## **Delaware's 3 casinos launch free online gaming**

## Target is October for real-money online operation.

Doug Denison, The (Wilmington, Del.) News Journal 9:04 a.m. EDT August 28, 2013

DOVER, Del. — Delaware's three casinos launched the <u>first phase of the state's online gambling</u> <u>operation</u> Wednesday, opening Web portals for free slots, poker, blackjack and roulette games.

The no-money games are precursor to the state's coming full-service, real-cash online gambling operation, now planned to launch at the end of October.

At 6 a.m. ET, each Delaware casino's homepage directed visitors to the Facebook-linked game platform DoubleDown Casino, run by slot machine company IGT, one of Delaware's contractual slots vendors.

Delaware remains on track to be the first state in the nation to offer a full compliment of legal casino games online, made possible by legislation that cleared the General Assembly last year.

Nevada legalized online poker in February, and sites there began operating in the spring. New Jersey is close behind Delaware in putting in place its online gambling law, passed earlier this year.

"This first phase will allow us to really get the players acclimated to the virtual world in a legalized environment," said Tom Cook, Delaware's secretary of finance.

While the free games will be open to players anywhere in the world, the coming real-money games will be available only to players within Delaware's borders in accordance with federal law.

Chief Executive Ed Sutor of <u>Dover Downs Hotel & Casino (DDE)</u> said the free play will be used as a regional marketing tool, combined with banners offering promotional deals and special offers.

"We are going to try to the best of our ability to get those people from the free-to-play to come play here," he said.

Free games will continue to be available when the real games come online, Cook said, with a variety of table games, card games and brand-name slot machine titles offered by the state's gambling vendors accessible through a single portal.

A link to the state's Council on Gambling Problems also will appear on the portal page, in smaller print under the casino logo.

The October launch date for real online gambling is a month later than state officials were shooting for when they awarded a contract for designing and operating the system earlier this year.

The winning bidder, a joint venture of current Delaware slots system manager Scientific Games and European online betting company 888 Holdings, will not be on the hook for the delay, Cook said.

"We set forth what I would call an aggressive goal of September," Cook said. "I said from the beginning this is something that, when it's ready, it's ready."

Cook said other facets of the state's online gambling operation will continue to develop.

Mobile access to the games is expected to be available next year, and Cook said he hopes to sign an interstate compact with Nevada in early 2014 that will allow online poker players in both states to sit at the same virtual tables.

When the online gambling bill passed the Legislature, Cook estimated legal online wagering would generate \$3.75 million in tax revenue in its first year. However, those estimates assumed online gambling would running for most of 2013, not just the final two months of the year.

Cook said the revenue projections will be updated next month when the Delaware Economic and Financial Advisory Council meets to approve the state's latest income figures.

"We are being very cautious starting out here," Cook said. "As time goes on, just like any other revenue estimate, we will revise it."

Sutor said it remains to be seen how big an effect the launch of online gambling in Delaware will have on the ongoing debate over casino tax rates. And he doesn't know how much the proceeds from online wagering will help Dover Downs, Delaware Park and Harrington Raceway & Casino regain profits they've lost to newer casinos in neighboring states.

"It hasn't come up a lot in the discussion, to tell you the truth," Sutor said. "We're not sure how much revenue this is going to produce."

