

INDIANA GAMING COMMISSION

ANNUAL REPORT TO THE GOVERNOR

FISCAL YEAR 2004



September 1, 2004

Dear Governor Kernan,

In keeping with our statutory obligation, I am pleased to submit to you the Indiana Gaming Commission's *Annual Report To The Governor- Fiscal Year 2004* which outlines the activities of the Indiana Gaming Commission (IGC) during the past year.

Fiscal Year 2004 brought new responsibilities to the IGC. This report outlines those responsibilities and provides revenue information for the year, which includes the first full fiscal year of flexible scheduling and the advent of 24-hour gaming. This report also discusses internal changes and the impact those changes have had on the IGC's efficiency and effectiveness.

Thank you for your acceptance of this report.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn R. Lawrence", with a long horizontal flourish extending to the right.

Glenn R. Lawrence
Executive Director

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THE YEAR IN REVIEW

This 11th annual report of the Indiana Gaming Commission (IGC) recounts a year in which the IGC prepared for the riverboat project in Orange County and the implementation of the Voluntary Exclusion Program. A new agency division was created and a division was eliminated. During FY 2004, the IGC collected \$901,853 in fines from riverboat licensees through settlement of pending regulatory actions and as a result of the establishment of the Compliance Division, which streamlined the process for addressing new disciplinary actions.

Compliance Division

In order to more effectively and efficiently execute the regulatory functions of the agency, the Compliance Division was created in FY 2004. The division, under the direction of the newly created position of Director of Compliance, works to streamline internal agency processes and to standardize policies and procedures at Indiana's 10 riverboats.

To accomplish this goal, the division began a review of the Indiana Administrative Code in anticipation of significant rule changes to be pursued in FY 2005. This review will also likely lead to proposed statutory changes resulting from technological advances in the gaming industry. The significant impact the division has had on this agency is discussed in detail later in this report.

To minimize the budgetary impact of creating a new division, the position of Director of External Affairs was eliminated and functions previously performed as part of that job were transferred to the Deputy Director. In addition, the responsibilities of an existing position were augmented to

include the dual tasks of Promotions and Compliance Coordinator.

Legislation

The First Regular Session of the 113th General Assembly produced two initiatives impacting the IGC. Public Law 37-2004 clarified language pertaining to the confidentiality of the Voluntary Exclusion Program (VEP). This legislation ensures that the personal information of VEP participants is released only to the riverboats for purposes of enforcement or to another entity as requested by the participant and approved by the IGC.

Public Law 84-2004 requires riverboat owners to annually file information regarding the utilization of certified minority and women-owned businesses. This law requires public disclosure of the information included in the reports, including the dollar amount spent with each certified business. Personal financial information and confidential business information remain exempt from public disclosure.

Orange County

On March 5, 2004, the IGC released a Request for Proposals (RFP) for a project in Orange County. Three applicants submitted proposals by the deadline of April 23, 2004. Following investigations of the applicants, analyses of the proposals, applicant negotiations with the Historic Hotel Preservation Commission and public presentations to the IGC, on July 20, 2004 the IGC selected Trump Indiana Casino Management, LLC for the operating agent contract. The casino opening is anticipated for early 2006.

Voluntary Exclusion Program

The new Voluntary Exclusion Program (VEP), which was created statutorily at the request of the IGC, began accepting participants on July 1, 2004. During FY 2004, the IGC staff prepared for implementation of the program by passing administrative rules to govern the program and developing policies and procedures for enrollment and participation in the program. An online database was created to support the VEP.

Pursuant to statute, the IGC entered into a Memorandum of Understanding with the Family and Social Services Administration's Division of Mental Health and Addictions (DMHA) for payment of costs associated with this program. The DMHA receives funding for this program, and other initiatives to address problem gambling, through the riverboat admission tax.

Wagering Limits

The existing law and practice do not set a wagering loss limit in Indiana. Based upon the data contained within the reports listed below and the observance of the riverboat gaming industry in Indiana, the IGC does not have any evidence that would require the establishment of a wagering loss limit in Indiana.

- Reports from the National Gambling Impact Study Commission
- Reports from the Indiana Gambling Study Commission

Commissioners and Staff

The IGC welcomed Robert L. Barlow, II as its newest Commissioner. Mr. Barlow is an attorney from Madison. He replaced David Carlton.

In regard to the IGC staff:

- Jennifer Arnold was named Deputy Director. A new position under the Deputy Director, the Voluntary Exclusion Program Coordinator, was filled by Angela Bunton.
- Jennifer Chelf was selected to fill the new position of Director of Compliance
- In the Legal Division, James Osborn became Chief Counsel, Susan Brodnan was promoted to Deputy Chief Counsel, and two staff attorneys were hired: Catherine Hood and Leanne Bailey.
- In the Controller Division, Rochell McGee was hired to fill the Account Clerk position.

MEMBERS OF THE COMMISSION



Left to right: Thomas Milcarek, Ann Marie Bochnowski, Dale Gettelfinger, Donald Vowels; Marya Rose; Dr. I. Maurice Ndukwu

Donald R. Vowels (Chair) of Evansville is presently engaged in the private practice of law with the law firm of Keating, Bumb, Vowels & LaPlante, PC. He is also a member of the Vanderburgh County Election Board. Mr. Vowels is an original Commission member, appointed in September 1993.

Ann Marie Bochnowski (Vice-Chair) of Munster is Vice-President of Public Relations for the Northern Indiana Arts Association and also serves on education boards and foundations. Ms. Bochnowski is an original Commission member, appointed in September 1993.

Thomas F. Milcarek (Secretary) of Michigan City is retired from Material Handling and Warehousing at the Weil-McClain Co. He is a member of the Michigan City Urban Enterprise Association and is Secretary of the Michigan City Park Board and is active in many civic organizations. Mr. Milcarek was appointed in June of 1994.

Dale Gettelfinger of Floyds Knob is a Certified Public Accountant and an attorney, and is President and CEO of Monroe Shine and Co., Inc., an independent certified public accounting firm. Mr. Gettelfinger was appointed in September 2001.

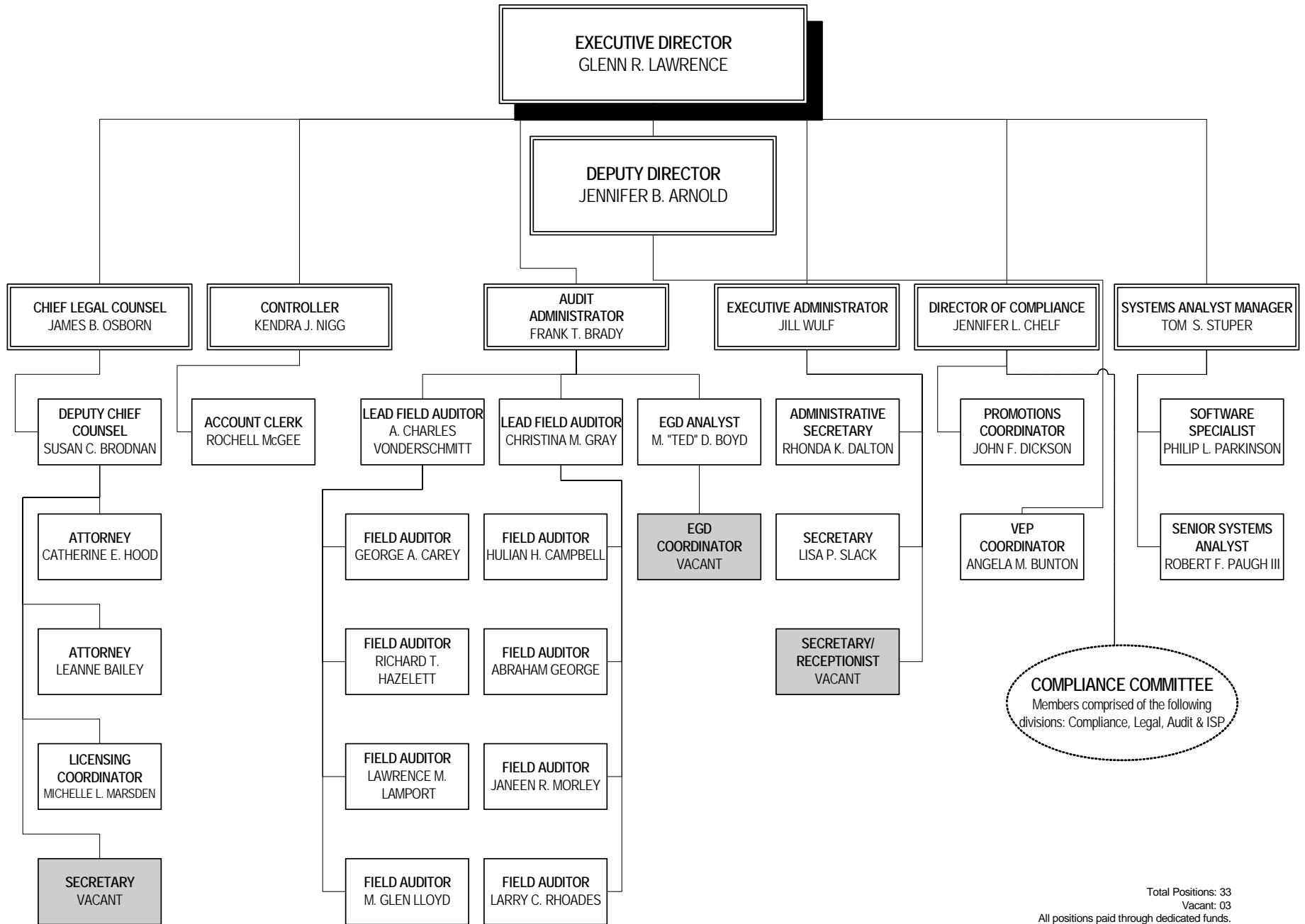
Marya M. Rose of Indianapolis is Vice President, General Counsel and Corporate Secretary of Cummins, Inc. in Columbus, Indiana. Ms. Rose served as an Executive Assistant to Governors Bayh and O'Bannon prior to taking her present position at Cummins. Ms. Rose was appointed in June 2002.

