

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC MEETING

BEFORE: MARY DIGIACOMO COLINS, CHAIRMAN  
Raymond S. Angeli, Jeffrey W. Coy, James B.  
Ginty, Kenneth T. McCabe, Sanford Rivers,  
and Gary A. Sojka, Members  
Keith Welks, Ex-officio Designee

HEARING: Thursday, December 18, 2008  
Commencing at 2:50 p.m.

LOCATION: North Office Building  
Commonwealth and North Street  
Hearing Room One  
400 North Street, West  
Harrisburg, PA 17105

WITNESSES: Frank T. Donaghue, Susan Hensel, Cyrus  
Pitre, Kathleen Higgins, Doug Sherman,  
Richard Sandusky, Eileen McNulty

Reporter: Cynthia Piro-Simpson

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CHAIRMAN COLINS:

All right. We'll now begin our regularly scheduled meeting. A quorum of the Board is present. And even though we've been here conducting our hearings, we still always start our public meeting with the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE RECITED

CHAIRMAN COLINS:

All right. Old business. By way of announcement, the Board held an Executive Session on December 17th in accordance with the Sunshine Act. The purpose of the Executive Session was to discuss personnel issues, privileged and confidential agency business and to consult with Counsel and other Professional Advisors to the Board concerning current Litigation.

We will now move to the minutes and transcript.

COMMISSIONER COY:

Madam Chair, I move the Board approve the minutes and transcripts of the November 13th, 2008 meeting.

COMMISSIONER GINTY:

1 Second.

2 CHAIRMAN COLINS:

3 All in favor?

4 AYES RESPOND

5 CHAIRMAN COLINS:

6 Opposed?

7 NO RESPONSE

8 CHAIRMAN COLINS:

9 Motion carries. To new business, the  
10 Executive Director, Frank --- Acting Executive  
11 Director Frank Donaghue will present his report.

12 MR. DONAGHUE:

13 Okay. Good afternoon. Joining me is the  
14 Director of our Gaming operations, Paul Resch, who,  
15 during a portion of my presentation, is going to give  
16 the Board an overview on Pennsylvania's Clean Air Act  
17 and some of the recent numbers that have been reported  
18 by the Department of Revenue and provided to a number  
19 of the facilities who have in turn asked the Executive  
20 Director and the Director of Gaming Operations to  
21 change the size of their square footage on the floor  
22 for smoking machines. So I'll turn it over to you.

23 MR. RESCH:

24 Thank you, Frank. Good afternoon,  
25 Chairman Colins, members of the Board. I would like

1 to provide you with a brief update on the Clean Indoor  
2 Air Act as it relates to Pennsylvania's licensed  
3 gaming facilities.

4           The Clean Indoor Air Act, which governs  
5 smoking in most public places, took effect September  
6 11th. The Act permitted casinos to initially  
7 designate a smoking area on the gaming floor of up to  
8 25 percent and provides casinos with the option to  
9 expand to 50 percent of the gaming floor dependent  
10 upon the performance of the slot machines in the  
11 smoking area compared to the nonsmoking area if the  
12 casino elects to do so.

13           The Board's role in the oversight of this  
14 Act is limited to verifying that the smoking and  
15 nonsmoking areas of the gaming floor as designated by  
16 the casino operator are in accordance with the amount  
17 of those areas indicated under the law. In addition,  
18 the Board, through its onsite casino compliance staff,  
19 is responsible for ensuring that proper signage is  
20 posted at the facility and that the licensee is  
21 fulfilling its obligation under the Act to permit  
22 smoking only in designated areas. I would like to add  
23 here that the Bureau of Gaming Operations has worked  
24 closely with the Bureau of Casino Compliance, the  
25 Office of Chief Counsel (OCC) and the Acting Executive

1 Director on the implementation and enforcement of the  
2 smoking ban.

3                   Casino Compliance Director, Tom Sturgeon,  
4 and his staff indicate that the implementation of the  
5 smoking ban has gone smoothly in the casinos and very  
6 few problems have arisen. Prior to the Act taking  
7 effect on September 11th, Board Staff requested that  
8 each of the seven operating facilities submit revised  
9 gaming floor plans indicating --- identifying a  
10 smoking area of 25 percent or less of the gaming  
11 floor. Each facility submitted those plans and Board  
12 Staff verified that they were in compliance with the  
13 Clean Indoor Air Act.

14                   On December 10th, 90 days after the  
15 effective date of the Act, licensed facilities were  
16 required to request a report from the Department of  
17 Revenue that analyzes the gross terminal revenue per  
18 slot machine unit in operation at the licensed  
19 facility within that 90-day period preceding the  
20 request. If the report shows that the average gross  
21 terminal revenue per slot machine unit in the  
22 designated smoking area equals or exceeds the average  
23 gross terminal revenue per slot machine unit in the  
24 designated nonsmoking area, the licensed facility may  
25 increase the designated smoking area of the gaming

1 floor in proportion to the difference in revenue. By  
2 December 12th, all seven operating facilities had  
3 requested and received the 90-day report from the  
4 Department of Revenue.

5           Those reports generated by the Department  
6 of Revenue show that the average gross terminal  
7 revenue in the designated smoking area exceeded the  
8 average four machines in the nonsmoking area by  
9 between 59 and 185 percent at the seven facilities for  
10 the period of September 11th to December 10th.  
11 Following receipt of the revenue report, operating  
12 facilities seeking to increase the size of their  
13 smoking areas are required to submit to the Board a  
14 gaming floor plan identifying the expanded smoking  
15 area along with the revenue report. Board Staff then  
16 conducts a thorough review of the submission for  
17 verification of compliance with the Clean Indoor Air  
18 Act. Upon a determination of compliance by Board  
19 Staff, notice is sent to the licensed facility  
20 verifying that the designated smoking area is  
21 consistent with the percentage permitted by the  
22 Department of Revenue report and comprises 50 percent  
23 or less of the gaming floor. As of today, we've  
24 received submissions from five of the seven operating  
25 facilities and expect to soon receive submissions from

1 the remaining two.

2           Going forward, licensed facilities that  
3 commence slot operations will follow this same  
4 process. In addition, licensed facilities that move  
5 from a temporary to a permanent facility may carry  
6 over the same percentage of their gaming floor that is  
7 designated as smoking.

8           In closing, I would like to point out  
9 that Board Staff has worked cooperatively with the  
10 licensed facilities, the Department of Revenue, the  
11 Department of Health, the State Police and other state  
12 agencies over the past six months to implement the  
13 Clean Indoor Air Act. I would be happy to answer any  
14 questions that you may have.

15                     CHAIRMAN COLINS:

16                     Are there any questions?

17                     COMMISSIONER COY:

18                     Yes, Madam Chair. Just to be clear, the  
19 Board doesn't have much room here. I mean, if we  
20 followed the law, is it that we have to simply make  
21 sure to our staff that the various casinos have  
22 demonstrated the need and their compliance with, and  
23 then if it happens and that's demonstrated, then the  
24 Board doesn't have much choice; is that correct?

25                     MR. RESCH:

1                   Correct, Commissioner. The Board's  
2 responsibility under the Act is to simply verify the  
3 report as it's received from the Department of Revenue  
4 and to ensure that the designated smoking area of the  
5 gaming floor is in conformance with the Act.

