

PENNSYLVANIA GAMING CONTROL BOARD

PUBLIC MEETING

TUESDAY, SEPTEMBER 30, 2008, 11:08 A.M.

PUC - KEYSTONE BUILDING  
HEARING ROOM 1  
HARRISBURG, PENNSYLVANIA

BEFORE:

MARY DiGIACOMO COLINS, CHAIRMAN  
RAYMOND ANGELI  
JEFFREY COY  
JAMES GINTY  
KENNETH McCABE  
SANFORD RIVERS (via telephone)  
GARY A. SOJKA (via telephone)

HILLARY M. HAZLETT, REPORTER  
NOTARY PUBLIC

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1                   CHAIRMAN DiGIACOMO COLINS: Good morning.

2       Sorry for the slight delay. I'm Mary Colins, Chairman  
3       of the Pennsylvania Gaming Control Board.

4                   Would you all please turn off your cell phones  
5       and BlackBerries and other electronic devices.

6                   Today, we have on the phone, I believe, Board  
7       member Sanford Rivers --

8                   COMMISSIONER RIVERS: Yes.

9                   CHAIRMAN DiGIACOMO COLINS: -- and Gary Sojka.  
10       Are you both there?

11                   COMMISSIONER SOJKA: Yes, we are.

12                   CHAIRMAN DiGIACOMO COLINS: Very good.

13       Welcome. They are participating by phone. A quorum of  
14       the Board being present, this meeting is called to  
15       order.

16                   I'd like to begin with the Pledge of the  
17       Allegiance, please.

18                   (Pledge of Allegiance.)

19                   CHAIRMAN DiGIACOMO COLINS: All right. By way  
20       of announcement, the Board held an Executive Session on  
21       September 29th in accordance with the Sunshine Act to  
22       discuss personnel issues, privileged and confidential  
23       agency business and to consult with counsel and other  
24       professional advisors to the Board concerning current  
25       litigation or matters in which complaints are expected

1 to be filed.

2 Now, to our agenda and to the minutes and  
3 transcripts.

4 May I have a motion to approve the August 14th  
5 minutes and transcript?

6 COMMISSIONER ANGELI: Madame Chairman, I move  
7 that the Board approve the minutes and transcript of the  
8 August 14th, 2008 meeting.

9 COMMISSIONER COY: Second.

10 CHAIRMAN DiGIACOMO COLINS: All in favor?

11 COMMISSIONERS: Aye.

12 CHAIRMAN DiGIACOMO COLINS: Opposed?

13 Motion carries.

14 Onto new business and the report of our Acting  
15 Executive Director Frank Donaghue.

16 COMMISSIONER COY: Madame Chair, while he is  
17 coming, I just wanted to say congratulations to  
18 Commissioner Rivers.

19 CHAIRMAN DiGIACOMO COLINS: I'll do the  
20 straight line here. And why are you congratulating  
21 Commissioner Rivers?

22 COMMISSIONER COY: I think there was an  
23 athletic contest last night that he would have had  
24 interest in.

25 CHAIRMAN DiGIACOMO COLINS: Enough about the

1 Steelers.

2 COMMISSIONER RIVERS: Thank you.

3 COMMISSIONER COY: You're welcome.

4 MR. DONAGHUE: Good afternoon. For my  
5 Executive Director's report today, I have asked the  
6 Director of our Casino Compliance Section to join me,  
7 Tom Sturgeon, to join me. Tom, again, is the Director  
8 of our Casino Compliance Representatives Bureau within  
9 the office.

10 A significant percentage of the Gaming Control  
11 Board staff now works within the walls of the seven  
12 licensed casinos.

13 In all, 42 professionals work as Casino  
14 Compliance Representatives and 7 others as supervisors  
15 of these men and women.

16 While each of these persons are doing an  
17 outstanding job in representing the Gaming Control Board  
18 by both assisting patrons and assuring that the casinos  
19 are following their internal controls, I want to single  
20 out two men in particular for their outstanding  
21 leadership in making sure all of the Casino Compliance  
22 Representatives are trained and performing their jobs  
23 well and those two men are here with us today.

24 John Walczak, supervisor of the Philadelphia  
25 Park Casino and Chris Costigan, the supervisor at

1 Harrah's Casino and Racetrack have, indeed, been the  
2 foundation of our Compliance Representative staff. Both  
3 of these men are here today.

4           After having the opportunity to work closely  
5 with them in my role as Acting Executive Director, I  
6 felt it was important to publicly laud them for the fine  
7 job that they are performing.

8           While their work in the respective casinos is  
9 worthy of praises in and of itself, John and Chris were,  
10 in reality, critical to the smooth and successful  
11 openings of all seven casinos.

12           Specifically, these two men created the system  
13 of enforcement that helped write and create the first  
14 Regulatory and Incident Report structure that we  
15 currently use in casinos.

16           Moving forward, they have also been  
17 instrumental in the development, testing, and  
18 implementation of a new web-based report tracking  
19 system, which was recently placed into service.

20           They also were the primary authors of the first  
21 Regulatory Enforcement Outline Manual and were key  
22 contributors for the development of our outlines of the  
23 standard operating procedures.

24           Chris and John also developed a curriculum for  
25 training of Compliance Representatives and traveled

1 across the Commonwealth of Pennsylvania to conduct the  
2 initial training of most new agents and supervisors.

3           They did all of this while at the same time  
4 operating with minimum staff to open and man  
5 Philadelphia Park and Harrah's Casino for months by  
6 personally working 12 to 14 hour days.

7           I think too often the public is not aware of  
8 what this agency and its very qualified personnel are  
9 accomplishing as we roll out a new industry in the  
10 Commonwealth of Pennsylvania.

11           While there are many stories and many more  
12 stories, I would like to bring some of these to you in  
13 the future. John and Chris' story is one fine example.

14           CHAIRMAN DiGIACOMO COLINS: Thank you very  
15 much. I think, a round of applause for our two very  
16 competent employees. Thank you.

17           (Applause.)

18           CHAIRMAN DiGIACOMO COLINS: Very good. We  
19 appreciate it. I'm going to interrupt you from your  
20 report now because Anthony Ceddia, Dr. Ceddia, is going  
21 to give us an update on Mount Airy as he does  
22 periodically and I know he has something scheduled, so  
23 if he would step forward.

24           DR. CEDDIA: Good morning, Madame Chair.

25           CHAIRMAN DiGIACOMO COLINS: Good morning.

1 DR. CEDDIA: Brian Bisignani of Post and Schell  
2 is joining me. He is one of the members of the legal  
3 team that is part of the trustee group overseeing the  
4 Mount Airy Casino.

5 If it is appropriate, I will begin by  
6 highlighting some of the information in my report which  
7 I submit to this Board and to you monthly and then would  
8 welcome if any of the members of the Commission has  
9 questions about what is transpiring at Mount Airy.

10 Is that agreeable, Madame Chair?

11 CHAIRMAN DiGIACOMO COLINS: Yes.

12 DR. CEDDIA: During the past month, there have  
13 been a number of significant activities involving the  
14 trustee team and Mount Airy.

15 As you can see from the report, the trustee  
16 team along with the management of Mount Airy communicate  
17 on a weekly basis through a series of conference calls.  
18 Those dates of the conference calls are enumerated  
19 within the context of my report and the purpose of those  
20 calls is to keep everybody focused on various issues  
21 affecting the status and the performance of the casino,  
22 as well as compliance and also representing the  
23 interests of the Commonwealth, the lenders and the  
24 owner.

25 In addition to that, there are weekly



1 conference calls. You will see those enumerated by date  
2 in the report with the Board staff, particularly the  
3 legal staff of the Board so that we can keep the Board  
4 apprised of all of the activities that the trustee team  
5 is involved in and, again, related issues to the  
6 performance of the casino and provide up-to-date  
7 information in terms of various issues that may be  
8 affecting the status of the casino and also may involve  
9 interactions with the Board itself.

10           Beyond that, you will see enumerated the fact  
11 that I have made regular weekly visits to Mount Airy. I  
12 attend their regularly weekly scheduled management team  
13 meetings, which are usually held on Tuesdays.

14           During those meetings, everything is discussed  
15 from the development of the '09 fiscal operating budget  
16 and strategic plan to daily operational issues and other  
17 activities that affect the performance of the casino.

18           You will note that on one of those Tuesdays, I  
19 also met with Mr. DeNaples and his accountants for the  
20 purpose of updating him in terms of the performance at  
21 the casino.

22           At that time, there was no interaction with  
23 Mr. DeNaples regarding the management of the property.  
24 It was purely informational; and particularly this  
25 month, it was important because of the tax filings that

1 Mr. DeNaples must make as the sole owner of the LLC.  
2 Again, you will see that those conference calls  
3 continued and enumerated, as I indicated earlier.

4 I want to call particular attention to the  
5 September 8th meeting in Atlantic City, which is  
6 itemized and described within my report.

7 At that meeting, myself and the CEO, John  
8 D'Amato of Mount Airy Casino and Lodge, had the  
9 opportunity to meet with our marketing consultants,  
10 Masterminds Incorporate, located in Atlantic City.

11 The purpose of this meeting was to continue to  
12 update our marketing strategies to keep the casino  
13 competitive in an ever-changing economic environment, as  
14 well as a competitive environment.

