

INDIANA GAMING COMMISSION



INTERIM ANNUAL REPORT TO THE GOVERNOR

Submitted on February 28, 2003

Dear Governor O'Bannon,

It is my pleasure to submit to you the 2002 Interim Annual Report of the Indiana Gaming Commission.

As you are aware, legislation is currently under consideration that would change the due date of the annual report from March to September. This change has been sought due to the revisions in statute passed during the 2002 special legislative session which based riverboat taxes on the fiscal year, not the calendar year.

The submission of our final report in September 2003 will allow the Commission to report tax revenue for the fiscal year, which would provide an accurate representation of the fiscal impact of Indiana's riverboats. The Commission has submitted this interim report, which is based on calendar year taxes, in order to comply with the current statute and welcomes the opportunity to provide more relevant information once the fiscal year is complete.

The information in this interim report includes the reporting of admissions, win, tax revenue, and minority and women business enterprise utilization. Information is also included regarding the new graduated tax structure and each riverboat's standing within that structure as of December 31, 2002.

Thank you for your acceptance of the 2002 interim report. I look forward to presenting a final report following the close of the fiscal year.

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

Change in Leadership

John J. (Jack) Thar, the first employee of the Indiana Gaming Commission (IGC) and its original Executive Director, left the IGC in October 2002 after nine years of service.

Mr. Thar, an attorney who had previously served as Assistant U.S. Attorney with the U.S. Department of Justice, provided exemplary leadership to the IGC and should be commended for his dedication to the strict regulation of gaming and to the State of Indiana through his service at the IGC.

Glenn R. Lawrence was appointed to replace Mr. Thar.

Mr. Lawrence, an attorney and former Commissioner of the Indiana Department of Administration, began his service as Executive Director on October 14, 2002. Mr. Lawrence brings a wealth of knowledge and governmental experience to his post and was welcomed by both Commissioners and staff.

Flexible Scheduling Legislation

In addition to routine regulatory activity, much of the IGC's activity in 2002 centered upon legislative changes implemented as a result of HB 1001 SS. This legislation was passed during the special legislative session on June 22, 2002 and was subsequently signed by Governor O'Bannon. In part, HB 1001 SS authorized riverboats to operate under "flexible scheduling", also called "dockside operations", and made several changes to the tax structure for both admission and wagering taxes. A detailed description of these changes is available in the Admission and Wagering Tax section of this report on page 8.

Following the passage of the bill, the IGC began to expeditiously review safety, regulatory, and tax collection issues surrounding the change to flexible scheduling. The IGC's goal was to implement the changes in law as close to the July 1, 2002 effective date as possible, but to do so in a manner that would not compromise the safety of the riverboats or the integrity of riverboat regulation and tax collection procedures. As required by statute, the IGC developed an application for flexible scheduling and set the due date for those applications as July 12, 2002, only 20 calendar days following the passage of the bill.

In the meantime, IGC's Information Technology Division began upgrading IGC's computerized tax collection system to allow it to accommodate the graduated wagering tax structure. Previously, the system only calculated a flat tax rate of 20% and was not capable of calculating the graduated tax. The tax collection system was upgraded, tested, and implemented within a time frame originally thought impossible. This allowed the IGC to approve flexible scheduling operations in the beginning of August 2002, little more than 30 days following the passage of the legislation.

Commissioners

Commissioner Richard M. Darko resigned his appointment to the IGC in order to become Chairman of the Indiana Horse Racing Commission. Marya M. Rose, an attorney from Indianapolis, was appointed to replace Commissioner Darko. In addition, David Carlton indicated to the Governor that he did not desire to be reappointed.

Commission Actions

The Riverboat Gambling Act (ACT) requires the IGC to hold at least one meeting each quarter of the fiscal year. In 2002, the IGC held meetings on the following dates: March 15, 2002; April 10, 2002; May 13, 2002; July 29, 2002; September 27, 2002; and November 15, 2002.

During these meetings, the IGC passed 37 resolutions. The topics covered by the resolutions adopted by the IGC are categorized as follows:

Issues Concerning Supplier's Licenses	14
Adoption of Rules and Amendments	2
Issues Concerning Bonds and Financing	6
Approval of Games	9
Owner's License Renewal	2
Delegation of Authority to the Executive Director	3
Approval of Flexible Scheduling	1

The IGC also took 21 actions against occupational licensees, one action against a supplier licensee, and 11 actions resulting from disciplinary issues with riverboat licensees.

Blue Chip and Harrah's both received renewals in 2002 following their initial five years of operation, bringing to eight the number of riverboats that have been reinvestigated and had their license renewed. This leaves Caesars in 2003 and Belterra in 2004 as the only two remaining riverboats still waiting to go through the fifth-year renewal process.

Wagering Limits

Based upon the reports of the National Gambling Impact Study Commission and the Indiana Gambling Study Commission, as well as the observance of the riverboat gambling industry in the State of Indiana, the IGC does not have any evidence that would require changing the wagering loss limits from existing law and practice of the industry in Indiana. Existing law and practice do not set a wagering loss limit in Indiana.

REVENUES AND EXPENDITURES

Revenues

In 2002, the IGC received total revenue of \$4,719,775, which was generated from two types of activity: 1) licensing of riverboat owners, suppliers, and occupational licensees; and 2) regulatory actions taken against these licensees.

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

Licensing activity resulted in fees of \$40,000 from riverboat owners for seven annual renewals and one fifth-year renewal.

Additionally supplier licensing fees of \$130,000 were received for one application, two new permanent licenses issued and 23 annual renewals.

Furthermore, occupational licensing fees of \$1,475,175 were received as follows: application fees \$992,575; permanent fees \$136,000 and renewal fees \$346,600.

