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Contact: MGCB-Media@michigan.gov



Regulator announces successful destruction of illegal gaming machines

DETROIT, Sept. 26, 2023 — In a concerted effort to combat illegal gambling activities, Michigan Gaming Control Board Executive Director Henry Williams has announced numerous unlicensed illegal gaming machines were recently destroyed at the City Recycling Inc. junkyard located at 1943 Mack Avenue in Detroit.

The machines had been seized by the Attorney General during various MGCB investigations into alleged illegal gambling activity. To ensure that the machines cannot be reused or sold, they were <u>crushed using heavy machinery</u> to prevent any salvageable parts from being used elsewhere.

"Illegal gaming continues to pose a threat to Michigan citizens and their communities, as it often leads to an increase in organized criminal activity, financial exploitation, and other related social issues," Williams said. "Unregulated gaming machines also result in a loss of state revenue. Operators running illegal gaming establishments are not reporting earnings or paying taxes — they are essentially robbing Michigan citizens of taxes and revenue used to support our schools through the School Aid Fund and our communities and local governments with essential state funding dollars."

Illegal gaming refers to any form of gambling or betting activity — which involves the elements of consideration, prize, and chance — that is conducted outside the boundaries of the law. It is a widespread problem across the U.S. and not unique to Michigan. According to the American Gaming Association's report, *Sizing the Illegal and Unregulated Gaming Markets in the U.S.*, unregulated gaming machines, including so-called "skill machines," continue to proliferate, with an estimated 580,651 unregulated machines in the U.S. With 870,000 regulated machines in casinos across the country, that means 40% of all gaming machines are unlicensed.

"The machines destroyed by the MGCB are the tools of criminals, cheating their neighbors of their hard-earned money as well as the state out of gaming revenues that support our schools," said Michigan Attorney General Dana Nessel. "Illegal gaming operations are a danger to their communities, typically becoming local hotspots for other crimes and violence. We will continue to coordinate with the Michigan Gaming Control Board to ensure our state's gambling laws are strictly enforced."

"The destruction of these machines sends a clear message that the Michigan Gaming Control Board is not playing games when it comes to upholding the highest standards of gaming regulation and enforcement," added Williams. "The MGCB will continue to ensure that unauthorized machines are not left to chance to be repurposed and used again by those who choose to break the law."

Michigan law prohibits accepting money or anything of value with the understanding that money, or something of value, will be paid to any person contingent upon the outcome of an uncertain event.

Unlicensed casinos, unauthorized online gambling platforms, underground sports-betting operations, or any other form of wagering that is not regulated by the MGCB are all considered forms of illegal gaming.

As part of its work to halt illegal gaming, the MGCB and the Liquor Control Commission began a joint effort in 2022 to educate the public and business owners about illegal use of gambling machines. As a result of MGCB investigations from January 2015 through July 2023, a total of 1,195 illegal machines and \$470,401.98 have been seized. Additionally, since November 2022, 48 locations have received cease-and-desist letters involving 105 illegal machines.

Hundreds of additional gaming machines and related equipment is also stored by the Attorney General's office. These machines will likely be ordered by the courts to be destroyed following the adjudication of ongoing criminal proceedings.

Collaboration between local law enforcement and area residents are key to keeping neighborhoods safe and free from illegal activities. Michigan citizens can report illegal or suspicious gambling activity anonymously by calling the 24-hour tipline at 1-888-314-2682 or by sending a message (not anonymous) to MIGamblingTip@michigan.gov. Written tips can also be anonymously submitted to the MGCB using an online form located under the "Report Illegal or Suspicious Gambling Activity" link of the Resources section on the homepage of the agency's website at Michigan.gov/MGCB.

Gambling in any form is for entertainment purposes only. If someone has a gambling problem, please call the state's 24-hour, toll-free helpline at 1-800-270-7117 or the MGCB's responsible gaming section at 1-888-223-3044. You also may visit the <u>Responsible Gaming page of the MGCB website</u> for information on self-exclusion programs including the Disassociated Persons List and the Internet Gaming and Sports Betting Responsible Gaming Database. Also, visit <u>DontRegretTheBet.org</u> for additional tools to help citizens game responsibly.

The Michigan Gaming Control Board shall ensure the conduct of fair and honest gaming to protect the interests of the citizens of the state of Michigan. Learn more at Michigan.gov/MGCB.

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Photo courtesy of the Michigan Gaming Control Board.

Numerous unlicensed illegal gaming machines were recently destroyed on Wednesday, Sept. 20, 2023, at the City Recycling Inc. junkyard located at 1943 Mack Avenue in Detroit.