



PENNSYLVANIA



CONTROL BOARD

2015 ~ 2016 ANNUAL REPORT



David M. Barasch

## Chairman's Message

It is my honor and privilege to serve as Chair of the Pennsylvania Gaming Control Board and to work with my six Board colleagues and a talented and dedicated staff to provide oversight of the Commonwealth's casino industry.

Nearly ten years ago, original members of the new Pennsylvania Gaming Control Board awarded the first slot machine licenses permitted by the Commonwealth. Along with those historic licensing decisions, the Board in its early years also approved significant volumes of regulations that formed the oversight framework of this nascent industry.

Today, while the faces of the Board have changed, our public responsibilities have not. Our work includes licensing, whether of a new casino operator or a single casino employee. And we continue to implement new regulations to meet changes in the industry with the goal of ensuring the highest integrity in this industry.

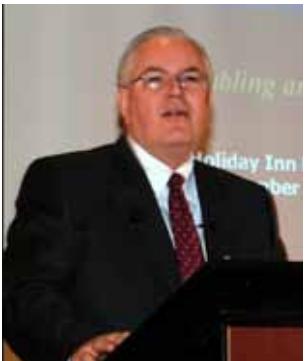
I and my fellow Board members share a clear understanding that our most important mission is to protect the public's interests, maintaining an atmosphere of strict regulation while allowing the Commonwealth's regulated casino industry to flourish.

Indeed, we continue to see Pennsylvania's casino operators grow their market in an increasingly competitive atmosphere with both slot machine and table game revenue growing in the past fiscal year. One of the many benefits to Pennsylvanians from this revenue is the funding of school property tax reductions for all homeowners, along with wage tax reductions in Philadelphia, for the ninth consecutive year.

There are other good indicators of a healthy Pennsylvania casino industry. The purchase of goods and services by the casinos with other Pennsylvania businesses topped \$400 million annually. Furthermore, for the first time, employment in the industry we regulate topped 18,000 persons.

I hope this annual report provides you with more detailed information about our work on behalf of the citizens of Pennsylvania. As always, we welcome your feedback.

David M. Barasch  
Chairman



Kevin F. O'Toole

## Executive Director's Message

In the previous ten annual reports of the Pennsylvania Gaming Control Board, we have outlined the growth of the Commonwealth's casino industry and this agency's role in providing the high-level of regulation expected by the public while still fostering a business atmosphere that allows casinos to maximize revenues and jobs. I am happy to report in this eleventh edition that both of these were accomplished during the 2015-2016 Fiscal Year.

The Gaming Control Board strives to ensure that its regulatory work is available and transparent. In these pages and on our web site, [www.gamingcontrolboard.pa.gov](http://www.gamingcontrolboard.pa.gov), we provide access to detailed information on how we meet our mission such as videos and transcripts of our public meetings and hearings; casino-by-casino and statewide revenue information; press releases and other reports such as on diversity and horse racing; and, a list of individuals who have been banned from entering Pennsylvania casinos. To even better inform the public of our work, we also have provided talks to nearly 100 organizations so they better understand the impact that the casino industry has in every area of the Commonwealth.

We are also available to receive your thoughts on how you think we are doing and invite you to contact us via e-mail at [pgcb@pa.gov](mailto:pgcb@pa.gov).

Kevin F. O'Toole  
Executive Director



## BOARD MEMBERS



William H. Ryan, Jr.  
Board Member  
Designated by the Governor



David M. Barasch  
Chairman  
Designated by the Governor



David W. Woods  
Board Member  
Designated by the Governor



Keith R. McCall  
Board Member  
Designated by the  
Minority Leader of the  
House of Representatives



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



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  
Eileen H. McNulty  
Ex-Officio Member  
Secretary of Revenue



The Honorable  
Timothy A. Reese  
Ex-Officio Member  
State Treasurer



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



◀ Susan Hensel | Director, Bureau of Licensing



## BUREAU OF LICENSING

The Bureau of Licensing implemented updated regulations to improve its oversight of the individuals and entities licensed to work in the casino industry. The changes continued the Bureau's goal of encouraging industry success while protecting the integrity of gaming through licensure.

In the last fiscal year, the Bureau received more than 10,000 applications and oversaw the approvals of and, where required, prepared suitability reports for: five casino licensee renewals, seven manufacturer renewals and one initial manufacturer license, three manufacturer designee renewals, one supplier renewal, six gaming junket licenses, 38 certified gaming service providers and 193 registered gaming service providers.

Bureau highlights during the 2015-2016 Fiscal Year:

- Reviewing agreements, corporate

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structures and applications associated with the proposed purchase and change of control for the Meadows Racetrack & Casino.

- Working with the casinos and other PGCB bureaus to implement new regulations that call for the renewal of non-gaming applications every four years, a change expected to require the filing of an approximately 1,000 additional applications per year.
- Processing several hundred gaming and non-gaming applications for the SugarHouse Casino to ensure the casino had the employees needed for its 2016 expansion.
- Developing a new and automatically generated list of individual application statuses for the PGCB website to ensure daily updates to the nearly 47,000 gaming and non-gaming applicants who are listed.

- Continuing to develop fillable applications and forms for applicants and entities including a request form for dealer schools and forms for Enterprise Licensing Unit applications.
- Fielding more than 3,800 calls from applicants, casinos and other individuals with questions about completing applications, application statuses and other information.
- Working with information technology to enhance the system used to review disbursement reports which account for more than \$1.5 billion in annual casino spending to ensure compliance with gaming regulations.
- Implementing regulations that require publicly traded gaming service provider applicants to renew every four years.
- Preparing transmittal memos for the deposit of more than 1,800 checks totaling more than \$4.3 million worth of application and license fees.
- Enhancing procedures for the receipt and deposit of checks for application and license fees to capture check images electronically so they can be stored, retrieved and reconciled securely and efficiently.
- Producing nearly 12,000 board credentials for employees working in Pennsylvania casinos.
- Scanning nearly 700,000 pages of application information for review by agency staff in various bureaus.

Applications Approved by Type:	FY 7/1/15 - 6/30/16
Category 1	2
Category 2	2
Category 3	1
Slot Machine Manufacturer	3
Slot Machine Manufacturer Designee	2
Table Game Manufacturer	4
Table Game Manufacturer Designee	1
Slot Machine Supplier	1
Table Game Supplier	0
Management Company	0
Affiliate	67
Key Employee	67
Principal	198
Principal Entity	37
Junkets	4
Gaming-Level 2	1,311
Gaming	4,682
Non-Gaming Employee	2,707
Certified/Registered/Notifications	
Gaming Service Providers,	
Affiliates, Employees	1,100
<b>TOTAL</b>	<b>10,189</b>

Number of Applications:	FY 7/1/15 - 6/30/16
Received	10,534
Approved	10,188
Denied	60
Surrendered	106
Withdrawn	526
Not Accepted	1
Revoked	62
Suspended	14



## OFFICE OF DIVERSITY



Pursuant to §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 legalized gaming. The PGCB 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.

As of June 30, 2016, the casinos/resorts employed a total of 18,033 individuals. Residents of the Commonwealth comprise 89% of the casinos' workforce. Approximately 43% of the employees are females while 36% of those employed at the casinos are racial minorities. Executive/Management/Professional staff at the casinos consists of a total of 2,537 individuals. Of this total 62% are male, 38% are female and 23% are racial minorities. The casinos' training and retention efforts have resulted in thousands of internal promotions. Additionally, the casinos continue to work to meet the goals of the legislature in the area of table games employment. Pennsylvania residents currently comprise 81% of table games employees.

The casinos' supplier diversity programs continue to create opportunities for local business entities. Casinos have worked to create environments where procurement professionals are supported by executive level staff in diversifying the supply of goods and services. Through relationships with minorities, women and local businesses, the casinos have been able to merge objective market knowledge and identify areas with competitive purchasing potential.

The casinos are committed to increasing opportunities to qualified businesses that are capable of providing exceptional services at best value. The casinos continue to support awareness and outreach initiatives among current and potential suppliers. These programs include, but are not limited to: vendor fairs and networking events for diverse groups; visiting vendor sites to determine their capability to meet supplier requirements for the facilities; establishing economical payment plans mutually agreed upon by the vendors and purchasing managers at the casinos; conducting workshops and other activities to increase awareness on the part of diverse groups concerning the types and volumes of goods and services the casinos purchase in the course

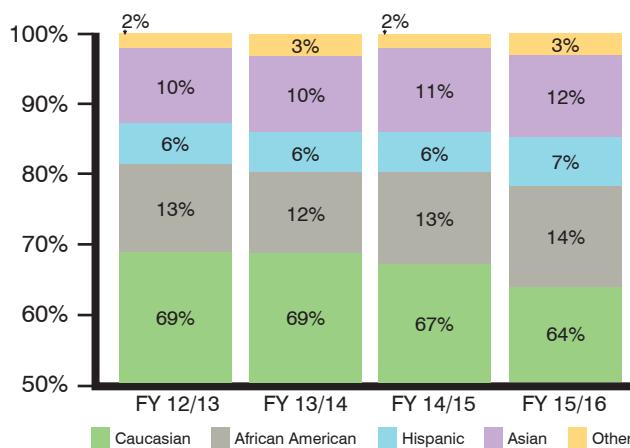
of business operations; advertising in media targeted towards diverse groups; engaging in strategic partnerships with local chambers of commerce and mentoring small businesses. Moreover, the casinos support organizations promoting supplier diversity and economic empowerment, such as the Minority Supplier Development Council and the Women's Business Enterprise Council for Pennsylvania, Delaware and New Jersey. Expenditures for each licensed facility are available in the PGCB's Gaming Diversity Report.

