DOD Army Slot Machines: Data Documentation

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Background

The Department of Defense (DOD) operates slot machines on overseas military installations through the Army Recreation Machine Program (ARMP), part of the Morale, Welfare, and Recreation (MWR) program. Last year, The <u>Data Liberation Project</u> filed a <u>FOIA request</u> for data stored by the DOD, Coast Guard and military.

According to the <u>2017 Government Accountability Office report</u>, "Military Personnel: DOD and the Coast Guard Need to Screen for Gambling Disorder Addiction and Update Guidance," the DOD and Army maintain records about the numbers and locations of slot machines on DOD overseas military installations. The GAO found that "in fiscal years 2011 through 2015, DOD-run slot machines generated a total of \$538.9 million in revenue," with the Army accounting for roughly half of that revenue.

FOIA Records

The response to our request included several files, all of them PDFs, but some of which contained structured data. The content applies to information through 2024, and some of it was redacted.

The files included:

- Revenue Comparison
- Presentations
- Navy Revenue Report FY20-FY24-2
- Navy Revenue Report FY20-FY24-1
- Marine Revenue FY20-FY24
- FY2024 Asset Report
- FY2023 Asset Report

- FY2022 Asset Reports
- FY2021 Asset Report
- FY2020 Asset Reports
- Financial Statements
- District Revenues FY20-FY24

Tabular data contained in PDFs

Revenue Comparison

This is a series of spreadsheets with detailed information on revenue from slot machines, including actual revenue versus budgets. It also has a breakdown of revenues by specific base names and by country and military branch.

There is a redacted area which breaks down who was gambling where, based on if they were military members, PCS (Permanent Change of Station) student military, rotational military, transient military, contractors, or student civilians. However, the redacted area means we can't see which group brought in the most.

Navy Revenue Report FY20-FY24-2

Has a breakdown of revenue by Fiscal Years 2020, 2021 and 2022, and by various months for different countries and Navy installations.

Navy Revenue Report FY20-FY24-1

Has a breakdown of revenue by Fiscal Years 2023 and 2024, and by various months for different countries and Navy installations.

Marine Revenue FY20-FY24

Has a breakdown of revenues by Fiscal Years 2020 through 2024, and by various months for Marines installations.

FY2024 Asset Report

This is a detailed breakdown of the electronic gaming machines, broken down by location, military branch, and field office for Fiscal Year 2024. It includes where machines are, how many are at the location, which branch, and what the games are - for example, "88 Fortunes."

There is some redacted material in this document that appears to be email addresses for contacts on the machines.

FY2023 Asset Report

This is a detailed breakdown of the electronic gaming machines, broken down by location, military branch, and field office for Fiscal Year 2023. It breaks down where machines are, how many are at the location, which branch, and what the games are.

There is some redacted material in the doc that appears to be email addresses for contacts on the machines.

FY2022 Asset Reports

This is a detailed breakdown of the electronic gaming machines, broken down by location, military branch, and field office for Fiscal Year 2022. It breaks down where machines are, how many are at the location, which branch, and what the games are.

There is some redacted material in the doc that appears to be email addresses for contacts on the machines.

FY2021 Asset Report

This is a detailed breakdown of the electronic gaming machines, broken down by location, military branch, and field office for Fiscal Year 2021. It breaks down where machines are, how many are at the location, which branch, and what the games are.

There is some redacted material in the doc that appears to be email addresses for contacts on the machines.

FY2020 Asset Reports

This is a detailed breakdown of the electronic gaming machines, broken down by location, military branch, and field office for Fiscal Year 2020. It breaks down where machines are, how many are at the location, which branch, and what the games are.

There is some redacted material in the doc that appears to be email addresses for contacts on the machines.

Financial Statements

These are more detailed financial statements for ARMP, showing assets including cash-operating, cash-restricted, accounts receivable, prepaid expenses, fixed assets, and less accum depreciation. It also shows total liabilities and equity. It includes some detail on what the operating expenses are for the program, including by military branch and in total for all branches.

The PDF has 712 pages, some of which are scanned images (i.e. text can't be selected).

The file contains 4 categories of pages:

- Statement of Financial Condition
 - Point-in-time balance, of Assets, Liabilities, and Equity
- Statement of Gaming Revenue
 - Month & YTD Actuals by Region (Europe, Korea, Japan)
 - By base
- Consolidated Operating Results: Actual vs Budget
 - Budget and Actuals for Revenue, Expenses, and Distributions
 - Columns: Actual, Budget, and Variance for the month & YTD
- Consolidated Operating Results: Branch of Service
 - Actuals for Revenue, Expenses, and Distributions
 - Columns: Branches of service ARMP, Army, Navy, USMC

District Revenues FY20-FY24

This document shows district revenues by month for different recreation centers in different countries. It also shows Non-Appropriated Fund Instrumentality (NAFI) reimbursements.

