

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC MEETING

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BEFORE: WILLIAM H. RYAN, JR., CHAIRMAN
Gregory C. Fajt; Anmarie Kaiser; Keith R.
McCall; John J. McNally, III; Anthony C.
Moscato; David W. Woods; Members
Jennifer Langan, representing State
Treasurer Robert M. McCord
Robert Coyne, representing Secretary of the
Department of Revenue Daniel Meuser
Matthew Meals, representing Secretary
of the Department of Agriculture George
Greig

HEARING: Wednesday, May 21, 2014, 10:03 a.m.

LOCATION: Pennsylvania Gaming Control Board
Strawberry Square Complex
Second Floor
Harrisburg, PA 17101

Reporter: Cynthia Piro Simpson

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OFFICE OF CHIEF COUNSEL

STEPHEN S. COOK, ESQUIRE

Chief Counsel

SUSAN YOCUM, ESQUIRE

Assistant Chief Counsel

OFFICE OF ENFORCEMENT COUNSEL

CYRUS PITRE, ESQUIRE

Chief Enforcement Counsel

CASSANDRA FENSTERMAKER, ESQUIRE

Assistant Enforcement Counsel

MICHAEL ROLAND, ESQUIRE

Assistant Enforcement Counsel

JEFFREY HOEFLICH, ESQUIRE

Assistant Enforcement Counsel

Pennsylvania Gaming Control Board

P.O. Box 69060

Harrisburg, PA 17106-9060

Counsel for the Pennsylvania Gaming Control Board

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A P P E A R A N C E S (cont'd)

WILLIAM J. DOWNEY, III, ESQUIRE

Fox Rothschild, LLP

Midtown Building, Suite 400

1301 Atlantic Avenue

Atlantic City, NJ 08401-7212

Counsel for Chester Downs and Marina, LLC

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CHAIRMAN:

Good morning, ladies and gentlemen. My name is Bill Ryan, Chairman of the Pennsylvania Gaming Control Board. Before we begin, I would ask everyone to please turn off or at least put on silent your cell phones and other electronic devices. Thank you very much. With us today is Jennifer Langan, representing State Treasurer, Robert McCord; Bob Coyne, representing the Secretary of Department of Revenue, Dan Meuser; and Matt Meals, representing the Secretary of Agriculture, George Greig. Thank you all for being here today.

All the members of the Board are present and I would therefore call today's meeting to order. First, I will ask everyone to stand for the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE RECITED

CHAIRMAN:

Thank you. Ladies and gentlemen, the Board held an Executive Session on April 30th to deliberate concerning the Category 2 License available for the City of Philadelphia. Yesterday, May 20th, the Board held an Executive Session for the purpose of

1 discussing personnel matters, potential litigation
2 involving the Board and to conduct quasi-judicial
3 deliberations relating to matters being considered by
4 the Board today.

5 Next, I would ask consideration of a
6 motion to approve the minutes and transcript of the
7 April 9th meeting. May I have such a motion?

8 MR. WOODS:

9 Mr. Chairman, I move that the Board
10 approve the minutes and transcript of the April 9th,
11 2014 meeting.

12 MR. FAJT:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL SAY AYE

17 CHAIRMAN:

18 Opposed? The motion carries. Next we
19 will hear from our Director of Human Resources, Claire
20 Yantis. Good morning, Claire.

21 MS. YANTIS:

22 Good morning, Chairman, members of the
23 Board. The Office of Human Resources has one motion
24 for your consideration today relative to the hiring of
25 four individuals. First, Ms. Brandi Wertz has been

1 selected for the position of Administrative Assistant
2 in the Bureau of Licensing and has been recommended
3 for hire by Director of Licensing Susan Hensel.

4 Next, Mr. Albert McConnell, Mr. Alex
5 Buligon and Ms. Amanda Pedregon have been selected as
6 Casino Compliance Representatives. Mr. McConnell will
7 be located at the Sands Casino, Mr. Buligon will be
8 located at Harrah's, and Ms. Pedregon will be located
9 at Mount Airy. All three individuals have been
10 recommended for hire by Director of Casino Compliance
11 Jerry Stoll.

12 Ms. Wertz, Mr. McConnell, Mr. Buligon
13 and Ms. Pedregon have completed the PGCB interview
14 process, background investigation and drug screening,
15 and are ready for your consideration. Unless you have
16 any questions, I ask that the Board consider a motion
17 to hire these individuals as indicated.

18 CHAIRMAN:

19 Any questions or comments from the
20 Board? Ex-officio members? May I have a motion?

21 MR. FAJT:

22 Mr. Chairman, I move that the Board
23 approve the Applicants as proposed, as the necessary
24 background checks and drug testing have been
25 successfully completed.

