

NAGRA NEWS

Fall 2005

A Message From the President



Kathy Baertsch
NAGRA President
2005-2006

The "Holiday Season" is upon us and, here in Montana, so is the snow and cold! One thing is for sure in this state, we get to experience the many wonders and the beauty of changing seasons. I know that there are members from other jurisdictions experiencing the same joys of the changing seasons, but to those of you from jurisdictions with warm climates year round, know this – I wouldn't mind a little of that at the moment!

Join me in congratulating the Honorable Mary DiGiacomo Colins, Chair of the Pennsylvania Gaming Control Board. Mary has been selected to serve the remainder of Bill Yorke's term as Eastern U.S. Regional Director. Mary's desire to contribute to the continued success of NAGRA is obvious and we all look forward to working with her.

Join me too in thanking NAGRA Board Members for their devotion of time and expertise in addressing the many issues and events important to Association members. They are doing a great job. The Board recently met in Scottsdale, AZ to discuss the upcoming NAGRA 2006

Conference this June, and a variety of other topics including sites for future conferences, amendments to the Association's Pull-Tab Standards, and Bylaws, to mention a few. Future sites will be announced when decisions are made and you are encouraged to look for Standards amendments to be posted on the Association's website.

With respect to the annual conference, planning is under way for breakout sessions. These sessions play a big part in the success of every conference, and I know that all of the committee chairs are busy preparing their agendas. I would encourage each of you to contact the appropriate committee chairs if you have ideas for breakout topics and/or speakers.

Conferences are also great opportunities to network with other regulators and trade affiliates. A lot of valuable information is exchanged outside of the conference rooms when attendees meet one another and discuss common experiences. The Association will soon be able to assist members in refining the "networking" process as well. Members will soon be able to visit the new NAGRA website and mine the database to obtain contacts by gambling activity, profession, jurisdiction.

Please also note that as provided in the NAGRA bylaws, I have appointed a nominating committee. Gerald

"Odie" Otoupal will chair the committee and they will gather and submit names to fill NAGRA Board vacancies. There are three vacancies to fill by election this year: Vice President, East Region Director and the Canadian Director. The bylaws provide that on even numbered years, directors for the Eastern and Canadian Regions shall be elected. The election of the Vice President is necessary every year.

I would encourage members to become involved in this dynamic organization and consider running for a Board position or joining a Committee. If you are interested in serving on the nominating

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committee or have NAGRA members you would like to nominate to the Board, contact Gerald Otoupal at jotoupal@rev.state.ne.us or (402) 471-5940 prior to Feb. 1, 2006.

Finally, at the NAGRA 2004 Annual Conference in San Antonio, the Board of Directors voted to institute the NAGRA Excellence in Gaming Regulation Award. We now need nominations for this award from membership. Nominations must be in writing and include examples of actions and achievements by the nominee

relative to the gaming regulatory or enforcement environment. Send your nominations to NAGRA: Attention Eric Ewald, 1000 Westgate Drive, Suite 252, St. Paul, MN 55114 (the policy is enclosed in this issue). The Board considers the award an appropriate way to recognize individuals who have distinguished themselves in the field of gaming regulation. ■

Have a happy and safe holiday,
Kathy Baertsch
NAGRA President

NAGRA Website to Bring Greater Value to Members

NAGRA is currently working to significantly augment the functionality of our information systems, including the NAGRA website. This is where members will see change and greater value.

What can members expect?

Starting with our next conference, members will be able to register and pay fees online. Members will also be able to make dues payments online. While these are nice functional improvements, the most exciting opportunities are in the ways we will be able to facilitate member interaction.

Our new system will allow members to access a searchable online directory of fellow NAGRA members. The directory will be searchable on any single data field we designate so we can go well beyond name, state, etc.... We want members in need of help to be able to search for fellow members who hold particular positions

in states with particular types of gaming, etc.... This is in direct response to some expressed needs of members and we are excited to work on a comprehensive solution to bring this kind of value to our members.