Presentations

This is probably the clearest breakdown of the data and the ARMP program, and it works to explain what the program does, while providing some data within the slides. It notes the total revenue breakdowns and what's returned to the MWR (to be used for soldier recreation) for 2022 and 2023.

It has charts showing which revenue is coming from where, showing the general performance of the program, showing which countries bring in the most revenue It shows average wins by the house, and which bases bring in the most. It breaks down the key milestones of the ARMP.

It has redacted sections showing who's on the board and what the hierarchy is of the ARMP.

General Documentation

What information do the records provide?

The records contain data about DOD slot machine operations from fiscal years 2020-2024, spanning multiple military branches and overseas installations. The data includes:

Financial Information:

- Annual revenue by installation, country, and military branch
- Monthly revenue tracking and year-to-date comparisons
- Budget vs. actual performance analysis
- Operating expenses and distributions to MWR programs
- NAFI reimbursements

Operational Information:

- Machine inventory by location, military branch, and field office (Asset Reports FY2020-FY2024)
- Game titles for machines (Asset Reports, e.g., "88 Fortunes")
- Annual asset reporting by fiscal year (Asset Reports FY2020-FY2024)
- Program-level performance metrics including average house wins (Presentations)

Geographic Coverage:

- Installations in Korea, Japan, Far East regions, and Europe
- Base-specific revenue and machine count data
- Regional performance comparisons

Organizational Structure:

- Revenue and operations by military branch (Army, Navy, USMC)
- Field office assignments and management structure
- Contact information for machine management (partially redacted)

What timespan do the records cover?

The records primarily cover fiscal years 2020 through 2024, with some monthly breakdowns within those years. The financial statements and revenue reports provide the most complete coverage across this timeframe, while asset reports provide annual snapshots for each fiscal year.

How does the Army Recreation Machine Program work?

The Army Recreation Machine Program (ARMP) operates electronic gaming machines on overseas military installations as part of the broader Morale, Welfare, and Recreation (MWR) program system. Based on the presentations and financial documents:

Program Structure:

- ARMP operates across multiple regions: Europe, Korea, Japan, and other Far East locations
- Machines are managed through field offices and overseen by military branch leadership
- The program has an organizational board structure (details redacted in provided documents)

Revenue Flow:

- Slot machine revenues are generated at individual installations
- Revenues are tracked monthly and reported through consolidated statements
- A portion of revenues is returned to MWR programs for soldier recreation activities
- Operating expenses are deducted before distributions

Management:

- Each installation has designated contacts for machine management
- Regional coordination through field offices
- Financial oversight through consolidated reporting systems

Who can use the slot machines?

While specific eligibility criteria are not detailed in the provided records, the Revenue Comparison files indicate that the following categories of users have access to the slot machines: "military members, PCS student military, rotational military, transient military, contractors, or student civilians." However, the demographic breakdown showing revenue by user type is redacted, so "it's not clear how much" revenue comes from each group versus actual military members.

The exact policies governing access and any restrictions are not specified in the unredacted portions of the documents.

How are revenues distributed?

According to the presentation materials, ARMP revenues support MWR activities. The presentations show "total revenue breakdowns and what's returned to the MWR (to be used for soldier recreation)" for 2022 and 2023. However, specific distribution percentages and mechanisms are not fully detailed in the provided documents.

The financial statements show that operating expenses are deducted from gross revenues before distributions, and the documentation notes that "all of the revenue is not 'profit' but goes back to the MWR." Distribution amounts are tracked by military branch, and NAFI reimbursements are provided to various recreation centers.

Caveats and Limitations

The records have several limitations:

Redactions:

While the data is pretty thorough, there are some redacted sections. For instance, it's clear that not all of this revenue is coming from actual military members, but some are contractors and local workers on the bases, but it's not clear how much.

Data Dictionary:

No data dictionary was shared.

User Demographics:

 The Revenue Comparison files contain a "redacted area which breaks down who was gambling where, based on if they were military members, PCS student military, rotational military, transient military, contractors, or student civilians." However, the redacted area means we can't see which group brought in the most (civilians vs. actual military members).

Individual Transactions:

 No specific transaction-level data or gambling patterns were shared. The FOIA request specifically stated "We do not request any records containing personally-identifiable information; if the records above contain that information, we request that it be redacted before release."

Detailed Game Performance:

- Limited information about individual game performance beyond game titles listed in Asset Reports
- No data on payout rates or specific machine configurations

Complete Organizational Details:

- "Redacted sections showing who's on the board and what the hierarchy is of the ARMP."
- Some contact information and email addresses are redacted.

Historical Context:

- Data primarily covers FY2020-2024, with limited historical comparison to the GAO's FY2011-2015 data
- No information about machine installation dates or replacement schedules

General notes

It's important to note that all of the revenue is not "profit" but goes back to the MWR.