The fees for occupational licenses vary by the type and level of license. The application fees for Levels 1, 2 or 3 are \$1,000, \$200, and \$75. A \$10 fee is charged for reissued ID badges. The fees for permanent licenses and renewals are \$100 for Level 1, \$50 for Level 2 and \$25 for Level 3.

Application fees shown on this page are reported as revenue for the Background Investigation Unit (BIU) of the Indiana State Police (ISP). In accordance with IC4-33-4-18, the IGC shall reimburse the ISP for costs incurred to conduct background investigations from fees collected from applicants.

Total revenue from regulatory actions taken was \$3,074,600 including \$740,000 for occupational licensees, \$2,329,600 for riverboat licensees and \$5,000 for a supplier licensee. A \$25,000 fine assessed in December 2001 is included in this amount. For detailed information on the regulatory actions pertaining to riverboats, see page 5 of this report.

Expenditures

In 2002, \$3,208,992 was expended to regulate and investigate the riverboat gaming industry in Indiana. This is comprised of \$2,287,798 expended from the IGC's administrative account and \$921,194 expended from the BIU. The majority of expenditures for the BIU consist of cost reimbursements to the ISP. 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. The riverboat licensees remitted \$7,743,339 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 \$496,393 was received from licensees for investigative costs over and above any application fee paid.

REGULATORY ACTIONS PERTAINING TO RIVERBOATS IN 2002

Licensee	Reference #	Date of IGC Action	Amount of Fine or Settlement	Summary
Aztar Indiana Gaming Corp.	02-AZ-01	3/15/2002	\$1,500.00	A minor obtained access to the riverboat and was not asked for identification prior to boarding the boat.
Belterra Casino and Resort	02-BT-01	3/15/2002	\$3,000.00	Fine imposed due to a minor obtaining access to the riverboat and forfeiture of the \$1,500.00 jackpot that the patron won.
Belterra Casino and Resort	02-BT-02	5/13/2002	\$18,000.00	Belterra converted two slot machines to \$10 machines but failed to properly convert the bill validators. This caused the machines to register the \$10 bill as two credits rather than one. Certain employees violated company policies and procedures. As a result of this incident Belterra adjusted their tax return by \$104,960, provided information that would ensure that this will not recur, and further described internal disciplinary actions it would take against each employee who contributed to these procedural violations.
Belterra Casino and Resort	02-BT-03	7/29/2002	\$2.26 Million - See Summary for additional terms of the agreement	In June of 2001, Belterra conducted a golf outing called the Hubbard Invitational Golf Classic. Specific individuals were invited to attend, including women referred to as "hookers." Under the direction of R. D. Hubbard, Belterra employees violated several rules. Belterra's gaming operations were suspended for three days in October. While closed, Belterra was responsible for paying employees' wages and tips. Belterra was also responsible for a fine of \$2.26 million and building a 300 Guestroom Tower to be built within two years of approval of the settlement agreement. Pinnacle was also directed to ensure that its directors and associates have no professional relationships with Mr. Hubbard and Mr. Alanis and to adopt a corporate code of conduct.
Belterra Casino and Resort/ R.D. Hubbard	2002-OL-BT-01	7/29/2002	Relinquishment of Indiana licenses and resignation from position of Chairman of the Board of Directors of Pinnacle Entertainment. Agreed to place Pinnacle stock in a trust. Agreed to pay \$10,000 for cost of investigation and \$740,000 fine.	In June of 2001, Belterra conducted a golf outing called the Hubbard Invitational Golf Classic. Specific individuals were invited to attend and flown in by Pinnacle. In addition, Belterra employees made a distribution from the cage to one of his associates. In a settlement agreement, R.D. Hubbard relinquished his Indiana License and resigned his position on the Board of Directors of Pinnacle Entertainment. He also agreed to place his Pinnacle stock in a trust in preparation for the sale of the stock at an undisclosed date. He was fined \$740,000 and assessed \$10,000 for cost of investigation.
Belterra Casino and Resort- Paul Alanis	2002-OL-BT-02	9/27/2002	Resignation as Chief Executive Officer and surrender of Indiana occupational license, level one	Paul Alanis was Chief Executive Officer of Pinnacle Entertainment, owner of Belterra Casino and Resort, when the incidents referenced in 2002-OL-BT-01 and 02-BT-03 occurred. While Mr. Alanis was not present at the Hubbard Invitational Golf Classic, following an investigation by the IGC, a settlement agreement was reached with Mr. Alanis in which he surrendered his occupational license, level one.
Boyd Gaming Corporation	02-BC-01	9/27/2002	\$2,500.00	Under the Indiana Law, the riverboats must have one employee who is certified as a Emergency Medical Technician (EMT) available for each cruise. On September 15, 2002 Blue Chip was without an EMT for one hour and five minutes. The commission staff and Blue Chip agreed that a sanction be imposed due to these actions Blue Chip received a \$2,500.00 fine.
Caesars Indiana Riverboat Casino	02-CS-01	3/15/2002	\$3,000.00	A seventeen year old obtained access to the riverboat and his identification was not checked prior to boarding the boat.
Horseshoe Hammond, Inc.	02-HH-1	11/15/2002	\$1,500.00	Pursuant to Indiana gaming regulations, the commission must be notified when a occupational licensee has been terminated, suspended, on a leave of absence, or transferred to another position. On 10/7/02, commission agents received notification of a dealer returning from medical leave. When the commission agent attempted to process her information, human resources said she had been voluntarily terminated on 11/11/01. However, the employee had changed her mind and not been terminated. Commission agents were not notified that the dealer was to remain active. Therefore, the dealer had been working under an inactive license since November 2001.
Trump Indiana Inc.	02-TR-01	3/15/2002	\$3,100.00	Fine imposed due to a minor obtaining access to the Riverboat and forfeiture of the \$1,600.00 jackpot that he won.
Trump Indiana Inc.	02-TR-02	7/29/2002	\$12,000.00	Fine of \$12,000.00 imposed due to the canceling of 16 separate cruises. Trump's reason listed for canceling was fuel. Cruises are only to be cancelled for the weather or safety reasons. Fuel is not a valid reason. The commission originally agreed to a \$16,000.00 fine, but after Trump submitted procedural changes to prevent further occurrences the fine was lowered.

