



2007 GAMING DIVERSITY STUDY

Pennsylvania Gaming Control Board

300 Walnut Street, Verizon Tower
P.O. Box 69060
Harrisburg, PA 17120-9060

Telephone: 717-346-8300
E-mail: PGCB@state.pa.us
Website: www.pgcb.state.pa.us

Pennsylvania Gaming Control Board
February 2008

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INTRODUCTION

The Pennsylvania Gaming Control Board (“PGCB”) is pleased to present its first diversity baseline study “to ascertain whether effective and meaningful action has been taken to enhance the representation of diverse groups in the ownership, participation and operation of licensed facilities in the Commonwealth, through ownership and operation of business enterprises associated with or utilized by slot machine licensees, through the provision of goods and services utilized by slot machine licensees (“Licensees”) and through employment opportunities.” 4 Pa. C.S. § 1212(b). This report will also provide an update regarding the PGCB’s efforts to monitor the activities of its Licensees to ensure “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.” 4 Pa. C.S. §§1325 and 1510(a).

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

REGULATORY OVERSIGHT

Under §1212 of the Pennsylvania Race Horse Development and Gaming Act (“ 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. Regulatory oversight by the PGCB includes the following:

Diversity Participation.

- (a) The list of minority and women’s business enterprises that are certified by the Bureau of Minority and Women’s Business Enterprises of the Department of General Services (“DGS”) under 62 Pa. C.S. Part 1 (relating to the Commonwealth Procurement Code) may be used by a regulated entity to establish the eligibility of an enterprise as a minority or women’s business enterprise for the purpose of promoting and ensuring minority and women’s business participation.
- (b) The regulated entity is responsible for ensuring that a minority or women’s business enterprise that is not certified by the Bureau of Minority and Women’s Business Enterprises of DGS is a minority or women’s business enterprise.

Establishment of a Diversity Plan.

- (a) Each regulated entity is required to provide a diversity plan in its application for licensure or certification that establishes a separate goal of diversity in ownership, participation, operation and employment at the regulated entity. The PGCB will determine whether the stated goals set forth in each diversity plan are reasonable and represent a good faith effort to assure that all persons are accorded equality of opportunity in contracting and employment by the regulated entity and its contractors, subcontractors, assignees, lessees and agents.
- (b) A regulated entity may demonstrate achievement of its diversity goals through one or both of the following:
 - 1) contracting or transacting directly with minority and women’s business enterprises.
 - 2) contracting with a non-minority business enterprise under terms and conditions that establish a participation plan.

Report of Participation.

- (a) As part of an application to **renew** a license or certification, a regulated entity shall file a report with the PGCB concerning the performance of its diversity plan. The report must contain the following:
 - 1) Employment data (i.e. job classifications, salary information, recruitment and training);
 - 2) The total number and value of all contracts or transactions awarded for goods and services;
 - 3) The total number and value of all contracts awarded to minority and women’s business enterprises;
 - 4) A list of each contract or transaction awarded to minority and women’s business enterprises and the actual value of each contract or transaction;
 - 5) The total number and value of all contracts awarded that contain a participation plan;
 - 6) The total number and value of all subcontracts awarded to minority and women’s business enterprises under contracts containing a participation plan;
 - 7) A list of each subcontract awarded to minority or women’s business enterprises under contracts containing a participation plan and the actual value of each subcontract;

- 8) A comprehensive description of all efforts made by the regulated entity to monitor and enforce the participation plan;
 - 9) Information on minority and women investment, equity ownership and other ownership or management opportunities initiated or promoted by the regulated entity; and
 - 10) Other information requested in writing by the PGCB to ensure compliance with the Act.
- b) In addition to the reports required under subsection (a), slot machine licensees, manufacturer licensees and supplier licensees shall file updated versions of the reports required under subsection (a) quarterly;
 - c) The PGCB will use the reports required under subsection (a) and (b) to monitor compliance with the Act. A regulated entity may request that proprietary information required to be submitted to the PGCB be treated as confidential information.

Audits.

- a) Onsite audits may be performed on an annual basis or at the discretion of the PGCB to ensure compliance with diversity requirements set forth in the Act.
- b) Advanced written notice will be provided to a regulated entity prior to the conduct of an onsite audit by the PGCB.

Additional Eligibility Considerations and Labor Hiring Preferences.

- a) Section 1325 of the Act permits a Licensee to consider “the degree to which the applicant presents a plan for the project which will likely lead to 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.”
- b) Section 1510 of the Act requires the Licensee to monitor its labor hiring practices. This section provides that “each licensed gaming entity shall prepare a hiring plan for employees of its respective licensed facility which promotes a diverse work force, minority participation and personnel from within the surrounding geographical area.”

In addition to the statute and the regulatory policies and procedures set forth above, the PGCB’s Bureau of Licensing requires each Licensee to execute a “Statement of Conditions” of licensure. In the Statement of Conditions of licensure, the Licensee agrees to provide the PGCB with 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 for the preceding quarter and provides data and other supporting evidence that demonstrates a good faith effort on the part of the Licensee to comply with the requirements set forth in §§ 1212, 1325 and 1510 of the Act.

DIVERSITY OBJECTIVES & GOALS

The PGCB is committed to promoting and ensuring diversity in all aspects of gaming as required by the Act.

To achieve this goal the PGCB appointed a Chief Diversity Officer (“CDO”) to work closely with Licensees to support them as they recruit, hire and train employees. The CDO is also required to monitor the interaction between Licensees and their suppliers and vendors.

