

PENNSYLVANIA GAMING CONTROL BOARD

NORTH OFFICE BUILDING
HEARING ROOM 1
HARRISBURG, PENNSYLVANIA

JUNE 15, 2006, 10:35 A.M.

BEFORE:

THOMAS DECKER, CHAIRMAN
RAYMOND ANGELI
MARY DiGIACOMO COLINS
JEFFREY W. COY
JOSEPH W. MARSHALL, III, (via telephone)
KENNETH W. MCCABE
SANFORD RIVERS
ROBERT P. CASEY, JR., STATE TREASURER,
GREGORY C. FAJT, SECRETARY OF REVENUE
DENNIS WOLFF, SECRETARY OF AGRICULTURE

HILLARY M. HAZLETT, REPORTER
NOTARY PUBLIC

	I N D E X	
	WITNESS	PAGE
1		
2		
3	Anne LaCour Neeb	5
4	Michael Walsh	15
5	Michael Edmiston	17
6	Frank Donaghue	19
7	Richard Sandusky	19
8	Michelle Afragola	24
9	Melinda Morris Tucker	30
10	Michael Schwoyer	38
11	Maureen Williamson	40
12	Susan Hensel	50
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1 May 19th meeting. May I have a motion to approve
2 this transcript, this transcript?

3 COMMISSIONER ANGELI: Mr. Chairman, so
4 moved.

5 CHAIRMAN DECKER: Thank you.

6 Any second?

7 COMMISSIONER McCABE: Second.

8 CHAIRMAN DECKER: Second. Thank you,
9 again.

10 All of those in favor, please indicate by
11 saying aye.

12 COMMISSIONERS: Aye.

13 CHAIRMAN DECKER: The motion passes.

14 Next topic is something new. It's not that
15 new. We are now -- our next motion, our next topic
16 involves approving minutes of all of our meetings in
17 the year 2006.

18 A brief word of explanation in that
19 respect. Now that we have a full-time Board
20 Secretary in Paul Resch, we will be following the
21 practice of other state agencies, local governments,
22 and other non-governmental by preparing and approving
23 minutes of all of our meetings to establish an
24 official, if you will, easy to follow record of the
25 proceedings.

1 Today, we have for consideration the first
2 group of minutes covering all of 2006. We will be
3 approving minutes for all previous meetings dating
4 back to our initial 2004 sessions over the next
5 couple of meetings.

6 Paul, thank you for taking the lead in this
7 project.

8 May I have a motion to approve the minutes
9 and post them on the website?

10 COMMISSIONER DiGIACOMO COLINS: So moved.

11 CHAIRMAN DECKER: Thank you.

12 Second?

13 COMMISSIONER RIVERS: Second.

14 CHAIRMAN DECKER: Okay. Any discussion
15 about this? All of those in favor, please indicate
16 by saying aye.

17 COMMISSIONERS: Aye.

18 CHAIRMAN DECKER: Any opposed?

19 Thank you. The motion carries.

20 Moving on to new business. We'll start
21 with our Executive Director's report, Anne Neeb.
22 Anne.

23 MS. LaCOUR NEEB: Is that on? Okay. Good
24 morning, Chairman Decker, members of the Board.

25 CHAIRMAN DECKER: Good morning.

1 MS. LaCOUR NEEB: I don't have any items
2 that require action by the Board today, but I would
3 like to update you on some items that the staff has
4 been working on over the past months.

5 The Bureau of Hearings and Appeals held its
6 18th and final day of Public Input Hearings on May
7 23rd.

8 I want to take this opportunity to thank
9 all of those who came to testify at the Public Input
10 Hearings or those who provided written comments to
11 our office to be included in the record.

12 I also want to thank our staff who put in
13 countless hours to bring these hearings to the people
14 of Pennsylvania.

15 Act 71 did not require the Board hold those
16 hearings; but from the outset, the Board was
17 committed to having the public component as part of
18 the license process.

19 As such, we have now developed a pretty
20 concise record for each property that participated in
21 the hearings. That record will be available for the
22 Board to use in its suitability hearings, which is
23 the next topic I would like to bring up with you all.

24 Since we're finished with public input,
25 we're now turning our attention to the licensing

1 process, which is going to be the suitability and
2 licensing hearings.

3 At these hearings, the Board will have an
4 opportunity to ask questions of the 22 applicants
5 related to their suitability for obtaining an
6 operator's license.

7 Plans for these hearings are underway and
8 the full schedule will be released in the near
9 future. I can report that the first suitability
10 licensing hearing will be held August the 7th and
11 will continue through August the 9th and that will be
12 held at the State Museum.

13 These hearings will be for our Category I
14 license applicants, which, as you know, are the four
15 existing racetracks and two racetracks that are under
16 construction. These will be Conditional Category I
17 licenses.

18 The other suitability hearings for the
19 Category II and III licenses will be scheduled in
20 September and October. We'll have the remainder of
21 the licensing hearings.

22 I would also like to update the Board on
23 the progress that is being made with the Central
24 Computer System, the Central Control Computer System.

25 As you know, Act 71 requires the Department

1 of Revenue to acquire and operate the Central Control
2 System, which they have done. At the last Board
3 meeting, Curtis Haines from the Department of
4 Revenue's Deputy Secretary for IT gave an overview of
5 the system.

6 There have been efforts underway between
7 G-Tech, which is the operator of the system, and the
8 Department of Revenue and the Gaming Control Board
9 and other agencies to have this operational by
10 September. We think that that is going to occur.

11 On June 2nd, the Department of Revenue held
12 a technical meeting with representatives of all
13 operator license applicants and all slot machine
14 manufacturer license applicants.

15 There were over 100 people which attended
16 this hearing to listen to the technical issues
17 related to installation, implementation, and the
18 operation of the Central Control Computer System.

19 At that meeting, the Gaming Control Board
20 was represented by Richard Williamson, the Director
21 of Gaming Laboratory Operations.

22 The meeting went very well, and it was
23 positively received by all attendees. G-Tech and our
24 gaming lab staff will be meeting now on a regular,
25 ongoing basis to make sure that they can address any

1 issues that are brought up by applicants or
2 manufacturers concerning the technical standards of
3 the system.

4 At this point, that's all I have. That
5 concludes my report. If you all have any questions,
6 I'll be happy to answer.

7 CHAIRMAN DECKER: Any questions?

8 COMMISSIONER DiGIACOMO COLINS: Yes,
9 Mr. Chairman.

10 CHAIRMAN DECKER: Please.

11 COMMISSIONER DiGIACOMO COLINS: Anne, would
12 you please explain how the licensing hearings are
13 different from the Public Input Hearings?

14 MS. LaCOUR NEEB: Yes. The licensing
15 hearings will take place. The way that's going to
16 happen is the applicant for the Category I license,
17 we're going to start with those August the 7th, 8th,
18 and 9th.

19 They've been split up into three days of
20 hearings, two applicants each and then one on the
21 day, I believe.

22 The way that works is the applicant will
23 come forth and make their presentation to the Board.
24 The Board prior to this meeting will have received an
25 executive summary and complete suitability report.

1 This report is put together from various
2 sources, from information obtained from the State
3 Police, which includes character and criminal history
4 on the applicant, the information contained from our
5 consultant PricewaterhouseCoopers on the financial
6 projections and feasibility of their project.