Community outreach, sponsorships and donations to charitable causes continue to be a priority for the casinos. As in previous years, casino employees routinely volunteer thousands of hours to various organizations, fund raisers, neighborhood revitalization efforts, and educational pursuits throughout the Commonwealth. The casinos have distributed approximately \$87 million towards philanthropic activities since 2006.

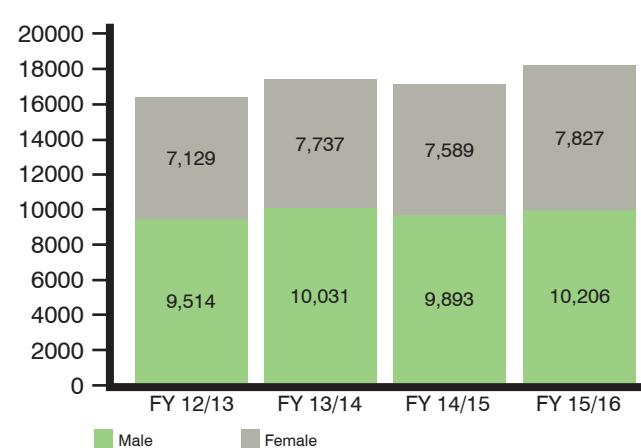
The PGCB remains committed to monitoring the activities of the Commonwealth's licensed casinos in promoting diversity and ensuring compliance with the Act.

### Statewide

#### Employment by Race



#### Employment by Gender





◀ 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;
- Directing problem gamblers and their families to compulsive gamblers assistance organizations' toll-free helplines for crisis counseling, referral services and treatment.
- Heightening public awareness of the dangers of compulsive, problem, intoxicated and underage gambling;
- Developing prevention programs and harm reduction tools for gamblers;
- Creating new problem gambling materials and outreach programs;
- Establishing education materials for residents of all ages.

During the 2015-2016 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.



The OCPG supported and participated in National Problem Gambling Awareness Month (NPGAM), a grassroots public awareness and outreach campaign held during the entire month of March. The OCPG created informational documents to hand out during NPGAM in Harrisburg at Strawberry Square and the Capitol. The OCPG also participated in Senior Expos and Health Fairs throughout the Commonwealth to promote the recognition of problem gambling, while Elizabeth Lanza, the OCPG Director, also made public presentations at several events, including Temple University's Addictions Conference and the Council on Compulsive Gambling of Pennsylvania's (CCGPA) annual statewide conference. Lanza also had the honor of receiving the CCGPA's Person of the Year award during this year's conference.

**Through June 30, 2016, data from Pennsylvania's self-exclusion program, which is based upon responses from individuals during the intake interview, shows that:**

There are a total of  
**10,134**  
individuals that have requested Self-Exclusion

**6,076 or 60%**  
are males and  
**4,058 or 40%**  
are females

Individuals range between  
**21 and 95**  
years of age.

**1,826**  
of the self-excluded individuals are currently involved in a treatment program (including Gamblers Anonymous) or have sought treatment in the past.

**529 or 17%**  
who have removed themselves have voluntarily requested to be placed back on the self-exclusion list.

**5,626 or 56%**  
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



## HAT'S REALLY AT STAKE

The Pennsylvania Gaming Control Board launched a multi-faceted public service campaign to warn youth and parents about the dangers of attempting to gamble at a PA casino when underage.

The campaign is titled "What's Really at Stake" and is designed to raise awareness among youth that it is illegal to gain access to a casino floor in Pennsylvania under the age of 21, convey the numerous consequences of underage gambling, and demonstrate the link between underage gambling and other negative behaviors.

Additionally, the campaign provides messages to parents and friends who all too often facilitate gambling by an underager.

"Throughout the years of legalized casino gaming in Pennsylvania, there have been thousands of attempts by individuals under the legal casino gambling age of 21 to enter a facility," says Gaming Control Board Executive Director Kevin O'Toole. "Our concern

is not just that these underagers gain access to the casino floor then gamble or consume alcohol, but the consequences that decision can have that may follow that young person for many years."

Those consequences can include:

- A criminal record, which could:
  - interfere with future employment
  - affect college acceptance
  - affect higher education student loans and grants
- A negative credit record on the young person and, possibly, parent(s) when significant sums of money are lost on gambling;
- Greater likelihood of developing a gambling disorder later in life.

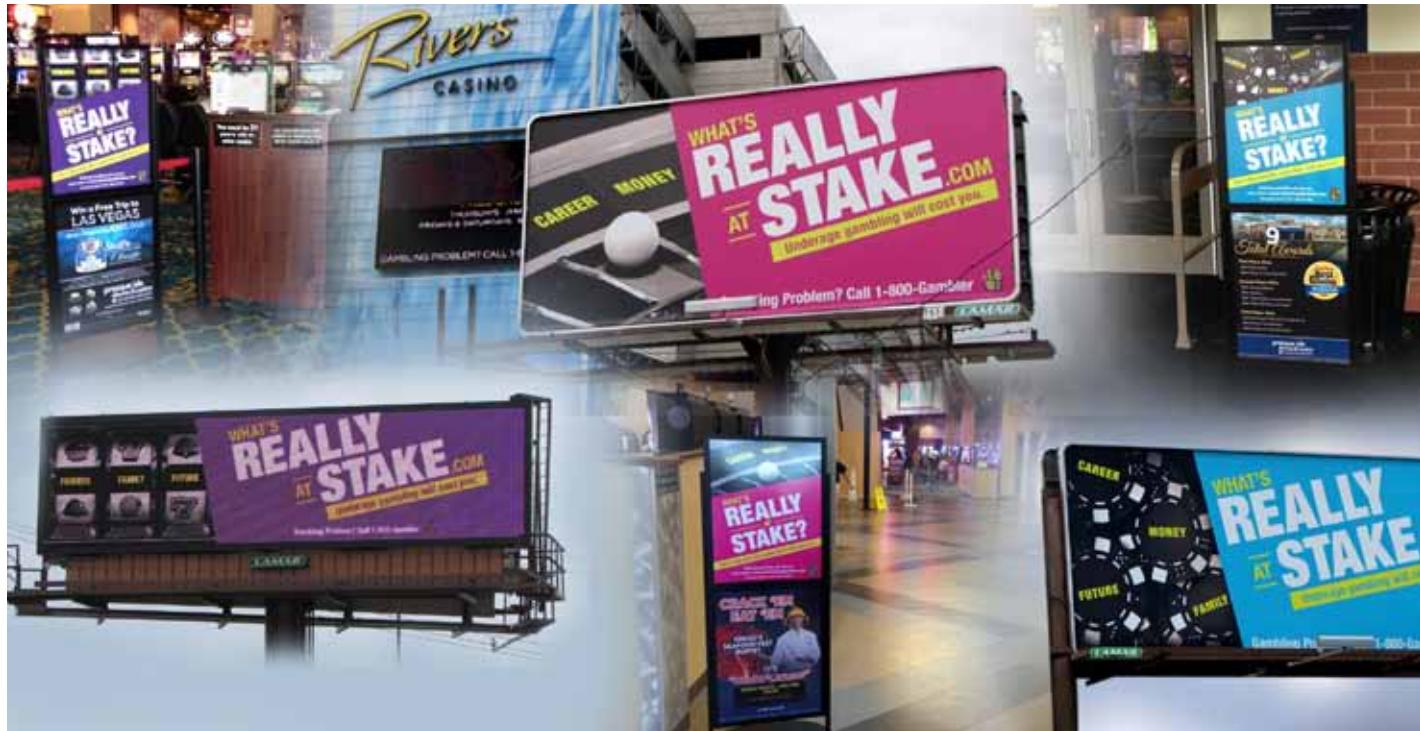
Additionally, the Gaming Control Board regularly bans these offenders, along with those who are of legal gambling age but assist underagers in gaining access into the casino, from entering and gambling at any Pennsylvania casino. To date, 107 underage individuals have been placed

on this Involuntary Exclusion list along with 32 other individuals who were 21 or older and assisted an underage patron gain access. The photos and names of these individuals are posted to a public page on the Gaming Control Board's web site.

The campaign elements for disseminating its message include:

- A website, [www.whatsreallyatstake.com](http://www.whatsreallyatstake.com)
- Social media posts on Facebook, Twitter and Tumblr
- Targeted advertisements
- Videos
- Billboards
- Posters in and around casinos

No taxpayer funds were used to finance this campaign. Instead, all funding for this campaign is derived from confiscated winnings of voluntary or involuntary excluded patrons who illegally entered a Pennsylvania casino, gained winnings, and were caught in the facility.





## BUREAU OF GAMING LABORATORY OPERATIONS

### Bureau of Gaming Laboratory Operations

The Bureau of Gaming Laboratory Operations (GLO) is responsible for the performance and integrity of slot machines and associated equipment in Pennsylvania casinos. The GLO has two critical functions, statistical analysis and engineering review.

#### Engineering Reviews:

A team of Engineers is responsible for evaluating all gaming devices for compliance with the minimum design standards, reviewing modifications to gaming devices and ancillary equipment, and conducting investigations of regulatory violations. All casino related products are thoroughly tested in its 5,100 square foot lab to certify regulatory compliance with all minimum design standards regarding security and, in the case of slot machines, the 85% minimum payback mandated by law as well as the testing of automated shufflers, progressive

systems, electronic table games, and other equipment necessary to conduct gaming. Additionally, communication between the thousands of operating slot machines and the Central Control Computer System are checked, the communication of each machine with a casino's in-house monitoring system is verified, and analysis of voucher

redemption machines is performed. Over the past fiscal year, in order to reduce the turnaround time for approval for new slot machine games, the GLO began to accept testing and certification documentation from private independent laboratories on the slot machine manufacturer's behalf.