MINORITY AND WOMEN BUSINESS ENTERPRISE ISSUES

There are provisions in the ACT to ensure that opportunity exists for minority and women's business enterprise participation in the riverboat industry. The ACT requires riverboat licensees to expend at least 10% of the dollar value of its purchases for goods and services with minority business enterprises (MBE), and at least 5% with women's business enterprises (WBE).

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 Department of Administration's Office of Minority Business Development (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 the 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

Riverboat licensees are required to file a report to the IGC in January of each year containing all expenditures made in the previous calendar year. They file quarterly reports in addition to the annual report. Licensees 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 the MBD. The IGC examines the reports to ensure that all purchases exempted under IC 4-33-14-5 fall within the categories listed in the statute. The 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

The 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 corrective action plans of Trump, Majestic Star, and Belterra. The plans were submitted due to the licensee's failure in 2001 to meet the statutory goals and/or failure to follow administrative rules regarding reporting. The three riverboat licensees appeared at all the IGC meetings in 2002 to provide an update on their MBE/WBE progress. At the time of the submission of this report, the final numbers for 2002 were under review by the IGC and the licensees' progress under the action plans was being evaluated.

MBE AND WBE PARTICIPATION

As reported for the year ending December 31, 2002 ¹

<u>RIVERBOAT</u>	<u>MBE %</u>	<u>WBE %</u>	<u>MBE PURCHASES</u>	<u>WBE PURCHASES</u>	<u>QUALIFYING PURCHASES</u>
ARGOSY	17.66	4.57	\$7,036,199	\$1,822,191	\$39,841,380
AZTAR	14.90	13.99	\$2,649,818	\$2,488,131	\$17,789,881
BELTERRA	16.90	13.90	\$5,316,176	\$4,372,451	\$31,450,442
BLUE CHIP	13.55	9.11	\$3,308,119	\$2,223,477	\$24,408,801
CAESARS	30.74	6.75	\$15,674,889	\$3,443,676	\$50,984,808
GRAND VICTORIA	12.23	5.54	\$3,400,294	\$1,540,743	\$27,796,375
HARRAH'S	11.60	8.10	\$5,041,273	\$3,543,831	\$43,614,926
HORSESHOE	30.12	11.60	\$16,068,281	\$6,187,468	\$53,341,215
MAJESTIC STAR	17.50	10.67	\$3,390,711	\$2,122,776	\$19,891,854
TRUMP	13.90	6.43	<u>\$3,251,612</u>	<u>\$1,504,565</u>	<u>\$23,397,492</u>
TOTALS			\$65,137,372	\$29,249,309	\$332,517,174
STATEWIDE % (Based on Totals)	19.59	8.80			

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

ADMISSION AND WAGERING TAX

The wagering and admission taxes for 2002 were \$544 million, which was an increase of \$52 million from the \$492 million reported for 2001.

The charts and graphs in this section are a compilation of the monthly riverboat statistical reports for 2002. This information reflects the total amount of admissions, win from electronic gaming devices (EGD) and table games, and wagering and admission tax for 2002 as reported by each of the 10 operating riverboat licensees. For informational purposes there is an eight-year comparative covering the period from 1995 through 2002.

Throughout the year, on the 20th day of each month or the next business day following the 20th, the IGC provides a revenue release of the wagering and admission tax and monthly riverboat statistical information for the preceding month. These reports are available on IGC's website at www.in.gov/gaming.

On July 1, 2002, a law became effective allowing riverboats to request flexible scheduling. Each Indiana riverboat made such request and the IGC granted these 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 increased the wagering tax rate for riverboats not implementing flexible scheduling from 20% of the Adjusted Gross Receipts¹ (AGR) to 22.5% of the AGR.

For the riverboats operating under flexible scheduling, the law created a new, graduated wagering tax structure. 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 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 and (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.

TOTAL TAX

As reported for the year ending December 31, 2002

	ADMISSION TAX	WAGERING TAX	TOTAL TAX
ARGOSY	17,831,172	84,750,277	102,581,449
BELTERRA	6,779,094	22,577,112	29,356,206
BLUE CHIP	10,152,786	43,620,378	53,773,164
CAESARS	15,493,611	57,563,753	73,057,364
AZTAR	5,883,852	20,015,318	25,899,170
GRAND VICTORIA	6,510,462	26,638,202	33,148,664
HARRAH'S	15,187,164	60,641,806	75,828,970
HORSESHOE	14,299,599	70,353,987	84,653,586
MAJESTIC STAR	7,643,604	25,930,190	33,573,794
TRUMP	7,992,993	24,842,827	32,835,820
TOTAL	\$ 107,774,337	\$ 436,933,851	\$ 544,708,188