7 The information from licensing and the
8 Bureau of Investigations and Enforcement in our
9 office, which further examines the structure, the
10 business structure and the financial structure of the
11 company; and overall, a summary will be given to the
12 Board. That will be given to the Board with an
13 executive summary on each applicant.

14 At the time of the hearing, the applicant
15 will make their presentation. The Board will have
16 all of the information that we have in our possession
17 that's been analyzed by the various agencies and
18 departments.

19 You will be in a posture at that time as a
20 Board Member to question the applicant specifically
21 about any aspect of their project or proposal. You
22 will have an opportunity to traverse that information
23 with them at that time. They will be represented by
24 counsel.

25 On the other side of the table will be

1 counsel for the Bureau of Enforcement and
2 Investigations. Likewise, if the Board has any
3 questions concerning the information contained in the
4 report, they can question the counsel for Bureau of
5 Enforcement and Investigations.

6 After that -- that hearing will probably
7 take about two and a half hours. It may take less
8 time. It may take more. We're hoping it won't.

9 Then after that hearing is concluded, the
10 record will be submitted and you will take that
11 record under advisement, similar to a court. We will
12 then proceed with the next hearing for the next
13 Category I applicant.

14 When you have finished with all of those
15 hearings, different things can occur. After a

16 hearing or during a hearing, this Board may decide
17 they need more information about a particular issue;
18 and at that point, they could assign those issues to
19 be resolved by a Hearing Officer, who would conduct a
20 full-blown evidentiary hearing and submit
21 recommendations and findings to the Board. That's
22 sort of the process that takes place.

23 There will then be a cutoff date, and we
24 have a calendar setting out the dates. We will have
25 pretrial conferences with the applicant. There will

1 be a minimum of two prior to the hearing.

2 The first pretrial conference is mandatory.
3 The applicants have already been notified of this
4 hearing, which will be held June 19th. This will be
5 with counsel.

6 At that time, we will go over the process,
7 the form, the required filings and documents and the
8 dates for those filings that they have to bring to
9 our attention.

10 From the time of that pretrial conference
11 until August the 7th, any issues that are unresolved
12 will be dealt with in the pre-trial conference with
13 the applicant.

14 If the issue cannot be resolved, it will at
15 least be joined and then presented to the Board for
16 purposes of, you know, sorting out.

17 So we anticipate -- that process is already
18 underway by way of the actual scheduling and setting
19 that up.

20 So it's different from the Public Input
21 Hearing in that it's strictly between the Board and
22 the applicant and the Bureau of Enforcement and
23 Investigations by way of questioning.

24 It is a question and answer process as
25 opposed to the Public Input Hearing, which was a

1 presentation process and a building of a documentary
2 record so that there is a distinction there.

3 These are public hearings nonetheless.
4 People can come and attend, and that's fine.

5 COMMISSIONER DiGIACOMO COLINS: Thank you
6 very much.

7 CHAIRMAN DECKER: Any other questions for
8 Anne?

9 Thank you, Anne.

10 COMMISSIONER DiGIACOMO COLINS: I have one.
11 I have one more. I'm sorry. Quickly, regarding the
12 Public Input Hearings, the transcripts of the Public
13 Input Hearings, would you explain how they will be
14 available if anybody wants to review them and why
15 we're making them available in that fashion.

16 MS. LaCOUR NEEB: Okay. I'm glad you
17 brought that up. The public -- the transcripts and
18 all of the documents which compose the record have
19 been certified by our Office of Hearings and Appeals.

20 Each office, the Pittsburgh, the
21 Philadelphia, and Central Region, which is Harrisburg
22 office, Gaming Control Board office will have a
23 complete copy of that record in their office.

24 This record is available for inspection by
25 anyone that wants to look at it. We cannot publish

1 the transcript itself or make copies of the
2 transcript because that is proprietary information
3 and we're under a contract with court reporting
4 services which prohibit us disseminating their
5 product, but we can have the transcript itself
6 available for inspection. So that's what we are
7 doing.

8 We anticipate probably -- we moved most of
9 that project up to the 10th floor. I would say
10 probably in about two weeks going, we're hoping to
11 have most of that record compiled and available in a
12 format that the public can look at.

13 So that's where we are with the transcripts
14 and the documents and the evidence that was
15 presented. It's public in that regard.

16 CHAIRMAN DECKER: So we can't put it on the
17 website?

18 MS. LaCOUR NEEB: Under our contract, we're
19 not allowed to do that. It's a violation of the
20 contract. It's a court reporting contract, which is
21 not --

22 COMMISSIONER DiGIACOMO COLINS: Which is
23 standard.

24 MS. LaCOUR NEEB: That is standard. In
25 just regular litigation, you're not permitted except

1 for internal use to make copies of transcripts. You
2 can't disseminate.

3 Now, we will have available on the website
4 the name and address and locations if someone would
5 like to order a transcript from the court reporting
6 services that took those -- they're certainly free to
7 do that. We will have that information available.
8 If they want to read it and they don't want to buy
9 it, they can come to our office.

10 CHAIRMAN DECKER: So if someone wants to
11 get a copy, they can get a copy?

12 MS. LaCOUR NEEB: Absolutely.

13 CHAIRMAN DECKER: That's the point I was
14 making.

15 Okay. Any other questions for Anne?

16 Thank you, Anne.

17 MS. LaCOUR NEEB: Thank you.

18 CHAIRMAN DECKER: I think next up is Mike
19 Walsh, who is our Director of Administration.

20 Mike?

21 MR. WALSH: Thank you, Mr. Chairman,
22 members of the Board. There are two candidates that
23 are recommended for hire today. They are both in the
24 Office of Chief Counsel.

25 The first is Shaun Kovach for the position

1 of Administrative Assistant. The second is Linda
2 Lloyd for the position of Assistant Chief Counsel.

3 As adopted by the Board at the May 4th
4 public meeting, the candidates underwent a criminal
5 check and a drug screening prior to their names being
6 submitted today to the Board for your consideration.

7 CHAIRMAN DECKER: Thank you. Obviously,
8 their offer is also subject to finishing the
9 background, the rest of the background?

10 MR. WALSH: There's a longer background,
11 that's right.

12 CHAIRMAN DECKER: Good.

13 Any questions for Mike about any of the
14 candidates?

15 Okay. Hearing none, can I have a motion --

16 COMMISSIONER MARSHALL: I'll move it.

17 CHAIRMAN DECKER: -- to approve the hiring
18 of these candidates for the positions that Michael
19 described with our agency?

20 COMMISSIONER RIVERS: So moved.

21 CHAIRMAN DECKER: Second?

22 COMMISSIONER McCABE: Second.

23 CHAIRMAN DECKER: Any further questions?

24 All of those in favor, please indicate by
25 saying aye.

1 COMMISSIONERS: Aye.

2 CHAIRMAN DECKER: Any opposed?

3 Thank you. Motion carries.

4 Thank you, Michael.

5 MR. WALSH: Thank you.

6 CHAIRMAN DECKER: Okay. We're moving on to
7 Hearings and Appeals. Michael Edmiston, who is our
8 Director of Hearing and Appeals, will make a
9 presentation on certain petitions to withdraw.