#### Statistical Analysis:

A team of Statisticians are responsible for evaluating the theoretical return for every slot gaming theme submitted for review, the analysis of progressive reward payouts and random number generators. Table game rules are also verified by the statistical review team for calculation of the house advantage.

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.



## OFFICE OF INFORMATION TECHNOLOGY

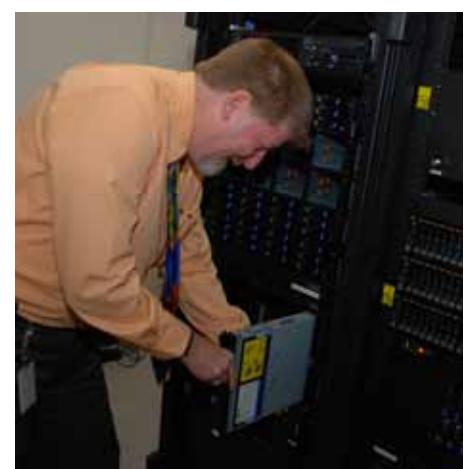
### Office of Information Technology

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

The OIT is responsible for the continued support and development of applications to assist PGCB staff in both the licensing and enforcement of gaming in Pennsylvania. The OIT also provides the daily support of all

technology for employees, including oversight and maintenance of all computers, servers, networks, software, and telecommunications equipment.

Over the past fiscal year the OIT has been working on an infrastructure upgrade project to enhance the Board's effectiveness and network speed within the Harrisburg office, satellite locations and casinos. Additionally, the Board has upgraded to the latest version of the FileNet solution, as well as a health check of those systems to make sure the performance is at the highest levels of productivity.





## BUREAU OF CASINO COMPLIANCE



The Bureau of Casino Compliance, in furtherance of the Board's mission to secure the integrity of gaming and the safety of patrons, provides round-the-clock representation at each casino. The responsibilities of the Casino Compliance Representatives (CCR's) assigned to each casino throughout the Commonwealth include the following: to receive and process patron complaints, to insure that revisions to the licensee's gaming floor are done in accordance with the Board's approval, to issue temporary license badges to employees of the casino, to observe the collection of table game drop boxes and the counting of table game revenue, and to generally monitor the gaming activity occurring on the gaming floor.

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 is 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's also addresses the issue of Compulsive and Problem Gaming along with its proper oversight and attention by

the casino. The CCR's 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.

The Bureau of Casino Compliance also works cooperatively with regulatory agencies in neighboring 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.

As the Pennsylvania gaming industry continues to evolve, the Bureau of Casino Compliance will remain prepared for both the expansion of existing casinos and the opening of new facilities. 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. For example, this past year, the Bureau of Casino Compliance fully implemented

and maintains a voluntary credit exclusion program for patrons of PA casinos.

The Bureau of Casino Compliance also performs the role of coordinating the PGCB's oversight of gaming floor plan changes, including the number and location of slot machines & table games and any changes to the casino licensee's approved gaming floor area.

### Technical Field Operations:

Additionally, the Bureau of Casino Compliance is responsible for the technical compliance of the slot machine floor, table game floor and the IT room of every casino.

This area is 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 of regulations concerning the laboratory on the gaming floor; and, enforcing the legally-mandated slot machine theoretical payback threshold (between 85% and 100%) during game inspections.

Licensed Operators	Slots*	Tables*	Gaming Floor (sq. ft.)*
Mohegan Sun Pocono	2,332	91	85,682
Parx Casino	3,501	184	176,592
Harrah's Philadelphia Casino and Racetrack	2,800	107	106,102
Presque Isle Downs and Casino	1,588	40	59,356
The Meadows Racetrack and Casino	3,168	82	125,215
Mount Airy Casino Resort	1,868	80	67,746
Hollywood Casino at Penn National	2,384	73	99,356
Sands Casino Resort Bethlehem	3,013	237	145,913
Rivers Casino	2,969	122	138,140
SugarHouse Casino	1,889	132	90,611
Valley Forge Casino Resort	600	50	33,222
Lady Luck Casino Nemacolin	597	29	26,016

\*Maximum number of Slots, Tables and Gaming Floor (sq. ft.) approved for use as of June 30, 2016



◀ Paul Resch | Director, Bureau of Gaming Operations



## BUREAU OF GAMING OPERATIONS

The Bureau of Gaming Operations (BGO) works closely with the gaming industry to ensure the integrity of slot machine and table game operations at the Commonwealth's 12 casinos. Comprised of Compliance and Audit units, BGO reviews internal controls and performs audits to ensure casino games are conducted fairly and in accordance with the law and PGCB regulations.

### Compliance Unit

Compliance Unit staff review internal controls and other required regulatory submissions including table game rules submissions, gaming guides, dealer training programs, tournament rules and schedules, and table game equipment submissions. Examples of equipment submissions include cards, dice, chips, signs and layouts used in table game operations.

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

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

- counting and recording of slot machine and table game revenue;
- safety of patrons including adequate security and surveillance coverage;

- prevention of underage gambling;
- safeguarding of casino assets including controlled access to sensitive keys and restricted areas; and,
- issuance of casino credit.

In Fiscal Year 2015-2016, the Compliance Unit staff reviewed 568 internal control amendments, 466 table game submissions and 103 slot tournament submissions.

BGO staff also developed table game rules submission forms for three new table games:

- Saigon 5 Card
- 21 Baccarat
- Three Card Prime

Licensees use the BGO's rules submission forms, which are in checklist format, to specify the approved rule variations and pay tables they will use when offering a table game for play. This allows PGCB onsite staff and auditors to ensure the games are conducted in accordance with the Board's regulations.

### Audit Unit

The Audit Unit performs regulatory compliance audits to determine if a casino has complied with applicable gaming laws, regulations and approved internal controls, and to ensure the proper reporting of gaming revenue to the Commonwealth.

BGO audits focus on key areas of casino operations including: cage operations, drop and count, surveillance, table games, casino credit, compulsive and problem gambling, slot jackpot

payouts, access to restricted areas and control of sensitive keys.

Auditors obtain an understanding of the licensees' slot machine and table game operations through observation of gaming operations, examination of records and interviews with casino personnel. Audit reports include recommendations for corrective action and a response from the licensee to each finding of non-compliance. All findings are forwarded to the Office of Enforcement Counsel for review. During FY 2015-2016, the Audit Unit staff performed 15 audits, which included at least one at 11 of the 12 casinos. Of the 15 audits performed, five examined licensees' compliance with the gaming laws and regulations pertaining to the issuance of casino credit. The remaining 10 audits examined the topics described above as well as follow-up to prior audit findings.

The Audit Unit also reviews grant contracts under the Local Law Enforcement Grant Program. The PGCB is authorized to award up to \$2 million annually in grants to local law enforcement agencies and the Pennsylvania State Police for the purpose of investigating, enforcing and preventing unlawful gambling. During FY 2015-2016, audit staff reviewed grant contract documents for eight local law enforcement agencies that received grants. The review involves an examination to determine if grant funds appear to have been properly allocated and expenditures accounted for in accordance with grant guidelines, the grant agreement and the approved project description and budget.

### The Bureau of Gaming Operations accomplished the following in FY 2015-2016:

Reviewed <b>568</b> internal control amendments	Reviewed <b>466</b> table game submissions	Performed <b>15</b> compliance audits	Reviewed <b>103</b> slot tournament submissions	Reviewed <b>8</b> local law enforcement grants
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## OFFICE OF RACETRACK GAMING



The Office of Racetrack Gaming serves as the Pennsylvania Gaming Control Board's liaison between the gaming and horse racing industries in order to support the legislative intent of legalized gaming to assist the horse racing industry. In addition, the Office of Racetrack Gaming regularly assists the Bureau of Gaming Operations in all areas of its responsibility including, but not limited to, the review of internal controls, table game operations, and promotional activities conducted at all twelve casinos. For example, in Fiscal Year 2015-2016, the Office of Racetrack Gaming reviewed the rules to approximately 5,000 promotions that were submitted by the twelve licensed casinos.

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

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

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

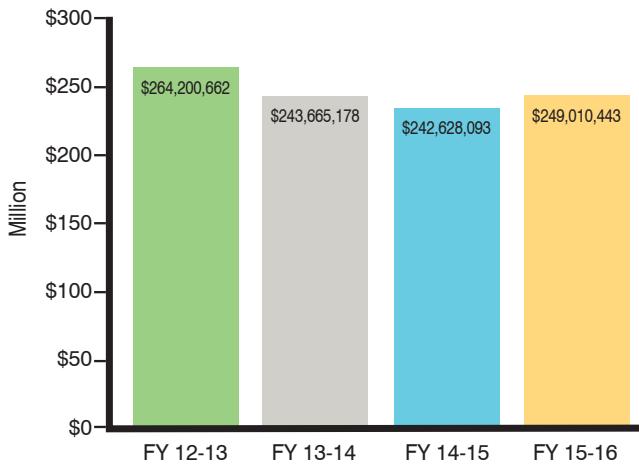
In Fiscal Year 2015-2016, \$249 million in slot machine tax revenue was generated for the Pennsylvania Race Horse Development Fund. This revenue is utilized to significantly enhance purses, provide health and pension benefits for horsemen, and assist breeding operations throughout the Commonwealth. The working conditions for horsemen have also been drastically improved as the racetrack casinos have invested an additional \$65 million to improve the infrastructure on the backside of racetracks since 2006. These resources and improvements provide stability for

individuals working within the industry who are investing directly into the Commonwealth's economy.

