

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

\* \* \* \* \*

IN RE: GREENWOOD GAMING/PARX CASINO

\* \* \* \* \*

PUBLIC INPUT HEARING

\* \* \* \* \*

BEFORE: Linda S. Lloyd, Presiding Officer  
Obra S. Kernodle, IV, Commissioner  
Dante Santoni, Jr., Commissioner  
Kathy M. Manderino, Commissioner

HEARING: Thursday, February 28, 2019  
10:03 a.m.

LOCATION: Bensalem Township Municipal Building  
2400 Byberry Road  
Bensalem, PA 19020

Reporter: Romanna Dumyak

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

1 WITNESSES: Robert Green, Toni Ricci, Ron Davis,  
2 Corporal Randy Levan, Dennis O'Brien,  
3 William Dubbins, Senator Tomlinson,  
4 Representative DiGirolamo, Mayor  
5 DiGirolamo, Minesh Pathak, Holly  
6 Livingston, Jammes McKee, Harold Kupersmit,  
7 Peter Waitze, Mark Cohen

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

## A P P E A R A N C E S

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

JAMES ARMSTRONG, ESQUIRE

PA Gaming Control Board

1001 East Hector Street

Conshohocken, PA 19428

Counsel for OEC

THOMAS BONNER, ESQUIRE

2999 Street Road

P.O. Box 1000

Bensalem, PA 19020-2060

Counsel for Parx Casino & Racing

## I N D E X

1		
2		
3	OPENING STATEMENT	
4	By Presiding Officer	7 - 9
5	PRESENTATION	
6	By Mr. Green	10 - 11
7	By Mr. Ricci	11 - 22
8	By Mr. Davis	22 - 32
9	By Mr. Ricci	32 - 34
10	QUESTIONS	
11	By Attorney Armstrong	34 - 40
12	QUESTIONS	
13	By Board	41 - 54
14	PRESENTATION	
15	By Attorney Armstrong	54 - 58
16	<u>WITNESS:</u> Corporal Randy Levan	
17	QUESTIONS	
18	By Attorney Armstrong	58 - 68
19	QUESTIONS	
20	By Board	69
21	<u>WITNESS:</u> Dennis O'Brien	
22	QUESTIONS	
23	By Attorney Armstrong	70 - 74
24	QUESTIONS	
25	By Board	74 - 76

1	I N D E X (cont.)	
2		
3	<u>WITNESS:</u> William Dobbins	
4	QUESTIONS	
5	By Attorney Armstrong	76 - 79
6	DISCUSSION AMONG PARTIES	79 - 83
7	COMMENTS	
8	By Senator Tomlinson	83 - 86
9	By Representative DiGirolamo	87 - 91
10	By Mayor DiGirolamo	91 - 95
11	By Mr. Pathak	95 - 97
12	By Ms. Livingston	97
13	By Mr. McKee	98 - 100
14	By Mr. Kupersmit	100 - 105
15	By Mr. Waitze	105 - 106
16	By Mr. Cohen	106 - 109
17	DISCUSSION AMONG PARTIES	109 - 111
18		
19		
20		
21		
22		
23		
24		
25		

E X H I B I T S

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

<u>Number</u>	<u>Description</u>	<u>Page Offered</u>	<u>Page Admitted</u>
<u>OEC Exhibits:</u>			
1	Uniform Crime Reporting System Reports	57	80
2	State Horse Racing Commission Letter	57	80
3	Bureau of Liquor Control Enforcement Letter	57	80
4	1/10/19 Memorandum	57	80
5	Department of Revenue Letter	58	80
6	Consent Agreements	58	81
7	Compliance Conference Memorandums	58	81*
8	Warning Letters and Responses	58	81*
9	Stipulations Agreement	58	81

EXHIBITS NOT ATTACHED

\*Confidential

## P R O C E E D I N G S

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

-----  
PRESIDING OFFICER: Good morning,  
everyone. My name is Linda Lloyd and I'm the  
Presiding Officer assigned by the Board to conduct  
this portion of the Category 2 License Renewal  
Hearing. Sorry, Category 1 License Renewal Hearing  
for Greenwood Gaming and Entertainment, Inc. doing  
business as Parx Casino.

Before we begin, please turn off or to  
vibrate all cell phones and other electronic devices.  
I would like to remind everyone that this proceeding  
is being recorded today by a court reporter and is  
also being recorded on video and live stream to our  
Board's website at this time.

I call this hearing to order. The  
date is Thursday, February 28, 2019. The time is  
10:04, and the location is the Bensalem Township  
Municipal Council Chambers at 2400 Byberry Road,  
Bensalem, Pennsylvania.

The Pennsylvania Racehorse Development  
and Gaming Act, as amended, requires at Section 1326,  
that an Operator's License shall be subject to renewal  
by the Board every five years.

This License Renewal Hearing is

1 convened by the Board pursuant to the mandate found in  
2 Section 1205(b) of the Law, which requires, as part of  
3 the renewal process, that the Public Input Hearing be  
4 held in the municipality where the Licensed facility  
5 is located.

6                   This Public Input Hearing was  
7 advertised on the Board's website, announced at public  
8 Board meetings and advertised in local newspapers.

9                   Board Members present today for the  
10 hearing at this point, to my right, is Obra Kernodle.  
11 And we expect Commissioner Santoni and possibly  
12 Commissioner Manderino at some point during the  
13 proceeding.

14                   The hearing will begin with the  
15 presentation by Parx Casino. And after the  
16 presentation, the Board's Enforcement Counsel and the  
17 Board will have an opportunity to ask Parx questions.

18                   After Parx has concluded its  
19 presentation, our Office of Enforcement Counsel (OEC)  
20 will make a presentation, and as well the Board  
21 members and Parx will have an opportunity to ask  
22 questions.

23                   After the close of the testimony and  
24 evidence from both parties, those individuals who have  
25 registered to speak at the hearing today to make



1                   With us today, we have our Chairman  
2 and some other senior executives. And at this point,  
3 I'll turn it over to them and we'll begin the  
4 presentation. Thank you very much.

5                   MR. GREEN: Thank you.

6                   Member or members of the Pennsylvania  
7 Gaming Control Board, and senior Staff, might I extend  
8 to you a very warm welcome to Bensalem in Bucks  
9 County.

10                   My name is Robert Green, G-R-E-E-N.  
11 And I first came to Bensalem - this township in 1989.  
12 And I came here to pursue the acquisition of what was  
13 then known as Philadelphia Parx Racetrack.

14                   After about a year of negotiation and  
15 putting together a financial package, we finally  
16 completed the purchase in 1990.

17                   So we have had a long uninterrupted,  
18 and in our view, an extremely successful relationship  
19 with our local community, with the county and with the  
20 Commonwealth of Pennsylvania.

21                   I have been the Chairman of the  
22 company over this period of time, and our principal  
23 shareholders have all been remained the same.

24                   I am mindful of the words of my  
25 grandmother, who used to remind me that self pride is

1 no better than doubting. But I think my tenure allows  
2 me to say, with a certain degree of authority, that we  
3 have the most experienced, the most creative, the most  
4 customer-conscious and hands-on senior executive team  
5 that exists in this business.

6 Our top six executives have been with  
7 the firm for over 120 years. That's collectively.

8 We have and will continue to have a  
9 steadfast commitment to this industry, to our enormous  
10 customer base, and to our thousands of local  
11 employees. That being said, I am proud and pleased to  
12 put the presentation you're about to hear in very  
13 capable hands of Mr. Tony Ricci, our Chief Executive  
14 Officer. And of course I will be here to answer any  
15 questions you may have.

16 Thank you. And over to you, sir.

17 MR. RICCI: Good morning, and thank  
18 you. We appreciate the opportunity to talk about this  
19 great success story that is Parx Casino. It's a rare  
20 situation when you have something that's actually not  
21 only delivered on the promises that were made back in  
22 - when legislation was enacted in 2004, but exceeded  
23 those expectations.

24 And I'm happy to walk you through  
25 where we've been, where we are today and where we're

1 going. So thank you very much for this opportunity.

2 We're very proud of our position as  
3 the number one casino in Pennsylvania. It's a  
4 position we've enjoyed since the day we opened in  
5 December 2006. Since that time, we've invested more  
6 than \$700 million into the casino and racetrack  
7 operation.

8 With that money, we built a beautiful  
9 destination. And it's one when you combine that with  
10 our first-class customer service, we've created an  
11 experience for customers that not only is something  
12 that's pleasurable once, but it builds long-term  
13 customer loyalty. And that's proven out in our  
14 results.

15 We have developed the best team in the  
16 business. And that's really a testament to the man to  
17 my left, Mr. Green, who brought a nucleus over from  
18 the UK back in 1990. We've built on that nucleus and  
19 we're very, very proud to say we do have the best team  
20 in the business.

21 And this team takes this beautiful  
22 property and creates an exciting atmosphere for our  
23 guests on a daily basis, 24/7, which is not easy to  
24 do.

25 I think before I continue, I forgot to

1 spell my name. It's in the book.

2 We're very proud, in addition to these  
3 records of economic success, our record of commitment  
4 to diversity, community outreach, social  
5 responsibility. And this wonderful community has  
6 shared in the benefits of our operation.

7 We prioritize local residents for  
8 hiring and vendor selection, so we can ensure that  
9 both Parx and the community grow together. We  
10 maintain a strong working relationship with our  
11 community, to ensure there are no adverse impacts from  
12 our presence, particularly with traffic and crime.

13 And we have a strong commitment to  
14 responsible gaming, and this is evidenced by our  
15 outstanding record in these particular areas.

16 To just give you a quick history of  
17 how we commenced casino operations. We opened in  
18 December 2006 in what was our racetrack grandstand,  
19 something we were able to do in a five-month period of  
20 time.

21 We located, initially, about 2,000  
22 slot machines. Ultimately, when we moved over to the  
23 permanent casino, it was around 2,900, and we operated  
24 on the first and third floors.

25 And our amenities at that point in

1 time included a buffet, a steakhouse restaurant,  
2 grab-and-go casual dining outlet and video poker bar.  
3 We also incorporated live and simulcast horse racing  
4 on both the first and third floors.

5           We then, in December 2009, moved into  
6 our beautiful new casino, the permanent facility, and  
7 we created Pennsylvania's premier gaming facility in  
8 every respect.

9           We opened with a 125,000 square foot  
10 gaming floor, initially with 3,287 slot machines. We  
11 added 57 table games in the summer of 2010, after the  
12 passage of the legislative to authorize that. And at  
13 the time the amenities included the 360 Bar, which was  
14 an entertainment venue, which included live bands.  
15 Jax Bar, which is our center bar. And it included  
16 video poker, our steakhouse, named the Parx Grill, and  
17 Chickie's and Pete's Sports Bar, which is the number  
18 one sports bar in North America, according to ESPN.  
19 Along with the food court with multiple dining  
20 options.

21           Since our renewal hearing in 2014, we  
22 have expended an additional \$146 million in the  
23 casino, which has continued to drive our growth. The  
24 single biggest element of that is our new 1,500 seat  
25 multipurpose room named the Xcite Center. We spent

1 about \$40 million to get that open.

2                   It is a beautiful venue, and it's one  
3 that - from a sound quality standpoint and audience  
4 member standpoint, rivals any - any theatre in this  
5 area, including the Kimmell Center.

6                   Last year was our first year of  
7 opening and operating that, and it's delivered  
8 everything we had hoped. And I think the highlight of  
9 last year was a private performance by Sir Elton John  
10 in October for 1,200 of our best customers. And it's  
11 really given us some tremendous moment going forward.

12                   In addition to that, we've continued  
13 to replenish our slot floor and grow it. We've spent  
14 \$27 million on new slot machines. We've expanded our  
15 gaming floor to add restrooms, a gift shop and a  
16 lounge for \$23 million.

17                   In conjunction with the addition of  
18 the Xcite Center, we added three new food and beverage  
19 outlets, our Italian offering, Oliveto, the Liberty  
20 Bell Gastropub and most recently, last month the Beer  
21 Garden, at a cost of \$16 million.

22                   We have a new 48-table poker room that  
23 opened last year. Previously our poker operations  
24 were conducted in the racetrack grandstand.

25                   We've upgraded our surveillance system

1 at a cost of \$4 million. Totally renovated the casino  
2 carpet, at just under \$3 million. There's mechanical  
3 and electrical upgrades of 2 and we reconstructed the  
4 entrances to the casino off of Mechanicsville Road and  
5 Byberry Road, to allow easier access and egress to the  
6 property.

7                   So, our casino floor now has -  
8 consists of 174,864 square feet. It includes 3,202  
9 slot machines, 140 table games, 10 hybrid table games  
10 with 48 electronic-wagering terminals. We also have  
11 40 poker tables, and with the recent addition of  
12 sports wagering, 29 self-service sports-wagering  
13 kiosks.

14                   These additional entertainment and  
15 dining options for our guests have led to more visits  
16 to our casino property. We're pleased to report last  
17 year, which was really the first year for the Xcite  
18 Center and the new food and beverage outlets, our  
19 revenue grew approximately seven percent, which is  
20 significantly above the rest of the state.

21                   And this obviously leads to more  
22 revenue for the Commonwealth. So, it's good for all.

23                   I thought it would be helpful to give  
24 you some perspective, since we're not on the property.  
25 I'll quickly just walk you through some pictures.

1 This is our Xcite Center. This is a perspective  
2 facing the stage. The next shot is from the  
3 performer's perspective, facing the audience.

4                   And as you can see, it's a beautiful  
5 room. Our approach, as for anyone who's visited the  
6 property, and you can tell from these pictures, is to  
7 do it right the first time, build something beautiful  
8 and keep it well-maintained and give great service.  
9 And that formula serves us very well.

10                   Here is the Xlounge. We opened that  
11 two years ago. This is another beautiful outlet, food  
12 and beverage. There is some poker in the poker  
13 inserts in the bar tops, predominately used as a pre  
14 and post event space for the Xcite Center.

15                   Here's our new Liberty Bell Gastropub.  
16 As you can see, it's a beautiful room. We have  
17 reclaimed wood at the top, plenty of hi-def TVs, and  
18 the food is tremendous.

19                   This is a perspective of the same  
20 outlet inside - deeper inside the area. And we have a  
21 rotisserie chicken and wine bar area, too. And you  
22 can see everything is first-class quality.

23                   This is our Italian offering, Oliveto.  
24 Again, it's a beautiful room, elegant but casual. You  
25 can get a pizza or great Italian food, whichever you

1 prefer. This is the entrance area and now this is  
2 from the customer's perspective facing the entrance.