10 MR. EDMISTON: Good morning, members of the
11 Board. I have before you four petitions and proposed
12 orders for withdrawal of application.

13 One is a supplier withdrawal of Keystone
14 Game Supply, Inc. One is a manufacturer withdrawal
15 of Giesecke and Devrient.

16 The two remaining are key employer
17 qualifier withdraws. One is the IOC Pittsburgh, Inc.
18 and the other is the Atronic Americas, LLC.

19 All of the proposals for withdrawal as
20 reflected in the draft order are without prejudice.
21 The Office of Enforcement Counsel has raised no
22 objection. The attorney representing the withdrawing
23 parties is in accord. The application fees are
24 non-refundable in each instance and I believe you
25 have a motion.

1 CHAIRMAN DECKER: Thank you. Well, we will
2 soon.

3 Any questions for Michael about these
4 withdrawals, petitions, etc.?

5 May I have a motion to approve the Board
6 orders granting --

7 COMMISSIONER COY: So moved, Mr. Chairman.

8 CHAIRMAN DECKER: -- petitions to withdraw
9 these particular applications?

10 Is there a second?

11 COMMISSIONER DiGIACOMO COLINS: Second.

12 CHAIRMAN DECKER: Thank you. Again, any
13 questions?

14 Hearing none, all of those in favor, please
15 indicate by saying aye.

16 COMMISSIONERS: Aye.

17 CHAIRMAN DECKER: Are there any opposed?

18 The motion carries.

19 Thank you very much, Michael.

20 MR. EDMISTON: Thank you.

21 CHAIRMAN DECKER: Regulations. Our Chief
22 Counsel, Frank Donaghue, is going to lead this
23 discussion.

24 Frank?

25 MR. DONAGHUE: Good morning, Mr. Chairman.

1 Good morning, members of the Board.

2 We have a number of regulations to bring
3 before your attention today. First are a number of
4 draft temporary regulations that would be submitted
5 for public comment.

6 The first motion relates to the issue of
7 Chapter 403, emergency Board orders. Here to assist
8 me this morning is Richard Sandusky, the Director of
9 Regulatory Review.

10 MR. SANDUSKY: Good morning. This
11 regulation provides a mechanism whereby a license
12 could be temporarily suspended in an emergency
13 situation.

14 It lays out the procedure whereby the
15 Office of Enforcement would come to the Executive
16 Director with a request for a temporary emergency
17 order.

18 That request would be reviewed; and if
19 approved, notice would go out to the individual or
20 the individuals involved.

21 They would have the opportunity to request
22 a hearing before the Executive Director within 72
23 hours. The matter itself would then be -- if there
24 is a hearing or is not a hearing in either case, the
25 matter would come before the Board for decision and

1 the Board could vacate that order, adopt it, or
2 modify it.

3 The regulation also has procedures whereby
4 the Board could refer the matter for further hearing
5 if they felt that was necessary and outlines all of
6 the process involved in it.

7 CHAIRMAN DECKER: Okay. This is -- which
8 one -- the five day DI?

9 MR. SANDUSKY: DI, that's correct.

10 CHAIRMAN DECKER: So we're going to do
11 these individually.

12 May I have a motion approving for the
13 five-day comment period, is that correct, regulations
14 governing emergency Board orders? May I have a
15 motion?

16 MR. DONAGHUE: Mr. Chairman, your
17 microphone is not on.

18 CHAIRMAN DECKER: Sorry, my fault. May I
19 have a motion that would begin a five-day comment
20 period on the draft regulations governing emergency
21 Board --

22 COMMISSIONER MARSHALL: So moved.

23 CHAIRMAN DECKER: Thank you, Chip.

24 COMMISSIONER RIVERS: Second.

25 CHAIRMAN DECKER: Second.

1 Okay. Any questions?

2 COMMISSIONER McCABE: I just have one
3 question.

4 CHAIRMAN DECKER: Please.

5 COMMISSIONER McCABE: What would constitute
6 an emergency?

7 MR. SANDUSKY: There may be a circumstance
8 where we're notified perhaps the conviction of an
9 individual who is licensed and we would want the
10 license, you know, revoked immediately.

11 There may be an extreme situation where
12 there's an operational problem at a facility and we
13 would need to temporarily suspend their ability to
14 operate. By its very nature, we hope that these will
15 be very few and very infrequent.

16 MR. DONAGHUE: But the key here is it would
17 allow the suspension to occur prior to the next Board
18 meeting, which may be 10, 15 days away.

19 CHAIRMAN DECKER: Thank you. Any other
20 questions?

21 Hearing none, all of those in favor, please
22 indicate by saying aye.

23 COMMISSIONERS: Aye.

24 CHAIRMAN DECKER: Any opposed?

25 Motion carries. Thank you.

1 Next.

2 MR. DONAGHUE: Mr. Chairman, the next
3 temporary regulation that we would like to put up for
4 public comment relates to labor organizations. The
5 purpose of Chapter 438 is to establish procedures for
6 registration of labor organizations and permitting of
7 labor organizations, officers, agents and principal
8 employees.

9 The proposed regulations are modeled on the
10 labor organization regulations that are used in New
11 Jersey and are also similar to those in other gaming
12 jurisdictions.

13 Labor organizations will be registered and
14 their agents, officers, and principal employees will
15 be permitted. No labor organization or employees
16 will be licensed by the Pennsylvania Gaming Control
17 Board.

18 The forms that will be used for labor
19 organizations are the same as the forms that will be
20 used for the Horsemen's Organizations. These forms
21 require less information than other Board forms, such
22 as key employee or key employee qualifier forms
23 commensurate with the reduced oversight of the Board
24 over labor organizations.

25 We would respectfully request consideration

1 by the Board.

2 CHAIRMAN DECKER: May I have a motion to
3 begin a five-day comment period on draft temporary
4 regulations governing labor organizations as
5 described by Frank Donaghue.

6 COMMISSIONER McCABE: Mr. Chairman, I move
7 that the Board make available for public review and
8 comment the draft temporary regulations pertaining to
9 labor organization by publishing the regulations on
10 the Board's website and that the Board establish a
11 public comment period of five days ending on June
12 20th, 2006.

13 CHAIRMAN DECKER: Second, please?

14 COMMISSIONER COY: Second.

15 CHAIRMAN DECKER: Thank you.

16 Now, are there any questions?

17 Hearing none, all of those in favor, please
18 indicate by saying aye.

19 COMMISSIONERS: Aye.

20 CHAIRMAN DECKER: Any opposed?

21 The motion carries. Thank you.

22 Frank?

23 MR. DONAGHUE: Okay. The next temporary
24 regulation that the staff would like the Board to
25 consider revolves around the issue of employee status

1 reports.

2 Joining me is our Deputy Director of
3 Regulatory review, who will give the Board a summary
4 of this issue.

5 MS. AFRAGOLA: Good morning. Today I'm
6 offering for your consideration two draft regulations
7 to be published for the five-day public comment
8 period.

9 These regulations would fall under Chapter
10 441 entitled Slot Machine Licenses. The regulations
11 are Section 441.21 and 441.22 entitled Employee
12 Status Report and Notice of Employee Misconduct and
13 Offenses.

