

ANNUAL REPORT



Pennsylvania Gaming Control Board
2017 - 2018



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David M. Barasch

CHAIRMAN'S MESSAGE

We appreciate you taking the time to review the Pennsylvania Gaming Control Board's Fiscal Year 2017-18 Annual Report which provides detail on our agency's regulatory efforts, along with important revenue statistics.

I want to note first the continued success of land-based casino gaming. Currently, the industry supports 17,000 living wage jobs in the Commonwealth. Our casinos have provided well over \$1.6 billion in tax revenue during the most recent fiscal year from slot machine and table game play, as well as from licensing fees. Overall, since our first casino opened in 2006, the total generated and returned to Commonwealth citizens is now approaching \$16 billion.

Pennsylvania's gaming industry will continue to evolve and expand as we implement the new legal gaming opportunities authorized by Act 42 which passed in October 2017. The expansion not only will include additional bricks-and-mortar casinos... termed mini-casinos... but also will include interactive gaming, sports wagering, fantasy sports contests, video gaming terminals at truck stops, and gaming in airport boarding areas.

Certainly, the combined goal of these new gaming endeavors is to produce additional tax revenue and employment. Each will operate under the watchful eye of the Gaming Control Board in our mission to protect the public. This agency is committed to providing the same high level of responsible regulatory oversight for these new gaming endeavors that our citizens have come to depend upon for the past 12 years in our work regulating land-based casinos.

It continues to be my honor to serve the citizens of Pennsylvania as Chair of the Gaming Control Board, and I look forward to the challenging year ahead working with my Board colleagues and our outstanding and dedicated staff.

David M. Barasch
Chairman



Kevin F. O'Toole

EXECUTIVE DIRECTOR'S MESSAGE

Thank you for taking the time to review this annual report and find out more about the important and growing work of the Pennsylvania Gaming Control Board ("PGCB").

Since the first casino opening in 2006, the PGCB has carried out the many and diverse demands of that law to help build and regulate a land-based commercial casino industry that creates more tax revenue from casino gaming than any other state.

The approval of a number of new gaming initiatives through the passage of Act 42 in October 2017 has charted a new course for the PGCB. While we continue our work as casino regulators, our new task during this past fiscal year included working with Pennsylvania casinos to build a solid launch pad to soon initiate these expanded types of gambling such as interactive gaming, sports wagering, fantasy sports contests, video gaming terminals at truck stops, and gaming in airport boarding areas, along with the creation of additional satellite casinos in underserved areas of the Commonwealth.

No matter the scope of the work, we first and foremost represent the public and their interests. If you ever have any comments on the Commonwealth's casino industry, I invite you to contact us via e-mail at pgcb@pa.gov.

Kevin F. O'Toole
Executive Director

BOARD MEMBERS



Kathy M. Manderino
Board Member
Designated by the Governor



David M. Barasch
Chairman
Designated by the Governor



Obra S. Kernodle IV
Board Member
Designated by the Governor



Dante Santoni, Jr.
Board Member
Designated by the
Minority Leader of the
House of Representatives



Richard G. Jewell
Board Member
Designated by the
Speaker of the
House of Representatives



Merritt C. Reitzel
Board Member
Designated by the
President Pro Tempore
of the Senate



Sean Logan
Board Member
Designated by the
Minority Leader
of the Senate



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



The Honorable
Joe Torsella
Ex-Officio Member
State Treasurer



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

PUBLIC MEETINGS & EXECUTIVE SESSIONS

The Pennsylvania Gaming Control Board (Board) convenes public meetings monthly to conduct its business and render decisions on applications, petitions and reports and recommendations. In order to complete its work timely and efficiently, the Board may convene more than one public meeting during a single month.

It is customary for the Board to conduct an executive session the day prior to a public meeting for the purpose of discussing matters confidential under the state's Sunshine Law. An agenda is prepared for these executive sessions and the agenda is posted to the Board's website prior to that meeting.

Additionally, the Board may consider matters that necessitate a hearing and these matters are conducted immediately prior to a scheduled public meeting.

When the hearing is concluded, the Board's Chairman may call for an executive session to engage in quasi-judicial

deliberations regarding the matters which were the subject of the hearing.

A log of executive sessions held by the Board during fiscal year 2017-2018, including reference to the agenda posted on the Board's website, is set forth below:



Pennsylvania Gaming Control Board - Executive Session Log Fiscal Year 2017-2018

7/11/2017

See Agenda posted on Gaming Control Board Website under "Meetings" Link to 7/12/2017.

7/31/2017

See Agenda posted on Gaming Control Board Website under "Meetings" Link to 7/31/2017.

8/8/2017

See Agenda posted on Gaming Control Board Website under "Meetings" Link to 8/9/2017.

9/12/2017

See Agenda posted on Gaming Control Board Website under "Meetings" Link to 9/13/2017.

10/3/2017

See Agenda posted on Gaming Control Board Website under "Meetings" Link to 10/4/2017.

11/7/2017

See Agenda posted on Gaming Control Board Website under "Meetings" Link to 11/08/2017.

11/8/2017

Quasi-judicial deliberation regarding an oral argument held on 11/08/2017 - See Agenda posted on Gaming Control Board Website under "Meetings" Link to 11/08/2017.

12/12/2017

See Agenda posted on Gaming Control Board Website under "Meetings" Link to 12/13/2017.

1/9/2018

See Agenda posted on Gaming Control Board Website under "Meetings" Link to 1/10/18.

2/6/2018

See Agenda posted on Gaming Control Board Website under "Meetings" Link to 2/8/18.

3/6/2018

See Agenda posted on Gaming Control Board website under "Meetings" Link to 3/21/18.

4/3/2018

See Agenda posted on Gaming Control Board website under "Meetings" Link to 4/4/18.

4/4/2018

Quasi-judicial deliberation regarding a public hearing held on 04/04/18. See Agenda posted on Gaming Control Board website under "Meetings" Link to 4/4/18.

5/1/2018

See Agenda posted on Gaming Control Board website under "Meetings" Link to 5/2/18.

5/2/2018

Quasi-judicial deliberation regarding a report and recommendation heard on 05/02/2018. See Agenda posted on Gaming Control Board website under "Meetings" Link to 5/2/18.

5/29/2018

See Agenda posted on Gaming Control Board website under "Meetings" Link to 5/30/18.

6/26/2018

See Agenda posted on Gaming Control Board website under "Meetings" Link to 06/27/18.

6/27/2018

Quasi-judicial deliberation regarding OEC's Petition for placement on the Involuntary Exclusion List heard on 06/27/2018. See Agenda posted on Gaming Control Board website under "Meetings" Link to 6/27/18.



PGCB STATEMENT OF REVENUE & EXPENDITURES

Fiscal Year 2017-18

Beginning Balance			
Casino Operator Assessments	\$35,910,000		
Restricted Revenue	<u>\$5,755,000</u>		
Available			\$41,665,000
Personnel Expenditures			
Salaries	\$19,952,062		
Overtime	\$353,315		
Benefits	\$13,970,269		
Pyout/Rwrd/Bon/Allow	<u>\$65,582</u>		
Total Personnel Expenditures		\$34,341,228	
Operating Expenditures			
Travel	\$180,170		
Training	\$27,889		
Utilities/Comm	\$433,872		
Services	\$1,355,474		
Rentals/Leases	\$1,770,731		
Supplies	\$72,631		
Equipment(NFA)	\$411,061		
Inventory Expenses	\$26,114		
Other Operating Expenses	\$881,983		
Total Operating Expenditures		<u>\$5,159,925</u>	
Fixed Assets			
Hardware Peripherals	\$33,465		
Software Licensing Recurring	<u>\$43,397</u>		
		<u>\$76,863</u>	
Total Expenditures			<u>\$39,578,015</u>
Revenues Over (Under) Expenditures			\$2,086,985

Note: Expenditure figures as of August 6, 2018. Figures include accounts payable.

BUREAU OF ADMINISTRATION

The Bureau of Administration oversees the integration of administrative and management service programs for the PGCB, and to assist the Executive Director in developing management and policy recommendations regarding technology, personnel management, agency operating procedures, and financial management.

The Bureau of Administration oversees the operation of the following seven bureaus:

- Compulsive and Problem Gambling
- Gaming Laboratory Operations
- Financial Management
- Human Resources
- Information Technology
- Office Services
- Communications

Separate reports on the Gaming Laboratory and Compulsive and Problem Gambling are contained in other sections of this report. Information on the other bureaus under the Bureau of Administration follows:

Financial Management

The Office of Financial Management (OFM) develops and monitors the annual agency budget and assists the Board in preparing both analyses and recommendations regarding the itemized gaming budgets of the Department of Revenue (DOR), Attorney General's Office (AG), and Pennsylvania State Police (PSP) to the legislative appropriations committees.

OFM also:

- bills, collects, reports and monitors all agency generated revenue;
- posts on its internet website all revenue collected from the play of slot machines and table games on a weekly and monthly basis;
- posts on its internet website, a list of all the itemized expenses of PGCB employees and board members, along with those reported by DOR, AG and PSP for each month that were reimbursed.

The Office of Human Resources (OHR)

The Office of Human Resources;

- establishes, maintains and administers effective and comprehensive classification and compensation programs/policies;
- reviews and maintains the agency's organizational structure to ensure efficient operation and complement control;
- coordinates a highly competitive benefits program; and,
- ensures that all employees work in a safe and fair environment.

The OHR staff support the Board in achieving its goals and objectives by assisting managers in recruiting, retaining, and



Claire Yantis

Administrative
Director

developing a talented and diverse workforce through the coordination of training and performance management programs as well as aiding the organization in adherence to regulations and workplace laws. The OHR also strives to maintain a cooperative working relationship with the American Federation of State, County and Municipal Employees (AFSCME) who represent all professional, clerical, administrative and first-line supervisory positions at the PGCB.

In Fiscal Year 2017-2018 OHR:

- worked with Bureaus to review staffing needs and aid in the filling of 16 positions;
- conducting selected compensation analysis to promote and ensure pay equity;
- aiding bureaus in record retention efforts to promote a paperless environment; and
- continued workforce development through select trainings and program development.

