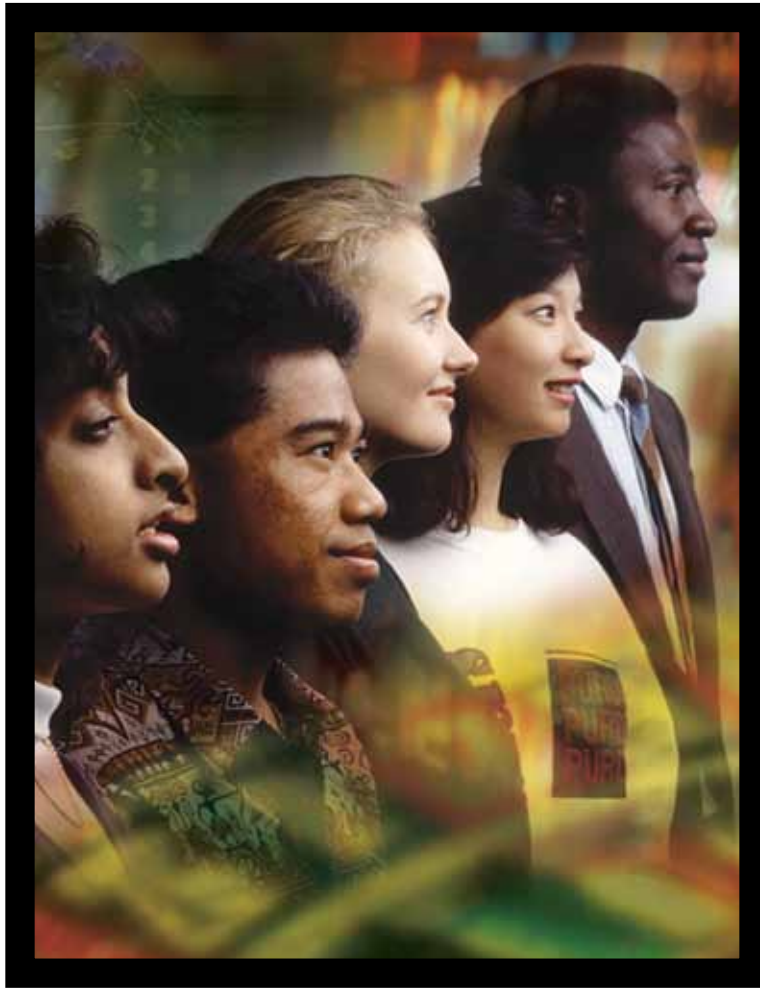




## Pennsylvania Gaming Control Board



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# Gaming Diversity Report

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Pennsylvania Gaming Control Board  
2009/2010

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Prepared by:

Mozelle E. Daniels, Director of Diversity

# Introduction



Mozelle Daniels  
Director of Diversity

The Pennsylvania Gaming Control Board (“PGCB”) is pleased to present its third annual diversity report. This report provides an update regarding the PGCB’s efforts to monitor the activities of its slot machine licensees (“Licensees”) to ensure the Commonwealth’s goals of enhanced representation of diverse groups in the gaming industry and the creation of quality, living wage jobs and full-time permanent jobs for residents of this Commonwealth generally and for residents of the host political subdivision in particular as set forth in §§ 1212, 1325 and 1510 (a) of the Act. Demographic information regarding the host county and the counties that border each licensed facility may be found in the Diversity Section of the PGCB’s web-site. The demographic data was obtained from the year 2000 U.S. Census Bureau data files.

Under §1212 of the Act, the PGCB is charged with promoting and ensuring diversity in all aspects of gaming activities. The PGCB developed diversity rules and regulations, 58 Pa. Code § 481a, to assist the agency in accomplishing its goals. The diversity regulations established the policies and procedures for promoting and ensuring that the regulated entities foster participation and diversity in all aspects of their operations in the Commonwealth.

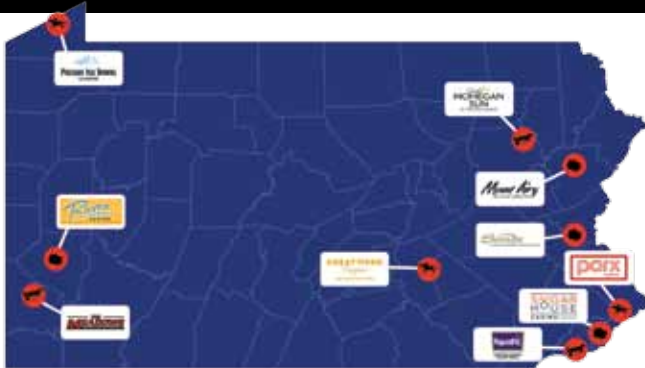
While the figures provided in this report regarding gaming service providers are impressive, a substantial portion of the funds expended by the Licensees over the past four years involved start-up costs, outlays associated with transitions from temporary to permanent facilities, costs associated with the purchasing of slot machines, table games and related equipment. Were we to deduct the millions of dollars spent by the Licensees to purchase slot machines and related equipment, the figures provided in this report in the area of gaming service providers would in most instances translate into double-digits. Since inclusiveness is a key component in the area of diversity the point must be stressed that there are no minority or women owned enterprises that manufacture slot machines. Also, this report would not be complete without acknowledging the fundamental value of local business enterprises in the host communities of the Licensees. Approximately 80 to 90% of all transactions involving the purchasing of goods and services by the Licensees occur within the local community. Engaging in business transactions with the local community underscores the value of the relationship of all parties involved.

