# BETTING, GAMING AND LOTTERIES COMMISSION
# ANNUAL REPORT 2007/08

## CONTENTS

# CHAPTER ONE
# OVERVIEW

## 1.1 Introduction

This marks the thirty third 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, 2007 to March 31, 2008.

## 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.

## CHAPTER ONE - OVERVIEW

### *Vision*

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

### 1.3 Board of Commissioners

The Board of Commissioners consists of seven members and has the overall responsibility for corporate governance and the strategic direction of the Commission.

The Board comprises Chairman George Soutar and Commissioners Harold Brady, Richard Chen, Donovan Chen-See, Paul Lai, Clovis Metcalfe and Peter Millingen.

**Composition of Board Sub-Committees**

**Audit** (April – August 2007)
Paul Davis (Chairman)
Raymond Reece

**Finance** (December 2007- March 2008)
Hugh Reid (Chairman)
Peter Melhado

**Audit** (December 2007 – March 2008)
Clovis Metcalfe (Chairman)
Peter Millingen

**Finance** (December 2007- March 2008)
Paul Lai (Chairman)
Donovan Chen-See

The Executive Director also serves on each Sub-Committee.

## 1.4 STATISTICAL HIGHLIGHTS – 2007/2008

| | | |
|---|---|---|
| **Betting Sector** | | |
| Promoter – Caymanas Track Limited | | 70 off track betting parlours |
| | | 80 local race meets |
| | | 306 simulcast race days |
| | | |
| Bookmakers | | 11 bookmakers |
| | | 384 licensed betting offices |
| | | 80 local race days |
| | | 52 weeks of overseas races |
| | | 52 weeks of overseas sporting events |
| | | |
| Sales | | $6.98 billion (Promoter $4.35B ; Bookmakers $2.63B) |
| Levies & Duties Payable | | $312.17 million (Promoter $119.52M; Bookmakers $192.66M) |
| Levies & Duties Paid | | $286.77 million (Promoter $77.28M; Bookmakers $209.49M) |
| Penalties Imposed | | $0 |
| | | |
| **Lotteries Sector** | | |
| Sales | | $17.32 billion |
| Prize Payouts | | $12.77 billion |
| Levy Payments | | $964.91million |
| Good Causes/CHASE Contributions | | $741.49 million |
| Lottery Draws | | 676 |
| | | |
| **Gaming Sector** | | |
| Gaming Lounge - GPT | | $151.76 million |
| Gaming Lounge - BGLC Contribution | | $53.82 million |
| Gaming Lounge - CHASE Contribution | | $11.89 million |
| Gaming Machines Licensed | | 4307 |
| Other Gaming Machines Levy | | $16.46 million |
| Other Gaming Machines License Fee | | $7.82 million |
| Inspections | | 1,309 locations |
| | | |
| **Prize Promotions** | | |
| Applications Received | | 301 |
| Applications Approved | | 275 |
| | | |
| **Enforcement** | | |
| Operations | | 55 |
| Arrests | | 21 persons |
| Convictions | | 32 persons |
| Gaming Machines Seized | | 176 |
| Fines & Forfeitures | | $5.77 million |
| Reports | | 67 |

# CHAPTER TWO
# BETTING SECTOR

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## 2.1 Introduction

This report provides information on the performance of the betting sector for the fiscal year 2007 – 2008. The sector is comprised of the racing promoter, Caymanas Track Limited (CTL) and eleven bookmakers. Olympic Sports Data Services Limited, which facilitates internet wagering, out of the Montego Bay Freeport, did not impact the sales performance of the sector owing to their tax-free status.

## 2.2 Sales Performance

Revenue generated by the sector was derived from horseracing promoted locally by CTL and conducted at Caymanas Park, the island's sole horse racing facility. Additional revenue was also derived from CTL and the five bookmakers that accepted bets on overseas horse races transmitted from the United States, the United Kingdom, Australia and South Africa and broadcast island-wide via satellite feed. Additionally, two bookmakers, Track Price Plus Limited and Markham Betting Company Limited accepted bets on other sporting events.

CTL accepted bets through its network of approximately 70 off track betting (OTB) parlours located island wide, while at the same time bookmakers operated from a network of 384 betting offices across the island. The review period saw betting being conducted on 80 local race meets by bookmakers and the promoter and 306 days of simulcast races by the promoter and 52 weeks of wagering on overseas races by bookmakers. Such operations resulted in an 11% growth of the sector as sales progressed from $6.29B in year ended March 2007 to $6.98B over the period under review.

**Table 1** provides details of the promoter's sales performance for the fiscal years April 2004 to March 2008. The review period saw sales of $4.35B being generated by the licensees, some 11% in excess of the previous year's total of $3.94B. The total wagered was made up of $2.46B from sales on local races and $1.89B from sales on simulcast races. Wagering on local races produced an increase of 10%, moving from $2.25B in fiscal year 2007 to $2.46B over the review period. At the same time, wagering on simulcast races was $1.89B for the review period, an increase of 12% when compared to the previous year's total of $1.69B. It should however be noted that in the case of simulcast races, there were 306 race days for the review period, as against 311 the previous year and for local races there were 80 race days over the review period and 83 over the corresponding period of the previous year.

**TABLE 1**
**SUMMARY OF RACING PROMOTER SALES ($'M)**
**FISCAL YEARS APRIL 2004 - MARCH 2008**

| | Y/E MAR. 2004 | Y/E MAR. 2005 | % CHANGE | Y/E MAR. 2006 | % CHANGE | Y/E MAR. 2007 | % CHANGE | Y/E MAR. 2008 | % CHANGE |
|---|---|---|---|---|---|---|---|---|---|
| RACING PROMOTER | | | | | | | | | |
| **LOCAL** | **1,577.74** | **1,650.28** | 4.60% | **1,857.27** | 12.54% | **2,249.92** | 21.14% | **2,464.60** | 9.54% |
| NO. OF RACE DAYS | 87 | 79 | | 81 | | 83 | | 80 | |
| AVG. SALES | 18 | 21 | 15.19% | 23 | 9.76% | 27 | 18.22% | 31 | 13.65% |
| **SIMULCAST** | **1,268.04** | **1,372.07** | 8.20% | **1,500.23** | 9.34% | **1,689.32** | 12.60% | **1,892.00** | 12.00% |
| NO. OF RACE DAYS | 312 | 305 | | 307 | | 311 | | 306 | |
| AVG. SALES | 4 | 4 | 10.69% | 5 | 8.63% | 5 | 11.16% | 6 | 13.83% |
| **RACING POOLS** | **2.28** | **N/A** | **N/A** | **N/A** | **N/A** | **N/A** | **N/A** | **N/A** | **N/A** |
| NO. OF POOLS MEET | 12 | | | | | | | | |
| AVG. SALES | 0.19 | | -100.00% | | | | | | |
| **TOTAL** | **2,848.06** | **3,022.35** | **6.12%** | **3,357.50** | **11.09%** | **3,939.23** | **17.33%** | **4,356.60** | **10.60%** |

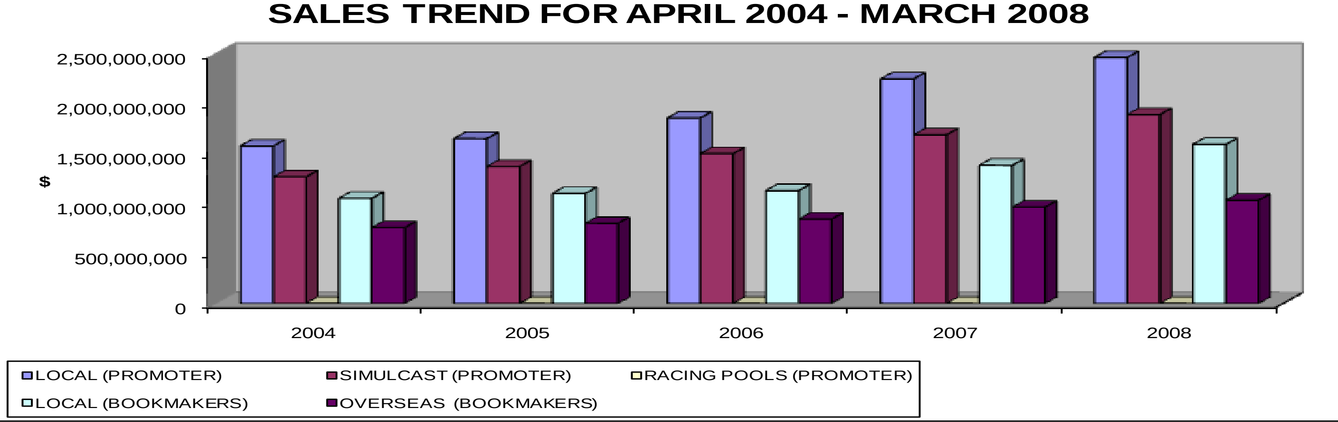
**Table 2** provides information on bookmakers' sales performance over the five-year period April 2004 to March 2008. The period under review saw bookmakers recording a 12% increase in sales when compared to the previous year. Sales for the period ended March 2007 were just over \$2.35B, while for the review period it had progressed to just over \$2.63B. The increase for local races was 15%, moving from just over \$1.38B in the fiscal year ended March 2007 to \$1.59B over the review period. On the other hand, sales on overseas races showed a moderate increase of 8% moving from just over \$928M in the period ended March 2007 to \$1B for the review period. The review period also saw sales on other sporting events declining from \$37M over fiscal year 2007 to \$33M over the review period, a 10% decrease. This may be attributed to the betting public being less enthused to wager on World Cup Cricket over the review period as against World Cup Football the previous year.

**Table 2** also provides a comparison between the sales generated by bookmakers and that generated by the promoter. It shows that the pattern established over the previous four years was maintained over the review period, as the promoter continued to out-perform bookmakers in terms of the sales generated.

