Not applicable
- 10 Changes in legislation
- 10 Increase in licensing fees
- 11 Not applicable
- 12 No response
- 13 Not applicable
- 14 Very little increase
- 15 Increase in activity
- 16 Not applicable
- 17 Not applicable
- 18 Not applicable
- 19 Inflation-cost of living and wages go up
- 20 Staff
- 21 Not applicable
- 22 Got into gaming in the mid 1980's with lottery, and Indian gaming began 4-5 years ago. So as the industry grows, so does enforcement
- 23 Technological needs
- 23 Increases in applications
- 23 Additional auditing, investigation and enforcement staff
- 24 More activities
- 25 Not applicable
- 26 Not applicable
- 27 Not applicable

e. Is there any particular explanation for the decrease?

- 1 Not applicable
- 2 Changes to casino control act
- 2 Streamlining, efficiencies
- 3 Not applicable
- 4 Not applicable
- 5 Not applicable
- 6 Not applicable
- 7 Not applicable
- 8 Not applicable
- 9 Not applicable
- 10 Not applicable
- 11 Not applicable
- 12 Not applicable
- 13 Not applicable
- 14 Not applicable
- 15 Not applicable
- 16 Not applicable
- 17 Not applicable
- 18 Not applicable
- 19 Not applicable
- 20 Not applicable
- 21 Not applicable
- 22 Not applicable
- 23 Not applicable
- 24 Not applicable
- 25 Not applicable
- 26 Not applicable
- 27 Not applicable

6. How would you describe the major activities of your agency?

- 1 Regulatory arm of gaming control board
- 1 Background investigations on employees and companies that do business with boats and own boats
- 1 Audits-finances, enforces rules and regulations as pertain to financial aspects
- 1 Regulatory investigations
- 1 Protect patrons from cheaters
- 1 18% goes to state
- 2 Regulatory
- 2 Licensing
- 2 Background
- 2 Evaluation
- 2 Prosecutory
- 2 Assembling and analyzing for recommendation to commission
- 3 Regulatory and revenue collections

3 \$580 million in gaming fees and taxes
 4 Enforcement/Police arm
 4 Monitor casino operations in terms of legal requirements
 4 Present 7 days a week, 24 hours a day
 4 Arbitrate disputes
 4 Investigate organized crime and illegal activities
 5 Upholding the law
 6 Day to day oversight of riverboats.
 6 Conduct suitability findings on behalf of Gaming Board
 6 Safeguard asset prior to determination in order to guarantee the state's take.
 6 Oversight to ensure casinos follow internal controls
 6 Direct licensing of lower level employees.
 7 Functional collection of casino revenue
 7 Supervision of operation
 7 Check background information on owners and key personnel
 7 Licensure of all individuals that work for casino
 7 Financial-analytical and auditing
 8 License gambling activity
 8 Investigate violations and applications
 8 Administer taxes
 8 Test prototypes of proposed devices for compliance
 8 License card dealers and card room personnel
 9 Investigations, regulating, enforcing, full peace officer powers
 10 License applicants for each operation
 10 Investigations
 11 Find suitability of location
 12 Background investigations
 12 Suitability of location
 13 Audits
 14 License retailers to sell, develop, print, instant scratch tickets
 14 Provide terminals for retailers
 15 Enforcement of bingo regulations
 15 Investigations for renewals and applicants
 15 Audit operations
 16 Review gambling license applications
 16 Audit bingo halls and raffles
 16 Investigations
 16 Inspections of halls
 16 Attend raffle drawings to ensure meets standards
 16 Attend all county and state fairs to ensure fairness of games
 17 Not primary regulator
 17 Six people per casino
 17 Table games and slots
 18 Regulate casinos, employees and business that do business
 19 Regulatory of casino style slot machines