15 I am confident that many of the initiatives  
16 undertaken in this new marketing initiative will indeed  
17 help the casino to remain competitive.

18 We had the best August on the record at the  
19 casino in terms of financial production, and I think a  
20 lot of it was due to the new marketing strategies put in  
21 place.

22 We have weathered the storm of the opening of  
23 new facilities by our competition and we continue to  
24 prepare for new competition that will be opening in the  
25 year '09.

1           You will see that we have now set a date to  
2 meet with the lenders. My report indicates that that  
3 had not been confirmed. As of late yesterday, myself  
4 and the rest of the trustee team along with Mount Airy  
5 management will be meeting with the lenders JP Morgan  
6 and also PNC on October 10th.

7           This is a meeting that is scheduled as a result  
8 of the finalization of the third quarter activity of the  
9 casino and relational to the refinancing that was  
10 completed last June.

11           Overall, I must tell you that I continue to be  
12 tremendously impressed with the level of cooperation  
13 that we received from the Board and its staff and the  
14 Commission.

15           I also want to commend the cooperation that we  
16 received from the Mount Airy management team. I also  
17 would likewise indicate to you, Madame Chair, that  
18 Mr. DeNaples continues to follow the Order to the exact  
19 language. He has been very cooperative and has been  
20 adhering to the Order very scrupulously.

21           With that, I would be happy to answer any  
22 questions from the Board regarding the performance of  
23 the casino or any other issues that you may have in  
24 mind.

25           CHAIRMAN DiGIACOMO COLINS: I have a question

1 for you Dr. Ceddia.

2 DR. CEDDIA: Yes.

3 CHAIRMAN DiGIACOMO COLINS: With respect to  
4 your update that you provided to us and your review of  
5 the projections for the revenues that this casino has  
6 generated, have you taken into account in formulating  
7 this report and your projections the economic upheavals  
8 that are being described in the press yesterday and  
9 today?

10 Have you factored that in to your projections  
11 and your reviews of this facility at this time?

12 DR. CEDDIA: Yes, we have, Madame Chair. As  
13 you recall, back when we were refinancing this property  
14 back in May and June, we had considerable discussions  
15 about those issues.

16 Beyond that, both lenders, JP Morgan and PNC  
17 have still not been able to circulate the paper on this  
18 loan. We're quite aware of the sensitivity that it  
19 brings to the situation as we go forward over the next  
20 few months.

21 It is probably conceivable that we will be  
22 facing the situation where there may be more equity  
23 required by the owner depending on what the economic  
24 conditions are over the next few months and the  
25 performance of the casino and the condition of the

1 markets as they are right now. We are prepared for  
2 that.

3 We have also worked very, very hard to reduce  
4 the overhead of the casino. You will see in the report  
5 that there have been significant cost-cutting measures  
6 put in place.

7 New budgeting and strategic planning analysis  
8 is being done to try to reduce the overhead of the  
9 casino and to sustain its competitiveness and its  
10 ability to bring money to the bottom line.

11 CHAIRMAN DiGIACOMO COLINS: But there is just  
12 so much you can predict, isn't there?

13 DR. CEDDIA: Yes, there is. As we all know, we  
14 didn't expect yesterday. Clearly, JP Morgan, the main  
15 lender in this property is probably -- and this is not  
16 an editorial comment. It is just an observation --  
17 probably in stronger economic shape than other lenders  
18 might be at this time; but nevertheless, they are  
19 concerned about all of their loans.

20 CHAIRMAN DiGIACOMO COLINS: Okay. Any other  
21 questions for Dr. Ceddia?

22 Thank you very much.

23 DR. CEDDIA: Thank you and you're welcome.

24 CHAIRMAN DiGIACOMO COLINS: Is Frank finished  
25 or does he have more to report?

1 MR. DONAGHUE: That concluded my report.

2 CHAIRMAN DiGIACOMO COLINS: Oh, it did. Okay.  
3 Thank you. Very good.

4 Eileen McNulty, our Chief Financial Officer.

5 MS. McNULTY: Thank you, Chairman Colins and  
6 good morning. My report today covers fiscal year  
7 '08-'09 expenses for the month of August 2008.

8 August spending totaled \$1.97 million, bringing  
9 the year to date total to \$3.55 million.

10 CHAIRMAN DiGIACOMO COLINS: Could you speak up?

11 MS. McNULTY: I'm sorry. August expenses  
12 included \$1.68 million or 85 percent for personnel and  
13 \$287,883 or 15 percent for operation expenses.

14 For the year-to-date, personnel expenses are  
15 \$2.9 million or 82 percent of the total. Operational  
16 expenses are \$646,921 or 18 percent of the total.

17 Rentals and leases paid in August totaled  
18 \$143,864 or 50 percent of operating expenses for the  
19 month. Year-to-date rentals and leases total \$404,830  
20 or 63 percent of operating expenses.

21 Utilities constituted the second largest  
22 operating category for the month and accounted for  
23 \$55,013 or 19 percent of that category. Year-to-date  
24 utility expense totals \$104,142 or 16 percent of the  
25 total.

1           The third largest operating expense in August  
2 was travel accounting for \$39,488. Year-to-date travel  
3 expenses is \$71,011 or 11 percent of the operating  
4 expenses.

5           The remaining 10 percent of the year-to-date  
6 operating expenses were spread across all other  
7 categories combined including supplies, fuel, equipment,  
8 training, postage, and other items and totaled \$66,937.  
9 That completes the financial report.

10           CHAIRMAN DiGIACOMO COLINS: Thank you.

11           MS. McNULTY: Next on the agenda are grants  
12 under the Local Law Enforcement Grant Program and I  
13 would like to ask Stacy Knavel to present the grants to  
14 the Board.

15           MS. KNAVEL: Good morning. I have two Local  
16 Law Enforcement Grants which are recommended for  
17 approval. They are the Hellertown Police Department in  
18 Northampton County, \$41,569.56 and the Borough of  
19 Homestead Police Department in Allegheny County,  
20 \$79,074. The total for both grants is \$120,643.56.

21           CHAIRMAN DiGIACOMO COLINS: Good. Thank you.  
22 Thank you very much.

23           COMMISSIONER COY: Madame Chair, I move that  
24 the Board approve the Local Law Enforcement Grants as  
25 described by the Grant Administrator.

1 COMMISSIONER GINTY: Second.

2 CHAIRMAN DiGIACOMO COLINS: All in favor?

3 COMMISSIONERS: Aye.

4 CHAIRMAN DiGIACOMO COLINS: Opposed?

5 Motion carries. Thank you very much.

6 Melinda Tucker, please.

7 MS. TUCKER: Good morning, Chairman Colins and  
8 members of the Board.

9 CHAIRMAN DiGIACOMO COLINS: Good morning.

10 MS. TUCKER: You have before you today a  
11 request by the HBPA, the Horsemen of Penn National to  
12 approve a health and benefit plan for the eligible  
13 members of the Horsemen's Association.

14 I have reviewed this plan and compared it with  
15 a plan for the PATHA, that is the Philly Park Horsemen  
16 that was approved by the Board in December of last year  
17 and I have found the following:

18 The plan provides health insurance benefits to  
19 eligible trainers and their employees as well as  
20 employees of the Horsemen's Organization.

21 That with few exceptions; hot walkers and other  
22 backside workers are not W-2 wage employees but rather  
23 are independent contractors, who receive 1099 forms at  
24 the end of the tax year.

25 That the HBPA offers medical expense coverage



1 and death benefit life -- and a death benefit life  
2 insurance policy to these 1099 workers under the HBPA's  
3 benefit trust.

4           Should this plan be approved, there will be  
5 fewer claims against the benefit trust so the HBPA  
6 anticipates being able to increase medical expense  
7 coverage for all 1099 workers.

8           This plan is the same in all substantive  
9 respects with the plan that was approved in December for  
10 the Philadelphia Park Horsemen and as with the health  
11 plan approved for the PATHA this plan complies with the  
12 requirements of Section 1406(a)(1)(3) of Act 71 relative  
13 to distribution of revenues from the Pennsylvania  
14 Racehorse Development Fund for health benefits.

15           Therefore, because this plan fulfills the  
16 requirements of the Gaming Act, I am now submitting this  
17 for the Board's approval. I will be happy to answer any  
18 questions.

19           CHAIRMAN DiGIACOMO COLINS: Thank you. May I  
20 have a motion please?

21           COMMISSIONER GINTY: Madame Chairman, I move  
22 that the Board approve the Horsemen's Benevolent and  
23 Protective Association Health Benefit Plan.

24           COMMISSIONER McCABE: Second.

25           CHAIRMAN DiGIACOMO COLINS: Are there any

1 questions or comments from the Board?

2 All in favor?

3 COMMISSIONERS: Aye.

4 CHAIRMAN DiGIACOMO COLINS: Opposed?

5 Motion carries.

6 Thank you very much.

7 MS. TUCKER: Thank you.

8 CHAIRMAN DiGIACOMO COLINS: Office of Chief  
9 Counsel now. Thank you.

10 MR. SHERMAN: Good morning, Madame Chairman and  
11 members of the Board. Next on the agenda or the first  
12 item on the agenda are the Final-form Regulations and  
13 the Proposed Regulations, which Director of Regulatory  
14 Review, Richard Sandusky, will address.

