

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC MEETING

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BEFORE: MARY DIGIACOMO COLINS, CHAIRMAN
Raymond S. Angeli, Jeffrey W. Coy, James B.
Ginty, Kenneth T. McCabe, Sanford Rivers,
and Gary A. Sojka, Members
Keith Welks, Ex-officio Designee

HEARING: Thursday, February 28, 2008
1:00 p.m.

LOCATION: The State Museum of Pennsylvania
300 North Third Street
Harrisburg, PA 17106

WITNESSES: Anne LaCour Neeb, Eileen McNulty, Frank
Donaghue, Susan Hensel, Cyrus Pitre,
Nanette Horner, Anthony Ceddia, Doug
Sherman, Troy Beaverson, Glenn Stewart,
Tracee Hackett, Stacey Knavel

Reporter: Kenneth D. O'Hearn

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FRANK DONAGHUE, ESQUIRE
Office of Chief Counsel
PA Gaming Control Board
P.O. Box 69060
Harrisburg, PA 17106-9060

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CHAIRMAN COLINS:

I'd like to welcome the members of the Board and all of you here today for our meeting. A quorum is present. The meeting is called to order. And welcome Keith Welks, attending on behalf of the State Treasurer, Robin Wiessmann. Stacy Amsler, who is attending on behalf of Revenue Secretary Wolf. And I'll ask everyone to turn off their cell phones, BlackBerries, other electronic devices, and we'll do the pledge of allegiance.

PLEDGE OF ALLEGIANCE RECITED

CHAIRMAN COLINS:

The Board held executive sessions on February 20th and 27th and prior to today's meeting, in accordance with the Sunshine Act, to discuss personnel issues, privileged agency business and to consult with counsel and other professional advisors to the Board concerning current litigation for matters in which the complaints are expected to be filed.

Now, to the minutes and the transcripts. May I have a motion for the Board to approve the minutes and the transcripts?

COMMISSIONER GINTY:

1 Madam Chairman, I move that the Board
2 approve the minutes and transcripts of the December
3 3rd, December 18th, 2007 and January 11th, 2008
4 meetings.

5 COMMISSIONER SOJKA:

6 Second.

7 CHAIRMAN COLINS:

8 Any questions or comments? All in favor?

9 AYES RESPOND

10 CHAIRMAN COLINS:

11 Opposed? Motion carries. New business
12 now. The Executive Director, Anne Neeb, will report.

13 MS. NEEB:

14 Thank you, Chairman. Good afternoon,
15 members of the Board. Today we have a list of
16 proposed candidates for hire with the Pennsylvania
17 Gaming Control Board. And at this time I'd like to
18 read to you their names. The first one is Dustin
19 Miller in the position of Assistant Enforcement
20 Counsel. Dustin is a graduate of Juniata College and
21 Widener Law School, and he would be working in
22 enforcement. The next person is Susan Yocum, as
23 Assistant Chief Counsel. And she is a graduate of
24 Central Michigan University and a graduate of
25 Dickinson Law School.

1 The next one is in the Office of Gaming
2 Laboratory, Mark Melusky. Mark graduated from
3 Millersville University with a Bachelor's degree in
4 mathematics and statistical and actuarial options. And
5 the next one is a casino enforcement agent, Mark
6 Lucchi, and Mark attended Johnson College in Scranton,
7 Pennsylvania. One more. And we also have Sean
8 Hughes. These are the casino enforcement agents. And
9 he is a graduate of PSU, with a degree in criminal law
10 and justice. And Judy Rizzo, as a casino enforcement
11 agent, and she is a resident of Yardley, Pennsylvania,
12 and worked at the Times of Trenton Newspaper.

13 So at this time I'd like to report that
14 all of these individuals have undergone background
15 investigations and have completed those successfully,
16 and I would like to recommend to the Board that you
17 hire and retain these individuals.

18 CHAIRMAN COLINS:

19 May I have a motion to approve the new
20 hires, please.

21 COMMISSIONER RIVERS:

22 Yes. Madam Chairman, I move that the
23 Board approve the hiring of the agency staff on the
24 basis that all employees have completed the necessary
25 background checks and drug testing.

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CHAIRMAN COLINS:

Can I have a second?

COMMISSIONER GINTY:

I second.

CHAIRMAN COLINS:

Questions or comments? All in favor?

AYES RESPOND

CHAIRMAN COLINS:

Opposed?

NO RESPONSE

CHAIRMAN COLINS:

Motion carries. Thank you. Next.

MS. NEEB:

The next matter we have today, Dr. Tony Ceddia, who is the Trustee that the Board appointed to oversee the matters at Mt. Airy #1, LLC, is here today, and he would like to give the Board an update on the activities in connection with carrying out the Board's Order.

CHAIRMAN COLINS:

Thank you.

MS. NEEB:

I'd like to call Dr. Ceddia.

DR. CEDDIA:

Good afternoon, Madam Chair, ---

1 CHAIRMAN COLINS:

2 Good afternoon.

3 DR. CEDDIA:

4 --- and members of the Commission. This
5 report is submitted to the members of the Pennsylvania
6 Gaming Board pursuant to paragraph ten, letter L of
7 its Order, dated February 5, 2008. The purpose of
8 this report is to detail for the Board, the operation
9 and administration of Mt. Air #1, LLC, known as Mt.
10 Airy, and to apprise the Board of actions I have taken
11 as Trustee in the implementation and enforcement of
12 the Board's order.

13 The actions taken are as follows. On
14 February 11, 2008, Mark Gleason of Gleason &
15 Associates and I met with the Pennsylvania Gaming
16 Control Board Executive Director, Anne Neeb, as well
17 as several representatives of the Board's forensic
18 accounting staff and Office of Chief Counsel. The
19 purpose of the meeting was to get an initial and very
20 general overview of Mt. Airy's financial position.
21 Mr. Gleason and I, of course, will be developing a
22 much more detailed picture of the facility's finances
23 and operations in the weeks to come. The timeliness
24 of this meeting satisfied the requirement of paragraph
25 ten, letter H, of the Order.

1 Number two, on February 11, 2008, Mr.
2 Gleason and I met with the Independent Audit Committee
3 and all key employees of Mt. Airy. The purpose of
4 this meeting was to introduce myself and Mr. Gleason
5 to Mt. Airy's management team and to explain the
6 Board's goal of allowing the continuation of the
7 business of the facility through the appointment of a
8 trustee to serve during the suspension of Louis A.
9 DeNaples' license. The timeliness of this meeting
10 satisfied the requirements of paragraph ten, letter F
11 and G of the Order. And I would add parenthetically
12 to the Board, that we couldn't have been welcomed more
13 graciously by the Mt. Airy key personnel and their
14 staff, who all pledged strong cooperation with me as
15 trustee and the rest of my team.

16 On February 11, 2008, I met with Ronald
17 H. Levine, Esquire of the law firm of Post & Schell to
18 discuss his retention as my personal counsel during my
19 trusteeship. It is my intention, through your Chief
20 Counsel today, to seek approval of his retention.
21 He's an excellent lawyer and will be a fine member of
22 the team, complementing both me and Mr. Gleason.

23 On February 18th, 2008, Mr. Gleason and I
24 met with Mt. Airy's Chief Executive Officer and Chief
25 Financial Officer, as well as Lisa DeNaples,

1 Vice-President of Construction and Development. The
2 purpose of this meeting was to identify any issues
3 that require my attention in the near future. And
4 tomorrow I will be on site at Mt. Airy to continue
5 those conversations regarding the construction that
6 has been completed and still remains to be handled
7 with both --- on financial matters and with the
8 engineering management firm.

9 On February 19th, 2008, Mr. Gleason and I
10 participated in a conference call with representatives
11 of J.P. Morgan and its counsel regarding Mt. Airy's
12 finances. The purpose of this call was introductory.
13 And as the Board knows, J.P. Morgan is one of the
14 major financial backers of Mt. Airy.

15 On February 20th, 2008, I met with Louis
16 DeNaples at his request. This was a one-on-one
17 meeting with no counsel present. The purpose of this
18 meeting was introductory. At this time I have no
19 plans to meet with Mr. DeNaples in the future.
20 However, he has expressed a willingness to make
21 himself available if the exercise of my authority
22 necessitates such a meeting. He further pledged
23 strong cooperation with this Board's Order and
24 indicated that he will be as helpful as he can be in
25 my role as Trustee. He is very committed to the

1 success of Mt. Airy.

2 On February 22nd, 2008, I met with the
3 Pennsylvania Gaming Board Executive Director, Anne
4 Neeb, Chief Counsel, Frank Donaghue, and other members
5 of the Office of Chief Counsel to give them an
6 informal report on my actions as Trustee to date.
7 Chairman Colins and Mark Gleason participated in that
8 meeting by phone. If you recall, that was a bad
9 weather day, and it was easier for some of the
10 participants to hook up by telephone.

