



**MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #195**

July 21, 2016
10:00 a.m.

Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, MA



Massachusetts Gaming Commission



NOTICE OF MEETING and AGENDA

July 21, 2016

Pursuant to the Massachusetts Open Meeting Law, G.L. c. 30A, §§ 18-25, notice is hereby given of a meeting of the Massachusetts Gaming Commission. The meeting will take place:

Thursday, July 21, 2016

10:00 a.m.

**Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, MA**

PUBLIC MEETING - #195

1. Call to order
2. Approval of Minutes
 - a. June 23, 2016
3. Administrative Update – Ed Bedrosian, Executive Director
4. Commissioner's Updates
5. Workforce & Supplier Diversity – Jill Griffin, Director
 - a. Community College Update
 - Robert LePage, Assistant Secretary for Career Education – Executive Office of Education
 - Darrell W. LeMar, Executive Director of Workforce Development – Bunker Hill Community College
 - Chef John J. Caressimo, Director, Culinary Arts and The CATCH Institute – Bristol Community College
 - Jeffrey P. Hayden, Vice President of Business and Community Services – Holyoke Community College
 - Jeremiah P. Riordan, Vice President of Workforce Training – Springfield Technical Community College
 - Marikate Murren, Director of Human Resources – MGM Springfield



Massachusetts Gaming Commission

101 Federal Street, 12th Floor, Boston, Massachusetts 02110 | TEL 617.979.8400 | FAX 617.725.0258 | www.massgaming.com

6. Research and Responsible Gaming – Mark Vander Linden, Director
 - a. PlayMyWay Update – Michelle Collins, Plainridge Park Casino and Marlene Warner, Massachusetts Council on Compulsive Gaming
 - b. Responsible Gaming Education Week – August 1st- 5th – Michelle Collins, Plainridge Park Casino and Marlene Warner, Massachusetts Council on Compulsive Gaming
7. Ombudsman Report – John Ziemba
 - a. Community Mitigation Fund Awards – Joe Delaney - Construction Project Oversight Manager, Catherine Blue – General Counsel, Derek Lennon – Chief Financial and Accounting Officer, Mary Thurlow - Paralegal
 - b. Gaming Policy Advisory Committee Update
8. Racing Division – Alex Lightbown, Director of Racing/Chief Veterinarian
 - a. Local Aid Payments Approval – D. O'Donnell, Senior Financial Analyst – **VOTE**
 - b. Brockton Fairgrounds – Request for Race Horse Development Funds – **VOTE**
9. Investigations and Enforcement Bureau – Karen Wells, Director
 - a. Emergency Regulatory Amendment 205 CMR 134.13 (Non-Gaming Vendors) - **VOTE**
10. Legal Division – Catherine Blue, General Counsel
 - a. Mass Gaming & Entertainment License Decision – **VOTE**
 - b. Slots Regulation Amendments – T. Grossman, Deputy General Counsel, J. Glennon, Chief Information Officer, F. Barroga, Gaming Technology Manager - **VOTE**
 - c. Skill Based Gaming Process Update – T. Grossman, Deputy General Counsel, J. Glennon, Chief Information Officer, F. Barroga, Gaming Technology Manager
 - d. Small Business Impact Statement for 205 CMR 138.00 – Uniform Standards of Accounting Procedures and Internal Controls (ATM) – **VOTE**
11. Other business – reserved for matters the Chair did not reasonably anticipate at the time of posting.

I certify that on this date, this Notice was posted as “Massachusetts Gaming Commission Meeting” at www.massgaming.com and emailed to: regs@sec.state.ma.us, melissa.andrade@state.ma.us.

7/19/16
DATE


Lloyd Macdonald, Commissioner

Date Posted to Website: July 19, 2016 at 10:00 a.m.



Massachusetts Gaming Commission

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Meeting Minutes

Date/Time: June 23, 2016 – 10:00 a.m.

Place: Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, Massachusetts

Present: Chairman Stephen P. Crosby
Commissioner Gayle Cameron
Commissioner Lloyd Macdonald
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga

**Time entries are linked to
corresponding section in
Commission meeting video**

Call to Order

See transcript pages 2-5

10:00 a.m. Chairman Crosby called to order the 194th Commission meeting. He noted that Penn National had its first anniversary as our licensee. He also noted that Laurie Jordan, a long time commission stenographer, is leaving the stenography business and taking a position with Mass Development. He thanked Laurie and wished her well.

Approval of Minutes

See transcript pages 5-6

10:03 a.m. *Commissioner Macdonald moved for the approval of the June 9, 2016 Commission meeting minutes subject to any corrections, typographical errors, or other nonmaterial matters. Motion seconded by Commissioner Cameron. Motion passed 4 to 0 with 1abstention. Chairman Crosby abstained from the vote as he was not present at the meeting on June 9th.*

Administrative Update

See transcript pages 7-130

10:04 a.m. Executive Director Edward Bedrosian, Jr. thanked Laurie Jordan for being a valuable partner in our development and congratulated her on her new position. He

also congratulated Penn National and Plainridge on their one year anniversary. He noted that agenda items 6b (MassGaming & Entertainment License Decision) and 8c (Brockton fairgrounds Request for Race Horse Development Funds) are going to be deferred until another meeting.