Employees By Bureau as of June 30, 2018

Commissioners 7	Executive Offices 5
Administration 31	Investigations & Enforcement 77
Casino Compliance 124	Licensing 23
Office of Chief Counsel 11	Hearings and Appeals 4
Office of Gaming Operations 14	
Total Number of Employees 296	

Office of Information Technology

The Office of Information Technology (OIT) is responsible for the performance and integrity of the PGCB computer network, and the overall planning, organization and execution of all information technology functions within the PGCB.

OIT is responsible for the continued support and development of applications to assist PGCB staff in their daily business operations. OIT also provides daily support of all technology for employees, including oversight and maintenance of all computers, servers, networks, software, and telecommunications equipment. OIT continues to leverage technology solutions to enhance operational efficiencies throughout all areas of the PGCB.

In fiscal year 2017-2018 the OIT:

- developed and implemented a new backup and restore architecture along with a strategy for all PGCB production, staging and development systems;
- implemented an electronic fax solution eliminating 22 fax machines;
- deployed 300+ new desktop and laptop devices to all PGCB employees across the state;
- completed several new application workflows and enhancements to support gaming expansion; and,
- implemented a new storage area network and upgraded the PGCB blade center/server infrastructure.

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.

In fiscal year 2017-2018 Office Services worked;

- to competitively award a contract for services that held costs to the same level as they have been for the past 5 years;
- with the landlord to obtain funding for painting and new carpet in Commonwealth Tower, Harrisburg, the first improvements to PGCB headquarter offices since we occupied them in 2006.

Office of Communications

The Office of Communications continues to strive and ensure that Pennsylvanians and other interested parties have full access to the public work of the PGCB.

Best practices in the utilization of technology are employed by Communications to



ensure that the remote viewing of Board meetings and hearings, whether live or on archived video, are available on all popular platforms. Communications is also extensively using the agency web site to post new and valuable information on the gaming expansion initiatives approved through Act 42 of 2017.

Communications is also very responsive to requests for information from members of the news media and the public. During the Fiscal Year 2017-2018, Communications staff logged 868 requests via phone, in person or by e-mail for information.

The PGCB Speakers Bureau under the Office of Communications also had another busy year completing 45 engagements with service and business organizations from throughout Pennsylvania to ensure that the public has firsthand information on the oversight work of the agency, how legalized gambling affects them and their communities, and to provide an opportunity to ask PGCB Commissioners and staff questions about gaming.

OFFICE OF COMPULSIVE & PROBLEM GAMBLING

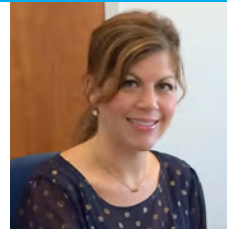
The PGCB's Office of Compulsive and Problem Gambling (OCPG) remains committed to:

- assisting Pennsylvanians affected by compulsive gambling by ensuring that every casino operator has established, and complies with, an approved compulsive and problem gambling plan;
- directing problem gamblers and their families to compulsive gamblers assistance organizations' toll-free helplines for crisis counseling, referral services and treatment.
- heightening public awareness of the dangers of compulsive, problem, intoxicated and underage gambling;
- developing prevention programs and harm reduction tools for gamblers;
- creating new problem gambling materials and outreach programs, particularly relevant to new gambling initiatives approved through the passage of Act 42 in 2017.
- establishing education materials for residents of all ages.

The OCPG continually searched for ways to expand its outreach to the citizens of this Commonwealth. During the Fiscal Year 2017-2018 the OCPG's Director and its Program Analyst attended the following senior fairs across the state:

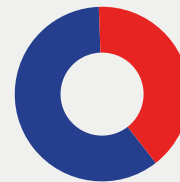
- 7/17/2017 Senator Scavello's senior fair in Swiftwater
- 8/9/2017 Representative Millard's senior fair in Bloomsburg
- 8/10/2017 Senator Corman's senior fair in Lewistown
- 9/7/2017 Representative Heffley and Senator Yudichak's senior fair in Jim Thorpe
- 9/8/2017 Representative Kauffman's senior fair in Fayetteville
- 9/12/2017 Representative Everett's senior fair in Pennsdale
- 10/06/2017 Representative Kim's senior fair in Steelton
- 4/27/2018 Representative McNeill and Senator Boscola's senior fair in Whitehall

At these events, OCPG staff distributed hundreds of pieces of informational handouts on gambling addiction treatment and the Board's statewide Self-Exclusion Program.



Elizabeth Lanza
Director
Office of Compulsive and Problem Gambling

Data shows that there are a total of 12,995 self-exclusion requests for individuals as of June 30, 2018.



Gender

- 7,958 or 61% are males
- 5,037 or 39% are females



Type of Enrollment-

- 7,588 or 58% - 1 year
- 2,672 or 21% - 5 years
- 2,735 or 21% - lifetime



Reported Violations by Enrollment Type

- 2,172 or 52% - 1 year
- 937 or 23% - 5 years
- 1,051 or 25% - lifetime

As of June 30, 2018 there have been:

- 4,552 requests for removal from the Self-Exclusion List.
- 790 individuals or 17% who have removed themselves from the Self-Exclusion List have voluntarily requested to be placed back on the list.
- 3,292 individuals whose term of self-exclusion has concluded have not removed themselves from the Self-Exclusion List.



Self-Exclusion by Race

Caucasian	9,151	70%
African American	2,006	15%
Asian	1,001	8%
Hispanic	376	3%
Middle Eastern	152	1%
Indian	153	1%
Multi-Racial	40	< 1%
Native American	12	< 1%
Other	104	1%
Total	12,995	100%

Self-Exclusion Intakes by Year

2006	2
2007	182
2008	320
2009	589
2010	902
2011	1,264
2012	1,456
2013	1,583
2014	1,474
2015	1,567
2016	1,510
2017	1,447
2018 (June 30)	699
Total	12,995

Self-Exclusion by Age (at Intake)

21-25	998
26-34	2,713
35-44	3,126
45-54	3,195
55-64	2,058
65+	905

An essential function of the OCPG is the administration of the Board's Self-Exclusion Program. During the time an individual enrolls in the Self-Exclusion Program, Board staff collects data that is used to improve the program as well as to better their understanding of gambling addiction within the Commonwealth.

The OCPG supported and participated in National Problem Gambling Awareness Month (NPGAM), a grassroots public awareness and outreach campaign held during the entire month of March. In partnership with the Pennsylvania Department of Drug and Alcohol Programs, the Council on Compulsive Gambling of Pennsylvania (CCGP) and the PA Lottery, the OCPG disseminated informational documents during the NPGAM kickoff event on February 26th in Harrisburg at the Capitol.

The OCPG interacts with national organizations that advocate for the prevention and treatment of gambling addiction as well as the promotion of responsible gaming. For the third year, Director Lanza chaired the Membership Committee for the National Council on Problem Gambling. Additionally, in July of 2017, Lanza was elected to the Board of the Association of Problem Gambling Service Administrators for a 2-year term.

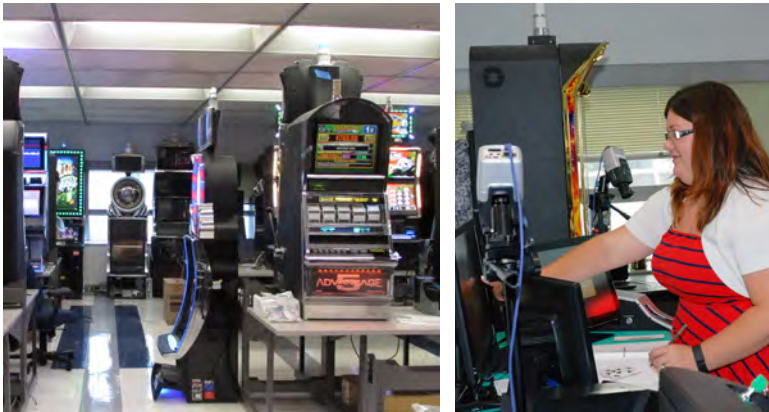
With the passage of Act 42 in 2017 and with expanded gambling on the horizon, the OCPG remains dedicated to enhancing the Self-Exclusion Program, providing treatment options to those who suffer from gambling disorder, attending conferences, senior fairs and other outreach events to spread knowledge of problem gambling and to encouraging responsible gaming among those who utilize Pennsylvania's gambling venues.



If you or someone you know has a gambling problem, call The Council on Compulsive Gambling at:

**1-800-848-1880 or
1-800 GAMBLER**

BUREAU OF GAMING LABORATORY OPERATIONS



The Bureau of Gaming Laboratory Operations (GLO) is the focal point for the review and approval of slot machines, table games, associated equipment, and related gaming technology in Pennsylvania casinos. This includes new types of equipment and technology that will be utilized for the various gambling expansion initiatives such as interactive gaming, sports wagering, and video gaming terminals in truck stops.

The primary function of the gaming laboratory is to evaluate electronic gaming products and associated equipment used in casino gambling for compliance with law, Board Regulations, and technical standards. Pursuant to the Pennsylvania Race Horse Development and Gaming Act, casino licensees may not use slot machines or other gaming technology until first approved by the Board. Staff reviews product specifications, software, and hardware submitted by gaming manufacturers and conducts a variety of tests as deemed necessary. Gaming Laboratory staff also review updates and changes to equipment previously approved for use. GLO assists with conducting investigations of regulatory violations, patron complaints, software and hardware deficiencies, and alleged cheating incidents. The GLO fulfills this mission by breaking work into two critical areas:

Statistical Analysis:

A team of Statisticians are responsible for evaluating the theoretical return for every slot machine game theme submitted for review, 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.

GLO can also accept testing and certification documentation from private independent laboratories on the slot machine manufacturer's behalf. This can reduce turnaround time for approval for new slot machine game themes for use on casino floors.

Engineering Reviews:

A team of Engineers is responsible for evaluating all gaming devices for compliance with the minimum design standards, reviewing modifications to gaming devices and ancillary equipment, and conducting investigations of regulatory violations.

