

# Nevada Gaming Control Board

## Joint Interim Standing Committee on Judiciary

April 8, 2022

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Senior Policy Counsel, Nevada Gaming Control Board

### **Vision Statement**

The Nevada Gaming Control Board is the premier gaming regulator, recognized for effectiveness in ensuring gaming in Nevada is conducted honestly, competitively, and free from corruptive elements.

### **Mission Statement**

The Nevada Gaming Control Board promotes confidence in Nevada's gaming industry through strict regulation of all persons, locations, practices, associations, and related gaming activities to support a sustainable and growing economy. The Board protects the integrity and stability of the industry and ensures the collection of gaming taxes and fees, an essential source of State revenue.

# STAFFING

Title	Staffing	Purpose	Division(s)
General Administration	61	Board/Commission Members and staff	Administration
Law Enforcement	122	POST-certified law enforcement	Enforcement
Gaming Regulation	117	Audit nonrestricted licensees/collections	Audit Tax & License
Gaming Lab	26	Test and monitor gaming devices and associated equipment	Technology
Investigations	76	Conduct investigations of gaming licenses	Investigations
<b>Total</b>	<b>402</b>		

# Esports Technical Advisory Committee

- Created by [Senate Bill 165](#) (2021).
  - Required NGCB to appoint individuals from various sectors of the esports industry.
  - Initial appointments made on [November 3, 2021](#); additional appointment on [February 24, 2022](#).
  - Charged with providing recommendations to the NGCB “*on any guidelines and parameters that are necessary to safeguard the integrity of Esports when wagers are placed on such competitions.*”
  - Current statutory and regulatory framework for wagering on esports events does not foster growth in this sector of the betting market.

# Esports Technical Advisory Committee



Paul Hamilton (Chair)



Brett Abarbanel Ph.D.



Christian Bishop



Seth Schorr



Che Chou



Brandon Snow



Lovell Walker



Jud Hannigan

# Esports Technical Advisory Committee

- First meeting of the Esports TAC held on March 1, 2022, addressing:
  - Match fixing, cheating to win, other game integrity issues.
  - Current statutory and regulatory structure.
  - Data collection and privacy concerns.
  - New license approvals in New Jersey for esports-focused online sports books.
- Meetings will be held once per calendar quarter, unless otherwise approved by the Chair of the NGCB or the Chair's designee.

# Charitable Lotteries and Charitable Gaming

- Chapter 462 of NRS amended by [Assembly Bill 117](#) (2019):
  - Created a statutory framework for “qualified professional sports organizations.”
  - Revised definition of “qualified organization.”
  - Revised the monetary/frequency thresholds for registration of qualified organizations.
- Further amended by [Assembly Bill 202](#) (2021):
  - Revised registration requirements for smaller qualified organizations.
  - Banned the use of video lottery terminals in charitable lotteries and charitable gaming.
  - Authorized on-site mobile raffle ticket sales by qualified professional sports organizations.

# Charitable Lotteries and Charitable Gaming

## Registration Statistics post-AB202 (2021)

- Calendar Year 2021 (since 7/1/2021):
  - 4 charitable lottery approvals (over \$100k in prizes annually). This included 2 qualified professional sports organizations that conducted multiple events.
  - 189 annual registrations approvals (under \$100k in prizes annually).
- Calendar Year 2022 (as of 4/5/2022):
  - 2 charitable lottery approvals (both qualified professional sports organizations).
  - 177 annual registration approvals.



# Multi-State Internet Gaming Agreement (MSIGA)

- NRS 463.747 authorizes the Governor to enter into agreements with other jurisdictions where interactive gaming is legal to share customer base and liquidity among signatory jurisdictions (Assembly Bills 114 and 360, (2013)).
- Created the Multi-State Internet Gaming Agreement with Delaware on February 25, 2014; New Jersey joined MSIGA on September 27, 2017.
- Michigan poised to join MSIGA in the next few days.

