



ILLINOIS GAMING BOARD

JB Pritzker • Governor Charles Schmadeke • Chairman Marcus D. Fruchter • Administrator

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February 21, 2020

Governor JB Pritzker
Members of the Illinois General Assembly

Greetings,

On behalf of the Illinois Gaming Board, I am pleased to submit the enclosed Casino Business Enterprise Program ("BEP") for Minorities, Females, and Persons with Disabilities 2019 Annual Report.

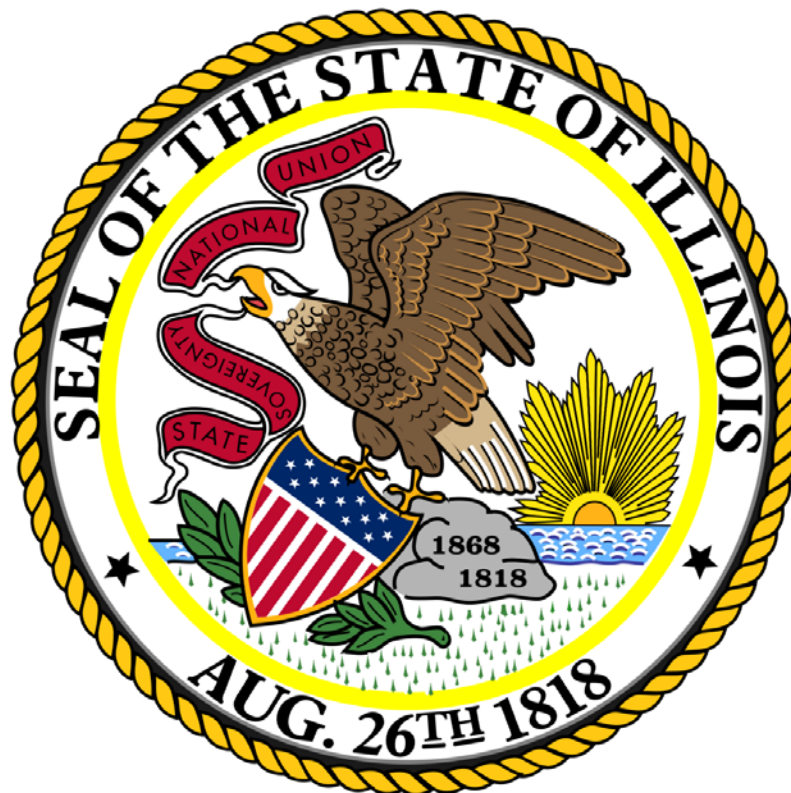
The Gaming Board is committed to the continuous improvement of the Casino BEP and to furthering the important goal of ensuring that qualified businesses that are owned by minorities, females, and persons with disabilities have meaningful access and opportunities to provide goods and services to Illinois casino owner licensees.

Please let us know if you have any questions about the 2019 Annual Report or if you would like any additional information.

Respectfully,

A handwritten signature in blue ink that reads "Marcus D. Fruchter".

Marcus D. Fruchter
Administrator



ILLINOIS GAMING BOARD

Illinois Casino Business Enterprise Program
For Minorities, Females, and Persons with Disabilities

ANNUAL REPORT - 2019

State of Illinois
JB Pritzker, Governor

Illinois Gaming Board
Charles Schmadeke, Chairman
Marcus D. Fruchter, Administrator

Casino Business Enterprise Program for Minorities, Females, and Persons with Disabilities

Introduction

The Casino Business Enterprise Program (BEP) is committed to helping businesses owned by minorities, females, and persons with a disability to have access and opportunity to provide goods and services to the Illinois Casino owner licensees.

The 2019 Casino Business Enterprise Program Annual Report submitted by the Illinois Gaming Board (Board or IGB) highlights the amount of dollars Casino owner licensees have spent with BEP vendors and the percentage of BEP spending in relation to total expenditures compared to goals established by the Illinois Gaming Board.

Background

The Casino Business Enterprise Program for Minorities, Females, and Persons with Disabilities (230 ILCS 10/7.6) was enacted August 16, 2013. It is the public policy of the Illinois Gaming Board to promote and encourage the Illinois Casino owner licensees to procure goods and services from businesses owned by minorities, females, and persons with disabilities.