Dr. I. Maurice Ndukwu of Chesterton practices Pulmonology and Critical Care Medicine at The Medical Group in Michigan City. Dr. Ndukwu was appointed in June 2003.

Robert L. Barlow, II (not pictured) of Madison is an attorney engaged in the private practice of law in Jefferson County. Mr. Barlow was appointed in June 2004.

The Indiana Gaming Commission is composed of seven individuals appointed by the Governor for a three-year staggered term. Three members must be from counties contiguous to Lake Michigan, three from counties contiguous to the Ohio River, and one member cannot be from any of the previously described counties. No more than four members may be affiliated with the same political party. One member must be experienced in law enforcement, one must be a certified public accountant, and one must be an attorney. All must have a reasonable knowledge of the practices, procedures and principles of gambling.

INDIANA GAMING COMMISSION STAFF



Total Positions: 33
 Vacant: 03
 All positions paid through dedicated funds.
 June 30, 2004

REVENUES AND EXPENDITURES

Revenues

In FY 2004, the IGC received a total revenue of \$2,651,871 which was generated from two types of activity:

- Licensing of riverboat owners, suppliers, and occupational licensees
- Regulatory actions taken against licensees.

This section of the report does not address admission and wagering tax revenues.

Licensing activity resulted in fees of \$90,000 from riverboat owners for eight renewals and one application for transfer of ownership (transfer effective July 2004). IGC also received \$250,000 for five Indiana operating agent applications. Supplier licensing fees of \$145,000 were received for eight applications and twenty-one annual renewals. Occupational licensing fees of \$1,265,018 were received as follows: application fees of \$712,993; permanent fees of \$150,200; and renewal fees of \$401,825.

The fees for occupational licenses vary by the type and level of license. The application fees for Level 1, 2 or 3 licenses are \$1,000, \$200, and \$75, respectively. The fees for renewals are \$100 for Level 1, \$50 for Level 2 and \$25 for Level 3.

Total revenue from regulatory actions taken against riverboat licensees was \$901,853

Expenditures

In FY 2004, \$3,100,992 was expended to regulate and investigate the riverboat gaming industry in Indiana. This is comprised of \$2,235,360 expended from the IGC's administrative account and \$865,632 expended from the IGC's BIU account. The majority of the expenditures from the BIU account consist of cost reimbursements to the Indiana State Police Gaming Enforcement Division's, Background Investigative Unit (BIU). Funding of these expenditures is appropriated from wagering taxes collected.

As required by IC 4-33-4-3, IC 4-33-4-3.5 and IC 4-33-4-3.6, the licensed riverboat owners shall, in the manner prescribed by the rules of the IGC, reimburse the IGC for the salaries and other expenses of the inspectors and agents required to be present during the time gambling operations are conducted on a riverboat. In FY 2004, the riverboat licensees remitted \$7,117,510 for this purpose.

Also, in accordance with IC 4-33-6-12, IC 4-33-7-8 and IC 4-33-8-2, the license holder or applicant for license shall bear the cost of an investigation or reinvestigation. A total of \$154,344 was received from licensees for investigative costs over and above any application fee paid.

COMPLIANCE

In January of 2004, the IGC added the Compliance Division for the purpose of developing consistent approaches to regulatory matters. The Compliance Division is comprised of the Director of Compliance and the Compliance Coordinator. In addition to having responsibility for the regulation of promotions, the division oversees a Compliance Committee. This committee is comprised of the Compliance Division along with representatives from the Audit and Legal Divisions, and Gaming Enforcement Division of the Indiana State Police. The committee meets on a regular basis to coordinate the internal processes of the agency, and standardize procedures with the goal of optimizing the efficiency and effectiveness of the regulatory function. Since its inception, the compliance committee has considered various Gaming Enforcement and Audit Division reports as well as other regulatory issues raised by IGC staff and riverboat licensees. Between January and June of 2004, the committee worked to make recommendations

on all pending regulatory violations. During this time, the committee issued 79 recommendations covering issues such as rule waiver requests and rule changes, disciplinary actions against riverboat licensees, and policy directives.

Currently, the committee is continuing its review of administrative rules with the purpose of eliminating redundancies and conforming rules to changing industry technology and industry changes. The committee will continue to streamline the regulation of riverboat gambling in the state by establishing consistent fine structures and regulatory action.

The committee will also be evaluating whether a statewide licensing system would be more effective and efficient than the current system under which the IGC issues property-specific occupational licenses.

RESOLUTIONS

The Riverboat Gambling Act requires the IGC to hold at least one meeting in each quarter of the fiscal year. In FY 2004, the IGC held meetings on the following dates:

July 11, 2003
September 12, 2003
November 14, 2003
February 6, 2004
April 30, 2004

During these meetings, the IGC passed 79 resolutions. The topics covered are categorized as follows:

Issues Concerning Supplier's Licenses	19
Adoption of Rules and Amendments	5
Issues Concerning Financing	17
Issues Concerning Project Agreements	1
Issues Concerning Development Agreements	1
Approval of Table Games	13
Riverboat Owner's License Renewal	3
Acquisition of Ownership Interests	6
Transfer of Ownership Interests	10
Issues Concerning Orange County	3
Twenty-Four Hour Report	1

EXCLUSIONS

Pursuant to IC 4-33-4-7, the IGC may place an individual on an exclusion list if the individual violates the Riverboat Gambling Act or if the IGC determines that the individual's reputation or conduct may call into question the honesty or integrity of the riverboat gaming operation, or interfere with its orderly conduct.

There are currently seventy-two individuals on the exclusion list. Sixteen of the individuals were added to the exclusion list during FY 2004 for the following reasons:

- Four individuals were arrested at Indiana riverboats for engaging in the practice of using shaved, foreign, or improper tokens in slot machines.
- Three individuals were arrested at an Indiana riverboat for past posting bets on a table game after the outcome of the game had been determined.
- Two individuals, one patron and one employee, were arrested at an Indiana riverboat for cheating at a table game.
- Two individuals, one patron and one employee, were arrested at an Indiana riverboat when the dealer assisted the patron in illegally obtaining slot tokens.
- Three individuals were arrested at an Indiana riverboat for switching cards after the hand had been set in a table game.
- One individual was evicted from an Indiana riverboat for throwing an altered die onto a table game during play.
- One individual was arrested at an Indiana riverboat for taking chips from a table game and turning them in for cash.

PROMOTIONS

In order to maintain the integrity of gambling operations in Indiana, all promotional activity conducted by riverboat licensees is subject to review by the IGC.

Promotional activity includes, but is not limited to, slot and live gaming tournaments, contests, and special events, such as parties, held on riverboat property.

In FY 2004, the IGC conducted regulatory oversight of 838 submissions. Of those, four resulted in an unfavorable determination by the IGC staff.

Non-Gaming Related (Reviewed)	740
Gaming Related (Approved)	94
Disapproved	4

MINORITY AND WOMEN BUSINESS ENTERPRISE ISSUES

There are provisions in the Riverboat Gambling Act to ensure that opportunity exists for minority business enterprise (MBE) and women's business enterprise (WBE) participation in the riverboat industry.

In 1997, the State of Indiana contracted with Mason Tillman Associates, Ltd. ("Mason Tillman") to analyze the State's MBE and WBE programs. The study examined the market and conditions to determine if current MBE and WBE programs were justified. Policy, organizational structure, bidding, and contract procedures were examined, as was the availability of ready, willing, and able MBEs and WBEs. The study also examined particular contract areas, such as construction, professional services, suppliers, and other services, as well as ethnic specific minority groups, including African Americans, Asian Pacific Americans, Hispanic Americans, and Native Americans. The study was completed in 2001 and the results showed that the State's MBE and WBE programs should be continued, but that some enhancements should be made.

As a result of the study, the Indiana statute that previously set forth the riverboat purchasing goals of 10% of expenditures with MBEs and 5% of expenditures with WBEs has been changed. Now, the IGC is to establish annual goals for the use of MBEs and WBEs derived from the analysis conducted by Mason Tillman. The Department of Administration ("DOA") is to establish goals for state agencies (not including the riverboats) based on the same information. The IGC has not yet established new goals, but is in the process of developing goals consistent with those established by the DOA. While the development of the new goals is progressing, the IGC has required that riverboat licensees comply with the previous goals of 10% and 5%.

Certification

Only purchases made from certified MBEs and/or WBEs may be counted toward credit for statutory compliance. In order to be certified a business must be 51% minority or woman owned, and the minority or woman owner must control and manage the daily operations of the business.

The DOA's Minority and Women's Business Development Enterprise Division (MBD) is the agency responsible for certification of minority, women's, and disadvantaged business enterprises. To provide continuity in the certification process, the IGC has entered into a Memorandum of Understanding with MBD to review and certify applications submitted by companies wishing to do business with Indiana riverboats. Dollars expended with these businesses will count toward the statutory goals once the business is certified or if its application has been completed and certification is pending.

Reporting and Auditing

The riverboats are required to file a report with the IGC in January of each year containing all expenditures made in the previous calendar year. They also file quarterly CY reports. The riverboats break out the expenditures that are not qualified goods and services, including those that fall under the exemptions found in IC 4-33-14-5. Once the qualified purchases are identified, licensees then list purchases of goods and services made from certified MBEs and WBEs.

The annual reports are subjected to a two-part auditing process that involves the IGC and MBD. The IGC examines the reports to ensure that purchases are properly exempted under IC 4-33-14-5. MBD verifies that businesses listed as MBEs and WBEs are certified and that dollar figures claimed match those reported by the vendors.

Efforts to Meet Goals

MBD maintains a list of certified businesses that is made available to the riverboats. The riverboats are required to make a good faith effort to attain the statutory goals. Failure to attain the goals or make a good faith effort may result in disciplinary action by the IGC. The riverboats often work together to meet these goals by disseminating information and by participating in enterprise awareness forums and trade shows.