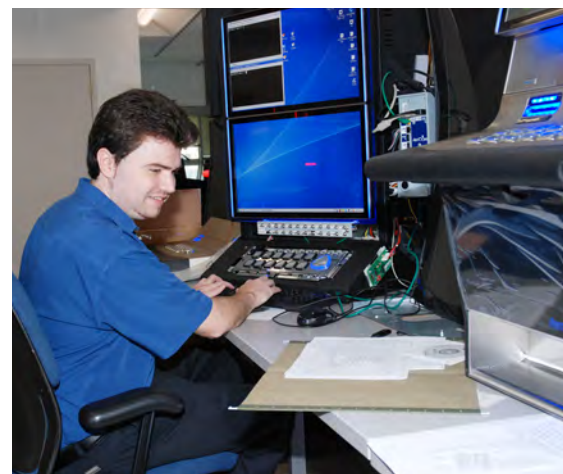
All casino related products are thoroughly tested in its 5,100-square



Heather Worner
Director
Bureau of Gaming
Laboratory Operations

foot lab to certify regulatory compliance with all minimum design standards regarding security and, in the case of slot machines, the 85% minimum payback mandated by law as well as the testing of automated shufflers, progressive systems, electronic table games, and other technology necessary to conduct gaming. Additionally, communication between the thousands of operating slot machines and the Central Control Computer System is confirmed, the communication of each machine is verified with casinos' in-house monitoring systems, and analysis of voucher redemption machines is performed.

In FY 2017-2018 GLO:	
Received 721 gaming related submissions	Reviewed 7,620 paytables
Reviewed 1,244 associated hardware and software components	Reviewed 447 slot machine game themes for regulatory compliance.
Total Submissions Reviewed 753	



OFFICE OF DIVERSITY

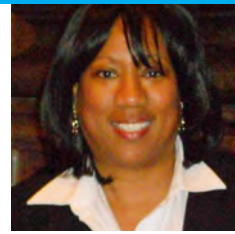
Pursuant to §1212 of the Pennsylvania Race Horse Development and Gaming Act (“Act”), the Pennsylvania Gaming Control Board is charged with promoting and ensuring diversity and inclusiveness in all aspects of legalized gaming. The diversity regulations established policies and procedures for promoting and ensuring that the regulated entities cultivate participation and equity in all aspects of their operations in the Commonwealth.

As of June 30, 2018, the casinos/resorts employed a total of 16,882 individuals. Residents of the Commonwealth constitute 90% of the casinos’ workforce. Approximately 43% of the employees are female while 36% of those employed at the casinos are racial minorities. Executive/Management/ Professional Staff at the casinos are comprised of 2,221 individuals. Of this total 63% are male, 37% are female and 23% are racial minorities. The casinos’ training and retention efforts continue to result in internal promotions. Additionally, the casinos remain committed to achieving the goals of the legislature regarding table games employment. Pennsylvania residents currently make up 83% of table games employees.

The casinos’ supplier equity and inclusiveness programs continue to create opportunities for small and local business entities, many of which are state-of-the-art and multicultural. Casinos have worked tirelessly to create environments where procurement professionals are supported by executive level staff and are inspired to promote utilization of diverse vendors by offering multiple means from which to procure goods and services. Through relationships developed with minorities, women, disadvantaged, small, and local businesses, the casinos have been able to combine tangible market knowledge and identify areas with competitive purchasing capability.

The casinos routinely support awareness and outreach initiatives among current and potential suppliers. These programs include, but are not limited to: vendor fairs and networking events for diverse groups; visiting vendor sites to determine their ability to meet supplier requirements for the facilities; establishing economical payment plans mutually agreed upon by the vendors and casino purchasing professionals; conducting workshops and other activities to increase awareness among diverse groups concerning the types and volumes of goods and services the casinos purchase in the course of business operations; advertising in regional media outlets to engage multicultural groups; entering into strategic partnerships with local chambers of commerce; and mentoring small businesses. Moreover, the casinos connect with organizations promoting supplier diversity and economic empowerment, such as the Minority Supplier Development Council, the Women’s Business Enterprise Council for Pennsylvania, Delaware and New Jersey, the Pennsylvania Department of Community & Economic Development, and the Pennsylvania Department of General Services’ Bureau of Diversity, Inclusion & Small Business Opportunities. Expenditures for each licensed facility are available in the pages that follow.

Community outreach, networking, sponsorships, and donations to charitable causes continue to be a priority for the casinos. As in previous years, casino employees routinely volunteer thousands of hours to various organizations, fund raisers, neighborhood revitalization efforts, and educational pursuits throughout the Commonwealth. The casinos have dispersed over \$100 million with respect to corporate



Mozelle E. Daniels

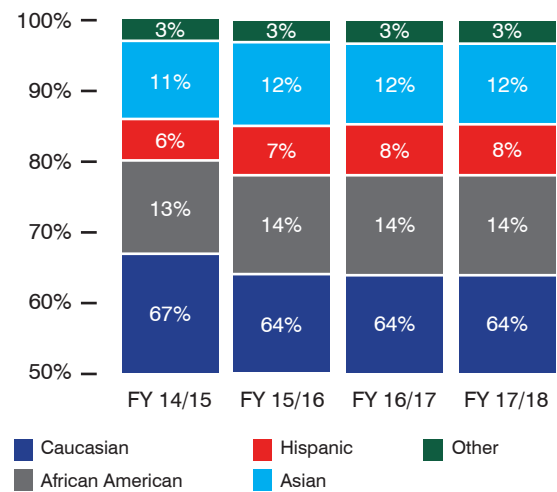
Director
Office of Diversity

social responsibility endeavors and philanthropic activities since 2006.

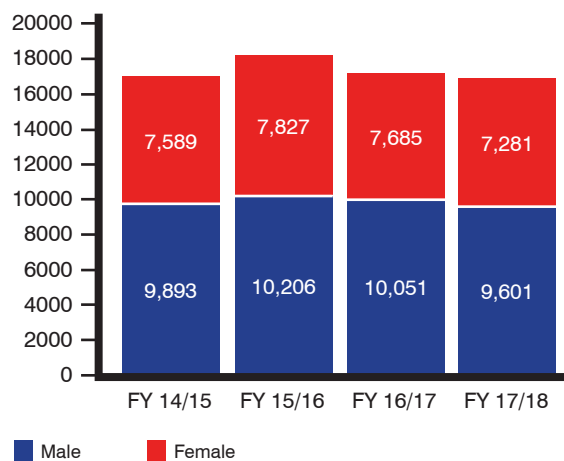
The PGCB remains committed to monitoring the activities of the Commonwealth’s licensed casinos in promoting diversity and ensuring compliance with the Act.

Statewide

Employment by Race



Employment by Gender



BUREAU OF LICENSING

The Bureau of Licensing worked to balance processing an uptick in the number of applications submitted during the last fiscal year while simultaneously preparing for the expansion of gaming in Pennsylvania. The implementation of technological efficiencies will allow the Bureau to continue its mission of protecting the integrity of gaming through licensure while allowing for a greater number of applications to be submitted and processed annually in the coming months and years.

In addition to processing the nearly 10,500 applications that were submitted during the fiscal year, the Bureau oversaw the preparation of licensing suitability reports and approvals of:

- 2 casino license renewals;
- 7 manufacturer license renewals;
- 3 initial manufacturer licenses;
- 4 initial video gaming terminal manufacturer licenses;
- 3 initial manufacturer designee licenses;
- 1 initial supplier license
- 1 supplier license renewal
- 1 initial video gaming terminal operator license;
- 1 gaming related gaming service provider certification; and,
- 2 gaming junket licenses.

Additional Bureau highlights during the 2017-2018 Fiscal Year include:

- Creating the Enterprise Entity Application to centralize the core applications for all Manufacturer, Supplier and Manufacturer Designees in addition to Video Gaming Terminal Operators, Interactive Gaming Operators, Fantasy Contest Operators and Sports Wagering Operators and their affiliated companies.
- Created applications and procedures for Video Gaming Terminal Establishments.
- Working on the development of new regulations to address the licensing requirements for the additional types of gaming.
- Renewing the Category 1 license of Downs Racing and the Category 2 license of Sands Bethworks.
- Facilitating the certification and registration of almost 200 gaming service providers, which are companies doing non-gaming related business with casinos.
- Analyzing agreements, corporate structures and applications associated with changes of control for Valley Forge Convention Center, Sands Bethworks, Presque Isle Downs and the Meadows.
- Referring more than 20 potential regulatory violations to the PGCB Office of Enforcement Counsel for action.
- Fielding more than 4,100 calls from gaming and non-gaming applicants, casinos and other individuals with questions about completing applications, application statuses and other information.
- Preparing for the implementation of several changes to the SLOTSlink electronic application system that will significantly reduce the amount of paper associated with applications and will allow for the more efficient processing of applications.



Susan Hensel
Director
Bureau of Licensing

- Utilizing an electronic check imaging process to deposit and track more than 1,400 checks totaling more than \$6 million in application and license fees.
- Producing over 10,500 board credentials for employees working in Pennsylvania casinos.

Application Approved by Type:	FY 17/18
Category 1	1
Category 2	1
Category 3	0
Slot Machine Manufacturer	6
Slot Machine Manufacturer Designee	2
Table Game Manufacturer	4
Table Game Manufacturer Designee	1
Slot Machine Supplier	2
Table Game Supplier	0
Management Company	0
Affiliate	33
Key Employee	88
Principal	179
Principal Entity	17
Junkets	4
Gaming--Level 2	939
Gaming	4,794
Non-Gaming Employee	2,517
Certified/Registered Vendor, Vendor Affiliate, Employee, Gaming Related GSPS	660
Fantasy Contest Operators	0
iGaming Operators	0
Sports Wagering Operators	0
VGT Terminal Operator	1
iGaming Manufacturers	0
iGaming Suppliers	0
VGT Manufacturer	4
VGT Supplier	1
VGT Procurement Agent	0
TOTAL	9,255

BUREAU OF CASINO COMPLIANCE

The Bureau of Casino Compliance, in furtherance of the Board's mission to secure the integrity of gaming and the safety of patrons, provides round-the clock representation at each casino. The responsibilities of Casino Compliance Representatives (CCR's) assigned to each casino throughout the Commonwealth include, but are not limited to, the following:

- to assure compliance with Board regulation and standard operating procedures submitted by each casino;
- to receive and process patron complaints;
- to ensure that revisions to the licensee's gaming floor are done in accordance with the Board's approval;
- to issue temporary license badges to employees of the casino;
- to observe the collection and accounting of table game drop boxes in order to determine table game win or revenue; and,
- to generally monitor all gaming activity.