**SUMMARY OF BOOKMAKERS' SALES (\$'M)**
**FISCAL YEARS APRIL 2004 - MARCH 2008**

| | Y/E MAR. 2004 | Y/E MAR. 2005 | % CHANGE | Y/E MAR. 2006 | % CHANGE | Y/E MAR. 2007 | % CHANGE | Y/E MAR. 2008 | % CHANGE |
|---|---|---|---|---|---|---|---|---|---|
| **BOOKMAKERS** | | | | | | | | | |
| **LOCAL** | **1,052.85** | **1,101.56** | 4.63% | **1,130.36** | 2.61% | **1,383.72** | 22.41% | **1,592.85** | 15.11% |
| NO. OF RACE DAYS | 87 | 79 | | 81 | | 83 | | 80 | |
| AVG. SALES | 12 | 14 | 15.22% | 14 | 0.08% | 17 | 19.46% | 20 | 19.43% |
| **OVERSEAS** | **750.22** | **791.20** | 5.46% | **837.27** | 5.82% | **928.17** | 10.86% | **999.97** | 7.74% |
| NO. OF RACE WEEKS | 52 | 52 | | 52 | | 52 | | 52 | |
| AVG. SALES | 14 | 15 | 5.46% | 16 | 5.82% | 18 | 10.86% | 19 | 7.74% |
| **OTHER EVENTS** | **9.27** | **11.57** | | **9.25** | | **36.55** | | **33.39** | **-8.64%** |
| **TOTAL FOR OVERSEAS** | **759.48** | **802.76** | 5.70% | **846.52** | **5.45%** | **964.71** | **13.96%** | **1,033.36** | **7.12%** |
| **TOTAL FOR BOOKMAKERS** | **1,812.33** | **1,904.32** | **5.08%** | **1,976.87** | **3.81%** | **2,348.44** | **18.80%** | **2,626.21** | **11.83%** |
| **TOTAL FOR RACING PROMOTER** | **2,848.06** | **3,022.35** | **6.12%** | **3,357.50** | **11.09%** | **3,939.23** | **17.33%** | **4,356.60** | **10.60%** |
| **SECTOR TOTAL** | **4,660.39** | **4,926.68** | **5.71%** | **5,334.38** | **8.28%** | **6,287.67** | **17.87%** | **6,982.81** | **11.06%** |

**FIGURE 1**
**SALES TREND FOR APRIL 2004 - MARCH 2008**



## CHAPTER TWO – BETTING SECTOR

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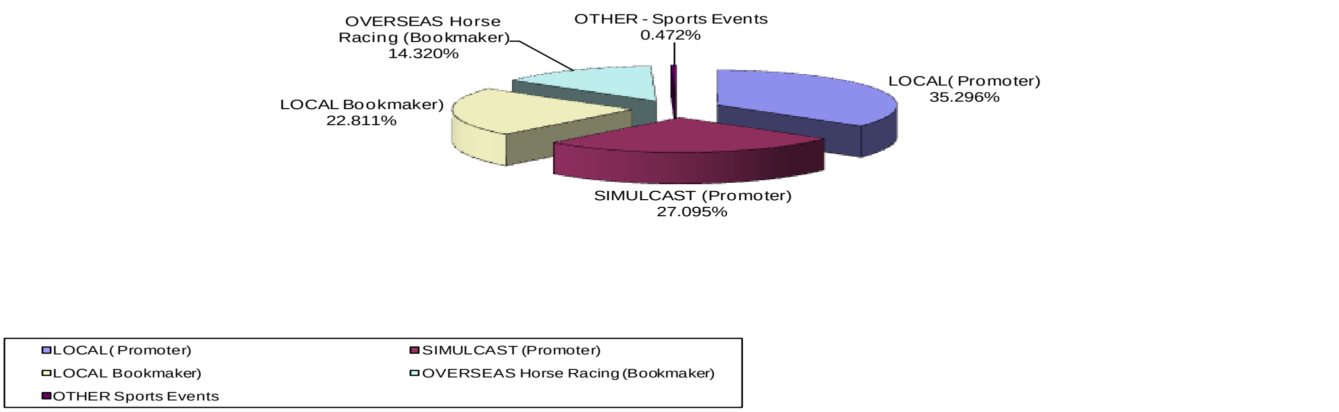
**Figure 1** above provides a graphic overview of the performance of the promoter and bookmakers over the five-year period 2004 – 2008. In both local and overseas races, sales by the promoter were in excess of that reported by bookmakers.

**Figure 2** also highlights the promoter's dominance with respect to sales generated within the sector. The promoter was responsible for 62% of the total sales generated within the sector, while bookmakers were responsible for the remaining 38%. It should however, be noted that included in the sales generated by bookmakers was the amount wagered on other sporting events.

FIGURE 2
FINANCIAL YEAR SALES
APRIL 2007 - MARCH 2008




### 2.3 Competition

Information on the performance of individual bookmakers over the fiscal year is shown at **Table 3**. Track Price Plus Limited, with 62 betting offices that accepted bets on local races, and with 52 of such offices also accepting bets on overseas races, reported sales of over $882M to remain the leading bookmaker in the country in terms of sales generated. Champion Betting Company Limited also enjoyed a relatively good year with total sales of $595M, with 49 betting offices accepting bets on local races and 32 of such offices also accepting bets on overseas races.

The total sales generated by Track Price Plus Limited was 34% of the $2.6B reported by all ten bookmakers for the review period, while the total reported by Champion Betting Company Limited was 23% of the total. It should therefore be noted that such bookmakers were responsible for 57% of the total sales generated by bookmakers. The dominance of the two is even more pronounced with respect to sales on overseas races as they were responsible for $702M from 84 of the 143 betting offices that accepted bets on this betting mode, or 70% of the $1B recorded by such licensees. Sales on local races totalled just over $1.5B and of this total, Track Price Plus Limited was responsible for $459M or 29% and Champion Betting Company Limited $316M or 20%. At the other end of the spectrum Big 'A' Track 2003 Limited, the smallest bookmaker in terms of sales generated, reported sales of $44M or 3% of total sales on this betting mode.

A total of $33M was wagered with the two bookmakers that accepted bets on other sporting events over the review period, with $193K being wagered with Markham Betting Company and the remainder with Track Price Plus Limited.

**TABLE 3**
**BOOKMAKERS SALES LOCAL & OVERSEAS ($'M)**
**FISCAL YEAR APRIL 2007 - MARCH 2008**

| | LOCAL RACING | | OVERSEAS RACING | |
|---|---|---|---|---|
| **BOOKMAKERS** | **SALES $** | **NO. OF BETTING OFFICES OPERATED** | **SALES $** | **NO. OF BETTING OFFICES OPERATED** |
| BIG "A" TRACK 2003 LIMITED | 44.07 | 25 | N/A | N/A |
| CAPITAL BETTING & WAGERING LIMITED | 163.75 | 44 | N/A | N/A |
| CARIBBEAN TURF SERVICE LIMITED | 127.04 | 19 | N/A | N/A |
| CHAMPION BETTING COMPANY LIMITED | 316.15 | 49 | 279.31 | 32 |
| CHARLES OFF BETTING LIMITED | 46.41 | 32 | N/A | N/A |
| IDEAL BETTING COMPANY LIMITED | 79.14 | 27 | 79.32 | 18 |
| MARKHAM BETTING COMPANY LIMITED | 227.42 | 40 | 122.42 | 17 |
| POST TO POST BETTING LIMITED | 57.19 | 22 | N/A | N/A |
| SUMMIT BETTING COMPANY LIMITED | 72.28 | 37 | 128.95 | 24 |
| TRACK PRICE PLUS LIMITED | 459.40 | 62 | 423.35 | 52 |
| **TOTAL** | **1,592.85** | **357** | **1,033.36** | **143** |

| | Horse Racing | Other Events |
|---|---|---|
| Champion Betting | 279.31 | 0.00 |
| Markham Betting | 122.23 | 0.19 |
| Track Price Plus | 390.16 | 33.19 |
| **TOTAL** | **791.70** | **33.39** |

**Table 4** provides a comparison between the sales reported by individual bookmakers over the review period and that of the previous year.

Track Price Plus Limited recorded the largest increase on local races of 27% moving from $361M in fiscal year 2006 – 2007 to $459M over the review period. On the converse Big 'A' Track 2003 Limited recorded a 12% decline as sales slipped from $50M over the previous year to $44M for the period under review. The decline in sales by the bookmaker may be attributed to Capital Betting and Wagering Limited acquiring seven (7) of the company's betting offices which depleted its complement from 25 at the start of the review period to 18 by the end of the period. In total, there was a 15% increase in sales on this betting mode, progressing from just over $1B in fiscal year 2006-2007 to $1.6B during the period under review.

In the case of sales on overseas races, Summit Betting Company Limited recorded the largest increase of 18% moving from $109M in fiscal year 2006 – 2007 to $129M over the period under review. At the same time, there was only a marginal increase of less than 1% on the sales reported by Track Price Plus Limited. Total sales on this betting mode increased by 7% moving from $965M in year ended March 2007 to $1B over the period under review.

**TABLE 4**
**BOOKMAKERS' COMPARATIVE SALES ($'M)**
**FISCAL YEAR ENDED MARCH 2007 AND MARCH 2008**

| BOOKMAKERS | LOCAL 2007 | LOCAL 2008 | % CHANGE | OVERSEAS 2007 | OVERSEAS 2008 | % CHANGE |
|---|---|---|---|---|---|---|
| BIG 'A' TRACK (2003) LIMITED | 50.35 | 44.07 | -12.48% | N/A | N/A | N/A |
| CAPITAL BETTING & WAGERING LIMITED | 144.00 | 163.75 | 13.72% | N/A | N/A | N/A |
| CARIBBEAN TURF SERVICE LIMITED | 125.83 | 127.04 | 0.96% | N/A | N/A | N/A |
| CHAMPION BETTING COMPANY LIMITED | 262.06 | 316.15 | 20.64% | 245.09 | 279.31 | 13.96% |
| CHARLES OFF BETTING LIMITED | 44.65 | 46.41 | 3.94% | N/A | N/A | |
| IDEAL BETTING COMPANY LIMITED | 69.31 | 79.14 | 14.19% | 74.80 | 79.32 | 6.04% |
| MARKHAM BETTING COMPANY LIMITED | 215.06 | 227.42 | 5.74% | 112.75 | 122.42 | 8.58% |
| POST TO POST BETTING LIMITED | 49.74 | 57.19 | 14.98% | N/A | N/A | N/A |
| SUMMIT BETTING COMPANY LIMITED | 61.60 | 72.28 | 17.32% | 109.46 | 128.95 | 17.81% |
| TRACK PRICE PLUS LIMITED | 361.11 | 459.40 | 27.22% | 422.61 | 423.35 | 0.18% |
| **TOTAL** | **1,383.72** | **1,592.85** | **15.11%** | **964.71** | **1033.36** | **7.12%** |

**Sports Events Sales ($'M)**

| | Y/E 2007 | Y/E 2008 |
|---|---|---|
| Champion Betting | 0.16 | 0.00 |
| Markham Betting | 0.05 | 0.19 |
| Track Price Plus | 36.33 | 33.19 |
| **TOTAL** | **36.55** | **33.39** |

## 2.4 Profitability

**Table 5** provides details on the payouts of individual bookmakers for the financial years 2007 and 2008 for both local and overseas races. Total payouts on local races for the review period were $1B, a 27% increase on the $857M of the corresponding period of the previous year. The largest percentage increase in payouts on this betting mode was recorded by Post to Post Betting Company Limited, progressing from $29M for fiscal year ended March 2007 to $41M over the review period. On the converse, Big ‘A’ Track 2003 Limited recorded a 12% decline, moving from $35M for the year ended March 2007 to $30M over the review period.

With respect to payouts from sales on overseas races, a total of $673M was paid out over the review period some 6% in excess of the $637M over the corresponding period of the previous year. Summit Betting Company Limited recorded the largest increase in payouts on this betting mode of 17% over the review period, moving from $71M over the corresponding period of the previous year to $83M over the review period. At the same time, Track Price Plus Limited recorded a 3% decline moving from $285M over the corresponding period of the previous year to $276M over the review period.

Payouts on other sporting events over the review period totalled $26M or 25% less than the $34M recorded for the corresponding period of the previous year.

