

# Memorandum

**To:** All House Members  
**From:** Representative Mike Vereb  
**Date:** January 20, 2011  
**Re:** Co-sponsor memo – Legislation making the Bureau of Investigations and Enforcement (BIE) independent of the Pennsylvania Gaming Control Board (PGCB)

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As you are well aware, over the past few years there have been several owners/operators of our casinos that have been in the media with less than favorable reports, including indictment, financial distress and criminal backgrounds. Because of these serious allegations, I am reintroducing legislation to guarantee more thorough and independent background checks and stronger enforcement of gaming-related operations and investigations.

This legislation would amend the Pennsylvania Race Horse Development and Gaming Act (Act 71 of 2004) so that the Bureau of Investigations and Enforcement (BIE) would be independent of the Pennsylvania Gaming Control Board (PGCB) as is consistent with the original intent of the law. Under my legislation, BIE and the Office of Attorney General will jointly be responsible for the background investigations of gaming license applicants. Currently the PGCB is responsible for those investigations.

I believe background checks for gaming and related entities (manufacturers, suppliers) should be conducted by people independent of the PGCB – without influence from the PGCB. Currently the State Police conduct background investigations on PGCB members and workers, but not slots applicants or those individuals in related entities.

Under my proposal, BIE would become independent from direct Gaming Board control. The legislation would further give the newly created Gaming Unity in the Office of the Attorney General a separate budget from the PGCB. In addition, the Attorney General and the PGCB would jointly select the director of BIE.

Specifically, my bill will:

- Transfer BIE, in its entirety, and all of its function, to the Attorney General's Gaming Unit. This would include investigative functions related to an applicant's financial suitability and character.
- Make BIE independent of the PGCB and responsible to the Attorney General and the PCGB on enforcement matters; and the Attorney General on investigations.
- Require licensees, key employees and gaming employees to provide any assistance or information required by BIE and the Office of Attorney General to them.
- Allow the Office of Attorney General, the Department of Revenue, and the Pennsylvania State Police to determine their own budget needs for gaming enforcement. Currently, the PGCB makes recommendations for budgets.
- License applicants would be required to make a federal Freedom of Information Act request and provide that information for licensing purposes.
- If the Attorney General's Gaming Unit had any objections to a license, the applicant would have to request a public hearing to address those objections. All relevant evidence would be admissible at that hearing.

With these reforms, there would be no question as to the integrity of the investigations. In addition, law enforcement would become an independent entity in order to instill integrity in the currently flawed process.

If you wish to join me in co-sponsoring this legislation, please contact Bethany in Rep. Vereb's office at [bmullin@pahousegop.com](mailto:bmullin@pahousegop.com) or 705-7164.

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Last session:

Both of these bills transferred BIE to the AG's office.

**HB1450 (Reichley):** Vereb, Turzai, Benninghoff, Boyd, Cappelli, Clymer, Creighton, Cutler, Dally, Everett, Geist, Hutchinson, Kauffman, Kortz, Major, McIlhattan, Metcalf

**HB2410 (Reichley):** Vereb, Turzai, Clymer, Marsico, Baker, Barrar, Bear, Beyer, Boyd, Civera, Creighton, Dally, Denlinger, Ellis, Everett, Freeman, Gabig, Geist, Gingrich,