It is important to keep in mind that similar, to the financial projections contained in the suitability reports prepared to assist the Board in its determination of an applicant’s eligibility for licensure, a true assessment of diversity in the gaming industry will not occur until all of the casinos are up and running in a stabilized year. The PGCB is committed to continuing the momentum gained in promoting diversity and ensuring compliance over the past four years.

This report is made pursuant to §1212(c) of the Act, which requires the PGCB to submit a study to the General Assembly detailing the PGCB’s diversity initiatives for the preceding year.



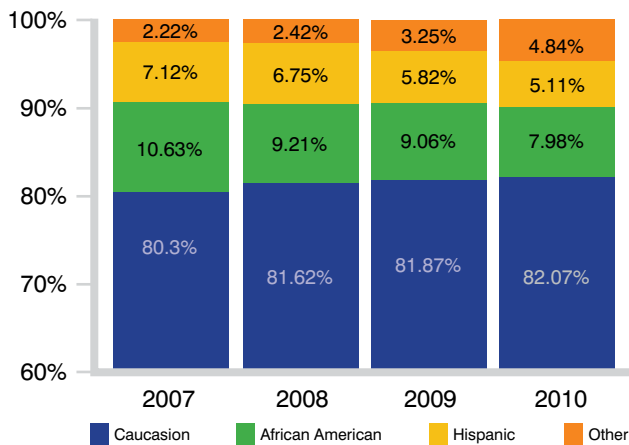
# Statewide



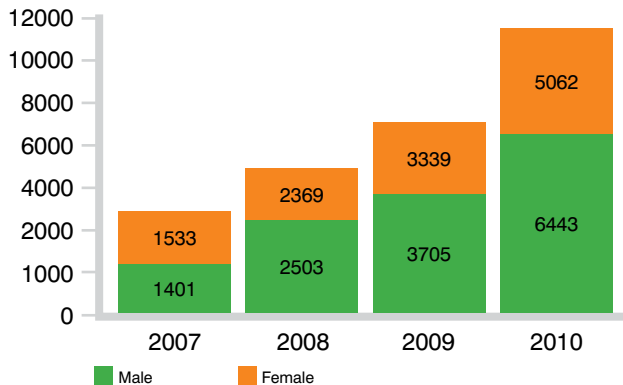
In addition to requirements in both the Gaming Act and the Board's regulatory policies and procedures, the PGCB requires each Licensee to execute a "Statement of Conditions" in which the Licensee agrees to submit an updated version of its diversity plan on an annual basis. The Licensee also agrees to provide the PGCB with a quarterly diversity report that serves as a performance assessment of the entity's diversity plan on order to demonstrate their "good faith effort" to comply with the requirements.

Slots - 24,090 | Tables - 624 | PA Residents - 10,119

## Employment by Race



## Employment by Gender



## Non Construction Vendors

Year	MBE/WBE	Total	Percent
2007	\$7,282,520	\$239,078,767	3.05%
2008	\$18,524,997	\$452,392,871	4.09%
2009	\$25,807,517	\$408,216,336	7.00%

## Construction Vendors

Year	MBE/WBE	Total	Percent
2007	\$29,264,604	\$657,056,557	4.44%
2008	\$46,803,297	\$792,263,703	5.91%
2009	\$47,906,941	\$589,465,050	8.13%

## Charitable Donations - Community Outreach

2007	2008	2009
\$5,171,201	\$2,802,099	\$7,009,813



\*The terms MBE and WBE are commonly used to refer to Minority Business Enterprise and Women Business Enterprise.