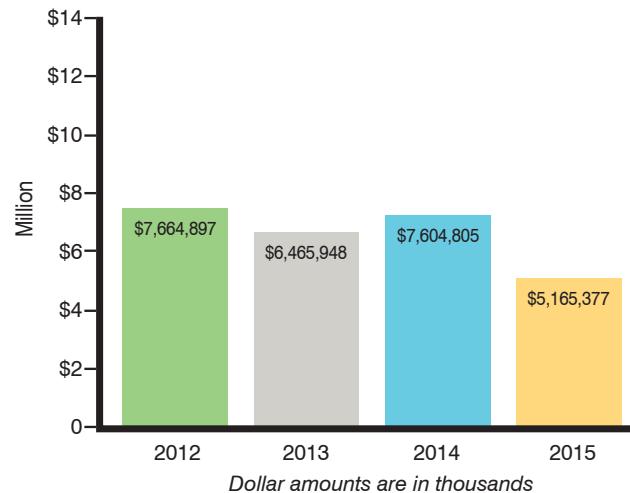
The Office of Racetrack Gaming also ensures each casino and racetrack operator submits an annual report summarizing how the introduction and expansion of gaming has fulfilled the intent of the Act to enhance live racing at the casino along with plans to promote live racing and increase both live handle and daily attendance at the racetrack.

The Office of Racetrack Gaming released its ninth annual Benchmark Report in April 2016 which provides a comprehensive overview of the benefit slot machine gaming revenue provides for the horse racing industry in Pennsylvania. This report also details key indicators within horse racing which outline the health of the industry over the past five years and can be downloaded at this link: [http://gamingcontrolboard.pa.gov/files/reports/2015\\_Pari-Mutuel\\_Benchmark\\_Report.pdf](http://gamingcontrolboard.pa.gov/files/reports/2015_Pari-Mutuel_Benchmark_Report.pdf).

**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 legislative proposals, administration, personnel, budget, operations, licensing and all other matters that may emerge in the course of regulating casino gaming. Additionally, the OCC serves as the Board's legal representative in various court proceedings, including appeals of Board decisions. Furthermore, the OCC oversees the ongoing repayment by casino operators of \$63.8 million that was borrowed from the Property Tax Relief Reserve Fund to fund the agency in its infancy, as well as the administration of local law enforcement grants for the purpose of combatting illegal gambling in the Commonwealth.

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**Licensing:**

The Licensing Section of the OCC advises and assists the Bureau of Licensing in all matters involving the licensing process, including the application process and on any licensing 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 by reviewing the quarterly responses required for each licensee. Over the past year, the Licensing Section produced renewal suitability reports for casinos currently operating in Pennsylvania and for numerous slot machine and table game manufacturers, manufacturer designees, suppliers, junkets and gaming service providers.

**Regulatory Review:**

The 2015-2016 Fiscal Year was dedicated to crafting regulations to bring a new gaming technology into the Commonwealth, expanding the compliment of table game options available for play in all licensed facilities and revising the agency's existing body of regulations and policies. The rulemakings approved by the Board addressed a wide range of topics, including the promulgation of temporary regulations and statements of policy on rules of play for new table games and side wagers and regulations on a new hybrid gaming system which combines

live table game play with slot machine style wagering. In all, the Board adopted ten rulemakings and statements of policy throughout the fiscal year.

**Litigation:**

The Litigation Section of the OCC provides counsel to the Board on matters including licensing, emergency suspensions, enforcement actions, petitions for relief, suspensions, revocations, consent agreements, withdrawals of applications, surrenders of licenses, placement of individuals on the Board's exclusion list, and Reports & Recommendations generated by the Board's Office of Hearings and Appeals. In total, during Fiscal Year 2015-2016, the OCC reviewed and provided legal advice to the Board on 450 such matters.

During the same period of time, the Litigation Section represented the Board before judicial and administrative tribunals in which the Board was named as a party. These cases involved both original jurisdiction matters and appeals of Board decisions, and included areas as diverse as employment law, the Right-To-Know Law and, of course, the Pennsylvania Race Horse Development and Gaming Act.



## OFFICE OF HEARINGS AND APPEALS



The Office of Hearings and Appeals (OHA) is responsible for receiving and processing all filings to the Board through the Board's Clerk, as well as conducting hearings utilizing administrative hearing officers, building records, and producing Reports and Recommendations for the Board's consideration. This year brought a staffing change when Lyndsey Wanich was promoted to the Board Clerk position in January 2016.

In a continuing effort to make the hearing process at the OHA

cost effective for all participants and operators, the Board acquired technology to allow Board staff located in the casinos around the state the ability to participate in hearings as witnesses without the need for travel to Board office locations.

OHA also arranged and conducted two License Renewal hearings for the following operators:

- July 2015 – SugarHouse HSP Gaming, LP, operator of the SugarHouse

### Casino in Philadelphia

- April 2016 – Mount Airy Casino #!, LLC, operator of the Mount Airy Casino Resort in Monroe County

From July 1, 2015 through June 30, 2016 the Board's Clerk received approximately 2,757 filings to be processed. The breakdown of the types of filings for the past two fiscal years, as well as other information, is as follows:

TYPES OF FILINGS	FY 7/1/15 - 6/30/16	FY 7/1/14 - 6/30/15
Petitions	359	311
Answers/Motions/Misc.	1,375	1,221
Enforcement Actions	111	110
Requests for Oral Hearing	79	61
Reports and Recommendations Issued	72	68
Exceptions	17	9
Disposed Hearing Files	44	46
Board Orders	636	527
OHA Orders	108	94
Total Orders Processed	744	621
Hearings Conducted by OHA	85	92
Records Certified to Courts	2	1 (and 3 supplements to records filed previous year)
Requests for Documents	65	30



◀ Cyrus Pitre | Chief Enforcement Counsel



## OFFICE OF ENFORCEMENT COUNSEL

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

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

During Fiscal Year 2015-2016, these functions resulted in the OEC handling 3,670 legal regulatory matters.

### Background Investigations

The OEC is responsible for reviewing and making recommendations regarding the suitability of initial applicants and renewal applicants for licensure by the

Board. In this role, the OEC is tasked with preparing background investigation reports, issuing and prosecuting denial recommendations, answering withdrawal requests, and assisting the Bureau of Investigations and Enforcement (BIE) during the background investigation process.

### Regulatory Enforcement

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

In this role, the OEC is the hub wherein all potential non-criminal violations of the Act and Regulations come for resolution. The OEC receives potential violation referrals from within the agency through the various Offices and Bureaus and at times, from the Board members. The OEC also receives violation referrals

from the general public, licensees, the PA General Assembly, state, federal, and foreign government agencies, etc. Once received, those violation referrals that require investigative work are forwarded to the BIE with as-needed guidance from the OEC. Once the BIE completes its investigation, the report is forwarded to the OEC for review and appropriate action. When violation referrals do not necessitate an investigation by BIE, the OEC, through its own initiative, takes the appropriate action.

### Petition Responses

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

**Between July 1, 2015 and June 30, 2016 the following statistics are attributed to OEC's work on background investigation, regulatory enforcement, and petitions filed with the Board:**

Background Investigation Reports	1,739	Compliance Conferences	13
Sworn Interviews	10	Consent Agreements	35
Application Withdrawals Processed	346	Enforcement Complaints	109
Petitions Answered	95	Exclusion Petitions	194
Administrative Hearings	85	Patron Complaint Responses	8
Gaming/Nongaming Legal Reviews	339	Regulatory Violation Fines/Penalties Assessed	\$560,000
Demand Letters Issued	130	Regulatory Violation Expenses Reimbursed	\$85,500
Recommendation of Application Denials Issued	97		
Warning Letters	470		



## BUREAU OF INVESTIGATIONS AND ENFORCEMENT



Pursuant to the Pennsylvania Race Horse Development and Gaming Act (Act), the Bureau of Investigations and Enforcement (BIE) operates as an independent bureau within the Gaming Control Board. The BIE's mission is to ensure the integrity of the Commonwealth's gaming industry and protect citizens' interests by conducting thorough suitability and enforcement investigations.

### Licensing Investigations

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

From its investigatory process, the BIE then prepares a comprehensive report detailing the applicant's background and suitability that includes not only FBI criminal history records, but also an examination of:

- regulatory information from other gaming jurisdictions;
- tax records;
- credit history and financial analysis;
- political contributions; and,
- court records including civil litigation.

The BIE's report of each investigation is then forwarded to the Office of Enforcement Counsel (OEC), who makes the recommendation for an applicant's suitability to the Board.

### Enforcement Investigations

The BIE also investigates all licensees and other persons regulated by the Board for non-criminal violations of

the Gaming Act. Examples of these investigations are an exclusion request for a patron passing counterfeit money; payments to prohibited vendors; employee misconduct; and, underage gaming. The BIE's investigatory reports on these various violations or complaints are also forwarded to the OEC for action.

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

Board, who determines suitability for a tavern gaming license.

