



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE ATTORNEY GENERAL
ONE ASHBURTON PLACE
BOSTON, MASSACHUSETTS 02108

MAURA HEALEY
ATTORNEY GENERAL

(617) 727-2200
(617) 727-4765 TTY
www.mass.gov/ago

**Testimony of Attorney General Maura Healey
Massachusetts Gaming Commission
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Good morning, my name is Maura Healey. Yesterday I was sworn in as Massachusetts Attorney General. The Attorney General is the people's lawyer and, as the person charged with enforcing the gaming law on behalf of the public, I intend to make gaming enforcement a priority for my administration. I am pleased to be here today to share a few thoughts with the Gaming Commission, and look forward to working together in the months ahead.

Expanded gaming presents unique policy and practical challenges, and our readiness will soon be put to the test. In only a matter of months, the state's first slots-parlor is scheduled to open in Plainville. Casinos are coming to Massachusetts just as the gaming industry on the East Coast is experiencing seismic shifts. The decline of casinos in Atlantic City, their ascendancy in Pennsylvania, and their struggles in neighboring Connecticut and Rhode Island require us to tread carefully and play close attention as we act on behalf of the public.

Our office is committed to using its full civil and criminal authority to ensure that the gaming industry is held to the many financial and legal commitments it has made to our state, host and neighboring communities, and the people of Massachusetts.

Over the past several years, advocates for expanded gaming and applicants for casino licenses made significant commitments to the people of Massachusetts. The industry has promised to create thousands of temporary and permanent jobs and to hire many local residents and vendors. Casinos have also promised host and surrounding communities that they will address public safety, infrastructure, and environmental impacts. For example, casinos have committed to remediating existing environmental hazards, mitigating traffic and neighborhood impacts, and building their facilities in a manner consistent with local development plans. Applicants have also assured this Commission and the public that they would work diligently to address problem gambling.

Our office will make sure that casinos abide by their commitments and follow the law. We will ensure that consumers are protected from unfair and deceptive practices, that casino employees are treated fairly, that all processes are open and transparent, and that public protections are never left to chance. We believe that an active regulatory and enforcement approach is good for the public and for this new industry, which deserves clear rules of the road.

Specifically, as to the consumer regulations that are the subject of today's hearing (205 CMR 138.00 *et seq.*), our office will continue to vigorously protect the interests of consumers and the public at-large, both through the Gaming Enforcement Division created by the casino law and our broader consumer protection mandates.

My office will be submitting to you next week a detailed letter recommending important enforcement and consumer protection-related changes to proposed regulations, which are critical to protecting casino patrons and the public at-large. Today, I would like to highlight several consumer protection issues that will be raised in our letter and which I hope the Commission will address:

- *VariANCES.* The regulations contain a provision that would allow casinos to seek variances from substantive regulations set out in that draft. We believe that no casino should be allowed to deviate from important consumer protection regulations, and that any other variance sought should be subjected to a full and transparent public process.
- *ATM Machines.* Over the last several weeks, there has been much public debate over the proper regulation of ATMs in casinos. In light of significant ambiguity over whether existing law prohibits the placement of ATMs in casinos, we urge you to explore this issue through a standalone public process. Additionally, if you conclude that existing law allows for ATMs in casinos, we urge you to consider a wide range of protections, including requiring that ATMs be placed a certain distance from the casino floor, caps on withdrawals, and prohibiting credit card cash advances on ATMs.
- *Credit Extension.* The Attorney General's Office has advocated for the Commission to adopt strong credit extension regulations. While we are encouraged by many of the provisions included here, including an "ability to pay" analysis, we urge numerous additional changes. For example, any ability to repay analysis should consider a patron's ability to sustain a full credit loss, and patrons should receive advance notice of when a counter-check or marker will be deposited with their bank.
- *Debt Collection.* The debt collection portion of the regulations contain several important provisions, including a prohibition on the practice of placing a lien on a homeowner's primary residence to satisfy outstanding gaming debt. We urge the Commission to make additional amendments to the debt collection regulations, including adding language explicitly prohibiting licensees from selling consumer gaming debt. This change will align with the casinos' interest in carefully underwriting any credit extension.

Finally, my administration will commit significant resources to our Gaming Enforcement Division to investigate and prosecute any attempts by organized crime to infiltrate the gaming industry. Several of the recommendations in our forthcoming letter relate to our ability to effectively use our investigatory and law enforcement powers. We have already seen, both in Massachusetts and across the country, how individuals with alleged ties to organized crime have attempted to illegally profit from this industry.

The Commission deserves credit for collaborating with the Attorney General's Office and referring suspected criminal behavior to the Gaming Enforcement Division for further investigation and prosecution. We believe this partnership between our office and the Commission is critical to ensuring that the gaming industry operates with integrity.

Going forward, I intend to thoroughly investigate all allegations of organized crime, corruption, money laundering, human trafficking, and other criminal activity relating to the casino industry in Massachusetts.

In this new era, the public must feel confident that no casinos will be brought online before meeting their commitments and following the law. I have a responsibility to the public to ensure gaming accountability, and have made this a priority for my new administration.

Thank you for the opportunity to speak here today. We look forward to working with the Commission to ensure public protection remains the priority as this process continues.