14 Section 441.21 outlines the slot machine
15 operator's duty to provide the Board with a monthly
16 status report listing its current employees and such
17 information as the employee's name, credential
18 number, title or position, and date of hire.

19 The regulation also provides that the
20 operator must include in the monthly report a listing
21 of all employees who have been terminated or
22 discontinued employment with the operator for reasons
23 unrelated to misconduct.

24 In Section 441.22, which is entitled Notice
25 of Employee Misconduct and Offenses, this regulation

1 provides that slot operators notify the Board within
2 72 hours of the termination of any employee and of
3 information surrounding the termination of the
4 employee that could be cause for suspension or
5 revocation of the employee's license, permit, or
6 registration.

7 The regulation also provides that the
8 operator must immediately notify the Board upon
9 learning of any charging, indictment, or convictions
10 of any of its employees for an offense under the
11 Pennsylvania Crimes Code or of comparable offenses in
12 other jurisdictions.

13 And these -- obviously, if these offenses
14 affect their permit, license, registration, we need
15 to note immediately.

16 If you have any questions, I'll be happy to
17 take them.

18 CHAIRMAN DECKER: Are there any questions?
19 I'm sorry. Thank you. Are there any questions?

20 COMMISSIONER ANGELI: Mr. Chairman?

21 CHAIRMAN DECKER: Yes, please.

22 COMMISSIONER ANGELI: Mr. Chairman, I move
23 that the Board make available for public review and
24 comment the draft temporary regulations pertaining to
25 employee status reports by publishing the regulations

1 on the Board's remember website and that the Board
2 establish a public comment period of five days ending
3 on June 20th, 2006.

4 CHAIRMAN DECKER: Is there a second?

5 COMMISSIONER DIGIACOMO COLINS: Second.

6 CHAIRMAN DECKER: Any questions for
7 Michelle or Frank?

8 Hearing none, all of those in favor, please
9 indicate by saying aye.

10 COMMISSIONERS: Aye.

11 CHAIRMAN DECKER: Any opposed? Motion
12 carries.

13 I think the next item is a draft omnibus
14 regulation. Is that right, Frank?

15 MR. DONAGHUE: That's correct,
16 Mr. Chairman. We would like the Board to consider
17 omnibus regulation changes, which will be described
18 by the Director of Regulatory Review, Richard
19 Sandusky.

20 MR. SANDUSKY: What this regulation package
21 does is present a series of changes that we felt
22 needed to be made in some cases to existing chapters
23 and in some cases to fill some holes in our
24 regulatory schemes.

25 The first is in Section 403. This outlines

1 the process whereby the Board may delegate to a Board
2 member or to the Board staff any functions that it
3 feels are appropriate.

4 The process is laid out so that these
5 delegations can occur either in the form of
6 promulgation of a regulation or they can be done via
7 adoption of a resolution at a Board meeting.

8 As the Board always has the ultimate power
9 in these matters. If, at a later date, the Board
10 decides that they want to remove that delegation,
11 they can either by regulation or resolution change
12 it.

13 It also includes a provision, which will
14 allow, in circumstances where the Board feels
15 appropriate, to have whatever issue has been
16 delegated to the staff to be brought back up to the
17 Board for its full consideration.

18 The next section is in Chapter 405. What
19 it does is it authorized the Director of Enforcement
20 Counsel or its representative to issue subpoenas that
21 may be necessary to compile the attendance and
22 testimony of an individual or the provision of
23 documents that are needed, you know, in a proceeding.

24 The next change includes a change in
25 Chapter 421, General Requirements. This restates

1 what has been in existing policy, that the applicants
2 have the affirmative responsibility to demonstrate by
3 clear and convincing evidence their suitability for
4 licensure.

5 The next provision that is contained in the
6 package deals with Chapters 435 and 441. The subject
7 matter is wagering by employees or former employees.

8 What this regulation would do is prohibit
9 any individual who holds a license or permit from the
10 Board from gaming at any licensed facility in the
11 Commonwealth.

12 The regulation also has -- also would
13 prohibit a registrant or unlicensed or unregistered
14 employee of a particular facility from gaming at that
15 particular facility.

16 The regulation also includes a provision
17 that provides that for 30 days after you cease
18 employment at the facility, you are not permitted to
19 gain.

20 Moving on to the next provision, this is in
21 Chapter 491. Basically, it lays out the procedures
22 that the Board will use for service and when it
23 conducts its proceedings.

24 In Chapter 493, we are adding language to
25 clarify that in formal complaint proceedings, once

1 again, the individual or person who holds a license,
2 certificate, permit, you know, or is registered has
3 the burden of establishing facts in the case by clear
4 and convincing evidence.

5 The next revisions are -- the next two
6 revisions are both also in Chapter 493. The first
7 adds discovery provisions to our regulations. We
8 didn't have any previously.

9 Similarly, the next adds provisions
10 governing consent agreements, which we believe are a
11 very important piece to also have.

12 If there are any questions on these, I'll
13 be happy to try and answer them.

14 CHAIRMAN DECKER: Any questions?

15 All right. May I have a motion on this
16 omnibus bill, please?

17 COMMISSIONER DIGIACOMO COLINS: I'll make
18 that motion, that we make available for public review
19 and comment the draft temporary regulations in the
20 omnibus regulation changes to Chapters 403, 405, 421,
21 431, 435, 441, 491, and 493 -- bingo -- by publishing
22 the regulations on the Board's website and that the
23 Board establish a public comment period of five days
24 ending on June 20th, 2006.

25 COMMISSIONER COY: Second.

1 CHAIRMAN DECKER: We have a second.

2 COMMISSIONER MARSHALL: Second.

3 CHAIRMAN DECKER: Thank you.

4 Any questions?

5 All of those in favor, please indicate by
6 saying aye.

7 COMMISSIONERS: Aye.

8 CHAIRMAN DECKER: Any opposed?

9 Motion carries.

10 Next?

11 MR. DONAGHUE: Next, Mr. Chairman and Board
12 Members, we would like to take up five separate
13 regulations for final adoption. These have already
14 been posted for public comment.

15 The first of which relates to Horsemen's
16 Organizations and our Director of Racetrack Gaming
17 will give a presentation on this.

18 MS. MORRIS TUCKER: Good morning,
19 Mr. Chairman, members of the Board. The horsemen's
20 regulations are before you today for final adoption.
21 We posted them for public comment. We received some
22 very good public comment and made some amendments and
23 consideration of those representations.

24 The primary ones or the most noteworthy
25 ones being the following: We changed the level of

1 scrutiny from licensing, as Frank just explained to
2 you about the union representatives, to permitting
3 after discussion with Susan Hensel about what was
4 required so that Horsemen's Organizations' officers
5 and directors, representatives and fiduciaries will
6 now be permitted.

7 We also excluded from permitting
8 accountants -- attorneys and CPAs, who represent the
9 Horsemen's Organizations, unless they are elected
10 officers, directors, representatives, or fiduciaries
11 of the Horsemen's Organization, which we felt was
12 consistent with the Board's lack of jurisdiction,
13 over regulating attorneys and CPAs in the normal
14 course of their business practice.

