

PENNSYLVANIA GAMING CONTROL BOARD

BOARD MEETING

STATE MUSEUM AUDITORIUM
HARRISBURG, PENNSYLVANIA

DECEMBER 4, 2006, 2:45 P.M.

BEFORE:

THOMAS DECKER, CHAIRMAN
RAYMOND ANGELI
MARY DiGIACOMO COLINS
JEFFREY W. COY
JOSEPH W. MARSHALL, III (via teleconference)
KENNETH W. MCCABE
SANFORD RIVERS
GREGORY C. FAJT, SECRETARY OF REVENUE

HILLARY M. HAZLETT, REPORTER
NOTARY PUBLIC

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1 CHAIRMAN DECKER: Okay. Are you ready?
2 We're going to get started. Thank you. We apologize
3 for being late. We had some things we had to deal
4 with in Executive Session. So good afternoon. I'm
5 Tad Decker. I'm Chairman of the Pennsylvania Gaming
6 Control Board.

7 Is Commissioner Marshall on the phone?
8 Commissioner Marshall?

9 We are going to have to hold for a minute.

10 COMMISSIONER MARSHALL: Hello.

11 CHAIRMAN DECKER: Commissioner Marshall,
12 great.

13 I would like to welcome everyone to the
14 meeting today and all of you and the public. A
15 quorum of the Board is present. Therefore, I'm going
16 to call the meeting officially to order.

17 As always, let me remind everyone to please
18 shut off their blackberries, cell phones, etc.,
19 because it interferes with the sound system.

20 Okay. Again, please note that Chip
21 Marshall is joining us by telephone today.
22 Representing Treasurer Casey is Keith Wilks from the
23 Treasury staff.

24 Keith, are you here?

25 Thank you.

1 And I believe that -- I believe Secretary
2 Fajt is going to be joining us.

3 As always, let's begin with the Pledge of
4 Allegiance.

5 (Pledge of Allegiance.)

6 CHAIRMAN DECKER: Thank you. As I
7 mentioned before by way of old business, the Board
8 held an Executive Session before this meeting to
9 discuss various personnel matters and scheduling. No
10 business was conducted at this session.

11 We're going to start with new business and
12 we're going right to the Executive Director, Anne
13 Neeb's report.

14 Anne?

15 MS. LaCOUR NEEB: Good morning, Chairman
16 Decker, members of the Board. Today, we have budgets
17 of the Pennsylvania Gaming Control Board,
18 Pennsylvania State Police, Department of Revenue, and
19 the Office of Attorney General, which will need to be
20 approved for the years 2007-2008. In addition, we
21 have the 2006-2007 budget for the Office of Attorney
22 General.

23 So those budgets have been provided to you.
24 If you have any questions, we have representatives
25 from all of the agencies here.

1 CHAIRMAN DECKER: Okay. Is Eileen here?
2 Is she going to run through these at all?

3 MS. LaCOUR NEEB: Yes.

4 CHAIRMAN DECKER: Why don't you give us, if
5 you wouldn't mind, a very brief -- everybody can come
6 up.

7 MS. LaCOUR NEEB: Just grab a chair.

8 CHAIRMAN DECKER: Whoever's budget is less
9 than last year doesn't have to make a report. I'm
10 sorry. I guess that doesn't work, does it?

11 MS. LaCOUR NEEB: Is somebody here from the
12 Attorney General's Office? No?

13 CHAIRMAN DECKER: Eileen, go ahead, please.

14 MS. McNULTY: Okay. The Gaming Control
15 Board's proposed budget for fiscal year '07-'08 is
16 34.147 million; 27.8 million of that is for
17 personnel. That's 81 percent of the total budget.
18 And 6.35 million is operating expenses, that
19 represents 19 percent of the budget.

20 The personnel expenses are based on a
21 current approved complement of 275 positions, plus 67
22 additional positions that are expected to be created
23 during '07-'08 to enable the agency to continue
24 performing its responsibilities as the number of
25 gaming venues expands during '07-'08. Our total

1 complement at the end of '07-'08 will be 342
2 positions.

3 In the operating expense area, the three
4 largest operating expenses, which together account
5 for over half of our operating expenses, are real
6 estate at 1.65 million, information technology
7 expenses at 1 million, and specialized services at
8 783,000.

9 CHAIRMAN DECKER: And that real estate
10 includes the new offices in -- our -- I'm sorry --
11 Hearing and Appeals Office?

12 MS. McNULTY: Yes, it does.

13 CHAIRMAN DECKER: And potentially, one was
14 in Scranton and one was in Gettysburg?

15 MS. McNULTY: Scranton.

16 CHAIRMAN DECKER: Scranton.

17 MS. McNULTY: Nothing about Gettysburg.

18 CHAIRMAN DECKER: Okay. I'm sorry. I was
19 confused.

20 COMMISSIONER COY: Mr. Chairman?

21 CHAIRMAN DECKER: Yes, please.

22 COMMISSIONER COY: I move that the Board
23 adopt the proposed 2007-2008 budget and that a copy
24 of the proposed budget be sent to the Governor's
25 Budget Office for transmission as required under Act

1 71 of 2004 as amended.

2 CHAIRMAN DECKER: Thank you.

3 COMMISSIONER ANGELI: Second.

4 CHAIRMAN DECKER: Great. Thank you.

5 Is there a next --

6 MS. LaCOUR NEEB: The next --

7 CHAIRMAN DECKER: I'm sorry. I apologize.

8 Is there any other questions on that?

9 COMMISSIONER MARSHALL: Second.

10 CHAIRMAN DECKER: Second? Thank you. I
11 thought I heard that already.

12 Are there any other questions on that, on
13 our Budget? That's the Board's budget, correct?

14 MS. LaCOUR NEEB: That's correct.

15 CHAIRMAN DECKER: Okay. If there are none,
16 all of those in favor, please indicate by saying aye.

17 COMMISSIONERS: Aye.

18 CHAIRMAN DECKER: Any opposed?

19 Motion carries. Thank you.

20 Eileen, you want to cover the next couple?

21 MS. McNULTY: We have the State Police
22 budget next.

23 CHAIRMAN DECKER: Yes.

24 MS. McNULTY: The State Police budget is
25 15.143 million. That includes personnel of 14.185

1 million, which is 94 percent of their request, and
2 operating expenses of 958,000.

3 Captain Allue from the State Police is here
4 to answer any questions you might have on their
5 budget.

6 CHAIRMAN DECKER: Great. Captain, did you
7 want to elaborate on anything.

8 MR. ALLUE: The expenses provided pretty
9 much give the percentages and the grand total. We
10 are in support of that. We work closely with
11 Mr. Rhen and your budget folks. We support the
12 budget, sir.

13 CHAIRMAN DECKER: Okay. Good. Are there
14 any questions for Captain Allue?

15 Okay. May I have a motion?

16 COMMISSIONER McCABE: Mr. Chairman, I move
17 that the Board adopt the proposed Pennsylvania State
18 Police 2007-2008 budget and that a copy of the
19 proposed budget be sent to the Governor's Budget
20 Office for transmission as required under Act 71 of
21 2004 as amended.

22 COMMISSIONER COY: Second.

23 CHAIRMAN DECKER: Thank you. Again, any
24 other questions?

25 All of those in favor, please indicate by

1 saying aye.

