

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

* * * * *

IN RE: CATEGORY 1 LICENSE RENEWAL FOR DOWNS RACING,
LLC D/B/A MOHEGAN SUN AT POCONO DOWNS

* * * * *

PUBLIC INPUT HEARING

* * * * *

BEFORE: Linda S. Lloyd, Presiding Officer
Dante Santoni, Jr.; William H. Ryan, Jr.;
Richard G. Jewell; Members

HEARING: Wednesday, March 29, 2017
9:59 a.m.

LOCATION: Plains Township Fox Hill Firehouse No. 2
50 Second Street
Plains, PA 18702

WITNESSES: Tony Carlucci; Anthony McGowan; Maria
Zangardi; Lynn Segars; Dale Rapson; Luann Fetcho; Jean
Ondeck; Matthew Loughney; Robert Sax; Jessica
Cronauer; Wico Van Genderen; Elizabeth Harvey

Reporter: Xi Xia

Any reproduction of this transcript is prohibited
without authorization by the certifying agency.

A P P E A R A N C E S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

JOHN CROHE, ESQUIRE

Pennsylvania Gaming Control Board

P.O. Box 69060

Harrisburg, PA 17106-9060

Counsel for the Office of Enforcement Counsel

MARK S. STEWART, ESQUIRE

Eckert Seamans

8th Floor

213 Market Street

Harrisburg, PA 17101

Counsel for Downs Racing, LLC

I N D E X

1		
2		
3	OPENING REMARKS	
4	By Presiding Officer	7 - 9
5	PRESENTATION	
6	By Mr. Carlucci	10 - 11
7	By Mr. McGowan	11 - 12
8	By Ms. Zangardi	12 - 19
9	By Ms. Segars	19 - 21
10	By Mr. Rapson	21 - 24
11	By Ms. Fetcho	24 - 27
12	By Mr. McGowan	27 - 29
13	By Mr. Carlucci	29
14	QUESTIONS	
15	By Attorney Crohe	29 - 34
16	By Board	34 - 48
17	PRESENTATION	
18	By Attorney Crohe	49 - 50
19	<u>WITNESS</u> : SERGEANT JEAN ONDECK	
20	DIRECT EXAMINATION	
21	By Attorney Crohe	51 - 58
22	<u>WITNESS</u> : JEANNE ORT-MOTTO	
23	DIRECT EXAMINATION	
24	By Attorney Crohe	59 - 61
25		

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X (cont.)

WITNESS: MATTHEW LOUGHNEY

DIRECT EXAMINATION

By Attorney Crohe 63 - 65

DISCUSSION AMONG PARTIES 65 - 71

PUBLIC COMMENT

By Mr. Sax 71 - 73

By Ms. Cronauer 73 - 78

By Mr. Van Genderen 79 - 84

By Ms. Harvey 85 - 88

CLOSING REMARKS

By Presiding Officer 88 - 89

E X H I B I T S

			Page	Page
	<u>Number</u>	<u>Description</u>	<u>Offered</u>	<u>Admitted</u>
1				
2				
3				
4				
5		<u>Downs Racing Exhibits:</u>		
6	1	PowerPoint Presentation	48	49*
7				
8				
9		<u>OEC Exhibits:</u>		
10	1	Pennsylvania State Police		
11		Uniform Crime Report	66	69*
12	2	Pennsylvania Racing		
13		Commission Letter 1/17/17	66	69*
14	3	Department of Revenue		
15		Letter 2/7/17	66	69*
16	4	Office of Compulsive and		
17		Problem Gambling		
18		Memorandum 1/17/17	67	69*
19	5	Northeast Concessions, LP		
20		and BL Operations, LLC		
21		PLCB Citations	67	69*
22	6	Consent Agreements	67	69*
23	7	Compliance Conference		
24		Memorandums	68	69*
25				

E X H I B I T S (cont.)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

<u>Number</u>	<u>Description</u>	<u>Page Offered</u>	<u>Page Admitted</u>
<u>OEC Exhibits:</u>			
8	Warning Letters and Responses	68	69*
<u>OHA Exhibits:</u>			
1	Public Comment	70	70*

*Exhibits Not Attached

P R O C E E D I N G S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

PRESIDING OFFICER:

My name is Linda Lloyd, and I'm the Presiding Officer assigned by the Board to conduct this portion of the Category 1 License Renewal Hearing for Downs Racing, LP, doing business as Mohegan Sun at Pocono Downs.

Before we begin, if you could please all turn off or leave to vibrate our cell phones and other devices. And I'd like to remind everyone today that this proceeding is being recorded by a court stenographer sitting over here, and is also being video recorded and livestreamed on our website. And the video will then be placed on our website for anyone to view at a later date.

As the Presiding Officer, I call this hearing to order. The date is Wednesday, March 29th, 2017. The time is ten o'clock, and the location is the Plains Township Fox Hill Firehouse Number 2 at 50 Second Street, Plains, PA, 18702.

The Pennsylvania Race Horse Development and Gaming Act requires in Section 1326 that an operator's license shall be subject to the renewal by the Board every three years. This license renewal

1 hearing is convened by the Board pursuant to the
2 mandate found in Section 1205(B)(1)(I) of the Gaming
3 Act, which requires the Board to conduct a public
4 hearing for any License Renewal Application in the
5 municipality or township that the operator is located.
6 This public hearing was advertised on the Board's
7 website, announced at the Board's public meeting and
8 advertised in local newspapers.

9 Present with me today are Board members.
10 To my immediate right is Commissioner Bill Ryan and to
11 my immediate left is Commissioner Dick Jewell. And we
12 will be joined by Dante Santoni shortly. He is still
13 making his way here.

14 We'll begin the hearing with a
15 presentation by Downs Racing, with the opportunity for
16 the Board and Office of Enforcement Counsel (OEC) to
17 question any witnesses. And after Downs has concluded
18 its presentation, the OEC will have an opportunity to
19 make a presentation. Again, the Board and Counsel for
20 Downs Racing will have an opportunity to ask questions
21 of their witnesses.

22 After the close of testimony and
23 evidence from both the parties, those individuals who
24 have registered to speak at today's hearing during the
25 public comment period will be heard as their name is

1 MR. CARLUCCI:

2 Good morning, Commissioners. I'm Tony
3 Carlucci, President of Mohegan Sun, Pocono,
4 C-A-R-L-U-C-C-I. I guess it helps if I have the mic
5 on. Were you able to get that? Thank you for the
6 opportunity to speak today.

7 With me in attendance is Tom Burke, our
8 chief operating officer, David Nome, our legal counsel
9 as part --- and as well as our compliance officer. To
10 my left is Anthony McGowan, our CFO. Right next to me
11 is Maria Zangardi, our vice president of
12 administration. Sitting behind me is Luann Fetcho,
13 our vice president of marketing. Also sitting behind
14 me is Lynn Segars, our vice president of casino
15 operations as well as Dale Rapson, our vice president
16 of racing operations.

17 We believe we have a really good story
18 to tell here today. We're going to go over topics
19 such as our tax revenue we generated, our job
20 creation, our success in diversity, compulsive and
21 problem gambling and our compliance with that, our
22 community involvement, which we're very proud of, the
23 guest feedback, a summary of our operation and the
24 developments that we plan for down the road.

25 With all that said, we believe our

1 biggest story is the promise that we've delivered over
2 the last ten years. With that said, I'm going to hand
3 over to my CFO, Anthony McGowan.

4 MR. MCGOWAN:

5 Anthony McGowan, A-N-T-H-O-N-Y,
6 M-C-G-O-W-A-N. Good morning Director Lloyd,
7 Commissioner Ryan and Commissioner Jewell. Thank you
8 for attending today.

9 What I wanted to talk to you today is
10 --- it's really the tax revenues generated by Mohegan
11 Sun. Since its inception, Mohegan Sun has generated
12 \$1.35 billion in tax contributions to the
13 Commonwealth. And that's a combination of gaming
14 taxes as well as other taxes, other taxes being the
15 property taxes, pari-mutuel taxes, sales taxes,
16 payroll taxes, et cetera.

17 We've also, this past year, entered into
18 a Memorandum of Understanding with Plains Township, as
19 well, to continue to pay --- to make our local share
20 payments. So with that, we believe that the local
21 share funding has served an important role in
22 assisting the township, promoting economic
23 development, safety and emergency services, as well as
24 other public interests and initiatives.

25 MSP, we believe we've been a strong

1 community partner, serving as a major employer in the
2 township and working with the township to address
3 community needs and supporting many of the local
4 organizations and charities.

5 With that, I would like to turn it over
6 to Maria Zangardi, our vice president of
7 administration.

8 MS. ZANGARDI:

9 Good morning. My name is Maria
10 Zangardi, M-A-R-I-A, Z-A-N-G-A-R-D-I. And I'd like to
11 talk to --- talk today a lot about our employment
12 achievements and what we've done since inception with
13 our property.

14 We've seen 850 percent growth in our
15 team member base since opening. And we're extremely
16 proud of the fact that in those years, we've been able
17 to promote from within over 1,500 team members
18 transferring, developing into new positions, being
19 promoted.

20 We've recently held our ten year
21 anniversary, and we have 62.5 percent of the original
22 individuals hired to open this casino still here with
23 us today. And we honor those team members by
24 providing a front of house beautiful plaque that shows
25 we celebrate the dedication of our team members.

1 And many of us are local. I, myself,
2 having been from only three miles from the property,
3 Pittston Township, started out front line. And we've
4 been able to grow this property with the majority of
5 our individuals living very close within the ten mile
6 radius of the property. Also, working with the local
7 colleges and universities.

8 We then opened our hotel in 2013, in our
9 most recent renewal period, adding careers in hotel
10 sales, banquets and catering events, hotel operations
11 and housekeeping continue to grow and promote from
12 within in our organization and train individuals.

13 Our hotel and convention center has
14 provided a great amenity to bring people from further
15 and further distances to this local community. Our
16 hotel has some of the greatest guest service scores in
17 our entire enterprise, with over 80 percent of all
18 guest surveys coming back A plus service based off of
19 the great team members we have.

20 And in addition, we added two more
21 tenants, now bringing our total of tenant team members
22 over 400, in addition to the team members that we have
23 working for Mohegan Sun.

24 Our hotel is also part of the Preferred
25 Lifestyle Collection, which means that there are

1 anonymous third party experts that come in and rate
2 the amenities at our hotel and rate the ability to
3 bring memorable, authentic experiences to the guests
4 that come to our property.

5 In addition, our leadership, most of
6 whom are all promoted from within, serve this
7 community, serve on local community boards, serve the
8 local community colleges that we work with, trying to
9 bring other individuals into the organization to grow,
10 doing internships, co-ops or shadowing experiences.

