



2006

Indiana Gaming Commission
Annual Report

to Governor Mitch Daniels

Ernest Yelton
Executive Director



THE INDIANA GAMING COMMISSION

[Harold Calloway \(Chair\)](#) of Evansville is an insurance agent with State Farm Insurance Company, and is on the Board of Directors of the Welborn Foundation. Mr. Calloway was appointed to the Commission in March 2005.

[Bryan Robinson \(Vice Chair\)](#) of Greenville serves as Executive Vice President of the Canaan Realty Group, Inc. Mr. Robinson was appointed to the Commission in March 2005.

[Donald Raymond Vowels \(Secretary\)](#) of Evansville is an attorney with Keating, Bumb, Vowels & LaPlante, PC. Mr. Vowels is an original Commission member, appointed in September 1993.

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

[Tim Fesko](#) of Schererville works in real estate development and commercial insurance. He is currently serving on the Board of Advisors of Indiana University Northwest. Mr. Fesko was appointed to the Commission in March 2005.

[Tim Murphy](#) of Fishers is the Chief Financial Officer for Irwin Mortgage Corporation (formerly Inland Mortgage Corporation), a subsidiary of The Irwin Financial Corporation. Mr. Murphy was appointed to the Commission in December 2005.

[William Barrett](#) of Greenwood is an attorney and a partner in the law firm of Williams, Hewitt, Barrett & Wilkowski. He has served as clerk for the Indiana Court of Appeals, Judge John Baker and Tax Court Judge Tom Fisher. Commissioner Barrett also serves as litigation counsel for Johnson County. Mr. Barrett was appointed to the Commission in May 2006.

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EXECUTIVE DIRECTOR'S REPORT

This year, the Commission experienced extraordinary growth in staff and responsibilities, extreme challenges in preparation of the French Lick Springs Resort Casino opening, and the continued daily demands of regulatory oversight.



Ernest E. Yelton
Executive Director

Gaming Agents

As a result of legislation passed in the 2005 legislative session allowing the IGC to create its own force of regulatory agents and investigators, the IGC hired its first agent, Superintendent Kevin Mahan, in July. In a very short period of time, a rigorous selection process was implemented, training curriculum was approved by the Indiana Law Enforcement Academy and a field training program was developed. At the close of FY 06, new IGC Gaming Agents replaced Indiana State Troopers serving at the two Majestic Star facilities in Gary, and the second and third classes of gaming agents were attending the Gaming Agent Academy. New Gaming Agents will fully staff Indiana's riverboats by the beginning of 2007.

Transfers

The IGC approved the transfer of Trump Casino to Majestic Star, its neighbor at Buffington Harbor in Gary, in November. During the 4th quarter of FY 2006, Columbia Sussex entered into a purchase agreement for the Aztar Corporation and subsequently submitted a transfer application for Commission approval. The investigation of the company is underway, with Commission action anticipated in the second quarter of FY 07.

Capital Improvements at the Riverboats

Several Indiana riverboats announced significant capital improvements in FY 06. Horseshoe announced a \$485 million project at its property in Hammond, and Argosy announced its plans for a \$300 million project in Lawrenceburg. Both projects include new, one-story gaming vessels.

Belterra moved forward with the construction of a new hotel tower in Switzerland County at an anticipated cost of \$45 million while Aztar, as part of its new development agreement with the City of Evansville, began construction of a

\$20 million entertainment complex, including a new hotel, to complement both the riverboat and the downtown. Caesars Indiana in Harrison County announced that its property will be re-branded as a Horseshoe property, with upgraded restaurants and other improvements, at a cost of \$47 million.

Blue Chip New Vessel and Other Improvements

Blue Chip completed its \$175 million project in Michigan City, including a new gaming vessel, parking structure and improvements to the pavilion. With its opening in January, Blue Chip became the first riverboat in Indiana to offer a one-story gaming venue. In doing so, Blue Chip increased its square footage by 50% and increased slots to 2,170 and table games to 51. By the close of the fiscal year, Blue Chip had increased its win by \$28 million over FY 05 and its admissions by 283,000. As a result, in addition to the economic benefit to Indiana created by the construction-related employment and purchases, Blue Chip paid \$10.6 million more in wagering and admissions taxes in FY 06 than it did in FY 05.

Charity Gaming

Senate Enrolled Act 100 transferred the regulation of charity gaming from the Indiana Department of Revenue to the IGC. The IGC immediately began preparing for the transition, including drafting new administrative rules that went into effect on July 1, to ensure quality and uninterrupted services to charitable organizations.

Alternative Vessel Certifications

As a result of the decision of the United States Coast Guard to cease inspections of new gaming vessels in Indiana, the IGC contracted with the American Bureau of Shipping to develop and implement alternate standards to ensure the safety of riverboat patrons. The new standards will provide equivalent levels of safety, while acknowledging that vessels are no longer required to regularly cruise under Indiana law.

East Chicago and the East Chicago Second Century Foundation

Based on information gathered by the Attorney General upon the request of the IGC, the Commission passed a resolution in June that the operation of the local development agreement with East Chicago Second Century, a for-profit corporation, was not in compliance with the legislative intent of economic development as stated in the Riverboat Gambling Act and was adversely affecting the integrity of the gaming industry in Indiana.

Thereafter, Second Century instituted a petition for Judicial Review of an Administrative Action in the Marion Superior Court. Subsequently, Resorts announced its decision to escrow future payments of the .75% allotted to Second Century into a financial institution in East Chicago pending the result of litigation. The City has requested to intervene and asked that the entire agreement, including provisions that provide funding to two non-related, not-for-profit foundations, be cancelled.

Disparity Study

In order to comply with a statutory mandate to conduct a gaming-specific study of minority business enterprises (MBE) and women business enterprises (WBE), the IGC contracted with the Center for Urban Policy and the Environment (Center). The results of the study will determine what participation goals, if any, should be imposed by the IGC to ensure that MBE's and WBE's have adequate opportunity to conduct business with riverboat casinos.

In January, the IGC began working with the Center on a research plan and subsequently began collecting and organizing casino procurement data for the years 2003, 2004, and 2005 and, at the close of FY 06, the IGC had created a database of over 10,000 vendors. It is anticipated that the study will be completed by January 2007.

Social Impacts of Gaming Study

Pursuant to a directive of the Legislative Council, the IGC contracted with Policy Analytics LLC to complete a study entitled "A Benefit-Cost Analysis of Indiana's Riverboat Casinos for FY 2005." The study is available on the IGC Web site.

Orange County Project

The Operating Agents contract for the eleventh riverboat in Indiana was executed on November 9, 2005, in a ceremony on site at French Lick with Blue Sky Resorts LLC. The proposal has blossomed into a \$380 million project that showcases a state of the art casino flanked by the fully restored and renovated French Lick Springs and West Baden hotels. Two championship golf courses compliment a multi-functional events center. The Commission has worked continuously with Blue Sky in a coordinated effort to open operations as early as November. Regretfully, the relationship between the two principals of Blue Sky has evolved into a substantial disagreement as to control and direction of the project, but fortunately the parties have not allowed the dispute to interfere with the construction, operation and finances of the project. The Commission remains ever-vigilant to see the endless efforts of Orange County citizens to witness the fruits of their labors become reality in a most impressive destination resort that will provide the needed economic boon to the area.

Commissioners and Staff

In FY 05, the term of Commissioner Ann Bochnowski expired, and she was replaced by Scott Newman, former Marion County Prosecutor and owner of Stand Labs, a forensic testing laboratory. Commissioner Newman subsequently resigned due to increased business demands and was replaced by Johnson County attorney William Barrett. Timothy Murphy, a certified public accountant from Hamilton County, was appointed to fill the vacancy created by former Commissioner I. Maurice Ndukwu.

There were also many changes in the IGC administrative staff. Donna Roberts replaced Jill Wulf as Executive Administrator and Andrew Klinger was promoted from Staff Attorney to Deputy General Counsel upon the departure of Susan Brodnan. Also in the Legal Division, Lea Ellingwood was hired to replace Leanne Bailey and Adam Packer replaced Andrew as staff attorneys.

Chris Gray replaced Jennifer Chelf as Director of Compliance, and Larry Rhoades was promoted to Lead Field Auditor (North) to replace Chris. Field Auditor Glen Lloyd transferred to the Division of Gaming Agents and Promotions & Compliance Coordinator John Dickson was promoted to re-

place him. Martin Cordero, was hired to replace John Dickson, but was subsequently promoted to the position of Field Auditor to fill the vacancy created by the promotion of Larry.

In the Division of Gaming Agents, Sherry Green and Kileeta Holmes were hired to serve as Division Secretaries. The hiring of agents is detailed later in this report.

Confidentiality of Occupational License Applications

Due to concerns about the protection of our licensees' personal information, the IGC requested and saw the passage of House Enrolled Act 1101. This law exempts from public disclosure information concerning minor children of applicants, the Social Security numbers of applicants and spouses, applicants' home telephone numbers, birth certificates and driver's license numbers and the name or address of previous spouses. In addition, this law exempts from disclosure the date and place of birth of spouses and the personal financial records of spouses and minor children of applicants.

This language was included as part of a comprehensive effort to safeguard the personal information of various groups of individuals holding Indiana licenses and permits, and we believe that this law will protect licensees from identity theft, identity deception and fraud.

National Activities

The IGC benefited from several national affiliations in FY 05, including the National Association of Gaming Regulatory Attorneys, International Association of Gaming Regulators and the Internet Gambling Task Force. These affiliations have resulted in the sharing of important regulatory and investigatory information, as well as helped Indiana increase its profile as a strict and informed gaming regulatory agency.

Agency Metrics

As part of Governor Daniels's initiative to create greater accountability in state government, performance metrics were established for IGC activities. IGC staff members, particularly

the Audit and Gaming Agent Divisions, are to be commended for their success in meeting and, in some cases, exceeding goals established for casino auditing and billable hours.

Most notably, in regard to time billed to applicants for investigations, the Background and Financial Investigators achieved 76.8% in billable time during the last quarter of FY 05, greatly exceeding their goal of 50% for their first year of investigations. This signifies a sharp increase in productivity and the IGC has and will continue to benefit from the diligence of these new agents.

The Indiana Gaming Commission has exploded into a dynamic executive branch agency charged with multiple responsibilities to the citizens of Indiana. We remain dedicated to the proposition that gaming in our state will be conducted in strict adherence with our laws and our regulations and that it is conducted with unquestionable integrity.

A handwritten signature in black ink, reading "Rust E. Felton". The signature is written in a cursive style with a large initial "R" and a long, sweeping underline.

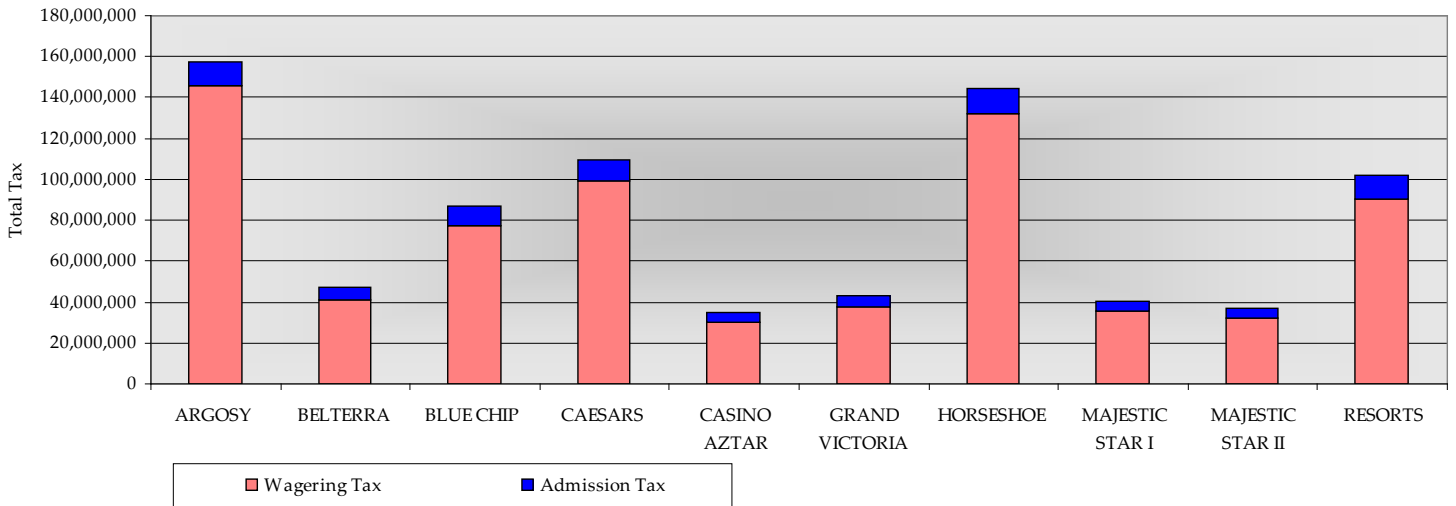
FY 2006 TAX OVERVIEW

In FY 2006, riverboat gaming operations in Indiana generated \$722,036,653 in wagering tax, and \$81,180,339 in admission tax, for a FY 2006 tax total of \$803,216,992.

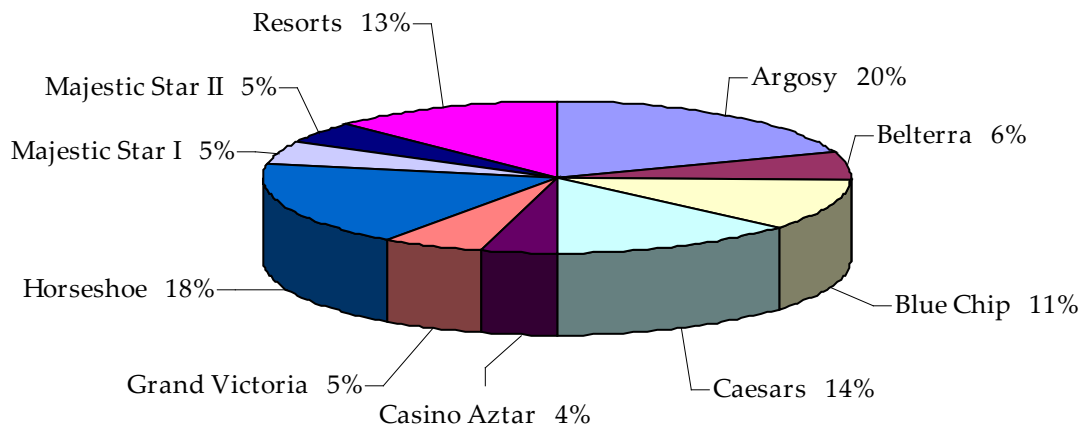
	Win	Wagering Tax	Admission Tax	Total
Argosy	\$460,219,254	\$146,084,421	\$11,635,728	\$157,720,149
Belterra	\$160,543,025	\$41,391,608	\$5,728,818	\$47,120,426
Blue Chip	\$263,932,650	\$77,480,939	\$9,348,024	\$86,828,963
Caesars	\$324,817,840	\$98,957,489	\$10,409,361	\$109,366,850
Casino Aztar	\$125,838,350	\$30,207,950	\$4,619,412	\$34,827,362
Grand Victoria	\$150,728,128	\$37,783,511	\$5,626,080	\$43,409,591
Horseshoe	\$419,695,506	\$131,938,502	\$12,595,248	\$144,533,750
Majestic Star I	\$143,434,832	\$35,536,035	\$5,066,670	\$40,602,705
Majestic Star II	\$131,516,691	\$31,988,168	\$5,066,670	\$37,054,838
Resorts	\$301,842,988	\$90,668,030	\$11,084,328	\$101,752,358
Totals	\$2,482,569,264	\$722,036,653	\$81,180,339	\$803,216,992

Admission and Wagering Tax Details

2006 Total Taxes Per Riverboat



Admission and Wagering Tax Contribution to Total



FY 2006 TAX COMPARISON

The following charts compare Indiana's gaming tax revenues to those of other states.

