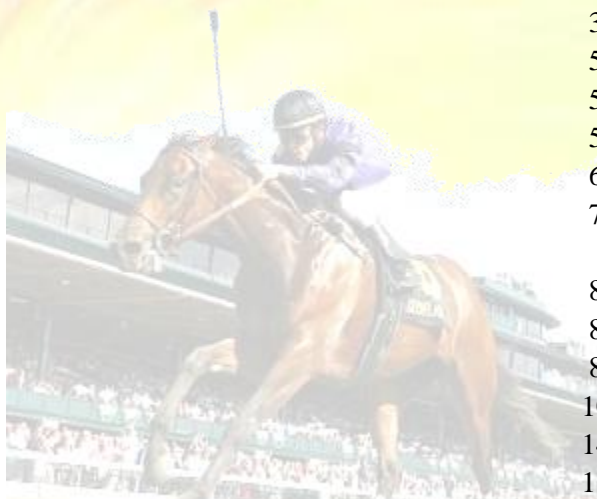


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## **Message from The Chairman**

The year 2010 marks the 45<sup>th</sup> year since the Betting, Gaming and Lotteries Act (BGLA) was passed in Parliament and the 35<sup>th</sup> anniversary of the establishment of the Betting, Gaming and Lotteries Commission (BGLC). 2009-2010 was also a watershed year as it ushered in the most comprehensive set of Amendments to the Act and the passage of casino legislation as part of integrated resort developments.

***“The Amendments and the Casino Gaming Act, when put into practice, may positively influence the current major players in the gaming industry, towards modernization.”***

Legislatively, the Amendments to the BGLA accomplish three things: making provisions to accommodate the rapid technological developments in the gaming industry, such as facilitating electronic wagering; increasing protection of the public from possible harmful effects of gaming such as significant penalties for permitting minors to wager; and provisions for increased government revenue from the industry. The Commission played a pivotal role in the formulation of the Amendments and relied on both the Jamaican experience and international best practice within the industry. The Amendments and the Casino Gaming Act, when put into practice, may positively influence the current major players in the gaming industry towards modernization. The legislative task ahead is in the development of the Regulations which will give effect to the Act. The Commission is playing its part in the formulation of these Regulations and invites inputs from the industry and the general public.

In addition to deciding the strategic direction of the Commission and the review and granting of licenses and permits, the Board of Commissioners was proactive in distributing \$600 million to the Consolidated Fund in the context of the IMF Standby Agreement, perhaps the single largest contribution from any state agency. Further, the BGLC proceeded to identify adequate accommodation for the Commission; endorsed its restructure to meet the challenges generated by the Amendments; approved projects and programmes to improve efficiency; and took decisions that will maintain financial stability in a challenging year for the industry from which it derives its operating revenue.

During the year we bade a fond farewell to outgoing Commissioners Mr. Donovan Chen-See and Mr. Harold Brady who demitted office. In January 2010, we welcomed two appointees to the Board, Mrs. Viris Page-Gardner and Mr. Cecil Warren, to join me along with Messrs. Richard Chen, Clovis Metcalfe and Peter Millingen, comprising our Board of six Commissioners.

I take the opportunity to thank sincerely the members of the Board for their unstinting support during the year and to the Executive Director who has rendered invaluable guidance to the Board and to me. To the entire management and staff, your productive performance during the year is to be commended especially given the existing physical circumstances. I also wish to thank our licensees, who have consistently abided by the provisions of the Act and the conditions attached to their licenses and urge cooperation from those who have not. I look forward to renewed vigor to achieve continued progress in the coming year.

**George Soutar, O.D.**



## ***Message from The Executive Director***



**G**aming in Jamaica is a \$50 billion industry in terms of gross revenue.

In Government gaming revenue alone, it contributed \$3.1 billion in the year under review. It provides gainful employment to thousands and provides an entertainment option to many. Back in 1975 and for many years, horse-racing promotion and bookmaking were the only form of gaming that was regulated. Today, lotteries, gaming machines and prize promotions have to meet similar standards established for racing promotions and bookmaking.

The task of licensing and registration, audit and compliance and detecting and taking action against breaches and unlawful gaming activity are the remit of the Betting, Gaming and Lotteries Commission. This remit involves facilitating the orderly growth and development of the industry. But it also involves protecting the public, including minors, from unlawful gaming activity, and ensuring that payment is made on time to winners, the Consolidated Fund, the CHASE Fund, the Jamaica Racing Commission, and BGLC.

Overall the performance of the Jamaican Gaming Industry this year logged greater gains over last year. Collectively, the operations of the Betting promoter and bookmakers resulted in growth of 2% in sales, while Lotteries grew by 7.5% and Gaming by 7%. Levies and contributions from the gaming sector have increased significantly since introduction of a gross profit tax regime in 2004, moving from \$40.5 million in 2004 to \$258 million during the year under review.

***Gaming in Jamaica is a \$50 billion industry in terms of gross revenue. In Government gaming revenue alone, it contributed \$3.1 billion in the year under review. It provides gainful employment to thousands and provides an entertainment option to many.***

The year witnessed a few “firsts” in the gaming industry. The Betting sector saw the introduction of Sunday Horse Racing in December 2009. While it drew large crowds to Caymanas Park, it was not a financial success for the racing promoter, primarily because the off-track betting parlours remained closed. A multi-jurisdictional lottery, ‘Super Lotto’, involving Supreme Ventures Lotteries Limited and lottery operations in seven other countries was introduced in August 2009, with a starting jackpot of \$180 million increasing to \$354 million by year end. In March 2010, the local Lotto Jackpot climbed to the largest winnings in the history of the game, J\$240 million. The year also marked the first time that a forensic audit was required for the gaming device and server of a licensee, resulting from a claim by a player. The audit revealed that the claim was the result of a malfunction and underscores the need for testing and certification before installation of devices and software.

This, our 35<sup>th</sup> year of operations, was marked by the passage of the Amendments to the Betting, Gaming and Lotteries Act. The amendments facilitate the use of information and communications technology in the industry, such as electronic wagering; encourage increased investment and job creation by extending licensing periods; establish safeguards such as requiring independent testing and certification of gaming devices and software strengthens the Commission's ability to prevent or detect criminal influences in the industry through increased due diligence investigations; and introduces a fixed penalty regime for breaches committed under the Act. As a companion Bill to the Casino Gaming Act, the Amendments eliminate possible conflict by recognizing the exclusive geographic area for casinos and establish the Commission's scope in the area.

A prime example of the impact of the Amendments is the facilitation of sports betting by replacing the bet-winnings tax by the gross profit tax regime. It is anticipated that this will stimulate lawful wagering on this mode, as witnessed during the World Cup Football Tournament. Another example is the recognition of electronic wagering, which will broaden the avenues for wagering while providing protection for vulnerable groups. Training of staff and a public awareness campaign to inform the public on provisions of the Act will be undertaken during the year.

The Commission is already in the process of restructuring to give effect to the Amendments and generally to improve efficiency. Improved efficiency is predicated on enhanced use of ICT, including the development of an interactive website, upgrading of the gaming management information system, and replacement of the current inadequate finance and accounting system. Introduction of these enhancements is being done on a phased basis as financial resources allow. This approach has been adopted in light of the Commission's unplanned distribution of \$600 million to the Consolidated Fund to assist the country to pass the first IMF Test in the implementation of a Standby Agreement.

The Commission continued its programme to attain best practice in policy, regulation and procedures. In this connection, active relations were maintained with, among others, the International Association of Gaming Regulators, the Nevada Gaming Commission, the New Jersey Casino Control Commission, and the Gaming Board of the Bahamas.

I take this opportunity to thank the Chairman and the Board of Commissioners for their policy leadership and direction and our Staff for their tireless work and valued input as we traversed the course of the fiscal year 2009-2010. The years ahead will now be better served with their team work and focus on the coming milestones.

**Derek Peart**

## CHAPTER ONE OVERVIEW

---

### 1.1 Introduction

This marks the thirty-fifth Annual Report of the Betting, Gaming and Lotteries Commission since its establishment in 1975. The report examines developments in the Betting, Gaming and Lottery sectors for the period April 01, 2009 to March 31, 2010. Wherever possible, actual figures including totals in most tables have been rounded to the nearest million.

### 1.2 The Commission

The Betting, Gaming and Lotteries Commission is an independent statutory body established in 1975 under the provisions of the Betting, Gaming and Lotteries Act. The Commission licences, regulates and monitors the gaming industry, facilitates its growth and development and protects the public from unfair, unscrupulous and illegal activities.

Specifically, the Commission:

1. regulates and controls the operation of betting and gaming, and the conduct of lotteries in the island;
2. grants permits, licences and approvals to persons or entities considered fit and proper to conduct betting, gaming and lotteries activities;
3. examines, in consultation with such organizations and persons as it considers appropriate, problems relating to the operation of betting and gaming and the conduct of lotteries in the island;
4. furnishes information and advice and makes recommendations to the Minister of Finance and the Public Service with respect to the exercise of his function under the Act;
5. conducts investigations, studies and surveys for the purpose of obtaining information for use in the exercise of its functions;
6. advises the Minister of Finance and the Public Service and recommends legislative amendments pertaining to the Act, Regulations and Orders to ensure an orderly development of the industry.

## **Vision**

*“To be a world class gaming facilitator providing timely and equitable quality service to all stakeholders.”*

### **1.3 Board of Commissioners**

On April 01, 2009, the Board of Commissioners consisted of six members with the overall responsibility for corporate governance and the strategic direction of the Commission.

The Board comprised Chairman George Soutar and Commissioners Richard Chen, Harold Brady, Clovis Metcalfe, Peter Millingen, and Donovan Chen-See. Effective July 2009, Mr. Donovan Chen-See demitted office and on December 31, 2010, Mr. Harold Brady demitted office. In December 1, 2010, Ms. Viris Page-Gardner and Mr. Cecil Warren were both appointed to the Board.

#### **Composition of Board Sub-Committees**

##### **Audit**

Clovis Metcalfe (Chairman)  
Peter Millingen

##### **Finance**

Clovis Metcalfe (Chairman)  
Richard Chen (*replaced Donovan Chen-See*)

The Executive Director also serves on each Sub-Committee.