Over the past year, the CDO actively participated in numerous vendor fairs, job fairs and community outreach programs sponsored by PGCB Licensees. These activities served to increase diversity in employment and the acquisition of goods and services by Licensees. The CDO was also able to observe the Licensees in action as they sought to fulfill their commitments to share and provide services to those who are less fortunate and in need of assistance.

The CDO continues to work closely with fellow Office of Chief Counsel attorneys in the preparation of suitability reports used by the Board to make decisions concerning the fitness of Licensees and manufacturers seeking renewal of their licenses and certified vendors seeking approval to provide services and goods on behalf of the PGCB’s licensees. The diversity plans of each manufacturer, supplier and certified vendor submitted to the PGCB were reviewed, summarized and assessed prior to submission to the Board for approval.

In 2007, the CDO engaged in the following activities to achieve the diversity goals set forth in Section 1212 of Act 71:

- ◆ Reviewed quarterly diversity reports from Licensees to measure and quantify programs on hiring, retention and promotion of recruits. The quarterly diversity reports also were reviewed to assess the entity’s performance in the areas of construction and vendor utilization;

- ◆ Focused on accountability by holding Licensees' management teams responsible for implementing and disseminating their diversity initiatives;
- ◆ Made announced and unannounced visits to the various facilities and construction sites to observe the interaction between management, employees, suppliers/vendors and patrons. The CDO made a total of twenty (20) site visits to licensed facilities in 2007;
- ◆ Reviewed contracts, invoices and data relating to the bidding and negotiating process, for both contractors and subcontractors;
- ◆ Maintained regular contact with the Licensees through telephone consultations, e-mail exchanges and site visits to discuss hiring, retention and promotion efforts;
- ◆ Participated in diversity training programs provided by Licensees for employees;
- ◆ Shared data regarding "best practices" with Licensees;
- ◆ Networked with officials from other regulatory agencies and private sector groups to support mutual diversity goals and objectives;
- ◆ Submitted sixty-one (61) diversity plan assessments on behalf of certified vendors, manufactures and suppliers to the Bureau of Licensure for presentation to the Board for approval;
- ◆ Responded to 1,628 telephone inquiries regarding employment opportunities for minorities at the PGCB's licensed entities and contracting opportunities in gaming in Pennsylvania for minority and women business enterprises; and
- ◆ Visited other gaming jurisdictions to observe their diversity initiatives at work.

The CDO engaged in similar activities at the PGCB in order to monitor the agency's compliance with its diversity goals and objectives.

OWNERSHIP

Diversity in ownership for each of the Licensees was thoroughly examined by the PGCB prior to approval for licensure. Each applicant was required to provide the PGCB with a good faith diversity plan. The diversity plans for the various Licensees were reviewed, summarized and assessed by the PGCB's CDO. The CDO considered the following factors when assessing the diversity plans: the existence of an equal employment opportunity/diversity statement; implementation procedures for the plan; dissemination procedures for the plan; complaint procedures; a human resources plan for employee recruitment, training, promotion and retention efforts; procurement and supplier utilization policies and procedures; construction utilization policies and procedures and certification by the CEO of the entity of his/her good faith intention to implement the diversity plan as submitted to the PGCB.

Additional diversity criteria taken into consideration by the PGCB throughout the process of evaluation for eligibility, included the applicant's history of promoting diversity, the applicants' prior efforts in diversity in ownership and hiring practices, the applicants' prior efforts in diversity in contracting with contractors, subcontractors, vendors, suppliers, etc.

The slot machine operator's licenses were awarded to Licensees in 2006. There have been no major changes in the ownership of any of the PGCB's Licensees that adversely affect the diversity requirements as set forth in §1212 of the Gaming Act.

EMPLOYMENT

A diverse work force allows for diverse viewpoints among employees and patrons at the PGCB's licensed facilities. In their diversity plans, the Licensees emphasized their commitment to recruit, retain and develop a workforce that would reflect their respective geographical communities and customer base. The stated goals of the Licensees are basic: "to achieve well rounded workplaces where differences are respected and appreciated." These views are reflected in the internal policies, training, development efforts and community partnerships. These initiatives have served to build accountability and hold management responsible for ensuring that diversity goals are achieved. According to management at each of the PGCB's licensed entities, diversity and inclusion are considered a part of all strategic decisions to the same extent as marketing, sales, expansion, human resources, procurement, finance and revenue. Diversity is viewed not only as a compliance measure but as a major part of daily operations of each facility. Despite the initial scarcity of managers with gaming industry experience in the Commonwealth, the Licensees through the commitment of their diversity officers and human resources personnel have been able to develop and implement policies and procedures designed to ensure diversity within the ranks of management.