6                   CHAIRMAN COLINS:

7                   Very good. Thank you.

8                   MR. DONAGHUE:

9                   That concludes the report. Thank you.

10                  CHAIRMAN COLINS:

11                  Thank you. Eileen McNulty, who is our  
12 Chief Financial Officer. Thank you.

13                  MS. MCNULTY:

14                  Thank you, Chairman Colins and  
15 Commissioners. The first item on the agenda is the  
16 Agency Financial Report. This report covers revenues  
17 and expenses recorded by the PGCB through the end of  
18 November 2008. Spending to date this fiscal year  
19 totaled \$11,689,494. Spending recorded in November  
20 was \$2,619,537 or 22.4 percent of the year to date  
21 total. Payroll expense through November totaled  
22 \$9,175,765 or 78.5 percent of total spending for the  
23 fiscal year. November payroll was \$1,734,836.  
24 Operating expenses recorded in November totaled  
25 \$884,701, bringing the year-to-date total of operating

1 expenses to \$2,513,729. Operating expenses were 33.8  
2 percent of November spending and 21.5 percent of year-  
3 to-date spending.

4           Rentals and leases totaling \$826,062 is  
5 the largest category of operating expense to date and  
6 represents one third of operating expenses for the  
7 first five months of the fiscal year. November  
8 lease/rental expense was \$140,654.

9           The second largest category of year-to-  
10 date operating expense was services, which accounted  
11 for \$774,302 or 30.8 percent of the category.  
12 Consultant services for financial suitability analyses  
13 and compliance reviews comprised \$468,692. Legal  
14 services contributed \$83,359 to the category. And  
15 interagency billings for the use of the SAP accounting  
16 and payroll systems added \$88,686. EDP consulting  
17 services of \$46,084 were other items in the services  
18 category.

19           Recurring telecommunication costs are the  
20 majority of our utility costs of \$284,480. These  
21 charges, which comprise 11.3 percent of operating  
22 expenses so far this fiscal year, are the third  
23 largest operating expense. Other operating expenses  
24 as a category accounted for another 10 percent or  
25 \$252,414 of year-to-date operating expense.

1 Subscription costs for ChoicePoint Data Services for  
2 background investigations account for a substantial  
3 portion of this category.

4           We are on target to achieve the four and  
5 a quarter percent budget savings in non-reimbursed  
6 spending as promised in response to the Governor's  
7 request.

8           That completes the financial report.  
9 I'll move on to the hiring of Agency Staff. The first  
10 proposed hire is Jeffrey Soderstedt, Assistant Chief  
11 Counsel II for Licensing. Jeffrey is a graduate of  
12 Juniata College with a BA in political science and  
13 history and received his JD from West Virginia  
14 University College of Law. He brings 16 years of  
15 legal experience to the PGCB, having been employed  
16 with the Pennsylvania Insurance Department, the  
17 Conestoga Title Insurance Company and with the  
18 Pennsylvania Securities Commission where he is  
19 currently in the Division of Corporation Finance. We  
20 have complemented the required background  
21 investigation and drug testing, and he is recommended  
22 for hire.

23           The second candidate is Damon Serine for  
24 a Casino Compliance Representative position at Mount  
25 Airy. Damon is a graduate of Scranton University with

1 a degree in Criminal Justice and has 14 years of law  
2 enforcement related experience as a Patrolman,  
3 Criminal Investigator and Accident Investigator for  
4 the Jessup, Dunmore and Scranton, Pennsylvania Police  
5 Departments. He has also completed the required  
6 background investigation and drug testing and is  
7 recommended for hire.

8 CHAIRMAN COLINS:

9 May I have a motion, please?

10 COMMISSIONER RIVERS:

11 Yes. Madam Chair, I move that the Board  
12 approve the hiring of Agency Staff based on the  
13 recommendation of the Chief Financial Officer.

14 COMMISSIONER ANGELI:

15 Second.

16 CHAIRMAN COLINS:

17 All in favor?

18 AYES RESPOND

19 CHAIRMAN COLINS:

20 Opposed?

21 NO RESPONSE

22 CHAIRMAN COLINS:

23 Motion carries.

24 MS. MCNULTY:

25 Thank you. I have several other updates

1 for the Board as well. The search for an Executive  
2 Director, as you know, is being conducted by  
3 Diversified Search, a nationally-recognized executive  
4 search firm based in Philadelphia. The search firm  
5 developed the process that we are following in this  
6 search and is directing the execution of that  
7 strategy, which continues.

8 Another matter that I wanted to update  
9 you on is the Agency's Right-to-Know Law Policy. The  
10 OCC has drafted a revision which will bring our  
11 current policy into conformity with Act 3 of 2008  
12 which takes effect on January 1st. The revised policy  
13 will replace our current policy and will be posted on  
14 our website by January 1st as required under the Act.  
15 A form to be used in making Right-to-Know Law requests  
16 will also be posted on the website. Additionally,  
17 procurement contracts will be uploaded to Treasury's  
18 website by January 1st in compliance with the Act.

19 And that completes my report.

20 CHAIRMAN COLINS:

21 Thank you. Questions?

22 COMMISSIONER GINTY:

23 I have one. Eileen, with respect to the  
24 Executive Director, the qualifications for that are, I  
25 understand, posted on our website.

1                   MS. MCNULTY:

2                   The job description and the ---

3                   COMMISSIONER GINTY:

4                   The job description.

5                   MS. MCNULTY:

6                   --- qualifications, yes, is posted on our  
7 website.

8                   CHAIRMAN COLINS:

9                   Okay. Thank you very much. Next is the  
10 OCC, Doug Sherman, please.

11                   MR. SHERMAN:

12                   Good afternoon, Chairman Colins and  
13 Members of the Board. Our first item today on the  
14 agenda relates to Proposed Regulations, which Director  
15 of Regulatory Review, Richard Sandusky, will address.

16                   MR. SANDUSKY:

17                   Good afternoon. The first Proposed  
18 Rulemaking we have for consideration is Proposed  
19 Regulation 125-94. This Proposed Rulemaking would  
20 amend existing provisions in Chapter 463a related to  
21 slot machine master lists. The amendments will create  
22 three distinct lists: The gaming floor slot machine  
23 master list, which lists all of the slot machines on  
24 the gaming floor; the restricted area off premises  
25 slot machine master list, which will contain all other

1 slot machines owned by the slot machine Licensee that  
2 are located elsewhere; and the third is the slot  
3 machine master list which will be used by entities  
4 that are authorized by the Board to possess slot  
5 machines in Pennsylvania.

6           For each of these lists, the rulemaking  
7 requires specific information about each of the slot  
8 machines which will be used by the Bureau of Gaming  
9 Laboratory Operations to monitor the use and storage  
10 of these machines. If the Board has any questions on  
11 this Proposed Rulemaking, we'd be happy to answer  
12 them. And if there are no questions, we'd ask for a  
13 motion to adopt the Proposed Rulemaking.

14           CHAIRMAN COLINS:

15           May I have a motion, please?

16           COMMISSIONER GINTY:

17           Yes, Madam Chairman. I move that the  
18 Board adopt Proposed Regulation Number 125-94 amending  
19 Chapters 461a and 463a and that the Board establish a  
20 public comment period of 30 days and that the Proposed  
21 Regulation be posted on the Board's website.