2 COMMISSIONERS: Aye.

3 CHAIRMAN DECKER: Any opposed?

4 Motion carries. Thank you.

5 Eileen, we have another one, correct? Or
6 two others?

7 MS. McNULTY: Three more actually.

8 CHAIRMAN DECKER: Maybe just one.

9 MS. McNULTY: The Department of Revenue's
10 budget request for '07-'08 is \$9.273 million. That
11 includes operating expenses of 6,576,000, which is 71
12 percent of their budget, and personnel expenses of
13 2.7 million, which is 29 percent of their budget. 90
14 percent of their operating expenses are for the
15 Central Control Computer System.

16 Stacy Amsler is here from the Revenue
17 Department to answer any questions that you might
18 have about their budget.

19 COMMISSIONER COY: In addition to the --

20 CHAIRMAN DECKER: The Secretary is here?

21 How many IS people do you have in this
22 budget?

23 MS. AMSLER: In this budget, I think ten.

24 CHAIRMAN DECKER: You couldn't get by with
25 eight?

1 MS. AMSLER: No.

2 CHAIRMAN DECKER: Can we hire the other
3 two?

4 SECRETARY FAJT: Don't even get me started.
5 Don't get me started.

6 CHAIRMAN DECKER: But all kidding aside,
7 any questions for Stacy on this budget?

8 Thank you.

9 May I have a motion?

10 COMMISSIONER RIVERS: Yes. Mr. Chairman,
11 based on the recommendation of our CFO, I move that
12 the Board adopt the proposed Pennsylvania Department
13 of Revenue proposed 2007-2008 budget and that a copy
14 of the proposed budget be sent to the Governor's
15 Budget Office for transmission as required under Act
16 71 of 2004 as amended.

17 COMMISSIONER MARSHALL: Second.

18 CHAIRMAN DECKER: Thank you, Commissioner
19 Marshall.

20 Again, any questions?

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

23 COMMISSIONERS: Aye.

24 CHAIRMAN DECKER: Any opposed?

25 Motion carries. Thank you. Thank you very

1 much.

2 Is there another?

3 MS. McNULTY: Two more.

4 CHAIRMAN DECKER: Two more?

5 MS. McNULTY: The Attorney General's '06 --

6 CHAIRMAN DECKER: Is someone here from the
7 Attorney General's Office just in case the Board has
8 any questions?

9 MS. McNULTY: I'm sorry to say, I don't
10 believe anyone is here from the Attorney General's
11 Office. There must have been a mixup in
12 communications.

13 CHAIRMAN DECKER: I thought Frank Donaghue
14 had one question he wanted of the Attorney General's
15 Office. Has that been answered yet?

16 MR. DONAGHUE: Yes.

17 CHAIRMAN DECKER: Has that question been
18 answered?

19 MR. DONAGHUE: I have not been able to
20 reach --

21 CHAIRMAN DECKER: To be able to ask that.
22 I don't know. Should we vote on that, not having
23 anybody here? I don't know how the Board feels about
24 that or should we postpone it to the next meeting?
25 Why don't you cover it to the 2006 meeting because we

1 have that anyway?

2 MS. McNULTY: We could postpone.

3 CHAIRMAN DECKER: Why don't we do the 2006
4 budget and not the 2007-2008? Okay?

5 MS. McNULTY: Okay.

6 CHAIRMAN DECKER: Let's do the one for the
7 current year and get that done because everybody else
8 has one. Why don't we cover theirs; and then if we
9 have questions, we can deal with it on the 2007-2008
10 budget. Okay?

11 MS. McNULTY: Their '06-'07 budget request
12 is for \$406,185; 67 percent of that budget request is
13 for personnel, 33 percent is for operating expenses.

14 CHAIRMAN DECKER: Okay. Are there any
15 questions?

16 COMMISSIONER ANGELI: Mr. Chairman?

17 CHAIRMAN DECKER: Please.

18 COMMISSIONER ANGELI: I move that the Board
19 adopt the proposed budget of the Office of Attorney
20 General for fiscal year 2006-2007.

21 CHAIRMAN DECKER: Is there a --

22 COMMISSIONER RIVERS: Second.

23 CHAIRMAN DECKER: Thank you.

24 I'm not sure we can ask any questions. We
25 could ask Eileen if she knows of anything. Are there

1 any questions for Eileen on this budget?

2 All of those in favor, please indicate by
3 saying aye.

4 COMMISSIONERS: Aye.

5 CHAIRMAN DECKER: Any against?

6 Why don't we hold the 2006 -- 2007-2008
7 budget until the next meeting since it's not crucial
8 and at least they'll have this authorized. Okay?

9 MS. McNULTY: Okay. Thank you.

10 CHAIRMAN DECKER: Anything else?

11 MS. McNULTY: No.

12 CHAIRMAN DECKER: Thank you, everyone. I
13 know you put this together. It was hard work to get
14 it together on short notice. We really do appreciate
15 it.

16 MS. LaCOUR NEEB: The next item we have
17 would be -- this is a motion we have concerning a
18 contract for insurance and -- for insurance brokerage
19 and consultation services. I'm going to ask Doug
20 Sherman from the Office of Chief Counsel to come up
21 and make himself available to answer any questions
22 concerning the proposals we met with on these
23 insurance policies.

24 CHAIRMAN DECKER: Okay.

25 MS. LaCOUR NEEB: The Board was provided

1 with an outline from the brokerage firm that was
2 retained to look at various companies and take
3 information as to what companies would be able to
4 provide the necessary insurance for directors and
5 officers of liability coverage for the Board.

6 You have the outline and proposal.
7 Basically, at this point, we would just ask --
8 request that the Board entertain a motion to
9 authorize me to enter into a contract of insurance
10 based on the proposals made.

11 COMMISSIONER COY: Mr. Chairman?

12 CHAIRMAN DECKER: Yes, please.

13 COMMISSIONER COY: Mr. Chairman, I would
14 move that the Board authorize the Executive Director
15 to enter into contract for insurance brokerage and
16 consultation services, including the purchase of
17 insurance for directors and officers of the Board.

18 COMMISSIONER McCABE: Second.

19 CHAIRMAN DECKER: Thank you. Are there any
20 questions about this?

21 Okay. All of those in favor?

22 COMMISSIONERS: Aye.

23 CHAIRMAN DECKER: Any opposed?

24 Motion carries. Thank you.

25 MS. LaCOUR NEEB: Thank you, Chairman.

1 The next matter on the agenda is
2 administration. I would ask the Director of
3 Administration, Michael Walsh, to come forward.

4 MR. WALSH: Thank you, Anne.

5 Chairman Decker, members of the Board,
6 there are two items for your consideration this
7 afternoon.

8 The first is in regards to hiring. We have
9 one candidate who is being put forth for
10 consideration. That's in the Bureau of Licensing.
11 Susan Klock as a licensing technician.

12 As with all candidates that come before the
13 Board, she has passed a drug screening, as well as a
14 background investigation.

