

**NAGRA NEWS**

Autumn 2007

# A Message From the President

It is November — and in the United States, it is a time for reflection and giving of thanks. We are past the endless days of summer and well into the fall season. As that is true of the year 2007, it is also true of my term as President of NAGRA. Although Dale would tell me my term is not half over, still, it seems that there is not too much time remaining and a lot of work still to be done. That is not to say much has not already been done — because the truth is, a lot of work has been completed.

I'm speaking of the work done by our committee chairs and officers in planning for the 2008 Annual Training and Conference. Here is a sample of what you will enjoy at the New Orleans version of our annual event: Two training sessions, one including eight hours of CFE and the other four hours Auditing TITO Systems. Mississippi and Louisiana Regulators, each with a unique success story to tell, will present the state of gaming



after the devastation of Katrina. Internet Gaming is a hot-button topic and we will explore it from legal games of skill to money laundering to illegal youth gaming and everything in between. Electronic Class II Gaming Devices are another hot topic which will be explored in many ways, including the latest NICG rules/standards and onsite machine demonstrations. We will also learn of the economic development opportunities being pursued by Louisiana and Mississippi Tribes. Charitable will present sessions on the latest pull tabs and electronic

games. Audit will look at gaming automation and the challenges presented. There will literally be something for everyone.

For the first time, NAGRA will be assisted in presenting its breakout and general sessions by two groups. Michael Lipton, president of International Masters of Gaming Law, has asked his members to volunteer on topics of interest.

*Continued on page 4*

## Inside this issue

- 2 Deloitte Report Confirms Progress On Lottery System
- 3 Combined Nebraska Lottery, Charitable Gaming Operations Relocated
- 5 Gaming Laboratories International And Universidad Nacional De La Plata Form Partnership
- 6 Gov. Bill Richardson Makes Appointments To Gaming Control Board

# Deloitte Report Confirms Progress On Lottery System

Victoria — An independent and broad review of B.C.'s lottery retail system confirms government and the BC Lottery Corporation (BCLC) are taking the necessary steps to ensure public trust and confidence in the lottery retail system, Solicitor General John Les has said.

The report offers additional recommendations to further enhance lottery gaming in the province.

"With this report, B.C. has done more than any other province to make sure players can buy lottery tickets with confidence," said Les. "We're acting on most of the recommendations immediately because we want to build on what we've already done and keep the momentum of improvements going. Other recommendations require legislative or regulatory changes, while still others require further review and analysis."

The Deloitte & Touche LLP's Report on the Independent Review and Assessment of the Retail Lottery System in British Columbia also recommends:

- The roles and responsibilities of the BCLC and the Gaming Policy and Enforcement Branch (GPEB) should be more clearly articulated and communicated to all relevant stakeholders.
- The implementation of sustainable risk management processes by GPEB and the Continuation of BCLC's framework for risk management.
- GPEB giving equal status organizationally to its policy and enforcement functions.
- Clarifying GPEB's and BCLC's enforcement and operating responsibilities with respect to allegations of wrongdoing within the gaming industry.

*Continued on page 4*

## Board of Directors

**President**  
Don Dutton

**Vice President**  
James Haynes

**Past President**  
Dale Fuga

**Secretary**  
Penny Taylor Moore

**Treasurer**  
Leah Cooper Boggs

**Eastern U.S. Regional Director**  
Judge Mary Digiacomo Collins

**Midwestern U.S. Regional Director**  
Terri Hutchison

**Western U.S. Regional Director**  
Terri Sue Canale

**Canadian Regional Director**  
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 Commission*

**Indian Gaming**  
Gene Huntington  
*Montana Gambling Control Division*

**Internet Gaming**  
Michael Petersen  
*Michigan Lottery*  
Rick Day  
*Washington State Gambling Commission*

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

# Combined Nebraska Lottery, Charitable Gaming Operations Relocated

During the latter half of the fiscal year, Nebraska Lottery and Charitable Gaming Division of the Nebraska Department of Revenue underwent a reorganization.

After nearly 15 years operating as separate areas of the Department of Revenue, the two divisions have been merged into a single business unit under a single administrator.

As divisions of the Nebraska Department of Revenue, the Nebraska Lottery and Charitable Gaming Division represent a different set of operating circumstances than those of most aspects of the Department. However, both units share some functional similarities as they relate to gaming, retail outlets, and oversight of product manufacturing and distribution.

Under the direction of State Tax Commissioner Doug Ewald, and in keeping with Gov. Dave Heineman's emphasis on increasing government efficiency, the relevant functionalities of the two divisions were identified and merger plans drawn up.

The combined operations are under the direction of Jim Haynes, who was named to the position in December 2006. In addition to serving as administrator of the Charitable Gaming Division since 2001,

Haynes had been acting Lottery Director since 2004. A former Lincoln police officer, Haynes also has experience within the Department of Revenue as an investigator and personnel manager.