Additionally, the bureau monitors the movement of all slot machines in transit within the Commonwealth, accepts slot machines at all casinos to maintain a current inventory of all slot machines whether on the floor, in transit, or in storage to make certain that all are configured to return a minimum of 85% as required by statute. Table game equipment such as cards, dice, roulette balls and wheels, gaming chips, and peripheral devices related to casino gaming are also monitored. CCR's also monitor the destruction of cards, dice and perishable gaming equipment to assure that the destruction is completed per established regulation.

Another critical function of CCR's is to be available to the public to receive any patron complaints. 1,149 patron complaints were received in fiscal year 2017-2018. All patron complaints are reviewed and thoroughly investigated, with those involving non-compliance with internal controls or Board regulations then forwarded to the Office of Enforcement Counsel for action. Additionally, CCR's refer information concerning suspected criminal activity to the on-site Pennsylvania State Police personnel for investigation.

CCR's also address the issue of Compulsive and Problem Gambling along with its proper oversight and attention by the casino. CCR's regularly enroll members of the public in the PGCB's voluntary Self-Exclusion Program and while also monitoring any potential violations of this program. The Bureau of Casino Compliance also maintains a voluntary credit exclusion program for patrons of PA casinos which supplements the Compulsive and Problem Gaming initiative that is actively in place.

Of significant importance, the Bureau of Casino Compliance certifies the casino's adherence to minimum Security, Table Game and Surveillance staffing while also assuring that a formal Standard Operating Procedure policy is in place at each casino. Additionally, surveillance camera coverage and retention reviews are performed frequently by CCR's to safeguard assets, enhance patron safety, resolve complaints and monitor gaming activity.

Gaming floor changes are significant in number and occur when table games or slot machines are increased in number, relocated, removed, or repositioned. Therefore, the Bureau of Casino Compliance coordinates and documents any authorized changes to the gaming floor, spending considerable time coordinating the PGCB's oversight of gaming floor plan changes.



John Sentell
*Acting Director
 Bureau of Casino
 Compliance*

As the Pennsylvania gaming industry continues to evolve, the Bureau of Casino Compliance will remain prepared for both the expansion of existing casinos and the opening of new facilities. Through this process, we will ensure compliance with gaming regulation.

Technical Field Operations:

The Bureau of Casino Compliance is responsible for the technical compliance of the slot machine floor, table game floor and the IT room of every casino. Within all casinos, normal maintenance to the gaming floor is necessary. For example, carpet removal and installation is a frequent event, resulting in all slot machines being uninstalled and reinstalled. This is a significant undertaking and very labor intensive taking 16 to 20 weeks on average. The Technical Field Representatives (TFR's) are instrumental and closely involved with both the planning and implementation, and are integral for a smooth install assisting the operator to assure that interruptions are minimal and patron inconvenience is low.

A significant amount of behind-the-scenes activity is conducted by TFR's who are responsible for monitoring the day-to-day operations of a casino's software and systems. TFR's assure that all slot machines maintain connectivity to the Central Control Computer System; conduct random inspection of slot machines for configurable options; inspect table game devices for compliance; and, conduct highly technical investigations. TFR's also work with the PGCB Gaming Laboratory Operations staff to assure that manufacturer notifications are reviewed and addressed efficiently.

Casino Compliance	FY 17/18
Total Reports	70,764
Daily Shift Reports	15,227
Office of Enforcement Counsel Referrals	989
Self-Exclusion Intakes	1,433
Table Game Count	5,206
Patron Complaints	1,149
Technical Field Representative Reports	1,979
Slot/ Table Games Delivery	638
Operational Plans Reviewed	54

BUREAU OF GAMING OPERATIONS

The Bureau of Gaming Operations (BGO) works to ensure the integrity of slot machine and table game operations at the Commonwealth's casinos. Comprised of Compliance and Audit units, BGO reviews internal controls and performs audits to ensure casino games are conducted fairly and in accordance with the law and PGCB regulations.

Compliance Unit

Compliance Unit staff review internal controls and other required regulatory submissions including table game rules submissions, gaming guides, dealer training programs, tournament rules and schedules, and table game equipment submissions. Examples of equipment submissions include cards, dice, chips, signs and layouts used in table game operations. Patrons who visit a casino and play table games can be assured that all the equipment required for the operation of that game has been carefully reviewed by BGO staff.

As required by the Gaming Act, each casino licensee is responsible for developing a written system of internal controls that describe its operating procedures in key departments such as finance, security, surveillance, table games and slots. Licensees are also required to train employees in the performance of their duties, including compliance with the Board's regulations and the licensee's system of accounting and internal controls.

Examples of internal controls that must be submitted to the BGO for review and approval include procedures for the:

- counting and recording of slot machine and table game revenue;
- safety of patrons including adequate security and surveillance coverage;
- prevention of underage gambling;
- safeguarding of casino assets including controlled access to sensitive keys and restricted areas;
- issuance of casino credit.

In fiscal year 2017-2018, Compliance Unit staff reviewed 568 internal control amendments, 438 table game submissions and 47 slot tournament submissions. In addition, Compliance Unit staff reviewed petitions and internal controls from licensees seeking authorization to offer various forms of expanded gaming, including daily fantasy contests, video gaming terminals at truck stops, interactive gaming and sports wagering.

Audit Unit

The Audit Unit performs compliance audits to ensure casinos and their employees conduct gaming operations with the highest level of integrity and that strong accounting controls are followed to ensure the accurate collection of tax revenue owed to the Commonwealth. Audits focus on key areas of casino operations including: cage, drop and count, surveillance, table games, compulsive and problem gambling, restricted area access and sensitive key controls.

Auditors obtain an understanding of the licensees' slot machine and table game operations through observation of gaming operations, examination of records and interviews with casino personnel. Audit



Paul Resch
*Director
 Bureau of Gaming
 Operations*

reports include recommendations for corrective action and a response from the licensee to each finding of non-compliance. All findings are forwarded to the Office of Enforcement Counsel for review.

During FY 2017-2018, Audit Unit staff performed 11 audits in which five were compliance audits focused on key areas of casino operations identified by the Audit Unit through an annual risk assessment, four were follow-up audits, and two were unannounced audits in the areas of card and dice inspection and drop and count.

The Audit Unit also reviews grant contracts under the Local Law Enforcement Grant Program. From 2006 to 2017, the PGCB received dedicated funding to award grants to local law enforcement agencies and the Pennsylvania State Police for the purpose of investigating, enforcing and preventing unlawful gambling. During FY 2017-2018, audit staff reviewed grant contract documents for nine local law enforcement agencies that received grants. The review involves an examination to determine if grant funds appear to have been properly allocated and expenditures accounted for in accordance with grant guidelines, the grant agreement and the approved project description and budget.

<i>The Bureau of Gaming Operations accomplished the following in FY 2017-2018:</i>	
Reviewed 568 internal control amendments	Reviewed 438 table game submissions
Performed 11 compliance audits	Reviewed 47 slot tournament submissions
Reviewed 9 local law enforcement grants	

OFFICE OF RACETRACK GAMING

The Office of Racetrack Gaming serves as the Pennsylvania Gaming Control Board's liaison between the gaming and horse racing industries in order to support the legislative intent of legalized gaming to assist the horse racing industry.

The Pennsylvania Race Horse Development of Gaming Act states that the authorization of limited casino gaming is intended to:

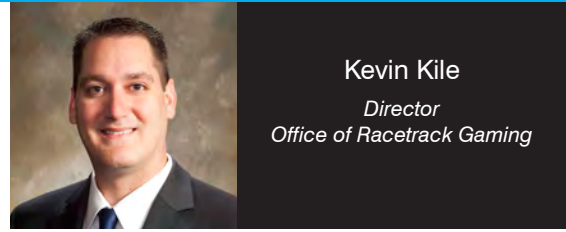
- positively assist the Commonwealth's horse racing industry;
- support programs intended to foster and promote horse breeding; and,
- improve the living and working conditions of personnel who work and reside in and around the stable and backside areas of racetracks.

In order to support and monitor the impact casino gaming is having on the horse racing industry, the Office of Racetrack Gaming establishes and maintains effective working relationships and acts in a liaison capacity to the Pennsylvania Department of Agriculture, Pennsylvania Racing Commission, casino and racetrack operators, horsemen's organizations, and related organizations. The Office of Racetrack Gaming regularly attends Pennsylvania Racing Commission meetings and provides reports to the Board regarding all areas that impact casino gaming.

In Fiscal Year 2017-2018, \$240 million in slot machine revenue was earmarked for the Pennsylvania Race Horse Development Trust Fund. This revenue is used to significantly enhance purses, provide health and pension benefits for horsemen, and assist breeding operations throughout the Commonwealth. Also, the racetrack casinos have collectively invested an additional \$72 million to improve or replace barns, paddocks, dormitories, and other buildings and structures which has significantly improved the living and working conditions for horsemen and their employees who work at the racetracks on a daily basis.

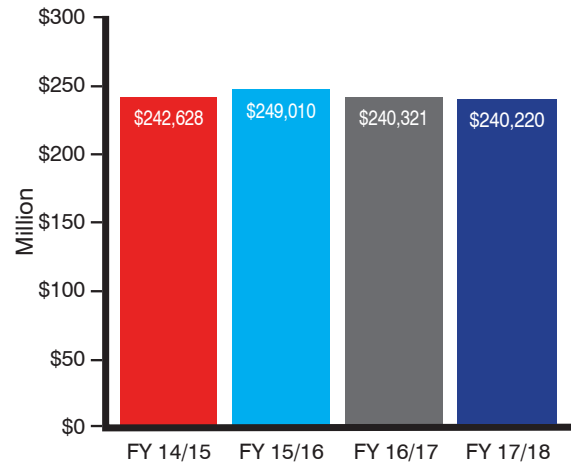
Office of Racetrack Gaming released its eleventh annual Benchmark Report in April 2018 which provides a comprehensive overview of the benefit slot machine gaming revenue provides for the horse racing industry in Pennsylvania. This report also details key indicators within horse racing which outline the health of the industry over the past five years.