### Financial Investigations

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

Investigation by Type:	FY 15/16	FY 14/15
Category 1	2	3
Category 2	2	1
Category 3	1	0
Slot Machine Manufacturer	3	4
Slot Machine Manufacturer Designee	2	0
Table Game Manufacturer	4	4
Table Game Manufacturer Designee	1	0
Slot Machine Supplier	1	3
Table Game Supplier	0	1
Management Company	0	1
Affiliate	67	47
Key Employee	67	107
Principal	198	171
Principal Entity	37	30
Junkets	4	1
Gaming--Level 2	1,311	838
Gaming	4,682	3,911
Non-Gaming Employee	2,707	1,764
Gaming Service Providers	1,100	1,123
Tavern Gaming Applicants	91	22
<b>TOTAL</b>	<b>10,280</b>	<b>8,031</b>



## BUREAU OF FINANCIAL MANAGEMENT & ADMINISTRATION

Within the Bureau is the Office of Financial Management (OFM) which develops and monitors the agencies annual budget and assists the Board in preparing both analysis 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.

In addition, the OFM:

- bills, collects, reports and monitors all agency generated revenue; and,
- posts on the PGCB Internet website, a list of all the itemized expenses of employees and members for each month that were reimbursed.

Also within this bureau is the Office of Human Resources (OHR) which:

- establishes, maintains and administers effective and comprehensive classification and compensation programs/policies;
- reviews and maintains the agency's organizational structure to ensure efficient operation and complement

control;

- coordinates a highly competitive benefits program; and,
- ensures that all employees work in a safe and fair environment.

The OHR staff support the board in achieving its goals and objectives by assisting managers in recruiting, retaining, and developing a talented and diverse workforce through the coordination of training and performance management programs. The OHR also strives to maintain a cooperative working relationship with the American Federation of State, County and Municipal Employees (AFSCME) who represent all professional, clerical, administrative and first-line supervisory positions at the PGCB.

In Fiscal Year 2015-2016 the OHR assisted the agency by:

- developing and implementing a comprehensive training schedule to ensure all managers and employees are aware of roles and responsibilities regarding critical employment policies

and procedures;

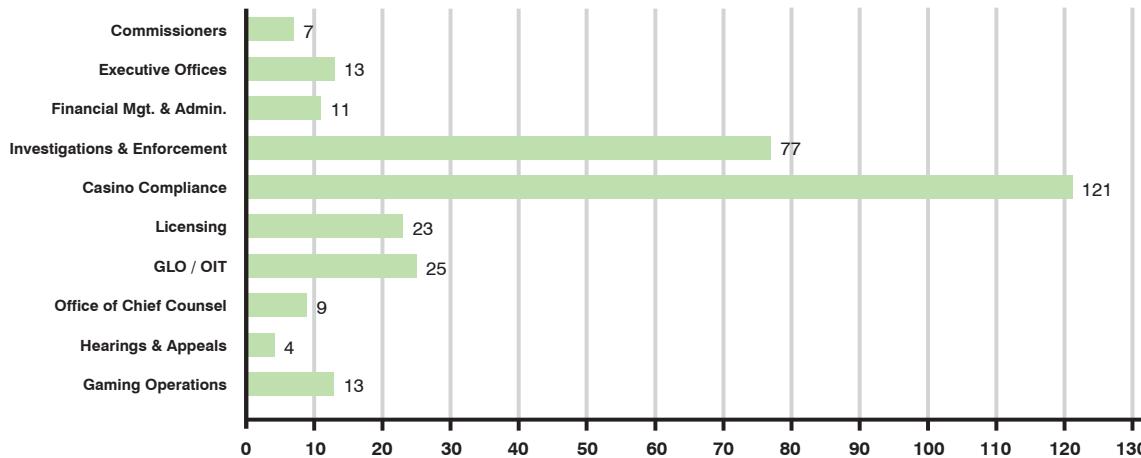
- assisting Bureaus with a review of staffing needs and structure resulting in an elimination of six positions; and,
- researching and recommending agency restructuring efforts designed to increase efficiency and decrease redundancies between Bureaus.

Additionally, within this Bureau is Office Services which manages the Board's day to day transportation needs, purchasing requirements, building security and operations of all PGCB offices. During the fiscal year, the employees of Office Services:

- reviewed building access and security needs then implemented several enhancements in the Harrisburg Office as well as at satellite offices;
- purchased requested goods and services related to the day to day operation of the board; and,
- reviewed all lease arrangements for cost savings including the relocation of the Conshohocken office at a substantial saving to the Board.

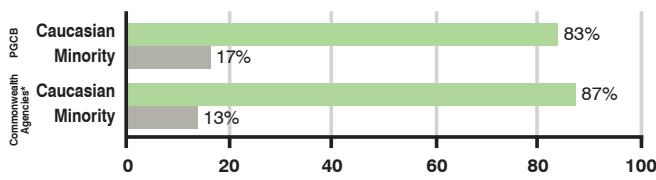
### Employees By Bureau

(as of June 30, 2016)



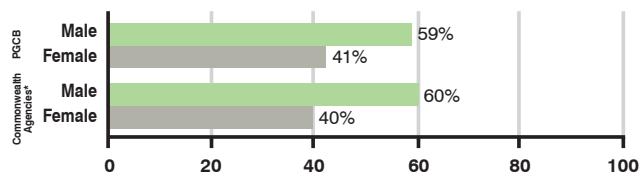
### Minority Representation

(as of June 30, 2016)



### Gender Representation

(as of June 30, 2016)





## 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 2015/2016, including reference to the agenda posted on the Board's website, is set forth below:

### Pennsylvania Gaming Control Board - Executive Session Log Fiscal Year 2015-2016

#### **7/7/2015**

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 7/8/2015.

#### **7/8/2015**

Quasi-judicial deliberation regarding Washington Trotting Association, Inc., GLP Capital, LP and Gaming and Leisure Properties, Inc., concerning a Joint Petition Concerning a Proposed Change of Control

#### **8/4/2015**

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 8/5/2015.

#### **9/1/2015**

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 9/2/2015.

#### **9/2/2015**

Quasi-judicial deliberation regarding Petition of Louis A. DeNaples to Modify Board Orders.

#### **9/9/2015**

Conference call to discuss administrative and personnel matters

#### **9/22/2015**

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 9/23/2015.

#### **10/20/2015**

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 10/21/2015.

#### **11/17/2015**

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 11/18/2015.

#### **12/8/2015**

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 12/9/2015.

#### **1/12/2016**

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 1/13/2016.

#### **1/13/2016**

Quasi-judicial deliberation regarding Endeka Entertainment, Inc.'s., Petition for Withdrawal of the Principal Application of Christine Biros and the Petition for Waiver of the Principal License Requirement for John Biros and Robert Biros

#### **2/9/2016**

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 2/10/2016.

#### **2/10/2016**

Quasi-judicial deliberation regarding Office of Enforcement Counsel's Complaint for Judgment and Penalties against Greenwood Gaming and Entertainment, Inc. and Mount Airy #1, LLC's Petition to Modify its Audit Committee Charter

#### **3/1/2016**

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 3/2/2016.

#### **3/29/2016**

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 3/30/2016.

#### **4/26/2016**

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 4/27/2016.

#### **5/24/2016**

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 5/25/2016.

#### **6/21/2016**

See Agenda posted on Gaming Control Board Website under "Meetings". Link to 6/22/2016.



## GCB STATEMENT OF REVENUE AND EXPENDITURES

Fiscal Year 2015-16

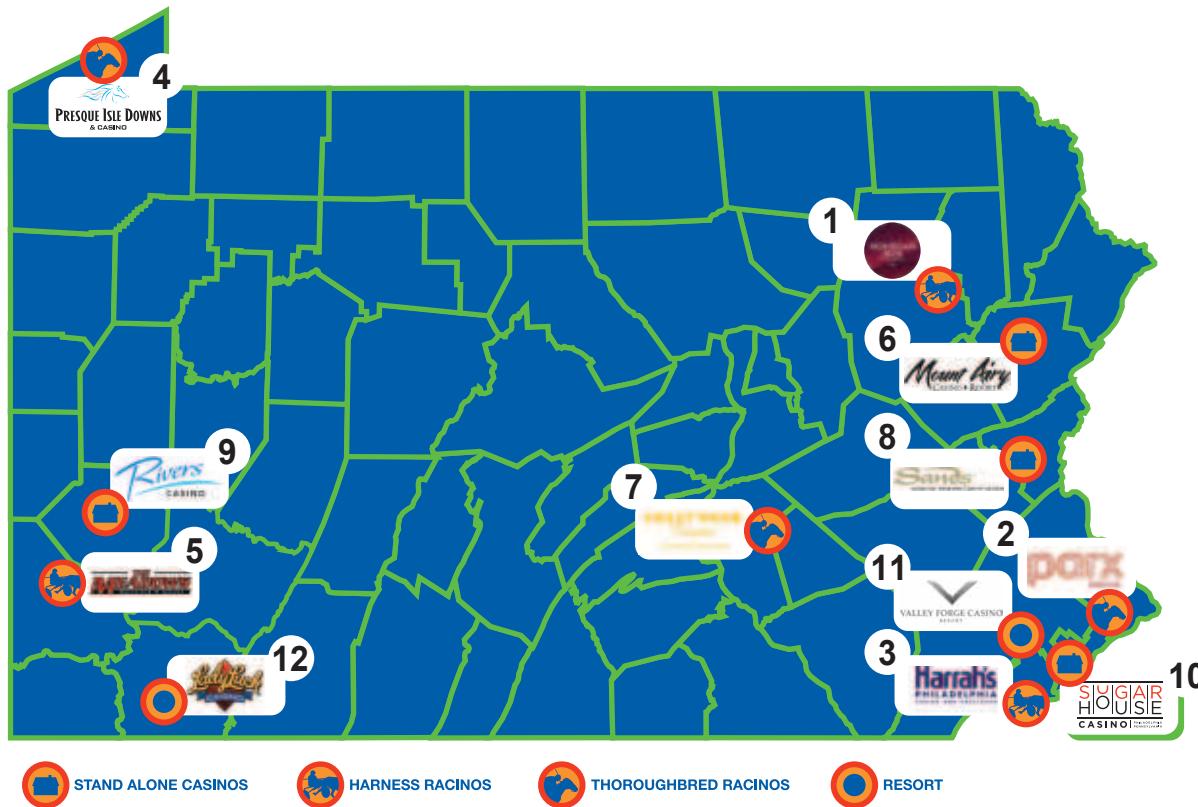
<b>Appropriation</b>			
Beginning Balance			
Casino Operator Assessments	\$32,900,000		
Restricted Revenue	<u>\$7,000,000</u>		
Available			\$39,900,000
<b>Expenditures</b>			
Personnel Expenditures			
Salaries	\$19,483,284		
Overtime	\$297,361		
Benefits	\$13,322,500		
Other Employee Paid Benefits	\$38		
Leave Payouts/Military Stipend	<u>\$134,658</u>		
Total Personnel Expenditures			\$33,237,840
Operating Expenditures			
Travel	\$247,940		
Training	\$26,800		
Utilities/Comm	\$393,245		
Services	\$1,353,881		
Rentals/Leases	\$1,735,086		
Supplies	\$69,218		
Equipment(NFA)	\$143,656		
Inventory Expenses	\$33,281		
Other Operating Expenses	<u>\$846,729</u>		
Total Operating Expenditures			\$4,849,838
Fixed Assets			
Hardware Peripherals	\$7,372		
Software Licensing Recurring	<u>\$103,382</u>		
			<u>\$110,754</u>
Total Expenditures			<u>\$38,198,432</u>
Revenues Over (Under) Expenditures			\$1,701,568

