

# Wisconsin Division of Gaming

2018-2022 REPORT



INTEGRITY | ACCOUNTABILITY | INNOVATION | CUSTOMER FOCUS

## DIVISION OF GAMING

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# Report Highlights

(2018-2022 TOTALS)

TOTAL TRIBAL REVENUE SHARING PAYMENTS

**\$196,684,330**

TOTAL TRIBAL PAYMENTS TO LOCAL GOVERNMENTS

**\$24,456,298**

TOTAL RAFFLE REVENUE

**\$1,461,072**

TOTAL BINGO REVENUE

**\$1,122,278**

# Message from the Administrator



John Dillett  
ADMINISTRATOR

On behalf of the State of Wisconsin Department of Administration Division of Gaming, we are proud to present our 2018-2022 Report. This report is intended to show the regulatory activities of the Division during the past five years and the impact of the pandemic and subsequent recovery on the gaming industry in the state.

**COVID IMPACT.** The Division has a large number of diverse stakeholders, all of whom suffered and continue to experience significant impacts from the COVID-19 pandemic. This includes the devastating health impacts and loss of life due to the pandemic throughout the state and particularly on tribal reservations where the impact was more severe. The financial impact on our key stakeholders, the Wisconsin Native American tribes and the many licensed charitable organizations was significant as well. This report demonstrates those impacts on gaming activity and revenue as well as the robust recovery that began in 2021 and continues today.

**TRIBAL GAMING.** Tribal gaming operations in the state were in the midst of a multi-year period of consistent revenue growth when the pandemic hit. In March 2020, the Wisconsin tribes chose to follow the Governor's closure recommendation, and all tribal gaming operations in the state were closed for the first time since the early 1990s. The economic impacts on the tribal communities that rely on gaming-related revenue and employment were severe and are still being felt today. Through the second half of 2020 and into 2021, operations reopened on a limited basis and many have still not returned to pre-2020 levels of operations and employment.

Despite staffing and other challenges felt by operations post-pandemic, tribal gaming revenue in 2022 is showing great resiliency and this trend is expected to continue. Total revenue for the tribal fiscal year ended September 30, 2021 was just over \$1 billion, an increase of over 20% from 2020.

**CHARITABLE GAMING.** The COVID pandemic also had a severe impact on our charitable organizations' ability to conduct bingos and raffles. Since state statutes require bingos and raffles to be conducted in person, most events were cancelled in 2020 and the impact on the charities was devastating. The reduced activity was also seen in the severe reductions in charitable license renewals for 2020 and 2021. The good news is we have seen a robust recovery in the charitable gaming area as well. Total revenue for charitable gaming in the state fiscal year ended June 30, 2022 was \$474,020, an increase of 30% from 2021.

**INTERNAL COVID IMPACTS.** The Division of Gaming itself was impacted by the pandemic in March 2020 as the majority of staff converted to remote work in a few short days. Since our Office of Indian Gaming and Regulatory Compliance (OIGRC) has been working on a paperless basis for over 10 years, the majority of our programs were able to continue relatively seamlessly, regardless of where our employees were physically located. In addition, we are very proud of the fact that many of our auditors volunteered where help was needed in other areas of state government during the pandemic. Gaming staff worked in state emergency operations centers and provided much needed assistance to the Department of Workforce Development.

**PLANNING FOR THE FUTURE.** Now that we are beginning to emerge from the pandemic and seeing a return to some form of normal in our regulated entities, we have begun to assess the lessons learned and implement process improvements to emerge as an organization that can better handle future impacts. To that end, we have begun a number of large initiatives during 2022 that we expect will pay dividends in the coming years. These include the following major projects that will be completed during the next year:

- Office Space Consolidation – In recognition of the state’s changing workforce, in 2021 the Governor released his [Vision 2030 plan](#) which will reduce the state government office space footprint by over 10%. As part of this plan we will be moving to a completely redesigned workspace in 2023 which offers fewer dedicated workstations, more meeting and communal space and shared executive offices. The new space reduces square footage and related expenses by over 50% for the long term while offering more flexibility with shared workspaces and meeting spaces that take advantage of remote technology.
- Paperless Initiative – To further reduce our need for paper file storage space and increase our ability to access documents remotely, we recently completed a project to scan the remaining Division paper files and retain them only electronically going forward. This required scanning over 300,000 pages of documents and will involve additional consolidation of electronic files to maximize efficiency.
- Vendor Certification Improvements – The OIGRC Vendor Certification program has not accepted paper applications since 2008, but we have continued to receive payments and fingerprint cards by mail. In 2023, we will begin initiatives to accept electronic payments from vendors and by 2024 we will no longer accept fingerprints that are not submitted electronically. Both of these improvements were requested by our applicants in the past but the pandemic accelerated the need to develop a completely paperless process.

From navigating the challenges of the pandemic to managing reopening challenges and the remarkable recovery in the most recent year, Wisconsin tribes, charitable organizations, licensed vendors and our own staff have been through a lot. As we look to the next five years, we continue to be energized by the resiliency of our stakeholders and our staff. We know there will be challenges in the future, but with the lessons learned from 2020 and the improvements we are making as a result, we stand ready to continue to fulfill our mission to protect the integrity of legal gaming in Wisconsin as a more nimble, efficient and effective organization.

# Organizational Structure

The Division of Gaming is a regulatory agency under the Wisconsin Department of Administration (DOA), the agency responsible for administrative functions of state government. In addition to Gaming, there are 13 divisions under DOA's purview, all reporting to the DOA Secretary.

The structure of DOA can be viewed [here](#).

The Division of Gaming currently has **20.5 AUTHORIZED POSITIONS** allocated over two bureaus, the Office of Indian Gaming and Regulatory Compliance (OIGRC) and the Office of Charitable Gaming (OCG). Three of these positions, including the Administrator are allocated across both of the bureaus, 5.5 positions are located within the OCG and the remaining 12.0 positions are allocated to the OIGRC.

# Office of Charitable Gaming (OCG)

Amendments to the Wisconsin Constitution made charitable bingo games legal in 1973 and charitable raffles legal in 1977.

The Division of Gaming's Office of Charitable Gaming (OCG) is responsible for the licensing and regulation of raffles and bingos conducted by charitable organizations.

Our regulatory responsibility is to protect the public interest and the integrity of games of chance played in the state.

Organizations must be granted a license each year by the OCG to conduct bingo or raffles.

## 5 YEAR RESULTS

**57,275**  
**RAFFLE**  
LICENSES  
ISSUED

**1,822**  
**BINGO**  
LICENSES  
ISSUED

# Budget

The OCG is entirely funded by program revenue. This includes license and permit fees paid by organizations conducting bingos and raffles, and taxes on bingo proceeds and equipment. The fact that licensing fees and tax rates have remained unchanged since 1989 while costs have continued to increase has impacted OCG's oversight of bingo and raffles in recent years. This underfunding has been exacerbated by the significantly reduced program revenue received in 2020 and 2021.