15 MR. SANDUSKY: Good morning.

16 CHAIRMAN DiGIACOMO COLINS: Good morning.

17 MR. SANDUSKY: The first regulation for  
18 consideration by the Board today is Regulation 125-85.  
19 This deals with the definition of licensed facility.

20 This regulation was adopted by the Board as a  
21 Proposed Rulemaking on March 27th, 2008 and was  
22 published in the Pennsylvania Bulletin on May 3, 2008  
23 with a 30-day comment period.

24 The Board received extensive comments on this  
25 regulation; comments from the Bushkill Group, which

1 supported the regulation as proposed and comments from  
2 Sands Bethworks, which offered some suggestions for  
3 improvements of the clarity of the regulation, many of  
4 which have been folded into the regulation as it is  
5 before you today.

6 We did receive comments from Representatives  
7 Gingrich, Marsico, and Swanger, and Senator Folmer, from  
8 the Lebanon County Commissioners, from East Hanover  
9 Township in Lebanon County, and the Ono Fire Department,  
10 and the Lebanon Valley Chamber of Commerce.

11 All of these comments asked the Board not to  
12 proceed with this rulemaking because they believe the  
13 clarifications and the expansion that were included in  
14 the regulation would jeopardize their receiving funding  
15 under the local share provisions of the Act.

16 Having reviewed their comments and having met  
17 with those representatives, the staff has not  
18 recommended that their recommendations be adopted.

19 We believe the regulation as it stands before  
20 you today is both consistent with the use of the term  
21 throughout the Act and is also consistent with the  
22 legislative intent that was expressed when Senate Bill  
23 862 went through the General Assembly.

24 Therefore, we would ask for a motion to adopt  
25 the Final-form Rulemaking before you.

1                   CHAIRMAN DiGIACOMO COLINS: Any questions or  
2 comments?

3                   COMMISSIONER McCABE: Madame Chair?

4                   CHAIRMAN DiGIACOMO COLINS: Yes.

5                   COMMISSIONER McCABE: I have a statement I  
6 would like to make before we introduce the motion. This  
7 morning, I received a call, a telephone call, which  
8 requested clarification to our definition of a licensed  
9 facility, which is currently before the Board for  
10 action.

11                   The definition is a matter of regulation and  
12 not a contested matter involving a licensee.  
13 Nevertheless, out of an abundance of caution and in  
14 light of full disclosure and transparency to the Board,  
15 I have elected to log that call in as an ex parte  
16 communication. I do not in any way believe the request  
17 for information will affect my independence and  
18 judgment, therefore, I intend to vote on this matter.

19                   CHAIRMAN DiGIACOMO COLINS: Very good. Thank  
20 you.

21                   Are there any further questions or comments  
22 regarding this from any other member of the Board?

23                   All right. May I have a motion?

24                   COMMISSIONER McCABE: Madame Chair?

25                   CHAIRMAN DiGIACOMO COLINS: Yes.

1                   COMMISSIONER McCABE: I move that the Board  
2 adopt the Final-form Regulation 125-85 amending Chapter  
3 401a and that the Final-form Regulation be posted on the  
4 Board's website.

5                   COMMISSIONER ANGELI: Second.

6                   CHAIRMAN DiGIACOMO COLINS: All in favor?

7                   COMMISSIONERS: Aye.

8                   CHAIRMAN DiGIACOMO COLINS: Opposed?

9                   Motion carries.

10                  Thank you very much.

11                  Next matter?

12                  MR. SANDUSKY: The next regulation for  
13 consideration by the Board today is Final-form  
14 Rulemaking 125-88.

15                  This rulemaking made a number of amendments in  
16 Chapters 461a, 463a, 465a, and 467a. It was adopted by  
17 the Board as a Proposed Rulemaking in May of 2008 and  
18 published in the Pennsylvania Bulletin on June 28th,  
19 2008 for a 30-day comment period.

20                  The Board did receive comments on this  
21 regulation from Mountainview Racing and Greenwood Gaming  
22 and Entertainment, as well as the Independent Regulatory  
23 Review Commission.

24                  Many of those comments asked for further  
25 clarification in the regulation and a number of changes

1 have been made to accommodate those comments.

2           The most significant comments, however, were on  
3 the recommendations for change in Chapter 467a, which  
4 outlines the process the Board will use to review  
5 changes to the gaming floor or increases or decreases in  
6 the number of slot machines.

7           Most of the commentators thought that the  
8 regulation as proposed could be expanded even further to  
9 facilitate rapid changes to meet customer demands within  
10 the casino.

11           We have made some revisions. However, we have  
12 retained the 2 percent threshold that was in the  
13 Proposed Regulation so that any change to the gaming  
14 floor square footage or a number of machines that  
15 exceeds 2 percent will have to be submitted in the form  
16 of a Petition to the Board for review.

17           Other changes will be submitted by a process to  
18 the Executive Director, will be reviewed internally, and  
19 then either approved or denied using that expedited  
20 process.

21           If the Board members have any questions, I  
22 would be happy to respond to them. Otherwise, we would  
23 ask for a motion for adoption.

24           CHAIRMAN DiGIACOMO COLINS: Any questions or  
25 comments?

1           COMMISSIONER COY:  Madame Chairman, I move that  
2   the Board adopt Final-form Regulation 125-88 amending  
3   Chapters 461a, 463a, 465a, and 467a and that the  
4   Final-form Regulation be posted on the Board's website.

5           COMMISSIONER SOJKA:  Second.

6           CHAIRMAN DiGIACOMO COLINS:  All in favor?

7           COMMISSIONERS:  Aye.

8           CHAIRMAN DiGIACOMO COLINS:  Opposed?

9           Motion carries.

10          Thank you.  Next matter?

11          MR. SANDUSKY:  The next item for Board  
12   consideration is Final-form Regulation 125-89.  This  
13   amends Chapters 435a, 441a, and 465a and was adopted by  
14   the Board on May 15th, 2008 and published in the  
15   Pennsylvania Bulletin on June 28th, 2008 with a 30-day  
16   comment period.

17          Comments were received both from the  
18   Independent Regulatory Review Commission and from WTA,  
19   Washington Trotting Association, expressing some  
20   concerns with the provision that limited employment by  
21   law enforcement officers at the licensed facility.

22          WTA's concern is prompted in large part by the  
23   fact that five of their current employees are part-time  
24   employees for them but full-time law enforcement  
25   officers.

1           Because this regulation only restricts  
2           employment as far as the licensed facility itself goes,  
3           there will still be extensive areas within WTA's  
4           facility where these individuals will be able to  
5           continue to work. Therefore, the staff believes that  
6           there will be no adverse impact on those current  
7           employees.

8           Having said that, if there are any other  
9           questions on the regulation, I would be happy to answer  
10          them. Otherwise, we would ask for a motion for  
11          adoption.

12                  CHAIRMAN DiGIACOMO COLINS: Questions or  
13          comments?

14                  May I have a motion?

15                  COMMISSIONER SOJKA: Madame Chairman, I move  
16          that the Board adopt Final-form Regulation 125-89  
17          amending Chapters 435a, 441a, and 465a and that the  
18          Final-form Regulation be posted on the Board's website.

19                  COMMISSIONER COY: Second.

20                  CHAIRMAN DiGIACOMO COLINS: All in favor?

21                  COMMISSIONERS: Aye.

22                  CHAIRMAN DiGIACOMO COLINS: Opposed?

23          Motion carries.

24          Thank you.

25                  MR. SANDUSKY: The next item is a Proposed



1 Rulemaking, No. 125-92. This rulemaking is designed to  
2 implement the Clean Indoor Air Act that was passed this  
3 year.

4 Basically, what this regulation does is outline  
5 the procedures that involve the Board relative to that,  
6 which includes submission of information concerning  
7 changes to the gaming floor, establishing signage  
8 requirements, and requiring slot machine licensees to  
9 train their employees to recognize the areas where  
10 smoking is permitted and what procedures should be used  
11 in the event an employee comes upon an individual who is  
12 smoking in a non-smoking area.

13 If there are any questions, I would be happy to  
14 try and respond to them. Otherwise, we would ask for a  
15 motion for adoption.

16 CHAIRMAN DiGIACOMO COLINS: Questions.

17 COMMISSIONER ANGELI: Madame Chairman, I move  
18 that the Board adopt the Proposed Regulation No. 125-92  
19 amending Chapters 441a and 467a and that the Board  
20 establish a public comment period of 30 days and that  
21 the Proposed Regulation be posted on the Board's  
22 website.

23 COMMISSIONER COY: Second.

24 CHAIRMAN DiGIACOMO COLINS: All in favor?

25 COMMISSIONERS: Aye.

1           CHAIRMAN DiGIACOMO COLINS: Opposed?

2           Motion carries.

3           MR. SANDUSKY: The last regulation for  
4 consideration today is Proposed Rulemaking 125-95. This  
5 consists of a series of licensing amendments in Chapters  
6 431a, 435a, 437a, and 451a.

7           These are fairly minor. The most significant  
8 is the increase from 120 days to 180 days for the term  
9 of the temporary credential issued to a Principal Key  
10 Employee.

11           This is to sync that time period up with the  
12 time required to actually complete an application  
13 review.

14           If there are any questions, I will be happy to  
15 answer them. Otherwise, we ask for a motion for  
16 adoption.

