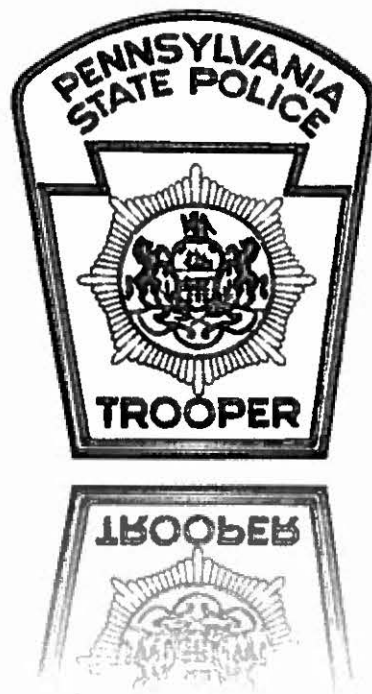


STATEMENT TO HOUSE GAMING OVERSIGHT COMMITTEE

APRIL 5, 2016



Chairman Payne, Chairman Kotik, and members of the committee, thank you for the opportunity to submit remarks regarding House Bill 1925, which addresses the Local Law Enforcement Grant program (LLEG) detailed in Title 4 (Amusements). The provision in the bill requiring unused LLEG funds to be annually transferred to the Compulsive Gambling and Problem Gambling Treatment Fund is a policy decision that falls outside the purview of the Pennsylvania State Police (PSP). However, the legislation would also amend the existing law in a manner that could prove beneficial to our efforts in combating illegal gambling throughout the Commonwealth, by allowing PSP greater access to funds in the LLEG program.

Gambling is generally illegal in Pennsylvania, although the term "gambling" itself is not defined by statute. However, the courts have determined that gambling consists of three basic elements: consideration, chance, and reward. All three must be present to establish gambling. The courts have ruled that "unlawful gambling is any gambling that has not been authorized by the legislature." Currently, there are only a handful of gambling activities that are authorized by statute.

House Bill 1925, PN 3030 seeks to amend Title 4, Section 1408 (relating to transfers from the state gaming fund); specifically, transfers for local law enforcement grants. The Pennsylvania Gaming Control Board (PGCB) administers the LLEG, which exists to combat unlawful gambling. Grants are available to eligible local police departments, district attorneys' offices, and on a more limited basis, the PSP.

Unfortunately, eligible entities have historically not taken advantage of the program for varying reasons.

The primary reason that PSP has not availed itself of the program is due to the existing law, which only allows PSP to use the grants in localities where PSP has primary law enforcement jurisdiction. While unlawful gambling activities occur throughout the Commonwealth, the most complex illegal gambling cases tend to arise in urbanized areas policed by municipal departments. Due to the sophisticated and multi-jurisdictional nature of many illegal gambling operations, PSP resources are often required regardless of police jurisdictional boundaries. Despite the PSP deploying and expending a considerable amount of assets to combat illicit gambling in areas outside of our primary jurisdiction, the Department has been unable to pursue the LLEG because of the existing legislative constraint.

Similarly, the PSP Bureau of Liquor Control Enforcement (BLCE) is tasked with enforcing the Pennsylvania Liquor Code, its attendant regulations, and applicable provisions of the Crimes Code. For a variety of reasons, illegal gambling activities seem to occur in a significant subset of the Commonwealth's licensed liquor establishments, which results in the BLCE often enforcing the gambling laws. Consequently, because of the BLCE's extensive experience investigating and making arrests for illegal gambling activities, the bureau is widely recognized as the state's "experts" on the matter.

From 2010-2015, the BLCE conducted over 6,600 investigations into illegal gambling. Those investigations resulted in hundreds of criminal arrests, the confiscation of nearly 4,000 prohibited gambling machines, and the seizure of over \$1.4 million in illegal gambling proceeds. Notwithstanding the BLCE's impressive enforcement statistics, its mission is also to gain compliance through education whenever possible, including as it relates to gambling. In the past three years, the BLCE has conducted over 100 educational seminars and responded to nearly 3,000 direct inquiries concerning gambling related issues. However, the majority of the BLCE's enforcement and education efforts occur under circumstances that do not allow the PSP to pursue grants through the LLEG program due to the aforementioned legislative limitation.

Should Title 4 be amended to remove the legislative straight jacket which limits PSP's ability to confidently pursue grants through the LLEG program, the PSP would welcome the change as a renewed opportunity to commit precious resources to combat underworld gambling throughout the entire state. This bill does exactly that and is consistent with the findings and recommendations of the recently released performance audit report of the PGCB conducted by the Pennsylvania Auditor General.

Once again, thank you for the opportunity to submit remarks.