



INTERNATIONAL MASTERS OF GAMING LAW

REGULATORS OF THE YEAR

2018

By Sue McNabb

Each autumn, International Masters of Gaming Law (IMGL) recognizes outstanding regulators based on stringent standards, including preeminence in the regulatory field and their noteworthy contributions to the overall body of regulatory work.

The regulators are selected from various jurisdictions internationally based on a rigorous nomination and review process with the possibility of a regulator being chosen from each jurisdiction. The categories are Europe, North America, South and Central America, Australasia, Indian country, and Evolving Jurisdictions. A regulator is not necessarily chosen from each category and each year they are selected only if they receive the required nomination and meet the demands of the review procedure.

The specific criteria for the selection process include that the overall body of work as a regulator be exceptional and that the regulator make contributions to the gaming industry as a whole while demonstrating noteworthy achievements in the regulation of industry. The nominee must also provide a stable regulatory environment in the jurisdiction, be identified as a person of high integrity, and demonstrate service to the community.

Through this annual selection process IMGL continues its mission of “advancing gaming law through education” by selecting regulators who reflect a similar mission in their management style while serving as role models in the regulatory environment. This year’s recipients of the award for IMGL Regulator of the Year certainly reflect these characteristics in their professional approach to the task of regulating a challenging and diverse gaming market.

IMGL is proud to announce the 2018 Regulators of the Year:

Regulator of the Year - Australasia:

Michael Sarquis, Executive Director, Office of Liquor and Gaming Regulation, Department of Justice and Attorney General, Queensland;

Regulator of the Year - Americas:

Sara Gonso Tait, Executive Director of the Indiana Gaming Commission;

Regulator of the Year - Indian Country:

Gordon Dickie, Executive Director, Seminole Tribal Gaming Commission;

Regulator of the Year - Europe:

Juan Espinoza Garcia, Director General for Gambling Regulation, Ministry of Finance, Government of Spain.

There are several special awards for 2018.

The Outstanding Achievement Award

for the Americas - A. G. Burnett, formerly with the Nevada gaming commission; and

The Outstanding Achievement Award for Europe -

Joseph Cuschieri, formerly with the Malta regulatory agency.

IMGL has presented the Regulator of the Year awards since 2002. For a complete list of all past recipients, please visit our website at IMGL.org.

REGULATOR OF THE YEAR – AUSTRALASIA

MICHAEL SARQUIS

Executive Director, Office of Liquor and Gaming Regulation, Queensland

In October 2006, Mr. Michael Sarquis held the position of Executive Director of the Queensland Office of Gaming Regulation (QOGR), but was soon appointed Executive Director of the Office of Liquor and Gaming Regulation in July 2008. His responsibilities include managing the gaming and liquor regulatory license and compliance regimes and the Gambling Community Benefit Fund and implementing key elements of the responsible gambling strategy and harm minimization programs. Among the gambling operations regulated by his office are four casinos, an exclusive land-based and online betting operator, a sole land-based and online lotteries operator and gaming (or slots) machines which are installed in clubs and pubs throughout Queensland.

In addition to being a current member of the Gambling Community Benefit Fund Committee, he is a member of the Government's Responsible Gambling Advisory Committee and is a former Vice President of the International Association of Gaming Regulators (IAGR).

Among other areas in gaming, Mr. Sarquis has been involved in the implementation of Australia's first model for the regulation of online gaming, a regime that resulted in a number of license applications in the late 1990s. It was superseded by Australia's Interactive Gambling Act that was introduced in 2001 and prevented the provision of many online gaming services to Australians.

Since 2006 his office has overseen considerable changes in gaming and liquor regulation including the merger of the state's liquor and gaming regulatory regimes, a red tape reduction initiative, expedited online client services, Tackling Alcohol Fueled Violence Strategy, and partnering with other state agencies to procure the development of the \$3.6 billion Queen's Wharf Brisbane integrated resort including the issuance of a casino license.

IMGL President Jamie Nettleton states, "The Queensland regime is recognized globally by regulators as being of the highest standard, particularly in relation to its probity investigations. This is due principally to the efforts of Mike and his team."

When asked about his favorite position in the gaming industry, Mr. Sarquis states his favorite role was as Executive Director of QOGR where he concentrated on the gambling industry working closely with industry on all regulatory aspects of casino operations, gaming machines, keno, wagering, online gambling, lotteries and charitable and other not-for-profit



gaming. This role also led to his appointment to the Gambling Community Benefit Fund, a fund to provide grant funding for worthy projects to the not-for-profit sector, currently providing grants in excess of \$54 million per year.