[10:05 a.m.](#) Commissioner Cameron reported on a law enforcement summit that she and Director Karen Wells attended. She stated that the summit was hosted by the American Gaming Association and it highlighted illegal gaming, UK sports betting, and analytics by the Genius Sports Group.

[10:21 a.m.](#) Executive Director Bedrosian reported that on June 8th and 9th the Commission officially launched Play My Way, a new responsible gaming initiative which provides casino patrons with an option to budget and track their play. He commended Director Mark Vander Linden, staff, Plainridge and Scientific Games for their work. He stated that the technology was a complicated process to overlay the product on a casino floor. He noted that 1,695 patrons have enrolled in Play My Way and 146 have unenrolled.

Chairman Crosby noted that there has never been a system like this in the United States and the technology had to be developed. He stated that Penn National stepped up to partner with the Commission on this experimental program. He noted the professionalism of Lance George and his team. He also noted that there will be a robust evaluation of the Play My Way system.

[10:24 a.m.](#) Attorney Justin Stempeck introduced MGM presenters Paul Mathews, the President and CEO of Playstudios; Josh Swissman, the Senior Vice President of Loyalty Marketing at MGM Resorts International; and Jed Nosal, Attorney representing MGM Springfield.

[10:26 a.m.](#) Paul Mathews provided a background on the Playstudios company which started in 2011 and their partnership with MGM Resorts. He stated that the company is the seventh largest social casino operator in the world with six game applications and 1.5 million daily players. He explained how the game works and the related loyalty program that offers leisure rewards.

10:51 a.m. The Commission took a brief recess.

10:56 a.m. The meeting resumed.

[10:56 a.m.](#) Josh Swissman presented on the My Vegas platform, the types of customers that they want to engage, and the rewards program. He stated that the rewards expose customers to experiences and optimizes use of inventory to stimulate business during off-peak periods. He noted that marketing cycles acquire new players, engage players and convert players to MGM resorts. He also noted that the rewards program also offers great exposure for their brand.

[11:19 a.m.](#) Executive Director Bedrosian reported on a letter he received from Penn National regarding their plans for using social gaming products as a marketing tool.

[11:21 a.m.](#) Attorney Stempeck introduced the following Penn National presenters: Chris Sheffield, Managing Director of Penn Interactive Adventures; Carl Sottosanti, General Counsel; Jim Baldacci, Deputy Chief Compliance Officer; and Frank

Donoghue, the Chief Compliance Officer. He also introduced representatives from Scientific Games – Robert Gustafson, Assistant General Counsel and Vice President of Legal; and Michael Friis, Vice President of Regulatory Affairs.

Carl Sottosanti noted Penn National’s first year of operation in the Commonwealth and stated that they look forward to many years of a successful partnership with the Commission and the Commonwealth. He stated that their presentation on social gaming is part of their transparent approach with the Commission.

[11:24 a.m.](#) Chris Sheffield provided information about his professional background, the social casino industry, and Penn National’s social gaming initiative plans. He stated that a survey of customers showed that 50 percent play social casino games. He reported on Hollywood Casino– a social casino platform with slot games, and marketing tools. Carl Sottosanti reported on regulatory practices and a legal update on social gaming. Robert Gustafson, from Scientific Games, explained payout ratios for online products and games on the floor.

[11:53 a.m.](#) Chris Sheffield reported on customer game registration, impact of the game on land-based behavior such as reward card sign ups and frequent casino visitation, and competition from other properties. He also reported on their second product, Hollywood Slots, which is a social casino platform used for entertainment not gambling. He stated that they would like to integrate both products with the Marquee rewards program to enable customers to earn tier points.

12:09 p.m. The Commission took a brief recess.

12:14 p.m. The meeting resumed.

Investigations and Enforcement Bureau

See transcript pages 131-165

[12:14 p.m.](#) Director Karen Wells presented on emergency amendments to 205 CMR 138, specifically 205 CMR 138.40 and .47. She stated that currently the language prohibits ATMs at casinos from processing credit card cash advance transactions. She stated that during routine testing it was discovered that you could get cash with certain credit cards. She stated that there are technical limitations on what a banking industry can do and there is a dual interpretation on what a cash advance is. She stated that David Maletic representing U.S. Bank Gaming Services and Darren Simmons representing Everi will talk about these issues.