3 Here is our Beer Garden. We just  
4 opened this last month. And as you can see, it's a  
5 beautiful outlet. It works very well now with the  
6 introduction of sports betting to the property. We  
7 have a 16 foot by 9 foot screen there that you can see  
8 where the Beer Garden sign exists there.

9 And one nice thing about this is both  
10 the roof and the side windows are all retractable. It  
11 can be fully open air. Hopefully the weather will  
12 break soon and we'll be able to pop that open.

13 And here's a perspective from the  
14 entrance of the Beer Garden.

15 Last but not least, we have our poker  
16 room, which we opened last year. And as you can see,  
17 it's beautiful, as is everything else on our property.

18 So not only has this been good for the  
19 community, but there have been substantial benefits to  
20 the Commonwealth. As the highest revenue generator in  
21 the state, since we've opened in 2006, we've paid \$2.6  
22 billion of taxes to the Commonwealth. That comprised  
23 of \$2.4 billion of slot taxes,  
24 \$187 million of taxes from table games and just under  
25 a million dollars from the recent introduction of

1 sports betting in January 2019.

2                   We've also honored our commitment to  
3 racing. This is now this team's 30th year as the  
4 owner and operator of Parx Racing. And since 1990 the  
5 Parx team has worked together with our Horsemen to  
6 establish one of the premier thoroughbred racing  
7 operations in this country.

8                   Since we've opened the permitted  
9 casino in 2009, we've expended \$43 million in  
10 investments and repairs to the backstretch. We built  
11 29 new barns, renovated 4 and refurbished 12  
12 dormitories.

13                   We've built a manure storage facility  
14 to promote best management practices and environmental  
15 compliance. We've implemented an industry-leading  
16 access control system for the restricted racing areas  
17 that maximizes the safety and security of the  
18 personnel who work there and the horses who are housed  
19 there.

20                   And we've made various improvements  
21 and repairs to the backstretch, including inside rider  
22 protection rail on the racing oval. We repaved the  
23 entire backstretch. We've repaired roofs and site  
24 drainage, installed eco-friendly rubber pavers in the  
25 paddock, walking ring and winner's circle.

1                   In addition, our paid purses in 2018  
2 totaled \$48.5 million. This translates into a daily  
3 average of \$309,000 per day. And we've elevated the  
4 annual PA Derby to a Grade I Stakes Race, and when  
5 combined with the Grade I Cotillion Stakes Race, which  
6 we run on the same day in September, each with the \$1  
7 million purse, we attract the best thoroughbreds in  
8 the world.

9                   In addition, we make an annual  
10 donation of \$50,000 to Turning for Home for the humane  
11 care of retired thoroughbred race horses. We've  
12 contributed \$550,000 to this to date.

13                   So we've had a very successful run  
14 since 2006, but I'm happy to say that our future  
15 remains bright. We have many new opportunities on the  
16 horizon that we're ready to take advantage of.

17                   We've taken a leading position in  
18 sports wagering with operations now underway here at  
19 Parx Casino in the South Philadelphia Turf Club.

20                   Our temporary sportsbook, we opened in  
21 the 360 Bar. We closed that down to get open quickly,  
22 and we did that in early January.

23                   We opened at the South Philadelphia  
24 Turf Club in the third week of January. And we are  
25 now commencing construction of a permanent 10,000

1 square foot sportsbook, which will be adjacent to the  
2 Gastropub and the Beer Garden area. And we expect  
3 that to be open late summer of 2019, ideally before  
4 the football season.

5                   And with your approval, we're  
6 scheduled to open the Valley Forge Turf Club for  
7 sports wagering in March of 2019.

8                   In addition, we intend to bring our  
9 first-class casino market - our experience to a new  
10 market in 2020. We've identified Shippensburg  
11 Township in Cumberland County as the site of our  
12 Category 4 casino.

13                   We will have approximately 500 slot  
14 machines, 40 electronic table games and we will be  
15 bringing Chickie's and Pete's Sports Bar to that  
16 property. We also intend to include a race and  
17 sportsbook for parimutuel and sports wagering.

18                   In addition, internet gaming is now  
19 under development, and with the Gaming Board - working  
20 together with the Gaming Board, we expect to be ready  
21 for operations sometime in the second quarter.

22 Obviously subject to PGCB approval, but that will  
23 include full-fledged casino gaming and sports betting.

24                   So that concludes my portion of the  
25 presentation. I'd now like to turn the presentation

1 over to the man who is largely responsible for our  
2 outstanding reputation in this area. He's been with  
3 us since the day we opened, our Director of Diversity  
4 and Community Development, Mr. Ron Davis.

5 MR. DAVIS: Thank you, Toni. And  
6 thank you, Bob, for your leadership. And I sit here  
7 as probably the luckiest man in the world, because  
8 I've had the opportunity to help a lot of people to  
9 build a lot of alliances and to share the success of  
10 Parx with the community.

11 There are a lot of people behind me in  
12 this room who I really value as a bedrock of what we  
13 do. We started our - my responsibility is to manage  
14 the diversity and inclusion plan, which is submitted  
15 every year to the Gaming Board.

16 And we started out with outreach and  
17 other things that we thought were going to be  
18 valuable. But it's the people, the people behind the  
19 scenes, the teams that are respected.

20 And I will spell my name. Ron, R-O-N,  
21 D-A-V-I-S.

22 So it's the teams that we built within  
23 the community and in our structure, the teams that are  
24 excited about working together with people, whether it  
25 be the fire alarms that we give to local Bensalem, or

1 whether it be an earthquake in Haiti or a hurricane in  
2 Puerto Rico, we give. And you'll see that outstanding  
3 record of achievement there.

4                   But beyond that, we share our success  
5 and we look for diversity champions. And again, there  
6 are champions in this room.

7                   I'd like to also recognize Brian  
8 Wilson, who's helping us today with this presentation,  
9 and Michelle Saldutti, who helps me with the diversity  
10 outreach as part of that strategy.

11                   We are thankful for the opportunities  
12 that the community has given us, and we view our  
13 outreach through a thing called servant leadership.  
14 We started servant leadership.

15                   And that servant leadership is a  
16 perspective that we carry forward, making sure that  
17 that principal is shared with the community that we  
18 want to serve. And about teams, I had the fortune of  
19 playing on some bad NFL teams in my past, so I know  
20 what a good team looks like. This is a great team.

21                   So we carried that message forward of  
22 building teams, of doing what we thought was the right  
23 thing for the community. And from day one we were  
24 effective, I think, with it, the relationships that we  
25 built and all the things that we've done.

1                   As you can see from the presentation  
2 as I go through it, we have 2,199 employees in the  
3 gaming operation as of December 2018. 402 employees  
4 in the racing operation. 2,217 employees, 82 percent  
5 of those, are Pennsylvania residents. Forty-two (42)  
6 percent of our employees are representatives of  
7 various historically-underrepresented groups, 41  
8 percent of our employees are women.

9                   Workforce highlights; the creation of  
10 287 full time permanent executive managerial and  
11 professional positions. Seventy-four (74) percent -  
12 74 percent of all advancement opportunities are filled  
13 internally. We've developed new casino professions,  
14 including finance info, technology. And you can see  
15 all the others that are in that paragraph that have  
16 come to the fore.

17                   I was there when we opened the casino.  
18 And I remember 2008 when we were filling jobs that had  
19 left the community and America. We had a challenge at  
20 the time. These jobs were important and are important  
21 as we go forward.

22                   Eighty-three (83) percent of our  
23 executive and managerial workforce resides in  
24 Pennsylvania.

25                   I'll now go through some of the

1 highlights of employment. We want to note that under  
2 diversity employment, minority employment,  
3 historically underrepresented groups, are 42 percent  
4 of the total employee workforce, compared with a  
5 census that is 10 percent. That's outstanding. And  
6 so we're overrepresented in some way. Female, 41  
7 percent of our total employee workforce.

8                   Outstanding achievements. One of the  
9 things that - and I want to recognize Mozelle Daniels.  
10 I don't know if she's here or not, but we work hand in  
11 hand. I've had 52 meetings with Mozelle Daniels over  
12 those years, quarterly meetings.

13                   And one of the things that we came up  
14 with was the importance of LBE, local business. Prior  
15 to that there was only one or two quadrants that were  
16 effective, but didn't really relate to the economic  
17 engine that a casino could be.

18                   We started tracking LBE and we found a  
19 fascinating thing, how invaluable it was. I went back  
20 to the slot, and 27 percent of our total expenditures  
21 in the initial Parx Casino construction were allocated  
22 to MBE/WBEs.

23                   Local Business Enterprise state  
24 expenditures for 2006 to 2018 were \$810 million out of  
25 \$1.7 billion. That's 48 percent. A total of MBE/WBE

1 expenditures was \$60.5 million for a period of 2009 to  
2 2018.

3                   With others and with our help and with  
4 our staff and the work that they do, we have done 30  
5 How to do Business with Parx, meetings with MBE/WBE  
6 and LBE suppliers and vendors that were conducted  
7 during the 2006-2018 period. That's very significant,  
8 because that's a measure of outreach that's, I think,  
9 unparalleled.

10                   Over 1,100 outreach meetings with  
11 MBE/WBE/LBE individual suppliers. We have maintained  
12 active membership with the Eastern Minority Supplier  
13 Development Council of PA, Delaware and New Jersey.  
14 We maintain active membership with the Women's  
15 Business Enterprise Council. In fact, I'm on their  
16 Board as we move forward.

17                   We're active in many - member in  
18 various local business development groups: Hispanic  
19 Chamber of Commerce of Greater Philadelphia; Bensalem  
20 Business Directory; African American Chamber of  
21 Commerce; Asian American Chamber of Commerce; Greater  
22 Philadelphia Chamber of Commerce; Bensalem Business  
23 Association; Lower Bucks, Upper Bucks and Central  
24 bucks, Chambers of Commerce. And Visit Bucks, which  
25 is important for tourism of Bucks County.

1                   From 2014 through 2018 we have  
2 contributed more than \$2 million to Pennsylvania  
3 Education Improvement Tax, and that's EITC, and  
4 Opportunity Scholarship Tax, OSTC, Programs.

5                   In addition, we have made  
6 contributions of \$460,000 to benefit ten different  
7 grade schools, high schools and educational  
8 organizations in the area.

9                   The outstanding record of achievement  
10 comes through partnerships also, and through outreach  
11 that is significant. Since 2006, Parx has awarded  
12 over \$100,000 to a 150 college-bound students. Those  
13 students are in Bucks County Technical High School;  
14 Bensalem High School; Conwell-Egan and Archbishop Wood  
15 Catholic High School. And children of Parx Casino  
16 employees are in that category.

17                   We meet regularly and some of our  
18 great representatives are behind me. And they will,  
19 I'm sure, come forward at the appropriate time, but we  
20 meet regularly with them to ensure that the Advisory  
21 Committee is informed about current operations and  
22 future plans.

23                   This is one of the areas that I love  
24 that we've created a niche for. Service on Boards of  
25 Directors. One of the things that we found is that if

1 we have a person within our staff who is a member of  
2 the Board of Directors, we start to know how the  
3 community and what the community needs might be and  
4 how they operate. Therefore, we can contribute or  
5 contribute manpower.

6                   And one of the things that we do well,  
7 you know, whether it's Habitat or outreach to seniors.  
8 We just had, under the leadership of Michelle, the  
9 great seniors holiday outreach. But we're also  
10 members of the Citizens Crime Commissions on that  
11 Board of Directors; United Way of Bucks County; Lower  
12 Bucks Chamber of Commerce; Livengrin; YMCA of Bucks  
13 County; Habitat for Humanity of course.

14                   And another key that's maybe a little  
15 different is the partnerships that we've got. Our  
16 attitude is an insatiable look for partnerships - not  
17 only for Parx, but for the community.

18                   The partnership to Livengrin, we  
19 realize there are people who need help, who have  
20 addiction, so we have a partnership with them.

21                   We have a partnership with the  
22 Community College of Philadelphia, where we basically  
23 work with four affinity groups, young men of color.  
24 We sponsor programs there. We sponsor women's  
25 leadership. We sponsor an LGBTQ and we sponsor

1 veterans.

2                   We do the same thing with Bucks County  
3 Community College. We found that a great niche as we  
4 move forward, to create the Community College Student  
5 Empowerment Program.

6                   We worked with representatives - under  
7 the Problem Gambling Highlights, worked with  
8 representatives of the Council for Compulsive Gambling  
9 of Pennsylvania, to establish comprehensive compulsive  
10 and problem-gambling training.

11                   We've incorporated compulsive-gambling  
12 training through new employee orientation, to ensure  
13 that all team members are trained and aware.

14                   Yearly we give \$25,000 to the Council  
15 on Compulsive Gambling. A total of \$300,000 since we  
16 opened. Annual sponsorship of the Council for  
17 Compulsive and Problem Gambling in Eastern  
18 Pennsylvania.

19                   Livengrin Gambling Addiction Program  
20 that we partnered with, it's \$75,000 over the  
21 three-year period.

22                   And this is one of the highlights that  
23 is staggering, because we compare our great operation  
24 with the industry in Pennsylvania. We are certainly  
25 notable.

1                   Since 2006 we have made donations and  
2 established sponsorships totaling \$95 million to over  
3 800 organizations. We've made donations to  
4 international, national and local groups that support  
5 many varied causes. And you can see the list of  
6 causes there.

7                   And I'll pick out just a few.  
8 Building a Better Bensalem; UNCF; Habitat; American  
9 Red Cross; Council for Compulsive Gambling; Special  
10 Olympics; Bensalem Summer Concert Series; the Bucks  
11 County Health Improvement; Libertae Halfway House;  
12 Latino Leadership Alliance, Historic Philadelphia.

13                   Scholarship awards to the area  
14 students, as we said. Fallen Firefighters. One of  
15 the outstanding things that we do, and it's led by our  
16 great team members, is to do a veterans outreach also.

17                   We have a thing called a Tour of  
18 Honor. And if you ever come in April or September to  
19 Parx, you will see us leading with a Tour of Honor  
20 group, a group of 400 veterans to Washington, bringing  
21 them back to cheering crowds of 2,000 people saluting,  
22 their service. And then we feed them and they have a  
23 great time. But we appreciate their service, and we  
24 do that every year.

25                   For all this, we do get recognized.

1 We are recognized by the U.S. Department of State for  
2 diversity inclusion of the top 100 businesses in the  
3 U.S.

4                   We - Women's Business Enterprise  
5 Center Award for Excellence. We've gotten the Bucks  
6 County NAACP Award for community service. And by the  
7 way, we are corporate members of the NAACP, and have  
8 been for six years.