15 CHAIRMAN DECKER: Any questions for Mike
16 about this candidate?

17 Hearing none, may I have a motion?

18 COMMISSIONER MARSHALL: So moved.

19 CHAIRMAN DECKER: Second?

20 COMMISSIONER McCABE: Second.

21 CHAIRMAN DECKER: All of those in favor,
22 please indicate by saying aye.

23 COMMISSIONERS: Aye.

24 CHAIRMAN DECKER: Any opposed?

25 The motion carries.

1 Thank you, Michael.

2 MR. WALSH: Thank you. The second item
3 this morning, Mr. Chairman, is the approval of a
4 lease agreement between the Board and Penn Center
5 Harrisburg, LP.

6 This would be for the space we have
7 discussed in the past. It's for the Office of
8 Hearings and Appeals.

9 We have worked out a lease agreement to
10 lease 6,550 square feet for a five-year term with a
11 one-time option of an additional five years.

12 This would provide space for the staff of
13 the Office of Hearings and Appeals, as well as public
14 hearing space and conference meeting space. We
15 request a motion by the Board to approve this lease
16 agreement.

17 CHAIRMAN DECKER: May I have a motion to
18 that effect?

19 COMMISSIONER ANGELI: Mr. Chairman, I move
20 to approve a five-year lease agreement for 6,550
21 square feet at Penn Center in Harrisburg with an
22 option of an additional five years for the purpose of
23 providing space for the Office of Hearings and
24 Appeals at a rate of \$19.85 per square foot.

25 COMMISSIONER MARSHALL: Second.

1 CHAIRMAN DECKER: Thank you.

2 Are there any questions for Mr. Walsh about
3 this?

4 Please?

5 SECRETARY FAJT: Tad, just a quick
6 question.

7 Mike, where is that space located?

8 MR. WALSH: Penn Center is the old
9 Polyclinic Hospital. It's on Third Street within the
10 city limits of Harrisburg.

11 SECRETARY FAJT: Thank you.

12 CHAIRMAN DECKER: Thank you.

13 Any other questions?

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

16 COMMISSIONERS: Aye.

17 CHAIRMAN DECKER: Any opposed?

18 Motion carries. Thank you.

19 Did you have anything else, Michael?

20 MR. WALSH: No.

21 CHAIRMAN DECKER: That's it. Thank you.

22 MR. WALSH: Thank you.

23 CHAIRMAN DECKER: Did we miss --

24 MS. LaCOUR NEEB: We skipped -- I made a
25 mistake. We skipped Item No. 7 on new business.

1 This is a request for a motion to authorize
2 Commissioners Decker, Colins, and Marshall to
3 determine the successful completion of the test
4 period to authorize the opening of Philadelphia Park
5 and Harrah's Chester Downs Casino.

6 So this would be a request that you
7 authorize those individuals to sign off, to open the
8 casino.

9 COMMISSIONER ANGELI: Mr. Chairman, I would
10 like to make a motion that the Board, having
11 consulted with the Executive Director, authorize
12 Commissioners Decker, Colins, and Marshall to
13 determine the successful completion of the test
14 periods and to authorize the effective date and time
15 which slot operations may commence at Philadelphia
16 Park Casino and Harrah's Chester Downs.

17 COMMISSIONER McCABE: Second.

18 CHAIRMAN DECKER: Second. Thank you.

19 Any questions?

20 All of those in favor, please indicate by
21 saying aye.

22 COMMISSIONERS: Aye.

23 CHAIRMAN DECKER: Any opposed?

24 Motion carries. Thank you.

25 Do we have a Board schedule to approve or

1 are we postponing that? There was an annual --

2 MS. LaCOUR NEEB: Yes, there is. Item No.
3 6, a motion to approve the 2007 Board meeting
4 schedule, which, of course, will be published
5 pursuant to the Sunshine Act and a request for that
6 --

7 CHAIRMAN DECKER: Again, it's tentative but
8 let's go ahead and publish it anyway.

9 MS. LaCOUR NEEB: Okay.

10 COMMISSIONER McCABE: Mr. Chairman, I move
11 that the Board approve the 2007 meeting schedule.

12 COMMISSIONER COY: Second.

13 CHAIRMAN DECKER: All of those in favor?

14 COMMISSIONERS: Aye.

15 CHAIRMAN DECKER: Any opposed?

16 Motion carries. Thank you.

17 Let's see. Anne?

18 MS. LaCOUR NEEB: The next matters will be
19 amendments to temporary regulations. I would ask
20 that Richard Sandusky come forward.

21 CHAIRMAN DECKER: Thank you.

22 MR. DONAGHUE: Good afternoon, Mr. Chairman
23 and Board members. The Office of Chief Counsel is
24 presenting three items today.

25 The first two are amendments to Chapters

1 492 and 503 of our temporary regulations. The third
2 item is a proposed rule making. After adoption by
3 the Board today, the proposed rule will be submitted
4 to the Attorney General's Office to be reviewed for
5 form and legality and to the Office of the Budget for
6 fiscal note.

7 When the Attorney General completes its
8 review, the proposed rule will be submitted to the
9 Legislative Reference Bureau for publication in the
10 Pennsylvania Bulletin for its review.

11 Since the General Assembly has adjourned
12 sine-die, this proposed regulation cannot be formally
13 submitted to the standing committees until the new
14 committees are formed and designated. This should
15 occur in late January or early February.

16 Richard will now present the first
17 temporary amendment.

18 MR. SANDUSKY: The first item for your
19 consideration today are some amendments to the
20 temporary regulations in Chapter 429, specifically
21 Section 492.6.

22 We are asking that 492.6(a) be amended.
23 The language that currently is in there would require
24 the Board to take an action to assign all matters to
25 the Office of Hearings and Appeals.

1 The change in this language will have all
2 matters with the exception of slot machine license
3 applications will automatically be referred to the
4 Office of Hearings and Appeals.

5 The other two amendments simply clean up
6 the language relating to the scheduling of hearings
7 once again, making the Office of Hearings and Appeals
8 responsible for that and amending the time period
9 within which the first hearing should be scheduled
10 from within 60 days to 90 days.

11 We still anticipate the majority of
12 proceedings will be scheduled much sooner than that,
13 but to give the folks in the scheduling and
14 enforcement a little more flexibility, we're changing
15 the 60 to 90.

16 If there are any questions, we will be
17 happy to answer them. If not, we would ask for a
18 motion for adoption.

19 CHAIRMAN DECKER: This is, again, on 492?

20 MR. SANDUSKY: Yes.

21 CHAIRMAN DECKER: May I have a motion?

22 COMMISSIONER DIGIACOMO COLINS: Yes.

23 Mr. Chairman, I move that the Board adopt the
24 amendment to Chapter 492 of the temporary regulations
25 and that the amendment be published in the

1 Pennsylvania Bulletin and posted on the Board's
2 website.

3 CHAIRMAN DECKER: Thank you, Commissioner
4 Colins.

5 May I have a second, please?

6 COMMISSIONER RIVERS: Second.

7 CHAIRMAN DECKER: Thank you.

8 Any questions?

9 All of those in favor?

10 COMMISSIONERS: Aye.

11 CHAIRMAN DECKER: Anybody opposed?

12 Motion carries. Thank you.

13 Frank, I think you have a few more.

14 MR. SANDUSKY: The next two items are
15 related somewhat so let me give a little bit of a
16 preface to explain them.

17 The first item will be an adoption of
18 amendments to our temporary regulations for Chapter
19 503.

20 The second item is a motion to adopt a
21 proposed rule making, which will be proposed
22 permanent regulations for both Chapters 501 and 503.