## CHAPTER ONE – OVERVIEW

### 1.4 STATISTICAL HIGHLIGHTS – 2009/2010

<b>Betting Sector</b>	
Promoter – Caymanas Track Limited	63 off track betting parlours
	82 local race meets
	312 simulcast race days
Bookmakers	11 bookmakers
	375 licensed betting offices
	82 local race days
	52 weeks of overseas races
	9 weeks of overseas sporting events
Sales	\$7.7 billion (Promoter \$4.8B; Bookmaker \$2.9B)
Total Levies & Duties Payable to Consol Fund, CHASE Fund and BGLC	\$239 million (Promoter \$42M; Bookmaker \$197M)
Total Levies & Duties Paid	\$250 million (Promoter \$78M; Bookmaker \$172M)
BGLC Contribution Paid	\$41 million (Promoter \$10M; Bookmaker \$31M)
Penalties Imposed	\$7 million
<b>Lotteries Sector</b>	
Sales	\$21 billion
Prize Payouts	\$14 billion
Levy Payments	\$1.33 billion
CHASE Fund Contributions	\$1 billion
Lottery Draws	612
BGLC Contribution and Fees	\$228 million
Unclaimed Winnings	\$64 million
<b>Gaming Sector</b>	
Gaming Lounge – GPT	\$169 million
Other Gaming Machines Levy	\$25 million
Gaming Lounge - CHASE Contribution	\$26 million
Gaming Lounge - BGLC Contribution	\$64 million
Other Gaming Machines License Fee	11 million
Inspections	1,118 locations
<b>Prize Promotions</b>	
Applications Received	248
Applications Processed	232
<b>Enforcement</b>	
Operations	141
Arrests	30 persons
Convictions	27 persons
Gaming Machines Seized	826
Fines & Forfeitures (paid to courts)	\$1.04 million
Reports	123

## CHAPTER TWO BETTING SECTOR

### 2.1 Introduction

The sector is comprised of the racing promoter, Caymanas Track Limited (CTL), and eleven bookmakers. In the case of one bookmaker, Olympic Sports Data Services Limited, their operations are conducted out of the Montego Bay Free Zone in St. James and, accordingly, the company's sales performance could not be assessed due to the tax-free status afforded the company by virtue of its location.

### 2.2 The Betting Sector

The sector generated most of its revenue from horseracing promoted locally by Caymanas Track Limited (CTL) and conducted at Caymanas Park, the island's sole horse racing facility. Additional revenues were derived from CTL and the four bookmakers that accepted bets on overseas horse racing transmitted via satellite from the United Kingdom and the United States and broadcasted island wide. A fifth bookmaker, Big 'A' Track 2003 Limited, accepted bets exclusively on overseas sporting events.

Caymanas Track Limited accepted bets through its network of approximately 63 Off Track Betting (OTB) parlours located island wide in conjunction with bookmakers who operated from a network of 375 betting offices located across the island. Wagering was conducted on 82 local race meets by the promoter and bookmakers, 312 days of simulcast racing by the promoter and 52 weeks of overseas racing by bookmakers. Collectively, the operations of the promoter and bookmakers resulted in growth of 2% with sales of \$7.7B as against the \$7.6B recorded over the previous year.

**Table 1** provides details of the promoter's sales performance for the fiscal year April 2009 to March 2010. The promoter generated sales of \$4.75B, a 1% decline against the previous year's total of \$4.82B. Sales on local racing increased by 9% moving from \$2.73B during the 2008 – 2009 fiscal year to \$2.97B over the review period. In contrast, sales on simulcast racing showed improvement as the \$2.2B generated over the review period, was an 8% increase on the \$2B recorded during the previous fiscal year.

**TABLE 1**  
**SUMMARY OF RACING PROMOTER SALES (\$'M)**  
**FISCAL YEARS APRIL 2006 - MARCH 2010**

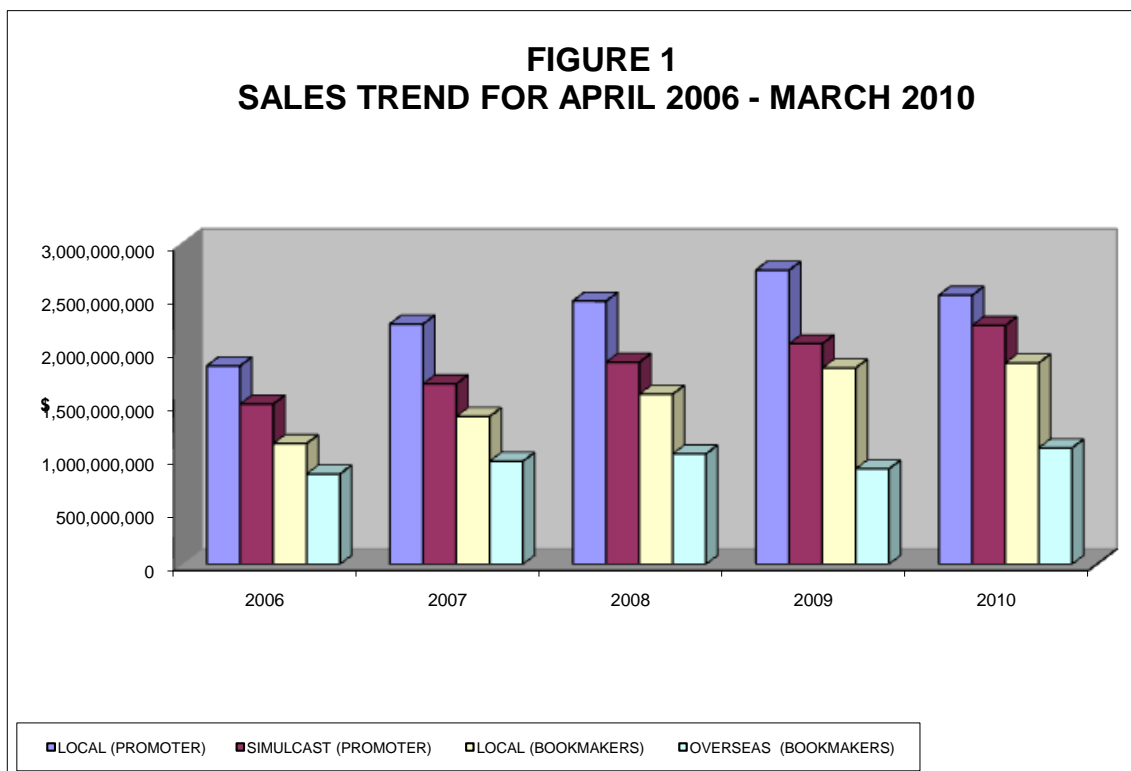
	Y/E MAR. 2006	Y/E MAR. 2007	% CHANGE	Y/E MAR. 2008	% CHANGE	Y/E MAR. 2009	% CHANGE	Y/E MAR. 2010	% CHANGE
<b>RACING PROMOTER</b>									
<b>LOCAL</b>	1,857	2,250	21.16%	2,465	9.56%	2,755	11.76%	2,520	-8.53%
NO. OF RACE DAYS	81	83		80		82		80	
AVG. SALES	23	27	17.39%	31	14.81%	34	9.68%	31	-8.82%
<b>SIMULCAST</b>	1,500	1,689	12.60%	1,892	12.02%	2,065	9.14%	2,237	8.33%
NO. OF RACE DAYS	307	311		306		310		312	
AVG. SALES	5	5	0.00%	6	20.00%	7	16.67%	7	0.00%
<b>TOTAL</b>	<b>3,358</b>	<b>3,939</b>	<b>17.30%</b>	<b>4,357</b>	<b>10.61%</b>	<b>4,821</b>	<b>10.65%</b>	<b>4,757</b>	<b>-1.33%</b>

**Table 2** provides information on bookmakers' sales performance over the five year period April 2006 to March 2010. In total, sales of \$2.9B were reported for the year under review, a 9% increase against the \$2.7B reported during the corresponding period of the previous year. Both betting modes employed by bookmakers recorded growth over the review period with sales on local racing being \$1.9B, a marginal increase of 3% when compared to the \$1.8B of the previous year, while sales on overseas racing grew significantly and recorded an increase of 22% moving from \$889M during the 2008 – 2009 fiscal year to \$1B over the review period. It should be noted however, that notwithstanding the overall growth of sales on overseas horse racing, wagering on other sporting events recorded a 25% decline over the review period with sales of \$3M as against the \$4M recorded during the previous year.

**Table 2** and **Figure 1** provide further details on the performance of the promoter and bookmakers over the five year period April 2006 to March 2010. The dominance of the promoter is highlighted by the superior sales performance in the two betting modes utilized when compared against those of the bookmakers.

**SUMMARY OF BOOKMAKERS' SALES (\$'M)**  
**FISCAL YEARS APRIL 2006 - MARCH 2010**

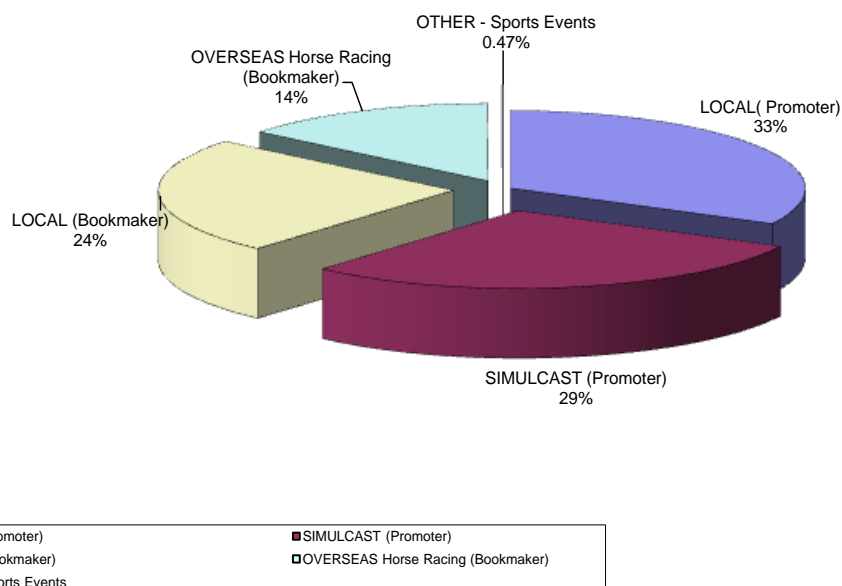
	Y/E MAR. 2006	Y/E MAR. 2007	% CHANGE	Y/E MAR. 2008	% CHANGE	Y/E MAR. 2009	% CHANGE	Y/E MAR. 2010	% CHANGE
<b>BOOKMAKERS</b>									
<b>LOCAL</b>	1,130	1,384	22.41%	1,593	15.10%	1,838	15.38%	1,885	2.56%
NO. OF RACE DAYS	81	83		80		82		80	
AVG. SALES	14	17	19.46%	20	17.65%	22	10.00%	24	9.09%
<b>OVERSEAS</b>	837	928	10.86%	1,000	7.76%	889	-11.10%	1,086	22.16%
NO. OF RACE WEEKS	52	52		52		52		52	
AVG. SALES	16	18	10.86%	19	5.56%	17	-10.53%	21	23.53%
<b>OTHER EVENTS</b>	9	37	295.33%	33	-10.81%	4	-87.88%	3	-25.00%
<b>TOTAL FOR OVERSEAS</b>	<b>847</b>	<b>965</b>	<b>13.96%</b>	<b>1,033</b>	<b>7.05%</b>	<b>893</b>	<b>-13.55%</b>	<b>1,089</b>	<b>21.95%</b>
<b>TOTAL FOR BOOKMAKERS</b>	<b>1,977</b>	<b>2,348</b>	<b>18.80%</b>	<b>2,626</b>	<b>11.84%</b>	<b>2,731</b>	<b>4.00%</b>	<b>2,974</b>	<b>8.90%</b>
<b>TOTAL FOR RACING PROMOTER</b>	<b>3,357</b>	<b>3,939</b>	<b>17.34%</b>	<b>4,356</b>	<b>-9.57%</b>	<b>4,821</b>	<b>10.67%</b>	<b>4,757</b>	<b>-1.33%</b>
<b>SECTOR TOTAL</b>	<b>5,334</b>	<b>6,287</b>	<b>17.87%</b>	<b>6,983</b>	<b>11.07%</b>	<b>7,552</b>	<b>8.15%</b>	<b>7,731</b>	<b>2.37%</b>