## Charitable Raffle Budget Summary (Dollars)

	2018	2019	2020	2021	2022
Program Revenue	262,450	284,000	285,800	299,000	353,450
Expense	259,953	283,900	290,400	303,300	375,341
Difference	2,497	100	(4,600)	(4,300)	(21,891)

## Charitable Bingo Budget Summary (Dollars)

	2018	2019	2020	2021	2022
Program Revenue	324,000	309,900	267,900	259,900	230,050
Expense	312,141	304,357	274,120	268,124	239,687
Difference	11,859	5,543	(6,220)	(8,224)	(9,637)

# Bingo

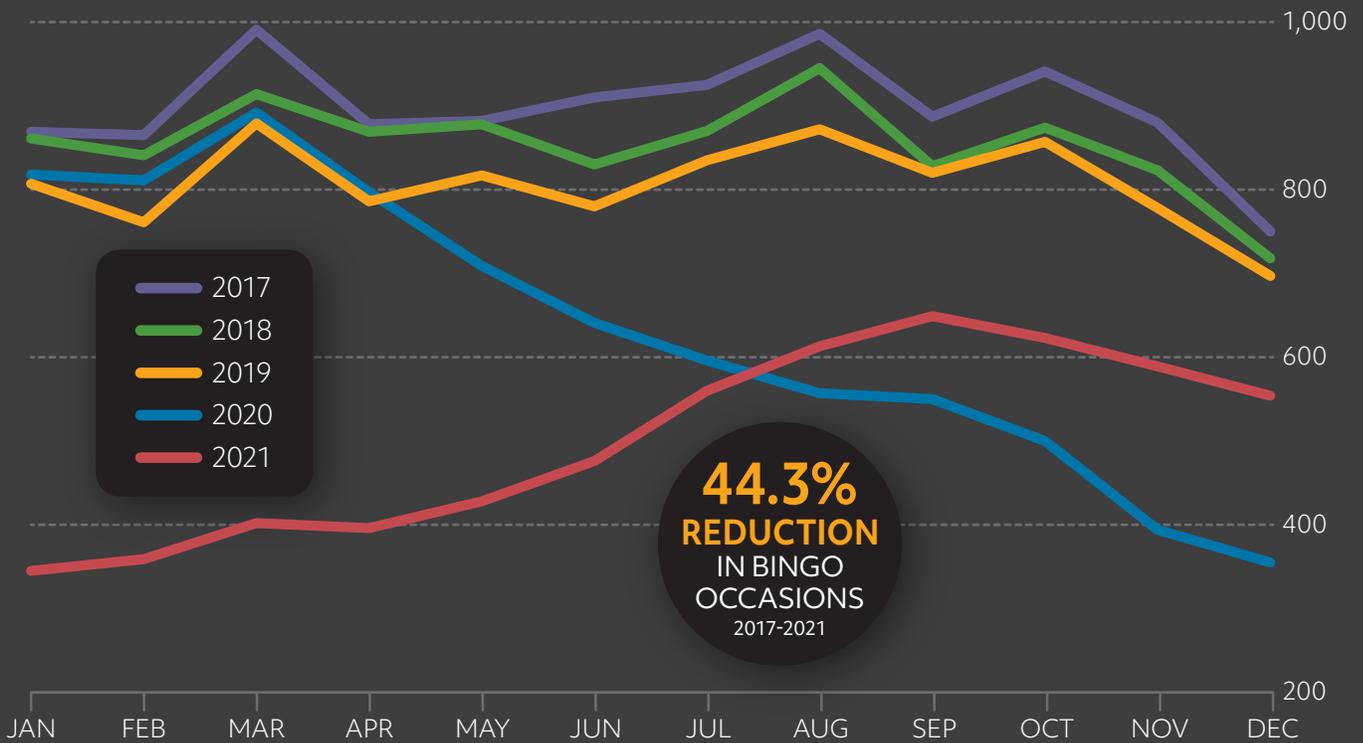
Religious, charitable, service, fraternal, and veterans' organizations, as well as any organizations for which contributions are deductible for state and federal income tax purposes, may be licensed to operate bingo-playing sessions in Wisconsin. With certain exceptions, eligible organizations must have been in existence for at least three years, have established funding sources, and have at least 15 members. More information on qualifying and applying for a bingo license can be found at [Wis. Stat. sec. 563.11](#).

The conduct of bingo in Wisconsin is governed by state statutory requirements. These can be found under [Wis. Stat. sec. 563.51](#) and include requirements that all profits from operations must be used for proper and legitimate expenditures, age limitations on who may play and other regulations regarding the conduct of bingo.

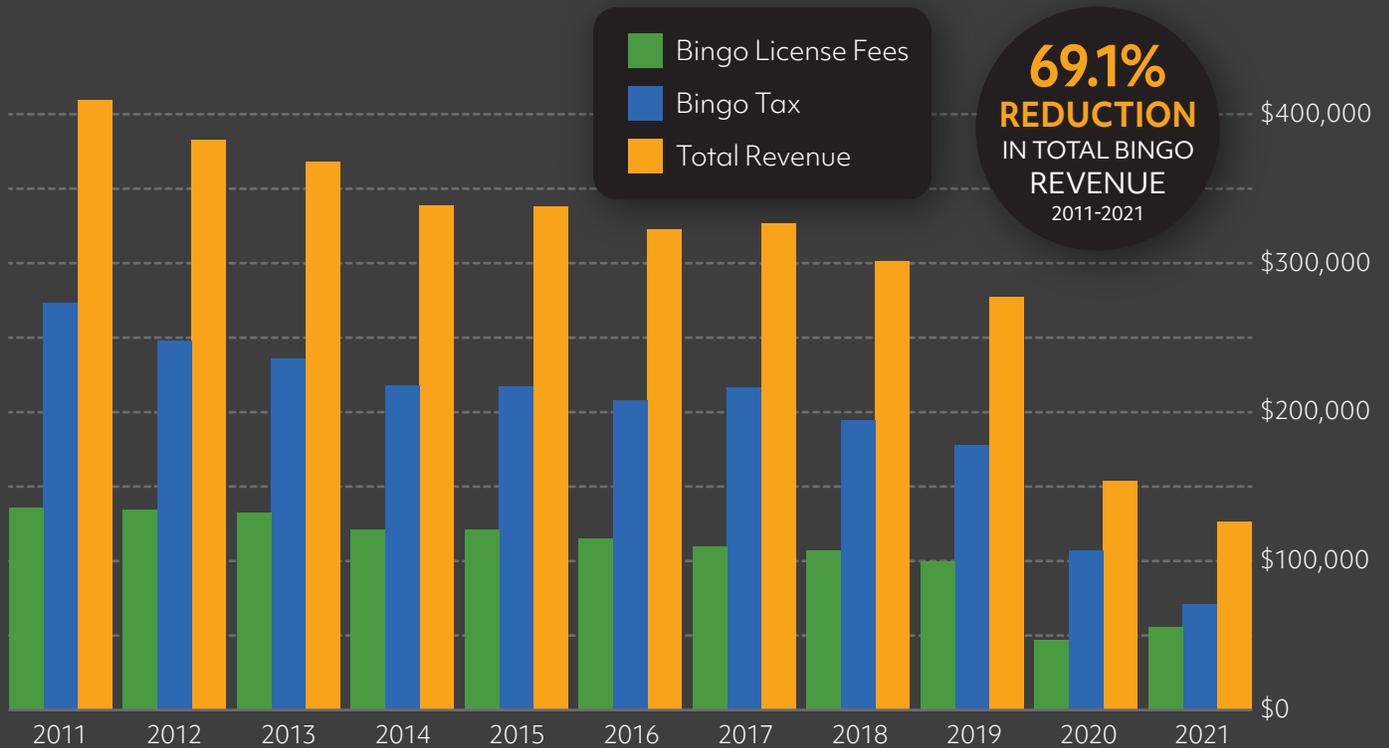
The Division has the authority to suspend or revoke bingo licenses for violation of rules regarding game play and posting of information. The OCG employs a part-time inspector whose sole duty is to randomly visit organizations during the conduct of bingo and evaluate compliance with the rules. The OCG also has a full time employee that conducts regular audits of the records of licensed bingo organizations to ensure compliance with financial reporting requirements. The OCG reports suspected criminal activity, such as embezzlement of bingo funds, to local law enforcement or DOJ for investigation and further action. For more information, please see [Wis. Stat. Chap. 563, Subchapter VI](#).