GRADUATED TAX STATUS

As reported on December 31, 2002

North Boats	Rate	Date of Change
Blue Chip	15%	8/1/2002
	20%	9/8/2002
	25%	10/20/2002
	30%	12/3/2002
	35%	
Harrah's	15%	8/5/2002
	20%	9/3/2002
	25%	10/6/2002
	30%	11/9/2002
	35%	
Horseshoe	15%	8/1/2002
	20%	8/26/2002
	25%	9/23/2002
	30%	10/20/2002
	35%	
Majestic Star	15%	8/5/2002
	20%	10/8/2002
	25%	12/15/2002
	30%	
	35%	
Trump	15%	8/5/2002
	20%	10/12/2002
	25%	12/29/2002
	30%	
	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%	8/1/2002
	20%	8/22/2002
	25%	9/14/2002
	30%	10/8/2002
	35%	12/22/2002
Aztar	15%	8/1/2002
	20%	10/19/2002
	25%	
	30%	
	35%	
Belterra	15%	8/1/2002
	20%	10/12/2002
	25%	12/27/2002
	30%	
	35%	
Caesars	15%	8/1/2002
	20%	8/31/2002
	25%	10/3/2002
	30%	11/5/2002
	35%	
Grand Victoria	15%	8/1/2002
	20%	10/1/2002
	25%	12/16/2002
	30%	
	35%	

TOTAL ADMISSIONS BY RIVERBOAT

As reported for the year ending December 31, 2002

	<u>ARGOSY</u>	<u>BELTERRA</u>	<u>BLUE CHIP</u>	<u>CAESARS</u>	<u>AZTAR</u>	<u>GRAND VICTORIA</u>	<u>HARRAH'S</u>	<u>HORSESHOE</u>	<u>MAJESTIC STAR</u>	<u>TRUMP</u>
TURNSTILE COUNT	3,328,894	1,419,725	2,197,665	3,037,684	1,264,602	1,320,205 *	3,184,221	3,193,357	1,753,665	1,776,846
MULTIPLE EXCURSION	<u>2,614,830</u>	<u>839,973</u>	<u>1,186,597</u>	<u>2,126,853</u>	<u>696,682</u>	<u>849,949</u>	<u>1,878,167</u>	<u>1,573,176</u>	<u>794,203</u>	<u>887,485</u>
TOTAL ADMISSIONS	5,943,724	2,259,698	3,384,262	5,164,537	1,961,284	2,170,154	5,062,388	4,766,533	2,547,868	2,664,331

* Includes an adjustment made for the year 2001 of 81 patrons.

TOTAL TURNSTILE COUNT	22,476,864
TOTAL MULTIPLE EXCURSIONS	<u>13,447,915</u>
TOTAL ADMISSIONS	35,924,779

TOTAL WIN BY RIVERBOAT

As reported for the year ending December 31, 2002

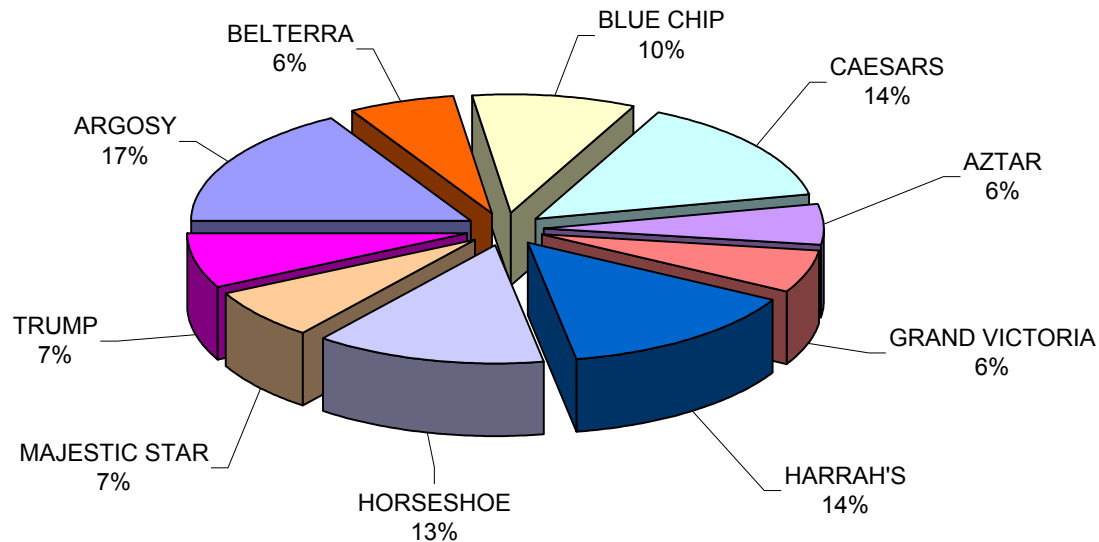
	<u>ARGOSY</u>	<u>BELTERRA</u>	<u>BLUE CHIP</u>	<u>CAESARS</u>	<u>AZTAR</u>	<u>GRAND VICTORIA</u>	<u>HARRAH'S</u>	<u>HORSESHOE</u>	<u>MAJESTIC STAR</u>	<u>TRUMP</u>
TABLE GAME WIN	\$70,653,776	\$20,060,741	\$28,315,194	\$61,908,453	\$18,018,893	\$17,135,358	\$49,882,255	\$64,923,982	\$19,480,943	\$20,848,838
EGD WIN	<u>\$303,119,443</u>	<u>\$97,024,611</u>	<u>\$179,310,019</u>	<u>\$202,825,576</u>	<u>\$87,486,860</u>	<u>\$118,909,799</u>	<u>\$230,042,801</u>	<u>\$250,798,354</u>	<u>\$113,118,663</u>	<u>\$107,781,638</u>
TOTAL WIN	\$373,773,219	\$117,085,352	\$207,625,213	\$264,734,029	\$105,505,753	\$136,045,157	\$279,925,056	\$315,722,336	\$132,599,606	\$128,630,476

