



William H. Ryan, Jr.

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Chairman's Message

Pennsylvania's gaming industry continues to grow and meet the revenue and employment objectives of the 2004 Race Horse Development and Gaming Act, generating more tax revenue from its casinos than any other state in the country. Total tax revenue since the opening of the first casino in November 2006 through June 2012 reached \$6.2 billion dollars. In the past fiscal year alone, as outlined in this report, tax revenue was nearly \$1.5 billion dollars.

Pennsylvania residents have now received five years of property tax reduction and, in Philadelphia, wage tax reduction. Additionally, our horse racing industry has also received much needed revenue, while local projects that are improving safety and the quality of life in many communities have also gained funding.

Casinos have also had a positive effect on our economy through their significant purchases of goods and services from other Pennsylvania businesses, and by providing employment to over 16,000 persons, the significant majority being state residents.

The work of the Gaming Control Board is far from over. During the 2012-2013 Fiscal Year, we expect to oversee the opening of the state's 12th casino at Nemacolin Woodlands resort in southwestern Pennsylvania and we will explore the licensing of additional casinos.

At the same time, the Board will continue to protect the people of Pennsylvania, allowing casinos to flourish in a fair but strict regulatory environment.

William H. Ryan, Jr.
Chair



Kevin F. O'Toole

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Executive Director's Message

We are pleased to provide you with the Pennsylvania Gaming Control Board 2011-2012 Annual Report, and hope you find the information provided to be helpful in understanding both the work of this agency and the Commonwealth's casino industry.

You can be assured that our work will continue to be accomplished in a highly visible manner, including access to our public meetings and hearings on our web site. The professionals at the Gaming Control Board are dedicated to protect the interests of the public by ensuring the integrity of legalized gaming through strict enforcement of the law and regulation.

That is not only a key element of our mission statement, but a promise I make on behalf of our employees. If, at any time, you believe we are failing to keep that promise, please do not hesitate to contact us and share your thoughts.

Kevin F. O'Toole
Executive Director

Board Members



Kenneth I. Trujillo
Board Member
Designated by the Governor



William H. Ryan, Jr.
Chairman
Designated by the Governor



James B. Ginty
Board Member
Designated by the Governor



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Board Member
Designated by the
Minority Leader of the
House of Representatives



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Board Member
Designated by the
Speaker of the
House of Representatives



Anthony C. Moscato
Board Member
Designated by the
President Pro Tempore
of the Senate



Gregory C. Fajt
Board Member
Designated by the
Minority Leader
of the Senate



The Honorable
Dan Meuser
Ex-Officio Member
Secretary of Revenue



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



The Honorable
George Greig
Ex-Officio Member
Secretary of Agriculture



Susan Hensel
Director, Bureau of Licensing

Bureau of Licensing

In the past year, the Bureau of Licensing processed nearly 9,400 applications for individuals and entities seeking to work in Pennsylvania's gaming industry.

Additionally, the Bureau was focused on multiple priorities. These, included the opening of Pennsylvania's first resort casino, revisions to agency regulations and Bureau policies, internal changes to increase efficiency and preparing for the receipt of applications for Philadelphia's second category 2 casino.

Specifically, the Bureau accomplished the following during the last fiscal year:

- Facilitated the opening of the first category 3 casino at Valley Forge Casino Resort in March of 2012 by providing guidance on all licensing matters, delivering onsite support, and processing more than 800 initial applications and several hundred transfers to ensure the casino was appropriately staffed by qualified personnel.
- Oversaw the licensing process that led to the approval of Woodlands Fayette, LLC which will be Pennsylvania's second category 3 casino at Nemacolin Woodlands Resort.
- Coordinated the renewal of slot machine licenses for Presque Isle Downs & Casino, The Meadows Racetrack & Casino, Rivers Casino and SugarHouse Casino.
- Licensed and renewed ten table game manufacturers and suppliers, and issued one conditional license to a new manufacturer applicant. These entities produce, provide or service table games and related equipment. In addition, the Bureau licensed one table game manufacturer designee.
- Licensed and renewed six slot machine manufacturer and supplier licenses. These entities produce, supply or service slot machines and associated equipment.
- Certified three gaming related gaming service provider applicants that develop intellectual property such as games, wagers, game variations, side bets or similar innovations relating to table games.
- Worked to simplify the application process for entity applicants through the consolidation of similar application types while ensuring the Board receives the information it needs to make informed licensing decisions.
- Automated the casino employee credentialing process to increase staff efficiency while maintaining quality controls.
- Implemented a web-based process for casinos to provide information regarding disbursements to gaming service providers in an effort to ensure compliance with PGCB regulations while, at the same time, streamlining the submission process.
- Issued Pennsylvania's first junket enterprise licenses to entities that develop and sell junket packages to casino patrons.
- Met with the human resources and purchasing staff at each casino to provide updates, answer questions and receive feedback on Bureau procedures for the licensure of casino employees.
- Conducted a comprehensive review of Bureau policies and procedures to ensure the Bureau is operating as efficiently as possible.
- Enhanced the SLOTSlink online application system for gaming and non-gaming employee applicants to improve user-friendliness and initiated other changes to ensure compliance with licensing requirements.
- Processed the first gaming employee renewal applications following amendments to the Pennsylvania Race Horse Development and Gaming Act that increased the term of licensure from one year to three years.
- Printed and distributed more than 12,000 new and renewal credential badges for employees of casinos, manufacturers, gaming service providers and other individuals working in the gaming industry.
- Received and processed nearly 4,500 pieces of mail and more than 1,700 checks for applications and other fees.
- Scanned and catalogued nearly 650,000 pages of applications and supplemental information for new and existing applicants into an electronic document storage system for use throughout the agency.

Applications by Type:	7/1/2011 - 6/30/2012	7/1/2010 - 6/30/2011
Category 1	2	1
Category 2	1	-
Category 3	-	-
Slot Machine Manufacturer	5	10
Table Game Manufacturer	9	5
Table Game Manufacturer Designee	1	-
Slot Machine Supplier	1	4
Table Game Supplier	1	-
Management Company	-	-
Affiliate	83	61
Key Employee	134	125
Principal	225	173
Principal Entity	30	10
Gaming--Level 2	2,145	218
Gaming	3,675	5,080
Non-Gaming Employee	1,843	2,504
Certified/Registered Gaming Service Providers, Affiliates, Employees	1,214	461
TOTAL	9,369	8,652

Number of Applications:	7/1/2011 - 6/30/2012	7/1/2010 - 6/30/2011
Received	8,086	10,453
Approved	9,369	8,652
Denied	57	103
Surrendered	14	-
Withdrawn	1,080	1,228

To date, the Bureau of Licensing has received and processed nearly 60,000 applications for individuals and entities seeking to work in Pennsylvania's gaming industry.



Elizabeth Lanza
Director, Office of Compulsive and Problem Gambling

Office of Compulsive and 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;
- creating problem gambling materials and outreach programs;
- heightening public awareness of the dangers of compulsive, problem, intoxicated and underage gambling;
- developing prevention programs and harm reduction tools for gamblers;
- establishing education programs for residents of all ages; and,
- directing problem gamblers and their families to compulsive gamblers assistance organizations' toll-free helplines for crisis counseling, referral services and treatment.

During the 2011-2012 Fiscal Year, the OCPG's Director and its Program Analyst maintained the Board's Self-Exclusion Program. In addition, the staff collected and analyzed data from Pennsylvania and other states' Self-Exclusion Programs, communicated with the general public about self-exclusion

and problem gambling, collaborated with other state agencies, and attended and participated in several conferences on problem gambling including the Council on Compulsive Gambling of Pennsylvania's (CCGP) annual statewide conference as well as the Mid-Atlantic Conference on Problem Gambling. The office director also made public presentations including one at the University of Pittsburgh. The office worked together with each of the casino operator to review and update each Compulsive and Problem Gambling Plan.

Once again, the OCPG supported and participated in National Problem Gambling Awareness Week (NPGAW), a grassroots public awareness and outreach campaign held March 4-10, 2012. The OCPG created informational documents to hand out during NPGAW and to post on the PGCB website. During this week-long event, the PGCB joined with both the Department of Health and the CCGP in setting up displays in Harrisburg at Strawberry Square and the Capitol Complex. Additionally, the OCPG facilitated a Joint Statement of the Chairman of the PGCB, the Secretaries of Health, Revenue and Agriculture, resolutions by the PGCB, Pennsylvania House of Representatives and the Senate of Pennsylvania along with a Governor's proclamation - all recognizing Problem Gambling Awareness Week in Pennsylvania.