11 Since my initial meetings with the Mt.
12 Airy Management Team, I have had ongoing contact with
13 the CEO, Joseph D'Amato. Mr. D'Amato has kept me
14 informed of the day-to-day operations of the facility
15 and, when necessary, sought my approval of actions he
16 planned to take. I would also add to this that Joe
17 D'Amato has been very cooperative and remains
18 committed to meeting the expectations of the Order and
19 the requirements of this Board.

20 Upcoming actions. Tomorrow I will be at
21 Mt. Airy to work with the management team to resolve
22 issues of construction, which I indicated earlier. I
23 will also be participating in the presentation of a
24 new marketing plan for Mt. Airy. Clearly, marketing
25 is one of the areas that they're focusing on, and

1 rightfully so, and we'll be looking at that new plan
2 tomorrow.

3 On March 20th, 2008, Mr. Gleason and I,
4 along with representatives from the Office of Chief
5 Counsel and the Mt. Airy Management Team, will meet
6 with representatives of J.P. Morgan and their counsel.
7 The purpose of this meeting will again further
8 identify ourselves to each other and also work with
9 the potential re-negotiation of Mt. Airy's financial
10 structure, which eventually will come before this
11 Board.

12 During the next few weeks Mr. Gleason and
13 I will work with the Management Team at Mt. Airy on
14 developing a financial forecast and other operational
15 matters requiring the attention of the Trustee.
16 Pursuant to the Order, I will submit a report in this
17 format to the Board at the end of each calendar month
18 during my trusteeship. It is my intent to keep the
19 Board and its staff fully informed on all issues
20 regarding the operation and administration of Mt.
21 Airy. In addition to these monthly reports, I am
22 available to the Board at any time to answer any
23 questions they have or want to discuss regarding
24 pending issues or business at Mt. Airy or the
25 implementation and enforcement of the Order.

1 And I would conclude, Madam Chair, by
2 telling you that I am delighted with the support that
3 this Board has given me and also that of its staff.
4 You have made my task immeasurably easier, as I have
5 immersed myself into the operations and business in
6 the shoes of the Board and the investors at Mt. Airy.
7 Thank you.

8 CHAIRMAN COLINS:

9 Thank you very much. Dr. Ceddia, would
10 you characterize your efforts to date since your
11 appointment by this Board to date, as expended towards
12 gathering information, understanding the nature and
13 scope of the business and all the individuals involved
14 in that business?

15 DR. CEDDIA:

16 Madam Chair, that's exactly what we've
17 been about, Mark Gleason and I, over the past few
18 weeks, since the Order was put in place and our
19 appointments were made official by this Board.
20 Hopefully, we welcome counsel to this team as well.
21 We will be continuing our efforts to work with Mt.
22 Airy and related parties on all areas affecting the
23 operation there so that we can sustain its --- and
24 continue its effectiveness and also maintain that the
25 investors are protected. And certainly the interests

1 of the Commonwealth are foremost in that plan.

2 CHAIRMAN COLINS:

3 And would you describe to this Board now
4 the extent of your relying on support from the Board
5 staff in terms of how you understand your duties under
6 the Order?

7 DR. CEDDIA:

8 Well, it's clear that I will be working
9 very closely with the Board staff as the Trustee
10 because, in essence, the Order puts me in the shoes of
11 both the Board and the investors and the owner. And
12 as I said earlier, working with Mr. Gleason and,
13 hopefully, Ron Levine, we will continue to work in
14 partnership with the Board and the Executive
15 Management Team at Mt. Airy so that we can achieve the
16 best end.

17 CHAIRMAN COLINS:

18 Are you getting adequate support from the
19 Board staff?

20 DR. CEDDIA:

21 Absolutely. Absolutely.

22 CHAIRMAN COLINS:

23 Any other questions?

24 COMMISSIONER MCCABE:

25 Yes, Madam Chair. Dr. Ceddia,

1 approximately how much time have you put in up and to
2 this point and what do you foresee in the future as
3 your time commitment to these responsibilities?

4 DR. CEDDIA:

5 The first month has been, as you can
6 imagine, pretty busy not only with onsite visits but a
7 lot of pre-work and research and communications with
8 different parties involved with Mt. Airy. I would say
9 right now a rough estimate of my hours for the past
10 month are around 55 to 57 hours. I haven't completed
11 the full analysis, but that's pretty close.

12 COMMISSIONER MCCABE:

13 In the future, how do you see your
14 time ---?

15 DR. CEDDIA:

16 I suspect that as we move forward and we
17 get counsel on board and he becomes a third member of
18 the team and as we continue to deal with some of the
19 issues related to the finances, as we get those
20 squared away with the restructuring with J.P. Morgan,
21 I believe --- if the Board approves that, I believe
22 that the time required will begin to back off in the
23 next couple of months. I think March will be busy and
24 probably the beginning of April, then hopefully the
25 time requirement will back off a bit.

1 COMMISSIONER MCCABE:

2 Thank you. I want to publicly commend
3 you for the job you're doing. Based on a private
4 conversation we had, I feel very comfortable with what
5 you're doing. And I think you're serving the Board
6 and the people of Pennsylvania very well, and I'm
7 very, very comfortable with what you're doing. Thank
8 you very much.

9 DR. CEDDIA:

10 Thank you.

11 CHAIRMAN COLINS:

12 Thank you.

13 COMMISSIONER COY:

14 Madam Chair?

15 CHAIRMAN COLINS:

16 Yes, please.

17 COMMISSIONER COY:

18 Dr. Ceddia, can you talk to us just
19 briefly --- and I know you haven't had the number of
20 hours that it will take to get a complete
21 understanding, but talk to us about the marketing
22 prospects there so far and what changes you would see
23 to continue to make it a viable place of business.

24 DR. CEDDIA:

25 Well, it's interesting when you analyze

1 the situation. Some of the challenges that Mt. Airy
2 is experiencing are not unlike a start-up business
3 that gets operational in the months of October and
4 November and is dependent upon heavy pedestrian
5 traffic, as is a casino. The weather has been a
6 significant factor there. And in addition to that,
7 the initial marketing approach that Mt. Airy took did
8 not meet all of its expectations. They're currently
9 in the process of revising that approach. They
10 brought on a new firm to present a branding program
11 for Mt. Airy, which I think has some promise. In
12 fact, tomorrow I'll be sitting in on a presentation in
13 that respect.

14 The challenge that Mt. Airy faces
15 specifically is the Monday through Friday business.
16 As you will hear from Kevin Hayes, a member of your
17 staff, the figures for Mt. Airy on weekends,
18 particularly those weekends that are unaffected by
19 weather, are fairly strong. The challenge for Mt.
20 Airy is to bring customers into the doors of the
21 casino Monday through Friday. And therein lies the
22 focus, hopefully, of the new marketing program as it
23 begins to develop a branding for the casino and the
24 resort itself. And we expect that to unfold over the
25 next few months. And hopefully that will contribute

1 to more participation, more customers and the picture
2 getting much brighter there.

3 COMMISSIONER COY:

4 Thank you.

5 CHAIRMAN COLINS:

6 Any other questions for Dr. Ceddia?

7 Thank you very much. We appreciate your update, your
8 report today. And I also thank you very much for the
9 effort you're expending to enforce this Board's Order.
10 Thank you.

11 DR. CEDDIA:

12 Thank you, Madam Chair. I appreciate
13 your support, too.

14 CHAIRMAN COLINS:

15 Thank you very much. Are we moving now
16 to the motion ---?

17 MS. NEEB:

18 No. We have a report on compulsive
19 gaming that we were going to present today.

20 CHAIRMAN COLINS:

21 Okay. That would be very good. Nan
22 Horner then will get to that. Don't we want to move
23 to the motion regarding the retention of Ron Levine?
24 If we could do that right now.

25 ATTORNEY DONAGHUE:

1 Sure.

2 CHAIRMAN COLINS:

3 Did you have a statement to make about
4 that, Frank?

5 ATTORNEY DONAGHUE:

6 I do. Thank you.

7 CHAIRMAN COLINS:

8 Very good. Frank Donaghue.

9 ATTORNEY DONAGHUE:

10 Thank you. For your consideration is a
11 request of Dr. Anthony Ceddia, Trustee, to retain
12 Ronald Levine of the firm Post & Schell as his legal
13 counsel. The Trustee is authorized by the Board's
14 Order of February 5th, 2008, to hire legal counsel
15 upon approval of the Board.