- 20 Licensing
- 20 Investigation
- 20 Enforcement and regulation
- 21 Licensing entities and operations
- 21 Licensing individual employees
- 22 Lottery-regulatory
- 22 Tribal-oversight-tribes are primary regulators
- 22 Monitor to make sure regulation is appropriate level in compact
- 23 Investigating initial applicants for licenses
- 23 Monitoring licensees by enforcement
- 23 Monitoring daily activities to ensure compliance
- 23 Auditing to ensure properties are paying the correct amount of taxes
- 23 Approve new games – analyze and test to approve
- 23 Protect public
- 24 Policy implementation of local government
- 24 Handles the daily operations of locality
- 25 License all businesses in city
- 26 Expects or rejects recommendation of board on licensing matters
- 26 Responsible for promulgating gaming regulations
- 26 Arbiter of disputes between control board and licenses
- 27 Responsible for gaming industry all respects
- 27 Work in conjunction with regulatory board

7. How have these activities changed over the last five years?

- 1 Become more focused
- 2 Did not change
- 3 Did not change
- 4 Did not change
- 5 Addition of land base casinos
- 6 Structure changed with creation of gaming board. Now suitability and key employee investigations done by police but licenses given by board.
- 7 Did not change
- 8 No
- 9 Change with technology, more computers, use of better techniques due to better use of technology
- 10 No
- 11 No
- 12 Did not always perform compliance investigations and were understaffed
- 13 Yes
- 14 No
- 15 Audits have increased, there were no audits until three years ago
- 15 Used to be mostly investigations, that has shifted to enforcement
- 16 Increase in public education on gaming laws in state and better enforcement
- 17 No-compact gives audit authority but don't do over table games

- 23 Constantly changing
- 23 Investigations: new securities, corporate financial arrangements that are very sophisticated and require more sophisticated investigations
- 23 Laboratory: devices are more sophisticated, most are computer driven with new types of computers
- 23 “Have had to adopt new sophisticated regulations to mirror new technology”
- 24 Have gone through major personnel changes
- 24 Have redirected reporting so everyone reports to manager of city
- 25 No
- 26 No
- 27 Coordination with sister agencies in other jurisdictions

7e. Have your agency’s activities with regard to the lottery changed over the last five years? Please explain?

- 1 Not applicable
- 2 Not applicable
- 3 Not applicable
- 4 Not applicable
- 5 Not applicable
- 6 Not applicable
- 7 Not applicable
- 8 No response
- 9 Not applicable
- 10 Not applicable
- 11 Not applicable
- 12 Not applicable
- 13 No response
- 14 No
- 15 Not applicable
- 16 Not applicable
- 17 Made quasi-public, now regulate
- 18 Not applicable
- 19 Not applicable
- 20 Not applicable
- 21 Not applicable
- 22 No
- 23 Not applicable
- 24 Not applicable
- 25 Not applicable
- 26 Not applicable
- 27 Not applicable

8h. Has the frequency of on-site inspections changed over the past five years? If yes, why? Please explain?

- 1 Depends on what's going on. Sometimes more than others
- 2 No.
- 3 No response
- 4 No response
- 5 Not applicable
- 6 Trying to go to 24-hour trooper coverage of each of the 4 enforcement areas, which will allow more frequent visits to each establishment.
- 7 No
- 8 Yes
- 9 Not applicable
- 10 No
- 11 Audit has three-year cycle
- 12 Strive for as many as they can
- 13 Yes
- 14 Not applicable
- 15 No response
- 16 No response
- 17 No
- 18 Not applicable
- 19 On-site inspections have increased
- 20 Yes, increased with change in resource allocation to enforce
- 21 No response
- 22 No
- 23 Yes, more frequent because there is more sophisticated technology on the floor
- 24 Not applicable
- 25 No
- 26 Not applicable
- 27 No

9d. Over the past five years has your agency changed its practices with regard to audits? If yes, please explain.

- 1 Not applicable
- 2 No
- 3 Not applicable
- 4 Not applicable
- 5 Not applicable
- 6 Not applicable
- 7 Not applicable
- 8 Not applicable
- 9 Yes
- 10 Yes
- 11 Not applicable
- 12 Not applicable

- 13 No response
- 14 Not applicable
- 15 No response
- 16 Not applicable
- 17 No
- 18 Not applicable
- 19 Yes, procedure has become confidential
- 20 Not applicable
- 21 No response
- 22 Not applicable
- 23 Yes, only to comply with state tax laws
- 24 Not applicable
- 25 Not applicable
- 26 Not applicable
- 27 No

9e. Has the frequency of on-site inspections changed on the past five years? If yes, why? Has anything else about these inspections changed over the past five years? Please elaborate?