Also in Fiscal Year 2017-2018, the Office of Racetrack Gaming assisted with the drafting of regulations as result of expanded gaming initiatives for casino simulcasting, sports wagering, and promotional activity within interactive gaming. In addition, the Office of Racetrack Gaming reviewed more than 5,000 promotions held by the twelve operating casinos to ensure all marketing activity within the Commonwealth do not adversely impact the public or the integrity of gaming.

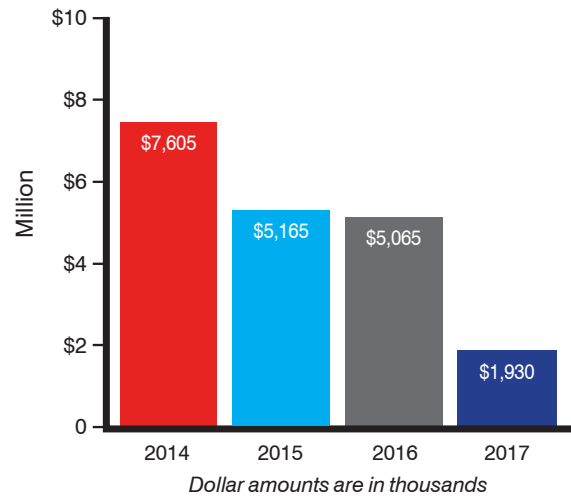


Kevin Kile
Director
Office of Racetrack Gaming

PA Race Horse Development Fund



Backstretch Improvements



OFFICE OF CHIEF COUNSEL

The Office of Chief Counsel (OCC) engages in and oversees legal services encompassing broad topical areas for the Pennsylvania Gaming Control Board. It is legal counsel to the Board on issues of policy and procedure including legislative proposals, administration, personnel, budget, operations, licensing and all other matters that may emerge in the course of regulating casino gaming. Additionally, the OCC serves as the Board's legal representative in various court proceedings, including appeals of Board decisions. In addition, the last year has seen a significant increase in work related to expanded gaming initiatives created through the passage of Act 42 of 2017, work which spans all of the additions to gaming opportunities in Pennsylvania including Fantasy Contests, Category 4 Casinos, internet-based Interactive Gaming including Airport Gaming, Sports Wagering, Casino Simulcasting, and Truck Stop VGT Gaming.

Licensing:

The Licensing Section of the OCC advises and assists the Bureau of Licensing in all matters involving the licensing process, including the application process and on any licensing ramifications of actions involving licensees. The Licensing section also works daily with the Bureau of Licensing on issues such as debt refinancing, corporate restructuring, and changes in control and/or ownership of licensed entities and is instrumental in coordinating the compliance of a licensee with its Statement of Conditions. Over the past year, in addition to producing renewal suitability reports for casinos currently operating in Pennsylvania and for numerous slot machine and table game manufacturers, manufacturer designees, suppliers, junkets, gaming service providers and management companies, the OCC Licensing counsel have advised the Bureau of Licensing extensively as to the Act 42 impact on Licensing functions of the Board and assisted in preparing for the licensing of many new associated entities.

Regulatory Review:

The Fiscal Year 2017-2018, while continuing the crafting of regulations to address new gaming technology and new table games in the Commonwealth, focused extensively on readying the Commonwealth for the many differing forms of gambling expansion made possible through Act 42. Specifically, under the Board's temporary rulemaking authority, temporary regulations have been put into place which address and govern casino simulcasting, internet-based interactive gaming, truck stop VGT gaming, fantasy contests and sports wagering.

Litigation:

The Litigation Section of the OCC provides counsel to the Board on matters coming before it including enforcement actions, petitions for relief, suspensions, revocations, consent agreements, withdrawals of applications, surrenders of licenses, placement of individuals on the Board's exclusion list, licensing and Reports & Recommendations



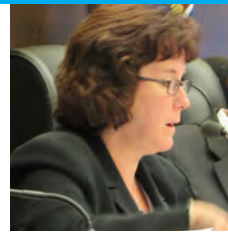
R. Douglas Sherman
Chief Counsel

generated by the Board's Office of Hearings and Appeals. In total, during Fiscal Year 2017-2018, the OCC reviewed and provided legal advice to the Board on nearly 450 such matters.

During the same period of time, the Litigation Section represented the Board before judicial and administrative tribunals in which the Board was named as a party (e.g. employment law, Right-To-Know Law) or in which Board records or personnel were subpoenaed. In addition, the Litigation Section provides counsel to the PGCB Open Records Officer and Office Services Section involving compliance with the Right-To-Know Law and Procurement Code, as well as to the Human Resource Office concerning a wide variety of employment matters.

Legislation:

OCC, through the Board's legislative liaisons, addresses questions of the legislature concerning the administration of the Gaming Act as well as relating to possible future legislation amendments and proposals as they relate to gaming. During the Fiscal Year 2017-18, the OCC legislative liaisons worked feverishly reviewing the gaming expansion proposals, providing feedback and attempting to achieve a statutory model conducive to the prompt, efficient and effective implementation of gaming.



Linda S. Lloyd
Director
Office of Hearings and Appeals

OFFICE OF HEARINGS & APPEALS



The Office of Hearings and Appeals (OHA) receives and processes all filings with the Board’s Clerk, conducting hearings, building legal records and producing Reports and Recommendations for the Board’s consideration. In early November OHA began using an electronic date stamp to docket and file all incoming filings. The use of this date stamp eliminated the need to print an incoming electronic document, manually stamp the document and then scan the document to create a new electronic document. This change was made in an effort to reduce the use of paper, an effort that was undertaken agency wide.

OHA held one License Renewal hearing during Fiscal Year 2017-2018, that was in April for the Sands Bethworks LLC casino, while also participating in the Category 4 License auctions held on January 1 and 24, February 8 and 22, March 9, and April 4 and 18, 2018.

From July 1, 2017 through June 30, 2018 the Board’s Clerk received approximately 2,894 filings to be processed. The breakdown of the types of filings, as well as other information, is as follows:

TYPES OF FILINGS	FY 7/1/17 - 6/30/18	FY 7/1/16 - 6/30/17
Petitions	257	178
Answers/Motions/Misc.	1,434	1,178
Enforcement Actions	292	355
Requests for Oral Hearing	71	62
Reports and Recommendations Issued	55	62
Exceptions	5	7
Disposed Hearing Files	44	39
Board Orders	618	641
OHA Orders	162	102
Total Orders Processed	780	743
Hearings Conducted by OHA	76	65
Records Certified to Courts	0	0
Requests for Documents	65	48

OFFICE OF ENFORCEMENT COUNSEL

The Office of Enforcement Counsel (OEC) serves as the prosecutor in all noncriminal matters relating to legalized gaming in the Commonwealth. In its regulatory function, the OEC operates separately and independently from the Pennsylvania Gaming Control Board (Board).

Guided by the mandates of the Pennsylvania Race Horse Development and Gaming Act (Act), Board approved regulations, established legal precedence, and Commonwealth statutory law, the OEC has three main functions: background investigations; regulatory enforcement; and petition responses.

During Fiscal Year 2017-2018, these functions resulted in the OEC handling over 4,300 legal regulatory matters.

Background Investigations

The OEC is responsible for reviewing and making recommendations regarding the suitability of applicants for licensure by the Board. In this role, the OEC is tasked with preparing background investigation reports and making suitability recommendations to the Board, issuing and prosecuting denial recommendations before the Board, answering application withdrawal requests filed by applicants, and assisting the Bureau of Investigations and Enforcement (BIE) during the background investigation process which may include, but is not limited to, conducting applicant sworn interviews, issuing subpoenas, issuing demand letters, negotiations, conducting legal reviews, and other matters that necessitate OEC involvement.

Regulatory Enforcement

Through its enforcement duties, the OEC ensures that those licensed by the Board conduct themselves in a manner consistent and in accordance with the Act and Regulations, and that patrons of the Commonwealth's casinos do not harm the character and integrity of the gaming industry.

In this role, the OEC is the hub wherein all potential non-criminal violations of the Act and Regulations come for resolution. The OEC receives potential violation referrals from within the agency through the various Offices and Bureaus and at times, from the Board members. The OEC also receives violation referrals from the public, licensees, the PA General Assembly, state, federal, and foreign government agencies, etc. Once received, those violation referrals that require investigative work are forwarded to the BIE with as-needed guidance from the OEC. Once the BIE completes its investigation, the report is forwarded to the OEC for review and appropriate action. When violation referrals do not necessitate an investigation by BIE, the OEC, through its own initiative, takes the appropriate action.

Petition Responses

The OEC is also responsible for filing responses to petitions filed with the Board by licensees, applicants, or the public and for ensuring that the requested relief does not run afoul of the Act or Board Regulations. In this role, the OEC represents the various positions of Board staff in conjunction with the legal parameters presented by the Act and Regulations.



Cyrus Pitre
Chief Enforcement Counsel

Between July 1, 2017 and June 30, 2018 the following statistics are attributed to OEC's regulatory oversight and prosecutorial work:

Statistic	FY 17/18
Licensing Regulatory Matters Closed	2,348
Enforcement Regulatory Matters Closed	2,012
Petitions Answered	95
Compliance Conferences Conducted	24
Consent Agreements Negotiated	44
Regulatory Violation Fines/Penalties Assessed	\$2,170,116
Administrative Fees Assessed	\$96,500
Compliance Conference Fees Assessed	\$18,000

BUREAU OF INVESTIGATIONS AND ENFORCEMENT

Pursuant to the Pennsylvania Race Horse Development and Gaming Act (Act), the Bureau of Investigations and Enforcement (BIE) operates as an independent bureau within the Gaming Control Board. The primary mission of the BIE is to ensure the integrity of the Commonwealth's gaming industry through suitability and regulatory investigations of gaming operators and their employees, as well as manufacturers, suppliers, gaming service providers and other businesses interested in conducting business within the Commonwealth's gaming industry. BIE is essentially the investigative arm of the Gaming Control Board used to determine suitability of applicants and investigate possible violations of the Act and gaming regulations.

