



Vision Statement

The goal of the Pennsylvania Gaming Control Board is to be the premier gaming regulator in the United States, maintaining and enhancing public trust with honesty, integrity and credibility.

Mission Statement

The Pennsylvania Gaming Control Board, guided by the Gaming Act and supported by a dedicated professional staff, will protect the interest of the public by ensuring the integrity of legalized gaming through the strict enforcement of the law and regulations, the licensing of qualified individuals and entities, and fulfilling the objectives of legalized gaming in the Commonwealth to deliver a significant source of revenue, assist the horse racing industry, provide broad economic opportunities and enhance tourism.

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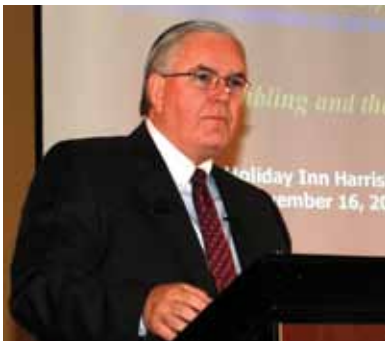
Gregory C. Fajt

From the Chairman

When I was provided with the unique and challenging opportunity to become the third Chairman of the Pennsylvania Gaming Control Board, my goal was to make sure the public was aware of the tremendous effort of this agency to produce the promised benefits of legalized casino gaming. Toward that end, I have accepted scores of opportunities to speak to community and business groups and conduct media interviews to better inform the public about how this new industry has benefitted all of us.

Today, less than four years after the opening of Pennsylvania's first casino and in the midst of a downturned economy, legalized gaming has created over 12,000 living wage jobs; provided three years of steady reduction on property tax bills; reinvigorated our proud horse racing industry; and, pumped hundreds of millions of dollars into communities for safety and quality of life improvements.

In addition, we have worked to heighten the transparency of our work so the public has the opportunity to view and understand our reasoned decisions. This includes placing videos and transcripts of our meetings, agency expenses, casino revenue, hearing calendars, non-confidential legal filings, reports and regulations on the PGCB web site. We understand that we are stewards of the people's business and work to provide timely and easy access to information about that business.



Kevin F. O'Toole

From the Executive Director

I am pleased to provide the 2009-2010 Annual Report of the Pennsylvania Gaming Control Board, and hope you find the information contained in this report useful.

Our mission is to protect the public through the strict enforcement of the Gaming Act, an effort that we have carried out successfully during the initial years of legalized casino gambling. This has been accomplished through the hard and diligent work of hundreds of professionals at the PGCB who share a common vision and ethic.

Of course, there is still much to be accomplished. During the 2010-11 Fiscal Year, table games have been added as an additional patron offering at casinos which brings with it additional regulatory and enforcement oversight. The first Philadelphia casino will also be in operation while the two permitted limited use resort casinos are also expected to move closer to operation.

I can assure you that in the years ahead, we will continue to work in the best interests of all citizens of the Commonwealth. This will be accomplished through an efficient and balanced regulatory framework, that contributes to the tremendous growth in jobs and tax revenue that this new statewide industry is producing.



Board Members



Gregory C. Fajt
Chairman
Designated by the Governor



Kenneth I. Trujillo
Board Member
Designated by the Governor



James B. Ginty
Board Member
Designated by the Governor



Jeffrey W. Coy
Board Member
Designated by the
Speaker of the
House of Representatives



Gary A. Sojka
Board Member
Designated by the
Minority Leader of the
House of Representatives



Kenneth T. McCabe
Board Member
Designated by the
President Pro Tempore
of the Senate



Raymond S. Angeli
Board Member
Designated by the
Minority Leader
of the Senate



The Honorable
C. Daniel Hassell
Ex-Officio Member
Secretary of Revenue



The Honorable
Robert M. McCord
Ex-Officio Member
State Treasurer



The Honorable
Russell C. Redding
Ex-Officio Member
Secretary of Agriculture



Kevin F. O'Toole
Executive Director



Susan Hensel
Director, Bureau of Licensing

Bureau of Licensing

The Bureau of Licensing had many significant accomplishments in 2009 and early 2010, including participating in the opening of two new casinos, the expansion of two existing casinos into their permanent facilities, approval of Pennsylvania's first category 3 resort casino, processing of applications for the remaining category 3 license, development of a more paperless application system for gaming and non-gaming employees and amendments to PGCB regulations regarding application filing requirements for gaming service providers (formerly known as vendors). Most notable, however, was the Bureau of Licensing's role in the expansion of Pennsylvania's gaming industry into table games as a result of the amendments to the Pennsylvania Race Horse Development and Gaming Act.

The major focus of the Bureau of Licensing for 2010 was to ensure that enough new entities and employees were properly licensed, permitted or registered to allow for the successful expansion to table games at Pennsylvania's nine existing casinos. To accomplish this task, the Bureau of Licensing completed the following in the months leading up to the table games openings in July 2010:

- Worked with PGCB staff to adopt temporary regulations needed to begin table games including, setting minimum dealer and supervisor experience and training requirements to ensure the integrity of gaming and allowing conditional licensure for table game manufacturers and suppliers to facilitate rapid start up.
- Developed a plan for the timely and efficient submission and processing of dealer and supervisor applications from the nine existing casinos as well as applications for positions added due to increased staffing needs for security guards, surveillance agents, cage cashiers and others.
- Updated the Bureau of licensing's electronic application system and internal systems to capture required dealer and supervisor experience information.
- Awarded 5 table game manufacturer licenses, 7 conditional manufacturer licenses, 1 table game manufacturer designee license and 1 supplier license to entities that produce, provide or service

table games, dice, chips, tiles and other table game related equipment.

- Redesigned employee credentials to ensure prominent designation of employees with the required experience and training to work as dealers and supervisors.
- Participated in on site support during the table games openings at each casino.
- Issued 4,464 licenses, permits and registrations to accommodate table game expansion.

In addition to working toward the table games expansions at each casino, the Bureau of Licensing accomplished the following through 2009 and 2010:

- Facilitated approval of Pennsylvania's first category 3 resort license and the renewal of 4 slot machine operator licenses.
- Received and reviewed 4 applications for the remaining category 3 resort license.
- Issued 18 manufacturer licenses and 4 supplier licenses.
- Played key roles in the openings of the Sands Casino Resort in Bethlehem in May 2009 and the Rivers Casino in Pittsburgh in August 2009, as well as the expansions of the Meadows Racetrack and Casino in April 2009 and the parx Casino in Bensalem in December 2009 into permanent facilities.
- Modified internal systems to change license and permit renewals from one to three years as required by amendments to the Act and reissued more than 3,000 employee credentials reflecting the change.
- Implemented a nearly paperless application system for gaming and non-gaming employees of manufacturers, suppliers and gaming service providers to increase the security and efficiency of the application process.
- Developed and implemented significant amendments to the regulations for gaming service providers. The amendments increased the amount of business a gaming service provider could conduct with a casino before being required to file an application with the PGCB, thereby

increasing opportunities for Pennsylvania's small businesses.

- Issued 128 gaming service provider certifications and 428 gaming service provider registrations.
- Produced more than 19,800 new and renewal credential badges for employees working for casinos, manufacturers, suppliers and gaming service providers.
- Implemented an electronic case management system that was introduced in September 2009 to distribute work electronically throughout the PGCB for review and investigation of licensing applications.
- Scanned an average of 14,000 pages per week of application and supplemental information into an electronic document storage system for use throughout the agency.