1 MS. KAISER:

2 Second.

3 CHAIRMAN:

4 All in favor?

5 ALL SAY AYE

6 CHAIRMAN:

7 Opposed? The motion carries.

8 MS. YANTIS:

9 Thank you.

10 CHAIRMAN:

11 Thank you, Claire. Okay. Next, we will
12 hear from Deputy Chief Counsel, Steve Cook and Susan
13 Yocum. Good morning.

14 ATTORNEY COOK:

15 Good morning, Mr. Chairman, members of
16 the Board. The first agenda item relates to
17 final-form regulations which Assistant Chief Counsel
18 Yocum will present.

19 ATTORNEY YOCUM:

20 Good morning. I have two final-form
21 rulemakings for your consideration today. The first
22 is 125-169, which will add two new side wagers. The
23 first is the Bad Beat Bonus to Four-card Poker, and
24 the Five-card Progressive, which is going to be added
25 to eight table games. This progressive can also be

1 linked to all table games.

2 This rulemaking will also add
3 requirements associated with linked progressives as
4 the Five-card Progressive is a --- it's the first
5 progressive wager to be linked to all tables at a
6 licensed facility. We would be happy to answer any
7 questions you may have.

8 CHAIRMAN:

9 Any questions or comments from the
10 Board? Ex-officio members? May I have a motion?

11 MS. KAISER:

12 Mr. Chairman, I move that the Board
13 adopt Final-Form Regulation 125-169 as presented by
14 the Office of Chief Counsel (OCC).

15 MR. MCCALL:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 ALL SAY AYE

20 CHAIRMAN:

21 Opposed? The motion carries.

22 ATTORNEY YOCUM:

23 The next rulemaking for your
24 consideration today is 125-170. This will add an
25 alternative procedure for the completion of table

1 inventory slips on tables that were not open for
2 gaming during the gaming day. It will also add the
3 five-card hand bonus wager to eight games available in
4 the licensed facility. This is very similar to the
5 five-card progressive wager that's contained in 125-
6 169. It will also add a variation to Pai Gow Poker
7 called Easy Pai Gow in which no commission is
8 collected. Be more than happy to answer any
9 questions.

10 CHAIRMAN:

11 Any questions or comments from the
12 Board? Ex-officio members? May I have a motion?

13 MR. MCCALL:

14 Mr. Chairman, I move that the Board
15 adopt Final-Form Regulation 125-170 as presented by
16 the OCC.

17 MR. MCNALLY:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 ALL SAY AYE

22 CHAIRMAN:

23 Opposed? The motion carries.

24 ATTORNEY YOCUM:

25 Thank you.

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CHAIRMAN:

Thank you, Susan.

ATTORNEY COOK:

Mr. Chairman, today we have just one petition before the Board for consideration. That petition is MTR Gaming Group, Inc.'s and Presque Isle Down, Inc.'s request to have Presque Isle enter into a Shared Services Agreement with Mountaineer Park, Incorporated. This matter will be decided on the documents as OEC has no objections. In advance of this meeting, the Board has been provided with the pleadings in this matter, as well as all the documents entered into the evidentiary record.

Briefly, Presque Isle Downs and Mountaineer Park are sister properties, each of which is wholly owned by MTR. Nicholas Mavromatis is employed by Mountaineer Park as its Senior Director of Player Development. Presque Isle Downs would like to enter into a Shared Services Agreement with Mountaineer Park in which Mr. Mavromatis would perform similar duties at Presque Isle Downs. Under the terms of the agreement, Mr. Mavromatis would coordinate with player development --- or coordinate with player development for both properties, communicate directly with guests of both properties and issue

1 complimentary and incentives to players at both
2 properties.

3 Additionally, he would work with senior
4 management of MTR to develop strategies for player
5 development on a corporate-wide basis to ensure that
6 customers of both properties are treated similarly.
7 Both Mountaineer Park and Presque Isle Downs will
8 compensate this gentleman in amounts proportional to
9 the work that he does with each property. Mr.
10 Mavromatis has filed the appropriate applications for
11 licensure with the Board and those licenses are in the
12 process --- or those applications are in the process
13 of being vetted.

14 The OEC does not object to the petition,
15 provided it be subject to five conditions outlined in
16 OEC's answer. Generally these conditions require that
17 Mr. Mavromatis be appropriately licensed, that he
18 answer only to Presque Isle management relative to
19 issues involving Presque Isle Downs and that he only
20 have access to Presque Isle's computer system and
21 whatnot from the property and not remotely. The
22 properties and the petitioners have not objected to
23 these conditions. As such, the matter is ripe for
24 consideration.

25 CHAIRMAN:

1 Any questions or comments from the
2 Board? Ex-officio members? May I have a motion?

3 MR. MOSCATO:

4 Mr. Chairman, I move that the Board
5 approve the petition of MTR Gaming Group and Presque
6 Isle Downs to have Presque Isle Downs enter into a
7 Shared Services Agreement with Mountaineer Park, Inc.,
8 with the conditions requested by the OEC and as
9 described by the OCC.