# COVID-19 RESPONSE (PRIOR TO JUNE 4, 2020)

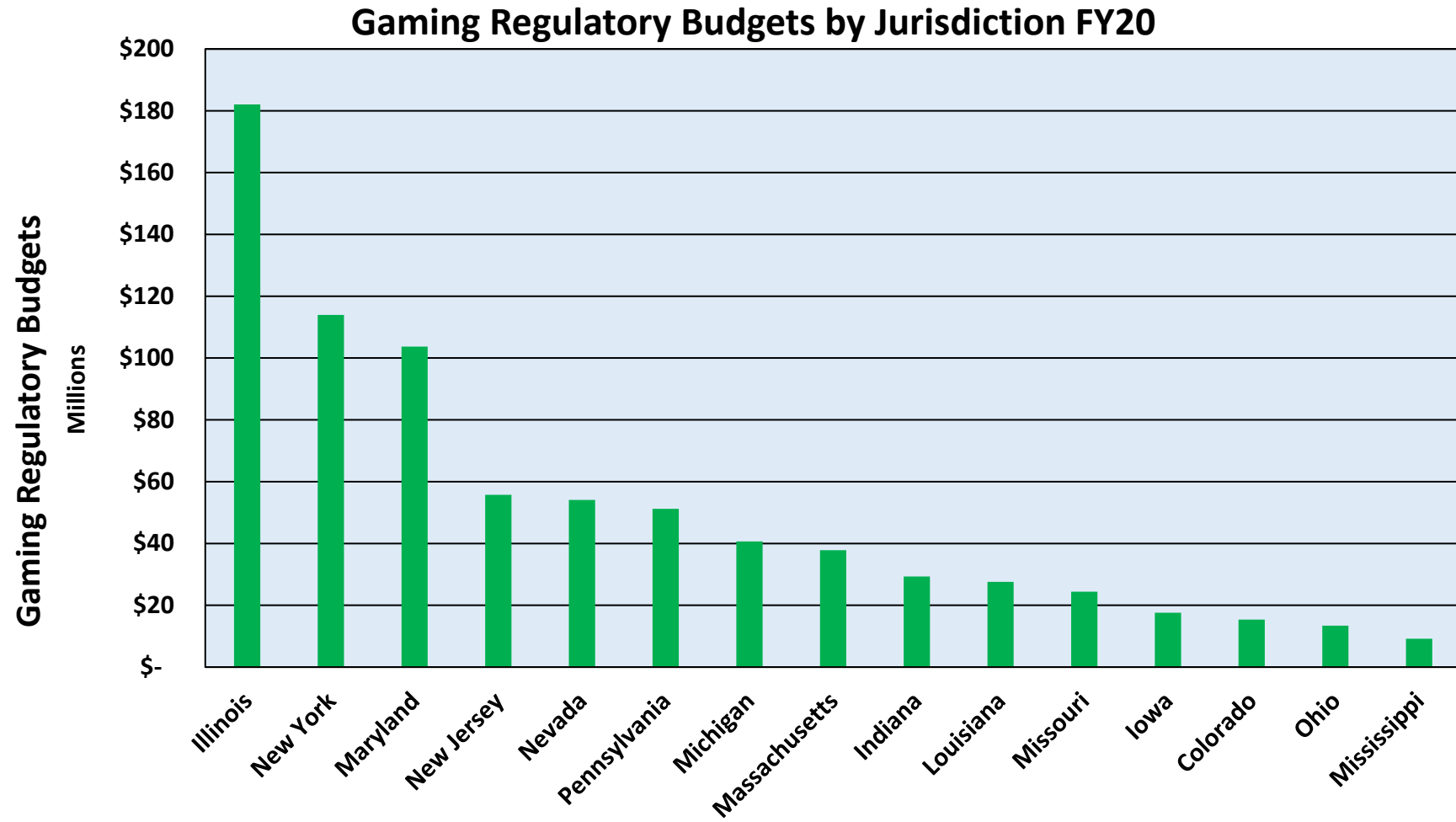
- Confirmed that the entire gaming industry was closed within 24 hours of the Governor's issuance of Emergency Directive 002.
- Chair of the Board aided in statewide efforts in acquiring PPE during early months of pandemic.
- Issued Policy Memoranda during the 78-day closure (April 21 and May 5) to create regulatory efficiencies for when the industry was authorized to safely reopen.
- Provided integral assistance to Nevada's federal delegation and to federal lobbying efforts to ensure that small gaming companies in Nevada were eligible for PPP loans (Industry Notice #2020-24)
- Published Health and Safety Policies for Reopening more than a month before reopening of the industry.
  - *Ratified by the Nevada Gaming Commission on May 7, 2020.*
  - *Amended multiple times.*
- Held a regulatory workshop on the health and safety issues related to the safe reopening of the industry.
- Reviewed and approved health and safety plans for all 458 nonrestricted licensees prior to reopening.

# COVID-19 RESPONSE (SINCE RESUMPTION OF GAMING OPERATIONS)

- When gaming operations were authorized to resume on June 4, the Board implemented a concerted statewide plan to complete health and safety inspections statewide.
- Since June 4, the Gaming Control Board, led by James Taylor (Chief of Enforcement) conducted **over 25,000** health and safety inspections of gaming licensees.
- Since the Governor's Declaration of Emergency on March 12, 2020 through June 30, 2021, the Board has conducted **109,433** hours of COVID-19 response work.
- Participation and/or membership on multiple statewide mitigation efforts (emergency management, local health districts, local government enforcement).
- Assistance in the coordination of vaccine allocation and distribution to the gaming industry.

# Gaming Revenue and Collections (Calendar Year 2021)

Month	Gaming Win	% Fee Collections
January	\$761,847,813	\$46,285,795
February	\$772,408,499	\$43,805,533
March	\$1,066,979,987	\$96,735,440
April	\$1,039,444,911	\$79,465,348
May	\$1,230,165,971	\$107,028,883
June	\$1,193,426,299	\$84,251,252
July	\$1,359,876,493	\$97,701,941
August	\$1,165,801,985	\$74,141,098
September	\$1,158,168,180	\$72,916,279
October	\$1,221,410,318	\$71,808,409
November	\$1,321,624,274	\$93,554,198
December	\$1,150,169,585	\$68,188,392
<b>TOTAL CY21:</b>	<b>\$13,441,324,315</b>	<b>\$935,882,568</b>



# Legislative and Regulatory Priorities

- Cybersecurity
  - Implementing changes to meet standards issued by the National Institute of Standards in Technology (NIST) and the International Organization for Standardization (ISO).
  - Both an internal (agency) and external (industry) process.
- Regulatory Modernization
  - Ongoing process to facilitate the industry's use of modern technological resources, including cloud-based hosting environments.
  - Cashless wagering.
- Internal Hiring Practices

# Protecting the Public and Ensuring its Trust

- On February 4, 2022, the Nevada Gaming Control Board [announced](#) that it was successfully able to locate a patron who unknowingly won a jackpot worth \$229,368.52.
- The patron, an Arizona resident, had already left Nevada after a weekend trip to Las Vegas.
- The Board's work is crucial to ensuring the public – both within and outside of Nevada – can trust the gaming industry in this State.

NBC News: [Gaming board tracks down Las Vegas \\$229,000 jackpot winner after slot machine malfunction.](#)

Traveller (Australia): [A tourist had a \\$229,000 win on a broken Vegas slot machine. He didn't know it until investigators tracked him down.](#)

Fox Business: [Man who unknowingly won \\$229K jackpot at Las Vegas slot machine is tracked down by officials.](#)



# Contact Information

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