17           CHAIRMAN DiGIACOMO COLINS: All right. May I  
18 have a motion, please?

19           COMMISSIONER COY: Yeah. Madame Chairman, I  
20 move that the Board adopt the Proposed Regulation 125-95  
21 amending Chapters 431a, 435a, 437a, 451a and that the  
22 Board establish a public comment period of 30 days and  
23 that the Proposed Regulation be posted on the Board's  
24 website.

25           CHAIRMAN DiGIACOMO COLINS: May we have a

1 second?

2 COMMISSIONER GINTY: Second.

3 CHAIRMAN DiGIACOMO COLINS: Very good. Thank  
4 you.

5 All in favor?

6 COMMISSIONERS: Aye.

7 CHAIRMAN DiGIACOMO COLINS: Opposed?

8 Motion carries.

9 MR. SANDUSKY: Thank you.

10 CHAIRMAN DiGIACOMO COLINS: Thank you very  
11 much.

12 MR. SHERMAN: Next on the agenda is the  
13 consideration of one Petition pending before the Board.  
14 That Petition is of Marsico Capital Management's  
15 Petition seeking waiver of the Board's licensure  
16 requirements.

17 The Petition will be considered pursuant to a  
18 documentary hearing. Prior to today's meeting, the  
19 Board has been provided with a Petition, the response  
20 from Enforcement Counsel, as well as supporting  
21 evidentiary materials.

22 In addition, Marisco Capital Management has  
23 been notified that the Board is considering the matter  
24 today and they have the right to be present to address  
25 the Board.

1           Marisco Capital Management is a Colorado-based  
2 institutional investor, which, at present, owns 11  
3 percent of the outstanding common stock of Las Vegas  
4 Sands Corporation, a publicly traded company and  
5 Principal of Licensee, Sands Bethworths.

6           Marisco avers that it does not possess a  
7 controlling interest and has no ability to influence or  
8 affect the affairs of Las Vegas Sands or of Sands  
9 Bethworks.

10           Additionally, Marisco takes the position that  
11 as an institutional investor it holds shares of the  
12 companies in which it invests solely on behalf of its  
13 clients in the ordinary course of business and for  
14 investment purposes only.

15           Section 1311(f)(1) of the Act allows the Board  
16 to grant a waiver of licensure if the institutional  
17 investor does not have a controlling interest in the  
18 holding company as is represented by Marisco.

19           The Office of Enforcement Counsel has not  
20 objected to the relief requested subject to three  
21 conditions being provided, which include that Marisco  
22 pay the expenses incurred by the Bureau of Investigation  
23 and Enforcement in investigating Marisco.

24           That Marisco must fully comply with Section  
25 1513 of the Act relating to political influence.

1           And that Marisco must submit Principal Waiver  
2 Applications complete with appropriately modified  
3 certification and affidavits.

4           And that Marisco must submit those renewal  
5 applications annually thereafter.

6           The matter is now based -- upon the documentary  
7 record, the matter is ready for the Board's  
8 consideration.

9           CHAIRMAN DiGIACOMO COLINS: Any questions?

10          COMMISSIONER COY: Madame Chair?

11          CHAIRMAN DiGIACOMO COLINS: Yes.

12          COMMISSIONER COY: Mr. Sherman, do you have any  
13 idea what the costs of the investigation that they are  
14 being required to pay are?

15          MR. SHERMAN: The actual costs will be totaled  
16 upon completion. We don't have that information  
17 presently.

18          COMMISSIONER COY: All right.

19          CHAIRMAN DiGIACOMO COLINS: Very good.

20          May I have a motion?

21          COMMISSIONER GINTY: Cyrus, are you okay?

22          MR. PITRE: Yes.

23          COMMISSIONER GINTY: Madame Chair, I move that  
24 the Board approve the Petition submitted by Marsico  
25 Capital Management as described by the Office of Chief

1 Counsel with the provisions stated.

2 COMMISSIONER COY: Second.

3 CHAIRMAN DiGIACOMO COLINS: All in favor?

4 COMMISSIONERS: Aye.

5 CHAIRMAN DiGIACOMO COLINS: Opposed?

6 Motion carries.

7 MR. SHERMAN: Next on the agenda are  
8 withdrawals by Principal of Key Employees presented by  
9 Deputy Chief Counsel, Steve Cook.

10 MR. COOK: Good morning.

11 CHAIRMAN DiGIACOMO COLINS: Good morning.

12 MR. COOK: The Board has received 16 unopposed  
13 Petitions to Withdraw Applications, which include 2  
14 Principal applications, 13 Key Employee Applications and  
15 1 Key Employee Renewal Application.

16 It is noteworthy that of the 13 Key Employee  
17 Applications, 4 of them involve 2 individuals. So  
18 although we have 16 applications, there are only 14  
19 persons involved.

20 These Petitions would all be granted without  
21 prejudice. The Office of Enforcement Counsel (OEC) has  
22 not submitted any objections to these withdrawals; and  
23 as such, the Office of Chief Counsel (OEC) submits these  
24 16 Petitions to the Board for consideration of a motion  
25 to grant the Petitions without prejudice.

1           The 16 Petitions are as follows:

2           The Principal Applications are those of Ken  
3 Kaszubinski, James Larry Nelson, and Kurt Rawding.

4           The Key Employee Applications are those of  
5 Yoshito Hori, Frances Lemery, James Naylor, Donald  
6 Pamula, Timothy Paulo, Anthony Sorbello, Colleen Sypolt,  
7 and Cheryl Watkins, the application of Mikio Tanji as it  
8 applies to Aruze Gaming America, Inc., and the  
9 application of Mikio Tanji as it applies to Aruze Corp.,  
10 also the Key Employee Application of Kunihiko Yogo as it  
11 applies to Aruze Gaming America, Inc., and Kunihiko Yogo  
12 as it applies to Aruze Corp.

13           The final application is that of the Key  
14 Employee Renewal Application of Emily Peavey.

15           CHAIRMAN DiGIACOMO COLINS: Very good. May I  
16 have a motion, please?

17           COMMISSIONER McCABE: Yes. Madame Chair, I  
18 move that the Board issue the Orders to approve the  
19 withdrawal of applications without prejudice as  
20 described by the OCC.

21           CHAIRMAN DiGIACOMO COLINS: Is there a second?

22           COMMISSIONER GINTY: Second.

23           CHAIRMAN DiGIACOMO COLINS: All in favor?

24           COMMISSIONERS: Aye.

25           CHAIRMAN DiGIACOMO COLINS: Opposed?

1 Motion carries.

2 MR. COOK: Next for the Board's consideration  
3 are five Reports and Recommendations received from the  
4 Office of Hearings and Appeals (OHA) relative to  
5 applications for four Gaming Permits and one Non-Gaming  
6 Registration.

7 These Reports and Recommendations along with  
8 the evidentiary record for each hearing has been  
9 provided to the Board in advance of this meeting.

10 Additionally, in each case, the Applicants have  
11 been notified that the Board is considering the Report  
12 and Recommendation today and that they have the right to  
13 be present to address the Board.

14 If any of the individuals are present today,  
15 they should come forth when their name is announced.

16 The first report and recommendation pertains to  
17 Thelma Evans, a guest safety officer at Harrah's Chester  
18 Casino. Ms. Evans is currently employed on the  
19 racetrack side of that facility and has filed an  
20 application to perform the same duties on the casino  
21 side.

22 However, during her background investigation an  
23 issue was discovered concerning state tax liabilities.  
24 As a result of this discovery, on April 28th, 2008, the  
25 Bureau of Licensing informed Ms. Evans of her tax



1 delinquencies and the matter has not been resolved.

2           Ms. Evans has requested and received a hearing  
3 before the OHA on the matter. At that hearing, she  
4 indicated that she was unaware of any of the outstanding  
5 obligations but, nevertheless, was attempting to resolve  
6 them.

7           The Hearing Officer's Report and Recommendation  
8 recommends that the Board consider a motion denying  
9 Thelma Evans' Gaming Permit Application without  
10 prejudice and the Board waive any fees associated with  
11 her refiling an application at a later date after her  
12 tax issues are resolved.

13           The OCC concurs with the recommendation that  
14 the denial be without prejudice. However, we would  
15 recommend that the Board reject the proposition that  
16 proposes to waive applicable fees upon subsequent  
17 reapplication.

18           CHAIRMAN DiGIACOMO COLINS: Does the OEC have a  
19 position on this?

20           MR. PITRE: We would tend to agree with the OCC  
21 in this matter that the application fees should not be  
22 waived should she reapply.

23           CHAIRMAN DiGIACOMO COLINS: Okay. Thank you.

24           Any questions?

25           May I have a motion?

1                   COMMISSIONER McCABE: Yes. Madame Chair, I  
2 move that the Board issue an Order to adopt the Report  
3 and Recommendation of OHA to deny the Non-Gaming  
4 Employee Permit without prejudice. However, all fees  
5 associated with reapplying for said permit shall be the  
6 sole responsibility of the Applicant.

7                   CHAIRMAN DiGIACOMO COLINS: And this relates to  
8 Thelma Evans, correct?

9                   MR. COOK: Correct.

10                  CHAIRMAN DiGIACOMO COLINS: All right. Very  
11 good.

12                  Is there a second?

13                  COMMISSIONER SOJKA: I would like a  
14 clarification on that.

15                  CHAIRMAN DiGIACOMO COLINS: Gary, you're  
16 breaking up. Are you inquiring as to whether or not it  
17 is gaming or not.

