APPEARANCES

OFFICE OF CHIEF COUNSEL

R. DOUGLAS SHERMAN, ESQUIRE
Chief Counsel

STEPHEN S. COOK, ESQUIRE
Deputy Chief Counsel

OFFICE OF ENFORCEMENT COUNSEL

CYRUS PITRE, ESQUIRE
Chief Enforcement Counsel

PA Gaming Control Board
P.O. Box 69060
Harrisburg, PA 17106-9060
Counsel for the Pennsylvania Gaming Control Board
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By way of announcements, the Board held an Executive Session on July 28th, and just prior to today's public meeting. The purpose of the Executive Session yesterday was to discuss personnel matters, pending litigation and to conduct quasi-judicial deliberations relating to matters pending before the Board. The purpose of this morning's Executive Session was to deliberate the petitions that were the subject of today's hearings.

Having made all the announcements, our next item of business is minutes and transcripts. May I have a motion, please?

MR. ANGELI:

Mr. Chairman, I move that the Board approve the minutes and the transcript of May 25th, June 10th and June 21st, 2010 meetings.

CHAIRMAN:

All in favor?

ALL SAY AYE

CHAIRMAN:

Opposed? Motion passes.
MR. COY:
I second.

CHAIRMAN:
Thank you. We are being presumptuous here this morning. Our next item of business is our Executive Director's report. Kevin, could you please come up? Welcome.

MR. O'TOOLE:
Good morning. For the record, I'm Kevin O'Toole, O, apostrophe, capital T, O-O-L-E. For the past five or six months I have given the Board periodic updates at these public meetings on the progress for implementing Table Games.

This morning I'm very pleased to give you a briefing on the successful completion of the startup of table games in all nine operating casinos. We have a PowerPoint presentation here this morning. And I'd like to thank Rich McGarvey and Doug Harbach for their preparation of this presentation.

Our first line --- we all recall when the Act was first signed into law with a very specific legislative intent laid out in very good language to protect public interests in any legalized gaming activity, to provide property tax relief, enhance the horse racing industry and provide economic development
and job creation. On that point, job creation of over 8,200 jobs has been provided within Pennsylvania during the period that the casino has for slot operations.

Of particular significance is January 7th, 2010 when table gaming legislation was signed into law. Our commitment, the Board's commitment from day one was to implement table games in six to nine months. A rather challenging endeavor, and we have been able to do it certainly on a lower end of that nine-month period. We did it within six months.

It's also important to note that Pennsylvania as a whole --- the casino industry and the regulation of that industry has received quite a bit of attention over the last year, during the economic downturn. We are, in fact, one of the few jurisdictions and certainly most significant jurisdiction to share economic progress on the revenue front.

Just recently in the Global Gaming Business magazine edition of July 2010, one of the leading spokesmen of the casino industry and on behalf of the casino industry, Frank J. Fahrenkopf, Jr., President and Chief Executive Officer of the American Gaming Association stated right in the beginning of
his midyear review, gaming in Pennsylvania remains a bright spot for our industry, repeatedly cataloging record breaking revenues. With the addition of table games the state's casinos are even more likely to continue to out perform last year's impressive totals.

With respect to table games and the implementation of table games, the legislature created a very challenging time frame of its own requiring this Board to act within 60 days of the filing of a Petition for Table Game Authorization. And this screen that we're looking at now provides the schedule for those 60 days.

Ten properties, including SugarHouse as the tenth property, filed a petition. We recognized very early that if we did not get off on the right foot that this process would not have been a success. So, our first endeavor was to hold a meeting, five to six representatives from every operating casino, including SugarHouse as an advocate, as a licensed holder --- attended that session. The Harrisburg University of Science and Technology was gracious enough to offer a large lecture room for that meeting.

In that I would like to recognize Chief Counsel, Doug Sherman, who coordinated the effort to insure that the petitions needed to be immediately
filed by the casinos would be complete and responsive, because if they weren't and if we had to go back to the property and ask for additional documentation it would have delayed the process inordinately. So, it was a very successful meeting because the petitions came in, they came in on a timely basis and they were very comprehensive.

The legislature also required within that 60-day period of public input hearing. And I'd like to publicly express my appreciation to Director Linda Lloyd, who conducted those public input hearings within the municipality and region the casino is located. Her professionalism and her competency in running those public input hearings were quite evident and very much appreciated.

The legislation required that this Board determine and decide the petitions within the 60-day period. And I also would like to recognize and thank the Board members for their active participation of the public input hearings. At every hearing there was at least one, in most cases two, three or four commissioners present at the public input hearing. And your contribution to that was both extremely valued.

The petitions were, in fact, scheduled at
public meetings within the 60-day period and they were approved by Ms. Lloyd. While that 60-day period was occurring, the staff was diligently working on those things that needed to get accomplished. First and foremost the key to our success was the legislature. The legislature recognized and gave us the indispensable tool of being able to promulgate temporary regulations.

Section 1303A states why they did that. They did that in order to facilitate the prompt implementation of table games. Absent that tool, I wouldn't be standing here today talking about the successful opening of the table game operations. At the first meeting, following the implementation of the table game legislation, we promulgated five table game rule specifications. And by May 25th the Board meeting on that date, over 700 pages, in fact, there are 749 pages of temporary regulations covering 27 chapters. And not only is this a large volume of material, it's all on the internet and you don't have to print it out to refer to any of these sections.

It's very important to get these regulations out in the correct order. If we started with the internal controls, it wouldn't have worked, you know, that's something towards the --- not the
tail end, but it had to start in a specific order. Casinos had to get dealer schools up and running and training their dealers. So one of the first things we did was establish --- as the legislature requires to, we established minimum training and proficiency standards for dealers. We did that in collaboration with the Department of Education and the Department of Labor and Industry. Secondly, we had to continue on a very stringent time frame to promulgate rules for the games, because if you're going to train the dealer, you want to train them in the rules that you're specifying. And the general public there is recreational handlers who might not understand if these games have a lot of different nuances to them, and they're not all identical in every jurisdiction. So our staff examined how the games were operated in other jurisdictions and came back and we feel very confident that we have an outstanding set of rules and regulations. Rules of gaming that serve the public interest as well as serving the casino's interest in being a successful casino operation.

We also promulgated surveillance standards so that the casinos could go out and buy the
equipment and analyze what they needed to do for surveillance. We promulgated equipment standards, and in that regard our Bureau of Gaming and Lab Operations under Director Michael Cruz and his staff. They have been to every casino and tested all of the equipment associated with table needs as it relates to shufflers, which would incur quite complicated pieces of equipment these days, as well as the computer programs associated with any progressive components on table games. And also the I-tables, a new technology that I think is going to become more popular as Pennsylvania casinos continue to examine their own operations. The I-tables are at Parx Casino at the present time.

Towards the last several months before the hoped-for implementation of table games, we sent out the internal controls, we did that in several stages. We promulgated the casino credit procedures and regulations. The legislature saw fit to allow the casinos in Pennsylvania to offer casino credit to compete with other jurisdictions that also offer casino credit. And we feel that we have a very stringent process for being approved for casino credit in Pennsylvania. One that requires a full audit trail of all the reasons, all the justifications for why
this applicant has the resources to be entitled to the privilege of casino credit.

We also promulgated the regulation to ensure that the casinos would be calculating their table games revenue and the associated taxes in line with statutory requirements. We have promulgated rules that cover 18 table games. This is an expandable list. The casino comes to us with additional games, we will get our staff together. And in consultation with the industries we will promulgate additional table games as needed. We promulgated five poker games. In the short three-week period that casinos have been up and running, seven of the nine opted to have poker at the beginning of their table games operations. And every one of them have been extremely pleased with the popularity of their poker rooms.