15 Those are the only two significant changes,
16 and I'll answer any other questions that you may
17 have.

18 CHAIRMAN DECKER: Thank you.

19 May I have a motion concerning the horsemen
20 organizations regulations?

21 COMMISSIONER COY: So moved.

22 COMMISSIONER MARSHALL: Second.

23 CHAIRMAN DECKER: Second. Any questions?

24 All of those in favor, please indicate by
25 saying aye.

1 COMMISSIONERS: Aye.

2 CHAIRMAN DECKER: Any opposed?

3 Motion carries. Thank you.

4 MS. MORRIS TUCKER: Thank you.

5 CHAIRMAN DECKER: Next?

6 MR. DONAGHUE: The next regulation that we
7 would like moved for final adoption relates to key
8 employee qualifiers and key employees or vendors; and
9 our Deputy Director of Regulatory review, Michelle
10 Afragola, will give a presentation on that.

11 MS. AFRAGOLA: Thank you. I'm offering
12 today two final temporary regulations for your
13 consideration.

14 These would fall under Chapter 437, Vendor
15 Registration and Certification. The regulations are
16 437.11 and 437.12, key employee qualifier
17 certification and key employee certification.

18 These regulations allow the Board to
19 certify key employee qualifiers and key employees of
20 certified vendors rather than license them.

21 These regulations were developed to ensure
22 that the authorizations issued to key employees of
23 vendors were consistent with the authorizations
24 issued to the entity under the existing vendor
25 scheme.

1 These vendors will be held to the same
2 level of scrutiny as licensed key employees but just
3 will be certified rather than licensed.

4 These regulations were published on the
5 Board's website for a ten-day public comment period.
6 We did not receive any public comments on these
7 regulations.

8 If you have any questions, I would be happy
9 to take them.

10 CHAIRMAN DECKER: Thank you, Michelle.

11 Can I have a motion concerning this last
12 group of regulations?

13 COMMISSIONER McCABE: Mr. Chairman, I move
14 that the Board adopt the revised draft regulations as
15 its temporary regulations for certification of key
16 employee qualifiers and key employees of vendors.

17 CHAIRMAN DECKER: Thank you. Can I have a
18 second?

19 COMMISSIONER MARSHALL: Second.

20 CHAIRMAN DECKER: Thank you.

21 Any questions for Michelle?

22 All of those in favor, please indicate by
23 saying aye.

24 COMMISSIONERS: Aye.

25 CHAIRMAN DECKER: Any opposed? Motion

1 carries. Thank you.

2 Next is licensing for slot machine -- I'm
3 sorry. Yes, licensing hearings for slot machine.

4 MR. DONAGHUE: That is correct. Thank you.
5 Yes. For the Board's consideration, today I'm
6 presenting to you for your consideration the final
7 temporary regulation pertaining to licensing hearings
8 for slot machine licensed applicants.

9 This regulation is intended to permit slot
10 machine licensed applicants to present evidence to
11 the Board regarding their license application.

12 This hearing is the opportunity for the
13 applicant to appear before the Board and present
14 evidence of suitability and eligibility for
15 licensure.

16 This regulation was published on the
17 Board's website for a ten-day public comment period.
18 We received a number of comments from applicants and
19 other interested parties.

20 We have reviewed the comments and the
21 regulation and made some revisions to the regulation.
22 I would like to highlight some of these changes for
23 you.

24 First, we received a number of comments
25 regarding the ordering of the licensing hearings. In

1 response, we have clarified the language.

2 The licensing hearings will follow a
3 specific schedule; the Conditional Category I
4 applicants followed by the Conditional Category III
5 applicants, the Category II applicants and then
6 finally, the Category I applicants.

7 The Board will publish a schedule of
8 licensing hearings for each category of licensure.
9 In addition, the Category II applicant hearings will
10 be divided into three subcategories based on the
11 location criteria for the application.

12 In other words, the hearing will be divided
13 in the Philadelphia applicants, the Pittsburgh
14 applicants, and the applicants for the
15 tourism-enhanced locations.

16 We received a number of comments regarding
17 the comparative evidence portion of the regulation.
18 We have revised this language to clarify the specific
19 procedure to be followed by the applicant who seek to
20 prevent comparative evidence on other competing
21 applicants.

22 Category II applicants will be afforded an
23 opportunity to present comparative evidence during
24 licensing hearings.

25 If an applicant chooses to produce

1 comparative evidence, it must serve notice on the
2 Board, the Chief Enforcement Counsel, and the
3 applicants to whom the comparison will be made at
4 least 20 days prior to the first scheduled hearing in
5 the applicant's subcategory.

6 Applicants who receive notice of
7 comparative evidence will be given an opportunity to
8 respond.

9 This response must be served on the Board,
10 Chief Enforcement Counsel, and the applicant who
11 served the original notice of comparison at least ten
12 days prior to the first scheduled hearing.

13 Applicants presenting comparative testimony
14 must serve a copy of all evidence and/or documents
15 that will be used during the presentation on the
16 Board, Chief Enforcement Counsel, and the applicant
17 who are the target of the comparison.

18 Lastly, a number of commentators expressed
19 concern about the intervention process. This section
20 of the regulation has been amended to allow the
21 presentation of evidence through the submission of
22 written statements testified under oath.

23 This process is intended to allow the Board
24 to develop the necessary documentation for the
25 evidentiary record while also providing adequate due

1 process for those individuals seeking intervention.
2 I would be happy to take any questions that you might
3 have.

4 CHAIRMAN DECKER: Thank you. May I have a
5 motion?

6 COMMISSIONER RIVERS: So moved.

7 CHAIRMAN DECKER: Thank you. All right.
8 Dealing with the licensing hearings for slot machine
9 applicants? We have that.

10 Can I have a second, please?

11 COMMISSIONER COY: Second.

12 CHAIRMAN DECKER: All of those in favor,
13 please indicate by saying aye.

14 COMMISSIONERS: Aye.

15 CHAIRMAN DECKER: Any opposed?

16 The motion carries.

17 Any questions for Frank?

18 COMMISSIONER McCABE: I have a question.

19 All of those hearings will be in Harrisburg?

20 CHAIRMAN DECKER: Go ahead.

21 COMMISSIONER McCABE: All those hearings
22 will be here in Harrisburg, right?

23 MR. DONAGHUE: That is correct.

24 COMMISSIONER McCABE: We're not going to
25 hold the Pittsburgh in Pittsburgh?

1 MR. DONAGHUE: All here in Harrisburg.

2 COMMISSIONER McCABE: And they're open to
3 the public?

4 MR. DONAGHUE: Yes.

5 CHAIRMAN DECKER: Just like these are.

6 Okay. Let's see. We have some temporary
7 regulations regarding underage gaming; is that
8 correct? Is that the next item?

9 MR. DONAGHUE: That is correct,
10 Mr. Chairman. We would respectfully request that the
11 Board adopt these temporary regulations for a final
12 adoption. Joining me is Chief Enforcement Counsel
13 Michael Schwoyer, as well as Rich Sandusky.

14 MR. SCHWOYER: Mr. Chairman, members of the
15 Board, the proposed temporary regulations governing
16 underage gaming were published for public comment for
17 ten days.