### 2.3 Competition

**Figure 2** further highlights the promoter's dominance within the sector. It shows that the promoter was responsible for 62% of the total sales generated within the sector, two percentage points less than the previous fiscal year, while bookmakers were responsible for the remaining 38%. The local racing product was responsible for 67% of total sales, an increase of 6% over the 2008 – 2009 fiscal year, while sales on overseas racing generated the remaining 33%.

**FIGURE 2**  
**FISCAL YEAR SALES**  
**APRIL 2009 - MARCH 2010**



**Table 3** provides information on the performance of individual bookmakers during the review period. Champion Betting Company Limited, with 85 betting offices that accepted bets on local races 56 of which accepted bets on overseas racing, reported sales of \$1B, to surpass Track Price Plus Limited as the island's premier bookmaker. Track Price Plus Limited reported sales of \$924M from a total of 62 betting offices of which 51 accepted bets on overseas racing to establish their position as the island's second largest bookmaking entity in terms of sales generated over the review period. The sales generated by Champion Betting Company Limited represented 35% of the \$3B reported by all ten bookmakers while the total reported by Track Price Plus Limited represented 31% of the total. Combined, both bookmakers were responsible for 66% of total sales generated by such licensees.

In contrast, both Post to Post Betting Limited and Summit Betting Company Limited, acquired by the principals of Champion Betting Company Limited in December 2008, reported the lowest sales of \$30K and \$122K respectively. Such sales were generated from one betting office in operation for each company, as Post to Post Betting Limited commenced accepting bets on September 10, 2009, while Summit Betting Company Limited commenced their operations on February 3, 2010. Big 'A' Track 2003 Limited accepted bets almost exclusively on other sporting events from five betting offices, and reported total sales of \$3M. The company accepted bets on one local horse racing meet in April 2009 and ceased operations until January 26, 2010 when it commenced accepting bets exclusively on international sporting events.

**TABLE 3**  
**BOOKMAKERS SALES LOCAL & OVERSEAS (\$'M)**  
**FISCAL YEAR APRIL 2009 - MARCH 2010**

BOOKMAKERS	LOCAL RACING		OVERSEAS RACING	
	SALES \$	NO. OF BETTING OFFICES OPERATED	SALES \$	NO. OF BETTING OFFICES OPERATED
BIG "A" TRACK 2003 LIMITED	0.07	5	3	N/A
CAPITAL BETTING & WAGERING LIMITED	163	53	N/A	N/A
CARIBBEAN TURF SERVICE LIMITED	135	18	N/A	N/A
CHAMPION BETTING COMPANY LIMITED	580	85	469	56
CHARLES OFF BETTING LIMITED	47	25	N/A	N/A
IDEAL BETTING COMPANY LIMITED	110	25	78	15
MARKHAM BETTING COMPANY LIMITED	324	47	140	25
POST TO POST BETTING LIMITED	0.3	1	N/A	N/A
SUMMIT BETTING COMPANY LIMITED	0.1	1	N/A	1
TRACK PRICE PLUS LIMITED	525	62	399	51
<b>TOTAL</b>	<b>1885</b>	<b>322</b>	<b>1089</b>	<b>148</b>

Presented at **Table 4** is a comparison between the sales reported by individual bookmakers over the review period and the previous fiscal year for both local and overseas racing. Champion Betting Company Limited recorded the largest increase in sales on local racing, moving from \$454M in 2009 to \$580M over the review period, an increase of 28%. This increase was occasioned by the acquisition of a number of betting offices from Summit Betting Company Limited. On the converse, Capital Betting and Wagering Limited recorded the largest decline of 16% moving from \$193M during 2009 to \$163M over the review period. Big 'A' Track 2003 Limited, Post to Post Betting Limited and Summit Betting Company Limited, failed to operate consistently throughout the fiscal year, recording a decline in sales in excess of 99%.

Four of the five bookmakers that operated throughout the fiscal year and accepted bets on overseas racing, reported increased sales when compared against the previous fiscal year. The exception being Big 'A' Track 2003 Limited, that accepted bets on international sporting events exclusively from January 26 to March 31, 2010, with total sales of \$3M.

Champion Betting Company Limited recorded the largest increase in sales on this betting mode, moving from \$299M during the 2009 fiscal year to \$469M over the review period, an increase of 57%. The second largest increase of 23% was recorded by Markham Betting Company with sales of \$140M over the review period, against \$114M during the previous fiscal year.

**TABLE 4**  
**BOOKMAKERS' COMPARATIVE SALES (\$'M)**  
**FISCAL YEAR ENDED MARCH 2009 vs. MARCH 2010**

BOOKMAKERS	LOCAL 2009	LOCAL 2010	% CHANGE	OVERSEAS 2009	OVERSEAS 2010	% CHANGE
BIG 'A' TRACK (2003) LIMITED	19	0.07	-99.58%	N/A	3	100.00%
CAPITAL BETTING & WAGERING LIMITED	193	163	-15.77%	N/A	N/A	N/A
CARIBBEAN TURF SERVICE LIMITED	127	135	6.59%	N/A	N/A	N/A
CHAMPION BETTING COMPANY LIMITED	454	580	27.92%	299	469	56.88%
CHARLES OFF BETTING LIMITED	50	47	-5.19%		N/A	
IDEAL BETTING COMPANY LIMITED	102	110	7.94%	70	78	12.33%
MARKHAM BETTING COMPANY LIMITED	296	324	9.46%	114	140	22.88%
POST TO POST BETTING LIMITED	35	0.3	-99.14%	N/A	N/A	N/A
SUMMIT BETTING COMPANY LIMITED	53	0.1	-99.77%	70	N/A	N/A
TRACK PRICE PLUS LIMITED	510	525	3.05%	340	399	17.40%
<b>TOTAL</b>	<b>1838</b>	<b>1885</b>	<b>2.56%</b>	<b>893</b>	<b>1089</b>	<b>21.95%</b>

**Table 5** provides information on the payouts of individual bookmakers over the review period for local and overseas racing. There was a marginal decline of 1% in total payouts on local racing by licensees as the amount remained static at \$1.2B. The largest increase in payouts on local racing of 18% was recorded by Champion Betting Company Limited moving from \$309M during the previous fiscal year to \$366M over the review period.

The largest decline among bookmakers that operated consistently over the review period was recorded by Capital Betting and Wagering Limited. Payouts for the bookmaker were recorded at \$105M, a decline of 21% against the \$134M reported during the 2009 fiscal year.

The overall payouts by bookmakers on overseas racing increased by 24% moving from \$583M during the previous fiscal year to \$725M over the review period. The largest increase was recorded by Champion Betting Company Limited with payouts of \$314M, an increase of 61% against payouts of \$195M recorded during the 2009 fiscal year.

**TABLE 5**  
**BOOKMAKERS' COMPARATIVE PAYOUTS (\$'M)**  
**FISCAL YEAR ENDED MARCH 2009 vs. MARCH 2010**

BOOKMAKERS	LOCAL 2009	LOCAL 2010	% CHANGE	OVERSEAS 2009	OVERSEAS 2010	% CHANGE
BIG 'A' TRACK (2003) LIMITED	12	0.07	-99.41%	N/A	1	100.00%
CAPITAL BETTING & WAGERING LIMITED	134	105	-21.28%	N/A	N/A	N/A
CARIBBEAN TURF SERVICE LIMITED	84	86	2.14%	N/A	N/A	N/A
CHAMPION BETTING COMPANY LIMITED	309	366	18.41%	195	314	60.56%
CHARLES OFF BETTING LIMITED	33	30	-8.53%	N/A	N/A	N/A
IDEAL BETTING COMPANY LIMITED	67	71	5.87%	46	51	12.10%
MARKHAM BETTING COMPANY LIMITED	202	218	8.08%	73	91	24.82%
POST TO POST BETTING LIMITED	21	0.1	-99.34%	N/A	N/A	N/A
SUMMIT BETTING COMPANY LIMITED	35	0.04	-99.86%	45	N/A	N/A
TRACK PRICE PLUS LIMITED	348	353	1.45%	224	267	19.26%
	0	0		0	0	
	0	0		0	0	
<b>TOTAL</b>	<b>1244</b>	<b>1229</b>	<b>-1.25%</b>	<b>583</b>	<b>725</b>	<b>24.27%</b>

## 2.4 Profitability

**Table 6** provides information on the Gross Profit attained by individual bookmakers for the review period. From total sales of \$3B and payouts of \$2B, bookmakers realized total gross profits of \$1B or 34% of sales.

Track Price Plus Limited recorded the largest payouts as a percentage of sales of 67% from sales of \$925M and payouts of \$619M. The smallest was recorded by Caribbean Turf Services Limited and Charles Off Betting Limited at 63%. Caribbean Turf Service Limited reported sales and payouts of \$135M and \$86M respectively, while Charles Off Betting Limited reported sales and payouts of \$47M and \$30M respectively.

Champion Betting Company Limited recorded the largest gross profits of \$370M or 35% of sales. The company was followed by Track Price Plus Limited with gross profits of \$305M or 33% of sales, while the smallest by any bookmaker that operated for the entire year was recorded by Charles Off Betting Limited, with \$17M or 37% of sales.