23 The redundancy here is we're doing the
24 temporary regulations for Chapter 503 now, so that we
25 can implement those changes now rather than having to

1 wait for the adoption of a final form rule, which
2 will be done in the package, which has Chapter 501
3 and 503.

4 So with that said, I'll turn the floor over
5 to Nan. She will outline what the changes in the
6 temporary regulation are for Chapter 503.

7 MS. HORNER: Good afternoon. As Director
8 Sandusky stated, many of the amendments to Chapters
9 501 related to compulsive problem gambling
10 requirements and Chapter 503 related to self
11 exclusion were editorial amendments.

12 There were a few substantive amendments,
13 which I will now discuss. Section 501.2 contains the
14 minimum requirements for a compulsive and problem
15 gambling plan.

16 The amendments to 501.2 clarify that
17 although having an approved and compulsive problem
18 gambling plan is not a requirement for licensure,
19 Board approval of the plan is a requirement for the
20 licensee to commence operations.

21 Licensed facilities do not make referrals
22 of problem gamblers to qualified treatment
23 professionals.

24 Rather, the facility must have procedures
25 to provide information on the availability of

1 qualified treatment professionals to problem
2 gamblers.

3 Amendments to compulsive and problem
4 gambling plans must receive Board approval prior to
5 their implementation.

6 Section 501.3 contains requirements for the
7 employee training program. The amendments clarify
8 that the facility must have procedures for preventing
9 intoxicated persons from gambling, for disseminating
10 written materials to patrons explaining the
11 self-exclusion program, procedures for removing
12 self-excluded persons and notifying the appropriate
13 law enforcement officials, procedures for preventing
14 self-excluded persons from cashing checks.

15 The amendments to Section 501.3 also
16 clarify that it is the facility or their designee
17 that certifies appropriate employees, that they have
18 received training.

19 Section 501.7 has been amended to expand
20 the prohibition on check cashing to all persons and
21 entities that are licensed, registered, permitted, or
22 certified by the Board.

23 This means that management companies,
24 junket enterprises, and their employees are subject
25 to the prohibition on check cashing.

1 As a point of clarification, Section 501.4
2 requires facilities to submit an annual summary of
3 its compulsive and problem gambling plan with its
4 license renewal application.

5 This summary shall include information
6 required by the Board, including a report on the
7 number of patron inquiries about problem gambling
8 information, including self-exclusion information,
9 incidences of identifying suspected problem gamblers,
10 underage gamblers, intoxicated gamblers, and
11 violation of the self-exclusion list, as well as
12 contributions made and expenses incurred by the
13 facility that are related to responsible gambling
14 with specific line items of expenditures.

15 Section 503.1, the definition of
16 self-exclusion was amended to clarify that
17 self-excluded persons are excluded from participation
18 in gaming activities and from being present on the
19 gaming floor.

20 Section 503.2 specifies the requirements
21 for voluntary request for self-exclusion. It's been
22 amended to address the specific requirements of the
23 self-exclusion form acknowledgment and release.

24 The amendment to 503.4 requires that a
25 facility notify on-site Pennsylvania State Police if

1 a person has violated the self-exclusion ban.

2 This requires that the facility post signs
3 indicating that a person who is on the self-exclusion
4 list may be subject to arrest for trespassing if the
5 person is on the gaming floor and/or engaging in
6 gaming activities at the facility and requires the
7 facility to notify the Board of violations of self
8 exclusion and specifics of the incidents.

9 I have conducted a fair amount of research
10 into this matter, and studies have shown that many
11 gamblers can, through the threat of arrest if nothing
12 else, avoid going into casinos and participating in
13 gambling activities when they have a problem.

14 Section 503.5 has been amended to make
15 removal of a person's name from the self-exclusion
16 list a two-step process.

17 This is to ensure that after having made
18 the personal choice to be on the self-exclusion list,
19 a person requesting to have his or her name removed
20 from the list and their gaming privileges reinstated
21 is making an informed decision as opposed to an
22 impulse reaction.

23 I'm exploring the possibility of having
24 mandatory credit counseling and stress management
25 classes a prerequisite for removal from the list.

1 I'm not advocating for that position at
2 this time. When my research is concluded, I will
3 come back to you and discuss that matter.

4 The final amendment is a new section, which
5 is 503.6. It clarifies that a person who is on the
6 self-exclusion list is not in violation of the ban if
7 the person's access to the gaming floor is necessary
8 to carry out the duties of employment or incidental
9 activities related to employment and the person does
10 not engage in personal gaming activities.

11 CHAIRMAN DECKER: Are there any questions
12 from Nan about the proposal on self exclusion?

13 COMMISSIONER McCABE: I have one,
14 Mr. Chairman.

15 CHAIRMAN DECKER: Please.

16 COMMISSIONER McCABE: Nan, if somebody is
17 on the self-exclusion list and, say, the facility has
18 an entertainment center, can those people that are on
19 that list go to the entertainment center to see a
20 show, to see a singer, something like that?

21 MS. HORNER: Pursuant to our regulations,
22 the person is precluded from going on the gaming
23 floor.

24 It is up to each facility whether they want
25 to expand that self exclusion to the entire property

1 or just the gaming floor.

2 So pursuant to our regulations, they may go
3 to the restaurants. They may go to the entertainment
4 facilities.

5 COMMISSIONER McCABE: Thank you.

6 CHAIRMAN DECKER: Nan, this is a growing
7 trend, I take it?

8 MS. HORNER: Yes, it is, that people who
9 are on the self-exclusion list are asking for
10 assistance and we are providing that assistance.

11 CHAIRMAN DECKER: Great. Thank you.

12 Any other questions?

13 Please, Commissioner Coy?

14 COMMISSIONER COY: Thank you, Mr. Chairman.

15 First of all, I think the Board appreciates
16 the work you've done in this regard. We also
17 appreciate the work of -- I don't know if Captain
18 Allue is still here, but we appreciate the work and
19 the cooperation of the State Police in this regard.

20 I think the last thing that any of us want
21 to do is do anything to inhibit people from putting
22 their names on this list if they recognize they have
23 a problem.

24 So realizing that it is a balancing between
25 the two areas, I think you've done a good job. I

1 thank you and the other staff members for doing it.

2 And with that, I'll move that the Board
3 adopt the amendments to Chapter 503 of the temporary
4 regulations and that the amendments be published in
5 the Pennsylvania Bulletin and be posted on the
6 Board's website.

7 CHAIRMAN DECKER: Thank you.

8 COMMISSIONER McCABE: Second.

9 CHAIRMAN DECKER: Any further questions?

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

12 COMMISSIONERS: Aye.

13 CHAIRMAN DECKER: Any opposed?

14 Motion carries. Thank you very much.

15 CHAIRMAN DECKER: Richard or Frank?

16 MR. SANDUSKY: Now, Nan has already
17 described the changes that will be in the proposed
18 rule making for Chapter 501.

19 As I said before, the proposed amendments
20 to Chapter 503 mirror what is in the technical
21 amendment that was -- so we would ask for a motion
22 adopting the proposed rule making.

23 CHAIRMAN DECKER: May I have a motion to
24 that effect?

25 COMMISSIONER McCABE: Mr. Chairman, I move

1 that the Board adopt the proposed regulation No.
2 125-54 pertaining to Subpart I, Chapters 501 and 503,
3 that the Board establish a public comment period of
4 30 days, and that the Board post this proposed
5 regulation on the Board's website.