Through June 30, 2012, data from Pennsylvania's program, which is based upon responses from individuals during the self-exclusion intake interview, shows that:

There are a total of **3,973** individuals on the Self-Exclusion List
2,189 or 55% are males and **1,784 or 45%** are females

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

1,051 or 33% of the self-excluded individuals are currently involved in a treatment program (including Gamblers Anonymous) or have sought treatment in the past.

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

2,893 or 89% of the self-excluded persons participated in gambling in a PA casino prior to signing up for the Board's Self-Exclusion Program.

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

Office of Diversity

Pursuant to §1212 of the Pennsylvania Race Horse Development and Gaming Act, the PGCB is charged with promoting and ensuring diversity in all aspects of legalized gaming and the agency developed rules and regulations, 58 Pa. Code §481a, to accomplish 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.

Evidence of the casino operators' commitment to promoting diversity in their hiring of local residents as well as meeting the goals set forth in the statute relating to table-games employees is clear and convincing. As of June 30, 2012, the casino operators collectively employed a total of 16,406 individuals with residents of the Commonwealth comprising 89% of that workforce. Within that number, approximately 43% of the employees are females while 29% are racial minorities. Additionally, the casino operators' Executive/Management/Professional staff consists of a total

of 2,995 individuals of which 64% are male, 36% are female and 23% are racial minorities.

Furthermore, the casino operators continue to work diligently to meet the goals of the legislature in the area of table games employment. Pennsylvania residents currently comprise 80% of table games employees. Approximately one year remains to meet the statutory goal of 85% employment of Commonwealth residents by the end of the third year following commencement of table games activities at the licensed facilities.

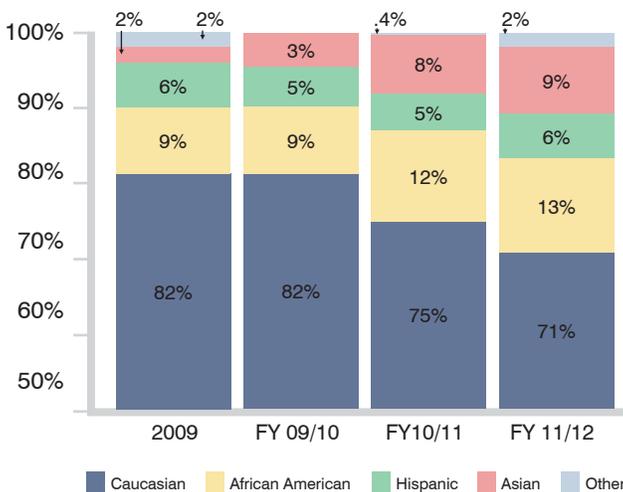
The Office of Diversity recently published its Fifth Annual Diversity Report (2011-2012). The report not only includes the above data, but additional figures on vendor expenditures, table games employee data, statistical data on Executive/Management/Professional level staff, and demographic data/county profiles from the 2010 U.S. Census Bureau for each entity. **The report is located on the PGCB's web site, www.gaming-controlboard.pa.gov or by clicking this link.**



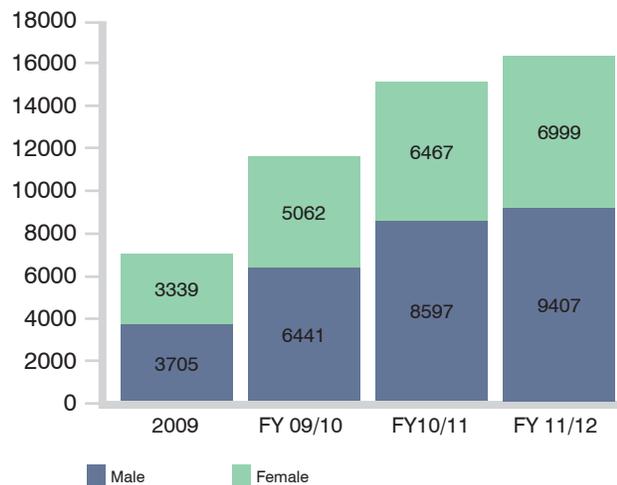
Mozelle E. Daniels
Director,
Office of Diversity

Statewide

Employment by Race



Employment by Gender



Executive/Management/Professional staff consists of a total of 2,995 individuals of which 64% are male, 36% are female and 23% are racial minorities.



Michael Cruz
Director, Gaming Laboratory
Operations

Bureau of Gaming Laboratory Operations

The Bureau of Gaming Laboratory Operations (GLO) operates out of the Harrisburg PGCB offices to ensure the performance and integrity of slot machines and associated equipment in Pennsylvania casinos. All products are thoroughly tested in its 5,100 square 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.

While the role of the GLO during the initial years of legalized gaming focused on slot machines, its role has greatly expanded through the addition in 2010 of table games at Pennsylvania's casinos. This testing includes automated shufflers, progressive systems, electronic table games, and other equipment necessary to conduct table games.

In addition to the testing of games and equipment in Harrisburg, the GLO is also responsible for the technical compliance of the slot machine floor, table game floor and the IT room of every casino.

In this role, the GLO also works closely with the PA Department of Revenue who oversees the Central Control Computer System which, in addition to tracking all revenue collected and paid out by slot machines, is used to perform vital tests such as the daily authentication of every machine operating in licensed casinos.

In order to effectively carry out its mission, the GLO divides its critical functions between four units:

Statistical Review:

Responsible for evaluating the theoretical return for every slot gaming theme submitted for review and the analysis of progressive reward payouts and

random number generators. Table game rules are also verified by the statistical review team for calculation of the house advantage.

Slot and Table Game Device Certification:

Responsible for evaluating gaming devices for compliance with the minimum design standards, reviewing modifications to gaming devices and ancillary equipment, and conducting investigations of regulatory violations.

Systems and Kiosks:

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

Technical Field Representatives:

Responsible for monitoring the day-to-day operations of licensed casino operators, particularly with regard to software and systems at all licensed facilities, including proper connectivity to the Central Control Computer System; inspection of slot machines for configurable options; inspections of table game devices for compliance; technical investigations as well as regulatory violation investigations in regards to regulations concerning the laboratory on the gaming floor; and, enforcing the theoretical threshold (between 85% and 100%) during game inspections.

Gaming Laboratory Operations	7/1/2011-6/30/2012	7/1/2010-6/30/2011
Paytables Reviewed	14,215	10,312
Paytables Rejected	3,350	2,398
Associated SW\HW Reviewed	1,128	1,202
System and Kiosk SW Reviewed	99	90
Gaming Device Inspections	39,787	34,540
Total	58,579	48,542

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. It is the responsibility of the Casino Compliance Representatives (CCR's) assigned to each casino throughout the Commonwealth to observe gaming operations for both slots and table games and to ensure that the casino's Internal Controls comply with regulations that are analogous to their day-to-day operations.

An important function of the CCR's is to be available to the public to receive any patron complaints. All patron complaints are reviewed and if non-compliance with internal controls or Board regulations are involved in the patron's complaint, the complaint is forwarded to the Office of Enforcement Counsel. Additionally, the CCR refers all information it receives regarding possible criminal activity to the on-site Pennsylvania State Police personnel.

The CCR also addresses the issue Compulsive and Problem Gaming and its proper oversight and attention by the casino. The CCR can enroll members of the public in the PGCB's voluntary Self-Exclusion Program and they monitor any potential violations of the Self-Exclusion Program.

Of particular importance, The Bureau of Casino Compliance ensures that an adequate security plan is in place at each casino. Additionally, surveillance camera reviews are performed frequently by CCR's

to safeguard assets, enhance patron safety, resolve complaints and monitor gaming activity. All compliance issues observed by CCR's are forwarded to the Office of Enforcement Counsel for further investigation.

The Bureau of Casino Compliance also works cooperatively with regulatory agencies in other gaming jurisdictions to share information regarding situations of criminal behavior and cheating activity. When this information is shared, all gaming jurisdictions benefit by facilitating the detection of professional cheaters.

Also this past year, the Bureau of Casino Compliance implemented and now maintains a voluntary credit exclusion program for patrons of PA casinos while also taking on the responsibility of coordinating the PGCB's oversight of gaming floor plan changes, including the number and location of slot machines and changes to the approved gaming floor area.

The Pennsylvania gaming industry continues to expand and evolve and the Bureau of Casino Compliance will remain vigilant and prepared for both the expansion of existing casinos and the opening of new facilities. The Bureau of Casino Compliance will ensure that the best practices of gaming regulation are implemented and the gaming industry is in a position to meet the needs and expectations of the gaming public.