Internal controls, really the lifeblood of integrity, along with the equipment standards, the Bureau of Gaming and Operations through Director Paul Resch and his entire team and in particular, Patty Gustavson and her staff then went through and approved the --- approved 784 internal control submissions covering these non profits, just an enormous task. And associated with internal controls, in addition to
the profits that you see on that screen, the Office of
Compulsive and Problem Gambling reviewed nine revised
Compulsive and Problem Gambling Plans. And the Office
of Diversity has reviewed, revised diversity plans to
incorporate table gaming personnel.

From the licensure standpoint, I just
cannot over emphasize what a remarkable job it was for
the Bureau of Licensing and the Bureau of
Investigations and Enforcement (BIE) to accomplish
what they did, with the assistance and support of our
IT department of the Board. It took an enormous
amount of organization and coordination between those
two Bureaus, as well as the Human Resource Department
at each casino, to accomplish the licensing
requirements to get employees on the premises and
ready to go.

The first screen of licensing describes
table games supervisors. We designated them for
license prevention purposes as G-2 employees. Over
1,000 supervisory applications came in. There were a
few withdrawals. There were a few denials and
temporary approvals. Those 39 Denials, that doesn't
mean they're out of the system. What it means is that
there was something in the background that
necessitated a complete background investigation
before the determination would be made.

And 877, as of several days ago, supervisory personnel have been approved. There's about 150 or so that are still pending our determination. Licensing of table games dealers, over 3,000 dealer applications have been submitted. The dealers were not temporarily approved, so a complete background investigation has been conducted on all of the dealer applicants. We had a few withdrawals, a few recommended for denial, and 2,743 of those applications were approved as of several days ago.

The scope of work for the dealer applicants as performed by our very competent and highly professional staff of investigators, who have been the BIE, the scope of workers is listed there, tax clearance review from Pennsylvania Department of Revenue, criminal history, background review, and fingerprints. Supplemental checks with local police departments, other database searches, a lot of that information is -- allows us to determine financial suitability, are there multiple bankruptcies, are there judgments, are there liens, is there something that could compromise the objectivity or integrity.

Verification of dealer experience, this was not an easy function to do, but they did it. They
developed relationships that they already have with other gaming jurisdictions and developed some rules to ensure that the dealers have either attended the training program or have experience at other facilities outside of Pennsylvania. They do reference checks, and they also verify license status, if a person had a gaming license outside of Pennsylvania.

So in summary of all of the persons associated with table games operations, the job creation component of table games --- and this is still a growing list, but as of several days ago, 4,464 new jobs in Pennsylvania have been generated through the legislative work to authorize table games.

From a financial standpoint the ten petitioners for table games authorization each made timely payments of $16.5 million each for the License Fee. And the Manufacturer License Fees and suppliers and manufacturers designee, a total of $165,580,000, has been generated for the Commonwealth on License Fees.

In a conscious effort to implement the casinos on a timely basis considering the competitive factors of casinos that might be drawing in patrons from similar geographic regions and trying to do it in
a way that one casino would not be able to open up prior to a competitor casino. We announced the test periods that would occur to ensure that each property was ready for table games, we established three opening teams. And those opening teams were led by Jane Berthelson, Jeanne Ort-Motto and Kevin Kile. They did an outstanding job in coordinating the test periods, having compliance check lists available, assigning each of their staff persons, what their responsibilities would be. We established an eight-hour test period with live gambling activity, with betting and after gaming taxes were paid. All of the proceeds were to be donated to charity. The onsite Casino Compliance Representatives and Casino Compliance Supervisors had a big role in assisting during that test stage. We have a screen that reflects some of the steps that we took to ensure that the dealers were knowledgeable of the rules, that they knew how to take their table inventory counts, that involved the security department, the surveillance department, cage, everyone said it was a big task.

The test dates began on July the 6th, two days after the 4th of July holiday. Another very significant logistic problem that we had was specifically getting this done in a short period of
time with the geographic distance between Erie and
Bensalem and Bethlehem and Allegheny County, and
Washington County. And the full opening for each of
these casinos occurred two days after the test period.
So, the test periods occurred within a ten-day span
and the grand openings occurred also within a ten-day
span. We have a screen that's kind of hard to read up
on those monitors, but this identifies all the various
people that participated in the opening teams. But in
addition to the people that were onsite at the
openings, everyone in the organization had to
contribute. And I'd like to express my appreciation
to everyone in the Pennsylvania Gaming Control Board
for the outstanding effort that they showed in the
commitment to getting this job done.

The charitable contributions is very
important, a notable $100,000 has been donated by the
casinos through the test date period, some fantastic
charities benefited from that.

And the final screen, really it's pretty
amazing that nine gaming facilities implemented 650
table games in just ten days. Now I do like to read
tribunals that give you updates on other jurisdictions
and my experience is I know of no other jurisdiction
that's been able to hold table games with those kinds
of numbers in that short period of time with the level of comprehensiveness displayed by the employees of the Pennsylvania Gaming Control Board. We did not skip any step of the process in order to expedite this. We did everything that was necessary to ensure that the facilities opened up with sound and strong internal controls. And we are now excited about the opportunity for Pennsylvania to generate additional revenue and additional jobs, and to oversee the regulatory process for the full service casinos.

And before I close we have an awful lot of our employees here in the audience so please, every Pennsylvania Gaming Control Board employee stand up.

CHAIRMAN:

Thank you very much, Kevin. Commissioner McCabe?

MR. MCCABE:

Yes, thank you, Mr. Chair. Kevin, as a good leader, you've given credit to everybody and taken none for yourself. And I want to take this opportunity to publicly commend you, praise you for your leadership knowledge, experience and wisdom in getting us to this point.

When this Board was looking to hire a new Executive Director one of our intents was to hire
somebody that could take us to the next level. We knew that table games were going to be coming in the future, and at that time didn't know when. We wanted to hire somebody who was not just going to take us to that next level, but put us out in front of the rest of the nation. And Kevin, you have done that. You have done an outstanding job. I don't know if people have seen the articles this week where we are the number one revenue generation, generating jurisdiction in the nation, generating last year over $1.1 million --- billion, I'm not used to those big numbers --- but billion dollars with nine casinos, where Las Vegas with 250 casinos I think generated $832 million. Kevin, under your leadership and direction you have taken us to that next level. And in my opinion, you have made us number one. So I want to thank you.

MR. GINTY:
Thank you.

MR. TRUJILLO:
Mr. Chairman?

CHAIRMAN:
Yes, Commissioner Trujillo. Kevin, not so fast. Nice try.

MR. TRUJILLO:
I think I mentioned this to you, Mr.
Chairman, but I had the distinct privilege of serving on President Obama's transition team when he instituted the change in commission and I told a couple of people that that was really a remarkable experience, seeing how that organization operated, and times did not. And one of the great privileges that I've had over the last almost nine months serving on this Board and seeing that our staff that's had --- this Board and this Board itself, in my view, compares extraordinarily favorably with the FCC or with any of the primary regulatory agencies in the country. And I'm just so extraordinarily proud to be part of this organization. And I really appreciate the work that our staff has done and the leadership, Kevin, you've shown and, Mr. Chairman, the leadership that you have shown as well. And I just couldn't be more proud to be part of this organization.