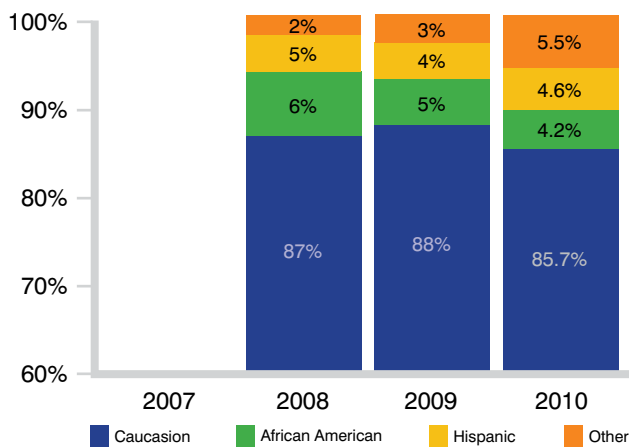
# Hollywood Casino at Penn National Race Course



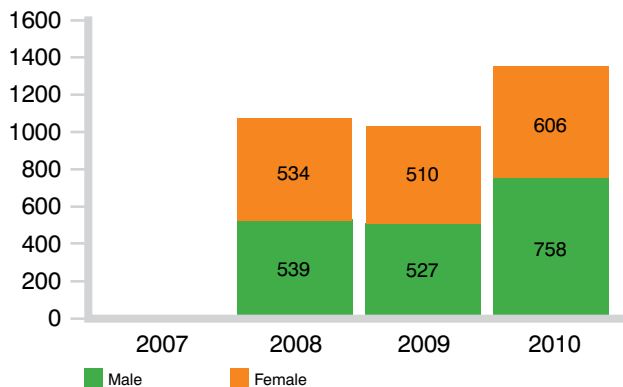
Hollywood Casino at Penn National Race Course is located in Dauphin County, East Hanover Township and is a horse thoroughbred racetrack. The casino opened on February 12, 2008 with 2,020 slot machines. As of June 30, 2010 the casino employed 1,364 of which 1,325 are Pennsylvania residents. On July 13, 2010 the casino added 52 tables games and has a total of 2,450 slot machines.

Slots - 2,450 | Tables - 52 | PA Residents - 1,325

## Employment by Race



## Employment by Gender



## Non Construction Vendors

Year	*MBE/WBE	Total	Percent
2007	\$297,119	\$5,151,000	6%
2008	\$2,010,455	\$18,430,843	11%
2009	\$2,814,759	\$25,872,526	11%

## Construction Vendors

Year	*MBE/WBE	Total	Percent
2007	\$6,473,222	\$128,198,436	5%
2008	\$1,538,153	\$7,100,000	22%
2009	\$0	\$0	0%

## Charitable Donations - Community Outreach

2007	2008	2009
\$24,172	\$381,232	\$138,781



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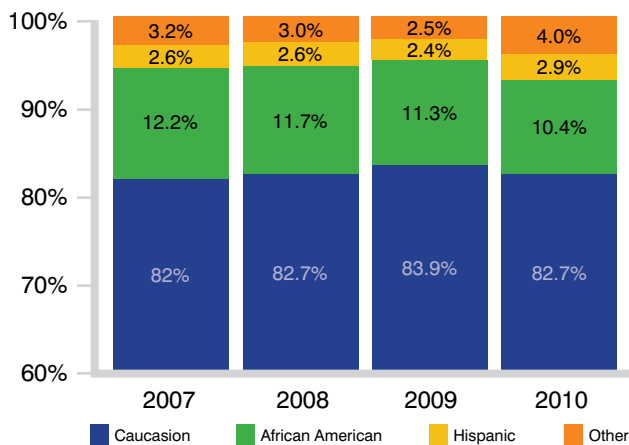
# Presque Isle Downs and Casino



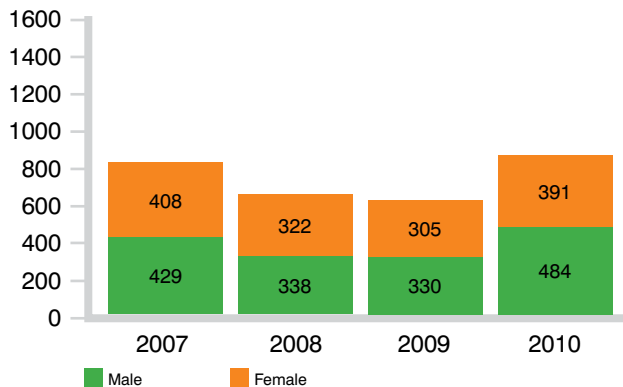
Presque Isle Downs and Casino is located in Summit Township, Erie County and is a thoroughbred race-track. The casino opened on February 28, 2007 with 2,000 slot machines. As of June 30, 2010 the casino employed 875 of which 787 are Pennsylvania residents. On July 8, 2010 the casino added 48 table games and has a total of 1,820 slot machines.