6 COMMISSIONER COY: Second.

7 CHAIRMAN DECKER: All of those in favor,
8 please indicate by saying aye.

9 COMMISSIONERS: Aye.

10 CHAIRMAN DECKER: Any opposed?

11 Motion carries.

12 Thank you, Nan and Richard.

13 CHAIRMAN DECKER: Frank, do you have some
14 withdrawals?

15 MR. DONAGHUE: I do. The Board has
16 received petitions for withdrawals for the Board's
17 consideration. The requests were reviewed by the
18 Office of Enforcement Counsel, and Chief Enforcement
19 Counsel has no objection to the withdrawal as there
20 is no information constituting good cause to deny,
21 condition, or prejudice the withdrawal of the
22 application, and all of the required fees have been
23 paid as of this date.

24 The Chief Counsel's Office concurs in this
25 review and submits the following for a motion by the

1 Board to grant the withdrawal petitions without
2 prejudice to petition of Cyberscan Technology, Inc.,
3 Docket No. 2230 to withdraw the application of key
4 employee qualifier of Sanford Roy Student, Docket No.
5 2226 and petition of Riverwalk, LP, Docket No. 1362
6 to withdraw the application of key employee qualifier
7 Renee Amooore, Docket No. 4176.

8 CHAIRMAN DECKER: Okay. Thank you.

9 Are there any questions?

10 May I have a motion, please?

11 COMMISSIONER RIVERS: Yes. Mr. Chairman, I
12 move that the Board approve the order granting the
13 withdrawal of the application of Renee Amooore and
14 Sanford Roy Student.

15 CHAIRMAN DECKER: May I have a second,
16 please?

17 COMMISSIONER DiGIACOMO COLINS: Second.

18 CHAIRMAN DECKER: Again, any questions?

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

21 COMMISSIONERS: Aye.

22 CHAIRMAN DECKER: Any opposed?

23 Motion carries. Thank you.

24 MR. DONAGHUE: Okay. Mr. Chairman, I'm
25 joined by Maureen Williamson, who is going to discuss

1 the casino floor plan for Philadelphia Park.

2 MS. WILLIAMSON: Good afternoon. Before
3 you for consideration this afternoon is a resolution
4 approving the gaming floor plan for Greenwood Gaming
5 and Entertainment, Inc., and in accordance with
6 Chapter 467 of our regulations.

7 This floor plan depicts the gaming floor
8 and all restrictive areas servicing it. In specific,
9 it includes details regarding slot machine locations
10 and seating, the surveillance camera configuration,
11 security department zones, the location for cashier's
12 cages, count rooms and armored car bays, slot storage
13 and repair locations, and the placement of 20
14 automated voucher redemption devices and 10 ATMs.

15 The floor plan depicts a two level facility
16 consisting of 61,574 square feet of gaming floor and
17 a maximum configuration of 2,147 slot machines.

18 Due to its proprietary nature and the
19 confidential nature of the security and surveillance
20 protocols that are reflected of it, I would
21 respectfully request that the floor plan be held by
22 the Board as confidential, and I would request at
23 this time that the Board approve the floor plan as
24 presented.

25 CHAIRMAN DECKER: May I have a motion to

1 that effect, please?

2 COMMISSIONER COY: Mr. Chairman, I move
3 that the Board approve the recommendation of the
4 adoption of the floor plan for Philadelphia Park and
5 that, in accordance with the staff's request, the
6 matter be held as confidential.

7 CHAIRMAN DECKER: Thank you.

8 Can I have a second?

9 COMMISSIONER DIGIACOMO COLINS: Second.

10 CHAIRMAN DECKER: Are there any questions
11 for Maureen?

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

14 COMMISSIONERS: Aye.

15 CHAIRMAN DECKER: Opposed?

16 Thank you.

17 You're going to stick around for a second?

18 MS. WILLIAMSON: Yes.

19 CHAIRMAN DECKER: Okay.

20 MR. DONAGHUE: Mr. Chairman --

21 CHAIRMAN DECKER: You have some petitions?

22 MR. DONAGHUE: Yes. I would like to turn
23 it over to Mickey Kane for a moment who is going to
24 turn to a matter regarding admission of pro hac vice.

25 CHAIRMAN DECKER: Thank you.

1 Mickey, hi.

2 MS. KANE: Hi. Good afternoon,
3 Mr. Chairman and members of the Board.

4 You have before you for disposition today a
5 motion requesting that an attorney licensed in New
6 Jersey be granted permission to appear before the
7 Pennsylvania Gaming Control Board for the purpose of
8 representing a specific entity that has business
9 before the Board. The status of this attorney was
10 reviewed by the Office of Chief Counsel, which has no
11 objection.

12 CHAIRMAN DECKER: Thank you. May I have a
13 motion?

14 COMMISSIONER ANGELI: Mr. Chairman, I move
15 that the Board approve an order granting admission of
16 pro hac vice for Michael -- is it Sklar?

17 MS. KANE: Sklar.

18 COMMISSIONER ANGELI: Sklar.

19 CHAIRMAN DECKER: Second, please?

20 COMMISSIONER COY: Second.

21 CHAIRMAN DECKER: Any questions?

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

24 COMMISSIONERS: Aye.

25 CHAIRMAN DECKER: Opposed?

1 Motion carries.

2 Thank you, Mickey.

3 CHAIRMAN DECKER: Maureen, do you want to
4 touch base very briefly on -- we thought we were --
5 this is sort of ad hoc.

6 Since we have Maureen here, we thought we
7 would ask her what is happening in Philadelphia Park
8 because that is moving along.

9 MS. WILLIAMSON: Well, as you know, we are
10 looking at test nights for December 17th and 18th.

11 CHAIRMAN DECKER: You might have to speak
12 into that a little bit more.

13 MS. WILLIAMSON: We are looking for
14 proposed test nights for Philadelphia Park for
15 December 17th and 18th and provided over the ensuing
16 weeks that the property comes into shape and we have
17 the required connectivity with the Central System, we
18 will proceed with the test nights on those nights.

19 There are two particular charities, a
20 breast cancer and a hero fund, the Patrolman's Hero
21 Fund. So that is of particular importance. The
22 proceeds will go to those charities.

23 At this juncture, things are moving well.
24 It's our expectation that 2,147 slot machines, as we
25 discussed today, will commence operation on that date

1 and do as well as they did at Mohegan Sun.

2 We were very pleased with how the test
3 night went at Mohegan Sun. I think it was a very
4 good test of the full -- the floor at full load.

5 The connectivity, we were very happy with
6 the connectivity of the Central System and the
7 interchange between the operator's own slot
8 monitoring systems and the G-Tech. We are still
9 working out there; but, you know, some issues there.

10 Again, I think the test night process was a
11 very good examination of the ability of the facility
12 to receive the public.

13 CHAIRMAN DECKER: That's great.

14 Any questions for Maureen?

15 Maureen, thank you. We thank you and all
16 your team, Jerry and Pam and everybody else and the
17 State Police, for working on this.

18 MS. WILLIAMSON: We appreciate that. We
19 have a relatively hectic schedule with the Chester
20 property and Presque Isle. So hopefully, by the end
21 of February, we will have counted off four very
22 successful openings.