**TABLE 6**  
**INDIVIDUAL BOOKMAKERS GROSS PROFIT (\$'M)**  
**FISCAL YEAR APRIL 2009 - MARCH 2010**

BOOKMAKERS	SALES	PAYOUTS	PAYOUT AS A % OF SALES	GROSS PROFIT	GROSS PROFIT AS % OF SALES
BIG "A" TRACK 2003 LIMITED	3	2	56.59%	1	43.41%
CAPITAL BETTING & WAGERING LIMITED	163	105	64.76%	57	35.24%
CARIBBEAN TURF SERVICE LIMITED	135	86	63.48%	49	36.52%
CHAMPION BETTING COMPANY LIMITED	1,049	680	64.78%	370	35.22%
CHARLES OFF BETTING LIMITED	47	30	63.48%	17	36.52%
IDEAL BETTING COMPANY LIMITED	188	122	64.72%	66	35.28%
MARKHAM BETTING COMPANY LIMITED	463	309	66.76%	154	33.24%
POST TO POST BETTING LIMITED	0.3	0.1	33.33%	0.1	33.33%
SUMMIT BETTING COMPANY LIMITED	0.1	0.04	40.00%	0.07	70.00%
TRACK PRICE PLUS LIMITED	925	619	66.98%	305	33.02%
<b>TOTAL</b>	<b>2974</b>	<b>1953</b>	<b>65.68%</b>	<b>1021</b>	<b>34.32%</b>

Information on the average sales, average payouts and average gross profits of individual bookmakers are provided at **Table 7**. In total, bookmakers recorded average gross profits per betting office of \$3M from total average sales of \$9M and total average payouts of \$6M. The largest average gross profit per betting office of \$5M was recorded by Track Price Plus Limited from average sales and payouts of \$15M and \$10M, respectively. In contrast, Charles Off Betting Limited recorded the smallest average gross profit of \$689K, from average sales and payouts of \$2M and \$1M respectively.

**TABLE 7**  
**INDIVIDUAL BOOKMAKERS AVERAGE**  
**SALES, PAYOUTS & GROSS PROFIT (\$'M)**  
**FISCAL YEAR APRIL 2009 - MARCH 2010**

BOOKMAKERS	BETTING OFFICES	TOTAL SALES	AVERAGE SALES	TOTAL PAYOUTS	AVERAGE PAYOUTS	GROSS PROFIT	AVERAGE GROSS PROFIT
BIG "A" TRACK (2003) LIMITED	5	3	0.5	2	0.3	1	0.2
CAPITAL BETTING & WAGERING LIMITED	53	163	3	105	2	57	1
CARIBBEAN TURF SERVICE LIMITED	18	135	8	86	5	49	3
CHAMPION BETTING COMPANY LIMITED	85	1,049	12	680	8	370	4
CHARLES OFF BETTING LIMITED	25	47	2	30	1	17	1
IDEAL BETTING COMPANY LIMITED	25	188	8	122	5	66	3
MARKHAM BETTING COMPANY LIMITED	47	463	10	309	7	154	3
POST TO POST BETTING LIMITED	1	0.3	0.3	0.1	0.1	0.1	0.1
SUMMIT BETTING COMPANY LIMITED	1	0.1	0.1	0.05	0.05	0.07	0.07
TRACK PRICE PLUS LIMITED	62	925	15	619	10	305	5
<b>TOTAL</b>	<b>322</b>	<b>2974</b>	<b>9</b>	<b>1953</b>	<b>6</b>	<b>1021</b>	<b>3</b>

## 2.5 Government Revenue

**Table 8** provides information on taxes, duties and levies payable and paid for the fiscal year 2009 – 2010. In total, licensees paid \$251M or 5% in excess of the \$239M payable. The excess paid may be attributed to the promoter liquidating outstanding amounts from the previous fiscal year. The promoter paid a total of \$78M, some 86% in excess of the \$42M payable. The total was made up of \$22.5M from local racing and \$55.5M from overseas racing, while at the same time bookmakers paid \$172M or 87% of the \$197M payable. The bookmakers total was comprised of \$110M from sales on local racing and \$62M from sales on overseas racing.

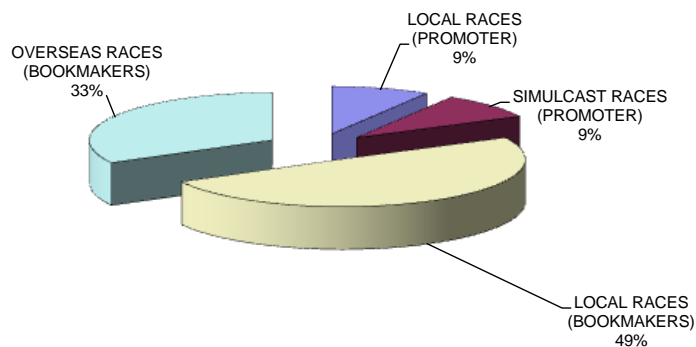
**Figure 3** complements **Table 8** in providing information on distribution of taxes, duties and levies payable by the racing promoter and bookmakers for the review period. Bookmakers were responsible for 82% of total impost payable, up nine percentage points from the previous fiscal year while the promoter was responsible for the remaining 18%. Local racing was also responsible for 58% of total impost payable, down 1% from that payable over the 2009 fiscal year.

It should be noted that the shortfall in payments by bookmakers was occasioned by the failure of such licensees to liquidate the \$35M payable to the Jamaica Racing Commission from sales on overseas racing, as only \$17M of this total was paid.

**TABLE 8**  
**LEVIES & DUTIES PAYABLE AND PAID (\$'M)**  
**FISCAL YEAR APRIL 2009 - MARCH 2010**

BETTING MODE	TAXES, DUTIES & LEVIES	PAYABLE	PAID
<b><u>BOOKMAKERS</u></b>			
<b><i>LOCAL RACING</i></b>	9% GROSS PROFIT TAX	59	59
	3% CONTRIBUTION TO BGLC	20	20
	11% & 4.5% CONTRIBUTION TO JRC	39	32
	\$80 SPECIFIC LEVY	0.05	0.05
	<b>TOTAL</b>	<b>118</b>	<b>110</b>
<b><i>OVERSEAS RACING</i></b>	9% GROSS PROFIT TAX	33	34
	3% CONTRIBUTION TO BGLC	11	11
	11% & 4.5% CONTRIBUTION TO JRC	35	17
<b><i>SPORTS EVENTS</i></b>	7% GROSS PROFIT TAX	0.08	0.06
	1% CONTRIBUTIONS TO CHASE FUND	0.01	0.009
	1% CONTRIBUTIONS TO BGLC	0.01	0.009
	<b>TOTAL</b>	<b>79</b>	<b>62</b>
	<b>TOTAL FOR BOOKMAKERS</b>	<b>197</b>	<b>172</b>
<b><u>RACING PROMOTER</u></b>			
<b><i>LOCAL RACING</i></b>	2% GROSS PROFIT TAX	6	6
	1% CONTRIBUTION TO BGLC	3	3
	4.5% CONTRIBUTION TO JRC	12	14
	<b>TOTAL</b>	<b>21</b>	<b>23</b>
<b><i>SIMULCAST RACING</i></b>	2% GROSS PROFIT TAX	6	15
	1% CONTRIBUTION TO BGLC	3	7
	4.5% CONTRIBUTION TO JRC	13	33
	<b>TOTAL</b>	<b>21</b>	<b>56</b>
	<b>TOTAL FOR RACING PROMOTER</b>	<b>42</b>	<b>78</b>
	<b>TOTAL FOR SECTOR</b>	<b>239</b>	<b>251</b>

**FIGURE 3**  
**TAXES PAYABLE**  
**FISCAL YEAR APRIL 2009 - MARCH 2010**



**Table 9** provides information on the tribunal hearings completed during the period under review. A total of seven hearings were completed, from which penalties totaling \$7M were imposed on 534 charges. The largest penalties were imposed on Track Price Plus Limited totaling \$3M, for failure to pay levies and Bet Winnings Tax within the requisite time period as stipulated by the Betting, Gaming and Lotteries Act. The bookmaker has since appealed the decision citing that the Tribunal erred in its decision. In the case of the 25 charges brought against Ideal Betting Company Limited for accepting bets on local racing without the requisite approval from the Commission, penalties totaling \$1M were imposed on the bookmaker, however such penalties were set aside on Appeal, as the bookmaker argued that the Tribunal's decision was unreasonable, excessive and unjust given all the circumstances.

**TABLE 9**  
**COMPLETED TRIBUNAL HEARINGS**  
**APRIL 2009 – MARCH 2010**

Date of Decision	Name of Licensee	Charges	# of Charges	Penalties Imposed
June 18, 2009	Capital Betting and Wagering Ltd	Submission of payout sheets without the requisite details	43	\$322,500
July 28, 2009	Ideal Betting Co. Limited	Accepting bets on local racing without the requisite approval from the Commission	25	\$1,250,000
July 30, 2009	Track Price Plus Limited	Making changes to Bookmaker's rules without the requisite notice to the Commission or published advertisement in the print media	2	\$200,000
November 17, 2009	Big 'A' Track 2003 Limited	Submission of overstated payout sheets	132	\$660,000
November 17, 2009	Capital Betting and Wagering Ltd.	Submission of overstated payout sheets	265	\$1,325,000
February 25, 2010	Track Price Plus Limited	Non-payment of levy and Bet Winnings Tax	30	\$3,250,000
March 22, 2010	Capital Betting and Wagering Ltd.	Non-payment of levy and Bet Winnings Tax	37	\$119,000
<b>Total</b>			<b>534</b>	<b>\$7,126,500</b>

## 2.6 Conclusion

The period under review proved challenging, as overall growth within the sector was flat and as such, was below the country's annual inflation rate of 10.2%. There was a rebound of the sales on overseas racing by bookmakers over that of the previous year, resulting in a 22% increase subsequent to the successful conclusion of their contract negotiations with their overseas racing provider. Promoter's sales on local racing decreased by 9% when compared to the corresponding period of the previous year, while that of the bookmakers increased by only 3%. The sales performance on this betting mode was further compounded by the downturn in the Jamaican economy.

It is therefore envisaged that there will be an improvement in the economy during the coming year that will result in an improvement in the performance of licensees in the sector.