[12:17 p.m.](#) Assistant Director and Gaming Agents Division Chief Bruce Band stated that it was discovered that certain credit cards could get cash at ATM machines at the casino and this could not be fixed electronically. He noted that signage was added to the machines stating that you cannot take cash withdrawals on a credit card. He also noted that buttons were removed from the machines to limit choices.

[12:22 p.m.](#) Darren Simmons and David Maletic presented on the definition and interpretation of a cash advance transaction and clarified the definition for cash withdrawal versus cash advance. They noted that cash advances requires higher fees to the consumer and provides higher amounts.

[12:37 p.m.](#) Deputy General Counsel Todd Grossman reported on the policy considerations that went into the drafting of the original regulation. He stated that taking cash out on a credit card is considered by banks to be a higher-risk transaction and is associated with higher fees and interest rates. He stated that the proposed regulation will accommodate the consumer protection/responsible gaming concerns and at least discourage a patron's ability to take cash out on a credit card.

[12:42 p.m.](#) Executive Director Bedrosian stated that we are asking for a vote for an emergency regulation. He also stated that they have shared this matter with the licensees and there will be a public comment period. Director Wells stated that new language in the regulation requires licensees to have reasonable measures to inhibit this type of activity.

[12:49 p.m.](#) *Commissioner Stebbins moved that the Commission adopt, on an emergency basis, the recommended changes to 205 CMR 138, under 138.40 and 138.47, and to initiate the formal promulgation process to approve these changes. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

12:49 p.m. The Commission recessed for lunch.

1:31 p.m. The meeting resumed.

Finance Division

See transcript pages 166-210

[1:31 p.m.](#) CFAO Derek Lennon reported on a follow up to the Commission's FY17 budget. He provided an overview of the revised figures sent to licensees and noted that spending estimates were reduced. He also noted a public comment was received from Wynn MA requesting further reductions.

[1:37 p.m.](#) Executive Director Bedrosian stated that the discussion with our licensees have been very collaborative and professional. He also stated that two licensees will not realize revenue for a few years. Commissioner Cameron stated that we have to be cognizant that revenue will not be coming in and to be as efficient as possible. The Commissioners discussed the budget which included community college funding, gaming consultants, State Police overtime, and indirect costs. Commissioner Zuniga reported on a comparative budget chart that included three other commission agencies across the country.

[2:21 p.m.](#) *Commissioner Zuniga moved that the Commission approve the FY17 budget as presented in the packet, for an assessment to licensees, as we've done according to our procedures. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

Legal Division

See transcript pages 211-219

[2:22 p.m.](#) General Counsel Catherine Blue reported on a request to contribute an antique slot machine to the Commission. She noted that the statute, 23K, states that the Commission can accept contributions of money, property and other items of value, so long as they are held, used and applied for the Commission's purposes.

[2:26 p.m.](#) *Commissioner Stebbins moved, pursuant to Section 4, Subsection 6, of Chapter 23K, that the Commission accept the contribution of an antique slot machine. Such antique slot machine to become the property of the Commission, and held, used and applied for the Commission's purposes. Motion seconded by Commissioner Zuniga. Motion passed unanimously.*

[2:27 p.m.](#) General Counsel Blue noted that agenda item 6(b), Mass Gaming & Entertainment License Decision, has been deferred as previously reported.

General Counsel Blue reported on the Amended Small Business Impact Statements for regulations 205 CMR 3.00: Harness Horse Racing and 205 CMR 4.00: Rules of Horse Racing and final drafts for promulgation. She noted that these regulations pertain to changes to medication levels and new helmet rules.

[2:28 p.m.](#) *Commissioner Cameron moved that the Commission approve the Amended Small Business Impact Statement and final version of 205 CMR 3.11(5), 3.29(5)(a)(3) and 3.29(8)(b), harness horse racing, as included in the packet, and authorize staff to take all necessary steps to file the regulation with the Secretary of the Commonwealth, and complete the regulation promulgation process. Motion Seconded by Commissioner Stebbins. Motion passed unanimously.*

Commissioner Cameron moved that the Commission approve the Amended Small Business Impact Statement and final version of 205 CMR 4.11(6)(c)(7), 4.52(5)(a)(1) and 4.52(8)(b), rules of horse racing, as included in the packet, an authorize staff to take all necessary steps to file the regulation with the Secretary of the Commonwealth, and complete the regulation promulgation process. Motion seconded by Commissioner Stebbins. Motion passed unanimously.

Ombudsman Report

See transcript pages 219-249

[2:29 p.m.](#) Ombudsman John Ziemba provided a summary of Joe Delaney's previous professional experience. Mr. Delaney is the new Construction Project Oversight Manager for the Commission. Ombudsman Ziemba also thanked PMA and Pinck & Company for their services and assistance.