Gerald E. Stoll
Director, Bureau of
Casino Compliance

Licensed Operators	Slots*	Tables*	Gaming Floor (sq. ft.)*
Mohegan Sun at Pocono Downs	2,332	84	82,396
Parx Casino	3,371	168	163,476
Harrah's Philadelphia Casino and Racetrack	2,800	121	106,102
Presque Isle Downs and Casino	2,031	53	58,938
The Meadows Racetrack & Casino	3,317	80	136,344
Mount Airy Casino Resort	2,075	72	67,746
Hollywood Casino at Penn National Race Course	2,478	70	99,536
Sands Casino Resort Bethlehem	3,024	152	143,244
Rivers Casino	2,933	116	136,594
SugarHouse Casino	1,602	59	53,536
Valley Forge Casino Resort	600	50	33,222

* Maximum number of Slots, Tables and Gaming Floor (sq. ft.) approved for use as of August 20, 2012



Paul Resch
Director,
Bureau of Gaming Operations

Bureau of Gaming Operations

The Bureau of Gaming Operations (BGO) works closely with the Executive Director and other PGCB staff to oversee slot machine and table game operations at all casinos, which together were authorized at the close of the 2011-2012 Fiscal Year to operate more than 26,000 slot machines and 1,000 table games. Staff perform audits and review internal controls and other regulatory submissions.

The BGO is comprised of an Audit Unit, a Compliance Unit and the Office of Racetrack Gaming.

From the opening of the Commonwealth's first slots casino in November 2006 to the implementation of table games in July 2010, BGO staff have played an important role in the startup and ongoing regulatory oversight of slot machine and table game operations. For example, staff assisted in the development of the pre-opening requirements for slot and table game openings, helped draft temporary and final form regulations, and conducted audits of casino operations to determine compliance with the Gaming Act, PGCB regulations and approved internal control systems.

Audit Unit

The Audit Unit performs regulatory compliance audits to provide reasonable assurance that licensees are in compliance with the Gaming Act, the Board's regulations and all applicable standards, policies and directives. An annual risk assessment determines areas to be evaluated as part of the audit program.

The scope of the audits include: accounting and finance, cage operations, compulsive and problem gambling, jackpot payouts, sensitive key control, restricted area access, surveillance and table game operations. Auditors obtain an understanding of the licensee's gaming operations through observation, examination and inquiry to determine the effectiveness of the licensee's internal control systems. Audit reports include a response from the licensee to each finding of non-compliance and recommendations for corrective action. All findings of non-compliance are forwarded to the Office of Enforcement Counsel for review.

A total of 14 audits were performed in Fiscal Year 2011-2012. Of those, three were comprehensive scope audits as described above, 10 were follow-up to prior audit findings as a result of performing the

comprehensive audit program, and one was exclusively a table games audit.

Compliance Unit

The Compliance Unit staff review internal controls and other regulatory submissions including table game rules submissions, gaming guides, dealer training programs, tournament schedules, and table game equipment submissions for cards, dice, chips, signs and layouts.

Internal controls are operating procedures for security, surveillance, internal auditing, accounting, slot machine and table game operations and other casino functions including:

- the counting and recording of table game and slot machine revenue;
- the safety of casino patrons including adequate security and surveillance coverage;
- the safeguarding of casino assets including sensitive key control and restricted area access; and,
- the issuance of casino credit.

As required by the Gaming Act, internal controls also ensure that slot machine and table game operations are performed in accordance with sound financial practices by qualified employees.

In Fiscal Year 2011-2012, Compliance Unit staff reviewed internal controls for the opening of Valley Forge Casino Resort. In addition, staff reviewed 1,145 internal control amendments, 405 table game submissions and 47 slot tournaments submissions by the 11 operating casinos. Staff assisted in the development of the Board's permanent table game regulations, which included new table game and side wager offerings. Staff also worked closely with the licensees to review amended internal controls to reflect the consolidation of the temporary table game regulations into the existing permanent regulations on slot machine operations.

In the upcoming Fiscal Year, the Bureau of Gaming Operations staff will continue to work to ensure that the PGCB regulations reflect an appropriate regulatory framework to protect the integrity of slot machine and table game operations, while working to also ensure that the casino industry in Pennsylvania remains competitive with neighboring jurisdictions.

The Bureau of Gaming Operations accomplished the following in 2011-2012:

Reviewed
1,145
internal control
amendments

Reviewed
405
table game
submissions

Performed
14
compliance audits

Reviewed
47
slot tournament
submissions

Participated in
1
casino opening
(Valley Forge
Casino Resort)

The Office of Racetrack Gaming serves as the Pennsylvania Gaming Control Board’s liaison between the casino gaming and horse racing industries, and is a section of the Bureau of Gaming Operations.

The Pennsylvania Race Horse Development and 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 ensure a strong interface between gaming and racing, the Office of Racetrack Gaming:

- Establishes and maintains effective relationships and acts in a liaison capacity to the Pennsylvania Harness Racing Commission, Pennsylvania Horse Racing Commission, casino and racetrack operators, horsemen’s organizations, and related organizations;
- Regularly attends Pennsylvania Racing Commission meetings and provides reports to the Board regarding all areas that impact casino gaming;
- Maintains reports detailing tax assessments generated from slot machine gaming and the distribution to purses, health and pension benefits, the Pennsylvania Breeding Fund, the Pennsylvania Sire Stakes Fund, the Pennsylvania Standardbred Breeders Development Fund, and the General Fund;

Office of Racetrack Gaming

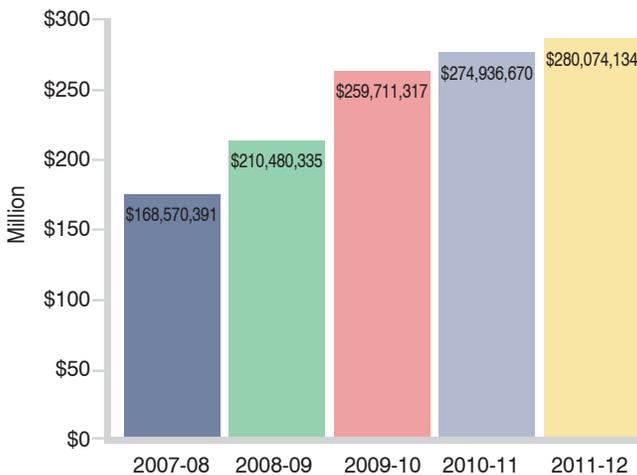
- Acts as a liaison between the Board and each respective racing commission regarding all proposed construction, renovations, and gaming floor plan changes at each racetrack casino to ensure a smooth interface between gaming and racing venues;
- Ensures that each casino and racetrack operator submits an annual report summarizing how the introduction and expansion of gaming has fulfilled the intent of the Race Horse Development and Gaming Act to enhance live racing at the casino, plans to promote live racing, and efforts to increase both live handle and daily attendance at the racetrack;
- Monitors improvements to the backside area of new and existing racetrack casinos to ensure compliance with required improvement and maintenance to that area and related buildings at the racetrack; and,
- Regularly assists the Bureau of Gaming Operations in all areas of its responsibility.

In June 2012, the Office of Racetrack Gaming released its fifth annual benchmark report which provides an update on the impact the Pennsylvania Race Horse Development Fund is having on the horse racing industry and pari-mutuel wagering throughout the Commonwealth. This report examines trends in horse and harness racing before and after slot machine gaming commenced in 2006. **This report can be downloaded from the Reports link of the Gaming Control Board’s website, www.gamingcontrolboard.pa.gov, or by clicking this link.**

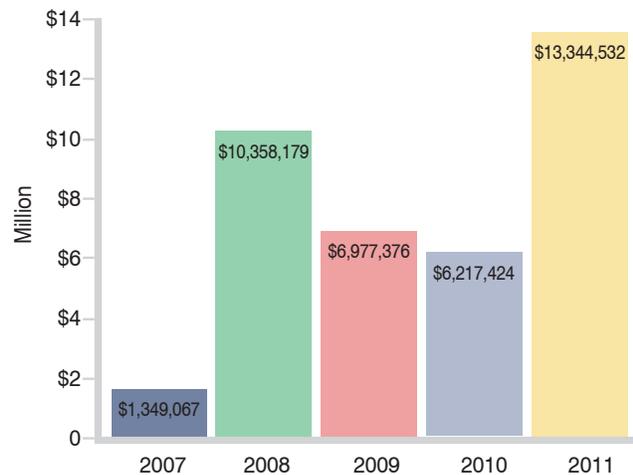


Kevin Kile
Director,
Office of Racetrack Gaming

PA Race Horse Development Fund



Backstretch Improvements





R. Douglas Sherman
Chief Counsel

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 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.