## CHAPTER THREE LOTTERIES SECTOR

### 3.1 Summary

The lottery company Supreme Ventures Lotteries Limited (SVLL) offered several lottery type games throughout the period under review – Lotto, Pick3, Dollaz!, Lucky5, Instant games and Cash Pot. In addition, a new lottery game, “Super Lotto” was launched by Supreme Ventures Lotteries Limited on August 20, 2009.

During the year the Commission collected \$212 million from all lotteries combined.

<b>TABLE 1</b>	
<b>SUMMARY OF INCOME FROM LOTTERIES FISCAL Y/E 2010</b>	
<b>Lottery Sales</b>	\$21 billion, a 7.5% increase
<b>Government Levy</b>	\$1.33 billion, an increase of 13.88%
<b>Contribution to the CHASE Fund</b>	\$1 billion, an increase of 9.3%
<b>Contribution to the BGLC</b>	\$212 million, an increase of 7.50%
<b>Lottery Fees</b>	16 million (2 million per game; incl. two inoperative Bingo games)

### Super Lotto Introduced

Super Lotto is a multi jurisdictional game - tickets are presently sold in Anguilla, St. Maarten, Antigua, Barbados, St. Kitts and Nevis, Dominican Republic and Jamaica. After earning approval from the Commission, Supreme Ventures Lotteries Limited commenced sales on the Super Lotto game on Thursday, August 20, 2009. The first draw for the Super Lotto game was conducted on Friday, August 28, in the Dominican Republic. The game had a starting jackpot of US\$2 million (JA\$180 million). It is proposed that Bermuda, Turks and Caicos and the US Virgin Islands may eventually participate in the game. There were no jackpot winners of the Super Lotto game for the period.

### Unprecedented Jackpot for Lotto

There were twelve Lotto jackpot winners during the period under review. The Lotto jackpot amount of \$240 million, won on Wednesday February 10, 2010, was the largest ever advertised and won since the inception of the Lotto game. The winner of the jackpot presented his ticket at the offices of SVLL for verification on Friday, March 26, 2010.

### **3.2 Lottery Sales**

During the fiscal year 2009/2010, lottery sales for all games were \$21 billion in comparison to \$19.7 billion in 2008/2009. This increase in sales showed a 7.5% increase over sales of the previous fiscal year. The two lottery games which were added in 2007/2008: Prime Time Bingo and Daily Bingo, were eventually suspended in January 2009, owing to poor sales. During the year under review Officers of the Division monitored a total of six hundred and twelve (612) lottery draws.

#### **Increased Sales**

##### **Pick 3**

The sales for the Pick3 game increased by 28.1% compared to similar period in the previous year. Sales for this game were \$2.1 billion compared to \$1.65 billion in the previous year.

##### **Cash Pot**

For the period under review, the Cash Pot game realized sales of \$16.4 billion, a 4.05% increase over the similar period for the previous fiscal year. Cash Pot was the leading earner for SVLL, contributing 77% of the sector sales for the fiscal year ending March 2010.

##### **Lotto**

During the period, Lotto sales increased by 2.88% when compared to sales over the similar period of the previous year. The Lotto game sales were \$1.31 billion, while that of the previous year were \$1.28 billion.

##### **Instant**

The sales for the Instant game increased over the previous fiscal year by 2.82%. The sales for fiscal year 2010 were \$104 million compared to \$101 million for the fiscal year 2009.

#### **Decreased Sales**

##### **Lucky5**

The sales for the Lucky5 game decreased by 7.12% compared to the corresponding period for the previous year. The sales recorded for this game were \$526 million for the fiscal year ending 2010 compared to \$566 million for the fiscal year ending March 2009.

##### **Dollaz!**

The Dollaz! game realized sales of \$276 million compared to \$278 million, a 0.87% decrease in sales over the comparable period of the previous year.

### Jackpot and Daily Bingo

Both Jackpot and Daily Bingo were discontinued owing to poor sales derived from each game.

### Super Lotto

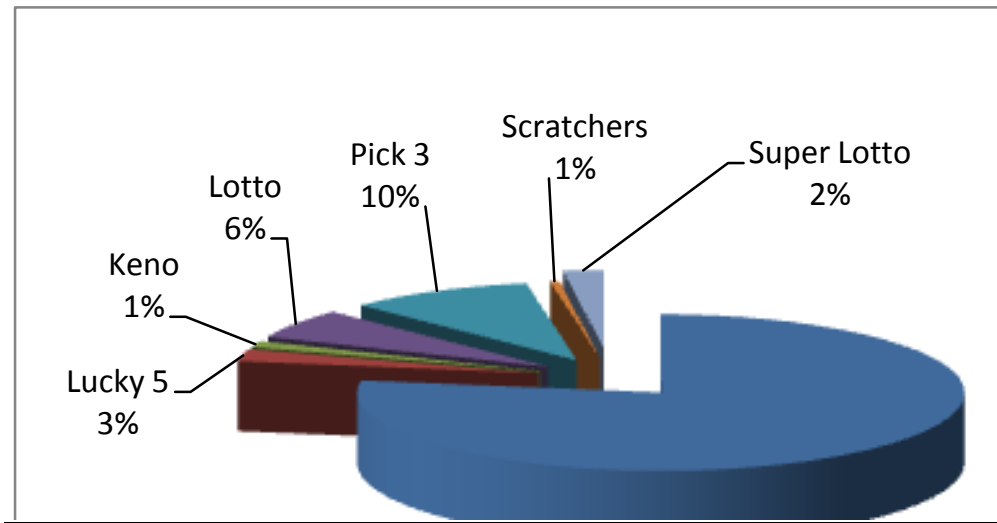
The Super Lotto game sales were not as anticipated, however, for the seven months that the game has been in operation its sales to date total \$457 million.

**Table 2** below shows comparative lottery sales for the fiscal year ending 2010 vs. 2009, while **Figure 1** shows share of lottery sales by games. **Figure 2** shows lottery sales trend for fiscal years 2004-2009 and **Figure 3** shows lottery sales trends for the fiscal year ending 2010.

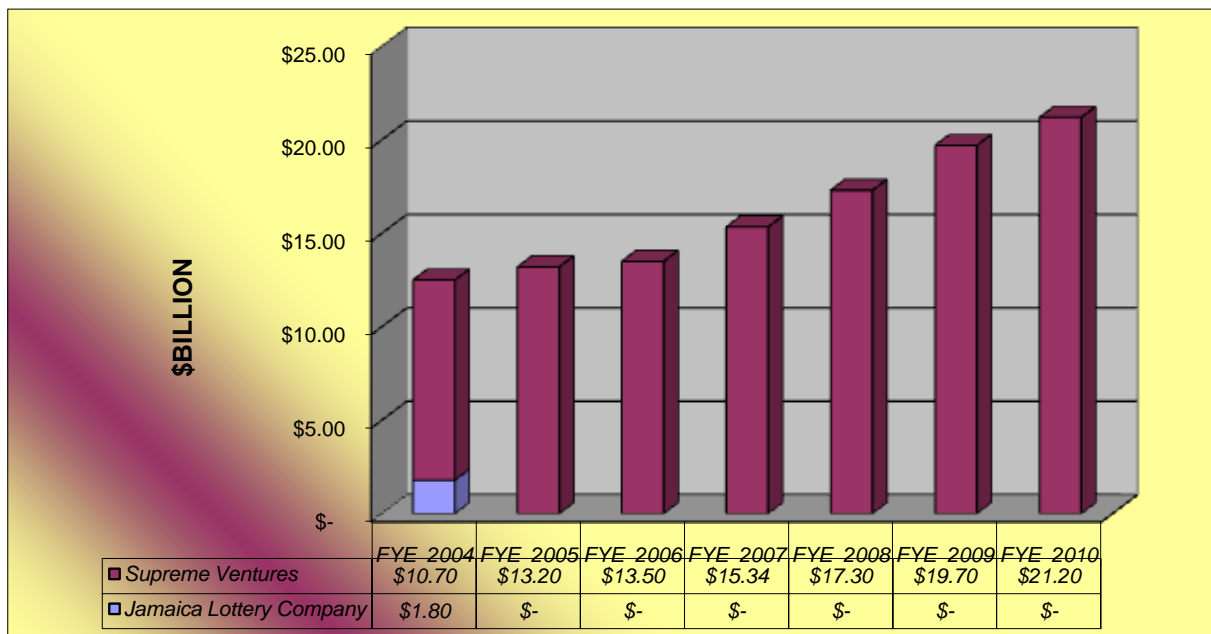
**TABLE 2**  
**COMPARATIVE LOTTERY SALES (\$'M)**  
**FISCAL Y/E 2010 vs. 2009**

GAMES	FISCAL Y/E 2010	FISCAL Y/E 2009	%
Cash Pot	16,441	15,802	4.04%
Lucky 5	526	567	-7.12%
Keno	276	279	-0.87%
Lotto	1,312	1,275	2.88%
Pick 3	2,107	1,645	28.10%
Scratchers	104	102	2.82%
Super Lotto	457	-	100.00%
Bingo	-	55	-100.00%
Bingo - AL	-	20	-100.00%
<b>TOTAL</b>	<b>21,225</b>	<b>19,744</b>	<b>7.50%</b>

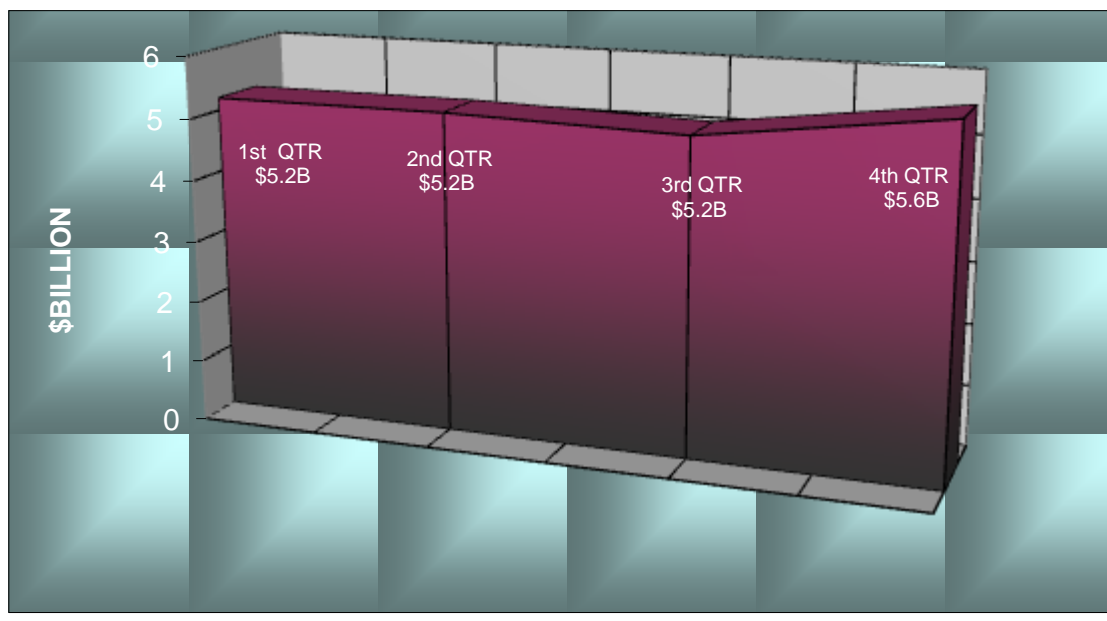
**FIGURE 1**  
**SHARE OF LOTTERY SALES BY GAME**  
**FISCAL Y/E 2010**



**FIGURE 2**  
**LOTTERY SALES TREND**  
**FISCAL Y/E 2004 – 2010**



**FIGURE 3**  
**LOTTERY SALES TREND**  
**FISCAL Y/E MARCH 2010**



### 3.3 Prize Liability

During the fiscal year ending March 2010, overall lottery prize liability was \$14 billion or 67.76% of sales. This was 1.14% below expected liability of 68.9%.