18                  MR. COOK: It is a gaming employee.

19                  COMMISSIONER SOJKA: Okay. With that  
20 correction.

21                  CHAIRMAN DiGIACOMO COLINS: Okay. May I have a  
22 vote?

23                  All in favor.

24                  COMMISSIONERS: Aye.

25                  CHAIRMAN DiGIACOMO COLINS: Opposed?

1 Motion carries.

2 MR. COOK: The second Report and Recommendation  
3 concerns the Non-Gaming Employee Application of Michael  
4 Spratley.

5 On June 10th, 2008, Mr. Spratley submitted an  
6 application to work as a Steward at Harrah's Chester  
7 Casino and Racetrack.

8 Subsequently, Mr. Spratley was issued a Notice  
9 of Recommendation of Denial due to the fact that he  
10 failed to disclose his criminal history, which included  
11 information that between November 2003 and March 2006,  
12 he had been arrested five times on a total of 49  
13 criminal charges, with those charges resulting in five  
14 guilty pleas.

15 Mr. Spratley requested and was provided a  
16 hearing on August 13, 2008. At that hearing,  
17 Mr. Spratley testified that he knowingly omitted his  
18 criminal history from his application.

19 The Report and Recommendation of the OHA  
20 presently before the Board recommends that Mr. Spratley  
21 be denied a Non-Gaming Employee Registration.

22 The OCC suggests it would be appropriate for  
23 the Board to consider the motion to adopt the  
24 Recommendation of the OHA and deny the Registration of  
25 Michael Spratley.

1           DiGIACOMO COLINS: May I have a motion?

2           COMMISSIONER SOJKA: Do we need to hear from --

3           CHAIRMAN DiGIACOMO COLINS: Before I ask for a  
4 motion, let me backtrack. I'm sorry. The position of  
5 the OCC with respect to this matter?

6           MR. PITRE: We agree with the Hearing Officer's  
7 recommendation decision to deny.

8           CHAIRMAN DiGIACOMO COLINS: All right. Are  
9 there any questions or comments before I ask for a  
10 motion?

11           All right. May I have a motion now?

12           COMMISSIONER SOJKA: Yes. Madame Chair, I move  
13 that the Board issue an Order to adopt the Report and  
14 Recommendation of the OHA to deny the Non-Gaming  
15 Employee Registration as described by the OCC.

16           COMMISSIONER ANGELI: Second.

17           CHAIRMAN DiGIACOMO COLINS: All in favor?

18           COMMISSIONERS: Aye.

19           CHAIRMAN DiGIACOMO COLINS: Opposed?

20           Motion carries.

21           MR. COOK: The next Report and Recommendation  
22 before the Board is that of Walter Bradley, who sought a  
23 Gaming Employee Occupation Permit to work as a Guest  
24 Safety Officer at Philadelphia Park.

25           The OEC issued a Notice of Recommendation of

1 Denial based on the fact that Mr. Bradley failed to  
2 disclose two prior arrests including an arrest resulting  
3 in a conviction on felony weapons charges. There are  
4 also other issues pertaining to suitability that were  
5 raised by the OEC.

6 Subsequent to receiving the notice, Bradley  
7 requested a hearing but failed to appear and it was held  
8 in absentia on July 17, 2008.

9 The Hearing Officer's Report and Recommendation  
10 from that hearing was submitted to the Board and  
11 recommends that Mr. Bradley be denied a Gaming Employee  
12 Occupation Permit. That recommendation is now before  
13 the Board for consideration.

14 MR. PITRE: And the OEC fully agrees with the  
15 Hearing Officer's recommendation.

16 CHAIRMAN DiGIACOMO COLINS: May I have a  
17 motion?

18 COMMISSIONER GINTY: This is by action of law?

19 MR. COOK: He is precluded because of the  
20 felony convictions within 15 years.

21 CHAIRMAN DiGIACOMO COLINS: Very good.

22 May I have a motion now?

23 COMMISSIONER ANGELI: Madame Chairman, I move  
24 that the Board issue an Order to adopt the Report and  
25 Recommendation of OHA to deny the Gaming Employee Permit

1 as described by the OCC.

2 COMMISSIONER COY: Second.

3 CHAIRMAN DiGIACOMO COLINS: All in favor?

4 COMMISSIONERS: Aye.

5 CHAIRMAN DiGIACOMO COLINS: Opposed?

6 Motion carries.

7 MR. COOK: The next matter is that of Robin  
8 Neary, who submitted a Gaming Employee Occupation Permit  
9 Application to work as a Slot Attendant at Mohegan Sun  
10 at Pocono Downs.

11 During the background investigation, BIE  
12 discovered that Mr. Neary had been previously arrested  
13 and charged with 27 felonies culminating in a January  
14 2004 conviction on two felonies; forgery and theft.

15 Based upon that fact, the OEC notified Mr.  
16 Neary on July 7th, 2008 that he was going to be  
17 recommended for denial of his application.

18 Mr. Neary requested a hearing which was  
19 scheduled for August 13th, 2008, but he failed to attend  
20 the hearing and it was held in absentia.

21 The Hearing Officer's Report and Recommendation  
22 recommends that Mr. Neary be denied a Gaming Employee  
23 Occupation Permit due to his ineligibility because of  
24 his felony convictions. The matter is ready for the  
25 Board's consideration.

1 CHAIRMAN DiGIACOMO COLINS: Mr. Pitre?

2 MR. PITRE: The OEC concurs with the Hearing  
3 Officer.

4 CHAIRMAN DiGIACOMO COLINS: Any questions?

5 May I have a motion?

6 COMMISSIONER COY: Madame Chair, I move that  
7 the Board issue an Order to adopt the Report  
8 Recommendation of the OHA to deny the Gaming Employee  
9 Permit as described by the OCC.

10 COMMISSIONER GINTY: Second.

11 CHAIRMAN DiGIACOMO COLINS: All in favor?

12 COMMISSIONERS: Aye.

13 CHAIRMAN DiGIACOMO COLINS: Opposed?

14 Motion carries.

15 MR. COOK: The last Report and Recommendation  
16 relates to the Gaming Employee Occupation Permit  
17 Application submitted by Louis Scarantino.  
18 Mr. Scarantino submitted an application to work as a  
19 Security Officer at Mohegan Sun at Pocono Downs.

20 On June 24, 2008, the OEC issued a Notice of  
21 Recommendation of Denial of application due to the fact  
22 that Mr. Scarantino failed to disclose his complete  
23 criminal record, including arrests in 1995 for a number  
24 of drug offenses, which culminated in a guilty plea to  
25 one felony count of Distribution of Heroin and Cocaine

1 in 1996.

2 Mr. Scarantino requested a hearing, which was  
3 held on August 12, 2008. At that hearing,  
4 Mr. Scarantino testified that he had omitted the  
5 information regarding his 1995 felony arrest and  
6 subsequent conviction because he had relied upon advice  
7 he received from an attorney, who allegedly told him  
8 that the charges would not appear in his criminal  
9 history after ten years had elapsed.

10 The Report and Recommendation of the OHA dated  
11 August 22, 2008 recommends that due to Mr. Scarantino's  
12 felony conviction he is now ineligible to receive a  
13 Gaming Employee Occupation Permit because that felony  
14 conviction occurred within the last 15 years. The  
15 matter is now ripe for the Board's consideration.

16 MR. PITRE: The OEC agrees with the Hearing  
17 Officer's Recommendation in this matter.

18 CHAIRMAN DiGIACOMO COLINS: May I have a  
19 motion?

20 COMMISSIONER GINTY: Madame Chairman, I move  
21 that the Board issue an Order to adopt the Report and  
22 Recommendation of OHA to deny the Gaming Employee Permit  
23 as described by the OCC.

24 COMMISSIONER McCABE: Second.

25 CHAIRMAN DiGIACOMO COLINS: All in favor?



1 COMMISSIONERS: Aye.

2 CHAIRMAN DiGIACOMO COLINS: Opposed?

3 Motion carries.

4 MR. SHERMAN: And finally, today there are two  
5 matters concerning Emergency Suspensions to be  
6 considered by the Board.

7 The first of these pertains to the Emergency  
8 Suspension of the Non-Gaming Employee Registration of  
9 Nicole Besic, who was issued a Non-Gaming Employee  
10 Registration in December of 2007 allowing her to work as  
11 a cocktail server at Hollywood Casino.

12 On September 8th, 2008, BIE received  
13 notification from the Pennsylvania State Police that  
14 Miss Besic was charged with theft by deception, a felony  
15 of the third degree.

16 As a result of the charge, the OEC filed a  
17 request for Emergency Order of Suspension and the Order  
18 to sign by the Acting Executive Director on September  
19 15th.

20 Board regulations require that Temporary  
21 Emergency Orders be presented to the Board for an  
22 evidentiary hearing or, in the alternative, the Board  
23 may assign the matter to the OHA to conduct a hearing as  
24 to the validity of the suspension.

25 In this case, it would be appropriate for the

1 Board to refer the matter to the OHA and promptly  
2 schedule the hearing and issue a Report and  
3 Recommendation to the Board regarding a continuation of  
4 the suspension.