During the last fiscal year, BIE has focused on employing new technologies to conduct more thorough and efficient investigations in preparation for the expansion of gaming in the Commonwealth. As the expansion of gaming in the Commonwealth was approved by the legislature in late 2017, BIE's responsibilities will grow to include investigation and regulation of video gaming terminal establishments and operators, fantasy sports operators, interactive gaming operators, sports betting operators, and airport interactive gaming.

Licensing Investigations

All applicants for a license, permit, or registration, whether a casino employee, a manufacturer of gaming equipment, a casino operator, or a gaming service provider to a casino are investigated by the BIE. License renewal investigations are conducted on all entities and individuals every five years. These efforts include a comprehensive criminal history record check based upon information received from FBI fingerprint results, as well as other local police department and court checks.

As part of its investigation, the BIE then prepares a comprehensive report detailing the applicant's background and suitability. Elements of a background investigation include but are not limited to:

- business and personal contact,
- regulatory history in other jurisdictions,
- criminal history checks,
- FBI criminal history records,
- tax record examinations, and financial analysis
- database checks regarding both political contributions and court records for pending and concluded civil litigation.

Enforcement Investigations

The BIE also investigates all licensees and other persons regulated by the Board for non-criminal violations of the Gaming Act. Examples of these investigations are:

- patron and employee cheating;
- gaming service provider failure to renew;
- employee misconduct; and,
- exclusion requests for underage gaming.

The BIE's investigatory reports on these various violations or complaints are also forwarded to the OEC for action.

Pursuant to Act 90 of 2013, referred to as the Tavern Gaming Law, the BIE is mandated with the responsibility of conducting background investigations for applicants for a tavern gaming license. As such, the BIE conducts a thorough background investigation to include a federal and state criminal history record search, financial and tax review, and a regulatory history evaluation. The BIE



Paul Mauro
Director
Bureau of Investigations and Enforcement

then submits a background investigation report to the Pennsylvania Liquor Control Board, who determines suitability for a tavern gaming license.

Financial Investigations

The BIE has its own Financial Investigations Unit (FIU) that maintains and reviews all corporate compliance submissions presented to the Board. The FIU monitors financial stability of casinos to assure the public's interest is protected in accordance with the Act. The FIU facilitates the BIE investigators and analysts with in-depth financial investigations of principals and corporate enterprises. The FIU also reviews changes in debt financing and financial restructuring, as well as evaluating other issues that require financial analysis for the Board's review.

Investigation by Type:	FY 17/18
Category 1	2
Category 2	1
Slot Machine Manufacturer	3
Slot Machine Manufacturer Designee	2
Table Game Manufacturer	1
Slot Machine Supplier	1
Management Company	1
Affiliate	71
Key Employee	82
Principal	312
Principal Entity	41
Junkets	2
Gaming--Level 2	1,539
Gaming	5,160
Non-Gaming Employee	2,556
Certified/Registered Vendor, Vendor Affiliate, Employee, Gaming Related GSPS	625
Tavern Gaming Applicants	5
Fantasy Contest Operators	10
igaming Operators	2
VGT Terminal Operator	8
iGaming Manufacturers	2
VGT Manufacturer	4
VGT Supplier	1
VGT Procurement Agent	1
Total	10,432

GAMING EXPANSION



In October 2017, the Pennsylvania General Assembly passed legislation to expand legalized gambling designed to increase the number of land-based casino along with permitting some forms of gambling through the internet and in new locations. Signed into law by Governor Tom Wolf as Act 42 of 2017, the Pennsylvania Gaming Control Board was tasked with overseeing creating regulations, awarding licenses, overseeing the startup and providing for the oversight of:

- Category 4 “Satellite” Casinos
- Interactive Casino Gaming (iGaming)
- Interactive Gaming at Airports
- Video Gaming Terminals (VGT’s) at Truck Stops
- Fantasy Sports Contests

While the PGCB began its work laying the foundation for the launch of these new gaming initiatives, Act 42 also legalized land-based and internet-based sports wagering by casinos when a Federal court decision is filed that permits a state to regulate sports wagering. That occurred in May 2018 through a U.S. Supreme Court decision, and the PGCB also began work to launch sports wagering.

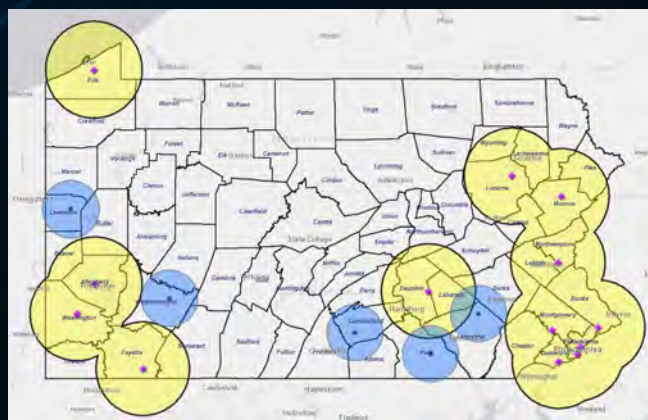
During the 2017-2018 Fiscal Year, the PGCB used its temporary expanded gaming rulemaking authority to write and promulgate regulations for all of these gaming expansion initiatives.

One of the more visible activities undertaken by the PGCB was to hold public auctions that to award the right for existing casino license holders to apply for one of the new Category 4 licenses. Five auctions were held in early 2018 that garnered \$127 million in bids to secure these rights.

As the fiscal year ended, tax revenue has begun to be collected for Fantasy Sports Contests, and timetables had become more clear on the launch of the other new gaming initiatives.



Results of Category 4 public auctions held in January-April 2018



*Yellow = 25 Mile Exclusion Area Around Casinos
Blue Circle = 15 Mile Auction reserved Area*

Pennsylvania has 12 operating casinos. As of June 30, 2018 PA casinos employed 16,882 individuals of which 5,699 are associated with the play of table games. Total fees and tax revenue from slot machines and table games for FY 17/18 was \$1,639,031,321.

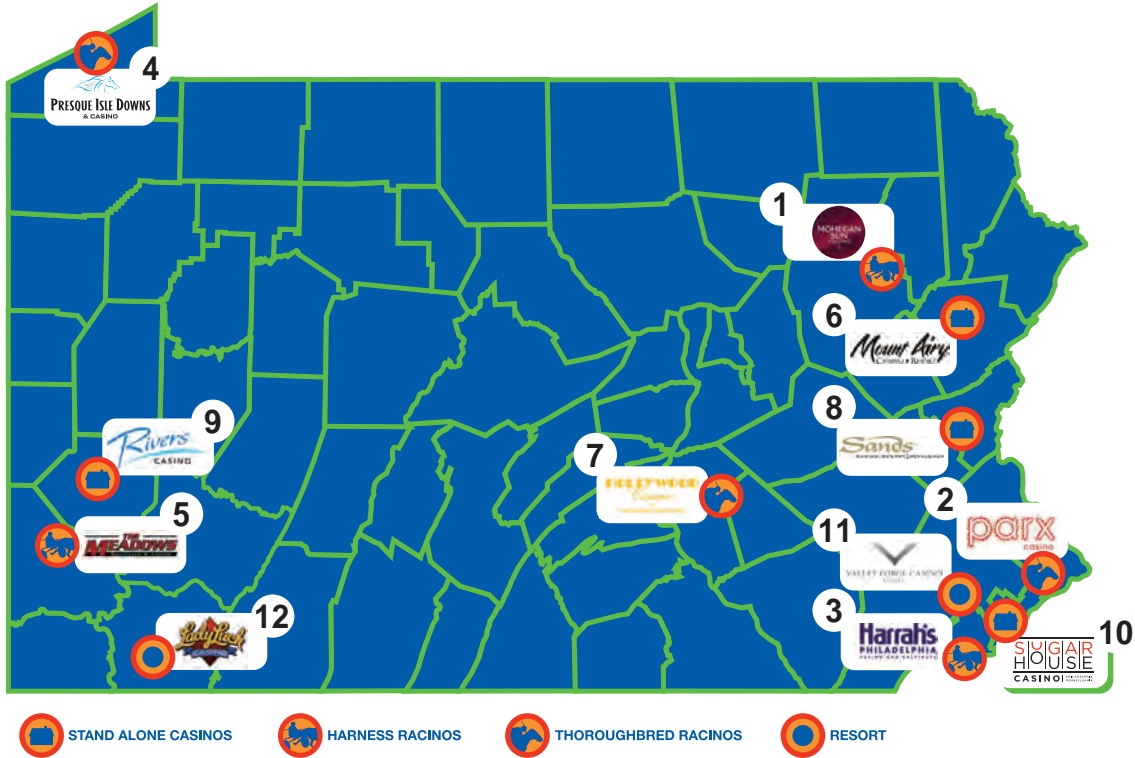


Table Game Revenues FY 2017-18

Average Number of Table Games in June 2018	1,271
Gross Revenue	\$895,278,806
* Taxes	\$168,844,850
Non-Banking Tables	225
Gross Revenue	\$57,554,191
Banking Tables	960
Gross Revenue	\$808,251,222
Fully Automated Electronic Tables	3
Gross Revenue	\$2,500,703
Hybrid Tables	83
Gross Revenue	\$26,972,690

Slot Revenues FY 2017-18

Average Number of Slot Machines in June 2018	25,737
Wagers	\$30,124,381,735
Payouts	\$27,187,569,538
Promotional Plays	\$627,134,295
Adjustments	-\$960
Gross Terminal Revenue	\$2,352,320,937
** Taxes and Fees	\$1,470,186,471

Taxable Slot Wins Per Day

Jul-17	\$264
Aug-17	\$241
Sep-17	\$251
Oct-17	\$236
Nov-17	\$234
Dec-17	\$234
Jan-18	\$222
Feb-18	\$261
Mar-18	\$277
Apr-18	\$266
May-18	\$255
Jun-18	\$256

Local Share Distribution FY 2017-18

	Slots	Tables
Statewide	\$164,053,677	\$17,463,523

* Include \$24,750,000 from Stadium LLC in tables licesure fee

** Includes \$47,585,071 in local share catch-up, \$48,000,000 in slot machine license operations fees, \$126,999,897 in category 4 auction proceeds, \$1,000,000 for removal of "Patron of the Amenities" provision (Valley Forge Casino Resort) and \$53,750,000 in licesure fees for Stadium Casino LLC. and The Meadows Casino



Mohegan Sun at Pocono Downs opened on November 14, 2006 in Luzerne County, Plains Township and is a harness racetrack. As of June 30, 2018 the casino employed 1,537 individuals of which 339 were associated with the play of table games.