23 CHAIRMAN DECKER: Maureen, you look great
24 for not having slept in a month.

25 MS. WILLIAMSON: I appreciate that.

1 COMMISSIONER COY: Mr. Chairman, since we
2 have the advantage of the presence of the Secretary
3 of Revenue, I just thought I would like to ask, with
4 regard to the Central System, what he is hearing from
5 his employees with regard to how it's working and the
6 connectivity of both of the system and with our
7 personnel and his?

8 SECRETARY FAJT: Thank you, Commissioner
9 Coy. I'm getting good feedback. The invoicing is
10 going properly. The payments that we have received
11 so far from Mohegan Sun have gone without a hitch. I
12 give Stacy Amsler and her folks all of the credit on
13 that.

14 The interplay between us and the Gaming
15 Control Board has gone very, very well. Richard
16 Williamson, Maureen, Curt Haines from our shop and
17 everybody in between them has really done a good job.

18 We're very pleased with G-Tech. They've
19 been very, very responsive to any concerns we've had.
20 I was just saying to Commissioner Colins on the
21 Philadelphia Park, Maureen, I'll bring it up, you
22 know, again, because I think it's an issue, but Curt
23 had mentioned to me before that we weren't quite as
24 far along as we thought we needed to be.

25 I said to him, you let me know whenever I

1 need to jump into the process. So far, he's told me
2 to stay back. So I assume that, you know, we are
3 progressing along as we need to be.

4 MS. WILLIAMSON: Well, again, at this
5 juncture certainly we feel positive. I recall the
6 morning of the Sands opening in 1980 in Atlantic City
7 that the tables weren't even delivered at 8:00 and we
8 opened at 2:00.

9 So I guess I'm a little bit of a believer
10 in how quickly these projects can come together.
11 Certainly, we will be monitoring that and will not go
12 into a test night -- I mean, the test night dates are
13 contemplated, but we will not go into a test night
14 until we feel we are in a position to have a
15 successful test night.

16 I have to say that one of the things that
17 the Board should be aware of as an experienced
18 regulator from my own perspective, we have had
19 terrific cooperation from our licensees. The Mohegan
20 people, now the Philadelphia Park people, have been
21 very, very responsive to any requests that we have
22 had.

23 That goes a long way toward making sure
24 that we have efficient and effective use of the
25 limited resources that we have available to us.

1 Anything that we need they are providing to
2 us. So again, I have every reason to think that we
3 will be able to pull it together for the 17th.

4 CHAIRMAN DECKER: Maureen, how goes the
5 training of our people and the State Police and
6 others with respect to what has to be --

7 MS. WILLIAMSON: Richard's unit has done
8 some fairly extensive training with our people and
9 with the State Police. We are having our people
10 actually attend the training that the manufacturers
11 and the suppliers and their reps are providing to the
12 licensee.

13 That has a twofold effect. That allows to
14 train our people, but it's actually a way of our
15 monitoring that, in fact, the procedures that they're
16 teaching are the procedures that we've agreed to and
17 the procedures that in compliance with our internal
18 controls. So the training is a very important piece
19 of the whole -- bringing the whole thing together.

20 CHAIRMAN DECKER: So when you compare this
21 to the kinds of openings, which in many respects were
22 even more complex in New Jersey because you had table
23 games --

24 MS. WILLIAMSON: Correct.

25 CHAIRMAN DECKER: -- how is this going for

1 you in the first --

2 MS. WILLIAMSON: I think we have done --
3 right, we've done really extremely well. What we
4 leave the properties with, it's typical in the
5 context and Commissioner Angeli can speak to this
6 probably with some specificity, that there are some
7 things that need to be fine tuned.

8 What we're leaving the properties with is
9 basically a punch list of interim and permanent
10 solutions with agreed-to deadlines.

11 I think the most important thing in the
12 ramp up is we have really defined regulatory
13 expectations.

14 There's no guess work as to what is
15 expected. Then if we are able to define those
16 expectations and then have consistent auditing and
17 consistent enforcement, we will really have the whole
18 piece.

19 CHAIRMAN DECKER: Because we have gotten
20 questions over a period of time, the expectations
21 that we have in Pennsylvania are very similar, if
22 not, you know, the same expectations that you had
23 when you were working in New Jersey for the casinos
24 before they opened, correct?

25 MS. WILLIAMSON: Correct.

1 CHAIRMAN DECKER: And for the people that
2 are going to be representing us in on the floor,
3 etc., thereafter.

4 MS. WILLIAMSON: Right. We're using the
5 same methodology of making sure that everything is
6 in place from a compliance perspective. We have a
7 very comprehensive regulatory scheme here in
8 Pennsylvania. There's very little discretion for our
9 operators as far as accounting and internal controls,
10 security staffing, slot specifications.

11 So we're going in and testing the property
12 and establishing that we're starting at a point of
13 satisfactory compliance.

14 CHAIRMAN DECKER: And plus, the managers of
15 the casinos have been through this before, correct.

16 MS. WILLIAMSON: Again, it's a tried and
17 true process. Our expectation is that the property
18 -- not everything will be perfect but that everything
19 is on track and that we have reasonable expectation
20 that we are recording revenue accurately.

21 CHAIRMAN DECKER: Anymore questions for
22 Maureen?

23 I have one more. I didn't know New Jersey
24 hired people in 1980 who were under the age of 21 to
25 work in the casinos.

1 MS. WILLIAMSON: You know, it's funny. I
2 started regulating when I was 12. It's just one of
3 those things.

4 CHAIRMAN DECKER: There you go. That's
5 good. Thank you, Maureen. We appreciate it. Thank
6 you for coming today. We know you had a ton to do.

7 Frank?

8 MR. DONAGHUE: If we could turn it over to
9 Mike Schwoyer.

10 MS. LaCOUR NEEB: Well, I think he's --

11 CHAIRMAN DECKER: He's doing something. I
12 understand.

13 MS. LaCOUR NEEB: I would ask if we could
14 move on to --

15 CHAIRMAN DECKER: Here he comes. Take your
16 time, Michael.

17 MS. LaCOUR NEEB: There he is.

18 CHAIRMAN DECKER: Don't fall. I don't want
19 you getting hurt.

20 MS. LaCOUR NEEB: We have insurance. It's
21 okay.

22 MR. SCHWOYER: Mr. Chairman, members of the
23 Board, I have three consent agreements to present to
24 the Board today all resolving key employee qualifier
25 political contributions.

1 CHAIRMAN DECKER: By the way, to make sure
2 we -- I want to introduce Michael. He's our
3 Investigation and Enforcement Counsel, for those of
4 you who don't know him.

5 Michael, I'm sorry. Please. Go ahead.

6 MR. SCHWOYER: The first consent agreement
7 that I have to present to the Board is in the matter
8 of the Category II application of HSP Gaming, LP and
9 one of their key employee qualifiers.

10 That key employee qualifier made a
11 political contribution shortly after the applicant
12 filed their application in December of 2005.

13 The terms of the consent agreement provide
14 for the payment of \$1,000 to the Commonwealth of
15 Pennsylvania by the key employee qualifier and \$5,000
16 to the Commonwealth of Pennsylvania by the entity
17 applicant HSP Gaming, LP.