22           COMMISSIONER MCCABE:

23           Second.

24           CHAIRMAN COLINS:

25           All in favor?

1 AYES RESPOND

2 CHAIRMAN COLINS:

3 Opposed?

4 NO RESPONSE

5 CHAIRMAN COLINS:

6 Motion carries.

7 MR. SANDUSKY:

8 Thank you. The next regulation we have  
9 for Board consideration is Regulation 125-96. This  
10 Proposed Rulemaking amends existing provisions in  
11 various chapters of the Board's regulations and is  
12 designed to improve the clarity of our regulations and  
13 to modify existing requirements or add new  
14 requirements to enhance the Board's regulatory  
15 programs. Examples of the amendments include the  
16 addition of key control requirements for automated  
17 jackpot payout machines, clarifications to the  
18 provisions for waivers of requirements of Chapters  
19 461a or 465a to make it clear that those must be  
20 submitted as Petitions to the Board under Section  
21 493a.4. It also includes the delegation of the  
22 authority to approve merchandise jackpots to the  
23 Board's Executive Director and contains clarifying  
24 provisions on the approval process that's used for  
25 revisions to a slot machine licensee's internal

1 controls.

2                   Again, if the Board has any questions,  
3 we'll be happy to respond. Otherwise, we'd ask for a  
4 motion for adoption.

5                   CHAIRMAN COLINS:

6                   May I have a motion, please?

7                   COMMISSIONER MCCABE:

8                   Madam Chair, I move that the Board adopt  
9 the Proposed Regulation Number 125-96 amending  
10 Chapters 403a, 435a, 441a, 461a and 465a, that the  
11 Board establish a public comment period for 30 days  
12 and that the Proposed Regulation be posted on the  
13 Board's website.

14                   COMMISSIONER SOJKA:

15                   Second.

16                   CHAIRMAN COLINS:

17                   All in favor?

18 AYES RESPOND

19                   CHAIRMAN COLINS:

20                   Opposed?

21 NO RESPONSE

22                   CHAIRMAN COLINS:

23                   Motion carries.

24                   MR. SANDUSKY:

25                   The final regulation we have for

1 consideration is Regulation 125-97. This Proposed  
2 Rulemaking amends existing Section 437a.9, which  
3 relates to permission for vendors to conduct business  
4 prior to certification or registration. This  
5 rulemaking will add two new subsections that require a  
6 vendor who has been authorized to conduct business  
7 with a slot machine licensee, while the vendor's  
8 Application is still under review, to cease doing  
9 business with the slot machine licensee if the Office  
10 of Enforcement Counsel (OEC) issues a Notice of  
11 Recommendation for denial to the vendor. It also  
12 requires that the Bureau of Licensing will notify the  
13 slot machine licensee that it must cease doing  
14 business with the vendor applicant when a Notice of  
15 Recommendation of Denial has been issued. And this  
16 would remain in effect pending final disposition of  
17 the vendor's Application.

18 MR. SHERMAN:

19 Madam Chairman, the regulation which  
20 Richard has outlined and which is proposed for the  
21 Board's adoption today is an effort to tighten and  
22 clarify the regulation of certified vendors and  
23 announces one additional tool at the Board's disposal.

24 As you are aware, the Gaming Act does not  
25 specifically require licensing or permitting of

1 vendors or contractors who conduct business with slot  
2 machine licensees. Rather, the Board has been given  
3 the authority to promulgate regulations necessary for  
4 the administration of the Gaming Act including the  
5 review of those providing goods and services.  
6 Pursuant to that authority, the Board has previously  
7 promulgated Chapter 437a of the Board's regulations  
8 which govern and provide for a review process of  
9 vendors. I want to be clear that the development of  
10 those regulations was not performed in a vacuum, but  
11 instead took into account review of the Statutes and  
12 regulations of other gaming jurisdictions, as well as  
13 conversations with officials from those other  
14 jurisdictions to obtain background on the regulation  
15 of vendors and the practices and experience of other  
16 established jurisdictions.

17           That being said, I want to present to you  
18 that Staff is continually reviewing the regulatory  
19 processes employed by this agency on a daily basis.  
20 The real life experience of gaming regulation has been  
21 a great teacher. When staff sees that we can do  
22 something better, we suggest it, much like you have  
23 seen in the amendments proposed on the prior two  
24 regulatory packages and much like we see now on a  
25 regular basis at the Board's meetings.

1           This is one of those cases where we  
2 believe that we can make some changes and make the  
3 system better by tightening the procedures relative to  
4 work being conducted by vendors, and hence, the  
5 current amendment to clarify how those matters are  
6 treated by the Board as being presented today.

7           CHAIRMAN COLINS:

8           Any questions?

9           COMMISSIONER GINTY:

10           I have a couple. Doug, it may be helpful  
11 if we define some terms here.

12           MR. SHERMAN:

13           Sure.

14           COMMISSIONER GINTY:

15           This regulation has to do with a  
16 Non-gaming vendor?

17           MR. SHERMAN:

18           Correct.

19           COMMISSIONER GINTY:

20           Can you explain what a Non-gaming vendor  
21 is?

22           MR. SHERMAN:

23           Yes. Under our system of regulation for  
24 those who provide goods or services to a licensed  
25 facility, those entities which are providing gaming

1 related services, this is, that affect the integrity  
2 of slot machines or the security of slot machines that  
3 is related directly to the gaming enterprise, those  
4 entities are licensed as either suppliers or  
5 manufacturers by the Board. By licensing them in that  
6 category, they go through a very vigorous and  
7 extensive background investigation much like Key  
8 Employees, Principals or even slot machine licensees  
9 would undergo. So those gaming vendors per se are  
10 captured by a more extensive process.

11           When we talk about Non-gaming vendors,  
12 that's really what the registered and certified vendor  
13 process is directed to. Non-gaming vendors could be  
14 beverage suppliers, paper suppliers, landscapers,  
15 uniform suppliers, food suppliers, the people that  
16 bring --- from the local bakery that may bring  
17 pastries in for the morning breakfast or otherwise  
18 supply the buffets at casinos with food.

19           And again, I think it's self evident.  
20 That would also go to contractors would be either  
21 registered or certified vendors depending on ---  
22 construction contractors, that is, who would be  
23 building a casino. They're not engaged in actual  
24 gaming-related functions.

25                           COMMISSIONER GINTY:

1                   And there's a distinction between  
2 certified Non-gaming vendors and registered Non-gaming  
3 vendors. Could you explain that as well?

4                   MR. SHERMAN:

5                   Sure. The certified vendors are a  
6 category of, again, an entity which is providing those  
7 goods or services generally in an amount over \$200,000  
8 in a calendar year to a licensed facility. Now,  
9 again, that's the gross amount of the contract or the  
10 value of the goods or services they're providing.  
11 That's not the amount of their profit.

12                   For a certified vendor, they go, again,  
13 through an extensive background investigation  
14 including interview processes, fingerprinting, other  
15 checks by the Bureau of Investigation and Enforcement  
16 (BIE).

17                   A registered vendor is somebody who  
18 conducts business in an amount between \$15,000 and  
19 \$200,000. Again, they provide a form to the Bureau of  
20 Licensing identifying various factors about their  
21 business, their organization, their owners, their  
22 directors, managers. And certain database checks are  
23 done by BIE with respect to those vendors as well.

24                   COMMISSIONER GINTY:

25                   And it's my understanding now --- and

1 there was an article in the press some time ago that  
2 was wrong in terms of --- not all jurisdictions even  
3 require Non-gaming vendors to either be certified or  
4 registered; is that correct?