Slots - 1,820 | Tables - 48 | PA Residents - 787

## Employment by Race



## Employment by Gender



## Non Construction Vendors

Year	MBE/WBE	Total	Percent
2007	\$2,241,424	\$18,241,266	12%
2008	\$786,728	\$24,656,518	3%
2009	\$677,228	\$26,400,810	3%

## Construction Vendors

Year	MBE/WBE	Total	Percent
2007	\$14,438,803	\$186,000,000	8%
2008	\$0	\$0	0%
2009	\$85,509	\$860,890	10%

## Charitable Donations - Community Outreach

2007	2008	2009
\$172,239	\$26,786	\$27,863



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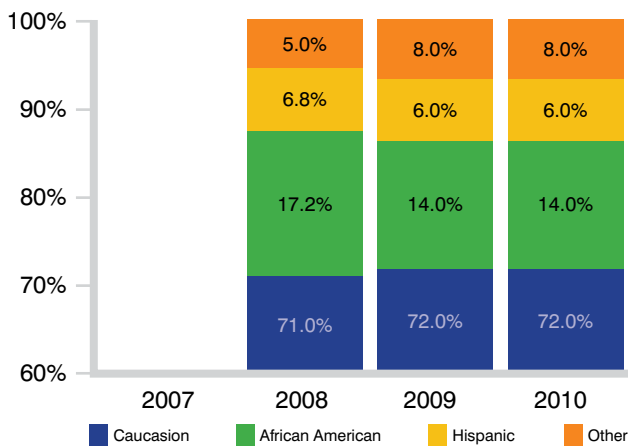
# Parx Casino/Philadelphia Park Racetrack



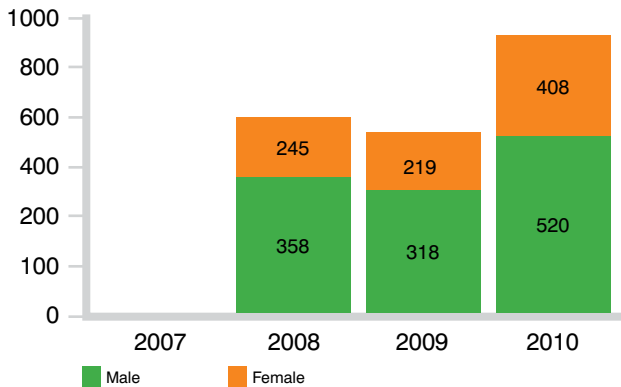
Parx Casino is located in Bensalem Township, Bucks County and is a thoroughbred racetrack. The casino opened in a temporary facility on December 19, 2006 with 2,076 slot machines and on December 18, 2009 Parx opened its permanent facility. As of June 30, 2010 the casino employed 928 of which 720 are Pennsylvania residents. On July 18, 2010 the casino added 57 table games and has a total of 3,297 slot machines.

Slots - 3,297 | Tables - 57 | PA Residents - 720

## Employment by Race



## Employment by Gender



## Non Construction Vendors

Year	MBE/WBE	Total	Percent
2007	\$1,650,832	\$67,506,935	2%
2008	\$2,643,000	\$74,000,000	4%
2009	\$4,300,000	\$137,681,222	3%

## Construction Vendors

Year	MBE/WBE	Total	Percent
2007	\$384,000	\$26,210,620	2%
2008	\$20,701,991	\$65,695,677	32%
2009	\$27,000,000	\$99,878,699	27%

## Charitable Donations - Community Outreach

2007	2008	2009
\$3,965,920	\$1,600,000	\$2,975,686



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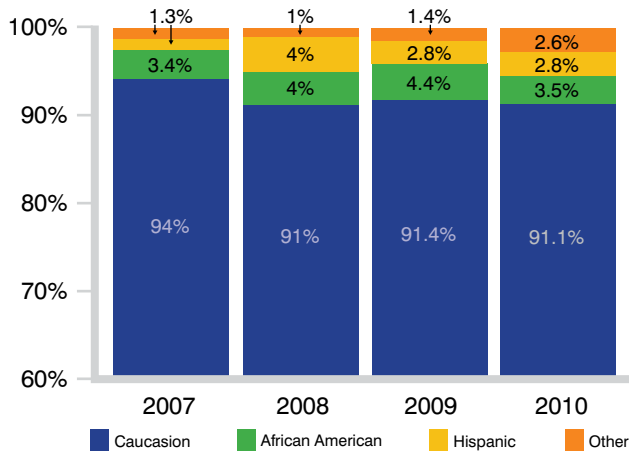
# Mohegan Sun at Pocono Downs