[2:32 p.m.](#) Construction Project Oversight Manager Joe Delaney recognized PMA and Pinck & Company for getting him up to speed on the project. He provided an overview of his duties and responsibilities. He noted that he will be the eyes and ears of the Commission on the construction sites and will be able to communicate to the Commission in real time what is going on. He also highlighted the construction schedule, project commitments and conditions, assistance with workforce supplier and diversity, First Light Casino compact oversight, long term capital improvements, and other duties such as overview of community mitigation fund applications and monitoring of the work of the Lower Mystic Regional Working Group.

[2:53 p.m.](#) Ombudsman John Ziemba reported on reappointments of members to the local mitigation advisory committees under the Gaming Policy Advisory Committee.

[2:58 p.m.](#) *Commissioner Stebbins moved that the Commission approve the reappointments of Colin Kelly, Region A chamber of commerce representative; Kate Cane, Region B chamber of commerce representative; Richard K. Sullivan, Region B regional economic development organization representative; and Ellen Petashnick, Region B human services provider; members of the local community mitigation advisory committee. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

Commissioner Stebbins moved that the Commission approve the appointment of Commissioner Cameron to the public safety subcommittee; Mark Vander Linden to the addiction services subcommittee; and Commissioner Macdonald to the community mitigation advisory subcommittee. Motion Seconded by Commissioner Zuniga. Motion passed unanimously.

2:59 p.m. The Commission took a short recess.

3:04 p.m. The meeting resumed.

Racing Division

See transcript pages 249-254

[3:04 p.m.](#) Dr. Alexandra Lightbown, Director of Racing, reported on a request from Suffolk Downs for the approval of key operating personnel and racing officials. She recommended that they be approved pending completion of the licensing procedures and approval of the background check. She noted that the officials are known to us and that the first day of racing begins on July 9th.

[3:05 p.m.](#) *Commissioner Cameron moved that the Commission approve Sterling Suffolk Racecourse request for the key operating personnel and racing officials for the 2016 racing season, as listed in the memorandum. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*

[3:05 p.m.](#) Dr. Lightbown reported on the request by Suffolk Downs to lower their takeouts.

[3:07 p.m.](#) *Commissioner Cameron moved that the Commission approve the request of Suffolk Downs to reduce the takeout of 15 percent of all wagers, win, place, show and exotics. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

Workforce, Supplier and Diversity Development

See transcript pages 255-265

[3:08 p.m.](#) Director Jill Griffin presented on the supplier diversity reporting guidelines during the design and construction of the gaming establishments and operations phase. She noted that the matter has been posted for public comment and she received two responses.

[3:19 p.m.](#) *Commissioner Stebbins moved that the Commission approve the supplier diversity certification and retroactive reporting guidelines for construction and operations, as outlined in the memo included in the packet. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

Other Business Not Reasonably Anticipated

See transcript pages 265-266

3:19 p.m. Chairman Crosby noted that for the months of July and August there will be only one Commission meeting. The next Commission meeting will be on July 21st.

3:20 p.m. *Having no further business, a motion to adjourn was made by Commissioner Cameron. Motion seconded by Commissioner Zuniga. Motion passed unanimously.*

List of Documents and Other Items Used

1. Massachusetts Gaming Commission, Notice of Meeting and Agenda dated June 23, 2016
2. Massachusetts Gaming Commission, Draft Meeting Minutes dated June 9, 2016
3. Playstudios/MGM Resorts' PowerPoint presentation dated June 23, 2016
4. Penn National Gaming, Inc., PowerPoint presentation dated June 23, 2016
5. Letter from Jim Baldacci, Deputy Chief Compliance Officer Penn National, to Executive Director Edward Bedrosian, with the Massachusetts Gaming Commission, dated June 17, 2016 regarding social gaming initiatives
6. Draft amendments to 205 CMR 138.00: Uniform Standards of Accounting Procedures and Internal Controls
7. Letter from Plainridge Park Casino, MGM Springfield and Wynn Resorts to the Massachusetts Gaming Commission, dated June 21, 2016 regarding regulations pertaining to credit card cash advances at ATMs within Massachusetts gaming establishments, with attachments
8. Massachusetts Gaming Commission, Memorandum dated June 23, 2016 regarding Fiscal Year 2017 (FY17) Gaming Regulatory Budget and Statutorily Required Billings, with attachments
9. Email from Cheryl Bartlett to Chairman Steve Crosby, dated June 1, 2016 regarding offer of slot machine
10. Photograph of slot machine
11. Amended Small Business Impact Statement and amended draft regulation for 205 CMR 3.00: Harness Horse Racing
12. Amended Small Business Impact Statement and amended draft regulation for 205 CMR 4.00: Rules of Horse Racing
13. Massachusetts Gaming Commission, Memorandum dated June 21, 2016 regarding Reappointment Recommendations for Subcommittees under the Gaming Policy Advisory Committee, with attachments
14. Massachusetts Gaming Commission, Memorandum dated June 20, 2016 regarding Suffolk Downs Key Operating Personnel and Racing Officials, with attachment
15. Massachusetts Gaming Commission, Memorandum dated June 20, 2016 regarding Suffolk Downs Take Out Reduction Request, with attachment
16. Massachusetts Gaming Commission, Memorandum dated June 13, 2016 regarding Supplier Diversity Certification and Retroactive Reporting for Construction and Operations, with attachments