Number of Applicants (all types):	1/1/2009 - 6/30/2009	7/1/2009 - 6/30/2010	Total
Received	5,558	11,474	17,032
Approved	5,026	9,003	14,029
Denied	30	71	101
Surrendered	2	5	7
Withdrawn	167	583	750
Applications Approved by Type:	1/1/2009 - 6/30/2009	7/1/2009 - 6/30/2010	Total
Category 1	0	3	3
Category 2	0	1	1
Category 3	0	1	1
Slot Machine Manufacturer	0	8	8
Table Game Manufacturer	0	5	5
Table Game Manufacturer Designee	0	0	0
Slot Machine Supplier	0	2	2
Table Game Supplier	0	1	1
Management Company	0	1	1
Affiliate	0	31	31
Key Employee	67	206	273
Principal	0	154	154
Principal Entity	0	21	21
Gaming--Level 2	0	0	0
Gaming	2,658	5,619	8,277
Non-Gaming Employee	1,902	2,412	4,314
Gaming Service Providers (Certifications, Registrations, Affiliate and Employees)	399	538	937



Michael Cruz
Director, Gaming Laboratory
Operation

Bureau of Gaming Laboratory Operations

The primary function of the Bureau of Gaming Laboratory Operations (GLO) is to ensure the performance and integrity of slot machines and associated equipment that are used by patrons in Pennsylvania casinos or used by Pennsylvania casinos themselves. Table game automated shufflers, progressive systems, and electronic table games must also be tested by the Gaming Lab. All products are thoroughly tested in a state-of-the-art lab at the Gaming Control Board's Harrisburg office to certify regulatory compliance with all minimum design standards regarding security and the 85 percent minimum payback mandated by law.

In addition to testing machines in the Harrisburg lab, GLO is also responsible for the technical compliance of the slot machine floor, table game floor and the IT room of every casino. GLO also works closely with the PA Department of Revenue who oversees the Central Control Computer System which is used to perform vital tests such as the daily authentication of every machine operating in all Commonwealth licensed casinos.

GLO performs its critical operations within four units:

Statistical Review:

Responsible for evaluating the theoretical return for every slot gaming theme submitted for review and the analysis of progressive reward payouts and random number generators. Table game rules are

also verified by the statistical review team for calculation of the house advantage.

Slot and Table Game Device Certification:

Responsible for evaluating gaming devices for compliance with the minimum design standards, reviewing modifications to gaming devices and ancillary equipment, and conducting investigations of regulatory violations. Table game devices include but are not limited to, automated shuffling machines, progressive systems, and electronic table games.

Systems and Kiosks:

Responsible for evaluating communication between the thousands of operating slot machines and the Central Control Computer System, the communication of each machine with a casino's in-house monitoring system, analysis of voucher redemption machines, and evaluation of the count room equipment.

Technical Field Representatives:

Responsible for monitoring the day-to-day operations of licensed casino operators, particularly with regard to software and systems at all licensed facilities, including proper connectivity to the Central Control Computer System, inspection of slot machines for configurable options, and inspections of table game devices for compliance.

Gaming Laboratory Operations	1/1/2009 - 6/20/2009	7/1/2009 - 6/30/2010	Total
Paytables Reviewed	3,105	11,146	1,4251
Paytables Rejected	227	2,180	2,407
Associated Software\Hardware Reviewed	611	1,954	2,565
System and Kiosk Software Reviewed	34	90	124

Spotlight On...

Diversity In Pennsylvania Gaming

The Gaming Control Board remains committed to promoting and ensuring diversity in all aspects of gaming as is required by the Pennsylvania Race Horse Development and Gaming Act.

The PGCB has on staff, a Director of Diversity (DD) who is charged with the responsibility of promoting and ensuring diversity in all aspects of gaming. The PGCB developed diversity rules and regulations to assist the agency in accomplishing its diversity goals and to establish the policies and procedures that both promote and ensure that the regulated entities foster participation and diversity in all aspects of their operations in the Commonwealth.

Each regulated entity is required to provide a diversity plan in its application for licensure, certification and renewal that establishes a goal of diversity in ownership, participation, operation and employment at the regulated entity. The DD is responsible for determining whether goals set forth in each diversity plan are reasonable and represent a good faith effort to assure that all persons are accorded equality of opportunity in contracting and employment by the regulated entity and its contractors, subcontractors, assignees, lessees and agents.

The DD actively participates in job fairs, vendor fairs and community outreach programs sponsored by the licensees. These activities serve to increase diversity in employment and acquisition of goods and services by the licensees.

The licensees have been diligent in their commitment to recruit, retain and develop a workforce that reflects their respective geographical com-

munities and customer base. The stated goals of the licensees are basic: "to achieve well rounded workplaces where differences are respected and appreciated." These views are reflected in the internal policies, training, development efforts and community partnerships. Casino employee profiles for the nine licensees operating during 2009/10 show that the number of minority and women employees exceed the demographic data and county profiles for the host counties and neighboring counties from which most of the licensees hire. The statistical data compiled for minority and women employees at the various facilities range between 28 and 45 percent depending upon the geographical location.

The licensees have further demonstrated their commitment to vendor diversity by taking steps to obtain goods and services from qualified Minority-Owned Businesses (MBEs) and Women-Owned Businesses (WBEs). In addition, the licensees established relationships with local area businesses and community residents to keep them informed regarding upcoming contracting opportunities while also participating in local and statewide meetings and events to stimulate dialogue and to make evident their good faith intentions. In some instances, the licensees mentored disadvantaged businesses to enhance their competitive edge. As a result of these initiatives, the percentage of contracts awarded to MBE/WBE's by the licensees in 2009/10 in most instances have exceeded 10 percent of all contracts awarded for goods and services.



Mozelle E. Daniels
Director of Diversity



“to achieve well rounded workplaces where differences are respected and appreciated.”



Nanette L. Horner
Director, Office of Compulsive
and Problem Gambling

**If you or someone
you know has a
gambling problem,
call
Council on
Compulsive Gambling
at 1-800-848-1880
or
1-800-GAMBLER**



Office of Compulsive and Problem Gambling

The Office of Compulsive and Problem Gambling (OCPG) remains dedicated to assisting Pennsylvanians affected by compulsive gambling by ensuring that every slot machine operator has established, and complies with, an approved compulsive and problem gambling plan; creating problem gambling materials and outreach programs; heightening public awareness of the dangers of compulsive, problem, intoxicated and underage gambling; developing prevention programs and harm reduction tools for gamblers; establishing education programs for residents of all ages; and directing problem gamblers and their families to compulsive gamblers assistance organizations' toll-free helplines for crisis counseling, referral services and treatment.

During 2009, Nanette L. Horner, the former Director of the OCPG, made presentations on several different aspects of problem gambling. Ms. Horner represented the PGCB and OCPG by speaking before the following groups: University of Pittsburgh, Institute of Politics; Northampton County Gambling Impact Committee; National Council of Legislators from Gaming States; Association of Problem Gambling Service Administrators; 22nd National Conference on Problem Gambling; House Gaming Oversight Committee; Council on Compulsive Gambling of Pennsylvania Annual Statewide Conference; and Connecticut Council on Problem Gambling's Annual Statewide Conference. Some of the topics Ms. Horner addressed included gambling in the military, moving toward best practices in responsible gaming and the regulatory approach to social responsibility. The International Masters of Gaming Law (IMGL), named Ms. Horner to the Responsible Gaming Committee and she was elected to the association's Board of Directors.

The office's current Acting Director, Elizabeth Lanza, and Program Coordinator, Elizabeth Burch, were busy in 2009 and 2010 maintaining the Board's Self-Exclusion Program (see page 9). In addition, OCPG collected and analyzed data from Pennsylvania and other state Self-Exclusion Programs, communicated with the general public about self-exclusion and problem gambling, met with other state agencies, and attended state and national conferences on problem gambling. Ms. Lanza also made presentations, including one at the Council on Compulsive Gambling of Pennsylvania's Gambling and the Law conference in November.

