



PENNSYLVANIA GAMING CONTROL BOARD

Meeting of the Board May 6, 2009 Minutes

A meeting of the Pennsylvania Gaming Control Board was held on May 6, 2009 in the Pennsylvania Convention Center, Philadelphia, PA. The meeting began at 9:06 a.m.

Members in attendance were:

Mary DiGiacomo Colins, Chairman
Raymond S. Angeli
Jeffrey W. Coy
James B. Ginty
Kenneth T. McCabe
Sanford Rivers
Gary A. Sojka

Individuals who appeared officially before the Board:

Frank Donaghue – opening remarks, delegation of authority
Paul Resch – gaming lab operations (Sands)
Claire Yantis, personnel matters
Doug Sherman – petitions
Steve Cook – withdrawals, report and recommendations
Susan Hensel – licensing matters
Fred Kraus – Venetian Casino Resort (on behalf of HSP)

A quorum of the Board being present, Chairman Colins called the meeting to order.

ANNOUNCEMENTS

Chairman Colins announced that the Board held an Executive session on May 5, 2009 to discuss personnel issues, to conduct quasi-judicial deliberations relating to matters pending before the Board and to consult with counsel regarding privileged and confidential agency business.

EXECUTIVE DIRECTOR'S REPORT

PGCB RESOLUTION NO. 2009-2 BGO – Sands Bethworks Internal Controls

Motion Made: Board Member Coy
Seconded: Board Member Ginty

WHEREAS Pursuant to 4 Pa.C.S. § 1202(a), the Pennsylvania Gaming Control Board (“Board”) has general and sole regulatory authority over all gaming activities or related activities; and

- WHEREAS Pursuant to 58 Pa.Code § 465a.2(a), a slot machine licensee must submit to the Board a written description of its internal control systems and audit protocols (collectively, “internal controls”) at least 90 days prior to the commencement of gaming operations at the licensed facility; and
- WHEREAS Pursuant to 4 Pa.C.S. § 1322(a), a slot machine licensee may not commence slot operations until it has obtained Board approval of its internal controls; and
- WHEREAS Sands Bethworks Gaming, LLC (“Sands”), an entity for which a Category 2 Slot Machine License was approved on December 20, 2006, submitted to the Board its initial submission of internal controls on February 13, 2009; and
- WHEREAS The internal controls submitted by Sands meet the minimum requirements set forth in 4 Pa.C.S. § 1322, including procedures for safeguarding assets and revenue; retaining accurate and reliable financial records; and ensuring complete connectivity to the central control computer system; and
- WHEREAS Sands has submitted a narrative description of its surveillance system for the licensed facility, a table of organization; a jobs compendium; and standard operating procedures for its Finance, Information Technology, Internal Audit, Security, Slot Operations, and Surveillance Departments; and
- WHEREAS The Board is in receipt of an attestation from Mr. Robert J. DeSalvio, President of Sands, attesting that he believes, in good faith, that the submitted internal controls conform to the requirements of the Pennsylvania Race Horse Development and Gaming Act (“Act”) and the regulations promulgated thereunder; and
- WHEREAS The Board is in receipt of an attestation by Douglas S. Niethold, Vice President of Finance for Sands, attesting that he believes, in good faith, that the submitted internal controls are designed to provide reasonable assurance that the financial reporting conforms to generally accepted accounting principles in the United States and comply with applicable laws and regulations, including the Act and the regulations promulgated thereunder; and
- WHEREAS The Board is in receipt of a report prepared by PricewaterhouseCoopers, LLP, an independent registered public accounting firm, which opines that, in all material respects, Sands has complied with the design requirements set forth in the Board’s regulations; and
- WHEREAS Sands, as a condition to its license, will acknowledge that its internal controls are reviewed and approved by the Board in concept form and will agree to immediately implement any procedural revisions in its internal controls as requested by the Board should Board review of the internal controls as implemented support the conclusion; be it
- RESOLVED That the Board approves the internal controls of Sands, subject to the conditions that any implementation of an amendment to the internal controls will be preceded by Board staff’s approval of said amendment.

Board Decision: Passed by unanimous vote

PGCB RESOLUTION NO. 2009-3 BGO – Sands Bethworks Gaming Floor Plan

Motion Made: Board Member Ginty
Seconded: Board Member McCabe

WHEREAS Under 4 Pa.C.S. § 1202(a)(1), the Pennsylvania Gaming Control Board (“Board”) has general and sole regulatory authority over the conduct of gaming and related activities; and

WHEREAS Under 58 Pa.Code § 467a.1(b), a slot machine licensee may not commence slot operations until a floor plan depicting its gaming floor and all restricted areas servicing its slot operation has been approved by the Board; and

WHEREAS Sands Bethworks Gaming, LLC (“Sands”), an entity which was approved for a Category 2 Slot Machine License on December 20, 2006, has submitted a gaming floor plan, prepared by Walsh Bishop Associates, Inc., which depicts the gaming floor and all restricted areas servicing the licensed facility; and

WHEREAS The gaming floor plan has been reviewed and determined to comply with 58 Pa.Code § 467a.1, including those requirements relating to a clearly delineated path for juvenile ingress/egress, slot machine locations and seating, surveillance camera configuration, cashier’s cages, a count room, and placement of automated gaming voucher redemption, jackpot payout and teller machines; and

WHEREAS Sands agrees to comply with the requirements of 58 Pa.Code § 467a.1(c) with regard to proposed modifications to the Board-approved gaming floor plan; and

WHEREAS Board members delegated to oversee the pre-opening activities of Sands’ facility shall have the authority to approve minor modifications of Sands’ gaming floor plan which may occur between the date of this Resolution and the commencement of slot operations; and