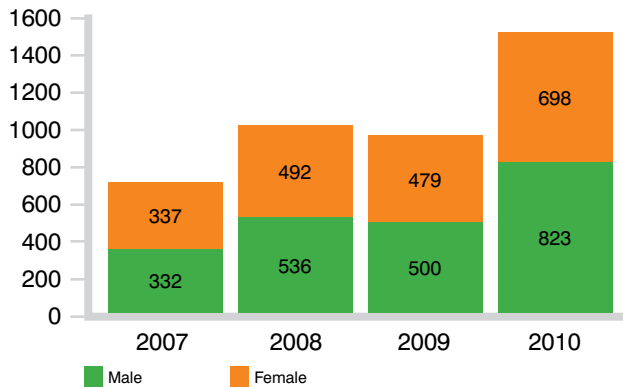
Mohegan Sun at Pocono Downs is located in Luzerne County, Plains Township and is a harness racetrack. The casino opened in a temporary facility on November 14, 2006 with 1,099 slot machines on July 17, 2008 Mohegan Sun at Pocono Downs opened its permanent facility. As of June 30, 2010 the casino employed 1,521 of which 1,462 are Pennsylvania residents. On July 13, 2010 the casino added 62 tables games and has a total of 2,240 slot machines.

Slots - 2,240 | Tables - 62 | PA Residents - 1,462

## Employment by Race



## Employment by Gender



## Non Construction Vendors

Year	MBE/WBE	Total	Percent
2007	\$2,008,063	\$43,144,852	5%
2008	\$7,686,621	\$124,229,007	6%
2009	\$2,745,877	\$51,987,839	5%

## Construction Vendors

Year	MBE/WBE	Total	Percent
2007	\$3,234,398	\$91,315,567	4%
2008	\$9,368,385	\$108,722,977	9%
2009	\$353,945	\$13,030,470	3%

## Charitable Donations - Community Outreach

2007	2008	2009
\$182,490	\$316,494	\$529,551



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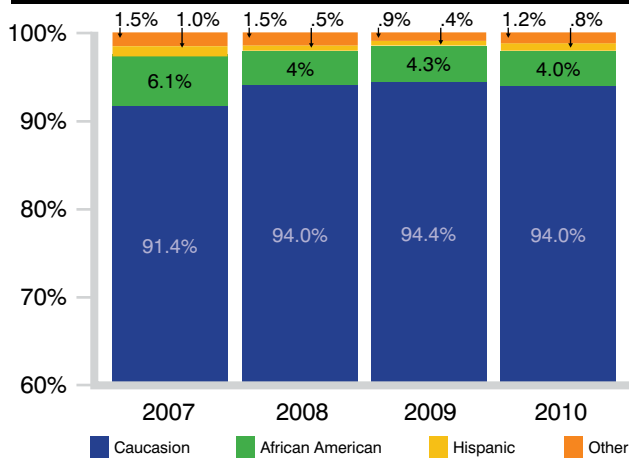
# The Meadows Racetrack and Casino



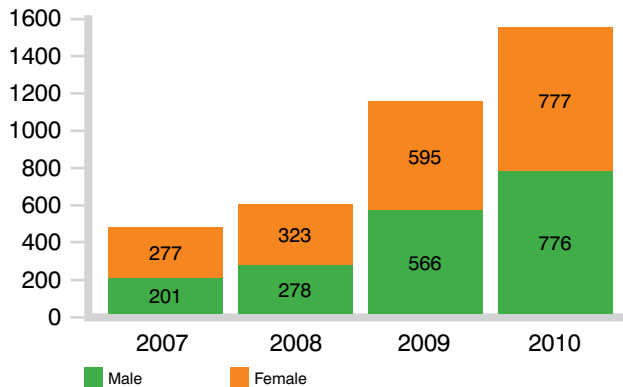
The Meadows Racetrack and Casino is located in North Strabane Township, Washington County and is a harness racetrack. The casino opened in a temporary facility on June 11, 2007 with 1,738 slot machines and on April 15, 2009 opened its permanent facility. As of June 30, 2010 the casino employed 1,553 of which 1,553 are Pennsylvania residents. On July 8, 2010 the casino added 62 table games and has a total of 3,440 slot machines.

Slots - 3,440 | Tables - 62 | PA Residents - 1,553

## Employment by Race



## Employment by Gender



## Non Construction Vendors

Year	MBE/WBE	Total	Percent
2007	\$268,277	\$22,523,672	0.32%
2008	\$678,582	\$97,050,470	1%
2009	\$13,209,093	\$61,600,011	21%

## Construction Vendors

Year	MBE/WBE	Total	Percent
2007	\$454,619	\$25,805,035	2%
2008	\$2,952,899	\$80,185,002	4%
2009	\$3,819,901	\$124,833,372	3%