During the Fiscal Year 2011-2012, the OCC took a leading role in developing and advising the Board on the repayment plan of approximately \$63.8 million that was borrowed from the Property Tax Relief Reserve Fund during the fiscal years 2007-2010 to fund the agency. The Board was statutorily mandated by the Fiscal Code to establish a schedule governing repayment of the loans by licensed operating facilities starting January 2012. The OCC advised the Board on various structures of calculating each facility's repayment amount, concluding with the adoption of the method which is currently in place.

Licensing:

The OCC advises and assists the Bureau of Licensing in all matters involving the licensing process, including during the application process, and on any licensing implications of actions involving licensees. The OCC also works daily with the Bureau of Licensing on issues such as debt refinancing, corporate restructuring, and changes in ownership of licensed entities. Additionally, the OCC is instrumental in coordinating the compliance of a licensee with its Statement of Conditions. The OCC reviews the quarterly responses required for each slot machine licensee, as well as responses for licensed manufacturers and suppliers.

In the spring of 2012, the OCC worked in conjunction with the Bureau of Licensing and the Bureau of Gaming Operations, assisting in the opening of the casino at Valley Forge Convention Center, the first Category 3 "resort" casino to open in Pennsylvania.

Regulatory Review:

The 2011-2012 fiscal year was dedicated to converting the agency's temporary regulations on table games into final-form, permanent rulemakings. The process began in the latter half of 2010 and con-

cluded during the first half of 2012 with the Board's adoption of 11 final-form rulemakings covering twenty-nine table games chapters.

In addition to regulations governing the operation of table games, the OCC continues to review and revise existing agency regulations and policies. In fiscal year 2011-2012, the Board initiated and finalized four comprehensive amendment packages which dealt with a wide range of topics including an update of the Board's rules on practice and procedure, the handling of ex-parte communications, the separation of the adjudicative function of the Board from the prosecutorial function of the Office of Enforcement Counsel, and on wagering restrictions for casino employees.

Litigation:

The Litigation Section of the OCC provides counsel to the Board on considerations including emergency suspensions, enforcement actions, petitions for relief, suspensions, revocations, consent agreements, withdrawals of applications, surrenders of licenses, placement on the Board's exclusion list, and Reports & Recommendations generated by the Board's Office of Hearings and Appeals. In total, during Fiscal Year 2011-2012, the OCC reviewed and provided legal advice to the Board on no fewer than 247 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. Notably, the OCC oversaw and assisted in the representation of the Board before the Commonwealth Court in the appeal of a Category 2 license revocation. The proceeding marked the first time a slot machine operator license had been revoked by the Board, a decision that was ultimately upheld by the Commonwealth Court. The Supreme Court of Pennsylvania affirmed the revocation when it declined to hear the licensee's appeal of the Commonwealth Court decision.

Additionally, the OCC represented the Board before the Supreme Court of Pennsylvania in an appeal by a losing applicant in the awarding of the final Category 3 "resort" license (a Board decision upheld by the Supreme Court after the close of the Fiscal Year but before publication of this report), litigation involving an interpretation of the Right-to-Know-Law that has wide-spread implications for all state agencies, and employment-related matters.

Office of Hearings and Appeals

The Office of Hearings and Appeals (OHA) was busy with its normal daily routine of handling all filings with the Board throughout the Fiscal Year. In early November 2011, we began packing boxes at the Penn Center office in preparation for moving the office and hearing rooms to the Strawberry Square Complex in Harrisburg. The new space not only houses the Office of Hearings and Appeals, but it also provides a new and permanent meeting room in which the Board can hold its regular public meetings. In addition, the move provides the public with easier access to OHA hearings and the Board’s public files. Our new mailing address is PGCB, Office of Hearings and Appeals, P.O. Box 69060, Harrisburg, PA 17106-9060. Our telephone numbers and email addresses remain the same.

In addition to the location change, an effort to better serve the public and individuals participating in OHA hearings through an upgrade of the video conferencing equipment in the new hearing room was approved by the Board. This technology upgrade allows for improved communication with individuals participating in hearings from the Board’s outlying offices in Pittsburgh, Scranton and Conshohocken.

Staff also continues to evaluate regulations and process and procedure to provide better service to the public and hearing participants. It is anticipated that final regulations will be approved in the coming months.

In December 2011, the OHA staff, along with other Board staff, conducted the Public License Renewal Hearing for slot operator license holder Mt. Airy #1 LLC. And, in January 2012, the Public Input Hearing for the Table Games Petition filed by Valley Forge Convention Center Partners was also conducted. Per the requirements of the Pennsylvania Race Horse Development and Gaming Act, these hearings were held in the municipalities in which the licensed facilities are located. Public input in the form of both written comments and oral testimony were received at these hearings in order to build an evidentiary record as a basis for the Board’s decision.

During the time period of July 1, 2011 to June 30, 2012, the Board’s Clerk received approximately 1,707 filings to be processed. The breakdown of the types of filings and other items, such as hearings conducted, is as follows:



Linda S. Lloyd
Director,
Office of Hearings and Appeals

TYPES OF FILINGS	July 1, 2011 – June 30, 2012	July 1, 2010 – June 30, 2011
Petitions	342	268
Answers/Motions/Misc.	869	1,156
Enforcement Actions	178 (includes 95 Exclusion List Petitions)	79
Requests for Oral Hearing	82	103
Reports and Recommendations Issued	55	73
Exceptions	7	10
Disposed Hearing Files	81	75
Board Orders	608	579
OHA Orders	106	181
Total Orders Processed	714	750
Hearings Conducted by OHA	62	75
Records Certified to Courts	7	3



Paul Mauro
Director,
Bureau of Investigations
and Enforcement

Bureau of Investigations and Enforcement

The Bureau of Investigations and Enforcement (BIE) operates as an independent bureau within the PGCB. The mission of BIE is to ensure the integrity of the Commonwealth's gaming industry by conducting thorough suitability investigations. In that role, the BIE investigates casino operators and employees, as well as the manufacturers, suppliers, and gaming service providers interested in conducting business within the Commonwealth's gaming industry.

Carrying out this function involves strong cooperation with other state agencies including the Department of State, the State Police, the Office of Attorney General and the Department of Revenue. The BIE also works closely with other gaming regulators in the United States and around the world.

Upon completion of these investigations, the BIE presents the Board with a comprehensive background investigation report regarding an applicant's suitability. These reports not only include a criminal history record check that contains information provided by the FBI based on the applicant's fingerprints, but also the results of interviews conducted by the BIE investigators of the applicant, employers, neighbors, references and family members. Additional elements of background investigations include:

- local law enforcement checks;
- regulatory history in other gaming jurisdictions;
- professional license verification;
- tax record examination;
- credit history and financial analysis;
- database checks regarding political contributions; and,
- court record searches for civil litigation.

A Financial Investigations Unit within the BIE maintains and reviews all corporate compliance submissions to the PGCB. This unit also assists the BIE investigators with financial investigations of newly submitted and renewal applicants, reviews any changes in debt financing and corporate structure ownership, and reviews other financial issues related to the BIE investigations which would require financial analysis for the Board's review.

Suitability is an ongoing requirement for all license holders. Therefore, the BIE must continually investigate information brought to its attention pertaining to licensees. In addition, the BIE must conduct suitability investigations on all licensed individuals and entities every three years while conducting renewal investigations on gaming service providers every four years.

Applications by Type:	7/1/2011 - 6/30/2012 Investigations	7/1/2010 - 6/30/2011 Investigations
Category 1	-	-
Category 2	-	-
Category 3	-	-
Slot Machine Manufacturer	2	6
Table Game Manufacturer	4	7
Table Game Manufacturer Designee	1	-
Slot Machine Supplier	1	4
Table Game Supplier	-	1
Management Company	-	-
Affiliate	6	31
Key Employee	109	70
Principal	83	208
Principal Entity	27	46
Gaming--Level 2	1,019	1,810
Gaming	3,794	5,268
Non-Gaming Employee	1,947	2,731
Certified/Registered Gaming Service Providers, Affiliates, Employees	1,093	271
TOTAL	8,086	10,453

Office of Enforcement Counsel

The Office of Enforcement Counsel (OEC) was established pursuant to §1517(a.2) of the Pennsylvania Race Horse Development and Gaming Act (Act) to serve as the prosecutor in all noncriminal matters relating to legalized gaming in the Commonwealth. In its regulatory function, the OEC operates separately and independently of the Pennsylvania Gaming Control Board (Board), and is guided in its role by the mandates of the Act, Board approved regulations, established legal precedence, and Commonwealth statutory law to fulfill the agency’s overall mission.