- 1 Not applicable
- 2 No.
- 3 Not applicable
- 4 Not applicable
- 5 Not applicable
- 6 Not applicable
- 7 Not applicable
- 8 Not applicable
- 9 More inspectors at facilities, more often
- 10 Yes
- 11 Not applicable
- 12 Not applicable
- 13 No response
- 14 No response
- 15 No response
- 16 Not applicable
- 17 No
- 18 Not applicable
- 19 Yes, always changing, subtle changes, nothing substantial
- 20 Not applicable
- 21 No response
- 22 Not applicable
- 23 No, frequency of inspections has not changed, but volume has increased because there are more operations to inspect
- 24 Not applicable

- 25 Not applicable
- 26 Not applicable
- 27 Not applicable

10. In your opinion, what are the most important aspects of your agency's activities?

- 1 Protecting the citizens of state and enforcing applicable laws and regulations as well as assets of state.
- 2 Insure integrity of games of chance
- 3 Regulating to ensure public confidence
- 4 All is important
- 4 Ensure fair gaming and people's confidence
- 5 No comment.
- 6 Ensure state is being paid the right fees.
- 7 Integrity of day to day operations.
- 8 Licensing, making the right decisions up front, therefore needing the coordination of all units and their full disclosure
- 9 Regulatory end of enforcement aspect is very strong
- 10 Generating revenue for the state, to ensure the integrity of racing
- 11 By law, responsible for health, welfare and morals of community
- 12 To keep organized crime out of gaming
- 13 No response
- 14 No response
- 15 All aspects are important
- 16 Protect general public from fraudulent activities
- 17 overseeing drop of bags, machine checks
- 18 Certify revenue, ensure that an operator's employees are entities of good character, honesty, integrity; keep organized crime out
- 19 Regulations – regulating gaming and pari-mutuel betting in state
- 20 Background investigations
- 20 Licensing of outlets and employees
- 21 Ensure integrity of industry and ensure public confidence
- 22 Key component is front end preventions; methods; employee and vendor background investigations; front-line defense of organized crime, keeping corruption out of gaming
- 23 Maintain a strictly controlled environment to protect the public, to ensure fair games, and to ensure state is receiving fair share of tax money
- 24 To provide services for casinos to stay open, water, sewer, public safety
- 25 Making sure that each state licenses casino gets a local license and that they get the correct revenue share from operations
- 26 To ensure the integrity of gaming in state
- 27 "The buck stops with us"
- 27 "We are the civilian conscious of the community that determines what is right for the community in terms of regulations, licensing, etc."

11. Do you think that your state does a –very good job, a good job, an adequate job, a poor job or a very poor job of regulating the gaming industry? Why is that?

Please explain.

- 1 A good job.
- 1 \$3 billion/year industry-had their problems
- 1 Train and get better, more specialized and received more specialized training.
- 2 A very good job.
- 3 A very good job.
- 4 A very good job.
- 5 No comment.
- 6 A good job.
- 6 Room for improvement.
- 7 A very good job.
- 7 Better feed back. Evaluations say well-run regulatory operation
- 8 A good job
- 9 A good job, all personnel try to do a very good job
- 10 A very good job
- 11 A very good job
- 12 A very good job, some slip through he cracks, but pretty good
- 13 No response
- 14 No response
- 15 A very good job
- 16 A good job
- 17 A very good job, because they are in control of licensing
- 18 A very good job, regulatory agencies convinced Wall Street of integrity so that operations can make a lot of money, changed public opinion, shown other states that you can have clean business, eliminated unsuitable people, 24 hour/day inspections, made perception of gaming as clean
- 19 A good job, we do a lot of inspections and work to make sure of compliance
- 20 A very good job, other companies/management comes to them for licensing, to help gaming in licensing in other states; in the process of background investigations they track funds and find the suitability of individuals
- 21 A very good job; seek a balance, control what we think is important but do not try to tell operators how to run their businesses; doing that does not accomplish anything
- 22 A very good job; set up system well in BEGINNING
- 22 Have divided system of Lottery Commission and security division under state police (“watches chicken coop, not residents of chicken coop”)
- 23 A very good job
- 23 Historically, have had legalized gambling for a very long time
- 23 It has evolved to strike a balance where business can thrive and still have strict regulations.
- 24 A very good job
- 24 State is a zero tolerance state in keeping gaming legitimate
- 24 If there is any question as to legitimate activity, state will take decisive action