11 We've had several testimonials from
12 these colleges, which I won't read aloud. But the
13 efforts that we put to reach out to these campuses,
14 whether it be Johnson College or King's College,
15 bringing the foundation of solid academics, aligning
16 that with our culture and the value that we've placed
17 on things like tuition reimbursement, helping people
18 get their Master's.

19 In addition, we've had several
20 employment achievements. Whether it be being
21 recognized for our practices in Human Resources or
22 guest service or our practices with individuals with
23 disabilities or being a very supportive corporation,
24 we strive to create a great environment. And so a lot
25 of the testimonials come right from our team, talking

1 about this is the place --- best place I've ever
2 worked. People are fun. People are friendly. People
3 are supportive. And that's the environment that we
4 like to create.

5 And at the same time, that kind of
6 environment translates into success in diversity. And
7 so we've seen a lot of success in regards to our
8 employment, in regards to our vendor relations. And
9 I'm going to talk through some of those today, as
10 well.

11 We've seen, just since the last license
12 renewal, a great inch --- increase in our diverse
13 population. We still continue to attract people who
14 understand that our culture is a very fun, welcoming
15 environment. Again, that promote from within culture
16 has led us to even have, you know, some of the most
17 senior level executives as female.

18 I started out ten years ago as an
19 employment specialist. I don't think there's many
20 companies that would give someone an opportunity like
21 I, myself, have had, and many others of us that I had
22 mentioned before. And so we're very proud of our
23 success and our diversity initiatives.

24 In addition, our team members believe
25 it. They see it. Our team member testimonials have

1 told us this, they believe that we do a great job of
2 respecting differences in culture. One great quote is
3 that, someone says MSP is one of the most inclusive
4 places I have ever worked. It doesn't matter what
5 your background is. There's opportunity for everyone.

6 And so with that being said, I am also
7 extremely proud of the work that we've done with
8 individuals with disabilities, reaching out to
9 organizations like Keystone Community Resources where
10 we've hired dozens of individuals from their
11 organization, welcomed them into our culture.

12 And you can read this testimonial
13 through the presentation, but I think one of the
14 quotes that was most meaningful is that all staff,
15 from upper level management to the coworkers on a
16 daily basis, are helpful and friendly. And it is our
17 wish that other companies will soon follow the
18 examples set by Mohegan Sun.

19 We do this through developing our
20 leaders, developing our leaders in areas of emotional
21 intelligence, caring, servant leadership, community
22 service. Those focus for our leadership continues to
23 create a wonderful environment.

24 And some --- just some highlights to go
25 through, but over 6. --- over six percent of our total

1 expenditures over the last three years are allocated
2 to minority-owned and women-owned businesses, as
3 compared to 4.8 percent in the previous renewal
4 period. We are a Lifetime Gold member of the NAACP,
5 Wilkes-Barre.

6 We have our own diversity committee
7 where we focus on --- how do we attract individuals?
8 How do we help them apply, obtain jobs, obtain growth
9 and obtain promotion here?

10 We also hosted a vendor fair welcoming
11 minority and women-owned businesses specifically for
12 them to meet with our stakeholders to be able to talk
13 about the products that they have to offer and how
14 they may align closely with our business and with our
15 culture. And so we hosted this in our new Keystone
16 Grand Ballroom, which was part of our hotel opening.

17 In addition, we spend a lot of vendor
18 money in Pennsylvania and in our local community, as
19 you can see. More than \$114 million in Pennsylvania
20 alone between 2013 and 2016, and over \$38 million or
21 33 --- over 33 percent of it in Luzerne county alone.

22 And then, we're also committed to
23 creating an environment that is fun, friendly, but at
24 the same time, ensuring that we provide services to
25 those that may need them. And so we're very much

1 focused on compulsive and problem gambling, partnering
2 with the PA Council on Compulsive Gambling, yearly
3 updating that program, training every single team
4 member in it, making sure that team members are
5 involved on some of the latest and most up to date
6 information during Problem Gambling Awareness Month.

7 And then, also, lastly, I'd like to talk
8 about community involvement, because that is a big
9 focus of what we do. And over this period, we've
10 donated to 734 local organizations, which is up almost
11 35 percent from the last period, totaling over \$1.3
12 million. Since inception, we're over \$5.3 million in
13 donations, and so we're very proud of that.

14 46.2 percent of those local
15 organizations are in Luzerne County alone. And as far
16 as the amount goes, over 68 percent of the amount that
17 we donate is right here, on the own --- in our own
18 county, where we live and work.

19 And then, beyond the monetary resources
20 that we provide, there's also a team member
21 involvement, a leadership involvement, whether it be
22 to clean up the local parks during Public Service Day
23 or Day of Caring, whether it be to do Valley Santa,
24 wrapping gifts for families in need or buying gifts
25 for families in need during the holiday. Or you know,

1 going to the food banks. We're actively involved in
2 the community.

3 And then, also, this translates into
4 guest feedback and guest success, guests loving our
5 property. And so we've had many guests that tell
6 stories about how the experience of coming to our
7 property changed their life, meeting fun, friendly
8 people, people that cared about them even when they're
9 going through a serious illness, how it made them feel
10 renewed. Or you know, potentially just going out
11 there and rating us on Trip Advisor, you know, with
12 our new hotel and raving about our restaurants and our
13 amenities, raving about our clean, comfortable
14 environment and raving about our team, which can't be
15 more accommodating and ready to serve.

16 And so with that, I'm going to turn it
17 over to Lynn Segars, who's our Vice President of
18 Casino Operations.

19 MS. SEGARS:

20 Good morning, everyone. My name is Lynn
21 Segars, L-Y-N-N, S-E-G-A-R-S. As Maria stated, I'm
22 the vice president of casino operations, and I'm here
23 to talk to you today about our commitment as a company
24 to ensure that we continue to reinvent ourselves on
25 the casino floor to make sure we continue to attract

1 people from all over.

2 Over the last three years, we have
3 reinvested over \$8 million into enhancing that gaming
4 product. Some of our initiatives --- we redesigned
5 and increased the capacity in our high limit room,
6 because we have seen an increase in that high limit
7 play coming from farther distances once we opened that
8 hotel.

9 We replaced the slot chairs, slot faces.
10 Part of that initiative was to kind of break up those
11 slot banks, make it a little more comfortable, make
12 some more aisle ways and things like that for guests
13 to make it more comfortable for them as they're
14 playing. And then, we also refreshed the slot
15 product, and we continue to do that and continue to
16 try and find games that appeal to our guests.

17 We introduced fusion Roulette as an
18 additional gaming option. That is an electronic
19 betting terminal with a live dealer that spins a ball.
20 It allows guests to learn the game of roulette at a
21 lower minimum. Less intimidating, and so the purpose
22 is to begin --- attract new revenue, not just
23 cannibalize revenue from one place to another.

24 Then, we added Blazing Sevens Blackjack
25 progression as a side note on our Blackjack games.

1 The jackpot is now over \$400,000, actually. It just
2 went up over this weekend.

3 We added bonus Craps as an additional
4 wagering opportunity on our Craps game, as well.
5 Again, trying to continue to offer new offerings for
6 our guests.

7 And I'm going to turn it over to Dale on
8 harness racing.

9 MR. RAPSON:

10 Good morning. My name is Dale Rapson,
11 vice president of racing operations, D-A-L-E,
12 R-A-P-S-O-N. I've been at Pocono Downs for 38 years,
13 and since Mohegan Sun has taken the reins, it's --- I
14 have seen a vast improvement.

15 The main thing is the money they have
16 put into the facility to make it from a minor league
17 racetrack to a major league racetrack. We are
18 considered now one of the major racetracks in the
19 country.

20 As you can see on your right hand side
21 there, we have bought a ---. The first year, we built
22 a brand new paddock, over \$6 million. This now
23 attracts the best horses, trainers and drivers in the
24 country. On the left, you see our infield, which was
25 desolate when we started, before Mohegan came Sun ---

1 Mohegan Sun came. It was just dreary, and you can see
2 how beautiful it is now. And also --- which is not on
3 this slide --- is our simulcast area and betting area.

4 That's the first thing Mohegan Sun did
5 when they first came here, is to invest a lot of money
6 into the facility, which makes it compatible to the
7 casino. We're the few racetracks and casino where
8 casino people have accessibility to the racetrack and
9 the racetrack has accessibility to the casino.

10 Our operations --- we usually race March
11 through November. We were the home of the 2013
12 Breeder's Crown. We have three off track wagering
13 facilities, one in Allentown in Lehigh Valley, one in
14 Carbondale in Lackawanna County and one in East
15 Stroudsburg.

16 We get a lot of comments and recognition
17 from the top drivers in the country that this is the
18 best surface racetrack in the country.

19 Events --- of course, we have Kentucky
20 Derby, the Triple Crown, Preakness and Belmont. We
21 also have great celebrities here. We've had Mike
22 Schmidt, Steve Carlton, Lawrence Taylor, Jim Kelly,
23 Mean Joe Greene, they've all been here in the last two
24 years. We have great stake races that are funded by
25 the Pennsylvania Sire Stakes Program.

1 And I think one program I'd like to
2 introduce you to is our educating our --- through our
3 Junior Horse Racing Camp. We invite 10 to 12 children
4 from 10 to 14 years old, and they learn racing. And I
5 mean, it's from bottom to top. I mean, they get up at
6 six o'clock in the morning and clean stalls, you know,
7 wash horses. And then, at the end, they actually
8 participate in a race, and some of them have gone on
9 to be harness drivers as far as their career.

10 Just, again, some of the events we have.
11 It's a very friendly, exciting entertainment. We've
12 had 50 world records that were matched or broken since
13 2013 and '16. Again, our track is considered the
14 number one track surface in the country --- or
15 probably the world. We smashed all records the last
16 Breeder's Crown. We did over \$3 million. That's the
17 biggest handle for a harness racing track in the State
18 of Pennsylvania.

19 Again, I'd like to announce now --- we
20 announced it at a press conference last week --- that
21 we have been awarded the 2018 Breeder's Crown here at
22 Pocono Downs. So, in 2018, we will be hosting the
23 2018 Breeder's Crown.

24 We get a lot of fan feedback. I'm not
25 going to read them for you, but we get a lot of

1 positive comments.

2 And finally, this horse here, Sebastian
3 K, was the fastest trot ever --- ever --- in the
4 world. He was raced at Pocono Downs, and that's quite
5 an accomplishment. You know, of all the major tracks
6 in the world, the fastest trot was raced here at
7 Pocono Downs.