Reporting Basis

230 ILCS 10 Section 7.6 states the following regarding the reporting period(s) and the method of measurement:

- 7.6 (b) and (c) provide for the casinos to measure and report compliance on a calendar year basis whereas 7.6 (f) requires annual reporting based on the three most recent fiscal years.
- 7.6 (b) requires the establishment of goals based on contracts awarded by each owner licensee expressed as percentages of an owner licensee's total dollar amount of contracts awarded during each calendar year. Casinos track expenditures for determining their annual minority owned business (MBE), female owned business (WBE), and businesses owned by persons with disabilities (DBE) spending not contracts awarded.

The Board determined that it was more prudent to use expenditures rather than contracts as the measurement method, and follow a calendar year reporting period to coincide with how Casinos are tracking these expenditures.

IGB Adopted Rule 3000.286 (g) requires each owner licensee to file an annual report of its utilization of MBE, WBE, and DBE by March 31 of each year. Therefore, the Board does not have actual expenditure results for the most recent completed calendar year at the time of filing this Annual Report due by March 1 of each year. The 2019 Annual Report includes actual results for calendar year 2018. Actual 2019 expenditures will be presented upon submission of the 2020 Annual Report. The Board may pursue an amendment to the Act which would allow

the Board's Annual Report to be submitted by July 1 of each year. This would allow the Board to present more current actual results in each Annual Report.

Goals

The Board reviewed goals established by the Business Enterprise for Minorities, Females and Persons with Disabilities Act, (30 ILCS 575/1 et. seq), goals submitted by each casino, and actual spend percentages based on total expenditures for 2014 and 2015 to establish goals as follows: MBE 11%, WBE 7% and DBE 2% for a total goal of 20% of non-exempt expenditures for each casino.

Fiscal Accomplishments

2018 Goals and Actual Spend

The Board's goals for 2018 were MBE 11%, WBE 7% and DBE 2% for a total goal of 20% of non-exempt expenditures, as provided in Section 10/7.6(b), for each casino. Each casino was asked to provide its own established MBE, WBE, and DBE goals for 2018.

Owner licensee goals for 2018 reflect all ten casinos meeting or exceeding the total spending goal of 20%. Five of ten casinos projected exceeding the MBE goal of 11%, and two casinos projected to meet the MBE goal of 11%. All ten casinos projected exceeding the WBE goal of 7%. Two of the ten casinos projected exceeding the DBE goal of 2%, and three casinos projected to meet the DBE goal of 2%.

Actual spending reflects that all ten casinos exceeded the total 20% IGB goal and eight of ten casinos exceeded their individually established total spending goal. Categorically for actual spending, six of ten casinos exceeded the IGB goal of 11% for MBE and all casinos exceeded the IGB goal of 7% for WBE. In 2018, four casinos exceeded the IGB goal of 2% for DBE.

For all casinos combined, the actual results exceeded the goals for MBE, WBE, and DBE with actual MBE total at 16.4% compared to the IGB goal of 11%, and actual WBE total at 20.0% compared to the IGB goal of 7.0%, and actual DBE total at 2.1% compared to the IGB goal of 2.0%.

2019 Goals and Efforts

In 2019, the Board maintained the established goals of MBE 11%, WBE 7% and DBE 2% for a total goal of 20% of non-exempt expenditures. Additionally, the casinos were requested to begin tracking spend with Vendor Business Enterprise (VBE) per the enactment of Public Act 100-1152 which went into effect on December 14, 2018.

Owner licensee goals for 2019 reflect all ten casinos meeting or exceeding the total spending goal of 20%. Categorically six of ten casinos projected meeting or exceeding the MBE goal of 11% with the remainder from 5.3% to 8.5%; all ten casinos projected exceeding the WBE goal of 7%; and five casinos had goals which met or exceed the DBE goal of 2%.

It appears all casinos can consistently meet and exceed the WBE goal. Focus will be made towards further identification of MBE vendors for select casinos and DBE vendors for all casinos to enhance spend and related compliance in those categories.

In 2019 all ten owner licensees' casino websites included a listing of contracting opportunities, contact information for their purchasing departments, and information on how to register as a prospective vendor. Additionally, the IGB website contained links to all ten casino websites. The IGB has in the past, and will continue to provide direct assistance and recommendations to owner licensees who express difficulty in achieving the contracting goals.