In early 2010, Ms. Lanza worked diligently to approve table game amendments to each facility's Compulsive and Problem Gambling Plans. These included amendments addressed and mandated by Act 1 such as check cashing, credit, signage and underage gambling issues, along with the addition of sections for Table Games and Credit Departments.

The OCPG supported and participated in National Problem Gambling Awareness Week (NPGAW), a grassroots public awareness and outreach campaign that was held March 7-13, 2010. The office created informational documents to hand out during NPGAW and posted these documents on the PGCB website. During this week, OCPG, along with the PA Lottery, PA Department of Health and the Council on Compulsive Gambling of Pennsylvania, set up displays in Harrisburg's Strawberry Square and in the Capitol Complex to promote NPGAW and to reach out to problem gamblers. Additionally, the OCPG facilitated a Joint Statement of the Secretaries of Health, Revenue and Agriculture; a PA House and Senate resolution and a Board resolution; and a Governor's proclamation all recognizing NPGAW.

The OCPG participated in the Annual Senior Expo in September hosted by PA State Representatives Solobay and White. At the event, PGCB employees educated interested senior citizens on problem gambling and the tools and treatment available to problem gamblers in the Commonwealth.

In November 2009, the one-thousandth request for inclusion of the Self-Exclusion list was received. Self-exclusion is a process that allows a person to request to be banned from legalized gaming activities and prohibited from collecting any winnings, recovering any losses or accepting complimentary goods or services at any PA casino. (For more information on the PGCB's Self-Exclusion program, (see page 9).

The OCPG continues to participate in a compulsive and problem gambling consortium that includes individuals from the Department of Health's Bureau of Drug and Alcohol Programs, the Department of Agriculture's Horse Racing and Harness Racing Commissions and the PA Lottery. This consortium meets to discuss compulsive gambling policies, practices and programs.

Spotlight On...

The Self-Exclusion Program is an effective and proven tool used to assist a problem gambler in removing himself or herself from the temptation of gambling.

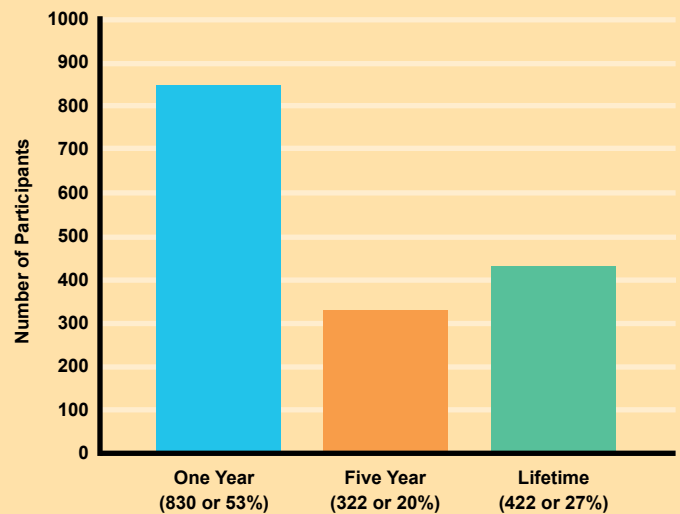
Since the introduction of the program into Pennsylvania, 1574 people with gambling problems have voluntarily requested to be excluded from gaming activities and promotions at all licensed facilities within the Commonwealth for either one year, five years or a lifetime. Word of mouth and media coverage have heightened awareness of the program and, as a result, the numbers of those desiring to utilize this tool are steadily climbing.

Once a person is placed on the list, licensed Pennsylvania gaming facilities must:

- Refuse wagers from and deny gaming privileges to any self-excluded person
- Deny check cashing privileges, player club membership, complimentary goods and services, junket participation and other similar privileges and benefits to any self-excluded person
- Ensure that self-excluded persons do not receive junket solicitations, targeted mailings, telemarketing promotions, player club materials or other promotional materials relating to gaming activities at its licensed facility

- Notify the Pennsylvania State Police in instances of violations of the ban which results in a charge of Trespassing when a self-excluded individual violates the ban.

Self-Exclusion Program
(1574 participants since inception)



Additional data from Pennsylvania's program, which is based upon responses from individuals during the self-exclusion intake interview, shows that:

There are a total of **1574** individuals on the Self-Exclusion List
764 or 49% are males and **810 or 51%** are females

Individuals range between **21 and 81** years of age.

525 or 37% of the self-excluded individuals are currently involved in a treatment program (including Gamblers Anonymous) or have sought treatment in the past.

145 or 10% have been self-excluded in other jurisdictions such as New Jersey and Delaware.

1189 or 83% of the self-excluded persons participated in gambling in a PA casino prior to signing up for the Board's Self-Exclusion Program.



Paul Resch
Director, Gaming Operations

Bureau of Gaming Operations

The Bureau of Gaming Operations works closely with the Executive Director and other PGCB staff to oversee casino openings and expansions and to provide ongoing oversight of slot machine and table game operations. The Bureau consists of a Compliance Unit, Audit Unit, Gaming Operations Liaisons and the Office of Racetrack Gaming (see page 11).

Gaming Operations staff are responsible for the review and approval of accounting and internal controls, regulatory compliance audits and the review of table game rules and equipment submissions including cards, dice and gaming chips.

During the period of January 1, 2009 to July 30, 2010, the Bureau of Gaming Operations accomplished the following:

- Played an important role in the implementation of table games by developing the required protocols for table game test periods and by participating on each of the three PGCB opening teams.
- For several months prior to the table game test periods, staff reviewed more than 750 required submissions including internal control amendments, rules submissions, table layouts, gaming chips, cards, dice, signs and gaming guides. Staff also assisted with the drafting of temporary regulations for table games including rules of the game, drop and count and cage operations.
- Developed standardized rules submission forms for 18 banked table games and poker.
- Worked closely with the PA Department of Revenue to draft regulations regarding the calculation of gross table game revenue and develop tax reporting forms for table game revenue.
- Established an Audit Unit and performed nine audits at eight casinos. The Audit Unit's mission is to perform comprehensive, independent and objective compliance assessments to provide reasonable assurance that the public interest is protected through strict enforcement of the Race Horse Development and Gaming Act and PGCB regulations.
- Provided oversight for the opening of Sands Casino Resort Bethlehem and Rivers Casino and the expansion of The Meadows and Parx Casino from temporary to permanent facilities.
- Coordinated the Board's oversight of gaming floor plan changes including the number and location of slot machines and changes to the approved gaming floor area.
- Worked closely with the PA Departments of Health and Revenue to implement provisions of the Clean Indoor Air Act, which requires that no more than 50 percent of the gaming floor be designated as a smoking area.
- Provided staff with training opportunities on internal controls, casino operations and table games security and protection.
- Streamlined the internal control review process by enhancing the online submission application, which resulted in a more efficient review and shorter turnaround times. Revised the regulations to eliminate the need for casinos to submit internal control amendments prior to implementing changes to their organizational structure for non-gaming departments.