Overall, the number of charitable bingo events and the number of bingo licenses issued by the OCG has been on a steady decline for the last 20 years. Prior to the pandemic, this trend had leveled off and there was a slight increase in bingo licenses issued in 2019. The pandemic had a profoundly negative effect on charitable bingo due to the social gathering restrictions and the recovery from the pandemic in the bingo area has been slow.

### CHARITABLE BINGO OCCASIONS BY MONTH, 2017-2021



### BINGO OCCASION FEES & OCCUPATIONAL TAX PAID, 2011-2021



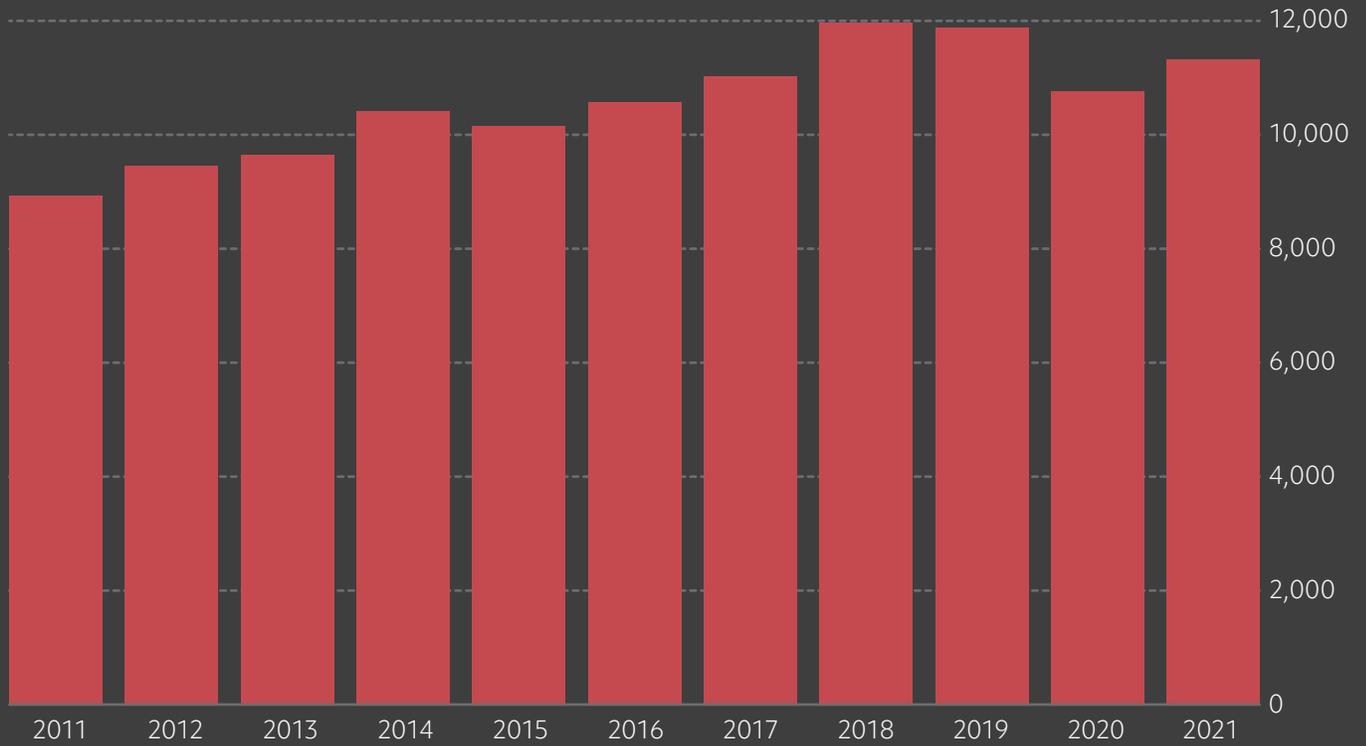
# Raffles

Raffle licenses may be obtained by the same types of organizations eligible to obtain bingo licenses, but in the case of raffles, the organizations are required to have been in operation for only one year and their activities must be limited to the State of Wisconsin. A \$25 annual license fee allows an organization to conduct up to 365 raffles including duck races and one calendar raffle, which is a raffle in which multiple drawings are made on specified dates.

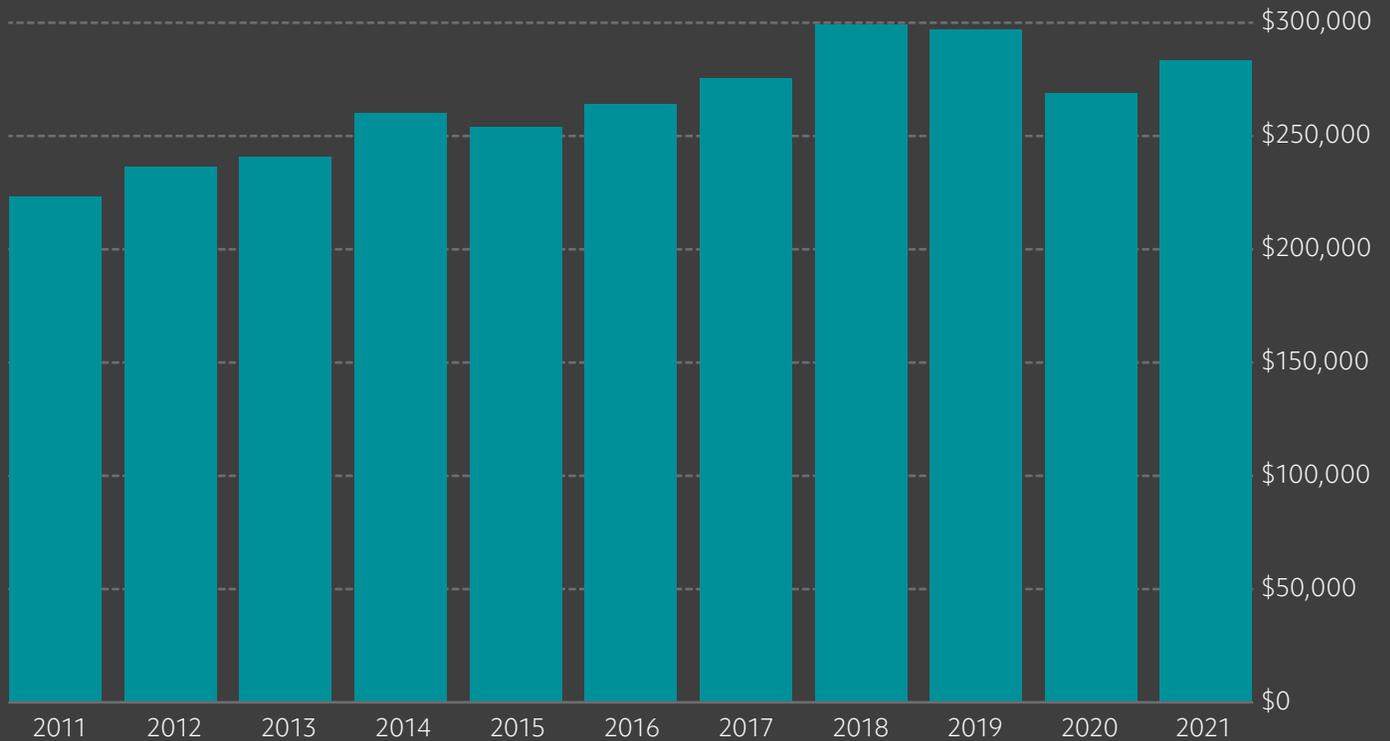
The OCG issues two types of raffle licenses, a Class A which allows raffle tickets to be sold before the day of the drawing and a Class B which requires ticket sales to be conducted only on the day of the drawing. All raffles conducted in the state must comply with the requirements of [Wis. Stat. Chap. 563, Subchapter VIII](#). The OCG conducts audits of organizations holding raffle licenses.