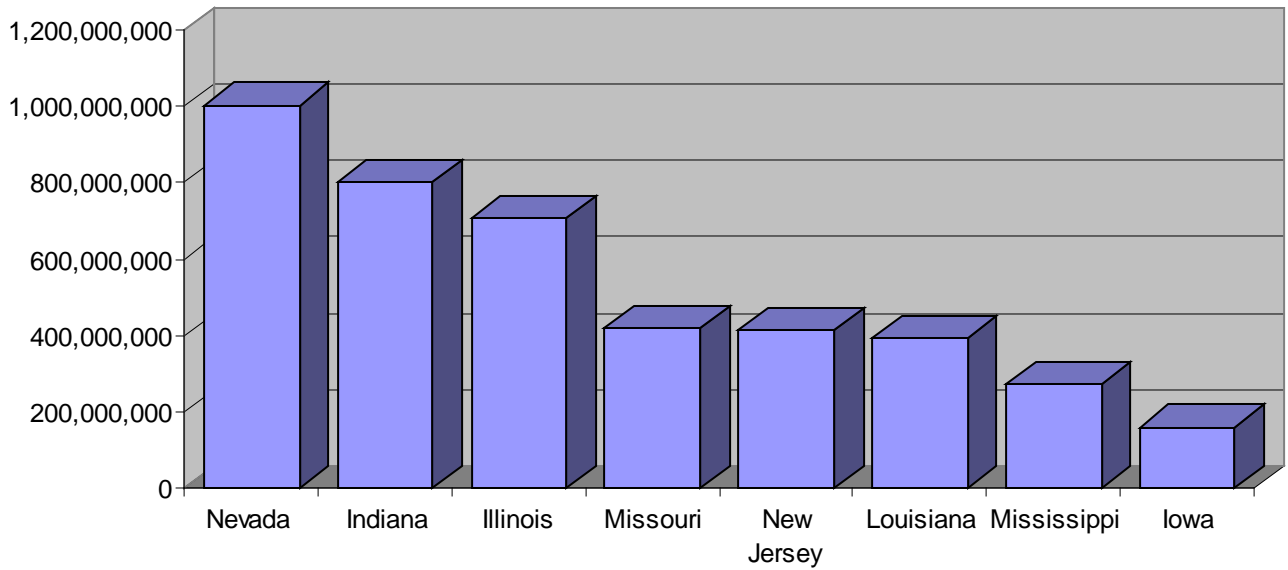
FY 2006	AGR	Total Tax	Effective Tax Rate
Nevada	\$12,193,784,441	\$1,002,146,015	8.2%
Indiana	\$2,483,527,457	\$803,216,992	32.3%
Illinois	\$1,870,115,000	\$705,752,000	37.7%
Missouri	\$1,570,244,346	\$421,847,900	20.0%
New Jersey	\$4,813,514,828	\$412,840,386	8.6%
Louisiana	\$1,835,928,931	\$394,478,764	21.5%
Mississippi	\$2,244,295,698	\$273,560,660	12.0%
Iowa	\$759,202,990	\$161,607,061	22.1%

Notes: (1) Nevada tax total includes roughly \$200M in fees including entertainment fees, lodging fees, slot fees, table fees, and others that are in addition to a percentage Wagering Tax.

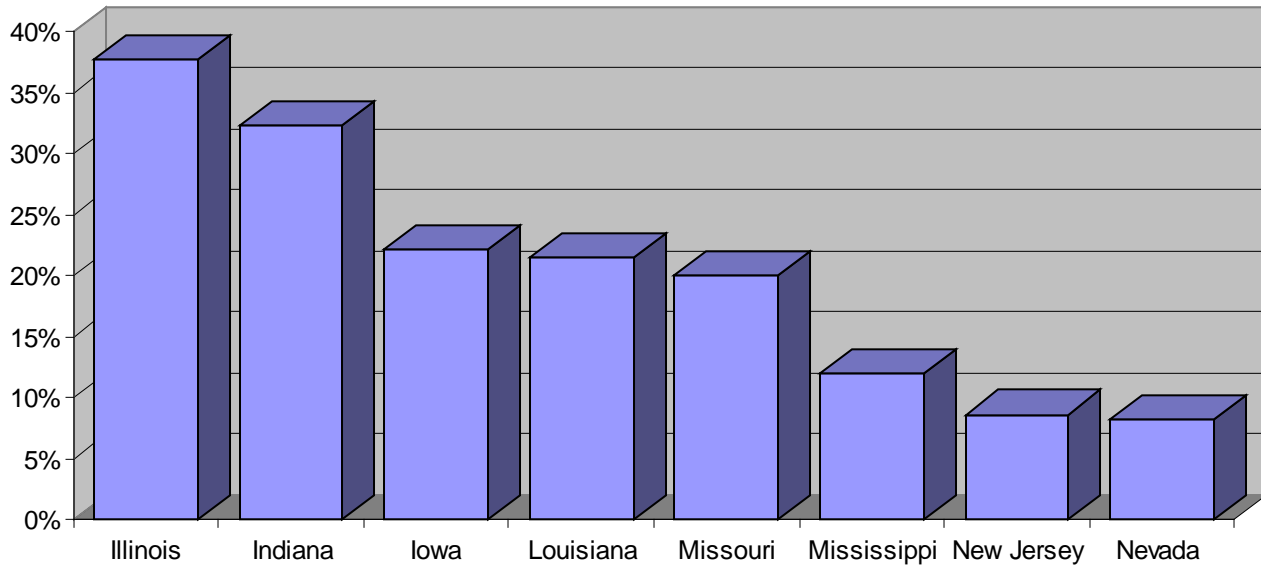
(2) Effective tax rate reflects IGC calculations derived from AGR figures and Total Tax numbers.

(3) The calculation of wagering tax is based upon adjusted gross receipts which includes adjustments such as chip and token float not included in win figures. All other figures are the best available, and are based upon IGC staff calculations drawn from Annual Reports and/or Monthly Revenue Reports when available.

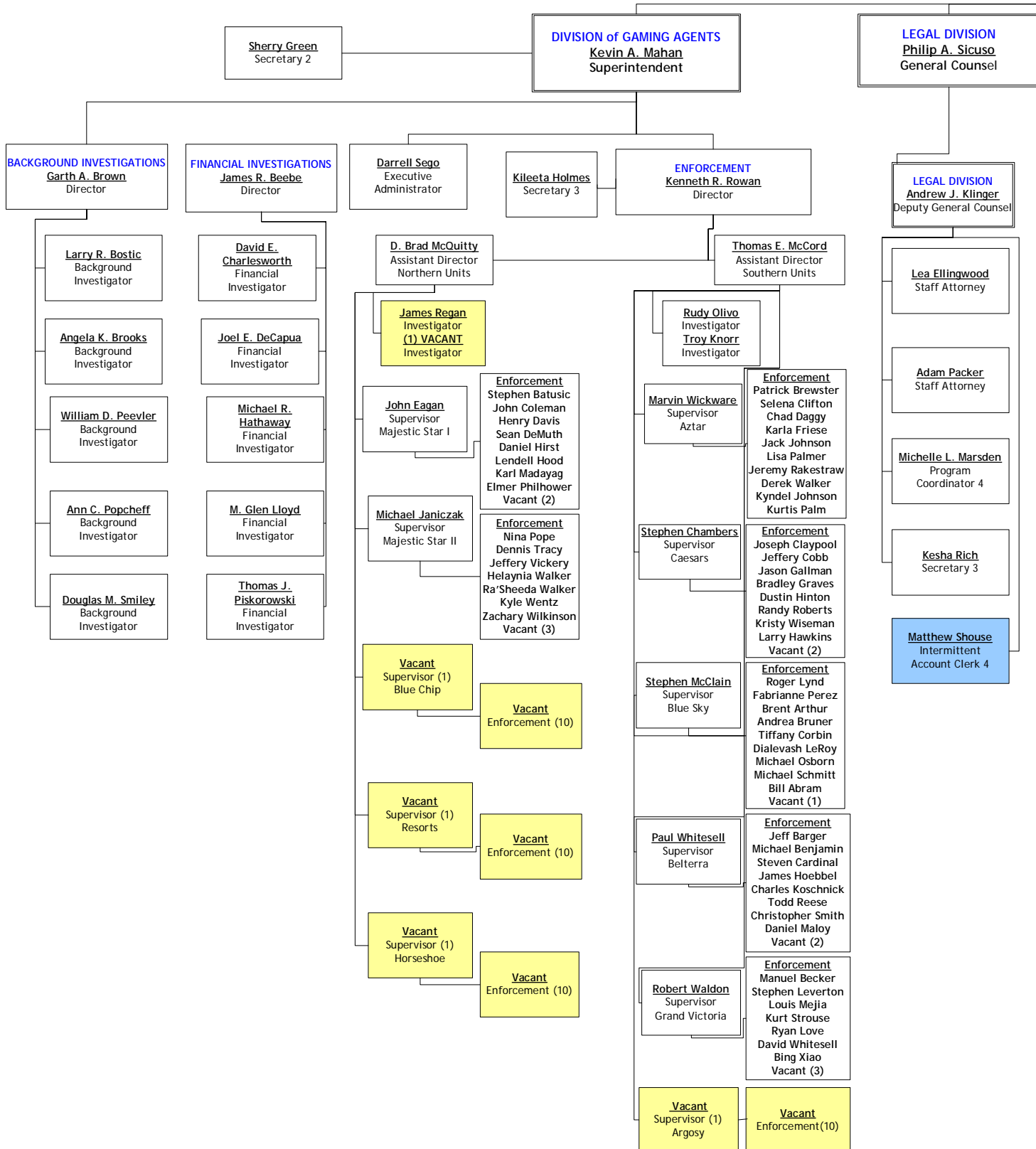
State Gaming Tax Revenue FY 2006



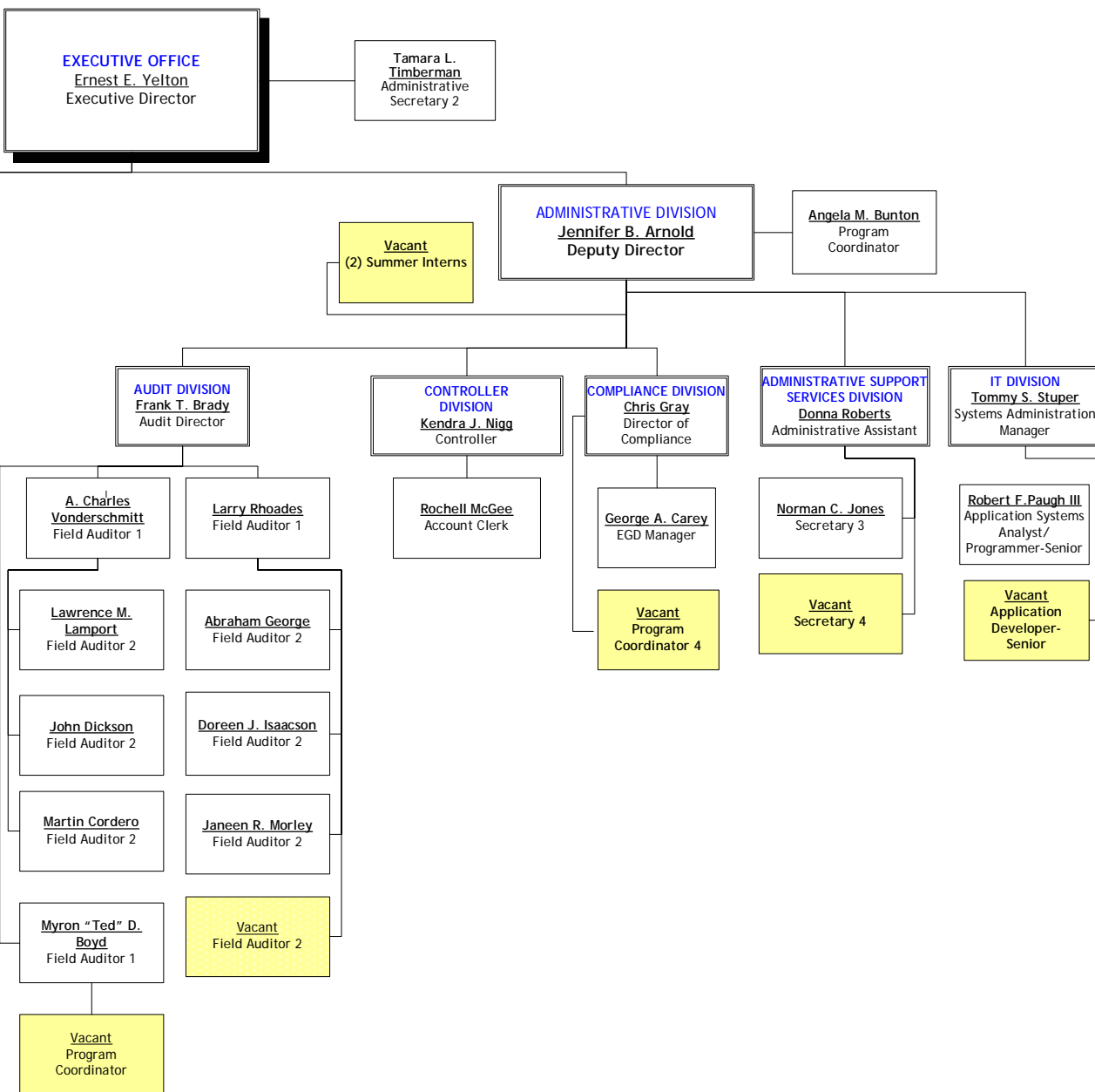
State Effective Gaming Tax Rates FY 2006



ORGANIZATIONAL CHART



AMING COMMISSION



Total Positions:	180
Vacant Positions:	65
As of: June 30, 2006	

VOLUNTARY EXCLUSION PROGRAM

Through the Voluntary Exclusion Program (VEP), individuals may voluntarily exclude themselves from Indiana Riverboats by requesting to have their names placed on an exclusion list.



