

MAY 22 2008



PENNSYLVANIA GAMING CONTROL BOARD
HARRISBURG PENNSYLVANIA
17106-9060

May 21, 2008

Honorable Jane Earll
Majority Chairman
Senate Community, Economic
& Recreational Development Committee
177 Main Capitol Building
Harrisburg, PA 17120

Honorable Harold James
Majority Chairman
House Gaming Oversight Committee
317 Irvis Office Building
Harrisburg, PA 17120

Honorable Gerald LaValle
Minority Chairman
Senate Community, Economic
& Recreational Development Committee
177 Main Capitol Building
Harrisburg, PA 17120

Honorable Paul I. Clymer
Minority Chairman
House Gaming Oversight Committee
216 Ryan Office Building
Harrisburg, PA 17120

Honorable Jay Costa
Gaming Task Force
15 East Wing
Harrisburg, PA 17120

Honorable Mike Vereb
Gaming Task Force
160A East Wing
Harrisburg, PA 17120

Dear Senators Earll, LaValle and Costa and Representatives James, Clymer and Vereb:

Recent articles appearing in the Morning Call which have questioned the integrity of the Board's Executive Director and Chief Counsel have compelled this Board to write to you to express our indignation over what we consider to be an unjustified and malicious smear of their characters. The articles represent that the performance of their duties has been in violation of the law and at the very least implies that their actions have been taken for improper purposes.

The articles are based upon misinformed assertions attributed to unnamed sources who clearly misapprehend the Board's functions and the law applicable to the Board's mission. It is this very type of reporting based upon anonymous sources which has perpetuated misinformation of improprieties and which now appears to be forming the basis for some of the current legislative debate.

First, it is important to understand the process of presenting information to the Board for its use in making licensing decisions. Various Bureaus within the Board conduct reviews of the applicant for a slot machine license. The BIE investigative reports are prepared by BIE and its Enforcement Counsel and forwarded to the Bureau of Licensing for appropriate incorporation in consultation with Enforcement Counsel in the overall Suitability Report. The Suitability Reports are a compilation of the investigation and reviews conducted by the Board's Bureaus, including that of BIE and its Investigative Report.

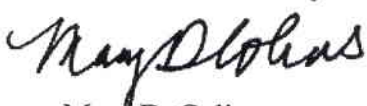
To be very clear, the Gaming Control Board, its Bureaus and staff are guided by several convincing authorities: the United States and Pennsylvania Constitutions, the Pennsylvania Race Horse Development and Gaming Act, the Commonwealth's Administrative Agency Law, and jurisprudential case law interpreting those sources. Guided by this body of law, the Board and its staff developed uniform processes for licensing which included the preparation of Suitability Reports by the staff which contain administratively admissible evidence to be considered by the Board. Thus, the process developed insures the presentation of all appropriate, relevant and reliable information. This guarantees due process and avoids the potential for reversal on appeal should the Board base its decision upon information which will not withstand legal scrutiny, such as rumor, innuendo or hearsay.

It is also worth repeating that, among the laws with which the Board must comply, is that portion of the Gaming Act which requires that all information compiled by the Board and its staff concerning any applicant's suitability for a license be held in the strictest confidence. Under this clear legal directive, this Board and its staff will continue to abide by this law on which our applicants and licensees are justifiably entitled to rely.

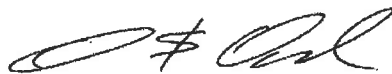
The Board's Executive Director and Chief Counsel have each approached their responsibilities with the highest ethical standards with one goal in mind: to implement the Gaming Act as it is written and in accordance with all applicable laws. The Board is confident in the Executive Director and Chief Counsel's actions and performance and strenuously derides these attempts to impugn their integrity or the appropriateness of their conduct in fulfilling the directives of the Gaming Act.

The Board pledges its cooperation to you as a resource in the examination of legislative proposals which could strengthen the Board's regulatory authority. We would be happy to meet with you or your staff to discuss our licensing process.

Sincerely,



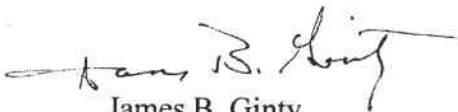
Mary D. Colins



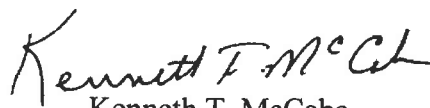
Raymond S. Angeli



Jeffrey W. Coy



James B. Ginty



Kenneth T. McCabe



Sanford Rivers



Gary A. Sojka

cc: Senate and House Leadership
House Gaming Oversight Committee Members
Senate Community, Economic & Recreational Development Committee Members