16 On February 11th Dr. Ceddia met with Mr.
17 Levine to discuss the Trustee's role in the management
18 of Mt. Airy and Mr. Levine's ability to advise him in
19 that regard. Dr. Ceddia has a very favorable
20 impression of him and decided he would seek the
21 Board's approval of his retention. Post & Schell has
22 capably defended the Board's licensing decisions
23 before the Pennsylvania Supreme Court. Mr. Levine, in
24 particular, has experience in business reorganizations
25 and complex business organizations law. I should also

1 mention he is as former Assistant U.S. Attorney.
2 Therefore, in order to assist the Trustee in carrying
3 out the powers and duties placed upon him by the
4 Board's Order, I respectfully ask the Board for a
5 motion to approve his retention as legal counsel for
6 the Trustee. I ask the Board to delegate to myself
7 and Executive Director, Anne Neeb, the authority to
8 review, and if found to be customary and reasonable,
9 to approve the retention agreement and fee agreement
10 pursuant to which counsel's services are to be
11 provided to the Trustee.

12 In addition, I would further ask the
13 Board to delegate the authority to review and approve
14 all the trustee's monthly expenses, including the
15 billing statements of his legal counsel, to myself as
16 Chief Counsel, and to Executive Director, Anne Neeb.
17 Upon our approval, those expenses would be presented
18 to Mt. Airy for payment pursuant to the Order.

19 CHAIRMAN COLINS:

20 Thank you. May I have a motion to
21 approve Mr. Ronald Levine as legal counsel to the
22 Trustee and to approve the requested delegations by
23 Mr. Donaghue.

24 COMMISSIONER GINTY:

25 Yes, Madam Chairman. Let me try. I move

1 that the Board approve the retention of Mr. Ronald
2 Levine as legal counsel to the Trustee in accordance
3 with the Board's February 5th, 2008 Order and to
4 approve the delegated authority to the Executive
5 Director and Chief Counsel as just described by Chief
6 Counsel.

7 CHAIRMAN COLINS:

8 Thank you. May I have a second?

9 COMMISSIONER MCCABE:

10 Second.

11 CHAIRMAN COLINS:

12 Any questions or comments? All in favor?

13 AYES RESPOND

14 CHAIRMAN COLINS:

15 Opposed?

16 NO RESPONSE

17 CHAIRMAN COLINS:

18 Motion carries. Thank you very much.

19 All right. Nan Horner will now talk to us about

20 Problem Gambling Awareness Week.

21 MS. HORNER:

22 Good afternoon. March 9 through 15, 2008

23 is National Problem Gambling Awareness Week. I'd like

24 to tell you about some of the endeavors of the Office

25 of Compulsive and Problem Gambling for this week,

1 answer any questions that you may have and then
2 request a resolution that you recognize Problem
3 Gambling Awareness Week.

4 The Office of Compulsive and Problem
5 Gambling has created 12 informational brochures. All
6 of those brochures are on our website, the Gaming
7 Control Board's website, and they relate to issues
8 such as signs of problem gambling, signs of underage
9 gambling problems, teen problems and gambling problems
10 in older adults. In addition, we have a workbook that
11 is on the website called Your First Step to Change.
12 The workbook attempts to help people to assess their
13 gambling habits, whether before they even engage in
14 gambling or if they've already engaged in gambling and
15 they believe they may have a problem. It's a
16 self-assessment tool to indicate whether or not a
17 person may have a problem, and it guides them to seek
18 treatment and help if they do have a problem.

19 We are creating four additional
20 informational handouts this year related to sports
21 gambling on college campuses. We are creating
22 documents showing co-morbidity rates between problem
23 gambling and other addictive behaviors, as well as
24 problem gambling and domestic abuse. All of the
25 informational handouts and brochures are, as I said,

1 on our website. We also offer all of the information
2 to those people who come to us to self-exclude. And
3 as of this afternoon, we have 227 individuals who have
4 requested to self-exclude from gaming in Pennsylvania.
5 We send the information to all state prisons, to state
6 parole and probation offices and juvenile detention
7 centers. We sent the information to slot machine
8 licensees, Pennsylvania State Police member assistance
9 programs, and we have shared the information with the
10 Pennsylvania Department of Health, the Horse Racing
11 Commission, Harness Racing Commission and the
12 Pennsylvania Lottery. The materials are designed to
13 help individuals and their families and educate the
14 public and healthcare professionals on the fact that
15 treatment is effective and it is available.

16 We will also be having tables and
17 displays set up in Strawberry Square on Tuesday, March
18 11, from 11 o'clock in the morning until two o'clock
19 in the afternoon, and in the mini rotunda in the
20 Capitol on Thursday, March 13, from 10:30 in the
21 morning until 1:30 in the afternoon. All of the
22 information will be available there. In addition, Liz
23 Lanza from my office and I will be available to answer
24 questions and to help people to understand the issues
25 of compulsive and problem gambling.

1 As always, we will continue to research
2 and review published research and materials in order
3 to effectuate best regulatory practices as it relates
4 to compulsive and problem gambling in the
5 Commonwealth. If you have questions, I will entertain
6 questions now.

7 COMMISSIONER SOJKA:

8 Yes. Ms. Horner, you mentioned a
9 brochure that discusses sports gambling on college
10 campuses. Is there some firm reason to suggest that
11 involvement in that would impact problem gaming, as it
12 is done in the casinos that we regulate? And the
13 second part of that question is I know the NCAA also
14 has a project working in that direction, and is there
15 some coordination with the NCAA on the preparation of
16 that brochure?

17 MS. HORNER:

18 Yes. We are using NCAA materials that
19 they have created. There is a high incidence of
20 college-age students gambling, whether it's gambling
21 on sports, which is prohibited, gambling on the
22 Internet, and going to casinos that may be in the
23 vicinity of the universities and colleges. There's a
24 high rate of student gambling, and we want to make
25 sure that colleges and universities are aware of the

1 issue, of the temptation. Gambling seems to be the
2 new right of passage for college-aged students.

3 COMMISSIONER SOJKA:

4 So when you say that you're trying to
5 make the colleges aware of this, in addition to making
6 these available to students, are you passing them out
7 to deans of students or ---?

8 MS. HORNER:

9 Yes, we are making them available. And
10 we're also working with quite a few colleges and
11 universities to create gambling policies on campus.

12 COMMISSIONER SOJKA:

13 Thank you.

14 MS. HORNER:

15 That is an ongoing project.

16 CHAIRMAN COLINS:

17 Any further questions? Thank you very
18 much. Do you have a resolution for us?

19 MS. HORNER:

20 Yes. I request that the Board adopt a
21 resolution recognizing March 9 through 15, 2008 as
22 Problem Gambling Awareness Week. I have the
23 resolution, if you'd like me to read it into the
24 record or if you would like to ---.

25 CHAIRMAN COLINS:

1 I think you should read it into the
2 record, please.

3 MS. HORNER:

4 Whereas, The legislative intent of the
5 Pennsylvania Racehorse Development and Gaming Act
6 ("Gaming Act") recognizes, in part, that the public
7 interest of the citizens of the Commonwealth and
8 social effect of gaming shall be taken into
9 consideration in any decision or order made pursuant
10 to the Gaming Act; and

11 Whereas, The Pennsylvania Gaming Control
12 Board ("PGCB") recognized the social effect of gaming
13 when it created the Office of Compulsive and Problem
14 Gaming to: conduct research, develops public outreach
15 efforts; work with the Pennsylvania slot machine
16 licensees to develop and implement problem gambling
17 programs at licensed facilities; administer the PGCB's
18 Self-Exclusion Program; and promote problem gambling
19 education programs in this Commonwealth; and

20 Whereas, The Gaming Act established a
21 special fund to be known as the Compulsive and Problem
22 Gambling Treatment Fund, and required that all money
23 in the fund should be expended for programs for public
24 awareness, prevention, research, assistance and
25 treatment of gambling addictions; and

1 Whereas, Problem gambling is a public
2 health issue affecting Pennsylvanians of all ages,
3 races, gender and ethnic backgrounds in all
4 communities; and

5 Whereas, Problem gambling is treatable,
6 and treatment is effective in minimizing the harm to
7 individuals, families and society as a whole; and

8 Whereas, Numerous individuals,
9 professionals, agencies and organizations in
10 Pennsylvania have dedicated their efforts to the
11 education of the public about problem gambling and the
12 availability and effectiveness of treatment; and

13 Whereas, Promoting awareness of problem
14 gambling is an opportunity to educate the public and
15 policy makers about the social and financial issues
16 related to problem gambling; and

17 Therefore, The Pennsylvania Gaming
18 Control Board hereby recognizes March 9 through 15,
19 2008 as PROBLEM GAMBLING AWARENESS WEEK. We encourage
20 all citizens to learn more about the signs of problem
21 gambling and to help spread the message about the
22 availability of treatment.

23 CHAIRMAN COLINS:

24 Thank you. May I have a motion to
25 approve the resolution?

1 COMMISSIONER RIVERS:

2 Yes. Madam Chairman, I move that the
3 Board approve Resolution 2008-3-CPS --- excuse me,
4 CPG, as presented by the Office of Compulsive and
5 Problem Gambling.