# CHAPTER TWO – BETTING SECTOR

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**TABLE 5**
**BOOKMAKERS' COMPARATIVE PAYOUTS ($'M)**
**FISCAL YEAR ENDED MARCH 2007 AND MARCH 2008**

| BOOKMAKERS | LOCAL 2007 | LOCAL 2008 | % CHANGE | OVERSEAS 2007 | OVERSEAS 2008 | % CHANGE |
|---|---|---|---|---|---|---|
| BIG 'A' TRACK (2003) LIMITED | 34.53 | 30.49 | -11.71% | N/A | N/A | N/A |
| CAPITAL BETTING & WAGERING LIMITED | 90.98 | 113.20 | 24.43% | N/A | N/A | N/A |
| CARIBBEAN TURF SERVICE LIMITED | 74.41 | 85.74 | 15.22% | N/A | N/A | N/A |
| CHAMPION BETTING COMPANY LIMITED | 156.50 | 209.36 | 33.78% | 157.96 | 183.53 | 16.19% |
| CHARLES OFF BETTING LIMITED | 26.08 | 30.00 | 15.04% | N/A | N/A | N/A |
| IDEAL BETTING COMPANY LIMITED | 42.44 | 51.83 | 22.13% | 49.65 | 52 | 4.12% |
| MARKHAM BETTING COMPANY LIMITED | 137.04 | 160.72 | 17.28% | 73.58 | 79 | 7.65% |
| POST TO POST BETTING LIMITED | 29.27 | 41.35 | 41.24% | N/A | N/A | N/A |
| SUMMIT BETTING COMPANY LIMITED | 35.04 | 46.41 | 32.46% | 70.73 | 82.72 | 16.97% |
| TRACK PRICE PLUS LIMITED | 230.22 | 319.88 | 38.95% | 285.33 | 276.36 | -3.14% |
| **TOTAL** | **856.52** | **1,088.99** | **27.14%** | **637** | **674** | **5.69%** |

**Sports Events Payouts ($'M)**

| | Y/E 2007 | Y/E 2008 |
|---|---|---|
| Champion Betting | 0.13 | 0.00 |
| Markham Betting | 0.07 | 0.31 |
| Track Price Plus | 34.13 | 25.60 |
| **TOTAL** | **34.33** | **25.91** |

**TABLE 6**
**INDIVIDUAL BOOKMAKERS GROSS PROFIT ($'M)**
**FISCAL YEAR APRIL 2007 - MARCH 2008**

| BOOKMAKERS | SALES | PAYOUTS | PAYOUT AS A % OF SALES | GROSS PROFIT | GROSS PROFIT AS % OF SALES |
|---|---|---|---|---|---|
| BIG "A" TRACK 2003 LIMITED | 44.07 | 30.49 | 69.19% | 13.58 | 30.81% |
| CAPITAL BETTING & WAGERING LIMITED | 163.75 | 113.20 | 69.13% | 50.55 | 30.87% |
| CARIBBEAN TURF SERVICE LIMITED | 127.04 | 85.74 | 67.49% | 41.30 | 32.51% |
| CHAMPION BETTING COMPANY LIMITED | 595.46 | 392.89 | 65.98% | 202.57 | 34.02% |
| CHARLES OFF BETTING LIMITED | 46.41 | 30.00 | 64.64% | 16.41 | 35.36% |
| IDEAL BETTING COMPANY LIMITED | 158.47 | 103.53 | 65.33% | 54.94 | 34.67% |
| MARKHAM BETTING COMPANY LIMITED | 349.64 | 239.62 | 68.53% | 110.03 | 31.47% |
| POST TO POST BETTING LIMITED | 57.19 | 41.35 | 72.30% | 15.84 | 27.70% |
| SUMMIT BETTING COMPANY LIMITED | 201.23 | 129.13 | 64.17% | 72.10 | 35.83% |
| TRACK PRICE PLUS LIMITED | 849.56 | 570.64 | 67.17% | 278.92 | 32.83% |
| **TOTAL** | **2,592.82** | **1,736.60** | **66.98%** | **856.22** | **33.02%** |

| | SALES ($'M) Horse Racing | SALES Other Events | PAYOUTS ($'M) Horse Racing | PAYOUTS Other Events |
|---|---|---|---|---|
| Champion Betting | 279.31 | 0.00 | 183.53 | 0.00 |
| Markham Betting | 122.23 | 0.19 | 78.90 | 0.31 |
| Track Price Plus | 390.16 | 33.19 | 250.76 | 25.60 |
| **TOTAL** | **791.70** | **33.39** | **513.18** | **25.91** |

**Table 6** above provides information on the gross profit attained by individual bookmakers for both local and overseas races over the fiscal year 2007 – 2008. With total sales of $2.6B and payouts of $1.7B, bookmakers realized total gross profit of $900M or 67% as a percentage of sales. This translated into gross profits as a percentage of sales of 33%.

Post to Post Betting Company Limited reported the largest payouts as a percentage of sales of 72% from sales of $57M and payouts of $41M while Summit Betting Company Limited with sales of $201M and payouts of $129M had the smallest at 64% of sales. Track Price Plus Limited recorded the largest gross profit of $279M or 33% of sales while Post to Post Betting Limited recorded the smallest at $16M or 28% of sales.

Information on the average sales, payouts and gross profit of individual bookmakers for the period under review is shown at **Table 7.** In total bookmakers recorded average gross profit per betting office of $2M from average sales and payouts of $7M and $5M respectively. Track Price Plus Limited reported the largest average gross profit per betting office of $5M from average sales and payouts of $14M and $9M, respectively. On the other hand, Charles Off Betting Limited reported the smallest average gross profit per betting office of $513K from average sales of $1M and $937K, respectively.

**TABLE 7**
**INDIVIDUAL BOOKMAKERS AVERAGE**
**SALES, PAYOUTS & GROSS PROFIT ($'M)**
**FISCAL YEAR APRIL 2007-MARCH 2008**

| BOOKMAKERS | BETTING OFFICES | TOTAL SALES | AVERAGE SALES | TOTAL PAYOUTS | AVERAGE PAYOUTS | GROSS PROFIT | AVERAGE GROSS PROFIT |
|---|---|---|---|---|---|---|---|
| BIG "A" TRACK (2003) LIMITED | 25 | 44.07 | 1.76 | 30.49 | 1.22 | 13.58 | 0.54 |
| CAPITAL BETTING & WAGERING LIMITED | 44 | 163.75 | 3.72 | 113.20 | 2.57 | 50.55 | 1.15 |
| CARIBBEAN TURF SERVICE LIMITED | 19 | 127.04 | 6.69 | 85.74 | 4.51 | 41.30 | 2.17 |
| CHAMPION BETTING COMPANY LIMITED | 49 | 595.46 | 12.15 | 392.89 | 8.02 | 202.57 | 4.13 |
| CHARLES OFF BETTING LIMITED | 32 | 46.41 | 1.45 | 30.00 | 0.94 | 16.41 | 0.51 |
| IDEAL BETTING COMPANY LIMITED | 27 | 158.47 | 5.87 | 103.53 | 3.83 | 54.94 | 2.03 |
| MARKHAM BETTING COMPANY LIMITED | 40 | 349.64 | 8.74 | 239.62 | 5.99 | 110.03 | 2.75 |
| POST TO POST BETTING LIMITED | 22 | 57.19 | 2.60 | 41.35 | 1.88 | 15.84 | 0.72 |
| SUMMIT BETTING COMPANY LIMITED | 37 | 201.23 | 5.44 | 129.13 | 3.49 | 72.10 | 1.95 |
| TRACK PRICE PLUS LIMITED | 62 | 849.56 | 13.70 | 570.64 | 9.20 | 278.92 | 4.50 |
| **TOTAL** | **357** | **2,592.82** | **7.26** | **1,736.60** | **4.86** | **856.22** | **2.40** |

## 2.5 Government Revenue

Data on taxes, duties and levies payable and paid for the review period is outlined at **Table 8**. The sector paid $287M or 92% of the $312M payable and of this total, bookmakers paid $210M or 8% in excess of the $193M payable as outstanding amounts from sales on local races from the previous year were liquidated over the review period. The total paid was made up of $144M from sales on local races and $66M from sales on overseas races. In contrast, the promoter paid just over $77M of the $120M payable.

**CHAPTER TWO – BETTING SECTOR**

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This total was made up of $44M from sales on local races and $33M from sales on overseas races. It should be noted that there were no payments by bookmakers from sales on local races with respect to the 9% GPT, 3% BGLC contribution and the 11% Jamaica Racing Commission (JRC) contribution as bookmakers continued to pay at 16.5% GPT and 1% of sales contrary to the Ministerial Order of August 2007.

With respect to overseas races for the period April 2007 to September 2007, bookmakers failed to submit receipts attesting to payments of the 1% contribution to JRC. There was also no evidence of payments of the 9% GPT, the 3% contribution to this Commission and the 11% contribution to the JRC from this betting mode for the period September 12, 2007 to March 29, 2008. It should also be noted that for the period April 7, 2007 to August 29, 2007, the promoter failed to submit evidence attesting to the payment of 1% contribution payable to this Commission and to the Benevolent Fund from sales on local races.
In the case of Simulcast racing there was no evidence of the payment of the 1% contribution to this Commission, the JRC and the Benevolent Fund for the period April 7, 2007 to August 29, 2007.

**Figure 3** complements **Table 8** and shows taxes, duties and levies payable by the racing promoter and bookmakers over the review period. The promoter was responsible for 38% of payable, while bookmakers were responsible for the remaining 62%.