STATEWIDE WIN - TABLE GAMES	\$371,228,433
STATEWIDE WIN - EGD	<u>\$1,690,417,764</u>
TOTAL STATEWIDE WIN	\$2,061,646,197

ADMISSION TAX

As reported for the year ending December 31, 2002

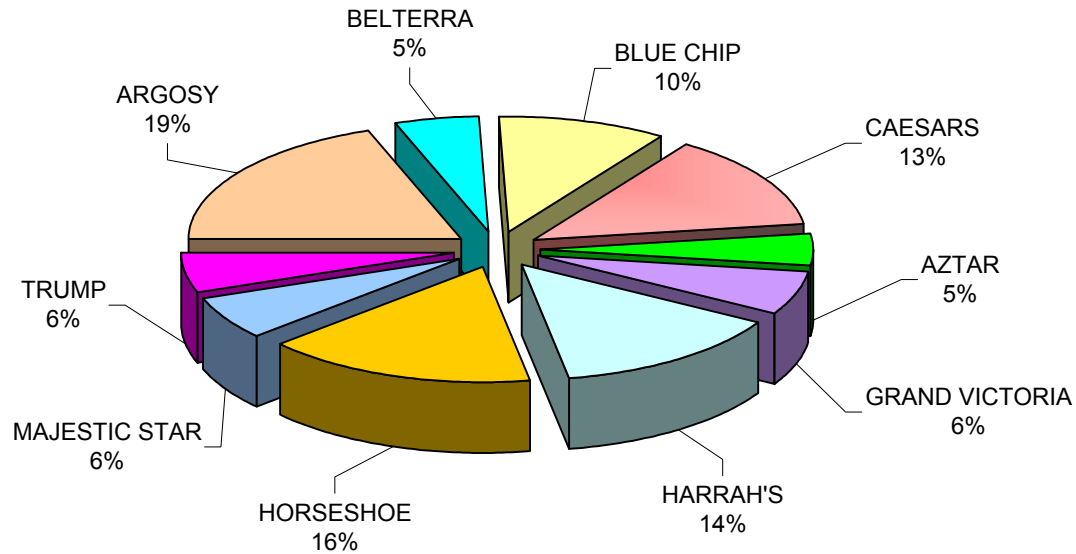
	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	AZTAR	GRAND VICTORIA	HARRAH'S	HORSESHOE	MAJESTIC STAR	TRUMP	GRAND TOTAL
JANUARY	1,905,924	614,247	961,020	1,636,740	525,990	615,006	1,581,150	1,332,636	754,134	794,340	10,721,187
FEBRUARY	1,875,066	710,289	976,269	1,659,942	574,689	705,180	1,527,021	1,419,258	754,782	817,344	11,019,840
MARCH	2,077,254	685,416	1,011,804	1,793,730	647,733	766,998	1,584,051	1,505,496	812,853	860,019	11,745,354
APRIL	1,849,095	670,935	1,009,257	1,480,008	548,874	668,388	1,535,913	1,392,801	752,985	836,601	10,744,857
MAY	1,876,338	631,734	1,032,006	1,590,000	575,280	635,349	1,520,238	1,419,453	787,020	893,898	10,961,316
JUNE	1,798,980	640,848	940,569	1,511,838	571,419	616,947	1,385,154	1,314,654	783,894	799,593	10,363,896
JULY	1,986,246	753,480	1,045,578	1,674,585	623,094	696,657	1,485,819	1,381,887	883,959	876,777	11,408,082
AUGUST	998,166	478,377	725,637	947,406	409,308	435,894	1,098,615	1,030,251	520,959	521,403	7,166,016
SEPTEMBER	900,918	434,676	660,267	816,786	354,906	379,764	944,907	913,911	402,822	402,822	6,211,779
OCTOBER	883,647	384,174	629,019	806,364	354,771	357,579	895,260	873,855	400,725	400,725	5,986,119
NOVEMBER	855,807	409,548	614,742	811,161	361,494	337,809	811,968	861,321	397,161	397,161	5,858,172
DECEMBER	823,731	365,370	546,618	765,051	336,294	294,891	817,068	854,076	392,310	392,310	5,587,719
TOTAL	\$ 17,831,172	\$ 6,779,094	\$ 10,152,786	\$ 15,493,611	\$ 5,883,852	\$ 6,510,462	\$ 15,187,164	\$ 14,299,599	\$ 7,643,604	\$ 7,992,993	\$ 107,774,337



WAGERING TAX

As reported for the year ending December 31, 2002

	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	AZTAR	GRAND VICTORIA	HARRAH'S	HORSESHOE	MAJESTIC STAR	TRUMP	GRAND TOTAL
JANUARY	6,047,877	1,554,413	3,243,469	3,933,785	1,587,051	2,148,050	4,524,085	4,627,151	1,894,441	2,049,539	31,609,862
FEBRUARY	6,003,664	1,792,966	3,421,352	4,190,854	1,661,705	2,381,448	4,862,852	5,035,028	2,072,791	2,076,077	33,498,736
MARCH	6,529,678	1,850,504	3,320,752	4,850,778	1,776,536	2,600,292	4,969,886	5,181,438	2,287,791	2,301,324	35,668,980
APRIL	6,013,513	1,845,718	3,209,320	4,161,806	1,611,773	2,268,178	4,712,528	5,085,172	2,146,467	2,103,998	33,158,474
MAY	6,014,791	2,017,772	3,484,647	4,337,742	1,668,616	2,265,637	4,720,618	5,190,263	2,162,860	2,204,295	34,067,241
JUNE	5,797,455	1,873,905	3,191,451	4,239,527	1,602,128	2,134,138	4,307,479	4,876,754	2,016,594	2,128,971	32,168,401
JULY	6,972,940	2,328,840	3,883,714	4,939,203	1,982,602	2,673,213	5,115,598	5,797,991	2,680,007	2,522,907	38,897,014
AUGUST	5,903,645	1,710,212	3,042,223	3,910,389	1,567,964	1,936,438	4,172,068	4,867,917	1,995,160	1,936,352	31,042,369
SEPTEMBER	7,309,468	1,556,747	3,289,708	4,519,190	1,366,141	1,804,094	4,485,007	5,662,888	1,722,828	1,592,012	33,308,084
OCTOBER	8,923,183	1,802,570	3,989,829	5,661,013	1,599,286	2,046,702	5,393,843	7,373,261	2,149,402	1,818,866	40,757,955
NOVEMBER	9,366,999	2,134,266	4,488,479	6,545,546	1,870,054	2,135,163	6,256,992	8,464,438	2,229,810	2,101,555	45,593,303
DECEMBER	9,867,066	2,109,200	5,055,434	6,273,920	1,721,460	2,244,848	7,120,850	8,191,686	2,572,038	2,006,931	47,163,434
TOTAL	\$ 84,750,277	\$ 22,577,112	\$ 43,620,378	\$ 57,563,753	\$ 20,015,318	\$ 26,638,202	\$ 60,641,806	\$ 70,353,987	\$ 25,930,190	\$ 24,842,827	\$ 436,933,851