18 Three comments were received from two
19 sources and responses were prepared to those
20 comments.

21 In addition, one change was made to the
22 final form regulation to provide an additional
23 prohibition that no slot machine licensee is
24 permitted to rate a person under the age of 21 as a
25 player and that any person under the age of 21 may

1 not receive any complimentary services or discounts.

2 The comments received dealt with concerns
3 that no changes were made to the regulations to
4 address them but the stated concerns -- what was
5 requested to be addressed by the concerns were not
6 felt that -- required to be -- that the amendments --
7 the regs required to be amended in order to address
8 those concerns, but that what the commentators were
9 seeking will be permitted under the existing reg.

10 That was a very confusing way to say that
11 we didn't make any changes to the regs based on those
12 comments but the concerns of the commentators are not
13 a problem based on the interpretation that staff and
14 the Board are given of those regs.

15 CHAIRMAN DECKER: Thank you.

16 COMMISSIONER ANGELI: Mr. Chairman, I move
17 to adopt the revised Resolution 2006-16, Chapter 513
18 relating to underage gaming.

19 CHAIRMAN DECKER: Thank you.

20 COMMISSIONER COY: Second.

21 CHAIRMAN DECKER: Thank you. Any questions
22 for Michael or Frank?

23 All of those in favor, please indicate by
24 saying aye.

25 COMMISSIONERS: Aye.

1 CHAIRMAN DECKER: Any opposed?

2 Motion carries.

3 The next is concerning -- the next reg is
4 slot machine testing, accounting, and internal
5 controls, etc.

6 MR. DONAGHUE: Thank you, Mr. Chairman.

7 Again, we would respectfully request that
8 the Board consider for final adoption machine
9 testing, accounting, and internal controls and slot
10 computer systems, which will be presented by Deputy
11 Chief Counsel Maureen Williamson.

12 MS. WILLIAMSON: Good morning,
13 Mr. Chairman, members of the Board. For your
14 consideration this morning is the adoption of a
15 number of regulatory proposals dealing with slot
16 machine operations.

17 The first proposal Chapter 461 deals with
18 slot machines and associated equipment and, in large
19 part, addresses the mechanics of the Board's review
20 and approval process over slot machines and
21 associated equipment.

22 It also addresses the minimum design
23 standards for slot machines and slot computer
24 systems.

25 Due to its technical nature, this

1 particular chapter will be supplemented by five
2 technical standards that will ensure that the
3 guidance that the Board gives to operators and
4 manufacturers reflects really the most current
5 technology and best practices.

6 So we will have technical standards
7 addressing minimum design standards, tower lights and
8 error conditions, gaming voucher systems, wide area
9 progressive systems, and remote computer access.

10 The second regulatory proposal under
11 consideration to Chapter 466 and this particular
12 chapter deals, again, with slot computer systems,
13 this time in terms of their physical location and any
14 logical partitioning of shared computer systems.

15 Again, due to its technical nature, this
16 was supplemented by a technical standard which
17 addresses those terms and conditions pursuant to
18 which a system can be located outside the licensed
19 facility.

20 The third installment or the third proposal
21 before you this morning is actually a second proposal
22 or a second installment to Chapter 465, which is our
23 accounting and internal controls.

24 In this chapter, we address the
25 organizational structure of operators and we address

1 the design and functional requirements applicable to
2 the cashier's cage.

3 These proposals were open for public
4 comment on May 4th. A total of eight sets of fairly
5 extensive maybe comments were received on these
6 regulations.

7 The majority of the comments, however,
8 really sought clarifications, which are addressed
9 with a great deal of specificity in the technical
10 standards that are before you for adoption this
11 morning.

12 And in a few cases, the regulations were
13 revised to clarify the Board's expectations and to
14 accommodate operators' specific formats or procedures
15 that were not inconsistent with the regulations.

16 And so basically the revisions that were
17 made in no way substantively affected the spirit and
18 intent of the regulatory proposal that was before
19 you.

20 So if you certainly have any questions,
21 I'll be happy to answer them.

22 CHAIRMAN DECKER: May I have a motion
23 dealing with these technical standards and minimum
24 design standards?

25 COMMISSIONER DiGIACOMO COLINS: Can I ask a

1 question just for clarification?

2 CHAIRMAN DECKER: Sure.

3 COMMISSIONER DiGIACOMO COLINS: You are
4 describing two subsets of regulations that we are to
5 review now.

6 One, if I'm understanding it, one are
7 regulations dealing with Chapters 461, 465, and 466,
8 correct?

9 MS. WILLIAMSON: That's correct,
10 Commissioner Colins.

11 COMMISSIONER DiGIACOMO COLINS: And then
12 the second thing that you're asking us to approve are
13 statements of policy for technical standards that are
14 subset of these chapters?

15 MS. MAUREEN: Correct. The first, I would
16 request that there be a resolution that is specific
17 to Chapters 461, 66, and 65 and then a separate
18 motion covering the technical standards.

19 COMMISSIONER DiGIACOMO COLINS: Okay. Then
20 that being the case, I will make a motion to adopt
21 the resolution adopting Chapters 461, 465, and 466.

22 COMMISSIONER RIVERS: So moved.

23 CHAIRMAN DECKER: That covers all of them?

24 COMMISSIONER DiGIACOMO COLINS: No. That
25 covers just --

1 MS. WILLIAMSON: That --

2 CHAIRMAN DECKER: Are we bifurcating this?

3 MR. DONAGHUE: Yes.

4 COMMISSIONER DIGIACOMO COLINS: That
5 captures the resolutions in those chapters, not the
6 statements of policy, correct?

7 MS. WILLIAMSON: Right.

8 COMMISSIONER DIGIACOMO COLINS: That's my
9 motion.

10 CHAIRMAN DECKER: Okay. Can I have a
11 second?

12 COMMISSIONER RIVERS: Second.

13 CHAIRMAN DECKER: Are there any questions
14 about that?

15 All of those in favor, please indicate by
16 saying aye.

17 COMMISSIONERS: Aye.

18 CHAIRMAN DECKER: Any opposed?

19 The motion carries. So there is a
20 second --

21 MS. WILLIAMSON: There will be a second
22 motion that would cover the six statements of policy
23 embodied in technical standards 466(a)(1) through 5
24 -- excuse me, 466(a)(1) and 461(a)(1) through 5.

25 CHAIRMAN DECKER: Is there a motion for

1 that?

2 COMMISSIONER COY: Mr. Chairman, I move to
3 adopt the statements of policy for technical
4 standards for slot computer systems, slot machine
5 minimum design standards, slot machine tower lights
6 and error conditions, gaming vouchers, wide area
7 progressive systems, and remote computer access.

8 CHAIRMAN DECKER: Thank you. Is there a
9 second?

10 COMMISSIONER DIGIACOMO COLINS: Second.

11 CHAIRMAN DECKER: I have one question.
12 What is a tower light?

13 MS. WILLIAMSON: A tower light is the light
14 at the top of the slot machine. It's a --

15 CHAIRMAN DECKER: It's on top of the slot
16 machine?

17 MS. WILLIAMSON: Yes.

18 CHAIRMAN DECKER: It's not on top of the
19 building or something?

20 MS. WILLIAMSON: No.

21 CHAIRMAN DECKER: Just curious.

22 COMMISSIONER DIGIACOMO COLINS: Is that
23 what goes off when the jackpot --

24 MS. WILLIAMSON: Or if the game is in tilt
25 or whatever.

1 CHAIRMAN DECKER: It's one I've never seen,
2 in other words.

3 MS. WILLIAMSON: Actually, this is designed
4 to allow us to stay in sync with Gaming Standard
5 Association requirements so that we can stay current.