All numbers as of October 16, 2010

Licensed Operator	Slots	Tables	Gaming Floor (sq.ft)
Mohegan Sun at Pocono Downs	2,466	84	82,396
Parx Casino	3,470	57	126,465
Harrah's Chester Casino and Racetrack	2,965	99	108,642
Presque Isle Downs and Casino	2,030	48	58,938
The Meadows Racetrack and Casino	3,506	60	139,140
Mount Airy Casino Resort	2,451	72	69,247
Hollywood Casino at Penn National Racecourse	2,489	54	99,194
Sands Casino Resort Bethlehem	3,032	89	146,308
Rivers Casino	2,954	85	129,083
SugarHouse Casino	1,602	40	51,017

The Office of Racetrack Gaming was established to serve as the primary liaison between the gaming and horse racing industries. To further this objective, the Office of Racetrack Gaming:

- Regularly participates and provides a report at the monthly meetings of the Horse and Harness Racing Commissions.
- Provides oversight of the distribution of funds from the Pennsylvania Racehorse Development Fund (PRHDF) to the horsemen.
- Prepares and retains financial reports which detail the impact of gaming revenue on purses, breeders' and sire stakes awards and health and pension benefits for horsemen, and reports its findings to the Gaming Control Board.
- Assures that the horsemen comply with all reporting requirements, including an annual audit and quarterly reports on the receipt and distribution of funds received from the PRHDF.
- Requires racetrack operators to submit quarterly reports detailing upgrades to the backside area of the racetracks as statutorily mandated (4 Pa. CS 1404).
- Implements any necessary regulations to further the objectives of the Gaming Act.
- Works with the Bureau of Gaming Operations to ensure a smooth interface between the gaming and racing venues at each facility.

Office of Racetrack Gaming

Six racetrack casinos, also known as racinos, are currently in operation: Mohegan Sun at Pocono Downs in Luzerne County, Parx Casino at Philadelphia Park Racetrack in Bucks County, Harrah's Chester Casino and Racetrack in Delaware County, Presque Isle Downs and Casino in Erie County, The Meadows Racetrack and Casino in Washington County, and Hollywood Casino at Penn National Racecourse in Dauphin County.

In March of 2010, the Office of Racetrack Gaming released its third benchmark report to determine the impact of slot machine play on Pennsylvania pari-mutuel wagering. The report, which compares the status of pari-mutuel wagering between the years of 2006, 2007 and 2008 focused on revenue from the slots play and the various indicators of pari-mutuel health such as purse amounts, racing handle (the total amount wagered by patrons) and exporting of live racing signals to other properties both inside and outside Pennsylvania.

The report is important because it establishes a baseline from which to compare subsequent years of pari-mutuel activity. Future reports, including next year's report with complete figures from 2010, will include table games revenue and will provide a clearer picture of the future for horse and harness racing in Pennsylvania, and the impact of gaming at those facilities.

The report can be downloaded from the About PGCB/Reports link of the Gaming Control Board's web site, www.pgcb.state.pa.us.



Melinda Tucker
Director, Racetrack Gaming



GENERATING JOBS AND TAX REVENUE



Hollywood Casino at Penn National Racecourse
Tax Revenue - \$373,565,151.04
Jobs - 1,364
Opened February 12, 2008



The Meadows Racetrack & Casino
Tax Revenue - \$502,732,645.46
Jobs - 1,553
Opened June 11, 2007



Sands Casino Resort Bethlehem
Tax Revenue - \$218,557,213.37
Jobs - 981
Opened May 22, 2009



Mohegan Sun at Pocono Downs
Tax Revenue - \$479,720,554.61
Jobs - 1,521
Opened November 14, 2006



Parx Casino
Tax Revenue - \$740,902,874.39
Jobs - 928
Opened December 19, 2006



*Includes slot machines tax revenue
*All numbers as of 12/31/2009

REVENUE FOR THE COMMONWEALTH



GC
B



SugarHouse Casino
 Tax Revenue - \$66,500,000.00
 Jobs - 200
 Opening September 23, 2010



Presque Isle Downs & Casino
 Tax Revenue - \$391,643,022.73
 Jobs - 875
 Opened February 28, 2007



Rivers Casino
 Tax Revenue - \$176,389,397.18
 Jobs - 1,288
 Opened August 9, 2009



Mount Airy Casino Resort
 Tax Revenue - \$321,037,788.05
 Jobs - 1,165
 Opened October 22, 2007



Harrah's Chester Casino & Racetrack
 Tax Revenue - \$677,366,938.91
 Jobs - 1,466
 Opened January 23, 2007





R. Douglas Sherman
Chief Counsel

Office of Chief Counsel

The Office of Chief Counsel (OCC) serves as legal counsel to the Pennsylvania Gaming Control Board on issues of policy and procedure including administration, personnel, budget, operations, gaming, licensing, enforcement, and all other matters that may emerge in the course of regulating casino gaming.

Throughout 2009 and the first half of 2010, the OCC has continued to serve and fulfill the initial licensing needs of the Board while expanding its role and services to recognize the needs of the ever increasing regulatory and enforcement role of the Board as more casinos become fully operational. Additionally, the OCC has assumed a leading role in the analysis of proposals to amend the Board's gaming regulatory authority to recognize efficiencies in the Commonwealth's maturing gaming industry, as well as to accommodate more recent statutory changes which include the addition of table games.

Licensing:

The Office of Chief Counsel has been instrumental in revamping the PGCB's oversight of gaming service providers. Many changes to the gaming service providers process were in response to information received from the industry resulting in revisions to the vendor regulations, policies, applications and fees. The OCC played a lead role with respect to the licensing of the first approved category 3 applicant by reviewing its application, evaluating its eligibility, and drafting the suitability report. The first renewals for licensed facilities occurred in 2009 and the OCC drafted those renewal suitability reports and provided guidance to the Bureau of Licensing with respect to the renewal applicants' compliance with its Statement of Conditions, Board regulations and the Gaming Act. The OCC also provided counsel pertaining to the change of ownership and control of a licensed facility, financial restructurings and modifications to design and construction plans submitted by various licensees.

Regulatory Review:

The Office of Chief Counsel has spearheaded the Board's continuing efforts to revise and improve current regulations based upon the experience gained over the past year. In the last fiscal year, the OCC has initiated and presented to the Board eight new rulemakings and submitted for finalization seven more. Among the changes included in these

rulemakings were a comprehensive update to the Board's rules of practice and procedure, a rewrite of the Board's regulations governing gaming service providers (previously referred to as vendors), the streamlining of various reporting and approval procedures and a comprehensive update addressing those individuals and entities that must be licensed as principals. These amendments were designed with two goals in mind: to improve the overall effectiveness of the Board's regulations and to give licensees additional operating flexibility without sacrificing strong oversight.

During the latter half of 2009, OCC staff engaged in discussions with regulators and operators in neighboring gaming jurisdictions to better anticipate the potential challenges which the implementation of table gaming in the Commonwealth would pose. With that knowledge OCC began drafting temporary regulations governing the rules of the games, the minimum training requirements for dealers, the storage and inventory of equipment and the internal control procedures required. To date, the Board has adopted more than 750 pages of temporary regulations contained in twenty-seven new chapters.

The Board and OCC has also continued to solicit comment on regulatory proposals, including the temporary rulemakings, in an effort to develop the most effective and cost conscious regulatory programs. It has done so by holding industry-wide meetings, hosting roundtable discussions and soliciting input on possible revisions to the regulations.

Litigation:

The Litigation Section of OCC has provided legal advice on matters brought before the Board including enforcement actions, petitions for relief, suspensions, revocations, consent agreements, withdrawals and Reports & Recommendations. During the past year, the OCC reviewed and provided legal advice to the Board on no fewer than 276 matters that came before it for consideration. During this same time period, OCC represented the Board in various legal proceedings brought before judicial and administrative tribunals, including before the State Supreme Court in an appeal of the Board's award of a category 3 slot machine license. Throughout the year, the OCC has also provided ongoing counsel to the Board and Bureaus concerning various policy and regulatory issues as well as matters involving human resources, ethics and other administration concerns.

Office of Hearings and Appeals

From January 1, 2009 through June 30, 2010, the Office of Hearings and Appeals (OHA) continued to evaluate its regulations, processes and procedures, while implementing several new regulation changes to provide better service to both the public and participants in hearings conducted by OHA's Hearing Officers. For example, regulation changes now permit electronic filing with the Board's Clerk of all documents/filings that are permitted or required by the Board's regulations. A byproduct of this change is a significant reduction in the number of copies required to be filed with only one copy required to be filed by mail, in person or electronically. Additionally, the Board eliminated the remaining filing fees that were previously required.