SUMMARY OF EGD ACTIVITY

As reported for the year ending December 31, 2002

UNITS	GRAND						MAJESTIC			
	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	AZTAR	VICTORIA	HARRAH'S	HORSESHOE	STAR	TRUMP
2 cent	n/a	13	n/a	n/a	n/a	n/a	n/a	n/a	48	72
nickel	421	430	305	446	279	291	678	161	525	582
10 cent	n/a	n/a	22	n/a	n/a	11	56	n/a	32	25
25 cent	875	466	541	1,186	435	574	592	544	407	480
50 cent	213	104	82	177	79	91	77	166	34	64
\$1	514	373	477	594	485	433	497	570	436	447
\$2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	6	n/a	6
\$5	85	42	52	57	60	62	53	119	46	35
\$10	20	4	5	22	14	n/a	n/a	6	n/a	n/a
\$20	n/a	n/a	n/a	11	n/a	n/a	n/a	n/a	n/a	n/a
\$25	16	6	16	n/a	5	10	9	10	8	5
\$100	n/a	3	3	6	3	n/a	2	6	n/a	2
\$500	n/a	n/a	n/a	2	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	2,144	1,441	1,503	2,501	1,360	1,472	1,964	1,588	1,536	1,718
COIN IN										
2 cent	n/a	5,888,293	n/a	n/a	n/a	n/a	n/a	n/a	19,037,155	62,329,292
nickel	749,175,766	318,867,844	332,658,181	637,861,972	227,196,587	244,148,299	819,953,631	288,272,820	410,570,713	346,790,608
10 cent	n/a	n/a	35,006,933	n/a	n/a	10,747,996	112,304,631	n/a	14,824,532	12,143,694
25 cent	1,223,261,712	357,773,060	697,615,266	876,101,186	242,147,406	482,586,081	586,929,684	762,634,433	388,639,236	380,300,790
50 cent	567,476,520	132,321,805	104,451,254	182,969,710	38,902,001	75,598,970	110,839,329	328,546,316	30,025,867	36,667,454
\$1	1,732,275,970	416,690,207	1,109,717,030	985,194,358	420,472,892	611,796,379	968,348,079	1,659,246,651	534,546,976	472,013,036
\$2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	20,379,369	n/a	19,532,128
\$5	505,139,250	135,224,565	177,913,475	176,071,600	121,014,832	152,292,770	172,728,145	355,458,825	63,480,345	48,140,741
\$10	188,935,890	18,454,680	17,234,080	49,715,800	26,980,301	n/a	n/a	18,769,195	n/a	n/a
\$20	n/a	n/a	n/a	29,576,540	n/a	n/a	n/a	n/a	n/a	n/a
\$25	186,878,775	18,534,975	53,518,875	n/a	10,967,077	31,117,615	29,731,550	36,590,520	17,562,475	16,828,135
\$100	n/a	11,140,000	29,656,000	14,271,100	3,937,600	n/a	3,937,800	19,661,475	n/a	3,651,433
\$500	n/a	n/a	n/a	234,000	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	\$5,153,143,883	\$1,414,895,429	\$2,557,771,094	\$2,951,996,266	\$1,091,618,696	\$1,608,288,110	\$2,804,772,849	\$3,489,559,604	\$1,478,687,299	\$1,398,397,311
WIN										
2 cent	n/a	598,510	n/a	n/a	n/a	n/a	n/a	n/a	2,857,630	7,657,532
nickel	63,239,924	31,323,532	35,238,521	51,176,430	21,825,479	26,091,587	90,398,306	35,614,589	42,726,628	38,303,610
10 cent	n/a	n/a	3,648,133	n/a	7	1,099,635	12,849,970	n/a	1,754,651	1,346,647
25 cent	91,080,326	27,448,844	57,094,472	65,634,423	20,805,754	37,485,174	49,103,602	67,056,610	28,538,553	26,887,922
50 cent	33,535,714	9,231,728	7,583,492	13,973,480	3,835,636	6,101,231	9,018,824	25,892,684	2,098,253	3,045,019
\$1	87,183,001	20,993,004	65,226,965	58,750,690	32,125,868	39,270,610	60,594,735	101,456,122	31,603,259	26,491,292
\$2	n/a	n/a	n/a	n/a	16	n/a	n/a	1,479,430	n/a	1,056,211
\$5	18,225,022	5,879,198	7,644,661	8,601,068	6,469,213	7,470,937	7,016,414	15,674,657	2,962,986	2,077,654
\$10	4,844,110	554,950	624,580	2,737,937	1,420,933	n/a	n/a	1,302,635	n/a	n/a
\$20	n/a	n/a	n/a	1,095,790	n/a	n/a	n/a	n/a	n/a	n/a
\$25	4,968,876	659,145	1,556,985	n/a	694,491	1,390,625	945,750	1,381,777	576,703	732,594
\$100	n/a	335,700	692,210	829,738	309,463	n/a	115,200	939,850	n/a	183,157
\$500	n/a	n/a	n/a	25,500	n/a	n/a	n/a	n/a	n/a	n/a
other	42,470	n/a	n/a	520	n/a	n/a	n/a	n/a	n/a	n/a
TOTAL	\$303,119,443	\$97,024,611	\$179,310,019	\$202,825,576	\$87,486,860	\$118,909,799	\$230,042,801	\$250,798,354	\$113,118,663	\$107,781,638

