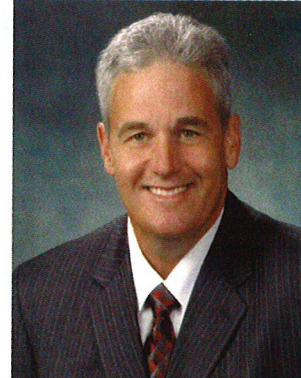




Richard Kalm

Executive Director, Michigan Gaming Control Board



Last May, Rick Kalm was appointed executive director of the Michigan Gaming Control Board. He comes to the MGCB at a transitional time, when the “temporary” casinos in Detroit are opening their permanent facilities. As executive director, Kalm—a 31-year veteran sheriff’s captain who was chief of staff of the Macomb County Sheriff’s Office—will manage the responsibilities of a volunteer and unpaid board. Thus, he plays a critical role in the daily oversight of the staff of the agency to assure that the mission of the agency is accomplished. He spoke with *Michigan Gaming Law Newsletter* Publisher Dave Waddell in December. For more information on the newsletter, go to www.michigangaming.com.

Waddell: *What is your overall concept of the mission of your agency in connection with the regulation of the casino gaming industry in Michigan?*

Kalm: It is very simple. The mission of the agency is to ensure the integrity of gaming in Michigan and the interests of the people of the state of Michigan. That is why we exist as a regulatory agency. If we are mindful of the mission in all of our various regulatory duties, it allows us to focus on what is necessary to accomplish the mission.

Michigan needs to ensure the integrity of the casino gaming. My goal is to provide the finest gaming control operation in the U.S., which will ensure the people of the state of Michigan that the commercial casino industry is honest and fair.

Do you foresee changes in operating philosophy for the agency under your leadership?

Subtle changes may occur as they would in any agency that undergoes a change in leadership. We will, however, adhere to the same mission that was established previously.

What are the main goals or objectives for the agency during the next year?

We are currently working through the requirements

for fully operational status of the three Detroit casinos as they open their permanent locations. Our goals are to do that as fair as possible and as quickly as we can, to facilitate an impending tax rollback that favors the casinos. We are expediting the licensure of employees, and continuing to offer that service on-site at the casinos. I am committed to making our staff and myself as accessible as possible to the casino management and attorneys to solve regulatory issues before they happen, through dialogue.

Are there particular areas that the members of the Michigan Gaming Control Board have indicated a desire to have the agency seek to focus on?

We are focusing on some rule changes that are in need of re-tooling to make it easier to apply the act. Rule changes or modifications go through several steps before finalization, and this process takes time and resources to accomplish. This work is being done while still conducting the ongoing business of the board.

What experiences do you bring from your work in oversight of a law enforcement agency that will shape the way you oversee the Michigan Gaming Control Board staff and operations?

I have been involved in the application and enforcement of laws on the public we serve. I understand the large amount of discretion as law enforcement officers or regulators that we possess. I truly believe that the application of the law must be fair and consistent without being over-enforced, with the intent and spirit of the law considered.

Do you have any advice for companies which serve as suppliers to the Detroit casinos with regard to steps that they can take to make the licensing and ongoing compliance process as smooth as possible?

Ask questions during the application process. Make sure you provide all the information requested, and if prompted for additional information, respond quickly. The largest problem with the processing of a supplier license is the time it takes to gather the required information to complete the investigation.

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You and your staff have recently had to grapple with a number of complicated issues, including the potential closure of the casinos in connection with the state budget crisis, the renewal of all three casino licenses, and the recent opening of the MGM Grand Detroit permanent casino. Are things going to quiet down now a bit for your agency, or are there still some major issues on the horizon?

Two casinos have opened their permanent facilities to date. We are still monitoring the other construction project and licensing those suppliers. The type of regulation we perform requires 24/7 commitment of resources and by virtue of that generates activity for us. In addition, these complexes have increased their gaming areas, amount of machines and the volume of patrons. This increase will ensure that our work will continue at the same pace and will probably increase.

How often do you compare notes with regulators in other jurisdictions? What is your philosophy about doing so?

I/we speak regularly with other jurisdictions. Nevada Gaming Control, Missouri, just to name a few. We also collaborate with Native American casino regulators in other jurisdictions. My philosophy is that it is important to keep abreast of what others are going through in other areas of the country. Many times we can share information or adopt what they are doing, as it may be a proven way of handling a situation. We also know that some casino crime is occurring by the same individuals at a great many sites nationwide, and in these cases information sharing is extremely important.