



FOR IMMEDIATE RELEASE  
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**STATE PROGRAMS DESIGNED TO ADDRESS THE IMPACTS OF CASINO GAMING  
ARE NOT OPERATING EFFECTIVELY**

DENVER— An audit by the Colorado Office of the State Auditor (OSA) has found that the Local Government Limited Gaming Impact Program (Local Gaming Impact Program) at the Department of Local Affairs (DOLA), and the Gambling Addiction Program at the Department of Human Services (DHS), gave grants to ineligible entities and did not always use State funds to address the impacts of gaming in Colorado, as statute requires.

DOLA's Local Gaming Impact Program was created to give local governments funding to address the impacts of gaming on their communities and awarded about \$4.9 million in grants in Calendar Year 2014. DHS' Gambling Addiction Program was created to fund counseling for Coloradans affected by problem gambling and help individuals become nationally accredited gambling addiction counselors, and spent about \$42,000 in Fiscal Year 2015. The two programs receive funding from taxes, fees, and fines paid by Colorado casinos.

OSA auditors found that five grantees who received over \$525,000 from DOLA's Local Gaming Impact Program were not eligible for the funds because they could not show they had been impacted by gaming. Additionally, DOLA could not account for why it had denied three eligible applications, gave some applicants partial funding, and didn't follow its Advisory Committee's recommendations. Further, the Advisory Committee was not following Colorado's open meetings laws.

The audit also found that about \$515,000 (10 percent of Program funds for 2014) that DOLA paid to five grantees were inappropriate payments because the grantees had not complied with their grant contracts.

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Separately, auditors found that DHS' Gambling Addiction Program has not been operating effectively to address problem gambling in Colorado. Since July 2010, DHS used only one-third of the Program's funds for grants; the remaining funds were used for administrative and marketing costs, or were not used at all. From September 2013 to June 2015, the Program funded only \$650 in counseling services (the main purpose of the program) yet granted over \$20,900 to ineligible counselors and gave \$22,000 to 18 counselors for accreditation who did not become accredited. Additionally, from July 2010 to August 2013, the Program had students provide gambling addiction counseling instead of awarding grants to entities with or seeking accredited counselors.

The OSA has made a total of five recommendations for improvement to DOLA and DHS, who agreed with the recommendations.

The full report is available electronically on the OSA's website, <http://www.state.co.us/auditor>, via the link called "OSA Audit Reports."

Under the direction of the state auditor, the OSA is the state's nonpartisan, independent external auditor with broad authority to audit state agencies, departments, institutions of higher education, and the Judicial and Legislative Branches. The OSA's professional staff serve the people of Colorado by addressing relevant public issues through high-quality, objective audits and reviews that promote accountability and positive change in government. Performance audits address whether programs operate in compliance with laws and regulations and in a manner that accomplishes intended program goals. Financial audits include annual audits of the state's basic financial statements and federal grants on a statewide level. IT audits review procedures and technology to ensure the confidentiality, integrity and availability of the state's critical computer systems and taxpayer data. The OSA also tracks about 4,000 Colorado local governments for compliance with the Local Government Audit Law.