**FIGURE 3**
**TAXES PAYABLE**
**FISCAL YEAR APRIL 2007 - MARCH 2008**

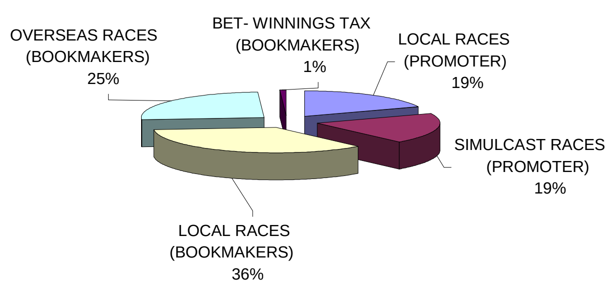


**TABLE 8**
**LEVIES & DUTIES PAYABLE AND PAID ($'M)**
**FISCAL YEAR APRIL 2007 - MARCH 2008**

| BETTING MODE | TAXES, DUTIES & LEVIES | PAYABLE | PAID |
|---|---|---|---|
| **BOOKMAKERS** | | | |
| ***LOCAL RACING*** | 16.5% GROSS PROFIT TAX **(Apr.07,07-Sept.08,07** | 34.08 | 113.11 |
| | 1% CONTRIBUTION TO BGLC **(Apr. 07,07-Sept.08,07)** | 6.12 | 15.23 |
| | 1% CONTRIBUTION TO JRC **(Apr.07,07-Sept.08,07)** | 6.12 | 15.23 |
| | 9% GROSS PROFIT TAX **(Sept.12,07-Mar. 29,08)** | 26.75 | 0.00 |
| | 3% CONTRIBUTION TO BGLC **(Sept. 12,07-Mar. 29,08)** | 8.92 | 0.00 |
| | 11% CONTRIBUTION TO JRC **(Sept. 12,07-Mar. 29,08)** | 28.63 | 0.00 |
| | $80 SPECIFIC LEVY | 0.06 | 0.06 |
| | **TOTAL** | **110.69** | **143.63** |
| ***OVERSEAS RACING*** | 16.5% GROSS PROFIT TAX **(Apr.07,07-Sept.08,07)** | 26.88 | 55.61 |
| | 10% BET-WINNINGS TAX **(Apr 7,07-Mar 29,08)** | 2.56 | 0.75 |
| | 1% CONTRIBUTION TO BGLC **(Apr. 07,07-Sept.08,07)** | 4.47 | 9.49 |
| | 1% CONTRIBUTION TO JRC **(Apr.07,07-Sept.08,07)** | 4.47 | 0.00 |
| | 9% GROSS PROFIT TAX **(Sept.12,07-Mar. 29,08)** | 17.05 | 0.00 |
| | 3% CONTRIBUTION TO BGLC **(Sept. 12,07-Mar. 29,08)** | 5.68 | 0.00 |
| | 11% CONTRIBUTION TO JRC **(Sept. 12,07-Mar. 29,08)** | 20.84 | 0.00 |
| | **TOTAL** | **81.96** | **65.85** |
| | **TOTAL FOR BOOKMAKERS** | **192.66** | **209.49** |
| **RACING PROMOTER** | | | |
| ***LOCAL RACING*** | 5% GROSS PROFIT TAX **(Apr.07,07-Aug 29,07)** | 14.73 | 18.26 |
| | 1% CONTRIBUTION TO BGLC **(Apr.07,07-Aug 29,07)** | 9.39 | 0.00 |
| | 1% CONTRIBUTION TO JRC **(Apr.07,07-Aug 29,07)** | 9.39 | 13.00 |
| | 2% GROSS PROFIT TAX **(Sept.1,07- Mar. 31,08)** | 4.35 | 3.55 |
| | 1% CONTRIBUTION TO BGLC **(Sept.1,07-Mar.31,08)** | 2.17 | 1.78 |
| | 4.5% CONTRIBUTION TO JRC **(Sept. 1,07-Mar. 31,08)** | 9.79 | 8.00 |
| | 1%CONTRIBUTION TO BENEVOLENT FUND **(Apr.07,07-Aug 29,07)** | 9.39 | 0.00 |
| | **TOTAL** | **59.20** | **44.60** |
| ***SIMULCAST RACING*** | 5% GROSS PROFIT TAX **(Apr.07,07-Aug 29,07)** | 12.05 | 12.30 |
| | 1% CONTRIBUTION TO BGLC **(Apr.07,07-Aug 29,07)** | 8.15 | 0.00 |
| | 1% CONTRIBUTION TO JRC **(Apr.07,07-Aug 29,07)** | 8.15 | 0.00 |
| | 1%CONTRIBUTION TO BENEVOLENT FUND **(Apr.07,07-Aug 29,07)** | 8.15 | 0.00 |
| | 2% GROSS PROFIT TAX **(Sept.1,07- Mar. 31,08)** | 6.35 | 5.44 |
| | 1% CONTRIBUTION TO BGLC **(Sept.1,07-Mar.31,08)** | 3.18 | 2.72 |
| | 4.5% CONTRIBUTION TO JRC **(Sept. 1,07-Mar. 31,08)** | 14.29 | 12.23 |
| | **TOTAL** | **60.32** | **32.69** |
| | **TOTAL FOR RACING PROMOTER** | **119.52** | **77.28** |
| | **SECTOR TOTAL** | **312.17** | **286.77** |

## 2.6 Computerization

The level of computerization as required by the Commission continues to increase with 56% of the 384 bookmakers being computerized as the end of the fiscal year. Noticeably, however from **Table 9** Big “A” Track (2003) Limited and Charles Off Betting have not yet commenced computerization.

**TABLE 9**
**BOOKMAKERS COMPUTERIZATION RATE - 2007/08**

| BOOKMAKERS | # Of Shops Operated to the end of financial year 2007-2008 | # Of Shops Computerised to the end of financial year 2007-2008 | # Of Shops Computerised to the end of financial year 2006-2007 | # Of Shops Computerised to the end of financial year 2005-2006 | # Of Shops Computerised to the end of financial year 2004-2005 | # Of Shops Computerised to the end of financial year 2003-2004 | # Of Overseas Shops Operated to the end of financial year 2007-2008 |
|---|---|---|---|---|---|---|---|
| BIG 'A' TRACK (2003) LIMITED | 24 | 0 | 0 | 0 | 0 | 0 | 0 |
| CAPITAL BETTING & WAGERING LIMITED | 65 | 29 | 11 | 11 | 13 | 16 | 0 |
| CARIBBEAN TURF SERVICES LIMITED | 20 | 9 | 10 | 10 | 10 | 6 | 0 |
| CHAMPION BETTING COMPANY LIMITED | 49 | 39 | 30 | 26 | 32 | 31 | 34 |
| CHARLES OFF BETTING LIMITED | 30 | 0 | 0 | 0 | 0 | 0 | 0 |
| IDEAL BETTING COMPANY LIMITED | 27 | 24 | 19 | 19 | 16 | 16 | 18 |
| MARKHAM BETTING COMPANY LIMITED | 45 | 33 | 27 | 24 | 26 | 26 | 28 |
| POST TO POST BETTING COMPANY LIMITED | 22 | 4 | 3 | 3 | 5 | 6 | 0 |
| SUMMIT BETTING COMPANY LIMITED | 39 | 20 | 17 | 16 | 15 | 12 | 24 |
| TRACK PRICE PLUS LIMITED | 63 | 58 | 59 | 59 | 64 | 60 | 53 |
| TOTAL | 384 | 216 | 176 | 168 | 181 | 173 | 157 |

## 2.7 First Instance Tribunal

There was no sitting of the First Instance Tribunal over the review period.

## 2.8 Conclusion

The review period proved to be somewhat challenging for the sector as the effects of Hurricane Dean on the racing plant at Caymanas Park, the company's Off Track Betting parlours and betting offices operated by bookmakers located island wide resulted in a loss of sales on both local and overseas races. Notwithstanding such difficulties, there was however a 17% increase in sales over the review period. This was in line with the inflation rate over the review period indicating that in real terms the sales were flat across the industry. It is therefore hoped that the long awaited amendments to the Act now imminent will see a significant increase in sales and gross profits to facilitate enhanced revenue to government coffers and the two Commissions.

# CHAPTER THREE
# LOTTERIES SECTOR

---

## 3.1 Introduction

This report will provide information on the activities of the Gaming and Lotteries Division and the Gaming and Lotteries Industry for the year ended March 2008.

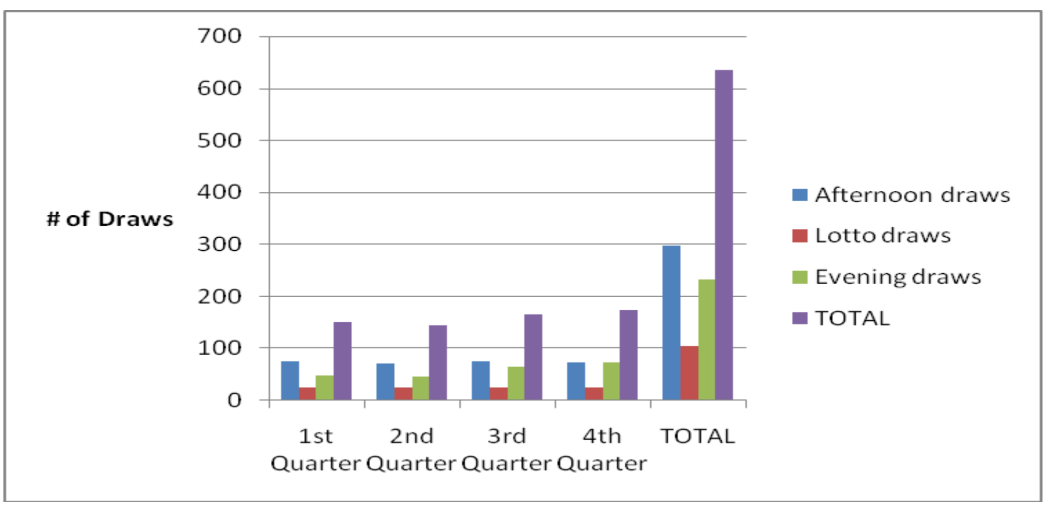
## 3.2 Lottery Activities

A total of six lottery type games were offered to the public by Supreme Ventures Lotteries Limited during the fiscal year, arising from which, 634 lottery draws were monitored by officers of the Commission. These included 104 lotto draws, 297 afternoon draws (Pick3, Dollaz, Lucky 5 and Cash Pot) and 191 evening draws (Pick3, Dollaz, Lucky5 and Cash Pot).

Supreme Ventures Lotteries Limited launched its newest game "Prime Time Bingo" and the first draw was conducted on October 6, 2007, launched by Bingo Investments Limited but managed and operated by Supreme Ventures Lotteries Limited. A total of 42 bingo draws were conducted during the period.

All draws and draw related activities for the review period were conducted in the prescribed manner, and there were no reports of incidents or unusual occurrences at the draws. **Figure I** shows a graphical breakdown of the draws conducted on a quarterly basis.

**FIGURE I**
**LOTTERY DRAWS**




<u>Lotto</u>
The advertised jackpots ranged from the established minimum of $7 million to a high of $60 million, and there were 20 jackpot winners during the period.

<u>Match 5 Plus Bonus Ball Winners</u>
There were 88 winners receiving individual gross prize amounts ranging from $81,214. to $1,074,910.

Pick 3
Total daily gross payouts for the Pick3 game ranged from a low of $117,000. to a high of $13,296,000.

Lucky 5
Subsequent to the Commission's approval the guaranteed top prize was increased from $600,000. to $800,000. There were 81 top prize winners (Match 5), 181 winners shared the top prize ranging from $120,000. to $400,000. and 11,228 winners shared the second prize (Match 4) on the occasions when there were no top prize winners.

Cash Pot
The daily gross payouts for the game ranged from $1,445,340. to $56,261,140.

Dollaz
Gross payouts for the game ranged from $39,665. to $994,600.

Officers visited the head office of Supreme Ventures Lotteries Limited on 77 occasions to verify the authenticity of tickets presented by winners of prizes $500,000 and over.

In keeping with the approved Standard Operating Procedures the Lotto and Pick3 ball sets were weighed monthly. The weight of all ball sets fell within the allowable range of total weight as established by the Jamaica Bureau of Standards, and were therefore accepted for use at the respective game draws.

### 3.3 Lottery Sales and Payout

Sales during the review period totalled $17.32 billion in comparison to $15.34 billion in the previous fiscal year as shown in **Table 1.** Increases were recorded in the sales of all games offered with the exception of scratchers, which experienced a decline of 15.98%. The contribution of the respective games to total market sales ranged from a high of 78% from the Cash Pot game, to a low of 1% from the Bingo games. A closer examination of **Figure II** shows the maturity of the games, as their individual contribution to sales remains relatively flat.