10 MR. WOODS:

11 Second.

12 CHAIRMAN:

13 Thank you. All in favor?

14 ALL SAY AYE

15 CHAIRMAN:

16 Opposed? The motion carries.

17 ATTORNEY COOK:

18 That concludes the matters of the OCC.

19 CHAIRMAN:

20 Thank you, Steve. Next will be Director
21 of Licensing, Susan Hensel. Good morning, Susan.

22 MS. HENSEL:

23 Good morning. Thank you, Chairman Ryan
24 and members of the Board. Before the Board today will
25 be motions regarding a Slot Machine and Table Game

1 Manufacturer, one Table Game Manufacturer Designee and
2 481 Principal, Key, Gaming and Non-Gaming Employees.
3 In addition, there will be the consideration of eight
4 Gaming Service Provider Applicants.

5 The first matter for your consideration
6 is the renewal of a Slot Machine Manufacturer License
7 for Lightning Gaming, Inc., doing business as
8 Lightning Slot Machines. Lightning Gaming, Inc. is a
9 Pennsylvania based business that manufactures and
10 sells slot machines. The company was originally
11 licensed by the Board in 2009. The Bureau of
12 Investigations and Enforcement (BIE) has completed its
13 investigation of this company and the Bureau of
14 Licensing has provided you with the renewal background
15 investigation and suitability report. I have provided
16 you with a Draft Order and ask that the Board consider
17 the approval of a License for Lightning Gaming, doing
18 business as Lightning Slot Machines.

19 CHAIRMAN:

20 Any comments from Enforcement Counsel?

21 ATTORNEY PITRE:

22 Enforcement Counsel has no objection.

23 CHAIRMAN:

24 Any questions or comments from the
25 Board? Ex-officio members? May I have a motion?

1 MR. WOODS:

2 Mr. Chairman, I move that the Board
3 approve the Slot Machine Manufacturer License renewal
4 of Lightning, Incorporated, as described by the Bureau
5 of Licensing.

6 MR. FAJT:

7 Second.

8 CHAIRMAN:

9 All in favor?

10 ALL SAY AYE

11 CHAIRMAN:

12 Opposed? The motion carries.

13 MS. HENSEL:

14 The next matter for your consideration
15 is the Table Game Manufacturer License for Angel
16 Playing Cards Manufacturing Company, Limited. This
17 company is currently the holder of a Conditional Table
18 Game Manufacturer License. Angel Playing Cards
19 Manufacturing Company, Limited, manufactures
20 pre-shuffled playing cards.

21 The BIE has completed its investigation
22 of this company and the Bureau of Licensing has
23 provided you with a background investigation and
24 suitability report for this conditional license
25 holder. I have provided you with a Draft Order and

1 ask that the Board consider the approval of a
2 Manufacturer License for Angel Playing Cards
3 Manufacturing Company, Limited.

4 CHAIRMAN:

5 Any comments from Enforcement Counsel?

6 ATTORNEY PITRE:

7 Enforcement Counsel has no objection.

8 CHAIRMAN:

9 Any questions or comments from the
10 Board? Ex-officio members? May I have a motion?

11 MR. FAJT:

12 Mr. Chairman, I move that the Board
13 approve the Table Game Manufacturer License for Angel
14 Playing Cards Manufacturing Company, Ltd., as
15 described by the Bureau of Licensing.

16 MS. KAISER:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 ALL SAY AYE

21 CHAIRMAN:

22 Opposed? The motion carries.

23 MS. HENSEL:

24 The next matter for your consideration
25 is the Table Game Manufacturer Designee License for

1 Angel Playing Cards USA, Inc. This company is
2 currently the holder of a Conditional Table Game
3 Manufacturer Designee License. Angel Playing Cards
4 USA, Inc., sells the pre-shuffled playing cards that
5 are manufactured by Angel Playing Cards Manufacturing
6 Company.

7 The BIE has completed its investigation
8 of this company and the Bureau of Licensing has
9 provided you with the background investigation and
10 suitability report for this conditional license
11 holder. I have provided you with a Draft Order and
12 ask that the Board consider the approval of a
13 Manufacturer Designee License for Angel Playing Cards
14 USA, Inc.

15 CHAIRMAN:

16 Any comments from Enforcement Counsel?

17 ATTORNEY PITRE:

18 Enforcement Counsel has no objection.

19 CHAIRMAN:

20 Any questions or comments from the
21 Board? Ex-officio members? May I have a motion?

22 MS. KAISER:

23 Mr. Chairman, I move that the Board
24 approve the Table Game Manufacturer Designee License
25 for Angel Playing Cards USA, Inc., as described by the

1 Bureau of Licensing.

2 MR. MCCALL:

3 Second.

4 CHAIRMAN:

5 All in favor?

6 ALL SAY AYE

7 CHAIRMAN:

8 Opposed? The motion carries.

9 MS. HENSEL:

10 Also for your consideration is the
11 approval of Principal and Key Employee Licenses.
12 Prior to this meeting, the Bureau of Licensing
13 provided you with a Proposed Order for two Principal
14 and three Key Employee Licenses for Category 1,
15 Category 3 and Manufacturer Licensees. I ask that the
16 Board consider the Order approving these Licenses.