Regarding the roles that best prepared him for a career as a regulator Mr. Sarquis says, "My project rolls in the licensing of two casinos and in particular the Director, Compliance position. Those rolls provided comprehensive exposure to all aspects of a gaming regulators' responsibilities."

A meaningful achievement in the industry occurred in 1996 when Mr. Sarquis was part of a small team involved in a major review and restructuring of

the gaming machine regulatory arrangements in Queensland. The amendments to the regulatory structure for gaming machines in Queensland included a progressive tax system, transferring ownership from state government to licensed gaming machine sites, increasing the number of machines for hotels and clubs, and increasing the return to player percentages, and changing administrative procedures to ease the regulatory burden.

Responding to a question regarding what Mr. Sarquis considers his greatest challenge as a regulator, he responded, "In 2008 integrating the liquor and gaming agencies into a functioning cohesive unit and transitioning the agency to be a more client service focused organization and finding the right balance to meet the needs of the community government and industry."

Mr. Sarquis further states that regulators need to be "agile and responsive to their environment... the need for that agility is even more apparent now with the rate of change accelerating as digital technology impacts gambling products, including a convergence of products and the array of different online and digital products being introduced to the market.."

The speed of change in technology creates a challenge for regulatory standards and taxation models. "For most regulators, their responsibilities extend beyond harm minimization, ensuring the integrity and fairness of games and the probity of those conducting gaming to include ensuring the community, government as well as industry benefit from legal gambling. Consequently it is important that policy and legislation is updated to cater for this quickly changing environment."

Sharing general advice to attorneys, industry executives, educators and regulators, Mr. Sarquis states, "Organizations such as IMGL are well placed to influence this policy and legislative development." ♣

REGULATOR OF THE YEAR - NORTH AMERICA

SARA GONSO TAIT

Executive Director, Indiana Gaming Commission

Early in her gaming career Sara Gonso Tait accepted a staff position with the Indiana Gaming Commission in 2011 and was promoted to Director of License Control, charged with combating illegal gambling operations. She was later promoted to the agency's top legal position in 2014, serving as Chief Legal Counsel until her appointment as Executive Director. She is the chief regulator of Indiana's 13 casinos, an industry that brings in more than 500 million in tax revenue each year to the state. Gaming is Indiana's fourth largest source of revenue and employs over 12,000 people.

Sara Tait received a Bachelor of Arts degree in psychology from Miami University, Oxford, Ohio, and her law degree from Indiana University Robert H. McKinney School of Law. She is not only an outstanding regulator but also an accomplished athlete, attorney and mother of three children.

Mrs. Tait states, "The General Counsel position unexpectedly became vacant when I was eight months pregnant with twins and the Executive Director position became available less than a year later." These opportunities came at what appears to be less than ideal times, but she states, "I believe more women should have a seat at the table. To not have pursued these opportunities would have required me to act against my own convictions." Pursuing these opportunities as a mother of three children under four years of age reflects in her strong conviction.

As general counsel Sara Tait was tasked with implementing a "cut red tape" initiative and making substantial revisions to the rules. She states, "I became passionate about eliminating requirements that serve neither the IGC nor the gaming industry." She considers one achievement to be maintaining a strong regulatory jurisdiction while aggressively initiating discussions with the industry about reform. Sara Tait states that she was challenged by new initiatives to contribute to the economic development of Indiana gaming; gaming in her state is a huge driver of revenue and employment, particularly in economically challenged areas where manufacturing has declined. "Providing stable and adaptive regulatory oversight contributes to the success of the industry and our state."

One of her greatest challenges is being responsible for



administering and creating a regulatory scheme and often creating something for which there is no model. Of her management style, Sara Tait states, "I am approachable manager with an open-door policy. I try to foster teamwork through a collegial and collaborative environment."

Discussing challenges to regulators in general, Sara Tait says, "Open communication with stakeholders is key to resolving issues whether from casino operators to legislators to agency employees." Sharing advice to regulators and those they regulate, she believes building relationships in other jurisdictions is very important

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to the continued success and evolution of the regulatory environment. "We will be much more efficient and effective if we learn from each other's mistakes and successes."

When sharing an amusing anecdote from her career as a regulator she says that her predecessors were all male "baby boomers" so it was a major change for a young female millennial to become the head gaming regulator.

