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Senate Community, Economic & Recreational Development Committee
Public Hearing
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My portion of the presentation is to give you a general outline of the Bureau of Investigations and Enforcement's investigative process so that you can clearly see the depth investigation that our staff undertakes to gather all necessary information.

After receiving the application from the PGCB's Bureau of Licensing, investigative agents are assigned. The agents first review and inspect the application and its numerous schedules and appendices to identify any inconsistencies and to develop a general familiarity with the application. Only after that is accomplished, do the agents embark on conducting their investigative work.

It is important to first note that BIE makes requests for information to numerous organizations, including a request for a criminal history check through the Pennsylvania State Police. The checks provided to BIE by the Pennsylvania State Police include queries of the Federal Bureau of Investigation's National Crime Information Center for criminal history and wanted person information.

The criminal check does not end with the request through the State Police. Further queries into criminal history records are conducted by BIE through direct contact and/or correspondence with local law enforcement agencies and through database searches. Additionally, the Pennsylvania Office of Attorney General, executive offices of the Pennsylvania State Police, several United States Attorney Offices and Federal Bureau of Investigation Offices are contacted with respect to applicants in order to ascertain whether any concerns exist that would affect the licensure of an applicant. Additionally,

BIE uses a number of key database searches as part of these investigations. These databases include: Choicepoint, Accurint/Relavint, Lexis/Nexis, and Auto Track XP.

BIE also conducts a regulatory review of the applicant. A Pennsylvania state tax clearance review is conducted by the Department of Revenue. The Pennsylvania Harness Racing Commission, the Pennsylvania Horse Racing Commission and the Pennsylvania Liquor Control Board are contacted regarding the applicants' regulatory history in Pennsylvania. Other states' gaming regulators are contacted in order to verify gaming licensure and to ascertain licensure status. BIE has formal memorandums of understanding with its counterparts in Missouri, Mississippi, Louisiana, Ontario and West Virginia and informal agreements with numerous other states' gaming regulators, including: Colorado, Connecticut, Indiana, Nevada, New Jersey and New York.

BIE conducts personal interviews too as part of its thorough investigations. At these interviews, two BIE investigators review the application forms and appendices with the applicant. This process enables the investigators to check for discrepancies and non-disclosures. This is also an opportunity for the applicant to provide updated information to the investigator. The personal history background investigation of each individual applicant also entails interviews of many other people such as: former employers, neighbors, personal references, family members, educators and law enforcement officials.

Throughout the background investigation process for individuals, BIE investigators review: bank records, credit history, tax returns, investments, loans, mortgages, pension funds, bankruptcies, liens, civil litigation, insurance policies, insurance claim history, wills, political contributions, criminal history, driving history, family history, marriage records, divorce records, residence history, educational background, military service records, gaming licenses, and other professional licenses. Particular attention is paid to dependency issues, financial situation, criminal history and regulatory history.

The background investigation of entities includes a review of annual reports, SEC filings, committee meeting minutes, bankruptcy filings, litigation files, internal compliance

records, major acquisitions/mergers, political contributions, tax records, regulatory agency records, major contracts, debt agreements, business credit check, department of state check, corporate structure, and cash flow.

The final step in the investigative process is report writing. BIE investigators compile the information developed during the course of the investigation and write a final report of investigation. This final report is then forwarded to the PGCB's Bureau of Licensing.

To date, BIE has investigated over 10,000 (10,835) people and over 900 (909) companies.

This concludes my remarks.