Corrective Action

In December 2001, the IGC approved a corrective action submitted by Belterra. The plan was submitted due to the licensee's failure to meet the statutory goals and/or failure to follow administrative rules regarding reporting. Belterra has appeared at all IGC meetings since January 2002 to provide an update on their MBE and WBE progress. Belterra also submitted monthly reports to IGC staff regarding this progress. At the end of the FY 2004, a request to be released from these additional reporting obligations was pending.

Certification Appeals

In FY 2004, the IGC resolved a pending appeal regarding the denial of a Rubies Food Service's request for certification as an MBE/WBE. A hearing was held before Administrative Law Judge Bernard L. Pylitt in FY 2003. On July 11, 2003 Judge Pylitt's recommendation was adopted by the IGC and the request for certification was denied.

MBE AND WBE PARTICIPATION

The chart is a compilation of reports filed by the riverboats for the 3rd and 4th quarters of 2003 and the 1st and 2nd quarters of 2004 ¹

<u>RIVERBOAT</u>	<u>MBE %</u>	<u>WBE %</u>	<u>MBE PURCHASES</u>	<u>WBE PURCHASES</u>	<u>QUALIFYING PURCHASES</u>
ARGOSY	13.67	10.58	\$6,582,705	\$4,777,739	\$48,145,150
AZTAR	12.86	11.25	\$2,998,243	\$2,622,818	\$23,308,022
BELTERRA	29.60	10.62	\$18,862,486	\$6,769,106	\$63,725,333
BLUE CHIP	11.26	8.20	\$4,564,603	\$3,320,857	\$40,533,936
CAESARS	22.01	7.69	\$11,027,098	\$3,850,948	\$50,095,734
GRAND VICTORIA	11.38	6.08	\$3,130,796	\$1,673,507	\$27,518,379
HARRAH'S	13.25	8.38	\$7,360,801	\$4,656,379	\$55,558,475
HORSESHOE	64.56	7.55	\$60,040,223	\$7,022,413	\$93,001,112
MAJESTIC STAR	13.53	8.98	\$3,972,585	\$2,636,356	\$29,365,735
TRUMP	11.54	5.38	\$2,942,229	\$1,372,025	\$25,484,981
TOTALS →			\$121,481,769	\$38,702,148	\$456,735,857
STATEWIDE % (Based on Totals)	26.60	8.47			

¹ The numbers shown above are as reported by the riverboats and have not been audited by the IGC staff.

CONTRACTS FOR PROFESSIONAL SERVICES

Contracts

The IGC continued its contractual relationships with various entities for the provision of professional services. The areas of professional service are as follows: evaluation and testing of gaming devices and systems; legal services; computer consulting; evaluation of riverboat performance; and badging.

Evaluation and Testing of Gaming Devices and Systems

The IGC continued its contract with **Gaming Laboratories International, Inc. (GLI)**, whose main office is located in Lakewood, New Jersey. Under the terms of the contract, GLI provides the following services:

- On-site inspection and certification of electronic gaming devices, computer monitoring systems, and other onboard equipment;
- Testing and evaluation of electronic gaming devices and associated equipment;
- Training of IGC personnel and agents; and
- Other related services as requested, such as consultation regarding gaming devices and software programs.

The Riverboat Gambling Act and the terms of the contract require that the riverboat licensee or manufacturer of the device bear the cost of the inspections, certifications, testing, evaluation and training of IGC personnel and agents. The IGC only pays for GLI's services in those rare instances when the IGC requests consultation and assistance.

Legal Services

The IGC continued its contractual relationship with **Virginia Dill McCarty** of the Indianapolis law firm of Landman & Beatty. Ms. McCarty provides consultation and assistance with respect to numerous issues, including, but not limited to, bonds and the security of bonds, the types and amounts of insurance to be obtained or maintained by riverboat and supplier licensees, and other areas as requested by the IGC.

In December 2003, the IGC concluded its contractual relationship with **Bernard L. Pylitt**, a partner in the law firm of Katzman Katzman & Pylitt of Indianapolis, under which he served as the Administrative Law Judge (ALJ) for the IGC.

In FY 2004, the IGC entered into a contractual relationship with **David L. Rimstidt**, a partner in the dispute resolution firm of Van Winkle Baten & Rimstidt of Indianapolis. Mr. Rimstidt serves as the ALJ for the IGC in disciplinary actions initiated by the IGC, issues concerning the revocation or denial of licenses, and issues regarding the certification of MBE and WBE.

In FY 2004, the IGC entered into a contractual relationship with attorney **Jay D. McQueen**. Mr. McQueen provides consultation and assistance regarding the execution of the RFP process for the Operating Agent contract for a project in Orange County.

Computer Consulting

The IGC is currently contracting with an individual who serves as a consultant to the IGC's Information Technology Division. This consultant has assisted the IGC staff in developing an

Electronic Gaming Device System for tracking the gaming devices approved for use in Indiana. In addition, the consultant has made modifications to the IGC's Electronic Tax System to implement legislative changes in the tax structure and helped in the development of a system to track individuals who request to be excluded under the IGC's Voluntary Exclusion Program. Future projects include modifications to the IGC's existing Occupational Licensing System.

Evaluation of Riverboat Performance

The IGC continued its relationship with Indiana University on behalf of the **Center for Urban Policy & the Environment, School of Public and Environmental Affairs (SPEA)**. Pursuant to the terms of the agreement, SPEA prepares annual reports outlining each riverboat's performance for the riverboat's first five years in operation.

In 2000, SPEA began providing the IGC with comprehensive, cumulative reports that analyze each riverboat's entire first five year period in business with regard to its performance of statutory and community obligations. These five-year reports are utilized by the IGC in effectuating the statutorily required fifth-year reinvestigation and relicensing process. Since 2000, nine of Indiana's riverboats have undergone the fifth-year reinvestigation and relicensing process.

Riverboat licensees are also required to be reinvestigated by the IGC every three years following the fifth-year license renewal. For that task, SPEA began providing the IGC with reports pursuant to these reinvestigations and in FY 2004; Casino Aztar was the first riverboat to be reinvestigated under this schedule.

The IGC continued its contractual relationship with **Dr. A. Charlene Sullivan**. Pursuant to the contract, Dr. Sullivan conducts financial analyses of the riverboat gaming industry in Indiana.

Badging Requirements

The IGC issues identification badges to each occupational licensee and non-gaming employee of riverboat licensees. The IGC has entered into Memoranda of Understanding with each of Indiana's 10 riverboat licensees, the Identix, Inc., and Datacard. Identix was designated the appropriate vendor to install and service live-scan fingerprint systems. Datacard was designated the appropriate vendor to install and service the photo-ID badging systems. Although the goods and services provided are for the use of IGC personnel and used to process occupational licensees who work for the riverboat licensees, all costs are borne by the riverboat licensees. Because the monetary expenditure is made by the riverboat licensee, yet the equipment is being utilized by the IGC, it was determined that Memoranda of Understanding would be the appropriate mechanism with which to outline the various duties and responsibilities of each entity.

Additional Agreements

In fulfilling its other statutory obligations, the IGC has continued to enter into Memoranda or Letters of Understanding with other agencies and jurisdictions to facilitate the sharing of information, and to ensure that the IGC has all the necessary information pertaining to each licensee needed to meet regulatory requirements.

RIVERBOAT OWNER'S LICENSING

During FY 2004, the IGC carried out its statutory requirements by continuing to regulate the 10 operational riverboat licensees.

Renewal of Riverboat Owner's Licenses

Pursuant to IC 4-33-6-10, a riverboat owner's license expires five years after the effective date of the license. During FY 2004, the IGC held one hearing to consider a riverboat owner's licenses for the initial five-year renewal. In September of 2003, the IGC conducted a hearing and renewed the Riverboat Owner's License held by RDI/Caesars Riverboat Casino, LLC ("Caesars").

Pursuant to IC 4-33-6-12, following the five-year renewal, a riverboat owner's license may be renewed annually upon payment of the \$5,000 annual renewal fee and a determination by the IGC

that the riverboat licensee satisfies the conditions of the riverboat gambling laws. Nine of Indiana's Riverboat Owner Licensees have been in operation for more than five years and must apply for renewal annually. Subsequent to the five-year license renewal, a riverboat licensee must undergo a complete background reinvestigation every three years. In FY 2004, Casino Aztar was the first riverboat to be reinvestigated under this schedule.

Regulatory Actions

The IGC concluded the 18 regulatory actions shown in the table on the next page against riverboat licensees in FY 2004 due to statutory or rule violations:

REGULATORY ACTIONS PERTAINING TO RIVERBOATS - FY 2004

Licensee	Reference #	Date of IGC Action	Amount of Fine or Settlement	Summary
Indiana Gaming Company, L.P. (Argosy)	04-AG-1	04/30/2004	\$100,000.00	Argosy failed to follow proper count room procedures and failed to maintain accounting records.
Azta Indiana Gaming Corporation	04-AZ-1	04/30/2004	\$1,500.00	Azta failed to notify Commission agents of changes in employee status.
	03-AZ-2	09/12/2003	\$3,000.00	Azta allowed a minor to board the riverboat without asking for identification.
	03-AZ-1	07/11/2003	\$1,500.00	Azta allowed a minor to board the riverboat without asking for identification.
Belterra Casino and Resort	03-BT-1	09/12/2003	\$1,500.00	Belterra allowed a minor to board the riverboat without asking for identification.
Blue Chip Casino, LLC	04-BC-1	04/30/2004	\$19,500.00	Blue Chip allowed minors to board the riverboat on several occasions.
Caesars Entertainment, Inc.	04-CS-3	04/30/2004	\$14,852.75	Caesars allowed minors to board the riverboat on nine occasions. One occasion involved a minor winning a jackpot.
	03-CS-02	02/06/2004	\$75,000.00	Caesars failed to advise or seek approval of the Commission prior to entering into a debt transaction.
	03-CS-01	02/06/2004	\$60,000.00	Caesars failed to advise or seek approval of the Commission prior to entering into a debt transaction.
Grand Victoria Casino & Resort, LP	04-GV-1	04/30/2004	\$1,500.00	Grand Victoria allowed an employee to work in a licensed position without proper licensure.
	03-GV-1	11/14/2003	\$1,500.00	Grand Victoria allowed a minor to board the riverboat without asking for identification.
Showboat Marina Casino Partnership (Harrah's)	04-HA-1	04/30/2004	\$375,000.00	Count I: failure to follow procedures for currency collection and soft count; Count II: failure to follow procedures for monitoring slot fills; Count III: failure to staff the poker room with a security guard; Count IV: failure to staff craps tables with an adequate number of employees; Count V: failure to rotate and count chip inventory; Count VI: failure to provide adequate surveillance coverage and security notification, resulting in an employee theft; Count VII: failure to count wall locker inventory, resulting in an employee theft; Count VIII: conducting business with a company that was required to hold a supplier's license prior to a license being issued by the Commission.
	03-HA-1	11/14/2003	\$5,000.00	Harrah's allowed several employees to work in level 1 occupational license positions without proper licensure.
Horseshoe Hammond, Inc.	04-HH-1	04/30/2004	\$8,000.00	Horseshoe allowed minors to board the riverboat on three occasions.
	03-HH-1	09/12/2003	\$9,500.00	Horseshoe discovered that an employee was creating fraudulent paperwork to settle guest disputes, in violation of approved internal control procedures
The Majestic Star Casino, LLC	04-MS-1	04/30/2004	\$10,000.00	Count I: failure to maintain adequate surveillance coverage and failure to utilize double lock systems on slot keys; Count II: failure of slot attendants to utilize access cards when accessing slot machines, resulting in an employee theft.
Trump Indiana, Inc.	04-TR-1	04/30/2004	\$213,000.00	Failure to follow procedures regarding bill validator collection and count procedures on numerous occasions; failure to properly inventory an unattended change booth, resulting in an employee theft; failure to maintain secure drop box storage carts.
	03-TR-1	07/11/2003	\$1,500.00	Trump failed to notify Commission agents of changes in employee status.

OCCUPATIONAL LICENSING

The IGC requires each individual who works on a riverboat casino, or who works in a sensitive position with a riverboat licensee to hold an occupational license. A casino must hire an individual before the IGC will begin the process to license that individual. If an individual appears to be suitable for licensure based upon his or her application for an occupational license, the IGC issues a temporary occupational license. Since July 1, 2003, the IGC has issued 4,433 new temporary occupational licenses. The temporary license allows an individual to begin working aboard the riverboat pending the results of a routine background investigation, which is completed by the Background Investigation Unit of the Indiana State Police's Gaming Enforcement Division (ISP).

Once an individual's background investigation confirms the absence of information that would prohibit the IGC from licensing that individual, the IGC issues a permanent occupational license. Since July 1, 2003, the IGC has issued 3,208 new permanent badges to employees who had previously held temporary licenses, and renewed 9,157 existing permanent badges. As of the end of June 2004, a total of 12,644 individuals held either a temporary or permanent occupational license to work for one of Indiana's riverboat casinos.

Once licensed, occupational licensees must continue to maintain their suitability for licensure. The IGC takes various levels of disciplinary action against occupational licenses for failure to follow provisions of the Riverboat Gambling Act or Indiana Administrative Code. The IGC may suspend, revoke, or take formal disciplinary action against an occupational licensee, or place a licensee on probation.

Occupational License Revocations, Probations, and Suspensions

The IGC staff revoked temporary occupational licenses prior to the issuance of permanent occupational licenses on 12 occasions during FY 2004 for reasons unrelated to an individual's prior criminal history. These licenses were revoked for the following reasons:

Criminal activity in performance of duties.	8
Failure to complete application accurately and cooperate with IGC staff.	2
Unsuitability to hold a license.	2

Of these individuals, two people entered into a settlement agreement with IGC staff and their temporary occupational licenses were reinstated.

Additionally, the IGC placed approximately 180 temporary occupational licensees on probation for failing to accurately disclose their complete criminal history on occupational license applications.

Regulatory Actions Pertaining to Occupational Licensees

The IGC initiated disciplinary action against occupational licensees on 2 occasions during FY 2004. In addition, the IGC entered into 2 settlement agreements with occupational licensees during that period.

In Re Disciplinary Action of an Aztar Employee, Complaint Number 03-OL-AZ-1. On July 17, 2003, the IGC staff initiated disciplinary action against Jermaine McClendon after it was discovered that Mr. McClendon had been convicted of a felony. The matter was forwarded to ALJ Bernard L. Pylitt who submitted a recommendation to the Commission that Mr. McClendon's permanent occupational license be revoked. The Commission adopted Judge Pylitt's recommendation.

In Re Disciplinary Action of a Trump Employee, Complaint Number 04-OL-TR-1. On December 8, 2003, the IGC staff initiated disciplinary action against Christopher Hollon after Mr. Hollon failed to notify IGC agents of criminal arrests and failed to respond to numerous requests for court documentation regarding the arrests. The matter was forwarded to Administrative Law Judge David L. Rimstidt. Mr. Hollon's employment with Trump Casino was terminated prior to the resolution of the disciplinary action.

Harrah's Casino/Rodney Cox, Number HA-DEN-03-3. On December 16, 2003, IGC staff revoked Rodney Cox's temporary occupational license to work at Harrah's Casino due to the fact that a license he previously held to work at Trump Casino was revoked in 1998 and due to his failure to accurately disclose his criminal history on his application for an occupational license. Mr. Cox did not receive notification of the 1998 revocation and requested reinstatement of his Harrah's license. After reviewing the circumstances surrounding the 1998 incident, IGC staff entered into a settlement agreement with Mr. Cox. Pursuant to the terms of the agreement, Mr. Cox was eligible to receive a temporary occupational license and his license was to be placed on

probation for a period of 6 months due to his failure to disclose his criminal history. The Commission approved the terms of the agreement and Mr. Cox's license was reinstated.

Horseshoe Casino/Holly Blair, Number HH-DEN-03-1. On August 8, 2003, IGC staff revoked Holly Blair's temporary occupational license due to her failure to submit requested court documentation regarding her criminal history. Following the revocation, Ms. Blair submitted the requested paperwork and requested the reinstatement of her license. IGC staff entered into a settlement agreement with Ms. Blair whereby she was eligible to receive a temporary license to work at an Indiana riverboat and would not be eligible to receive a permanent license for a period of 1 year. Ms. Blair further agreed to provide additional paperwork regarding her criminal history and agreed to comply with all future requests for information. The Commission approved the terms of the agreement and Ms. Blair was issued a temporary license to work at Majestic Star Casino.

Felony Waiver Decisions

Pursuant to IC 4-33-8-3, the IGC may not issue an occupational license to any individual who has been convicted of a felony. In FY 2004, the IGC denied temporary occupational licenses to at least 13 applicants due to disclosures on their applications indicating that they had one or more felony convictions. Additionally, the IGC revoked the temporary occupational licenses of 13 individuals due to the ISP Background Investigative Unit's discovery during routine background investigations that the licensees had failed to reveal felony conviction information on their applications. Pursuant to IC 4-33-8-11, an individual who is disqualified due

to a felony conviction may seek a waiver of the felony disqualification. Between July 1, 2003 and June 30, 2004 the IGC received 10 requests for felony waivers. The IGC denied 9 of those requests prior to holding a hearing because the individuals were statutorily ineligible to be considered for a waiver. Felony waiver hearings were conducted in 1 case. The Commission granted that waiver request.

Gambling Misdemeanor Waiver Decisions

Pursuant to IGC rules, a licensee must not have been convicted of any offense involving the violation of a gaming law in any jurisdiction. Based on the recommendation of an ALJ in a 1998 case, the IGC has begun a process, analogous to the felony waiver process, whereby individuals may request a waiver of a misdemeanor gambling conviction disqualification. The IGC did not receive any requests for a misdemeanor gambling waiver in FY 2004.

SUPPLIER LICENSING

In order to supply certain goods and services to Indiana riverboats, an individual or company must apply for and receive a supplier's license from the IGC. The IGC may issue a temporary supplier's license after completing a preliminary investigation that reveals that the applicant meets the statutory criteria set forth in IC 4-33-7-3. Upon completion of a thorough background investigation of a temporary licensee and a determination that the licensee is suitable for licensure, a permanent supplier's license is issued. The IGC granted four temporary supplier's licenses in FY 2004. The following companies received a supplier's license: NRT Technology Corporation, Western Money Systems, Glory (U.S.A.), Inc., and Southwest Surveillance Systems.

A supplier's license must be renewed annually following a request by the supplier and payment of the \$5,000 annual fee. Twenty-nine supplier renewals were granted in FY 2004.

Seven licensed suppliers requested leave of the IGC to withdraw their licenses. You Bet Tours, Inc. made such a request due to the unavailability of junket opportunities in Indiana. The request was approved on September 12, 2003 by Resolution 2003-43. Hornblower Marine Services also requested leave to withdraw its license due to the unavailability of marine service opportunities in Indiana. The request was approved on September 12, 2003 by Resolution 2003-44. American Gaming and Electronics requested leave to withdraw its supplier's license application. The request was made pursuant to the company's determination that it would only distribute products that do not require a supplier's license. The request was approved on November 14, 2003 by Resolution 2003-60. International Gaming Services, LLC

requested leave to withdraw its supplier's license application due to IGC staff's determination that the company would not need a license to provide services to Indiana riverboats. The request was approved on November 14, 2003 by Resolution 2003-61. Innovative Gaming, Inc. and Xertain, Inc. also requested leave to withdraw its supplier's license application due to changes in corporate structuring. The request was approved on February 6, 2004 by Resolution 2004-6. Sierra Design Group requested leave to withdraw its supplier's license due to its acquisition by supplier licensee Alliance Gaming Corporation. The request was approved on February 6, 2004 by Resolution 2004-7. Hasgoe Cleaning Systems, Inc. also requested leave to withdraw its supplier's license due to the unavailability of business opportunities in Indiana. The request was approved on April 30, 2004 by Resolution 2004-19.