5           Additionally the OCC recommends that the Board  
6 order that the Temporary Emergency Suspension Order  
7 remain in place until such time that the Board is  
8 presented with that Report and Recommendation.

9           CHAIRMAN DiGIACOMO COLINS: Any position on  
10 this?

11           MR. PITRE: We obviously agree with Chief  
12 Counsel.

13           CHAIRMAN DiGIACOMO COLINS: Very good.

14           May I have a motion?

15           COMMISSIONER McCABE: Yes. Madame Chair, I  
16 move that the Board issue an Order directing the OHA to  
17 promptly conduct a hearing regarding the validity of the  
18 issuance of the Order and to issue a Report and  
19 Recommendation to the Board at a future meeting.

20           It is further ordered that the Temporary  
21 Suspension of the Non-Gaming Employee Registration for  
22 Nicole Besic remain in effect until such time as the  
23 Board acts upon OHA's Report and Recommendation.

24           COMMISSIONER COY: Second.

25           CHAIRMAN DiGIACOMO COLINS: All in favor?

1 COMMISSIONERS: Aye.

2 CHAIRMAN DiGIACOMO COLINS: Opposed?

3 Motion carries.

4 MR. SHERMAN: The second Emergency Suspension  
5 matter pertains to the Emergency Suspension of Gaming  
6 Employee Michael Crawford, who was issued a Gaming  
7 Employee Permit in February of 2008 allowing him to work  
8 as a marketing and services agent at Hollywood Casino.

9 On September 15th, BIE received notification  
10 from the Pennsylvania State Police that Mr. Crawford had  
11 been charged with manufacturing controlled substances, a  
12 felony, as well as other drug related charges.

13 As a result of the charge, the OEC filed a  
14 request for an Emergency Order of Suspension, which was  
15 signed by the Acting Executive Director on September  
16 22nd.

17 Pursuant to the Board's regulations,  
18 Mr. Crawford requested an informal hearing on the  
19 suspension and that was held before a Hearing Officer on  
20 September 26th.

21 At the close of the September 26th hearing, the  
22 OHA issued an Order continuing the suspension pending a  
23 full evidentiary hearing.

24 Again, the Board regulations require that that  
25 Order be presented to the Board to conduct an

1 evidentiary hearing or, in the alternative, to refer to  
2 Hearings and Appeals to conduct a hearing as to the  
3 validity of the suspension.

4 In this case, we, again, suggest it would be  
5 appropriate for the Board to refer to the OHA to conduct  
6 the full evidentiary hearing and then to issue a Report  
7 and Recommendation to the Board.

8 We, again, also recommend that the Board order  
9 that the suspension remain in effect pending the Board's  
10 receipt of the Report and Recommendation and action  
11 thereon.

12 CHAIRMAN DiGIACOMO COLINS: Thank you.

13 May I have a motion, please?

14 COMMISSIONER ANGELI: Madame Chairman, I move  
15 that the Board issue an Order directing the OHA to  
16 promptly conduct a hearing regarding the validity of the  
17 issuance of the Order and to issue a Report and  
18 Recommendation to the Board at a future meeting.

19 It is further ordered that the temporary  
20 suspension of the Gaming Employee Permit for Michael  
21 Crawford remain in effect until such time as the Board  
22 acts upon the OHA Report and Recommendation.

23 COMMISSIONER GINTY: Second.

24 CHAIRMAN DiGIACOMO COLINS: All in favor?

25 COMMISSIONERS: Aye.

1 CHAIRMAN DiGIACOMO COLINS: Opposed?

2 Motion carries.

3 MR. SHERMAN: That concludes the report of the  
4 OCC.

5 CHAIRMAN DiGIACOMO COLINS: Thank you.

6 Now, there are a few licensing matters. Susan  
7 Hensel is out and Sean Hannon will offer this report.

8 MR. HANNON: Good afternoon, Chairman Colins  
9 and members of the Board. First licensing item today is  
10 an Order regarding the issuance of Principal and Key  
11 Employee Licenses.

12 Prior to this meeting, the Bureau of Licensing  
13 provided you with a proposed Order for 19 Principals for  
14 initial licensure and 25 Key Employees for renewal.

15 I ask that the Board consider the Order  
16 granting these licenses.

17 CHAIRMAN DiGIACOMO COLINS: Very good.

18 May I have a motion, please?

19 COMMISSIONER McCABE: Madame Chairman, I move  
20 that the Board issue an Order to approve the issuance of  
21 the Principal and Key Employee Licenses as described by  
22 the Bureau of Licensing.

23 COMMISSIONER COY: Second.

24 CHAIRMAN DiGIACOMO COLINS: All in favor?

25 COMMISSIONERS: Aye.

1 CHAIRMAN DiGIACOMO COLINS: Opposed?

2 Motion carries.

3 MR. HANNON: The next item is a proposed Order  
4 approving 101 Temporary Key Employee Licenses. I ask  
5 that the Board approve the Order granting these  
6 licenses.

7 CHAIRMAN DiGIACOMO COLINS: May I have a  
8 motion?

9 COMMISSIONER GINTY: Madame Chairman, I move  
10 that the Board issue an Order to approve the issuance of  
11 Temporary Key Employee Licenses as described by the  
12 Bureau of Licensing.

13 COMMISSIONER SOJKA: Second.

14 CHAIRMAN DiGIACOMO COLINS: All in favor?

15 COMMISSIONERS: Aye.

16 CHAIRMAN DiGIACOMO COLINS: Opposed?

17 Motion carries.

18 MR. HANNON: The Bureau of Licensing also  
19 provided you with an Order and list of 308 individuals  
20 for the Bureau's granted Gaming Employee Permits and 242  
21 individuals who the Bureau has granted Non-Gaming  
22 Registrations to under the authority delegated to the  
23 Director of Licensing.

24 I ask that the Board adopt a motion approving  
25 the Order.

1           CHAIRMAN DiGIACOMO COLINS: May I have a  
2 motion?

3           COMMISSIONER SOJKA: Madame Chairman, I move  
4 that the Board issue an Order to approve the issuance of  
5 the Gaming and Non-Gaming Permits and Registrations as  
6 described by the Bureau of Licensing.

7           COMMISSIONER ANGELI: Second.

8           CHAIRMAN DiGIACOMO COLINS: All in favor?

9           COMMISSIONERS: Aye.

10          CHAIRMAN DiGIACOMO COLINS: Opposed?

11          Motion carries.

12          MR. HANNON: In addition, we have  
13 recommendations of denials for eight Gaming and two  
14 Non-Gaming Employee Applications. Prior to this  
15 meeting, the Bureau of Licensing provided you with  
16 Orders addressing each of the individual Gaming and  
17 Non-Gaming Employee Applications, who the Bureau of  
18 Investigation and Enforcement have recommended for  
19 denial.

20                 In each case, the Applicant failed to request a  
21 hearing within the specified time period. I ask that  
22 the Board adopt a motion approving the Order denying the  
23 Gaming and Non-Gaming Applicants.

24          MR. PITRE: The OEC concurs with that motion.

25          CHAIRMAN DiGIACOMO COLINS: Thank you.

1           May I have a motion now?

2           COMMISSIONER ANGELI:  Madame Chairman, I move  
3   that the Board issue an Order to approve the denial of  
4   the Gaming and Non-Gaming Employee Licenses as described  
5   by the Bureau of Licensing.

6           COMMISSIONER COY:  Second.

7           CHAIRMAN DiGIACOMO COLINS:  All in favor?

8           COMMISSIONERS:  Aye.

9           CHAIRMAN DiGIACOMO COLINS:  Opposed?

10          Motion carries.

11          MR. HANNON:  We have two Orders regarding  
12   vendors.  This first Order is for the certification of  
13   the following three vendors:  Blaze Construction, LLC,  
14   Edward Don & Company, Philadelphia D&M, Incorporated.  I  
15   ask that the Board approve these vendors for  
16   certification.

17          MR. PITRE:  And the OEC concurs.

18          CHAIRMAN DiGIACOMO COLINS:  Thank you.

19          May I have a motion, please?

20          COMMISSIONER COY:  Madame Chairman, I move that  
21   the Board issue an Order to approve the applications for  
22   vendor certification.

23          CHAIRMAN DiGIACOMO COLINS:  May I have a  
24   second?

25          COMMISSIONER GINTY:  Second.



1 CHAIRMAN DiGIACOMO COLINS: Thank you.

2 All in favor.

3 COMMISSIONERS: Aye.

4 CHAIRMAN DiGIACOMO COLINS: Opposed?

5 That motion carries.

6 MR. HANNON: Lastly, the Bureau of Licensing  
7 provided you with an Order and an attached list of 35  
8 registered vendors. I ask that the Board adopt a motion  
9 approving the Order registering these vendors.

10 MR. PITRE: And the OEC concurs with that  
11 request.

12 CHAIRMAN DiGIACOMO COLINS: Thank you.

13 May I have a motion?

14 COMMISSIONER GINTY: Madame Chairman, I move  
15 that the Board issue an Order to approve the  
16 applications for vendor registration or certification?