8 We had our 50th anniversary. Our track
9 is 52 years old, coming up. Two years ago, we had our
10 50th anniversary, and we had a lot of festivities.
11 And see, the Clydesdales were here and everything, and
12 it was a great family event.

13 And I'd like to turn it over to Luann,
14 our marketing director.

15 MS. FETCHO:

16 Good morning. Luann Fetcho, L-U-A-N-N,
17 F-E-T-C-H-O. Thank you.

18 In February of 2015, Mohegan Sun
19 launched a brand new advertising campaign called Full
20 of Life. This campaign really spoke to the --- all
21 the variety of amenities that is offered at the casino
22 that help our guests create memorable experiences.

23 Our Keystone Grand Ballroom, as Maria
24 mentioned earlier, really is a great complement to our
25 sponsorship of the Mohegan Sun arena. It provides a

1 more intimate setting. It holds about 1,200 seats.
2 We've had great headliners, such as REO Speedwagon,
3 Doobie Brothers, Huey Lewis. And we continue to offer
4 that entertainment to casino guests. We've had over
5 51,000 people attend since 2013.

6 This speaks to the reach of what our
7 grand ballroom was able to attract through our
8 entertainment. While we concentrate on the local
9 inner market, which is the dark green, we actually
10 have people coming in with all --- from all those
11 light green spots just to see our entertainment.

12 Extending the Full Life campaign not
13 only at the casino, but through the community. Our
14 ballroom also hosts not only guests --- events for our
15 guests, but we actually offer the New --- Northeastern
16 Pennsylvania Philharmonic Pops series, which actually,
17 we have a show coming up this weekend of the Piano
18 Man.

19 We like to involve ourselves in a lot of
20 charities. We're involved with Ryan's Run, Clash for
21 Cash Fitness. The NASCAR Poker Tournament, which
22 actually supports children's cancer research, is held
23 at our ballroom. And we also have local events,
24 providing sports enthusiasts for golf and our outdoor
25 expo.

1 Our Party on the Patio summer concert
2 series has really become very popular in the last few
3 years. Since 2013, we've had over 147,000 people.
4 This is an event that offers free entertainment on our
5 racing apron every Thursday during the summer. It
6 actually starts in June and goes through September, so
7 another way to offer great entertainment on --- during
8 the week to our guests.

9 This is what it looks like. It's a lot
10 of fun. I hope everybody has a chance to come out.
11 We just announced our new lineup for 2017, and we've
12 got a lot of great compliments on that.

13 We also celebrate our different holidays
14 with our pyro-musical fireworks display over July 4th
15 last year. And thousands of people enjoy our
16 Oktoberfest. For the last three years, we've
17 estimated over 84,000. Again, another way to provide
18 fun festivities and activities out in our racetrack
19 apron for our guests.

20 Other areas of entertainment we provide
21 around the property. We have bands on the weekends at
22 our Breakers venue. Bar Louie, one of our tenants,
23 does weekend live bands. In the past, we've had our
24 acoustic musical talent at the Terrace. We also have
25 a small bar/lounge area off the hotel that provides

1 entertainment, as well.

2 We're very proud that the Times Leader
3 readers, as well as Casino Player Magazine readers,
4 have voted us many best of awards. We've actually
5 just added three more for 2017 to this list that we
6 just received last week.

7 Maria talked about the hotel bringing
8 new guests to our area. This really does show the
9 reach where, if you look in the upper northwest
10 corner, we have guests coming as far as Canada. To
11 the right, Massachusetts. We have South Jersey,
12 Philadelphia guests, and we also go as far as west to
13 Pittsburgh. Of course, the inner market is where we
14 draw most of our occupancy from, but it really has
15 afforded us the reach extension to bring more guests
16 into the region.

17 We do know, also, that when we have a
18 guest staying in our hotel versus a non-hotel stay, we
19 see approximately 50 percent more gaming revenue. So,
20 that helps us all. It gives them more time to spend
21 in the casino and enjoy our other amenities.

22 I'm going to turn it over now to Tony
23 McGowan to talk about the development.

24 MR. MCGOWAN:

25 Thank you, Luann.

1 Just to let you know a few of the things
2 that we're currently working on at the property in
3 2017.

4 We're going to go through a full
5 restoration of the stable and practice track area on
6 the racing side at an estimated cost of \$387,000.
7 Part of that project --- we're going to install a
8 water reuse system. That will collect the water
9 runoff from the stable roofs into a 380,000 gallon
10 impoundment, and what we're going to do is reuse that
11 water as part of watering the racetrack, which uses
12 somewhere between 20,000 and 60,000 gallons of water
13 per day. Also, we're going to replace topsoil on the
14 back side. About 5.3 acres of back side area is going
15 to be returned to meadow conditions.

16 Also, we're continuing to work or build
17 our combined heat and power plant on the property.
18 So, this system will provide a reliable,
19 energy-efficient source of heating and electrical
20 power costing an estimated \$2.2 million. Mohegan Sun
21 partnered with UGI as well as students from Penn State
22 Hazleton on the design of the project, and with the
23 ---. It will reduce our primary energy consumption by
24 about 22 percent, as well as our carbon footprint by
25 14 percent. And this is anticipated to open in the

1 spring of 2017.

2 So, with that, I'd like to turn it back
3 to Tony Carlucci, our President.

4 MR. CARLUCCI:

5 And again, I just wanted to take the
6 time to thank you for letting us speak today.

7 We believe we had a really good story to
8 tell. And we've maintained our promise to the state
9 with tax revenues that we've generated, to Plains
10 Township by honoring our local share agreement, to the
11 community by the amount of money we've donated to
12 charities and by the amount of money we've donated to
13 local events. Most importantly, to our team members,
14 who are a diversified work group that love to work at
15 Mohegan Sun --- and we love having them --- and to our
16 guests, that we constantly do things such as Party on
17 the Patio or obviously, our casino and the things that
18 we do that --- to support our guests and make it a fun
19 environment for them.

20 And we're available for any questions
21 you may have.

22 PRESIDING OFFICER:

23 At this point, I'll turn it over to our
24 OEC for any questions you may have.

25 ATTORNEY CROHE:

1 John Crohe, C-R-O-H-E, for the OEC. I
2 just have a couple of follow ups.

3 If I could go back to slide eight, which
4 stated they currently have 1,700 employees? How many,
5 approximately, of those employees are full time versus
6 part time?

7 MS. ZANGARDI:

8 Yeah, we have --- about 55 percent of
9 those team members are full time team members.
10 Forty-five (45) percent are part time, on call team
11 members.

12 ATTORNEY CROHE:

13 And do you see any foresee any changes
14 to the number of employees at Mohegan Sun in the near
15 future?

16 MS. ZANGARDI:

17 Depending on growth, you know, there may
18 be. However, you know, right now, I think that it's
19 pretty much the number where we're at.

20 ATTORNEY CROHE:

21 And do the full time positions include
22 any benefits, such as healthcare?

23 MS. ZANGARDI:

24 Yes, we do provide a very generous full
25 time benefits package, which includes medical, dental,

1 vision, 401(k), tuition reimbursement, generous paid
2 time off and many other ancillary benefits.

3 ATTORNEY CROHE:

4 What type of ID scanning technology does
5 Mohegan Sun security currently utilize?

6 MS. SEGARS:

7 So, we just recently installed new
8 hardware scanners that now do a much better job than
9 the wireless scanners that we used to have.

10 ATTORNEY CROHE:

11 And can you just give us an overview of
12 how the hardware scanner system works?

13 MS. SEGARS:

14 So, yes, they are connected to the
15 network --- oh, I'm sorry. I didn't turn my mic on.
16 They are connected to the network.

17 And so now, what happens is, when you
18 put that ID into the scanner, it ---. There are, I
19 think, almost 13 different check points that it does
20 to that ID. It looks at both the front and the back.
21 It looks at the holograms, things that the human eye
22 can't see, and then verifies whether that ID is valid
23 or not.

24 ATTORNEY CROHE:

25 And if I can go back to Slide 31, which

1 referenced responsible gaming training, does Mohegan
2 Sun currently offer any other form of responsibility
3 training, such as RAMP training, for its employees?

4 MS. SEGARS:

5 Yes. And actually, our training manager
6 at Mohegan Sun Pocono is a RAMP certified trainer
7 through the State of PA. So, that is something that
8 we are very focused on and have --- or go through that
9 program.

10 ATTORNEY CROHE:

11 Are there currently any plans to
12 increase or decrease the number of slot machines or
13 table games at Mohegan Sun?

14 MS. SEGARS:

15 No, currently, the number of games that
16 we have --- we are looking, actually, to add some,
17 possibly, electronic Blackjack, dealer-assisted, to
18 our offering. That would only increase capacity.

19 ATTORNEY CROHE:

20 And regarding the slot machines, are
21 they currently owned or leased?

22 MS. SEGARS:

23 There is a mix of owned and leased.
24 There are about six percent leased versus the rest of
25 the floor.

1 ATTORNEY CROHE:

2 So, do you foresee any change in the
3 size of the gaming floor?

4 MS. SEGARS:

5 No.

6 MR. CARLUCCI:

7 I do want to comment, though. Our
8 capital --- we've increased our capital spin for the
9 slot products so that we can continuously refresh our
10 product. It's significantly increased within the past
11 year.

12 ATTORNEY CROHE:

13 And are there ---? Can you speak to any
14 plans to add or change any of the amenities offered at
15 the facility?

16 MR. CARLUCCI:

17 There's some things we can't comment on
18 right now. There's some different things that we are
19 looking at, but it's too early in the development
20 stage to comment on that publicly at this point.

21 ATTORNEY CROHE:

22 And to reference slide 44, which goes to
23 a couple of the new games and the bonus bets, are
24 there any other side bets or new games that you
25 anticipate adding?

1 MS. SEGARS:

2 We continue to monitor the new product
3 as it comes out. And so as, you know, we see what's
4 popular in the market, we will then, you know, look at
5 adding those.

6 ATTORNEY CROHE:

7 Okay.

8 Thank you.

9 I have no further questions.

10 PRESIDING OFFICER:

11 I have one question for you, Mr. Crohe.
12 RAMP, can you define that acronym, just for the
13 record? Someone?

14 MS. ZANGARDI:

15 Responsible Alcohol Management Program.

16 PRESIDING OFFICER:

17 Okay.

18 Thank you.

19 I know what it is, but I didn't know if
20 we needed to make that clear for the record.

21 So, now, we'll turn it over to our Board
22 members, if they have any questions.

23 MR. RYAN:

24 Just a few, Linda, if I can.

25 Ms. Segars, it's my recollection that

1 over the last handful of Board meetings, there have
2 been consent decrees involving Mohegan Sun and the
3 OEC. And the topic --- the issue concerned in those
4 consent decrees has been underage gaming. That would
5 be an accurate statement.

