

Good afternoon Senator Hartley, Representative Genga, members of the subcommittee and OFA staff. My name is Paul Young. I am the Executive Director of the Division of Special Revenue. I am here with Marie Stearns, Fiscal Administrative Supervisor for the Division, Theresa Sheehan, Associate Accounts Examiner and Viola Pietrandrea, Licensing & Applications Supervisor in the Charitable Games Unit.

The Division of Special Revenue is the State Agency responsible for the regulation of legalized gaming in Connecticut. Established as the Commission on Special Revenue in 1971 by the General Assembly, we became the Division of Special Revenue in 1979 following an executive reorganization. Since its inception, the agency has provided the operational and regulatory framework for each form of authorized gaming, as to ensure the highest levels of integrity for those activities that have returned \$659,200,386 to the State of Connecticut during fiscal year 2009-2010.

Current activities subject to the Division oversight include the quasi-public Connecticut Lottery Corporation, the statewide Off-Track Betting System operated by Sportech Enterprises, and the Charitable Games activities. Pursuant to the Tribal-State Agreements the Division licenses the gaming related employees and registers the gaming service enterprises of the two tribal casinos. The Division of Special Revenue participates in oversight of the tribal slot and/ or video facsimile machines activity.

The Governor's budget proposes the elimination of the Charitable Games Unit through the reduction of regulatory oversight. The Division fully supports that vision. We also fully support the Governor's consolidation of State agencies as the Division is slated to be merged into the Department of Consumer Protection. The Division is working with the Governor's office and the Office of Policy and Management to ensure a smooth transition to that vision as well.

One of the challenges facing the Division is it that Connecticut gaming laws are permissive, that is to say, if the activity is not specifically recognized as a legal form of gaming, the activity is consider illegal. We are committed to work with the Governor's office, OPM and other agencies as well as the General Assembly to ensure the changes will have only a positive impact.

I will be happy to answer any questions