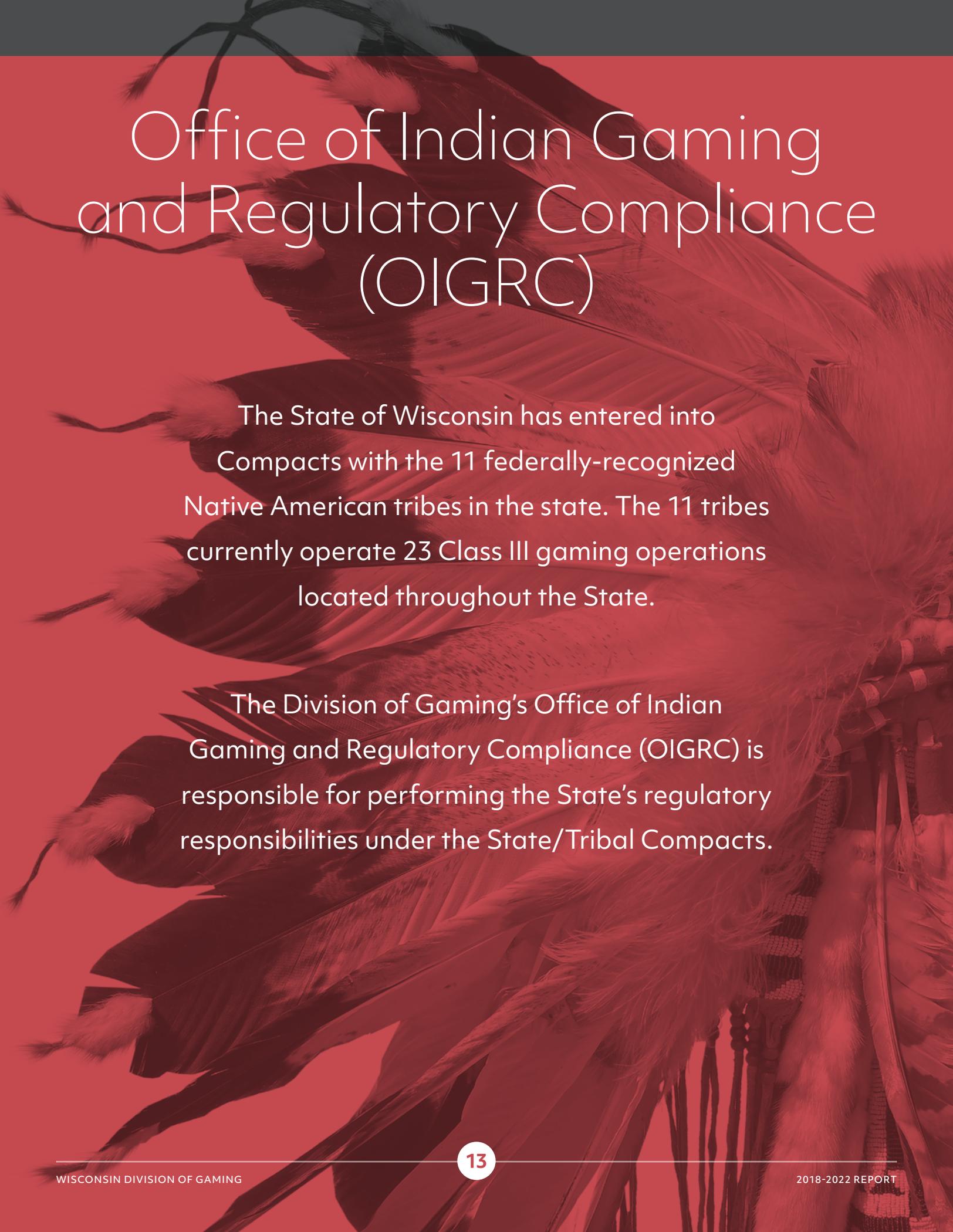
The number of raffle licenses issued has grown steadily over the past ten years as more charities take advantage of this popular way to raise funds. Like bingo, the social gathering restrictions caused by the pandemic limited the ability of the charities to raise funds through raffle events. The impact was less severe than in bingo, as some organizations were able to complete raffles that were in progress when the restrictions were imposed and there has been steady growth in raffles coming out of the pandemic. Additionally, many organizations renewed their licenses during the pandemic regardless of whether any raffles were conducted so the impact on revenue was less severe.

RAFFLE LICENSES ISSUED, 2011-2021



RAFFLE LICENSING FEES COLLECTED, 2011-2021





# Office of Indian Gaming and Regulatory Compliance (OIGRC)

The State of Wisconsin has entered into Compacts with the 11 federally-recognized Native American tribes in the state. The 11 tribes currently operate 23 Class III gaming operations located throughout the State.

The Division of Gaming's Office of Indian Gaming and Regulatory Compliance (OIGRC) is responsible for performing the State's regulatory responsibilities under the State/Tribal Compacts.

# Compacted Tribes with Class III Gaming Facilities



## Bad River Band of Lake Superior Chippewa Indians

- Bad River Casino



## Forest County Potawatomi Community of Wisconsin

- Potawatomi Hotel & Casino
- Potawatomi Carter Casino



## Ho-Chunk Nation

- Ho-Chunk Gaming Black River Falls
- Ho-Chunk Gaming Nekoosa
- Ho-Chunk Gaming Tomah
- Ho-Chunk Gaming Wisconsin Dells
- Ho-Chunk Gaming Wittenberg