CHAIRMAN:

Thank you very much. And we'll let you go Kevin, just one second. I think also on behalf of the Board and as the Chair I want to thank you for the job you've done and to all of our employees out there. You've heard me say it before, you've heard other Board members say it. I really do firmly believe in my heart of hearts, that we have the best staff of any
agency in the Government. You work every day, sometimes in very trying times. We all know the political environment in which we work. Sometimes it's not easy to come to work and do your job, but you do what you do with a smile on your face. And we as Board members and I know Kevin feels the same way, very, very, proud of what you do. So, thank you. Thank you, Kevin.

Next up is Claire Yantis, our Director of Human Resources. Welcome, Claire.

MS. YANTIS:

Good morning, Chairman and Board members. The Office of Human Resources has three motions before you today, relative to the hiring of PGCB staff. First we ask that you consider a motion to hire three individuals for Casino Compliance Representative positions in the Bureau of Casino Compliance. David Greenfield, Edward Blizzard and Teresa Dickson have completed the PGCB interview process, background investigation and drug screenings and are being recommended for hire by Director of Casino Compliance, Gerry Stoll.

As such I ask that you consider a motion to hire these individuals as indicated.

CHAIRMAN:
Any questions or comments from the Board?  
If none, can I have a motion, please?  

**MR. COY:**  
Mr. Chairman, I move the Board approve  
the applicants as proposed on the condition that the  
applicants have completed the necessary background  
investigations and drug testing.  

**MR. GINTY:**  
Second.  

**CHAIRMAN:**  
All in favor?  

ALL SAY AYE  

**CHAIRMAN:**  
Opposed? Motion passes.  

**MS. YANTIS:**  
Next if you recall in February of 2010  
the Board approved a motion delegating authority to  
the Personnel Committee, to authorize the hiring of  
individuals as they successfully completed their  
background investigation with subsequent application  
of those hires by the Board.  

The February Order afforded the PGCB  
opportunities to efficiently process the internal  
staff required for table games implementation. Since  
the last Board meeting there were two individuals that
had been approved to commence employment under this Order. Michael Ferriola and Lauren Recupido had been approved by the Personnel Committee to begin employment as Casino Compliance Representatives. Both individuals were recommended for hire by Director of Casino Compliance, Gerry Stoll and completed the necessary background screening and drug testing. We would therefore ask that the Board ratify the hiring of these individuals as required by the February Order of the Board.

CHAIRMAN:
Any questions or comments? Can I have a motion, please?

MR. SOJKA:
Yes, Mr. Chairman, I move that the Board ratify the hiring of the two applicants as described by the Director of Human Resources.

MR. ANGELI:
Second.

CHAIRMAN:
All in favor?

ALL SAY AYE

CHAIRMAN:
Opposed? Motion passes.

MS. YANTIS:
Finally, in order to ensure full and adequate staffing and training of PGCB employees for the anticipated opening of the SugarHouse Casino, we are in the process of hiring additional staff at this location. To date the Office of Human Resources, in conjunction with staff from various Bureaus, have conducted numerous interviews and begun to present recommendations to fill these positions.

Understanding length of time necessary to select candidates to be fully vetted through the background investigation process, we are asking the Board to consider a motion delegating authority to the personnel committee to effectuate hiring these individuals if they complete the background process. This delegation of the parties with the understanding that approval of hiring will be contingent upon the candidate's successful completion of the background investigation and with the understanding that the Board ratify those hires at future public Board meetings.

We believe this delegation of authority will allow us to make the most efficient use of time in order to ensure the PGCB is in the best possible position to support the opening of this new casino.

CHAIRMAN:
Thank you. Any questions from the Board?

Can I have a motion, please?

MR. ANGELI:

Mr. Chairman and members of the Board, I move that the Board delegate authority to the Personnel Committee to effectuate the hiring of individuals needed to staff the SugarHouse Casino with the understanding that approval of all hires would be contingent upon the candidates successfully completing background investigations and with the understanding that the Board will ratify those hires at a future public Board meeting.

CHAIRMAN:

Second?

MR. COY:

I'll second the motion.

CHAIRMAN:

All in favor?

ALL SAY AYE

CHAIRMAN:

Opposed? Motion passes. Thank you, Claire. Next up is our Budget Manager, Dave Rhen.

Welcome, Dave.

MR. RHEN:

Thank you. Today's budget report focuses
on expenditure results through the end of June. Fiscal year 2010, process through the end of June totaled $28.5 million. This is composed of $23.6 million extended on payroll and $4.9 million extended for operating expenditures.

During June payroll totaled $2 million and operating expenditures where $342,000. Expenditures for the month totaled $2.4 million. The largest operating expenditures in June included $149,000 for purses, $110,000 for utilities, $49,000 for office equipment and vehicle rentals and $32,000 for travel. For the year, the operating expenditures are also $1.9 million and 39 percent of operating expenditures were able to meet this, $1.1 million or 23 percent for service, $603,000 or 12 percent for the utilities and $503,000 or 10 percent for other operating expenditures including database searches used in background investigations. Thank you.

CHAIRMAN:
Thank you, any questions from the Board? Thank you very much, Dave. Next up is our Chief Counsel, Doug Sherman.

ATTORNEY SHERMAN:
Good morning, Chairman and members of the Board. Our first agenda relates to delegation of
authority to the Executive Director. We are requesting that the Board consider delegating a certain authority relating to changes in table games to the Executive Director. Currently a combination of statutory provisions and conditions on the table games licensees require Board approval for changes in the number of tables on the gaming floor, in the types of games offered at --- be authorized in authorized areas and in configuration of tables on the gaming floor.

Casino operators often have business needs to increase or decrease the number of tables on the floor, to change the type of a game in a specific location, or to reconfigure tables which are already authorized. These types of changes are generally of a routine nature and can be secured in a relatively quick time frame. Moreover, these specific changes are inherently dependent upon an individualized staff review of security and surveillance as well as staffing levels.

As with changes in the slot arena, we believe that changes of this nature are suited for review and approval by the Executive Director following a staff review and confirmation that the proposed change will not detrimentally affect the Commonwealth's interest.
Accordingly, we are requesting the Board delegate the authority to approve changes in the number of tables, the types of table games played at existing tables and reconfigurations of the tables through the Executive Director subject to the proviso that the number of tables increase or decrease could not exceed ten percent of the existing table games authorized in the facility.

It should be noted that even in these situations where the Executive Director is authorized to approve a requested change; he always has the option to refer a particular matter to the Board for full Board consideration if he deems it plausible. Moreover, the Board is still being presented with changes to the size of the gaming floor, more than two percent of the approved floor space as well as any increases or decreases in the number of tables in excess of ten percent of those authorized.

If acceptable to the Board, I would ask that a motion to delegate this authority to the Executive Director be considered.

CHAIRMAN:

Any questions or comments from the Board?

If none can I have a motion, please?

MR. TRUJILLO:
Mr. Chairman, I move that the Board authorize the delegation of authority to the Executive Director to make table games changes as described by our Chief Counsel.

MR. SOJKA:
Second.

CHAIRMAN:
All in favor?

ALL SAY AYE

CHAIRMAN:
Opposed? Motion passes.

ATTORNEY SHERMAN:
Today the Board has five motions or petitions before it for consideration. Two of these matters were heard by the Board earlier during the public hearing. That would be that of Philadelphia Entertainment and Development Partners’ Motion for Reconsideration of the Office of Hearings and Appeals’ (OHA) June 30th, 2010 Order and the second one being the U.S. Playing Card Petition for Relief from certain licensing requirements.

The other three petitions will be addressed individually and are considered on the documentary record. In each of the five matters the Board has been provided with a motion or petition, any
response of pleadings, and any other pleadings or other additional documentary, evidentiary materials. The first petition before the Board is --- as I indicated, was that of Philadelphia Entertainment's Motion for Reconsideration of the Director of OHA’s June 30th, 2010 Denial of Philadelphia Entertainment's June 22, 2010 Appeal regarding the OHA June 18th, 2010 Discovery Order. The matter has been heard by the Board and it's appropriate for your consideration at this time.