The overall sales performance in the lottery sector should be viewed against the introduction of two new games Prime Time Bingo and daily Bingo and the fact that there were no sales recorded from Sports Bet Scratchers game. A graphical analysis of the sales trend for the sector over the last five fiscal periods is shown at **Figure III.**

# CHAPTER THREE – LOTTERIES SECTOR

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**TABLE 1**
**COMPARATIVE LOTTERY SALES**
**FISCAL Y/E 2008 v 2007**

| GAMES | FISCAL Y/E 2008 | FISCAL Y/E 2007 | % |
|---|---|---|---|
| **Supreme Ventures Ltd** | | | |
| Cash Pot | 13,532,348,470 | 12,211,278,870 | 10.82% |
| Lucky 5 | 485,021,010 | 472,819,310 | 2.58% |
| Keno | 258,846,578 | 245,124,000 | 5.60% |
| Lotto | 1,611,729,000 | 1,253,052,150 | 28.62% |
| Pick 3 | 1,179,534,500 | 1,012,801,740 | 16.46% |
| Bingo | 127,135,320 | - | 100.00% |
| Scratchers | 122,831,500 | 146,199,500 | -15.98% |
| **Total** | **17,317,446,378** | **15,341,275,570** | **12.88%** |
| **Sports Bet** | | | |
| Scratchers | - | 596,250 | -100.00% |
| **TOTAL** | **17,317,446,378** | **15,341,275,570** | **12.88%** |

**FIGURE II**
**CONTRIBUTION TO SALES BY GAME**

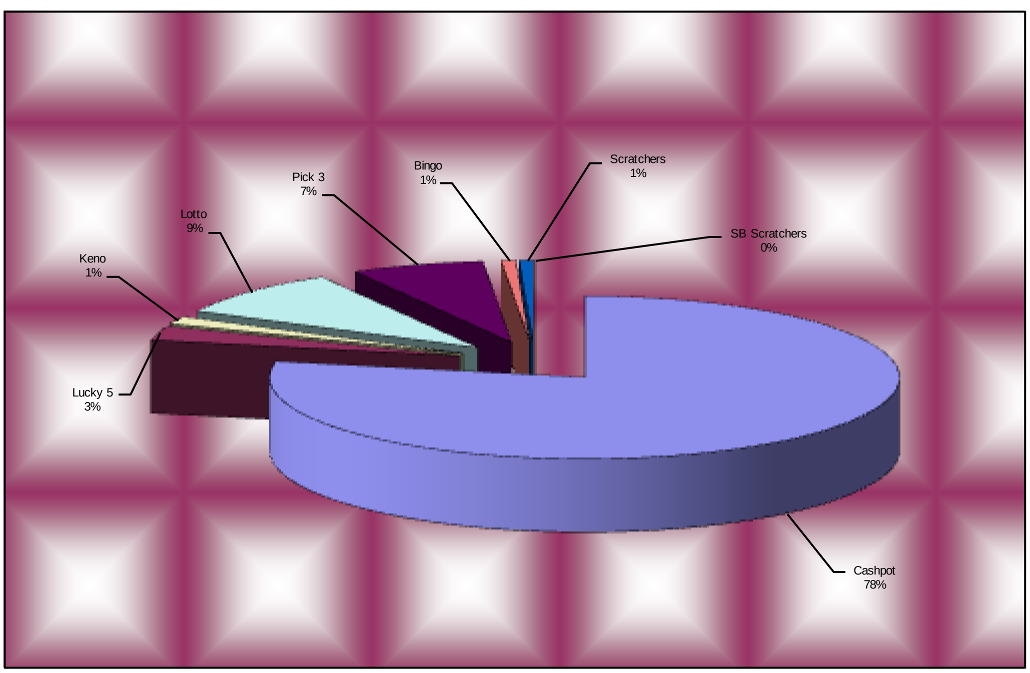
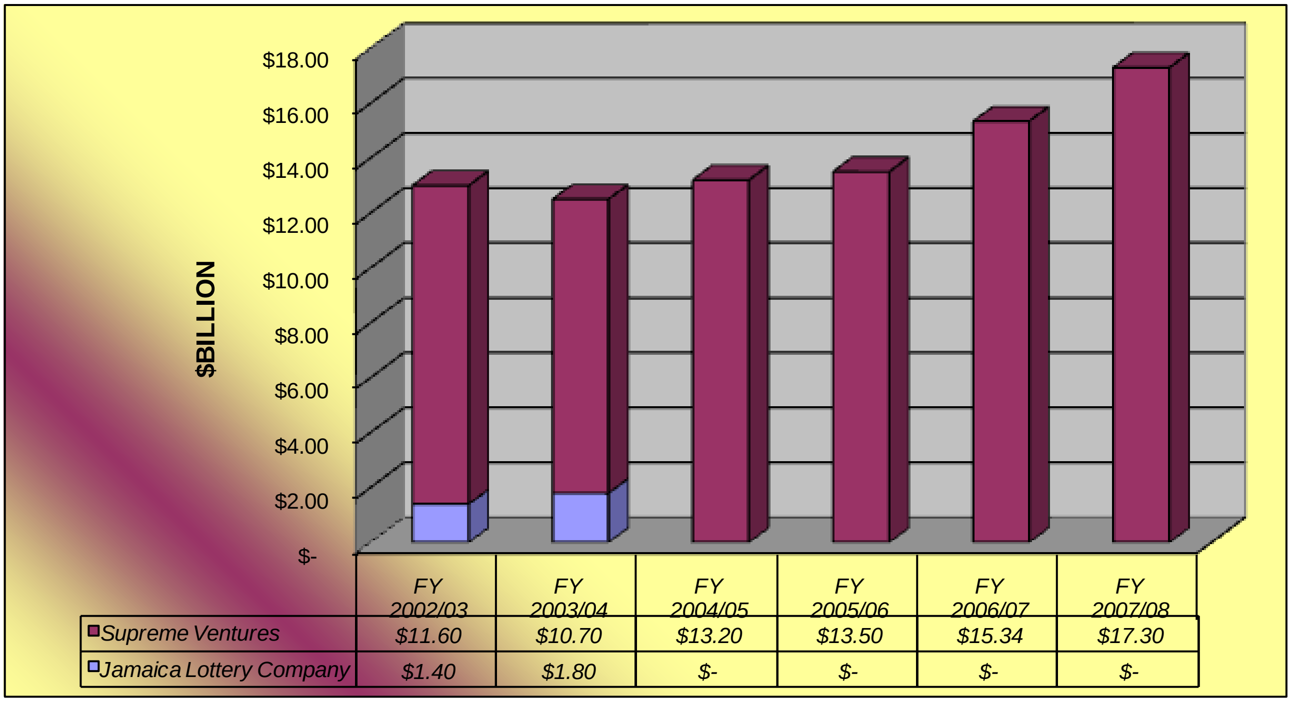


**FIGURE III**
**SALES TREND FYE 2003 vs. 2008**



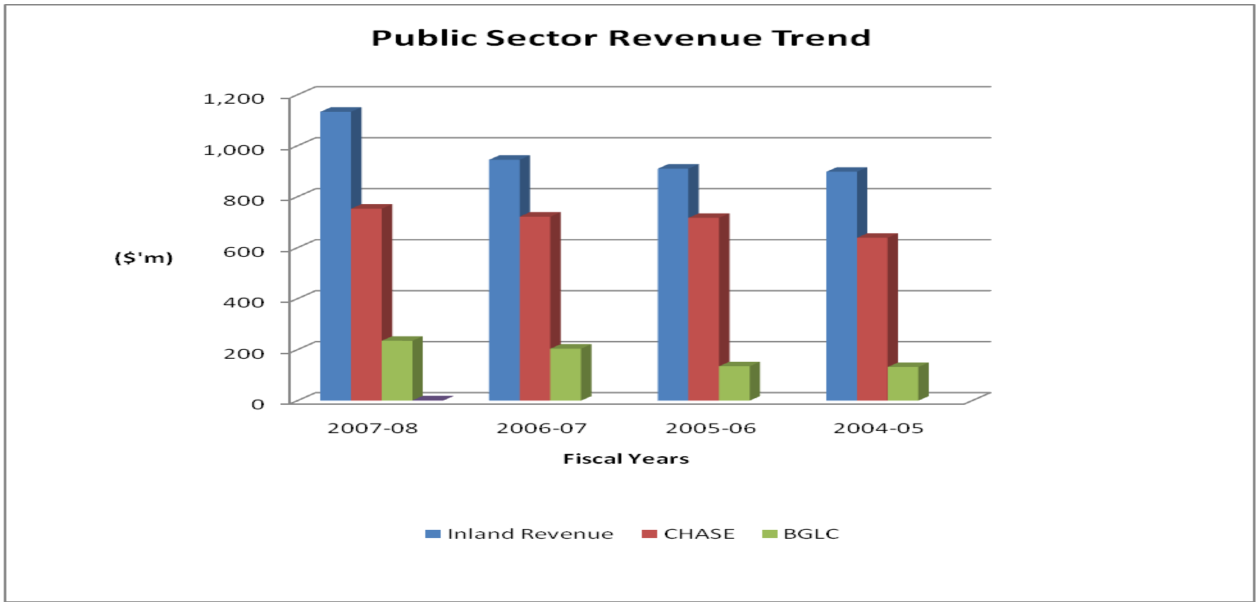

Prize liability for the fiscal year was $12.77 billion representing 73.72% of sales and 4.82% above the expected liability. The respective payouts for the games offered are shown at **Table 2** below.

**TABLE 2**
**LOTTERY PRIZE LIABILITY**
**FISCAL Y/E 2008**

| GAMES | FISCAL Y/E 2008 SALES | FISCAL Y/E 2008 PAYOUT | LIABILITY | EXPECTED LIABILITY |
|---|---|---|---|---|
| **Supreme Ventures Ltd** | | | | |
| Cash Pot | 13,532,348,470 | 10,953,483,480 | 80.94% | 72.00% |
| Lucky 5 | 485,021,010 | 257,930,014 | 53.18% | 50.90% |
| Keno | 258,846,578 | 138,670,025 | 53.57% | 54.80% |
| Lotto | 1,611,729,000 | 579,550,086 | 35.96% | 52.00% |
| Pick 3 | 1,179,534,500 | 723,908,000 | 61.37% | 60.00% |
| Bingo | 127,135,320 | 56,149,017 | 44.16% | |
| Scratchers | 122,831,500 | 56,149,017 | 45.71% | |
| **Total** | **17,317,446,378** | **12,765,839,639** | **73.72%** | **68.90%** |
| | | | | |
| **Sports Bet** | | | | |
| Scratchers | - | - | 0.00% | |
| **TOTAL** | **17,317,446,378** | **12,765,839,639** | **73.72%** | |

## 3.4 Public Sector Revenue

Overall revenue from the lottery sector was $2.12 billion and a graphical breakdown of the revenue is shown at **Figure IV** for the last four fiscal periods.




## 3.5 Government Revenue

Government revenue payable was $965 million inclusive of Bet Winning Tax which totalled $117.73 million. There were increases in the levy paid for all games with the exception of the Cash Pot and Pick 3 games of 21.87% and 1.13%, respectively. **Table 3** shows government levy payable for the fiscal year.