17 CHAIRMAN:

18 Any comments from Enforcement Counsel?

19 ATTORNEY PITRE:

20 Enforcement Counsel has no objection.

21 CHAIRMAN:

22 Any questions or comments from the
23 Board? Ex-officio members? May I have a motion?

24 MR. MCCALL:

25 Mr. Chairman, I move that the Board

1 approve the issuance of Principal and Key Employee
2 Licenses as described by the Bureau of Licensing.

3 MR. MCNALLY:

4 Second.

5 CHAIRMAN:

6 All in favor?

7 ALL SAY AYE

8 CHAIRMAN:

9 Opposed? The motion carries.

10 MS. HENSEL:

11 Next, there are Temporary Principal and
12 Key Employee Licenses. Prior to this meeting, the
13 Bureau of Licensing provided you with an Order
14 regarding the issuance of Temporary Licenses for 11
15 Principal and 13 Key Employees. I ask that the Board
16 consider the Order approving these Licenses.

17 CHAIRMAN:

18 Any comments from Enforcement Counsel?

19 ATTORNEY PITRE:

20 Enforcement Counsel has no objection.

21 CHAIRMAN:

22 Any questions or comments from the
23 Board? Ex-officio members? May I have a motion?

24 MR. MCNALLY:

25 Mr. Chairman, I move that the Board

1 approve the issuance of Temporary Principal and Key
2 Employee Credentials as described by the Bureau of
3 Licensing.

4 CHAIRMAN:

5 Second?

6 MR. MOSCATO:

7 Second.

8 CHAIRMAN:

9 All in favor?

10 ALL SAY AYE

11 CHAIRMAN:

12 Opposed? The motion carries.

13 MS. HENSEL:

14 Also for your consideration are Gaming
15 Permits and Non-Gaming Registrations. Prior to this
16 meeting, the Bureau of Licensing provided you with a
17 list of 323 individuals to whom the Bureau has granted
18 temporary or full occupation permits, and 109
19 individuals to whom the Bureau has granted
20 registrations under the authority delegated to the
21 Bureau of Licensing. I ask that the Board consider a
22 motion approving the Order.

23 CHAIRMAN:

24 Any comments from Enforcement Counsel?

25 ATTORNEY PITRE:

1 Enforcement Counsel has no objection.

2 CHAIRMAN:

3 Any questions or comments from the
4 Board? Ex-officio members? May I have a motion?

5 MR. MOSCATO:

6 Mr. Chairman, I move that the Board
7 approve the issuance of Gaming Employee Permits and
8 Non-Gaming Employee Registrations as described by the
9 Bureau of Licensing.

10 MR. WOODS:

11 Second.

12 CHAIRMAN:

13 All in favor?

14 ALL SAY AYE

15 CHAIRMAN:

16 Opposed? The motion carries.

17 MS. HENSEL:

18 Also for your consideration are
19 withdrawal requests for Key Employee Gaming and
20 Non-Gaming Employees. In each case, the license,
21 permit or registration is no longer required. For
22 today's meeting I have provided the Board with a list
23 of one Key Employee, 16 Gaming and three Non-Gaming
24 withdrawals for approval. I ask that the Board
25 consider the Orders approving the list of withdrawals.

1 CHAIRMAN:
2 Any comments from Enforcement Counsel?

3 ATTORNEY PITRE:
4 Enforcement Counsel has no objection.

5 CHAIRMAN:
6 Any questions or comments from the
7 Board? Ex-officio members? May I have a motion?

8 MR. WOODS:
9 Mr. Chairman, I move that the Board
10 approve the Withdrawals as described by the Bureau of
11 Licensing.

12 MR. FAJT:
13 Second.

14 CHAIRMAN:
15 All in favor?

16 ALL SAY AYE

17 CHAIRMAN:
18 Opposed? The motion carries.

19 MS. HENSEL:
20 In addition, we have an Order to certify
21 the following Gaming Service Providers; Easton Coach
22 Company, Iron Tree Data Networks, Inc., and Roma Steel
23 Erection, Inc. I ask that the Board consider the
24 Order approving these Gaming Service Providers for
25 certification.