6 CHAIRMAN COLINS:

7 May I have a second?

8 COMMISSIONER GINTY:

9 Second.

10 CHAIRMAN COLINS:

11 Any questions or comments? All in favor?

12 AYES RESPOND

13 CHAIRMAN COLINS:

14 Opposed?

15 NO RESPONSE

16 CHAIRMAN COLINS:

17 Motion carries. Thank you very much.

18 MR. HORNER:

19 Thank you.

20 CHAIRMAN COLINS:

21 Eileen McNulty now is our Chief Financial
22 Officer.

23 MS. MCNULTY:

24 Thank you, Madam Chairman. My report
25 today will cover revenues and expenses recorded by the

1 Pennsylvania Gaming Control Board through the end of
2 January 2008. Spending to date this fiscal year
3 totalled \$14,580,072. Spending recorded in January
4 was \$2,493,759, or 17.1 percent of the year-to-date
5 total. Payroll expense totalled \$11,558,747, or 79.3
6 percent of total spending for the fiscal year to date.
7 The January payroll was \$1,647,902. Operating
8 expenses recorded in January totalled \$845,857,
9 bringing the year-to-date total of operating expenses
10 to \$3,021,325. Operating expenses were 33.9 percent
11 of January spending and 20.7 percent of year-to-date
12 spending. Rentals and leases totalling \$965,815 is
13 the largest category of operating expense to date and
14 represents 32 percent of operating expenses for the
15 period. January lease rental expense was \$143,869.
16 Subscription costs for Choice Point data services for
17 background investigations were the majority of the
18 other operating expense category that accounted for
19 another 20.8 percent or \$628,126 of year-to-date
20 operating expenses.

21 The third largest category of
22 year-to-date operating expense was services, which
23 accounted for \$503,835, or 16.7 percent of the
24 category. Interagency billings account for about half
25 of our spending on services. Interagency billings

1 include \$99,580 billed to us for SAP access, State
2 Police billings for fingerprints of \$87,126 and
3 comptroller charges of \$53,029. Legal services of
4 \$63,382, consulting services for financial suitability
5 analyses of \$56,085 and EDP consulting services of
6 \$55,491 are other significant items in the services
7 category.

8 Recurring telecommunication costs of
9 \$314,445 are the majority of our utility costs which
10 comprise 12.3 percent of operating expenses so far
11 this fiscal year. Travel expenses totalling \$255,227
12 through the end of January represented 8.4 percent of
13 operating expenses. The majority of travel expenses
14 are billed back to the applicant or licensee whose
15 facility or investigation the travel was related to.
16 Augmenting revenues recorded through January total
17 \$3,375,889. The total includes \$2,296,180 in
18 investigative fees, \$401,560 in gaming lab fees and
19 \$307,000 in license fees from eight manufacturer
20 renewals and 33 vendor certifications. That completes
21 the financial report.

22 CHAIRMAN COLINS:

23 Thank you very much.

24 MS. MCNULTY:

25 If it suits you, we'll move on now to the

1 consideration of a local law enforcement grant. And
2 I'd like to ask Stacy Knavel to present the local law
3 enforcement grant report.

4 CHAIRMAN COLINS:

5 Before that, does the Board have any
6 questions regarding the financial update? Very good.
7 Continue. Thank you.

8 MS. MCNULTY:

9 Thank you.

10 MS. KNAVEL:

11 I have three new local law enforcement
12 grants recommended for approval today. They are the
13 Bloomsburg Police Department in Columbia County for
14 \$39,000, the Hazleton City Police in Luzerne County
15 for \$72,000, the Upper St. Clair Police Department in
16 Allegheny County for \$89,444. In addition, I have two
17 local law enforcement grants that require re-approval
18 due to significant changes in the proposed enforcement
19 and prevention program. They are the Susquehanna
20 County District Attorney in Susquehanna County for
21 \$35,000. This replaces an original award of \$35,000
22 granted on November 8th, 2007, and the Washington
23 County District Attorney in Washington County for
24 \$151,471. This replaces an original award of
25 \$153,749.90 awarded on October 2nd, 2007. Thank you.

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CHAIRMAN COLINS:

Thank you. Are there any questions?

COMMISSIONER ANGELI:

Madam Chairman, I move that the Board approve the local law enforcement grants as described by the Grant Administrator.

CHAIRMAN COLINS:

Thank you.

COMMISSIONER COY:

Second.

CHAIRMAN COLINS:

No questions. Then all in favor?

AYES RESPOND

CHAIRMAN COLINS:

Opposed?

NO RESPONSE

CHARIMAN:

Motion carries. Thank you very much.

ATTORNEY DONAGHUE:

Chairman Colins, next turning to the Office of Chief Counsel. We have one Final-form Regulation for the Board's consideration. In particular, this Final-form Regulation, which is under Chapter 437(a), Vendor Certification and Registration, would allow applicants for vendor registration to file

1 applications directly with the Board. This
 2 alternative application process is expected to
 3 increase the number of registered vendors on the
 4 Board's approved vendor list. Because slot machine
 5 applicants and licensees may use any vendor on the
 6 Board's approved list, this will increase the vendors'
 7 opportunity to provide services and give slot machine
 8 applicants and licensees more vendors to choose from.
 9 This regulation would also clarify who will be
 10 required to file for certification under Section
 11 437(a)(4) and updates several references to forms to
 12 reflect the current names of the applicant ---
 13 applicable forms.

14 CHAIRMAN COLINS:

15 Very good. May I have a motion?

16 COMMISSIONER COY:

17 Yes, Madam Chair. I would move that the
 18 Board adopt Final-form Regulation Number 125-74,
 19 amending Chapter 437(a), and that the Regulation be
 20 posted on the Board's website.

21 COMMISSIONER ANGELI:

22 Second.

23 CHAIRMAN COLINS:

24 Any questions?

25 COMMISSIONER SOJKA:

1 Just one. Does that change possibly
2 positively affect the number of minority-owned
3 businesses that might be available?

4 ATTORNEY DONAGHUE:

5 Absolutely.

6 COMMISSIONER SOJKA:

7 Thank you.

8 CHAIRMAN COLINS:

9 All in favor?

10 AYES RESPOND

11 CHAIRMAN COLINS:

12 Opposed?

13 NO RESPONSE

14 CHAIRMAN COLINS:

15 Motion carries. Thank you.

16 ATTORNEY DONAGHUE:

17 Next on withdrawals, the Board has
18 received a total of 32 petitions to withdraw
19 applications, which include five Principal Key
20 Employee applications, three Principal Key Employee
21 renewals, one Principal Key Employee waiver, two
22 Principal Eey employee waiver renewals, and 21 gaming
23 and non-gaming employee applications. A full listing
24 of the individuals in each category, along with the
25 licensing docket numbers, have been provided to the

1 Board. With regard to each of these requests, they
 2 were reviewed by the Office of Enforcement Counsel,
 3 and the Chief Enforcement Counsel has no objection to
 4 the withdrawals, as there is no information
 5 constituting good cause to deny good condition or
 6 prejudice the withdrawals of these applications, and
 7 all required fees have been paid to date. These
 8 petitions would all be granted without prejudice.
 9 Chief Counsel's Office concurs in this review and
 10 submits the 32 petitions to the Board for
 11 consideration of a motion to grant the petitions
 12 without prejudice.

13 CHAIRMAN COLINS:

14 May I have a motion now?

15 COMMISSIONER GINTY:

16 Madam Chairman, I move the Board approve
 17 the withdrawal of employee applications as described
 18 by Chief Counsel.

19 COMMISSIONER RIVERS:

20 Second.

21 CHAIRMAN COLINS:

22 Any questions? All in favor?

23 AYES RESPOND

24 CHAIRMAN COLINS:

25 Opposed?

1 NO RESPONSE

2 CHAIRMAN COLINS:

3 Motion carries. Next.

4 ATTORNEY SHERMAN:

5 Good afternoon. The next matter comes to
6 the Board by way of an Emergency Order to suspend the
7 Gaming Employee Permit of Robert G. Earnest, Jr.
8 Earnest was employed as a security guard by Washington
9 Trotting Association. An Emergency Order suspending
10 that permit was signed by the Executive Director on
11 January 25th, 2008, after it was learned that Mr.
12 Earnest had been charged with one count of theft by
13 unlawful taking, a felony of the third degree in the
14 Commonwealth.