Denial of Supplier's License Application

Miller Pizza Company, Inc. submitted an application for a supplier's license in order to provide services on the riverboats located at the Buffington Harbor pavilion. After completing a background investigation, the Commission denied the application on April 30, 2004, pursuant to Resolution 2004-16. Miller Pizza submitted a request for a hearing to appeal the denial of its application. The matter was forwarded to ALJ David L. Rimstidt for resolution. The matter remained pending at the end of fiscal year 2004.

Name Change of Supplier Licensees

Two supplier licensees submitted requests to change the name of the supplier licensee. George C. Matteson Co., Inc. d/b/a GEMACO Playing Card Company requested to change the name of the licensee to Gemaco Inc. following a change in ownership. The request was approved on February 6, 2004 by Resolution 2004-08. Paul-Son Gaming Corporation, d/b/a Paul-Son Gaming Supplies, Inc. requested to change the name of the licensee to Gaming Partners International USA, Inc. The request was approved on April 30, 2004 by Resolution 2004-20.

Transfer of Ownership Interest

Eleven licensed suppliers requested IGC approval for the transfer of ownership interest in FY 2004:

- One transfer of ownership interest involved Aristocrat Technologies, Inc. and Casino Data Systems (CDS). The transfer resulted in CDS becoming a wholly owned subsidiary of Aristocrat. No new key people or substantial owners were introduced. The transfer was approved on July 11, 2003, by Resolution 2003-31.
- One transfer of ownership interest involved PDS Gaming Corporation. The transaction increased ownership interests of three individuals already holding ownership interests in the company. No new key people or substantial owners were introduced. The transfer was approved on July 11, 2003, by Resolution 2003-32.
- One transfer of ownership interest involved Atlantic City Coin and Slot Company, Inc. The transaction increased the ownership interests of three individuals already holding ownership in the company. No new key people or substantial owners were introduced. The transfer was approved on September 12, 2003, by Resolution 2003-40.
- One transfer of ownership interest involved International Game Technology (IGT) and Acres Gaming, Inc. The transaction resulted in Acres becoming a wholly owned subsidiary of IGT. No new key people or substantial owners were introduced. The transaction was approved on September 12, 2003, by Resolution 2003-41.
- One transfer of ownership interest involved Alliance Gaming Corporation, parent company of Bally Gaming, Inc., (Bally) and Casino Management Systems, LLC (CMS). The transaction resulted in CMS becoming a wholly owned subsidiary of Bally. No key people or substantial owners were introduced. The transaction was approved on September 12, 2003, by Resolution 2003-42.
- One transfer of ownership interest involved Tech Innovations, Inc. The transaction increased the ownership interest of an individual already holding ownership interest in the company. No new key people or substantial owners were introduced. The transfer was approved on November 14, 2003, by Resolution 2003-57.

- One transfer of ownership interest involved George C. Matteson., Co., Inc. d/b/a Gemaco Playing Card Company. The transaction resulted in 100% transfer of the company to two new individuals, who were investigated by the IGC's Background Investigation Unit. The transfer was approved on November 14, 2003, by Resolution 2003-58.
- One transfer of ownership interest involved IEP, Ltd. The transaction increased the ownership interest of an individual already holding ownership interests in the company. No new key people or substantial owners were introduced. The transfer was approved on November 14, 2003, by Resolution 2003-59.
- The next transfer of ownership interest involved Alliance Gaming Corporation, the parent company of Bally Gaming, Inc., and Sierra Design Group (Sierra Design). The transaction resulted in Sierra Design becoming a wholly owned subsidiary of Bally. No new key people or substantial owners were introduced. The transaction was approved on February 6, 2004, by Resolution 2004-7.
- One transfer of ownership interest involved the United States Playing Card Company, its parent company Bicycle Holding, Inc. (Bicycle) and Jarden Corporation (Jarden). The transaction resulted in Bicycle becoming a wholly owned subsidiary of Jarden. No new key people or substantial owners

were introduced. The transaction was approved on April 30, 2004, by Resolution 2004-17.

- One transfer of ownership interest involved Shuffle Master, Inc. (Shuffle Master) and Casinos Austria Research and Development (CARD). The transaction resulted in CARD becoming a wholly owned subsidiary of Shuffle Master. No new key people or substantial owners were introduced. The transaction was approved on April 30, 2004, by Resolution 2004-18.

INFORMATION TECHNOLOGY DIVISION

The Information Technology Division is responsible for the implementation, management, and support of all information systems and their corresponding hardware technologies within IGC. This support covers both the IGC's central office and the 10 gaming enforcement offices - one located at each riverboat. The supported information systems include standard office suite applications, end-user computing tools, and custom designed applications. The division also coordinates the wide area network (WAN) data communication connectivity to the 10 gaming enforcement offices. The division's primary goal is to increase the IGC's productivity through ongoing enhancements and refinements to the automation of the IGC's day-to-day operations.

Major accomplishments in FY 2004 include the final implementation of the Electronic Gaming Device System (EGDS), Voluntary Exclusion Program (VEP), connection to the Indian State Police's (ISP) Automated Fingerprint Imaging System (AFIS), and the upgrading of computer equipment at several of the gaming enforcement offices.

The EGDS is designed to track the acquisition, movement and/or conversion, and final disposition of all EGD assets at all Indiana riverboats. The system's functionality includes:

- An online catalog of Indiana-approved EGD assets,

- The online submission of requests by the riverboats for the acquisition, movement, or conversion of EGD assets,

- The online coordination and confirmation of shipment information by the suppliers, and

- The online approval/disapproval of these requests by the IGC.

The EGDS's conversion of the request process from a paper-based system to one using electronic media has simplified and expedited the processing of requests and has improved the accuracy of managing EGD assets.

A new application was developed to manage the VEP process that was going into effect on July 1, 2004. The VEP application will assist the Voluntary Exclusion Program Coordinator with the process of allowing patrons the ability to exclude themselves from gaming at any of the properties in Indiana. This system will also provide the Riverboat Casinos information on the individuals who have placed themselves on the list.

The gaming enforcement office at Horseshoe had its fingerprint scanning system upgraded to allow for the electronic submittal of the fingerprint images to the Indiana State Police headquarters via the AFIS. This office was used as a test site and the new submittal process proved to be a great success. With the AFIS connectivity, the fingerprints of newly hired casino employees can be sent directly to the ISP's headquarters in Indianapolis and then passed on to the FBI for comparison. An e-mail response is then received back at the IGC's central office within 48 hours. The previous process of mailing in fingerprint cards would take up to 6-12 weeks to get a response back. The other nine gaming enforcement IGC offices will have their systems upgraded by mid FY 2005.

The computer equipment used in the gaming enforcement offices at several of the riverboats was upgraded in FY 2004. The division regularly evaluates all computer equipment and software to ensure that outdated equipment and software are upgraded in a timely manner.

ADMISSION AND WAGERING TAX

The total wagering and admission taxes for FY 2004 were \$742 million. This is the second annual report with statistical information based on fiscal year reporting.

The total amounts of taxes from the inception of gaming through the end of FY 2004 are as follows:

Wagering Tax	\$3.009 billion
Admission Tax	\$784 million
<hr/>	
Total Tax	\$3.793 billion

The charts and graphs in this section are a compilation of the monthly riverboat statistical reports for FY 2004. This information reflects the total amount of admissions, win from electronic gaming devices (EGD) and table games, and wagering and admission tax as reported by each of the 10 operating riverboat licensees.

On July 1, 2002, a law became effective allowing riverboats to request flexible scheduling. Each Indiana riverboat made such a request and the IGC granted those requests. Argosy, Belterra, Blue Chip, Caesars, Aztar, Grand Victoria, and Horseshoe were approved to begin flexible scheduling on August 1, 2002 and Harrah's, Majestic Star, and Trump were approved to begin flexible scheduling on August 5, 2002.

The law also included changes in the admission and wagering tax. The law created a new, graduated wagering tax structure for the riverboats operating under flexible scheduling with the tax structure based on the Adjusted Gross Receipts¹ (AGR). All ten casinos are currently operating under the flexible schedule. The new structure is as follows:

- 15% of AGR from the first \$25,000,000;
- 20% of AGR from \$25,000,000.01 to \$50,000,000;
- 25% of AGR from \$50,000,000.01 to \$75,000,000;
- 30% of AGR from \$75,000,000.01 to \$150,000,000; and
- 35% of AGR in excess of \$150,000,000

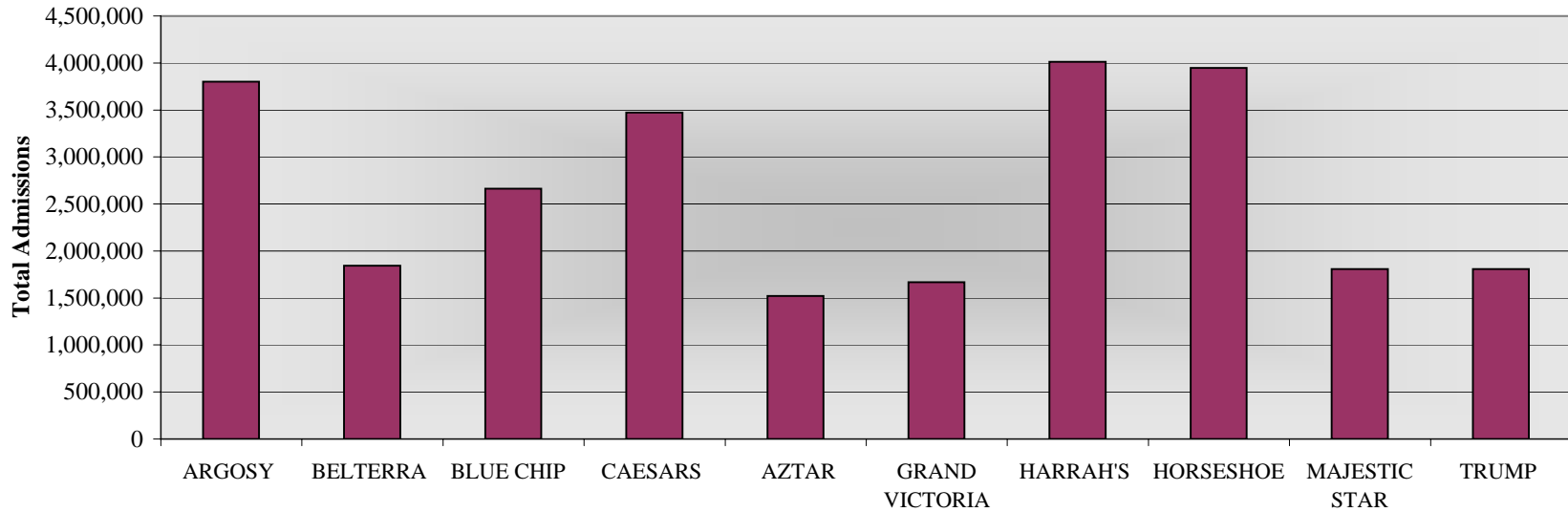
There are two categories of authorized gambling games: EGD (slot machines) and live gaming devices (table games). The income generated by these devices, commonly known as win, is the major component of AGR.