## Charitable Donations - Community Outreach

2007	2008	2009
\$153,787	\$50,695	\$348,792



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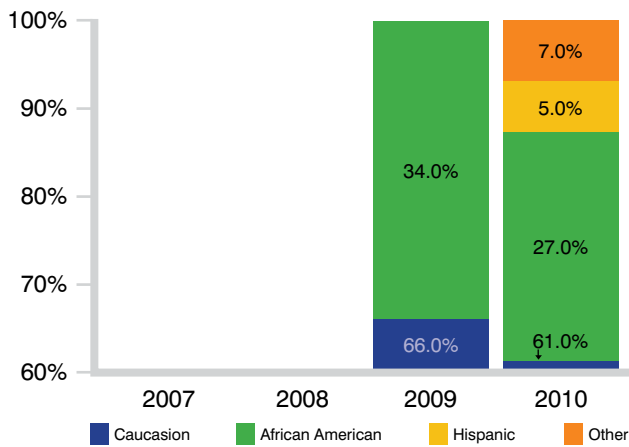
# SugarHouse Casino



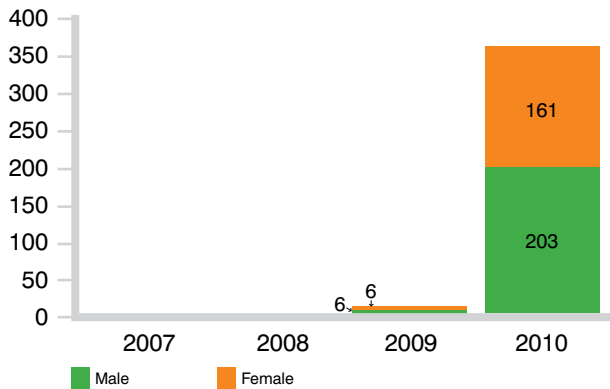
Sugarhouse casino is located in the City of Philadelphia. The casino is scheduled to open on September 23, 2010 with 1,600 slot machines and 40 table games. As of August 2010 the casino employed 364 of which 227 are Pennsylvania residents.

Slots - 1,600 | Tables - 40 | PA Residents - 227

## Employment by Race



## Employment by Gender



## Non Construction Vendors

Year	MBE/WBE	Total	Percent
2007	\$0	\$0	0%
2008	\$0	\$0	0%
2009	\$156,129	\$919,359	17%

## Construction Vendors

Year	MBE/WBE	Total	Percent
2007	\$0	\$0	0%
2008	\$0	\$0	0%
2009	\$1,246,999	\$17,023,955	7%

## Charitable Donations - Community Outreach

2007	2008	2009
\$65,169	\$45,759	\$207,778



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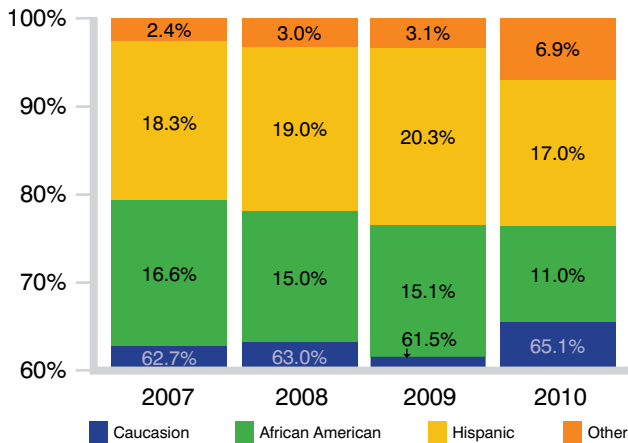
# Mount Airy Casino Resort



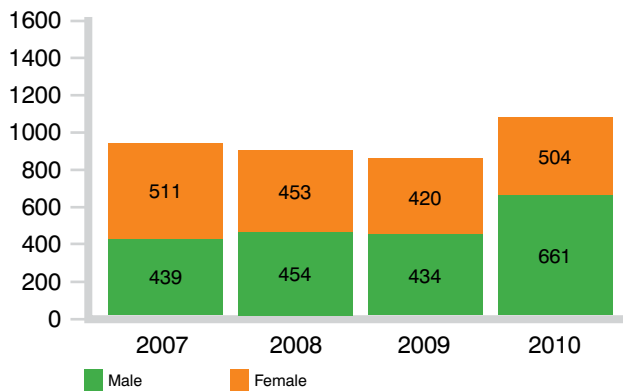
Mount Airy Casino Resort is located in Paradise Township, Monroe County. The casino opened on October 22, 2007 with a total of 2,523 slot machines. As of June 30, 2010 the casino employed 1,165 of which 1,002 are Pennsylvania residents. On July 13, 2010 the casino added 72 table games and has a total of 2,252 slot machines.