Responding to a question about advice she would share with readers of IMGL publications, Sara Tait says that working together has to include both transparency and the ability to put yourselves in each other's shoes. "While the state and the casinos act as partners on many mutually beneficial issues, the primary job of a regulator is to protect the integrity of the industry and promote the public's confidence in it." She further states that many people -especially women- act to their own detriment because they believe it's a weakness to ask for help. She readily reveals that her help comes from a very supportive husband and family who assist with her three children - all under the age of four - and her top notch long-term professional staff.

Sara Tait's management style provides predictability and continuity, both admirable objectives. Tom Auriemma, a gaming consultant states, "Indiana should be proud of Sara's accomplishments. She represents the first female casino regulator in North America that IMGL has recognized for this prestigious honor." ♣

REGULATOR OF THE YEAR - INDIAN COUNTRY

GORDON DICKIE

Executive Director, Seminole Tribal Gaming Commission

Gordon Dickie's career in gaming began in September 1980 when he joined the Nevada Gaming Control Board in Las Vegas. Prior to that, he was a San Diego police officer at the age of twenty-two. He states, "I loved the job and the officers I was lucky enough to work around." After leaving the San Diego Police Department as a result of an injury, Mr. Dickie was asked if he would consider working with the Nevada Gaming Control Board to which he stated, "I'm not into fish and game."

While at the Nevada Gaming Control Board, Mr. Dickie worked in an undercover unit and in the special investigations and intelligence unit. He was later recruited by Hilton Hotels Corporation to help start up their corporate security division where he learned about casino operations, surveillance, F & B, marketing, purchasing and entertainment. After eight years with Hilton, he worked various positions in the industry before joining Harrah's in 1996 as Director of Security and Surveillance.

He next moved to Oregon to work in management at a tribal casino and later to New Mexico to work as General Manager with another tribe and then returned to California as a regulator with the Cabazon Tribe. In 2002, he returned to Las Vegas as Vice President of Compliance and Government Affairs for Shuffle Master.

Later, in 2006 Mr. Dickie was approached to join Cadillac Jack and to assist with licensing in Pennsylvania. In researching this offer, Mr. Dickie discovered through rumor and tabloids that Russian ownership was allegedly associated with Adnan Khashoggi, the arms dealer and fixer, and Bin Laden. Mr. Dickie immediately contacted his friend and former Gaming Control Board agent with expertise and a law degree, John Maloney. Mr. Dickie states, "Together John and I held the compliance and licensing in place to keep Cadillac Jack alive until they sold the company to Amaya."

Following this experience, in September 2014 he accepted a position and soon became Executive Director of the Seminole Tribal Gaming Commission in 2015.

Mr. Dickie has without a doubt a varied and successful gaming regulatory background. He says the position that best prepared him to be a regulator was his law enforcement train-



ing and experience as a police officer. "I have been involved in some very intriguing investigations, arrests, and interviews of very important gaming names but at the end of the day, I must say being able to mentor tribal and non-tribal members on how to be the best regulator is most meaningful."

Mr. Dickie further says that his greatest challenge as a regulator is protecting the assets of the tribal nation that is dependent on the Tribal Gaming Commission to ensure that those assets are protected for generations to come.

Mr. Dickie's advice to readers of IMGL publications is to "ensure the integrity of gaming through the use of

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accounting, administrative and internal controls to assist regulators and casinos in monitoring gaming operations and the licensing process to help identify and deter unsavory opportunists and organized crime." Kevin Quigley of IMGL states of Mr. Gordon Dickie, "Gordon's broad-based experience in Indian gaming regulation and compliance, and along with his vast experience with commercial gaming interests and the Nevada gaming industry over a three decade career dedicated to compliance and gaming regulation enforcement, has allowed him to develop a deep understanding of many different regulatory issues and practices. He has shared this deep body of expertise with many in actively promoting best practices for tribal regulators countrywide."

Finally, when notified of the IMGL Regulator of the Year Award, Mr. Dickie eloquently responded, "I have spent the past 39 years in the casino industry, half of it as a regulator and or compliance executive both in state and tribal jurisdictions. I have been mentored by the best in the industry and counseled by some of the best gaming lawyers in your organization. My law enforcement career, my regulator career, my compliance career, my casino operations career, manufacturing career have finally culminated to this great honor. I absolutely and humbly accept this award." ♣

REGULATOR OF THE YEAR - EUROPE

JUAN ESPINOSA GARCIA

Director General for Gambling Regulation, Ministry of Finance, Government of Spain

Mr. Juan Espinosa Garcia was appointed in December 2016 by Royal Decree as Director-General for the Regulation of Gambling. Prior to his term as Director General, Mr. Espinosa served as Deputy Director General for Gambling Regulation. In addition, he also has extensive professional practice in the field of design and analysis of regulation for all sectors of economic activity. He holds a degree in law from the University of Grenada, a Master of Arts in Economics for Competition Law from the University of London – Kings College, and a Master of Social Sciences in European and International Politics from the University of Edinburgh.