15 Pursuant to Board regulation, once a
16 temporary Emergency Order has been issued, the
17 temporary Order will be presented to the Board, at
18 which time the Board can either conduct a hearing
19 itself or refer the matter to the Office of Hearings
20 and Appeals to conduct a full evidentiary hearing and
21 issue a report and recommendation to the Board. It
22 would be appropriate for the Board at this time to
23 consider a motion to refer the matter to the Office of
24 Hearings and Appeals and to continue the suspension of
25 Mr. Earnest's permit until otherwise ordered by the

1 Board.

2 CHAIRMAN COLINS:

3 Thank you. May I have a motion?

4 COMMISSIONER RIVERS:

5 Yes. Madam Chairman, I move that the
6 Board refer the matter of the emergency suspension of
7 Gaming Employee Permit for Robert G. Earnest, Jr. to
8 the Office of Hearings and Appeals to conduct an
9 evidentiary hearing to issue a report and
10 recommendation to the Board concerning the emergency
11 suspension and to continue the suspension until
12 further notice.

13 COMMISSIONER GINTY:

14 Second.

15 CHAIRMAN COLINS:

16 All in favor?

17 AYES RESPOND

18 CHAIRMAN COLINS:

19 Opposed?

20 NO RESPONSE

21 CHAIRMAN COLINS:

22 Motion carries. Thank you. Next matter.

23 ATTORNEY SHERMAN:

24 The Board has received six report
25 recommendations following hearings to deny

1 applications for three non-gaming and three gaming
2 registrations. The reports and recommendations, along
3 with the pertinent records for each hearing, have been
4 provided to the Board in advance of this meeting.

5 The first matter is of Gardner Lee
6 Carter. Mr. Carter was a gaming employee who was
7 arrested in September of 2007 by the Chester Police
8 Department and charged with two felonies. The
9 Executive Director issued an emergency suspension, and
10 as referred by this Board, the Office of Hearings and
11 Appeals scheduled the matter for a hearing and issued
12 a report and recommendation that the suspension be
13 continued. Due to impending felony charges and based
14 upon the report and recommendation and the record
15 presented, it would be appropriate for this Board to
16 consider a motion to adopt the recommendation that the
17 Order of Emergency Suspension remain in full force and
18 effect until such time as the Board orders otherwise.

19 CHAIRMAN COLINS:

20 Now, could you clarify again? What is
21 this? Tell me what --- this is a ---?

22 ATTORNEY SHERMAN:

23 This is the continuation of an Emergency
24 Order of Suspension for Gardner Lee Carter due to his
25 being charged with two felonies.

1 CHAIRMAN COLINS:

2 Okay. Sorry. Very good. May I have a
3 motion now?

4 COMMISSIONER MCCABE:

5 Yes. Madam Chairman, I move that the
6 Board approve the recommendation of the Office of
7 Hearings and Appeals to continue the Emergency
8 Suspension, as described by the Office of Chief
9 Counsel.

10 COMMISSIONER SOJKA:

11 Second.

12 CHAIRMAN COLINS:

13 Questions or comments? All in favor?

14 AYES RESPOND

15 CHAIRMAN COLINS:

16 Opposed?

17 NO RESPONSE

18 CHAIRMAN COLINS:

19 Motion carries.

20 ATTORNEY SHERMAN:

21 Next we have two non-gaming registrations
22 which are subject to report and recommendations of
23 denial. The first is of Daniel Carlton, who is a
24 non-gaming employee applicant. The BIE investigation
25 revealed that Mr. Carlton failed to disclose two

1 arrests on his application. He was given the
2 opportunity to request a hearing. He did request a
3 hearing, but failed to attend the hearing, and
4 therefore the Hearing Officer recommended the denial
5 of his registration.

6 The second matter is of Brittany Hall.
7 Ms. Hall, likewise, was an applicant for a non-gaming
8 employee registration. It was discovered that she had
9 failed to report several arrests and, again, was given
10 the opportunity for a hearing, requested the hearing
11 but then did not show up to be heard. The report and
12 recommendation was issued, recommending that the
13 registration be denied. Both of those report and
14 recommendations for Mr. Carlton and Ms. Hall have been
15 provided to the Board, and it would be appropriate for
16 the Board to consider a motion to adopt both report
17 and recommendations.

18 CHAIRMAN COLINS:

19 May I have a motion?

20 COMMISSIONER ANGELI:

21 Madam Chairman, after the consideration
22 of the evidentiary record and the Hearing Officer's
23 report and recommendation, I move that the Board
24 approve an Order adopting the report and
25 recommendation and deny the non-gaming employee

1 registrations as described by the Office of Chief
2 Counsel.

3 CHAIRMAN COLINS:

4 May I have a second?

5 COMMISSIONER COY:

6 Second.

7 CHAIRMAN COLINS:

8 Any questions or comments? All in favor?

9 AYES RESPOND

10 CHAIRMAN COLINS:

11 Opposed?

12 NO RESPONSE

13 CHAIRMAN COLINS:

14 Motion carries. Next matter.

15 ATTORNEY SHERMAN:

16 The next matter involves an individual by
17 the name of Hoa Trung To. The report and
18 recommendation for Mr. To, who is a non-gaming
19 employee registrant, indicates that Mr. To applied for
20 a non-gaming registration as a custodial employee at,
21 I believe, Philadelphia Park, but he failed to
22 disclose an arrest dating back to February of 2001.
23 Upon being notified he was recommended for denial, Mr.
24 To requested a hearing. He participated fully in that
25 hearing via video conferencing in December of 2007 and

1 provided testimony, documentary evidence and also
2 elected to submit a short brief.

3 Mr. To's arrest is believed to be an
4 isolated event. He has fully complied with the terms
5 of his probation, has made rehabilitation efforts and
6 maintained a course of good conduct. He has completed
7 his one-year probation, participated in a program of
8 post-secondary education at a community college since
9 the time of that arrest nearly seven years ago. While
10 the recommendation was to deny the permit for Mr. To,
11 it would be within this Board's discretion to consider
12 either adopting that recommendation or to grant the
13 permit to Mr. To. And I believe it would be
14 appropriate, based upon the record, for the Board to
15 entertain a motion to consider that matter at this
16 time.

17 CHAIRMAN COLINS:

18 May I have a motion first?

19 COMMISSIONER GINTY:

20 Yes. Madam Chairman, after consideration
21 of the evidentiary record and the Hearing Officer's
22 report and recommendation, I move that the Board
23 reject the recommendation and thus approve the
24 non-gaming employee registration as described by the
25 Office of Chief Counsel.

1 CHAIRMAN COLINS:

2 May I have a second?

3 COMMISSIONER SOJKA:

4 I'll second that.

5 CHAIRMAN COLINS:

6 Questions? I have a question. Has
7 anything occurred since the time the Office of
8 Enforcement Counsel made its recommendation and you,
9 the Office of Chief Counsel, has reviewed it? Is
10 there any difference or do you merely have a
11 difference in judgment? And if there's a difference
12 in judgment, I'm going to compound the question, give
13 us your basis, the reason why you differ from Chief
14 Enforcement Counsel.

15 ATTORNEY SHERMAN:

16 The Chief Enforcement Counsel's denial
17 was based upon the nondisclosure of that arrest. At
18 the time of the hearing, Mr. To had indicated that he
19 did not report the matter. I believe we have to take
20 into consideration --- it's indicated Mr. To's command
21 of the English language may be a little bit limited.
22 But Mr. To indicated that he didn't understand or that
23 he was required to report that matter. He had ---
24 didn't realize it was a felony, according to Mr. To.
25 There was some question with the Hearing Officer as to

1 the credibility of that explanation of either not
2 understanding. However, I think in this case, when we
3 look at that record, there are a number of mitigating
4 factors here which I'd like to address. That was that
5 Mr. To was relatively young when the incident
6 occurred. It was assault --- an assault that took
7 place between him and another person. He received one
8 year probation. He had no prior history of any type
9 of criminal conduct. And after that incident in 2001,
10 there's been no further incidences of criminal conduct
11 which have been identified.

12 He also, as I stated, has made
13 rehabilitative efforts, successfully completed his
14 probationary period and has participated in
15 post-secondary education at an area community college.
16 Given those factors and the fact that he is applying
17 for a non-gaming employee registration where he would
18 not have access to, for instance, the monies of the
19 casino or direct access to slot machines, I think it's
20 a valid use of the Board's discretion in analyzing
21 this individual to find that this is somebody that we
22 wanted to put to work and see gainfully employed.

23 CHAIRMAN COLINS:

24 Okay. Thank you very much. Any other
25 questions then?

1 COMMISSIONER MCCABE:

2 Yes, Madam Chair. You made me think of a
3 question. You stated that he has difficulty with the
4 English language?

5 ATTORNEY SHERMAN:

6 That seemed to be the indication from the
7 documentation.

8 COMMISSIONER MCCABE:

9 Is he a U.S. citizen?

10 ATTORNEY SHERMAN:

11 I don't know that there was any
12 indication that he was not a U.S. citizen. That would
13 normally be something that, I believe, was run, a
14 complete background check.