1 CHAIRMAN:
2 Any comments from Enforcement Counsel?
3 ATTORNEY PITRE:
4 Enforcement Counsel has no objection.
5 CHAIRMAN:
6 Any questions or comments from the
7 Board? Ex-officio members? May I have a motion?
8 MR. FAJT:
9 Mr. Chairman, I move that the Board
10 issue an Order to approve the Applications for Gaming
11 Service Provider Certification as described by the
12 Bureau of Licensing.
13 CHAIRMAN:
14 Second?
15 MS. KAISER:
16 Second.
17 CHAIRMAN:
18 All in favor?
19 ALL SAY AYE
20 CHAIRMAN:
21 Opposed? The motion carries.
22 MS. HENSEL:
23 Finally, for your consideration, our
24 Gaming Service Provider Registrations. The Bureau of
25 Licensing provided you with an Order and an attached

1 list of five registered Gaming Service Provider
2 Applicants. I ask that the Board consider the Order
3 registering these Gaming Service Providers.

4 CHAIRMAN:

5 Any comments from Enforcement Counsel?

6 ATTORNEY PITRE:

7 Enforcement Counsel has no objection.

8 CHAIRMAN:

9 Any questions or comments from the
10 Board? Ex-officio members? May I have a motion?

11 MS. KAISER:

12 Mr. Chairman, I move that the Board
13 issue an Order to approve the Applications for Gaming
14 Service Provider Registration as described by the
15 Bureau of Licensing.

16 MR. MCCALL:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 ALL SAY AYE

21 CHAIRMAN:

22 Opposed? The motion carries.

23 MS. HENSEL:

24 Thank you. That concludes the matters
25 of the Bureau of Licensing.

1 CHAIRMAN:

2 Thank you, Susan. Next, we'll have
3 Cyrus Pitre, Chief Enforcement Counsel. Good morning,
4 Cyrus.

5 ATTORNEY PITRE:

6 Good morning. We have six matters for
7 the Board's consideration today, the first three of
8 which are Consent Agreements issued to --- oh, geez,
9 entered into by the OEC and Harrah's Philadelphia. We
10 also have an initial Consent Agreement between the OEC
11 and Sands Casino, one revocation and one involuntary
12 exclusion. Cassandra Fenstermaker, Assistant
13 Enforcement Counsel, will present the first three
14 matters for the Board's consideration.

15 CHAIRMAN:

16 Good morning.

17 ATTORNEY FENSTERMAKER:

18 Thank you. Good morning, Chairman Ryan,
19 members of the Board. I'm Cassandra Fenstermaker,
20 F-E-N-S-T-E-R-M-A-K-E-R, Assistant Enforcement
21 Counsel. We have today for the Board's consideration
22 three Consent Agreements between the OEC and Chester
23 Downs and Marina, LLC, doing business as Harrah's
24 Philadelphia Casino and Racetrack.

25 The first Consent Agreement involves the

1 failure of Harrah's security and its table games
2 personnel to deduct a compromised deck of poker cards
3 and properly remove those cards from circulation. On
4 August 26th, 2013, Harrah's security personnel
5 completed an inspection of, among others, an orange
6 deck of cards. The orange deck was approved for use
7 on the gaming floor and was issued to poker table 909.
8 Neither the dealer nor the table games supervisor
9 noted any issues with the deck. During play, it was
10 discovered that there were two six of spades in the
11 deck and no six of clubs. The cards were removed from
12 the table and placed in a bin to be picked up by
13 security instead of being sent to the Bureau of Casino
14 Compliance for review.

15 On August 31st, 2013, the orange deck of
16 cards was inspected by Harrah's security personnel and
17 approved for issuance to the gaming floor. Prior to
18 placing the cards into play, neither the deck --- or
19 neither the dealer nor the table games supervisor
20 noted any issues with the deck. During play, it was
21 discovered that the deck contained two six of spades
22 and no six of clubs.

23 As a result of the incident, the parties
24 have agreed that within five business days of the
25 Board's Order, Harrah's shall pay a civil penalty in

1 the amount of \$10,000 and \$2,500 for costs incurred by
2 OEC, BIE and other related staff in connection with
3 this matter. Again, OEC requests that the Board
4 approve the Consent Agreement as presented today.
5 Representatives from Harrah's Philadelphia are here if
6 you have any questions.

7 CHAIRMAN:

8 Any comments from Chester Downs?
9 Counselor?

10 ATTORNEY DOWNEY:

11 Good morning, Mr. Chairman. Bill Downey
12 for Chester Downs and Marina, LLC. With me at the
13 counsel table is Lynn Hughes, vice president and chief
14 legal for regional operations. We have no comment on
15 --- we concur with the reading and the recitation of
16 facts.

17 CHAIRMAN:

18 Counsel, keep your voice up. I think
19 the court reporter may have difficulty.

20 ATTORNEY DOWNEY:

21 I will do my best, thank you.

22 CHAIRMAN:

23 Any questions or comments from the
24 Board?

25 MR. MCCALL:

1 Just one question.

2 CHAIRMAN:

3 Keith?

4 MR. MCCALL:

5 Did you identify the players at the
6 table that may have been affected by having
7 inappropriate cards in the deck? Were they
8 compensated for their losses or ---?