OHA has increased transparency of its business by posting its hearing calendar on the Board's website under the "Gaming" tab and the "Hearings and Appeals" section under this tab. The calendar lists the docket name and number, the date and time of the hearing and the type of hearing to be conducted by the Presiding Officer.

During 2009, a new docketing system to record and track all filings with the Board's Clerk was designed and implemented. The new system resulted with the ability to easily and more efficiently docket, file and track all incoming filings to the Board Clerk. Each week, a list of filings made with the Board Clerk during the previous week is posted to the Board's website at the same location as the hearing calendar.

The OHA staff, along with other Board staff, conducted Public License Renewal Hearings for license holders Mohegan Sun at Pocono Downs, d/b/a Downs Racing; Chester Downs and Marina LLC, d/b/a Harrah's Chester Casino and Racetrack; Greenwood Gaming and Entertainment, d/b/a/ parx casino; Mountainview Thoroughbred Racing, d/b/a Hollywood Casino at Penn National Race Course; and Sands Bethworks Gaming LLC d/b/a Sand Casino Resort Bethlehem. Public input in the form of written comments and oral testimony were received at the hearings, each held within the municipality where the casino operates. The remaining license holders will be scheduled for a license renewal hearing in 2010/2011.

Public Input hearings were also held for all operators regarding table games petitions. Those hearings were conducted from March through May 2010 with the purpose to allow operators to present their plans for table games to the public and permit the public and local elected officials to express their thoughts and concerns to the Board regarding the addition of table games at the respective casinos.

During 2009, the Board's Clerk received approximately 1,563 filings to be processed. From January 1 through June 30, 2010, the Board's Clerk received approximately 1,454 filings. The breakdown of the types of filings is as follows:

During 2009/10 OHA received and processed the following:

Types of Filings	2009	1/1/2010 - 6/30/2010
Petitions	194	198
Answers/Motions/Misc.	630	1,256
Enforcement Actions	42	18
Requests for Oral Hearing	110	39
Reports and Recommendations Issued	48	29
Exceptions	11	2
Disposed Hearing Files	83	51
Board Orders	496	303
OHA Orders	142	73
Total Orders Processed	638	376
Hearings Conducted by OHA	87	32
Records Certified to Courts	3	0



Linda S. Lloyd
Director, Hearings and Appeals

Bureau of Investigations and Enforcement



The primary mission of the Bureau of Investigations and Enforcement (BIE) is to ensure the integrity of the Commonwealth's gaming industry through suitability and regulatory investigations. In addition to the investigations of gaming operators, BIE also investigates casino employees, as well as the manufacturers, suppliers, and gaming service providers interested in conducting business within the Commonwealth's gaming industry. BIE performs this function in cooperation with numerous Commonwealth agencies including the Department of State, the State Police, the Office of Attorney General and the PA Department of Revenue, as well as other state gaming regulators.

In order to provide the Board with a comprehensive report regarding an applicant's suitability, BIE completes a criminal history record check and conducts interviews of the applicant, employers, neighbors, references and family members to verify information about the applicant. Additional elements of background investigations include: inquiries into the applicant's regulatory history in other gaming jurisdictions; professional license verification; tax record examination; credit history analysis; database checks regarding political contributions; and, retrieval of court records of civil litigation.

The Financial Investigations Unit of BIE maintains and reviews all corporate compliance submissions to the PGCB; assists BIE agents with the financial investigations of newly submitted and renewal applicants; reviews any changes in debt financing and corporate structure ownership; and reviews other financial issues related to BIE investigations which require financial analysis and explanation to the Board.

Once an entity or individual is licensed, suitability is an ongoing requirement. Through the license renewal process, BIE conducts suitability investigations on all licensed individuals every three years while conducting renewal investigations on gaming service providers every four years.

For the period January 1, 2009 through June 30, 2010, BIE investigated over 1,100 companies, principals, and key employees related to casino operators, slot machine and table game manufacturers and suppliers; over 13,600 gaming and non-gaming employees; and, over 900 companies and individuals associated with certified and registered gaming service providers.

Type:	1/1/2009 - 6/30/2009 Investigations	7/1/2009 - 6/30/2010 Investigations	Totals
Category 1	1	3	4
Category 2	0	1	1
Category 3	0	4	4
Slot Machine Manufacturer	3	15	18
Table Game Manufacturer	0	13	13
Table Game Manufacturer Designee	0	1	1
Slot Machine Supplier	2	3	5
Table Game Supplier	0	1	1
Management Company	0	3	3
Affiliate	3	96	99
Key Employee	243	288	531
Principal	57	369	426
Principal Entity	15	45	60
Gaming--Level 2	0	1,057	1,057
Gaming	2,658	5,619	8,277
Non-Gaming Employee	1,902	2,412	4,314
Gaming Service Providers (Certifications, Registrations, Affiliate and Employees)	399	538	937
Total	5,274	10,468	15,742

Office of Enforcement Counsel

The Office of Enforcement Counsel (OEC) operates as a separate office within the Bureau of Investigations and Enforcement (BIE), an independent Bureau of the Board in matters relating to enforcement of certain provisions under the Act. OEC provides legal advice to BIE and initiates regulatory proceedings for violations of the Act or through remedies which can include: civil fines and penalties, imposing conditions, and suspending or revoking any type of license issued by the Board. OEC also provides recommendations and objections in licensing matters before the Board and in matters that may come before the Board through regulatory petitions.

In order to best serve the Commonwealth, OEC is divided into three regions: a Central Region office located in Harrisburg, a Western Region office located in Pittsburgh and an Eastern Region office located in Conshohocken. Each region is comprised of a deputy enforcement counsel, three assistant enforcement counselors, and support staff and is responsible for ensuring compliance of the Act and regulations based upon geographical location of the applicant or licensee or BIE assigned location.

OEC handled a myriad of matters in 2009 and 2010 to ensure compliance with the Act and regulations by applicants and licensees. These matters included but are not limited to the initiation and prosecution of non-criminal enforcement actions,

advising BIE, filing recommendations and objections regarding licensure, responding to regulatory petitions, and reviewing suggested regulations. Some firsts included successfully petitioning the placement of the first four candidates to the Board's Exclusion List and prosecuting the Category 1, 2, and 3 public renewal hearings.

However, most notable was the signing of Senate Bill 711 on January 7, 2010 by Governor Rendell which expanded gaming by adding table games. As a result, the responsibilities and authority of OEC were also expanded. Most significantly, OEC was tasked with the responsibility of responding to each petition filed by applicants seeking table games certification and presenting legal arguments before the Board during evidentiary hearings to ensure that all legal mandates of the Act were satisfied. Additionally, the signing of Senate Bill 711 provided OEC with the authority and responsibility to petition the Board for the appointment of a trustee; to petition a court of record having jurisdiction over information in the possession of an agency in the Commonwealth for access to the information; and to prepare background investigation reports on behalf of BIE. Finally, with this signing, the increase in the number of applicants and licensees increased significantly, also heightening the potential for regulatory violations, thereby creating an increased need for strict regulation.



Cyrus Pitre
Chief Enforcement Counsel

Office of Enforcement Counsel Statistical Data

Enforcement Actions	January 1, 2009 - June 30, 2009	July 1, 2009 - June 30, 2010
Regulatory Warning Letters	83	103
Regulatory Complaints	8	34
Regulatory Compliance Conferences	1	2
License Revocations	20	21
License Suspensions	0	9
Regulatory Consent Agreements	4	19
Total Regulatory Fines and Penalties	\$37,000	\$750,700
Regulatory Enforcement Checks	448	1,094
Licensing	January 1, 2009 - June 30, 2009	July 1, 2009 - June 30, 2010
Recommended License Approvals	508	1,415
Recommended License Denials	39	137
Recommended License Withdrawals/Surrenders	281	356
Administrative Licensing Hearings	25	48
Regulatory Petitions	January 1, 2009 - June 30, 2009	July 1, 2009 - June 30, 2010
Responses to Petitions Filed	138	182
Regulatory Petition Hearings	9	24

Bureau of Financial Management & Administration

The Bureau of Financial Management and Administration (BFMA) is charged with providing the budgeting, information technology, human resources, document management and office services support to the staff of the Gaming Control Board.