The main contact at each member organization has been asked to complete a form detailing information for key contacts within their organizations and the types of regulation they perform. This additional data is critical to creating a valuable member directory; we encourage all who received it to complete it and send it in to us promptly.

Watch for announcements regarding these exciting changes throughout the winter. We will work hard to help members access and benefit from these changes as they become available. If you have any questions or comments please contact erice@ewald.com. ■

Board of Directors

President (to 6/06;
Past Pres to 6/07)
Kathy Baertsch

Vice President (to 6/06; Pres to 6/07;
Past Pres to 6/08)
Kevin Mullally

Past President (to 06/06)
William "Billy" Atkins

Secretary (term ends 06/06)
Penny Taylor Moore

Treasurer (term ends 06/06)
Georgine Zalesky

Eastern US Regional Director
(term ends 06/06)
Mary DiGiacomo Colins

Midwestern US Regional Director
(term ends 6/06)
James Haynes

Western US Regional Director
(term ends 6/06)
Don Dutton

Canadian Regional Director
(term ends 6/06)
Rick Saville

Committee Chairs

Casino/Electronic Gaming
Kay Gaines
Arizona Dept. of Gaming

Charitable Gaming
Philip Sanderson
Texas Lottery Commission
Simone Syrenne
Manitoba Gaming Control

Indian Gaming
Norm DesRosiers
Viejas Tribal Gaming Commission

Internet Gaming
Michael Petersen
Michigan Lottery
Dale Fuga
Manitoba Gaming Control Commission

Investigators
Charles Devenney
Manitoba Gaming Control Commission
Aaron Wong
California Division of Gambling Control

Past President Committee
Dale Fuga
Manitoba Gaming Control Commission

Where Are They Now?

Betty Mercer, 1989 NAGRA President



"This picture was taken in August in Norfolk, Virginia where I was attending yet another conference. I really liked the mermaid art that is located throughout the downtown area."

Greetings to all my friends at NAGRA from East Lansing, Michigan! It seems like it has been a very long time since I was working in the charitable gaming field – but I remember well all of the wonderful people that I met from around the country through the association.

My previous work experience had been within state government but in the area of food regulation, so I needed to get up to speed fast when I took the job as the program's director. My active participation in NAGRA was a lifesaver! Even though it took some extra time it was a good investment. I was able to learn the business and begin "stealing" good ideas right away. I especially enjoyed serving on the Board and as President of the Association and remember some great conferences in North Dakota (yes, even Bismarck – especially the deep fried steak), Las Vegas, Boston and San Diego. All of this took place in the late 1980s and early 1990s.

I remember working on the name change to the association and being involved in the first purchase of lapel pins with the new NAGRA name on them. NAGRA was experiencing some of its early growth at that time which resulted in the hiring of part time association manage-

ment services after much laborious debate. Prior to that everything had to be done by the members and officers in their "spare" time.

After five years in Charitable Gaming, I accepted a position as the director of the Michigan's highway safety program, which is located within the Department of State Police. It felt like old home week for me to be working with a law enforcement agency with such strong ethics. The highway safety office administers over \$20 million in federal and state grant funds so once again I needed to quickly learn a new business – and I held the checkbook so making friends was easy. Fortunately I knew from my past experience that I should quickly become active in the national association and once again was able to learn from the experience of others. The association's name is quite similar, NAGHSR. I wish I had a dollar for every time I referred to it as NAGRA and sometimes still do.

I served on that board and as an officer too.

After 10 years in highway safety the Legislature made state employees an offer that I could not refuse. In 2003 I took an early retirement and began working as a consultant in the area of traffic safety. I have several state and federal agency clients and still attend the association conferences as in the past. I really enjoy being my own boss after so many years of living within a bureaucracy. And I do not miss the paperwork, budget headaches and human resources management "challenges" that come with having a large staff.