9 ATTORNEY DOWNEY:

10 To my knowledge, there was no treatment
11 of the players who were at the table at the time of
12 the discovery of the card in play.

13 MR. MCCALL:

14 So there wasn't an attempt to identify
15 who they were and if they lost at those tables that
16 they be compensated for those losses?

17 ATTORNEY DOWNEY:

18 Remember this was a poker table, but no,
19 I don't --- we're not aware of any effort to identify
20 the players.

21 MR. MCCALL:

22 It's more significant if it's a poker
23 table. If it's a blackjack table, it really doesn't
24 matter what the suit, as opposed to poker where it
25 would matter for somebody trying to draw a flush

1 or, you know ---. And what was the time frame that
2 that --- those cards were in the deck? How many games
3 were played, so to speak?

4 ATTORNEY FENSTERMAKER:

5 If I may, it was at least eight hours
6 for both days. And if I may add to what Harrah's
7 represented before, I do know that on the final hand
8 when the incident was discovered, because in both
9 cases there was a six of spade on the flop and a six
10 of spade held by a player --- or yeah, the spades.
11 And at that time that hand was cancelled and everyone
12 was given their money back. So that hand was dealt
13 with, those players were dealt with, but the
14 individuals prior to that hand were not.

15 MR. MCCALL:

16 Very good. Thank you.

17 CHAIRMAN:

18 Any other questions from the Board?
19 Ex-officio members? May I have a motion?

20 MR. MCCALL:

21 Mr. Chairman, I move that the Board
22 issue an Order to adopt the Consent Agreement between
23 the OEC and Chester County --- Chester Downs and
24 Marina, LLC, as described by the OEC.

25 MR. MCNALLY:

1 Second.

2 CHAIRMAN:

3 All in favor?

4 ALL SAY AYE

5 CHAIRMAN:

6 Opposed? The motion carries.

7 ATTORNEY FENSTERMAKER:

8 The second Consent Agreement involves
9 the failure of Harrah's employees to properly address
10 shuffler prompts. So on September 28th, 2014 (sic), a
11 blue card was discovered in a red deck at blackjack
12 table 408. A surveillance review shows the error
13 light indicated that there was an issue. A single red
14 card was removed from the shuffler. The blue deck was
15 placed in the shuffler, and then the remainder of the
16 red deck was removed from the shuffler and combined
17 with the single red card. Since the automatic
18 shuffler was displaying an error message, the red
19 cards were shuffled by hand and placed into play.

20 Meanwhile, while the blue deck was in
21 the shuffler, the shuffler indicated an error,
22 specifically that there was a missing card. A little
23 over an hour and a half after the initial prompt by
24 the automatic shuffler, the red deck was examined and
25 the blue card was discovered. As a result, the

1 parties have agreed that within five business days of
2 the Board's Order, Harrah's shall pay a civil penalty
3 in the amount of \$7,500 and \$2,500 for costs incurred
4 by OEC, BIE and other related staff. The OEC asks
5 that the Board approve the Consent Agreement as
6 presented. And again, if you have any questions, we'd
7 be happy to answer them.

8 CHAIRMAN:

9 Any questions?

10 MR. FAJT:

11 Thank you, Mr. Chairman. Just one. Did
12 we get any indication that the dealers were under
13 pressure that continued to deal and therefore not
14 doing their required due diligence by inspecting those
15 decks? Did you interview the dealer and was there any
16 comments made that, look, I have to deal X number of
17 hands in, you know, a one-hour period, and if I have
18 to stop and count the cards, it's going to interrupt
19 my productivity?

20 ATTORNEY FENSTERMAKER:

21 From the statements provided by the
22 dealer and the table games supervisor, the dealer
23 indicated he didn't continue dealing on his own. When
24 he saw the red light, he brought his supervisor over.
25 So his supervisor was actually the one who authorized

1 him to go ahead with the dealing of the hand. And she
2 didn't state anything that indicated she was under any
3 pressure to continue.

4 MR. FAJT:

5 What did she state as to why she
6 instructed him to continue dealing then and not deal
7 with the light?

8 ATTORNEY FENSTERMAKER:

9 She was working on the problem. That's
10 all that she stated, that she was attempting to ---

11 MR. FAJT:

12 Took her an hour and a half to ---

13 ATTORNEY FENSTERMAKER:

14 --- resolve the problem.

15 MR. FAJT:

16 --- work on the problem?