## Red Cliff Band of Lake Superior Chippewas

- Legendary Waters Resort and Casino



## Lac Courte Oreilles Band of Lake Superior Chippewa Indians

- Sevenwinds Casino



## Sokaogon Chippewa Community

- Mole Lake Casino



## Lac du Flambeau Band of Lake Superior Chippewa Indians

- Lake of the Torches Resort Casino



## Stockbridge-Munsee Community

- North Star Mohican Casino



## Menominee Indian Tribe of Wisconsin

- Menominee Casino Resort
- The Thunderbird Mini Casino



## St. Croix Chippewa Indians of Wisconsin

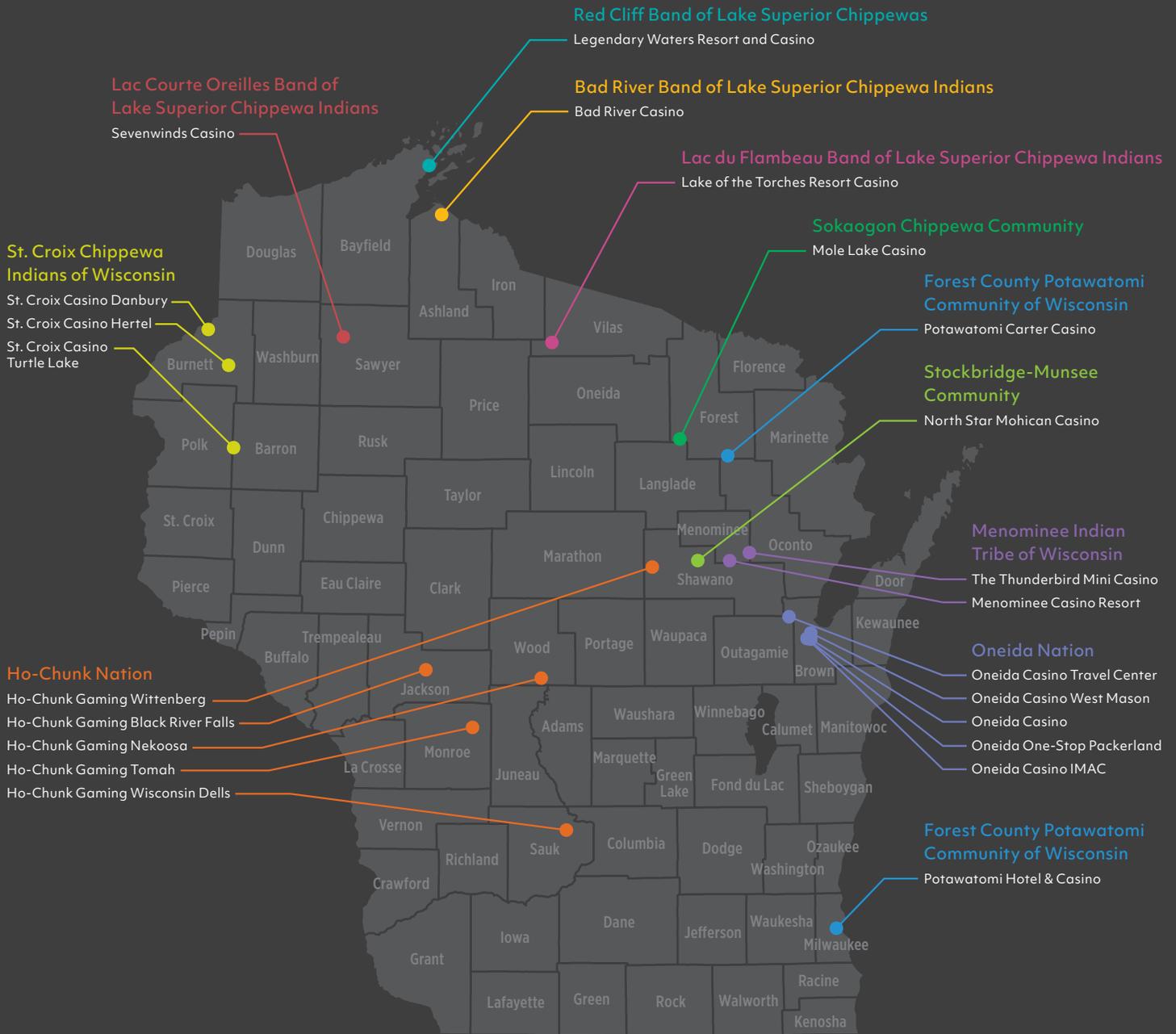
- St. Croix Casino Turtle Lake
- St. Croix Casino Danbury
- St. Croix Casino Hertel



## Oneida Nation

- Oneida Casino
- Oneida Casino IMAC
- Oneida Casino West Mason
- Oneida Casino Travel Center
- Oneida One-Stop Packerland

# Class III Gaming Locations



# Budget

The OIGRC is funded entirely by program revenue. This includes tribal revenue sharing payments and application fees paid by gaming-related vendors. The OIGRC budget has been approximately \$1.9 million for each year 2018-2022.

Indian Gaming Budget Summary (Dollars)					
	2018	2019	2020	2021	2022
Program Revenue	1,923,300	1,996,300	1,892,500	1,983,200	1,958,108
Expense	1,636,684	1,723,610	1,775,206	1,654,962	1,722,926
Difference	286,616	272,690	117,294	328,238	235,182

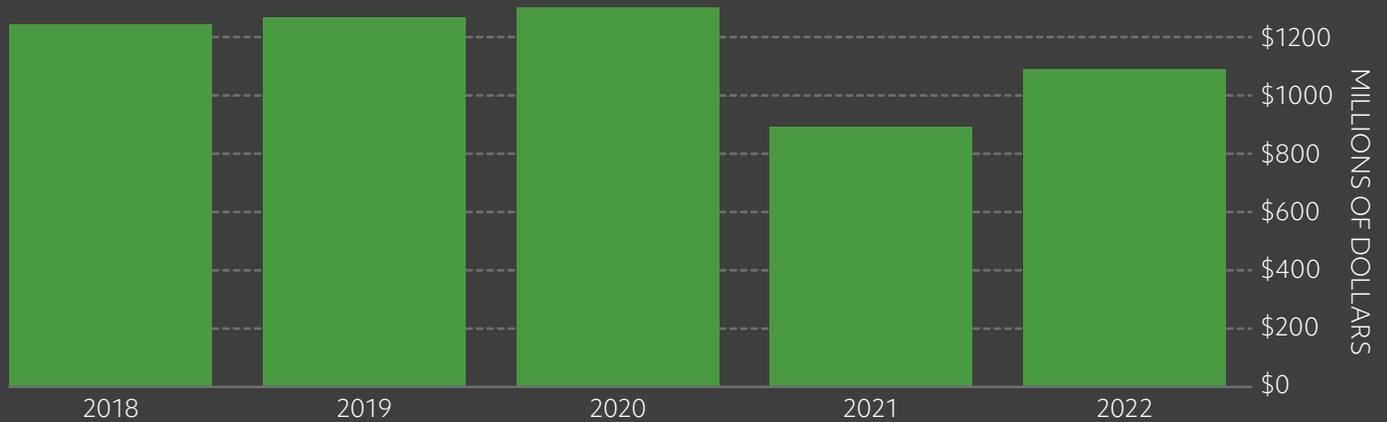
[Wis. Stat. sec. 569.03\(5\)](#) and the State/Tribal Compacts provide the Wisconsin Department of Justice (DOJ) a role in enforcement of statutes regarding illegal gambling activities. Pursuant to [Wis. Stat. sec. 569.06 and 20.455\(2\)\(gc\)](#), a portion of the tribal gaming revenue shared with the state each year is utilized to provide funding to the DOJ for illegal gambling enforcement.

# Tribal Gaming Revenue Sharing

The Compacts with the 11 tribes in the State of Wisconsin contain provisions that require the tribes to share a portion of gaming revenue with the state. These provisions are unique to each tribe and can be viewed in each Compact. It is important to note that pursuant to the requirements of the Compacts, tribal revenue data is not subject to public release except in the aggregate.

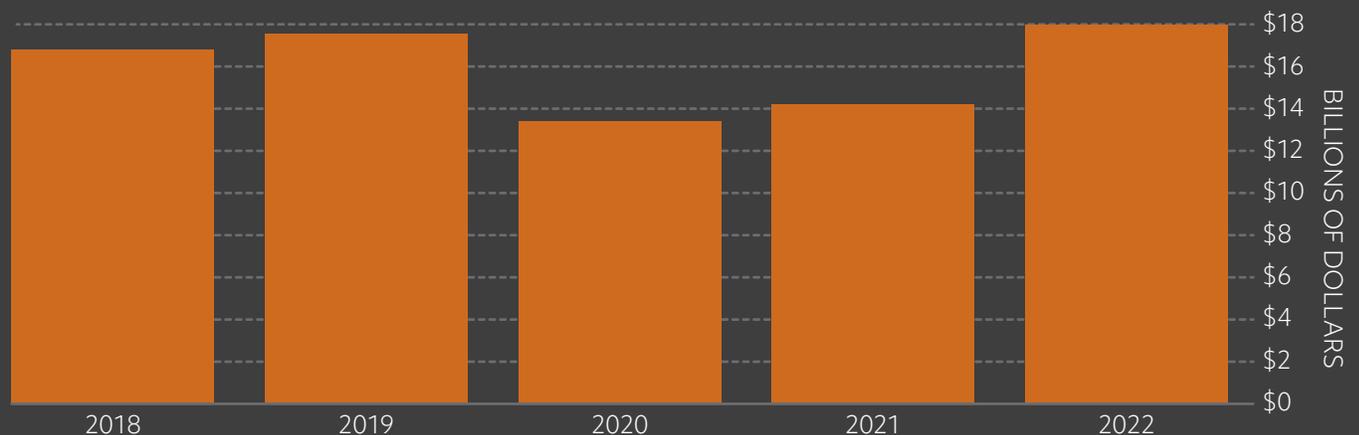
## TOTAL AGGREGATE TRIBAL NET WIN, 2018-2022

The total aggregate tribal net win (total amount wagered less payouts) has generally increased each year by 1-2% until 2021 which saw a decrease of about 31% due to casino closures during the previous year.