18 The terms of the agreement also provide for
19 various remedial measures to be taken by HSP Gaming
20 to ensure no future violations of the Act, and to
21 also update its internal policies and procedures with
22 respect to political contributions in light of recent
23 amendments to the Pennsylvania Gaming Act.

24 I have provided copies of the consent
25 agreement to you all in your packets in preparation

1 for today's meeting.

2 CHAIRMAN DECKER: Thank you. And I assume
3 that that political contribution has been paid back?

4 MR. SCHWOYER: Yes. That political
5 contribution has been returned to the key employee
6 qualifier.

7 CHAIRMAN DECKER: And part of the reasons
8 for our recommendation and our action today on this
9 limited fine, because that is what we would call it,
10 is we found that this was -- this was basically
11 inadvertent.

12 MR. SCHWOYER: Yes, and it was a small
13 contribution to a trade association political action
14 committee.

15 CHAIRMAN DECKER: Okay. Thank you.

16 Any questions for Mr. Schwoyer?

17 May I have a motion to adopt a Board order
18 approving this proposed consent with respect to HSP
19 and Daniel Keating?

20 I'm sorry. Am I stealing somebody's
21 thunder?

22 COMMISSIONER DIGIACOMO COLINS:
23 Mr. Chairman, I move that the Board approve the
24 consent agreement entered into between the Bureau of
25 Investigations and Enforcement and Category II slot

1 machine applicant HSP Gaming, LP and key employee
2 qualifier applicant Daniel J. Keating, III.

3 CHAIRMAN DECKER: Thank you.

4 COMMISSIONER COY: Second.

5 CHAIRMAN DECKER: Thank you. Any further
6 questions?

7 All of those in favor, please indicate by
8 saying aye.

9 COMMISSIONERS: Aye.

10 CHAIRMAN DECKER: Any opposed?

11 Motion carries. Thank you.

12 Mr. Schwoyer?

13 MR. SCHWOYER: The next consent agreement I
14 have to present to the Board for its consideration is
15 a consent agreement involving Category II slot
16 machine applicant, Riverwalk Casino, LP and one of
17 their key employee qualifiers.

18 The key employee qualifier made political
19 contributions subsequent to the filing of his
20 application, which was subsequent to the filing of
21 Riverwalk's application with the Board.

22 The terms of the consent agreement are
23 fines identical to those I just mentioned with
24 respect to HSP and the same remedial measures
25 amending their policy to keep up with the Act and

1 further requirements to ensure no future violations.

2 CHAIRMAN DECKER: Any questions for
3 Mr. Schwoyer?

4 I presume, again, that the monies will be
5 returned to the applicant from the --

6 MR. SCHWOYER: Yes, sir. My understanding
7 is that the applicant has already received one of the
8 contributions to a PAC.

9 There were some other contributions, the
10 one for a small amount of money made through payroll
11 deductions to a PAC associated with employment and
12 efforts are being made to return. It's simply a
13 different process than writing a check.

14 CHAIRMAN DECKER: Any questions?

15 MR. SCHWOYER: And those kinds of payroll
16 deductions have been stopped.

17 CHAIRMAN DECKER: Good.

18 Any questions?

19 All of those in favor --

20 COMMISSIONER COY: You need a motion.

21 CHAIRMAN DECKER: May I have a motion?

22 COMMISSIONER COY: Mr. Chairman, I'll move
23 that the Board approve the consent agreement entered
24 by the Bureau of Investigations and Category II slot
25 machine applicant Riverwalk and a key employee

1 qualifier of Herman Wooden.

2 CHAIRMAN DECKER: Second, please?

3 COMMISSIONER McCABE: Second.

4 CHAIRMAN DECKER: Thank you.

5 Again, any questions?

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

8 COMMISSIONERS: Aye.

9 CHAIRMAN DECKER: Any opposed?

10 Motion carries.

11 You have one more, Mr. Schowyer?

12 MR. SCHWOYER: Yes, sir. The final consent
13 agreement I would like to present to the Board today
14 for its consideration is a consent agreement entered
15 into with Philadelphia Entertainment and Development
16 Partners, LP and one of their key employee
17 qualifiers.

18 The consent agreement provides for the same
19 remedial measures as we just discussed for Riverwalk
20 and HSP.

21 The amounts payable under this consent
22 agreement are \$100,000 by PEDP and \$100,000 by the
23 key employee qualifier for a total of \$200,000.

24 CHAIRMAN DECKER: And the key employee
25 qualifier is?

1 MR. SCHWOYER: Peter Dominick DePaul,
2 Docket No. 1586.

3 CHAIRMAN DECKER: Okay. May I have a
4 motion, please?

5 COMMISSIONER COY: Mr. Chairman, I move
6 that the Board approve the consent agreement entered
7 into between the Bureau of Investigations and
8 Enforcement and the Category II slot machine
9 applicant Philadelphia Entertainment and Development
10 Partners, LP and key employee qualifier Peter D.
11 DePaul.

12 CHAIRMAN DECKER: May I have a second?

13 COMMISSIONER DIGIACOMO COLINS: Second.

14 CHAIRMAN DECKER: Are there any questions?

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

17 COMMISSIONERS: Aye.

18 CHAIRMAN DECKER: Any opposed?

19 Motion carries. Thank you.

20 MR. SCHWOYER: That's all I have.

21 CHAIRMAN DECKER: All right. Next up is
22 Richard Williamson, who is head of our gaming lab.

23 We haven't seen you for a while, Richard.
24 It's nice to have you back.

25 MR. WILLIAMSON: It's a pleasure to be

1 here.

2 CHAIRMAN DECKER: You're getting to know
3 Pennsylvania very well, as I understand it.

4 MR. WILLIAMSON: Yes, sir. Good afternoon,
5 Chairman Decker and esteem Board members all. I have
6 two resolutions before you today of the fruits of our
7 labor, which represent a lot of products that have
8 been reviewed in the lab.

9 These products in addition to previous
10 approvals will meet the majority of the anticipated
11 needs for Philadelphia Park's opening this month.

12 We do anticipate there to be a couple of
13 items that will be approved through delegated
14 authority and subsequently ratified by the Board.

15 The first resolution is for programs or
16 percentages. There were 281 reviewed, 265 are being
17 recommended for approval, and 16 are being
18 recommended for rejection.

19 CHAIRMAN DECKER: Okay. Let's see. May I
20 have a motion -- you're asking for a motion, correct,
21 on this, Richard?

22 MR. WILLIAMSON: Yes, sir.

23 COMMISSIONER RIVERS: Mr. Chairman, based
24 on the recommendation of the Director of the gaming
25 labs operation, I move approval of Resolution

1 2006-39-GL to approve slot machine programs and
2 theoretical payout percentages.

3 CHAIRMAN DECKER: Thank you. Second,
4 please.

5 COMMISSIONER McCABE: Second.

6 CHAIRMAN DECKER: Any questions for
7 Richard?

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

10 COMMISSIONERS: Aye.

11 CHAIRMAN DECKER: Any opposed? Motion
12 carries.

13 Richard, you have another one, I presume.

14 MR. WILLIAMSON: Yes, sir. The second
15 resolution is for slot machines and associated
16 equipment, hardware, and software, which includes
17 progressive controllers, slot machine mains, set
18 chips, boot chips, RAM clears, and other programs.