9                   The Tourism Impact Award from Visit  
10 Bucks. Bensalem Jewish Outreach Center, community  
11 service. Philadelphia Chapter NAACP, Corporate  
12 Citizen's Award. The American Red Cross Chairman's  
13 Award, which is certainly one of the reasons I am now  
14 humbled that I've been elected to the Board of the  
15 American Red Cross National, for their Diversity  
16 Program.

17                   Community College of Philadelphia  
18 Community, Leadership Award. The UNCF Corporate  
19 Leaders Award. United Way Service Award and Central  
20 Bucks Chamber of Commerce Award.

21                   All these awards - but our real award  
22 is to see people employed. Pennsylvanians - see them  
23 feed their familiar and see people who need help get  
24 that help.

25                   And I'll turn it back over to Toni to

1 give a summary.

2 MR. RICCI: Thank you, Ron.

3 It's very - it's truly gratifying to  
4 listen to Ron recite all of the initiatives that we've  
5 undertaken during his tenure here.

6 And I just want to point out, this  
7 just doesn't happen. It's intentional and it's a  
8 tireless effort for Ron and Michelle Saldutti. We're  
9 so proud of the work that they do. And they recruit  
10 many of our outstanding team members to assist them in  
11 these endeavors.

12 But I think it's something that - I  
13 just want to point out to you, it's part of our  
14 culture, that we believe that it's important that the  
15 community share in the benefits of our facility.

16 And actually, we believe it helps us.  
17 It's to our mutual benefit that - to the extent we  
18 have a beautiful thriving community, it makes it  
19 easier to attract customers to our casino. As opposed  
20 to the alternative, where you're trying to attract  
21 people into one area that may not be so desirable.

22 So it's - it's intelligent business,  
23 but it's also very gratifying.

24 I'd just like to close out that we  
25 have delivered on our promises, and just talk about

1 all of the things we've done since we've opened in  
2 2006.

3                   We've honored our commitment to create  
4 jobs. As Ron said, we have over 2,500 jobs here at  
5 Parx. We generated new business for local suppliers  
6 and vendors. He spoke to those results there.

7                   We recaptured the dollars that were  
8 leaving the state and going to Atlantic City. Clearly  
9 served as a catalyst for future capital investment in  
10 the state. As I said earlier, \$2.6 billion of tax  
11 benefits to the state. That's just the gaming taxes  
12 alone.

13                   The substantial physical improvement  
14 to the track amenities on the backside. Diversity and  
15 inclusion that Ron has described, and our involvement  
16 with the community organizations, all these charitable  
17 donations he speaks to.

18                   Yes, we hire locally and utilize local  
19 vendors. We partnered with educational institutions  
20 and we honored our commitment to participate in the  
21 efforts to grow this area.

22                   We have open communications on a  
23 regular basis with the local municipality, the  
24 businesses and the residents. We have a Gaming  
25 Advisory Board that we meet with regularly. And as

1 Ron identified, we have a commitment to compulsive  
2 gambling training and constant effort on that area.

3 So, it's something that we promised  
4 we'd do. We delivered on that promise. We take our  
5 work and our reputation very seriously, and we're  
6 committed to continuing to honor that.

7 That concludes my portion of the  
8 presentation and our presentation. I'm available for  
9 questions if you have any. Thank you.

10 PRESIDING OFFICER: I will turn it  
11 over to our OEC.

12 Do you have any questions for -?

13 ATTORNEY ARMSTRONG: Yes, I do,  
14 Director.

15 James Armstrong, Senior Enforcement  
16 Counsel, for the OEC. It's A-R-M-S-T-R-O-N-G.

17 Mr. Ricci, I think my first question  
18 would be to you, on the slide industry leader.

19 MR. RICCI: We didn't page number  
20 these, did we?

21 ATTORNEY ARMSTRONG: I know, that's  
22 what's -.

23 MR. RICCI: What's the topic?

24 ATTORNEY ARMSTRONG: Industry leader  
25 slide. It's in the beginning - towards the beginning.

1                   MR. RICCI: There's two slides there,  
2 right? Yeah.

3                   ATTORNEY ARMSTRONG: Yeah, the first  
4 one. I'm sorry.

5                   MR. RICCI: The first one.

6                   ATTORNEY ARMSTRONG: Well, actually we  
7 can get the first one, under key highlights. I have  
8 one quick question for that, but I believe you  
9 answered it.

10                               It states there that you spent \$700  
11 million on the casino, but that was the whole entire  
12 property, wasn't it?

13                   MR. RICCI: Since 2006, correct.  
14 That's right. Cumulative.

15                   ATTORNEY ARMSTRONG: So, under  
16 industry leader, the bar, the 360 Bar, you now have  
17 the temporary sportsbook in it?

18                   MR. RICCI: Correct.

19                   ATTORNEY ARMSTRONG: Okay.

20                               Now, when you put the temporary  
21 sportsbook in it, did that actually take up an  
22 entertainment venue that was in that bar?

23                   MR. RICCI: It did. It did.

24                               We had to discontinue the - we had  
25 live bands in there on Friday and Saturday night, and

1 a DJ. We had to discontinue that activity for the  
2 time being. The plan is, when we open the permanent  
3 sportsbook late summer, that will return 360 Bar to  
4 its original purpose.

5 ATTORNEY ARMSTRONG: So, the  
6 entertainment venue -

7 MR. RICCI: Correct.

8 ATTORNEY ARMSTRONG: - will -?

9 MR. RICCI: Correct.

10 ATTORNEY ARMSTRONG: Okay. Thank you.  
11 Now, that second page of industry  
12 leader -.

13 MR. RICCI: I like it when you say  
14 industry leader.

15 ATTORNEY ARMSTRONG: Okay.  
16 One of the expenditures was  
17 surveillance-system enhancements.

18 MR. RICCI: Yes.

19 ATTORNEY ARMSTRONG: Could you just  
20 elaborate on that? What exactly was that and how did  
21 it -?

22 MR. RICCI: Yeah. I mean, with the  
23 improvements in technology, the quality of the cameras  
24 from the time we opened in 2006 has grown  
25 dramatically. And particularly with the addition of

1 table games, it was crucial that we have better  
2 coverage on the casino floor and better visibility,  
3 not only having more coverage but better coverage, to  
4 be able to see everything on the casino floor.

5 So, we felt it was important to invest  
6 that \$4 million to improve our coverage capabilities.

7 ATTORNEY ARMSTRONG: Was there some  
8 overlap in that with the Security Department as well?  
9 Did they get enhanced technology for checking IDs and  
10 things of that nature?

11 MR. RICCI: They did. They did. Yes,  
12 we did. We invested in state-of-the-art ID scanners  
13 to assist in ensuring that under 21s don't enter the  
14 property.

15 ATTORNEY ARMSTRONG: Thank you.

16 Now, we can turn to - we don't have to  
17 turn to it, I'll just ask the question.

18 Commitment to racing. Can you further  
19 describe your - the industry leading access control  
20 system?

21 MR. RICCI: In the past, pretty much  
22 anyone could get - could access the backstretch. I  
23 mean, you had a gate there. We did have a guard, but  
24 it was, honestly, relatively loose. If you knew  
25 somebody, they could bring you in.

1                   And what we've done is we've  
2 implemented a security-control procedure, where you  
3 have to be preauthorized to enter the backstretch, so  
4 you don't have anybody wandering in back there who may  
5 want to do some harm to someone or to a horse.

6                   ATTORNEY ARMSTRONG: Thank you.

7                   My last two questions will be for you,  
8 Mr. Davis. And it was that slide workforce - that  
9 summary.

10                  MR. DAVIS: Yes.

11                  ATTORNEY ARMSTRONG: Now, it says that  
12 you employ 42 percent of historically-underrepresented  
13 groups.

14                  Can you elaborate on that? And did  
15 that figure there include women that are employed by -

16                  MR. DAVIS: Yes.

17                  ATTORNEY ARMSTRONG: - Parx?

18                  MR. DAVIS: Yes.

19                  ATTORNEY ARMSTRONG: So, is there a  
20 difference there in how many actually under - are  
21 minorities versus how many women are actually  
22 employed, or is -?

23                  MR. DAVIS: With the title  
24 underrepresented groups, that includes that - that  
25 information.

1 I can give you, from our report, the  
2 people of color, the underrepresented groups in that  
3 category, so -.

4 ATTORNEY ARMSTRONG: I'm just trying  
5 to clarify this. That 41 percent of the Parx  
6 employees are female, -

7 MR. DAVIS: Right.

8 ATTORNEY ARMSTRONG: - and 42 percent  
9 are minority.

10 Now, is that -?

11 MR. DAVIS: No, right. That doesn't -  
12 that does not include women in that - in that group.

13 ATTORNEY ARMSTRONG: Would some of the  
14 minority be women?

15 MR. DAVIS: Yeah. It wouldn't  
16 necessarily be double counting, but it would be - it  
17 would be women also.

18 ATTORNEY ARMSTRONG: And my final  
19 question to you, Mr. Davis, the slide for diversity in  
20 construction?

21 MR. DAVIS: Yes.

22 ATTORNEY ARMSTRONG: That second  
23 statement, local business enterprise, slash, state  
24 expenditures for 2006 through '18 were -

25 MR. DAVIS: Yes.

1                    ATTORNEY ARMSTRONG:   - \$810 million  
2 out of \$1.7 billion.

3                    Does that mean that the remainder of  
4 that - was 48 percent spent in state but that 52  
5 percent was spent out of state?

6                    MR. DAVIS:   Well, local business is  
7 defined as contiguous counties around the host  
8 community.   So, in state, yes, so -.

9                    ATTORNEY ARMSTRONG:   Forty-eight (48)  
10 percent?

11                   MR. DAVIS:   Forty-eight (48) percent  
12 was spent in those - in those areas.

13                   ATTORNEY ARMSTRONG:   Okay.

14                   But does that then mean the inference  
15 being the 52 percent was spent out of state with  
16 construction.

17                   MR. DAVIS:   No, not out of state.

18                   MR. RICCI:   Not out of state.   Not in  
19 contiguous - it could still be in state.

20                   ATTORNEY ARMSTRONG:   Got it.   Okay.

21                   MR. RICCI:   Predominant spending was  
22 in state.

23                   ATTORNEY ARMSTRONG:   Okay.   Thank you.  
24 I have no further questions.

25                   PRESIDING OFFICER:   Okay.

1 I will turn to Board members. I'll  
2 start on the end with Mr. Santoni.

3 MR. SANTONI: Gentlemen, thank you for  
4 your presentation. As you know, Commissioner Kernodle  
5 and I had the opportunity to visit the - your facility  
6 a few weeks ago, maybe a month ago now. And very  
7 impressed, especially with the Xcite Center. I  
8 thought that was really cool, and had an opportunity  
9 to hear some things there that I enjoy.

10 Anyway, just a couple very quick  
11 questions. The issue of iGaming, I know that the  
12 recent DOJ ruling has affected the wire. I was just  
13 wondering if that has changed anything with how you're  
14 going to go about dealing with the area of internet  
15 gaming?

16 MR. RICCI: No, I don't think it  
17 necessarily affects what we intend to do, other than  
18 ensure that all of our activity occurs within  
19 Pennsylvania. We were contemplating, possibly,  
20 putting servers in New Jersey, which was what was - a  
21 lot of the people who were in New Jersey and  
22 Pennsylvania, were contemplating doing.

23 That's not an option now, so - but we  
24 hadn't located our servers anywhere anyway, so it was  
25 just simply a matter of ensuring that they're located

1 within Pennsylvania.

2                   The big question in this area is going  
3 to be with respect to payment processing and how the  
4 bank's going to handle this. And I'm just not sure  
5 yet, but we don't see any reason why we can't proceed,  
6 particularly with sports betting, because it's all  
7 going to be conducted within our four walls. And at  
8 minimum, people would be able to deposit cash into  
9 their account if they visit the properties.

10                   So, we'll be able to get it going. It  
11 wouldn't be as strong an offering if we can't do the  
12 credit card processing. Which is really - we know it  
13 from the horse racing side, where we've operated  
14 internet wagering since the '90s on the horse racing  
15 side.

16                   And credit card deposits are about  
17 two-thirds of the methodology for depositing it into  
18 an account. So, it's certainly the preferred method.

19                   But we could still get started. I  
20 think it's going to adversely impact the business, if  
21 we can't get credit cards, though.

22                   MR. SANTONI: And on the employment  
23 side, you have about 2,100 - 2,600 employees. Are  
24 those union jobs? Are any of those union?

25                   MR. RICCI: Oh, on the racing side,

1 about 90 percent are union.

2 MR. SANTONI: Okay.

3 MR. RICCI: On the casino side,  
4 they're a smaller percentage. The building trades,  
5 yes.

6 Frankly, we had a couple of our  
7 departments that were unionized, and they decertified.  
8 So, there really hasn't been any initiatives for - for  
9 unionization on that side.

10 We have great relationships with all  
11 the unions in this area. We deal with everyone.

12 MR. SANTONI: Just a couple quick  
13 questions, just from my -. You know, I'm not too  
14 knowledgeable about the horse racing area, but a Grade  
15 I race, obviously that's the top race.

16 Is that breeding or how do you  
17 determine who becomes - how a race becomes -?

18 MR. RICCI: There's actually a  
19 committee -

20 MR. SANTONI: Okay.

21 MR. RICCI: - in the horse racing  
22 community that makes these decisions as to who's a  
23 Grade I, Grade II, Grade III race. And it's important  
24 if you're an owner of a horse and a breeder to know  
25 that, you know, the horse that you're breeding had

1 this lineage.

2                   So, that, you know, it's something  
3 that is important that if a horse wins a Grade I race,  
4 we're getting the purse for a minute. It has some  
5 future benefits in terms of breeding.

6                   So, it's - so it's a status thing  
7 within the industry. And we - we worked a long time  
8 to achieve that Grade I status and it's very, very  
9 important.

10                   MR. SANTONI: You forgot to mention  
11 the Liberty Bell replica that you have in the -.

12                   MR. RICCI: Yes. Yes, I didn't put  
13 that in. That's right.

14                   And the horse head. We'll have to  
15 update it for the next one.

16                   MR. SANTONI: And my last question is  
17 to Mr. Davis. It's not gaming-related. But you said  
18 you played in the NFL. I was just wondering who you  
19 played for?

20                   MR. DAVIS: Yeah, I was drafted by the  
21 49ers.

22                   MR. SANTONI: Okay.

23                   MR. DAVIS: I played with the 49ers a  
24 year on and off, was cut, brought back and then traded  
25 to the St. Louis Cardinals. And you know, there's no

1 team in St. Louis anymore.