CHAIRMAN:
Thank you, any questions or comments from the Board? If none, can I have a motion, please?

MR. GINTY:
Yes, Mr. Chairman. I'm going to move that the Board deny the petition of Philadelphia Entertainment and Developing Partners as just described by the Chief Counsel. And remand to the Hearing Officer to consider forthwith whether good cause exists for any modification of paragraph one of the June 18th, 2010 Order.

CHAIRMAN:
Can I have a second, please?

MR. MCCABE:
Second.
CHAIRMAN:
All in favor?
ALL SAY AYE

CHAIRMAN:
Opposed? Motion passes. I would also just like to make a comment. The message from the Board on these types of interrogatory appeals is that they are inappropriate. And we believe that these appeals are within and should be staying in the domain of the Hearing Officer. Please proceed.

ATTORNEY SHERMAN:
Thank you. The next petition before the Board is U.S. Playing Cards Petition for Relief from the Licensing Requirements. U.S. Playing Cards has presented its case to the Board arguing that either it should not be required to have a separate license since its subsidiary company would be in Mexico or alternatively should be granted a reduction to a $50,000 fee. The Board has had the opportunity to question representatives of OEC and U.S. Playing Card. And again, this matter is now ready for consideration.

CHAIRMAN:
Any questions or comments from the Board? Seeing none, can I have a motion, please?

MR. MCCABE:
Yes, Mr. Chair. I move that the Board grant the petition of U.S. Playing Cards to the extent it requests for a reduction of the Board, $50,000 Manufacturer License Fee as follows; U.S. Playing Cards and U.S. Playing Cards Mexico shall be relieved of the obligation to pay the additional Manufacturing Licensing Fee. Two, this relief is limited to the production and sale of dice manufactured by U.S. Playing Cards Mexico for a one-year period. After which the Board, upon request, will re-evaluate any future reduction in its license renewal fee. And three, U.S. Playing Cards in Mexico is still obligated to pay all other associated license fee and cost of investigations. Additionally, I move that the U.S. Playing Cards unopposed request for limited confidentiality in this matter be granted.

CHAIRMAN:

Second?

MR. SOJKA:

I'll second that.

CHAIRMAN:

All in favor?

ALL SAY AYE

CHAIRMAN:

Opposed? Motion passes.
ATTORNEY SHERMAN:
The next matter before the Board today is NRT's Petition for Reconsideration of a three-year license. The Board initially approved NRT's Manufacturing License for 2006, and that license has been renewed yearly after. On June 9th, 2010 NRT requested and it was granted a one-year Manufacturer License Renewal. They did file a petition averring that upon reconsideration they feel it's in their best interest to request that that renewal be every three-year period as is now permitted in the January 2010 amendments of the Gaming Act.

The Bureau of Licensing indicates that NRT is compliant with their Statement of Conditions as well as all Department of Revenue and Department of Labor and Industry requirements. And the Office of Enforcement Counsel (OEC) is not lodging an objection for the request. Based upon these facts and circumstances we recommend that the Board grant NRT's petition.

CHAIRMAN:
Any questions or comments from the Board? Can I have a motion, please?

MR. SOJKA:
Yes, Mr. Chairman, I move that the Board
grant the petition of NRT as described by the Office of Chief Counsel (OCC).

CHAIRMAN:
Second?

MR. TRUJILLO:
Second.

CHAIRMAN:
All in favor?

ALL SAY AYE

CHAIRMAN:
Opposed? Motion passes.

ATTORNEY SHERMAN:
The next petition before the Board is CTM Media Group's Petition to be Removed from the Prohibited Gaming Service Provider List. In 2007 CTM had a contract with Harrah's Chester Downs to provide advertising services. Under that contract the Board staff had indicated that CTM was required to file certain vendor application materials. CTM did not respond to the notices sent to them in February 2009. And subsequently were placed on a Prohibited Vendor List.

CTM has indicated in their recent filing that due to internal changes in management and re-organizations of the company the Board's notices were
not forwarded to the appropriate people internally at CTM. And as a result, they did not respond. They now aver that after eventually receiving the notifications in the appropriate places, they have sought --- in the interim they did not seek any more work until more recently, in May 2010 when they began negotiating some new contracts with Pennsylvania Licensees. They have now learned they, in fact, were on the Prohibited Vendor List and have filed a petition to come off of the list.

OEC is not objecting to the request to be removed from the Prohibited Gaming Service Provider List, provided that CTM pay a civil penalty in the amount of $1,500, pay any outstanding costs associated with the background investigation, and ensure that if interim authorization is granted that CTM renew their contracts to perform work for casinos, that authorization be immediately rescinded if CTM does not fulfill all of their obligations to cooperate with our agency.

We recommend that the Board would consider a motion granting the relief subject to the conditions of OEC.

CHAIRMAN:

Thank you, any questions or comments from
the Board? Can I have a motion, please?

MR. TRUJILLO:

Mr. Chairman, I move that the Board grant the petition of CTM as described by our Chief Counsel.

MR. ANGELI:

Second.

CHAIRMAN:

All in favor?

ALL SAY AYE

CHAIRMAN:

Opposed? Motion passes.

ATTORNEY SHERMAN:

And the final petition before the Board today is XPEDX's Petition for Removal from the Prohibited Gaming Service Provider List. This vendor, again, filed an unsponsored Vendor Registration in November of 2007, but failed to provide certain information requested in the original application asserting it was impractical for a company of this size to obtain and provide all requested information. After failing to provide the necessary information we placed the vendor on the Prohibited Vendor List in December of 2008.

Since that time the Board's regulations have been amended, specifically removing the
requirement that publicly traded corporations apply
for registration or certification. Under the amended
regulations, as long as XPEDX files a publicly traded
corporation authorization form, they are no longer
required to provide the information that they
previously objected to.

OEC has not objected to the petition to
remove the company from the Prohibited Gaming Service
Provider List, provided the company pay an amount of
$1,500 as a civil penalty along with any outstanding
costs associated with the background investigation.

Again, this matter is appropriate for the Board to
make a motion to consider it and approve?

CHAIRMAN:
Any questions from the Board? Can I have
a motion, please?

MR. ANGELI:
Mr. Chairman, I move the Board grant the
relief to XPEDX as described by the OCC.

MR. COY:
Second.

CHAIRMAN:
All in favor?

ALL SAY AYE

CHAIRMAN:
Opposed? The motion passes.

ATTORNEY SHERMAN:
All right. Next, presenting Withdrawals
and Reports and Recommendations, is Deputy Chief
Counsel Stephen Cook.

ATTORNEY COOK:
Good morning.

CHAIRMAN:
Good morning, Steve.

ATTORNEY COOK:
The Board received data to oppose the
Petition to Withdraw applications for 23 individuals
or businesses, the majority of which were associated
with the Category 3 application of Wyo Gaming, LP.
The persons or entities subject to these petitions are
as follows, Cronmiller-McCormick Company, Inc.; Ian D
Frisbie; Jesus Alberto Gonzalez-Pita; Gurnari Marble
and Tile; George Gresham; Steve Lazarus; Wyo Gaming
LP; Wyo Gaming GP, LLC; Berkshire Inn, LP; MJ Reading
Associates, LLC; William Meyer; Richard Jabara;
Cambridge 3030 Gaming, LLC.; CMS Wyo Partners, LP; CMS
Wyo GP, LLC; CMS VRE II Partners; CMS Gaming GP, LLC;
CMS Gaming Partners Q, LP; Michael Sklar; John
Donnelly; William Landman; Richard Aljian, and
Translucent Technologies, LLC doing business as Slot-
Tickets.