- 25 A very good job
- 25 Find that state has stringent requirements
- 25 Have had fewer problems over the last ten years than have ever had
- 25 Good stability
- 26 A very good job
- 26 They are the number one regulatory system in the world
- 27 A very good job
- 27 “The proof is in the pudding”
- 27 Have a system that treats people fairly but still recognizes that gaming is a privileged activity that has to be tightly controlled to see that regulatory attributes are minimized and positive attributes maximized”

12. Are there regulations, which in your opinion, place too great a burden on the gaming industry? If yes, please explain.

- 1 No
- 2 No
- 3 No
- 4 No
- 5 No comment
- 6 No
- 7 No
- 8 No
- 9 No comment
- 10 No
- 11 No
- 12 No
- 13 No response
- 14 No response
- 15 No
- 16 No
- 17 No
- 18 Not applicable
- 19 No
- 20 Yes, internal controls
- 21 No
- 22 No, because they understand that anytime there are regulations, vice and money, industry has potential for scandal and corruption; need regulations to keep them clean; operations will complain about costs but not about regulations themselves
- 23 No
- 24 Yes, in state, tax rate is very skewed in favor of state
- 24 It allows state to charge on pre-tax earnings (before expenses – gross revenue
- 25 No
- 26 No
- 27 Yes, levels of reporting cash transactions in accordance with inflation
- 27 Adjustments to a more realistic level would be appropriate

13. Are there, in your opinion, regulations not presently in place which are necessary?

- 1 Yes and No. Some of the rules and regulations could be altered a bit for better efficiency and good...
- 1 Do some things that might be extreme but its necessary
- 1 Need more clear-cut defined rules for some authorizations for conducting of tournaments on boats
- 2 Yes, more precise regulations or electronic games
- 3 Probably. For example, regulations that require families and children to be able to get to bathrooms and eating-places without going through the casino
- 4 Yes, distribution of slot machines
- 4 Raise some misdemeanors to felonies
- 5 No comment
- 6 Tightening up control of non-gaming suppliers to riverboats
- 7 Regulations to accommodate changes in the environment
- 7 Currently evaluating whether to allow revenue participation of supplier/vendors.
- 7 Technology. Volatile but relies on computer activity that there are no specifications for yet
- 8 Yes, need more licensing for larger activities, very little resources for this
- 9 No
- 10 No
- 11 The laws in the state are constantly changing to accommodate an ever changing industry. If a law is needed than they would address it
- 12 No
- 13 No response
- 14 No response
- 15 No, but it changes constantly as needs are identified, regulations are developed
- 16 No
- 17 No
- 18 Not applicable
- 19 No
- 20 No
- 21 Yes, but nothing major; sometimes technology of devices changes which necessitates changes in regulations
- 22 Might be a few to make out job easier, but balance on other side; Environment that allows industry to conduct business; adequate provisions and laws to appropriately regulate industry
- 23 Yes, there are some areas
- 23 Must make sure addressing newest technology to ensure against cheating
- 24 No
- 25 No
- 26 No, what we have on the books is adequate but nothing is perfect
- 27 No

14. Would you say that your state does a very good job, a good job, an adequate job, a poor job or a very poor job of enforcing its gaming regulations? Why is that?

Please explain.