2 MR. SANTONI: Right.

3 MR. DAVIS: So, it's called NFL, Not  
4 For Long.

5 Yeah, I had played with them for three  
6 years, had two knees banged up, trying to drag down a  
7 quarterback or two and then ended up in Atlanta as a  
8 Falcon.

9 MR. SANTONI: Thank you.

10 MR. KERNODLE: I have a quick question  
11 really about sports wagering.

12 Since that has started, have you seen  
13 a different age group starting to come to your  
14 casinos?

15 MR. RICCI: Yeah, it gets a little  
16 younger, it does. And people who hadn't come to the  
17 casino previously. So, we're very pleased about that,  
18 that it's attracting a different audience.

19 That's why we want to proceed with the  
20 construction of the new permanent sportsbook, to  
21 create some attraction that's - particularly when  
22 football season kicks in, to draw somebody out of  
23 their living room.

24 So, looking at the big flat screen at  
25 home or going to their local sports bar, they have

1 this best - best sports bar - best sportsbook in the  
2 country, because of the latest technology, et cetera.  
3 Something for us to market to continue to drive people  
4 who right now don't play slots.

5                   That sports better isn't a slot  
6 customer, predominantly. Could be a table games or  
7 poker player, though. So, we've been very pleased  
8 with that.

9                   In fact, at the Turf Club at South  
10 Philadelphia, since we've introduced it, it's actually  
11 - you know, we weren't sure how it would play out, but  
12 it's benefitted our horse racing business, too.  
13 There's been an outgoing affect for that. So, so far  
14 so good.

15                   We're very pleased with it. And we  
16 hope to have the same result in Valley Forge.

17                   MR. KERNODLE: A question about the  
18 future. As me being the youngest Board member, what  
19 is your - at the casino, as the online starts to come  
20 on and the mobile phones and everything, what is your  
21 - your fear of the bricks-and-mortar casinos? What do  
22 you feel like the next 10, 20 - I mean -?

23                   MR. RICCI: It's a legitimate concern,  
24 in that right now there's - it's not - it's a bit of  
25 impulse to come to the casino. But you have to make a

1 decision to get in your car, spend an hour and  
2 whatever travel time it is to get here. Whereas, you  
3 could instantaneously begin to gamble.

4           It's not something that Bob Green and  
5 I were advocating for. Because it's a bit of - you're  
6 combining what is potentially addictive behavior with  
7 another addictive behavior on a cell phone.

8           But that's the Law now. And it's our  
9 industry and we have to compete as well as we can,  
10 just like we do in the real world.

11           We are concerned. We're on record as  
12 saying that, prior to the implementation of the  
13 legislation. That if you see what happens in the  
14 retail world - I just read today JCPenneys is now  
15 closing stores, too.

16           Brick-and-mortar retail is going down.  
17 And you know, I think it is a challenge for us. So,  
18 what we're going to try to do is combine and  
19 coordinate it with our brick-and-mortar offering, so  
20 that our online customer can feel like they're  
21 connected to the brick-and-mortar property and how  
22 promotions and things like that, where you can come  
23 in, based on your play online, to come into the  
24 property. We're going to have to do that.

25           One of the concerns, though, is that

1 you have other operators coming into the state. And  
2 the way that this process is conducted, that may not  
3 have brick-and-mortar investment. And all they've got  
4 is a server, and they could spend a lot of money in  
5 marketing, maybe not be so intelligent in what they  
6 give a customer to attract them, because there's a  
7 very low cost of entry for them.

8                   And they'll take a shot. And it could  
9 destabilize the situation.

10                   Up to now, before the implementation  
11 of online gaming, the construct of the legislation was  
12 brilliant, in that you have locations. It's a logical  
13 location for each casino, it's where the people are.  
14 Casinos right now have two-thirds of the state's  
15 population within 25 miles of them.

16                   Once these Category 5, Category 4s are  
17 rolled out, you're going to be up to close to 90  
18 percent of the state will already have - be within 25  
19 miles of a physical property. So, that we, very  
20 intelligently, laid out how the industry would  
21 operate. And this has the potential to destabilize  
22 that.

23                   So, it's a valid concern to something  
24 we're going to have operate in. And we want to be  
25 number one in the online world, too. But we know when

1 you look at retail, it gives you a real concern that  
2 it could be a problem for brick and mortar, which is  
3 where the jobs are, where the capital investment is.  
4 It's not an online.

5 So, I am a bit concerned about the  
6 long-term prospects. But we'll do our best, because  
7 we have this investment in brick and mortar to  
8 continue, to see it thrive.

9 MR. KERNODLE: I appreciate it. And  
10 just one more question.

11 How many jobs do you think will be  
12 coming on for the sports betting?

13 MR. RICCI: A couple hundred.

14 MR. KERNODLE: A couple hundred?

15 MR. RICCI: Yeah. Yeah.

16 MR. KERNODLE: Great. Thank you.

17 MS. MANDERINO: Good morning.

18 Let me pick up where Commissioner  
19 Kernodle left off for a minute.

20 Online gaming, in all jurisdictions,  
21 who has the longest like track record? Is it Nevada  
22 or -?

23 MR. RICCI: Yes. Yes.

24 MS. MANDERINO: Which is how long?

25 MR. RICCI: I'm not sure. It's been -

1 I think it's been a long, long time.

2 MS. MANDERINO: Okay.

3 So, -.

4 MR. RICCI: They've always had sports  
5 betting and a few other -.

6 MS. MANDERINO: Right.

7 I mean, they are definitely different  
8 than we are, in terms of they're a destination versus  
9 a convenience. But is there any industry benchmarks,  
10 in terms of what online did to the bricks and mortars  
11 in other jurisdictions, when it came on, and was it  
12 temporary or permanent?

13 I absolutely hear the discussion about  
14 long term and retail, but I'm just interested if we  
15 have any crystal-ball -?

16 MR. RICCI: It's so early in the game,  
17 no. In fact, there isn't really that much online  
18 gaming in Nevada. It's - it's not that big.

19 So, New Jersey is really the new - and  
20 it's relatively new. I think it was 2012 when it  
21 commenced.

22 And that's a lot different than  
23 Pennsylvania, in that when I spoke to 68 percent of  
24 the residents of Pennsylvania, within 25 miles of a  
25 casino, it's totally opposite in New Jersey, where 95

1 percent of the residents are more than 25 miles away.  
2 So, it really lends itself more to online gaming than  
3 our state does.

4                   So, I think, you know, it's hard - I  
5 know people say, look, it didn't hurt New Jersey. But  
6 of course not, nobody lives around Atlantic City. And  
7 it wouldn't.

8                   So, we're much more susceptible to  
9 some pain here. Nobody knows. There's no history on  
10 this.

11                   MS. MANDERINO: My second line of  
12 questioning - and I also recently had an opportunity  
13 to visit your land-based casino here. But with regard  
14 to sports betting and the turf clubs, which you now  
15 can offer the sports betting there by way your License  
16 that we're talking about today, what do you see -?

17                   Assuming sports betting is as  
18 successful, as we're all hoping that it will be, what  
19 do you see in terms of mid to long range plans for  
20 both the South Village facility and the one you  
21 haven't even quite gotten up and running, in terms of  
22 Valley Forge? If you can share any thoughts there.

23                   MR. RICCI: For those two properties?  
24 Well, you know, interestingly, they already were  
25 sportsbooks, if you think about it. I mean, they had

1 - the sport they offered was horse racing.

2                   So, it was not a difficult process.  
3 It was really more money spent on some physical plan  
4 upgrades. And just putting them in a position to be  
5 overseen as a casino, as opposed to a racetrack. More  
6 surveillance upgrades, things like that. Security and  
7 surveillance.

8                   But there really isn't much to do.  
9 They're great properties. And what we've done now  
10 will satisfy the demand, for sure.

11                   We have 25,000 square feet of space at  
12 Valley Forge, which is more than enough. 30,000  
13 square feet at South Philadelphia.

14                   So, we'll continue to invest in the  
15 properties we do. We want to do everything first  
16 class. That's, you know, part of our branding.

17                   But I think the properties, as they  
18 exist, interestingly, they were ready to go, as  
19 sportsbooks. It was actually easier there than it was  
20 at the casino.

21                   MS. MANDERINO: And the reason I ask  
22 the question is, what I'm seeing the land-based  
23 casinos, including yourselves, do with their plans for  
24 permanent spaces for their sportsbook, is they're  
25 thinking of them as not just convenient places to

1 place your bet, but in and of themselves, some sort of  
2 entertainment venue, whether it is a sportsbook bar,  
3 the capacity to have big game -

4 MR. RICCI: Yeah.

5 MS. MANDERINO: - night, day events,  
6 et cetera.

7 MR. RICCI: Which we will do.

8 MS. MANDERINO: Oh, okay.

9 So, that is part of what you have -?

10 MR. RICCI: So, we have 25,000, 30,000  
11 square feet. We have a bar, a restaurant. We have  
12 all those already in place, as part of the Turf Club.

13 The real question there is, again,  
14 going to be what happens when this goes online and  
15 mobile? Will that then cause people to stop going to  
16 the property, because it's just so easy.

17 You know, if you look at New Jersey,  
18 80 percent of the sports betting is done via mobile,  
19 or online anyway. So, that's really the question.  
20 Right now, we don't have that ability, so everything  
21 is done on property.

22 We'll see. We'll see. But whatever  
23 we do, it's going to be as good as we can possibly do  
24 it to give that customer the best experience. And  
25 that's why we think it's intelligent to invest in this

1 permanent sportsbook, to really create something  
2 special at the casino.

3 MS. MANDERINO: Thank you.

4 PRESIDING OFFICER: Any follow-up from  
5 Enforcement Counsel?

6 ATTORNEY ARMSTRONG: No, I have no  
7 further questions.

8 PRESIDING OFFICER: Okay.

9 Would you like to move your PowerPoint  
10 into the record?

11 ATTORNEY BONNER: Yes, please. We'd  
12 like to move that into evidence.

13 PRESIDING OFFICER: Okay.

14 And before we turn to the OEC, if I  
15 could have a quick sidebar with Mr. Bonner and/or Mr.  
16 Ricci?

17 ---

18 (WHEREUPON, A SIDEBAR WAS HELD.)

19 ---

20 PRESIDING OFFICER: Okay.

21 We will now turn to our OEC and their  
22 presentation for today.

23 ATTORNEY ARMSTRONG: Thank you,  
24 Director Lloyd, Commissioners.

25 The OEC and Parx Casino have entered

1 into the following stipulations concerning Parx  
2 Casino's Application for Renewal of its License, which  
3 have been provided to you as Exhibits 1 through 9.

4           The first one, the Pennsylvania State  
5 Police have provided the OEC with the Uniform Crime  
6 Reporting System Reports for the period of  
7 January 1st, 2014 through December 31st, 2018,  
8 addressing incidents at Parx Casino since its Category  
9 1 Slot Machine License was last renewed. The Uniform  
10 Crime Reporting System reports are Exhibit 1.

11           On January 9, 2019, the State Horse  
12 Racing Commission issued a letter to the OEC stating  
13 that Parx Racing Association's Thoroughbred License -  
14 Racing License is in good standing and no regulatory  
15 violations have occurred. The State Horse Racing  
16 Commission letter is Exhibit 2.

17           On January 11th, 2019 the Bureau of  
18 Liquor Control Enforcement issued a letter to the OEC  
19 stating that there had been one Citation and an  
20 Adjudication against Parx Casino since its Category 1  
21 Slot Machine License was last renewed. The Bureau of  
22 Liquor Control Enforcement's Letter is Exhibit 3.

23           On January 10th, 2019, the Board's  
24 Office of Compulsive and Problem Gambling issued a  
25 memorandum to the OEC attesting that Parx Casino was

1 in compliance with its Compulsive and Problem Gambling  
2 Plan, and it is meeting the requirements under the  
3 Gaming Act and the Board's Regulations as they pertain  
4 to its plan. This memorandum is Exhibit 4.

5 On January 10th, 2019 the Pennsylvania  
6 Department of Revenue, Bureau of Compliance issued a  
7 letter to the OEC stating that the tax accounts of  
8 Greenwood Gaming Entertainment, Inc. and Greenwood  
9 Racing, Inc. are in good standing with the  
10 Pennsylvania Department of Revenue.

11 The Pennsylvania Department of  
12 Revenue, the Bureau of Compliance letter is Exhibit 5.

13 The OEC and Parx Casino have entered  
14 into 15 Board-approved Consent Agreements since the  
15 time of Parx Casino's last renewal. Copies of the  
16 Board-approved Consent Agreements are included in the  
17 OEC's evidence as Exhibit 6.

18 The OEC conducted seven compliance  
19 conferences at Parx Casino's facility since the time  
20 of Parx Casino's last renewal, the compliance  
21 conference memorandums are Exhibit 7.

22 The OEC would ask that Exhibit 7 be  
23 kept confidential.

24 The OEC has issued Parx Casino 30  
25 warning letters since the time of its last renewal.

1 The - Parx Casino has appropriately responded to each  
2 of these warning letters issued by the OEC. Copies of  
3 the warning letters and Parx Casino's responses are  
4 Exhibit 8. And the OEC would ask that Exhibit 8 be  
5 kept confidential.

6 Finally, Exhibit 9, is the  
7 Stipulations Agreement executed by the parties on  
8 February 13th, 2019.

9 Director, the OEC requests that  
10 Exhibits 1 through 9 be admitted into the record, with  
11 the additional request that Exhibits 7 and 8 be kept  
12 confidential.

13 ---

14 (Whereupon, OEC Exhibit 1, Uniform Crime  
15 Reporting System Reports, were marked for  
16 identification.)

17 (Whereupon, OEC Exhibit 2, State Horse Racing  
18 Commission Letter, was marked for  
19 identification.)

20 (Whereupon, OEC Exhibit 3, Bureau of Liquor  
21 Control Enforcement Letter, was marked for  
22 identification.)

23 (Whereupon, OEC Exhibit 4, 1/10/19 Memorandum,  
24 was marked for identification.)

25 (Whereupon, OEC Exhibit 5, Department of Revenue

1 Letter, was marked for identification.)  
2 (Whereupon, OEC Exhibit 6, Consent Agreements,  
3 was marked for identification.)  
4 (Whereupon, OEC Exhibit 7, Compliance Conference  
5 Memorandums, was marked for identification.)  
6 (Whereupon, OEC Exhibit 8, Warning Letters and  
7 Responses, was marked for identification.)  
8 (Whereupon, OEC Exhibit 9, Stipulations  
9 Agreement, was marked for identification.)

10

---

11

PRESIDING OFFICER: Okay.

