

February 9, 2021  
**HB 1389 Internet Live Poker**

Good morning, Chairman Klemin and the members of the committee

My name is Collette Brown from Warwick, representing the Spirit Lake Tribe. My professional title in the gaming industry is, Gaming Commission Executive Director of the Gaming Regulations and Compliance Department, our casino is located seven miles south of Devils Lake. I am here to oppose HB 1389.

As you all are aware there is tremendous amount of etabs throughout North Dakota that has undermined Indian gaming, reducing our revenues substantially and undercutting our ability to provide jobs and generate essential services to your State citizens.

The current problem is that the state has currently oversaturated the gambling industry. And now wants to add more ways to make North Dakota the next Nevada without have any regulatory structure in place.

Since legalized gambling has emerged in the U.S., Gaming Laboratories Incorporated has served gaming regulators as the independent technical expert tasked with evaluating gaming technology against the government's technical standards, they have a white paper I am wanting to share with you all, ~~they have a white paper~~ on illegal and unregulated gaming in America.

“Unregulated and illegal gaming venues operate without any supervision. They do not adhere to prescribed operational guidelines designed to prevent fraud, theft, money laundering and a variety of other criminal behaviors, along with preying on the problem gamblers; Moreover, they circumvent the purposeful gambling policy goals set by the states and sovereign tribal governments. Gambling overall has provided an invaluable resource to many Tribes throughout the country, to improve the safety, economic security and quality of life in Tribal communities; the unregulated movement threatens this progress.”

The studied view is that the only effective way to protect the fidelity of a jurisdiction's purposeful gambling policy is to require regulatory review of every type of gambling.... The technology used in these devices is becoming increasingly complex. Understanding how the games function and the software logic behind game play requires specific expertise that can only be managed by a dedicated gaming regulatory agency such as a gaming commission, or a gaming control board... States and tribes have worked together to design well-meaning strategies to protect the fidelity of a jurisdiction's purposeful gambling policy and that are to require regulatory review of every type of gambling device.”

Therefore, a clear, strong and thorough system of regulation is important to stop criminals from abusing gambling and cheating the house and other players. Sophisticated regulation and security are necessary to stop the many ways that operators and players have been known to abuse Internet video poker. Poker games are subject to fraud, cheating and money laundering, including:

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- **Illicit Viewing of “Hole Cards”**—Allows Cheating by Knowing the Other Players’ Cards. In the past, employees had access to “super-user accounts” that could see players “hole cards” and the employees then entered games and used this ability to see the other player’s hands.
- **Poker Bots**—Allows Mathematical/Algorithm Play against Regular Players without their knowledge.
- **Multi-Accounting**—When One Player Opens Multiple Accounts and Plays them in the same On-Line Poker Game, other players can be cheated by manipulation of the game.
- **Collusion**—Collusion between Players also makes Cheating Possible in the On-Line Game World.
- **Ghosting**—When a Player receives expert advice from poker professional is another form of cheating

Currently the states regulatory structure for these etabs are just paper without the means to enforce them, and I believe if HCR was changed to study the committee will report all the items needs to enter into this new world of internet gaming. Lastly, we want to strongly urge a do not pass on HB1389 and on any state base gaming expansion, due to the inability to regulate the current new game of etabs and my Tribe cannot economic<sup>ally</sup> sustain any further expansion of gaming in the State that will not benefit my Tribe.