The admission tax of \$3.00 per person/per excursion also changed for those riverboats implementing flexible scheduling to a rate of \$3.00 per person. Under flexible scheduling, riverboats are no longer required to pay an additional tax every two hours for each patron remaining aboard the riverboat.

The Riverboat Gambling Act directs the disposition of the tax revenue to the appropriate unit of state or local government depending upon the tax type. The actual distribution of these funds is coordinated by the offices of the State Treasurer and the State Auditor.

¹ Adjusted Gross Receipts means the total of all cash and property whether collected or not, received by a licensee from gaming operations; minus the total of (A) all cash paid out as winnings to patrons; (B) uncollectible gaming receivables, not to exceed the lesser of (i) a reasonable provision for uncollectible patron checks received from gaming operations; or (ii) two percent of the total of all sums, including checks whether collected or not, less the amount paid out as winnings to patrons; (C) chip and token float; (D) found money and other miscellaneous adjustment.

TOTAL ADMISSIONS PER RIVERBOAT - FY 2004



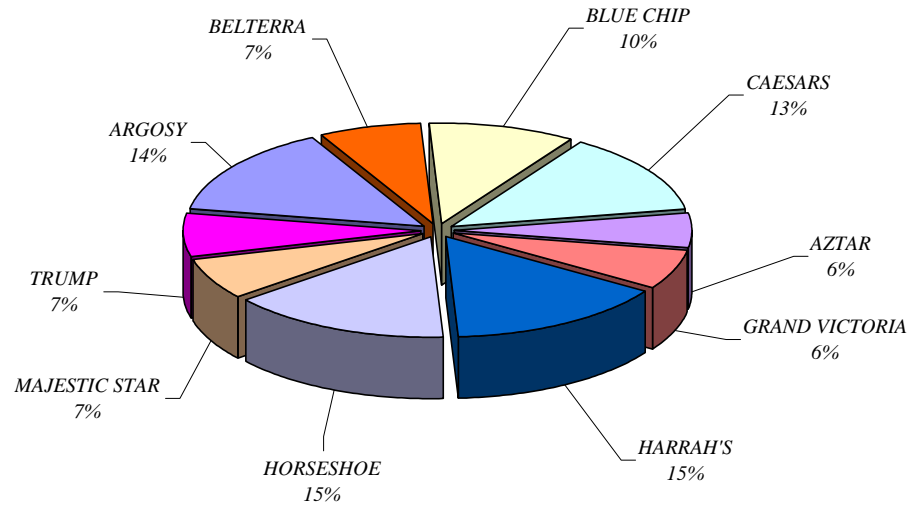
TOTAL PER BOAT	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	AZTAR	GRAND VICTORIA	HARRAH'S	HORSESHOE	MAJESTIC STAR	TRUMP
	3,799,999	1,844,552	2,662,049	3,473,770	1,522,744	1,668,662	4,010,791	3,947,795	1,807,348	1,807,348

TOTAL ADMISSIONS FOR ALL RIVERBOATS 26,545,058

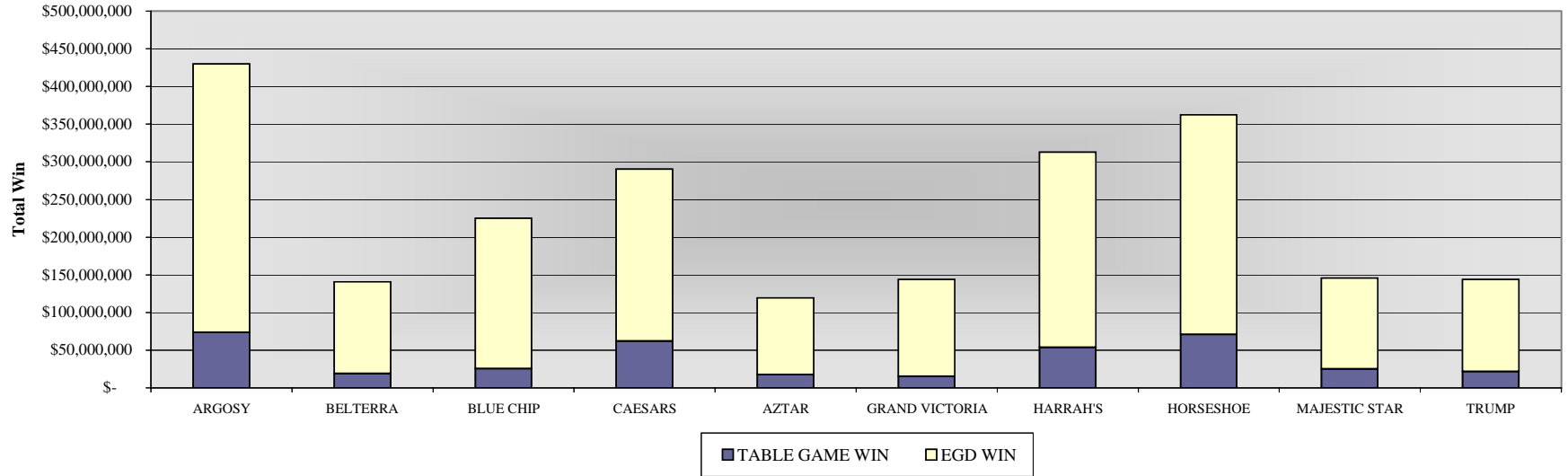
ADMISSION TAX REPORTED - FY 2004

(Due to different software rounding methodologies, the totals in this chart may differ by \$1 or \$2 from the totals in the June 2004 Monthly Revenue Report)

TAX REPORTED	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	AZTAR	GRAND VICTORIA	HARRAH'S	HORSESHOE	MAJESTIC STAR	TRUMP	GRAND TOTAL
JULY	1,011,927	499,608	683,334	914,433	404,142	425,949	1,055,997	963,963	431,703	431,703	6,822,759
AUGUST	1,059,591	526,419	730,254	954,894	421,503	451,383	1,142,688	1,009,305	483,732	483,732	7,263,501
SEPTEMBER	908,172	457,272	653,778	804,495	349,392	365,040	979,554	892,776	434,058	434,058	6,278,595
OCTOBER	952,020	470,364	661,428	826,296	367,053	446,217	1,021,071	930,621	436,359	436,359	6,547,788
NOVEMBER	920,643	424,263	640,917	849,732	372,564	392,700	1,051,266	929,772	438,972	438,972	6,459,801
DECEMBER	837,018	387,435	554,652	787,509	358,539	343,473	1,017,132	969,309	419,634	419,634	6,094,335
JANUARY	902,634	412,824	562,308	869,031	375,810	401,211	1,012,116	982,827	435,051	435,051	6,388,863
FEBRUARY	982,593	439,260	682,467	947,268	389,700	435,786	1,057,005	1,046,457	473,766	473,766	6,928,068
MARCH	1,007,370	457,539	717,243	911,751	398,253	444,933	1,068,756	1,060,164	484,830	484,830	7,035,669
APRIL	950,004	421,209	706,146	874,032	374,358	436,989	1,027,770	1,026,855	470,502	470,502	6,758,367
MAY	960,180	552,492	718,071	859,929	397,641	430,125	850,914	1,060,365	475,968	475,968	6,781,653
JUNE	907,845	484,971	675,549	821,940	359,277	432,180	748,104	970,971	437,469	437,469	6,275,775
TOTAL	\$ 11,399,997	\$ 5,533,656	\$ 7,986,147	\$ 10,421,310	\$ 4,568,232	\$ 5,005,986	\$ 12,032,373	\$ 11,843,385	\$ 5,422,044	\$ 5,422,044	\$ 79,635,174



TOTAL WIN PER RIVERBOAT - FY 2004



	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	AZTAR	GRAND VICTORIA	HARRAH'S	HORSESHOE	MAJESTIC STAR	TRUMP
TABLE GAME WIN	\$ 73,719,274	\$ 19,255,825	\$ 25,475,578	\$ 62,063,005	\$ 17,570,011	\$ 15,204,557	\$ 53,841,258	\$ 70,754,637	\$ 25,288,897	\$ 21,641,713
EGD WIN	\$ 356,276,022	\$ 121,319,738	\$ 199,379,775	\$ 228,085,681	\$ 101,795,485	\$ 128,733,912	\$ 258,826,591	\$ 291,393,905	\$ 120,323,979	\$ 122,170,838
TOTAL WIN	\$ 429,995,296	\$ 140,575,563	\$ 224,855,353	\$ 290,148,686	\$ 119,365,496	\$ 143,938,469	\$ 312,667,849	\$ 362,148,542	\$ 145,612,876	\$ 143,812,551