12

Do you have any witnesses -

13

ATTORNEY ARMSTRONG: Yes, we do.

14

PRESIDING OFFICER: - for today?

15

ATTORNEY ARMSTRONG: With your

16

permission, I'd like to call my first witness. It

17

would be Randy Levan.

18

---

19

CORPORAL RANDY LEVAN,

20

CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING AND

21

TESTIFIED AND SAID AS FOLLOWS:

22

---

23

CORPORAL LEVAN: Good morning,

24

everyone.

25

ATTORNEY ARMSTRONG: Mr. Levan, can

1 you state your name and title for the record?

2 CORPORAL LEVAN: Yes. My name is  
3 Randy Levan, L-E-V-A-N. I'm a Corporal with the  
4 Pennsylvania State Police.

5 And how long have you been employed by  
6 the Pennsylvania State Police?

7 CORPORAL LEVAN: For 15 years.

8 ATTORNEY ARMSTRONG: And what is your  
9 current assignment?

10 CORPORAL LEVAN: I'm currently  
11 assigned to Parx Casino. I am an Enforcement Office  
12 Supervisor.

13 ATTORNEY ARMSTRONG: Can you briefly  
14 describe your current duties?

15 CORPORAL LEVAN: I oversee four  
16 Troopers at Parx Casino in day-to-day activities.  
17 Additionally, there's another Corporal there that  
18 oversees an additional four Troopers. Myself and the  
19 other Corporal both report to the Office Commander,  
20 who is Sergeant James McFadden.

21 ATTORNEY ARMSTRONG: Can you briefly  
22 describe the role of the Pennsylvania State Police at  
23 Parx Casino?

24 CORPORAL LEVAN: Yes. The  
25 Pennsylvania State Police provides police services to

1 the Parx Casino. Our primary jurisdiction is the  
2 gaming floor and gaming-related areas from within the  
3 casino.

4 ATTORNEY ARMSTRONG: What law  
5 enforcement agency has primary police jurisdiction  
6 over Parx Casino and its parking lot?

7 CORPORAL LEVAN: It is the Bensalem  
8 Township Police Department.

9 ATTORNEY ARMSTRONG: And can you,  
10 briefly, describe the working relationship between -  
11 the Pennsylvania State Police personnel have with the  
12 Bensalem Police assigned to cover Parx Casino?

13 CORPORAL LEVAN: We have a very good  
14 professional working relationship with the Bensalem  
15 Township Police Department.

16 ATTORNEY ARMSTRONG: And can you  
17 briefly describe the working relationship Pennsylvania  
18 State Police personnel have with Parx Casino  
19 personnel, particularly its security and surveillance  
20 personnel.

21 CORPORAL LEVAN: Again, we also have a  
22 very good professional working relationship with all  
23 of the staff members at Parx Casino, including  
24 security and surveillance.

25 ATTORNEY ARMSTRONG: Thank you.

1                   And can you briefly describe the  
2 working relationship Pennsylvania State Police  
3 personnel have with personnel from the Board's Bureau  
4 of Casino Compliance that are assigned to Parx Casino?

5                   CORPORAL LEVAN: We have a very good  
6 professional working relationship with the Board's  
7 Bureau of Casino Compliance personnel as well.

8                   ATTORNEY ARMSTRONG: Now, are you  
9 familiar with the Uniform Crime Reporting System?

10                  CORPORAL LEVAN: Yes, I am.

11                  ATTORNEY ARMSTRONG: Can you briefly  
12 describe what it is?

13                  CORPORAL LEVAN: It is official data  
14 collected on crime within the United States.

15                  ATTORNEY ARMSTRONG: Which agency  
16 compiles the information contained in the Uniform  
17 Crime Reporting System?

18                  CORPORAL LEVAN: Each Pennsylvania  
19 State Police office and/or station compiles and enters  
20 UCR information. The FBI administers a UCR Program  
21 nationwide.

22                  ATTORNEY ARMSTRONG: Is it an  
23 electronic format?

24                  CORPORAL LEVAN: Yes, it is.

25                  ATTORNEY ARMSTRONG: Is the Uniform

1 Crime Reporting System available to the public on  
2 Pennsylvania State Police's website?

3 CORPORAL LEVAN: Yes, it is. It's via  
4 the website, www.paucrs.pa.gov.

5 ATTORNEY ARMSTRONG: And how  
6 frequently is this information updated?

7 CORPORAL LEVAN: This information is  
8 updated monthly. Data must be entered by the 10th of  
9 every month for the preceding month.

10 ATTORNEY ARMSTRONG: Is the  
11 information contained in the database subject to edit?

12 CORPORAL LEVAN: Yes, it is.

13 ATTORNEY ARMSTRONG: Under what  
14 circumstances?

15 CORPORAL LEVAN: A UCR system user can  
16 edit arrests, clearances, number of victims, number of  
17 accused, demographics for victims and demographics for  
18 accused.

19 ATTORNEY ARMSTRONG: What information  
20 is contained in the Uniform Crime Reporting System?

21 CORPORAL LEVAN: Reported offenses,  
22 actual offenses, arrests, property damage,  
23 documentation of theft amounts, age and demographics  
24 of victims and offenders, both adult and juvenile.

25 ATTORNEY ARMSTRONG: Can the number of

1 offenses reported be reduced if the case is later  
2 determined to be unfounded?

3 CORPORAL LEVAN: No.

4 ATTORNEY ARMSTRONG: In the binder  
5 that you've been provided with, there are nine  
6 documents, which the OEC has offered into evidence in  
7 this matter.

8 Can you identify, for the record,  
9 Exhibit 1?

10 CORPORAL LEVAN: Yes. It is the  
11 year-to-date UCR reports for Parx Casino, for the  
12 years 2014 through 2018.

13 ATTORNEY ARMSTRONG: Are criminal  
14 offenses that occurred at Parx Casino listed in the  
15 Uniform Crime Reporting System?

16 CORPORAL LEVAN: Yes, they are.

17 ATTORNEY ARMSTRONG: And how are the  
18 offenses that occurred at a Licensed Pennsylvania  
19 casino entered into the Uniform Crime Reporting  
20 System?

21 CORPORAL LEVAN: The UCR officer for  
22 the Bureau of Gaming Enforcement at Parx Casino is  
23 Corporal Richard Levan. He tracks the pertinent UCR  
24 data as Incident Reports are reviewed and approved.

25 At the end of every month, Corporal

1 Richard Levan enters his UCR spreadsheet information  
2 into the UCR database.

3 ATTORNEY ARMSTRONG: Does the Uniform  
4 Crime Reporting System list a number of actual  
5 offenses that are prosecuted?

6 CORPORAL LEVAN: Yes, it does count  
7 all arrests.

8 ATTORNEY ARMSTRONG: What is the most  
9 common criminal offense at Parx, based on the report?

10 CORPORAL LEVAN: The most common  
11 criminal offense is forgery and counterfeiting.

12 ATTORNEY ARMSTRONG: Can you give an  
13 example of one of these offenses?

14 CORPORAL LEVAN: Yes. An example  
15 would be when the Pennsylvania State Police is  
16 notified by a Parx Casino staff member that a patron  
17 attempted to pass a counterfeit bill at either a  
18 gaming table, slot machine or any one of the money  
19 cages inside the casino.

20 ATTORNEY ARMSTRONG: And does the  
21 Pennsylvania State Police have any theories or an  
22 explanation as to why Parx Casino experiences more  
23 incidents of forgery and counterfeiting than other  
24 Pennsylvania casinos?

25 CORPORAL LEVAN: Yes. Parx is one of

1 the largest if not the largest revenue-producing  
2 casino in Pennsylvania. Therefore, its volume, we  
3 would expect a higher likelihood that it would have  
4 more incidents involving counterfeit currency.

5 ATTORNEY ARMSTRONG: Now, since 2014,  
6 when the highest number of reported incidence of  
7 forgery and counterfeiting occurred, has there been a  
8 decrease in forgery and counterfeiting incidents at  
9 Parx Casino?

10 CORPORAL LEVAN: Yes. In 2014 there  
11 were 246 reported incidents of forgery and  
12 counterfeiting at Parx Casino.

13 And this figure continued to decline  
14 over the next four years. So, now, by the - by this  
15 past year of 2018, there were only 122 incidents.

16 ATTORNEY ARMSTRONG: Is this reduction  
17 in forgery and counterfeiting attributable to law-  
18 enforcement efforts by the Pennsylvania State Police?

19 CORPORAL LEVAN: I think that new  
20 technology and security features on a lot of the newer  
21 bills have helped reduce the amount of counterfeit  
22 bills out in circulation.

23 Additionally, I think the training of  
24 Parx employees to recognize counterfeit currency has  
25 also helped.

1                    ATTORNEY ARMSTRONG: Can you say how  
2 many thefts are reported at Parx in 2018?

3                    CORPORAL LEVAN: Yes, 153.

4                    ATTORNEY ARMSTRONG: And in 2017?

5                    CORPORAL LEVAN: 131.

6                    ATTORNEY ARMSTRONG: 2016?

7                    CORPORAL LEVAN: 146.

8                    ATTORNEY ARMSTRONG: 2015?

9                    CORPORAL LEVAN: 146.

10                   ATTORNEY ARMSTRONG: And finally, in  
11 2014?

12                   CORPORAL LEVAN: 190.

13                   ATTORNEY ARMSTRONG: Did the number of  
14 thefts reports at Parx Casino from 2014 through 2018  
15 remain somewhat consistent?

16                   CORPORAL LEVAN: Yes. The number of  
17 thefts reported each year remain between a low of 131  
18 in 2017 to a high of 190 in 2014, for an average  
19 number of yearly reported thefts of about 153.

20                   ATTORNEY ARMSTRONG: Now, are there a  
21 significant number of violent crimes at Parx Casino?

22                   CORPORAL LEVAN: No, there are not.  
23 There have been three robberies and three aggravated  
24 assaults from January 2014 through December of 2018.

25                   ATTORNEY ARMSTRONG: Are there a

1 significant number of crimes regarding individuals  
2 under the age of 21?

3 CORPORAL LEVAN: No, there's only been  
4 one reported within five years.

5 ATTORNEY ARMSTRONG: Has there been a  
6 noticeable increase in any specific crimes between  
7 January of 2014 and the present?

8 CORPORAL LEVAN: No, for the most  
9 part. There was a spike in arrests, however, for  
10 possession of cocaines and/or opiates from 1 in 2017  
11 to 19 in 2018. It remains to be seen if this will  
12 continue.

13 ATTORNEY ARMSTRONG: After reviewing  
14 the Uniform Crime Reporting System for offenses  
15 reported for Parx Casino, did you see a pattern in the  
16 type of actual offenses that have occurred at the  
17 Licensed facility?

18 CORPORAL LEVAN: The pattern would  
19 seem that the most common crimes that occur at Parx  
20 Casino are theft and forgery and counterfeit  
21 incidents.

22 ATTORNEY ARMSTRONG: Are the Uniform  
23 Crime Reporting System records for reported offenses  
24 at Parx Casino for January 2019 available?

25 CORPORAL LEVAN: Yes, they are.

1                   ATTORNEY ARMSTRONG: Generally, is the  
2 Pennsylvania State Police satisfied with the level of  
3 cooperation between the staff at Parx Casino and the  
4 Troopers stationed within the facility?

5                   CORPORAL LEVAN: Yes. The  
6 Pennsylvania State Police has a good working  
7 relationship with the staff at Parx Casino.

8                   ATTORNEY ARMSTRONG: Are there any  
9 issues or concerns that you think would negatively  
10 impact the suitability of Parx Casino?

11                   CORPORAL LEVAN: No.

12                   ATTORNEY ARMSTRONG: Thank you. I  
13 have no further questions.

14                   PRESIDING OFFICER: Do any Parx  
15 representative have questions?

16                   ATTORNEY BONNER: No questions.

17                   PRESIDING OFFICER: Okay. Thank you.  
18 Oh, I'm sorry, I'll turn to the Board  
19 members.

20                   MS. MANDERINO: I guess this is more a  
21 question for Enforcement Counsel than maybe the  
22 Trooper.

23                   Is anybody - I just don't know who's  
24 on your other witness list. Anybody from Bensalem  
25 Township Police going to be testifying?

1                   ATTORNEY ARMSTRONG: No.

2                   MS. MANDERINO: Okay.

3                   Then in that case, I'll put the  
4 Trooper on the spot.

5                   ATTORNEY ARMSTRONG: Sure.

6                   MS. MANDERINO: If you know, one of  
7 the concerns, originally with the citing of land-based  
8 casinos in Pennsylvania was what I'll call spill-out  
9 crime into the community.

10                   Since you mentioned that you do work  
11 closely with Bensalem Police, do you have any - do you  
12 feel comfortable commenting on whether or not there's  
13 been any significant what I'll call spillover effect  
14 of a casino being located here in Bensalem or in Bucks  
15 County?

16                   CORPORAL LEVAN: Ma'am, I would not  
17 have that information available to me here. I could  
18 only comment on what occurs inside of the casino or in  
19 the parking lot.

20                   MS. MANDERINO: Thank you.

21                   CORPORAL LEVAN: Thank you.

22                   PRESIDING OFFICER: Okay. Thank you.

23                   ATTORNEY ARMSTRONG: The OEC would  
24 like to call Dennis O'Brien.

25                   ---

1 DENNIS O'BRIEN,  
2 CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING AND  
3 TESTIFIED AND SAID AS FOLLOWS:

4 ---

5 ATTORNEY ARMSTRONG: Could you please  
6 state your full name and spell your last name for the  
7 record?

8 MR. O'BRIEN: Dennis O'Brien,  
9 O-B-R-I-E-N.

10 ATTORNEY ARMSTRONG: With whom are you  
11 employed?

12 MR. O'BRIEN: I'm employed by the  
13 Pennsylvania Gaming Control Board, with the Bureau of  
14 Casino Compliance.

15 ATTORNEY ARMSTRONG: What's your  
16 present title?

17 MR. O'BRIEN: I am a Senior  
18 Supervisor.

19 ATTORNEY ARMSTRONG: For how long have  
20 you been employed by the Pennsylvania Gaming Control  
21 Board?

22 MR. O'BRIEN: Since February of 2011.

23 ATTORNEY ARMSTRONG: And how long have  
24 you been a Supervisor at Parx Casino?

25 MR. O'BRIEN: Since August of 2012.

1                    ATTORNEY ARMSTRONG: And what are your  
2 duties and responsibilities, Mr. O'Brien?

3                    MR. O'BRIEN: We conduct the oversight  
4 of Parx Casino. We - I supervise the Agent staff of  
5 nine Casino Compliance Representatives assigned to the  
6 property.

