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Senate of Pennsylvania

September 21, 2010

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**Gregory C. Fajt, Chairman
Pennsylvania Gaming Control Board
303 Walnut Street
5th Floor, Verizon Tower
Harrisburg, Pennsylvania 17112**

RE: Regulatory Oversight of Licensees' Out of State Relationships and Business Ventures

Dear Chairman Fajt,

I am writing the board regarding the process by which licensees' relationships and business ventures outside of the state and the country are monitored and reviewed.

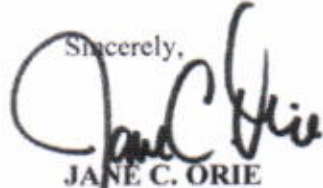
It is my understanding that Pennsylvania law does not have a "foreign gaming" provision that provides for specific approval of other relationships and business ventures by licensees outside of the state. Early this year New Jersey regulators released results of an investigation that was conducted in connection with a renewal of the licensee for MGM Mirage and which concluded that an overseas partner, in a casino in Macau, to be "unsuitable" due to ties to organized crime. (Details are available at <http://www.state.nj.us/casinos/home/info/mgm.html>.) This situation has raised questions as to how Pennsylvania law provides for and how the board interprets the law in regards to monitoring, reviewing and consideration of these "foreign gaming" relationships and business ventures.

I have a few preliminary questions regarding these relations and business ventures. Does the board require licensees to provide updates on their "foreign gaming" relationships and business ventures? Are these relationships and business ventures part of the suitability review and continuing suitability for state licensees? Does the board monitor action by other regulatory bodies regarding these activities? How does the board consider and act upon another regulatory agency's determination of "unsuitability" of a relationship or business ventures of a licensee? Has the board ever considered these connections during a licensee's renewal?

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Lastly, I am asking for your input in regards to the need of addressing this matter legislatively, if necessary. My concern is that that the Pennsylvania Gaming Control Board be vigilant and aggressive in preventing organized crime or a criminal element from infiltrating the casino industry in Pennsylvania. Thank you for your attention to these concerns. If you have any questions please feel free to contact me.

Sincerely,

JANE C. ORIE
State Senator
40th Senatorial District

JCO/mas

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