Employment related initiatives undertaken by Licensees to date include the following:

- ◆ Utilization of minority publications and radio stations to recruit women, minorities and disabled employees. Advertising in

Spanish as well as English where appropriate;

- ◆ Negotiating agreements with local public transportation authorities to accommodate the needs of diverse populations;
- ◆ Development of close relationships with state and local agencies and minority hiring programs to increase opportunities for minority applicants;
- ◆ Instituting policies that required regular monitoring of the application and selection process by human resources departments to track hiring and to ensure that diversity targets are being met;
- ◆ Engaging in networking activities with historically black colleges and universities to increase awareness of the many career opportunities available in gaming;
- ◆ Hosting job fairs throughout the Commonwealth, with an emphasis on those that target minorities and women;
- ◆ Networking with organizations that provide employment opportunities for physically challenged individuals;
- ◆ Partnering with parent companies when possible to post available positions on Monster.com diversity websites;
- ◆ Ensuring that all employment related literature for the facility is available in English and Spanish;
- ◆ Providing training to incoming employees that focuses on both employee responsibilities and the diversity policies of the entities;
- ◆ Evaluating pay increases and promotions on a routine basis to measure the success of diversity initiatives;
- ◆ Holding managers and supervisors accountable for implementing the provisions of the entity's diversity plan in their respective departments;
- ◆ Recognizing and promoting special dates, events and holidays such as Black History Month, Chinese New Year, Cinco de Mayo, St. Patrick's Day, etc.;
- ◆ Tracking the rate of employee turnover within the entities;
- ◆ Conducting exit interviews; Providing detailed updates regarding employment related activities in the Quarterly Diversity Reports forwarded to the PGCB. The requirement that the Licensee provide a Quarterly Diversity Report to the PGCB is contained in the Statement of Conditions of licensure forwarded to each Licensee by the Bureau of Licensing prior to the issuance of a license.

CONSTRUCTION

Over the past year, construction has been an ongoing process at the many of the sites and facilities of the Licensees. The type of work and the needs of the Licensees vary from one project to the next. The contractors hired by the Licensees have worked diligently to ensure that diversity is an integral part of the process.

The Licensees stressed diversity while engaged in construction contracting not only because of the fact that it is the right thing to do, but also to dispel the trade wide myth in construction that "most contractors have an established list of subcontractors that they hire on a routine basis." Construction companies hired by the Licensees instituted a host of diversity initiatives designed to include new and unknown minority and women business enterprises in both the process of negotiation and the awarding of contracts.

The Licensees and their contractors recognize and understand the advantages of utilizing the services of minority business and women business enterprises ("MBEs/WBEs"). Over the past year, Licensees and their contractors have opined that owners of most MBE/WBEs are eager to work, want to demonstrate that they are capable of doing the work, are conscientious about the quality of their work and are also hopeful that a job well done will lead to more work on future projects.

The Licensees implemented a wide variety of policies and procedures designed to eliminate some of the obstacles to participation in construction by minority and women business enterprises. The following is a sampling of the activities the Licensees and their general and subcontractors engage in to ensure diversity in the area of construction:

- ◆ The requirement that the general and subcontractors deliver a formal diversity plan to the entity before commencing work on a construction project;
- ◆ The breaking down of the project into small work units to facilitate MBE/WBE involvement;
- ◆ Allowing extra time in the bidding process;
- ◆ Inviting the PGCB's CDO to attend forums wherein RFPs are announced;
- ◆ Offering to pay for direct materials thereby removing upfront costs;
- ◆ Paying invoices every two weeks to facilitate the entity's cash flow;
- ◆ Removing bonding requirements to allow and encourage diverse participation;
- ◆ Providing project plans at no cost to MBE/WBE subcontractors who express interest in the project but cannot afford to purchase the plans;
- ◆ Setting up project rooms at the project sites and the contractor's central offices for MBE/WBEs to provide maximum access to

- plans and to provide any detailed information needed regarding the project;
- ◆ Utilizing DGS' Bureau of Minority and Women Business Opportunity directory and database to locate minority enterprises;
- ◆ Requiring DGS certification of entities wishing to transact business with the entity; and
- ◆ Providing detailed updates regarding construction related activities in the Quarterly Diversity Reports forwarded to the PGCB.

By valuing inclusion in the construction process our Licensees and their contractors support the ideals and principles of the PGCB as well as strengthen the economy of the geographical region in which the sites and facilities are located.

VENDOR DIVERSITY

Over the past year, the Licensees demonstrated their commitment to vendor diversity by taking steps to obtain goods and services from qualified MBEs and WBEs. A vendor is defined as a person who provides non-gaming related goods or services to a slot machine applicant or licensee. Outreach diversity programs were put into place to provide these entities with information regarding contracting opportunities at the various facilities. The Licensees established relationships with local area businesses and community residents to keep them informed regarding upcoming contracting opportunities. The Licensees also participated in local and statewide meetings and events to stimulate dialogue and to make evident their good faith intentions. In some instances, the Licensees mentored disadvantaged businesses to enhance their competitive edge.

Policies were developed to ensure adherence to procurement practices that support diversity and inclusion. The policies were generated at the executive level of the entities and filtered throughout the organizations. The policies provided the purchasing staff with specific goals and objectives to achieve diversity. The purchasing department heads were required to seek out potential MBEs and WBEs and to assist them in fully comprehending the standards and expectations of the entities with regard to quality, reliable service and competition.

Performance measurements were monitored, data was compiled and the information was reported to executive level staff. These measures were instrumental in strengthening and guaranteeing accountability in the area of vendor diversity on the part of the Licensees.