17 ATTORNEY PITRE:

18 She basically ignored it from what we
19 can tell.

20 MR. FAJT:

21 Okay. Thank you.

22 CHAIRMAN:

23 Counselor?

24 ATTORNEY DOWNEY:

25 I would want to point out, Mr.

1 Commissioner, that ---.

2 CHAIRMAN:

3 Keep your voice up, sir.

4 ATTORNEY DOWNEY:

5 I'd only point out that she was
6 terminated.

7 MR. FAJT:

8 Okay. Thank you.

9 ATTORNEY DOWNEY:

10 We took that pretty seriously. Thank
11 you.

12 CHAIRMAN:

13 Any other questions from the Board?
14 Ex-officio members? May I have a motion?

15 MR. MCNALLY:

16 Mr. Chairman, I move that the Board
17 issue an Order to adopt the Consent Agreement between
18 the OEC and Chester Downs and Marino, LLC, as
19 described by the OEC.

20 CHAIRMAN:

21 Second?

22 MR. MOSCATO:

23 Second.

24 CHAIRMAN:

25 All in favor?

1 ALL SAY AYE

2 CHAIRMAN:

3 Opposed? The motion carries.

4 ATTORNEY FENSTERMAKER:

5 The third Consent Agreement for the
6 Board's consideration today is a result of Harrah's
7 failure to prevent unauthorized individuals from
8 entering restricted areas. This Consent Agreement is
9 comprised of two counts. Just as background, the
10 mantrap is an area between the gaming floor and the
11 cage. The outside door is controlled by surveillance
12 and the inside door is controlled by the finance
13 department.

14 Both of these instances occurred on
15 September 16, 2013. In the first instance,
16 surveillance allowed a patron to enter the mantrap.
17 The patron was allegedly looking for the credit
18 department. He walked up to the mantrap door, pressed
19 the button which notifies surveillance that there's
20 someone at the door, and surveillance buzzed him in.

21 The second incident, in Harrah's
22 internal controls, it prohibits certain individuals
23 from accessing certain areas. So in this case it
24 prohibits supervisors of casino games from entering
25 the cage unless they first obtain authorization from

1 the supervisor of the restricted area, notifies
2 surveillance and have an escort to enter the area.
3 And on September 16, 2014 (sic), a supervisor of
4 casino games was granted access to the cage by a cage
5 cashier without following any of the aforementioned
6 protocols.

7 The parties have agreed that within five
8 days of the Board's Order, Harrah's Philadelphia shall
9 pay a civil penalty in the amount of \$5,000 and \$2,500
10 for costs incurred by the OEC, BIE and other related
11 staff in connection with this incident. OEC requests
12 that the Board approve the Consent Agreement as
13 presented today. And again, if you have any
14 questions, we'd be happy to answer them.

15 CHAIRMAN:

16 Counselor, any comments?

17 ATTORNEY DOWNEY:

18 Just I'm prepared to respond to any
19 questions you may have.

20 CHAIRMAN:

21 Any questions from the Board?

22 Ex-officio members? May I have a motion?

23 MR. MOSCATO:

24 Mr. Chairman, I move that the Board
25 issue an Order to adopt the Consent Agreement between

1 the OEC and Chester Downs and Marina, LLC, as
2 described by the OEC.

3 MR. WOODS:

4 Second.

5 CHAIRMAN:

6 All in favor?

7 ALL SAY AYE

8 CHAIRMAN:

9 Opposed? The motion carries.

10 ATTORNEY FENSTERMAKER:

11 Thank you.

12 CHAIRMAN:

13 Thank you.

14 ATTORNEY PITRE:

15 The next matter we have on the Board's
16 agenda is a Consent Agreement between the OEC and
17 Sands Bethworks Gaming, LLC. I see no representative
18 from Sands is present. Mike Roland is here on behalf
19 of OEC to present the Consent Agreement.

20 CHAIRMAN:

21 Do you --- was there a miscommunication?
22 Did they indicate to us that they weren't going to be
23 here?

24 ATTORNEY ROLAND:

25 Mr. Chairman, Michael Roland,

1 R-O-L-A-N-D, Assistant Enforcement Counsel with the
2 OEC. We have no reason to believe that they were not
3 going to attend today. I'm actually a little
4 surprised not to see them. Typically when we have
5 Consent Agreements with Sands as prior course of
6 action, we don't normally discuss it after the Draft
7 Consent Agreement is put together. It was our
8 understanding it's the clerk's office that provides
9 information as to the hearing date. We have no reason
10 to believe that that has not been received.

11 I do know that they have some personnel
12 changes in the process or in movement up there. Maybe
13 that's part of the reason why someone didn't attend
14 today. They are aware of the Consent Agreement; they
15 participated. In fact, Mr. Krauss participated in
16 putting the Consent Agreement together. They have
17 represented to us that they are in full agreement with
18 it. But again, surprised they're not here.

19 CHAIRMAN:

20 Well, the Board will assume that there
21 is some snafu here, but we're not going to proceed
22 without Sands being here, so we'll take this off the
23 list. We'll have to schedule for a future hearing.

24 ATTORNEY ROLAND:

25 Okay.

1 ATTORNEY PITRE:

2 The next matter we have on the Board's
3 agenda is a motion to consider the revocation of
4 Branden O'Shae Scott's Gaming Employee Permit. That
5 matter will be presented by Assistant Enforcement
6 Counsel Jeff Hoeflich.