Office of Financial Management:

The Office of Financial Management (OFM) develops and monitors the annual agency budget and reviews the gaming oversight budgets of the PA State Police, the Department of Revenue and the Office of Attorney General, providing recommendations to the Board regarding budget approval. All budgets approved by the Board are forwarded to the Governor's Budget Office for submission to the General Assembly, which ultimately appropriates all expenditures of the PGCB. OFM also provides gaming related revenue estimates to the Governor's Budget Office; bills, collects, reports and monitors all agency generated revenue; and, administers the Local Law Enforcement Grant Program.

Human Resources:

The Office of Human Resources (HR) establishes, maintains and administers effective and comprehensive classification and compensation programs/policies; coordinates a highly competitive benefits program; and, ensures that all employees work in a safe and fair environment. HR staff also support the PGCB in achieving its goals and objectives by assisting managers in recruiting, retaining, and developing a talented and diverse workforce through the coordination of training and performance management programs. The PGCB is committed to promoting equal employment opportunities and ensuring that agency practices are free from discrimination. In 2010, HR also led the organization's efforts in negotiating the PGCB's first contract agreement with The American Federation of State, County and Municipal Employees (AF-SCME) who represents approximately 170 union eligible employees in the agency.

Information Technology:

The Office of Information Technology (OIT) is responsible for the continued support and development of applications to assist staff and casinos with the licensing and enforcement of gaming in Pennsylvania. OIT also provides the daily support of all technology for agency employees including oversight and maintenance of all agency computers, servers, networks, software, and telecommunications equipment.

In 2009, the FileNet Document Imaging and Management System was completed. This included the transfer of over 2 million pages of documents into the central PGCB document library. PGCB also implemented a Case Management System to process the licensing applications from the time of receipt to final board action.

OIT was impacted with the passage of table games. A new SLOTSlink online license application was created for the Gaming Level 2 applicants. For the Gaming Service Providers, an online Notification Form was developed to provide an efficient process for the casinos and PGCB staff to respond to this new licensing requirement. Changes were made to provide the casinos with an effective process to submit table games internal controls. The developers updated the Licensing Applications database to handle the additional requirements for the licensing of table games.

Office Services:

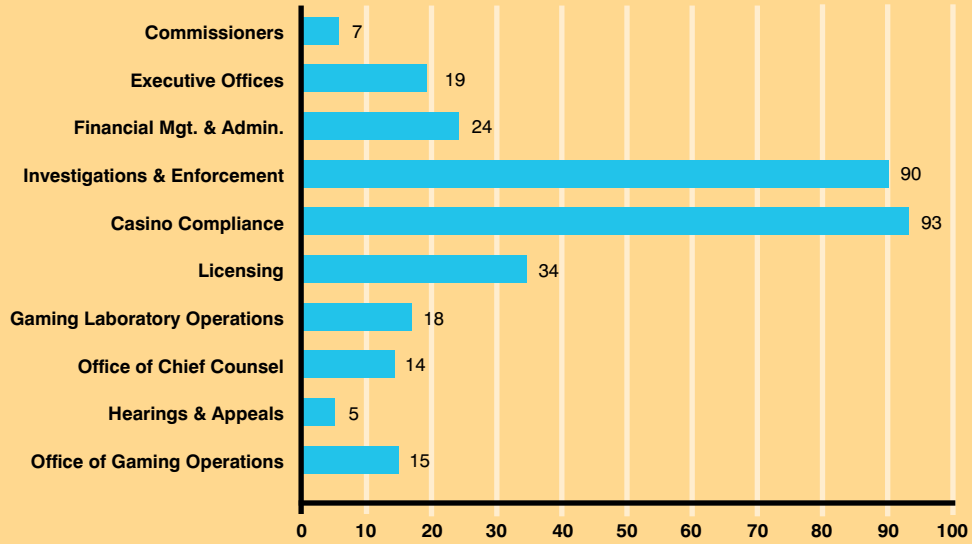
Office Services staff are responsible for agency procurement, automotive fleet operations, travel and conference planning.

Office Services staff posted all new agency contracts to the Treasury web site in compliance with the Commonwealth's new Open Records Law. While administrative staff in each bureau have been trained in the use of the Commonwealth's procurement system. Additionally, use of sole source contracting has been drastically reduced and previously issued sole source contracts have been replaced with competitively sourced contracts. Wherever possible, agency procurement of goods and services is processed through existing statewide contracts.

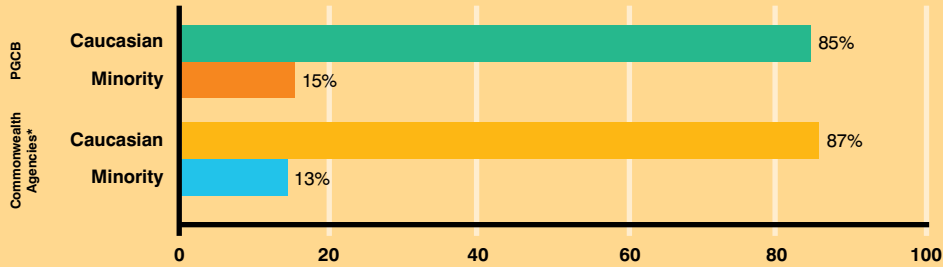
Office Services staff also reduced the number of vehicles in the agency's fleet from 67 to 43 vehicles to realize approximately \$77,000 of annual savings. In addition, vehicles were converted from individual assignments to pool vehicles to achieve additional cost savings. Office Services staff worked with Information Technology staff to develop an online application that enables better tracking and management of pool vehicles to accommodate business travel.

In 2010, Office Services have been directed by the Board Chairman and Executive Director to review all building leases due to expire in the next years to identify opportunities for cost savings through lease negotiations.

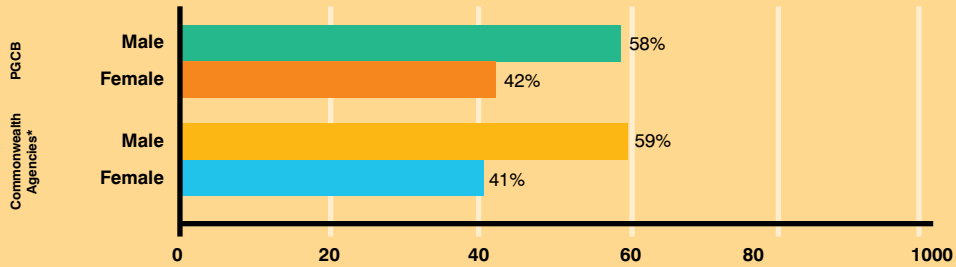
Employees By Bureau
(as of June 30, 2010)



Minority Representation
(as of June 30, 2010)



Gender Representation
(as of June 30, 2010)



*Governor's Annual Workforce Report

Overview of Gaming Revenue

With the opening of The Sands Casino Resort Bethlehem in May 2009 and The Rivers Casino in August 2009, nine facilities were operating approximately 24,100 slot machines across Pennsylvania by June 30, 2010. During fiscal year 2009-10, slot machines generated \$2.2 billion in gross terminal revenue and funded \$772.5 million in 2010 state-wide property tax relief.