The OEC has no objections to these withdrawals. However, with respect to the position of Translucent Technologies --- Translucent's withdrawal should be conditioned upon the Wisconsin Label Corporation, which obtained that company in a merger, paying all outstanding fees owed to the Board, and cost occurred in the investigation of Translucent. The OCC submits these withdrawals to the Board requesting an Order allowing for the withdrawal of each without prejudice.

CHAIRMAN:
Thank you. Any questions from the Board? Can I have a motion, please?

MR. COY:
Mr. Chairman, I move that the Board issues Orders approving the withdrawals and surrenders as described by the OCC.

MR. GINTY:
Second.

CHAIRMAN:
All in favor?

ALL SAY AYE

CHAIRMAN:
Opposed? Motion passes.
ATTORNEY COOK:

Next before the Board for consideration is one Report and Recommendation received from the OHA relative to a Non-Gaming Employee Registration. The Report and Recommendation, along with evidentiary record, had been provided to the Board in advance of this meeting. Additionally, the person involved, Stephen O'Hara, had been notified that the Board is considering his Report and Recommendation today and that he has the chance to come forward and address the Board briefly. If Mr. O'Hara is in the room today I would ask him to come forward.

As noted, the Report and Recommendation before the Board today pertains to Stephen O'Hara. Mr. O'Hara submitted a Non-Gaming Employee Registration application to work as a bus person at Harrah's Chester Casino. Mr. O'Hara disclosed on his application that he's been arrested previously for a DUI and careless driving. However, on April 5th, 2010 OEC issued a Notice of Recommendation of Denial based upon Mr. O'Hara's failure to disclose a January 2010 arrest for burglary and criminal trespass, both of which are felony offenses, along with several misdemeanor summary offenses.

On March 23rd, 2010, Mr. O'Hara entered a
guilty plea to criminal trespass, which as indicated
is graded as a felony, as well as lewdness, purchase,
consumption, possession or transportation of liquor by
a minor. Mr. O'Hara at the time was 20 years old.
And also, I believe he was convicted of criminal
mischief.

Mr. O'Hara requested a hearing which was
held on May 11th, 2010. Both the OEC and Mr. O'Hara
attended and offered testimony and documentary
evidence at the hearing. At that hearing Mr. O'Hara
testified that regardless of his conviction for a
felony, he was not attempting to break into anyone's
house on the night of question, but rather that there
was a misunderstanding. He admits that he had been
drinking, indicated that while in State College, where
the situation occurred, he had been mugged and was
knocked unconscious and upon regaining consciousness
entered this house seeking help and while attempting
to get help, knocking on the door the people in the
home mistakenly thought he was attempting to
burglarize or break in the home. Notwithstanding that
evidence the Hearing Officer recommended that his
application be denied based in part upon his non-
disclosure of the arrest and the subsequent felony
conviction. That matter is now before the Board for
consideration, both in favor --- proposing the Board
recommendation would deny this individual licensure
and against the Report and Recommendation would allow
him his registration for license.

CHAIRMAN:

Any questions or comments from the Board?
If not can I have a motion, please? Mr. Ginty?

MR. GINTY:

I do have a comment. I wish Mr. O'Hara
was here. This is an incident, a young gentleman at
State College, a college student, and things appear to
have gotten a little out of hand. I would like the
opportunity to pursue it a little bit further with Mr.
O'Hara. I really have a problem for young people in
these situations who without representation by counsel
plead guilty to felony convictions that --- and you
see no incarceration. I have some real problems with
Judges who permit people to plead to felonies without
adequate representation. As to the statement Mr.
O'Hara chose not to show up today and, in fact, he did
not disclose this and I'm prepared to vote.

CHAIRMAN:

Thank you, any other questions?
Can I have a motion, please?

MR. MCCABE:
Yes, Mr. Chair, I move that the Board issue an Order to adopt the Report and Recommendation of the OHA regarding a Non-Gaming Employee Registration of Stephen O'Hara as described by the OCC.

CHAIRMAN:
Second?

MR. SOJKA:
Second.

CHAIRMAN:
All in favor?

ALL SAY AYE

CHAIRMAN:
Opposed? Motion passes.

ATTORNEY SHERMAN:
And that concludes the matters of the OCC.

CHAIRMAN:
Thank you, Doug. Thank you, Steve. That concludes, as Doug noted, the Chief Counsel's report. I can now ask that Sean Hannon, our Manager of the Bureau of Licensing Enterprise Unit, come forward and present the Bureau of Licensing items on today's agenda. Welcome, Sean --- doing double duty today.

MR. HANNON:
Whatever it takes. Good afternoon,
Chairman Fajt and members of the Board. First matter for your consideration, the issuance of Conditional Table Game Manufacturer License for South Jersey Precision Tool and Mold, Incorporated. Pursuant to the Board's regulations, the Board can issue a Conditional Table Game Manufacturer License provided the applicant submits a completed application, its license is in good standing and gaming jurisdiction whose manufacture standards are recognized by the PGCB, submits a written statement from the facility, a gaming facility and they do business with the company. Passes a preliminary criminal history investigation and pays any required fees prior to licensing issuance.

The Bureau of Licensing has provided you with a preliminary report, preliminary background investigation and suitability report for this applicant. No issues were identified by either the BIE or Licensing that would preclude approving a Conditional License. I have provided you with a draft Order and ask that the Board consider the approval of Conditional License for South Jersey Precision Tool and Mold, Incorporated.

CHAIRMAN:
Thank you, any questions from Enforcement Counsel?

ATTORNEY PITRE:
No objection.

CHAIRMAN:
Any questions from the Board? Seeing none, can I have a motion, please?

MR. SOJKA:
Yes, Mr. Chairman, I move that the Board approve South Jersey Precision Tool and Mold, Inc.'s Conditional Table Game Manufacturer License as just described by the Bureau of Licensing.

CHAIRMAN:
Second?

MR. TRUJILLO:
Second.

CHAIRMAN:
All in favor?

ALL SAY AYE

CHAIRMAN:
Opposed? Motion passes.

MR. HANNON:
We also have for your consideration the approval of Principal and Key Employee Licenses.

Prior to this meeting the Bureau of Licensing provided
you with a Proposed Order for 1 Principal, 79 Key
Employee licenses and two G-2 employees that are
various Category 1, Category 2, and Manufacturer
Licenses. I ask that the Board consider the Order
approving these licenses.

ATTORNEY PITRE:
No objection.

CHAIRMAN:
Thank you. Questions from the Board?

Can I have a motion?

MR. TRUJILLO:
Mr. Chairman, I move that the Board
approve the issuance of Principal and Key Employee
Licenses as described by the Bureau of Licensing.

MR. ANGELI:
Second.

CHAIRMAN:
All in favor?

ALL SAY AYE

CHAIRMAN:
Opposed? Motion passes.

MR. HANNON:
Next for your consideration is the
issuance of Temporary Principal and Key Employee
Licenses. Prior to this meeting the Bureau of
Licensing provided you with an Order regarding the issuance of Temporary Licenses for 2 Principals and 36 Key Employee Licenses. I ask the Board consider the Order approving these licenses.

ATTORNEY PITRE:
No objection.

CHAIRMAN:
Thank you. Questions from the Board? Can I have a motion, please?

MR. ANGELI:
So moved.

MR. COY:
Second.

CHAIRMAN:
All in favor?

ALL SAY AYE

CHAIRMAN:
Opposed? Motion passes.

