



ILLINOIS GAMING BOARD

2020 Annual Report

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

State of Illinois
JB Pritzker, Governor

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



ILLINOIS GAMING BOARD

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

801 South 7th Street ♠ Suite 400 South ♣ Springfield, Illinois 62703 ♥ tel 217/524-0226 ♦ fax 217/524-0228

March 1, 2021

Governor JB Pritzker
Members of the Illinois General Assembly

On behalf of the Illinois Gaming Board, I am pleased to submit the enclosed Casino Business Enterprise Program ("BEP") for Minorities, Females, Persons with Disabilities, and Veterans 2020 Annual Report.

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

Please let us know if you have any questions about the 2020 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

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

Introduction

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

The 2020 Casino Business Enterprise Program Annual Report submitted by the Illinois Gaming Board (the “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. 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. Owner licensees were notified to begin tracking veterans business enterprise (“VBE”) spending for calendar year 2019. It is the public policy of the Board to promote and encourage the Illinois Casino owner licensees to procure goods and services from businesses owned by minorities, females, persons with disabilities, and veterans.

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.

Board Adopted Rule 3000.286 (g) requires each owner licensee to file an annual report of its utilization of MBE, WBE, DBE, and VBE 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 2020 Annual Report includes actual results for calendar year 2019. Actual 2020 expenditures will be presented upon submission of the 2021 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), and Veterans Business Enterprise (Public Act 100-1152) goals submitted by each casino, and actual spend percentages based on total expenditures in order to establish the following goals: MBE 11%, WBE 7%, DBE 2% and VBE 3% for a total goal of 23% of non-exempt expenditures for each casino.

Fiscal Accomplishments

2019 Goals and Actual Spend

The Board's goals for 2019 were MBE 11%, WBE 7%, DBE 2%, and VBE 3% for a total goal of 23% of non-exempt expenditures for each casino. Each casino was asked to provide its own established MBE, WBE, and DBE goals for 2019. Please note at the time of the 2019 goal submission (12/1/18) the legislation for VBE had not yet been enacted. Therefore the casinos did not provide VBE goal at that time, but were instructed to begin tracking VBE spend for calendar year 2019.

Owner licensee goals for 2019 reflect all ten casinos meeting or exceeding the total spending goal of 23%. Five of ten casinos projected exceeding the MBE goal of 11%, with one casino 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%. No 2019 goals were submitted for VBE as the legislation for VBE spend had not yet been enacted at the time of the 2019 goal submission.

Actual spending reflects that all ten casinos exceeded the total 23% IGB goal and six 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 2019, three casinos exceeded the IGB goal of 2% for DBE.

For all casinos combined, the actual results exceeded the goals for MBE and WBE, with actual MBE total at 18.5% compared to the IGB goal of 11%, and actual WBE total at 17.3% compared to the IGB goal of 7.0%. The actual DBE total was 1.2% and did not meet the IGB goal of 2.0%. None of the casinos met the newly established IGB goal of 3.0% for VBE as actual results were noted at 0.6%.

2020 Goals and Efforts

In 2020, the Board maintained the established goals of MBE 11%, WBE 7%, DBE 2% and VBE 3% for a total goal of 23% of non-exempt expenditures.

Owner licensee goals for 2020 reflect nine casinos meeting or exceeding the total spending goal of 23%. Categorically five of ten casinos projected meeting or exceeding the MBE goal of 11%

with the remainder from 3.2% to 9.4%; nine casinos projected meeting or exceeding the WBE goal of 7%, with the remainder at 5.4%; and six casinos had goals which met or exceed the DBE goal of 2%, with the remainder from 0.1% to 1.0%; and four casinos projected meeting the VBE goal of 3%, with the remainder from 0.0% to 2.0%.

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

In 2020 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 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). For the year ended December 31, 2019, MBE, WBE, DBE and VBE expenditures and related percentages are reported based on non-exempt expenditures.

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 \$86.7 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%.

During 2019, total non-exempt expenditures were \$79.5 million with \$29.9 million (37.7%) spent with minority businesses (18.5% MBE, 17.3% WBE, 1.2% DBE, and 0.6% VBE). In 2019, all ten casinos exceeded the total minority business goal of 23%.

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%	
	Goal %	11.8%	17.2%	0.7%	29.7%	
	Casino 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 and Actual Spending Results