SUMMARY OF TABLE GAMES ACTIVITY

As reported for the year ending December 31, 2002

UNITS	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	AZTAR	GRAND VICTORIA	HARRAH'S	HORSESHOE	MAJESTIC STAR	TRUMP
Blackjack/21	58	28	35	87	28	28	26	22	27	28
Poker Room *	n/a	n/a	12	12	7	n/a	15	n/a	n/a	n/a
Craps	9	4	5	14	6	3	3	6	4	3
Roulette	8	3	3	10	4	3	4	4	4	3
Baccarat	3	n/a	2	2	n/a	n/a	8	9	7	3
Big Six	1	n/a	n/a	1	1	n/a	n/a	n/a	1	n/a
Poker **	20	8	11	18	8	6	9	6	13	9
TOTAL	99	43	68	144	54	40	65	47	56	46
DROP										
Blackjack/21	196,120,959	67,399,027	96,591,582	180,414,848	42,643,688	46,067,006	133,520,176	183,165,533	66,661,816	66,288,894
Poker Room *	n/a	n/a	692,015	3,471,669	1,418,684	n/a	6,370,149	n/a	n/a	n/a
Craps	77,570,701	30,057,383	22,242,651	79,693,944	18,800,287	19,659,567	38,347,897	84,913,139	16,857,448	18,907,153
Roulette	26,378,468	5,684,149	11,738,660	21,073,588	6,341,302	6,430,128	17,300,611	26,200,875	6,943,037	6,828,361
Baccarat	9,475,978	n/a	9,484,542	5,234,131	n/a	n/a	58,522,117	82,531,057	12,185,064	21,196,039
Big Six	1,564,055	n/a	n/a	1,212,867	117,085	n/a	n/a	n/a	407,222	n/a
Poker **	61,343,342	18,354,739	26,751,854	48,668,626	18,668,884	16,159,334	32,461,661	34,195,846	19,859,470	15,011,653
TOTAL	\$372,453,503	\$121,495,298	\$167,501,304	\$339,769,673	\$87,989,930	\$88,316,035	\$286,522,611	\$411,006,450	\$122,914,057	\$128,232,100
WIN										
Blackjack/21	31,524,831	9,783,269	14,003,711	24,939,877	6,725,031	8,202,345	18,392,333	22,774,980	9,547,094	9,348,334
Poker Room *	n/a	n/a	692,015	3,471,666	1,418,681	n/a	6,370,145	n/a	n/a	n/a
Craps	14,898,009	4,916,729	4,317,051	17,129,606	4,116,384	3,893,258	6,704,790	15,637,660	2,952,434	3,609,026
Roulette	7,532,929	1,577,726	3,430,730	5,337,459	1,786,621	1,605,095	4,440,484	7,240,929	1,756,501	1,878,166
Baccarat	1,848,286	n/a	1,170,466	906,348	n/a	n/a	8,167,984	12,665,797	1,379,261	3,173,984
Big Six	873,582	n/a	n/a	565,844	58,722	n/a	n/a	n/a	203,079	n/a
Poker **	13,976,139	3,783,017	4,701,221	9,557,653	3,913,454	3,434,660	5,806,519	6,604,616	3,642,574	2,839,328
Other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TOTAL	\$70,653,776	\$20,060,741	\$28,315,194	\$61,908,453	\$18,018,893	\$17,135,358	\$49,882,255	\$64,923,982	\$19,480,943	\$20,848,838

* Traditional Poker

** Includes Caribbean Stud/Draw, Let It Ride, Pai Gow, 3 Card, Bonus 6 Stud, Boston 5 Stud, and Wild Aruba

GAMING OPERATIONS

As reported for the year ending December 31, 2002

EGD SUMMARY

EGD'S	UNITS	COIN IN	WIN
2 CENT	133	87,254,740	11,113,672
5 CENT	4,118	4,375,496,421	435,938,607
10 CENT	146	185,027,786	20,699,042
25 CENT	6,100	5,997,988,854	471,135,681
50 CENT	1,087	1,607,799,226	114,316,062
\$1	4,826	8,910,301,578	523,695,545
\$2	12	39,911,497	2,535,657
\$5	611	1,907,464,548	82,021,810
\$10	71	320,089,946	11,485,145
\$20	11	29,576,540	1,095,790
\$25	85	401,729,997	12,906,945
\$100	25	86,255,408	3,405,318
\$500	2	234,000	25,500
Other *	0	0	42,990
TOTAL	17,227	\$23,949,130,541	\$1,690,417,764

* Tournament receipts

TABLE GAMES SUMMARY

TABLE GAMES	UNITS	DROP	WIN
Blackjack/21	367	1,078,873,529	155,241,805
Poker Room *	46	11,952,517	11,952,507
Craps	57	407,050,170	78,174,947
Roulette	46	134,919,179	36,586,640
Baccarat	34	198,628,928	29,312,126
Big Six	4	3,301,229	1,701,227
Poker **	108	291,475,409	58,259,181
Other ***	0	0	0
TOTAL	662	\$2,126,200,961	\$371,228,433