Angela Bunton
VEP Coordinator

The primary goal of the Voluntary Exclusion Program is to address problem gambling in Indiana, allowing those with such a problem to self-exclude from riverboat casinos.

Purpose

The IGC has maintained control of the Voluntary Exclusion Program since the State Legislature voted in favor of its creation in 2003. As of July 1, 2004, individuals wishing to exclude themselves from Indiana's casinos have been able to do so by filling out a single form, available at the IGC headquarters in Indianapolis or at any of Indiana's casinos. Such individuals may elect to do so for one year, five years, or life. In order to qualify for the VEP, a person must fill out and sign a Request for Voluntary Exclusion form in the presence of a Gaming Agent or an IGC Staff member. The person must complete the form voluntarily while not under the influence of alcohol, controlled substances, or prescription medication. The form and the identity of the applicant remain confidential. It is the participant's responsibility to avoid gambling.

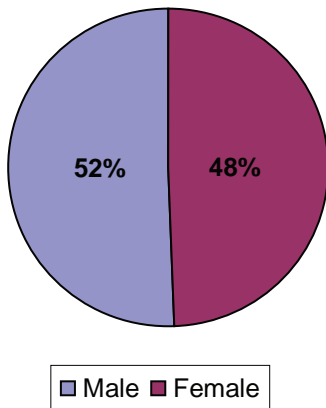
Removal

A person signed up for the one-year or five-year option may request to be removed from the program at the end of his or her exclusion period. Participants wishing to be removed must complete a removal form in the presence of a Gaming Agent or an IGC staff member. Upon IGC approval, the participant will be removed from the exclusion list. To date, 83 individuals have been removed from the voluntary exclusion list.

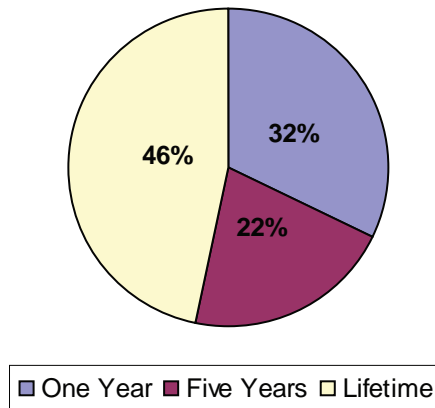
Statistics

There were 1,293 active members from 14 different states in the Voluntary Exclusion Program as of June 30, 2006. The graphs below display the program participants, categorized by age, gender, home state, and length of exclusion.

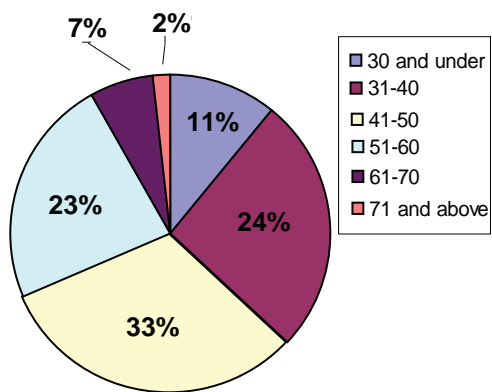
Gender Summary



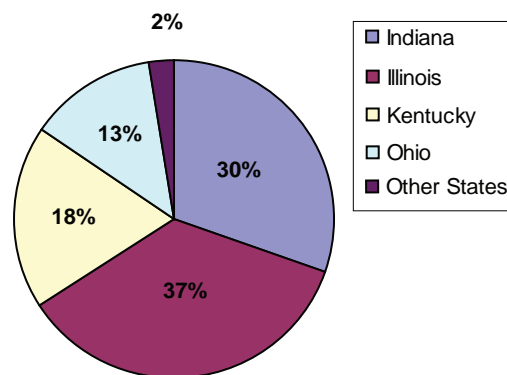
Exclusion Summary



Age Summary



State Summary



MBE/WBE UTILIZATION

	MBE %	WBE %
Argosy	19.44	9.53
Belterra	14.98	12.53
Blue Chip	4.69	4.00
Caesars	22.04	9.33
Casino Aztar	9.79	10.63
Grand Victoria	11.40	6.30
Horseshoe	24.57	18.30
Majestic Star I	11.30	5.40
Majestic Star II	8.93	9.06
Resorts	12.61	10.19
Total	13.01	8.95

Minority and Women Business Enterprise Issues

The Riverboat Gambling Act contains provisions regarding the use of minority business enterprises (MBE) and women's business enterprises (WBE) in the riverboat industry. Only purchases made from certified MBEs and WBEs may be counted toward credit for statutory compliance. The Department of Administration's Minority and Women's Business Enterprise Division is the agency responsible for certification of MBEs, WBEs, and disadvantaged business enterprises. The riverboats are required to file a report with the IGC in January of each year containing a summary of expenditures made in the previous calendar year. Within these reports, each riverboat details the amount of their overall expenditures which went toward certified MBEs and WBEs. They also file quarterly reports.



Jenny Arnold
Deputy Director

The Center for Urban Policy and the Environment has recently undertaken a statistical study on behalf of the IGC which will determine if a disparity exists between the percentage of total purchases that are made from certified MBEs and WBEs and the capacity of those companies to provide goods and services to Indiana casinos. If such a disparity is found, state law requires the IGC to establish MBE and WBE utilization goals. The table at left displays the WBE and MBE utilization percentages per CY 2005.

The following is a list of advisors for the disparity study:

- Sen. Johnny Nugent of Lawrenceburg
- Sen. Earline Rogers of Gary
- Rep. Matt Whetstone of Brownsburg
- Rep. Greg Porter of Indianapolis
- Tony Kirkland, Office of the Governor
- Darrell Ragland, Sr., Evansville businessman
- Myra Selby, Former Indiana Supreme Court Justice
- Mike Smith, Executive Director, Casino Association of Indiana
- Darla Williams, Indianapolis attorney

INFORMATION TECHNOLOGY

In FY 2006, the duties of the Information Technology staff changed significantly to accommodate the newly formed, centralized Office of Technology.



Tom Stuper
Information Technology Manager

Robert Paugh
Applications System Analyst

Activities

In February 2006, the newly formed Indiana Office of Technology (IOT) assumed responsibility for the management and maintenance of the Indiana Gaming Commission's database and file servers, as well as all network related support. The IT department of the IGC, however, is still responsible for supporting and maintaining all in-house developed applications. These include the Electronic Gaming Device System (EGDS), the Occupational Licensing System (OCCLIC), the Voluntary Exclusion Program (VEP) and the Electronic Tax System (ETS). They also work as the liaison between IOT and the end users if any hardware or network related problems arise.

Over the past year there have been several changes at the IGC that have required the Information Technology staff's involvement. Recent accomplishments include the modification of the OCCLIC system to accommodate the new three-year identification badge period. The OCCLIC modifications will allow occupational licensees to use their identification badges for a period of three years before needing replacements. This will reduce the amount of time spent badging by Commission Agents at the boats and allow more time to be devoted to quality control of the day to day casino operations.

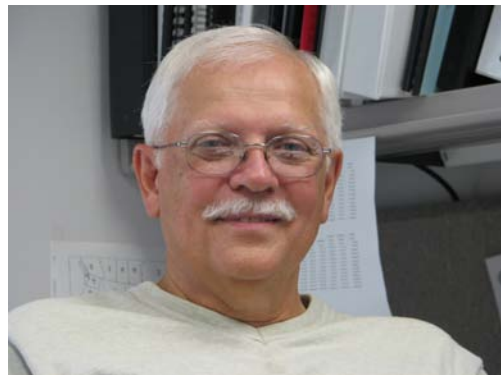
The Information Technology staff at the IGC also offers invaluable technical support on a daily basis. Currently, the IT department is in the process of creating file databases that will store information in a more efficient and organized format, reducing the flow of paper within the office of the Commission. One such database, the MBE/WBE database, has already been created and has enabled the Commission to make significant progress in creating utilization goals.

Audit Division

In FY 2006, the Audit Division worked to ensure that all ten of Indiana's operating riverboat casinos complied with the regulations and statutes governing this state's casino industry.



Larry C. Rhoades
Lead Auditor



A. Charles Vonderschmitt
Lead Auditor

The Audit Division is comprised of Audit Director Frank T. Brady and two audit teams, each comprised of a lead auditor and three field auditors. The team led by Larry C. Rhoades oversees the Northern casinos - those riverboats on Lake Michigan, and the team led by A. Charles Vonderschmitt oversees the Southern casinos - those riverboats on the Ohio River, as well as Blue Sky Casino. Both lead auditors also hold positions on the Compliance Committee.

Key Activities

Each of the ten operating riverboat casinos must file a daily tax return. IGC auditors coordinate with the Department of Revenue (DOR) to ensure that each casino's daily tax payment is accurate and timely. The casinos first send tax payments to the DOR, which then reports these amounts to the IGC. IGC auditors then audit each tax filing for completeness and accuracy. The riverboats also send to the IGC reports at the end of each month detailing all fiscal activity which occurred during that month. The Audit Division reviews these reports, checking for discrepancies between the daily and monthly figures.

In FY 2006, the Audit Division performed unannounced program audits on each of the ten operating riverboat casinos. During an unannounced program audit, auditors travel to a riverboat casino and audit all departments within that casino for compliance. Program audits usually take a week to complete. If discrepancies are found, IGC auditors perform a follow-up audit within 90 days to ensure that the riverboat casino has made the necessary changes to guarantee compliance.

Another key component of the Audit Division's duties is to review the detailed working procedures of the casinos in order to ensure that their internal controls comply with the regulations and statutes guiding the riverboat casino industry.

COMPLIANCE DIVISION

The Compliance Division ensures that riverboat licensees comply with the statutes and regulations which maintain the integrity of Indiana's riverboat casino industry.



Chris Gray
Director of Compliance

Composition

The Compliance Division, comprised of the Director of Compliance, the Compliance Coordinator, and the Electronic Gaming Devices (EGD) Compliance Manager, is responsible for the regulation of promotions and the direction of the Compliance Committee.

The Compliance Committee contains members of the Compliance Division, as well as select representatives from the Audit and Legal Divisions and the Division of Gaming Agents. The Committee meets regularly with the goal of optimizing the efficiency and effectiveness of the regulatory process.

This year, the Division also became responsible for the oversight of slot machines, or Electronic Gaming Devices. This entails the approval of machines and electronic systems, as well as the supervision of the movement of machines.

Committee Activities

During the 2006 fiscal year, the committee worked to make recommendations on all pending regulatory violations. During this time, the committee issued 177 recommendations covering issues such as rule waiver requests and rule changes, along with disciplinary actions against riverboat licensees and policy directives.

The Committee is also responsible for reviewing waiver requests concerning internal controls. If a riverboat seeks a waiver regarding a specific rule, the Committee reviews the request and makes a recommendation to the Commission. The Committee also reviews incident reports from the riverboats and makes recommendations concerning the appropriate disciplinary actions to be taken.

Committee Activities (continued)

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



Martin Cordero
*Promotions and Compliance
Coordinator*

Promotions

In order to maintain the integrity of riverboat gaming 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 held on riverboat property, such as parties.

All gaming related promotional activity, such as any tournament involving Electronic Gaming Devices or table games, must be stamped as approved by the Promotions Coordinator. Any non-gaming related promotional activity, such as concerts, giveaways, or parties, need only be stamped as reviewed by the Promotions Coordinator. For example, every year Caesars must seek approval from the Commission to hold the World Series of Poker Midwest Regional Tournament.

In FY 2006, the IGC received 1135 submissions. Of those, 1133 resulted in a favorable review by the IGC staff.

Non-Gaming Related (Reviewed)	923
Gaming Related (Approved)	210
Disapproved	2

LEGAL DIVISION

The Legal Division acts on behalf of the Commission on a number of legal matters, such as licensing casino employees and companies affiliated with riverboat casino operations; pursuing disciplinary actions and settlement agreements; drafting contracts for the Commission and Commission resolutions and orders; reviewing new game proposals; maintaining the exclusion list; and proposing new or revised rules that govern the riverboat casino industry in Indiana.



Phil Sicuso
General Counsel



Andrew Klinger
Deputy General Counsel

Legal Activities

In FY 2006, the Legal Division, in coordination with the Compliance Division, revised the regulations relating to security and surveillance systems at riverboat casinos. The revision of Article 12 of Title 68 of the Indiana Administrative Code is just one step in a continuing process of reviewing the Commission's regulations in an effort to update the rules to properly reflect new technologies and changing industry standards.

The Legal Division devised and prepared Resolution 2006-28, which amended the Commission's method for badging occupational licensees. This resolution separates the licensing process from the badging process, thereby eliminating the need for temporary badges during the temporary occupational license period. Gaming Agents now issue three-year identification badges at the time of licensing. This new single-badge system has created greater efficiency in the functioning of the newly implemented Division of Gaming Agents.

Owner Licensing

Each riverboat operator is subject to a complete reinvestigation following the first five years of operations and every three years thereafter. In September 2005, the Commission concluded a five-year investigation of Belterra and renewed its license. As of this year, all ten of Indiana's riverboat licensees have been in operation for more than five years and are now subject to reinvestigation every three years.

Owners Licensing (continued)

On November 9, 2005, the Commission entered into the first ever Operating Agent Contract with Blue Sky Casino, LLC. Signed by the Governor, this contract allows Blue Sky Casino, LLC to construct and operate the French Lick Springs Resort and Casino as the eleventh riverboat in Indiana. Through operation of the contract and state law, Blue Sky Casino, LLC will conduct gaming under the same standards and policies of the Commission as the ten riverboat licensees in Indiana.



Adam Packer
Attorney

Occupational Licensing

The IGC requires each individual who works on a riverboat casino or in a sensitive position with a riverboat licensee to hold an occupational gaming license. If an applicant appears to meet certain minimum standards for licensure, the IGC issues a temporary occupational license pending a background investigation. If the background investigation does not reveal any information that would prohibit licensing, the IGC will issue a permanent occupational license. Once permanently licensed, occupational licensees must continue to maintain suitability for licensure. The IGC may take formal disciplinary action against an occupational licensee by suspending or revoking the person's license, placing the licensee on probation, or seeking a civil penalty. Also, the Legal Division now more strictly enforces penalties for occupational licensees that fail to report criminal activity within ten days of arrest. Below is a break-down of occupational licenses issued and the actions taken against occupational licensees in FY 2006.