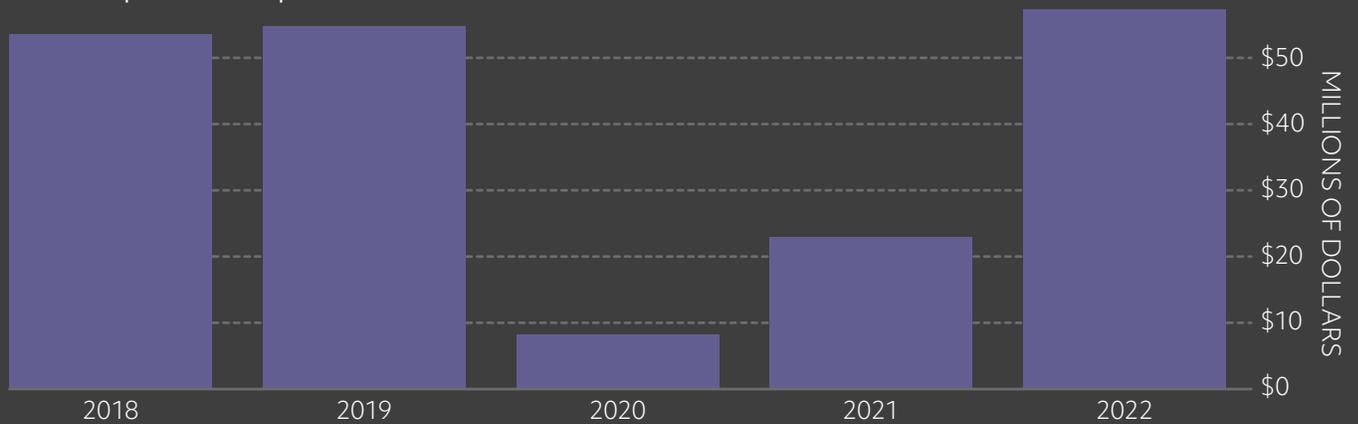
## TOTAL AGGREGATE TRIBAL GAMING HANDLE, 2018-2022

The total aggregate tribal handle (total amount wagered) has generally increased each year by 1-2% until 2020 which saw a decrease of 24% due to casino closures during the year.



### TOTAL TRIBAL REVENUE SHARING PAYMENTS TO THE STATE, 2018-2022

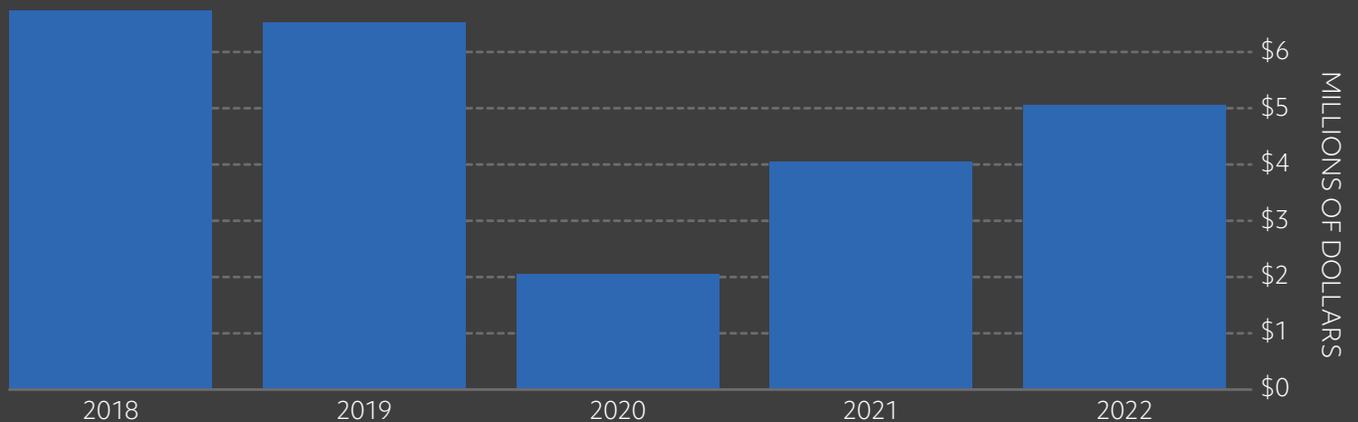
The total aggregate tribal revenue sharing payments to the state decreased significantly in 2020-21 due to impacts of the pandemic.



The Compacts include provisions giving the tribes the ability to deduct payments made to local governments from the annual revenue sharing payments to the state. The specific provisions vary by tribe, but generally include payments for public works projects and projects involving education, transportation and public safety that benefit both the tribes and the residents of the State of Wisconsin. The tribes' payments under these provisions totaled more than \$24 million during 2018-2022.

### TOTAL AGGREGATE LOCAL GOVERNMENT PAYMENTS, 2018-2022

The total amount of payments made by Wisconsin tribes to units of local government reduced significantly in 2020 due to casino closures, but the payments have quickly resumed to nearly 2019 levels.



Under [Wis. Stat. sec. 569.06](#), tribal revenue sharing payments under the Compacts are credited to the appropriation accounts as defined in Chapter 20.06. Pursuant to the statutes, a portion of the revenue sharing payments made to the state are expended for economic development initiatives to benefit tribes in the state, support programs in counties in which tribes are located and promote tourism within Wisconsin. From 2018 to 2022, over \$150 million was appropriated to 18 state agencies and 52 program areas pursuant to this chapter.

### PROGRAM APPROPRIATIONS, 2018-2022



STATE AGENCIES RECEIVING TRIBAL GAMING REVENUE APPROPRIATIONS			
Department of Administration	Higher Education Aids Board	Department of Natural Resources	University of Wisconsin System
Department of Children and Families	Historical Society	Department of Public Instruction	Department of Veterans Affairs
Department of Corrections	Department of Justice	Department of Tourism	Wisconsin Technical College System Board
Department of Health Services	Kickapoo Valley Reserve Board	Department of Transportation	Department of Workforce Development

# Revenue Audit Program

The OIGRC revenue audit program is responsible for ensuring the accuracy of the revenue data on which the tribal revenue sharing payments are based. Each gaming operation in the state is required to report daily revenue data to the OIGRC, which is then verified on a monthly basis. This information is utilized to conduct an annual audit to ensure that the revenue and resulting payment are accurate. This process has been used for over 16 years to verify over \$20 billion in revenue and \$900 million in state revenue sharing payments.

## 5 YEAR RESULTS

**\$5.7  
BILLION**  
IN REVENUE  
VERIFIED

**\$196  
MILLION**  
IN PAYMENTS  
TO THE STATE  
VERIFIED

# Compliance Audit Program

Pursuant to the Compacts, the state and the tribes have a cooperative regulatory role. The OIGRC Compliance Audit Program serves to assist sovereign tribal governments and their regulatory bodies in ensuring the compliance of their gaming operations with applicable regulations. This is accomplished through the conduct of regular compliance audits. The OIGRC conducts a compliance audit at each gaming operation in the state approximately every 18-24 months. These audits include a review of all areas of the gaming operation with a focus on testing of gaming device software, observation of table game play and review of daily revenue collection procedures. A total of 55 compliance audits have been conducted over the last five years.