Analysis

The report below contains MBE, WBE and DBE expenditures for the year ending December 31, 2016 with percentages based on *total expenditures*, with no consideration of exempt expenditures, for each owner licensee. For the years ended December 31, 2017 and 2018, MBE, WBE and DBE expenditures and related percentages reported below are based on *non-exempt expenditures*, in accordance with 230 ILCS 10/7.6 (b).

Total expenditures for 2016 were \$231.9 million with \$41.2 million (17.8%) for total expenditures with minority businesses (7.7% MBE, 9.9% WBE, and 0.2% DBE).

For 2017, total non-exempt expenditures were \$101.1 million with \$39.9 million (39.5%) spent with minority businesses (15.7% MBE, 22.3% WBE, and 1.4% DBE). In 2017, all ten casinos exceeded the total minority business goal of 20%.

During 2018, total non-exempt expenditures were \$86.6 million with \$33.3 million (38.5%) spent with minority businesses (16.4% MBE, 20.0% WBE, and 2.1% DBE). In 2018, all ten casinos exceeded the total minority business goal of 20%.

2016 Actual Spending Results

	2016 Actual				
	MBE	WBE	DBE	Total MBE/WBE/DBE	Total Spending
Argosy Casino - Alton	\$ 437,357 5.3%	\$ 575,199 6.9%	\$ 18,545 0.2%	\$ 1,031,101 12.4%	\$ 8,277,072
Par-A-Dice Hotel Casino - East Peoria	\$ 921,501 5.4%	\$ 2,232,590 13.0%	\$ 15,546 0.1%	\$ 3,169,637 18.5%	\$ 17,195,336
Jumer's Casino & Hotel - Rock Island	\$ 4,911,752 24.2%	\$ 1,159,917 5.7%	\$ - 0.0%	\$ 6,071,669 29.9%	\$ 20,321,980
Hollywood Casino -Joliet	\$ 492,901 2.4%	\$ 3,248,363 15.6%	\$ 3,557 0.0%	\$ 3,744,821 18.0%	\$ 20,795,361
Harrah's - Metropolis	\$ 477,795 4.0%	\$ 1,070,824 9.0%	\$ - 0.0%	\$ 1,548,619 13.0%	\$ 11,895,235
Harrah's - Joliet	\$ 2,554,209 14.3%	\$ 1,336,568 7.5%	\$ 7,880 0.0%	\$ 3,898,657 21.8%	\$ 17,900,617
Hollywood Casino - Aurora	\$ 425,259 2.5%	\$ 2,061,012 12.1%	\$ 33,172 0.2%	\$ 2,519,443 14.8%	\$ 17,067,168
Casino Queen - East St. Louis	\$ 238,130 1.6%	\$ 1,276,825 8.8%	\$ - 0.0%	\$ 1,514,955 10.4%	\$ 14,446,704
Grand Victoria Casino - Elgin	\$ 4,751,817 10.6%	\$ 4,859,067 10.8%	\$ 263,674 0.6%	\$ 9,874,558 22.0%	\$ 44,809,723
Rivers Casino - Des Plaines	\$ 2,575,910 4.3%	\$ 5,190,068 8.8%	\$ 59,013 0.1%	\$ 7,824,991 13.2%	\$ 59,231,864
Total	\$ 17,786,631 7.7%	\$ 23,010,433 9.9%	\$ 401,387 0.2%	\$ 41,198,451 17.8%	\$ 231,941,060