Lea Ellingwood
Attorney

Temporary licenses issued	4,015
Permanent licenses issued	2,442
Renewal of permanent licenses issued	9,631
Denials of occupational licenses	6
Waivers granted	2
Waivers Denied	1
Disciplinary Action	3
Settlement in lieu of disciplinary action	1
Reinstatement of license	1



Michelle Marsden
Licensing Coordinator

Supplier Licensing

During FY 2006, the Commission granted a variety of requests for supplier's licenses, including permanent supplier's licenses, renewals of supplier's licenses, and transfers of ownership. Such actions are detailed below:

Permanent supplier's licenses granted	4
Renewal of supplier's licenses granted	22
Settlement in lieu of disciplinary action	1
Expired supplier's licenses	1
Transfer of ownership interest in a license granted	2

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. Additionally, an individual may be placed on the exclusion list if the IGC determines that their reputation or conduct may call into question or interfere with the honesty or integrity of the riverboat gaming operation. An individual placed on the exclusion list is forbidden from entering any portion of an Indiana riverboat gambling operation. Currently, the Legal Division is formulating a new regulation that will create a procedure by which people may seek removal from the list.

There are currently 101 individuals on the exclusion list.

DIVISION OF GAMING AGENTS

Early in 2005, the Indiana General Assembly passed Senate Bill 626, which outlined a comprehensive change to the investigation and enforcement sections of the Indiana Gaming Commission in regulating riverboat casinos.



Kevin Mahan
Superintendent of Gaming Agents

The Commission is now required to employ its own gaming agents to perform certain statutory and regulatory enforcement duties. Furthermore, the Gaming Commission was divested of the authority to outsource these tasks, as it had previously done through the State Police. An innovative Gaming Agent training program was conducted in conjunction with the Indiana Law Enforcement Academy and professionals in the financial industry. The first employees of the Division of Gaming Agents began work on July 6th, 2005, and have since made significant progress in the transition of responsibilities.



James Beebe
Director of Financial Investigations

Investigation

In FY 2006, the executive staff created a new structure for the investigative section within the Division of Gaming Agents with the goal of more efficiently conducting investigations into matters concerning riverboat casinos. Investigation Directors Garth Brown and James Beebe supervised the hiring and training of ten investigators to form this new investigative section, five of whom had significant financial training and five of whom had significant experience in background investigations. Since this transition, the investigative process has been redesigned, in turn increasing the level of scrutiny with which riverboat gaming is examined.

Investigation (Continued)

After completing a rigorous training program on October 25th, 2005, the ten new investigators divided into five teams, with one financial investigator and one background investigator per team. All investigations are now handled by one of these five teams. Nearly a year later, executive staff is very pleased with the outcome of this structural transition and is satisfied with the depth and accuracy with which investigations are now conducted.



Garth Brown

Director of Background Investigations

Enforcement

Shortly after joining the Commission on July 6, 2005, Kevin Mahan and Ken Rowan developed a comprehensive training program for field agents, in coordination with the Indiana Law Enforcement Academy. The program that they created combines specialized casino-gaming training with traditional police training. During the eight-week training program, prospective agents learn how casino games are conducted and how to detect cheating theft, while also participating in traditional activities such as firearms training.



Ken Rowan

Director of Enforcement

These highly trained agents have taken over the enforcement duties on two boats, Majestic Star I and II, thus far. Eventually, enforcement duties on all Indiana riverboats will be handled by Gaming Agents. The specialized training with which these agents are prepared will allow them to more scrupulously detect gaming crimes. They will serve as the on-site regulatory staff for the IGC, ensuring that riverboat gaming operations comply with Indiana law, Commission regulations, and boat specific internal controls.

Gaming Agent Training



Weapons Training



Casino Gaming Training



Defensive Training

REVENUES & EXPENDITURES

Fees

Occupational Licensing

Applications	512,057
Permanent/Renewal	523,950
Other (replacement badges)	6,390
Subtotal	1,042,397

Riverboat Licensing

Applications - transfer	175,000
Permanent/Renewal	45,000
West Baden Springs Fund	1,000,000
Other - License Transfer	4,000,000
Subtotal	5,220,000

Supplier Licensing

Applications	10,000
Permanent/Renewal	130,000
Other - (transfer)	5,000
Subtotal	145,000

Total Fees	\$6,407,397
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Fines

Riverboats	517,000
Suppliers	15,000
Voluntary Self Exclusion	43,664

Total Fines	\$576,500
--------------------	------------------

Expenditures

IGC Administration

Salary & Wages	1,866,847
Other Operating & Encumbrances	584,141
Subtotal	2,450,988

Background Investigations Unit

Salary & Wages	724,954
Other Operating & Encumbrances	263,311
Less Reimbursements	(69,400)
Subtotal	918,865

Total Expenditures	\$3,439,253
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Expenditures and Reimbursements for

Gaming Agent Division

IGC Salary	1,040,957
IGC Operating & Encumbrance	433,936
ISP Salary	6,814,262
ISP operating expenditures paid	833,498

Total expenditures/encumbrances*	9,122,653
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*This account is fully reimbursed by riverboat licensees.



Indiana's Riverboats

Property Summaries

Argosy Casino

Larry Kinser, General Manager

777 Argosy Parkway
Lawrenceburg, IN 47025
(812) 539-8101

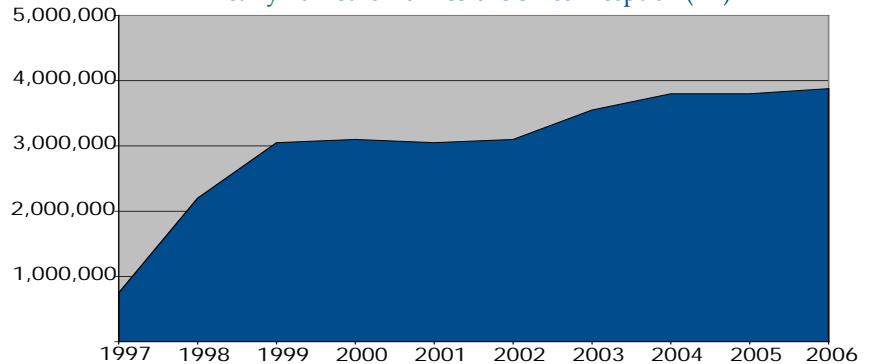
Date Opened: December 13, 1996
Gaming Space: 78,000 sq. ft.
Electronic Gaming Devices: 2,417
Table Games: 89
5 Restaurants
300 room Hotel
Banquet and Meeting Facilities

FY 2006 Admissions: 3,878,576
FY 2006 Gaming Taxes: \$157,720,149
FY 2006 LDA Payments: \$41,031,924

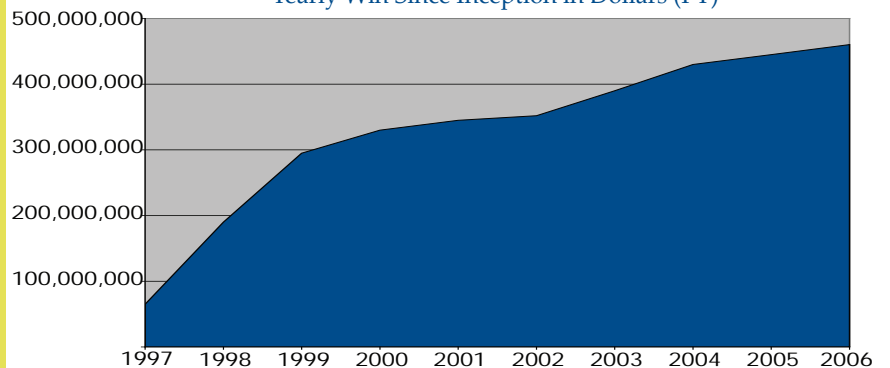
Total Employment: 2,016
Minority Employment: 7.5%
County Employment: 41%
Indiana Employment: 56%



Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



Belterra Casino

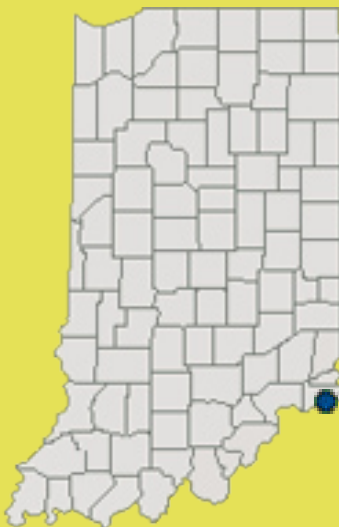
Larry Buck, General Manager

777 Belterra Drive
 Belterra, IN 47020
 (812) 433-4001

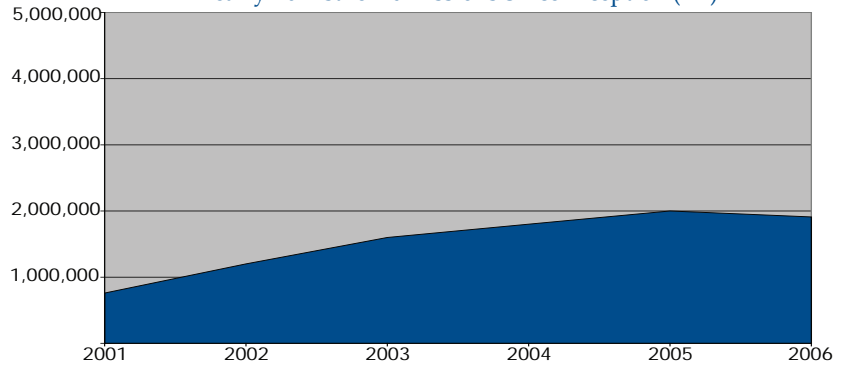
Date Opened: October 27, 2000
 Gaming Space: 40,200 sq. ft.
 Electronic Gaming Devices: 1,641
 Table Games: 56
 7 Restaurants
 608 room Hotel
 Convention Center
 Championship Golf Course

FY 2006 Admissions: 1,909,606
 FY 2006 Gaming Taxes: \$47,120,426
 FY 2006 LDA Payments: \$2,137,859

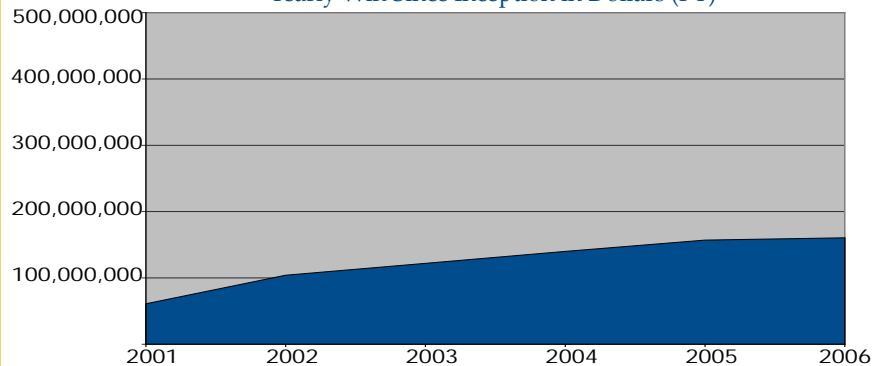
Total Employment: 1,131
 Minority Employment: 7%
 County Employment: 45%
 Indiana Employment: 67%



Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



Blue Chip Casino

Judy Campbell, General Manager

2 Easy Street
Michigan City, IN 46360
(219) 879-7711

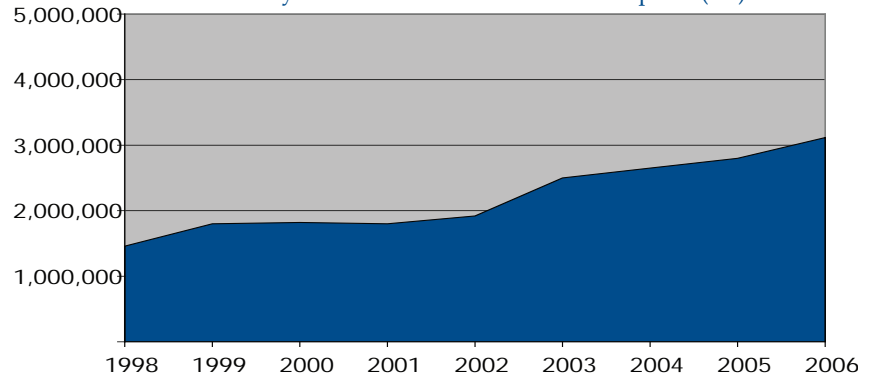
Date Opened: August 22, 1997
Gaming Space: 65,000 sq. ft.
Electronic Gaming Devices: 2,171
Table Games: 54
3 Restaurants
184 room Hotel

FY 2006 Admissions: 3,116,008
FY 2006 Gaming Taxes: \$86,828,963
FY 2006 LDA Payments: \$4,056,919

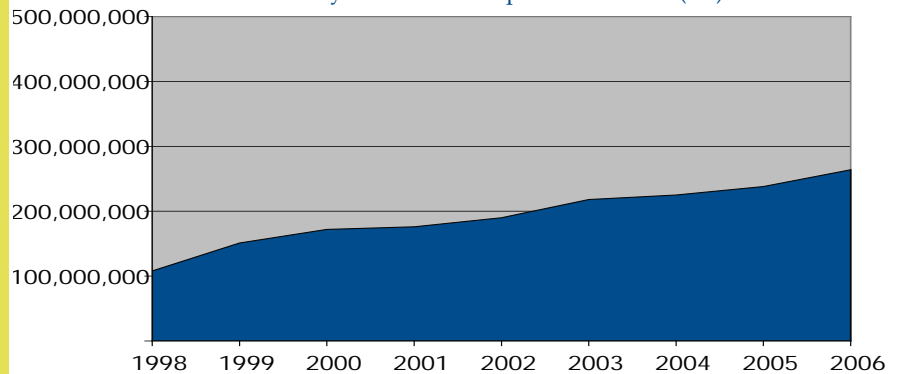
Total Employment: 1,339
Minority Employment: %24.8
County Employment: %57.7
Indiana Employment: %93.4



Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



Caesar's Indiana Casino

Ed Garruto, General Manager

11999 Avenue of the Emperors
Elizabeth, IN 47117
(812) 969-6726

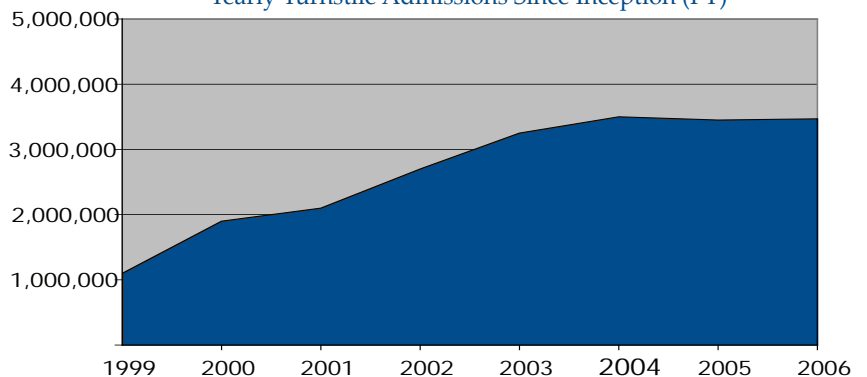
Date Opened: November 20, 1998
Gaming Space: 86,500 sq. ft.
Electronic Gaming Devices: 2,200
Table Games: 135
8 Restaurants
503 room Hotel
18-hole Championship Golf Course

FY 2006 Admissions: 3,469,787
FY 2006 Gaming Taxes: \$109,366,850
FY 2006 LDA Payments: \$17,434,463

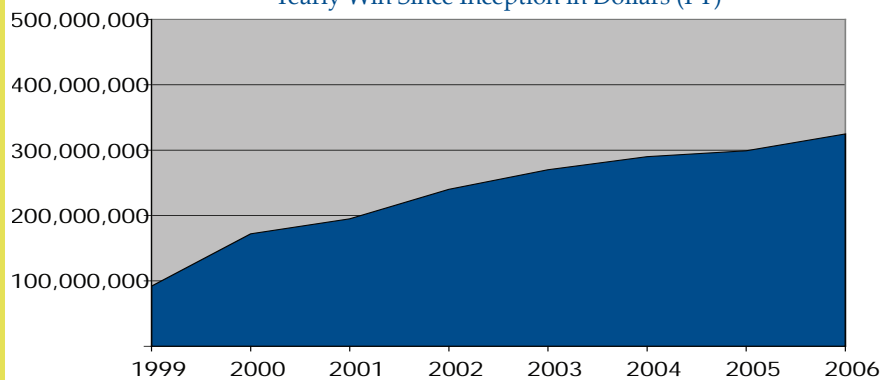
Total Employment: 2,148
Minority Employment: 14%
County Employment: 25%
Indiana Employment: 70%



Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



Casino Aztar

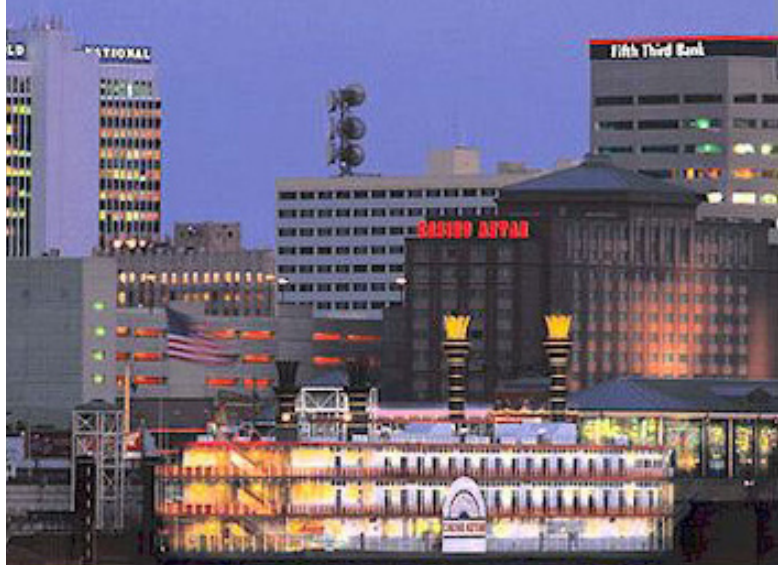
James Brown, General Manager

421 NW Riverside Drive
 Evansville, IN 47708
 (812) 433-4001

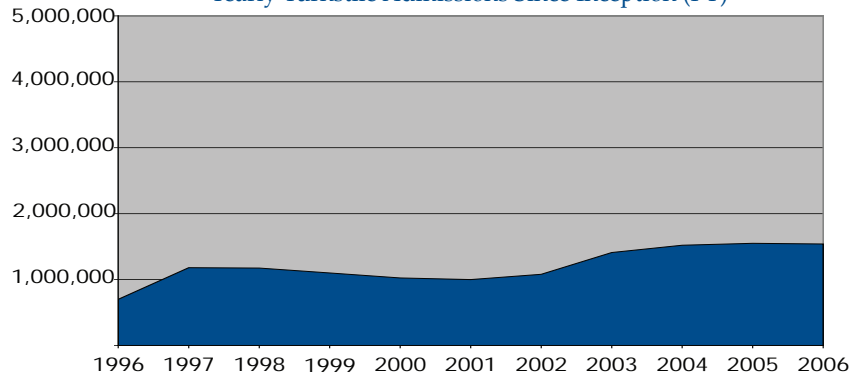
Date Opened: December 8, 1995
 Gaming Space: 38,360 sq. ft.
 Electronic Gaming Devices: 1,378
 Table Games: 52
 5 Restaurants
 250 room Hotel
 Conference Center

FY 2006 Admissions: 1,539,804
 FY 2006 Gaming Taxes: \$34,409,591
 FY 2006 LDA Payments: \$21,421,199

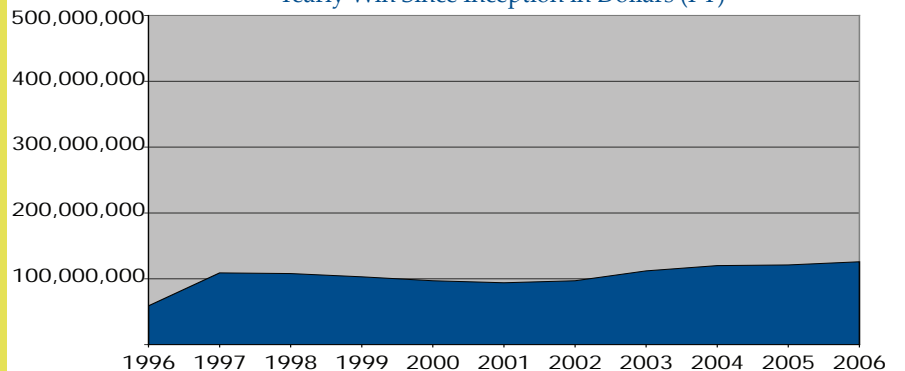
Total Employment: 1,174
 Minority Employment: 17%
 County Employment: 73%
 Indiana Employment: 91%



Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



Grand Victoria Casino



Scott Cooper, General Manager

600 Grand Victoria Drive
 Rising Sun, IN 47040
 (812) 438-5013

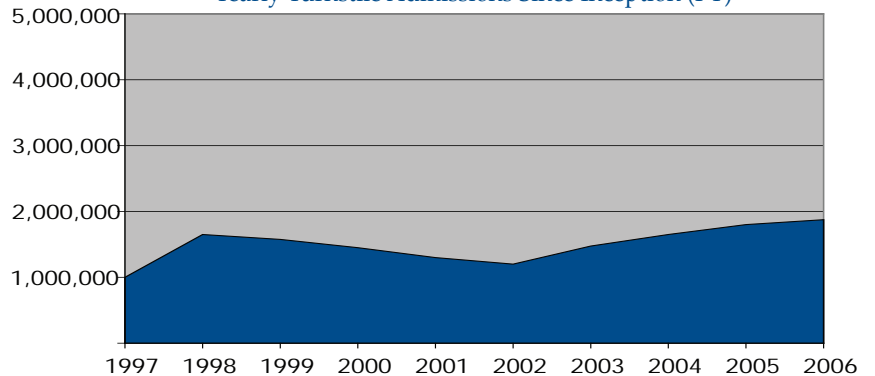
Date Opened: October 4, 1996
 Gaming Space: 40,000 sq. ft.
 Electronic Gaming Devices: 1,489
 Table Games: 47
 5 Restaurants
 201 room Hotel
 18-hole Championship golf course

FY 2006 Admissions: 1,875,360
 FY 2006 Gaming Taxes: \$43,409,591
 FY 2005 LDA Payments: \$2,354,182

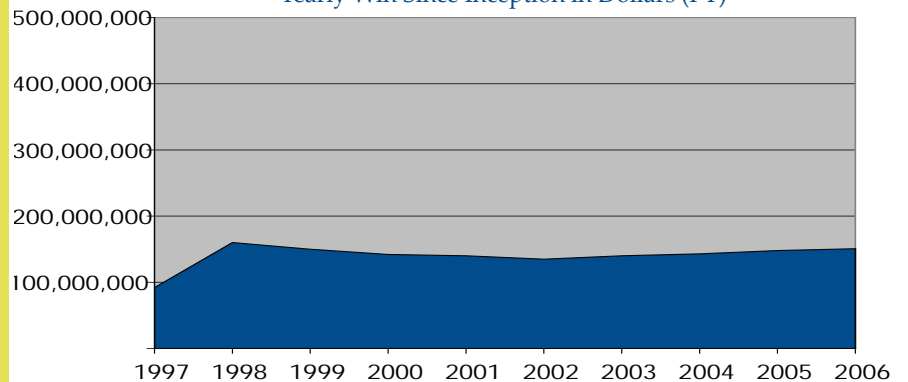
Total Employment: 1031
 Minority Employment: 3%
 County Employment: 28%
 Indiana Employment: 84%



Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



Horseshoe Casino



Rick Mazer, General Manager

777 Casino Center Drive
Hammond, IN 46320
(219) 473-6000

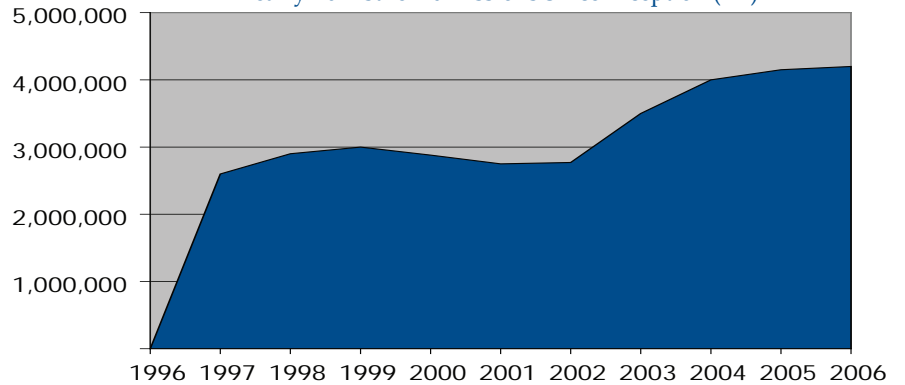
Date Opened: June 29, 1996
Gaming Space: 46,679 sq. ft.
Electronic Gaming Devices: 2,000
Table Games: 55
5 Restaurants
Banquet and meeting space

FY 2006 Admissions: 4,198,416
FY 2006 Gaming Taxes: \$144,533,750
FY 2006 LDA Payments: \$24,467,485

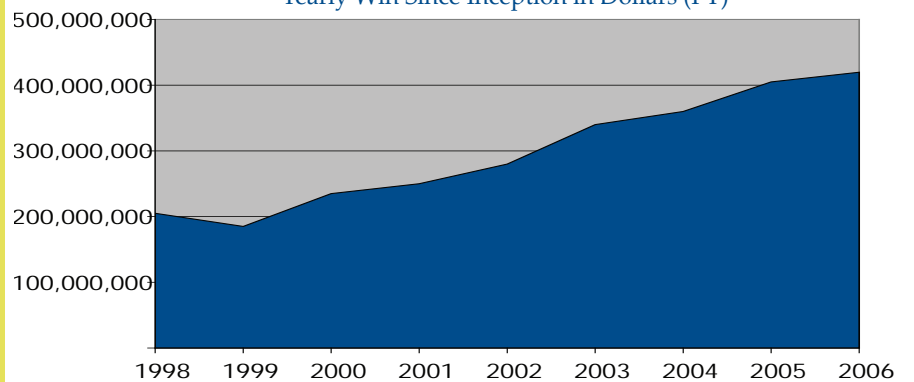
Total Employment: 2,261
Minority Employment: 58%
County Employment: 66%
Indiana Employment: 71%



Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



Majestic Star I Casino



David Schugar, General Manager

One Buffington Harbor Drive
Gary, IN 46406
(219) 977-7777

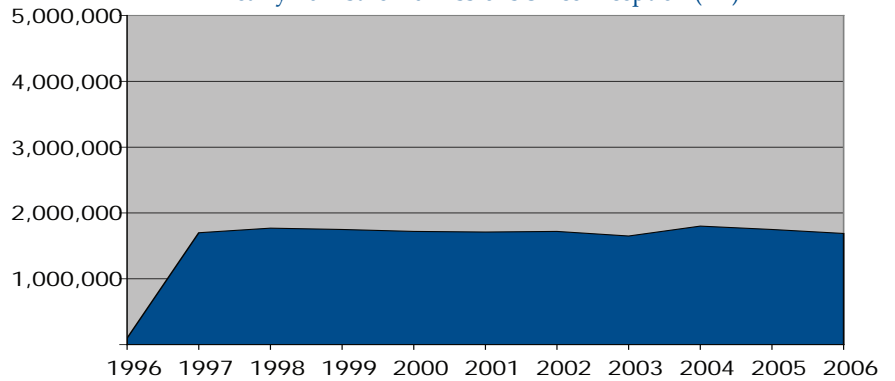
Date Opened: June 11, 1996
Gaming Space: 43,000 sq. ft.
Electronic Gaming Devices: 1,615
Table Games: 44
3 Restaurants

FY 2006 Admissions: 1,688,890
FY 2006 Gaming Taxes: \$40,602,705
FY 2006 LDA Payments: \$4,640,234

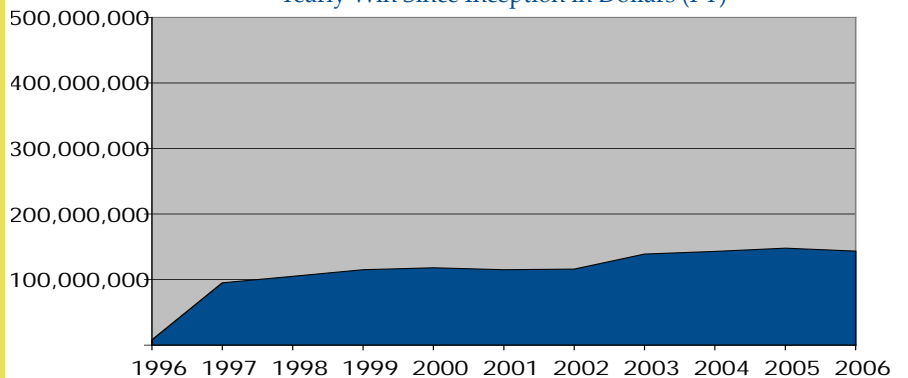
Total Employment: 654
Minority Employment: %75
County Employment: %85
Indiana Employment: %89