Early in his career as Deputy Director of Regulatory Affairs, Mr. Juan Espinosa worked to ensure the viability of the second licensing process in Spain, introducing new license operators to the market. He further obtained approval of two regulations for online slots and betting exchange that have significantly increased the size of the Spanish market since 2015. Among other accomplishments, Mr. Espinosa also launched the licensing process for online operators and achieved a reduction in the gambling tax to not only enable operators to have better economic results in Spain but also to offer better odds and prices to players.

Under his leadership DGOJ's website offers total transparency including criteria on controversial aspects and decisions on licensed operators. In addition, under his leadership Spain has approved agreements on shared liquidity with Portugal, France, and Italy for poker products. Mr. Espinosa is also working with regulators from Latin America where the Spanish regulatory model is a main reference. IMGL member Santiago Asensi, Managing Partner of Asensi Abogados states, "I can confirm that in Columbia, the first country in the region that has fully regulated gambling, as well as in Peru, the first draft of the Gaming Act - which is not public yet - is full of similarities with the Spanish regulation."

Commenting on his achievements as a regulator Mr. Espinosa says, "For me, the biggest achievement has been to lead the development and consolidation of online gaming and gambling in Spain via regulation witnessing the market consolidate from €229 million in 2013 to around 700 million in GGR presumably in 2018, whilst at the same time keeping it a largely socially sustainable industry, with prevalence rates being main-



tained in the range of 0.3 to 0.5% according to different studies."

Speaking of his greatest challenge as a regulator, he refers to running the whole organization with public interest at the forefront "but at the same time a business-like mind set in terms of priorities, efficiency and efficacy..." He also refers to managing dichotomies in regulation, the public versus private dimension, the monopoly versus the competitive market, the land base versus remote, regulation versus innovation, market versus protection of players and society itself. He continues stating that bridging the gap between what best serves the purpose of public interest and

"Please be sure that whatever the responsibilities, scope and duties – whether to shareholders or clients, – to remember that we are all part of a sensitive industry and how professional and caring we are does have a bearing on the whole phenomenon of gaming and gambling."

how public stakeholders and society perceive gambling is not always easy and gambling regulators find themselves in that position every so often.

He refers to two main challenges that regulators deal with: first, how to strike a balance between allowing the activity and protecting society sufficiently, and second, technology and the risk of regulation arriving too late only to become obsolete soon thereafter... There is the challenge of making technology better to protect players and better serve the public interest. "A good example is how to improve standards in terms of responsible gambling or fraud via artificial intelligence and sophisticated data management."

Discussing his advice to regulators he states: leave preconceptions and biases aside (be pragmatic); develop evidence-based approaches to decide regulatory outcomes; and do not try to reinvent the wheel but fearlessly look at what is being done elsewhere.

As a final comment to attorneys, industry executives, educators and regulators, all readers of IMGL publications, he states, "Please be sure that whatever the responsibilities, scope and duties - whether to shareholders or clients, - to remember that we are all part of a sensitive industry and how professional and caring we are does have a bearing on the whole phenomenon of gaming and gambling." ♣



OUTSTANDING ACHIEVEMENT AWARD

A.G. BURNETT

Nevada, USA

A. G. Burnett's career in gaming started in 1998 when he worked as an agent for the Nevada Gaming Control Board (GCB). His early career also included a position as Senior Deputy Attorney General and Deputy Chief of

Corporate Securities of the Gaming Control Board. He also worked with various state agencies including the Nevada Gaming Commission and the Nevada Commission on Sports.

He was appointed as a member of the board in 2011 and shortly thereafter was appointed as Chairman of the Board in 2012. He served with the GCB until December 2017. During his service on the GCB, Mr. Burnett was the state representative before the Nevada legislature on gaming matters and was responsible for negotiating sovereign tribal compacts. Among the many issues before the board during his service were growth of the Esports industry, mobile wagering, skill-based gaming, legalization of medical and then recreational marijuana, and daily fantasy sports.

Regarding the tragic events of October 1, 2017, IMGL member Stephen Martino states, "He was consistently available and in constant communication with MGM resorts as well as federal, state and local law-enforcement. I'm confident in saying that no gaming regulator has ever faced a tragic incident like this." Many of A.G.'s decisions during this time

were "focused on ensuring the thoroughness of the investigation and the ongoing stability of the property for its guests and employees."