/s/ Catherine Blue
Catherine Blue, Assistant Secretary

No Documents

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Game-Maker Valve Moves to Choke Off \$7.4 Billion Gambling Market

Joshua Brustein Eben Novy-Williams

joshuabrustein novy_williams

July 13, 2016 — 6:18 PM EDT

Facing a wave of criticism and legal action, video game maker Valve is walking away from the rapidly expanding gambling ecosystem that has evolved around its games, potentially destroying an industry that was expected to take \$7.4 billion in bets this year.

The Bellevue, Wash.-based company says it will crack down on websites that use Steam, Valve's gaming software, to facilitate gambling, a reversal from its previous support of those sites.

"We'd like to clarify that we have no business relationships with any of these sites," said Erik Johnson, a company spokesman, in a statement. "We are going to start sending notices to these sites requesting they cease operations through Steam."

In April, a Bloomberg investigation **raised questions about Valve's relationship** with the sites, which are particularly popular among underage gamers. "This is long overdue," said video game attorney Ryan Morrison of Morrison & Lee LLP. "I'm very tired of getting e-mails saying, 'I'm 15 and lost a thousand dollars on a Counter-Strike gambling website.'"

For about five years, Valve has encouraged players of games like Dota 2 and Counter-Strike: Global Offensive to collect virtual items like decorative weapons. These weapons can be acquired through game-play or purchased through Steam. Users can also trade the items (known as skins), or sell them for cash or use them to place bets on other websites, all of which rely on Valve's software to operate.

Valve now says using its software in this way violates its terms and services. "From what I can see this appears to be the beginning of the end of widespread skins gambling," said Chris Grove, an author of a recent report on skins gambling.

Writing for Eilers & Krejcik Gaming and Narus Advisors, Grove and his colleagues estimated that the \$7.4 billion in skins gambling this year would measure 12 times the amount gambled in cash through established books like Ladbrokes or Bet365. Left unchecked, skins gambling could grow as high as \$22.6 billion in 2020, the report says.

Valve's move to shut this market down could have strong repercussions for the company and the

legions of mostly young men who play its games. An open secret in the gaming world, skins gambling was widely credited for turning Counter-Strike into one of the world's most popular titles for competitive video gaming. When Turner Broadcasting and WME/IMG created an e-sports league for prime-time television this spring, the game it chose was CS:GO.

As for the players who have amassed caches of skins worth real money, Valve's Johnson said, "Users should probably consider this information as they manage their in-game item inventory and trade activity."

Last month, a Connecticut man **sued Valve in a potential class-action suit** that drew heavily from Bloomberg's investigation. A second suit quickly followed in Florida. The company must respond to the first complaint in the next several days.

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In addition to legal action, the world of skins gambling drew new fire in the past few weeks with two separate, high-profile revelations. CS:GO Diamonds, a site where gamers use skins to bet on virtual dice rolls, admitted to tipping a sponsored player to make the site look more exciting to his half-million followers. Mohamad 'm0E' Assad, a player, broadcaster and online personality, admitted that he used the advance knowledge to win on the site.

At the beginning of this month, a pair of popular esports YouTube personalities, Trevor 'TmarTn' Martin and Tom 'ProSyndicate' Cassell, were revealed to be part-owners of a skins gambling site that they promoted in their videos. Both had posted videos of them winning large amounts in skins on the site CSGO Lotto, without disclosing that they were involved in creating the site.

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eSports and Skin Gambling: The Elephant in the Room

Mark McGuinness

July 11, 2016



This is a guest contribution by Mark McGuinness, co-founder of [esportsbet](http://esportsbet.com). If you would like to submit a contribution please contact [Bill Beatty](http://billbeatty.com) for submission details. Thank you.

Over the last few months, the intersection between competitive video gaming and [eSports](http://esports.com) with gambling has gone into proverbial overkill. More and more mainstream gambling operators are adding eSports betting services to their 24-hour betting options menu.

However, the evitable has happened. The murky world of Skin Gambling on popular eSports game franchises has blown up just like one of the characters in Counter-Strike: Global Offensive (CS: GO). Are we witnessing another Daily Fantasy Sports styled backlash from conservative regulators looking to quash a flourishing albeit yet unregulated activity? Industry eSports and digital betting consultant [Mark McGuinness](#) explains.

Yes, folks, the elephant in the room, has well and truly stampeded into the world of eSports, and it's the evil twin in some quarters referred to as skin gambling or skin trading.