Parx Casino opened on December 19, 2006 in Bucks County, Bensalem Township and is a thoroughbred racetrack. As of June 30, 2018 the casino employed 2,157 individuals of which 1,069 were associated with the play of table games.

Table Game Revenues FY 2017-18

Average Number of Table Games in June 2018	89
Gross Revenue	\$40,813,799
Taxes	\$6,530,208
Non-Banking Tables	18
Gross Revenue	\$2,339,616
Banking Tables	68
Gross Revenue	\$36,835,921
Fully Automated Electronic Tables	0
Gross Revenue	\$0
Hybrid Tables	4
Gross Revenue	\$1,638,262

Slot Revenues FY 2017-18

Average Number of Slot Machines in June 2018	2,325
Wagers	\$2,473,290,325
Payouts	\$2,225,478,034
Promotional Plays	\$45,023,522
Adjustments	\$0
Gross Terminal Revenue	\$202,793,257
* Taxes and Fees	\$113,873,402

Taxable Slot Wins Per Day

Jul-17	\$257
Aug-17	\$235
Sep-17	\$239
Oct-17	\$228
Nov-17	\$226
Dec-17	\$223
Jan-18	\$216
Feb-18	\$248
Mar-18	\$265
Apr-18	\$251
May-18	\$241
Jun-18	\$232

Local Share Distribution FY 2017-18	Slots	Tables
Luzerne County - CFA	\$13,555,612	\$387,331
Plains Township	\$3,383,673	\$387,331

Table Game Revenues FY 2017-18

Average Number of Table Games in June 2018	190
Gross Revenue	\$185,933,870
Taxes	\$29,749,419
Non-Banking Tables	48
Gross Revenue	\$17,306,045
Banking Tables	132
Gross Revenue	\$163,004,625
Fully Automated Electronic Tables	0
Gross Revenue	\$0
Hybrid Tables	10
Gross Revenue	\$5,623,199

Slot Revenues FY 2017-18

Average Number of Slot Machines in June 2018	3,331
Wagers	\$5,421,583,281
Payouts	\$4,930,873,673
Promotional Plays	\$89,976,470
Adjustments	\$0
Gross Terminal Revenue	\$400,733,138
* Taxes and Fees	\$217,789,647

Taxable Slot Wins Per Day

Jul-17	\$326
Aug-17	\$303
Sep-17	\$317
Oct-17	\$298
Nov-17	\$296
Dec-17	\$312
Jan-18	\$295
Feb-18	\$346
Mar-18	\$362
Apr-18	\$356
May-18	\$345
Jun-18	\$349

Local Share Distribution FY 2017-18	Slots	Tables
Bucks County	\$5,877,905	\$1,829,303
Bensalem Township	\$10,000,000	\$1,829,303
Bucks Redevelopment Authority	\$2,059,222	\$0



Harrah's Philadelphia Casino and Racetrack opened on January 23, 2007 in Delaware County in the City of Chester and is a harness racetrack. As of June 30, 2018 the casino employed 1,244 individuals of which 458 were associated with the play of table games.



Presque Isle Downs & Casino opened on February 28, 2007 in Erie County, Summit Township and is a thoroughbred racetrack. As of June 30, 2018 the casino employed 788 individuals of which 200 were associated with the play of table games.

Table Game Revenues FY 2017-18

Average Number of Table Games in June 2018	118
Gross Revenue	\$64,253,855
Taxes	\$10,741,461
Non-Banking Tables	28
Gross Revenue	\$4,776,008
Banking Tables	83
Gross Revenue	\$57,344,765
Fully Automated Electronic Tables	2
Gross Revenue	\$1,355,425
Hybrid Tables	5
Gross Revenue	\$777,657

Slot Revenues FY 2017-18

Average Number of Slot Machines in June 2018	2,450
Wagers	\$2,405,274,628
Payouts	\$2,163,240,097
Promotional Plays	\$42,316,162
Adjustments	\$0
Gross Terminal Revenue	\$199,718,368
* Taxes and Fees	\$106,483,850

Taxable Slot Wins Per Day

Jul-17	\$223
Aug-17	\$211
Sep-17	\$223
Oct-17	\$216
Nov-17	\$205
Dec-17	\$207
Jan-18	\$207
Feb-18	\$246
Mar-18	\$251
Apr-18	\$240
May-18	\$227
Jun-18	\$227

Local Share Distribution FY 2017-18

	Slots	Tables
Delaware County	\$3,964,012	\$624,686
Chester City	\$7,008,427	\$624,687

Table Game Revenues FY 2017-18

Average Number of Table Games in June 2018	40
Gross Revenue	\$13,889,095
Taxes	\$2,222,255
Non-Banking Tables	7
Gross Revenue	\$947,293
Banking Tables	30
Gross Revenue	\$12,455,004
Fully Automated Electronic Tables	0
Gross Revenue	\$0
Hybrid Tables	3
Gross Revenue	\$486,798

Slot Revenues FY 2017-18

Average Number of Slot Machines in June 2018	1,593
Wagers	\$1,258,411,698
Payouts	\$1,123,259,753
Promotional Plays	\$20,715,077
Adjustments	\$0
Gross Terminal Revenue	\$114,436,868
* Taxes and Fees	\$70,889,000

Taxable Slot Wins Per Day

Jul-17	\$214
Aug-17	\$207
Sep-17	\$208
Oct-17	\$187
Nov-17	\$183
Dec-17	\$155
Jan-18	\$160
Feb-18	\$204
Mar-18	\$214
Apr-18	\$214
May-18	\$201
Jun-18	\$215

Local Share Distribution FY 2017-18

	Slots	Tables
Erie County	\$13,526,737	\$0
Erie County Redevelopment Authority	\$0	\$272,011
Summit Township	\$1,641,640	\$0
Erie County Land Bank Jurisdiction	\$1,000,000	\$0



Meadows Racetrack & Casino opened on June 11, 2007 in Washington County, North Strabane Township and is a harness racetrack. As of June 30, 2018 the casino employed 1,263 individuals of which 337 were associated with the play of table games.

Table Game Revenues FY 2017-18

Average Number of Table Games in June 2018	84
Gross Revenue	\$39,222,586
Taxes	\$6,627,498
Non-Banking Tables	14
Gross Revenue	\$2,232,840
Banking Tables	67
Gross Revenue	\$35,870,451
Fully Automated Electronic Tables	1
Gross Revenue	\$1,034,953
Hybrid Tables	2
Gross Revenue	\$84,342

Slot Revenues FY 2017-18

Average Number of Slot Machines in June 2018	3,056
Wagers	\$2,930,237,839
Payouts	\$2,687,608,699
Promotional Plays	\$75,748,373
Adjustments	\$0
Gross Terminal Revenue	\$209,520,273
* Taxes and Fees	\$120,862,139

Taxable Slot Wins Per Day

Jul-17	\$240
Aug-17	\$202
Sep-17	\$197
Oct-17	\$186
Nov-17	\$175
Dec-17	\$175
Jan-18	\$157
Feb-18	\$200
Mar-18	\$209
Apr-18	\$194
May-18	\$183
Jun-18	\$189

Local Share Distribution FY 2017-18

	Slots	Tables
Washington County - DCED	\$9,456,328	\$203,001
North Strabane Township	\$2,962,710	\$377,412
Washington County Township	\$4,703,554	\$174,411



Mount Airy Casino Resort opened on October 22, 2007 in Monroe County, Paradise Township. As of June 30, 2018 the casino employed 1,079 individuals of which 365 were associated with the play of table games.

Table Game Revenues FY 2017-18

Average Number of Table Games in June 2018	81
Gross Revenue	\$45,135,697
Taxes	\$7,221,712
Non-Banking Tables	9
Gross Revenue	\$1,237,610
Banking Tables	70
Gross Revenue	\$42,836,236
Fully Automated Electronic Tables	0
Gross Revenue	\$0
Hybrid Tables	2
Gross Revenue	\$1,061,851

Slot Revenues FY 2017-18

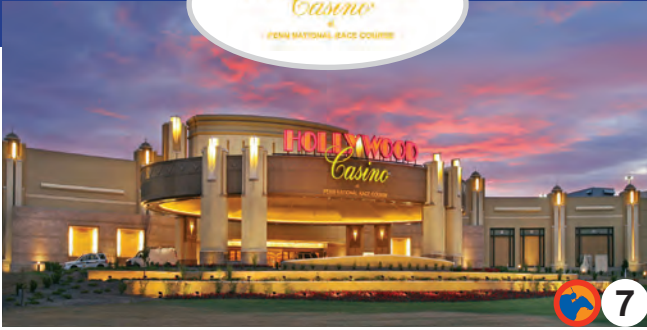
Average Number of Slot Machines in June 2018	1,863
Wagers	\$1,948,309,400
Payouts	\$1,758,207,223
Promotional Plays	\$43,104,588
Adjustments	\$0
Gross Terminal Revenue	\$146,997,589
* Taxes and Fees	\$107,721,987

Taxable Slot Wins Per Day

Jul-17	\$255
Aug-17	\$229
Sep-17	\$241
Oct-17	\$211
Nov-17	\$212
Dec-17	\$185
Jan-18	\$185
Feb-18	\$198
Mar-18	\$207
Apr-18	\$226
May-18	\$218
Jun-18	\$230

Local Share Distribution FY 2017-18

	Slots	Tables
Monroe County - CFA	\$11,763,357	\$223,870
Monroe County	\$3,563,732	\$0
Paradise Township	\$894,566	\$447,741
PHEAA	\$0	\$223,870
Northhampton County (MTA)	\$250,000	\$0



7

Hollywood Casino at Penn National Race Course opened on February 12, 2008 in Dauphin County, East Hanover Township and is a thoroughbred racetrack. As of June 30, 2018 the casino employed 907 individuals of which 251 were associated with the play of table games.

