



*Legal Division*

June 5, 2018

The Honorable William F. Welch  
Senate Clerk  
Office of the Senate Clerk  
State House – Room 335  
24 Beacon Street  
Boston, MA 02133

Dear Mr. Welch:

Pursuant to M.G.L. c. 23K, §65, enclosed please find the Massachusetts Gaming Commission's **2017 Annual Gaming Audit** report, which shall be forwarded by the Clerks of the House and Senate to the House and Senate Committees on Ways and Means.

If you have any questions or need additional information, please feel free to reach me at [edward.bedrosian@state.ma.us](mailto:edward.bedrosian@state.ma.us) or (617) 979-8435.

Respectfully submitted,

Massachusetts Gaming Commission  
By:

A handwritten signature in black ink, appearing to read "Edward Bedrosian, Jr.", written over a light blue horizontal line.

Edward Bedrosian, Jr.  
Executive Director

Enclosure



Massachusetts Gaming Commission

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# THE COMMONWEALTH OF MASSACHUSETTS



## *Annual Gaming Audit* 2017

MASSACHUSETTS GAMING COMMISSION

Stephen Crosby, Chairman  
Gayle Cameron, Commissioner  
Eileen O'Brien, Commissioner  
Bruce Stebbins, Commissioner  
Enrique Zuniga, Commissioner



June 1, 2018

Dear Messrs. Clerks:

This communication is intended to comply with §65 of C.23K. Specifically the section calls for the Massachusetts Gaming Commission (MGC) to perform audits as often as it deems necessary, but not less than annually. The audit(s) are to be performed on the accounts, programs, activities, and functions of all gaming licensees. The MGC shall submit a report to the clerks of the House of Representatives and Senate which shall include, but not be limited to:

- (1) The number of audits performed under § 65;
- (2) A summary of findings under the audits; and
- (3) The cost of each audit.

In accordance with the requirements above, we respectfully submit the following:

- (1) The MGC performed one (1) audit as required by § 65. Penn National Gaming, at the Plainridge Park Casino (PPC), was the only licensee running a gaming operation during the time period of this report.
- (2) The audit was intended to test Plainridge Park Casino's (PPC's) compliance with the MGC's minimum system of internal controls as well as its own stated system of internal controls, processes and policies for the period of January 1, 2017, through September 31, 2017 in the following areas:

Area	Control Section	205 CMR
Slots	Count Procedures	138.19, 23, 48
	Meters	138.33
	Meter Variances	
	Cashless Wagering	
Cage and Credit	Inventory (Kiosks, Transfers, etc.)	138.24



Massachusetts Gaming Commission

Area	Control Section	205 CMR
Information Technology		
	Physical Access and Maintenance Controls	138.15,16,18
	Backups	
	Data Protection	

The audit resulted in no issues of non-compliance with CMR 138 three (3) recommendations for stronger controls, and four (4) observed exceptions to PPCs own system of internal controls. MGC is in agreement with PPCs responses and corrective action plans.

(3) The cost of the audit was \$31,644.88

If you have any questions or would like to discuss the audit further, please do not hesitate to contact me at (617) 979-8454.

Sincerely,



Derek Lennon  
Chief Financial and Accounting Officer



Massachusetts Gaming Commission