#### Increased Liabilities

##### **Lucky5**

The Lucky5 game liability was 60.96% compared to expected liability of 50.90% this was 10.05% more than expected liability for the fiscal year ended on March 2010. The total liability payout for this game during the year was \$321 million.

##### **Lotto**

The Lotto game payout for the fiscal year ending March 2010 was \$717 million or 54.62% of sales. This shows a 2.62% greater than expected liability of 52%.

### **Decreased Liabilities**

#### **Cash Pot**

The Cash Pot game liability for the period was 70.98% or 1.02% below expected liability of 72%. The total liability payout by the Cash Pot game was \$11.7 billion for the fiscal year ending March 2010.

#### **Dollaz!**

The Dollaz! game payout for the period was \$276 million which shows a prize liability of 52.93% or 1.87% less than expected payout of 54.8%.

#### **Pick3**

The Pick3 game payout for the fiscal year was \$1.24 million or 58.75% of sales. This is 1.25% less than expected liability of 60%.

#### **Instant**

The Instant game payout was \$61 million or 58.4% of prize liability for the period ending March 2010.

#### **Lotto**

Payout for the Lotto game of \$716 million represented 54.62% of prize liability for the period. This is a 2.62% increase over the expected liability of 52%.

#### **Super Lotto**

The expected liability for the new Super Lotto game was 50%. However, the payout was just \$53 million, or 11.6% prize liability for the period.

**Table 3** below shows the prize liabilities for all lottery games for the fiscal year ending March 2010.

**TABLE 3**  
**LOTTERY PRIZE LIABILITY (\$'M)**  
**FISCAL Y/E 2010**

GAMES	FISCAL Y/E 2010		LIABILITY	EXPECTED LIABILITY
	SALES	PAYOUT		
Supreme Ventures Lotteries Ltd				
Cashpot	16,440,787,201	11,669,670,060	70.98%	72.00%
Lucky 5	526,230,600	320,765,308	60.96%	50.90%
Keno	276,113,340	146,159,890	52.93%	54.80%
Lotto	1,312,124,100	716,679,521	54.62%	52.00%
Pick 3	2,107,456,540	1,238,045,000	58.75%	60.00%
Scratchers	104,451,500	60,998,240	58.40%	
Super Lotto	457,375,050	53,260,451	11.64%	50.00%
TOTAL	21,224,538,331	14,205,578,470	66.93%	

### 3.4 Government Revenue

#### 17% Lottery Tax & 15% Bet Winnings Tax

During the fiscal year ending March 2010, total Government Levies payable from all lottery games was \$1.33 billion, inclusive of Bet Winnings Tax. This was a 13.88% increase in Government Levies payable over the similar period ending March 2009. The Cash Pot, Dollaz!, Pick3 and Instant games were the main contributors to this increase, since all games recorded increases over the previous year. The Cash Pot game increased by 15.78%; Dollaz! increased by 1.94%; Pick3 by 21.50% and the Instant game by 5.52%. The Lucky5 and Lotto games decreased by 10.74% and 4.57% respectively compared to the previous year. Since its inception, the government levy payable for the Super Lotto game was \$53 million.

Bet Winnings Tax for the year ended March 2010 was \$105 million compared to \$115 million in 2009, a decrease of 9.87%.

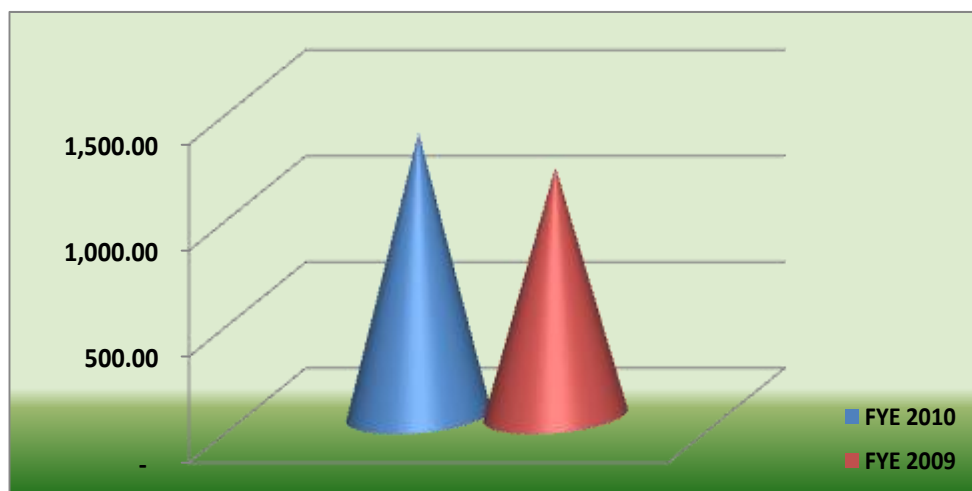
**Table 4** below shows the government levy payable for the fiscal year ending March 2010.

**Figure 4** shows the comparative levy payable for the period.

**TABLE 4**  
**GOVERNMENT LEVY PAYABLE (\$'M)**  
**FISCAL Y/E 2010 vs. 2009**

GAMES	FISCAL Y/E 2010	FISCAL Y/E 2009	%
<b>Supreme Ventures Lotteries Ltd</b>			
Cash Pot	811.09	700.52	15.78%
Lucky5	34.93	39.13	-10.74%
Keno	29.89	29.32	1.94%
Lotto	144.86	151.80	-4.57%
Pick 3	147.80	121.65	21.50%
Scratchers	7.39	7.00	5.52%
Super Lotto	52.60	-	
Bingo	-	3.94	-100.00%
Bingo - AL	-	1.30	-100.00%
<b>Sub-Total</b>	<b>1,228.55</b>	<b>1,054.66</b>	
<b>BWTPAID</b>	<b>104.53</b>	<b>115.98</b>	<b>-9.87%</b>
<b>TOTAL</b>	<b>1,333.09</b>	<b>1,170.64</b>	<b>13.88%</b>

**FIGURE 4**  
**COMPARATIVE LEVY PAYABLE**  
**FISCAL Y/E 2010 vs. 2009**



### 3.5 CHASE Fund Contributions

Contributions to good causes for the fiscal year showed a 9.3% increase over the similar period in 2009. The total contribution was \$1 billion compared to \$977 million in 2009. The main contributor to this increase was the Cash Pot game. The contribution from this game

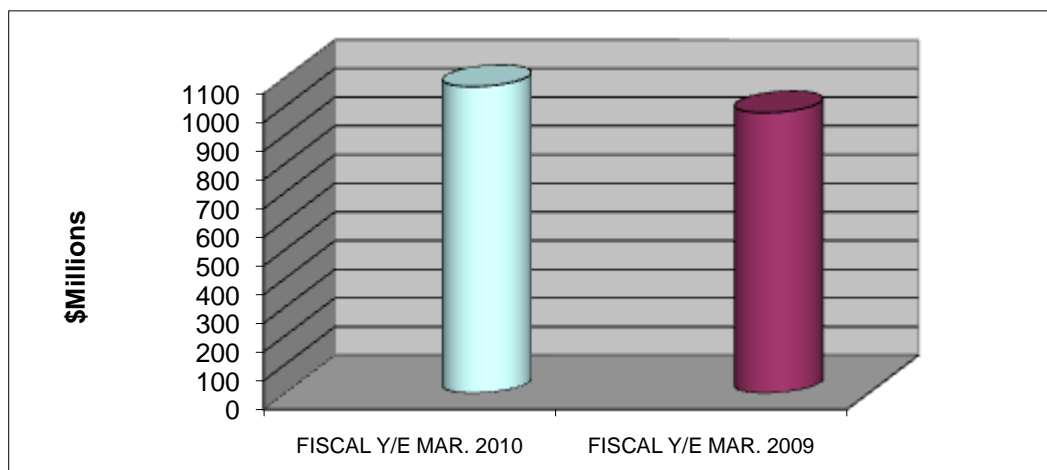
increased by 14.4% compared to the previous fiscal year. The Pick3 and Instant games also increased by 27.5% and 2.8% respectively compared to 2009. The Lucky5 game, Dollaz! and Lotto games decreased by 7.1%, 5.3%, and 29.8% respectively. The Super Lotto contribution to good causes was \$36 million.

**Table 5** below shows the contribution to the CHASE Fund per game and **Figure 5** shows the comparative contributions payable for fiscal ended 2010 v 2009.