15 COMMISSIONER MCCABE:

16 Don't we require them to be a U.S.
17 citizen to apply?

18 ATTORNEY SHERMAN:

19 Yes.

20 COMMISSIONER MCCABE:

21 So then I would assume that he's
22 applying, that BIE checked him --- that he is and, in
23 fact, he showed proof that he's a U.S. citizen.

24 ATTORNEY SHERMAN:

25 I would think that the absence of any

1 indication in the record that he's not a U.S. citizen
2 would indicate that he passed muster on that factor.

3 COMMISSIONER MCCABE:

4 And he still had problems with the
5 English language. Okay. Thank you.

6 CHAIRMAN COLINS:

7 Okay. Thanks very much. All in favor?

8 AYES RESPOND

9 CHAIRMAN COLINS:

10 Opposed?

11 NO RESPONSE

12 CHAIRMAN COLINS:

13 Motion carries.

14 ATTORNEY DONAGHUE:

15 Turning to the next matter, Dorothy ---
16 this is on gaming permits. Dorothy Sheppard applied
17 for a Gaming Employee Permit on July 16th, 2007, and
18 did disclose a 2001 arrest by the New Jersey State
19 Police. She had been arrested for providing a
20 coworker with one of her prescription medication
21 tablets. During the background information, BIE
22 discovered that Sheppard's conviction was a felony.
23 Upon being notified that she was being recommended for
24 denial, Sheppard requested a hearing, which was held
25 on November 14th, 2007. Sheppard appeared at the

1 hearing and testified truthfully regarding the arrest
2 and convictions which she had disclosed in her
3 application.

4 Under Section 1213 of the Gaming Act, an
5 applicant who has been convicted of a felony cannot be
6 issued a gaming permit or license until 15 years has
7 elapsed from the date of the expiration of the summary
8 offense --- of the offense. Therefore, the Hearing
9 Office recommended the denial of her permit. Based
10 upon the report and recommendation, the records
11 presented and the opinion, it would be appropriate
12 that the Board consider a motion to adopt the
13 recommendation and deny the permit of Dorothy
14 Sheppard. And again, that's based on the fact that
15 there is a statutory preclusion from her holding a
16 license.

17 CHAIRMAN COLINS:

18 Very good. May I have a motion?

19 COMMISSIONER MCCABE:

20 Yes. Madam Chair, after consideration of
21 the evidentiary record and the Hearing Officer's
22 report and recommendation, I move that the Board
23 approve an Order adopting the report and
24 recommendation and deny the Gaming Employee Permit due
25 to the statutory prohibition as described by Office of

1 Chief Counsel.

2 COMMISSIONER COY:

3 Second.

4 CHAIRMAN COLINS:

5 Thanks. Any questions?

6 COMMISSIONER GINTY:

7 Just a clarification. We have no
8 discretion in this; is that correct?

9 ATTORNEY DONAGHUE:

10 That is correct. It's a statutory
11 prohibition.

12 COMMISSIONER GINTY:

13 And I think that the facts reflect that
14 she was re-licensed in New Jersey.

15 ATTORNEY DONAGHUE:

16 That is correct.

17 CHAIRMAN COLINS:

18 Thank you. All in favor?

19 AYES RESPOND

20 CHAIRMAN COLINS:

21 Opposed?

22 NO RESPONSE

23 CHAIRMAN COLINS:

24 Motion carries.

25 ATTORNEY SHERMAN:

1 The last report and recommendation
2 concerns Gaming Employee Applicant Stephanie
3 Sosnovick. Ms. Sosnovick applied for gaming employee
4 registration and during a background investigation BIE
5 discovered that she had failed to disclose a May 2007
6 arrest, and BIE notified Ms. Sosnovick that she had
7 been recommended for a denial and was informed of her
8 right to a hearing. Unfortunately, Ms. Sosnovick,
9 although she requested a hearing, did not attend.
10 That hearing was held in December of 2007. And the
11 Hearing Officer has recommended the denial of her
12 permit. Based upon the report and recommendation, it
13 would be appropriate for this Board to consider a
14 motion to deny the permit for the reasons set forth in
15 that report and recommendation.

16 CHAIRMAN COLINS:

17 May I have a motion?

18 COMMISSIONER MCCABE:

19 Madam Chair, after consideration of the
20 evidentiary record and the Hearing Officer's report
21 and recommendation, I move that the Board approve an
22 Order adopting the report and recommendation and deny
23 the Gaming Employee Permit as described by Office of
24 Chief Counsel.

25 CHAIRMAN COLINS:

1 Second, please.

2 COMMISSIONER COY:

3 Second.

4 CHAIRMAN COLINS:

5 Questions or comments? All in favor?

6 AYES RESPOND

7 CHAIRMAN COLINS:

8 Opposed?

9 NO RESPONSE

10 CHAIRMAN COLINS:

11 Motion carries.

12 ATTORNEY DONAGHUE:

13 And that concludes our report. Thank
14 you.

15 CHAIRMAN COLINS:

16 Thank you very much. I believe Susan
17 Hensel is next.

18 MS. HENSEL:

19 Thank you, Chairman Colins and members of
20 the Board. I have several licensing matters for your
21 attention this afternoon. The first matter before the
22 Board is a proposed Order approving the issuance of
23 Principal and Key Employee licenses. Prior to this
24 meeting, the Bureau of Licensing provided you with a
25 proposed Order for four principal and six Key Employee

1 licenses. I ask that the Board consider the Order
2 granting these licenses.

3 CHAIRMAN COLINS:

4 Thank you. May I have a motion?

5 COMMISSIONER COY:

6 Madam Chair, I move the Board approve the
7 Order to issue the Principal and Key Employee licenses
8 as described by the Director of the Bureau of
9 Licensing.

10 COMMISSIONER ANGELI:

11 Second.

12 CHAIRMAN COLINS:

13 Any questions or comments? All in favor?

14 AYES RESPOND

15 CHAIRMAN COLINS:

16 Opposed?

17 NO RESPONSE

18 CHAIRMAN COLINS:

19 Motion carries. Thank you.

20 MS. HENSEL:

21 We also provided you with a proposed
22 Order approving 132 Temporary Key Employee licenses,
23 and I ask that the Board consider the Order granting
24 these licenses.

25 CHAIRMAN COLINS:

1 May I have a motion, please?

2 COMMISSIONER COY:

3 Madam Chairman, I move that the Board
4 approve the Order to issue the Temporary Key Employee
5 licenses as described by the Bureau of Licensing.

6 COMMISSIONER ANGELI:

7 Second.

8 CHAIRMAN COLINS:

9 Questions? All in favor?

10 AYES RESPOND

11 CHAIRMAN COLINS:

12 Opposed?

13 NO RESPONSE

14 CHAIRMAN COLINS:

15 Motion carries.

16 MS. HENSEL:

17 The Bureau of Licensing also provided you
18 with an Order and list of 564 individuals who the
19 Bureau has granted occupation permits to and 321
20 individuals who the Bureau has granted registrations
21 to under the authority delegated to the Director of
22 Licensing. I ask that the Board adopt a motion
23 approving the Order.

24 CHAIRMAN COLINS:

25 May I have a motion?

1 COMMISSIONER SOJKA:

2 Madam Chairman, I move the Board approve
3 the Order to issue the gaming and non-gaming permits
4 and registrations as described by the Bureau of
5 Licensing.

6 CHAIRMAN COLINS:

7 Second?

8 COMMISSIONER MCCABE:

9 Second.

10 CHAIRMAN COLINS:

11 I have a question.

12 MS. HENSEL:

13 Sure.

14 CHAIRMAN COLINS:

15 That's a large number. What is it,
16 500 ---?

17 MS. HENSEL:

18 Yes.

19 CHAIRMAN COLINS:

20 What was it again?

21 MS. HENSEL:

22 564 individuals with gaming permits and
23 321 for registrations.

24 CHAIRMAN COLINS:

25 And where are they mostly --- what

1 facility do they mostly apply to? They relate to one
2 facility rather than others?

3 MS. HENSEL:

4 It's my understanding or belief that they
5 would mostly relate to Penn National, which would be
6 our most recent facility to open.

7 CHAIRMAN COLINS:

8 And that would be the reason for such a
9 large number at this point?

10 MS. HENSEL:

11 Correct. And I also don't believe that
12 we brought the permits or registrations to the Board
13 at the last meeting, so we've been accumulating them
14 for some time.