5 MR. SHERMAN:

6 That's absolutely correct. And that goes  
7 to the point I had made that in devising the  
8 regulations initially, Board Staff did reach out to  
9 other jurisdictions. Nevada, Missouri, West Virginia  
10 and Delaware do not license or otherwise register  
11 Non-gaming vendors at all. New Jersey, Louisiana and  
12 Michigan, like Pennsylvania, do go through a  
13 background investigation and certification process for  
14 the certified vendors. And for registered vendors,  
15 actually, our process is more extensive than what  
16 those other three states do. For instance, New  
17 Jersey, for a registered vendor, has a one-page form  
18 which simply identifies the name of the company,  
19 address and maybe the officers or owners and that  
20 would be ---.

21 COMMISSIONER GINTY:

22 Is there a reason we don't require a more  
23 extensive investigation of registered Non-gaming  
24 vendors?

25 MR. SHERMAN:

1 Well, I think it's twofold. Number one,  
2 the expense can get pretty costly. I think we have a  
3 \$500 fee for the application fee for a registered  
4 vendor plus the cost of any investigation. If you're  
5 talking to a vendor who has a \$15,000 to \$20,000 gross  
6 contract, their profit margin probably isn't too much.  
7 By the time they pay those fees, again, it costs ---  
8 cuts into the profit margin extensively. And that  
9 carries over to ---. One of the main goals of the Act  
10 is to encourage economic development. And one of the  
11 best ways that we can do that is through the  
12 encouragement of Pennsylvania small businesses to  
13 become suppliers and vendors for our casinos. And  
14 again, whether it's the local bakery or whether it's a  
15 landscaper or somebody bigger than that, those are  
16 local businesses with local jobs.

17 So the goal is to have an adequate  
18 regulatory process so that we know who's doing  
19 business with the casino. We can follow what  
20 disbursements are made to them and at the same time  
21 fulfill the goal of of the act of encouraging economic  
22 development.

23 COMMISSIONER GINTY:

24 It might be helpful if the public  
25 understood how we can, in fact, follow the money.

1 Could you take a minute to explain that?

2 MR. SHERMAN:

3 Sure. And again, I think we have to go  
4 back and --- I'm probably a little bit older than some  
5 people think, but I still don't remember the early  
6 days of Las Vegas. But we can all read the stories of  
7 experiences early in the history of this country with  
8 gaming where there weren't adequate controls over the  
9 amounts of money coming in or the disbursements, which  
10 led to allegations, and I assume, based on what I've  
11 read, some proven assertions that money laundering  
12 occurred with respect to vendors.

13 Where we're different than that is  
14 because the General Assembly and the Gaming Act set up  
15 a Central Control System computer, the Department of  
16 Revenue records every dollar into each casino. They  
17 also record every dollar going out. There is system  
18 in place in Pennsylvania unlike that found in the  
19 majority of jurisdictions, not only in this country,  
20 but elsewhere in the world, which builds  
21 accountability of the money into the system.

22 In addition --- and I should know this.  
23 It's either monthly or quarterly, the Bureau of  
24 Licensing and the various bureaus get quarterly --- I  
25 believe it's quarterly --- monthly reports of

1 disbursements by each licensed entity. Those get  
2 monitored. So there's a system in place to watch the  
3 money. We can tell, if you have a registered vendor,  
4 how much money is being paid to them on a regular  
5 basis. Obviously, if amounts increase suddenly, there  
6 would be cause to refer that to BIE for further  
7 investigation.

8 COMMISSIONER GINTY:

9 If the pizza delivery guy was getting a  
10 couple million bucks a month, that would raise a red  
11 flag somewhere?

12 MR. SHERMAN:

13 I would certainly hope so.

14 COMMISSIONER GINTY:

15 I guess one last question. How many  
16 applications does the staff handle?

17 MR. SHERMAN:

18 Over the course of the last two years  
19 since we really started implementing gaming, I believe  
20 the Bureau of Licensing has received, and this is  
21 total applications across all categories, about 22,000  
22 applications. With respect to vendors, I think that  
23 number --- certified entity vendor, registered entity  
24 vendor and the associated applicants to some of those  
25 vendors probably total somewhere in the neighborhood

1 of 2,400 applications during that time period.

2 COMMISSIONER GINTY:

3 Thank you.

4 COMMISSIONER SOJKA:

5 Can I just check one other quick thing?  
6 I think you mentioned it, but in both these registered  
7 and certified Non-gaming vendors, this process is not  
8 mandated or called for by the Statute under which we  
9 operate?

10 MR. SHERMAN:

11 Correct. The Statute does not address  
12 vendors. That is something left to the Board's  
13 discretion.

14 COMMISSIONER SOJKA:

15 And the Board presumably has added these  
16 things to provide more control and more oversight.  
17 That would then mean that disqualifiers, like for  
18 example, of a prior arrest or a felony or something  
19 would not be mandated by the --- by the Statute in  
20 this case; is that correct?

21 MR. SHERMAN:

22 I would agree with that, because vendors  
23 are not addressed in the Statute. And in this case, I  
24 want to make it clear that a crime committed by an  
25 individual, whether an owner or director or official

1 of a vendor, is not discounted, but rather, it's a  
2 factor to be considered by the Board as to  
3 suitability. And I think it's pretty clear that what  
4 --- the Board looks at those factors --- or those  
5 crimes in the context of how long ago was the crime,  
6 what was the nature of the crime, how old was the  
7 person, have they demonstrated rehabilitation, what  
8 good have they done since that time. Those are all  
9 factors that this Board takes into account all the  
10 time, not only in this context, but in others as well.

11 COMMISSIONER SOJKA:

12 That's fine. Thank you.

13 CHAIRMAN COLINS:

14 May I have a motion?

15 COMMISSIONER COY:

16 Madam Chair, I move the Board adopt the  
17 Proposed Regulation Number 125-97 amending Chapter  
18 437a, that the Board establish a public comment period  
19 of 30 days and that the Proposed Regulation be posted  
20 on the Board's website.

21 COMMISSIONER GINTY:

22 Second.

23 CHAIRMAN COLINS:

24 All in favor?

25 AYES RESPOND

1                   CHAIRMAN COLINS:

2                   Opposed?

3 NO RESPONSE

4                   CHAIRMAN COLINS:

5                   Motion carries.

6                   MR. SHERMAN:

7                   The next matter before the Board is the  
8 Petition of the Mount Airy Trustee which seeks  
9 approval of a protocol for payments to be made by  
10 Louis DeNaples for capital improvements authorized by  
11 the Trustee to be performed at Mount Airy. This  
12 Petition was heard by the Board earlier today during  
13 the public hearing. The Board has had the opportunity  
14 to engage in quasi-judicial deliberations during  
15 Executive Session as authorized by the Sunshine Act.  
16 The record is closed and the matter is now ripe for  
17 the Board's consideration.

18                   CHAIRMAN COLINS:

19                   May I have a motion, please?

20                   COMMISSIONER SOJKA:

21                   Madam Chair, could I offer the following  
22 amendment before we consider that?

23                   CHAIRMAN COLINS:

24                   Amendment to?

25                   COMMISSIONER SOJKA:

1 To the Petition.

2 CHAIRMAN COLINS:

3 All right.

4 COMMISSIONER SOJKA:

5 Because the motion --- as I understand  
6 it, the motion is to accept the Petition since it's  
7 ready.

8 CHAIRMAN COLINS:

9 Very good.

10 COMMISSIONER SOJKA:

11 And so I would --- I'm not quite ready to  
12 accept that without the following motion. So I would  
13 offer the following motion. Should Louis DeNaples  
14 fail to fund any project ---.