6 Correct?

7 MS. SEGARS:

8 Correct.

9 MR. RYAN:

10 You know, I'm sure, Mr. Carlucci. You
11 know how important this issue is to the Board, to
12 people of Pennsylvania, to the General Assembly.

13 And I would just ask you, Ms. Segars.
14 Can you tell us what you have done and Mohegan Sun has
15 done to give this Board confidence that that area will
16 improve over the next three years, if your license is
17 renewed?

18 MS. SEGARS:

19 Sure.

20 We just recently redesigned the gaming
21 floor entrances, and so we've significantly reduced
22 the number of entrance points. We added the hardwire
23 scanners, as Mr. Crohe had mentioned. We have reduced
24 the size of the entrances from 21 to 46 feet wide to
25 now down to 11 feet wide.

1 We've increased the number of security
2 officers during the peak periods at those entrances.
3 So, whereas before, there was one security at a 21
4 foot wide entrance, there are now two at an 11 foot
5 wide entrance. We have done retraining of all of our
6 security team, and they have kind of been made aware
7 now of the --- just the significance of the job and
8 diligence involved in carding.

9 And those --- like I said and mentioned
10 earlier, those scanners have been fantastic in helping
11 us detect any fake IDs, as well.

12 MR. CARLUCCI:

13 And I think Lynn also --- if she said
14 it, I might have missed it. But we also reduced the
15 amount of entrances from 14 down to 4, which is
16 significant ---.

17 MR. RYAN:

18 Yes, she did.

19 MR. CARLUCCI:

20 She did mention it? Okay. I'm sorry.
21 I apologize, but ---.

22 And we also doubled up on the staffing
23 on that.

24 MR. RYAN:

25 I would like to think that cutting from

1 14 to 4 would have a huge impact. I don't know how
2 you were able to effectively police 14 entrances, and
3 I'm kind of surprised that that's what the situation
4 was all those years. But now, you're --- you are
5 talking about only four entrances.

6 And how many security people staff each
7 of those entrances during the time that you're open,
8 which is all the time?

9 MS. SEGARS:

10 So, like I mentioned, during our peak,
11 you know, high volume days at each of those 11 foot
12 entrances now, there are only two security there.
13 There are two security officers there, whereas before,
14 there was only 1 at a 21 foot wide.

15 At our main valet entrance, which is one
16 of the --- it's the --- our entrance point, it has at
17 least three during those peak times. As well, there
18 --- before, it was kind of inconsistent staffing,
19 where you know, overnight, we went just to the doors,
20 and there was just security at the doors. So, now,
21 it's constant, so there are just security at each of
22 those entrance points 24/7. And there's no more
23 confusion.

24 MR. RYAN:

25 And when you say peak times, what does

1 that phrase mean to you?

2 MS. SEGARS:

3 Oh, high volume. Weekends, holidays ---
4 pretty much weekends and holidays.

5 MR. RYAN:

6 And during your weekends, when you are
7 the busiest, I assume, how many people come into the
8 casino on a Friday night, Saturday, Saturday night,
9 Sunday, each of those days, you know?

10 MS. SEGARS:

11 We have upwards of over 10,000 visitors
12 in a day.

13 MR. RYAN:

14 Okay.

15 MS. ZANGARDI:

16 And just to mention as well, you know,
17 from a team member side, we've created incentive
18 programs for our security officers, because those are
19 the individuals who are really dedicating every day to
20 securing that floor. And we've created an incentive
21 program for them, when they achieve, you know, 100
22 days of having, you know, no incidents. And so we're
23 proud of that, and they're excited about that.

24 MR. RYAN:

25 Okay.

1 Mr. Carlucci, we are now seeing
2 commercial casinos opening across the border in New
3 York State. How do you expect the new competition up
4 in New York State to affect Mohegan Sun?

5 MR. CARLUCCI:

6 Well, we're seeing a slight effect in
7 what we call the fight zones, which is closer to the
8 New York region. One of the commercial casinos had
9 opened up, which recently started advertising here.
10 The casino was always there. They just added table
11 games and a hotel.

12 MR. RYAN:

13 Right.

14 MR. CARLUCCI:

15 The percentage of our business is not
16 ---. It is minimal, so we're not seeing a huge hit to
17 that. And most of our revenue comes from our local
18 customers within our, you know, local region. So,
19 it's not significant, but we're seeing, you know, a
20 slight --- and I would really classify it as a slight
21 decrease.

22 MR. RYAN:

23 Uh-huh (yes). So would it be safe to
24 say you don't expect the impact going forward, say a
25 year from now, to be more than slight?

1 MR. CARLUCCI:

2 Not at all. Not at all.

3 MR. RYAN:

4 That's fine. Okay.

5 Thank you, John.

6 MR. JEWELL:

7 I just have a couple questions, if I
8 may.

9 As to the amount of money that's given,
10 we'll call it, to charity --- we'll use that term
11 generically. It looked like it was a fairly big
12 increase over the last three years, and I'm
13 interested, first of all, in a process.

14 And that is, how do you triage the many
15 requests that come in to you, and how do you weigh
16 them? And then, how do you make decisions on
17 allocations?

18 MR. CARLUCCI:

19 I think Tony can speak to that.

20 MR. MCGOWAN:

21 Yeah, we actually have a group that
22 includes many of the executive individuals here that
23 will meet on a regular basis. And we review each of
24 the requests individually.

25 As we look through the various requests,

1 we see, you know, the ---. We look at the program,
2 and what the --- you know, the ultimate goal of the
3 program is. We see how that fits with --- you know,
4 with our culture, as well, and our goals. And we do
5 try to give to as many programs as possible.

6 MR. JEWELL:

7 The increases you indicated, is that
8 because you devoted a higher percentage of your
9 revenue in the three year period than you did in the
10 prior? You had higher revenue, so there was more
11 money available? How did that really compare, let's
12 say, apples to apples percent of revenue? And it's
13 not a large amount, but percent of revenue.

14 MR. MCGOWAN:

15 No, and I apologize, Commissioner. I do
16 not have the percentage of revenue that we devoted.
17 But you know, the availability or the ability to, you
18 know, drive more revenues to the property obviously
19 affords us more opportunity to be able to give back to
20 the community.

21 MR. JEWELL:

22 And I noted in one of the slides that
23 when you have special events, some of that money is
24 shared, or I think, given to charitable causes.

25 Is that part of that number increase, or

1 is that something separate?

2 MR. MCGOWAN:

3 We do include --- you know, with, again,
4 the --- you know, the shared promotions that we do
5 with some of the local charities, we do offer, you
6 know, other in kind services, whether it's a --- you
7 know, some free amenities for the groups that are
8 coming in, just to make their process a little easier,
9 but also to afford them to take more home to their
10 bottom line. So, the number that you saw up there
11 with the shared events is included in the number.

12 MR. JEWELL:

13 Let me turn now to something I was
14 interested in seeing, the --- in the back stretch of
15 water recapture to be placed back on the track at the
16 20 to 60,000 gallon replenishment that you indicated
17 that you used.

18 Any indication how much water is going
19 to be available on average, gallon-wise, per day? Or
20 what percent do you think you can make up?

21 I realize that the good Lord has to make
22 the main, but you capture it. I guess get your ---

23 MR. MCGOWAN:

24 Yeah.

25 MR. JEWELL:

1 --- meteorological hat on there, too.

2 MR. MCGOWAN:

3 Yeah, I believe that --- let me just get
4 to that slide real quick.

5 So, what we're going to be collecting,
6 really, on an annual basis is about 380,000 gallons of
7 water that we're going to be able to reuse on the
8 racetracks.

9 MR. RAPSON:

10 41,000.

11 MR. JEWELL:

12 May I hear the number again, please?

13 MR. MCGOWAN:

14 380,000.

15 MR. JEWELL:

16 380? Okay.

17 Yes, sir.

18 MR. RAPSON:

19 All right.

20 MR. JEWELL:

21 Thank you.

22 Let's talk about the hotel for a second.

23 Let's talk about last year, your last fiscal year.

24 What was your anticipated blended rate
25 for the evening? Did you meet that blended rate? And

1 what was your hoped-for census, and did you meet your
2 census numbers?

3 MS. ZANGARDI:

4 So, as far as the blended rate, I don't
5 have the exact number on that. But our occupancy was
6 consistently in the high 90s. Many of the nights sold
7 out, even weeknights. A lot of that attributed to the
8 events that we were bringing in even Sunday through
9 Thursday with conferences like Society for Human
10 Resources and other conferences. So, the hotel has
11 shown extremely high occupancy.

12 MR. JEWELL:

13 Okay. Thank you.

14 Mr. Carlucci, I always like to ask this
15 question. It's kind of --- if you had a magic wand
16 and you could wave it.

17 There's a lot going on right now, and
18 soon, there may be quite a bit of change in the
19 delivery --- other delivery methods of legalized
20 gambling in the Commonwealth. Obviously, of course,
21 I'm not aware of that for sure. We've talked about
22 competition earlier.

23 The Legislature --- they legislate. We
24 regulate, and it's your business environment in which
25 you operate.

1 And so, I'm interested in kind of --- if
2 you had a magic wand and could foresee the future down
3 the next 18 months, what would you hope to see? What
4 would you like to see? What would you not like to
5 see? What concerns you?

6 MR. CARLUCCI:

7 Well, obviously, if I had a magic wand,
8 I'd love to see the tax rate go down or at least stay
9 the same. But I don't --- you know, I --- just like I
10 can't predict the rain, I don't ---. I see very
11 little chance of that. Let's be honest.

12 Probably, the thing I'm most fearful of,
13 to be --- in all honesty and candor, is VGTs, because
14 for the amount of capital investment that we put into
15 this property and our commitment, you know, it worries
16 us. Because you know, again, we're --- we pay for
17 this license. We pay the bills, you know, paying the
18 tax revenues that we have, and also for things such as
19 responsible gaming and how we're regulated and things
20 of that nature.

21 To allow VGTs throughout the state, I
22 believe, will dilute our business, but also dilute the
23 tax revenue. You know, if we take everything into
24 account, we're playing --- paying close to 60 percent
25 tax. To split that a third and a third and a third, I

1 don't see the win for the state, as well.

2 MR. JEWELL:

3 Thank you.

4 Any other comments?

5 MR. CARLUCCI:

6 No.

7 MR. JEWELL:

8 Thank you very much.

9 Ms. Lloyd?

10 MR. SANTONI:

11 Hello? Hello? Hi. I apologize for
12 being late. I was in Wilkes-Barre. My GPS just said
13 Plains, so I was directed to some avenue out somewhere
14 in Wilkes-Barre, Pennsylvania.