19 CHAIRMAN DECKER: Thank you.

20 Can we have a resolution to that effect, as
21 well? I'm sorry, a motion. I apologize.

22 COMMISSIONER ANGELI: Mr. Chairman, based
23 on the recommendations, I move to approve Resolution
24 2006-40-GL to approve slot machine and associated
25 equipment, hardware, and software.

1 COMMISSIONER COY: Second.

2 CHAIRMAN DECKER: Thank you.

3 Any questions for Richard?

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

6 COMMISSIONERS: Aye.

7 CHAIRMAN DECKER: Any opposed?

8 Motion carries.

9 Thank you, Richard, very much.

10 MR. WILLIAMSON: Thank you very much.

11 CHAIRMAN DECKER: Richard, best wishes to
12 you and your mother.

13 MR. WILLIAMSON: Thank you.

14 CHAIRMAN DECKER: Anne?

15 MS. LaCOUR NEEB: We don't have any other
16 matters on the agenda today, not on the Board agenda.
17 I would ask if we could take a very, very short
18 adjournment prior to beginning --

19 CHAIRMAN DECKER: Do we need to recess and
20 hold this over for tomorrow or do we not have
21 anything --

22 MS. LaCOUR NEEB: For the Board meeting
23 itself?

24 CHAIRMAN DECKER: Do we have anything --

25 MS. LaCOUR NEEB: Everything on the agenda

1 has been addressed today. Everything has been
2 addressed today. We have no other open issues today
3 on the Board meeting.

4 Could we take a very short recess?

5 CHAIRMAN DECKER: I'll tell you what we're
6 going to do, we're going to take a very short
7 ten-minute recess. We'll be back to finish this
8 meeting and then we're going to go in to start the
9 suitability hearings. Thank you.

10 (Break.)

11 CHAIRMAN DECKER: We're back from the
12 recess. We have one item to review and I believe
13 it's the 2007-2008 budget of the Attorney General's
14 Office. I believe we have Sherry Phillips?

15 MS. PHILLIPS: That's me.

16 CHAIRMAN DECKER: Thank you. We're sorry
17 we got messed up before in the room. We didn't know
18 you were out there during our Executive Session.
19 Thank you.

20 I think Eileen is still here. Why don't
21 you come up, Eileen? It's up to you two how do you
22 want to review the budget. We've already approved
23 the budget for 2006-2007. Do you want to cover
24 anything on 2007-2008?

25 MS. McNULTY: Just to mention that the

1 Attorney General's budget request for '07-'08 is
2 \$799,477. Personnel is \$568,804, of that are 71
3 percent of the budget and operating expenses are
4 \$230,673 which is 29 percent.

5 Sherry Phillips is here to talk a little
6 bit about what the Attorney General's Office expects
7 to do in their '07-'08 budget.

8 MS. PHILLIPS: When we put the budget
9 together, we don't actually know how many
10 investigations will actually come up.

11 So what we did is we tried to take a
12 reasonable amount of time and say how many agents we
13 would need and one attorney to prosecute and one
14 clerk to handle the caseload.

15 What we're currently planning on doing is
16 just using our current staff. If there's not a large
17 volume or complexity in the cases, we won't be hiring
18 anyone. It will pretty much depend on the number of
19 investigations. We just put the number in and we may
20 not need it. It depends. We're going to start with
21 our current staff.

22 CHAIRMAN DECKER: That's fine.

23 Any questions?

24 COMMISSIONER McCABE: Mr. Chairman, I have
25 a couple of questions.

1 Are you planning on handling the
2 investigations and prosecution out of your regional
3 offices or are you going to do it out of Harrisburg?

4 MS. PHILLIPS: It will depend on -- we're
5 going to start initially out of our office here in
6 Harrisburg; but if we have cases that are in other
7 parts of the state, we will use staff from that area.

8 COMMISSIONER McCABE: You realize we're
9 going to have casinos -- three -- five casinos in
10 Western PA, four -- six in Eastern PA and then some
11 other areas?

12 MS. PHILLIPS: Yes, we realize that and,
13 like we said, right now, we have regional offices and
14 23 offices throughout the state. We will utilize
15 them. Again, it's going to be dependent on the
16 investigations that are needed and the complexity of
17 the cases and the experience needed.

18 COMMISSIONER McCABE: I see you have a
19 budget item for expert witnesses. What kind of
20 expert witnesses are you anticipating needing?

21 MS. PHILLIPS: Well, that can vary also;
22 but in every budget that we put together, when we
23 have an unknown like this, we always put something in
24 for expert witnesses just because they can often come
25 up. Again, it's going to depend on the

1 investigations again.

2 COMMISSIONER McCABE: Thank you.

3 CHAIRMAN DECKER: Thank you.

4 How will you work with the local DAs in a
5 sense of what you will take and versus what they will
6 deal with? I presume sort of lesser crimes inside
7 the casino will be dealt with by the DA's Office, but
8 I don't know that. I'm just --

9 MR. PHILLIPS: I don't know that I can
10 answer that question. I know that's how the Act is
11 spelled out, that we will work with the DAs and
12 that's our intention. I'm looking at it more from a
13 budget.

14 CHAIRMAN DECKER: We'll invite you back and
15 you can tell us six months from now or a year from
16 now.

17 We're all -- as we open these casinos,
18 there's always a little state of flux in some of the
19 things; but as you mentioned in your budget, you're
20 not sure. That's one of the reasons why we have two
21 State Police per shift in each of the casinos now to
22 see. That's why we have five to seven of our
23 surveillance people.

24 As time goes on, we'll be able to do it in
25 a fewer number if the reports that we have gotten

1 from our consultants and experts are true, that there
2 is no significant empirical -- no significant
3 statistical difference, but we'll have to see.

4 Okay? Great. Thank you for -- anything
5 else?

6 May I have a motion approving the Attorney
7 General's Office budget?

8 COMMISSIONER DIGIACOMO COLINS:

9 Mr. Chairman, I move that the Board adopt the
10 proposed 2007-2008 budget for the Attorney General's
11 Office and that a copy of the proposed budget be sent
12 to the Governor's Budget Office for transmission as
13 required under Act 71 of 2004 as amended.

14 COMMISSIONER MARSHALL: Second.

15 CHAIRMAN DECKER: Thank you.

16 Any questions?

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

19 COMMISSIONERS: Aye.

20 CHAIRMAN DECKER: Any opposed?

21 Motion carries. Thank you very much.

22 I also want to note, which is obvious for
23 people here but for the record, that Commissioner
24 Chip Marshall has arrived. He was on the phone
25 before but he's present.

1 The other thing I was told, I had made a
2 verbal slip before. What I was referencing was the
3 possible office in Erie, not in Gettysburg. I
4 apologize for confusing everyone in the audience.

5 Let's see. Where is -- Anne, is there
6 anything else to come before the meeting?

7 MS. LaCOUR NEEB: No.

8 CHAIRMAN DECKER: Okay. Then we would
9 entertain a motion to adjourn.

10 COMMISSIONER McCABE: So moved.

11 COMMISSIONER ANGELI: Second.

12 CHAIRMAN DECKER: Thank you.

13 All of those in favor?

14 COMMISSIONERS: Aye.

15 CHAIRMAN DECKER: Any opposed?

16 Motion carries. We're adjourned.

17 (The meeting concluded at 3:57 p.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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