Initiatives undertaken by the Licensees include the following:

- ◆ Requirement that all certified vendors have a diversity plan in place;
- ◆ Creation of a database of qualified and certified MBEs and WBEs;
- ◆ Utilization of DGS' Bureau of Minority and Women Business Opportunity directory and database to locate minority suppliers;
- ◆ Requirement that MBEs and WBEs seeking to transact business with the Licensees be certified by DGS;
- ◆ Utilization of the services of local organizations such as the Minority Supplier Development Council of PA-NJ-DE, local chapters of the NAACP, and local Chambers of Commerce when seeking the names of potential MBE and WBE vendors;
- ◆ Hosting vendor fairs for MBEs and WBEs;
- ◆ Inviting the PGCB's CDO and personnel from the PGCB's Bureau of Licensing's Vendor Registration Unit to attend vendor fairs hosted by the Licensees;
- ◆ Allowing extra time in the bidding process; and
- ◆ Providing detailed updates regarding vendor/supplier related activities in the Quarterly Diversity Reports forwarded to the PGCB.

The PGCB's vendors are classified as registered or certified:

Registered Vendors: A person or entity must file a vendor registration application if the dollar amount of business is or will be greater than \$15,000.00 but less than \$200,000.00 with a single slot machine licensee within a consecutive 12 month period or the total dollar amount is or will be greater than \$15,000.00 but not greater than \$500,000.00 with multiple slot machine licensees within a consecutive 12 month period.

Certified Vendors: A person or entity must file a vendor certification application if the total dollar amount of business is or will be greater than \$200,000.00 with a single slot machine licensee within a consecutive 12 month period, or the total dollar amount of business is or will be greater than \$500,000.00 with multiple

CHARITABLE CONTRIBUTIONS/COMMUNITY OUTREACH

The Licensees, as responsible corporate citizens, have extended support to numerous organizations that provide service to those who are less fortunate and in need of assistance in their communities. Employees are encouraged to become personally active in civic organizations by donating their time and resources to help improve the quality of life in the communities where they work and live. Diversity is taken into consideration when reviewing requests for charitable contributions. Charitable contributions are directed toward funding to children, public education related activities and community development initiatives. Given the distinct character of these initiatives they naturally serve to provide support to diverse groups in the host communities.

Funds Expended on Charitable Contributions and Community Outreach in 2007

Mohegan Sun	\$ 182,490.00
Philadelphia Park	\$ 3,956,920.00
Harrah’s Chester Downs	\$ 297,189.54
Presque Isle Downs	\$ 172,239.64
The Meadows	\$ 153,787.00
Mt. Airy Casino & Resort	\$ 169,925.00
Penn National/Hollywood Casino	\$ 24,172.72
SandsBethworks	\$ 147,310.00
PITG Gaming	\$ 4,000.00
HSP/Sugarhouse	\$ 65,169.84
Foxwoods Casino Philadelphia	\$ 7,417.37

The Licensees have committed to review these initiatives regularly to ensure compatibility with the diversity plans of the entities.

In 2007, the funds expended by the Licensees on charitable contributions and community outreach initiatives totaled \$5,180,621.11. The recipients of these charitable contributions and the participants in community outreach initiatives include, but are not limited to the following:

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| Academy Class of 1957 (Erie) | Delaware County Community Turkey Donation |
| Accrue for Computer Lab YMCA | Delaware County Hero Bowl |
| Adopt a Scholar | Delaware County Literacy Council |
| African American Chamber of Commerce | Delaware County Salvation Army |
| Alex’s Lemonade Stand | Deutsch Institute |
| Alzheimer’s Association | District Police Advisory Council (26 th) |
| American Legion Auxiliary Elm Tree Unit | Diversity Institute Housed at the College of Misercordia in Wilkes-Barre |
| American Bus Association | Easter Seals |
| American Cancer Society | Eagles Fly for Leukemia |
| American Heart Association | Elm Tree Post No. 88, Inc. |
| American Red Cross | Elwyn Institutes |
| Annual Scholarship Program for Chester Residents | Employment Opportunities Center at the Barber National Institute |
| Ancient Order of Hibernians in America | Erie Convention & Visitor’s Bureau |
| Arts Quest & Fire Ice Gala | Erie Day School |
| Asian American Chamber of Commerce of Central PA | Erie Heritage Festival |
| Auxiliary of the Pocono ME | Erie Zoological Society |
| Banana Factory’s Annual Fire & Ice Gala | F.C. Cohox Soccer Association |
| Bensalem Pride Day Celebration | Family to Family Organization |
| Bethlehem Book Loft | Family Sports Park |
| Bethlehem Chamber of Commerce | |