15 So, if you answered this in your
16 presentation, I apologize. But just to follow up on
17 what Commissioner Jewell said, the first question is
18 on the local share. I know that there's a lot of
19 discussion about that.

20 How are you guys handling the local
21 share? Are you waiting for the Legislature to address
22 it? Have you dealt --- worked that out with your
23 local communities, or how are you addressing that?

24 MR. CARLUCCI:

25 Again, we've committed to paying our

1 local share here, the local share part of that. And
2 obviously, we'd like it to remain the same. But
3 that's our stance on that.

4 MR. SANTONI:

5 And also, again, Commissioner Jewell
6 mentioned some things that are happening in
7 Harrisburg. I know you talked about VGTs, but iGaming
8 is getting a lot of push in Harrisburg.

9 How would you ---? I guess my question
10 is, how would you address ---? How do you deal with
11 iGaming, and would it create a significant number of
12 jobs at your casino? Have you given that any thought?

13 MR. CARLUCCI:

14 We're not opposed to iGaming. Do I
15 think it's going to create a lot of jobs at this
16 point? No. Again, while we're not opposed to it, it
17 would have to be the right circumstances for us. But
18 again, we're not opposed to it.

19 MR. SANTONI:

20 Okay. Thank you.

21 MR. RYAN:

22 One question. Just one question.
23 Skiers in the winter, are they gamblers?

24 MS. ZANGARDI:

25 You know, without being a skier, I don't

1 necessarily know that, but I know many of the others
2 may know that question.

3 MR. CARLUCCI:

4 It's probably --- are a small percentage
5 of them, but a lot of ---. We're into it.

6 Obviously, we don't just compete with
7 casinos. We also compete for people's discretionary
8 income. So, you know, a lot of them, their primary
9 purpose is to ski, obviously. But we may get a little
10 bit of overflow from that, but we wouldn't consider
11 they're primarily for gambling.

12 MR. RYAN:

13 Thank you.

14 PRESIDING OFFICER:

15 Do you have any follow up from the
16 questions that you'd like to present? No? Okay.

17 Housekeeping. I'll enter your
18 PowerPoint presentation into the record as Downs
19 Racing Exhibit Number 1. Mr. Crohe, do you have any
20 objection?

21 ---

22 (Whereupon, Downs Racing Exhibit 1,
23 PowerPoint Presentation, was marked for
24 identification.)

25 ---

1 ATTORNEY CROHE:

2 No objection.

3 PRESIDING OFFICER:

4 Okay.

5 So, that will be entered into the
6 record.

7 So, now we will move on to the
8 presentation from our OEC.

9 ATTORNEY CROHE:

10 Thank you.

11 PRESIDING OFFICER:

12 And if I could remind your witnesses,
13 again, to state and spell their name for the record
14 before they testify?

15 ATTORNEY CROHE:

16 Director Lloyd, Commissioners, the OEC
17 was established by the Pennsylvania Race Horse
18 Development Gaming Act, with the Board's Bureau of
19 Investigation and Enforcement to advise the Bureau on
20 all matters including background investigations,
21 audits, inspections, violations of the Gaming Act and
22 the Board's regulations. The OEC also files and
23 objects relating to the issuances of license permits
24 and registrations on behalf of the Bureau of
25 Investigations and Enforcement, including the renewal

1 of slot machine licensees.

2 Pursuant to Section 1302 of the Gaming
3 Act, the Board may issue a Category 1 Slot Machine
4 License to a licensed racetrack facility that has been
5 issued a license from either the State Horse Racing
6 Commission or the State Harness Racing Commission.

7 On September 27th, 2006, the Board
8 issued Downs Racing a conditional license. And on
9 December 20th, 2006, the Board issued Downs Racing a
10 Category 1 Slot Machine License. The Board renewed
11 that license on September 23rd, 2009 and on August
12 21st, 2013.

13 The OEC intends to call three witnesses
14 today to testify regarding Mohegan Sun Poconos'
15 suitability in the renewal of that license, including
16 representatives from the Pennsylvania State Police,
17 the Bureau of Investigations and Enforcement and the
18 Bureau of Casino Compliance.

19 First, the OEC would like to call
20 Sergeant Eugene Ondeck, Commander of the Bureau of
21 Gaming Enforcement at Mohegan Sun for the Pennsylvania
22 State Police.

23 ---

24 SERGEANT JEAN ONDECK,
25 CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING, AND

1 HAVING FIRST BEEN PREVIOUSLY SWORN, TESTIFIED AND SAID
2 AS FOLLOWS:

3 -----

4 A. Good morning. Jean Ondeck, O-N-D-E-C-K.

5 ---

6 DIRECT EXAMINATION

7 ---

8 BY ATTORNEY CROHE:

9 Q. And Sergeant Ondeck, can you please tell us what
10 your current position is?

11 A. I am assigned as the Office Commander for Mohegan
12 Sun at Pocono Downs.

13 Q. And how long have you held your current position?

14 A. I was positioned there on November 19th of last
15 year, 2016.

16 Q. And if you could, could you please give us the
17 outline of your responsibilities as Commander?

18 A. I oversee the office for the two corporals and
19 eight troopers assigned there with scheduling,
20 reviewing their police reports, ensuring they are
21 adequately trained and in compliance with all of the
22 State Police policies and regulations.

23 Q. And if you could, please, just tell us what role
24 the Pennsylvania State Police plays at these
25 facilities.

1 A. Our primary responsibility would be to
2 investigate any crimes occurring on the gaming floor.

3 Q. So, in accordance with those investigations, can
4 you just please describe your relationship with the
5 other entities at the facility?

6 A. Well, we specifically work with a lot of the
7 security department and the surveillance department,
8 as well as the local police of Plains Township.

9 And I would just like to echo exactly what Maria
10 Zangardi testified to. This is a great place to work.
11 Having only been assigned there since November, I have
12 nothing but cooperation from all entities, regardless
13 of the department. It's a great group of people
14 assigned there.

15 Q. And Sergeant Ondeck, are you familiar with the
16 Uniform Crime Report?

17 A. Yes, I am.

18 Q. And if you could, just please give us a brief
19 explanation as to what that is.

20 A. It's a compilation of data and statistics, which
21 is collected and compiled through the submission of
22 police reports by the Troopers. The supervisors
23 assigned there, either myself or the two corporals,
24 will then enter those data --- that data into the
25 website --- which is available to the public, by the

1 way. And that is --- the website address is
2 PA.BCRS.Gov.

3 Q. Okay.

4 And can you please explain for us what
5 information and statistics you were referring to that
6 goes into that report?

7 A. Any crime that would have occurred that is
8 labeled inside that police report would be annotated
9 on the website docket. And as an example, if you had
10 a subject commit the crime of criminal mischief by
11 punching the glass of a slot machine, that would be
12 annotated as one incident via the police report and
13 then subsequently entered onto the website.

14 Q. And is that information that's entered then
15 subject to editing or updating based on new
16 information?

17 A. Yes, it is, on a regular basis, either by weekly
18 or monthly, we will edit or update those crimes as we
19 continue to investigate them, as well as the final
20 disposition. So, if you have an individual arrested
21 for assault and subsequently pled guilty to that, all
22 of that would be annotated on that website.

23 Q. So can you give us an overall description of the
24 information currently contained in the Uniform Crime
25 Report regarding Mohegan since its last renewal in

1 2013?

2 A. I'm sorry, John. Repeat overall ---?

3 Q. Just an overall review of the information in your
4 report since 2013, the statistics that have gone into
5 it.

6 A. Specific crimes, or ---? I'm not understanding
7 your question.

8 Q. Yeah, if you could just speak to what information
9 has been entered into the report since 2013.

10 A. It would encompass, on a monthly basis, the
11 number of crimes and specify what type of crimes have
12 occurred through --- throughout the casino in that
13 time frame from 2013 to 2017 to present day.

14 Q. Thank you. And in your view, what is the most
15 common criminal offense contained in that report?

16 A. Code 100 and 260. 100 would be forgery and
17 counterfeiting, and 260 is a general offense, which
18 would encompass a variety of crimes anywhere from
19 underage drinking, disorderly conduct, criminal
20 trespass --- which would involve self-exclusion
21 violations.

22 Q. And are you aware as to whether or not there was
23 a significant number of violent crimes that occurred
24 at the facility?

25 A. No, very few. And of the ones that are

1 documented, it would be my opinion that the majority
2 of those would involve an assault on a law enforcement
3 officer during the course of an arrest.

4 Q. And can you speak to crimes involving individuals
5 under the age of 21?

6 A. Very few over the recorded years, 2013 to present
7 day.

8 Q. Okay.

9 And comparatively, has there been an increase in
10 crimes during this renewal period?

11 A. No, it stays relatively average and consistent.

12 ATTORNEY CROHE:

13 Thank you. I have no further questions.

14 PRESIDING OFFICER:

15 Does counsel for Downs Racing have any
16 questions for this witness?

17 ATTORNEY STEWART:

18 No, we do not.

19 PRESIDING OFFICER:

20 Okay.

21 You are excused.

22 A. Thank you.

23 PRESIDING OFFICER:

24 Unless our Commissioners have questions.

25 No? Then you're excused. Thank you.

1 A. Thank you.

2 MR. JEWELL:

3 Oh, well, yes, I do.

4 PRESIDING OFFICER:

5 Oh, hold on. Wait.

6 MR. JEWELL:

7 Hold on. All right.

8 PRESIDING OFFICER:

9 Go ahead.

10 MR. JEWELL:

11 The Pennsylvania State Police, although
12 there a majority of the time, what are the times that
13 you do not have State Police on duty at Mohegan?

14 A. We base that upon history. So, generally
15 speaking, that would be ---. And I hate to reveal
16 this to the public, but more or less dayshifts.
17 Saturday, Sunday depending on our staffing
18 requirements, as well as a few nightshifts.

19 However, when we do not have any personnel on
20 site, the phone is automatically forwarded to the
21 State Police Wyoming Barracks. So, if security and/or
22 surveillance or any member of the public visiting that
23 casino tries to get in touch with a member of the
24 Mohegan Sun State Police Office, it'll automatically
25 be forwarded to State Police Wyoming. And a uniformed

1 trooper will respond, as well as Plains Township.
2 They're always willing to step in.

3 MR. JEWELL:

4 Okay.

5 You indicated your jurisdiction is on
6 the gaming floor, not to the garage, not to the hotel.
7 How ---? The gaming floor, where that's --- we just
8 had testimony on that last week, on your gaming
9 floors, and it began for other reasons.

10 But some contiguous space to the gaming
11 floor, or where the gaming floor ends, your
12 jurisdiction ends? Or how do you determine that?