## 5 YEAR RESULTS

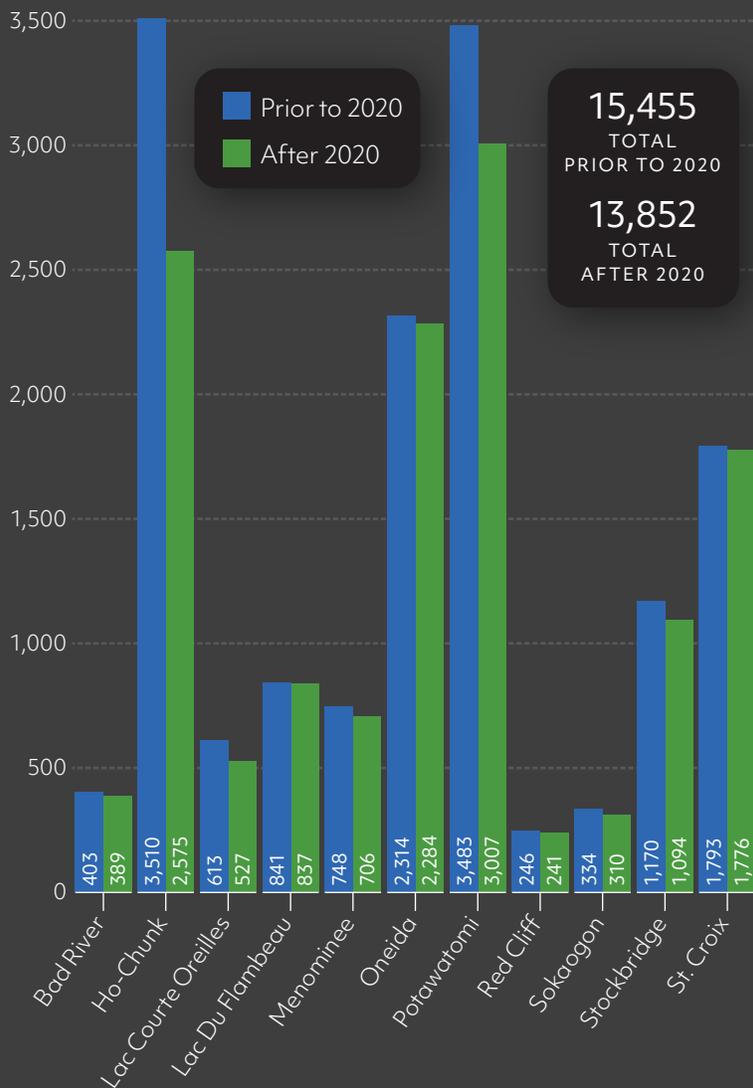


To assist in the required tracking of all gaming devices shipments in and out of Wisconsin gaming operations, the OIGRC developed a Gaming Device Inventory System (GDIS) which enables the reporting of gaming device shipments by gaming operations and manufacturers. During 2018-2022, a major update was made to this system which enhanced the ability of the state and the tribes to monitor gaming machine software for compliance.

# Casino Inventory Changes

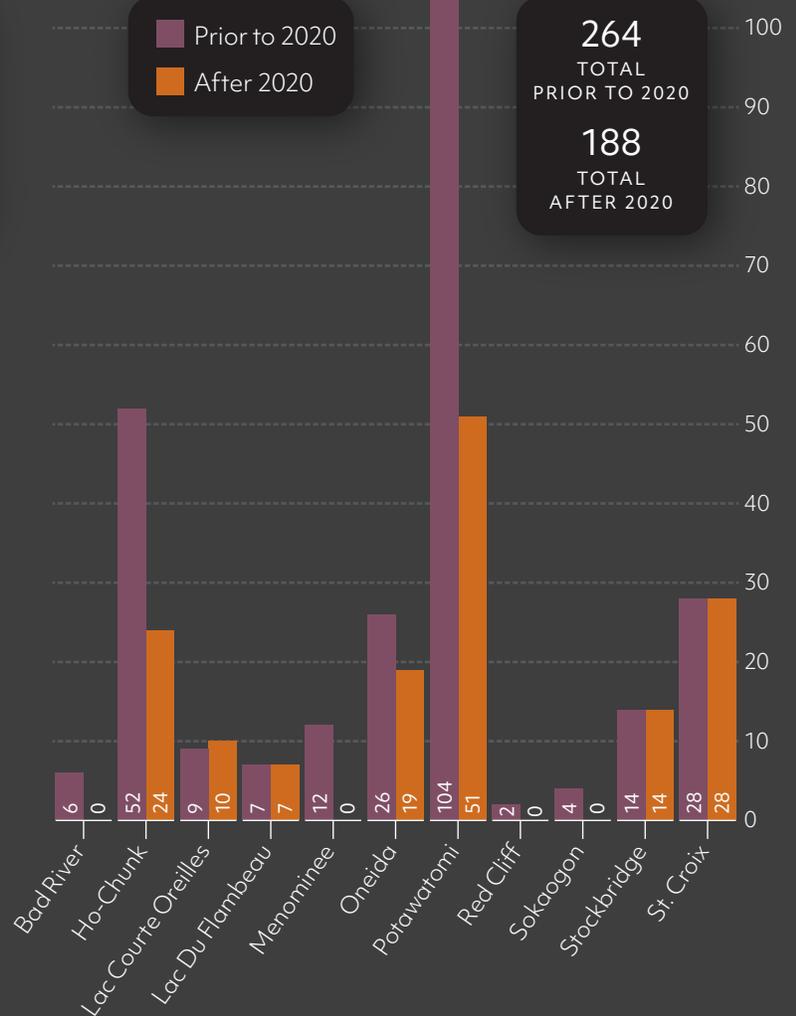
The impact of the pandemic continues to be seen on gaming floors in the state with an overall 11% reduction in the number of gaming machines in operation and a 42% reduction in the number of table games. Some of the reduction in gaming devices can be attributed to social distancing measures that remain in place while much of the reduction in table games can be attributed to staffing issues at the casinos. According to OIGRC audit records, the number of key gaming employees at Wisconsin casinos has declined from pre-pandemic levels by an average of 14%.

## Slots



## Table Games

BLACKJACK | CRAPS | ROULETTE | MISSISSIPPI STUD  
FOUR CARD POKER | THREE CARD POKER | ULTIMATE TEXAS HOLD'EM



# Vendor Certification

Pursuant to the State/Tribal Compacts, providers of gaming-related products and services to Wisconsin gaming operations are required to obtain certification from the OIGRC prior to conducting business in excess of established thresholds. The vendor classification criteria is based on the Compact requirements and is posted on the Division's website [here](#).

Entities meeting the certification criteria are required to file applications on behalf of the company contracting with the gaming operation and personal applications for all of the corporation's officers, directors and individuals holding significant ownership in the company. The OIGRC also requires filing of short form criminal history disclosures from all individuals that access Wisconsin gaming facilities on behalf of a licensed entity, whether in person or remotely.

The OIGRC's four staff members in the vendor investigation area processed over 381 applications from 2018-2022, including background investigation of over 266 individuals and 115 corporate entities. All 45 entities that currently hold certificates are required to file applications upon appointment of new officers, directors and technicians and complete renewal applications for all individuals every two years. The current OIGRC vendor certification list is available [here](#).

The opening of the state's first sports book operations during the last year required the investigation of several companies that were new to Wisconsin and backgrounding of a large number of remote technicians.