The OEC’s responsibilities and duties include, but are not limited to:

- providing legal advice to the Bureau of Investigations and Enforcement (BIE) and making suitability recommendations on applicants before the Board;
- ensuring regulatory compliance with the Act and Board-approved Regulations;
- initiating proceedings for noncriminal violations of the Act or Board-approved regulations;
- seeking remedies which may include implementing compliance, civil fines and penalties, imposing conditions, and/or suspending or revoking licensing privileges of any person subject to the Board’s jurisdiction;
- providing recommendations and objections in matters before the Board;
- responding to all regulatory petitions subject to the Board’s jurisdiction; and,
- petitioning for the placement of individuals on the Board’s Exclusion List.

The attorneys and staff who comprise the OEC maintain a presence at regional offices in Conshohocken, Harrisburg, and Pittsburgh. Each OEC attorney is directly linked to Board staff on-site in each licensed facility and in each regional office. Such connectivity allows the OEC to review, assess, and act immediately and efficiently to matters that require its attention.

The OEC handled a myriad of matters in fiscal year 2011-2012, which notably included, but was not limited to:

- prosecuting and/or making recommendations regarding the impact of refinancing and/or restructuring packages upon Mount Airy Casino Resort, Mohegan Sun at Pocono Downs, Harrah’s Philadelphia Casino & Racetrack, Rivers Casino, Presque Isle Downs & Casino, and Hollywood Casino at Penn National Race Course.

- prosecuting and/or making recommendations regarding the access plan and financing package for Valley Forge Casino Resort;
- providing regulatory oversight during the test periods and opening of Valley Forge Casino Resort;
- prosecuting the public renewal hearing of Category 2 Licensee Mount Airy Casino Resort;
- prosecuting the placement of dozens of individuals on the Board’s involuntary exclusion list.

In addition to its normal cornucopia of matters, the OEC expects the next fiscal year to include:

- several Category 2 applicants for the last available license;
- a Category 1 applicant for the last available license;
- the possible opening of a Category 3 Licensed Facility at Nemaquin Woodlands Resort;
- various transactions regarding the corporate restructuring and/or debt refinancing of various licensees;
- proposed physical expansions by various licensees.



Cyrus Pitre
Chief Enforcement Counsel

Office of Enforcement Counsel Statistical Data

Type	July 1, 2011 - June 30, 2012
Enforcement Warning Letters	246
Enforcement Petitions and Complaints	170
Enforcement Compliance Conferences	11
Sworn Statements and Depositions	24
Regulatory Consent Agreements	31
Total Regulatory Fines & Penalties	\$553,291.50
Final Background Investigation Reports	1,785
Recommended License Denial Notices	76
Recommended License Withdrawals/Surrenders	1,206
Regulatory Hearings	91
Petition Responses and Motions Filed	149

Bureau of Financial Management & Administration

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, Attorney General's Office, and Pennsylvania State Police to the legislative appropriations committees.

OFM also:

- provides gaming related revenue estimates to the Governor's Budget Office;
- bills, collects, reports and monitors all agency generated revenue;
- administers the Local Law Enforcement Grant Program; and,
- posts on its internet website, a list of all the itemized expenses of employees and members for each month that were reimbursed

Human Resources:

The Office of Human Resources (HR): establishes, maintains and administers effective and comprehensive classification and compensation programs/policies; coordinates a highly competitive benefits program; and, ensures that all employees work in a safe and fair environment. HR staff also support the board in achieving its goals and objectives by assisting managers in recruiting, retaining, and developing a talented and diverse workforce through the coordination of training and performance management programs. Over the past year, HR worked with The American Federation of State, County and Municipal Employees (AFSCME) to collectively bargain an agreement for clerical and administrative positions at the PGCB.

Information Technology:

The Office of Information Technology (OIT) is responsible for the continued support and develop-

ment of applications to assist both PGCB staff in the licensing and enforcement of gaming in Pennsylvania. OIT also provides the daily support of all technology for agency employees including oversight and maintenance of all agency computers, servers, networks, software, and telecommunications equipment.

During the 2011-2012 Fiscal Year, OIT developed an application for streamlining the PGCB Self-Exclusion Program. The new automated system allows Casino Compliance Representatives to directly input an applicant's self-exclusion information, capture images of self-excluded individuals with digital cameras, and quickly share self-exclusion information statewide with casino security staff.

Additionally, IT along with the Office of Communications worked to improve the ease of use of the PGCB website by changing the website address to gamingcontrolboard.pa.gov, adding more information tabs across to the top and moving the most requested information to the front page of the website.

Office Services:

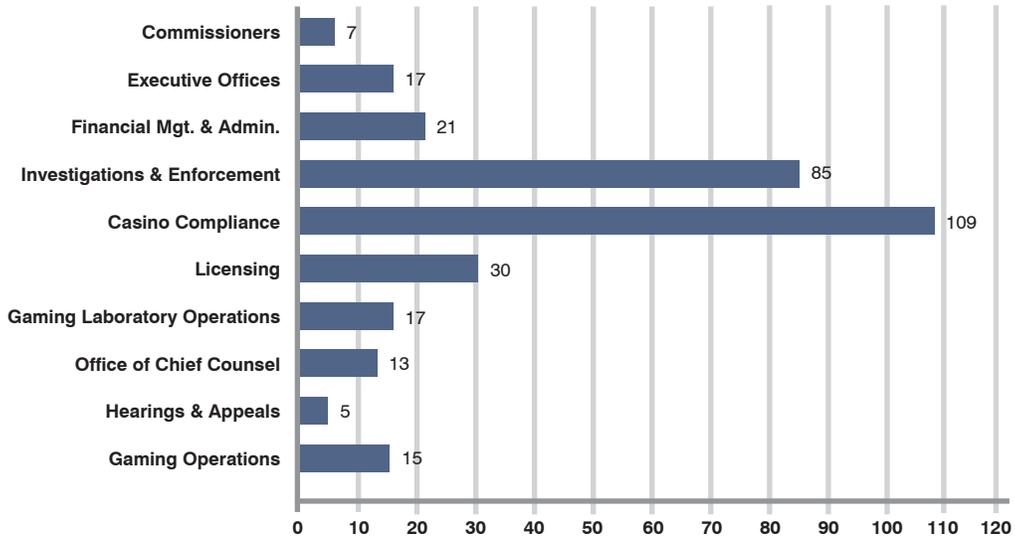
Office Services is responsible for the agency's procurement needs, office space leasing and fleet operations and travel.

Office Services continued its efforts to reduce costs wherever possible by:

- eliminating all sole-source contracts;
- reducing costs for its Pittsburgh office by moving into a new office suite at lower rental rate;
- negotiated a new lease for the Office of Hearings and Appeals in Harrisburg that reduces monthly rent while providing permanent space for public meetings of the PA Gaming Control Board; and,
- reduced the overall cost and size of fleet operations.

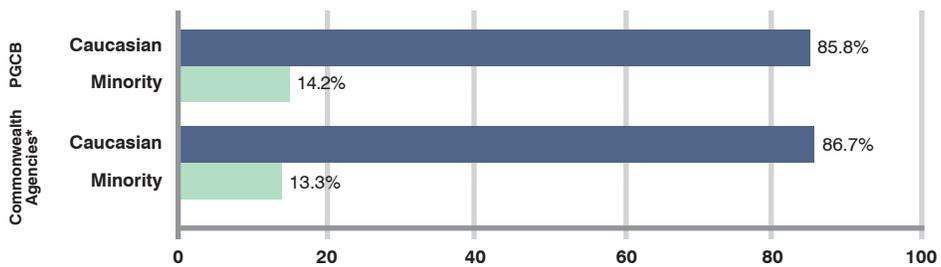
Employees By Bureau

(as of June 30, 2012)



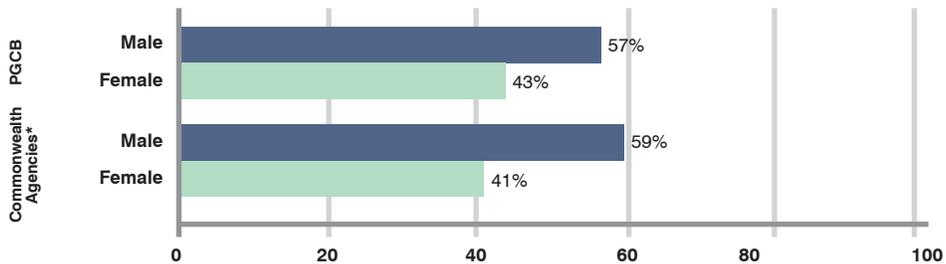
Minority Representation

(as of June 30, 2012)