Slots - 2,252 | Tables - 72 | PA Residents - 1,002

## Employment by Race



## Employment by Gender



## Non Construction Vendors

Year	MBE/WBE	Total	Percent
2007	\$692,549	\$81,636,338	1%
2008	\$1,576,856	\$43,988,366	4%
2009	\$947,595	\$57,495,653	2%

## Construction Vendors

Year	MBE/WBE	Total	Percent
2007	\$4,070,240	\$167,334,783	1%
2008	\$0	\$0	0%
2009	\$0	\$0	0%

## Charitable Donations - Community Outreach

2007	2008	2009
\$169,925	\$26,520	\$22,250



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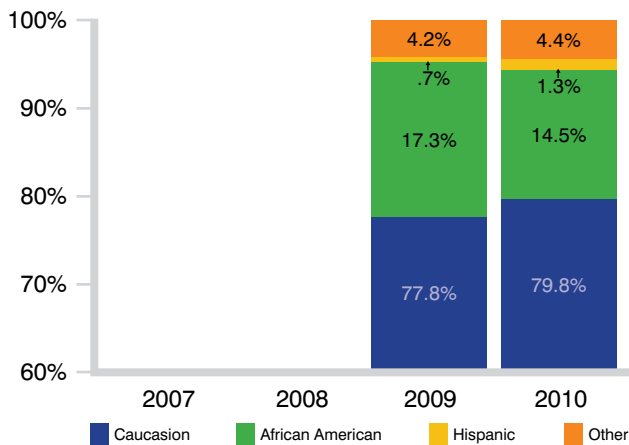
# The Rivers Casino Pittsburgh



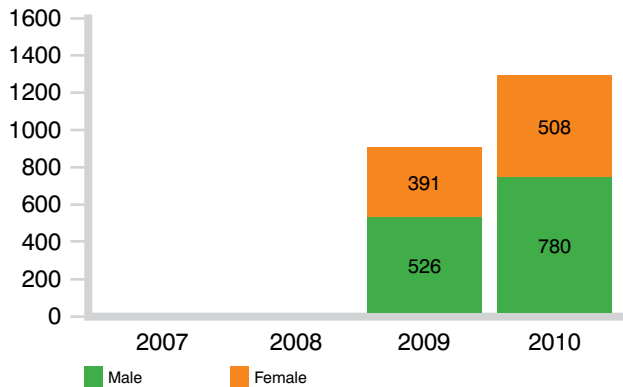
The Rivers casino is located in the City of Pittsburgh, Allegheny County. The casino opened on August 9, 2009 with 3,000 slot machines. As of June 30, 2010 the casino employed 1,288 of which 1,110 are Pennsylvania residents. On July 8, 2010 the casino added 85 table games and has a total of 2,703 slot machines.

Slots - 2,703 | Tables - 85 | PA Residents - 1,110

## Employment by Race



## Employment by Gender



## Non Construction Vendors

Year	MBE/WBE	Total	Percent
2007	\$0	\$0	0%
2008	\$2,845,021	\$63,626,913	4%
2009	\$2,940,460	\$8,997,725	32.7%

## Construction Vendors

Year	MBE/WBE	Total	Percent
2007	\$0	\$0	0%
2008	\$11,273,209	\$243,737,223	4.6%
2009	\$13,540,186	\$123,084,964	11%

## Charitable Donations - Community Outreach

2007	2008	2009
\$4,000	\$0	\$2,527,946



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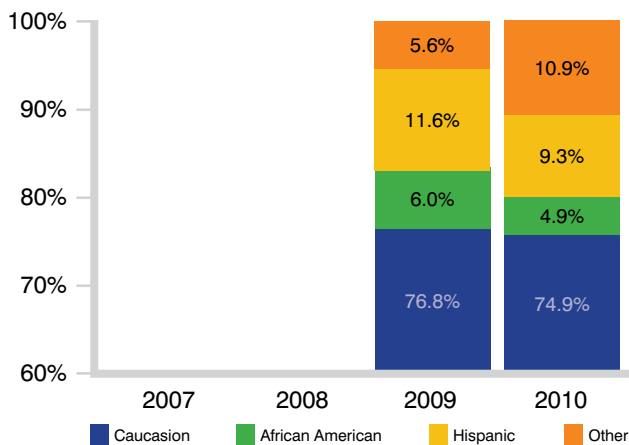
# Sands Casino Resort Bethlehem



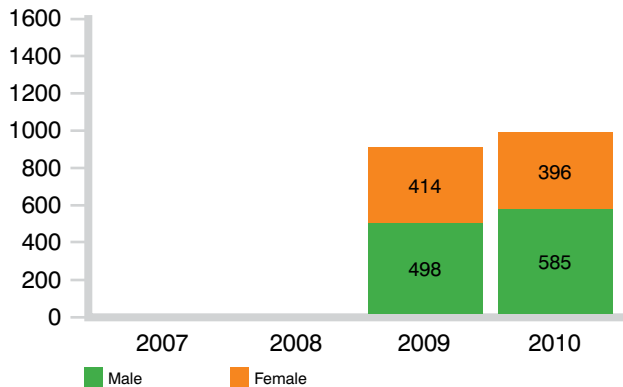
The Sands Casino Resort Bethlehem is located in the City of Bethlehem, Northampton County. The casino opened on May 22, 2009 with a total of 3,000 slot machines. As of June 30, 2010 the casino employed 981 of which 870 are Pennsylvania residents. On July 18, 2010 the casino added 89 table games and has a total of 3,073 slot machines.