Note: Expenditure figures as of August 21, 2016.



## PENNSYLVANIA CASINOS DATA

Pennsylvania has 12 operating casinos. As of June 30, 2016 PA casinos employed 18,033 individuals of which 5,772 are active table game employees. Total tax revenue from slot machines and table games for FY 15/16 was \$1,444,314,755.



### Table Game Revenues FY 2015-16

Average Number of Table Games in June 2016	1,186
Gross Revenue	\$839,177,086
Taxes	\$119,685,210
Non-Banking Tables	226
Gross Revenue	\$58,427,945
Banking Tables	937
Gross Revenue	\$769,500,062
Fully Automated Electronic Tables	10
Gross Revenue	\$6,471,815
Hybrid Tables	13
Gross Revenue	\$4,777,264

### Slot Revenues FY 2015-16

Average Number of Slot Machines in June 2016	26,634
Wagers	\$30,267,751,817
Payouts	\$27,316,821,057
Promotional Plays	\$638,018,591
Adjustments	\$1,500
Gross Terminal Revenue	\$2,388,658,549
* Taxes and Fees	\$1,324,629,545

### Taxable Slot Wins Per Day

Jul-15	\$258.58
Aug-15	\$249.65
Sep-15	\$238.41
Oct-15	\$243.36
Nov-15	\$238.34
Dec-15	\$242.96
Jan-16	\$227.29
Feb-16	\$261.30
Mar-16	\$257.98
Apr-16	\$262.00
May-16	\$252.95
Jun-16	\$237.76

### Local Share Distribution FY 2015-16

Statewide
Slots - \$141,355,536
Tables - \$16,502,242

\*There is \$48,495,924 in Local Share Minimum amount included.



Mohegan Sun at Pocono Downs opened on November 14, 2006 in Luzerne County, Plains Township and is a harness racetrack. As of June 30, 2016 the casino employed 1,721 individuals of which 420 were active table games employees.

#### Table Game Revenues FY 2015-16

Average Number of Table Games in June 2016	91
Gross Revenue	\$45,686,420
Taxes	\$6,396,099
Non-Banking Tables	18
Gross Revenue	\$3,035,551
Banking Tables	71
Gross Revenue	\$42,475,644
Fully Automated Electronic Tables	0
Gross Revenue	\$0
Hybrid Tables	2
Gross Revenue	\$175,225

#### Slot Revenues FY 2015-16

Average Number of Slot Machines in June 2016	2,332
Wagers	\$2,736,918,177
Payouts	\$2,467,835,968
Promotional Plays	\$47,351,711
Adjustments	\$0
Gross Terminal Revenue	\$221,730,498
Taxes and Fees	\$124,156,812

#### Taxable Slot Wins Per Day

Jul-15	\$263.01
Aug-15	\$263.91
Sep-15	\$253.33
Oct-15	\$251.49
Nov-15	\$254.90
Dec-15	\$255.32
Jan-16	\$244.53
Feb-16	\$274.60
Mar-16	\$267.42
Apr-16	\$274.96
May-16	\$263.43
Jun-16	\$251.33

#### Local Share Distribution FY 2015-16

Luzerne County - CFA	Plains Township
Slots - \$11,727,416	Slots - \$2,734,901
Tables - \$1,544,030	Tables - \$1,544,030



Parx Casino opened on December 19, 2006 in Bucks County, Bensalem Township and is a thoroughbred racetrack. As of June 30, 2016 the casino employed 2,103 individuals of which 1,039 were active table games employees.

#### Table Game Revenues FY 2015-16

Average Number of Table Games in June 2016	175
Gross Revenue	\$155,077,987
Taxes	\$22,093,055
Non-Banking Tables	46
Gross Revenue	\$16,544,427
Banking Tables	119
Gross Revenue	\$133,326,052
Fully Automated Electronic Tables	0
Gross Revenue	\$1,123,931
Hybrid Tables	10
Gross Revenue	\$4,083,578

#### Slot Revenues FY 2015-16

Average Number of Slot Machines in June 2016	3,504
Wagers	\$5,180,607,229
Payouts	\$4,702,151,507
Promotional Plays	\$90,117,342
Adjustments	\$0
Gross Terminal Revenue	\$388,338,380
Taxes and Fees	\$209,969,811

#### Taxable Slot Wins Per Day

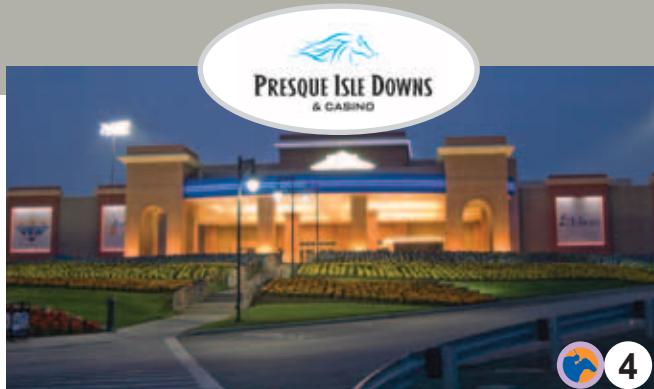
Jul-15	\$328.28
Aug-15	\$315.02
Sep-15	\$304.39
Oct-15	\$309.33
Nov-15	\$306.99
Dec-15	\$323.76
Jan-16	\$303.65
Feb-16	\$347.24
Mar-16	\$339.93
Apr-16	\$328.16
May-16	\$317.99
Jun-16	\$293.78

#### Local Share Distribution FY 2015-16

Bucks County	Bensalem Township
Slots - \$7,609,965	Slots - \$10,045,157
Tables - \$1,544,030	Tables - \$1,544,030



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, 2016 the casino employed 1,411 individuals of which 517 were active table games employees.

 3


Presque Isle Downs & Casino opened on February 28, 2007 in Erie County, Summit Township and is a thoroughbred racetrack. As of June 30, 2016 the casino employed 953 individuals of which 224 were active table games employees.

 4

#### Table Game Revenues FY 2015-16

Average Number of Table Games in June 2016	107
Gross Revenue	\$67,802,927
Taxes	\$10,108,402
Non-Banking Tables	28
Gross Revenue	\$6,157,786
Banking Tables	73
Gross Revenue	\$59,314,939
Fully Automated Electronic Tables	4
Gross Revenue	\$1,811,742
Hybrid Tables	2
Gross Revenue	\$518,461

#### Slot Revenues FY 2015-16

Average Number of Slot Machines in June 2016	2,800
Wagers	\$2,796,131,027
Payouts	\$2,516,636,284
Promotional Plays	\$64,396,070
Adjustments	\$0
Gross Terminal Revenue	\$215,098,673
Taxes and Fees	\$120,584,175

#### Taxable Slot Wins Per Day

Jul-15	\$213.42
Aug-15	\$205.90
Sep-15	\$194.65
Oct-15	\$214.00
Nov-15	\$202.09
Dec-15	\$214.60
Jan-16	\$197.48
Feb-16	\$225.88
Mar-16	\$220.97
Apr-16	\$223.88
May-16	\$209.95
Jun-16	\$196.20

#### Local Share Distribution FY 2015-16

Delaware County	Chester City
Slots - \$4,280,633	Slots - \$9,924,514
Tables - \$668,131	Tables - \$668,131

#### Table Game Revenues FY 2015-16

Average Number of Table Games in June 2016	40
Gross Revenue	\$14,094,128
Taxes	\$2,203,503
Non-Banking Tables	7
Gross Revenue	\$1,065,524
Banking Tables	32
Gross Revenue	\$12,351,179
Fully Automated Electronic Tables	1
Gross Revenue	\$677,426
Hybrid Tables	0
Gross Revenue	\$0

#### Slot Revenues FY 2015-16

Average Number of Slot Machines in June 2016	1,580
Wagers	\$1,391,585,773
Payouts	\$1,245,779,474
Promotional Plays	\$27,535,175
Adjustments	\$1,500
Gross Terminal Revenue	\$118,272,624
Taxes and Fees	\$70,856,723

#### Taxable Slot Wins Per Day

Jul-15	\$216.37
Aug-15	\$218.05
Sep-15	\$207.99
Oct-15	\$203.02
Nov-15	\$190.46
Dec-15	\$193.17
Jan-16	\$160.58
Feb-16	\$209.64
Mar-16	\$208.32
Apr-16	\$214.13
May-16	\$209.21
Jun-16	\$212.15

#### Local Share Distribution FY 2015-16

Erie County	Summit Township
Slots - \$11,008,366	Slots - \$1,328,444
Tables - \$0	Tables - \$0
<hr/>	
Erie Co. Redevelopment Auth.	
Slots - \$0	
Tables - \$277,981	

**THE MEADOWS**  
Racetrack & Casino

5

Meadows Racetrack & Casino opened on June 11, 2007 in Washington County, North Strabane Township and is a harness racetrack. As of June 30, 2016 the casino employed 1,325 individuals of which 328 were active table games employees.