Annual Dinner	Fight Against Litter Allison Hill Clean-Up Campaign
Bethlehem Historic Partnership	Fishtown A.C. Alumni Association
Holiday Auction & Dinner	Fishtown Athletic Club
Bethlehem's Mayor's Breakfast	Fishtown Fleet Wash
BethWorks Now Company	Fishtown's Picnic in the Park
Big Brothers & Big Sisters Association	Fishtown Recreation Center Advisory Council
Black Tennis Foundation	Foundation for Breast & Prostate Health
Brandywine Country Club	Fraternal Order of the Police
Briarcliffe American Legion	Girard College
Bucks County Conference & Visitors	Governor's Cup Golf Tournament
Bureau	Grantville Area Food Panty
Bucks County Lions Club	Grantville Community Outreach
Butterfly Beauty Shop	Grantville Volunteer Fire Company
Cardon-Monroe Pike Association	Greater Philadelphia Chamber of Commerce
Catholic Education Fund	Greater Philadelphia Urban Affairs Coalition
ChesPenn Community Association	Greater Wilkes-Barre Chamber of Commerce
Chester Domestic Abuse Walk	HCR Manor Care
Chester Education Foundation	Harrowgate Boxing Club
Chester High School	Hero Scholarship
Chester NAACP	Hispanic Chamber of Commerce
Children's Miracle Network	Hispanic American Organization Gala
Citadel Broadcasting	Historic Bethlehem Partnership Holiday
Clark Resources	Auction and Dinner
Circus Saints and Sinners	Holy Name of Jesus Catholic Church
Community Action Agency of	Hospice of Central Pennsylvania
Delaware County	IREM Country Club
Community Options	Keystone Area Council, Boy Scouts
Computer Lab to YMCA of Chester	Jefferson Hospital Foundation
Contemporary Styles by Mena	Just for the Kids Foundation
Council of the Spanish Speaking	Christ the Teacher Interparoch
Council on Compulsive Gambling	Joshua Group
Manna Company	Lacey Gallagher Fund
Martin Luther King Program, Bensalem	Lehigh Valley Chamber of Commerce
Presbyterian Church	Lehigh University – Zoellner Gala 2007
Mercy Health Systems of Pennsylvania	Leukemia & Lymphoma Society
Minority Supplier Development Council	Little Sisters of the Poor
of PA-NJ-DE	Lower Bucks County Chamber of Commerce
Musikfest 2007	Marion Anderson Society
NAACP of Central PA	Martin Luther King Celebration, Laconia Church
NAACP of Bucks County	Regional Cancer Center
National Museum of Industrial History	Shepard's Maternity House
Nativity School of Harrisburg	Shissler Recreation Center
Nepatsg, Inc.	Silver Sponsor of the Neche de Gala
Neumann College	Celebration
New Bethany Ministries and Victory	Southside Community Center of
House	Lehigh Valley
Next Generation CDC (NAACP)	Southside Film Festival
Northampton Community College	Sponsored Raising the Bar in
Ono Fire Company	Central Pennsylvania
Ontario Motor Coach	St. Anne's Rectory
Organization of the Lehigh Valley	St. Charles School
PA Police Officer's Association	St. Joseph's Center
PA State Building & Construction	St. Joseph's Regional Academy

Council
Penn State Children's Hospital
Penn Jazz Alliance
Perry Hi-Way Hose
Philabundance WMMR
Philadelphia Opportunities Industrialization
Center, Inc.
Pocono Ambulance Association
Pocono Mountain Community Challenge
Pocono Township Volunteer Fire House
Pocono Summit Volunteer Fire Company
Polish American String Band
RCL Charitable Contributions
Raise the Roof Crusade
Riddle Hospital
Sahara A. Reed Children's Center
Scholarships Awarded to Bucks County
Tech H.S. Students
Scholarships to Delaware County
Community College
Silver Sponsor of the annual "Fiesta En Scranton"
Silver Sponsor of the Annual NAACP Awards Banquet

Standard-bred Retirement Foundation
South Side Community Adopt
a Family for Christmas
Susan G. Komen Foundation
Turkeys to City Teams Ministries
United Alliance of Shokotan Karatedo
Gay Pride - Allentown
United Cerebral Palsy Foundation
University of Scranton
US Golf Association
US Trotting Association
Villa of Our Lady Retreat House
Visit- Pittsburgh
Vita Education
We Care Soccer Camp
Whitaker Center for Science
& the Arts
Wilkes-Barre Chapter of NAACP
YMCA Bucks County

CONCLUSION & RECOMMENDATIONS

The Licensees have demonstrated substantial efforts and sincere commitment over the past year in promoting diversity. The foundation has been laid. However, the PGCB must continue to take steps to ensure that the policies and procedures spelled out in the preceding pages of this document are fully integrated into the daily operations of each gaming facility. A great deal has been accomplished, and the PGCB is committed to promoting and ensuring diversity in all aspects of gaming.

In 2007, the PGCB made extensive efforts to address issues that arose that could have adversely affected minorities and women. The Bureau of Licensing (“BOL”) revised its online SlotsLink gaming employee application process in order to accommodate the needs of casino employee candidates who were experiencing difficulty with the application process. The BOL also provided employees with access to a hotline at the PGCB in order to address questions or concerns that may arise during the process of completing an application for employment with one of the Licensees.

In an effort to address the concerns of minority, women and small business enterprises, the PGCB revised its vendor certification process. Prior to the revision, vendors were required to pay a \$2,000 registration fee. The registration fee has since been reduced to \$500.

The PGCB also increased the threshold for registered vendors doing business with Licensees from \$2,500 to \$15,000. As a result of this, small and minority owned businesses seeking to do business with Licensees are no longer required to pay registration fees to do business with a Licensee for contracts less than \$2,500.

In response to concerns expressed by minority and women business enterprises that they believed that they were not being awarded contracts by the Licensees due to the fact that their organizations lacked certification by the PGCB, the BOL instituted an un-sponsored vendor registration process. This process allows any vendor seeking to submit a bid to a Licensee to pay a fee of \$500 to become a PGCB registered vendor.