		2019 Actual					
		MBE	WBE	DBE	VBE*	Total MBE/WBE/DBE/VBE	Non-Exempt Spending
Argosy Casino - Alton	Actual \$	\$ 89,447	\$ 612,723	\$ 27,114	\$ -	\$ 729,284	\$ 2,681,287
	Actual %	3.3%	22.9%	1.0%	0.0%	27.2%	
	Goal %	5.3%	31.8%	1.5%	0.0%	38.6%	
Par-A-Dice Hotel Casino - East Peoria	Actual \$	\$ 913,375	\$ 1,859,081	\$ 74,111	\$ 30,216	\$ 2,876,783	\$ 12,263,131
	Actual %	7.4%	15.2%	0.6%	0.2%	23.4%	
	Goal %	8.5%	16.0%	1.6%	0.0%	26.1%	
Jumer's Casino & Hotel - Rock Island	Actual \$	\$ 4,178,318	\$ 779,823	\$ 353,322	\$ 11,630	\$ 5,323,093	\$ 9,856,254
	Actual %	42.4%	7.9%	3.6%	0.1%	54.0%	
	Goal %	38.0%	7.8%	2.0%	0.0%	47.8%	
Hollywood Casino - Joliet	Actual \$	\$ 116,042	\$ 1,315,379	\$ 72,366	\$ -	\$ 1,503,787	\$ 3,875,389
	Actual %	3.0%	33.9%	1.9%	0.0%	38.8%	
	Goal %	7.0%	24.0%	4.0%	0.0%	35.0%	
Harrah's - Metropolis	Actual \$	\$ 490,240	\$ 449,558	\$ 23,506	\$ 897	\$ 964,201	\$ 2,458,770
	Actual %	19.9%	18.3%	1.0%	0.0%	39.2%	
	Goal %	15.0%	17.0%	1.0%	0.0%	33.0%	
Harrah's - Joliet	Actual \$	\$ 1,002,635	\$ 1,197,024	\$ 146,550	\$ 272,852	\$ 2,619,061	\$ 5,497,827
	Actual %	18.2%	21.8%	2.7%	5.0%	47.7%	
	Goal %	16.0%	16.0%	2.0%	0.0%	34.0%	
Hollywood Casino - Aurora	Actual \$	\$ 144,529	\$ 902,481	\$ 29,073	\$ -	\$ 1,076,083	\$ 4,283,713
	Actual %	3.4%	21.1%	0.7%	0.0%	25.2%	
	Goal %	6.0%	27.0%	7.0%	0.0%	40.0%	
Casino Queen - East St. Louis	Actual \$	\$ 453,982	\$ 985,961	\$ 98,511	\$ 5,022	\$ 1,543,476	\$ 3,538,142
	Actual %	12.8%	27.9%	2.8%	0.1%	43.6%	
	Goal %	11.0%	10.0%	2.0%	0.0%	23.0%	
Grand Victoria Casino - Elgin	Actual \$	\$ 2,511,647	\$ 1,712,479	\$ 44,183	\$ 103,698	\$ 4,372,007	\$ 11,359,358
	Actual %	22.1%	15.1%	0.4%	0.9%	38.5%	
	Goal %	12.0%	10.0%	1.0%	0.0%	23.0%	
Rivers Casino - Des Plaines	Actual \$	\$ 4,821,186	\$ 3,953,933	\$ 120,029	\$ 43,261	\$ 8,938,409	\$ 23,671,708
	Actual %	20.4%	16.7%	0.5%	0.2%	37.8%	
	Goal %	16.1%	21.8%	1.1%	0.0%	39.0%	
Total	Actual \$	\$ 14,721,401	\$ 13,768,442	\$ 988,765	\$ 467,576	\$ 29,946,184	\$ 79,485,579
	Actual%	18.5%	17.3%	1.2%	0.6%	37.7%	
	Casino Goal %	13.5%	18.1%	2.3%	0.0%	33.9%	
	IGB Goal %	11.0%	7.0%	2.0%	3.0%	23.0%	

* At the time of the 2019 Goal Submission (12/1/2018) the legislation for VBE spend was not yet enacted.

2020 Goals

		2020 Goals				
		MBE	WBE	DBE	VBE	Total MBE/WBE/ DBE/VBE
Argosy Casino - Alton	Goal %	3.2%	23.5%	1.0%	0.0%	27.7%
Par-A-Dice Hotel Casino - East Peoria	Goal %	8.4%	16.3%	0.7%	0.3%	25.7%
Jumer's Casino & Hotel - Rock Island	Goal %	11.0%	7.0%	2.0%	3.0%	23.0%
Hollywood Casino - Joliet	Goal %	5.0%	22.0%	2.0%	2.0%	31.0%
Harrah's - Metropolis	Goal %	15.0%	17.0%	1.0%	1.0%	34.0%
Harrah's - Joliet	Goal %	14.0%	16.0%	2.0%	3.0%	35.0%
Hollywood Casino - Aurora	Goal %	5.0%	19.0%	3.0%	2.0%	29.0%
Casino Queen - East St. Louis	Goal %	12.0%	26.0%	3.0%	3.0%	44.0%
Grand Victoria Casino - Elgin	Goal %	11.0%	7.0%	2.0%	3.0%	23.0%
Rivers Casino - Des Plaines	Goal %	9.4%	5.4%	0.1%	0.1%	15.0%
Total:						
Casino	Goal %	9.4%	15.9%	1.7%	1.7%	28.7%
IGB	Goal %	11.0%	7.0%	2.0%	3.0%	23.0%

Program Outlook

The casinos provided their initial 2021 goals in December 2020. The 2021 goals will be updated by each casino based on 2020 actual results upon submission of required information by March 31, 2021.

For 2021 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.