**TABLE 5**  
**CONTRIBUTIONS TO THE CHASE FUND (\$'M)**  
**FISCAL Y/E 2010 vs. 2009**

GAMES	FISCAL Y/E MARCH 2010			FISCAL Y/E MARCH 2009			%
	From Sales	From U/C Prizes	Total	From Sales	From U/C Prizes	Total	
Cash Pot	715.67	25.05	740.72	618.10	29.32	647.42	14.4%
Lucky5	39.47	7.46	46.93	42.49	8.02	50.51	-7.1%
Keno	20.71	5.80	26.51	20.89	7.11	28.00	-5.3%
Lotto	98.41	11.96	110.37	95.65	61.50	157.15	-29.8%
Pick 3	87.88	11.89	99.78	68.60	9.65	78.25	27.5%
Scratchers	7.83		7.83	7.62		7.62	2.8%
Super Lotto	34.30	1.62	35.93				100.0%
Bingo				4.15	2.03	6.18	-100.0%
Bingo - AL				0.82	0.80	1.62	-100.0%
<b>TOTAL</b>	<b>1,004.27</b>	<b>63.81</b>	<b>1,068.08</b>	<b>858.33</b>	<b>118.43</b>	<b>976.76</b>	<b>9.3%</b>

**FIGURE 5**  
**COMPARATIVE CONTRIBUTIONS PAYABLE**  
**FISCAL Y/E 2010 vs. 2009**



### 3.6 BGLC Contributions

The Betting, Gaming & Lotteries Commission received a total of \$212 million from the sales of lottery games in 2010. This showed an increase of 7.50% over the same period in 2009. The Cash Pot game accounted for a major part of this increase: income from that game was \$164 million a 4.04% increase over similar period in 2009. The Lotto, Pick3 and Instant games all recorded increases in payments to the Commission. The increases recorded were 2.88%, 28.10% and 2.82%, respectively. The contributions from the Lucky5 and Dollaz! games declined over the period by 7.12% and 0.87% respectively. The total Super Lotto game contribution to the Commission was \$4.6 million.

**Table 6** below shows the BGLC 1% fee payable by game for the fiscal years 2009/2010 vs. 2008/2009.

**TABLE 6**  
**BGLC 1% FEE PAYABLE BY GAME (\$'M)**  
**FISCAL Y/E 2010 vs. 2009**

GAMES	FISCAL Y/E 2010	FISCAL Y/E 2009	%
Cash Pot	164.408	158.019	4.04%
Lucky5	5.262	5.666	-7.12%
Keno	2.761	2.785	-0.87%
Lotto	13.121	12.754	2.88%
Pick 3	21.075	16.451	28.10%
Scratchers	1.045	1.016	2.82%
Super Lotto	4.574		100.00%
Bingo		0.553	-100.00%
Bingo - AL		0.198	-100.00%
<b>TOTAL</b>	<b>212.245</b>	<b>197.442</b>	<b>7.50%</b>

## CHAPTER FOUR GAMING SECTOR

**TABLE 1**  
**GAMING SECTOR INCOME FOR FISCAL Y/E 2010**

<b>Fees received from 5,058 Gaming Machine License Applications</b>	\$11 million
<b>Consolidated Fund received</b>	\$25 million
<b>Gaming Lounges Contribution to Consolidated Fund</b>	\$169 million
<b>Gaming Lounges Contribution to CHASE Fund</b>	\$26 million
<b>Gaming Lounges Contribution to BGLC</b>	\$64 million

### 4.1 Summary

The Commission received \$11 million from gaming machines and \$64 million from gaming lounge operations.

From activities at gaming lounges there were a total of \$259 million paid by twelve locations to the Consolidated Fund, the CHASE Fund and the Commission, representing 10% of their profit for the period under review.

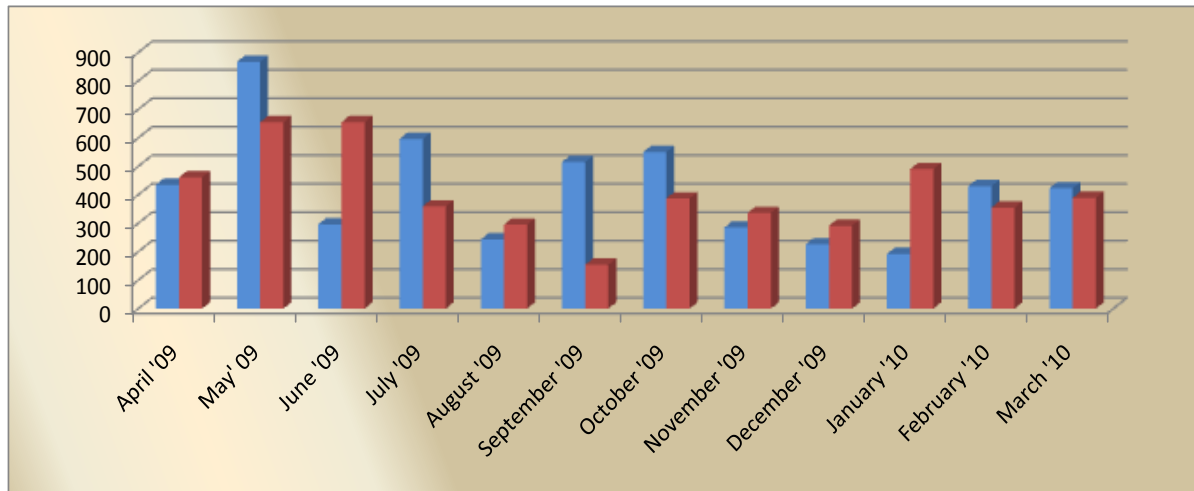
During the year the Commission received 5,058 applications for gaming machines. These include payments made to the Consolidated Fund and to the Commission. The total amount collected for license and disc fees was \$11,094,000 and for Levy paid to the Consolidated Fund \$25,187,000 for the year. Comparing the inflows of the fiscal year ending March 2010 to March 2009, there was an increase of 31.87% to the Consolidated Fund and 25.60% to the BGLC.

**See Table 2** for Gaming Machine Application and Licensing Fees, and **Figure 1** for gaming machine trends for the fiscal year ending March 2010.

**TABLE 2**  
**GAMING MACHINE APPLICATION AND LICENSING FEES**  
**COMPARATIVE FISCAL Y/E 2008 THROUGH 2010**

PERIOD	NO. GAMING MACHINES			APPLICATION FEE \$'000			LICENSING FEE \$'000		
	FYE 2010	FYE 2009	Variance	FYE 2009	FYE 2008	Variance	FYE 2009	FYE 2008	Variance
April '09	435	461	-5.6%	994.0	948.5	4.8%	2,280.0	1,980.0	15.2%
May '09	867	655	32.4%	1,587.5	909.5	74.5%	3,225.0	1,690.0	90.8%
June '09	296	655	-54.8%	740.0	909.5	-18.6%	1,665.0	1,690.0	-1.5%
July '09	596	359	66.0%	1,478.0	897.5	64.7%	3,615.0	2,200.0	64.3%
August '09	243	295	-17.6%	560.5	688.3	-18.6%	1,350.0	1,550.0	-12.9%
September '09	515	154	234.4%	969.5	385.0	151.8%	1,965.0	930.0	111.3%
October '09	550	387	42.1%	1,075.0	672.0	60.0%	2,260.0	1,610.0	40.4%
November '09	285	336	-15.2%	668.5	512.0	30.6%	1,750.0	1,170.0	49.6%
December '09	226	291	-22.3%	448.0	386.0	16.1%	1,170.0	950.0	23.2%
January '10	192	490	-60.8%	492.5	886.0	-44.4%	1,215.0	1,670.0	-27.2%
February '10	430	355	21.1%	1,075.0	802.0	34.0%	2,525.0	1,855.0	36.1%
March '10	423	389	8.7%	1,006.0	837.0	20.2%	2,167.0	1,805.0	20.1%
<b>TOTAL</b>	<b>5058</b>	<b>4827</b>	<b>4.79%</b>	<b>11,094.5</b>	<b>8,833.3</b>	<b>25.60%</b>	<b>25,187.0</b>	<b>19,100.0</b>	<b>31.87%</b>

**FIGURE 1**  
**GAMING MACHINE TRENDS FISCAL Y/E MARCH 2010**



## 4.2 Gross Profit Tax

During the period, government revenue from gaming lounges amounted to \$258 million, distributed as follows: the Consolidated Fund and the CHASE Fund received \$169 million and \$25 million respectively, while the Commission earned \$64 million.

This represents a 7.05% increase over the \$241 million earned during the previous year. A detailed breakdown of the total contribution by each location is shown in **Table 3** below.

**TABLE 3**  
**GAMING LOUNGE ACTIVITY**  
**FISCAL Y/E MARCH 2010**

LICENSEE / LOCATION	CONSOL	BGLC	CHASE	TOTAL
<b>PRIME SPORTS</b>				
1 VILLAGIO	6,000,814	2,308,006	923,202	9,232,022
2 ACROPOLIS - Barbican	26,589,737	10,226,822	4,090,729	40,907,288
3 ACROPOLIS - May Pen	7,940,640	3,054,092	1,221,637	12,216,368
4 CORAL CLIFF*	27,936,009	10,744,619	4,297,848	42,978,475
<b>TOTAL</b>	<b>68,467,200</b>	<b>26,333,538</b>	<b>10,533,415</b>	<b>105,334,154</b>
<b>VILLAGE RESORTS</b>				
5 HEDONISM 11	79,548	36,990	14,796	131,334
6 GRAND LIDO	183,486	70,167	28,067	281,720
7 STARFISH	418,916	177,907	71,163	667,985
8 BREEZES RUNAWAY BAY	40,034	15,247	6,099	61,379
9 HEDONISM 111	114,845	45,251	18,100	178,196
<b>TOTAL</b>	<b>836,828</b>	<b>345,562</b>	<b>138,224</b>	<b>1,320,615</b>
10 MONTE CARLO	79,208,106	30,208,737	12,300,662	121,717,505
11 FORTUNE GAMING	-	-	-	-
12 TREASURE HUNT	17,735,056	6,821,175	2,728,420	27,284,651
13 CARIBBEAN TREASURE	2,516,608	357,646	143,058	3,017,313
14 BEST CHANCE	-	-	-	-
<b>TOTAL</b>	<b>168,763,798</b>	<b>64,066,659</b>	<b>25,843,780</b>	<b>258,674,237</b>

*\*The operations of both Fortune Gaming and Best Chance were closed during the period.*

### **Estimated**

Gross Turnover: \$25.9 billion

Payouts: \$23.23 billion

## CHAPTER FIVE PRIZE COMPETITIONS

### 5.1 Summary

The Commission received a total of 248 applications for the conduct of prize competitions during the year under review. During the period, 232 applications were processed.

**Table 1** below shows the number of Prize Competition Applications received and their stages of completion for the year.