2017 Goals and Actual Spending Results

		2017 Actual				
		MBE	WBE	DBE	Total MBE/WBE/DBE	Non-Exempt Spending
Argosy Casino - Alton	Actual \$	\$ 473,629	\$ 729,318	\$ 16,659	\$ 1,219,606	\$ 2,846,500
	Actual %	16.6%	25.6%	0.6%	42.8%	
	Goal %	11.0%	12.0%	1.0%	24.0%	
Par-A-Dice Hotel Casino - East Peoria	Actual \$	\$ 652,337	\$ 2,008,377	\$ 38,639	\$ 2,699,353	\$ 10,445,938
	Actual %	6.2%	19.2%	0.4%	25.8%	
	Goal %	8.0%	18.0%	0.2%	26.2%	
Jumer's Casino & Hotel - Rock Island	Actual \$	\$ 4,462,926	\$ 868,660	\$ 12,322	\$ 5,343,908	\$ 9,938,851
	Actual %	44.9%	8.7%	0.1%	53.7%	
	Goal %	27.9%	7.6%	0.5%	36.0%	
Hollywood Casino - Joliet	Actual \$	\$ 458,069	\$ 1,581,735	\$ 195,253	\$ 2,235,057	\$ 6,453,467
	Actual %	7.1%	24.5%	3.0%	34.6%	
	Goal %	6.3%	25.5%	1.0%	32.8%	
Harrah's - Metropolis	Actual \$	\$ 629,342	\$ 570,043	\$ 1,351	\$ 1,200,736	\$ 3,227,863
	Actual %	19.5%	17.7%	0.0%	37.2%	
	Goal %	10.0%	25.0%	1.0%	36.0%	
Harrah's - Joliet	Actual \$	\$ 1,784,603	\$ 2,183,157	\$ 19,712	\$ 3,987,472	\$ 5,280,582
	Actual %	33.8%	41.3%	0.4%	75.5%	
	Goal %	16.0%	13.0%	1.0%	30.0%	
Hollywood Casino - Aurora	Actual \$	\$ 301,367	\$ 1,475,667	\$ 324,026	\$ 2,101,060	\$ 5,622,689
	Actual %	5.4%	26.2%	5.8%	37.4%	
	Goal %	9.1%	21.0%	1.0%	31.1%	
Casino Queen - East St. Louis	Actual \$	\$ 509,020	\$ 941,309	\$ 38,924	\$ 1,489,253	\$ 4,169,811
	Actual %	12.2%	22.6%	0.9%	35.7%	
	Goal %	5.8%	14.0%	0.2%	20.0%	
Grand Victoria Casino - Elgin	Actual \$	\$ 4,216,603	\$ 7,188,464	\$ 628,998	\$ 12,034,065	\$ 31,458,289
	Actual %	13.4%	22.9%	2.0%	38.3%	
	Goal %	12.0%	12.0%	1.0%	25.0%	
Rivers Casino - Des Plaines	Actual \$	\$ 2,437,208	\$ 4,988,185	\$ 173,689	\$ 7,599,082	\$ 21,669,477
	Actual %	11.2%	23.0%	0.8%	35.0%	
	Goal %	11.8%	23.7%	0.3%	35.8%	
Total	Actual \$	\$ 15,925,104	\$ 22,534,915	\$ 1,449,573	\$ 39,909,592	\$ 101,113,467
	Actual %	15.7%	22.3%	1.4%	39.5%	
	Casino Goal %	11.8%	17.2%	0.7%	29.7%	
	IGB Goal %	11.0%	7.0%	2.0%	20.0%	