Firstly let's recap on what skin gambling or trading is? Skin Trading is an economy built around the buying and selling of decorative virtual in-game items or more commonly referred to as 'skins' that can be acquired in the video game and sold for real money.

Skins are central to the actual player and game experience for the titles by American video game developer and digital distribution company, Valve, who introduced them a few years ago via their digital marketplace platform called Steam.

The company which is located in Washington and is the maker of the immensely popular video game franchises such as Dota 2 and Team Fortress. The jewel in their crown CS: GO (Counter-Strike Global Offensive) has sold 21 million copies of the game and made \$567 million in total revenue for Valve, provides an idea as to how popular and lucrative these games are.

Skin gambling or skin trading has given rise very quickly to prodigious eBay style community marketplaces which are connected indirectly to Valve's Steam platform via API technology. These platforms of which there are many like CSGO Lounge, CSGO Diamonds and OPSkins provide the ability to buy and sell 'skins', such as knives, guns related to the video games Counter-Strike, Dota 2 and Team Fortress 2. The players use or transfer their skins from Valve's Steam platform and can then bet these in-game skins in tote pools, either on the outcome of eSports matches or in casino style jackpots on the likes of CSGO Lounge, CSGO Diamonds or OPSkins. They generate millions of dollars in betting trades per day.

The actual market size is difficult to determine as most of the skin trading platforms are unregulated, but some industry observers including Bloomberg suggested that the skins market in 2015 was worth \$2.3billion with some 3million plus active players. The stats are significant and growing. If we take OPSkins, of which their website publishes user data, they had 1,845,384 players total to date and 8,482 players active in the last 48 hour period. You can visit the site to see the real-time stats yourself, the skins listed, of which over 881,447 skins sold each week. Skins can go for a couple

of dollars to thousands of dollars, with thousands of transactions a day and OPSkins is just one of hundreds of similar sites.

Regarding the money flow and economics, its supply and demand. The majority of these skin platforms accept and cash-out daily using Bitcoin as the digital currency of choice to facilitate the trading activities taking place on the platform.

The elephant in the room

In somewhat striking similarity to how insider trading brought about the implosion of Daily Fantasy Sports in the USA, a similar series of unfortunate events has arisen in eSports and Skin Gambling. A games player named Michael John McLeod recently filed a lawsuit in June of this year against Valve Software, the owners of the Steam platform and the game maker of Counter-Strike: Global Offensive (CS: GO).

The lawsuit centres on the accusation that Valve is indirectly profiting from illegal gambling surrounding its game Counter-Strike: Global Offensive and therefore aiding and abetting illegal online wagering as it pertains to the various Federal Acts in the USA.

Furthermore, while details are still sketchy according to the lodged papers, McLeod hasn't indicated how much he is seeking in punitive damages and compensation. He did state that the company (Valve) did and was aware of the interdependencies between its game, its platform and skin gambling.

The implications

It's been well-known from within the burgeoning eSports fixed odds betting vertical that skin gambling which is virtually an offshore and unregulated activity could have a 'first kill' on the growing regulated eSports betting market by association.

It's clear with this lawsuit that district attorneys shall be looking to shut down the industry, not just because it's grey and unregulated, but one of the highly controversial natures of skin gambling is that, players can set-up accounts with little to zero age verification or the acceptable legal age of eighteen. This has huge societal issues if a thirteen-year-old can register an account for a skin platform and start gambling his game skins.

Only time will tell as at the date of writing Valve have yet to respond to the allegations as to what the ramifications could be. My personal take is that because the skin gambling websites which are connected to Valve's Steam platform via the API's which are readily available, is that this access is bound to be rescinded or restricted thus cutting off the supply of skins. This, in turn, is then obliged to affect the popularity of the actual games such as CS: GO of which skin trading is intrinsically linked. It is likely to result in millions upon millions in lost revenue within the skin gambling ecosystem which has to by the laws of economics flow elsewhere.

Therefore perhaps using the idiom of; one man's loss is another man's gain, could result in regulated operators both pure play

eSports and sportsbooks that are offering eSports betting products could gain some short-term customers. Let the games begin.

Mark McGuinness has more than 15 years' experience in digital marketing director roles within the iGaming industry. He is the co-founder of [esportsbet](#) a resource for gamers and sports bettors who wish to start betting on eSports.







The CATCH Institute at BCC

From the SouthCoast to California, the hospitality industry is booming. Both locally and abroad, there is a great need for classically trained culinary artists, tourism experts, hotel, casino and food service managers, and professionals who know the ins and outs of the business.

BCC's CATCH Institute brings these academics programs together to offer a multidisciplinary approach to the field of hospitality. Study Culinary Arts while learning how to turn a

business into a destination attraction. Learn Casino Management and gain enough experience to supervise a restaurant within your venue. Students in CATCH programs get real-world, practical experience to start on exciting career paths.