I have three stepsons from a previous marriage that keep me busy and I do a lot of traveling. In 2003 I made it to the destination that I have always had at the top of my dream list, Hawaii. This was all made possible by the good fortune of having a NAGHSR conference taking place there. I was asked to be a speaker. A 30-minute panel presentation bought me a ticket and hotel room on the shores of Waikiki Beach. What a life!

I hope that all of you are doing well and would love to hear from you; e-mail me at mercerconsulting@comcast.net or visit my web site: www.mercerconsulting-group.com ■

Meet Your Officers

Honorable Mary DiGiacomo Colins Eastern US Regional Director



The Honorable Mary DiGiacomo Colins was elected to the Court of Common Pleas of Philadelphia County in 1990 and won retention in 2000. Before becoming a Judge, she served as Assistant Chief of the Economic Crimes Unit in the Philadelphia District Attorney's Office.

She was a private practitioner in Philadelphia, and also practiced as in-house Associate Labor Counsel to CertainTeed Corp. She also served as a hearing examiner for the Federal Employee Appeals Authority.

She received her BA in English from the University of Pennsylvania in 1970, an MA in English from Villanova University in 1973, her J.D. from Temple University School of Law in 1974, and a Master's in Labor Laws from Temple University School of Law in 1980. In September 2004, Governor Rendell appointed her to the Pennsylvania Gaming Control Board for a one-year term. She was re-appointed by the Governor in July 2005, for a second term of three years.

**"LEADERS ARE THE ONES
WHO KEEP FAITH WITH THE
PAST, KEEP STEP WITH THE
PRESENT AND KEEP THE
PROMISE TO POSTERITY."**

~Harold J. Seymore

Kevin P. Mullally, Vice-President



Kevin Mullally is the Executive Director of the Missouri Gaming Commission. He is responsible for overseeing the daily activities of the Commission, which include the licensing and regulation of riverboat gaming operations and charitable bingo. As Executive Director, Mullally oversees a budget of more than \$13 million and a staff of over 200 employees.

Mullally is a 1988 graduate of the University of Missouri-Columbia School of Law. His undergraduate degree is also from the University of Missouri where he graduated with honors with a degree in Political Science and a minor in English Literature.

Mullally is a frequent teacher, author and speaker on administrative and business law topics, public policy development, regulatory issues and problem gambling. He is involved in a number of community activities including:

- A member of the Board of Directors of the National Center for Responsible Gaming, a national organization devoted to funding scientific research on pathological and youth gambling; and
- On the editorial board of the *The Wager*, a weekly web magazine published by the Harvard University School of Medicine; and
- On the editorial board of the *Gaming Law Review*, a bimonthly publication that covers the latest developments in legislative, regulatory, and judicial decisions affecting gaming at the state and Federal levels in the United States and in more than 75 countries.
- Chairman of the Board of Directors of the Samaritan Center, an interfaith social service agency in Jefferson City; and
- On the Board of the Missouri Council on Problem Gambling Concerns, Inc.; and
- President of the Missouri Alliance to Curb Problem Gambling; and
- Vice-President of the North American Gaming Regulators Association Policy Committee.

Meet Your Committee Chairs

Philip D. Sanderson, Assistant Director, Charitable Bingo Operations, Texas Lottery Commission



Phil Sanderson was appointed Charitable Bingo Operations Assistant Director in 1998. Prior to that, Sanderson served as Senior Audit Manager of the Charitable Bingo Division of the Texas Lottery Commission.

Sanderson first came to the Texas Lottery as the Houston Regional Audit Manager in April 1994, a position he held until 1995.

Prior to working with the Texas Lottery Commission, Sanderson served as a Tax Auditor with the Alcoholic Beverage Commission from 1981 thru 1994. Bingo was transferred to the Alcoholic Beverage Commission in 1990.

Sanderson is currently Co-chair of the Charitable Gaming Committee of the North American Gaming Regulators Association (NAGRA), a professional organization of federal, state, local, tribal, and provincial government agencies primarily responsible for regulation of legalized gaming activities.