6 CHAIRMAN DECKER: All right. We have a
7 motion. It's seconded on the floor.

8 Are there any other questions?

9 All of those in favor, please indicate by
10 saying aye.

11 COMMISSIONER: Aye.

12 CHAIRMAN DECKER: Any opposed? Motion
13 carries.

14 Thank you. We have one more.

15 MR. DONAGHUE: We have just one more.

16 CHAIRMAN DECKER: Mercifully one more. I'm
17 only kidding. This is a big day for us.

18 MR. DONAGHUE: No doubt. Finally, Richard
19 Sandusky will address the Board related to some
20 technical changes we would like to make to existing
21 regulations.

22 MS. SANDUSKY: This final regulation is a
23 series of amendments starting with Chapter 401 where
24 we're amending the definition of slot machine to
25 include gaming vouchers and coupons as items that the

1 slot machine may accept. Vouchers as something that
2 the machine may return to the player as an award.

3 The next amendment is in Chapter 405.

4 Basically, it just clarifies that the Chief of
5 Enforcement Counsel may make recommendations
6 regarding the issuance of licenses.

7 The next amendment is in Chapter 421. What
8 this does is it adds conforming language in this
9 section to the new types of licenses and permits such
10 as the Horsemen's regulations that we adopted today.

11 This makes the listing in this chapter
12 consistent with those other chapters that we have
13 added.

14 In Chapter 441.9, we have added a provision
15 in here which requires that all funds that are due to
16 the horsemen, either for the purses or for the
17 benefit funds, must be deposited in the accounts
18 established for those purposes within 36 hours of
19 receipt. This ensures that the money goes to where
20 it's supposed to go in a timely manner.

21 We are offering an amendment to Chapter
22 443. Basically, what this does is it adds some
23 language in the Category 3 requirements, which
24 incorporates provisions and cross references the new
25 underage requirements from Chapter 513 that, you

1 know, we just had before you.

2 The final piece is an amendment to Chapter
3 465. What this -- that's not the final -- does is
4 addresses the issue of the Commission, State Police,
5 or Department of Revenue facilities that are going to
6 be on-site.

7 The two things I would like to highlight is
8 it states that these facilities must be in the
9 building that the casino itself is in, the gaming
10 facility and that the agency, respective agencies
11 will have the only keys to those offices.

12 Moving on to the next page in Chapter 465,
13 these are just some technical language clean-up
14 things, removing some obsolete language related to
15 slot booths, which won't be addressed in the regs,

16 and some minor changes in other surveillance
17 provisions.

18 To Chapter 494, we are proposing a
19 clarifying amendment which will make it clear that
20 this section of the regulations does not apply to the
21 licensing proceedings that you just adopted the
22 regulations for in 441.19.

23 The final piece in this package is a
24 clarification on the section in Section 8 in Chapter
25 501, which deals with the cashing of checks. It

1 clarifies what checks a facility is allowed to cash
2 and what checks it can't.

3 If there are any questions, I'll be happy
4 to try and answer them.

5 CHAIRMAN DECKER: Are there any questions
6 about the technical changes?

7 COMMISSIONER MARSHALL: Mr. Chairman?

8 CHAIRMAN DECKER: Yes, please.

9 COMMISSIONER MARSHALL: I move that the
10 Board adopt the editorial amendments to Chapters 401,
11 405, 421, 441, 443, 465, 494, and 501 of the
12 temporary regulations and that the amendment be
13 published in the Pennsylvania Bulletin.

14 CHAIRMAN DECKER: Thank you, Commissioner.

15 COMMISSIONER McCABE: Second.

16 CHAIRMAN DECKER: Any additional questions
17 or any questions at all on these?

18 All of those in favor, please indicate by
19 saying aye.

20 COMMISSIONERS: Aye.

21 CHAIRMAN DECKER: Any opposed?

22 This motion carries as well.

23 Frank, is that it?

24 MR. DONAGHUE: Mr. Chairman, thank you for
25 your consideration and for the Board's patience.

1 CHAIRMAN DECKER: Thank you. There's a lot
2 of hard work that goes into this. We understand
3 that, and particularly in light of the fact that
4 we're coming up to the end of the period in which we
5 can issue temporary regulations that will end some
6 time for all practical purposes the end of June.

7 MR. DONAGHUE: That's correct.

8 CHAIRMAN DECKER: To make that clear, we
9 appreciate all of the hard work because I know
10 everybody has been cramming on this in addition to
11 dealing with the many, many applications we have had.

12 So I want to thank -- let's see --
13 obviously, Frank, Richard, Michelle, Maureen,
14 Melinda, Michael and I can't get away from
15 regulations without thanking Mary, Commissioner
16 Colins. There were assorted others. I know there
17 are lots of others that are working on it.

18 MR. DONAGHUE: It's really a team effort.

19 CHAIRMAN DECKER: We appreciate it. I know
20 it's a lot of work in spite of kidding around about
21 it.

22 MR. DONAGHUE: Thank you.

23 CHAIRMAN DECKER: Thank you very much.

24 The next item is Susan Hensel to talk about
25 licensing. It's an extremely important topic.

1 MS. HENSEL: Thank you, Chairman Decker and
2 good morning, members of the Board. Thank you for
3 this opportunity to briefly update you on the
4 activities within the Bureau of Licensing.

5 Our primary focus right now is on the
6 suitability reports for the 11 manufacturers and 22
7 suppliers.

8 This is a major undertaking that calls on
9 the licensing analysts and lawyers from both the
10 Bureau of Licensing and the Bureau of Investigations
11 and Enforcement to review the applications and
12 information from a variety of sources, including the
13 Bureau of Investigations and Enforcement and the
14 Bureau of Corporate Compliance and Internal Controls.

15 You should know that as part of this
16 process, BIE has now received foundational
17 assessments for all of the suppliers from the
18 Pennsylvania State Police.

19 BIE has advised licensing that it continues
20 to work with PSP to clarify information contained in
21 the assessments and identify areas that require
22 additional investigation.

23 Our plan going forward is to continue
24 providing you with information about the
25 manufacturers and suppliers.

1 You have already received a number of
2 suitability reports and we are working to finalize
3 the remainder of those reports.

4 We will also be supplementing existing
5 reports with additional information as it comes to
6 our attention.

7 In addition to the manufacturer and
8 supplier reports, we are also working closely with
9 the Bureau of Investigations and Enforcement, the
10 Office of Chief Counsel, and the Bureau of Corporate
11 Compliance and Internal Controls to establish
12 procedures for processing applications and
13 information related to the Category I applications
14 because those will, of course, be our next focus with
15 respect to suitability reports.

16 Also, this week, the Bureau of Licensing
17 began receiving its first vendor applications. The
18 vendor applications must be submitted through the
19 operator with which the vendor has a business
20 relationship.