7                    And can you describe the role of the  
8 Bureau of Casino Compliance at a Licensed Pennsylvania  
9 Casino?

10                   MR. O'BRIEN: We conduct the  
11 regulatory review and oversight of Parx Casino  
12 activities. All of our staff are familiar with the  
13 Board's Regulations and the Parx Casino internal  
14 controls.

15                   Our staff ensures that the Parx Casino  
16 staff complies with all of the Board regulations and  
17 all of their own internal controls.

18                   ATTORNEY ARMSTRONG: Can you describe  
19 the type of access the Bureau of Casino Compliance has  
20 within Parx Casino in the - for instance, the  
21 surveillance room?

22                   MR. O'BRIEN: We have full unfettered  
23 access.

24                   ATTORNEY ARMSTRONG: How about the  
25 account room?

1                   MR. O'BRIEN: Again, we have full  
2 unfettered access. And we're present during all of  
3 the table game counts.

4                   ATTORNEY ARMSTRONG: Now, you also  
5 have access to the central control computer room?

6                   MR. O'BRIEN: Yes, we do. And again,  
7 we have full access and we monitor the computer room  
8 activities.

9                   ATTORNEY ARMSTRONG: Does that include  
10 interaction with the Department of Revenue?

11                   MR. O'BRIEN: Yes, it does. We act as  
12 a liaison with the Department of Revenue. We assist  
13 them with the facilitation of any of their activities  
14 involving Parx Casino.

15                   ATTORNEY ARMSTRONG: And has there  
16 been any issues with the connectivity regarding the  
17 central control computer at Parx Casino?

18                   MR. O'BRIEN: No, none that I'm aware  
19 of.

20                   ATTORNEY ARMSTRONG: Does the Bureau  
21 of Casino Compliance interact with Parx Casino  
22 patrons?

23                   MR. O'BRIEN: Yes, sir, we do.

24                   ATTORNEY ARMSTRONG: Do you respond to  
25 complaints from patrons?

1                   MR. O'BRIEN:   Yes, we do.

2                   ATTORNEY ARMSTRONG:   And does the  
3 Bureau of Casino Compliance conduct self-exclusion  
4 intakes?

5                   MR. O'BRIEN:   We - yes, we do.   And we  
6 also conduct any Voluntary Credit Suspension Program  
7 activities.

8                   ATTORNEY ARMSTRONG:   Can you describe  
9 the relationship between the Bureau of Casino  
10 Compliance and the Pennsylvania State Police?

11                   MR. O'BRIEN:   Yes.   We have an  
12 excellent professional relationship.

13                   ATTORNEY ARMSTRONG:   And can you  
14 describe the relationship between the Bureau of Casino  
15 Compliance and Parx Casino staff?

16                   MR. O'BRIEN:   Again, I believe we have  
17 an excellent professional relationship.

18                   ATTORNEY ARMSTRONG:   Has Parx Casino's  
19 staff been cooperative in compliance reviews conducted  
20 by the Bureau of Casino Compliance?

21                   MR. O'BRIEN:   Yes, they have.

22                   ATTORNEY ARMSTRONG:   Are the  
23 regulatory issues at Parx Casino comparable to the  
24 regulatory issues found at other Pennsylvania casinos?

25                   MR. O'BRIEN:   Yes.   They are similar,

1 and there's no remarkable issues at Parx Casino?

2 ATTORNEY ARMSTRONG: Do you know of  
3 any issues or concerns that would negatively impact  
4 Parx Casino's suitability for continued licensure?

5 MR. O'BRIEN: No, I do not.

6 ATTORNEY ARMSTRONG: I have no further  
7 questions.

8 PRESIDING OFFICER: Parx, any  
9 questions?

10 ATTORNEY BONNER: No questions.

11 PRESIDING OFFICER: Board members?

12 MS. MANDERINO: I'm full of questions  
13 today.

14 Well, I just, along with some of the  
15 other Commissioners listened to questions from  
16 Legislators during our Appropriations Hearing. And it  
17 seems an appropriate question to ask here, when  
18 Counsel asked you about describe your relationship  
19 with the State Police and then with the Parx Casino.  
20 And you said it was good. I'd like to hear you  
21 describe what it actually is.

22 The question was asked, well, there's  
23 - you have compliance people. And then there's the  
24 casino security. And then there's the State Police.  
25 And then there's the Township Police.

1                   So, I think a little explanation of  
2 how you all work together to do what you do with  
3 regard to safety and compliance in the casino, if I  
4 could put you on the spot, would be very helpful.

5                   MR. O'BRIEN: No problem.

6                   As an example, on a day-to-day basis,  
7 we interact with the Security Departments and the  
8 Surveillance Departments. We're notified of any  
9 activities that are occurring on the casino floor from  
10 a security perspective.

11                   Ejections, arrests. We are involved  
12 with surveillance in the reviews of all of the  
13 activities, so that it can be presented to the State  
14 Police, if appropriate, to remove the patrons from the  
15 patrons from the casino floors.

16                   If there's any areas of noncompliance  
17 (sic) that occurs incidentally through Parx Casino,  
18 with advertising or promotions, we're notified by the  
19 Legal Department that - in a self-reporting nature,  
20 that an event has occurred. They report to us.

21                   Whenever we have any questions, if  
22 we're conducting any investigation, based, again, upon  
23 things that have been uncovered by a security or  
24 surveillance event, we connect with the appropriate  
25 department, whether it be Player Services, the Cage,

1 Internal Auditing, Control, Legal. And we've received  
2 full cooperation, which has allowed us to complete  
3 reports, which we then refer to our supervisors or to  
4 OEC for any enforcement action or closure.

5 But our communication, I think, on a  
6 daily basis with each individual department and the  
7 management of Parx, I think it's been excellent since  
8 the time that I've been at the property.

9 PRESIDING OFFICER: Any further  
10 questions from anyone?

11 Okay. Thank you.

12 ATTORNEY ARMSTRONG: The OEC would  
13 like to call William Dobbins.

14 ---

15 WILLIAM DOBBINS,  
16 CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING AND  
17 TESTIFIED AND SAID AS FOLLOWS:

18 ---

19 MR. DOBBINS: Good morning,  
20 Commissioners.

21 ATTORNEY ARMSTRONG: Mr. Dobbins, for  
22 the record, please state your full name and spell your  
23 last name.

24 MR. DOBBINS: William Dobbins,  
25 D-O-B-B-I-N-S.

1                   ATTORNEY ARMSTRONG: With whom are you  
2 employed?

3                   MR. DOBBINS: I'm an investigator at  
4 the Pennsylvania Gaming Control Board Bureau of  
5 Investigations and Enforcement (BIE).

6                   ATTORNEY ARMSTRONG: And what is your  
7 present title?

8                   MR. DOBBINS: Investigator and Case  
9 Agent for Parx Casino.

10                   ATTORNEY ARMSTRONG: And how long have  
11 you been working for the Pennsylvania Gaming Control  
12 Board?

13                   MR. DOBBINS: I've been with the Board  
14 since the inception of the Bureau of Investigations in  
15 2006.

16                   ATTORNEY ARMSTRONG: How long have you  
17 been the Case Agent for the Parx Casino?

18                   MR. DOBBINS: Since August of 2015.

19                   ATTORNEY ARMSTRONG: And can you  
20 briefly describe for us what your responsibilities as  
21 an investigator in the BIE is?

22                   MR. DOBBINS: The BIE is tasked with  
23 conducting suitability investigations and financial  
24 reviews for any individual or entity that wants to do  
25 with the casinos in Pennsylvania or own a casino in

1 Pennsylvania.

2 A report is generated and sent up the  
3 chain and ultimately it goes before the Commissioners  
4 for a decision.

5 ATTORNEY ARMSTRONG: Now, in your  
6 professional capacity, have you been deeply involved  
7 in the investigation of Parx Casino's renewal  
8 application?

9 MR. DOBBINS: I have.

10 ATTORNEY ARMSTRONG: When did the BIE  
11 begin its renewal investigation?

12 MR. DOBBINS: January of 2018.

13 ATTORNEY ARMSTRONG: And can you  
14 describe the scope of the investigation?

15 MR. DOBBINS: Yeah. Once the - Parx  
16 submits applications for renewal, they submit a  
17 Renewal Application. It goes to our Licensing Bureau.  
18 They vet it, and then they send it over to the Bureau  
19 of Investigations for action.

20 ATTORNEY ARMSTRONG: Did you review  
21 renewal of the Applications filed by Parx Casino?

22 MR. DOBBINS: I did. I reviewed all  
23 the Renewal Applications, and after reviewal (sic), I  
24 send out letters to the executives at Parx Casino,  
25 primarily Tom Bonner, IRS releases, FOIAs for the FBI

1 to release information to us. And a request for  
2 information letter, which I request three years of  
3 financial records on the companies and the  
4 individuals, any liens, judgments, anything of - all  
5 personal records. It's an extensive process.

6 ATTORNEY ARMSTRONG: Now, has the Parx  
7 Casino personnel been cooperative during the  
8 investigation?

9 MR. DOBBINS: Yes, they have.

10 ATTORNEY ARMSTRONG: Is the  
11 investigation complete?

12 MR. DOBBINS: It is. I just finished  
13 up one of the owners in the UK, and that report has  
14 recently been submitted.

15 ATTORNEY ARMSTRONG: Did the BIE  
16 discover any areas of concern during the  
17 investigation?

18 MR. DOBBINS: No.

19 ATTORNEY ARMSTRONG: Did the BIE  
20 discover anything during the course of the  
21 investigation that would preclude a finding of  
22 suitability at Parx Casino?

23 MR. DOBBINS: No.

24 ATTORNEY ARMSTRONG: Thank you. I  
25 have no further questions.

1                   PRESIDING OFFICER: Any questions from  
2 Parx?

3                   ATTORNEY BOLAND: No questions.  
4 Thank you, Mr. Dobbins.

5                   PRESIDING OFFICER: Questions from our  
6 Board Members?

7                   MR. DOBBINS: Thank you.

8                   PRESIDING OFFICER: Thank you.  
9 Okay.

10                   Then we will move into the record the  
11 comments - or I'm sorry, the Exhibits 1 through 9 from  
12 our OEC, with Exhibit 7 through 9 being confidential.

13                   Is that correct?

14                   ---

15                   (Whereupon, OEC Exhibit 1, Uniform Crime  
16 Reporting System Reports, was admitted.)

17                   (Whereupon, OEC Exhibit 2, State Horse Racing  
18 Commission Letter, was admitted.)

19                   (Whereupon, OEC Exhibit 3, Bureau of Liquor  
20 Control Enforcement Letter, was admitted.)

21                   (Whereupon, OEC Exhibit 4, 1/10/19 Memorandum,  
22 was admitted.)

23                   (Whereupon, OEC Exhibit 5, Department of Revenue  
24 Letter, was admitted.)

25                   (Whereupon, OEC Exhibit 6, Consent Agreements,

1 was admitted.)

2 (Whereupon, OEC Exhibit 7, Compliance Conference  
3 Memorandums, was admitted.)

4 (Whereupon, OEC Exhibit 8, Warning Letters and  
5 Responses, was admitted.)

6 (Whereupon, OEC Exhibit 9, Stipulations  
7 Agreement, was admitted.)

8 ---

9 ATTORNEY ARMSTRONG: Seven and 8.

10 PRESIDING OFFICER: Seven and 8.

11 Does Parx have any objection to the -?

12 ATTORNEY BOLAND: No objection.

13 PRESIDING OFFICER: Okay.

14 We move on to our public comment  
15 portion of the hearing. As I call your name, if you'd  
16 please come forward to the podium over here. And if  
17 you could begin your remarks by stating and spelling  
18 your name for the Court Reporter.

19 And if you are here on behalf of an  
20 entity, if you could tell us who that is as well.

21 If you have not been sworn, previously  
22 to testify, if you can stand and raise your right  
23 hand, if you are going to speak in the public comment  
24 portion. If you could please stand up and raise your  
25 right hand to be sworn.

1 I think some of you have been sworn  
2 over here earlier, but some of you have not, so -.  
3 So, if you are going to make public comment, if you  
4 could please stand and raise your right hand.

5 I think - Mr. Kupersmit, are you  
6 registered to speak? Yes. If you're going to speak,  
7 yes. Thank you.

8 ---

9 WITNESSES SWORN EN MASSE

10 ---

11 MR. KUPERSMIT: My testimony involves  
12 my opinion, and -

13 PRESIDING OFFICER: Yes. This is  
14 just -.

15 MR. KUPERSMIT: - and I don't know  
16 whether that - you consider that the truth or not.

17 PRESIDING OFFICER: Well, if you  
18 believe it to be, then, we'll have you sworn.

19 MR. KUPERSMIT: I'm telling you now,  
20 yeah, I'm going to tell the truth.

21 PRESIDING OFFICER: Okay.

22 So, -.

23 MR. KUPERSMIT: But I have opinions on  
24 this stuff.

25 PRESIDING OFFICER: Well, we'll hear

1 those in a bit. Thank you.

2 We will first - we'll start with  
3 Senator Tomlinson. And I would remind all speakers  
4 they have approximately five minutes for their  
5 comments.

6 SENATOR TOMLINSON: Thank you.

7 My name is Robert Tomlinson, otherwise  
8 known as Tommy, T-O-M-L-I-N-S-O-N. Senator of the 6th  
9 Senatorial District, which is Bucks - part of Bucks  
10 County. And it includes Bensalem and Parx Casino.

11 And having struggled for over ten  
12 years of my legislative career to bring about the  
13 Gaming Bill, I'm proud and honored to stand here to  
14 ask you to renew the License for Parx Casino.

15 They've been a great community  
16 partner. As you've seen in the testimony, they have  
17 invested a tremendous amount of money in the  
18 community.

19 Besides the \$140 million that they  
20 invest - that they are required to invest by Law,  
21 they've invested over \$90 million in community  
22 charities. And they've outlined those charities to  
23 you, the different ones that they've given, so they've  
24 stepped way beyond, my imagination, what they could  
25 have done for this community.

1                   And when you talk about business and  
2 economic development, as you drove in off of the  
3 Turnpike, you noticed that there wasn't one fast food  
4 chain store you haven't seen. They go from Outback to  
5 Carrabba's, to Friendly's to TGIF Friday's to  
6 Applebee's. The economic development along that  
7 Street Road corridor has been tremendous.

8                   So, I just want to say that they've  
9 been a great community member. I started down this  
10 road a long time ago, when Bob Green bought this  
11 track. It was not a successful operation when he  
12 bought it. It was losing a lot of money. And through  
13 the years of operating it, he turned it into a  
14 profitable organization.