WHEREAS Before Board members delegated to approve minor modifications to Sands’ gaming floor can do same, Sands shall submit an as-built, detailed floor plan consistent with the requirements of 58 Pa.Code § 467a.1(a) to the Bureau of Gaming Operations and the Office of the Clerk; be it

RESOLVED That the Board approves the gaming floor plan of Sands, as prepared by Walsh Bishop Associates, Inc. of Minneapolis, Minnesota, revised through May 8, 2008 and denoted as “OP-1”, which depicts a gaming floor of 103,289 square feet configured to accommodate a maximum of 3,000 slot machines; and further

RESOLVED That minor modifications to the gaming floor prior to commencement of slot operations will be permitted consistent with the terms of this resolution.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-127 EXE – Delegation of Authority

Motion made: Board Member McCabe
Seconded: Board Member Ginty

Resolved, the Board hereby Delegates Authority to Commissioners Ginty, Sojka and Coy to approve collectively all pre-opening conditions to the Category 2 Slot Machine License of Sands Bethworks Gaming LLC and to determine the effective date and time which slot operations may commence.

Board Decision: Passed by unanimous vote

HUMAN RESOURCES

PGCB MOTION NO. 2009-128 HR – Employment

Motion Made: Board Member Rivers
Seconded: Board Member McCabe

New Hire:

Christopher Tayoun, Casino Compliance Representative, Penn National

Resolved, the Board hereby approves the hiring of the above candidate for employment.

Board Decision: Passed by unanimous vote

OFFICE OF CHIEF COUNSEL

PGCB MOTION NO. 2009-129 OCC – Sands Bethworks Gaming, LLC Petition

Motion Made: Board Member McCabe
Seconded: Board Member Sojka

Resolved, the Board hereby approves, with conditions, the Order granting the Sands Bethworks Gaming, LLC Petition for Declaratory Order (Shared Services Agreement), OHA Docket No. 43027.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-130 OCC – Holdings Acquisition Co., L.P. Petition

Motion Made: Board Member Sojka
Seconded: Board Member Angeli

Resolved, the Board hereby approves, with conditions, the Order granting the Holdings Acquisition Co., L.P. Petition seeking Waiver of Fixed Seating, OHA Docket No. 43405.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-131 OCC – Legislators Petition to Intervene

Motion Made: Board Member Angeli
Seconded: Board Member Ginty

Resolved, the Board hereby approves the Order, in part, granting the Legislators Petition to intervene regarding the Application of HSP Gaming, L.P. for an Extension of Time, to the degree, it granted the Petitioner’s amicus status and the petitioners filings to date were accepted as amicus briefs, however, the Board denied the Petition, to the degree, in which sought intervention as a party.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-132 OCC – Withdrawal or Surrender of Applications, Licenses, Vendor Registrations or Certifications

Motion Made: Board Member Angeli
Seconded: Board Member Coy

Resolved, the Board hereby issues Orders approving the Withdrawal or Surrender of Principal and Key Employee Applications, or Licenses, as well as Vendor Registrations or Certifications, without prejudice, as follows:

Joseph A. D’Amato	Licensing No. 17501;	PGCB Doc No. 43396
Peter Florstedt, Sr.	Licensing No. 36911;	PGCB Doc No. 43418
Timothy Merrill	Licensing No. 5770;	PGCB Doc No. 43365
James Lawrence Purcell	Licensing No. 1856;	PGCB Doc No. 43356

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-133 OCC – Temporary Emergency Suspension

Motion Made: Board Member Angeli
Seconded: Board Member Coy

Resolved, the Board hereby issues an Order referring the matter of the Emergency Suspension of Omar L. Robinson’s Gaming Permit, OHA Docket No. 43553, to the Office of Hearings and Appeals to promptly conduct a hearing to determine the validity of the Temporary Emergency Order of Suspension and to issue a Report and Recommendation regarding same. The Temporary Emergency Order of Suspension will remain in place pending further action by the Board.

Board Decision: Passed by unanimous vote

BUREAU OF LICENSING

PGCB MOTION NO. 2009-134 LIC – Manufacturer License Renewal of GTECH Corporation

Motion Made: Board Member Coy
Seconded: Board Member Ginty

Resolved, the Board hereby approves the Order renewing the Manufacturer License for GTECH Corporation.

Board Decision: Passed by unanimous vote

PGCB MOTION NO. 2009-135 LIC – Manufacturer License Renewal of Atronic Americas, LLC

Motion Made: Board Member Ginty
Seconded: Board Member McCabe

Resolved, the Board hereby approves the Order renewing the Manufacturer License for Atronic Americas, LLC.

Board Decision: Passed by unanimous vote

OFFICE OF CHIEF COUNSEL

PGCB MOTION NO. 2009-136 OCC – HSP Gaming, L.P. Amended Petition

Motion Made: Board Member McCabe
Seconded: Board Member Rivers

Resolved, the Board hereby approves the Order granting HSP Gaming, L.P.'s Application for Additional Time to Make Slot Machines Available to Play and Modifications to its Approved Development Plan in accordance with representations, drawings and diagrams presented to the Board in support of its application. In addition the Board approves the request for additional time to operate and make available a minimum of 1,500 slot machines for a period of an additional twenty four (24) months until January 10, 2011.

Board Decision: Passed by unanimous vote

ADJOURNMENT

The Chairman concluded the regular business and moved to begin the public hearing and public comment period of the HSP Gaming, L.P. Petition. At the conclusion of the hearing and public comment period, the Chairman adjourned the meeting.