## 5 YEAR RESULTS



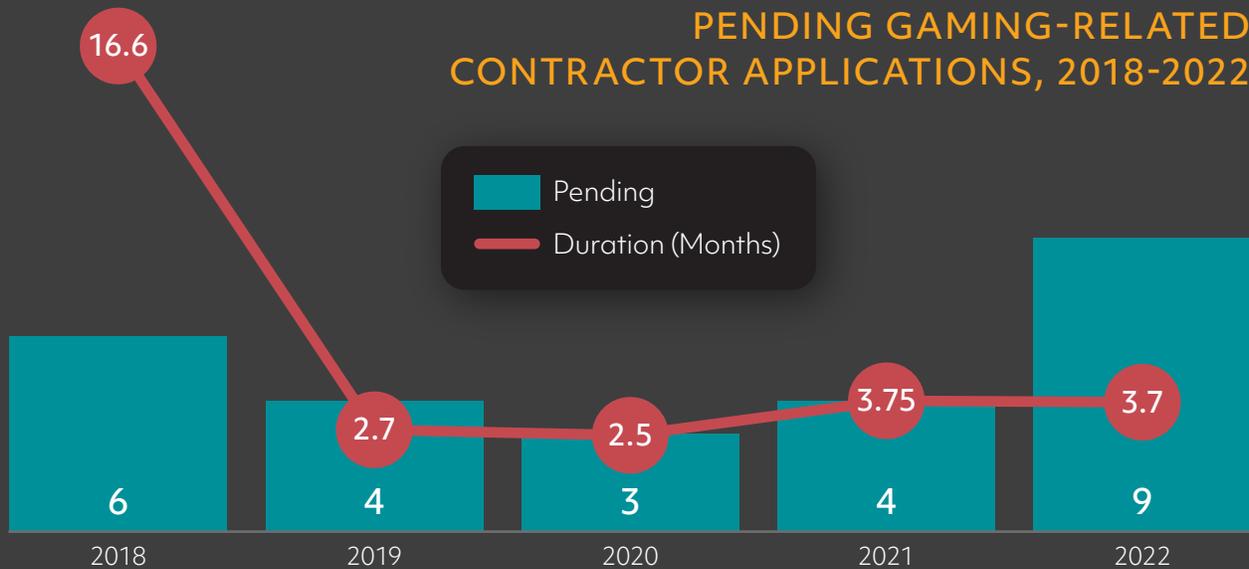
**266**  
INDIVIDUAL  
APPLICATIONS  
PROCESSED



**155**  
CORPORATE  
APPLICATIONS  
PROCESSED

The goal of the OIGRC investigative team is to conduct thorough and complete investigations in a timely and efficient manner. Investigations of corporate entities that have not previously filed in the state generally take longer to complete than those for companies applying for renewal certificates. With the conclusion of some complex and time consuming investigations in 2018, the average duration of both types of investigations has now been consistently reduced to just over 100 days from the time of initial filing to issuance of the certificate. 2021 and 2022 saw a large increase in the number of short form background applications for vendor staff involved in the opening of sports wagering operations in the state.

### PENDING GAMING-RELATED CONTRACTOR APPLICATIONS, 2018-2022

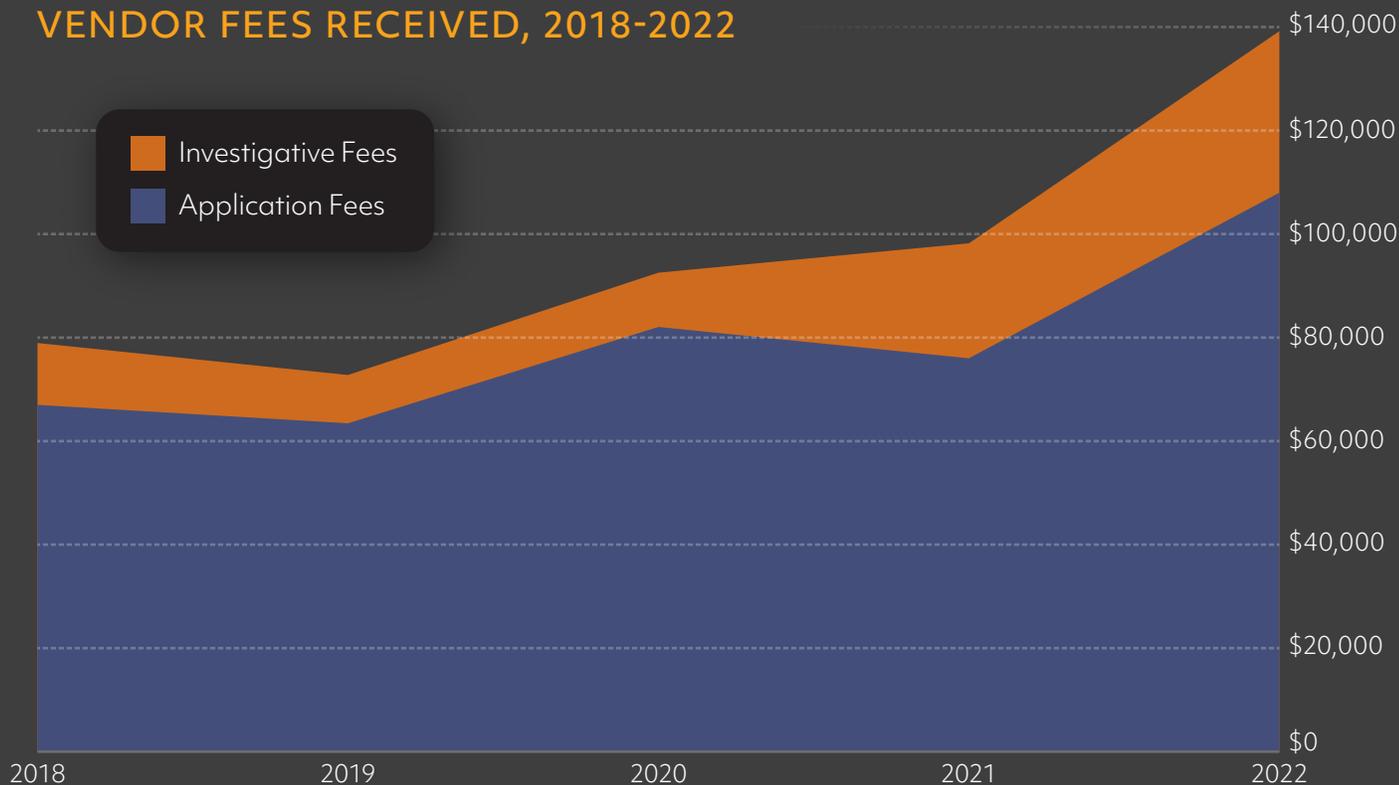


### COMPLETED GAMING-RELATED CONTRACTOR APPLICATIONS, 2018-2022



The fee for initial filing of a gaming-related contractor application is based on the average cost of an investigation. The fee for new and renewal corporate applicants has remained at \$4,000 for over ten years with a slightly lower fee for entities headquartered in Wisconsin. An hourly rate of \$55 is charged against the initial fee and applicants are billed when costs exceed the initial fee. The general increase in this area reflects the influx of new vendors in the sports wagering area.

**VENDOR FEES RECEIVED, 2018-2022**



# Contact Information

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Information and assistance regarding problem gambling may be obtained from the Wisconsin Council on Problem Gambling at

[www.wi-problemgamblers.org](http://www.wi-problemgamblers.org)

or 1-800-426-2535 24 hours a day.

Patrons may also request a self-ban at most Wisconsin Tribal gaming facilities to assist in preventing them from gambling at that location in the future.