**TABLE 3**
**GOVERNMENT LEVY PAYABLE**
**FISCAL Y/E 2008 v 2007**

| GAMES | FISCAL Y/E 2008 | FISCAL Y/E 2007 | % |
|---|---|---|---|
| **Supreme Ventures Ltd** | | | |
| Cash Pot | 438,407,048 | 561,109,670 | -21.87% |
| Lucky 5 | 38,605,469 | 38,052,727 | 1.45% |
| Keno | 27,640,607 | 26,077,006 | 6.00% |
| Lotto | 237,401,150 | 138,492,427 | 71.42% |
| Pick 3 | 77,456,505 | 78,342,926 | -1.13% |
| Bingo | 16,326,850 | - | 100.00% |
| Scratchers | 11,336,022 | 9,788,510 | 15.81% |
| **Total** | **847,173,652** | **784,403,060** | **8.00%** |
| **Sports Bet** | | | |
| Scratchers | - | - | 0.00% |
| **BWT PAID** | **117,733,018** | **93,198,510** | **26.33%** |
| **TOTAL** | **964,906,670** | **877,601,570** | **9.95%** |

## 3.6 CHASE Contribution

The sector's contribution to the CHASE Fund recorded a decrease of 4.3% or $33 million when compared to the previous fiscal period. The main contributor to the decline was the Cash Pot game as 20.30% less was contributed than the $516 million in the 2006/07 fiscal period. Details of the respective contributions of the games are shown at **Table 4.**

**TABLE 4**
**CONTRIBUTION TO THE CHASE FUND**

| GAMES | FISCAL Y/E MARCH 2008 | | | FISCAL Y/E MARCH 2007 | | | % |
|---|---|---|---|---|---|---|---|
| | From Sales | From U/C Prizes | Total | From Sales | From U/C Prizes | Total | |
| **Supreme Ventures Ltd** | | | | | | | |
| Cash Pot | 386,829,749 | 24,505,917 | 411,335,666 | 495,096,768 | 21,093,335 | 516,190,103 | -20.3% |
| Lucky 5 | 36,376,576 | 5,708,431 | 42,085,007 | 35,461,448 | 5,888,778 | 41,350,226 | 1.8% |
| Keno | 19,413,493 | 5,519,486 | 24,932,979 | 18,384,300 | 5,268,441 | 23,652,741 | 5.4% |
| Lotto | 120,879,675 | 66,297,462 | 187,177,137 | 93,978,911 | 40,850,152 | 134,829,063 | 38.8% |
| Pick 3 | 49,186,589 | 5,841,987 | 55,028,576 | 42,233,833 | 5,741,335 | 47,975,168 | 14.7% |
| Bingo | 9,535,149 | 2,178,648 | 11,713,797 | - | - | - | 100.0% |
| Scratchers | 9,212,363 | N/A | 9,212,363 | 10,964,963 | N/A | 10,964,963 | -16.0% |
| **Total** | **631,433,593** | **110,051,931** | **741,485,524** | **696,120,223** | **78,842,041** | **774,962,264** | **-4.3%** |
| **Sports Bet** | | | | | | | |
| Scratchers | - | N/A | - | 44,719 | N/A | 44,719 | -100.0% |
| ***TOTAL*** | **631,433,593** | **110,051,931** | **741,485,524** | **696,120,223** | **78,842,041** | **775,006,982** | **-4.3%** |

## 3.7 BGLC Contribution

A stipulated 1% of sales were received by the Commission amounting to $173.17 million.

**TABLE 5**
**BGLC 1% FEES PAYABLE**

| GAMES | FISCAL Y/E 2008 | FISCAL Y/E 2007 | % |
|---|---|---|---|
| **Supreme Ventures Ltd** | | | |
| Cash Pot | 135,323,485 | 122,112,789 | 10.82% |
| Lucky 5 | 4,850,210 | 4,728,193 | 2.58% |
| Keno | 2,588,466 | 2,451,240 | 5.60% |
| Lotto | 16,117,290 | 12,530,522 | 28.62% |
| Pick 3 | 11,795,345 | 10,128,017 | 16.46% |
| Bingo | 1,271,353 | - | |
| Scratchers | 1,228,315 | 1,461,995 | -15.98% |
| **Total** | **173,174,464** | **153,412,756** | **12.88%** |
| **Sports Bet** | | | |
| Scratchers | - | 44,719 | 100.00% |
| **TOTAL** | **173,174,464** | **153,412,756** | **12.88%** |

# CHAPTER FOUR
# GAMING SECTOR

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## 4.1 Introduction

The gaming sector consists of the gaming lounges and non gaming lounges. Operations with between 20 and 150 slot machines are classified as gaming lounges, whilst non-gaming lounge operations consist of a maximum of 19 machines, which can be inclusive of slots or "ten cents" machines.

Applications were received for the licensing of 4,307 gaming machines for the fiscal year and a total of 1,309 locations were inspected.

Total revenues of $241.77 million were realized, with $178.22 million collected by the Inland Revenue Department as levy and gross profit tax, and $61.64 million by the Commission as licence and disc fees, and $11.90 million by CHASE as contribution to good causes.

## 4.2 Gaming Lounges

A total of $54 million was collected by the Commission as revenues from the gaming lounges, while the Inland Revenue Department and CHASE received $152 million and $12 million, respectively. The amounts contributed represent 10% of the gross profit of the 15 lounges. A detailed break down of the total contribution by each location is shown in **Table 6** below.

**TABLE 6**
**GAMING LOUNGES ACTIVITY**
**FISCAL Y/E MARCH 2008**

| LICENSEE / LOCATION | | LEVY | BGLC FEE | CHASE |
|---|---|---|---|---|
| PRIME SPORTS | | | | |
| 1 | HOLIDAY INN, SUNSPREE | 127,984.30 | 42,661.43 | - |
| 2 | VILLAGIO | 8,068,352.41 | 2,502,663.17 | 469,446.73 |
| 3 | ACROPOLIS - Kingston | 21,715,395.87 | 6,473,278.05 | 1,232,209.49 |
| 4 | ACROPOLIS - May Pen | 1,664,446.92 | 1,428,591.70 | 301,972.94 |
| *TOTAL* | | 31,576,179.50 | 10,447,194.35 | 2,721,919.56 |
| VILLAGE RESORTS | | | | |
| 5 | HEDONISM II | 181,302.78 | 61,849.45 | 5,373.53 |
| 6 | GRAND LIDO | 389,732.64 | 113,278.41 | 31,491.45 |
| 7 | STARFISH | 582,353.39 | 170,210.48 | 54,211.41 |
| 8 | BREEZES RUNAWAY BAY | 420,162.60 | 103,332.54 | 28,574.55 |
| 9 | HEDONISM III | 220,156.20 | 61,393.44 | 17,024.80 |
| *TOTAL* | | 1,793,707.61 | 510,064.32 | 136,675.74 |
| VILLAGE SQUARE | | | | |
| 10 | CORAL CLIFF* | 32,882,396.82 | 11,981,894.52 | 2,072,177.40 |
| 11 | MONTE CARLO | 64,908,117.79 | 23,523,360.24 | 5,743,994.96 |
| 12 | FLETCHER'S | 1,364,247.44 | 454,754.90 | - |
| 13 | FORTUNE GAMING | 2,338.50 | 779.50 | - |
| 14 | TREASURE HUNT | 17,479,926.04 | 6,263,241.11 | 1,064,827.38 |
| 15 | CARIBBEAN TREASURES | 1,752,170.74 | 640,819.65 | 155,580.39 |
| TOTAL | | 151,759,084.44 | 53,822,108.59 | 11,895,175.43 |

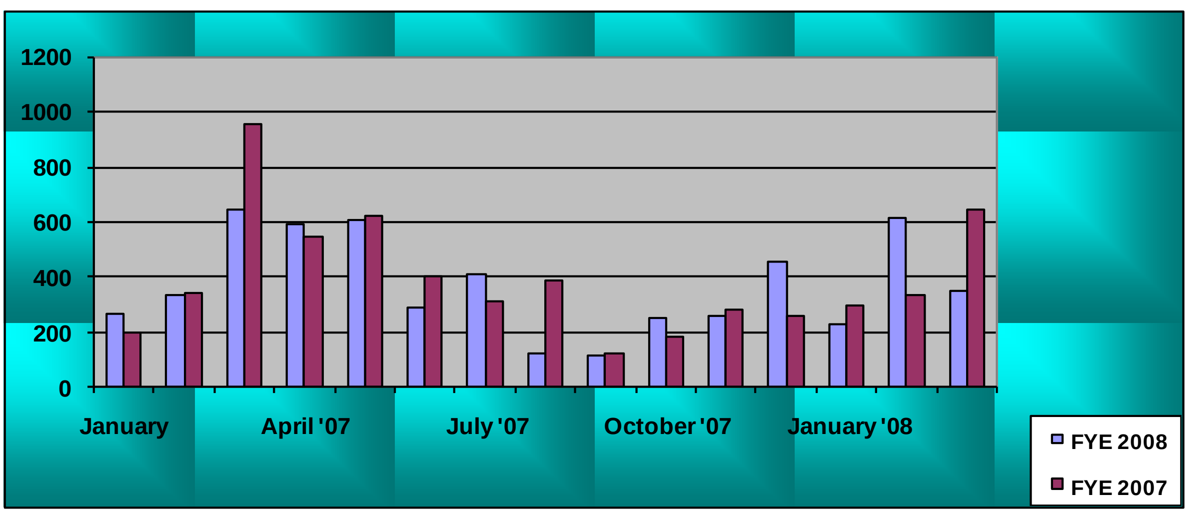
## 4.3 Non-Gaming Lounges

The total amount collected as licence and disc fees by the Commission was $7.82 million and levies totaling $16.46 million was paid to the Inland Revenue Department. Comparing the current inflows to that of the period ended March 2007, there were decreases of 11.81% and 19.11% to the Commission and the Inland Revenue Department, respectively. Details of the number of applications made and the respective fees paid are shown at **Table 7** below.

**TABLE 7**
**NON-GAMING LOUNGES – LEVY, LICENSING AND DISC FEES**

| PERIOD | NO. GAMING MACHINES | | | LICENSING & DISC FEE $'000 | | | LEVY $'000 | | |
|---|---|---|---|---|---|---|---|---|---|
| | FYE 2008 | FYE 2007 | Variance | FYE 2008 | FYE 2007 | Variance | FYE 2008 | FYE 2007 | Variance |
| April '07 | 596 | 546 | 9.2% | 1,342.0 | 1,227.5 | 9.3% | 2,740.0 | 3,130.0 | -12.5% |
| May '07 | 606 | 625 | -3.0% | 954.5 | 1,093.0 | -12.7% | 1,870.0 | 2,200.0 | -15.0% |
| June '07 | 292 | 402 | -27.4% | 725.0 | 820.0 | -11.6% | 1,535.0 | 1,780.0 | -13.8% |
| July '07 | 412 | 311 | 32.5% | 906.0 | 780.0 | 16.2% | 2,101.5 | 1,820.0 | 15.5% |
| August '07 | 123 | 385 | -68.1% | 258.0 | 479.5 | -46.2% | 635.0 | 1,255.0 | -49.4% |
| September '07 | 117 | 119 | -1.7% | 175.0 | 297.5 | -41.2% | 380.0 | 620.0 | -38.7% |
| October '07 | 254 | 180 | 41.1% | 397.5 | 517.5 | -23.2% | 905.0 | 1,390.0 | -34.9% |
| November '07 | 255 | 283 | -9.9% | 337.5 | 413.5 | -18.4% | 660.0 | 845.0 | -21.9% |
| December '07 | 457 | 260 | 75.8% | 365.5 | 308.0 | 18.7% | 440.0 | 765.0 | -42.5% |
| January '08 | 229 | 296 | -22.6% | 536.5 | 723.5 | -25.8% | 1,330.0 | 1,760.0 | -24.4% |
| February '08 | 613 | 336 | 82.4% | 939.0 | 842.5 | 11.5% | 1,860.0 | 1,865.0 | -0.3% |
| March ' 08 | 353 | 649 | -45.6% | 882.5 | 1,364.0 | -35.3% | 2,000.0 | 2,915.0 | -31.4% |
| **TOTAL** | **4307** | **4392** | **-1.94%** | **7,819.0** | **8,866.5** | **-11.81%** | **16,456.5** | **20,345.0** | **-19.11%** |

**FIGURE I**
**GAMING MACHINES TREND FISCAL Y/E MARCH 2008**



# CHAPTER FIVE
# PRIZE COMPETITION SECTOR

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## 5.1 Prize Competitions

The Commission received a total of three hundred and one (301) applications for the conduct of prize competitions during the year under review.