Table Game Revenues FY 2017-18

Average Number of Table Games in June 2018	75
Gross Revenue	\$35,488,274
Taxes	\$5,715,635
Non-Banking Tables	17
Gross Revenue	\$3,639,597
Banking Tables	55
Gross Revenue	\$31,117,428
Fully Automated Electronic Tables	0
Gross Revenue	\$110,325
Hybrid Tables	3
Gross Revenue	\$620,924

Slot Revenues FY 2017-18

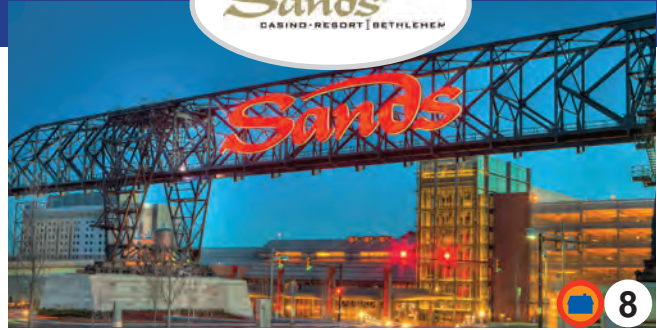
Average Number of Slot Machines in June 2018	2,171
Wagers	\$2,280,336,934
Payouts	\$2,036,404,977
Promotional Plays	\$36,576,396
Adjustments	\$0
Gross Terminal Revenue	\$207,355,560
* Taxes and Fees	\$173,655,155

Taxable Slot Wins Per Day

Jul-17	\$256
Aug-17	\$224
Sep-17	\$248
Oct-17	\$229
Nov-17	\$229
Dec-17	\$234
Jan-18	\$214
Feb-18	\$250
Mar-18	\$279
Apr-18	\$267
May-18	\$254
Jun-18	\$266

Local Share Distribution FY 2017-18

	Slots	Tables
Dauphin County	\$15,430,743	\$471,299
East Hanover Township Dauphin County	\$1,071,082	\$118,578
East Hanover Township Lebanon County	\$160,000	\$118,578
Lebanon County - CFA	\$220,000	\$0
Schuylkill County	\$50,000	\$0
North Annville Township	\$30,000	\$0
North Londonderry Township	\$30,000	\$0



8

Sands Casino Resort Bethlehem opened on May 22, 2009 in Northampton County in the City of Bethlehem. As of June 30, 2018 the casino employed 2,396 individuals of which 1,105 were associated with the play of table games.

Table Game Revenues FY 2017-18

Average Number of Table Games in June 2018	252
Gross Revenue	\$235,716,102
Taxes	\$37,714,576
Non-Banking Tables	26
Gross Revenue	\$10,530,642
Banking Tables	189
Gross Revenue	\$216,754,600
Fully Automated Electronic Tables	0
Gross Revenue	\$0
Hybrid Tables	37
Gross Revenue	\$8,430,859

Slot Revenues FY 2017-18

Average Number of Slot Machines in June 2018	3,073
Wagers	\$4,505,440,763
Payouts	\$4,055,110,298
Promotional Plays	\$148,275,040
Adjustments	-\$960
Gross Terminal Revenue	\$302,054,464
* Taxes and Fees	\$162,193,744

Taxable Slot Wins Per Day

Jul-17	\$284
Aug-17	\$273
Sep-17	\$278
Oct-17	\$264
Nov-17	\$270
Dec-17	\$268
Jan-18	\$249
Feb-18	\$286
Mar-18	\$301
Apr-18	\$289
May-18	\$285
Jun-18	\$267

Local Share Distribution FY 2017-18

	Slots	Tables
Allentown City	\$3,792,210	\$452,255
Bethlehem City	\$10,502,491	\$1,130,637
Easton City	\$0	\$1,130,637
Lehigh County	\$877,045	\$287,309
Northampton County	\$1,918,303	\$1,356,765
Lehigh County - CFA	\$59,403	\$164,946
Northampton County -CFA	\$641,040	\$0



9

Rivers Casino opened on August 9, 2009 in Allegheny County in the City of Pittsburgh. As of June 30, 2018 the casino employed 1,766 individuals of which 554 were associated with the play of table games.

Table Game Revenues FY 2017-18

Average Number of Table Games in June 2018	123
Gross Revenue	\$72,112,077
Taxes	\$11,537,933
Non-Banking Tables	30
Gross Revenue	\$6,636,913
Banking Tables	85
Gross Revenue	\$62,733,548
Fully Automated Electronic Tables	0
Gross Revenue	\$0
Hybrid Tables	8
Gross Revenue	\$2,741,617

Slot Revenues FY 2017-18

Average Number of Slot Machines in June 2018	2,867
Wagers	\$3,378,357,311
Payouts	\$3,032,575,387
Promotional Plays	\$71,543,459
Adjustments	\$0
Gross Terminal Revenue	\$274,238,465
* Taxes and Fees	\$148,834,302

Taxable Slot Wins Per Day

Jul-17	\$267
Aug-17	\$244
Sep-17	\$256
Oct-17	\$234
Nov-17	\$241
Dec-17	\$260
Jan-18	\$236
Feb-18	\$280
Mar-18	\$297
Apr-18	\$280
May-18	\$255
Jun-18	\$267

Local Share Distribution FY 2017-18

	Slots	Tables
Allegheny County	\$5,378,612	\$0
City of Pittsburgh	\$12,338,509	\$0
Vistors Bureau of Monroeville	\$0	\$107,058
Department of Education	\$0	\$1,320,376



10

SugarHouse Casino opened on September 23, 2010 in the City of Philadelphia. As of June 30, 2018 the casino employed 1,476 individuals of which 676 were associated with the play of table games.

Table Game Revenues FY 2017-18

Average Number of Table Games in June 2018	141
Gross Revenue	\$120,208,913
Taxes	\$19,233,426
Non-Banking Tables	28
Gross Revenue	\$7,907,627
Banking Tables	104
Gross Revenue	\$106,794,105
Fully Automated Electronic Tables	0
Gross Revenue	\$0
Hybrid Tables	9
Gross Revenue	\$5,507,181

Slot Revenues FY 2017-18

Average Number of Slot Machines in June 2018	1,809
Wagers	\$2,072,884,285
Payouts	\$1,862,363,036
Promotional Plays	\$31,610,289
Adjustments	\$0
Gross Terminal Revenue	\$178,910,959
* Taxes and Fees	\$96,943,405

Taxable Slot Wins Per Day

Jul-17	\$266
Aug-17	\$249
Sep-17	\$269
Oct-17	\$254
Nov-17	\$262
Dec-17	\$255
Jan-18	\$248
Feb-18	\$292
Mar-18	\$319
Apr-18	\$289
May-18	\$277
Jun-18	\$271

Local Share Distribution FY 2017-18

	Slots	Tables
Philadelphia School District	\$5,000,000	\$557,515
Philadelphia City	\$6,392,950	\$1,814,515



Valley Forge Casino Resort opened on March 31, 2012 in Montgomery County, Upper Merion Township and is a resort facility. As of June 30, 2018 the casino employed 991 individuals of which 306 were associated with the play of table games.

Table Game Revenues FY 2017-18

Average Number of Table Games in June 2018	50
Gross Revenue	\$37,800,347
Taxes	\$6,048,056
Non-Banking Tables	0
Gross Revenue	\$0
Banking Tables	50
Gross Revenue	\$37,800,347
Fully Automated Electronic Tables	0
Gross Revenue	\$0
Hybrid Tables	0
Gross Revenue	\$0

Slot Revenues FY 2017-18

Average Number of Slot Machines in June 2018	600
Wagers	\$1,121,574,064
Payouts	\$1,018,353,128
Promotional Plays	\$16,534,238
Adjustments	\$0
Gross Terminal Revenue	\$86,686,698
* Taxes and Fees	\$45,926,994

Taxable Slot Wins Per Day

Jul-17	\$390
Aug-17	\$360
Sep-17	\$375
Oct-17	\$383
Nov-17	\$347
Dec-17	\$382
Jan-18	\$362
Feb-18	\$415
Mar-18	\$444
Apr-18	\$448
May-18	\$427
Jun-18	\$420

Local Share Distribution FY 2017-18

	Slots	Tables
Upper Merion Township	\$1,702,521	\$367,274
Montgomery County - CFA	\$1,702,521	\$367,274



Lady Luck Casino Nemacolin opened on July 1, 2013 in Fayette County, Wharton Township and is a resort facility. As of June 30, 2018 the casino employed 1,278 individuals of which 67 were associated with the play of table games.

Table Game Revenues FY 2017-18

Average Number of Table Games in June 2018	27
Gross Revenue	\$4,704,191
Taxes	\$752,671
Non-Banking Tables	0
Gross Revenue	\$0
Banking Tables	27
Gross Revenue	\$4,704,191
Fully Automated Electronic Tables	0
Gross Revenue	\$0
Hybrid Tables	0
Gross Revenue	\$0

Slot Revenues FY 2017-18

Average Number of Slot Machines in June 2018	600
Wagers	\$328,681,207
Payouts	\$294,095,232
Promotional Plays	\$5,710,680
Adjustments	\$0
Gross Terminal Revenue	\$28,875,296
* Taxes and Fees	\$14,912,842

Taxable Slot Wins Per Day

Jul-17	\$153
Aug-17	\$134
Sep-17	\$142
Oct-17	\$140
Nov-17	\$118
Dec-17	\$116
Jan-18	\$109
Feb-18	\$134
Mar-18	\$147
Apr-18	\$129
May-18	\$130
Jun-18	\$130

Local Share Distribution FY 2017-18

	Slots	Tables
Fayette County - DCED	\$572,385	\$46,775
Wharton Township	\$572,385	\$46,775

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.

If you or someone you know has a gambling problem,
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Call 1-800-GAMBLER



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