7 ATTORNEY HOEFLICH:

8 Good morning, Chairman Ryan, members of
9 the Board. Jeff Hoeflich, H-O-E-F-L-I-C-H, Assistant
10 Enforcement Counsel for the OEC. The next matter
11 before the Board today is a request for revocation of
12 Branden O'Shae Scott's Gaming Employee Permit.

13 The OEC filed Enforcement Action against
14 Mr. Scott for the charge of receiving stolen property
15 on January 26th, 2014. On that date, North Middleton
16 Police stopped Mr. Scott for an expired registration.
17 While discussing a suspended license status with
18 police, it was learned the license plate he was using
19 for his vehicle was previously reported as stolen. On
20 February 10, 2014, Mr. Scott pled guilty to the charge
21 of receiving stolen property.

22 OEC's Enforcement Action was filed on
23 March 25th, 2014. Enforcement Action was properly
24 served upon Mr. Scott by both certified and first
25 class mail, with the certified mail return receipt

1 signed by Mr. Scott on March 27, 2014. Mr. Scott did
2 not respond to the filing in any way.

3 Due to Mr. Scott's failure to respond,
4 the averments in the Enforcement Action are deemed to
5 be admitted as fact and his right to a hearing has
6 been waived. On May 5th, 2014, the OEC filed a
7 request to enter judgment upon default. The matter is
8 now before the Board to consider the revocation of
9 Branden O'Shae Scott's Gaming Employee Permit.

10 CHAIRMAN:

11 Is Branden O'Shae Scott in the hearing
12 room? Any questions or comments from the Board?
13 Ex-officio members? May I have a motion?

14 MR. FAJT:

15 Mr. Chairman, I move that the Board
16 issue an Order to approve the revocation of Branden
17 O'Shae Scott's Gaming Employee Permit as described by
18 the OEC.

19 CHAIRMAN:

20 Second?

21 MS. KAISER:

22 Second.

23 CHAIRMAN:

24 All in favor?

25 ALL SAY AYE

1 CHAIRMAN:

2 The motion carries.

3 ATTORNEY HOEFLICH:

4 Thank you.

5 ATTORNEY PITRE:

6 The next matter we have on the agenda is
7 the motion to consider the placement of Charles C.
8 Jennings, Sr., on the PGCB's Involuntary Exclusion
9 List. That matter will be presented by Assistant
10 Enforcement Counsel, Cassandra Fenstermaker.

11 ATTORNEY FENSTERMAKER:

12 Thank you. I have for your
13 consideration today a petition to place Charles Curtis
14 Jennings, Sr., on the Board's Exclusion List. The OEC
15 filed the petition on March 10th, 2014, after Mr.
16 Jennings was observed capping a wager at Harrah's
17 Philadelphia Casino and Racetrack.

18 The petition was sent to Mr. Jennings by
19 both first class and certified mail. Mr. Jennings did
20 not respond to the petition within 30 days and
21 therefore all facts alleged in the complaint are
22 deemed admitted. The OEC filed a request for judgment
23 upon default on May 5th, 2014, and at this time
24 requests that Mr. Jennings be placed on the Board's
25 Exclusion List.

1 CHAIRMAN:

2 Is Charles C. Jennings, Sr., in the
3 hearing room? Any questions or comments from the
4 Board? Ex-officio members? May I have a motion?

5 MS. KAISER:

6 Mr. Chairman, I move that the Board
7 issue an Order to approve the addition of Charles C.
8 Jennings, Sr., to the Pennsylvania Gaming Control
9 Board's Involuntary Exclusion List as described by the
10 OEC.

11 MR. MCCALL:

12 Second.

13 CHAIRMAN:

14 All in favor?

15 ALL SAY AYE

16 CHAIRMAN:

17 Opposed? The motion carries.

18 ATTORNEY PITRE:

19 Thank you.

20 CHAIRMAN:

21 Thank you both very much. Ladies and
22 gentlemen, that concludes today's meeting. Our next
23 scheduled public meeting will be on Wednesday, June
24 11th. That meeting will begin at 10:00 a.m. Any
25 final comments from the Board or ex-officio members of

1 the Board? May I have a motion to adjourn?

2 MR. MCCALL:

3 So moved.

4 CHAIRMAN:

5 Second?

6 MR. MCNALLY:

7 Second.

8 CHAIRMAN:

9 Thank you. Thank you, ladies and
10 gentlemen.

11 * * * * *

12 HEARING CONCLUDED AT 10:45 A.M.

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CERTIFICATE

I hereby certify that the foregoing proceedings,
hearing held before Chairman Ryan was reported by me
on 5/21/2014 and that I Cynthia Piro Simpson read this
transcript and that I attest that this transcript is a
true and accurate record of the proceeding.


Court Reporter