Prepare to enter a fast-growing field that, quite literally, takes you places.

Taunton Casino Lab Floor



Roulette Table



Craps Table



Novelty Game/ Baccarat



Poker Table



Black Jack Table



QUESTIONS?

Massachusetts Casino Careers Training Institute



Massachusetts Gaming Commission
July 21, 2016

Jeff Hayden & Jeremiah Riordon

A Joint Effort of Workforce & Training Options

Let us work for you!



**TRAINING &
WORKFORCE
OPTIONS**

Springfield Technical & Holyoke Community Colleges

The Workforce Challenge



- Partner to support net job gain to employ 8,000-10,000 people in the Commonwealth over the next 1-5 years
- Projected over 20,000 people will attend career awareness sessions and apply for positions in each region
- 70-80% of the jobs will require a high school or GED credential with some additional training
- 2,000-2,500 of the jobs will be in gaming occupations that do not currently exist in the Commonwealth

MCCTI Partnering



- Workforce Development Briefing Meetings (Occupations)
- Developing Career Awareness Sessions (Educational Pathways)
- Skill Assessments – Using Career Ready 101
- Employability & Training Advisement and Referral
- Gaming and Non-Gaming Training – Scaling up
- Placement and/or Audition Services within 6 to 9 months of openings

Recent Highlights WM Region



- SkillSmart Launch – Regional Tool (MGM)
- MGM Resorts HCC Center for Hospitality and Culinary Arts at Holyoke
- Workforce Development Implementation Plan – in process
- Culinary & Hospitality Training Programs, Customer Service – being offered
- Creation of Career Pathway Maps
- Adult Basic Education Collaboration
- Gaming School Training Development



Massachusetts Casino Careers Training Institute



**Questions
&
Observations**



TO: Chairman Crosby, Commissioners Cameron, Macdonald, Stebbins, Zuniga
FROM: Mark Vander Linden, Director of Research and Responsible Gaming
DATE: July 21, 2016
RE: PlayMyWay Update

Background

A key element of the Massachusetts Gaming Commission (MGC) Responsible Gaming Framework is *Strategy 2: Support Informed Player Choice*, which identifies and describes measures to support players' efforts to responsibly manage their gambling. Section 2.2, titled *Play Information and Management systems*, describes specific tools to implement this strategy, including the ability for players to set limits on the amount spent gambling.

More specifically, play management tools allow patrons to commit or budget to an amount to spend prior to a gambling session. It is intended to help players make decisions about gambling, allow them to monitor and understand their playing behavior in real time, and support their decisions.

While this type of tool has never been used in the United States, it has been implemented in several other countries. Evidence of effectiveness is inconclusive. This is largely because 1) the initiative hasn't been implemented consistently and 2) there are many methodological flaws to the research that has been conducted.

In January 2015, the MGC voted to adopt a play management system that included budget-setting tools on a test basis at Plainridge Park Casino. Over the course of eighteen months, key stakeholders including: Penn National Gaming, Scientific Games and the Massachusetts Gaming Commission worked diligently to create a play management tool for electronic gaming machines (EGM) in Massachusetts.

To evaluate the effectiveness of the play management system, the MGC is working with the Harvard Medical School Cambridge Health Alliance, Division on Addiction. Information from the evaluation project will play a significant role in determining whether the MGC will require licensees to adopt the play management tool.

Introducing PlayMyWay

On June 9, 2016 the play management tool, branded PlayMyWay (PMW), was launched. PMW is a voluntary program offered as a benefit to Marquee Rewards® Card members at Plainridge Park Casino. Players have the opportunity to enroll in the program at any EGM, GameSense Kiosk or at the GameSense Info Center located inside Plainridge Park Casino. The program will prompt card holders to voluntarily choose a daily, weekly and/or monthly budget to track their spending while at PPC. Once enrolled, patrons will receive automatic notifications as they approach 50% and 75% of the spent budget. Players will also receive a notification when they reach 100% of the budget and if they continue to play, notifications will be received at 25% intervals. A player can choose to stop at any point or keep playing. There is no penalty or consequence of playing beyond the set budget. First time enrollees receive a \$5 food credit to be used at



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any food vendor at PPC. A player can un-enroll or adjust the budget at any time from the EGM or GameSense kiosk.

While the evaluation of PMW won't yield evidence of effectiveness for at least a year, early indicators of player uptake and response to the program appear to be positive. As of July 14, 2016, there are 2,723 Plainridge Park Casino patrons enrolled in PMW. This is approximately 6% of Marquee Reward players that visited Plainridge Park Casino during the same time period. Approximately 10% of player that enrolled later un-enrolled.

PlayMyWay marketing material

ENROLLING IN *PlayMyWay* IS EASY!



Insert your Marquee Rewards® Card



Set a Daily, Weekly, and/or Monthly budget



Get reminders as you exceed your budgets

Learn more! Speak with a GameSense Advisor or visit GameSenseMA.com.