This report shows that there has been considerable progress against the usual challenges to diversity. In order to ensure that the PGCB continues on the path to success in diversity in the Commonwealth, the following proposals are recommended:

- ◆ Ongoing assistance with Licensees in order to increase diversity in the areas of construction and vendor utilization;
- ◆ Providing the licensees with assistance or incentives to work with local public transit companies in order to address the challenges many Licensees encounter when attempting to recruit employees from diverse areas;
- ◆ Ongoing involvement by the PGCB’s CDO in the area of staff training efforts at the licensed facilities to ensure promotions at the lower and upper levels of management;
- ◆ A closer look at an age diverse work force to address age related issues;
- ◆ Increased networking activities on the part of the PGCB with local colleges and universities to elevate the number of minorities and women applying for management level positions at the licensed facilities;
- ◆ Networking with local colleges and universities to assist them in the preparation of a curriculum in the field of hospitality that will be specifically designed to address gaming needs;
- ◆ A review of the impact of the fifteen (15) year felony conviction restriction against employment at licensed entities on minorities. Diversity Officers and Human Resources Directors at the licensed facilities have indicated that the restriction on hiring individuals with a felony conviction within the past 15 years has had an adverse affect on their ability to hire many minority candidates seeking employment;
- ◆ Increasing communication between the PGCB and Licensees with regard to service opportunities in the local communities; and
- ◆ Increased recognition and support for Licensees engaged in the practice of mentoring MBEs and WBEs to increase their competitive edge.

This report provides practical suggestions for consideration in the area of diversity. It is hopeful that the data contained in this report will enlighten the reader and provoke new insights into diversity in gaming in the Commonwealth. The PGCB and its Licensees continue to maintain a critical role in building on an attitude of open-mindedness and respect for individuality. As the PGCB moves forward, the agency must sustain its focus on the diversity related accomplishments of the Licensees and address the challenges to diversity that lie ahead.

**Mohegan Sun
Demographic Data – County Profile**

Luzerne County — Host County	
Total Population	319,250
Male	153,795
Female	165,455
Population by Race	
White	96.6%
Black	1.7%
American Indian	0.1%
Asian	0.6%
Hispanic	1.2%

Lackawanna County	
Total Population	213,295
Male	100,614
Female	112,681
Population by Race	
White	96.7%
Black	1.3%
American Indian	0.1%
Asian	0.8%
Hispanic	1.4%

Monroe County	
Total Population	138,687
Male	68,490
Female	70,197
Population by Race	
White	88.2%
Black	6.0%
American Indian	0.2%
Asian	1.1%
Hispanic	6.6%

Carbon County	
Total Population	58,802
Male	28,633
Female	30,169
Population by Race	
White	97.8%
Black	0.6%
American Indian	0.2%
Asian	0.3%
Hispanic	1.5%

**Philadelphia Park
Demographic Data – County Profile**

Bucks County — Host County	
Total Population	597,635
Male	293,182
Female	304,453
Population by Race	
White	92.5%
Black	3.3%
American Indian	0.1%
Asian	2.3%
Hispanic	2.3%

Montgomery County	
Total Population	750,097
Male	362,554
Female	387,543
Population by Race	
White	86.5%
Black	7.5%
American Indian	0.1%
Asian	4.0%
Hispanic	2.0%

Delaware County	
Total Population	550,864
Male	262,824
Female	288,040
Population by Race	
White	80.3%
Black	14.5%
American Indian	0.1%
Asian	3.3%
Hispanic	1.5%

Philadelphia County	
Total Population	1,517,550
Male	705,107
Female	812,443
Population by Race	
White	45.0%
Black	43.2%
American Indian	0.3%
Asian	4.5%
Hispanic	8.5%

**Harrah's Chester
Demographic Data – County Profile**

Delaware County — Host County	
Total Population	550,864
Male	262,824
Female	288,040
Population by Race	
White	80.3%
Black	14.5%
American Indian	0.1%
Asian	3.3%
Hispanic	1.5%

Montgomery County	
Total Population	750,097
Male	362,554
Female	387,543
Population by Race	
White	86.5%
Black	7.5%
American Indian	0.1%
Asian	4.0%
Hispanic	2.0%

Chester County	
Total Population	433,501
Male	212,739
Female	220,762
Population by Race	
White	89.2%
Black	6.2%
American Indian	0.1%
Asian	2.0%
Hispanic	3.7%

Philadelphia County	
Total Population	1,517,550
Male	705,107
Female	812,443
Population by Race	
White	45.0%
Black	43.2%
American Indian	0.3%
Asian	4.5%
Hispanic	8.5%

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**Presque Isle
Demographic Data – County Profile**

Erie County — Host County	
Total Population	280,843
Male	136,967
Female	143,876
Population by Race	
White	90.9%
Black	6.1%
American Indian	0.2%
Asian	0.7%
Hispanic	2.2%

Crawford County	
Total Population	90,366
Male	43,968
Female	46,398
Population by Race	
White	97.0%
Black	1.6%
American Indian	0.2%
Asian	0.3%
Hispanic	0.6%

Warren County	
Total Population	43,863
Male	21,506
Female	22,357
Population by Race	
White	98.7%
Black	0.2%
American Indian	0.2%
Asian	0.3%
Hispanic	0.3%

**The Meadows
Demographic Data – County Profile**

Washington County— Host Co.	
Total Population	202,897
Male	97,446
Female	105,541
Population by Race	
White	95.3%
Black	3.3%
American Indian	0.1%
Asian	0.4%
Hispanic	0.6%

Pike County	
Total Population	46,302
Male	23,074
Female	23,228
Population by Race	
White	93.1%
Black	3.3%
American Indian	0.2%
Asian	0.6%
Hispanic	0.6%

Greene County	
Total Population	40,672
Male	20,951
Female	19,721
Population by Race	
White	95.1%
Black	3.9%
American Indian	0.1%
Asian	0.2%
Hispanic	0.9%