17 MR. HANNON: Registration.

18 COMMISSIONER GINTY: Registration.

19 COMMISSIONER McCABE: Second.

20 CHAIRMAN DiGIACOMO COLINS: All in favor?

21 COMMISSIONERS: Aye.

22 CHAIRMAN DiGIACOMO COLINS: Opposed?

23 Motion carries.

24 MR. HANNON: That concludes the Bureau of  
25 Licensing's presentations for today.

1                   CHAIRMAN DiGIACOMO COLINS: Thank you very  
2 much.

3                   MR. PITRE: Next, Madame Chair we have a  
4 Consent Agreement to present to the Board. We would ask  
5 that representatives from Penn National please come to  
6 the front. We have Mr. John Degrasse from Penn National  
7 here.

8                   CHAIRMAN DiGIACOMO COLINS: Would you state  
9 your name, sir, for the record and spell it please?

10                  MR. DEGRASSE: John Degrasse, D-e-g-r-a-s-s-e.

11                  CHAIRMAN DiGIACOMO COLINS: Thank you.

12                  MS. DAVENPORT: Good morning, Madame Chairman.  
13 Nan Davenport, Deputy Chief Enforcement Counsel,  
14 D-a-v-e-n-p-o-r-t.

15                  This Consent Agreement was entered into by the  
16 Pennsylvania Gaming Control Board's OEC and Mountainview  
17 Thoroughbred Racing Association doing business as  
18 Hollywood Casino at Penn National Racecourse.

19                  On July 20th, 2008 at approximately 12:39 p.m.,  
20 DTM, a 20-year-old male with a date of birth of November  
21 1st, 1987 entered the valet entrance of Hollywood Casino  
22 at Penn National.

23                  A Hollywood Casino officer that was posted at  
24 the valet entrance asked DTM for identification. It was  
25 later determined to be a military identification which

1 listed DTM as 20 years old.

2 After showing his military identification to  
3 the security officer, DTM entered the gaming floor at  
4 approximately 12:40 p.m.

5 From approximately 12:42 p.m. until 1:07 p.m.,  
6 DTM operated, used, played, and/or placed wagers on slot  
7 machines at Hollywood Casino.

8 As a result of the aforementioned  
9 circumstances, a person under 21 years of age gained  
10 entry to the gaming floor and operated, used, played,  
11 and placed wagers on slot machines for approximately 25  
12 minutes before being apprehended by security in  
13 violation of Regulation 58 PA Code 513(a)(3)(a).

14 The terms of the consent agreement shall become  
15 final and effective only upon approval by the Board.

16 That Mountainview Thoroughbred Racing  
17 Association shall pay a civil penalty pursuant to 4  
18 Pa.C.S. Section 1208(2) in the amount of \$5,000 payable  
19 within five days of the date of approval by the Board of  
20 this Consent Agreement.

21 The Board may make information public with  
22 respect to the terms and conditions of the Consent  
23 Agreement.

24 The Consent Agreement may be set aside by the  
25 Board if any term herein is violated by Mountainview

1 Thoroughbred Racing Association.

2 Mountainview Thoroughbred Racing Association  
3 through its authorized representatives who have signed  
4 the Consent Agreement have read and fully understands  
5 the terms of the Consent Agreement.

6 We would ask for approval at this time of the  
7 Consent Agreement.

8 CHAIRMAN DiGIACOMO COLINS: Sir, and you  
9 represent Mountainview, correct?

10 MR. DEGRASSE: Yes, ma'am.

11 CHAIRMAN DiGIACOMO COLINS: And do you agree  
12 with the terms as described?

13 MR. DEGRASSE: Yes, we do.

14 CHAIRMAN DiGIACOMO COLINS: Very good. Thank  
15 you.

16 May I have a motion?

17 COMMISSIONER GINTY: I have a comment. As I  
18 understand it, the -- somebody under the age of 21 can  
19 go on the gaming floor but can't gamble; is that  
20 correct?

21 MR. DEGRASSE: Legally, you are correct and you  
22 can go on the floor if you are at least 18 but we have  
23 changed our policies since CIA 80 was passed. Because  
24 of the smoking ban, we no longer allow anyone under the  
25 age of 21 on our casino floor unless they are an

1 employee.

2 COMMISSIONER GINTY: That is the point I was  
3 going to make. Some of the other casinos have had that  
4 policy.

5 CHAIRMAN DiGIACOMO COLINS: Very good. Thank  
6 you. May I have a motion?

7 COMMISSIONER McCABE: Yes. Madame Chair, I  
8 move that the Board approve the Consent Agreement  
9 between the Bureau of Investigations and Mountainview  
10 Thoroughbred Racing Association regarding underage  
11 gaming as described by the OEC.

12 COMMISSIONER SOJKA: Second.

13 CHAIRMAN DiGIACOMO COLINS: All in favor?

14 COMMISSIONERS: Aye.

15 CHAIRMAN DiGIACOMO COLINS: Opposed?

16 Motion carries.

17 MR. DEGRASSE: Thank you.

18 MR. PITRE: Next, we have a list of suspensions  
19 or revocations to be considered by the Board. This is  
20 Katie Higgins, H-i-g-g-i-n-s.

21 CHAIRMAN DiGIACOMO COLINS: Very good. Thank  
22 you.

23 MS. HIGGINS: Madame Chair, members of the  
24 Board, the first matter is a request for the suspension  
25 and pending revocation of the Non-Gaming Registration of

1 Christopher Burns.

2 On July 21st, 2008, the OEC filed an  
3 Enforcement Action Complaint against Mr. Burns due to  
4 his February 7th, 2008 arrest for terroristic threats,  
5 false reports to law enforcement authorities, disorderly  
6 conduct, and harassment.

7 The charges stem from an incident that occurred  
8 on February 6th, 2008 in which Mr. Burns, a buffet  
9 cashier told security officers at Presque Isle Downs  
10 that he found a note in the men's restroom that stated  
11 bomb in buffet. Burns later admitted to the State  
12 Police that he wrote the note.

13 The Enforcement Action was served on Mr. Burns  
14 on July 28, 2008 by Certified mail and Mr. Burns was  
15 advised that he had 20 days to respond.

16 He did not respond to the Enforcement Action;  
17 and therefore, pursuant to Section 493.a.2(g) of the  
18 regulations, all facts alleged in the Complaint are  
19 deemed admitted.

20 The OEC would ask that Mr. Burns' Non-Gaming  
21 Registration be suspended pending the resolution of his  
22 criminal charges.

23 CHAIRMAN DiGIACOMO COLINS: Mr. Cook?

24 MR. COOK: Madame Chair, the OCC believes that  
25 under these circumstances, since a default judgment was

1 entered and, as counsel has indicated, all facts were  
2 subsequently admitted, that this case would be  
3 appropriate to go straight to revocation and not have  
4 suspension pending revocation since the facts are indeed  
5 admitted.

6 CHAIRMAN DiGIACOMO COLINS: Very good. Thank  
7 you.

8 Then may I have an a motion regarding this?

9 COMMISSIONER COY: Madame Chair, I move that  
10 the Board issue an Order to approve the revocation of  
11 Christopher Burns' Non-Gaming Employee Registration.

12 COMMISSIONER SOJKA: Second.

13 CHAIRMAN DiGIACOMO COLINS: All in favor?

14 COMMISSIONERS: Aye.

15 CHAIRMAN DiGIACOMO COLINS: Opposed?

16 Motion carries. Thank you.

17 Next one?

18 MS. HIGGINS: Next is a request for the  
19 suspension of the Non-Gaming Registration of Michelle  
20 Pauchnik.

21 On July 9th, 2008, the OEC filed an Enforcement  
22 Action Complaint against Miss Pauchnik pursuant to a  
23 February 8th, 2008 incident in which Miss Pauchnik, who  
24 was employed as a food and beverage snack employee at  
25 the Meadows Racetrack and Casino, took money from a cash

1 drawer and put into her tip cup, which she took at the  
2 end of her shift.

3 The Enforcement Action was served on  
4 Miss Pauchnik on July 22nd of 2008 by Certified mail and  
5 Miss Pauchnik was advised that she had 20 days to  
6 respond.

7 She did not respond to the Enforcement Action  
8 and, therefore, all facts alleged in the Complaint are  
9 deemed admitted.

10 The OEC would ask that Miss Pauchnik's  
11 Non-Gaming Registration be suspended.

12 CHAIRMAN DiGIACOMO COLINS: Thank you.

13 MR. COOK: Similar to the last case, Madame  
14 Chair, we believe that since default judgment has been  
15 entered, all of the facts alleged by our regulations are  
16 admitted, that this case would be appropriate for  
17 revocation rather than suspension pending revocation.

18 CHAIRMAN DiGIACOMO COLINS: Very good. Thank  
19 you.

20 Do I have a motion?

21 COMMISSIONER SOJKA: Yes. Madame Chairman, I  
22 move that the Board issue an Order to approve the  
23 revocation of Michelle Pauchnik's Non-Gaming Employee  
24 Registration as described by the OEC.

25 COMMISSIONER ANGELI: Second.



1           CHAIRMAN DiGIACOMO COLINS: All in favor?

2           COMMISSIONERS: Aye.

3           CHAIRMAN DiGIACOMO COLINS: Opposed?

4           Motion carries.

5           Next?

6           MS. HIGGINS: Next is a request to consider the  
7 revocation of Jackie Gardner. On July 29, 2008, the OEC  
8 filed an Enforcement Action Complaint against  
9 Miss Gardner, a Non-Gaming Registrant, based on  
10 surveillance obtained from June 10th, 2008 in which  
11 Miss Gardner in her position as a food and beverage  
12 employee would sell food but not ring the sales into a  
13 cash register.