**Table Game Revenues FY 2015-16**

Average Number of Table Games in June 2016	82
Gross Revenue	\$32,050,048
Taxes	\$4,777,798
Non-Banking Tables	14
Gross Revenue	\$2,041,897
Banking Tables	67
Gross Revenue	\$29,152,884
Fully Automated Electronic Tables	1
Gross Revenue	\$855,268
Hybrid Tables	0
Gross Revenue	\$0

20

**Slot Revenues FY 2015-16**

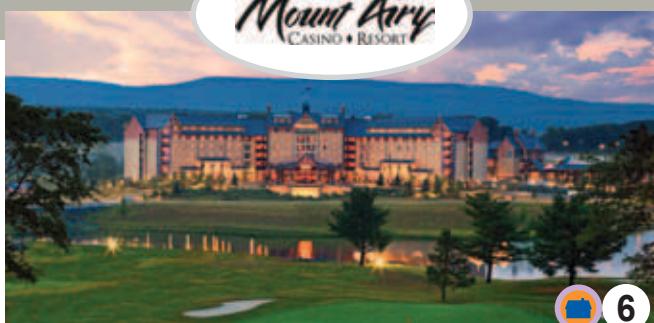
Average Number of Slot Machines in June 2016	3,172
Wagers	\$3,001,865,132
Payouts	\$2,775,894,440
Promotional Plays	\$75,744,880.09
Adjustments	\$0
Gross Terminal Revenue	\$225,970,692
Taxes and Fees	\$126,385,247

**Taxable Slot Wins Per Day**

Jul-15	\$202.03
Aug-15	\$197.60
Sep-15	\$184.36
Oct-15	\$196.80
Nov-15	\$189.65
Dec-15	\$193.98
Jan-16	\$177.50
Feb-16	\$204.38
Mar-16	\$201.54
Apr-16	\$202.35
May-16	\$197.67
Jun-16	\$188.02

**Local Share Distribution FY 2015-16**

Washington Co. - DCED	Washington Co. Townships
Slots - \$8,530,260	Slots - \$3,353,290
Tables - \$152,600	Tables - \$130,500
North Strabane Twp.	
Slots - \$2,431,950	
Tables - \$283,100	

**Mount Airy**  
CASINO • RESORT

6

Mount Airy Casino Resort opened on October 22, 2007 in Monroe County, Paradise Township. As of June 30, 2016 the casino employed 1,081 individuals of which 365 were active table games employees.

**Table Game Revenues FY 2015-16**

Average Number of Table Games in June 2016	81
Gross Revenue	\$45,337,671
Taxes	\$6,681,184
Non-Banking Tables	9
Gross Revenue	\$1,300,696
Banking Tables	70
Gross Revenue	\$43,054,886
Fully Automated Electronic Tables	2
Gross Revenue	\$982,089
Hybrid Tables	0
Gross Revenue	\$0

**Slot Revenues FY 2015-16**

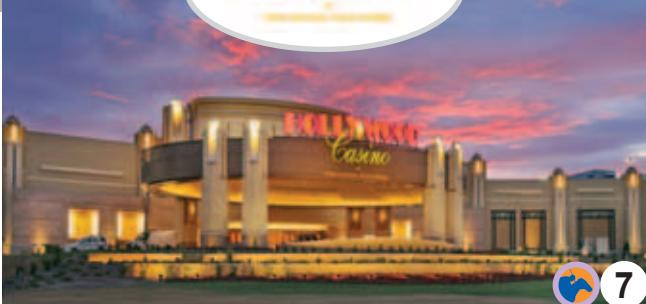
Average Number of Slot Machines in June 2016	1,868
Wagers	\$1,821,444,760
Payouts	\$1,641,719,953
Promotional Plays	\$36,136,369.50
Adjustments	\$0
Gross Terminal Revenue	\$143,588,437
Taxes and Fees	\$83,911,436

**Taxable Slot Wins Per Day**

Jul-15	\$232.78
Aug-15	\$227.31
Sep-15	\$207.38
Oct-15	\$199.62
Nov-15	\$197.18
Dec-15	\$191.99
Jan-16	\$191.80
Feb-16	\$214.73
Mar-16	\$210.37
Apr-16	\$220.93
May-16	\$216.89
Jun-16	\$208.26

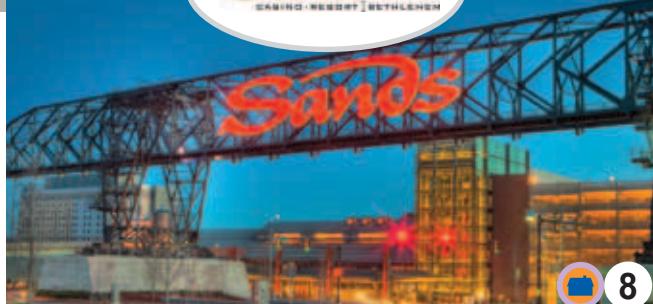
**Local Share Distribution FY 2015-16**

Monroe County - CFA	Paradise Township
Slots - \$9,481,918	Slots - \$872,632
Tables - \$222,548	Tables - \$439,013
Monroe County	PHEAA
Slots - \$2,351,063	Slots - \$0
Tables - \$0	Tables - \$222,548



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, 2016 the casino employed 1,018 individuals of which 255 were active table games employees.

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Sands Casino Resort Bethlehem opened on May 22, 2009 in Northampton County in the City of Bethlehem. As of June 30, 2016 the casino employed 2,461 individuals of which 1,104 were active table games employees.

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#### Table Game Revenues FY 2015-16

Average Number of Table Games in June 2016	73
Gross Revenue	\$33,507,458
Taxes	\$4,720,005
Non-Banking Tables	16
Gross Revenue	\$3,686,630
Banking Tables	56
Gross Revenue	\$29,735,650
Fully Automated Electronic Tables	1
Gross Revenue	\$85,178
Hybrid Tables	0
Gross Revenue	\$0

#### Slot Revenues FY 2015-16

Average Number of Slot Machines in June 2016	2,397
Wagers	\$2,327,712,307
Payouts	\$2,078,475,474
Promotional Plays	\$35,256,346
Adjustments	\$0
Gross Terminal Revenue	\$213,980,486
Taxes and Fees	\$120,067,166

#### Taxable Slot Wins Per Day

Jul-15	\$254.84
Aug-15	\$245.83
Sep-15	\$240.09
Oct-15	\$243.84
Nov-15	\$230.43
Dec-15	\$232.40
Jan-16	\$216.15
Feb-16	\$253.83
Mar-16	\$257.25
Apr-16	\$263.74
May-16	\$252.16
Jun-16	\$236.83

#### Local Share Distribution FY 2015-16

Dauphin County	East Hanover Twp, Leb. Co
Slots - \$13,042,913	Slots - \$160,000
Tables - \$449,871	Tables - \$113,681
<hr/>	
East Hanover Twp, Dauphin Co	
Slots - \$1,044,820	
Tables - \$106,397	

#### Table Game Revenues FY 2015-16

Average Number of Table Games in June 2016	207
Gross Revenue	\$228,165,109
Taxes	\$31,943,115
Non-Banking Tables	30
Gross Revenue	\$10,944,640
Banking Tables	177
Gross Revenue	\$217,220,469
Fully Automated Electronic Tables	0
Gross Revenue	\$0
Hybrid Tables	0
Gross Revenue	\$0

#### Slot Revenues FY 2015-16

Average Number of Slot Machines in June 2016	3,013
Wagers	\$4,526,460,410
Payouts	\$4,069,568,651
Promotional Plays	\$151,530,736
Adjustments	\$0
Gross Terminal Revenue	\$305,361,023
Taxes and Fees	\$167,058,898

#### Taxable Slot Wins Per Day

Jul-15	\$291.52
Aug-15	\$273.05
Sep-15	\$275.46
Oct-15	\$262.59
Nov-15	\$267.86
Dec-15	\$268.70
Jan-16	\$250.49
Feb-16	\$287.15
Mar-16	\$291.66
Apr-16	\$289.59
May-16	\$298.99
Jun-16	\$266.22

#### Local Share Distribution FY 2015-16

Allentown City	Easton City	Northampton Co.
Slots - \$3,450,083	Slots - \$0	Slots - \$2,882,140
Tables - \$447,656	Tables - \$1,119,139	Tables - \$1,342,967
<hr/>		
Bethlehem City	Lehigh County	
Slots - \$8,756,586	Slots - \$960,713	
Tables - \$1,119,139	Tables - \$447,656	


**RIVERS  
CASINO**


Rivers Casino opened on August 9, 2009 in Allegheny County in the City of Pittsburgh. As of June 30, 2016 the casino employed 1,804 individuals of which 495 were active table games employees.