15 CHAIRMAN COLINS:

16 Is this a condition?

17 COMMISSIONER SOJKA:

18 This would be a condition ---

19 CHAIRMAN COLINS:

20 A motion with an additional condition.

21 COMMISSIONER SOJKA:

22 --- to be added to the lists of  
23 conditions read by Ms. Davenport earlier when she  
24 presented them.

25 CHAIRMAN COLINS:

1                   Okay. Very good.

2                   COMMISSIONER SOJKA:

3                   So it would read as follows, should Louis  
4 DeNaples fail to fund any project presented to him by  
5 the Trustee pursuant to this amended protocol, the  
6 Trustee is directed to return to the Board, report  
7 such, and all expenditures from the account shall  
8 cease until specific approval is received from the  
9 Board.

10                  CHAIRMAN COLINS:

11                  So then your motion would be to adopt ---  
12 to approve the Petition with the conditions offered by  
13 Enforcement Counsel in addition and add that condition  
14 as well; is that correct?

15                  COMMISSIONER SOJKA:

16                  Well, I think we need to --- wouldn't we  
17 need to first of all accept that amendment and then  
18 look at the --- at the issue of accepting it, or can  
19 we do it in that fashion?

20                  CHAIRMAN COLINS:

21                  I think we can do it by a motion to adopt  
22 the Petition and to also adopt the ---.

23                  COMMISSIONER SOJKA:

24                  Simultaneous.

25                  CHAIRMAN COLINS:

1 Right, also adopt the conditions offered  
2 by Enforcement Counsel and add to those conditions the  
3 one that you've just cited for the record.

4 COMMISSIONER SOJKA:

5 So I would then offer that.

6 CHAIRMAN COLINS:

7 Okay. Very good.

8 COMMISSIONER ANGELI:

9 Second.

10 CHAIRMAN COLINS:

11 All in favor?

12 AYES RESPOND

13 CHAIRMAN COLINS:

14 Opposed?

15 NO RESPONSE

16 CHAIRMAN COLINS:

17 Motion carries. Thank you.

18 MR. SHERMAN:

19 Additionally, related to the Petition of  
20 the Mount Airy Trustee, on December 5th, Mount Airy  
21 filed a motion to maintain confidentiality of the  
22 Petition Exhibit A, which is represented as containing  
23 privileged and confidential financial information.  
24 The OEC filed an Answer to the motion and did not  
25 object to the relief requested. That matter also is

1 ready for the Board's consideration.

2 COMMISSIONER ANGELI:

3 Madam Chairman, I move the Board approve  
4 the motion of Mount Airy #1, LLC seeking a Protective  
5 Order as described by the OCC.

6 COMMISSIONER COY:

7 Second.

8 CHAIRMAN COLINS:

9 All in favor?

10 AYES RESPOND

11 CHAIRMAN COLINS:

12 Motion carries.

13 MR. SHERMAN:

14 Next on the agenda are withdrawals of  
15 Principals and Key Employees presented by Deputy Chief  
16 Counsel Steve Cook.

17 MR. COOK:

18 Good afternoon. The Board has received  
19 11 unopposed Petitions to withdraw applications or  
20 surrender Certifications, which include 21 total  
21 withdrawals or surrenders consisting of four Key  
22 Employees, 11 Principals, three Principal Affiliates,  
23 one Principal Renewal Application, one Pennsylvania  
24 Personal History Disclosure Application associated  
25 with a certified vendor and one surrender of a vendor

1 Registration. The OEC has no objection to these  
2 withdrawals or surrenders, and all but one of these  
3 withdrawals or surrenders, and I will note which one,  
4 would be without prejudice.

5           The 21 withdrawals are as follows.  
6 Relative to Key Employees, Kathleen Caracciolo, Joseph  
7 Marut, that would be the withdrawal with prejudice.  
8 He was the Director of Security, I believe, at Mount  
9 Airy. James Masone, Amy Stetser. Those were the Key  
10 Employees. The 11 Principals are John Scott Bennett,  
11 Cara Lea Brown, Patrick Cruzen, Barry Elmore, Michael  
12 Flowers, Burgess Hicks, Samuel Marshall, Kirk Saylor,  
13 Andrew Warhola, Abuhassanali Young and Beatrice  
14 Turner. The Principal Affiliates are Majestic Holdco,  
15 LLC, Majestic Star Casino, LLC and PITG Gaming Holdco,  
16 LLC. The Principal Renewal Application being  
17 withdrawn is that of Michael Ciaccio. The  
18 Pennsylvania Personal History Disclosure being  
19 withdrawn is that of Dennis Radcliff, who was a  
20 Principal with JC Erlich, a certified vendor. And  
21 finally, the vendor Registration surrender is that of  
22 Eatec Corporation.

23           The OCC submits these 11 Petitions  
24 consisting of 21 withdrawals or surrenders to the  
25 Board for consideration of a motion to grant the

1 relief requested by the Petitions.

2 COMMISSIONER COY:

3 Madam Chair, I move the Board issue  
4 Orders to approve the withdrawals or surrenders as  
5 described by the OCC.

6 CHAIRMAN COLINS:

7 May I have a second?

8 COMMISSIONER GINTY:

9 Second.

10 CHAIRMAN COLINS:

11 All in favor?

12 AYES RESPOND

13 CHAIRMAN COLINS:

14 Opposed?

15 NO RESPONSE

16 CHAIRMAN COLINS:

17 Motion carries.

18 MR. COOK:

19 Next before the Board for consideration  
20 are four reports and recommendations received from the  
21 Office of Hearings and Appeals (OHA) relative to  
22 persons employed in positions requiring Non-Gaming  
23 Registrations or Gaming Employee Permits. These  
24 reports and recommendations, along with the  
25 evidentiary record for each hearing, have been

1 provided to the Board in advance of this meeting.

2           Additionally, in each case, the Applicant  
3 has been notified that the Board is considering his or  
4 her Report and Recommendation today and that he or she  
5 has the right to be present to address the Board. If  
6 any of the individuals named are present today, they  
7 should come forward when their name is announced.

8           The first Report and Recommendation  
9 pertains to Michael Crawford. Mr. Crawford holds a  
10 Gaming Employee Permit and was employed as a Marketing  
11 Service Agent at Hollywood Casino. On September 15th,  
12 2008, the Pennsylvania State Police notified the BIE  
13 that Mr. Crawford had been charged with a number of  
14 drug-related offenses which included at least one  
15 felony charge.

16           As a result of these charges, Mr.  
17 Crawford's Permit was suspended on September 22nd,  
18 2008 by an Emergency Order signed by the PGCB's Acting  
19 Executive Director, Frank Donaghue. Pursuant to the  
20 Board's regulations, Mr. Crawford requested an  
21 informal hearing which was held on September 26th,  
22 2008. Mr. Crawford appeared at the hearing, admitting  
23 to having the pending charges, including the pending  
24 felony. At the close of that hearing, the Hearing  
25 Officer found sufficient cause to continue the

1 emergency suspension.

2           Thereafter, on September 30th, 2008, the  
3 Board Ordered the OHA to conduct a hearing on the  
4 validity of the Temporary Emergency Order and issue a  
5 Report and Recommendation.

6           Before the Board today for consideration  
7 is the Report and Recommendation of the OHA. That  
8 report recommends that the Board issue an Order  
9 continuing the emergency suspension of Mr. Crawford  
10 until such time as the criminal charges pending  
11 against him are disposed of. The OCC suggested it  
12 would now be appropriate to consider a motion to  
13 accept this Report and Recommendation.