13 A. Wherever there's a slot machine, and an example
14 of that ---. And we've just gone through the recent
15 security improvements made by the casino. There was a
16 fence surrounding the gaming floor with the 14 access
17 points that they testified to earlier. Now, all of
18 those things have opened up. So, I would consider
19 anything inside the fence where patrons have access to
20 gaming --- that's our area of responsibility.

21 MR. JEWELL:

22 Okay. Thank you.

23 A. Okay.

24 ATTORNEY CROHE:

25 If I can have just one very brief follow

1 up question?

2 BY ATTORNEY CROHE:

3 Q. How far is that Wyoming Barracks that you said
4 that calls get forwarded to?

5 A. Six to seven miles. I don't have an exact
6 estimate, but that's an estimate of six to seven
7 miles.

8 ATTORNEY CROHE:

9 Thank you.

10 PRESIDING OFFICER:

11 Now, you're excused.

12 THE WITNESS:

13 Thank you.

14 ATTORNEY CROHE:

15 Thanks a lot.

16 The OEC would now like to call Jeanne
17 Ort-Motto, Senior Supervisor of the Bureau of Casino
18 Compliance.

19 ---

20 JEANNE ORT-MOTTO,

21 CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING, AND
22 HAVING FIRST BEEN PREVIOUSLY SWORN, TESTIFIED AND SAID
23 AS FOLLOWS:

24 ---

25 A. Jeanne, J-E-A-N-N-E, ---

1 PRESIDING OFFICER:

2 Microphone on?

3 THE WITNESS:

4 --- sorry, Jeanne, J-E-A-N-N-E, last
5 name, O-R-T, hyphen, M-O-T-T-O.

6 ---

7 DIRECT EXAMINATION

8 ---

9 BY ATTORNEY CROHE:

10 Q. And Ms. Ort-Motto, what is your current position?

11 A. I am the Senior Supervisor for the Bureau of
12 Casino Compliance.

13 Q. And how long have you had that --- held that
14 position?

15 A. I've been with the Board since 2006, and then in
16 my current position for approximately the last two
17 years.

18 Q. And can you give us an overview of your
19 responsibilities?

20 A. I am in charge of supervising the people that are
21 in the casino 24/7. We have a supervisor, CCRs. And
22 as of the last year, we have technical field
23 representatives that do the machine inspections.

24 Q. And can you describe the role that Casino
25 Compliance plays at licensed facilities?

1 A. We are the daily, 24/7 kind of eyes and ears of
2 the Board that are in each of the casinos.

3 Q. And what tasks or actions does Casino Compliance
4 perform within those facilities?

5 A. We do the self-excluded intakes, investigate
6 noncompliance issues. We inspect all the machines,
7 receive the machines, make sure that they're
8 communicating with GTech, as well as customer
9 complaints.

10 Q. So, to perform those tasks, can you speak to what
11 level of access Casino Compliance has?

12 A. We have unfettered access to all parts of the
13 casino. On when I mean unfettered, usually, a lot of
14 the places are, you know, just like a card that you
15 swipe and go in. And we can get in any of the
16 locations, and as for ---.

17 Q. So, given Casino Compliance's role within the
18 facility do they ever ---? Are they ever afforded the
19 opportunity to interact with patrons?

20 A. We interact with patrons on a daily basis,
21 whether it be that they knock on the door, a complaint
22 that's forwarded from, say, Security Department or
23 another department, as well as in Harrisburg, I would
24 forward customer complaints to them for contact.

25 Q. So has Casino Compliance then addressed those

1 inquiries or complaints?

2 A. It depends. You know, sometimes it's ---. Once
3 we try to find out, of course, what the patron wants
4 or what their issue is. And sometimes, it's
5 education. Sometimes, it's --- there's issues with
6 noncompliance that we will do a report and forward to
7 OEC. And sometimes, the patron just, you know, wants
8 to be heard, so ---.

9 Q. And could you speak to the relationship between
10 Casino Compliance and the Pennsylvania State Police?

11 A. Excellent since day one. We shared an office in
12 2006 with them.

13 Q. And also with Mohegan Sun's staff?

14 A. As Maria Zangardi has spoken to, it's amazing.
15 And Mohegan's probably --- don't hold me to the
16 statistics, but there are a lot of people, including
17 Maria, that have been there since the day they opened,
18 you know, in 2006. You know, there's been some
19 members that have gone, but that's really nice to go
20 back. You know, we've had an excellent working
21 relationship with them.

22 My supervisor, who's also been there since day
23 one, Sal Necca, always reports on them and how
24 cooperative and engaged everyone is.

25 ATTORNEY CROHE:

1 A. Good morning.

2 ---

3 DIRECT EXAMINATION

4 ---

5 BY ATTORNEY CROHE:

6 Q. Good morning. If you could please state and
7 spell your name for the record?

8 A. Matthew Loughney, M-A-T-T-H-E-W. Loughney is,
9 L-O-U-G-H-N-E-Y.

10 Q. And Mr. Loughney, what is your current position?

11 A. Currently, I'm an investigator with the Bureau of
12 Investigations and Enforcement.

13 Q. And how long have you held that position?

14 A. I've held this position since approximately
15 September of 2007. I've been with the Board since
16 January of '06.

17 Q. And can you give us an overview of the
18 responsibilities in that position?

19 A. Certainly. My responsibilities, usually on a day
20 to day basis, are to conduct background investigations
21 with regard to the licensed facilities, the employees
22 that work at the facilities as well as the companies
23 that do business with the facilities.

24 Q. So, were you involved in the investigation
25 regarding Mohegan Sun's renewal application?

1 A. Yes, I was.

2 Q. And can you tell us whether or not that
3 application was timely filed?

4 A. Yes, it was filed in a timely manner.

5 Q. And if you could, give us an overview of the
6 scope of that investigation.

7 A. Yes. The scope of the investigation was to ---.
8 Once all of the application material was collected and
9 received --- as we're going through the background
10 investigation, more materials are received. So, what
11 we like to do is compare and review those materials to
12 make sure that full disclosure has been ensured.

13 For instance, it would be my responsibility to
14 ensure that all of the certifications and permits that
15 a facility like a casino would have, such as food
16 service or occupancy, to make sure that those licenses
17 and permits are valid, active and in the right order.

18 Q. Okay.

19 And in your opinion, was Mohegan Sun cooperative
20 throughout this process?

21 A. Yes, they've been very cooperative.

22 Q. Following the completion of an investigation, is
23 there a report generated that would contain BIE's
24 findings?

25 A. Yes, there would be.

1 Q. Okay.

2 And what happens once that report is then
3 generated?

4 A. Oh, once my report is completed and generated, it
5 is submitted through the chain of command and
6 processed through the OEC.

7 ATTORNEY CROHE:

8 Thank you. No further questions.

9 PRESIDING OFFICER:

10 Mr. Stewart?

11 ATTORNEY STEWART:

12 No questions. Thank you.

13 PRESIDING OFFICER:

14 You are excused.

15 THE WITNESS:

16 Thank you.

17 ATTORNEY CROHE:

18 Thank you, Matt.

19 The OEC has no other witnesses.

20 PRESIDING OFFICER:

21 Documents. Would you like to move your
22 documents into the record?

23 ATTORNEY CROHE:

24 I would. At this time, I would ask to
25 introduce eight exhibits. Exhibit 1 contains the

1 Pennsylvania State Police Uniform Crime Report.

2 ---

3 (Whereupon, OEC Exhibit 1, Pennsylvania
4 State Police Uniform Crime Report, was
5 marked for identification.)

6 ---

7 ATTORNEY CROHE:

8 Exhibit 2, a letter from the
9 Pennsylvania Racing Commission dated January 17th,
10 2017.

11 ---

12 (Whereupon, OEC Exhibit 2, Pennsylvania
13 Racing Commission Letter 1/17/17, was
14 marked for identification.)

15 ---

16 ATTORNEY CROHE:

17 Exhibit 3, a letter from the Department
18 of Revenue dated February 7th, 2017.

19 ---

20 (Whereupon, OEC Exhibit 3, Department of
21 Revenue Letter 2/7/17, was marked for
22 identification.)

23 ---

24 ATTORNEY CROHE:

25 Exhibit 4, a Memorandum from the Board's

1 Office of Compulsive and Problem Gambling dated
2 January 17th, 2017.

3

4 (Whereupon, OEC Exhibit 4, Office of
5 Compulsive and Problem Gambling
6 Memorandum 1/17/17, marked for
7 identification.)

8

9

ATTORNEY CROHE:

10 Exhibit 5 contains eight citations
11 issued by the Pennsylvania State Police Bureau of
12 Liquor and Control Enforcement to Northeast
13 Concessions, LP and BL Operations, LLC.

14

15 (Whereupon, OEC Exhibit 5, Northeast
16 Concessions, LP and BL Operations, LLC
17 PLCB Citations, was marked for
18 identification.)

19

20

ATTORNEY CROHE:

21 Exhibit 6 contains six Consent
22 Agreements entered into between the OEC and Mohegan
23 Sun that were approved by the Board.

24

25

(Whereupon, OEC Exhibit 6, Consent

1 Agreements, was marked for
2 identification.)

3 ---

4 ATTORNEY CROHE:

5 Exhibit 7 contains three memorandums
6 generated by the OEC memorializing three compliance
7 conferences that took place at Mohegan Sun.

8 ---

9 (Whereupon, OEC Exhibit 7, Compliance
10 Conference Memorandums, was marked for
11 identification.)

12 ---

13 ATTORNEY CROHE:

14 And Exhibit 8 contains 18 warning
15 letters issued by the OEC, of which 15 of those
16 letters required responses, and the 15 required
17 responses from Mohegan Sun.

18 ---

19 (Whereupon, OEC Exhibit 8, Warning
20 Letters and Responses, was marked for
21 identification.)

22 ---

23 ATTORNEY CROHE:

24 The OEC would also like to ask that
25 Exhibits 7 and 8 be kept confidential and that all

1 eight exhibits be moved into the record.

2 PRESIDING OFFICER:

3 Mr. Stewart?

4 ATTORNEY STEWART:

5 No objection.

6 PRESIDING OFFICER:

7 Okay.

8 And we'll move those eight exhibits into
9 the record with the notation that 7 and 8 are to be
10 kept confidential.

11 ATTORNEY CROHE:

12 Thank you.

13 PRESIDING OFFICER:

14 Okay.

15 We will now move on to our public
16 comment portion of the hearing. I have received ---
17 or the Board Clerk has received three written comments
18 from the public. One does not oppose or support. It
19 involves patron comps and complaints about those. One
20 opposes but addresses horse racing, not casino gaming.
21 So, that one was forwarded to our Department of
22 Agriculture and Racing Commission for --- to their
23 attention. And the third one is in opposition. Those
24 have all been given to the parties.