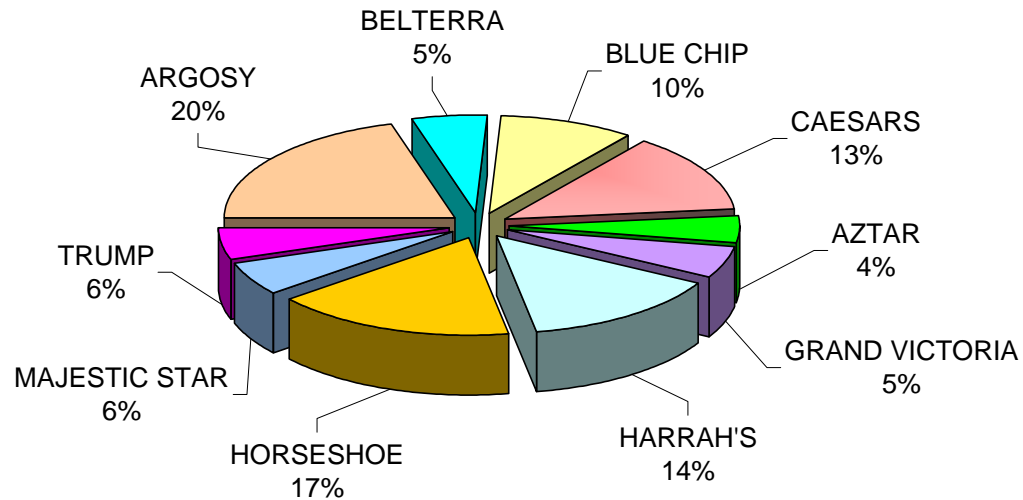
STATE-WIDE WIN - TABLE GAMES	\$384,814,755
STATE-WIDE WIN - EGD	\$1,928,305,926
TOTAL STATEWIDE WIN	\$2,313,120,681

NOTE: Due to rounding, the totals in this chart may vary slightly from the totals in the June 2004 Monthly Revenue Report.

WAGERING TAX REPORTED - FY 2004

TAX REPORTED	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	AZTAR	GRAND VICTORIA	HARRAH'S	HORSESHOE	MAJESTIC STAR	TRUMP	GRAND TOTAL
JULY	5,908,688	1,744,460	2,872,959	3,617,735	1,484,898	1,821,095	3,971,655	4,727,010	1,664,130	1,675,833	29,488,462
AUGUST	8,898,841	1,886,552	3,900,135	5,089,437	1,583,244	2,005,883	5,897,614	6,295,493	1,887,614	1,823,095	39,267,908
SEPTEMBER	9,731,892	2,272,828	4,181,141	5,449,636	1,536,747	2,178,173	6,250,740	8,016,983	2,129,461	2,238,485	43,986,086
OCTOBER	10,315,319	2,329,124	4,882,897	6,651,629	1,956,033	2,492,716	7,873,629	8,869,986	2,148,420	2,420,121	49,939,874
NOVEMBER	12,003,273	2,542,467	5,183,702	7,213,104	1,980,604	2,770,705	7,639,019	8,248,538	2,577,865	2,790,086	52,949,364
DECEMBER	11,907,816	2,647,102	4,925,749	6,665,558	2,430,799	2,563,200	8,433,167	10,827,953	2,804,436	2,829,152	56,034,932
JANUARY	12,478,732	2,914,854	4,929,001	7,780,896	2,513,179	3,307,915	8,768,298	11,145,165	3,310,903	3,471,362	60,620,305
FEBRUARY	13,116,554	3,378,694	5,702,727	9,045,474	2,799,927	3,713,741	9,975,426	11,189,305	4,004,493	3,959,916	66,886,257
MARCH	13,519,535	3,686,778	6,783,093	9,102,128	3,039,473	3,814,892	9,605,594	11,177,460	4,096,704	3,908,376	68,734,033
APRIL	12,999,333	3,414,551	6,835,865	9,019,132	2,975,898	3,733,252	9,880,560	11,228,516	3,952,098	3,689,376	67,728,581
MAY	12,703,862	4,227,826	7,068,470	8,787,663	3,094,912	3,710,119	8,621,547	11,652,343	4,052,706	3,547,779	67,467,226
JUNE	11,936,413	3,674,986	6,460,030	8,129,599	2,835,875	3,487,679	7,597,184	8,369,115	3,586,025	3,305,619	59,382,525
TOTAL	\$ 135,520,259	\$ 34,720,222	\$ 63,725,770	\$ 86,551,992	\$ 28,231,588	\$ 35,599,368	\$ 94,514,431	\$ 111,747,867	\$ 36,214,855	\$ 35,659,201	\$ 662,485,553

NOTE: Due to rounding, the totals in this chart may vary slightly from the totals in the June 2004 Monthly Revenue Report.



GRADUATED TAX STATUS - FY 2004

North Boats	Rate	Date of Change
Blue Chip	15%	07/01/2003
	20%	08/09/2003
	25%	09/16/2003
	30%	10/26/2003
	35%	03/06/2004
Harrah's	15%	07/01/2003
	20%	07/30/2003
	25%	08/27/2003
	30%	09/26/2003
	35%	12/25/2003
Horseshoe	15%	07/01/2003
	20%	07/26/2003
	25%	08/22/2003
	30%	09/17/2003
	35%	12/05/2003
Majestic Star	15%	07/01/2003
	20%	09/04/2003
	25%	11/12/2003
	30%	01/18/2004
	35%	
Trump	15%	07/01/2003
	20%	09/05/2003
	25%	11/08/2003
	30%	01/13/2004
	35%	

<u>AGR</u>	<u>Rate</u>
less than \$25 million	15%
\$25 - \$50 million	20%
\$50 - \$75 million	25%
\$75 - \$150 million	30%

South Boats	Rate	Date of Change
Argosy	15%	07/01/2003
	20%	07/22/2003
	25%	08/12/2003
	30%	09/01/2003
	35%	11/08/2003
Aztar	15%	07/01/2003
	20%	09/16/2003
	25%	12/05/2003
	30%	02/19/2004
	35%	
Belterra	15%	07/01/2003
	20%	09/03/2003
	25%	11/08/2003
	30%	01/18/2004
	35%	
Caesars	15%	07/01/2003
	20%	08/01/2003
	25%	09/01/2003
	30%	10/04/2003
	35%	01/13/2004
Grand Victoria	15%	07/01/2003
	20%	08/31/2003
	25%	11/03/2003
	30%	01/10/2004
	35%	

TAX COMPARISON OF FY 2004 TO FY 2003

WAGERING TAX	FY 2004	FY 2003	DIFFERENCE	%
July *	29,488,462	38,897,014	(9,408,552)	-24.19%
August	39,267,908	31,042,369	8,225,539	26.50%
September	43,986,086	33,308,084	10,678,002	32.06%
October	49,939,874	40,757,955	9,181,919	22.53%
November	52,949,364	45,593,303	7,356,061	16.13%
December	56,034,932	47,163,434	8,871,499	18.81%
January	60,620,305	51,295,558	9,324,747	18.18%
February	66,886,257	53,864,939	13,021,318	24.17%
March	68,734,033	65,048,165	3,685,869	5.67%
April	67,728,581	60,958,264	6,770,318	11.11%
May	67,467,226	64,686,102	2,781,125	4.30%
June	59,382,525	59,146,900	235,625	0.40%
TOTAL	\$662,485,553	\$591,762,085	\$70,723,469	11.95%

ADMISSIONS TAX	FY 2004	FY 2003	DIFFERENCE	%
July *	6,822,759	11,408,082	(4,585,323)	-40.19%
August	7,263,501	7,166,016	97,485	1.36%
September	6,278,595	6,211,779	66,816	1.08%
October	6,547,788	5,986,119	561,669	9.38%
November	6,459,801	5,858,172	601,629	10.27%
December	6,094,335	5,587,719	506,616	9.07%
January	6,388,863	5,780,007	608,856	10.53%
February	6,928,068	5,691,018	1,237,050	21.74%
March	7,035,669	6,516,735	518,934	7.96%
April	6,758,367	6,066,258	692,109	11.41%
May	6,781,653	6,531,000	250,653	3.84%
June	6,275,775	6,066,048	209,727	3.46%
TOTAL	\$79,635,174	\$78,868,953	\$766,221	0.97%

* The FY 2003 refers to July of 2002. At that time the Riverboats were still cruising and the tax rate was 22.5%.

These numbers do not include the \$33 million tax that was accessed for July 2002 pursuant to a statutory change and paid in two installments.

SUMMARY OF TABLE GAME ACTIVITY - FY 2004

UNITS*	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	AZTAR	GRAND VICTORIA	HARRAH'S	HORSESHOE	MAJESTIC STAR	TRUMP
Blackjack/21	51	24	29	86	24	24	26	21	28	22
Poker Room**	n/a	n/a	n/a	12	7	n/a	16	n/a	n/a	17
Craps	7	4	4	12	4	3	4	6	3	3
Roulette	7	3	5	10	3	3	4	6	3	3
Baccarat	3	n/a	2	2	n/a	n/a	8	9	7	2
Big Six	1	n/a	n/a	1	1	n/a	n/a	n/a	0	n/a
Poker***	17	8	11	19	9	7	8	7	9	9
TOTAL	86	39	51	142	48	37	66	49	50	56
DROP										
Blackjack/21	213,824,157	61,474,958	92,667,848	186,407,471	40,462,988	41,566,484	150,656,257	238,519,053	72,710,071	68,799,463
Poker Room**	n/a	n/a	7,565	5,152,419	1,905,499	n/a	7,817,934	n/a	n/a	2,520,694
Craps	69,843,444	20,948,056	21,122,156	64,948,041	17,903,648	21,510,787	44,728,552	101,207,305	15,638,193	19,674,064
Roulette	29,743,495	6,043,034	10,673,624	24,301,150	6,569,891	6,177,142	20,395,724	29,562,402	6,948,379	5,973,902
Baccarat	11,234,910	n/a	8,140,942	8,684,813	n/a	n/a	71,317,979	102,897,722	38,066,639	8,481,755
Big Six	1,615,122	n/a	n/a	1,127,593	101,646	n/a	n/a	n/a	112,241	n/a
Poker***	65,459,376	21,061,673	26,509,321	55,157,701	18,347,442	18,557,555	33,276,363	37,639,548	19,716,790	22,179,640
TOTAL	391,720,504	109,527,721	159,121,456	345,779,188	85,291,114	87,811,968	328,192,809	509,826,030	153,192,313	127,629,518
WIN										
Blackjack/21	33,893,067	9,727,201	12,291,537	25,930,358	6,695,640	6,237,699	17,612,663	26,003,004	10,634,540	8,859,532
Poker Room**	n/a	n/a	3,397	5,144,019	1,905,499	n/a	7,817,934	n/a	n/a	2,520,694
Craps	14,873,005	3,688,657	3,820,890	12,880,076	3,712,814	3,627,477	7,780,599	13,436,418	3,195,110	3,841,189
Roulette	8,078,979	1,469,282	3,129,732	6,010,905	1,853,071	1,662,919	5,092,979	6,302,208	1,750,805	1,507,389
Baccarat	1,677,304	n/a	1,173,438	729,044	n/a	n/a	8,860,990	17,129,908	5,767,825	1,221,751
Big Six	900,051	n/a	n/a	557,671	51,364	n/a	n/a	n/a	55,264	n/a
Poker***	14,296,868	4,370,685	5,056,584	10,809,781	3,351,623	3,676,462	6,620,013	7,883,099	3,885,353	3,676,552
Other	n/a	n/a	n/a	1,151	n/a	n/a	56,080	n/a	n/a	14,606
TOTAL	73,719,274	19,255,825	25,475,578	62,063,005	17,570,011	15,204,557	53,841,258	70,754,637	25,288,897	21,641,713