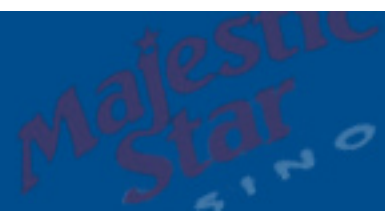
Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



Majestic Star II Casino



David Schugar, General Manager

One Buffington Harbor Drive
Gary, IN 46406
(219) 977-7777

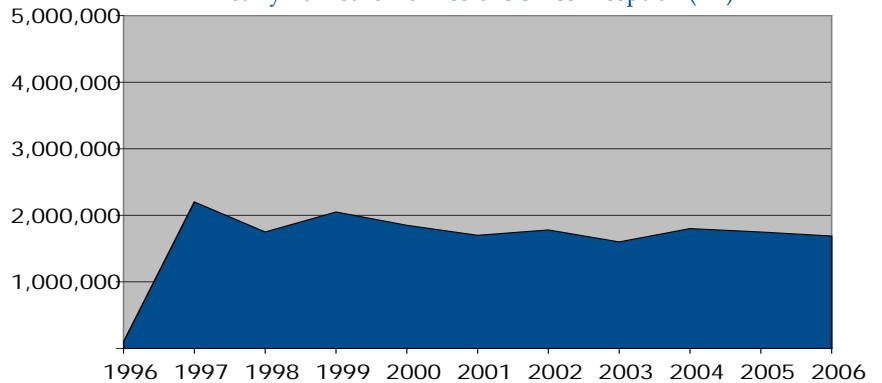
Date Opened: June 11, 1996
Gaming Space: 40,261 sq. ft.
Electronic Gaming Devices: 1,349
Table Games: 37
2 Restaurants
300 hotel rooms

FY 2006 Admissions: 1,688,890
FY 2006 Gaming Taxes: \$37,054,838
FY 2006 LDA Payments: \$4,554,145

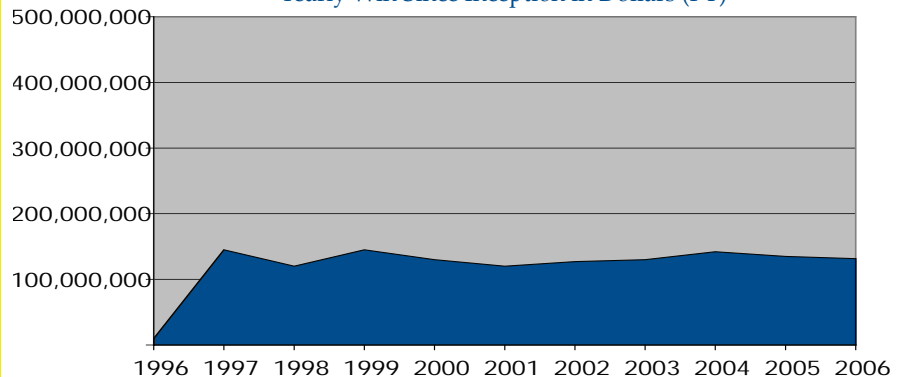
Total Employment: 626
Minority Employment: %72
County Employment: %80
Indiana Employment: %90



Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



Resorts East Chicago Casino

Joe DeRosa, General Manager

777 Harrah's Blvd
Hammond, IN 46320
(219) 378-3380

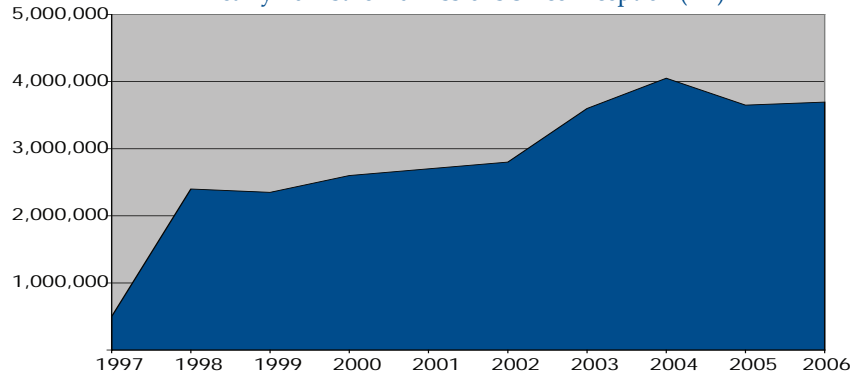
Date Opened: April 18, 1997
Gaming Space: 53,492 sq. ft.
Electronic Gaming Devices: 1,910
Table Games: 72
5 Restaurants
293 room Hotel

FY 2006 Admissions: 3,694,776
FY 2006 Gaming Taxes: \$101,752,358
FY 2006 LDA Payments: \$11,146,257

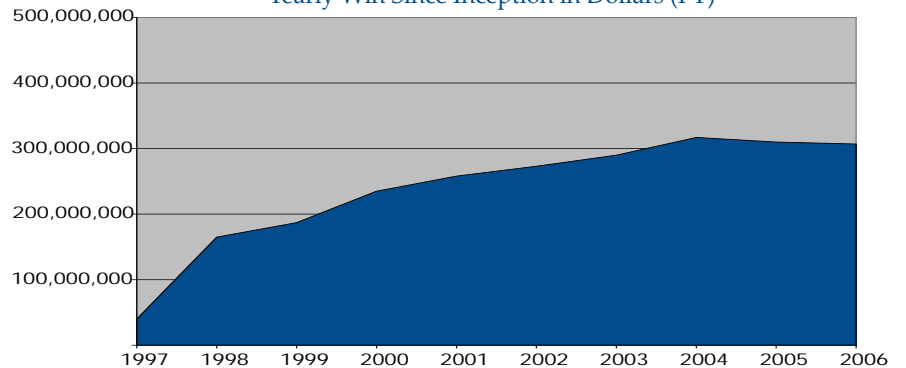
Total Employment: 1,740
Minority Employment: 63%
County Employment: 76%
Indiana Employment: 85%



Yearly Turnstile Admissions Since Inception (FY)



Yearly Win Since Inception in Dollars (FY)



Riverboat Revenue Comparison

This chart, along with the following pages, summarizes the state of riverboat gaming in select states with similar gaming operations.

	Boats	Gaming Space (Square Footage)	Admissions	AGR
Illinois	10	285,035	15,813,307	1,870,115,000
Indiana	10	531,492	27,060,113	2,483,527,457
Iowa	10	297,215	13,427,449	\$759,202,990
Louisiana	15	415,000*	26,905,470	\$1,835,928,931
Mississippi	29	1,075,327	8,241,121	2,244,295,698
Missouri	11	700,200	53,887,682	1,570,244,346

	Total Taxes	Admissions Tax	Wagering Tax	Highest Marginal Rate
Illinois	\$705,752,000	Graduated, \$3-\$5	Graduated	50%, AGR > \$200M
Indiana	803,216,992	\$3	Graduated	35% AGR > \$150M
Iowa	\$161,607,061	None	Graduated	22% AGR > \$3M
Louisiana	\$394,478,764	None	Graduated or Flat	21.5%
Mississippi	\$273,560,660	None	Flat	12%
Missouri	\$421,847,900	\$2	Flat	20%

*Figure is an estimation due to the fact that 3 of the 15 riverboats are inoperable as a result of Hurricanes Katrina and Rita.



Illinois Gaming Board

160 North LaSalle, Suite 300
Chicago, Illinois 60601
(312) 814-4700

Mark Ostrowski
Administrator

The Illinois Gaming Board provides regulatory oversight to the riverboat casinos in the form of audit, legal, enforcement, investigative and financial analysis activities. They are assisted in their enforcement and investigative duties by a division of the Illinois State Police.

Overview of Illinois Riverboat Gaming

Number of Boats	9
Total Square Footage	285,035
Total Admissions (FY 2006)	15,813,307
Adjusted Gross Revenue (FY 2006)	\$1,870,115,000
per Admission	\$118
per Square Foot	\$6561
Taxes Collected (FY 2006)	\$705,752,000
State	\$596,421,000
Local	\$109,331,000

Tax Schedule

Graduated admissions tax based on previous calendar year admissions totals,

- \$3 for less than one million visitors;
- \$4 for between 1 and 2.3 million visitors;
- \$5 for above 2.3 million visitors.

A graduated wagering tax,

- 15% of AGR up to and including \$25 million;
- 22.5% of AGR in excess of \$25 million but not exceeding \$50 million;
- 27.5% of AGR in excess of \$50 million but not exceeding \$75 million;
- 32.5% of AGR in excess of \$75 million but not exceeding \$100 million;
- 37.5% of AGR in excess of \$100 million but not exceeding \$150 million;
- 45% of AGR in excess of \$150 million but not exceeding \$200 million;
- 50% of AGR in excess of \$200 million.

Of this, 5% of AGR and \$1 of admissions taxes goes to local government.

Iowa Racing and Gaming Commission



717 East Court, Suite B
Des Moines, IA 50309
(515) 281-7352

Jack P. Ketterer
Administrator

The Iowa Racing and Gaming Commission regulates Riverboat Gaming and Pari-Mutuel Track Gaming. The Commission contracts with State Troopers to provide enforcement duties, and is reimbursed by the Riverboats for enforcement costs.

Overview of Iowa Riverboat Gaming

Number of Boats	12
Total Square Footage	297,215
Total Admissions (FY 2006)	13,427,449
Adjusted Gross Revenue (FY 2006)	\$759,202,990
per Admission	\$56
per Square Foot	\$2,554
Taxes Collected (FY 2006)	\$161,607,061
State	\$146,423,005
Local	\$15,184,056

Tax Schedule

No admissions tax.

A graduated wagering tax,

- 5% of AGR up to \$1 million;
- 10% of AGR between \$1 million and \$3 million;
- 22% of AGR above \$3 million.

Of this, 1% of AGR is distributed to local government.

Louisiana Gaming Control Board



9100 Bluebonnet Centre Boulevard, Ste. 5 H. Charles Gaudin
 Baton Rouge, LA 70809 Chairman
 (225) 295-8450

The Louisiana Gaming Control Board shares responsibility for Riverboat gaming with the Louisiana State Police Gaming Enforcement Division. It is also responsible for all other aspects of gaming in Louisiana, including video gaming machines, racetracks, and a single land-based casino.

Overview of Louisiana Riverboat Gaming*

Number of Boats	15
Total Square Footage	415,000**
Total Admissions (FY 2006)	26,905,470
Adjusted Gross Revenue (FY 2006)	\$1,835,928,931
per Admission	\$68
per Square Foot	\$4,424**
Taxes Collected (FY 2006)	\$394,478,764
State	<i>Due to the complexity of Louisiana law, the</i>
Local	<i>exact distribution cannot be determined.</i>

Tax Schedule

No admissions tax.

A graduated wagering tax for Bally’s Casino ONLY,

- 18.5% of AGR up to \$6 million per month;
- 20.5% of AGR between \$6 million and \$8 million per month;
- 21.5% of AGR above \$8 million per month.

A flat wagering tax for all other licensees,

- 21.5% of AGR.

* FYTD numbers reflect revisions made in June 2006 to update August 2005 and September 2005 revenues due to Hurricanes Katrina and Rita. Additions include: 19,309 in Admissions, \$2,118,128 in AGR, and \$445,261 in State Fees.

**Figure is an estimation due to the fact that 3 of the 15 riverboats are inoperable as a result of Hurricanes Katrina and Rita.



Mississippi Gaming Commission

P.O. Box 23577
Jackson, MS 39225
(601) 576-3800

Larry Gregory
Executive Director

The Mississippi Gaming Commission covers Riverboat Gaming as well as Charitable Gaming activities. The Commission is charged with both regulation and enforcement duties.

Overview of Mississippi Riverboat Gaming

Number of Boats	29
Total Square Footage	1,075,327 *
Total Admissions (FY 2006)	8,241,121
Adjusted Gross Revenue (FY 2006)	\$2,244,295,698
per Admission	\$272
per Square Foot	\$2,087
Taxes Collected (FY 2006)	\$273,560,660
State	\$181,717,583
Local	\$91,843,077

Tax Schedule

No admissions tax.

A flat wagering tax,

- 8% of AGR to state government;
- 4% of AGR to local government.

*The total square footage represents data from the quarter beginning January 1, 2006 and ending March 31, 2006. Due to Hurricanes Katrina and Rita, some of the riverboats were not operational during this time.

Missouri Gaming Commission



3417 Knipp Drive, Box 1847
Jefferson City, MO 65109
(573) 526-4080

Gene McNary
Executive Director

The Missouri Gaming Commission regulates Riverboat Gaming as well as Charitable Bingo. The Commission contracts with the Missouri Highway Patrol to provide enforcement and regulatory services, although the salaries of enforcement officers are paid from the Commission budget.

Overview of Missouri Riverboat Gaming

Number of Boats	11
Total Square Footage	700,200
Total Admissions (FY 2006)	53,887,682
Adjusted Gross Revenue (FY 2006)	\$1,570,294,346
per Admission	\$29
per Square Foot	\$2,243
Taxes Collected (FY 2006)	\$421,847,900
State	\$336,540,664
Local	\$85,307,235

Tax Schedule

An admissions tax of \$2,

- \$1 to state government;
- \$1 to local government.

In addition, a flat wagering tax,

- 20% of AGR.