25 Also, we had an individual sign up to

1 speak today, Mr. Peter Marinari, and he is not able to
2 be here. So, he has submitted a written statement for
3 the record, as well.

4 So, unless counsel for either party has
5 any objections to these public comments, we will enter
6 those into the record.

7 ATTORNEY CROHE:

8 No objection.

9 PRESIDING OFFICER:

10 Mr. Stewart?

11 ATTORNEY STEWART:

12 No objection.

13 PRESIDING OFFICER:

14 Okay.

15 So we will enter those in as Office of
16 Hearings and Appeals (OHA) Exhibit Number 1 as the
17 public comment.

18 ---

19 (Whereupon, OHA Exhibit 1, Public
20 Comment, was marked for identification.)

21 ---

22 PRESIDING OFFICER:

23 So, now, we will begin with the speakers
24 list. I'll remind the speakers again to state and
25 spell your name for the record. I have four

1 individuals that have registered today, Robert Sax,
2 Jessica Cronauer, Wico Van Genderen and Elizabeth
3 Harvey. If the four of you are here, will you stand
4 to be sworn by our court reporter?

5

6

WITNESSES SWORN EN MASSE

7

8

PRESIDING OFFICER:

9

And we will begin with Robert Sax from
10 the Plains Township Board of Commissioners. And I'll
11 remind you you have ten minutes for your comments.

12

MR. SAX:

13

Thank you. I won't be ten minutes.

14

That's for sure.

15

On behalf of Plains Township and the
16 Board of Commissioners, I'm the Chairman of the Plains
17 Township Board of Commissioners. And on behalf of our
18 10,000 residents, I would like to say Mohegan Sun has
19 been a true asset to our community. We've benefitted
20 in many ways.

21

Our departments --- our fire department
22 has benefitted for extra safety for our township. We
23 have --- like I said, we have 10,000 residents. And
24 like you heard today, they have sometimes 10,000
25 visitors a day. So we had to make measures to protect

1 our residents and also the safety of the business of
2 Mohegan Sun. We purchased a ladder truck for over \$1
3 million, which we would've never been able to do
4 without our local share funds through Mohegan Sun.

5 And if there's any safety issues, our
6 Fire Chief's here and our Deputy Fire Chief's here.
7 They work hand in hand with the safety department at
8 Mohegan Sun. We have never had any complaints.

9 Our Police Department has also made
10 measures, so we've added on personnel. We've added on
11 equipment --- our Road Department also, with equipment
12 for our township for garbage packers. And residents
13 also benefitted for minimal price for a garbage
14 pickup.

15 Our business corridor right here, Route
16 315, is --- has been something to cherish since
17 Mohegan Sun has been here, with businesses thriving,
18 hotels popping up. More and more businesses are
19 coming on our 315 corridor, and we can't say enough
20 about that.

21 Also, like I said, the residents truly
22 benefit. We have no tax increase for our residents
23 throughout the time Mohegan Sun has been here.

24 Mr. Carlucci reached out to us --- we
25 can't thank him enough --- last year. We never asked

1 for anything, and he stepped up to the plate and
2 assured us of our local share funding for this year,
3 since legislation is still up in the air of what we're
4 going to actually get. So, that speaks volumes.
5 Thank you, Mr. Carlucci.

6 And also, I'm a member of the Lions
7 Club, so I know how we benefit from that. Our local
8 Lions Club also receives donations from Mohegan Sun.

9 So, on that, I'd just like to say we
10 definitely would appreciate the renewal license for
11 Mohegan Sun. Thank you very much.

12 PRESIDING OFFICER:

13 Thank you. I'll move on to our
14 community group speakers. Jessica Cronauer from
15 Leadership Wilkes-Barre.

16 MS. CRONAUER:

17 Good morning. I might be ten minutes.
18 We have a lot of good things to say about Mohegan, so
19 feel free to cut me off if you need to.

20 My name is Jessica Cronauer. It's,
21 J-E-S-S-I-C-A, and, C-R-O-N-A-U-E-R. I'm the Programs
22 and Communications Director for Leadership
23 Wilkes-Barre. We are so thrilled to have the
24 opportunity to tell you how much good that Mohegan Sun
25 Pocono has done not just for the well-being, but for

1 the morale and the infrastructure of Northeastern
2 Pennsylvania and beyond.

3 At Leadership Wilkes-Barre, our mission
4 is to develop informed and committed leaders from all
5 segments of the community who serve, strengthen and
6 improve Northeastern Pennsylvania. While we have a
7 diverse portfolio of programs, each program subscribes
8 to that mission with three objectives. And that is
9 not just leadership development, but also community
10 awareness and networking.

11 We're in our 36th year, and the program
12 was developed by members of the community, who were
13 committed to making sure that Northeastern
14 Pennsylvania is always full of individuals who believe
15 in and fight for its potential. And that's important,
16 because what I want you to understand is all of those
17 who sit on our Board are made up of our alumni. And
18 those people stay involved, because they believe in
19 the good that we do and the positive experiences and
20 results that they see when they are involved.

21 Our philosophy is servant leadership,
22 which is essentially the belief that in order to
23 become leaders, you need to first serve and that you
24 don't ask anything of those around you that you
25 wouldn't do for your --- do yourself. Our

1 participants take part in that transformative
2 experience that teaches them both the capacity and the
3 responsibility that they have to give back.

4 So, what I want to tell you today is how
5 from day one Mohegan has demonstrated that they will
6 not just support what we do with their time, their
7 energy, their talent and their treasure, but that they
8 have become an integral partner in our organization
9 and maintain a presence on the front lines of our
10 mission. Since their inception, Mohegan has been
11 committed to participating in all levels of our
12 programs.

13 Year after year, they have sent multiple
14 members of their team through our intensive core
15 development program, as well as our executive
16 programs. These participants experience development
17 not just in leadership skills, but they become
18 integral members of the business community. And most
19 importantly, they learn about the needs of
20 Northeastern Pennsylvania.

21 Every participant who goes through any
22 leadership program must work with their class, which
23 is upwards of 50 different individuals from the
24 community, business sector, government sector, private
25 sector ---. They have to complete a community impact

1 project. Basically, a community need is identified,
2 and then the plan is designed and executed to fulfill
3 that need.

4 They raise money --- thousands and
5 thousands of dollars. They build playgrounds. They
6 refurbish crumbling infrastructures, and they change
7 thousands of lives for the better.

8 Just this year, for example, Mohegan's
9 participants are working with the Children's Advocacy
10 Center, Misericordia University's Women with Children
11 program, the Leave No Trace initiative for
12 environmental sustainability --- and that's just this
13 year. So, image the ripple effect that their
14 participation has had year after year, sending team
15 member after team member, each one having had the
16 opportunity to effect significant positive change for
17 countless organizations and individuals throughout
18 Northeastern Pennsylvania.

19 The truly exceptional outcome is that
20 through their partnership with our organization, they
21 aren't just developing leaders within their staff and
22 for their own sake. They are training their team to
23 give back consistently and with great value. Core
24 program participants have gone on to serve as
25 volunteers and Board members for dozens of nonprofits.

1 Internally, I know that they have
2 collected Christmas gifts for over 1,500 children
3 through Volunteers of America and the Wilkes-Barre
4 YMCA, and that's just this past year. They
5 participate in the United Way's Days of Caring. They
6 collect money for organizations like United Way. They
7 volunteer for CEO's Weinberg Food Bank.

8 This is a culture, and it's prevalent
9 throughout their team from the top down. And it has
10 been, again, since they opened their doors in
11 Northeastern Pennsylvania.

12 Mohegan's participants sit on our
13 Boards, and they help us to continue to develop
14 programming that meets the needs of Northeastern
15 Pennsylvania. Several members of their team continue
16 to work on our advisory councils, which gives them the
17 opportunity to mentor and guide new class
18 participants, including our high school juniors, which
19 is a really fantastic opportunity for us.

20 Because of Mohegan's participation in
21 that program, these kids who, you know, are the next
22 generation of professionals in our community, they
23 become aware of what this organization has done and
24 what their opportunities are in the future.

25 Because of Mohegan's generosity --- and

1 not just from a monetary perspective, but because of
2 their time and energy commitment, their in kind
3 donations to what we do, we have been able to reach
4 more people, grow our portfolio of programs, add
5 programs because of their support.

6 With the recent addition of their hotel,
7 we now have the privilege of holding our annual dinner
8 and graduation at their facility, along with several
9 of our programs. And this is an opportunity to
10 showcase the impact on the community to at least 500
11 community stakeholders year after year.

12 There are thousands of alumni within the
13 Leadership Wilkes-Barre network, and we all see the
14 good that Mohegan Pocono has done for Northeastern
15 Pennsylvania and beyond. And it is --- it's
16 refreshing and incredibly comforting to know that such
17 a large organization has such a stake in the stability
18 and wellbeing of the community, to see them giving
19 back. They have been a great friend and a great
20 partner to our mission.

21 And I strongly encourage you to renew
22 their license so that we can ensure we get to work
23 with them for years to come. Thank you.

24 PRESIDING OFFICER:

25 Thank you.

1 Wico Van Genderen from the Wilkes-Barre
2 Chamber of Commerce? And I'm sorry if I mangled your
3 name.

4 MR. VAN GENDEREN:

5 Oh, no worries. My wife does it all the
6 time.

7 Well, good morning. My name is Wico Van
8 Genderen. Let me give you a spelling on it. It's,
9 W-I-C-O, for Wico. Last name, Van Genderen, V-A-N,
10 capital G, E-N-D-E-R-E-N. I am the President of the
11 Greater Wilkes-Barre Chamber of Business and Industry.
12 And by the way, on the behalf of the business and
13 community leaders here in Wyoming Valley, I want to
14 welcome the Pennsylvania Gaming Control Board to
15 Plains Township and Greater Wilkes-Barre.

16 I also apologize in advance to Dante for
17 his Google mishap today. We'll try and make sure that
18 we fix that for the next go-around.

19 I'm here to provide testimony to the
20 impact of the Mohegan Sun Pocono, what they've had,
21 have had and continue to have not just in our valley,
22 but throughout the Luzerne County and the NEPA region
23 in three primary areas, direct economic impact,
24 amenity development and engagement in our community.

25 You know, before Mohegan Sun opened in

1 Plains Township, when gaming in Pennsylvania was still
2 an abstract concept, the new owners of Pocono Downs
3 were still an unknown quantity. We were naturally
4 circumspect. What would be the net result? What
5 would gaming provide for the basis of positive
6 economic growth and community uplift? And would it
7 have an adverse impact to the community?