Table games, authorized by Act 1 of 2010, generated \$165 million in General Fund revenue through certification fees during fiscal year 2009-10. Table games are expected to generate \$76.4 million in General Fund tax revenue for fiscal year 2010-11.

In addition to the implementation of table games at all Pennsylvania casinos, the PGCB expects to open Philadelphia's Sugarhouse Casino in September 2010 and two category 3 facilities in the first

part of 2011. Combined, it is anticipated that these new facilities will operate 2,600 slot machines by the end of the 2010-11 fiscal year.

The charts on the following pages represent an overview of the direct revenues generated by gaming during fiscal year 2009-10. This direct revenue is in addition to the thousands of jobs, economic development and indirect revenue generated by contractors that provide goods and services to the casinos or construction of the facilities.

The tables following the charts provide more detailed information on the amounts wagered and paid out at each licensed facility as well as the tax and license fee revenues collected from each slot machine licensee. Distribution of gaming revenues to local governments are detailed below.

2009/2010 Local Share Distributions ¹	Share of Gross Terminal Revenue	Catch-Up Payment Required to Achieve the \$10 Million Minimum Share
Bucks County	\$7,420,856.74	\$0.00
Bensalem Township	\$7,420,856.74	\$2,814,515.09
Luzerne County - DCED	\$6,471,607.80	\$5,583,835.04
Plains Township	\$2,430,233.88	\$0.00
Delaware County	\$6,257,895.79	\$0.00
Chester City ²	\$6,257,895.78	\$3,681,232.66
Erie County	\$5,426,944.06	\$6,665,975.95
Summit Township	\$1,152,979.96	\$0.00
Washington County - DCED	\$7,727,513.39	\$4,430,515.87
North Strabane Township	\$2,155,405.48	\$0.00
Monroe County - CFA	\$338,309.17	\$0.00
Monroe County - DCED	\$4,771,287.64	\$6,707,317.46
Monroe County	\$338,309.17	\$0.00
Paradise Township	\$676,618.33	\$0.00
Dauphin County	\$8,605,773.85	\$5,245,563.40
East Hanover Township, Dauphin Co	\$969,067.00	\$0.00
East Hanover Township, Leb. Co	\$160,000.00	\$0.00
Allegheny County	\$2,709,612.59	\$0.00
Pittsburgh/ICA	\$2,709,612.60	\$2,397,595.12
Allentown City	\$1,808,784.07	\$658,325.79
Bethlehem City	\$3,782,003.04	\$2,633,303.15
Lehigh County	\$657,739.66	\$0.00
Northampton County	\$1,973,218.98	\$0.00
Washington County Townships	\$1,146,478.37	\$0.00

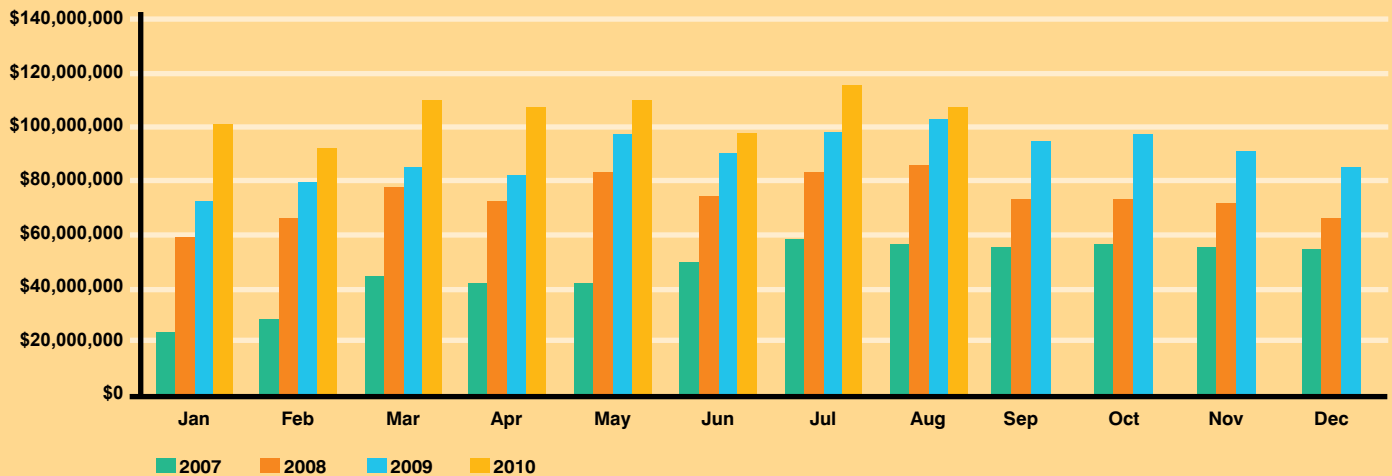
¹ These figures reflect payments actually distributed to the appropriate local jurisdiction from July 1, 2009 through June 30, 2010.

² The amount indicated for Chester City represents the true-up calculated and verified by the Department of Revenue (DOR). The revenue is not collected by DOR, but is paid directly to the city in accordance with a separate agreement between the facility and the city.

Taxable Slot Wins Per Day at Pennsylvania Licensed Casinos

	June '10	May'10	Apr '10	Mar '10	Feb '10	Jan '10	Dec '09	Nov '09	Oct '09	Sep '09	Aug '09	Jul '09
Facility - Category 1												
Parx Casino	\$317	\$363	\$348	\$357	\$347	\$346	\$347	\$324	\$327	\$328	\$336	\$341
Harrah's Chester	\$274	\$309	\$324	\$308	\$295	\$290	\$259	\$269	\$276	\$264	\$280	\$305
Hollywood/Penn National	\$281	\$312	\$312	\$312	\$295	\$295	\$239	\$262	\$277	\$266	\$282	\$294
The Meadows	\$195	\$222	\$203	\$191	\$153	\$172	\$155	\$177	\$195	\$200	\$219	\$257
Mohegan Sun	\$285	\$287	\$295	\$269	\$247	\$238	\$217	\$233	\$244	\$247	\$252	\$259
Presque Isle	\$252	\$250	\$261	\$244	\$213	\$186	\$170	\$213	\$211	\$232	\$241	\$259
Facility - Category 2												
Mt. Airy Casino Resort	\$162	\$182	\$165	\$158	\$149	\$153	\$125	\$154	\$164	\$171	\$187	\$189
Sands Bethlehem	\$220	\$237	\$229	\$227	\$217	\$211	\$170	\$213	\$222	\$209	\$218	\$211
Rivers Casino	\$236	\$231	\$228	\$232	\$205	\$193	\$163	\$176	\$172	\$173	\$216	
Statewide												
All Facilities	\$247	\$267	\$262	\$255	\$235	\$233	\$202	\$224	\$231	\$231	\$248	\$265
Avg. Daily Slot Machines	24,090	24,266	24,851	25,298	25,527	25,538	24,754	24,770	24,687	24,924	24,329	21,826

Slot Machine Tax Revenue Generated by Month and Year



Does not include local share catch-up payments.

