



ILLINOIS GAMING BOARD

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

Press Release

For Immediate Release
October 29, 2020

Illinois Gaming Board (“IGB”) approves casino license applicants’ requests to amend new owners applications, finds Fairmount Park preliminarily suitable for a casino gaming and grants sports wagering license, and provides a status update on the new casino license application process for the nine existing applicants at the October 29, 2020 Special Board meeting

CHICAGO – At a Special Meeting of the Illinois Gaming Board 8 of 9 pending new casino applicants received approval to amend their applications to provide required supplemental disclosures. The Board approval for any amendments, modifications or changes to an application is required by rule to ensure the accuracy, completeness and suitability of a casino license application. The completeness of an applicant’s disclosures and the thoroughness of the Board’s investigation are critical because the Board’s licensing determination must consider, among other statutory factors, the “character, reputation, experience and financial integrity of the applicants.”

By statute, the casino application process is a rigorous and significant undertaking. The Gaming Board fully understands and appreciates the importance of the new casino licenses to the communities involved and to the applicants.

Gaming Board Administrator Marcus Fruchter explained that “the Illinois Gambling Act and the Board’s Rules for Casino Gambling establish the requirements for licensure, including that the Board use the information provided in the applications as the “basis for a thorough background investigation.” Fruchter continued, “components of the background investigation include criminal background checks and financial integrity reviews. At a minimum, and by statute, the Board’s investigation must include “every person or entity having a greater than 1% direct or indirect pecuniary interest in the gambling operation with respect to which the license is sought. That means all trust beneficiaries, corporate shareholders, and members, partners, and directors must be fully disclosed and vetted.

Administrator Fruchter explained “Indeed, a number of applicants have pending requests to amend their applications to provide required supplemental disclosures that the Board will consider today. And we anticipate additional requests to amend. A request to amend is just that – a request to supplement, modify or change the application. Once approved, staff must analyze the sufficiency of the new materials and determine what, if any, additional disclosures are necessary. Approving an amendment is not a judgment on the merits of an application.” Without these amendments the application may not be considered complete which could negatively impact or prevent a Board licensing determination.

In addition to the amendment requests, Administrator Fruchter detailed the work the Gaming Board has accomplished and continues to do since enactment of the historic gaming expansion law. He emphasized that the Gaming Board staff remains hard at work on all of the Board’s regulatory responsibilities, and noted, “COVID-19 made certain routine IGB activities—such as applicant and key person interviews, site visits, fingerprint analysis, and obtaining official tax documents and other records from state, local and federal agencies—difficult and at times impossible. But life and work proceed, albeit under less than ideal circumstances.”

Under the Illinois Gambling Act, the Board must either issue a new casino license to an applicant within 12 months of the application submission or provide the applicant with a written explanation why it has not reached a licensing decision and when it reasonably expects to do so. Consistent with the statutory timelines, Administrator Fruchter stated that the Gaming Board provided a written status update to each applicant on October 27 and will continue to work closely with them through the investigation and licensing process. Each applicant understands its current status and the remaining steps it must complete.

Fruchter added, “history teaches what happens when corners are cut, processes are not followed, rules are not observed, and the public trust is betrayed. As for next steps, we anticipate—based on current information known by and disclosed to the IGB as of today, and barring any unanticipated disruptions, we reasonably anticipate making a preliminary suitability determination regarding the single applicant licenses in Rockford and Williamson County within 6 months. And for the South Suburbs and Waukegan, which are subject to the statutorily required open and competitive bidding process –reasonably anticipate making a preliminary suitability determination within 6 months of retaining an investment banker pursuant to an RFP process under the IL Procurement Code. The Board will provide the applicants a status update within 90 days.”

The Illinois Gaming Board at the Special Meeting voted unanimously to grant Fairmount Park preliminary suitability for an organization gaming license and granted Fairmount Park a master sports wagering license.

By way of background, the Illinois gaming landscape changed dramatically with passage of the 2019 gaming expansion law. Among other things, the gaming expansion law:

- Authorized 6 new casino licenses
- Authorized casino gaming at up to four racetracks
- Legalized sports wagering for the first time, and authorized it at casinos, racetracks, online and on mobile applications, and at 7 sports facilities across the state
- Exponentially expanded video gaming across the Illinois:
 - Increased the per location limit of 5 video gaming terminals (VGTs) to 6
 - Brand new licensee category of large truck stops with 10 VGT limit
 - Authorized video at the IL State Fair and Du Quoin State Fair

The Gaming Board has implemented many of these historic changes. Since June 28, 2019, the Gaming Board has established an ethical, robust, and competitive sports wagering industry in Illinois. The Board has investigated vetted and licensed 7 casinos for sports wagering, 2 horse racing tracks, 8 sports wagering suppliers, 7 management service providers, hundreds of key persons and occupational licensees. Sports wagering has generated millions of dollars in license fees and tax revenue to the state.

In addition to the creation of a sports wagering industry, the Board has implemented video gaming expansion measures. These expansion related items have generated millions of dollars of additional revenue for state and local governments since June of 2019.

As of 9/15, there are 7,275 locations with 36,435 video gaming terminals across the state (more locations were licensed in September and more will likely be licensed in November). Illinois has the largest distributed network of VGTs in the world.

- Of the 36,435 VGTs, 17,470 are running updated maximum bet increase software as enacted with the gaming expansion law P.A. 101-0031.
- More than 3,000 locations are operating with more than 5 video gaming terminals – either the 6th machine or up to 10 machines for large truck stops.