Slots - 3,073 | Tables - 89 | PA Residents - 870

## Employment by Race



## Employment by Gender



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## Non Construction Vendors

Year	MBE/WBE	Total	Percent
2007	\$124,256	\$874,704	14%
2008	\$297,734	\$6,410,754	5%
2009	\$790,333	\$37,261,191	2%

## Construction Vendors

Year	MBE/WBE	Total	Percent
2007	\$109,322	\$32,192,116	0.39%
2008	\$968,660	\$286,822,824	0.34%
2009	\$1,860,401	\$210,752,700	1%

Sands Bethlehem has demonstrated a good faith effort to work closely with the Diversity Officer and the Commonwealth's Bureau of Minority and Women's Business Opportunities to increase minority participation in construction. However, the construction of the casino project is subject to a Project Labor Agreement that requires union affiliation of all of the labor and trades that perform work on the site. A number of the MBE/WBE vendors in the Lehigh Valley have no union affiliation, did not have the requisite staffing or skills to perform the work, and many trades that are minority certified and that are based outside of the greater Lehigh Valley have declined to travel to Bethlehem to work on the project due to travel related expenses.

## Charitable Donations - Community Outreach

2007	2008	2009
\$147,310	\$194,445	\$154,546



# Harrah's Chester Casino and Racetrack



Harrah's Chester Casino and Racetrack is located in the City of Chester, Delaware County and is a harness racing track. The casino opened on January 23, 2007 with 2,744 slot machines. As of June 30, 2010 the casino employed 1,466 of which 1,130 are Pennsylvania residents. On July 18, 2010 the casino added 99 table games and has a total of 2,857 slot machines.

Slots - 2,857 | Tables - 99 | PA Residents - 1,130

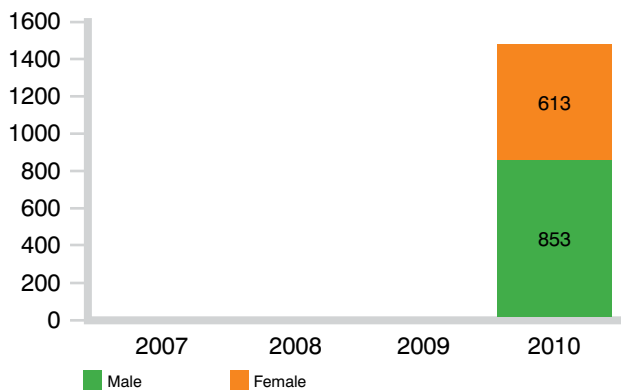
Harrah's Chester is an indirect subsidiary of Harrah's Entertainment, Inc. As a result of certain litigated matters in the late 1990's and early 2000's to which Harrah's Entertainment was a party, and precedential decisions out of the United States Third Circuit Court of Appeals, Harrah's Chester, with the advice of legal counsel, asserted that it was unable to comply with the reporting requirements of Act 71 relating to minority hiring and contracting. Specifically, while Harrah's Chester felt that it could engage in significant minority outreach efforts, it believed that recordation of statistics on the success of its efforts presented a legal minefield that it could not cross. After significant efforts reviewing the source decisions and conferring with various sources, including Harrah's Chester's counsel, the PGCB understood Harrah's Chester's concerns. Nonetheless, representatives of the PGCB and Harrah's Chester continuously worked to determine the risks attendant to Harrah's Chester's compliance, the potential for detrimental impact to both Harrah's Entertainment and its affiliate Harrah's Chester, on the one hand, and the PGCB and the Commonwealth, on the other hand, and alternatives that might

lessen the concerns of each side. To this end, Harrah's Chester engaged special counsel to conduct a de novo review of the matter. In the early summer of this year, these efforts resulted in Harrah's Chester concluding that it is able, on a going forward basis, to collect the statistics necessary to comply with Act 71, as amended by Act 1 of 2010.

Harrah's Chester will begin compliant reporting at the end of the Third Quarter of 2010.

To ensure compliance, the PGCB's Diversity Officer has maintained contact with the entity's regulatory compliance manager, diversity officer and VP for legal affairs on a routine basis. Seventy-seven percent of the Licensees employees reside within the city of Chester and its surrounding communities. Approximately 29% of the Licensees employees are racial minorities. The Diversity Officer is of the opinion that the entity has engaged in a good faith effort to promote and ensure diversity in its operations.

## Employment by Gender



## Charitable Donations - Community Outreach



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