The Table below shows the distribution of Prize Competitions received for the year April 2007 to March 2008.

**TABLE1**
**PRIZE COMPETITIONS**

| Months (2007-2008) | Applications Brought Forward | Applications Received During the Month | Applications Completed During the Month | Applications Being Processed At End of Month |
|---|---|---|---|---|
| **April** | 16 | 16 | 16 | 12 |
| **May** | 16 | 36 | 31 | 21 |
| **June** | 15 | 28 | 16 | 27 |
| **July** | 19 | 27 | 30 | 16 |
| **August** | 17 | 22 | 17 | 22 |
| **September** | 22 | 30 | 27 | 25 |
| **October** | 26 | 30 | 29 | 27 |
| **November** | 24 | 31 | 39 | 16 |
| **December** | 14 | 13 | 14 | 12 |
| **January** | 10 | 17 | 11 | 16 |
| **February** | 11 | 27 | 27 | 11 |
| **March** | 11 | 24 | 18 | 17 |
| **Totals** | **201** | **301** | **275** | **222** |

# CHAPTER SIX
# ENFORCEMENT ACTIVITIES

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## 6.1 Introduction

As the enforcement arm of the Commission, the division's primary functions include:

- Gathering intelligence and managing a database of organized criminal groups involved in illegal activities.

- Conducting criminal and regulatory investigations on persons involved in illegal gaming activities.

- Conducting background investigations on potential licensees and making recommendation regarding the granting of a licence.

The Division's objectives during the period included:

- Identifying and seizing illegal gaming machines.

- Conducting operations against illegal lottery activities and taking the main perpetrators before the courts.

- Reducing the extent of breaches of the BGLA by Licensees through several measures including the conduct of test betting activities at licensed betting activities, and bringing illegal bookmakers before the First Instance Tribunal.

## 6.2 Investigations & Operations

A total of 55 operations were conducted during the current fiscal period, 72% less than the 198 undertaken in the corresponding period last year. A quarterly breakdown of the operations over the last two fiscal periods is shown at **Figure I**. The dramatic decline in this area of the Commission's enforcement activity is associated to a number of challenges. These include a reduction in the operations involving the seizure of unlicensed machines, as a result of inadequate storage facilities, the unavailability of police personnel to assist with such operations and the frequency with which officers are required to give evidence in Court, which impacted the level of operations conducted.

The seizure of unlicensed machines continues to play a significant role where enforcement activities are concerned, accounting for over 60% of the overall operations undertaken over the last four fiscal years. Compared to the previous two fiscal years, operations in the field have declined from 97% and 91% in 2005/06 and 2006/07, respectively, to 65% of the total operations for the review period. The remaining 19 operations for the period were conducted in relation to unlawful gaming, 18.75% more than that conducted for the last fiscal period.

During the period the strategic shift related to operations involving illegal lottery operators continued, as emphasis was placed on identifying and arresting the promoters of unlawful gaming activities. This strategic shift has been successful to some extent, as two of the persons arrested during the current period were masterminds behind their operations.

## CHAPTER SIX – ENFORCEMENT ACTIVITIES

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Presented at **Figure 1** is a breakdown of the operations over the last four fiscal periods where a total of 587 operations were conducted. This is complemented by **Figure 2** which gives the quarterly details of the operations for the current period, and the corresponding period last year.

**FIGURE 1**

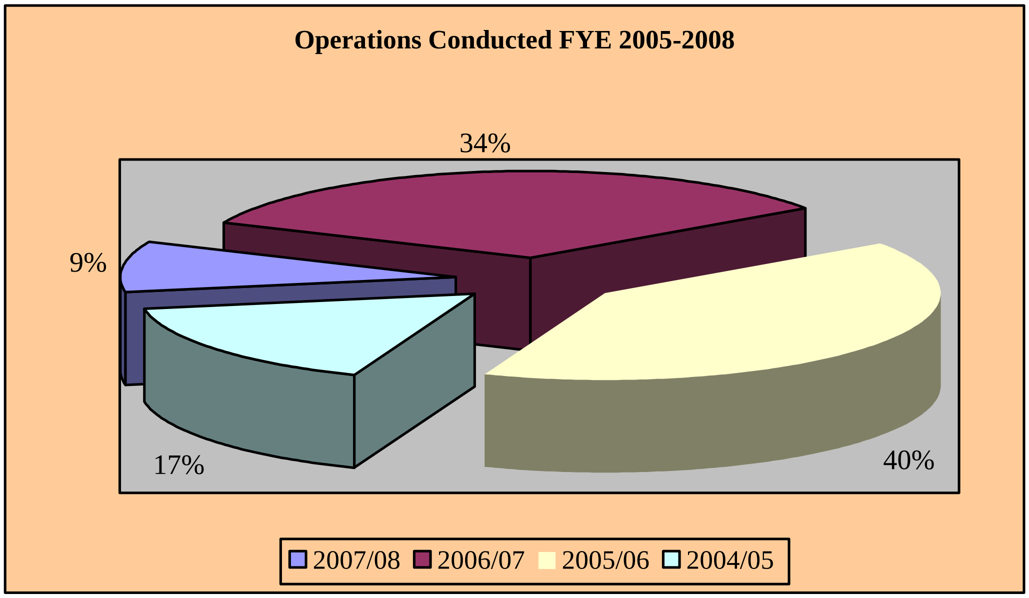
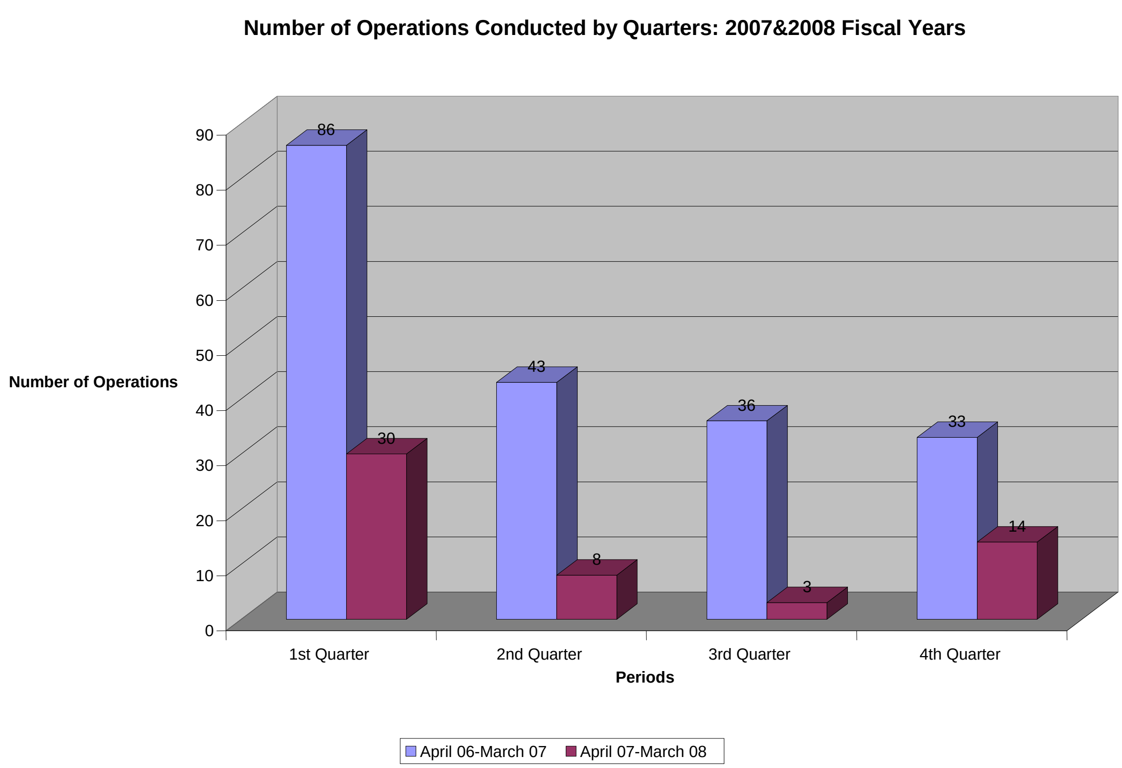



**FIGURE 2**



### 6.3 Arrests and Convictions

Resulting from the 55 operations, 21 persons were arrested, a 40% decline when compared to the 35 arrests made during the corresponding period last year. Convictions increase by 23% to 32 persons, some of which were arrested in the previous fiscal period, but convicted during the current period.

In keeping with the objective of arresting at least one major illegal operator, both Mr. Trevor Lowe and Mr. George McDonald were arrested and found guilty in the Annotto Bay and Montego Bay Resident Magistrate Courts, respectively.

Cash in the sum of $120,101 was seized from illegal operators compared to $395,587 seized during the corresponding period last year, representing a decline of 70%.

### 6.4 Seizure of Gaming Machines

The importance of the seizure of illegal machines in the overall enforcement activities is underscored by the number of operations directed at that specific activity, as 36 operations, representing 65.5% of total conducted during the review period, were conducted in relation to this activity and accounted for the seizure of 176 machines. When compared to the previous fiscal year, there were declines of 81% and 76% in the gaming machines operations conducted and the corresponding number of machines seized, respectively, as depicted in **Figure 3. Figures 4** and **5** detail the number of machine seizures by parish and by quarter for the period.

Of the 176 machines seized 151 or 86% were subsequently licensed and returned to their operators, while 45 remain in storage. Total revenues derived from these seizures were $1.32 million, $885,000 paid to Inland Revenue Department and $437,000 to the Commission. The total recovered for contingent and transportation costs was $344,800.