21 We have set a deadline of June 19th for the
22 first round of vendor applications from Category I
23 applicants, and in total we anticipate receiving
24 several hundred vendor applications for the Category
25 I applicants.

1 The majority of those applications will be
2 for vendor registrations as opposed to
3 certifications.

4 Finally, we as always are continuing to
5 review and create new resolutions -- though I don't
6 have any to put before you today -- necessary to
7 carry out the work of the Bureau of Licensing.

8 That concludes my update on that. I'm
9 happy to take any questions.

10 CHAIRMAN DECKER: Susan, just to remind us
11 of the cutoff between certification and permitting of
12 vendors, is there a dollar figure?

13 MS. HENSEL: Yes, there is a dollar figure.
14 The threshold is \$200,000 when you're doing work with
15 one operator or \$500,000 when you're doing work with
16 multiple operators.

17 CHAIRMAN DECKER: And the key employee
18 qualifier for a certification vendor is what? Is it
19 a permit or a certification?

20 MS. HENSEL: Certification.

21 CHAIRMAN DECKER: That's what we talked
22 about today.

23 MS. HENSEL: Yes.

24 CHAIRMAN DECKER: I just wanted to make
25 sure I understood that.

1 What other questions do we have for Susan
2 because I have a couple?

3 Susan, we're going to deal with supplier
4 licensing in our -- I almost said October -- our June
5 meeting, correct? That's our next meeting so
6 everyone knows. It's June 28th.

7 MS. HENSEL: Correct. We are working to
8 provide you with information necessary for you to
9 determine if you want to act on those applications.

10 CHAIRMAN DECKER: We're moving along on
11 that?

12 MS. HENSEL: Absolutely.

13 CHAIRMAN DECKER: We still have some
14 continuing questions on some of them, correct?

15 MS. HENSEL: Yes. We are continuing both
16 licensing and Bureau of Investigations and
17 Enforcement is working to clarify information that we
18 have received and to track down outstanding items to
19 make sure that we are able to provide you with the
20 most accurate information possible on which to base
21 your decision.

22 CHAIRMAN DECKER: So the staff will be
23 working -- when I say staff, I'm talking about BIE
24 and your group and the lawyers with the State Police
25 to get the final questions answered on these

1 applications to the best we can?

2 MS. HENSEL: Correct.

3 CHAIRMAN DECKER: All right. And have a
4 final report, correct?

5 MS. HENSEL: From the Bureau of Licensing,
6 you will have a suitability report, yes.

7 CHAIRMAN DECKER: All right. Thank you. I
8 don't have any other questions.

9 Does anybody have any for Susan or David or
10 anyone else?

11 COMMISSIONER McCABE: I do about this final
12 report.

13 CHAIRMAN DECKER: Please.

14 COMMISSIONER McCABE: The final report is
15 going to -- from you is going to be a compilation of
16 final reports from BIE, State Police, and that will
17 be their final report?

18 CHAIRMAN DECKER: And our financial group,
19 too.

20 MS. HENSEL: Let me just be clear on that.
21 The final is probably not the perfect word to use in
22 this case, because investigation will always be
23 ongoing with respect to all of our applicants, but we
24 will be picking a point in time to provide you with
25 -- and we have done this with respect to some of the

1 suitability reports already where we will be
2 compiling the information of BIE, corporate
3 compliance and through BIE, PSP information, as well
4 as information in the applications and information
5 derived from other sources. That will be the content
6 and is the content of the suitability reports that
7 are provided to you.

8 With respect to all of our applicants, we
9 will continue to investigate and, as new information
10 is revealed to us, follow that.

11 CHAIRMAN DECKER: But in terms of the point
12 in time, the snapshot in time as you sort of referred
13 to it, it will be the same type of complete form
14 report?

15 MS. HENSEL: Yes.

16 CHAIRMAN DECKER: And background
17 investigation, etc. that we have done for the
18 manufacturers?

19 MS. HENSEL: Yes.

20 CHAIRMAN DECKER: I just want to put that
21 in appropriate context, which is complete as of that
22 date.

23 MS. HENSEL: Yes.

24 CHAIRMAN DECKER: Just like an accounting
25 report or financial report is complete as of that

1 date. Things change later; but as of that date, they
2 will be reasonably complete, correct?

3 MS. HENSEL: That is our intention, yes.

4 CHAIRMAN DECKER: So there's not an
5 intention later to change that report by subsequent
6 information, correct?

7 MS. HENSEL: We may supplement.

8 CHAIRMAN DECKER: Supplement it, right; but
9 the report is going to what the report is going to be
10 and that's what we're going to act on. Am I right
11 about that?

12 MS. HENSEL: Correct.

13 CHAIRMAN DECKER: Okay. So everything up
14 until that point will be accurate and certified as of
15 that date, correct?

16 MS. HENSEL: To the best of our ability,
17 absolutely.

18 CHAIRMAN DECKER: Thank you very much.

19 Any other questions?

20 Thank you very much. Susan, it's great. I
21 know you're being overwhelmed, as is Dave and the
22 State Police, on these applications. We appreciate
23 the help we're getting. Thank you again.

24 I have one item to cover before we move to
25 some administrative things. That is, we want to

1 clarify something.

2 In order to clarify a statement made by the
3 Board at the public meeting way back in January 2006,
4 following the approval of the suppliers form of
5 application, each approved supplier applicant was to
6 be given ten days in which it may consolidate its
7 application with another subsequent applicant or
8 applicants or bifurcate its application based on the
9 version of the supplier regulations, which we are to
10 adopt in final form by the Board, in other words,
11 regions or no regions.

12 Any consolidation or bifurcation based on
13 the final forms of these regulations must occur, all
14 right, and be approved prior to the license issuance
15 but after the approval.

16 So there will be a period of time, a gap
17 between the approval and the issuance, which is sort
18 of standard for us anyway, it turns out, with
19 manufacturers, where that time period will lapse and
20 people can take action with respect to whatever final
21 form of regulations we have.

22 I also will tell you that we have postponed
23 the decision on voting on suppliers until June 28th,
24 our next meeting.

25 As I said before, in terms of scheduling

1 notes, June 28th, 10:00 a.m. at the North Office
2 building.

3 This meeting had originally been scheduled
4 to be July 6th, but we moved it up and have announced
5 it and advertised it. I think most of you who follow
6 us know it already.

7 After this meeting, the Board will hold an
8 Executive Session to discuss some additional
9 personnel matters. No business will be conducted at
10 the meeting. We will not return to the public
11 session today.

12 Is there any other business that any Board
13 member wants to bring before the meeting today?

14 Hearing none, the Board will entertain a
15 motion to adjourn.

16 COMMISSIONER McCABE: So moved.

17 COMMISSIONER MARSHALL: Second.

18 CHAIRMAN DECKER: All in favor?

19 COMMISSIONERS: Aye.

20 CHAIRMAN DECKER: Motion carries. We're
21 adjourned. Thank you very much.

22 (The meeting concluded at 11:41 a.m.)

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1 I hereby certify that the proceedings and
2 evidence are contained fully and accurately in the
3 notes taken by me on the within proceedings and that
4 this is a correct transcript of the same.

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Hillary M. Hazlett, Reporter
Notary Public

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