14                   CHAIRMAN COLINS:

15                   May I have a motion?

16                   COMMISSIONER GINTY:

17                   Madam Chairman, I move that the Board  
18 issue an Order to adopt the Report and Recommendation  
19 of the OHA to continue the emergency suspension of  
20 Michael Crawford's Gaming Employee Permit.

21                   CHAIRMAN COLINS:

22                   May I have a second?

23                   COMMISSIONER MCCABE:

24                   Second.

25                   CHAIRMAN COLINS:

1 All in favor?

2 AYES RESPOND

3 CHAIRMAN COLINS:

4 Motion carries.

5 MR. COOK:

6 The next Report and Recommendation before  
7 the Board is that of Victoria Wendt, who was the  
8 holder of a Gaming Employee Permit and who was  
9 employed as a Cage Cashier at Philadelphia Park since  
10 November 26th --- I have 2008 in my notes.  
11 Unfortunately, that must be incorrect. It must have  
12 been a prior year or two. But she was previously  
13 employed at Philadelphia Park.

14 On January 8th, 2008, Ms. Wendt submitted  
15 her Renewal Application indicating that there was no  
16 change in her status with respect to any outstanding  
17 tax liabilities as indicated in her original  
18 application. Notwithstanding that fact, when  
19 contacted by Gaming Control Board Staff, the  
20 Pennsylvania Department of Revenue informed PGCB Staff  
21 that Ms. Wendt was in noncompliant status for failure  
22 to file personal income tax returns for the years 2004  
23 and 2005.

24 As a result, the OEC issued a Notice of  
25 Recommendation of Denial to Ms. Wendt on May 16th,

1 2008 and informed her of her right to request a  
2 hearing. Ms. Wendt did request a hearing which was  
3 held on June 19th, 2008. Despite requesting that  
4 hearing, Ms. Wendt failed to appear and the hearing  
5 was held in absentia.

6           Thereafter, the OHA issued a Report and  
7 Recommendation recommending that Ms. Wendt's  
8 application be denied, citing Section 1308(b) of the  
9 Gaming Act, which requires that any unpaid taxes  
10 identified on a tax lien certificate be paid before  
11 the application could be considered complete.

12           The OCC, however, suggests that, while it  
13 is appropriate for Ms. Wendt's application to be  
14 denied, the denial should be based upon her failure to  
15 fully and accurately disclose her tax delinquencies  
16 rather than as to a violation of Section 1308 of the  
17 Gaming Act. Given the OCC's position, should the  
18 Board agree with it, it would be appropriate to  
19 entertain a motion rejecting the Report and  
20 Recommendation of the OHA, but accepting the  
21 recommendation --- rejecting the report, I'm sorry,  
22 but accepting the recommendation and, thereafter,  
23 issuing an adjudication supporting the decision based  
24 upon Ms. Wendt's failure to disclose her tax  
25 delinquencies.

1                   CHAIRMAN COLINS:

2                   May I have a motion?

3                   COMMISSIONER MCCABE:

4                   Yes, Madam Chair. I move that the Board  
5 issue an Order to reject the report, but accept the  
6 recommendation of the OHA and deny the renewal  
7 application for Victoria Wendt's Gaming Employee  
8 Permit on the basis described by the OCC.

9                   COMMISSIONER RIVERS:

10                  Second.

11                  CHAIRMAN COLINS:

12                  All in favor?

13 AYES RESPOND

14                  CHAIRMAN COLINS:

15                  Motion carries.

16                  MR. COOK:

17                  The next Report and Recommendation is  
18 that of Nicholas Meenan. On April 28th, 2008,  
19 Nicholas Meenan submitted a Non-Gaming Employee  
20 Registration to work as a cook at Philadelphia Park.

21                  The BIE issued a Notice of Recommendation  
22 of Denial to Mr. Meenan on May 6th, 2008. Mr. Meenan  
23 requested a hearing, which was held on June 19th,  
24 2008. The OHA thereafter issued a Report and  
25 Recommendation recommending that Mr. Meenan be issued

1 a Non-Gaming Employee Registration. However, at the  
2 August 29th, 2008 meeting of the Board, the Board  
3 rejected the Report and Recommendation and remanded  
4 the matter back to Hearings and Appeals for further  
5 proceedings.

6 A second hearing was conducted on October  
7 7th, 2008 in which Mr. Meenan appeared via  
8 videoconference. During that hearing, additional  
9 information was received regarding Mr. Meenan's  
10 eligibility and suitability to hold a Non-Gaming  
11 Employee Registration. Additionally, the Hearing  
12 Officer assigned the matter undertook additional legal  
13 research supporting his findings, and the OHA issued a  
14 second Report and Recommendation recommending that Mr.  
15 Meenan be approved and issued his registration.

16 The OCC, having reviewed the complete  
17 record and legal issues raised in this matter, now  
18 concurs in the findings of the Hearing Officer and  
19 recommends that the Board accept the Report and  
20 Recommendation. It would be appropriate at this time  
21 for the Board to consider a motion accepting the  
22 Report and Recommendation.

23 CHAIRMAN COLINS:

24 Very good. Thank you. May I have a  
25 motion?

1                   COMMISSIONER RIVERS:

2                   Yes. Madam Chairman, I move that the  
3 Board issue an Order to adopt the Report and  
4 Recommendation of the OHA to approve the Non-Gaming  
5 Employee Registration of Nicholas Meenan as described  
6 by the OCC.

7                   COMMISSIONER SOJKA:

8                   Second.

9                   CHAIRMAN COLINS:

10                  All in favor?

11 AYES RESPOND

12                  CHAIRMAN COLINS:

13                  Motion carries.

14                  MR. COOK:

15                  The final Report and Recommendation  
16 before the Board today is that of William Prather.  
17 Mr. Prather submitted a Non-Gaming Employee  
18 Registration Application on August 21st, 2008 seeking  
19 to work as a public area cleaner at Hollywood Casino.

20                  During the BIE's background  
21 investigation, it was discovered that although Mr.  
22 Prather disclosed that he had been arrested and  
23 convicted of possessing drug paraphernalia, he failed  
24 to disclose seven prior --- seven other arrests, six  
25 of which resulted in convictions. Additionally, Mr.

1 Prather failed to cooperate with the Board during its  
2 investigation. Upon receiving notice of his  
3 recommendation for denial for Non-Gaming Employee  
4 Registration, Mr. Prather requested a hearing, which  
5 was held on October 22nd, 2008, in absentia.

6 As a result of that hearing, the OHA  
7 issued a Report and Recommendation recommending the  
8 denial of Mr. Prather's Non-Gaming Employee  
9 Application. This matter is now ripe for the Board's  
10 consideration.

11 CHAIRMAN COLINS:

12 May I have a motion, please?

13 COMMISSIONER SOJKA:

14 Yes, Madam Chairman. I move that the  
15 Board issue an Order to adopt the Report and  
16 Recommendation of the OHA to deny the Non-Gaming  
17 Employee Registration for William Prather as described  
18 by the OCC.

19 COMMISSIONER ANGELI:

20 Second.

21 CHAIRMAN COLINS:

22 All in favor?

23 AYES RESPOND

24 CHAIRMAN COLINS:

25 Opposed?

1 NO RESPONSE

2 CHAIRMAN COLINS:

3 Motion carries.

4 MR. SHERMAN:

5 That concludes the report of the OCC.

6 CHAIRMAN COLINS:

7 Thank you very much.

8 COMMISSIONER GINTY:

9 Doug, I have a question for you. Could  
10 you give us an update on the Category 3 applications?

11 MR. SHERMAN:

12 At present, the record has been closed on  
13 those matters. All briefing has occurred and the  
14 matter is before the Board for consideration at the  
15 Board's convenience.