Discussing his greatest achievement as a regulator, Mr. Burnett states, "I am proud that as an agency we were able to constantly move and shift according to the demands of the gaming environment." Under his leadership the board confronted new issues in technology and investigative issues directly. "We were able to promulgate regulatory changes that kept Nevada at the forefront of gaming regulation."

Mr. Burnett says that the greatest challenge for a board chairman is managing time and people and keeping up with the constant barrage of information. He managed six divisions, 400 employees and 3000 gaming licensees. "Time management and information management are critical to stay in front of complex issues." Mr. Burnett further states, "Staying ahead but keeping your cool is a great challenge." There will always be challenges and Mr. Burnett states that the agency is working with multi-billion dollar corporations and dealing with new forms of technology and new forms of financing. "It is important to be educated on all issues and to research as much as you can." When pressed to give advice to other regulators and those they regulate, Mr. Burnett said, "Be fair. Be impartial. Study the issues and know the law. Stand your ground and do what is right."

Sharing an anecdote from his time as director, he recalls a licensing hearing for an individual that did not go well for the individual. "He was very upset and he turned up in front of the office later with a sign in protest and yelled, 'down with A.G. Burnett and all his minions.' I remember laughing thinking, 'I have minions?'"

Finally sharing advice to attorneys, industry executives, educators and regulators, Mr. Burnett's response appears to be his personal motto; "Be honest. Be straight up and don't hold back. Don't play games. Any problem can be fixed. Just do it openly and honestly. Confront everything head on and don't shirk your duties." ♣

OUTSTANDING ACHIEVEMENT AWARD

JOSEPH CUSCHIERI

Malta

In 2013, Joseph Cuschieri was appointed Executive Chairman of the Malta Gaming Authority. Prior to that appointment he served in many executive positions in the private and public sector. Mr. Cuschieri has recently been appointed and currently serves as Chief Executive Officer of the Malta Financial Services Authority.

Mr. Cuschieri is a certified public accountant by profession, holding a Master of Business Administration degree and an Advanced Diploma in Management Accounting. Mr. Cuschieri also served as a member of the block chain task force where he assisted in developing a new regulatory framework for virtual currencies and distributed ledger technology.

When Joseph Cuschieri joined the Malta Gaming Authority in 2013, gaming in Malta was a growing industry with a need for modern and updated laws and regulations to replace the regulations adopted over ten years previously. Many developments had occurred in gaming technology markets and consumer behavior during that time, particularly in online gaming. According to one gaming attorney who works in Malta, there was a "lack of noteworthy judicial precedent as well as the lack of a coherent set of written and publicly available policies." Presently Malta has experienced considerable success in the international remote gambling market. During his tenure, Mr. Cuschieri encouraged healthy competition and laws which set best practice standards that would work into the future embracing technology.

Mr. Cuschieri's mission was to transform the authority, set a new direction and modernize gaming regulations and laws. He states, "Con-



tinuous improvement in the effectiveness of the regulator's supervisory processes is key to minimize the level of risk exposure and advance consumer protection. Reputational risk is key for any regulator, and it needs to be protected through the integrity and the quality of governance and oversight." Among the areas of focus for Mr. Cuschieri were regulated skill games, particularly fantasy sports, block chain technology and crypto currencies, risk management and governance. Use of those initiatives was developed to address anti-money laundering including guidelines for the future.

During Mr. Cuschieri's tenure as Executive Chairman, the Malta Gaming Authority's focus on reforming the gaming sector included legislation which led to the enactment of the new Gaming Act which came into force in August 2018.

Mr. Cuschieri states, "The greatest challenge to regulators is ensuring a high level of consumer protection and AML supervision without stifling innovation and sectoral investment in technology and user experience." When asked about his advice to regulators and those they regulate, Mr. Cuschieri states that there should be a focus on "evidence-based regulation" to ensure better quality in decision making and policy outcomes. "The regulated, on the other hand, need to play their part by investing more in self-regulation and being more transparent with regulators to ensure a higher level of trust and integrity in the entire supply chain within the gaming ecosystem."

James Scicluna, an IMGL member who practices in Malta states, "Joe is regarded by those who have had professional dealings as a person of upmost integrity, demanding but fair, driven yet measured in his approach, a person with a private sector drive, political astuteness and a keen awareness of his responsibilities as a regulator." ♣