* Traditional Poker

** Includes Caribbean Stud, Let It Ride, Pai Gow, 3 Card, Bonus 6 Stud, Boston 5 Stud, and Wild Aruba

*** Tournament receipts

TAX COMPARISON OF 2002 TO 2001

As reported for the year ending December 31, 2002

WAGERING TAX	2002	2001	DIFFERENCE	%
January	31,609,862	28,788,611	2,821,251	9.80%
February	33,498,736	30,323,288	3,175,448	10.47%
March	35,668,980	34,018,841	1,650,139	4.85%
April	33,158,474	30,009,264	3,149,210	10.49%
May	34,067,241	30,157,362	3,909,879	12.96%
June	32,168,401	30,091,169	2,077,232	6.90%
July	38,897,014	31,569,407	7,327,607	23.21%
August	31,042,369	31,870,747	(828,378)	-2.60%
September	33,308,084	30,182,370	3,125,714	10.36%
October	40,757,955	29,778,657	10,979,298	36.87%
November	45,593,303	30,727,400	14,865,903	48.38%
December	47,163,434	30,984,958	16,178,476	52.21%
TOTAL	\$436,933,851	\$368,502,074	\$68,431,777	18.57%

ADMISSIONS TAX	2002	2001	DIFFERENCE	%
January	10,721,187	9,723,534	997,653	10.26%
February	11,019,840	10,347,099	672,741	6.50%
March	11,745,354	11,384,295	361,059	3.17%
April	10,744,857	9,981,672	763,185	7.65%
May	10,961,316	10,136,172	825,144	8.14%
June	10,363,896	10,156,881	207,015	2.04%
July	11,408,082	10,975,266	432,816	3.94%
August	7,166,016	10,870,410	(3,704,394)	-34.08%
September	6,211,779	10,231,062	(4,019,283)	-39.29%
October	5,986,119	9,907,692	(3,921,573)	-39.58%
November	5,858,172	10,161,303	(4,303,131)	-42.35%
December	5,587,719	10,244,094	(4,656,375)	-45.45%
TOTAL	\$107,774,337	\$124,119,480	(\$16,345,143)	-13.17%

Wagering tax increased in 2002 by \$68,431,777 and admission tax decreased by \$16,345,143, resulting in an overall tax increase in 2002 of \$52,086,634.

TOTAL ADMISSION AND WAGERING TAX

Covering the period from 1995 through December 31, 2002

ADMISSION TAX REPORTED	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	AZTAR	GRAND VICTORIA	HARRAH'S	HORSESHOE	MAJESTIC STAR	TRUMP	GRAND TOTAL
1995	not open	not open	not open	not open	449,637	not open	not open	not open	not open	not open	\$449,637
1996	319,203	not open	not open	not open	6,934,440	1,940,322	not open	7,454,865	4,971,924	7,406,978	\$29,027,732
1997	9,846,687	not open	3,426,780	not open	6,260,136	9,197,943	10,361,241	16,494,702	8,463,066	10,293,146	\$74,343,701
1998	19,989,123	not open	10,725,282	1,349,709	6,300,030	11,173,815	14,635,212	17,124,801	10,462,971	10,730,195	\$102,491,138
1999	21,929,899	not open	10,936,884	12,750,801	5,963,913	9,724,140	15,547,098	17,378,061	9,429,348	10,456,740	\$114,116,884
2000	22,640,598	1,064,817	11,435,166	13,661,037	6,359,694	9,303,852	16,900,734	16,126,860	9,225,837	9,026,397	\$115,744,992
2001	22,274,712	6,932,853	11,769,612	16,119,441	6,231,291	7,969,857	17,731,149	16,015,971	9,578,949	9,495,645	\$124,119,480
2002	17,831,172	6,779,094	10,152,786	15,493,611	5,883,852	6,510,462	15,187,164	14,299,599	7,643,604	7,992,993	\$107,774,337
TOTAL	\$114,831,394	\$14,776,764	\$58,446,510	\$59,374,599	\$44,382,993	\$55,820,391	\$90,362,598	\$104,894,859	\$59,775,699	\$65,402,094	\$668,067,901

WAGERING TAX REPORTED	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	AZTAR	GRAND VICTORIA	HARRAH'S	HORSESHOE	MAJESTIC STAR	TRUMP	GRAND TOTAL
1995	not open	not open	not open	not open	1,291,205	not open	not open	not open	not open	not open	\$1,291,205
1996	857,993	not open	not open	not open	21,254,984	6,389,835	not open	19,176,102	10,614,691	16,271,416	\$74,565,021
1997	25,854,710	not open	7,995,690	not open	21,409,588	28,579,031	22,255,668	42,002,021	18,546,365	25,861,397	\$192,504,470
1998	52,941,942	not open	28,104,408	2,934,082	22,260,966	32,826,823	35,102,964	44,174,570	22,240,160	27,555,104	\$268,141,019
1999	61,636,894	not open	32,128,656	31,473,595	18,899,614	28,944,587	41,366,462	45,874,902	23,464,861	27,748,788	\$311,538,359
2000	68,896,789	2,970,514	35,290,012	36,915,490	19,280,306	30,474,635	49,517,791	47,434,849	23,110,967	23,829,594	\$337,720,947
2001	69,334,934	19,203,911	37,100,331	42,976,646	18,601,915	26,216,970	53,279,946	52,468,448	24,445,026	24,873,944	\$368,502,071
2002	84,750,277	22,577,112	43,620,378	57,563,753	20,015,318	26,638,202	60,641,806	70,353,987	25,930,190	24,842,827	\$436,933,851
TOTAL	\$364,273,539	\$44,751,537	\$184,239,475	\$171,863,566	\$143,013,896	\$180,070,083	\$262,164,637	\$321,484,879	\$148,352,260	\$170,983,070	\$1,991,196,943