MR. HANNON:
Next are Gaming Permits and Non-Gaming Registrations. Prior to the meeting the Bureau of Licensing provided a list of 2,307 individuals, including 1,775 initial and 532 G-2 temporary permits that the Bureau's granted Occupation Permits to and 431 individuals that the Bureau granted registrations.
to under the authority delegated to the Bureau of Licensing. I ask that the Board adopt a motion approving the Order.

ATTORNEY PITRE:
No objection.

CHAIRMAN:
Questions from the Board? Motion, please?

MR. COY:
So moved.

MR. GINTY:
Second.

CHAIRMAN:
All in favor?

ALL SAY AYE

CHAIRMAN:
Opposed? Motion passes.

MR. HANNON:
The recommendation of the denial of two Gaming and four Non-Gaming Employees. Prior to this meeting the Bureau of Licensing provided its Order addressing each applicant through the BIE and the Board has recommended them for denial. In each case the applicant failed to request a hearing in the specified time period. We ask that the Board consider
the Orders denying the Gaming and Non-Gaming applicants.

ATTORNEY PITRE:
We make a similar request to deny the applications.

CHAIRMAN:
Thank you. Questions from the Board? Can I have a motion, please?

MR. GINTY:
So moved.

MR. MCCABE:
Second.

CHAIRMAN:
All in favor?

ALL SAY AYE

CHAIRMAN:
Opposed? Motion passes.

MR. HANNON:
We have a Withdrawal Request for Key Employees. In each case the license is no longer required due to such circumstances as the employee failing to report to work, with the job offer being rescinded. For today's meeting I've provided the Board with the list of 43 Key Employee withdrawals for approval. And ask that the Board consider the Order
approving those withdrawals.

ATTORNEY PITRE:
No objection.

CHAIRMAN:
Questions from the Board? Can I have a motion, please?

MR. MCCABE:
So moved.

CHAIRMAN:
Second?

MR. SOJKA:
Second.

CHAIRMAN:
All in favor?

ALL SAY AYE

CHAIRMAN:
Opposed? The motion passes.

MR. HANNON:
Next is three Orders regarding Gaming Service Providers. The first is to certify a Gaming Service Provider, Rolling Plains Construction, Incorporated. I ask that the Board consider the Order approving this Gaming Service Provider for certification.

ATTORNEY PITRE:
No objection.

CHAIRMAN:
Questions from the Board? Can I have a motion, please?

MR. SOJKA:
So moved.

CHAIRMAN:
Second?

MR. TRUJILLO:
Second.

CHAIRMAN:
All in favor?

ALL SAY AYE

CHAIRMAN:
Opposed? Motion passes.

MR. HANNON:
The Bureau of Licensing provided you with Orders, the approval of which would result in the following five Gaming Service Providers being added to the Prohibited Gaming Service Provider List, Eastern Lift Truck Company; Hardcore Construction, LLC; NLP Furniture Industry, Incorporated; Rolling Hills Country Club; S & E Sheet Metal, LLC. These Gaming Service Providers have done business with the slot Machine Operator Licensee or Applicant, but have
failed to submit and complete applications. I ask that the Board consider the Orders adding the above named Game Service Providers to the Prohibited Gaming Providers List.

ATTORNEY PITRE:
We support their request.

CHAIRMAN:
Thank you. Questions from the Board?

May I have a motion?

MR. TRUJILLO:
So moved.

MR. ANGELI:
Second.

CHAIRMAN
All in favor?

ALL SAY AYE

CHAIRMAN:
Opposed? Motion passes.

MR. HANNON:
Finally, the following Gaming Service Provider Applications should be declared abandoned. Allermuir Limited; American Vehicle Sales, LLC; Gloster Furniture, Incorporated, Ken-Tiger Marketing, Incorporated. These Gaming Service Providers filed applications even though they received compensation
below the threshold requiring them to file. However, they failed to submit required documentation after being given notice of their deficiencies and not trying to correct them. Under our regulations the Board has the authority to declare an application abandoned if the applicant fails to provide information necessary to hear application deficiencies. I ask that the Board consider an Order declaring these applications abandoned.

ATTORNEY PITRE:
We support their request.

CHAIRMAN:
Thank you, questions from the Board? Can I have a motion?

MR. ANGELI:
So moved.

MR. COY:
Second.

CHAIRMAN:
All in favor?

ALL SAY AYE

CHAIRMAN:
Opposed? Motion passes.

MR. HANNON:
That concludes the Bureau of Licensing's
presentation.

CHAIRMAN:

Thank you, Sean. Cyrus, it looks like your sticking around and you're up next.

OFF RECORD DISCUSSION

CHAIRMAN:

Before we begin, could Counsel for Harrah's please introduce yourself and spell your names for the court reporter?

ATTORNEY HUGHES:

Sure. Lynne Hughes, Vice President of Legal Affairs, Chief Legal Officer for Harrah's Chester. H-U-G-H-E-S.

MR. DOWNEY:

Bill Downey from Fox Rothschild, outside counsel for Harrah's Chester.

CHAIRMAN:

Thank you.

ATTORNEY PITRE:

At this time the OEC has a Consent Agreement prepared for the Board's approval. A Consent Agreement between the OEC and Chester Downs, LLC, doing business as Harrah's Chester Casino and Racetrack. This Consent Agreement arises from a series of incidents which occurred from October 1st,
2009 to March 21st, 2010. There are seven incidents in total and each incident Harrah's Chester failed to prevent individuals under the age of 21 from entering the gaming floor and slot machines. In each incident Harrah's did so report the violations.

On October 1st, 2009, a 20-year-old female entered the gaming floor at Harrah's Chester and gambled for nearly four and a half hours before she was eventually caught by a security guard. The second incident of October 19th, 2009, a 20-year-old female entered the gaming floor at Harrah's Chester and gambled over one and a half hour before being caught by a cage cashier when she attempted to get change for a $10 bill.

The third incident, on November 1st, 2009 a 20-year-old female entered the gaming floor and gambled for over one hour before she was stopped by security guard and identified. The next incident, on November 7th, 2009, a 20-year-old female entered the gaming floor and gambled for 30 minutes before she was checked for identification by security personnel.

Next, on January 14th, 2010 a 19-year-old female entered the gaming floor after presenting her 28-year-old sister's identification to security personnel. And the younger individual gambled at slot
machines for roughly 16 minutes before being stopped
by another security guard who identified her as being
underage.

On February 8th, 2010, a 20-year-old
female entered the gaming floor at Harrah's and
gambled for approximately 45 minutes before being
stopped by security to check for identification.

And finally, on March 21st, 2010, despite
being checked for identification by security guards at
the entrance of the gaming floor a 20-year-old female
was allowed to enter the gaming floor at Harrah's
Chester. The individual proceeded to the floor and
gambled for six minutes before being stopped and
identified by another security officer as an underage
individual.

The terms of the agreement include a
provision that Harrah's Chester shall institute
appropriate policies and provide training to employees
to prevent future incidents of this nature from
occurring and shall pay a total fine of $58,000 for
violating the Act and regulations promulgated therein
under --- related to permitting underage gambling.

Harrah's has taken some steps since these
incidents have occurred to prevent them from happening
again. I'll let Mr. Downey and Ms. Hughes explain and
ATTORNEY DOWNEY:

Thank you, Mr. Chairman. Specifically when you have a rash of recurrences like this, Harrah's is inclined to look at each of the facilities, the person that it has staffing it so you have these procedures. And in each of those areas Harrah's has made modifications to the way it's been doing business. With respect to the facility, anyone who's been to the facility recently may have noticed that Harrah's has finished the entryways to their casino floor. There are two primary entryways to the floor, each of those now --- and you will notice stanchion and cordoned. So you go into a tighter checkpoint where there is a post at either location.