Sanderson has three children, son Justin is a December 2005 graduate from Baylor University and has applied to the University of Texas Law School. A twin daughter, Jennifer, is a sophomore at Texas A&M University and Jessica is a sophomore at Baylor University.

Simone Syrenne, Co-Chair NAGRA Charitable Gaming Committee



Simone Syrenne is the Licensing Manager for the Manitoba Gaming Control Commission (MGCC) and has been working in the marketing and regulatory fields of the gaming industry for over 29 years. Her current position is responsible for the Licensing of Charitable Gaming activity throughout the province of Manitoba.

Simone has served on several of MGCC's major project committees including the Business Process Re-engineering study and the Business Process and Information Systems Development and Implementation projects. She is staff advisor for the Charitable Gaming Committee of the Board of Commissioners for the ongoing Charitable Gaming Review, and is Chair for the staff committee responsible for the review and recommendation of Terms and Conditions and the development of internal policy.

Simone's very rewarding personal involvement with NAGRA began in 2002 when she was a presenter for one of the charitable gaming breakout sessions. At that conference she volunteered as Co-Chair for the Charitable Gaming Committee and has since assisted in putting together very informative and successful Charitable Gaming breakout sessions at the past six NAGRA conferences. Simone and Co-Chair Phil Sanderson from Texas are working on putting together the breakout sessions for the 2006 conference, which are sure to provide valuable information to members!

Simone is thankful, through support of her employer, for the incredible experience and opportunity for personal growth provided to her by serving NAGRA and its members on the Charitable Gaming Committee, and would highly recommend this type of involvement to any member!

Simone and her husband Gerry have been married for 28 years and have three children, Robyn (20), Bryan (19) and Jordyn (9) and one brand new grandson, Colton (who will absolutely never call her 'Granny'!)

Regional News

Eastern US News: Pennsylvania

Consistent with the legislative intent of Act 71, the primary goal of the Board has been to implement gaming in the Commonwealth through the simultaneous development of a uniform system of regulations and a licensing application process. Both processes seek to protect the integrity of regulatory control over the gaming industry in the Commonwealth.

The present complement of employees working for the Board is now at approximately 100. Of these employees, the Board has filled the majority of director positions including the Executive Director, Director of Licensing, Director of the Bureau of Investigation and Enforcement, Director of Hearings and Appeals and Director of Administration. Many of the individuals hired for these positions have brought significant gaming experience from other jurisdictions or applicable skills from other state agencies that has served to enhance and bolster the Board's role in regulating the gaming industry.

The Board has developed a body of temporary regulations that govern the licensing and application process for all entities and individuals associated with the gaming industry including: manufacturers, slot operators, vendors, junkets and the different levels of employees employed by these entities. The Board has also developed regulations pertaining to the Bureau of Investigation and Enforcement,

compulsive and problem gambling, slot machine movement, practice and procedure before the Board and multiple slot license ownership. In developing these regulations, the Board reviewed regulations from other jurisdictions including New Jersey, Louisiana and New Mexico. Currently the Board has issued draft internal controls regulations available for a 30 day public comment period. The Board also intends to issue regulations governing management companies and hearings and appeals in the next month.

The Bureau of Licensing has issued applications for manufacturers all three categories of slot operators and the persons and entities affiliated with the operators who also require licensure, including key employees, key employee qualifiers and gaming employees. In August, the Bureau of Licensing opened an application period for manufacturers. The Bureau's staff conducted completeness reviews of the submitted manufacturer applications and has currently transferred several of the applications to the Bureau of Investigation and Enforcement for the initiation of background investigations. On November 1, 2005, the Bureau opened the application process for slot machine license applicant for all categories of licensure. The deadline for these applications is December 28, 2005. The licensing staff has been preparing to accept the applications and begin processing at the close of the application period.