**TABLE 1  
PRIZE COMPETITIONS  
FISCAL Y/E 2010**

<b>Months</b>	<b>Applications Brought Forward at the beginning of each month</b>	<b>Applications Received During the Month</b>	<b>Applications Completed During the Month</b>	<b>Applications being Processed at end of each Month</b>
<b>April</b>	16	16	18	14
<b>May</b>	11	23	22	12
<b>June</b>	8	25	20	13
<b>July</b>	17	28	24	21
<b>August</b>	21	12	12	21
<b>September</b>	23	21	26	18
<b>October</b>	18	26	25	19
<b>November</b>	11	16	13	14
<b>December</b>	14	20	11	23
<b>January</b>	11	20	16	15
<b>February</b>	14	14	18	10
<b>March</b>	11	27	27	11
<b>TOTAL</b>		<b>248</b>	<b>232</b>	

## **CHAPTER SIX**

### **ENFORCEMENT ACTIVITIES**

#### **6.1 Functions & Objectives of Enforcement Activities**

The law enforcement arm of the Betting, Gaming & Lotteries Commission, the Enforcement Division's primary functions include:

- Conducting criminal and regulatory investigations on individuals and groups involved in illegal betting and gaming activities.
- Gathering intelligence on organized criminal groups involved in illegal betting and gaming activities.
- Conducting background investigations on potential licensees.
- Making recommendations on potential licensees.

Objectives during the period included:

- Undertaking an extensive test betting exercise primarily at non-computerized betting offices.
- Seizing unlicensed gaming machines. The Commission's objective was to seize a minimum of 800 unlicensed gaming machines across fourteen parishes. This reduced projection was primarily due to inadequate storage facilities and the numerous days that Enforcement members were scheduled to be in various Courts.
- Continuing to undermine the illegal Cash Pot trade by re-arresting persons who had previously been convicted for breaches of the Betting, Gaming & Lotteries Act (BGLA) but still continued to perpetrate the offences.
- Making periodic clandestine visits to gaming lounges and other licensed premises to ensure that no breaches of the BGLA were being committed.
- Continuing to work closely with Supreme Ventures Lotteries Limited (SVLL) to reduce the impact of illegal activities on their operations.

## 6.2 Investigations and Operations

A total of 141 operations were carried out during the period under review, a 15% increase over the 123 operations that were conducted last year. The seizure of unlicensed gaming machines continued to be the primary operational activity as 115 or eighty-five percent of the operations involved the seizure of unlicensed machines. **Figure 1** below will show that the remaining twenty-six operations involved unlawful gaming. Resulting from the 115 operations, a total of thirty persons were arrested, compared to the forty-one persons who were arrested over the corresponding period last year. Convictions increased by twenty-nine percent, as twenty-seven persons were convicted during the period under review compared to the twenty-one persons who were convicted during the fiscal year ending 2009. Cash seized from illegal operators was \$361,454.00 in addition to US\$166.00, a twenty-eight percent increase when compared to last year's figure of \$283,284.

## 6.3 Court & Tribunal Activities

Court appearances by Enforcement members during the period were extensive, with ninety-five visits to Magistrate Courts located in:

<b><u>Parish</u></b>	<b><u>Total</u></b>
Clarendon	<b>12</b>
Hanover	<b>9</b>
Portland	<b>1</b>
Saint Andrew	<b>10</b>
Saint Ann	<b>10</b>
Saint Elizabeth	<b>27</b>
Saint James	<b>7</b>
Saint Mary	<b>9</b>
Westmoreland	<b><u>10</u></b>
<b>Total</b>	<b>95</b>

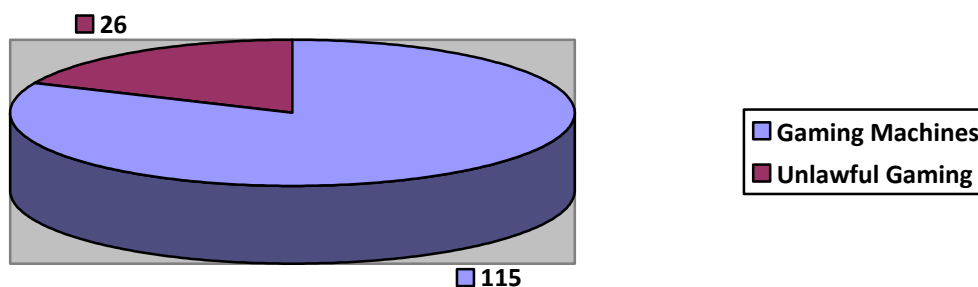
Fines executed by the relevant Resident Magistrate Courts during the period came to a total of \$1,045,300 compared to the \$1,790,000 imposed by these Courts during the previous twelve month period.

The Commission views with increased concern the continued decline in the average fines handed down by the Courts, especially in light of the fact that most of the convicted persons are not only legally represented, but were also making a minimum of \$1 million annual profit on their illegal activities. Despite this, the Commission remains resolute in its attempt to reduce the scourge of unlawful gaming. **Table 1** below gives the breakdown of actual fines imposed on offenders tried in the various Resident Magistrate Courts.

**TABLE 1**  
**SUMMARY OF FINES IMPOSED**  
**BY RELEVANT MAGISTRATE COURTS**  
**APRIL 2009 – MARCH 2010**

#	Cases	Resident Magistrate	Court Fines (JA\$)
1	Heather Garwood	Santa Cruz	60,000.00
2	Lilith Thomas	May Pen	10,000.00
3	Janet Brown	May Pen	15,400.00
4	Shauna Sharpe	May Pen	15,400.00
5	Onika Reid	May Pen	55,000.00
6	Leroy Bent	May Pen	5,000.00
7	Catherine Richards	May Pen	70,000.00
8	Kennedy Hendricks	St. Elizabeth	240,000.00
9	Donna Ebanks	Santa Cruz, St. Elizabeth	60,000.00
10	Cornel Chin	Savannah-La-Mar	20,000.00
11	Betty Wilson	Savannah-La-Mar	50,000.00
12	Tangia Levy	Savannah-La-Mar	50,000.00
13	Michelle Samuels	Savannah-La-Mar	50,000.00
14	Keisha Samuels	Savannah-La-Mar	7,000.00
15	Barbara Thompson	Savannah-La-Mar	7,000.00
16	Cecelia Fowler	Lucea	Admonished & Discharged
17	Vivian Sommerville	Savannah-La-Mar	7,000.00
18	Venus Tomlinson	Savannah-La-Mar	7,000.00
19	Natalie MoHan	Port Maria	80,000.00
20	Dionne Sewell	Half Way Tree	1,500.00
22	Joy Campbell	St. James	15,000.00
23	Sharon Edwards	St. James	25,000.00
24	Oswald Hamilton	St. Andrew	20,000.00
25	Jacqueline Fraser	St. James	30,000.00
26	Percival Webb	Hanover	75,000.00
27	Keisha Perkins	Hanover	70,000.00
	<b>TOTAL</b>		<b>1,045,300.00</b>

**FIGURE 1**  
**TYPES OF OPERATIONS CARRIED OUT**  
**APRIL 2009 – MARCH 2010**



#### **6.4 Gaming Machines**

The seizure of unlicensed gaming machines continues to be one of the major Enforcement objectives during the period under review. A total of 826 unlicensed gaming machines were seized during the period under review; this represents a sixty-one percent increase over the 513 gaming machines that were seized during the corresponding period.

Of 826 illegal gaming machines seized, eighty-three were coin-operated gaming machines seized from The Palace Gaming Lounge situated at Shop 19, Nashville Plaza, 43 Main Street, Mandeville, Manchester.

Of the seized gaming machines, 648 were subsequently licensed and returned to their owners. Total revenue gained from the licensing of these 648 gaming machines was \$6,667,500 with \$4,470,000 going to the Government Consolidated Fund and the remaining \$2,197,500 going to the Commission.

### 6.5 Due Diligence

The Commission conducted thirteen due diligence investigations during the period under review. Outlined below are the potential licensees and the state of each investigation.

DUE DILIGENCE INVESTIGATIONS		
1.	American Betting Company	Investigation Ongoing
2.	Beljam Technologies Limited	Applicant notified to resubmit application
3.	Intralot Integrated Lottery Systems & Services	Final report being compiled.
4.	Jay Vegas Limited	Compiling final report
5.	Mario Antonio Sanchez	Applicant was contacted and awaiting response
6.	Simultech Jamaica Limited	Investigations Ongoing
7.	Yard Bets Exchange Limited	Awaiting bank and credit reports
8.	Peter Smith – SportsBet Int’l Ltd	Awaiting documents
9.	Brian Rogers – SportsBet Int’l Ltd	Awaiting documents
10.	Robert Daley	Applicant was contacted and awaiting response
11.	Telefun International	Completed
12.	Punter’s Paradise	Completed
13.	Island Black Pearl	Completed

### 6.6 Reports

During the period, 123 reports about illegal activities were received, a significant increase over the fifty-seven that were received during the corresponding period last year. This increase can be attributed to the fact that the Commission has been efficient in its response to reports received about illegal activities, by initiating investigation within three days of a report being received.

### 6.7 Plans & Objectives for the Next Fiscal Year

- Undertaking gaming machine seizure operations in all parishes with special emphasis being placed on St. James, Trelawny, St. Mary and Clarendon.

- Continuing to target the ‘masterminds’ behind illegal betting and gaming activities in the nation. Illegal operators who operate in close proximity to licensees will continue to be targeted.
- Revisiting at least sixty locations where operations were carried out, to ascertain whether illegal activities have resumed there.
- Visiting at least twenty-five percent of licensed premises, bars and gaming lounges, to corroborate the Gaming Division records.
- Procuring test bets from at least twenty percent of betting offices that have been designated high risk by the Betting Division.

## 6.8 Major Enforcement Activities

**Table 2** highlights the major Enforcement activities during the 2010 fiscal year, while comparing them with the corresponding period in 2009.

**TABLE 2**  
**COMPARATIVE OF MAJOR ENFORCEMENT ACTIVITIES**  
**FISCAL Y/E 2009 vs. 2010**

Description	April '08	April '09	% Change
	- Mar '09	- Mar '10	
Operations	123	141	15%
Arrests	41	30	-27%
Cash Seized	283,284	361,454	28%
Convictions	21	27	29%
Court Fines	1,790,000	1,045,300	-42%
Court Attendance	92	95	3%
Illegal Operations Reported	57	123	116%
Gaming Machines Seized	513	826	61%
Licensed & Released	456	648	42%

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**COMPENSATION OF EXECUTIVE MANAGEMENT 2009-2010**


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<b>Position</b>	<b>Basic Salary</b>	<b>Allowances</b>
	<b>\$'m</b>	<b>\$'m</b>
Executive Director	8.16	1.87
* Director, Finance	6.99	1.60
Director, Gaming/Lotteries	4.22	1.60
Director, Betting	5.00	1.64
Director, Enforcement	4.43	1.63
Human Resources Manager	3.05	1.14
Director, ICT	4.22	1.49
** Legal Consultant/Company Secretary	1.91	0.69

\* *Includes Gratuity paid during the year*

\*\* *Joined in September 2009*

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