Second, we obviously have implemented increased training opportunities for our staff but we would be remiss if we didn't acknowledge that in connection with these events, ten employees have been disciplined, including termination of one of those employees. In each of the other cases, five written notices were issued and I believe that these individuals will result in termination. I'm going to serve up the other side of this coin issue, Harrah's in this context also issued one accommodation, one
formal accommodation to one of its employees who was connected with the quick identification and/or removal from the floor of an underage player.

And finally, from a procedure perspective, Harrah's has implemented new technology and has made investments in license scanning devices, which are now available for use at the initial locations. As Mr. Pitre identified, we did have an incident of a false ID, and that will assist in that process. That's the summary from our evidence.

CHAIRMAN:
Okay. Any other questions? Comments from you, Cyrus, on his presentation?

ATTORNEY PITRE:
I'd just like to add that --- I mean we are having this problem across the Commonwealth. It's nothing different from any other gaming jurisdiction. But the onus is on the casinos to keep these individuals from coming on their gaming floor or into their facility. Outside of that I will make a note that unlike New Jersey these incidents are self reported. In New Jersey a lot of times they go unreported to the Gaming Enforcement Agency there. I've also notified the casinos, each one that comes up, that the next time is going to be worse,
especially with table games in the mix. And I'm entertaining the idea of turnstiles for 30 or 60 days at various casinos when it seems like they're having problems keeping up with catching these underage individuals. So, I mean we have some things in the works, because I have a creative group of people to come up with some creative internal policies that I think will make --- to keep the casinos on its toes. But, I mean, it's something that we're going to continue to see and we just ---. I think we do a very good job in this state, but I think we can do better.

CHAIRMAN:
Mr. Sojka?

MR. SOJKA:
Just a question, asking for clarification on what appears to be a statistical anomaly at Harrah's. This is not the first situation, there was a previous one in which case the trespasser was also a female and it appears that for some reason Harrah's is having difficulty identifying females in that ---. Is there something ---?

MR. MCCABE:
You've got to be careful about identifying females. I think they can identify females.
MR. SOJKA:
Well, I mean, underage females if you will. All right.

MR. MCCABE:
Okay.

MR. SOJKA:
And it just seems odd that all male factors that were picked up were underage females. The sex ratio is about the same, isn't it, in a casino? Your responses seem to be so generalized as you're pinching the entrance that you're adding, you know, card --- is there any clue in the data that might suggest you got another kind of problem? I don't know what it could be but ---.

ATTORNEY DOWNEY:
Commissioner, I can offer --- this is purely from my experience across the river in the same context, but I can offer for your consideration that it's a lot easier for a female to dress up when she's getting close in --- I would point out six of these violators were 20 years old and one was 19. It's much easier for her just to make it up and get it up than a guy. I mean, it's not anything --- we're older and that's just, again, my little experience with that type of --- we've had that ---.
MR. SOJKA:
I just hadn't noticed that kind of disparity in the numbers we've seen in other casinos. Maybe there's nothing to it but I thought it was worth asking.

MR. COY:
Mr. Chairman?

CHAIRMAN:
Commissioner Coy?

MR. COY:
Thank you. Cyrus, once you came $58,000, I mean, how did you arrive at $58,000?

ATTORNEY PITRE:
We looked at --- in each incident we looked at the time that was spent on the floor, obviously if they gambled and how long they gambled and how long it took them to catch these individuals. And then we also looked at the face-to-face interactions. In the October 1st, 2009 incident where the individual was on the floor gambling for nearly four and a half hours, that was $13,000. The next incident, the October 19th, incident we came at $10,000 for that because that was an hour and a half. And then so on and so on. But we broke it down into those incidents. And I can go through each one if you
like, Commissioner Coy.

  MR. COY:
  I guess my concern was the justification
behind the amounts of --- let me ask two more
questions. This series of these events started in
October of '09?

  ATTORNEY PITRE:
  October of '09 until March.

  MR. COY:
  Had there been previous events, previous
to those at Harrah's?

  ATTORNEY PITRE:
  Yes. And we brought those concerns to
the Board when they occurred.

  MR. COY:
  I'm just trying to remember, I thought
there was but I ---. How many do you think we're
talking about, just one?

  ATTORNEY PITRE:
  No, I don't think it's one. I think we
had two Consent Agreements and --- yeah, a couple of
underage incidents in each one.

  MR. COY:
  Do you happen to remember the fines
there?
ATTORNEY PITRE:

I think one was in the neighborhood of 20-some thousand. Yeah, because --- I mean I could go back and get that information for you. I mean, this is obviously the highest fine that they've had with regard to --- in this incident. And they all preceded table games. The table games are on, we're taking a harsher stance, and as you indicated at the last Board meeting that --- I don't want to misquote you, but you indicated at the Board meeting that you consider these fines miniscule, especially with table games coming on board. And we take the same approach with that.

MR. COY:

Well, I'm prepared to support what you recommend and the rest of the Board is --- but for my taste, it's too low. And I think it's a matter of getting someone's attention and obviously with the fines up to this point we have not gotten people's attention. I appreciate the descriptions of the things you're trying to do to help to alleviate the problem. But from my point of view and from my take, the fines should be more, and if we're going to table this and reconsider it, fine. But if the rest of the Board is inclined to support this amount I will agree to it, but I'm prepared to make a motion to table the
matter and have the fine reconsidered.

CHAIRMAN:

Thank you. Commissioner Trujillo?

MR. TRUJILLO:

Along those lines, Mr. Pitre, I believe you testified that this was a --- these incidents were all self reported. When were these self reported?

ATTORNEY PITRE:

Upon the apprehension of the individuals by security personnel at Harrah's, they notified our Casino Compliance Representative and said they were --- they apprehended an underage individual on the floor.

MR. TRUJILLO:

And maybe it's simply a matter of your --- the way you presented it, you know, it's really over the course of six months. So it wasn't one group of related events. It's six individual events --- or seven individual events taking place over a period of six months. And so it's not one time, it's --- and I think I've got the same concerns that Mr. Coy has in that, given that it's not, you know, one group of people trying to get in, it's seven distinct events. Were they presented to the Board as a package because that's how it was negotiated by your office and the
Licensee or is there some other reason that they were presented as a package?

ATTORNEY PITRE:

Actually, the reason they were presented as a package is because, as they were occurring, we would catch one and by the time CCRs wrote it up and we received the report, contacted Harrah's, another one popped up on the screen. And then it kept occurring and Ms. Hughes and I have --- well, geez it's long ago, but we had a meeting where we discussed it, this had to stop and we needed to initiate some changes within their casino on how to identify these individuals before they reach the floor. I think the stanchions help. And we haven't seen any since this March 21st incident. But I know table games, they're going to continue to try. Now, I did go to Harrah's during the test period, I know the stanchions and I know that the security guards seem to be able to be more, I guess, alert, but they have to maintain that.

MR. TRUJILLO:

Well, and I was at Harrah's as well through the testing, so I ratify it to March --- I understand we had four months in a row that did not have any additional incident, that's what happened. And in my experience getting into --- up onto the
second floor, was, you know, I was crowded to an area, so to them it looked like there's some progress. I'd be happy to have further discussion about whether this is --- we need appropriate numbers, so I'm willing to go along with Mr. Coy's suggestion.

CHAIRMAN:
Thank you. Commissioner McCabe?

MR. MCCABE:
I actually have two questions. What happened to the money that these underage individuals either won or was gambling with? That's the first question.