* As of 6/30/04

** Traditional Poker

*** All approved "non-traditional" poker games

NOTE: Due to rounding, the totals in this chart may vary slightly from the totals in the June 2004 Monthly Revenue Report.

SUMMARY OF EGD ACTIVITY - FY 2004

UNITS*	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	AZTAR	GRAND VICTORIA	HARRAH'S	HORSESHOE	MAJESTIC STAR	TRUMP
1 cent	232	158	108	58	n/a	45	n/a	n/a	37	n/a
2 cent	n/a	13	11	37	41	n/a	n/a	n/a	74	101
nickel	660	417	431	460	256	355	579	290	529	580
10 cent	92	n/a	n/a	n/a	n/a	25	n/a	n/a	n/a	n/a
25 cent	417	367	573	991	426	555	494	725	434	491
50 cent	311	118	58	171	90	85	121	245	46	50
\$1	514	402	493	481	435	378	595	611	418	443
\$2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	10	n/a	6
\$5	97	40	32	58	94	60	97	104	37	36
\$10	14	4	2	24	22	n/a	12	6	n/a	n/a
\$20	n/a	n/a	n/a	12	n/a	n/a	n/a	n/a	n/a	n/a
\$25	16	7	10	n/a	8	6	7	10	6	10
\$100	n/a	5	3	8	2	n/a	4	6	3	n/a
\$500	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TOTAL	2,353	1,531	1,721	2,300	1,374	1,509	1,909	2,007	1,584	1,717
COIN IN										
1 cent	55,282,835	90,732,512	47,242,237	58,499,851	n/a	23,982,389	n/a	n/a	30,940,945	n/a
2 cent	n/a	7,401,944	1,269,059	25,902,095	10,733,442	n/a	n/a	n/a	56,692,065	67,503,171
nickel	923,898,368	361,063,101	442,064,619	801,123,518	255,735,276	278,671,104	914,091,120	344,726,148	454,263,519	482,590,720
10 cent	141,169,204	n/a	5,296,410	n/a	n/a	12,950,622	27,213,267	n/a	248,176	n/a
25 cent	1,082,038,234	385,506,240	695,566,146	896,553,618	289,252,221	531,015,119	664,714,037	942,735,106	379,632,862	482,038,242
50 cent	673,517,863	104,804,422	85,322,494	214,321,972	51,038,143	74,179,292	138,586,371	387,981,356	62,747,217	25,962,958
\$1	1,911,516,236	505,108,767	1,055,080,854	968,056,168	438,797,238	603,557,679	963,250,651	1,701,106,101	499,751,833	480,335,315
\$2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	23,681,362	n/a	10,948,566
\$5	553,922,181	123,140,640	188,574,780	216,551,450	129,016,260	145,783,885	182,033,344	284,798,435	51,808,975	43,562,641
\$10	124,977,960	15,576,810	11,210,390	42,273,500	24,459,020	n/a	15,517,570	16,265,480	n/a	n/a
\$20	n/a	n/a	n/a	27,413,780	n/a	n/a	n/a	n/a	n/a	n/a
\$25	183,352,100	15,522,525	58,771,425	n/a	11,040,875	20,503,950	21,496,675	44,317,900	15,144,050	10,753,925
\$100	n/a	13,362,900	11,326,300	16,013,700	3,369,900	n/a	6,701,600	44,015,400	694,800	976,800
\$500	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TOTAL	\$ 5,649,674,981	\$ 1,622,219,861	\$ 2,601,724,714	\$ 3,266,709,652	\$ 1,213,442,374	\$ 1,690,644,040	\$ 2,933,604,635	\$ 3,789,627,288	\$ 1,551,924,442	\$ 1,604,672,338
WIN										
1 cent	6,429,530	10,456,951	5,869,404	6,002,732	n/a	2,622,654	n/a	n/a	1,032,406	n/a
2 cent	n/a	771,143	190,386	2,612,219	1,235,018	n/a	n/a	n/a	7,507,636	9,061,884
nickel	86,893,273	35,747,820	51,467,975	65,670,254	28,416,997	32,510,625	105,615,944	47,178,104	47,198,798	49,281,412
10 cent	13,945,621	n/a	526,434	n/a	n/a	1,516,403	3,179,175	n/a	10,293	n/a
25 cent	76,300,594	30,108,659	57,422,947	64,290,030	25,896,077	40,650,813	59,433,687	87,981,593	28,884,780	31,362,111
50 cent	48,931,335	8,087,461	6,610,767	15,969,974	5,054,431	6,028,703	13,561,538	31,931,321	3,365,257	1,709,576
\$1	96,304,166	27,438,870	66,031,650	57,916,621	31,952,599	37,779,525	63,808,289	106,597,018	29,479,702	27,871,635
\$2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,520,894	n/a	476,436
\$5	18,233,369	6,229,705	7,802,061	11,705,537	6,980,147	6,420,514	10,409,907	12,010,385	2,098,618	1,835,263
\$10	3,946,585	653,173	514,565	2,243,825	1,427,435	n/a	1,269,025	770,890	n/a	n/a
\$20	n/a	n/a	n/a	690,022	n/a	n/a	n/a	n/a	n/a	n/a
\$25	5,233,429	550,663	2,529,086	n/a	592,490	1,204,675	1,524,821	1,564,880	670,689	454,215
\$100	n/a	1,275,293	414,500	984,466	240,292	n/a	23,955	1,838,820	75,800	118,305
\$500	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
other	58,120	n/a	n/a	n/a	n/a	n/a	250	n/a	n/a	n/a
TOTAL	\$ 356,276,022	\$ 121,319,738	\$ 199,379,775	\$ 228,085,681	\$ 101,795,485	\$ 128,733,912	\$ 258,826,591	\$ 291,393,905	\$ 120,323,979	\$ 122,170,838

* as of 6/30/04

NOTE: Due to rounding, the totals in this chart may vary slightly from the totals in the June 2004 Monthly Revenue Report.

GAMING OPERATIONS - FY 2004

EGD SUMMARY

EGD'S	UNITS*	COIN IN	WIN
1 CENT	638	306,680,769	32,413,677
2 CENT	277	169,501,776	21,378,286
5 CENT	4,557	5,258,227,493	549,981,202
10 CENT	117	186,877,679	19,177,926
25 CENT	5,473	6,349,051,825	502,331,291
50 CENT	1,295	1,818,462,088	141,250,364
\$ 1	4,770	9,126,560,842	545,180,076
\$ 2	16	34,629,928	1,997,330
\$ 5	655	1,919,192,591	83,725,505
\$ 10	84	250,280,730	10,825,498
\$20	12	27,413,780	690,022
\$25	80	380,903,425	14,324,948
\$100	31	96,461,400	4,971,431
\$500	0	0	0
Other **	0	0	58,370
TOTAL	18,005	\$25,924,244,325	\$1,928,305,926

* As of June 30, 2004

** Tournament receipts

TABLE GAMES SUMMARY

TABLE GAMES	UNITS*	DROP	WIN
Blackjack/21	335	1,167,088,750	157,885,241
Poker Room **	52	17,404,111	17,391,543
Craps	50	397,524,246	70,856,235
Roulette	47	146,388,743	36,858,269
Baccarat	33	248,824,760	36,560,260
Big Six	3	2,956,602	1,564,350
Poker ***	104	317,905,409	63,627,020
Other****	0	0	71,837
TOTAL	624	\$2,298,092,621	\$384,814,755

* As of June 30, 2004

** Traditional Poker

*** All approved "non-traditional" poker games

**** Tournament receipts

NOTE: Due to rounding, the totals in this chart may vary slightly from the totals in the June 2004 Monthly Revenue Report.

TOTAL TAX - FY 2004

	ADMISSION TAX	WAGERING TAX	TOTAL TAX
ARGOSY	11,399,997	135,520,259	146,920,256
BELTERRA	5,533,656	34,720,222	40,253,878
BLUE CHIP	7,986,147	63,725,770	71,711,917
CAESARS	10,421,310	86,551,992	96,973,302
AZTAR	4,568,232	28,231,588	32,799,820
GRAND VICTORIA	5,005,986	35,599,368	40,605,354
HARRAH'S	12,032,373	94,514,431	106,546,804
HORSESHOE	11,843,385	111,747,867	123,591,252
MAJESTIC STAR	5,422,044	36,214,855	41,636,899
TRUMP	5,422,044	35,659,201	41,081,245
TOTAL *	\$ 79,635,174	\$ 662,485,553	\$ 742,120,727

* The calculation of wagering tax is based upon the AGR, which includes adjustments such as chip and token float not included in win figures.

<p>NOTE: Due to rounding, the totals in this chart may vary slightly from the totals in the June 2004 Monthly Revenue Report.</p>