2009-10 Gaming Revenue & Results

July 1, 2009 through June 30, 2010

	Mohegan Sun	Parx	Harrah's Chester	Presque Isle
Wagers	\$2,858,854,213.08	\$5,415,158,224.89	\$4,000,188,003.43	\$2,177,754,580.30
Payouts	\$2,594,736,344.02	\$4,952,094,186.78	\$3,629,673,029.42	\$1,982,814,921.62
Promotional Plays (Internal)	\$41,530,996.44	\$81,412,275.68	\$65,964,221.80	\$30,240,494.21
Promotional Plays (External)	\$0.00	\$0.00	\$0.00	\$0.00
Adjustments	-\$2.40	\$0.00	\$2,214,111.04	\$0.00
Gross Terminal Revenue	\$222,586,870.22	\$381,651,762.43	\$306,764,863.25	\$164,699,164.47
State Tax (34%)	\$75,679,535.91	\$129,761,599.32	\$104,300,053.58	\$55,997,716.00
Local Share Assessment (4%)	\$8,903,474.80	\$15,266,070.44	\$12,270,594.52	\$6,587,966.54
Local Share - catch-up to achieve \$10 m min.	\$5,583,835.04	\$2,814,515.09	\$3,681,232.66 ¹	\$6,665,975.95
Economic Development & Tourism (5%)	\$11,129,343.63	\$19,082,588.24	\$15,338,243.15	\$8,234,958.30
PA Race Horse Development Fund ²	\$26,703,371.75	\$45,790,518.07	\$36,802,851.45	\$19,758,709.26
Licensure Fees	\$16,500,000.00	\$16,500,000.00	\$16,500,000.00	\$16,500,000.00
Slot Machines as of June 30, 2010	2,208	3,297	2,857	1,820

	The Meadows	Mount Airy	Hollywood	Sands Bethlehem
Wagers	\$3,408,098,613.16	\$2,097,707,866.35	\$3,120,040,551.84	\$3,603,120,474.17
Payouts	\$3,147,026,545.30	\$1,912,856,023.62	\$2,836,724,817.38	\$3,291,001,955.33
Promotional Plays (Internal)	\$0.00	\$39,412,761.67	\$36,323,236.35	\$71,942,917.66
Promotional Plays (External)	\$56,142,027.65	\$0.00	\$0.00	\$0.00
Adjustments	\$0.00	\$4.50	\$0.00	\$20.00
Gross Terminal Revenue	\$261,072,067.86	\$145,439,085.56	\$246,992,498.11	\$240,175,621.18
State Tax (34%)	\$88,764,503.08	\$49,449,289.11	\$83,977,449.39	\$81,659,711.23
Local Share Assessment (4%)	\$10,442,882.73	\$5,817,563.42	\$9,879,699.93	\$9,607,024.92
Local Share - catch-up to achieve \$10 m min.	\$4,430,515.87	\$6,707,317.46	\$5,245,563.40	\$3,291,628.94
Economic Development & Tourism (5%)	\$13,053,603.50	\$7,271,954.45	\$12,349,624.95	\$12,008,781.10
PA Race Horse Development Fund ²	\$31,320,408.51	\$17,447,534.38	\$29,631,109.02	\$28,811,880.01
Licensure Fees	\$16,500,000.00	\$16,500,000.00	\$16,500,000.00	\$16,500,000.00
Slot Machines as of June 30, 2010	3,440	2,252	2,440	3,073

	The Rivers	Statewide
Wagers	\$2,627,316,494.84	\$29,308,239,022.06
Payouts	\$2,395,031,966.93	\$26,741,959,790.40
Promotional Plays (Internal)	\$36,826,695.74	\$403,653,599.55
Promotional Plays (External)	\$0.00	\$56,142,027.65
Adjustments	\$0.00	\$2,214,133.14
Gross Terminal Revenue	\$195,457,832.17	\$2,164,839,765.25
State Tax (34%)	\$66,455,662.93	\$736,045,520.55
Local Share Assessment (4%)	\$7,818,313.22	\$86,593,590.52
Local Share - catch-up to achieve \$10 m min.	\$2,397,595.12	\$40,818,179.53
Economic Development & Tourism (5%)	\$9,772,891.64	\$108,241,988.96
PA Race Horse Development Fund ²	\$23,444,934.27	\$259,711,316.72
Licensure Fees	\$16,500,000.00	\$165,000,000.00 ³
Slot Machines as of June 30, 2010	2,703	24,090

1 The amount indicated for Chester City represents the true-up calculated and verified by the Department of Revenue (DOR). The revenue is not collected by DOR, but is paid directly to the city in accordance with a separate agreement between the facility and the city.

2 Beginning January 1, 2010, 34% of the money deposited into the Pennsylvania Race Horse Development Fund is transferred into the General Fund.

3 Includes \$16.5 million table games certification fee from HSP Gaming, LP (SugarHouse Casino).

PGCB Statement of Revenue and Expenditures

Fiscal Year 2009-10

Appropriation			
Property Tax Relief Reserve Fund Loan	\$ 23,531,500		
Restricted Revenue	\$ 8,113,000		
Gaming Fund Loan	\$ 2,100,000		
Available			\$ 33,744,500
Expenditures			
Personnel Expenditures			
Salaries	\$ 17,388,908		
Wages	\$ 143,563		
Benefits	\$ 6,621,902		
Oth Emp Pd Benefits	\$ 404		
Pyout/Rwrd/Bon/Allow	\$ 302,690		
Total Personnel Expenditures		\$ 24,457,467	
Operating Expenditures			
Travel	\$ 412,399		
Training	\$ 33,931		
Utilities/Comm	\$ 604,329		
Services	\$ 1,176,848		
Rentals/Leases	\$ 1,924,657		
Supplies	\$ 125,322		
Equipment(NFA)	\$ 205,276		
InventoryExp	\$ 64,703		
OthOpExpenses	\$ 642,131		
Total Operating Expenditures		\$ 5,189,596	
Total Expenditures			\$ 29,647,063
Revenues Over (Under) Expenditures			\$ 4,097,437

Note: Expenditure figures as of July 31, 2010.

Note: Expenditure figures do not include approximately \$900,000 of invoices in process.

Note: Restricted Revenue collected during FY09-10 totaled \$8,936,883.



Gerald E. Stoll
Director, Casino Compliance

Bureau of Casino Compliance

The Bureau of Casino Compliance is charged with the responsibility of protecting the integrity of gaming within each casino in the Commonwealth. Casino Compliance Representatives enforce PGCB regulations and respond immediately to investigate all patron complaints and disputes that arise in the gaming environment.

The Bureau of Casino Compliance provides each casino with one supervisor and nine Casino Compliance Representatives twenty four hours a day, seven days a week. These well-trained professionals represent the Commonwealth of Pennsylvania in an effective and efficient manner.

The most common duties and responsibilities of Casino Compliance Representatives include the following:

- Responding to complaints from patrons and submit activity reports; over 50,000 activity reports were filed between January 1, 2009 and June 30, 2010.
- Conducting the initial review of the internal controls along with the policies and procedures of their assigned casino. Any violation of the internal controls subjects the casino to an enforcement action.
- Possessing a thorough knowledge of the extensive manual of regulations promulgated by the Gaming Control Board. Violations of the regulations are referred to the Office of Enforcement Counsel for action. An example of a potential violation would be failing to maintain the minimum staffing requirement for security, table games and surveillance departments.
- Assuring that every casino employee who has access to the gaming floor is licensed and has the proper and visible credentials as required by the Gaming Control Board.
- Ensuring that all gaming service providers, who have a business relationship with the casinos, comply with registration requirements promulgated through the Board's Bureau of Licensing. Gaming Service Providers are constantly monitored to assure their continued compliance with current regulations.
- Maintaining a strong working relationship with the PA Department of Health relating to compliance with the Clean Indoor Air Act. This includes making certain that every casino has a clear delineation of smoking and non-smoking areas and has the adequate signage
- Conducting a comprehensive review of the casino surveillance department camera configuration to ensure that adequate surveillance coverage is available throughout the casino and that such coverage meets the requirements of the regulations.
- Referring any criminal acts to the PA State Police for investigation while also receiving referrals from the State Police in relation to any regulatory issue.

In addition to the previous duties, the Bureau of Casino Compliance was instrumental in the casino expansion and opening of table games at nine facilities. With the opening of table games, the Casino Compliance Representatives are 100% involved with the collection and accounting of all revenue derived from table games.



PG
CB

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