Gender Representation

(as of June 30, 2012)



*Governor's Annual Workforce Report

PGCB Statement of Revenue and Expenditures

Fiscal Year 2011-12

Appropriation			
Beginning Balance			
Casino Operator Assessments	\$27,388,000		
Restricted Revenue	<u>\$8,113,000</u>		
Available			\$35,501,000
Expenditures			
Personnel Expenditures			
Salaries	\$19,165,916		
Overtime	\$171,655		
Benefits	\$8,369,509		
Other Employee Paid Benefits	\$479		
Leave Payouts/Military Stipend	<u>\$34,638</u>		
Total Personnel Expenditures		\$27,742,196	
Operating Expenditures			
Travel	\$284,069		
Training	\$18,825		
Utilities/Comm	\$494,744		
Services	\$1,312,682		
Rentals/Leases	\$1,910,278		
Supplies	\$78,115		
Equipment(NFA)	\$273,492		
Inventory Expenses	\$86,616		
Other Operating Expenses	<u>\$972,824</u>		
Total Operating Expenditures		\$5,431,644	
Fixed Assets			
Hardware Peripherals	\$6,230		
Software Licensing Non-Recurring	\$34,687		
Software Licensing Recurring	\$5,922		
Telecommunications Hardware	<u>\$10,164</u>		
		<u>\$57,003</u>	
Total Expenditures			<u>\$33,230,843</u>
Revenues Over (Under) Expenditures			\$2,270,157

Note: Expenditure figures as of July 31, 2012.

Public Meetings and 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.

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 2011/2012, including reference to the agenda posted on the Board's website, is set forth below.

Pennsylvania Gaming Control Board - Executive Session Log Fiscal Year 2011-2012

7/19/2011

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 7/20/2011.

7/20/2011

Quasi-judicial deliberation regarding: Petition of Gregory Rubino & Passport Realty, LLC to Allow Objections to the Renewal of the License of Presque Isle Downs; Presque Isle Downs Petition for Approval to Modify its Facility to Add and Operate a Poker Room; Presque Isle Downs License Renewal; and U.S. Playing Cards Petition for Reconsideration of Waiver of the Principal Licensure Requirement for Michael Gross, Douglas Huemme and Robert Wood.

8/17/2011

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 8/18/2011.

8/18/2011

Confidential testimony and legal argument heard in regard to Petition of Harrah's Chester Casino & Racetrack for a Board Order Permitting the Offering of Senior Secured Notes. Quasi-judicial deliberation regarding Petition of Washington Trotting Association for Renewal of its Slot Machine License and Harrah's Petition mentioned above.

9/13/2011

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 9/14/2011.

9/14/2011

Quasi-judicial deliberation regarding Petition of Holdings Acquisition Co., LP (Rivers Casino) for Renewal of its Slot Machine License. Testimony and legal argument heard in regard to Petition of Harrah's Chester Casino & Racetrack for a Board Order Permitting the Offering of Senior Secured Notes.

10/5/2011

Conference call to conduct quasi-judicial deliberations regarding Valley Forge Casino Resort's Petition for Approval of Revised Plan for Controlling Access to its Gaming Floor.

10/12/2011

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 10/13/2011.

10/13/2011

Quasi-judicial deliberation regarding Petition of SugarHouse HSP Gaming, LP for Renewal of its Slot Machine License; IGT Petition for Software Approval; and Chip and Chair Massage Therapy, LLC Appeal of Bureau of Licensing Decision.

11/21/2011

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 11/22/2011.

11/22/2011

Quasi-judicial deliberation regarding Petition of Mt. Airy #1 for Approval of Casino Floor Reconfiguration.

12/5/2011

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 12/6/2011.

12/19/2011

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 12/20/2011.

1/17/2012

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 1/18/2012.

2/7/2012

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 2/8/2012.

2/8/2012

Quasi-judicial deliberation regarding Petitions of Valley Forge for Table Games Certification, Confidentiality and Gaming Floor Plan; and Harrah's Chester Downs Petition to Modify Gaming Floor.

2/28/2012

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 2/29/2012.

3/20/2012

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 3/21/2012.

4/10/2012

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 4/11/2012.

4/11/2012

Quasi-judicial deliberations regarding Petition of Downs Racing regarding Gift Certificates Program; and Petition of Chip and Chair Massage Therapy, LLC Regarding Vendor Registration.

5/1/2012

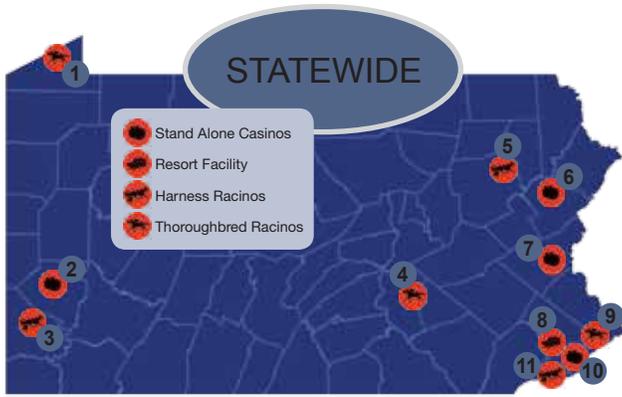
See Agenda posted on Gaming Control Board Website under "Meetings". Link to 5/2/2012.

5/22/2012

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 5/23/2012.

6/12/2012

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 6/13/2012.



Pennsylvania has 11 operating casinos. As of June 30, 2012, PA casinos employed 16,406 individuals and total tax revenue from slot machines and table games for the FY 11/12 was \$1,505,328,835.

Table Game Revenues FY 2011-12

Average Number of Table Games in June 2012	1,035
Gross Revenue	\$663,854,672
Taxes and Fees	\$114,939,315
Non-Banking Tables	219
Gross Revenue	\$61,602,174
Banking Tables	793
Gross Revenue	\$596,609,003
Electronic Tables	0
Gross Revenue	\$2,047,712
Fully Automated Electronic Tables	23
Gross Revenue	\$3,595,783

Slot Revenues FY 2011-12

Average Number of Slot Machines in June 2012	26,785
Wagers	\$31,164,547,148
Payouts	\$28,122,248,555
Promotional Plays	\$631,526,355
Adjustments	\$16,158
Gross Terminal Revenue	\$2,476,775,317
Taxes and Fees	\$1,390,389,520

Taxable Slot Wins Per Day

July 2011	\$266.71
August 2011	\$244.06
September 2011	\$252.32
October 2011	\$239.60
November 2011	\$241.01
December 2011	\$243.07
January 2012	\$233.98
February 2012	\$282.69
March 2012	\$285.49
April 2012	\$266.75
May 2012	\$255.61
June 2012	\$255.24

Local Share Distribution FY 2011-12

Statewide	
Slots - \$143,504,030	
Tables - \$12,975,263	



Presque Isle Downs & Casino opened on February 28, 2007 in Erie County, Summit Township and is a thoroughbred racetrack. As of June 30, 2012 the casino employed 960 individuals.

Table Game Revenues FY 2011-12

Average Number of Table Games in June 2012	53
Gross Revenue	\$21,525,250
Taxes and Fees	\$3,444,040
Non-Banking Tables	9
Gross Revenue	\$1,475,753
Banking Tables	44
Gross Revenue	\$20,049,497
Electronic Tables	0
Gross Revenue	\$0
Fully Automated Electronic Tables	0
Gross Revenue	\$0

Slot Revenues FY 2011-12

Average Number of Slot Machines in June 2012	2,066
Wagers	\$2,153,604,961
Payouts	\$1,946,440,548
Promotional Plays	\$42,277,306
Adjustments	\$0
Gross Terminal Revenue	\$164,887,107
Taxes and Fees	\$96,252,510

Taxable Slot Wins Per Day

July 2011	\$249.93
August 2011	\$229.19
September 2011	\$232.35
October 2011	\$219.12
November 2011	\$204.57
December 2011	\$199.11
January 2012	\$181.81
February 2012	\$231.84
March 2012	\$234.38
April 2012	\$226.58
May 2012	\$203.38
June 2012	\$201.05

Local Share Distribution FY 2011-12

Erie County	Summit Township
Slots - \$12,124,377	Slots - \$1,275,817
Tables - \$0	Tables - \$0
Erie Co.	
Redevelopment Auth.	
Slots - \$0	
Tables - \$435,768	



Rivers Casino opened on August 9, 2009 in Allegheny County in the City of Pittsburgh. As of June 30, 2012 the casino employed 1,801 individuals.