- 1 A good job.
- 1 Out there daily
- 1 Haven't been that many major issues that have gotten away.
- 2 A very good job.
- 2 Evaluations demonstrated tight internal control
- 2 Surveillance cameras outstanding
- 3 A good job
- 4 A very good job
- 5 No comment
- 6 A very good job
- 7 A very good job
- 7 Incident reporting system that is always active, differentiates between significant issues, results in fines
- 7 Regular flow of information and monitoring in various ways
- 8 A good job, Industry wants good regulation, if applied evenly
- 9 A very good job
- 10 No comment
- 11 A very good job
- 12 A very good job, but are understaffed and need more personnel, do very good job with what they have
- 13 No response
- 14 No response
- 15 A very good job
- 16 A good job, a lot of staff to do a "bang up" job
- 17 A very good job, staff better than average, monitor well, other states surprised by what we do
- 18 A very good job, have maintained public confidence, opened public process, regulatory scheme encompasses vendors, closed back door, eliminated inappropriate vendor licensing
- 19 A very good job, we do a lot of inspections and work to make sure of compliance
- 20 A good job, do what we can with money we have; could have greater presence in casinos
- 21 A good job; same type of philosophy – place emphasis where needed without meddling; trying to HELP them
- 22 A very good job; Take a lot of pride in what we are doing; it's a serious business; realize reputation of entire industry is interwoven; one incident linked to lax oversight by state and state looks bad; tight regulation important for integrity of industry
- 23 A very good job
- 23 Regulatory system is good

23 There is a comprehensive set of regulations that address enforcement
 23 The state has a very professional and well educated staff
 24 A very good job
 24 Zero tolerance
 24 If rules are on the books, then the state enforces them, as they apply to both operators and regulators
 25 A very good job
 25 Have full control over regulation of gaming
 25 Full investigatory unit
 25 Not a lot of controversy
 26 A very good job
 26 Never seen any problems
 26 Regulatory agencies do a phenomenal job
 27 A very good job
 27 “Proof is in the pudding”
 27 “Been subjected to outside scrutiny by a number of sources (Federal, local, Wall Street, FCC) They all feel that we have reasonable regulations and enforce them rigorously”

15. In your experience, are there regulations that need greater enforcement activity than they currently receive? If so what are they?

1 Yes, because need more manpower and time.
 2 Yes, underage gambling, like to enforce
 3 Yes, minors in facilities
 3 Yes, background checks
 4 Yes, need more manpower for more aggressive and proactive enforcement
 5 No comment
 6 Regulations governing non-gaming vendors
 7 No
 8 Yes
 9 No
 10 No comment
 11 Everyone could use more people
 11 Would like to be more proactive for independent surveillance and supervision
 12 No
 13 No response
 14 No response
 15 Yes, almost limitless
 16 Yes
 17 No
 18 No
 19 No
 20 Yes, presence, dealing with devices, and patron complaints
 21 No
 22 No

- 23 No
- 24 No
- 25 No
- 26 No
- 27 No

16. If your agency were to receive greater resources, where would you place those resources?

- 1 Enforcement, more agents.
- 2 Examine financial transactions for money laundering
- 2 More staff, put more regulators in casino
- 3 Manpower/enforcement
- 4 Salaries
- 5 Don't know
- 6 Better equipment and training
- 7 Background checks
- 8 Investigations and audits
- 9 No comment
- 10 Does not know
- 11 Field personnel
- 12 Enforcement, clerical, audits, technical
- 13 No response
- 14 No response
- 15 Enforcement
- 16 Have field staff to do on-site regulatory inspections, only three or four people
- 17 Staff, automation
- 18 Get more involved in technological monitoring
- 18 Developing systems to more thoroughly audit electronic gaming
- 19 Funding, would make no limit of money can spend; whatever we don't spend goes to city for historical preservation
- 20 add more staff, provide greater service to casino, can respond more quickly to patron complaints, and help casino get device back up running as quickly as possible
- 21 In house training; make better people out of staff we have
- 22 Do not need greater resources; contract with lottery on a work/need basis
- 23 More daily oversight of establishment, which means more personnel
- 24 Infrastructure
- 25 More staff for investigations of all kinds
- 26 Travelling – meeting with representatives of other jurisdictions to exchange ideas
- 26 Continuing education
- 27 “Training so we can keep abreast of some very complex business, financial and technological changes”
- 27 Need to keep up with changes in technology of gaming devices