15 CHAIRMAN COLINS:

16 Great. Thank you. All in favor?

17 AYES RESPOND

18 CHAIRMAN COLINS:

19 Opposed?

20 NO RESPONSE

21 CHAIRMAN COLINS:

22 Motion carries.

23 MS. HENSEL:

24 In addition, we have recommendations of
25 denials for six gaming and nine non-gaming employee

1 applications. Prior to this meeting, the Bureau of
2 Licensing provided you with Orders addressing each of
3 the individual gaming and non-gaming applicants who
4 the Bureau of Investigations and Enforcement has
5 recommended for denial. As stated in each Order, each
6 applicant was sent a Recommendation of Denial Letter
7 from the PGCB. In the letter the applicants are given
8 ten days in which to request a hearing regarding the
9 denial. In each case, the applicant failed to request
10 a hearing in the specified time period. I ask that
11 the Board adopt a motion approving the Order, denying
12 the gaming and non-gaming applicants.

13 CHAIRMAN COLINS:

14 May I have a motion, please?

15 COMMISSIONER MCCABE:

16 Madam Chair, I move that the Board
17 approve the Orders to deny the gaming and non-gaming
18 employee licenses as described by the Bureau of
19 Licensing.

20 COMMISSIONER ANGELI:

21 Second.

22 CHAIRMAN COLINS:

23 Questions or comments? All in favor?

24 AYES RESPOND

25 CHAIRMAN COLINS:

1 Opposed?

2 NO RESPONSE

3 CHAIRMAN COLINS:

4 Motion carries.

5 MS. HENSEL:

6 Next we have three Orders regarding
7 vendors. First, a proposed Order certifying the
8 following five vendors, E.GAOS, LLC, Hispanic
9 Ventures, Inc., James Murrin Electrical Contractors,
10 Inc., R.W. Painting, Incorporated, and Stone Bridge
11 Iron & Steel, Incorporated. I've consulted with Chief
12 Enforcement Counsel, and BIE has no objection to the
13 certification of the five companies. I ask that the
14 Board adopt a motion approving the Order.

15 CHAIRMAN COLINS:

16 Thank you. May I have a motion, please?

17 COMMISSIONER RIVERS:

18 Yes. Madam Chairman, I move that the
19 Board approve the Order approving the application for
20 vendor certification.

21 CHAIRMAN COLINS:

22 May I have a second?

23 COMMISSIONER GINTY:

24 I second.

25 CHAIRMAN COLINS:

1 Questions? All in favor?

2 AYES RESPOND

3 CHAIRMAN COLINS:

4 Opposed?

5 NO RESPONSE

6 CHAIRMAN COLINS:

7 Motion carries.

8 MS. HENSEL:

9 In addition, the Bureau of Licensing
10 provided you each with an Order and an attached list
11 of 26 registered vendors. I have consulted with Chief
12 Enforcement Counsel, and BIE has no objection to the
13 registration of the 26 companies. I ask that the
14 Board adopt a motion approving the Order.

15 CHAIRMAN COLINS:

16 May I have a motion?

17 COMMISSIONER ANGELI:

18 Madam Chairman, I move that the Board
19 approve the Order approving the applications for
20 vendor registration.

21 CHAIRMAN COLINS:

22 Is there a second?

23 COMMISSIONER COY:

24 Second.

25 CHAIRMAN COLINS:

1 Questions or comments? All in favor?

2 AYES RESPOND

3 CHAIRMAN COLINS:

4 Opposed?

5 NO RESPONSE

6 CHAIRMAN COLINS:

7 Motion carries.

8 MS. HENSEL:

9 Lastly, the Bureau of Licensing provided
10 each of you with proposed Orders to add the following
11 five vendors to the prohibited vendors list, Guy C.
12 Long, Inc., J.R. Slaw, Inc., The Penn City Elevator
13 Company, Inc., Set-Rite Corporation, W&W Glass, LLC
14 and Sprung Instant Structures, Inc. Each of these
15 vendors performed work at a licensed slots facility
16 and was requested by the Bureau of Licensing to file
17 an application form. In each case the company either
18 failed to file an application or failed to file a
19 correct application after requests from the Bureau of
20 Licensing. Once a vendor is added to the prohibited
21 vendors list, no slot machine licensee or applicant
22 can conduct business with the company until the
23 vendor's name is removed from the list. I ask that
24 the Board adopt a motion approving the Orders.

25 CHAIRMAN COLINS:

1 May I have a motion, please?

2 COMMISSIONER COY:

3 Madam Chairman, I move the Board approve
4 the Order adopting vendors --- I'm sorry, adding
5 vendors to the prohibitive vendors list.

6 COMMISSIONER ANGELI:

7 Second.

8 CHAIRMAN COLINS:

9 Any questions or comments?

10 COMMISSIONER MCCABE:

11 I just have one question. How does the
12 vendor get his name taken off the list?

13 MS. HENSEL:

14 The vendor would have to petition the
15 Board to have his name removed from the list.

16 CHAIRMAN COLINS:

17 And would have to comply with some sort
18 of violation?

19 MS. HENSEL:

20 Yes. They would have to file an
21 application and then file a petition saying we are now
22 in compliance with the Board's regulations ---

23 CHAIRMAN COLINS:

24 That's right.

25 MS. HENSEL:

1 --- or otherwise demonstrate that there
2 was a reason for their name to be removed from the
3 list.

4 CHAIRMAN COLINS:

5 Okay. Thank you. All in favor?

6 AYES RESPOND

7 CHAIRMAN COLINS:

8 Opposed?

9 NO RESPONSE

10 CHAIRMAN COLINS:

11 Motion carries.

12 MS. HENSEL:

13 That concludes the Bureau of Licensing's
14 presentation.

15 CHAIRMAN COLINS:

16 Thank you very much. Office of
17 Enforcement Counsel, Mr. Pitre?

18 ATTORNEY PITRE:

19 Good afternoon, Chairman, ---

20 CHAIRMAN COLINS:

21 Good afternoon.

22 ATTORNEY PITRE:

23 --- Members of the Board. Glenn Stewart
24 will handle the first matter. It's a Consent
25 Agreement with regard to Mr. John Hollingsworth,

1 Docket Number G1006622.

2 ATTORNEY STEWART:

3 Madam Chairman, members of the Board,
4 presently before you is the Consent Agreement between
5 John Hollingsworth and the Office of Enforcement
6 Counsel. Mr. Hollingsworth applied for a security
7 guard position at Presque Isle Downs and Casino on
8 June 28th, 2007. During Mr. Hollingsworth's
9 background investigation, BIE learned that Mr.
10 Hollingsworth had been convicted of a felony in 1980.
11 He was sentenced to seven-and-a-half to 18 years in
12 prison, with five years probation, to run
13 consecutively. Mr. Hollingsworth served ten years of
14 that present sentence and followed that with his
15 probationary period of five years, which he completed
16 without incident.

17 Pursuant to 4 Pa.CS Section 1213, Mr.
18 Hollingsworth is statutorily prohibited from receiving
19 a gaming permit for 15 years after the expiration of
20 his sentence. Having examined the evidence of Mr.
21 Hollingsworth's rehabilitation and after discussing
22 the case with Mr. Hollingworth's attorney, the parties
23 agree to enter into a consent agreement, where Mr.
24 Hollingsworth would withdraw his gaming permit
25 application with prejudice. By withdrawing his

1 application with prejudice, Mr. Hollingsworth would be
2 prohibited from re-applying for a license, permit or
3 registration with the Board for five years. The
4 Office of Enforcement Counsel now requests that the
5 Board approve the terms of this Consent Agreement.

6 CHAIRMAN COLINS:

7 May I have a motion?

8 COMMISSIONER MCCABE:

9 Madam Chair, I move that the Board
10 approve the Consent Agreement between the PGCB and
11 John Hollingsworth, as described by the Office of
12 Enforcement Counsel.

13 COMMISSIONER SOJKA:

14 Second.

15 CHAIRMAN COLINS:

16 Questions or comments? All in favor?

17 AYES RESPOND

18 CHAIRMAN COLINS:

19 Opposed?

20 NO RESPONSE

21 CHAIRMAN COLINS:

22 Motion carries.

23 ATTORNEY PITRE:

24 Next I'd like to call Tracee Hackett. We
25 have something --- this is the first time that the

1 Board will be hearing something of this nature. We
2 had a motion that was filed --- or a petition that was
3 filed by Steel Center Area Vo-Technical School, and
4 I'll let Tracee explain the rest.

5 ATTORNEY HACKETT:

6 As Cyrus has previously stated to you,
7 this is the first request, and it's my pleasure to
8 present it to you today, by the Steel Center Area
9 Vocational Technical School to possess slot machines
10 for the limited purposes of teaching slot machine
11 design, operation, repair and servicing. Pursuant to
12 the regulations promulgated by the Pennsylvania Gaming
13 Control Board, educational institutions are allowed to
14 petition the Board for such a request to possess these
15 slot machines for slot machine repair and servicing
16 courses.