**FIGURE 3**

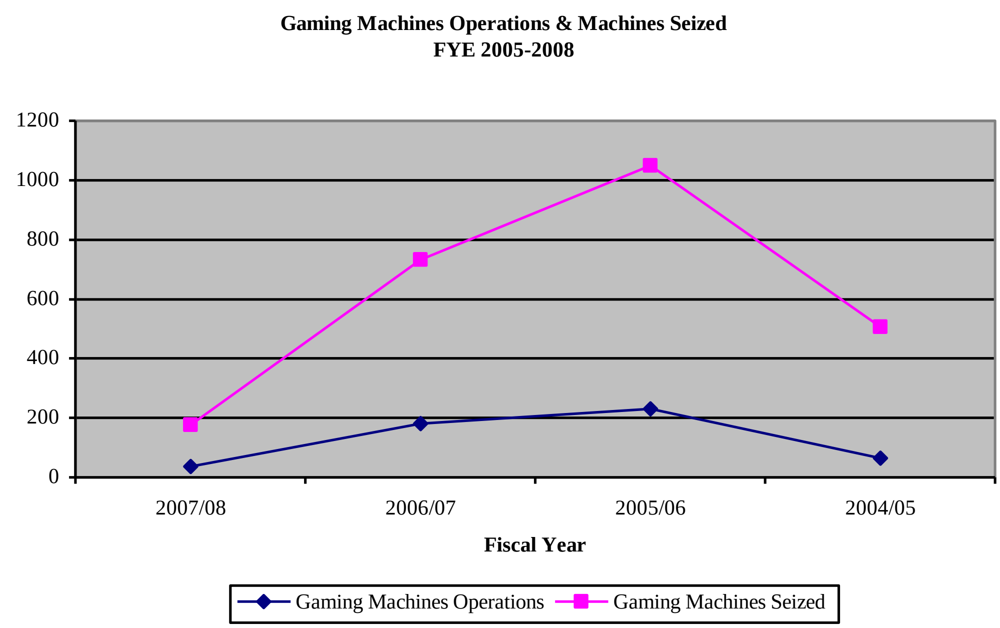


**FIGURE 4**

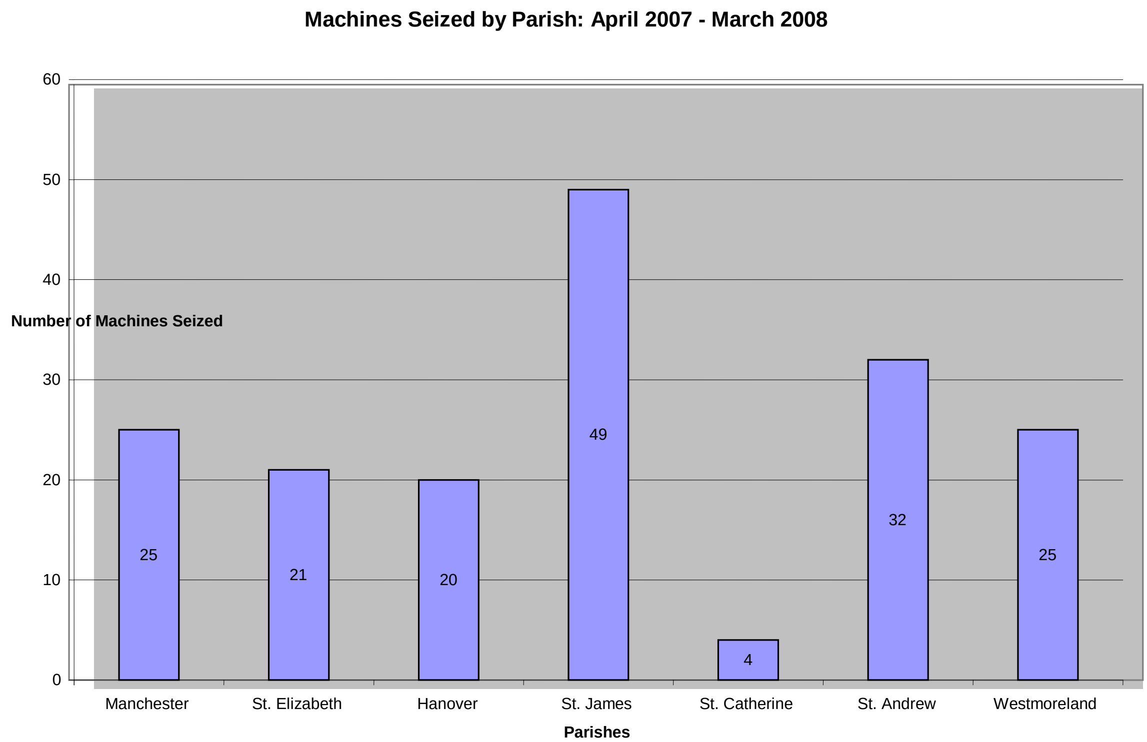
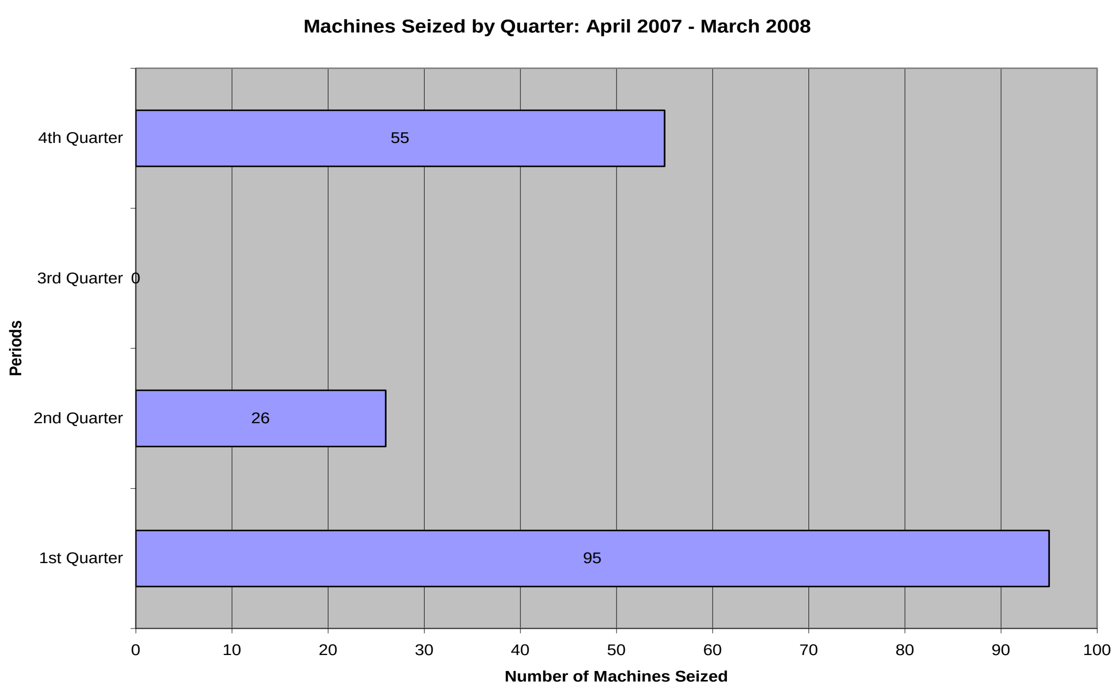



**FIGURE 5**



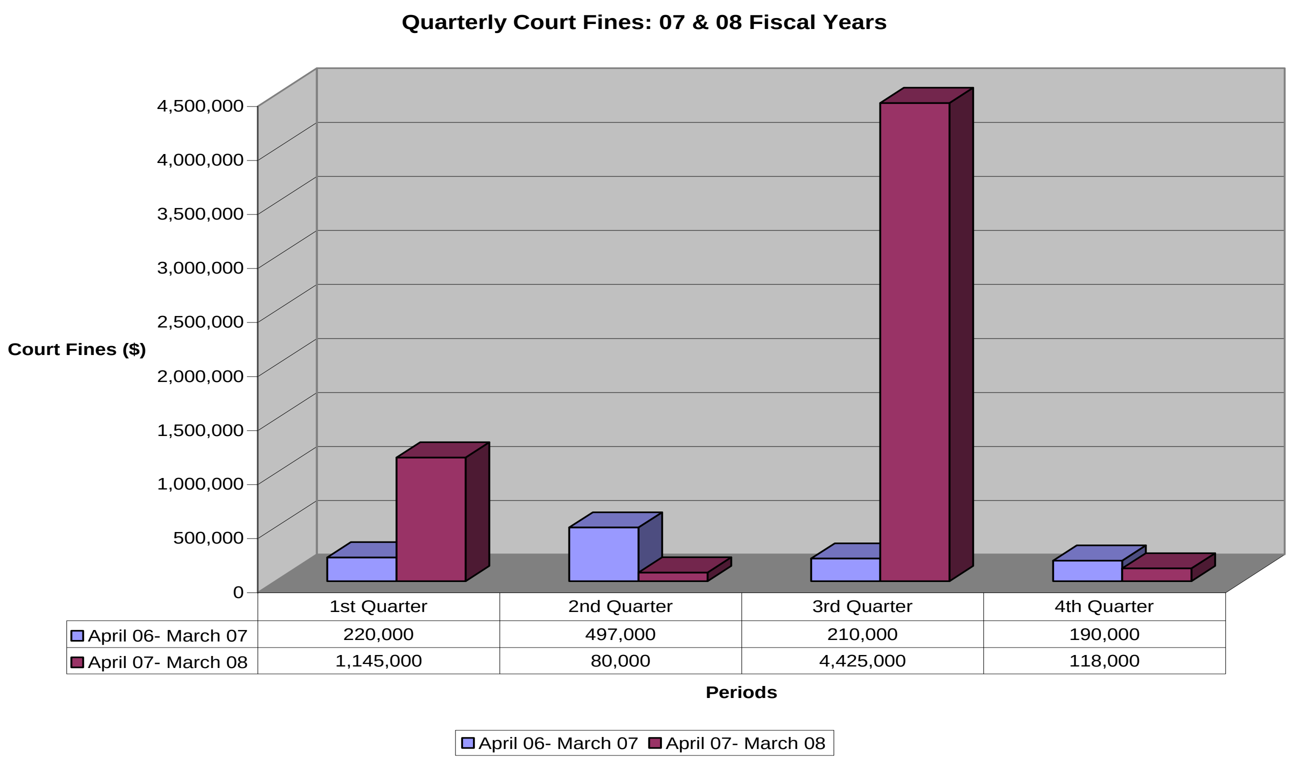
## 6.5 Court and Tribunal Activities

The number of appearances made by officers of the Commission in the Resident Magistrate Courts island-wide continues to increase, with each officer having to spend on average nine days per month at the relevant court. This increase in court appearances has negatively affected the ability of the division to perform other activities, which is evident in the decline in the operations conducted over the period.

Fines handed down by the relevant Magistrates however, increased by 416%, as a total of $5.77 million was executed. Of significance in the fines for the period was that related to the case against Patrick Chang, in which fines totalling $3.675 million were handed down. There were no fines emanating from the Tribunal in relation to enforcement activities for the period. A graphical analysis of the number of arrests, convictions and forfeitures during the fiscal year is presented at **Figure 6.**

The total direct revenue gained from enforcement activities for the current review period was $7,554,901.

**FIGURE 6**




| | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
|---|---|---|---|---|
| April 06- March 07 | 220,000 | 497,000 | 210,000 | 190,000 |
| April 07- March 08 | 1,145,000 | 80,000 | 4,425,000 | 118,000 |

## 6.6 Due Diligence

The Division conducted a number of due diligence investigations as listed below:

- Sportsbet Games Limited
- Fortune Gaming Limited
- Punters Paradise
- Level One Holdings
- Simultech Jamaica Limited
- Telefun International
- American Betting Company
- Maria Antonia Boza-Sanchez

Investigations for the first four companies were completed and the processing of the remaining four continues.

## 6.7 Reports

During the period, 67 reports in relation to illegal betting and gaming activities were received, representing a 72% increase over the number received the previous fiscal period. The trend of the decline in the reports received from the members of the public continues, as 72% of that received for the review period emanated from internal sources.

**Composition of Executive Management**

| Directors | Position | Basic Salary $'m | Allowances $'m |
|---|---|---|---|
| Derek Peart | Executive Director | 5.52 | 1.55 |
| Merrick Brown | Director of Finance & Administration | 3.74 | 0.28 |
| Carl Hill | Director of Enforcement | 4.05 | 1.04 |
| Wayne Stewart | Director of Gaming & Lotteries | 3.84 | 1.23 |
| Elaine Walters | Director of Finance | 2.05 | 0.44 |
| Leslie Wright | Director of Betting | 4.20 | 1.10 |

*Note: Merrick Brown demitted office in April, 2007 and Elaine Walters joined the Commission in October, 2007.*