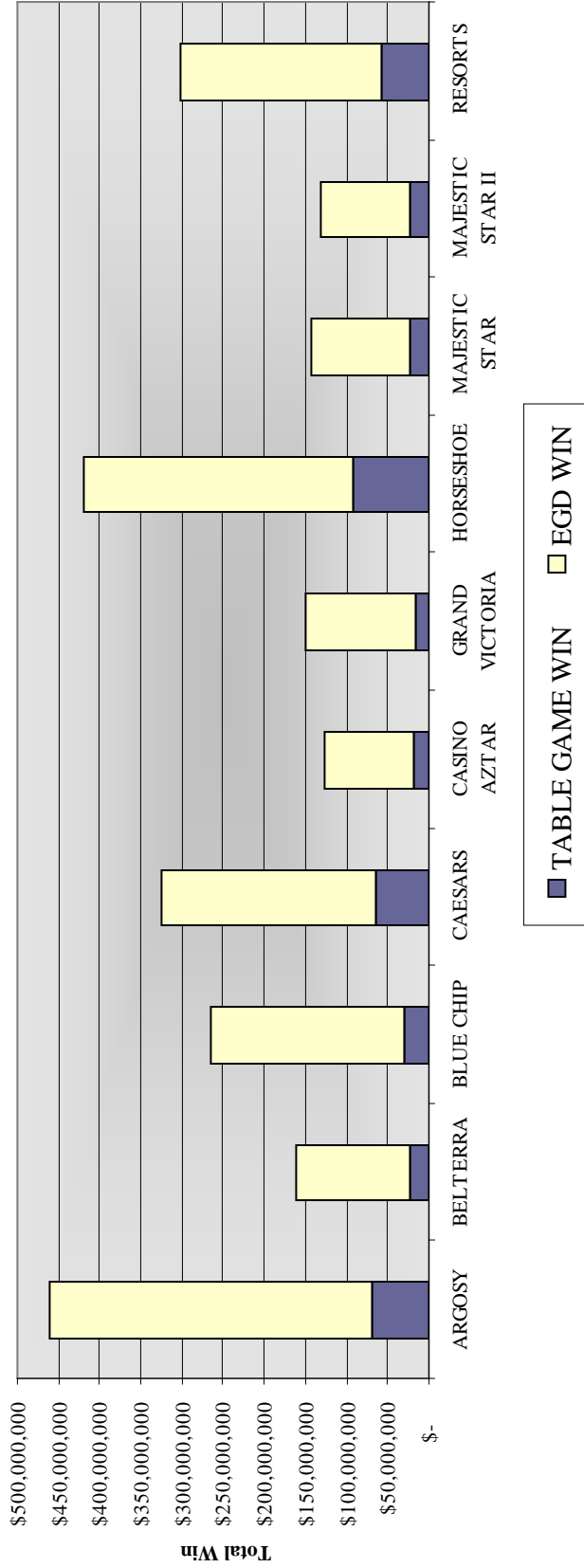
10% of the wagering tax (2% of AGR) is transferred to local government.



Appendix

Note: Due to rounding, figures may differ slightly from those published elsewhere.

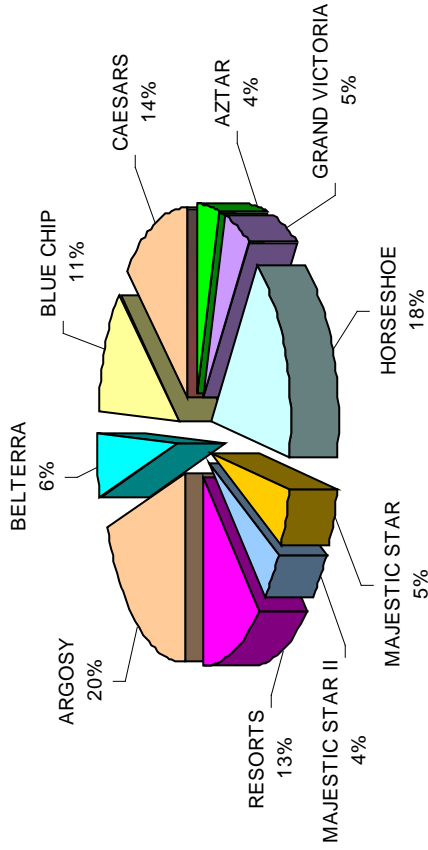
TOTAL WIN PER RIVERBOAT - FY 2006



	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	CASINO AZTAR	GRAND VICTORIA	HORSESHOE	MAJESTIC STAR	MAJESTIC STAR I	MAJESTIC STAR II	RESORTS	RESORTS
TABLE GAME WIN	\$69,586,268	\$23,752,897	\$30,727,102	\$63,515,407	\$19,114,627	\$16,946,545	\$92,221,415	\$23,805,071	\$23,805,071	\$23,741,796	\$57,051,426	\$57,051,426
EGD WIN	\$390,632,986	\$136,790,128	\$233,205,548	\$261,302,433	\$106,723,723	\$133,781,583	\$327,474,091	\$119,629,761	\$119,629,761	\$107,774,895	\$244,791,562	\$244,791,562
TOTAL WIN	\$460,219,254	\$160,543,025	\$263,932,650	\$324,817,840	\$125,838,350	\$150,728,128	\$419,695,506	\$143,434,832	\$143,434,832	\$131,516,691	\$301,842,988	\$301,842,988

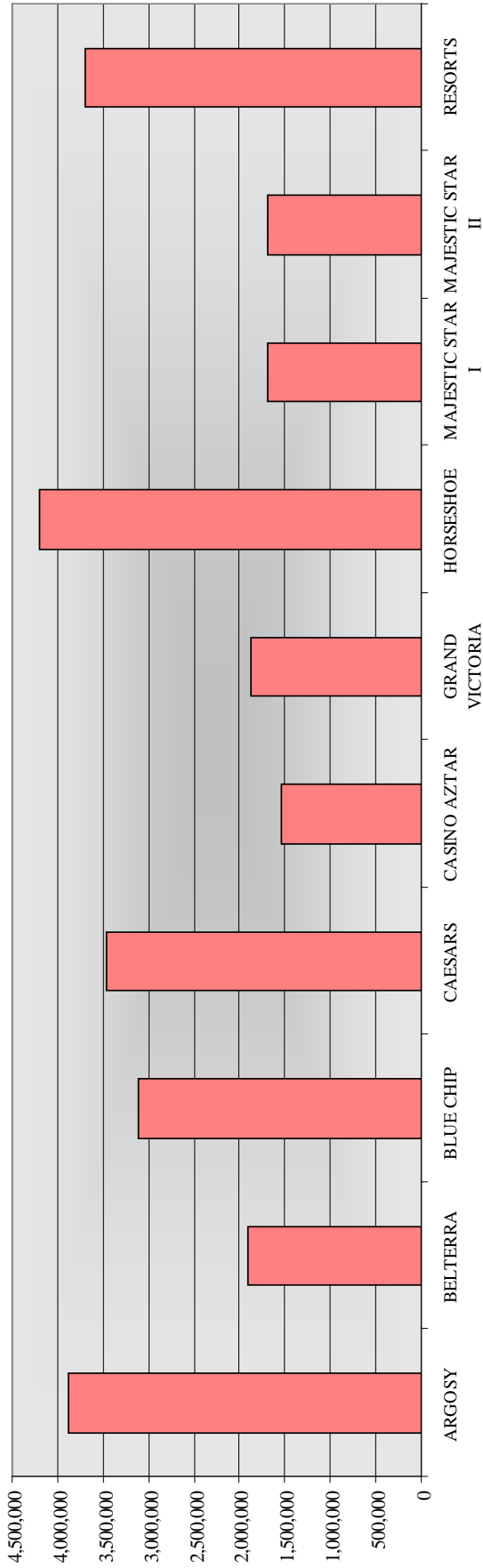
STATE-WIDE WIN - TABLE GAMES \$420,462,554
 STATE-WIDE WIN - EGD \$2,062,106,710
TOTAL STATEWIDE WIN \$2,482,569,264

FY 2006 WAGERING TAX REPORTED



TAX REPORTED	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	CASINO AZTAR	GRAND VICTORIA	HORSESHOE	MAJESTIC STAR I	MAJESTIC STAR II	RESORTS	GRAND TOTAL
JULY	7,059,390	2,389,423	3,351,124	4,267,796	1,726,593	2,111,501	6,429,590	2,120,693	1,938,021	3,796,116	35,190,246
AUGUST	9,311,854	2,266,002	3,879,920	5,290,750	1,545,729	1,871,864	7,891,391	1,815,392	1,826,574	4,156,770	39,856,246
SEPTEMBER	10,601,096	2,513,242	4,625,700	6,692,787	1,826,362	2,310,006	9,750,535	2,355,007	2,366,998	5,354,831	48,396,563
OCTOBER	11,290,666	3,157,660	5,312,343	8,130,713	2,049,514	2,590,490	10,368,012	2,411,489	2,430,106	6,030,455	53,771,448
NOVEMBER	12,451,042	3,196,002	5,374,735	7,480,897	2,065,459	3,013,253	11,752,911	3,101,097	2,739,131	6,349,712	57,524,241
DECEMBER	12,111,588	3,287,418	5,494,938	8,361,121	2,544,192	2,792,548	10,083,877	3,048,574	2,749,665	7,331,478	57,805,401
JANUARY	13,670,130	3,702,999	5,600,060	9,772,689	2,715,561	4,020,985	12,380,319	3,613,468	3,444,896	9,439,986	68,361,094
FEBRUARY	13,773,677	3,814,820	8,907,463	9,633,016	3,057,670	3,780,456	13,721,948	3,557,303	3,518,684	9,805,456	73,570,492
MARCH	14,929,731	4,004,962	9,629,248	10,243,441	3,629,245	3,941,995	13,915,344	3,746,150	3,269,550	10,129,200	77,438,866
APRIL	13,979,532	4,236,398	8,957,512	9,816,669	2,947,734	3,690,297	11,884,701	3,386,762	2,732,821	9,347,435	70,979,860
MAY	13,200,645	4,285,416	8,426,157	9,643,896	3,084,070	3,674,236	12,395,653	3,203,617	2,398,033	9,875,253	70,186,975
JUNE	13,705,070	4,537,266	7,921,740	9,623,713	3,015,821	3,985,881	11,364,221	3,176,482	2,573,688	9,051,339	68,955,220
TOTAL	\$146,084,421	\$41,391,608	\$77,480,939	\$98,957,489	\$30,207,950	\$37,783,511	\$131,938,502	\$35,536,035	\$31,988,168	\$90,668,030	\$722,036,653

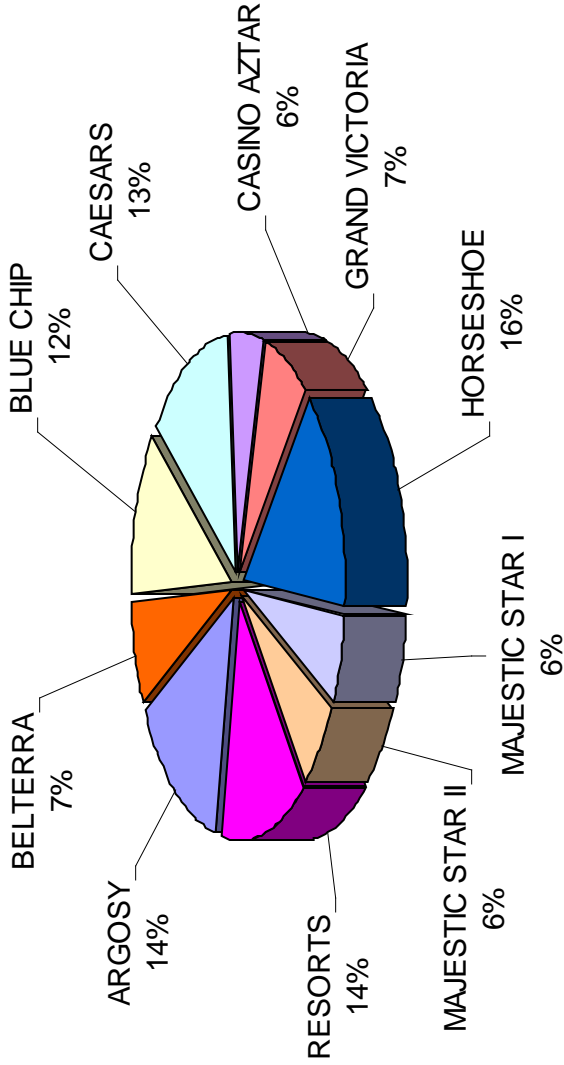
TOTAL ADMISSIONS PER RIVERBOAT - FY 2006



	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	CASINO AZTAR	GRAND VICTORIA	HORSESHOE	MAJESTIC STAR I	MAJESTIC STAR II	RESORTS
ADMISSIONS	3,878,576	1,909,606	3,116,008	3,469,787	1,539,804	1,875,360	4,198,416	1,688,890	1,688,890	3,694,776

TOTAL ADMISSIONS FOR ALL RIVERBOATS 27,060,113

FY 2006 ADMISSION TAX REPORTED



TAX REPORTED	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	CASINO AZTAR	GRAND VICTORIA	HORSESHOE	MAJESTIC STAR	MAJESTIC STAR II	RESORTS	GRAND TOTAL
JULY	1,102,647	606,378	777,492	969,897	439,638	547,263	1,101,099	531,195	531,195	1,038,096	7,644,900
AUGUST	990,279	520,701	704,880	886,395	396,741	476,079	1,106,343	450,909	450,909	887,952	6,871,188
SEPTEMBER	872,592	452,232	680,892	832,665	371,139	422,100	1,079,895	446,178	446,178	815,616	6,419,487
OCTOBER	930,909	498,516	668,457	879,582	386,541	482,373	1,136,658	444,117	444,117	845,544	6,716,814
NOVEMBER	876,609	450,819	626,892	800,052	358,398	438,336	1,008,816	415,662	415,662	803,007	6,194,253
DECEMBER	844,002	412,683	601,536	829,380	373,728	388,431	934,446	402,879	402,879	855,015	6,044,979
JANUARY	983,214	456,978	668,916	893,256	393,567	487,068	1,047,162	428,913	428,913	1,065,150	6,853,137
FEBRUARY	985,662	462,051	1,019,835	857,544	384,030	455,208	1,039,500	402,423	402,423	966,270	6,974,946
MARCH	1,081,194	460,758	968,961	910,437	412,887	493,770	1,122,069	408,666	408,666	994,443	7,261,851
APRIL	1,011,438	474,633	901,734	834,897	361,527	460,008	1,022,040	383,445	383,445	971,181	6,804,348
MAY	973,233	483,246	869,724	874,530	366,102	465,552	1,028,091	373,329	373,329	951,108	6,758,244
JUNE	983,949	449,823	858,705	840,726	375,114	509,892	969,129	378,954	378,954	890,946	6,636,192
TOTAL	\$ 11,635,728	\$ 5,728,818	\$ 9,348,024	\$ 10,409,361	\$ 4,619,412	\$ 5,626,080	\$ 12,595,248	\$ 5,066,670	\$ 5,066,670	\$ 11,084,328	\$ 81,180,339

GAMING OPERATIONS - FY 2006

EGD SUMMARY

EGD'S	UNITS*	COIN IN	WIN
1 CENT	2,356	2,021,625,962	234,342,058
2 CENT	926	998,290,283	120,102,081
5 CENT	3,623	4,192,658,787	452,313,541
10 CENT	171	281,889,451	28,138,667
25 CENT	4,860	6,325,845,804	498,862,033
50 CENT	1,023	1,445,714,972	119,366,715
\$1	4,009	8,019,453,553	497,642,164
\$2	30	44,623,394	2,009,476
\$5	548	1,911,773,842	86,396,693
\$10	83	235,010,299	9,597,833
\$20	12	30,538,820	720,765
\$25	64	294,461,875	9,380,868
\$100	31	124,086,275	3,130,336
Other **	0	\$0	103,480
TOTAL	17,736	\$25,925,973,317	\$2,062,106,710

* As of June 30, 2006
 ** Tournament receipts

Totals may include minor variations due to rounding.

