

All Change In Illinois Gambling Oversight

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Illinois Lottery director Michael Jones stepped down last week, another sign that gaming regulation in the Prairie State is entering a new era.

The departure of Jones follows the ouster in January of [Aaron Jaffe](#) as chairman of the Illinois Gaming Board by new Republican Governor Bruce Rauner.

Rauner, who replaced Jaffe with one of his campaign supporters, Springfield attorney [Donald Tracy](#), apparently did not pressure Jones to leave.

Nevertheless, the governor did not hesitate to accept Jones' resignation, which Jones abruptly announced last Wednesday.

The governor said he "appreciated Michael Jones stepping up to the difficult task of managing the state lottery ... and his experience and knowledge have been an important asset to the agency."

In a memo to his staff, Jones said his only immediate plan is to go "surfing." As yet, no one has been prominently mentioned as his potential successor.

Jones' departure could be traced to his contentious relationship with [Northstar](#), which was hired in July 2011 by then Governor Pat Quinn to become the first private company to manage a U.S. state lottery.

The friction between Jones and Northstar escalated to the point that Jones was prohibited from attending marketing meetings and talking to the Illinois Lottery's ad agencies about marketing issues, according to the Chicago Business Journal.

In the midst of his ultimately unsuccessful re-election campaign last August, Quinn ordered the [termination](#) of Northstar's ten-year contract after only three years.

But Illinois Attorney General Lisa Madigan rejected the termination agreement in January, saying "the proposed settlement may result in obligating the state to pay more fees and expenses than the state has paid in prior fiscal years."

This was Jones' second stint as director of the Illinois Lottery, having initially served in the role from 1981 to 1985.

"I was asked to become Illinois Lottery director again in 2011 to 'straighten' out the Lottery's new private manager model," Jones said in his departing memo to his staff.

"As many of you know 'straightening' it out proved to be a much more difficult task, in an artificially difficult environment, than I could ever have imagined."

Democratic state Representative Bob Rita, who introduced two bills earlier this month to expand casino gambling in Illinois, said the discord between Jones and Northstar impaired the lottery's performance.

"It was clear the relationship between the former director and lottery vendor Northstar was not a strong or effective one, which meant we lost opportunities to get the most value out of our lottery these last couple of years," Rita told GamblingCompliance.

"I'm hopeful a new director can move past these tensions, and we can see the lottery live up to its full potential to produce revenue that supports our schools," Rita said.

In addition to the departures of Jones and Jaffee, Rauner has appointed Jeffrey Brincat to be the new chairman of the Illinois Racing Board.

The governor also has appointed three new members to the racing agency. All four of the new appointments are subject to confirmation by the Illinois state Senate.

Meanwhile, Chicago Mayor Rahm Emanuel, who has aggressively lobbied for a mega-casino in the city's downtown, faces a surprisingly close runoff for re-election on April 7.

"This is a transition from one administration to another, and I am excited to see how the new gaming boards and commissions' members as well as new administrators and directors will advance gaming in Illinois," said Cory Aronovitz, a gaming attorney in Chicago.

"Gaming is politically palatable and socially acceptable," Aronovitz said. "Expansion in terms of revenue generation and border protection is good policy."

