



May 23, 2016

Dear Msrs 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 reviewed PPCs minimum internal controls over currency acceptor drop/count and cage reconciliation procedures. The audit resulted in three observed exceptions to CMR 138.48, and two observed exceptions to PPCs own system of internal controls. As a result MGC provided seven (7) recommendations for stronger controls.
- (3) The cost of the audit was \$22,694.23

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

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