The Board has also conducted two diversity forums, one in Philadelphia and the other in Pittsburgh. The purpose of these forums has been to encourage diversity in the gaming industry. The speakers at the forums included members of the Board, gaming industry representatives, diversity experts and small-business professionals. The topics at the forums included discussion of diversity requirements of the act and the regulations, business financial requirements and advice and license and application instruction. The forums also provided an opportunity for attendees to network with industry representatives. Both forums were very well-attended and showed great interest in the development of gaming in the Commonwealth.

Canadian News

The 10th Annual Canadian Gaming Summit and Exhibition is scheduled to be held at the Vancouver Convention Centre, Vancouver, BC from April 25 - 27, 2006. This event is the annual trade conference of the Canadian gaming industry and attracts gaming operators and regulators from across Canada and gaming equipment suppliers from around the world.

Further information may be found at www.canadiangaming.com.

Committee News

Indian Gaming

There has been quite a lot happening in the world of Indian Gaming, especially on the National level.

The National Tribal Gaming Commissioners/Regulators organization now has its own website, which I would encourage everyone to visit at www.ntgcr.com. I think you will find it very informative; we are trying to keep it updated with current events. For example, we have posted our conference info and all of the text of recently proposed legislation related to Indian Gaming.

The U.S. DOJ has recently published proposed amendments to the Johnson Act, which would include technological aids to Class II gaming as Johnson Act devices. Needless to say, this is a huge development and viewed very negatively in Indian Country as well as by the major manufacturers. To view the text of the proposed bill and our tribal written comments and analysis go to www.ntgcr.com

On Nov. 18, 2005, Senator John McCain published proposed amendments to the Indian Gaming Regulatory Act. To view that text go to the same website. It covers three major issues: it gives NIGC statutory authority to monitor and enforce compliance with NIGC minimum internal controls over Class III gaming which was essentially taken away from them by the Federal court ruling in the Colorado River Indian Tribes (CRIT) suit challenging their authority and prevailing in that challenge. The proposal also extends NIGC authority over any "Gaming Related Contracts" and the suitability determinations for the principals

of those contractors. Finally, there is some language altering the rules for tribes taking "land into trust" for gaming purposes.

NIGC Vice Chairman Nelson Westrin has announced that he will leave NIGC upon the expiration of his term in December '05.

Hope you have a great holiday season.

Norm DesRosiers
Chair, Indian Gaming Committee

Investigators

The Investigators Committee plans to have some informative training sessions for the conference in Arizona. The Investigators Committee will join with the Casino Committee to present a session on conducting a thorough background investigation on gaming vendor applicants to ensure that unsuitable individuals and businesses are not involved in gaming.

The Investigators Committee will also present a session on the latest gambling investigations within Arizona casinos by the Arizona Department of Gaming. Finally, the Investigators Committee will have the closed-door session for sworn investigators only to share the success stories and latest intelligence on gambling investigations from various jurisdictions.

Aaron K. Wong
Co-chair, Investigators Committee

Charitable Gaming

The Charitable Gaming Committee is busily putting together breakout sessions that will be very informative and contain a wealth of information.

We will start off with the introduction of those jurisdictions being represented on Sunday afternoon.

The first full day will begin with Best Regulatory Practices. This session is designed to allow one jurisdiction to highlight their practices and methods of meeting the mandate of ensuring integrity of Charitable Gaming.

That will be followed by a session on Bingo Trends. The gaming industry has recognized a decline of revenue being realized from traditional Bingo throughout North America. This session will provide members with the results of a recent study conducted by one of our associate member organizations, the Electronic Bingo Manufacturers Association (EBMA).

The next day will be filled with a double session on Charitable Gaming Compliance Audits/Inspections. Several jurisdictions have recently had legislation introduced with regard to regulating Charitable Gaming Schemes. This session will be offered as a workshop to identify and develop appropriate compliance audit tools and procedures. We will hear from several well-established regulatory bodies that will share their methods to ensure the honesty and integrity of charitable gaming in their jurisdiction using proven compliance audit/investigative tools.

If you or your jurisdiction would like to participate more fully in this NAGRA conference and would like to offer assistance as moderators or presenters for any of these sessions, please let us know.