PlayMyWay brochure



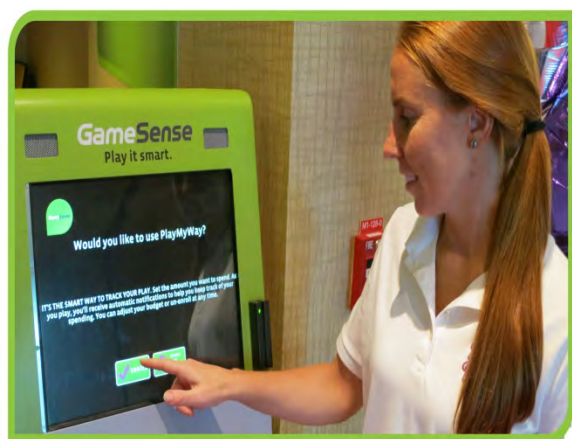
Personalize your play with a new and innovative budgeting tool.

- ◆ Set the amount of money you want to spend.
- ◆ Receive automatic notifications as you approach your budget.
- ◆ Exclusive benefit for Marquee Rewards® members. And it's entirely voluntary.

Learn more! Speak with a GameSense Advisor or visit GameSenseMA.com.



GameSense Advisor assisting from kiosk



Massachusetts Gaming Commission



PLAINRIDGE PARK
CASINO

Responsible Gaming Education Week



August 1 – August 5, 2016





- Responsible Gaming Education Week (RGEW)

- Theme: A Year Round Commitment
- Dates: August 1 to August 5

- Program Objectives

- Promote responsible gaming to patrons, the public at large, media and employees
- Increase the likelihood of positive publicity for Penn's responsible gaming activities
- Increase employee and property participation rates for RGEW activity
- Add an element of fun to RGEW while not diminishing the seriousness of the subject

Play My Way Everyday 3 6 5

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- Partner with GameSense promoting slogan
“Play My Way Everyday”
 - Promote on property to employees and guests
 - Balloon Drop & Pop
 - Calendar giveaway
 - T-shirts/buttons worn by employees
 - Carnival day hosted by GameSense
 - Social Media
 - Twitter/Facebook daily posts
 - Utilize existing partnerships to promote within community
 - NESN/Red Sox In game/Post game Live Reads
 - Tent at concert series (Xfinity & Fenway) – Play My Info Info and swag
 - Doug Flutie
 - PR Plan – Pilgrim Strategies to provide

Play My Way Everyday 3 6 5



- Day 1 – RGEW Launch

- \$3.65 Flutie food special
- NESN/Red Sox In game/Post game Live Reads
- Employee/Guest Balloon drop & pop at Revolution Lounge
 - 10am – Drop 365 balloons to crowd wearing PMW T-Shirts
 - Crowd will pop balloons at once to generate excitement
 - Balloons will contain RG messages and prizes to outlets
 - Photo Op / Promote through Social Media

revolution
1776
lounge



The illustration shows a diverse group of cartoon people of various ages and ethnicities standing on a green field. They are all wearing white t-shirts with the 'Play the Way' logo. They are holding and popping a large number of colorful balloons (purple, green, and silver) that are scattered all around them. The scene is festive and celebratory.

Monday, August 1



Daily Trivia on social media

GameSense

- Day 2

- \$3.65 Oyster special at Slack's
- Play My Way Every Day Calendar Giveaway
 - Promo Zone 10am to 2pm / 4pm to 9pm
 - All guests will receive MA Scene calendar that includes monthly RG message
 - Back page to include monthly coupons for Marquee Rewards card holders



Tuesday, August 2



Daily Trivia on social media

GameSense

- Day 3
 - \$3.65 Wings at Flutie's
 - 365 Promotion – A Year of Winners
 - Game board located in promo zone
 - 365 winners from 2pm to 7pm
 - Year of prizes (dinners, fsp, etc)
- Tent at James Taylor concert
 - Fenway Concert Series
 - 33K+ in attendance – PMW information & swag



Wednesday, August 3



Daily Trivia on social media

GameSense

- Day 4

- b.good – Play My Way Smoothie Day

- Rename the Kale smoothie – Play My Way Smoothie
 - Free glass with purchase - \$3.65
- Partner with b.good to bring smoothie truck to property
- GameSense/PPC will have booth next to truck
- Free samples to employees and customers



Thursday, August 4



Daily Trivia on social media

GameSense

- Day 5

- Carnival hosted by GameSense

- Cookout in outdoor area of racing
- Open to public and employees
- Carnival game stations



- Flutie's Brothers Band

- Live Play My Way reads during sets
- Throw t-shirts/stress balls to audience

- Tent at Florida GA Line

- Xfinity Center
- PMW information & swag

Friday, August 5



Daily Trivia on social media

GameSense