16 COMMISSIONER GINTY:

17 Madam Chairman, this isn't in the nature  
18 of a motion or anything, but I would ask that those  
19 applications be brought before the Board for decision  
20 as soon as possible.

21 CHAIRMAN COLINS:

22 Well, we have a Board meeting, I think  
23 it's January 21st, so absent the need to do anything  
24 else on it or absent anything intervening, we will ---  
25 that would be the next available date and we'll

1 schedule it then. All right. Thank you.

2 COMMISSIONER COY:

3 Madam Chair?

4 CHAIRMAN COLINS:

5 Yes.

6 COMMISSIONER COY:

7 Having just heard that, I appreciate  
8 that. I think I would like to request of Chief  
9 Counsel or the Executive Director two matters at least  
10 before I'm prepared to consider the Category 3  
11 Applications. I'd like to have a complete report on  
12 the status of the two Category 2 Licenses in the City  
13 of Philadelphia. I think they bear directly on a  
14 decision about Category 3, and I'd like the Board to  
15 have a complete report on where they are, when the  
16 Board might expect action on the part of those two  
17 licenses before proceeding. Second --- and this isn't  
18 a motion either. Secondly, I'd like a legal opinion  
19 from Chief Counsel on the status of the Category 3  
20 application should the Board deny the application  
21 either on eligibility or suitability grounds.

22 CHAIRMAN COLINS:

23 Status in what way? Whether or not  
24 that's a --- it's with prejudice? Whether or not it's  
25 final?

1                   COMMISSIONER COY:

2                   Whether or not the application remains  
3 intact as a continuing application or whether it is  
4 denied and denied finally.

5                   CHAIRMAN COLINS:

6                   Okay. Whether they could come back or  
7 not come back. All right. And I'll ask the Executive  
8 Director and Chief Counsel to prepare that and submit  
9 them to the Board. Thank you. Thank you very much.

10                  MS. HENSEL:

11                  Thank you, Chairman Colins and Members of  
12 the Board. I have several licensing matters before  
13 the Board this afternoon. The first matter for your  
14 consideration are Principal Licenses and Waivers.

15                  Prior to this meeting, the Bureau of  
16 Licensing provided you with a Proposed Order for three  
17 Principal Licenses and two Waivers. I ask that the  
18 Board consider the Order granting these Licenses and  
19 Waivers.

20                  CHAIRMAN COLINS:

21                  Very good. Thank you. May I have a  
22 motion?

23                  COMMISSIONER COY:

24                  Madam Chair, I move the Board issue an  
25 Order to approve the issuance of the Principal and Key

1 Employee Licenses described by the Director of the  
2 Bureau of Licensing.

3 COMMISSIONER GINTY:

4 Second.

5 MS. HENSEL:

6 Just a point of clarification, it's  
7 Principals and Waivers. That may not have been  
8 communicated to you. I just want to make sure the  
9 motion is clear.

10 CHAIRMAN COLINS:

11 Okay. Thank you.

12 COMMISSIONER COY:

13 My mistake.

14 MS. HENSEL:

15 It was probably our mistake. I'm sure it  
16 was our mistake.

17 COMMISSIONER COY:

18 We'll share the burden.

19 CHAIRMAN COLINS:

20 Okay. Then the motion incorporates that;  
21 correct? And there's a second. All in favor?

22 AYES RESPOND

23 CHAIRMAN COLINS:

24 Opposed?

25 NO RESPONSE

1                   CHAIRMAN COLINS:

2                   Motion carries.

3                   MS. HENSEL:

4                   Next, the Bureau of Licensing provided  
5 you with an Order regarding the issuance of Temporary  
6 Key Employee Licenses to 21 individuals. I ask that  
7 the Board consider the Order approving these Licenses.

8                   CHAIRMAN COLINS:

9                   May I have a motion?

10                  COMMISSIONER GINTY:

11                  Madam Chairman, I move that the Board  
12 issue an Order to approve the issuance of Temporary  
13 Key Employee Licenses as described by the Bureau of  
14 Licensing.

15                  COMMISSIONER MCCABE:

16                  Second.

17                  CHAIRMAN COLINS:

18                  All in favor?

19 AYES RESPOND

20                  CHAIRMAN COLINS:

21                  Opposed?

22 NO RESPONSE

23                  CHAIRMAN COLINS:

24                  Motion carries.

25                  MS. HENSEL:

1                   Next are gaming and Non-Gaming Permits  
2 and Registrations. Prior to this meeting, the Bureau  
3 of Licensing provided you with a list of 244  
4 individuals who the Bureau has granted Occupation  
5 Permits to and 114 individuals who the Bureau has  
6 granted registrations to under the authority delegated  
7 to the Director of Licensing. I ask that the Board  
8 adopt a motion approving the Order.

9                   CHAIRMAN COLINS:

10                   May I have a motion?

11                   COMMISSIONER MCCABE:

12                   Madam Chair, I move that the Board issue  
13 an Order to approve the issuance of Gaming and  
14 Non-Gaming Permits and Registrations as described by  
15 the Bureau of Licensing.

16                   COMMISSIONER RIVERS:

17                   Second.

18                   CHAIRMAN COLINS:

19                   All in favor?

20 AYES RESPOND

21                   CHAIRMAN COLINS:

22                   Opposed?

23 NO RESPONSE

24                   CHAIRMAN COLINS:

25                   Motion carries.

1                   MS. HENSEL:

2                   In addition, we have recommendations of  
3 denials for three Non-Gaming Employee Applications.  
4 Prior to this meeting, the Bureau of Licensing  
5 provided you with Orders addressing each of the  
6 individual Non-Gaming Applicants whom the BIE has  
7 recommended for denial. In each case, the Applicant  
8 failed to request a hearing within the specified time  
9 period. I ask that the Board consider the Order  
10 denying the Non-Gaming Applicants.

11                   CHAIRMAN COLINS:

12                   May I have a motion?

13                   COMMISSIONER RIVERS:

14                   Yes. Madam Chairman, I move that the  
15 Board issue an Order to adopt --- excuse me, to  
16 approve the denial of Gaming and Non-Gaming Employee  
17 Permits and Registrations as described by the Bureau  
18 of Licensing.

19                   COMMISSIONER SOJKA:

20                   Second.

21                   CHAIRMAN COLINS:

22                   All in favor?

23 AYES RESPOND

24                   CHAIRMAN COLINS:

25                   Opposed?

1 NO RESPONSE

2 CHAIRMAN COLINS:

3 Motion carries.

4 MS. HENSEL:

5 We also have withdrawal requests for  
6 Gaming and Non-Gaming Employees. Earlier this year,  
7 the Board delegated authority to the Director of  
8 Licensing to approve routine Gaming and Non-Gaming  
9 Employee withdrawal requests provided the Director  
10 regularly presents a list of the withdrawals to the  
11 Board for approval. Typically, these withdrawal  
12 requests concern circumstances where a job offer was  
13 rescinded, the employee failed to report to work or  
14 the employee accepted a job with a different employer.  
15 In each case, the occupation Permit or Registration is  
16 no longer required. For today's meeting, I have  
17 provided the Board with a list of 74 withdrawals for  
18 approval. I ask that the Board consider the Order  
19 approving the list of withdrawals.