Look forward to seeing you in Phoenix.

Simone Syrenne -
 ssyrenne@mgcc.mb.ca
 Phil Sanderson -
 phil.sanderson@lottery.state.tx.us
 Co-Chairs, Charitable Gaming
 Committee

Internet Gaming

Internet gaming is not going away! Whether we regulate it or not, Internet gaming is big business and it affects us all as seen on the recent CBS television show "60 Minutes". The Internet Gaming committee is developing a program to ensure that North American regulators are aware of the latest trends in the industry and, in the event it becomes legalized in your jurisdiction, the best methods to regulate it.

Internet gaming has an impact on legitimate charitable gaming, lotteries and casino operations. The proliferation of web sites devoted to Texas Hold 'em poker is only one example as it is partially responsible for the escalating demand that state and provincial charitable gaming regulators face to license a land-based version of the game. At the NAGRA 2005 conference in Nova Scotia we saw how two Canadian jurisdictions were provid-

ing traditional lottery products and services through the Internet. You can visit the Atlantic Lottery Corporation's PlaySphere site at www.alc.ca and the British Columbia Lotteries Corporation's PlayNow site at www.bclc.com to see what they are doing.

At another session we discussed the recent ruling from the World Trade Organization (WTO) regarding a dispute lodged by the Caribbean islands of Antigua and Barbuda against the United States for its prohibition of Internet gaming. Mr. Stan McCoy, Assistant Counsel for the office of the U.S. Trade Representative (USTR) discussed the role and purpose of the WTO with respect to the resolution of trade disputes and the salient issues involved in this case.

At NAGRA 2006 in Phoenix, we hope to have a representative of the Antigua regulatory office discuss their methods of regulation and describe how they ensure the integrity of both the game and the operator. In another breakout session we will have Nigel Payne of Sportingbet.com, an Internet gaming operator who operates from a regulated jurisdiction, discuss how online poker is conducted and managed as well as describe how the site works and the security measures which were implemented to prohibit minors and mitigate problem gambling issues.

Professor I. Nelson Rose, of Whittier Law School, will provide an overview of Internet gaming and the law at a general session. His presentation will cover the laws at home and abroad, touch on the

WTO ruling and the US position, and end with a look at the future. This will be followed by an open question and answer session.

Please let either of us know if you have any suggestions for future conference topics.

Dale Fuga, Committee Co-Chair
 Mike Petersen, Committee Co-Chair

**"SUCCESS WILL
 NOT LOWER ITS
 STANDARD TO
 US. WE MUST
 RAISE OUR
 STANDARD TO
 SUCCESS."**

**~ REV. RANDALL
 MCBRIDE, JR.**

Do you have content you'd like to submit to NAGRA News?

Contribute to erice@ewald.com.

NAGRA Excellence in Gaming Regulation Award

Eligibility:

The NAGRA "Excellence in Gaming Regulation" Award is open to regular members who have demonstrated outstanding accomplishments in the gaming regulatory or enforcement environment.

Nomination Process:

Nominations must be in writing. Nominations must include examples of actions/achievements by the nominee. Nominations should include the name of the nominee, title, jurisdiction and contact information.

Selection Committee:

Three members are appointed by the NAGRA president. The president will designate the chair of the committee. A member of the Selection Committee may not be a nominee or have submitted a nominee.

Selection Criteria:

The committee should consider nominees who have demonstrated sustained achievement, exceptional performance and deserve recognition for their extraordinary contributions in the field of gaming regulation. Areas of consideration may include:

- The supervision or organization of employees leading to outstanding accomplishments.
- The enhancement of the public perception of gaming regulation by external organizations.
- The identification and implementation of significant cost savings for a specific jurisdiction.
- The identification and implementation of significant efficiencies in regulatory processes or procedures.

Notification

Winners should not be notified until the announcement is made. If necessary, a contact person from the winner's jurisdiction may be notified in an attempt to ensure the winner is present to accept their award.