17 The Steel Center Area Vocational
18 Technical School is a community college that's located
19 in Jefferson Hill, Pennsylvania, which is in the
20 western part of the state. The request that Steel
21 Center has made is to possess 15 slot machines, which
22 will be located in a warehouse facility that is
23 adjacent to their classroom. As the information that
24 the Steel Center Area Vocational Technical School has
25 provided to us, there will be three levels of adult

1 education classes in slot machine repair and
2 maintenance. These classes will be conducted during
3 the evening. The introductory course is three hours a
4 night, one night a week, and it's taught for 15 weeks
5 of instruction, for a total of 45 hours of
6 instruction. For the intermediate and advanced level
7 classes, those will also be three hours a night. And
8 from the total, you would receive 70 hours of
9 instruction. The Steel Center anticipates that it
10 will be teaching these courses in the fall, winter and
11 spring.

12 Previously, the Steel Center Area
13 Vocational Technical School taught this course prior
14 to the enactment of the Pennsylvania Race Horse
15 Development & Gaming Act. Based upon the enactment of
16 that act, it would have been improper for them to
17 possess those slot machines, therefore they stopped
18 teaching that course.

19 When we received the petition from the
20 Steel Center Area Vocational Technical School, the
21 Office of Enforcement Counsel, along with the various
22 bureaus within the Pennsylvania Gaming Control Board,
23 came up with various different conditions that the
24 Steel Center Area Vocational Technical School would
25 have to comply with. Those conditions include consent

1 to an onsite inspection, which would be conducted by
2 the Office of Gaming Operations. In addition to that,
3 they would have to keep logbooks, which would apprise
4 the Gaming Control Board as to which individuals have
5 gone into the room in which the slot machines are
6 kept. Also, different surveillance to make sure that
7 no one is illegally using the slot machines for any
8 illegal gambling purposes. In addition to that, if
9 the Gaming Control Board decided later to issue a
10 category of license that would be directly related to
11 gaming schools, such as New Jersey currently has. The
12 Steel Center Area Vocational Technical School has
13 agreed to submit whatever requisite applications or
14 licensure would be required. And essentially this has
15 been a very collaborative effort between the Steel
16 Center Area Vocational School and the Gaming Control
17 Board, all of its bureaus, along with Dr. Dennis
18 McCarthy, who is the educational coordinator at that
19 school. And I would request at this time that the
20 Board approve the Consent Agreement as I've just
21 described.

22 CHAIRMAN COLINS:

23 May I have a motion?

24 COMMISSIONER RIVERS:

25 Yes. Madam Chairman, I move that the

1 Board approve the Consent Agreement between the PGCB
2 and the Steel Center Area Vo-technical School, as
3 described by the Office of Enforcement Counsel.

4 COMMISSIONER GINTY:

5 Second.

6 CHAIRMAN COLINS:

7 Any questions or comments?

8 COMMISSIONER SOJKA:

9 One quick --- I'm sorry.

10 COMMISSIONER RIVERS:

11 No problem.

12 COMMISSIONER SOJKA:

13 A quick question. And it's probably in
14 your letter, but I've forgotten. Should those
15 machines become obsolete or deemed obsolete by the
16 Steel Center, do they have a specific plan for
17 disposal or return of those machines?

18 ATTORNEY HACKETT:

19 In accordance with the Consent Agreement,
20 we have asked them that they provide us what their
21 plan is for disposal of those machines. What we've
22 essentially done is since they were pending, you know,
23 the approval of this Consent Agreement, they have not
24 gone into the process of developing their course
25 description and various things of that nature. So

1 they were anticipating approval of this. And they
2 have not yet submitted that plan, but it is part of
3 the Consent Agreement that they explain to us how they
4 are going to dispose of those machines.

5 COMMISSIONER SOJKA:

6 You would require that?

7 ATTORNEY HACKETT:

8 Yes.

9 CHAIRMAN COLINS:

10 Did you have a question?

11 COMMISSIONER RIVERS:

12 Yes. I'd just like to make a point of
13 interest in that during our public hearings we've
14 talked about educational entities becoming involved in
15 this process and creating opportunities for people. I
16 think this is an excellent opportunity that just
17 happens to take place in the western part of the
18 state. Thank you.

19 CHAIRMAN COLINS:

20 I have a question. I have a question
21 about the concept that you raise of New Jersey
22 licensing educational institutions to conduct courses
23 like this. Tell me a little bit about that license.

24 ATTORNEY HACKETT:

25 Well, basically my knowledge is limited.

1 Cyrus might be able to tell you a little bit more.
2 But it's limited to what is contained in the
3 regulations. That is a category of license in New
4 Jersey. My understanding is that it is frequently a
5 practice for gaming schools to petition New Jersey in
6 order to teach similar courses to what the Steel
7 Center Area Vocational Technical School is attempting
8 to teach here. So it seems like this would be a move
9 in the right direction for Pennsylvania to be
10 consistent with what the gaming industry nationwide is
11 going towards. And hopefully we will see more. As
12 Commissioner Rivers has pointed out, this is a
13 wonderful opportunity for Pennsylvania residents, who
14 obviously, you know, are seeking employment at these
15 casinos, to obtain the requisite experience in slot
16 machine repair so that they can apply for these slot
17 technician jobs that are available.

18 CHAIRMAN COLINS:

19 Tell me a little bit about that license.

20 ATTORNEY PITRE:

21 Yeah. In New Jersey they license schools
22 in order for you to teach any type of course. A lot
23 of it is with regard to the different table games and
24 some of it is with regard to the slot machines. If
25 you're not a licensed manufacturer, then the only way

1 that you can teach one of those courses is to present
2 that plan to the Casino Control Commission and apply
3 for a gaming school license. And that would go
4 through the normal background checks and you would
5 look at the curriculum, much of what we did here in
6 this instance.

7 CHAIRMAN COLINS:

8 So then it would be fruitful for us to
9 investigate whether or not we should create a
10 regulation that provides for that type of licensing.

11 ATTORNEY PITRE:

12 Chairman Colins, I would recommend that
13 we go in that direction.

14 CHAIRMAN COLINS:

15 Okay. So then why don't you start
16 looking into it and making a proposal?

17 ATTORNEY PITRE:

18 Chairman Colins, I will. If the Board
19 adopts this, I will move forward in that regard.

20 COMMISSIONER MCCABE:

21 I have a question. Do the other
22 jurisdictions license these schools also? Does
23 Nevada, Michigan, ---

24 ATTORNEY PITRE:

25 Nevada does.

1 COMMISSIONER MCCABE:

2 --- Louisiana and so forth?

3 ATTORNEY PITRE:

4 I'm not sure about the rest of the
5 jurisdictions, but we can put together some
6 information for you guys ---

7 CHAIRMAN COLINS:

8 Very good.

9 MR PITRE:

10 --- and present it.

11 CHAIRMAN COLINS:

12 Thank you. Any other questions?

13 ATTORNEY HACKETT:

14 I just wanted to add that in the course
15 of coming up with the conditions for this Consent
16 Agreement, that we did speak to the Bureau of
17 Licensing and Susan Hensel. I gave her the New Jersey
18 regulations, and she is taking that under
19 consideration, whether or not we would like to have a
20 category of license for gaming schools.

21 CHAIRMAN COLINS:

22 Great. That's excellent. Okay. Thank
23 you. All in favor?

24 AYES RESPOND

25 CHAIRMAN COLINS:

1 Opposed?

2 NO RESPONSE

3 CHAIRMAN COLINS:

4 Motion carries.

5 ATTORNEY PITRE:

6 Chairman Colins, if I may?

7 CHAIRMAN COLINS:

8 Yes.

9 ATTORNEY PITRE:

10 I just wanted to announce that this will
11 be Tracee's last meeting with us. I wanted to thank
12 her for her dedication and her outstanding work for
13 the Gaming Control Board. Tracee is leaving us to go
14 to the Philadelphia DA's office.

15 CHAIRMAN COLINS:

16 Well, you'll get a good education there.
17 Thank you. Thank you for all ---.

18 ATTORNEY PITRE:

19 I'd also like to note that Young Bonner
20 is also leaving us to go to be the Director of the
21 Division of Gaming in Louisiana, so I'm losing two.

22 CHAIRMAN COLINS:

23 That's right. We're very sorry to lose
24 such fine attorneys and gaming --- budding gaming
25 experts, and we thank you very much for your efforts.

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ATTORNEY HACKETT:

Thank you.

COMMISSIONER RIVERS:

Tracee, you will return.

CHAIRMAN COLINS:

All right. That will conclude our business today. The Board will hold its next public meeting on March 13th at the North Office Building at 11:00 a.m. Is there any final comment from any of the Board members? There being none, may I have a motion to adjourn?

COMMISSIONER RIVERS:

So moved.

CHAIRMAN COLINS:

Second?

COMMISSIONER MCCABE:

Second.

CHAIRMAN COLINS:

All right. We are adjourned. Thank you.

* * * * *

MEETING CONCLUDED AT 2:15 P.M.

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