15                   Once Delaware Park put slot machines  
16 in their racetracks, it took all the good horses down  
17 to Delaware. And that's when we work very hard to get  
18 the slot machines at the racetrack.

19                   And thanks to Governor Rendell and his  
20 great cooperation and the cooperation of a lot of  
21 people in the legislature, we were able to get the  
22 slot machines. And of course we didn't do just Class  
23 1s, we did class 2s and 3s, and now we have  
24 ancillaries.

25                   The important thing that I think was

1 - for you to see today is how much money they put into  
2 the backstretch and into the building. Other casinos  
3 don't necessarily have to do that, but you see that  
4 they've invested tremendously.

5                   They took the original building and  
6 spent about \$185 million to turn it into a casino as  
7 soon as possible, because the State wanted its  
8 revenue.

9                   They then spent \$415 million to build  
10 the casino that you see today. They went back and  
11 spent \$30 million on the backstretch for the Horsemen  
12 in the back area and improve that. And then they  
13 spent another \$25 million fixing the grandstand area  
14 back up, for which they turned into a casino back into  
15 something that would make horseracing a very, very  
16 good venue.

17                   And then of course you've seen that  
18 they just spent \$147 million on restaurants and on the  
19 Xcite Center and on the new Beer Garden. So, they've  
20 invested constantly over and over again to make their  
21 product a better product. They've taken a losing  
22 operation and an old racetrack that was losing money  
23 into a casino that's one of the best performing  
24 casinos in the State of Pennsylvania. And I'd say  
25 even on the East Coast.

1                   So, they've been a great corporate  
2 citizen, they've run a great organization. They run a  
3 great - great thing for Bensalem, so I ask you to  
4 seriously consider renewing their License. Thank you.

5                   Any questions for me? Kat, come on,  
6 you have to have one question.

7                   MS. MANDERINO: How you doing today,  
8 Tommy?

9                   SENATOR TOMLINSON: I'm feeling great,  
10 but I share your - I share the concerns about  
11 iGaming. I'm very, very concerned. I mean,  
12 Pennsylvania is totally different than New Jersey.  
13 New Jersey, did it, I think in a defensive mechanism.

14                   I was surprised when we first did the  
15 Gaming Bill how many New Jersey customers we captured.  
16 And by Atlantic City putting internet gaming in, they  
17 were able to capture a lot of their Western New Jersey  
18 customers that came over to Pennsylvania, because we  
19 are very convenient to a lot of sections of New  
20 Jersey. So, I think it's a totally different game for  
21 iGaming for Pennsylvania.

22                   We spread our casinos out into  
23 different areas. Atlantic City has all - New Jersey  
24 has all their casinos all in one small town.

25                   So, I'm very, very concerned. Of

1 course, I didn't vote for the Bill. I didn't vote for  
2 internet gaming, because I'm worried about what it's  
3 going to do to our bricks and mortar.

4 But these - this business has shown  
5 they've got the ability to adjust and to invest and to  
6 make a successful casino. Thank you.

7 PRESIDING OFFICER: Thank you.

8 Representative Eugene DiGirolamo.

9 MR. DIGIROLAMO: Hello, everyone.

10 Gene DiGirolamo, G-E-N-E, D-I-G-I-R-O-L-A-M-O.

11 Hello, everyone. Good to be with you.  
12 And it's good to see two of my former colleagues in  
13 the House here today. And it kind of warms my heart,  
14 because it makes me realize that there is life after  
15 the legislature.

16 Anyway, I've got written testimony,  
17 but I think this is really important, because Parx  
18 Casino has done so much good things for our community,  
19 and I am proud to stand here and support them today.

20 I am the elected State Representative  
21 here in the 18th Legislative District. Actually  
22 Bensalem, where Parx resides, is my whole Legislative  
23 District, one municipality.

24 I want to take a moment to acknowledge  
25 the three people who are sitting up here at the table,

1 and I call all three of them my friends. That's Bob  
2 Green, Tony Ricci and Ron Davis.

3 I interact with them. Like really  
4 almost on a daily basis I'm talking to one of them,  
5 especially Mr. Ron Davis here, who does so much for  
6 our community, he really does.

7 I want to specifically talk today  
8 about Parx and how much they've meant to the local  
9 area with their employment, and how seriously they  
10 addressed the problem gaming addiction in the  
11 community here.

12 First, as you're all aware, the number  
13 of construction jobs created by the buildings of the  
14 original casino and the creation of the temporary  
15 casino, at the racetrack was over 1,200 construction  
16 jobs. That's 1,200 jobs for more building trades.

17 And I'd really like to point out that  
18 all of those jobs or most all of them are Pennsylvania  
19 residents who are working here.

20 Currently, as has been presented  
21 already, Parx has over 2,157 employees. These  
22 employees are engaged in many different capacities of  
23 the casino. And aside from jobs related to gaming,  
24 Parx also employs everything from carpenters to  
25 steamfitters to electricians.

1 I would also like to point out that  
2 these are all good family-sustaining jobs that we are  
3 glad to have here in Bensalem and all with really,  
4 really good benefits.

5 As of the last report, over 84 percent  
6 of these jobs are held by Pennsylvania residents.  
7 That's so important.

8 And further, almost half of the jobs  
9 are Parx are held by minorities. Parx has been  
10 committed to diversity. And the percentage number of  
11 jobs held by minorities has gone from 39 percent in  
12 '14-'15 to 46 percent in '17-'18.

13 Now I'd like to turn to Parx and the  
14 problem gaming issue. As you are - maybe some of you  
15 are aware, I am Chairman of the House Human Services  
16 Committee. And I've been Chairman there for the past  
17 eight years, so the issue of addiction is very  
18 important to me.

19 Every day I am working to combat the  
20 opiate epidemic and other addictions that affect our  
21 community. One of these potential addiction is, of  
22 course, gambling.

23 I am proud to say that Parx has always  
24 taken problem gaming seriously. And I'm going to say  
25 that again.

1           Always, from the very beginning, they  
2 have taken the issue of problem gaming seriously. Not  
3 only do they follow the regulations and oversight  
4 related to problem gambling, but they go a step  
5 further and help the local community with both their  
6 checkbook and their employees.

7           Ron Davis, who's a presenter here  
8 today, is actually a Board member of Livengrin, which  
9 is a drug and alcohol treatment facility here in  
10 Bensalem. And you're going to hear, later on, from  
11 Holly, who's an employee there at Livengrin.

12           Finally, I would like to bring the  
13 Board's attention that statewide in '17-'18  
14 Pennsylvania's casinos made \$14 million in charitable  
15 donations. And I think that's quite an accomplishment  
16 around the state. \$14 million around the state.

17           Of that amount, Parx Casino gave  
18 almost \$10 million of that \$14 million. That number  
19 does a great job representing how Parx views our  
20 community here in Bensalem and in Bucks County.

21           Parx is responsible for 70 percent of  
22 the entire charitable giving total of the Pennsylvania  
23 casinos.

24           To include, Parx has been a tremendous  
25 neighbor, a partnering community. They have done a

1 great job running a top tier of the casino that is  
2 socially responsible and a great neighborhood partner.

3 I ask you to grant their License  
4 renewal so they can continue to operate and benefit  
5 the people here in Bensalem and in Bucks County.

6 And I say this all the time, I sat  
7 next to Governor Rendell back in 2006 when he signed a  
8 casino Bill right here in Bensalem. And I say that  
9 Parx has not only been a homerun for our community,  
10 but Parx Casino has been a grand slam for our  
11 community.

12 So, thank you very much, and thank you  
13 for allowing me to testify today.

14 PRESIDING OFFICER: Thank you.

15 Bensalem Mayor, Joseph DiGirolamo.

16 MAYOR DIGIROLAMO: Good morning.

17 Joe DiGirolamo, D-I, capital G,  
18 I-R-O-L-A-M-O.

19 Good morning. Welcome to our great  
20 community. Good to have you here in Bensalem.  
21 Certainly, I just want to clarify.

22 Gene, I am not his father, so I want  
23 to clarify that. I am his uncle. So, I want to  
24 clarify that right away.

25 And we talk about family all the time,

1 and I'll start out by the saying, the folks over there  
2 are our family here in Bensalem.

3 I have been here my whole life. So, I  
4 go back before the racetrack. So, showing my age a  
5 little bit, but Bob Green and I go back to that.

6 And the racetrack here and the casino  
7 has done an incredible job for us here in Bensalem  
8 Township. We work daily with them. There's always  
9 something.

10 And you had asked about our police  
11 before. Our police work very, very hard with them,  
12 with the State Police and with the security over the  
13 casino. And we have a great record with that. And I  
14 wish our Chief was here and he could bring us up-to-  
15 date.

16 He is here, in case you want to hear  
17 him, but he could give you the facts. But we keep  
18 up-to-date with them every day. They have given so  
19 much to this community.

20 By the way, I have a script. I'm all  
21 script. Okay? I don't - won't speak script.

22 So, we have - every day we work with them,  
23 with the diversity in this community. The incredible  
24 - we are a diverse community. We mirror Philadelphia.  
25 We're no different. And certainly Ron has done a

1 great job with that.

2                   Ron Davis, a lifelong brother, and I  
3 mean that sincerely. I've known him before he came  
4 here to the casino. Everybody working over there  
5 works with us. We have a great relationship.

6                   What that casino has meant to us - you  
7 know, we get \$10 million a year from the casino. That  
8 \$10 million a year has helped us in so many -. You  
9 talk about our police department, it has been - helped  
10 us hire more police to make sure our community is safe  
11 so that all around, not just on the highway in front  
12 of it, but our communities are safe.

13                   And I think - we have a Gaming Board  
14 here, our own Gaming Board that we put on immediately  
15 to work with them, and the casino, once a month meets  
16 with them, to bring them to bring them up-to-date,  
17 which they report back to me what they get.

18                   They have done everything that I could  
19 have ever expected. You know, you hear a lot of  
20 rumors out there. You'll hear people about crime and  
21 prostitution. That's not here. It doesn't happen,  
22 I'm telling you. It's just not here. This casino has  
23 not caused any problem.

24                   They have built highways for us,  
25 roadways into their casino. They have paid for that.

1                   The money that they gave to different  
2 charities is incredible. I will bring one to you.  
3 One charity that - an incredible little charity that  
4 you might think about. We have an AME Church here  
5 that's 200 years old that was falling down. They  
6 helped us to bring that AME Church back to the history  
7 of that, that -. As we sit here today, that church is  
8 an incredible little church. It goes back to the  
9 underground railroad, everything.

10                   So, thank you for that. That's  
11 something that you won't hear about. That's not - you  
12 won't see it in their PowerPoints, you won't hear.  
13 But it goes on and on and on of what they have done.

14                   REMS, they help REMS. They  
15 contributed more money to REMS to make that work  
16 better for our community and to serve them.

17                   I tell you, as the Mayor of this town,  
18 I've been here 26 years as Mayor, so this is not  
19 something new. I've been there when - I stood - when  
20 Ed Rendell, as Gene said, signed it over there, we  
21 were all there. I was with Ed Rendell there, worked  
22 with Ed Rendell before, to bring it to the  
23 communities, to let them know -.

24                   And by the way, how outstanding of a  
25 job they did for the racing community, to keep that

1 here. And I know they had the best track in all of  
2 Pennsylvania, in this area, or Southeastern United  
3 States. They've kept that going.

4 Do you know how many jobs they  
5 created? I mean, over 2,000 jobs. They're one of our  
6 largest people that have companies here.

7 I can't tell you enough for them. I  
8 hope that you take everything in consideration of what  
9 you've heard of testimony today about this great  
10 weeklong - our business-friendly community here, our  
11 partners here in Bensalem.

12 It has truly been an incredible,  
13 incredible trip for us. And Gene calls it a grand  
14 slam. And certainly it's been every bit of that.

15 It's been my hole in one, and I don't  
16 golf. So, hopefully you'll take all of this testimony  
17 and approve this License, this great corporation.

18 And again, I thank these gentlemen for  
19 being here today, and thank you for coming to  
20 Bensalem. God bless you all.

21 PRESIDING OFFICER: Thank you.

22 Minesh Pathak, and if I just mangled  
23 your name, I'm sorry.

24 MR. PATHAK: No, you're pretty close.

25 So, my name is Minesh Pathak. Last

1 name is spelled P-A-T-H-A-K. I'm the Executive  
2 Director of the Lower Bucks County Chamber of  
3 Commerce.

4 Good morning, everyone.

5 I just want to say that this gentleman  
6 here on the left, Mr. Ron Davis, has been a big  
7 supporter of the Chamber of Commerce, not only is he a  
8 Board member, but I'm proud to call him my friend now  
9 as well.

10 I stepped in as Executive Director  
11 about eight months ago. And out of the 22 Board  
12 members we have, Ron Davis personally called me to  
13 say, you got this, you can handle the Chamber. And  
14 that's why I'm proud to say he is a close friend of  
15 ours.

16 The Chamber of Commerce, from what  
17 we've heard from our members, Parx Casino is a great  
18 community leader. They employ over 2,000 employees,  
19 as you saw on their PowerPoint. The outreach that  
20 they have is phenomenal. The workforce development  
21 that they employ is fantastic. And what they do in  
22 the community, belonging to many, many organizations,  
23 many nonprofits, is tremendous.

24 I can tell you myself, Parx Casino has  
25 been an active member for - ever since they opened.

1 So, they've been a big supporter of the Chamber. They  
2 belong to many organizations. They help a lot of  
3 nonprofits. And they also host two of our major  
4 events every year.

5 So, they are a big advocate of the  
6 Chamber, so please renew their License. Thank you.

7 PRESIDING OFFICER: Thank you.

8 Holly Livingston.

9 MS. LIVINGSTON: Good morning.

10 My first name is Holly, H-O-L-L-Y,  
11 last name Livingston, L-I-V-I-N-G-S-T-O-N. And I'm  
12 here representing Livengrin Foundation. We are a drug  
13 and alcohol treatment facility here in Bensalem.

14 We are in support of the renewal of  
15 the Parx Casino License. We've been a great  
16 partnership for a number of years now. And Ron Davis  
17 is one of our Board members, but is also a big  
18 champion for what we do in order to provide a  
19 sustainable recovery process for community members as  
20 well as in the surrounding region. Parx allows us to  
21 extend that, in order to provide a gambling component  
22 to that.

23 Particularly with our First Responders  
24 Program, we tend to identify gambling as one of their  
25 co-occurring issues. And with the support of Parx and

1 particularly with Mr. Davis, we are able to provide  
2 more of a comprehensive type of treatment modality  
3 that otherwise would maybe slip through the cracks.  
4 So, we're able to identify as well as provide that  
5 sustainable support for adult men and women.