In order to further the merger, the combined operations moved into a new office setting at 1800 "O" Street (Suite 101). The new site will offer more accessibility to the public and afford greater organizational efficiencies for the merged divisions.

Within a larger reorganization of the Department of Revenue, the merger of the Nebraska Lottery and Charitable Gaming divisions has resulted in personnel efficiencies through reduction in force and position reassignments.

The services of both operations will remain essentially the same, but efficiencies will be realized in shared support resources. Additionally, over time, there may be opportunities for enhanced service delivery.

Contact information such as mailing address, Web site, and telephone numbers remain unchanged. The main change has been that of physical accommodations, visibility and public accessibility. ■

>> *Message from the President, continued from page 1*

Karen Brandon has asked for a session to be presented by the National Council on Responsible Gambling. We may also have some industry sponsors for a keynote speaker from McGill University, Dr. Jeffrey Derevensky giving a lively, humorous and profound talk on Youth Gambling and the Internet.

NAGRA is growing up. We will be 25 years old next year. With that growth comes growing pains. Not financial pains, but pains of continuity or succession. Many of our committee chairs have

been in place for several years and while this has been good for the organization, it has not developed a process for the next generation of leaders to take over. At least two committees will need chairs: Casino and Indian. If any member has an interest in either of these important committees, please tell your area director or any officer. Do it now, while we have the current chairs to assist you. I am also looking to establish a Responsible Gambling Committee. If you have an interest in this area, please contact me. Lastly, I want to thank the

committee chairs for their assistance in putting the sessions together, Eric and Scott for their management, Mary Collins, Terri H., TerriSue, Rick S., Penny, Jim and Dale for continued support. On reflection, we have one heck of a good team. Let's work to continue to make NAGRA the premier gaming regulators' association in North America. Happy fall holidays; I look forward to seeing each member in New Orleans. ■

>> *Deloitte Report, continued from page 2*

- The establishment of a three- to five-year comprehensive audit plan by GPEB to cover all aspects of BCLC's operations.

The Solicitor General ordered an independent review of the lottery retail system last June following the release of a report by the B.C. ombudsman. The

ombudsman's report made 23 recommendations for BCLC and four for GPEB. In September, BCLC and GPEB released progress reports on their respective implementation of those recommendations.

The Deloitte report is available at <http://www.pssg.gov.bc.ca/publications/>. ■

# Gaming Laboratories International And Universidad Nacional de la Plata Form Partnership To Create GLI South America

BUENOS AIRES (27 September 2007) – Continuing its global expansion, Gaming Laboratories International has formed a partnership with the Universidad Nacional de la Plata (UNLP) to create GLI South America. The new partnership will utilize GLI’s extensive operating knowledge and UNLP’s deep technological capabilities and outstanding reputation for integrity. The new GLI South America will offer both gaming device and system testing services and independent field inspection services.

GLI Vice President and co-founder Paul Magno said, “GLI is extremely pleased to be working with UNLP. This is a perfect fit in many ways – technological capabilities and commitment to integrity being at the forefront. UNLP has an outstanding reputation, and we are thrilled to have them as part of the GLI family as we continue to expand our services around the globe.”

UNLP Director Javier Diaz said,

“Since 2002, UNLP has continuously been working in topics related to control of slot machines and online systems. The work we have been performing is interdisciplinary and involves working with information related to hardware, software, communications,

the highest international level of information and training for our professionals and technicians and to allow us to work with certifications and standards with worldwide validity.”

Roberto Pizzi, Director of Sys-



systems, database and processes, particularly as they relate to computer technology safety and technological auditing. This agreement with GLI is seen as a great advance, allowing us to get

tems of the Lottery of the Province of Buenos Aires said, “The maturity achieved by the technological platform for the

*Continued on page 6*

# Gov. Bill Richardson Makes Appointments To Gaming Control Board

SANTA FE — October 31, 2007 — Gov. Bill Richardson announced that he is appointing Jim Peterson and Demesia Padilla to fill open seats on the state Gaming Control Board. They join current Board members David Norvell, chairman, and Don Dutton, NAGRA president.

Jim Peterson, a prominent Albuquerque businessman, was appointed by the governor to serve as the public member on the board, replacing Carolyn Monroe of Albuquerque. Peterson is the founder and president of Peterson Properties, which specializes in the development, management and leasing of high-quality neighborhood shopping centers and major tenant free-standing developments.

Demesia Padilla, an Albuquerque accountant, will fill the vacant CPA position on the Board, replacing

Carla Martinez who resigned to take another job earlier this year. Padilla was the Republican candidate for state treasurer in the 2006 election. Padilla has owned a small business, is a former IRS agent, chaired the Bernalillo County Audit committee and was a senior accountant for Deloitte, Haskins & Sells in Las Vegas, Nevada, where she audited casino operations and oversaw tax planning and preparation.

