

Regulator & Industry Collaboration: *Changing the Dynamic*

By Susan Hensel

In October, my second term as President of the International Association of Gaming Regulators (IAGR) will expire and Lau Peet Meng, Chief Executive, Singapore Casino Regulatory Authority will take over the helm.

In my time as President, thanks to the work of a dedicated Board of Trustees, IAGR has made significant progress in establishing itself as the premier international regulators association in the world. In coming years, the association will continue to play an important role in the future of gaming as the industry and regulators increasingly recognize the importance of communication between the regulator and the regulated.

Driving this recognition are factors such as globalization and technological change that have put the gaming industry in an accelerated state of evolution. There is no longer the luxury of time to resolve emerging issues. The advent of mobile phones, tablets, and social media is raising new questions. Today those questions are moving to the forefront of regulator responsibility and industry opportunity.

While we all recognize that we are operating in a very different gaming environment than even a few years ago, the question is how can regulators and the industry move beyond the long talked about need for collaboration to actual collaboration? How can we advance industry and regulatory initiatives independently underway to achieve results?

While there may not be ready answers to these questions, there are factors at play in the industry today that set the stage for exploring new approaches.

With more of the same companies operating in multiple gambling jurisdictions, there are more chances for regulators to work together in their investigation and evaluation of gaming companies. Informally through professional relationships developed as a result of organizations such as IAGR and formally through memoranda of understanding, regulators are able to share information with one another and cut down on duplication of effort. We will see more occasions for cooperation as the concept of inter-jurisdictional gambling compacts grows and participants gain experience in how to regulate efficiently multi-jurisdictional relationships.

Also helping to drive smarter regulation is the very technology that is bringing about change. These advances have given us tools that simply were not available before. Thanks to technology, we are better able to develop targeted, risk-based regulation that provides public protection assurances while saving time and money. Today,

we can see what we couldn't see. We can control what we couldn't control. We can send data around the world with a speed that is near instantaneous. And we can communicate across continents as if we were sitting next to one another. These abilities are transformative.

Compare a jackpot dispute in the days of crude slot machines with one that occurs today. Then, it was a matter of player versus operator – a “he said, she said.” Today, there is a digital audit trail of all machine activity that puts an end to any dispute.

Then regulatory staff was mandated to over-see the slot count; today central control computer systems keep track of every penny, eliminating the necessity for regulators in the slot count room. Then there was fear that online and mobile capability would be a loophole for underage gamers, but now fingerprint technology and other biometrics offer the prospect of immediate verification that the player is who the player says he is and is not an underage gamer. These assurances ease regulator worries and help open new markets. Then casino staff memorized thousands of faces on exclusion lists with the hope of being able to spot an intruder. Today facial recognition software is being explored. And then, investigators had no alternative but to travel in order to ensure applicant suitability. Today

some jurisdictions are experimenting with video conferencing to reduce the time and travel expense of some background investigations.

IAGR has set a goal for itself to be a thought leader in improving gaming regulation and has undertaken new initiatives as we work to accomplish that goal. We are launching a pilot program of our multi-jurisdictional business form so that operators can use the same material for applications in different member jurisdictions and can simultaneously update the information when necessary. We are exploring opportunities for making remote gaming test results transferable across jurisdictions, reducing cost and time to market for new games. We are also considering what can be done to develop standards in the non-remote sphere. Within our portal we are developing an IAGR knowledge module so regulators can share best practices, discuss emerging issues and collaborate on solutions. And we are undertaking creation of a statistical database providing a knowledge asset available to regulators and those advising the industry.

Finally, we are recognizing the important role IAGR can play in acting as a focal point for industry bodies such as the Gaming Standards Association and the American Gaming Association (AGA) and for regional bodies such as the regional gambling regulator associations like Gaming Regulators European Forum (GREF) and

“IAGR has set a goal for itself to be a thought leader in improving gaming regulation and has undertaken new initiatives as we work to accomplish that goal.”

—Susan Hensel
President of IAGR
and Licensing Director,
Pennsylvania Gaming
Control Board

North American Gaming Regulators Association (NAGRA). By establishing these relationships, we are putting interested people or organizations in touch with the people who can help make things happen.

But IAGR, just like the industry, can only do so much by itself to achieve a smarter regulatory environment. In order to truly make a difference, we need to be working together. There are very real difficulties in getting a sustained effort underway to improve the way in which we work. Part is the reality of pressing job demands that provide little opportunity for abstract thinking about how to accomplish long talked about objectives. Part is that despite good intentions, it is just plain hard work to deliver on lofty goals of cooperation and collaboration that are made from conference podiums.

The challenge for the regulator and industry is to find and exploit opportunities to think differently about how we interact with one another, to find a way to change the dynamic. We need, for instance, to be talking to one another about how we can promote discussion between conferences.

We also need to think differently about how we use technology to leverage the exploding technological options to do things better. Can we, for instance, leverage webinars, blogs, and social media sites to efficiently share information and learn without having to book a flight or leave our offices?

Instead of our primary focus being on knowledge sharing from our colleagues, whether regulator or industry, can we tap into one another across classifications? Can organizations like International Masters of Gaming Law (IMGL), International Association of Gaming Advisors (IAGA), and AGA share information with associations like IAGR, GREF, and NAGRA? Can we, for instance, establish knowledge banks across organizations rather than just within associations? And if so, how exactly do we set about making that work?

As I prepare to end my term as IAGR's President and transition to an IAGR trustee, I leave you with these questions. IAGR looks forward to working collaboratively on the answers that will lead both industry and regulator to a place of better regulation in the future. ♣



Susan Hensel

Susan Hensel is the Director, Bureau of Licensing, Pennsylvania Gaming Control Board, and President, IAGR

GIVING YOU THE WORLD

What are your business plans? At GLI, we offer total global coverage, with 800 employees in 21 locations working for all 455 global jurisdictions. In fact, 130 jurisdictions exclusively accept GLI certifications. So no matter where in the world you want to go, GLI is already there, ready to help. So use GLI, and let's put your plans into action, all over the world.