Allegheny County	
Total Population	1,281,666
Male	607,002
Female	674,664
Population by Race	
White	84.3%
Black	12.4%
American Indian	0.1%
Asian	1.7%
Hispanic	0.9%

**Mount Airy Casino & Resort
Demographic Data – County Profile**

Monroe County — Host County	
Total Population	138,687
Male	68,490
Female	70,197
Population by Race	
White	88.2%
Black	6.0%
American Indian	0.2%
Asian	1.1%
Hispanic	6.6%

Fayette County	
Total Population	148,644
Male	71,136
Female	77,508
Population by Race	
White	95.3%
Black	3.5%
American Indian	0.1%
Asian	0.2%
Hispanic	0.4%

Luzerne County	
Total Population	319,250
Male	153,795
Female	165,455
Population by Race	
White	96.6%
Black	1.7%
American Indian	0.1%
Asian	0.6%
Hispanic	1.2%

Wayne County	
Total Population	47,722
Male	23,942
Female	23,780
Population by Race	
White	96.7%
Black	1.6%
American Indian	0.1%
Asian	0.4%
Hispanic	1.7%

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**SandsBethsworks
Demographic Data – County Profile**

**Penn National
Demographic Data – County Profile**

Northampton County — Host Co	
Total Population	267,066
Male	129,961
Female	137,105
Population by Race	
White	91.2%
Black	2.8%
American Indian	0.2%
Asian	1.4%
Hispanic	6.7%

Dauphin County — Host County	
Total Population	251,798
Male	120,853
Female	130,945
Population by Race	
White	77.1%
Black	16.9%
American Indian	0.2%
Asian	2.0%
Hispanic	4.1%

Lehigh County	
Total Population	312,090
Male	150,554
Female	161,536
Population by Race	
White	87.0%
Black	3.6%
American Indian	0.2%
Asian	2.1%
Hispanic	10.2%

Lebanon County	
Total Population	120,327
Male	58,610
Female	61,717
Population by Race	
White	94.5%
Black	1.3%
American Indian	0.1%
Asian	0.9%
Hispanic	5.0%

Bucks County	
Total Population	597,635
Male	293,182
Female	304,453
Population by Race	
White	92.5%
Black	3.3%
American Indian	0.1%
Asian	2.3%
Hispanic	2.3%

Cumberland County	
Total Population	213,674
Male	104,213
Female	109,461
Population by Race	
White	94.4%
Black	2.4%
American Indian	0.1%
Asian	1.7%
Hispanic	1.3%

Monroe County	
Total Population	138,687
Male	68,490
Female	70,197
Population by Race	
White	88.2%
Black	6.0%
American Indian	0.2%
Asian	1.1%
Hispanic	6.6%

Schuylkill County	
Total Population	150,336
Male	74,818
Female	75,518
Population by Race	
White	96.6%
Black	3.1%
American Indian	0.1%
Asian	0.4%
Hispanic	1.1%

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CASINO EMPLOYEE PROFILES

Mohegan Sun Racetrack & Casino Employee Profile — Opened Nov. 14, 2006

Numbers as of 12/31/07		Caucasian:	94.0%
Total # of Employees :	669	African American:	3.2%
Pennsylvania Residents :	666	Asian-American:	1.3%
Minority Employees:	40	Hispanic:	1.3%
Male:	332	Native American:	0%
Female:	337	Unspecified:	0%

Presque Isle Downs Racetrack & Casino: Employee Profile — Opened Feb. 28, 2007

Numbers as of 12/31/07		Caucasian:	81.99%
Total # of Employees:	837	African American:	12.24%
Pennsylvania Residents:	811	Asian-American:	1.32%
Minority Employees:	138	Hispanic:	2.64%
Male:	429	Native American:	0.36%
Female:	408	Unspecified:	1.44%

The Meadows Racetrack & Casino: Employee Profile — Opened June 11, 2007

Numbers as of 12/31/07		Caucasian:	91.4%
Total # of Employees:	478	African American:	6.1 %
Pennsylvania Residents:	438	Asian-American:	1.5%
Minority Employees:	41	Hispanic:	1.0%
Male:	201	Native American:	0%
Female:	277	Unspecified:	0%

Mount Airy Casino & Resort: Employee Profile — Opened Oct. 22, 2007

Numbers as of 12/31/07		Caucasian:	62.73%
Total # of Employees:	950	African American:	16.53%
Pennsylvania Residents:	941	Asian-American:	1.05%
Minority Employees:	346	Hispanic:	18.2%
Male:	439	Native American:	0.53%
Female:	511	Unspecified:	0.84 %

Harrah's Chester Downs Racetrack & Casino: Employee Profile — Opened Jan. 23, 2007

Numbers as of 12/31/07		Caucasian:	Unavailable
Total # of Employees:	1093	African American:	Unavailable
Pennsylvania Residents:	928	Asian-American:	Unavailable
Minority Employees:	Unavailable	Hispanic:	Unavailable
Male:	Unavailable	Native American:	Unavailable
Female:	Unavailable	Unspecified:	Unavailable

In the matter of *Schurr v. Resorts*, the Third Circuit Court of Appeals ruled in 1999 that the New Jersey Casino Control Commission's regulations addressing employment goals for women and minorities were unconstitutional and invalid as they violated the Equal Protection Clause of the 14th Amendment to the US Constitution. The Court also reasoned that race and gender may only be used as a factor in the hiring process if the plan is designed to correct a "manifest imbalance in traditionally segregated job categories."