ATTORNEY PITRE:
It was confiscated. It was confiscated, and they will segregate it and then it would be turned over to the Office of Compulsive and Problem Gambling.

MR. MCCABE:
Okay. And the second question, and this could help the casinos, what happened to those individuals? Were they --- did the PSP get involved, were they given a ticket, did they go to court? Have they been fined, do you know what's happened?

ATTORNEY DOWNEY:
There have been just a couple of incidents where PSP was available, PSP did issue
citations to those individuals and they were cited for
criminal trespass. Not entirely clear whether the
availability of PSP at a particular time in a
particular place may impact that decision or not.
That's something we're actually looking into at this
point.

MR. MCCABE:

In your opinion, if you want to answer
that, would it help deter underage individuals trying
to gamble if those arrests were publicized? If you
issued a press release to people who are arrested ---
two underage individuals were arrested? Or are you
weighing the negative publicity of having underage
people trying to get in? It's inevitable. It's
there, forbidden fruit, underage people are going to
want to try to get in. But if you publicized it and
people --- these kids realize, you know, you're going
to go to jail, or you're going to get a record, maybe
make somebody think twice. What's your opinion?

ATTORNEY HUGHES:

Part of that is communication between
letting them know that we will go after offenders,
follow through. Part of that also is with the court
system making sure that ---.

MR. MCCABE:
Could you have that a little closer, I'm hard of hearing.

CHAIRMAN:
Yeah.

ATTORNEY HUGHES:
Part of that is with the court system to make sure that they send a message to the minor, too, that you'll be penalized, and that means taking away their license for a while, but sending a message that way and following up on that, that's going to communicate as much as anything else.

ATTORNEY DOWNEY:
Commissioner McCabe, if I can follow up with one more point where we --- the road we started to walk down. I want to make it clear, and this is --- sort of your point. It's certainly not the case that we have a culprit here, culprit there is going to ---.

MR. COY:
You say it isn't?

ATTORNEY DOWNEY:
I don't think that's going to be a driving force ---.

MR. COY:
Well, how much would?
ATTORNEY DOWNEY:

Well, ---.

MR. COY:

I'm asking would ten, a 100 ---.

ATTORNEY DOWNEY:

It's not the case that they don't take it serious. They come in across industry and come to the conclusion that they don't take the matter seriously. But along the lines of where Mr. McCabe was heading down, we're not going to wind up with a zero incident scenario. We have a zero tolerance policy. But as he points out, this is the forbidden fruit, you're going to have these kids running in the door. And, you know, just --- this is suggested to us that you're going to have some slippage and the question is how quickly can we get them, how quickly can we locate them? We've got new systems through this process. We got this problem coming in the door, we've got the stanchions at the door, we got surveillance, we got floor security. This is all there in a layer, in a layer, in a sense to grab this component quickly and gets them off the floor.

ATTORNEY HUGHES:

But the training is not just with security, the training is in our food and beverage
sales, the training is with the cage, the cage --- the training is also with our management, everybody is responsible to keep a look out for any underage people on the floor.

MR. MCCABE:

If you start firing the security guards where they came in through and maybe their supervisor I think those --- then individuals responsible for checking will be a little bit more diligent and thorough if they knew their job was on the line.

ATTORNEY DOWNEY:

And that's the road we're headed down here.

MR. COY:

Mr. Chairman, I appreciate especially the fact that these are reported events. And they were self reported by Harrah's, but the Board has the one opportunity to speak to these things, and that is through the fine. And so my intent would be to table, but on the advice of Counsel, my motion would be to deny the Consent Agreement between the OEC and Harrah's as described by the OEC and encourage the office to return with a new agreement.

CHAIRMAN:

Is there a second to that motion?
MR. GINTY:
May I make a comment?

CHAIRMAN:
Yes.

MR. GINTY:
One of the problems I have --- I never
had a really good perspective on these matters and we
get them and the possibility that this comes back to
us again and others come back to us, is it possible
for you folks to prepare a paper that would give us a
perspective, not only what's happening in Pennsylvania
since gaming's been implemented, but give us an idea
what happens in other jurisdictions as well?

ATTORNEY PITRE:
Well, we can try to put that together for
you. I can tell you that --- and Lynne has properties
all across the country. I know that in New Jersey,
that unless the division of Gaming Enforcement or city
police are on the floor catching these kids, they just
run rampant, wherever.

MR. GINTY:
I know that from personal experience.

ATTORNEY PITRE:
Yeah, I mean, one time it was estimated
that it was like 40,000 incidents a year in the early
'90s, but you didn't see 40,000 fines.

MR. GINTY:
I agree with Mr. Coy in that, you know, we can't let this go by in Pennsylvania. But I think it would be helpful if everybody had the perspective on the job they're doing in Pennsylvania.

CHAIRMAN:
We have a motion on the floor or on the table to deny, is there a second to that motion?

MR. GINTY:
Second.

CHAIRMAN:
All in favor?

ALL SAY AYE

CHAIRMAN:
Opposed? Motion passes. The Motion to Deny passes. Let me just say before we leave this matter that we all understand here on the Board that table games is going to attract a different --- a younger person than slots does. And we will be --- and I've said this before and I want to take the opportunity to say to you face to face. We will be a lot less tolerant for table games players who are underage. And we see the difference between a table games player and a slot player, in that table games
players having one on one interaction with a dealer or
somebody else at the table, there are pit bosses,
there are more employees. So just kind of a shot
across --- we'll look at this issue again, you've
heard from the Board that we are not pleased with the
fine. We think it should be more. And fines
subsequent to this especially involving table games
players will be substantially more.

MR. SOJKA:
Could --- one more quick thing.

CHAIRMAN:
Absolutely.

MR. SOJKA:
I heard Commissioner Coy mention that the
only way we can emphasize the importance is through
the issue of a fine. I'm not entirely sure that's
correct, and I will just give you this observation. I
was passing through O'Hare Airport two weeks ago on my
70th birthday. And I stopped at the bar and asked to
have a glass of wine and I was carded and I laughed.
And the lady said I'm sorry, sir, we have a 100
percent carding policy. That's another solution, and
I don't think we want to go there for a lot of
reasons. But the point is, we do take this seriously
and we may ultimately have to do what we have to do to
solve the problem.

MR. MCCABE:

Mr. Chair, if I may follow up just real quick?

CHAIRMAN:

Yes.

MR. MCCABE:

Some suggestion is --- maybe part of your training process for all employees, it's just not security's concern to make sure they keep out underage gaming, it's everybody's responsibility. And if you make that part of your dealer training, your supervisory training, across the board, one it's going to help the security department because there's going to be more eyes starting from the valet on into the table. People are going to be looking at people if they realize it's everybody's responsibility not just security. I've seen so many casinos where everybody figures okay, if they're on the floor they've got to be 21. It's the cocktail waitress, the table games --- you know what I'm saying. So, if you implement that in the training and in your philosophy, that may help also.

CHAIRMAN:

Thank you, Cyrus. Thank you, Counselors.
This concludes today's business. In closing, our next scheduled public meeting will be held on Thursday, August 19th, in the North Office Building, Hearing Room One. The meeting will begin at 10:00 a.m. Any final comments from the Board? Can I have a motion to adjourn, please?

MR. GINTY:
So moved.

MR. MCCABE:
Second.

CHAIRMAN:
Thank you. Meeting is adjourned.

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MEETING CONCLUDED AT 12:30 P.M.

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CERTIFICATE

I hereby certify that the foregoing proceedings, meeting held before Chairman Fajt, was reported by me on 07/29/2010 and that I Kenneth Dominic O'Hearn read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.

Court Reporter