Table Game Revenues FY 2011-12

Average Number of Table Games in June 2012	115
Gross Revenue	\$70,005,270
Taxes and Fees	\$11,200,843
Non-Banking Tables	30
Gross Revenue	\$7,503,757
Banking Tables	85
Gross Revenue	\$61,407,190
Electronic Tables	0
Gross Revenue	\$1,094,323
Fully Automated Electronic Tables	0
Gross Revenue	\$0

Slot Revenues FY 2011-12

Average Number of Slot Machines in June 2012	2,959
Wagers	\$3,338,788,708
Payouts	\$2,999,825,836
Promotional Plays	\$55,543,695
Adjustments	\$0
Gross Terminal Revenue	\$283,419,178
Taxes and Fees	\$158,367,387

Taxable Slot Wins Per Day

July 2011	\$273.17
August 2011	\$249.05
September 2011	\$263.00
October 2011	\$246.43
November 2011	\$245.80
December 2011	\$248.50
January 2012	\$238.29
February 2012	\$295.33
March 2012	\$291.84
April 2012	\$280.80
May 2012	\$253.13
June 2012	\$266.10

Local Share Distribution FY 2011-12

Allegheny County	Visitors Bureau of Monroeville
Slots - \$5,646,779	Slots - \$0
Tables - \$0	Tables - \$104,401
Pittsburgh/ICA	Dept of Education
Slots - \$10,133,793	Slots - \$0
Tables - \$0	Tables - \$1,287,610



Meadows Racetrack & Casino opened on June 11, 2007 in Washington County, North Strabane Township and is a harness racetrack. As of June 30, 2012 the casino employed 1,289 individuals.

Table Game Revenues FY 2011-12

Average Number of Table Games in June 2012	80
Gross Revenue	\$35,683,635
Taxes and Fees	\$5,709,382
Non-Banking Tables	20
Gross Revenue	\$3,418,732
Banking Tables	60
Gross Revenue	\$32,264,903
Electronic Tables	0
Gross Revenue	\$0
Fully Automated Electronic Tables	0
Gross Revenue	\$0

Slot Revenues FY 2011-12

Average Number of Slot Machines in June 2012	3,316
Wagers	\$3,094,730,603
Payouts	\$2,843,339,705
Promotional Plays	\$65,986,921
Adjustments	\$3,265
Gross Terminal Revenue	\$251,394,163
Taxes and Fees	\$141,588,591

Taxable Slot Wins Per Day

July 2011	\$227.03
August 2011	\$210.63
September 2011	\$209.20
October 2011	\$193.89
November 2011	\$190.36
December 2011	\$189.36
January 2012	\$181.74
February 2012	\$219.46
March 2012	\$221.98
April 2012	\$223.77
May 2012	\$212.99
June 2012	\$205.98

Local Share Distribution FY 2011-12

Washington Co. - DCED	Washington Co. Townships
Slots - \$9,289,037	Slots - \$3,394,400
Tables - \$181,442	Tables - \$162,286
North Strabane Township	
Slots - \$2,329,466	
Tables - \$343,728	



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, 2012 the casino employed 1,389 individuals.

Table Game Revenues FY 2011-12

Average Number of Table Games in June 2012	69
Gross Revenue	\$38,859,037
Taxes and Fees	\$6,217,446
Non-Banking Tables	16
Gross Revenue	\$4,560,877
Banking Tables	53
Gross Revenue	\$34,298,160
Electronic Tables	0
Gross Revenue	\$0
Fully Automated Electronic Tables	0
Gross Revenue	\$0

Slot Revenues FY 2011-12

Average Number of Slot Machines in June 2012	2,483
Wagers	\$2,665,868,099
Payouts	\$2,389,276,937
Promotional Plays	\$26,107,350
Adjustments	\$0
Gross Terminal Revenue	\$250,483,812
Taxes and Fees	\$141,044,207

Taxable Slot Wins Per Day

July 2011	\$293.16
August 2011	\$269.18
September 2011	\$271.54
October 2011	\$264.11
November 2011	\$265.44
December 2011	\$269.00
January 2012	\$255.31
February 2012	\$312.75
March 2012	\$305.58
April 2012	\$284.72
May 2012	\$273.18
June 2012	\$268.75

Local Share Distribution FY 2011-12

Dauphin County	Eash Hanover, Leb. Co
Slots - \$13,942,004	Slots - \$160,000
Tables - \$532,647	Tables - \$122,244
East Hanover, Dauphin Co	
Slots - \$1,010,147	
Tables - \$122,244	



Mohegan Sun at Pocono Downs opened on November 14, 2006 in Luzerne County, Plains Township and is a harness racetrack. As of June 30, 2012 the casino employed 1,832 individuals.

Table Game Revenues FY 2011-12

Average Number of Table Games in June 2012	84
Gross Revenue	\$43,111,764
Taxes and Fees	\$6,897,882
Non-Banking Tables	18
Gross Revenue	\$3,954,161
Banking Tables	66
Gross Revenue	\$39,157,603
Electronic Tables	0
Gross Revenue	\$0
Fully Automated Electronic Tables	0
Gross Revenue	\$0

Slot Revenues FY 2011-12

Average Number of Slot Machines in June 2012	2,332
Wagers	\$3,008,419,338
Payouts	\$2,706,315,362
Promotional Plays	\$63,378,586
Adjustments	\$17,280
Gross Terminal Revenue	\$238,742,670
Taxes and Fees	\$135,065,220

Taxable Slot Wins Per Day

July 2011	\$285.71
August 2011	\$286.28
September 2011	\$270.44
October 2011	\$271.57
November 2011	\$276.09
December 2011	\$277.69
January 2012	\$254.00
February 2012	\$298.26
March 2012	\$295.09
April 2012	\$286.30
May 2012	\$272.30
June 2012	\$284.89

Local Share Distribution FY 2011-12

Luzerne County - CFA	Plains Township
Slots - \$12,220,991	Slots - \$2,568,476
Tables - \$432,831	Tables - \$432,831



Mount Airy Casino Resort opened on October 22, 2007 in Monroe County, Paradise Township. As of June 30, 2012 the casino employed 1,315 individuals.

Table Game Revenues FY 2011-12

Average Number of Table Games in June 2012	71
Gross Revenue	\$41,128,585
Taxes and Fees	\$6,580,574
Non-Banking Tables	11
Gross Revenue	\$2,712,974
Banking Tables	60
Gross Revenue	\$38,415,611
Electronic Tables	0
Gross Revenue	\$0
Fully Automated Electronic Tables	0
Gross Revenue	\$0

Slot Revenues FY 2011-12

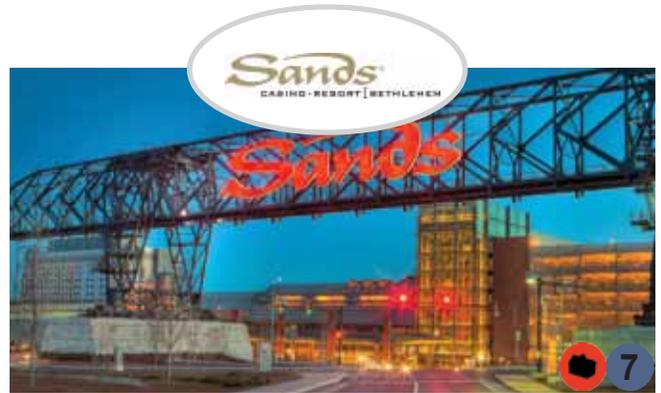
Average Number of Slot Machines in June 2012	2,074
Wagers	\$2,014,881,883
Payouts	\$1,824,023,196
Promotional Plays	\$42,320,528
Adjustments	\$0
Gross Terminal Revenue	\$148,538,159
Taxes and Fees	\$87,746,502

Taxable Slot Wins Per Day

July 2011	\$206.20
August 2011	\$176.74
September 2011	\$190.09
October 2011	\$169.97
November 2011	\$168.32
December 2011	\$161.44
January 2012	\$166.31
February 2012	\$193.19
March 2012	\$209.74
April 2012	\$205.77
May 2012	\$201.38
June 2012	\$205.70

Local Share Distribution FY 2011-12

Monroe County - CFA	Paradise Township
Slots - \$9,713,000	Slots - \$857,008
Tables - \$207,815	Tables - \$415,631
Monroe County	PHEAA
Slots - \$2,418,157	Slots - \$0
Tables - \$0	Tables - \$207,815



Sands Casino Resort Bethlehem opened on May 22, 2009 in Northampton County in the City of Bethlehem. As of June 30, 2012 the casino employed 1,910 individuals.