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**SUGAR  
HOUSE  
CASINO**

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SugarHouse Casino opened on September 23, 2010 in the City of Philadelphia. As of June 30, 2016 the casino employed 1,621 individuals of which 633 were active table games employees.

**Table Game Revenues FY 2015-16**

Average Number of Table Games in June 2016	120
Gross Revenue	\$70,695,507
Taxes	\$9,897,371
Non-Banking Tables	30
Gross Revenue	\$6,739,610
Banking Tables	90
Gross Revenue	\$63,955,896
Fully Automated Electronic Tables	0
Gross Revenue	\$0
Hybrid Tables	0
Gross Revenue	\$0

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**Slot Revenues FY 2015-16**

Average Number of Slot Machines in June 2016	2,877
Wagers	\$3,188,104,410
Payouts	\$2,860,795,768
Promotional Plays	\$55,275,294
Adjustments	\$0
Gross Terminal Revenue	\$272,033,348
Taxes and Fees	\$149,784,925

**Taxable Slot Wins Per Day**

Jul-15	\$263.41
Aug-15	\$256.47
Sep-15	\$234.74
Oct-15	\$246.53
Nov-15	\$244.39
Dec-15	\$251.25
Jan-16	\$231.54
Feb-16	\$275.85
Mar-16	\$264.00
Apr-16	\$277.16
May-16	\$251.48
Jun-16	\$241.39

**Local Share Distribution FY 2015-16**

Allegheny County	Visitors Bureau of Monroeville
Slots - \$5,056,940	Slots - \$0
Tables - \$0	Tables - \$105,506
Pittsburgh/ICA	Dept of Education
Slots - \$9,562,574	Slots - \$0
Tables -\$0	Tables - \$1,301,244

**Table Game Revenues FY 2015-16**

Average Number of Table Games in June 2016	132
Gross Revenue	\$104,756,514
Taxes	\$14,984,214
Non-Banking Tables	28
Gross Revenue	\$6,911,184
Banking Tables	103
Gross Revenue	\$96,909,147
Fully Automated Electronic Tables	1
Gross Revenue	\$936,183
Hybrid Tables	0
Gross Revenue	\$0

**Slot Revenues FY 2015-16**

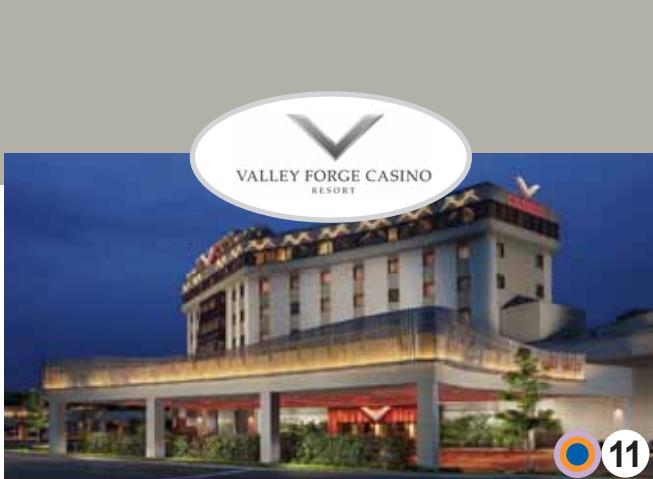
Average Number of Slot Machines in June 2016	1,894
Wagers	\$1,945,240,472
Payouts	\$1,740,538,700
Promotional Plays	\$27,666,199
Adjustments	\$0
Gross Terminal Revenue	\$177,035,574
Taxes and Fees	\$94,567,548

**Taxable Slot Wins Per Day**

Jul-15	\$303.87
Aug-15	\$282.67
Sep-15	\$268.07
Oct-15	\$285.30
Nov-15	\$275.83
Dec-15	\$277.09
Jan-16	\$275.71
Feb-16	\$288.25
Mar-16	\$281.52
Apr-16	\$291.23
May-16	\$275.74
Jun-16	\$262.68

**Local Share Distribution FY 2015-16**

Phila. School District	Philadelphia City
Slots - \$3,638,092	Slots - \$2,893,100
Tables - \$1,172,005	Tables - \$911,828



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Valley Forge Casino Resort opened on March 31, 2012 in Montgomery County, Upper Merion Township and is a resort facility. As of June 30, 2016 the casino employed 1,117 individuals of which 304 were active table games employees.

#### Table Game Revenues FY 2015-16

Average Number of Table Games in June 2016	50
Gross Revenue	\$36,856,291
Taxes	\$5,159,881
Non-Banking Tables	0
Gross Revenue	\$0
Banking Tables	50
Gross Revenue	\$36,856,291
Fully Automated Electronic Tables	0
Gross Revenue	\$0
Hybrid Tables	0
Gross Revenue	\$0

#### Slot Revenues FY 2015-16

Average Number of Slot Machines in June 2016	600
Wagers	\$1,009,825,295
Payouts	\$911,533,221
Promotional Plays	\$20,986,203
Adjustments	\$0
Gross Terminal Revenue	\$77,305,871
Taxes and Fees	\$41,289,309

#### Taxable Slot Wins Per Day

Jul-15	\$367.99
Aug-15	\$341.05
Sep-15	\$329.84
Oct-15	\$352.29
Nov-15	\$337.56
Dec-15	\$342.76
Jan-16	\$330.17
Feb-16	\$365.44
Mar-16	\$367.46
Apr-16	\$380.21
May-16	\$372.82
Jun-16	\$336.86

#### Local Share Distribution FY 2015-16

Upper Merion Township	Montgomery Co. - CFA
Slots - \$1,515,897	Slots - \$1,515,897
Tables - \$356,348	Tables - \$356,348



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Lady Luck Casino Nemacolin opened on July 1, 2013 in Fayette County, Wharton Township and is a resort facility. As of June 30, 2016 the casino employed 1,374 individuals of which 88 were active table games employees.

#### Table Game Revenues FY 2015-16

Average Number of Table Games in June 2016	29
Gross Revenue	\$5,147,026
Taxes	\$720,584
Non-Banking Tables	0
Gross Revenue	\$0
Banking Tables	29
Gross Revenue	\$5,147,026
Fully Automated Electronic Tables	0
Gross Revenue	\$0
Hybrid Tables	0
Gross Revenue	\$0

#### Slot Revenues FY 2015-16

Average Number of Slot Machines in June 2016	597
Wagers	\$341,856,825
Payouts	\$305,891,615
Promotional Plays	\$6,022,266
Adjustments	\$0
Gross Terminal Revenue	\$29,942,945
Taxes and Fees	\$15,997,496

#### Taxable Slot Wins Per Day

Jul-15	\$162.08
Aug-15	\$152.59
Sep-15	\$140.24
Oct-15	\$140.31
Nov-15	\$132.15
Dec-15	\$113.52
Jan-16	\$104.83
Feb-16	\$126.81
Mar-16	\$143.40
Apr-16	\$148.10
May-16	\$139.56
Jun-16	\$139.36

#### Local Share Distribution FY 2015-16

Fayette County - DCED	Wharton Township.
Slots - \$597,635	Slots - \$597,635
Tables - \$51,470	Tables - \$51,470

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## PEAKERS BUREAU AND OUTREACH

The PGCB has made community outreach and community participation an important part of its regulatory process in order to ensure that Pennsylvanians are well informed of the impact that the casino industry has throughout the Commonwealth and within their communities.

Outreach by the PGCB happens in different forms including:

- live streaming and archiving of all public meetings for viewing on our website;
- speaking engagements to community organizations statewide;
- educate youth about the dangers of underage casino gambling; and
- participation in community forums.

Since 2010, PGCB Commissioners or staff have presented and answered

questions during appearances before over 400 organizations. Just this past year, the PGCB addressed 73 community and professional organizations such as the Lions, Masons, Rotary, Exchange, Kiwanis, Chambers of Commerce, groups representing retired professionals and legislative sponsored events such as senior fairs. These opportunities allow us to not only inform, but to enhance our regulatory efforts by hearing the concerns and thoughts of the public regarding casino gaming.

A link has been placed on the homepage of the PGCB's web site, [www.gamingcontrolboard.pa.gov](http://www.gamingcontrolboard.pa.gov), that allows someone to request a speaker. Or, anyone can call the PGCB's Communications Office at 717-346-8321 to request a speaker.

In addition, PGCB Commissioners or staff frequently discuss gaming and job

opportunities at Pennsylvania universities whose students are preparing to enter the casino and hospitality industry.

New this year the Board launched a multi-faceted public service campaign to warn youth and parents about the dangers of attempting to gamble at a PA casino when underage. Called "What's Really at Stake" it is designed to raise awareness among youth that it is illegal to gain access to a casino floor when under the age of 21 (see page 5).

Finally, during this past Fiscal Year the Board travelled to two municipalities to hold license renewal hearings. As with regular meetings in Harrisburg, these events were both live streamed and archived to allow the public an opportunity to view if they are 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.*

If you or someone you know has a gambling problem, call the Council on Compulsive Gambling of Pennsylvania's helpline (800) 848-1880 or the Pennsylvania Department of Health's Gambling Addiction Hotline (877) 565-2112.



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