20 COMMISSIONER SOJKA:

21 Madam Chairman, I move that the Board  
22 issue an Order to approve the withdrawal of  
23 applications for Non-Gaming and Gaming Employee  
24 Permits and Registrations as just described by the  
25 Bureau of Licensing.

1                   COMMISSIONER ANGELI:

2                   Second.

3                   CHAIRMAN COLINS:

4                   All in favor?

5 AYES RESPOND

6                   CHAIRMAN COLINS:

7                   Opposed?

8 NO RESPONSE

9                   CHAIRMAN COLINS:

10                  Motion carries.

11                  MS. HENSEL:

12                  Finally, we have three Orders regarding  
13 vendors. The first is to certify the following  
14 vendors, Alvin H. Butz, Inc., Apex Services,  
15 Incorporated, Cummins-Allison Corporation, Duggan &  
16 Marcon, Inc., Giffin Interiors and Fixtures, Inc.,  
17 Lighthouse Electric Company, Inc., TC Millwork, Inc.  
18 and Yardmaster, Inc. I ask that the Board approve the  
19 vendors for Certification.

20                  COMMISSIONER ANGELI:

21                  Madam Chairman, I move that the Board  
22 issue an Order to approve the applications for vendor  
23 Certification as described by the Bureau of Licensing.

24                  COMMISSIONER COY:

25                  Second.

1                   CHAIRMAN COLINS:

2                   All in favor?

3 AYES RESPOND

4                   CHAIRMAN COLINS:

5                   Opposed?

6 NO RESPONSE

7                   CHAIRMAN COLINS:

8                   Motion carries.

9                   MS. HENSEL:

10                  Next the Bureau of Licensing provided you  
11 with an Order and an attached list of 41 registered  
12 vendors. I ask that the Board adopt a motion  
13 approving the Order registering these vendors.

14                  COMMISSIONER COY:

15                  So moved.

16                  CHAIRMAN COLINS:

17                  May I have a second?

18                  COMMISSIONER GINTY:

19                  Second.

20                  CHAIRMAN COLINS:

21                  All in favor?

22 AYES RESPOND

23                  CHAIRMAN COLINS:

24                  Opposed?

25 NO RESPONSE

1                   CHAIRMAN COLINS:

2                   Motion carries.

3                   MS. HENSEL:

4                   The Bureau of Licensing also provided you  
5 with nine Orders, the approval of which would result  
6 in the following vendors being added to the Prohibited  
7 Vendors lists, Ace Marketing and Promotions, Inc.,  
8 Advantage One Corporation, Aceline (phonetic), Inc.,  
9 Autovalet Systems USA, LLC, Catalano Rigging Company,  
10 Hillyard, Inc., Hygeia Paper Company, The Colibri  
11 Group, Inc. and World of Chantilly.com. These vendors  
12 have done business with a Slot Machine Operator,  
13 Licensee or Applicant but have failed to complete  
14 their applications. Once on the Prohibited Vendors  
15 list, no slot machine licensee or Applicant may do  
16 business with the vendor. I ask that the Board  
17 consider the Orders adding the named vendors to the  
18 Prohibited Vendors list.

19                   CHAIRMAN COLINS:

20                   May I have a motion?

21                   COMMISSIONER GINTY:

22                   So moved.

23                   COMMISSIONER MCCABE:

24                   Second.

25                   CHAIRMAN COLINS:

1 All in favor?

2 AYES RESPOND

3 CHAIRMAN COLINS:

4 Opposed?

5 NO RESPONSE

6 CHAIRMAN COLINS:

7 Motion carries.

8 MS. HENSEL:

9 That concludes the Bureau of Licensing  
10 presentation.

11 CHAIRMAN COLINS:

12 Thank you very much.

13 MR. PITRE:

14 OEC has two revocations for the Board's  
15 consideration today. Katie Higgins will be presenting  
16 both of those.

17 CHAIRMAN COLINS:

18 Very good. Thank you.

19 MS. HIGGINS:

20 Good afternoon. On September 23rd, 2008,  
21 the OEC filed an enforcement action complaint seeking  
22 the revocation of the Non-Gaming Registration of Jason  
23 Grimes. The complaint alleges that Mr. Grimes, a  
24 concession attendant at Mohegan Sun Casino, sold food  
25 to a patron and then took the money from the sale and

1 placed it into his pants pocket. When questioned  
2 about the incident by Mohegan Sun's Director of  
3 Security, Grimes admitted to stealing.

4           The complaint was sent via certified mail  
5 on September 23rd, 2008. However, it was returned to  
6 the OEC on October 16th as unclaimed. The complaint  
7 was then sent a second time via U.S. Mail on October  
8 17th, 2008, and as of today's date, has not been  
9 returned. The complaint was sent to the address  
10 provided by Mr. Grimes on his original application.  
11 And because he has failed to respond to the complaint  
12 within 20 days, all facts alleged are deemed admitted.

13           At this time, we would ask that Jason  
14 Grimes' Non-Gaming Registration be revoked.

15           CHAIRMAN COLINS:

16           May I have a motion?

17           COMMISSIONER RIVERS:

18           So moved.

19           COMMISSIONER SOJKA:

20           Second.

21           CHAIRMAN COLINS:

22           All in favor?

23 AYES RESPOND

24           CHAIRMAN COLINS:

25           Opposed?

1 NO RESPONSE

2 CHAIRMAN COLINS:

3 Motion carries.

4 MS. HIGGINS:

5 The second enforcement action today is  
6 that of Laura Williams. On October 23rd, 2008 the OEC  
7 filed an enforcement action complaint seeking the  
8 revocation of the Non-Gaming Registration of Laura  
9 Williams.

10 The complaint alleges that on September  
11 13, 2008 Ms. Williams was charged by the Pennsylvania  
12 State Police with theft of services. The charge  
13 stemmed from an incident where Ms. Williams, who is  
14 employed as a beverage server at Mohegan Sun Casino,  
15 knowingly served her boyfriend complimentary drinks  
16 while he used another patron's elite card in order to  
17 obtain those drinks.

18 The complaint was sent via certified mail  
19 on October 23rd, 2008 and was received by Ms. Williams  
20 on October 24th. Ms. Williams has failed to respond  
21 to the complaint within 20 days and, therefore,  
22 pursuant to Board regulations, all facts alleged are  
23 deemed admitted.

24 At this time, the OEC would ask that Ms.  
25 Williams' Non-Gaming Registration be revoked.

1 COMMISSIONER SOJKA:

2 So moved.

3 COMMISSIONER ANGELI:

4 Second.

5 CHAIRMAN COLINS:

6 Favor?

7 AYES RESPOND

8 CHAIRMAN COLINS:

9 Opposed?

10 NO RESPONSE

11 CHAIRMAN COLINS:

12 Motion carries.

13 MS. PITRE:

14 That concludes our business. Happy  
15 holidays to the Board.

16 CHAIRMAN COLINS:

17 Thank you. All right. We had advertised  
18 this meeting --- as a meeting --- where there would be  
19 a public comment period, but as I understand, there  
20 have been no individuals who have registered to speak  
21 today. So we will adjourn. This concludes the  
22 meeting. The next public meeting will be on January  
23 21st, 2009, Keystone Building, Hearing Room Number  
24 One. The meeting will begin at 11:00. Any motion to  
25 adjourn?

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COMMISSIONER RIVERS:

So moved.

CHAIRMAN COLINS:

Second? Okay. All in favor.

AYES RESPOND

CHAIRMAN COLINS:

Thank you.

\* \* \* \* \*

HEARING CONCLUDED AT 4:00 P.M.

\* \* \* \* \*