6 So, thank you.

7 PRESIDING OFFICER: Thank you. Jim  
8 McKee.

9 MR. WAITZE: Hello. My name is Peter  
10 Waitze, W-A-I-T-Z-E.

11 PRESIDING OFFICER: I'm sorry, Jim  
12 McKee.

13 MR. WAITZE: I'm sorry?

14 PRESIDING OFFICER: I called Jimm  
15 McKee.

16 MR. WAITZE: Oh, I'm sorry.

17 PRESIDING OFFICER: That's okay.

18 MR. MCKEE: Hi. I'm James McKee, I  
19 go by Jimm, with two Ms. And I'm here today  
20 representing the Bucks County Chapter of the NAACP.  
21 I'm their first Vice President.

22 I'm also in charge of community  
23 affairs, which kind of lends me what I'm about to say  
24 about Ron and Parx Casino.

25 I mean, not only am I a Bensalem

1 resident and have benefitted from all the things that  
2 they have done for the community, but I've also  
3 benefitted as a lifetime member of the NAACP for the  
4 help that they have provided us.

5 I have this script that I could go by,  
6 but I'd rather just talk to you, because it's a  
7 personal thing to me, because I take human rights  
8 personally.

9 And as being a community advocate in  
10 Bucks County for more than 30 years, because I also  
11 chair the Bucks County Coalition for African American  
12 concerns -. My children, my grandchildren were all  
13 raised here in Bucks County. And so, therefore,  
14 seeing an organization like Parx Casino come and add  
15 such a positive influence to everything that goes on  
16 here -.

17 The things just that they do for the  
18 NAACP are - they practically support our scholarship  
19 fund. They personally saw to it that five Bucks  
20 County children got a thousand dollars so that they  
21 could extend their education.

22 We have our Freedom Fund Banquet every  
23 October at their facility. We have monthly meetings  
24 at their facility.

25 So, not only do they walk the walk and

1 talk the talk, but they actually are part of our  
2 community.

3                   There's one thing to be a part and do  
4 all these things, but Ron and Ms. Waters, I mean, they  
5 are actually really parts of our organization.

6                   And like everyone else has said, they  
7 are our family. They are NAACP's family. They are  
8 corporate members of the NAACP.

9                   So, therefore - we don't know what we  
10 did before they came. And I've been - and I've been  
11 doing this stuff for a long time.

12                   And it really does my heart good to  
13 see a group like this come to our community and add  
14 such a positive influence. Thank you.

15                   PRESIDING OFFICER: Thank you.

16                   Harold Kupersmit, Kuper - Kupersmit  
17 (changes pronunciation). You'll have to tell me how  
18 to pronounce your name.

19                   MR. KUPERSMIT: My name is Harold  
20 Kupersmit, but I like to go by the Green Shirt. And  
21 that - and first of all, thank you for letting me  
22 appear.

23                   As a classic Mr. Nobody, it's moments  
24 like this that elevate what I'm trying to do. And  
25 Capitalism and Democracy are under attack. And

1 whether you believe it or not, look around the world,  
2 you see it in Yemen. You see it in Syria. You see it  
3 in Libya. You see it in Venezuela.

4                   And what's not happening is we have to  
5 work together. And whenever I go I get the same  
6 reaction. Who the hell are you, a Mr. Nobody, telling  
7 us what to do? You have no record, which is true.

8                   This - today, happens to be my half-  
9 year birthday. I'm 80 - 8-0 and a half today.

10                   Now, the United States of America is  
11 an indispensable party in the world. And unless we  
12 work together and cooperate, it's going to be very  
13 detrimental to 130,000,000 Americans who right now  
14 can't pay their bills because of the fact that an  
15 outfit like Parx hasn't given their employees a raise  
16 - and this was as of November - the beginning of  
17 November of last year - in ten years.

18                   That's a problem in equality that has  
19 to be addressed. Because there's 7,000,000 Americans  
20 who can't make their auto loan payments.

21                   Now, let's talk about Parx. Whether  
22 you want to believe it or not, the Thoroughbred - and  
23 I'm only talking about the - I know nothing about slot  
24 machines. I wouldn't play them. I think anybody who  
25 plays them is an idiot.

1 I gamble on the horses because I  
2 control the bets that I make. Nobody tells me - you  
3 pull a slot machine, you have no control. And as you  
4 can see, it's a very profitable endeavor.

5 Now, Parx races has a background. I  
6 made my first bet in 1957. And so if you count all  
7 that, 62 years. I testified in my U.S. Tax Court  
8 trial that I think, because I have no idea, that I've  
9 lost around \$140,000 in that time frame betting on the  
10 horses.

11 It's almost impossible to make money.  
12 So, in 1996 I was audited by the Internal Revenue. If  
13 my math is right, that's 23 years ago. Now,  
14 thoroughbred racing - and I had no idea then, that the  
15 thoroughbred racing, for a variety of reasons, and the  
16 slot machines and the contribution to racing has  
17 helped to save it.

18 Now, talking about Parx, you give them  
19 the right to operate a racetrack, and they operate  
20 Saturday, Monday and Tuesday. I consider Parx to be a  
21 Grade II racetrack. Tracks like Saratoga and San  
22 Anita are Grade Is. Tracks like Penn National are  
23 Grade IIIs.

24 They give out roughly \$3 million on  
25 one day, which is the third Saturday of September -

1 they've already mentioned it and alluded to it - with  
2 the Pennsylvania Derby.

3                   Now, the Thoroughbred racing industry  
4 being in trouble means that you have to marshal and  
5 stop taxing nonexistent income, which the IRS has  
6 done.

7                   Now, on Kentucky Derby Day in 2012, I  
8 got a ticket at Parx by the Bensalem Township Police  
9 Department for parking against the barrier. You know  
10 how to track is and the disability section. I got a  
11 ticket.

12                   That led to a cascade of events and  
13 three - two - I got the Self-Exclusion letter in  
14 February of '13. I ignored it, because, as I said,  
15 I've been betting on the horses since 1957.

16                   I was arrested on the 6th of April of  
17 2013. And I wrote to this Board. And that's another  
18 problem in America. Regulatory capture.

19                   I wrote to this Board at least - and  
20 called at least a half a dozen times. I cannot find  
21 any rules on Involuntary Self-Exclusion.

22                   You can't give these the people the  
23 right to arrest people for just sitting there and  
24 trying to make America better. That's, in essence,  
25 what they did.

1                   Now, it's a done deal. I know that  
2 they're too profitable. They give \$11 million to  
3 Bensalem Township, and there's no way you're not going  
4 to renew the License.

5                   But you have to start protecting the  
6 public against abuse - all kinds of abuse, also known  
7 as regulatory capture.

8                   Now, on 9/11, of all days, of 2013 I  
9 was arrested and charged with making terroristic  
10 threats in a phone call to Judge Falcone, whose office  
11 is right over here. Trust me, I never made the call.

12                   And I hire a lawyer. The lawyer quits  
13 on me. I make a plea deal with the District Attorney,  
14 which he doesn't honor.

15                   So, - that's not the end of the story.  
16 On the 11th of August of 2014, I got arrested again  
17 while I'm on probation by the then - the then  
18 representative of my district, Mr. Steven - I don't  
19 even know what I'm charged with.

20                   PRESIDING OFFICER: Mr. Kupersmit,  
21 you're at seven minutes now.

22                   MR. KUPERSMIT: Okay. Thank you.

23                   PRESIDING OFFICER: So, I'm going to  
24 have to ask you to wrap up. If you want to close your  
25 comments, but -.

1                   MR. KUPERSMIT: Yeah. And I can close  
2 it with a couple sentences. I'm going back to Parx,  
3 because that's the only - that's the closest racetrack  
4 to me, on Saturday. So, if you want to, you can  
5 arrest me again, and I'll fight you as best I can.

6                   But you can't give them the right to  
7 just arrest people.

8                   PRESIDING OFFICER: Thank you.

9                   That is the end of my registered  
10 speakers list, but I think there was a gentleman who  
11 wanted to speak back there, if you want to come on up.

12                   Did you want to make a comment?

13                   MR. WAITZE: Yes, yes.

14                   PRESIDING OFFICER: Okay.

15                   If you could state and spell your name  
16 for our Court Reporter.

17                   MR. WAITZE: My name is Peter Waitze,  
18 W-A-I-T-Z-E.

19                   The question, should they get a  
20 License renewed, the answer is, obviously, yes.

21                   The real question is, can you imagine  
22 what any community would look like if every business  
23 in that community was as good as this organization is?  
24 You have no idea how charitable they are.

25                   My biggest complaint about them, and

1 I've mentioned this to Ron Davis many times is, you  
2 never put it in the paper, nobody really knows what  
3 you're doing.

4 I know because I'm on the Board. But  
5 the community doesn't know and they say, gee, my check  
6 wasn't big enough. They make charitable  
7 contributions. These guys are great.

8 Give them the License now, let us all  
9 go home. They deserve their License. Thank you for  
10 the time.

11 PRESIDING OFFICER: Thank you.

12 Is there anyone else in the audience  
13 that thought they registered to speak and I've not  
14 called their name?

15 MR. COHEN: How you doing? I'm Mark  
16 Cohen.

17 PRESIDING OFFICER: Will you spell  
18 your last name?

19 MR. COHEN: Cohen, C-O-H-E-N.

20 First I was on the Mayor's Gambling  
21 Advisory Board several years ago. In 2015 I had to  
22 step down, because I was elected to the Bensalem  
23 School Board, which, of course provides great income  
24 to our - you know, tax revenue to our school district,  
25 and we really appreciate that.

1 I am the President of the Bensalem  
2 Rotary Club. Ron Davis is also a member of our club.  
3 Without Parx Casino's support, our club would be in  
4 dire straits. We're doing really well because of  
5 their help.

6 I am also the Treasurer of the Mud In  
7 My Cleats, which is a nonprofit setup by Ron Davis and  
8 through the Parx Casino. We - it's a Board with  
9 former NFL players and citizens. And we raise money  
10 for area scholarships in the community.

11 Just a couple days ago we met and we  
12 formalized our scholarship program. Because of - Ron  
13 Davis and Parx Casino houses our meetings, we were  
14 able to give out it looks like \$2,500 in scholarships  
15 to a kid in Neshaminy High School. And also in  
16 Bensalem area, we're going to have scholarships for  
17 some of our athletes.

18 So, we appreciate that from Parx.  
19 That's all, you know, financed through Parx.

20 I'm also the Treasurer of the Bensalem  
21 Education Foundation. We set this foundation up about  
22 four years ago - four - about - no, I'm sorry, five  
23 years ago. Five years ago we started with \$300, and  
24 we have grown extremely - an awful lot.

25 The biggest contributor to us at the

1 time and got us started was Parx Casino, through Ron  
2 Davis. He gave us the initial \$5,000 contribution.  
3 From that \$300, we now take in close to \$50,000 a  
4 year, just - just on - we're not even employees, you  
5 know what I mean?

6 We don't even get paid. So, now we  
7 have almost \$100,000 in our account. And it really  
8 did start because of Parx Casino. They really were  
9 the impetus to get that started.

10 Let's see, we also are applying for  
11 the EITC Program. Hopefully Parx contributes to that.  
12 Every year Parx constantly gives a donation to the  
13 Education Foundation. They have increased it each  
14 year.

15 So, let's see. Whenever a nonprofit  
16 needs help, we can - we can go to Parx. And they are  
17 always there for the community. A lot of people know  
18 that I'm involved with Parx. So, they'll call me and,  
19 you know, we get them the necessary, you know,  
20 channel. And they do - they take care of anything  
21 that we need in the community.

22 I just want to add with this, about  
23 addiction. Last Thursday I celebrated 20 years of  
24 sobriety. Thank you. And I sort of know a little bit  
25 about gambling. My father was born and raised in the

1 town called Perth Amboy, New Jersey. It was a  
2 gambling town in the 1920s and 1930s.

3 My dad started gambling at that time  
4 and moved to Philadelphia when he met my mother and  
5 became a Philadelphia school teacher. And my dad - I  
6 love telling the stories about my dad. He is a pretty  
7 big gambler. And he - many years of his life he's  
8 lived in casinos.

9 He's lived in Nevada. He's lived in  
10 California. He's lived in Atlantic City. At 95 years  
11 old, my father can gamble 12 to 24 hours a day, with  
12 breaks, still at this age. He is amazing.

13 So, I know a little bit about  
14 addiction. I know Parx does the best they can to  
15 control it.

16 Unfortunately, I will never be able to  
17 get my dad to move here. I've asked him many times.  
18 And one time we were walking in the desert and I said,  
19 dad, come on, let's move back. He goes, and leave  
20 this beautiful desert?

21 So, I thank you. And I appreciate you  
22 renewing this great License, because of all they have  
23 done for our community over these years. Thank you.

24 PRESIDING OFFICER: Thank you.

25 Is there anyone else that believe

1 they've registered and I have not called your name?

2 Okay.

3 Moving on, we received two written  
4 comments. One from - one in support from a citizen.  
5 And we also have written testimony from Senator  
6 Tomlinson, which I'm pretty sure does not follow what  
7 he presented here today.

8 So, we had written - yeah, we had  
9 written comments from him as well. So, those will be  
10 included in today's record.

11 Does Parx have any closing comment  
12 they'd like to make?

13 MR. RICCI: No, we don't. Thank you  
14 for this opportunity. We really appreciate it.

15 PRESIDING OFFICER: How about our OEC?

16 ATTORNEY ARMSTRONG: No, the OEC has  
17 no closing. Thank you.

18 PRESIDING OFFICER: Okay.

19 The record will remain open until the  
20 Board hears the matter at a public Board meeting at a  
21 later date. A report will be based on the testimony  
22 and evidence entered in the record today and the  
23 Suitability Report that will be filed by our Bureau of  
24 Licensing.

25 That report and all of the evidence

1 from today's hearing will be forwarded to the full  
2 Board for their consideration. And it will be heard  
3 at a later Board meeting in Harrisburg.

4 I want to thank you all for coming  
5 today and for your cooperation. And the hearing is  
6 now concluded. Thank you.

7 \* \* \* \* \*

8 HEARING CONCLUDED AT 12:08 P.M.

9 \* \* \* \* \*

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

CERTIFICATE

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

I hereby certify that the foregoing proceedings was reported by me on 02-28-19 and that I, Romanna Dumyak, read this transcript, and that I attest that this transcript is a true and accurate record of the proceeding.

Dated the 22nd day of March, 2019



Romanna Dumyak,  
Court Reporter