2018 Goals and Actual Spending Results

		2018 Actual				
		MBE	WBE	DBE	Total MBE/WBE/DBE	Non-Exempt Spending
Argosy Casino - Alton	Actual \$	\$ 237,117	\$ 878,186	\$ 42,346	\$ 1,157,649	\$ 2,762,256
	Actual %	8.6%	31.8%	1.5%	41.9%	
	Goal %	11.0%	15.0%	1.0%	27.0%	
Par-A-Dice Hotel Casino - East Peoria	Actual \$	\$ 704,461	\$ 1,498,032	\$ 105,305	\$ 2,307,798	\$ 9,620,527
	Actual %	7.3%	15.6%	1.1%	24.0%	
	Goal %	7.2%	20.9%	0.4%	28.4%	
Jumer's Casino & Hotel - Rock Island	Actual \$	\$ 4,128,896	\$ 923,571	\$ 352,627	\$ 5,405,094	\$ 9,559,951
	Actual %	43.2%	9.7%	3.7%	56.6%	
	Goal %	45.0%	8.8%	2.0%	55.8%	
Hollywood Casino - Joliet	Actual \$	\$ 350,934	\$ 1,250,880	\$ 181,561	\$ 1,783,375	\$ 5,297,985
	Actual %	6.6%	23.6%	3.4%	33.6%	
	Goal %	7.0%	24.0%	3.0%	34.0%	
Harrah's - Metropolis	Actual \$	\$ 464,426	\$ 495,791	\$ 16,986	\$ 977,203	\$ 2,526,439
	Actual %	18.4%	19.6%	0.7%	38.7%	
	Goal %	15.0%	16.0%	1.0%	32.0%	
Harrah's - Joliet	Actual \$	\$ 1,107,732	\$ 1,395,676	\$ 114,581	\$ 2,617,989	\$ 4,520,256
	Actual %	24.5%	30.9%	2.5%	57.9%	
	Goal %	16.0%	13.0%	2.0%	31.0%	
Hollywood Casino - Aurora	Actual \$	\$ 254,584	\$ 1,272,081	\$ 285,427	\$ 1,812,092	\$ 4,759,999
	Actual %	5.3%	26.7%	6.0%	38.0%	
	Goal %	5.5%	25.0%	5.5%	36.0%	
Casino Queen - East St. Louis	Actual \$	\$ 558,340	\$ 958,397	\$ 51,661	\$ 1,568,398	\$ 3,576,551
	Actual %	15.6%	26.8%	1.4%	43.8%	
	Goal %	11.0%	10.0%	2.0%	23.0%	
Grand Victoria Casino - Elgin	Actual \$	\$ 3,041,572	\$ 4,323,079	\$ 412,101	\$ 7,776,752	\$ 23,990,810
	Actual %	12.7%	18.0%	1.7%	32.4%	
	Goal %	12.0%	12.0%	1.0%	25.0%	
Rivers Casino - Des Plaines	Actual \$	\$ 3,336,381	\$ 4,383,480	\$ 216,774	\$ 7,936,635	\$ 20,066,218
	Actual %	16.6%	21.8%	1.1%	39.5%	
	Goal %	11.1%	18.3%	0.7%	30.1%	
Total	Actual \$	\$ 14,184,443	\$ 17,379,173	\$ 1,779,369	\$ 33,342,985	\$ 86,680,992
	Actual %	16.4%	20.0%	2.1%	38.5%	
	Goal %	14.1%	16.3%	1.9%	32.3%	
	Casino IGB Goal %	11.0%	7.0%	2.0%	20.0%	

2019 Goals

		2019 Goals			
		MBE	WBE	DBE	Total MBE/WBE/DBE
Argosy Casino - Alton	Goal %	5.3%	31.8%	1.5%	38.6%
Par-A-Dice Hotel Casino - East Peoria	Goal %	8.5%	16.0%	1.6%	26.1%
Jumer's Casino & Hotel - Rock Island	Goal %	38.0%	7.8%	2.0%	47.8%
Hollywood Casino - Joliet	Goal %	7.0%	24.0%	4.0%	35.0%
Harrah's - Metropolis	Goal %	15.0%	17.0%	1.0%	33.0%
Harrah's - Joliet	Goal %	16.0%	16.0%	2.0%	34.0%
Hollywood Casino - Aurora	Goal %	6.0%	27.0%	7.0%	40.0%
Casino Queen - East St. Louis	Goal %	11.0%	10.0%	2.0%	23.0%
Grand Victoria Casino - Elgin	Goal %	12.0%	10.0%	1.0%	23.0%
Rivers Casino - Des Plaines	Goal %	16.1%	21.8%	1.1%	39.0%
Total:					
Casino	Goal %	13.5%	18.1%	2.3%	33.9%
IGB	Goal %	11.0%	7.0%	2.0%	20.0%

Program Outlook

The casinos provided their initial 2020 goals in December 2019. The 2020 goals will be updated by each casino based on 2019 actual results upon submission of required information by March 31, 2020.

Additionally, Public Act 100-1152, effective December 14, 2018, required reporting of spending by owner licensees with businesses owned by veterans of service in the armed forces of the United States. The Board established the Veteran's Business Enterprise (VBE) goal at 3%. Owner licensees have been notified to begin tracking VBE spending for calendar year 2019. The 2019 contracting goal spend is due to the Board on March 31, 2020.

For 2020 the Board will continue enhanced monitoring efforts as follows:

- Provide links to all casino web pages that contain their list of contracting opportunities via the Board's website.
- Require casinos to post upcoming contracts available for bidding and/or opportunities for service on a quarterly basis and monitor that the casinos are timely updating their website list of opportunities.
- Encourage MBE, WBE, DBE and VBE organizations to have their members' access casino websites for available opportunities.
- Require each casino to annually report in detail their "good faith efforts" to meet the Board's MBE, WBE, DBE, and VBE contracting goals.