By way of a Consent Decree in 2001, in the matter of *Osgood v. Harrah's Entertainment, Inc.*, Harrah's agreed to discontinue the practice of setting goals for minorities and women. The precedence set by the Third Circuit Court of Appeals in *Schurr* is binding precedent in Pennsylvania. Harrah's has declined to provide the PGCB with any data regarding minorities and women at its facility in Chester, Pennsylvania. However, Harrah's provided documentation which indicates that 208 of the facility's 1098 employees reside in the City of Chester.

Philadelphia Park Racetrack & Casino: Employee Profile — Opened Dec. 19, 2006

Numbers as of 12/31/07		Caucasian:	Unavailable
Total # of Employees:	568	African American:	Unavailable
Pennsylvania Residents:	480	Asian-American:	Unavailable
Caucasian:	Unavailable	Native American:	Unavailable
Minority Employees:	Unavailable	Hispanic:	Unavailable
Male:	Unavailable	Unspecified:	Unavailable
Female:	Unavailable		

Citing the *Schurr* Case, Philadelphia Park declined to provide the PGCB with any employment data regarding minorities and women. **However, Philadelphia Park has advised the PGCB that it will work with the Chief Diversity Officer to provide the PGCB with reliable workforce composition analysis in 2008.**

VENDOR DATA for 2007

Mohegan Sun Racetrack & Casino

Total Expenditures: \$ 43,144,852.42
 Total MBE/WBE Expenditures: \$ 2,008,063.11
 Percentage of MBE/WBE Expenditures: 4.65%

Philadelphia Park Racetrack & Casino

Total Expenditures: \$ 67,506,935.00
 Total MBE/WBE Expenditures: \$1,650,832.00
 Percentage of MBE/WBE Expenditures: 2.4%

Harrah's Chester Downs Racetrack & Casino

Total Expenditures: **Unavailable**
 Total MBE/WBE Expenditures: **Unavailable**
 Percentage of MBE/WBE Expenditures: **Unavailable**

Presque Isle Downs Racetrack & Casino

Total Expenditures: \$ 18,241,266.00
 Total MBE/WBE Expenditures: \$2,241,424.69
 Percentage of MBE/WBE Expenditures: 12.3%

The Meadows Racetrack & Casino

Total Expenditures: \$ 22,523,672.00
 Total MBE/WBE Expenditures: \$268,277.00
 Percentage of MBE/WBE Expenditures: 0.32%

Mount Airy Casino & Resort

Total Expenditures: \$81,636,338.00
 Total MBE/WBE Expenditures: \$ 692,549.00
 Percentage of MBE/WBE Expenditures: 1.2%

Penn National Racetrack & Casino

Total Expenditures: \$5,151,000.00
 Total MBE/WBE Expenditures: \$297,119.00
 Percentage of MBE/WBE Expenditures: 5.7%

SandsBethworks Casino

Total Expenditures: \$ 874,704.07
 Total MBE/WBE Expenditures: \$124,256.00
 Percentage of MBE/WBE Expenditures: 14%

CONSTRUCTION DATA for 2007

Mohegan Sun Racetrack & Casino

Total Expenditures: \$91,315,567.00
 Total MBE/WBE Expenditures: \$3,234,398.00
 Percentage of MBE/WBE Expenditures: 3.5%

Philadelphia Park Racetrack & Casino

Total Expenditures: \$26,210,620.93
 Total MBE/WBE Expenditures: \$384,000.00
 Percentage of MBE/WBE Expenditures: 1.5%

Harrah's Chester Downs Racetrack & Casino

Total Expenditures: **Unavailable**
 Total MBE/WBE Expenditures: **Unavailable**
 Percentage of MBE/WBE Expenditures: **Unavailable**

Presque Isle Downs Racetrack & Casino

Total Expenditures: \$186,000,000.00
 Total MBE/WBE Expenditures: \$14,438,803.02
 Percentage of MBE/WBE Expenditures: 7.7%

The Meadows Racetrack & Casino

Total Expenditures: \$25,805,035.00
 Total MBE/WBE Expenditures: \$454,619.00
 Percentage of MBE/WBE Expenditures: 2.0%

Mount Airy Casino & Resort

Total Expenditures: \$167,334,783.00
 Total MBE/WBE Expenditures: \$ 4,070,240.00
 Percentage of MBE/WBE Expenditures: 0.97%

Penn National Racetrack & Casino

Total Expenditures: \$128,198,436.00
 Total MBE/WBE Expenditures: \$ 6,473,222.00
 Percentage of MBE/WBE Expenditures: 5.05%

SandsBethworks Casino

Total Expenditures: \$ 32,192,116.46
 Total MBE/WBE Expenditures: \$ 109,322.97
 Percentage of MBE/WBE Expenditures: 0.39%*

Please note that the majority of the monies expended for purchasing in 2007 involved start-up costs

* SandsBethworks commenced construction on the initial phase of its facility in the summer of 2007. It was well publicized that the Licensee encountered unexpected complications during the initial phase of construction that required highly specialized services from major contractors. These services included, among other things, asbestos removal, removal of concrete foundations in excess of fifteen feet deep from buildings that were over 100 years old and the removal of buried railroad tracks. The Licensee will spend \$800 million to build the facility. As the project progresses the Licensee anticipates that the pool of MBE/WBE vendors will increase significantly.