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June 3, 2019

Illegal 'Pennsylvania Skill Games' Robbing Millions of Dollars From Vital Programs for Older Pennsylvanians

Senator Tomlinson Introduces Legislation Strengthening Penalties Against Illegal Games of Skill

Harrisburg, PA — Pennsylvania Lottery officials, state Senator Tommy Tomlinson, the Pennsylvania State Police and senior groups partnered today to announce legislation to combat illegal "Pennsylvania Skill Games" that have cost the Pennsylvania Lottery an estimated \$138 million in sales over the past year and put funding for vital senior programs at risk.

Sen. Tomlinson is introducing Senate Bill 710 to address the illegal machines and protect funding for senior programs. While Games of Skill machines are already considered illegal, unlicensed and untaxed equipment by the commonwealth, Senate Bill 710 further strengthens the existing law by making it a criminal offense for anyone to knowingly make, assemble, maintain, lease or sell Games of Skill.

"These illegal machines are creating a huge risk for the older Pennsylvanians who rely upon the programs the Lottery funds," said Pennsylvania Lottery Executive Director Drew Svitko. "The Games of Skill machines are appearing across the state and we are deeply concerned the harm will only increase. Senator Tomlinson's legislation will crack down on the machines and preserve hundreds of millions of dollars that help seniors afford prescriptions, transportation, meals and more."

As of today, there are approximately 5,050 Games of Skill machines in Pennsylvania Lottery retailers. The Lottery estimates that for every Games of Skill machine placed in a Lottery retailer, the Lottery loses approximately \$2,284 per machine per month. That's money that would otherwise be directed toward programs and services for older Pennsylvanians.

"I drafted this legislation after learning the impact these machines have on the Pennsylvania Lottery," Senator Tomlinson said. "I am concerned about the negative effect these unregulated, unlicensed, untaxed gambling machines have on unsuspecting players, youth and Lottery funds which support essential services for our senior citizens."

Under Tomlinson's bill, a first offense would be a first-degree misdemeanor that carries a fine of at least \$5,000 per violation upon conviction. A second offense is also a first-degree misdemeanor that carries a fine of at least \$10,000 per violation upon conviction. A third or subsequent offense would be a third-degree felony that carries a fine of at least \$15,000 per violation upon conviction. These penalties create a deterrent that helps law enforcement address unsanctioned gambling.

The Pennsylvania State Police Bureau of Liquor Control Enforcement has the primary enforcement authority over licensed liquor establishments, where many illegal Games of Skill machines are found. Since January 2019, liquor enforcement officers have confirmed the operation of suspected illegal gambling devices in every county in Pennsylvania.

"We continue to see an increase of suspected illegal gambling devices within licensed liquor establishments, but perhaps even more concerning is the illegal gambling happening in convenience stores, strip malls, and shopping centers," said Major Scott T. Miller, director of the Pennsylvania State Police Bureau of Liquor Control Enforcement. "This bill provides clear guidelines to aid in voluntary compliance by business owners, club officers, and vending distributors, as well as enhanced penalties for those who violate the law."

In addition to the negative impact on the Lottery's Scratch-Off sales, which make up roughly 70 percent of the Lottery's business, Games of Skill also are a roadblock for the Lottery in convincing its retailers to offer monitor-based games, including Keno and Xpress Sports.

After being authorized by Act 42 of 2017, Keno and Xpress Sports were launched last year to help the Lottery expand its products portfolio and compete in an increasingly competitive business environment. However, in many cases Lottery retailers are opting to carry Games of Skill, rather than the Lottery's new products. That is one of many threats that Games of Skill pose to the Lottery's business.

Sen. Tomlinson's bill reaffirms that Pennsylvania Skill Games are not authorized in Pennsylvania and strengthens penalties.

"These machines have the potential to cost the Lottery hundreds of millions of dollars in future harm," said Svitko, the Lottery's executive director. "It's imperative that we take action now to protect the funding that supports the programs that older Pennsylvanians rely upon each year."

About the Lottery: The Pennsylvania Lottery remains the only state lottery to direct all proceeds to programs that benefit older residents. Since ticket sales began in 1972, it has contributed more than \$29 billion to fund property tax and rent rebates, transportation, care services, prescription assistance, and local services including senior centers and meals. In the 2017-18 Fiscal Year, the Lottery generated more than \$1 billion to support older Pennsylvanians for the seventh consecutive year.

Players must be 18 or older. Please play responsibly. Call 1-800-GAMBLER (1-800-426-2537) for help with a compulsive gambling problem.

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Note: *Video and audio from today's event will be available for download later today in an email from the Pennsylvania Internet News Service (PINS). Register for PINS emails through cms@pacast.com.*

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