TABLE GAMES SUMMARY

TABLE GAMES	UNITS*	DROP	WIN
Baccarat	38	285,707,891	45,380,146
Big Six	3	2,497,232	1,196,843
Blackjack/21	291	1,155,349,077	164,785,928
Craps	44	379,163,313	68,534,915
Poker **	107	333,916,550	72,047,910
Poker Room ***	117	30,201,892	30,205,492
Roulette	41	147,764,632	37,918,184
Other****	0	0	393,136
TOTAL	641	\$2,334,600,587	\$420,462,554

* As of June 30, 2006
 ** Traditional Poker
 *** Includes Caribbean Stud, Let It Ride, Pai Gow, 3 Card, Boston 5 Stud, 3-5-7, Wild Hold Em Fold Em, Crazy 4, and 2-2-1
 **** Tournament receipts

TAX COMPARISON OF FY 2006 TO FY 2005

WAGERING TAX	FY 2005	FY 2006	DIFFERENCE	%
July	34,713,645	35,190,246	476,602	1.37%
August	40,141,785	39,856,246	(285,539)	-0.71%
September	48,531,313	48,396,563	(134,750)	-0.28%
October	53,934,485	53,771,448	(163,037)	-0.30%
November	54,065,840	57,524,241	3,458,401	6.40%
December	58,136,221	57,805,401	(330,820)	-0.57%
January	58,230,044	68,361,094	10,131,050	17.40%
February	70,823,848	73,570,492	2,746,644	3.88%
March	72,279,919	77,438,866	5,158,947	7.14%
April	71,028,250	70,979,860	(48,390)	-0.07%
May	68,943,550	70,186,975	1,243,425	1.80%
June	63,954,145	68,955,220	5,001,075	7.82%
TOTAL	\$694,783,046	\$722,036,653	\$27,253,608	3.92%

ADMISSIONS TAX	FY 2005	FY 2006	DIFFERENCE	%
July	7,425,696	7,644,900	219,204	2.95%
August	6,859,818	6,871,188	11,370	0.17%
September	6,528,999	6,419,487	(109,512)	-1.68%
October	6,835,923	6,716,814	(119,109)	-1.74%
November	6,252,471	6,194,253	(58,218)	-0.93%
December	6,107,184	6,044,979	(62,205)	-1.02%
January	5,947,137	6,853,137	906,000	15.23%
February	6,743,352	6,974,946	231,594	3.43%
March	7,025,091	7,261,851	236,760	3.37%
April	6,849,216	6,804,348	(44,868)	-0.66%
May	6,917,454	6,758,244	(159,210)	-2.30%
June	6,598,794	6,636,192	37,398	0.57%
TOTAL	\$80,091,135	\$81,180,339	\$1,089,204	1.36%

FY 2006 SUMMARY OF TABLE GAME ACTIVITY

UNITS	ARGOSY		BELTERRA	BLUE CHIP		CAESARS	AZTAR	GRAND VICTORIA	HORSESHOE	MAJESTIC STAR	MAJESTIC STAR II	RESORTS
	3	1	1	2	2	2	N/A	N/A	11	7	N/A	12
Baccarat	10,831,271	454,724	454,724	11,354,302	11,981,752	11,981,752	N/A	N/A	130,085,920	31,689,435	9,363,789	79,946,698
Big Six	1,399,790	N/A	N/A	N/A	826,502	826,502	270,940	N/A	N/A	N/A	N/A	N/A
Black Jack	185,631,886	27	68,568,078	95,932,006	169,091,027	169,091,027	41,494,345	43,674,308	262,487,823	63,280,747	53,176,365	172,012,492
Craps	6	4	4	4	9	9	4	3	6	2	2	4
Poker***	21	9	9	12	20	20	9	9	8	10	3	6
Poker Room**	15	12	12	N/A	33	33	12	8	N/A	N/A	21	16
Roulette	7	3	3	5	8	8	3	2	5	2	2	4
TOTAL	89	56	56	54	135	135	52	47	55	44	37	72
DROP												
Baccarat	10,831,271	454,724	454,724	11,354,302	11,981,752	11,981,752	N/A	N/A	130,085,920	31,689,435	9,363,789	79,946,698
Big Six	1,399,790	N/A	N/A	N/A	826,502	826,502	270,940	N/A	N/A	N/A	N/A	N/A
Black Jack	185,631,886	27	68,568,078	95,932,006	169,091,027	169,091,027	41,494,345	43,674,308	262,487,823	63,280,747	53,176,365	172,012,492
Craps	61,097,979	25,619,452	25,619,452	22,688,055	59,727,347	59,727,347	17,412,202	20,058,122	103,712,505	14,621,983	12,098,646	42,127,022
Poker***	76,778,649	22,179,884	22,179,884	33,695,773	55,078,339	55,078,339	19,600,446	18,494,253	43,246,231	18,899,148	18,875,997	27,067,830
Poker Room**	690,556	2,831,829	2,831,829	N/A	7,318,202	7,318,202	2,681,286	2,099,571	N/A	N/A	6,522,434	8,058,014
Roulette	29,903,639	7,327,392	7,327,392	12,066,883	23,144,055	23,144,055	6,236,794	4,847,297	31,866,025	6,243,020	4,962,245	21,167,282
TOTAL	366,333,770	126,981,359	126,981,359	175,737,019	327,167,224	327,167,224	87,696,013	89,173,551	571,398,504	134,734,333	104,999,476	350,379,338
WIN												
Baccarat	1,994,149	84,806	84,806	1,766,576	1,300,393	1,300,393	N/A	N/A	24,361,785	5,514,487	1,398,341	8,959,609
Big Six	686,775	N/A	N/A	N/A	357,263	357,263	152,805	N/A	N/A	N/A	N/A	N/A
Black Jack	28,388,421	10,418,046	10,418,046	13,616,093	23,324,171	23,324,171	6,964,651	6,776,162	35,579,695	9,479,751	7,870,569	22,368,369
Craps	13,064,577	4,148,555	4,148,555	4,390,863	13,109,536	13,109,536	3,528,070	3,298,615	14,984,346	2,969,403	2,351,066	6,689,884
Poker***	16,760,744	4,420,904	4,420,904	7,778,684	12,519,401	12,519,401	3,973,771	3,688,281	9,137,672	4,239,302	3,868,491	5,660,660
Poker Room**	690,556	2,831,829	2,831,829	N/A	7,321,802	7,321,802	2,681,286	2,099,571	N/A	N/A	6,522,434	8,058,014
Roulette	7,991,646	1,848,749	1,848,749	3,174,886	5,569,349	5,569,349	1,814,044	1,074,231	8,157,917	1,602,128	1,477,969	5,207,265
Other	9,400	8	8	N/A	13,492	13,492	N/A	9,685	N/A	N/A	252,926	107,625
TOTAL	69,586,268	23,752,897	23,752,897	30,727,102	63,515,407	63,515,407	19,114,627	16,946,545	92,221,415	23,805,071	23,741,796	57,051,426

* As of 6/30/06

** Traditional Poker

*** Includes Caribbean Stud/Draw, Let It Ride, Pai Gow, 3 Card, Boston 5 Stud, 3-5-7, Wild Hold em Fold Em, Crazy 4, and 2-2-1

Totals may include minor variations due to rounding

FY 2006 SUMMARY OF EGD ACTIVITY

UNITS*	GRAND										MAJESTIC		MAJESTIC		RESORTS
	ARGOSY	BELTERRA	BLUE CHIP	CAESARS	AZTAR	VICTORIA	HORSESHOE	STAR	STAR II	STAR II	STAR	STAR II	STAR II	STAR II	
1 cent	238	420	249	343	98	276	N/A	N/A	455	75	202				
2 cent	208	53	52	134	66	N/A	N/A	48	253	112					
nickel	398	195	600	454	286	321	335	150	343	541					
10 cent	156	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3					
25 cent	519	472	585	694	369	383	759	308	378	393					
50 cent	269	118	24	91	78	75	216	31	26	95					
\$1	502	323	578	390	363	302	600	266	232	453					
\$2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	18	5					
\$5	95	46	63	50	72	50	64	12	17	79					
\$10	16	7	8	24	17	N/A	N/A	N/A	N/A	11					
\$20	N/A	N/A	N/A	12	N/A	N/A	N/A	N/A	N/A	N/A					
\$25	13	6	10	8	2	7	5	6	4	7					
\$100	3	4	2	8	2	1	4	3	N/A	4					
\$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	2,417	1,644	2,171	2,200	1,357	1,415	1,993	1,280	1,349	1,910					
COIN IN															
1 cent	295,519,901	353,385,752	164,775,724	227,032,492	79,570,174	259,063,669	N/A	N/A	351,041,515	102,030,528	189,206,207				
2 cent	283,108,994	9,821,724	33,850,225	167,988,461	59,759,473	N/A	N/A	N/A	83,075,664	225,007,601	135,698,141				
nickel	631,847,927	177,327,557	512,665,634	670,677,626	200,054,418	186,748,620	413,949,743	246,859,919	254,610,878	897,916,565					
10 cent	268,448,138	N/A	N/A	N/A	N/A	N/A	N/A	2,831,974	N/A	3,999,672	6,609,667				
25 cent	978,291,261	534,575,530	748,816,385	959,206,434	280,153,931	448,616,516	1,199,040,814	325,338,310	400,650,906	451,155,717					
50 cent	536,820,973	96,538,081	33,777,967	141,522,934	64,180,305	63,558,157	325,583,957	18,804,533	96,032,750	737,225,036					
\$1	1,654,481,576	419,577,792	1,123,359,442	872,454,069	368,881,115	542,339,978	1,670,807,672	351,708,968	278,617,905	7,840,610					
\$2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19,821,906	15,002,786	7,840,610					
\$5	693,921,998	124,149,425	182,745,580	248,130,172	129,714,540	107,779,130	225,737,771	18,658,638	36,681,715	144,254,873					
\$10	106,214,360	20,448,080	14,609,370	37,298,250	29,185,309	N/A	10,037,220	N/A	N/A	17,217,710					
\$20	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A					
\$25	153,271,800	15,434,425	48,063,775	N/A	10,859,600	20,374,900	24,501,610	5,588,590	5,415,625	10,951,550					
\$100	49,735,500	15,688,200	5,342,100	19,830,900	8,051,100	4,693,400	14,914,400	1,280,825	N/A	4,649,850					
\$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	\$5,651,662,328	\$1,766,846,566	\$2,868,006,202	\$3,374,660,202	\$1,230,409,965	\$1,633,174,370	\$3,907,227,067	\$1,454,405,836	\$1,340,822,149	\$2,698,758,676					
WIN															
1 cent	34,814,586	40,203,524	22,442,176	26,682,320	9,855,075	26,489,136	0	38,603,816	11,942,321	23,309,104					
2 cent	31,167,028	1,165,214	4,934,294	20,379,654	7,217,560	0	0	9,888,739	28,019,769	17,329,823					
nickel	64,918,319	16,839,860	62,341,379	65,419,969	23,077,869	22,356,132	53,100,595	21,114,171	24,050,052	99,095,195					
10 cent	26,606,166	0	0	0	0	0	359,203	0	485,306	687,992					
25 cent	70,732,332	34,653,396	60,299,105	64,657,170	25,879,471	35,377,666	121,555,478	23,547,296	24,617,568	37,542,551					
50 cent	39,598,948	8,036,512	2,908,834	12,452,563	5,692,214	5,558,424	28,919,338	3,999,516	1,553,791	10,646,575					
\$1	89,520,268	25,851,952	69,484,701	56,273,992	26,456,863	36,674,643	110,860,430	21,235,146	14,826,951	46,455,228					
\$2	0	0	0	0	0	0	1,090,917	28,800	705,343	184,416					
\$5	26,379,963	7,428,602	9,099,037	11,675,328	6,274,336	5,681,580	10,458,394	757,123	1,189,550	7,452,780					
\$10	3,083,591	1,306,745	584,310	1,802,849	1,226,711	0	372,791	0	0	1,220,836					
\$20	0	0	0	720,765	0	0	0	0	0	0					
\$25	3,488,325	1,030,412	741,062	847,360	847,360	1,311,501	672,266	288,898	384,244	616,800					
\$100	219,980	273,911	370,650	1,237,833	194,264	332,501	84,679	166,256	0	250,262					
\$500	0	0	0	0	0	0	0	0	0	0					
other	103,480	0	0	0	0	0	0	0	0	0					
TOTAL	\$390,632,986	\$136,790,128	\$233,205,548	\$261,302,433	\$106,723,723	\$133,781,583	\$327,474,091	\$119,629,761	\$107,774,895	\$244,791,562					

* as of 6/30/06

Totals may include minor violations due to rounding

GRADUATED TAX STATUS - FY 2006

North Boats	Rate	Date of Change
Blue Chip	15%	7/1/2005
	20%	8/5/2005
	25%	9/10/2005
	30%	10/22/2005
	35%	2/12/2006
Horseshoe	15%	7/1/2005
	20%	7/20/2005
	25%	8/11/2005
	30%	9/3/2005
	35%	11/9/2005
Majestic Star I	15%	7/1/2005
	20%	8/29/2005
	25%	11/1/2005
	30%	1/2/2006
	35%	
Majestic Star 2	15%	7/1/2005
	20%	8/31/2005
	25%	11/3/2005
	30%	1/11/2006
	35%	
Resorts	15%	7/1/2005
	20%	7/31/2005
	25%	9/5/2005
	30%	10/9/2005
	35%	1/16/2006

<u>AGR</u>	<u>Rate</u>
less than \$25 million	15%
\$25 - \$50 million	20%
\$50 - \$75 million	25%
\$75 - \$150 million	30%
over \$150 million	35%

South Boats	Rate	Date of Change
Argosy	15%	7/1/2005
	20%	7/19/2005
	25%	8/7/2005
	30%	8/27/2005
	35%	10/29/2005
Caesars	15%	7/1/2005
	20%	7/29/2005
	25%	8/27/2005
	30%	9/25/2005
	35%	12/25/2005
Belterra	15%	7/1/2005
	20%	8/20/2005
	25%	10/19/2005
	30%	12/21/2005
	35%	6/6/2006
Casino Aztar	15%	7/1/2005
	20%	9/9/2005
	25%	11/25/2005
	30%	2/5/2006
	35%	
Grand Victoria	15%	7/1/2005
	20%	8/28/2005
	25%	10/30/2005
	30%	1/2/2006
	35%	6/29/2006



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