14           Gardner instead would take the money from these  
15 sales and place it into a tip jar, which she would take  
16 at the end of her shift.

17           The Enforcement Action was served on  
18 Miss Gardner on August 4th, 2008 by Certified mail and  
19 Miss Gardner was advised that she had 20 days to  
20 respond.

21           She did not respond to the Enforcement Action  
22 and therefore all acts alleged in the Complaint are  
23 deemed admitted.

24           The OEC would ask that Miss Gardner's  
25 Non-Gaming Registration be revoked at this time.

1           MR. COOK: The OCC concurs in that  
2 recommendation.

3           CHAIRMAN DiGIACOMO COLINS: Thank you.

4           May I have a motion?

5           COMMISSIONER ANGELI: Madame Chairman, I move  
6 that the Board issue an Order to approve the revocation  
7 of Jackie Gardner's Non-Gaming Employee Registration as  
8 described by the OEC.

9           COMMISSIONER COY: Second.

10          CHAIRMAN DiGIACOMO COLINS: All in favor?

11          COMMISSIONERS: Aye.

12          CHAIRMAN DiGIACOMO COLINS: Opposed?

13          Motion carries.

14          MS. HIGGINS: Next is a request to consider the  
15 suspension pending revocation of Michelle Kapalski.

16                 On August 7th, 2008, the OEC filed an  
17 Enforcement Action Complaint against Miss Kapalski, a  
18 Non-Gaming Registration holder, based on her May 27,  
19 2008 arrest for the offenses of theft by unlawful taking  
20 or disposition and receiving stolen property. The  
21 charges stem from Miss Kapalski allegedly stealing  
22 approximately \$14,000 from her former employer.

23                 The Enforcement Action was served on Miss  
24 Kapalski on August 9th, 2008 by Certified mail and  
25 Miss Kapalski was advised that she had 20 days to

1 respond.

2 She did not respond to the Enforcement Action  
3 and therefore, all facts the OEC Complaint are deemed  
4 admitted.

5 The OEC would ask that Miss Kapalski's  
6 Non-Gaming Registration be suspended pending the  
7 resolution of her criminal charges.

8 MR. COOK: Consistent with the other cases,  
9 Madame Chair, we believe that this case, because of the  
10 default judgment and the admission of the facts that it  
11 is ripe for revocation.

12 CHAIRMAN DiGIACOMO COLINS: May I have a  
13 motion?

14 COMMISSIONER COY: Madame Chair, I move that  
15 the Board issue an Order to approve the revocation of  
16 Michelle Kapalski's Non-Gaming Employee Registration as  
17 described by the OEC.

18 CHAIRMAN DiGIACOMO COLINS: May I have a  
19 second?

20 COMMISSIONER GINTY: Second.

21 CHAIRMAN DiGIACOMO COLINS: All in favor?

22 COMMISSIONERS: Aye.

23 CHAIRMAN DiGIACOMO COLINS: Opposed?

24 Motion carries.

25 MS. HIGGINS: The next request is to consider

1 the revocation of Yen Bach Ngo. On July 15th, 2008, the  
2 OEC filed an Enforcement Action Complaint against  
3 Miss Ngo, a Non-Gaming Registration holder based on her  
4 arrest and conviction for theft of property, mislaid or  
5 delivered by mistake.

6 The charges stem from Miss Ngo, who is employed  
7 as a housekeeper, taking a \$44 voucher that was  
8 mistakenly left by a patron in a slot machine.

9 The Enforcement Action was served on Miss Ngo  
10 on July 18, 2008 by Certified mail, and Miss Ngo was  
11 advised that she had 20 days to respond.

12 She did not respond to the Enforcement Action  
13 and therefore, all facts alleged in the Complaint are  
14 deemed admitted.

15 The OEC would ask that Miss Ngo's Non-Gaming  
16 Registration be revoked at this time.

17 MR. COOK: The OCC concurs in that  
18 recommendation.

19 CHAIRMAN DiGIACOMO COLINS: May I have a  
20 motion, please?

21 COMMISSIONER GINTY: Madame Chairman, I move  
22 that the Board issue an Order to approve the Revocation  
23 of Yen Bach Ngo's Non-Gaming Employee Registration and  
24 is further prohibited from applying for any form of  
25 license permit or registration for a period of five

1 years.

2 COMMISSIONER McCABE: Second.

3 CHAIRMAN DiGIACOMO COLINS: All in favor?

4 COMMISSIONERS: Aye.

5 CHAIRMAN DiGIACOMO COLINS: Opposed?

6 Motion carries.

7 MS. HIGGINS: The next request is to consider  
8 the suspension pending revocation of Emily Walters. On  
9 July 10, 2008, the OEC filed an Enforcement Action  
10 Complaint against Miss Walters, a Gaming Permit holder  
11 based on her arrest for theft by unlawful taking or  
12 disposition and receiving stolen property. The charges  
13 stem from Miss Walters allegedly stealing \$12,000 from  
14 her former employer.

15 The Enforcement Action was served on  
16 Miss Walters on July 19, 2008 by Certified mail and  
17 Miss Walters was advised that she had 20 days to  
18 respond.

19 She did respond to the Enforcement Action and  
20 therefore, all facts alleged in the Complaint are deemed  
21 admitted.

22 The OEC would ask that Miss Walters' Gaming  
23 Permit be suspended pending the resolution of her  
24 criminal charges.

25 MR. COOK: Madame Chair, based upon the default

1 judgment and the admission of facts related thereto, the  
2 OCC believes that it would be appropriate to revoke  
3 Miss Walters' permit.

4 CHAIRMAN DiGIACOMO COLINS: Thank you.

5 May I have a motion?

6 COMMISSIONER McCABE: Yes. Madame Chair, I  
7 move that the Board issue an Order to approve the  
8 revocation of Emily Walters' Gaming Employee Permit as  
9 described by the OEC.

10 CHAIRMAN DiGIACOMO COLINS: Second please?

11 COMMISSIONER GINTY: Second.

12 CHAIRMAN DiGIACOMO COLINS: All in favor?

13 COMMISSIONERS: Aye.

14 CHAIRMAN DiGIACOMO COLINS: Opposed?

15 Motion carries.

16 MS. HIGGINS: The final Employee Enforcement  
17 Action for the Board to consider today is a revocation  
18 of the Gaming Permit of Tamara Sallot.

19 On July 21st, 2008, the OEC filed an  
20 Enforcement Action Complaint against Miss Sallot based  
21 on being informed that Miss Sallot, who was employed as  
22 a host at Presque Isle Downs, was not following  
23 procedures regarding issuance of complimentary drink  
24 vouchers.

25 Specifically, in proportion to other hosts,

1 Miss Shallot was giving out a high number of vouchers  
2 and not documenting where the vouchers were going, as  
3 required by Presque Isle's Internal Controls.

4 The Enforcement Action was served on  
5 Miss Shallot on July 23, 2008 by Certified mail and she  
6 was advised that she had 20 days to respond.

7 Miss Shallot did not respond to the Enforcement  
8 Action and therefore, pursuant to the regulations, all  
9 facts alleged in the Complaint are deemed admitted.

10 The OEC would ask that Miss Shallot's Gaming  
11 Employee Permit be revoked at this time.

12 MR. COOK: The OCC concurs.

13 CHAIRMAN DiGIACOMO COLINS: May I have a  
14 motion?

15 COMMISSIONER ANGELI: Madame Chairman, I move  
16 that the Board issue an Order to approve the revocation  
17 of Tamara Sallot's Gaming Employee Permit as described  
18 by the OEC.

19 COMMISSIONER SOJKA: Second.

20 CHAIRMAN DiGIACOMO COLINS: All in favor?

21 COMMISSIONERS: Aye.

22 CHAIRMAN DiGIACOMO COLINS: Opposed?

23 Motion carries.

24 Thank you very much.

25 MS. HIGGINS: Thank you.

1 MR. PITRE: Thank you.

2 MR. COOK: Thank you.

3 CHAIRMAN DiGIACOMO COLINS: Thank you all.

4 All right. We will adjourn shortly. I just  
5 want to make some final announcements. Our meeting is  
6 concluded.

7 Looking ahead, we will hold our next public  
8 meeting on October 14th at the North Office Building,  
9 Hearing Room No. 1. The meeting regularly scheduled for  
10 October 9th, which is the date of Yom Kippur has been  
11 canceled.

12 Now, before adjourn -- our regular business is  
13 concluded; but before adjourning, I want to announce  
14 that this was our meeting that we had advertised a  
15 public comment period.

16 No one has signed up for that; but nonetheless,  
17 this was an opportunity for public comment. So I just  
18 wanted to place that on the record.

19 May I have a motion to adjourn.

20 COMMISSIONER COY: So moved.

21 COMMISSIONER McCABE: Second.

22 CHAIRMAN DiGIACOMO COLINS: All in favor?

23 COMMISSIONERS: Aye.

24 CHAIRMAN DiGIACOMO COLINS: Motion carries.

25 Thank you.



1 (The meeting concluded at 12:21 p.m.)

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

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Hillary M. Hazlett, Reporter  
Notary Public

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