The New Mexico Gaming Control Board is responsible for regulating legalized gaming at New Mexico's licensed racetracks, qualified veteran and fraternal organizations. The Board also investigates and enforces violations of the laws and regulations that prohibit illegal gambling activities in the state, and monitor New Mexico's tribal gaming compacts through the appointment of a state gaming representative. ■

## >> *Gaming Laboratories International, continued from page 5*

control of electronic gaming devices of the Province of Buenos Aires requires certifications and inspections complying with international standards and that has validity in multiple districts. The Province of Buenos Aires considers the strategic alliance between GLI and UNLP a step forward for the region."

"In order to make progress in the investigations of the latest

mechanisms and regional technologies, we have been working for a long time together with the Lottery of the Province of Buenos Aires to start programs of this kind," said Gustavo Aspiazu, President of UNLP. "It also makes us think in other ways of using the technological improvements, to train human resources according to these improvements as well as the control requirements. The university is also a warrant of transparency and security within this homologation process."

The agreement benefits Argentina by providing increased testing technology and advanced regulation to the gaming industry and by creating jobs. The agreement also allows GLI to serve the South American markets better than ever, because GLI will now have native Spanish speakers ready to work with both regulators and manufacturers.

UNLP, one of the most respected

*Continued on page 7*

**>> *Gaming Laboratories International, continued from page 6***

universities in Argentina, has a long history of being at the forefront of partnering with technologically leading companies around the world and bringing knowledge and technology from those companies to Argentina, including CISCO, IBM, Microsoft and SUN.

Earlier this year, GLI announced expansion in Europe, with the creation of GLI Austria. With the addition of GLI South America, GLI now operates 11 offices on six continents.

GLI celebrated the opening of GLI South America at its stand at the South American Gaming Suppliers Expo (SAGSE), held 3-5 October at Centro Costa Salguero in Buenos Aires.

**Gaming Laboratories International Opens Melbourne Office, Brings Worldwide Office Total to 12**

MELBOURNE, Australia (16 October 2007) – In a move designed to better serve regulators and operators in the Melbourne

and Victoria area, Gaming Laboratories International has opened a new facility in Melbourne. The announcement comes on the heels of GLI opening new, larger facilities in Sydney and Adelaide earlier this year.

The new Melbourne office will work closely with GLI's Sydney and Adelaide labs to continually meet customer demand and provide the highest possible level of customer service.

GLI Australia Chairman of the Board Kevin O'Brien said, "The opening of this new office is the direct result of customer feedback. We have been working in the Victoria market for many years, and our presence in Melbourne will ensure that we strengthen our position in the marketplace, and enable us to continue to be extremely responsive to our customers' needs. The recent appointment of Zelko Galic as Managing Director and CEO has proved valuable throughout our business, and we look forward to his active involvement in the Melbourne operations subject to regulatory approvals."

The new Melbourne office will operate as a service office initially, and GLI expects to have a fully operational test lab in the near future.

**Gaming Laboratories International And Foundstone Professional Services, A Division Of McAfee, Form Security Partnership**

***New Services Will Help Ensure Casino Security***

LAKESWOOD, N.J. (November 6, 2007) – In a move designed to help bolster casino operator security, Gaming Laboratories International and Foundstone Professional Services, a division of McAfee, have formed a partnership. Under the new partnership, the companies are offering independent auditing and consulting of casino operators' IT networks.

GLI President and co-founder James R. Maida said, "This is an era of ever-advancing technologies, both in the game and

***Continued on page 8***

>> ***Gaming Laboratories International, continued from page 7***

across the entire operation.

These new services will help operators ensure that their systems, such as server-based gaming, networks and wireless communications, are as safe and secure as possible."

Vice President of Foundstone Professional Service Bill Hau said, "The implementation of information security for casino operators presents unique and distinct challenges for both the operators themselves and the customers who may use the infrastructure to access services. We are excited and proud to be part of this GLI partnership, and I'm

confident Foundstone will provide the expertise and leadership necessary to help bolster casino operator security."

Today's casino floor is networked to central servers, and the network can have hundreds, even thousands, of access points, putting the network and stored data at risk. The new GLI/Foundstone services will conduct in-depth technical testing of networks, applications, and various security-related infrastructure components such as firewalls, VPNs and wireless networks. Services also include auditing network security systems, detection of intrusions, identification of weaknesses and outlining recommendations to repair any discovered weaknesses.

Foundstone Professional Services, a division of McAfee Corp., delivers strategic solutions to security challenges using a balanced combination of business consulting, technology consulting, and education. Foundstone's security consultants are among the best and most-recognized security experts in the world, having helped hundreds of high-profile organizations in the military, Fortune 500 and federal and state governments. They ensure their clients have the right processes and procedures in place, use the most effective tools to support these processes and procedures, and the education to make it all work together effectively and seamlessly. ■