Table Game Revenues FY 2011-12

Average Number of Table Games in June 2012	152
Gross Revenue	\$127,821,722
Taxes and Fees	\$20,451,476
Non-Banking Tables	30
Gross Revenue	\$10,912,418
Banking Tables	122
Gross Revenue	\$116,909,304
Electronic Tables	0
Gross Revenue	\$0
Fully Automated Electronic Tables	0
Gross Revenue	\$0

Slot Revenues FY 2011-12

Average Number of Slot Machines in June 2012	3,024
Wagers	\$4,111,070,476
Payouts	\$3,704,364,950
Promotional Plays	\$120,555,001
Adjustments	\$0
Gross Terminal Revenue	\$286,150,525
Taxes and Fees	\$159,839,319

Taxable Slot Wins Per Day

July 2011	\$275.76
August 2011	\$232.19
September 2011	\$250.44
October 2011	\$229.12
November 2011	\$244.39
December 2011	\$250.75
January 2012	\$246.89
February 2012	\$288.60
March 2012	\$299.34
April 2012	\$267.94
May 2012	\$267.60
June 2012	\$258.75

Local Share Distribution FY 2011-12

Allentown City	Easton City	Northampton Co.
Slots - \$3,395,817	Slots - \$0	Slots - \$2,705,112
Tables - \$234,003	Tables - \$585,007	Tables - \$702,008
Bethlehem City	Lehigh County	
Slots - \$8,849,323	Slots - \$901,704	
Tables - \$585,007	Tables - \$234,003	



Valley Forge Casino Resort opened on March 31, 2012 in Montgomery County in Upper Merion Township and is a resort facility. As of June 30, 2012 the casino employed 1,185 individuals.

Table Game Revenues FY 2011-12

Average Number of Table Games in June 2012	50
Gross Revenue	\$7,119,049
Taxes and Fees	\$8,639,048*
Non-Banking Tables	0
Gross Revenue	\$0
Banking Tables	50
Gross Revenue	\$7,119,049
Electronic Tables	0
Gross Revenue	\$0
Fully Automated Electronic Tables	0
Gross Revenue	\$0

Slot Revenues FY 2011-12

Average Number of Slot Machines in June 2012	600
Wagers	\$129,335,857
Payouts	\$115,758,928
Promotional Plays	\$1,760,695
Adjustments	-\$475
Gross Terminal Revenue	\$11,815,759
Taxes and Fees	\$6,394,173

Taxable Slot Wins Per Day

July 2011	
August 2011	
September 2011	
October 2011	
November 2011	
December 2011	
January 2012	
February 2012	
March 2012	\$209.40
April 2012	\$224.03
May 2012	\$206.49
June 2012	\$191.10

Local Share Distribution FY 2011-12

Upper Merion Township	Montgomery Co. - CFA
Slots - \$10,051	Slots - \$10,051
Tables - \$2,764	Tables - \$2,764



Parx Casino opened on December 19, 2006 in Bucks County, Bensalem Township and is a thoroughbred racetrack. As of June 30, 2012 the casino employed 1,744 individuals.

Table Game Revenues FY 2011-12

Average Number of Table Games in June 2012	182
Gross Revenue	\$116,911,523
Taxes and Fees	\$19,698,439
Non-Banking Tables	50
Gross Revenue	\$17,140,192
Banking Tables	113
Gross Revenue	\$95,898,544
Electronic Tables	0
Gross Revenue	\$953,389
Fully Automated Electronic Tables	19
Gross Revenue	\$2,919,398

Slot Revenues FY 2011-12

Average Number of Slot Machines in June 2012	3,540
Wagers	\$5,186,920,980
Payouts	\$4,698,629,962
Promotional Plays	\$100,330,219
Adjustments	-\$3,913
Gross Terminal Revenue	\$387,956,886
Taxes and Fees	\$213,203,907

Taxable Slot Wins Per Day

July 2011	\$308.49
August 2011	\$280.02
September 2011	\$293.92
October 2011	\$280.88
November 2011	\$283.51
December 2011	\$292.11
January 2012	\$288.62
February 2012	\$336.22
March 2012	\$340.06
April 2012	\$311.69
May 2012	\$297.59
June 2012	\$300.26

Local Share Distribution FY 2011-12

Bucks County	Bensalem Township
Slots - \$7,704,659	Slots - \$10,171,286
Tables - \$1,193,408	Tables - \$1,193,408

*includes \$7.5 million Table Games Certificate Fee



SugarHouse Casino opened on September 23, 2010 in the City of Philadelphia. As of June 30, 2012 the casino employed 1,098 individuals.

Table Game Revenues FY 2011-12

Average Number of Table Games in June 2012	54
Gross Revenue	\$81,208,409
Taxes and Fees	\$12,993,346
Non-Banking Tables	0
Gross Revenue	\$0
Banking Tables	54
Gross Revenue	\$81,208,409
Electronic Tables	0
Gross Revenue	\$0
Fully Automated Electronic Tables	0
Gross Revenue	\$0

Slot Revenues FY 2011-12

Average Number of Slot Machines in June 2012	1,602
Wagers	\$2,175,238,929
Payouts	\$1,950,098,899
Promotional Plays	\$35,323,438
Adjustments	\$0
Gross Terminal Revenue	\$189,816,592
Taxes and Fees	\$103,063,264

Taxable Slot Wins Per Day

July 2011	\$301.31
August 2011	\$301.14
September 2011	\$322.26
October 2011	\$309.55
November 2011	\$306.31
December 2011	\$316.39
January 2012	\$313.35
February 2012	\$392.94
March 2012	\$376.37
April 2012	\$325.29
May 2012	\$331.04
June 2012	\$328.49

Local Share Distribution FY 2011-12

Phila. School District	Philadelphia City
Slots - \$4,855,788	Slots - \$2,547,438
Tables - \$820,695	Tables - \$775,521



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, 2012 the casino employed 1,883 individuals.

Table Game Revenues FY 2011-12

Average Number of Table Games in June 2012	125
Gross Revenue	\$80,480,429
Taxes and Fees	\$13,106,840
Non-Banking Tables	35
Gross Revenue	\$9,923,310
Banking Tables	86
Gross Revenue	\$69,880,734
Electronic Tables	0
Gross Revenue	\$0
Fully Automated Electronic Tables	4
Gross Revenue	\$676,385

Slot Revenues FY 2011-12

Average Number of Slot Machines in June 2012	2,794
Wagers	\$3,285,687,313
Payouts	\$2,944,174,232
Promotional Plays	\$77,942,616
Adjustments	\$0
Gross Terminal Revenue	\$263,570,464
Taxes and Fees	\$147,824,440

Taxable Slot Wins Per Day

July 2011	\$249.45
August 2011	\$225.74
September 2011	\$237.41
October 2011	\$229.68
November 2011	\$236.40
December 2011	\$232.81
January 2011	\$218.10
February 2011	\$272.30
March 2011	\$288.28
April 2011	\$263.50
May 2011	\$259.40
June 2011	\$253.30

Local Share Distribution FY 2011-12

Delaware County	Chester City
Slots - \$5,315,814	Slots - \$9,953,534
Tables - \$828,691	Tables - \$828,691

PGCB Expands on Promise to Make Its Work Transparent to the Public

The Pennsylvania Gaming Control Board remains dedicated to assisting the public in gaining access to its work and decision-making, while also visiting communities across the Commonwealth to discuss legalized gaming and answer citizens' questions.



Speakers Bureau

The Board also is interested in making sure that citizens are well-informed of the impact of legalized casino gaming in Pennsylvania. To facilitate that mission, the Board created a Speakers Bureau to provide face-to-face interaction with organizations that want to learn more about the work of this agency and the gaming industry. Since the start of 2010, over 100 speaking events have been requested, primarily through the Board's on-line request form, and Board members or other agency personnel have responded with presentations. These talks are designed to provide insight into the Commonwealth's casino oversight efforts along with information about such subjects as tax revenue, jobs, crime and problem gambling.



Permanent Public Meeting Space

Beginning in December 2011, the Board established a permanent location for its meetings on the second floor of the Strawberry Square Complex in downtown Harrisburg to better assist the public interested in attending meetings. The location, adjacent to the popular food court, not only provides a more easily accessible location, but is also equipped with improved audio-visual equipment.



Live Streaming of Board Meetings

On February 8, 2012, the Board began live video streaming of its public meetings through its web site. The addition of live streaming video supplements the Board's posting since May 2010 of recorded videos of its meetings and public hearings. The use of web streaming technology now permits persons to easily view the work of the PGCB even if unable to attend in person.

Vision Statement

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

Mission Statement

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



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