8 And I will tell you today, we can look
9 back, examine the metrics and the impact on our
10 community and provide a very confident answer to that
11 question. And that answer is a resounding yes,
12 Mohegan Sun has had a very positive economic impact on
13 the community. In addition, it has added to the
14 attraction model to the area, and finally, its people
15 have been very, very active in giving back to the
16 community. And so, it's with this backdrop in mind
17 that the Greater Wilkes-Barre Chamber supports the
18 renewal of the Mohegan Sun Poconos Casino Operating
19 License.

20 So, with regard to the direct economic
21 impact, I think it's already fair to say that you've
22 gone through a lot of the relevant economic impact
23 numbers for our area. But let me go through a couple
24 of them to again call them out.

25 First, over 1,600 employees, with, by

1 the way, 90 percent of their hires coming from within
2 a 30 square mile radius around the property.

3 Number two, total capital investment to
4 date has been over \$375 million over the timespan of
5 the site's evolution from a racetrack to a mini-casino
6 to revamping the entire racing area to the
7 construction of the new casino. And then, to the
8 latest \$50 million investment in the 238 room
9 construction of the new hotel and convention facility.

10 Number three, when you add Licensing to
11 the state and the investment figures, and when added
12 to the \$1.3 billion paid in taxes, Mohegan Sun has
13 made a \$1.6 billion total investment in the casino
14 facility and contribution to the area.

15 Number four, as you know, four percent
16 of the tax base went to Plains Township's general
17 operating budget and to the competitive grants for
18 public safety and economic development activities
19 within Luzerne County. And as of the end of the
20 fiscal year 2015-2016, Mohegan Sun Pocono had
21 generated a grand total of \$8 million in local share
22 account, LSA, tax revenues from the slot machines and
23 about \$5 million from the table game play. And all of
24 those funds have been ultimately distributed as grants
25 through the Mohegan Sun's host community, Plains

1 Township, and other communities in Luzerne County and
2 throughout Luzerne County Local Share Account Program.

3 And that LSA program continues to
4 resonate. Relative to 2016, Mohegan's success has
5 permitted Luzerne County Local Share Account Program
6 to award about \$12.5 million to some 50 local
7 projects, local worthy projects.

8 And the net impact over the last ten
9 years of the local share of the investments are truly
10 visible throughout our community, in projects ranging
11 from the rebuilding of Kingston's Hoyt Library to
12 Wilkes-Barre's township's new police station to
13 Misericordia University's College of Health Sciences
14 to the expansion of the Chamber's business incubator
15 in town --- downtown Wilkes-Barre to the Luzerne
16 County Small Loan Program. The Pittston Main Street
17 revitalization. The Shine Program for 12 --- for K
18 through 12 students in our schools, and to the most
19 recent Innovation Squared initiative to make downtown
20 Wilkes-Barre an innovation center of excellence, all
21 of which would've been more exponentially difficult to
22 do without the LSA grant program.

23 Likewise, Mohegan's \$375 million in
24 capital expenditures contribution to amenity
25 development are equally impressive. In an age when

1 investment leisure dollars are more mobile than ever,
2 quality of place truly does matter more than ever to
3 any community trying to remain competitive. The
4 addition of Mohegan Sun Pocono to our array of
5 attractions has exponentially improved the quality of
6 place offered by Northeastern Pennsylvania. In
7 addition, Mohegan Sun's contribution to other
8 amenities, such as helping to fund our hockey arena,
9 plays to the attractions the area has to offer.

10 All told, the Mohegan Sun Pocono has and
11 continues to be an amazing addition to our local
12 amenities package not only as a casino, but as a
13 well-rounded dining, shopping and entertainment
14 destination.

15 And rather than competing for a static
16 pool of entertainment dollars within our market,
17 Mohegan's complex has helped draw out of market
18 visitors to Greater Wilkes-Barre, as well. Even
19 against a backdrop of a very dynamic and difficult
20 economy, Mohegan's presence has proven to be
21 complementary rather than competitive.

22 My final comments focus on Mohegan's
23 community involvement. And on that point, the Mohegan
24 Sun has become a recognized core contributor to our
25 community. From its leadership team to the up and

1 coming young professionals in their organization, the
2 Mohegan team has become fully engaged in our community
3 and making it a better place.

4 I could tell you firsthand, time and
5 time again, the Mohegan team has been a willing
6 contributor not just through their resources, but in
7 their time and ideas, as well. They've become a
8 fixture not only in public settings, but also in the
9 blocking and tackling that you all know we need to do
10 to get the job done.

11 And it's indeed difficult to think of
12 another corporate arrival in our region that has so
13 rapidly woven itself into our community fabric. When
14 it comes to community involvement, Mohegan Sun has set
15 a very high bar to its peers.

16 So in closing, because Greater
17 Wilkes-Barre, the Wyoming Valley, Luzerne County and
18 NEPA have all benefitted tremendously from the
19 economic impact, investment and energy that Mohegan
20 Sun has brought to our region, I'll tell you that the
21 Greater Wilkes-Barre Chamber and I are firmly in
22 support of the request for license renewal. Thank you
23 for allowing me the opportunity to provide testimony
24 today on the request for license renewal. Thank you
25 very much.

1 PRESIDING OFFICER:

2 Thank you. And we will move on to our
3 individual speakers. I remind those speakers they
4 have three minutes to speak. As I said, Peter
5 Marinari is unable to attend, so we will move to
6 Elizabeth Harvey.

7 And Ms. Harvey, before you begin, I
8 understand that there is a pre-trial order from a
9 judge that states that all counsel and parties are
10 prohibited from making any extrajudicial statements
11 concerning those proceedings before that judge which
12 are likely to interfere with the right to a fair and
13 impartial trial. So I'd just remind you of that
14 before you make your remarks today.

15 MS. HARVEY:

16 Okay.

17 Good morning, and I'd like to thank the
18 members of the Board and the Gaming Commission for
19 giving me a chance to speak on, you know, my behalf.

20 My name is Elizabeth Harvey. That's
21 spelled capital, H-A-R-V-E-Y. And I am here to give
22 testimony concerning my urgent opposition concerning
23 Downs Racing's license renewal under reasoning of
24 their bullying, deliberate and discriminate use of
25 their security cameras as described in my March 24th,

1 2017 complaint papers forwarded to the Pennsylvania
2 Gaming Board for their consideration.

3 A careful reading of the said papers,
4 and in particular, to my August 10th, 2011 complaint
5 copy, thereto attached, revealed that I've sustained
6 approximately \$2,000 in injuries as to a believed
7 slippery floor as then attested to by Mohegan Sun's
8 top security officer, Chris Carness, who specifically
9 informed me that, quote, security cameras were in
10 place, and quote, recorded my fall on August 18th,
11 2009.

12 As to the latter remarks, however, when
13 a Mohegan Sun operative was questioned as to a
14 specific interrogatory B, does the Defendant have any
15 surveillance video, photograph or videotapes or visual
16 records pertaining to Plaintiffs fall or whether
17 Plaintiff fell? If so, describe and produce copies of
18 any created within a day before and a day after
19 Plaintiff fell. Their answer was no.

20 Therefore, would anyone of reasonable
21 mindset believe, in view of Exhibits A, B and C
22 attached to my complaint before this Board, that the
23 security camera above where I was sitting on August
24 18th, 2009, which is evidence for this Board to see
25 for itself or others, did not record my fall? I do

1 not believe so. And further, I am of the distinct
2 belief that Mohegan Sun did not want anyone to absorb
3 the intensity and horrific manner of such resulting on
4 that night.

5 Therefore, I submit that as the direct
6 result of intentional purpose of Mohegan Sun and/or
7 Downs Racing resulting on August 18th, 2009, along
8 with Exhibits A, B and C as referred to in argument in
9 support of my instant complaint hereof, that Mohegan
10 Sun and Downs Racing did not want a jury to view any
11 surveillance evidence of my fall on its believed
12 overly waxed floor. And thus a clear and distinctive
13 discriminant non-availability of its security cameras
14 are possessed by them to fully protect their interest
15 while fully uncaring of mine.

16 PRESIDING OFFICER:

17 Ms. Harvey, I'm going to have to ask you
18 to wrap up. You are at four minutes now.

19 MS. HARVEY:

20 Oh, sorry. I only have a little more to
21 say.

22 PRESIDING OFFICER:

23 Just --- if you can just wrap up your
24 comments, please?

25 MS. HARVEY:

1 Okay.

2 PRESIDING OFFICER:

3 Thank you.

4 MS. HARVEY:

5 All right.

6 According, in closing, it should be
7 abundantly clear, the Exhibits A, B have the benefit
8 of security cameras to evidence what transpired
9 thereof in proper manner. However, my circumstances,
10 according directly under a security camera as shown in
11 the provided picture as to this instant matter,
12 somehow did not see or capture anything.

13 And thus, in view of a believed ---
14 well, blatant submission thereof by Mohegan Sun's
15 personnel, I urgently oppose a license renewal to said
16 entity based on the evidence factored of Exhibits A
17 and B attached to my March 24th, 2007 complaint to
18 this Board. I want to thank you for listening to my
19 comments.

20 PRESIDING OFFICER:

21 Thank you.

22 We are now ---. Downs Racing, do you
23 have any closing statement you'd like to make before
24 we end the hearing?

25 ATTORNEY STEWART:

1 No.

2 PRESIDING OFFICER:

3 No? Mr. Crohe?

4 ATTORNEY CROHE:

5 Nothing.

6 PRESIDING OFFICER:

7 No? Okay.

8 Any briefs or written memorandum, if you
9 feel the need to say anymore to the Board before they
10 hear this matter, can be filed before close of
11 business April 5th, next Wednesday. The record will
12 remain open until the Board hears the matter at a
13 later public Board meeting.

14 A report will be prepared based on the
15 testimony and evidence entered into the record today
16 and the suitability report, when it's filed with the
17 OHA. All of this information will be sent to all
18 Board members, along with a transcript of today's
19 hearing and all other documents.

20 And at the Board's convenience, it will
21 schedule this matter to be heard at a future public
22 Board meeting. I'd like to thank you all for coming
23 today, for your cooperation. And the hearing is now
24 adjourned. Thank you.

25 HEARING CONCLUDED AT 11:33 A.M.

CERTIFICATE

1
2 I hereby certify that the foregoing proceedings,
3 hearing held before Presiding Officer Lloyd, was
4 reported by me on 3/29/2017 and that I, Xi Xia, read
5 this transcript, and that I attest that this
6 transcript is a true and accurate record of the
7 proceeding.

8
9 

10 Xi Xia, Court Reporter

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25