

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

* * * * *

PUBLIC MEETING

* * * * *

BEFORE: Gregory C. Fajt, Chairman
Raymond S. Angeli, Jeffrey W. Coy,
James B. Ginty, Kenneth T. McCabe,
Gary A. Sojka, Kenneth I. Trujillo
David Barasch, Representing
C. Daniel Hassell, Secretary of Revenue,
Ex-Officio Member; Jorge Augusto,
Representing Russell Redding, Secretary of
Agriculture, Ex-Officio Member;
Aviv Bliwas, Representing the State
Treasurer's Office, Ex-Officio Member

MEETING: January 6, 2011

LOCATION: Pennsylvania State Museum Auditorium
300 North Street
Harrisburg, PA 17120

Reporter: Cynthia Piro-Simpson

Any reproduction of this transcript is prohibited
without authorization by the certifying agency.

A P P E A R A N C E S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

OFFICE OF CHIEF COUNSEL

R. DOUGLAS SHERMAN, ESQUIRE

Chief Counsel

STEPHEN S. COOK, ESQUIRE

Deputy Chief Counsel

SUSAN YOCUM, ESQUIRE

Assistant Chief Counsel

OFFICE OF ENFORCEMENT COUNSEL

CYRUS PITRE, ESQUIRE

Chief Enforcement Counsel

NAN DAVENPORT, ESQUIRE

Deputy Chief Enforcement Counsel, Central

KATIE HIGGINS, ESQUIRE

Assistant Enforcement Counsel

MELISSA POWERS, ESQUIRE

Assistant Enforcement Counsel

DUSTIN MILLER, ESQUIRE

Assistant Enforcement Counsel

PA Gaming Control Board

P.O. Box 69060

Harrisburg, PA 17106-9060

Counsel for Pennsylvania Gaming Control Board

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S (continued)

MICHAEL SKLAR, ESQUIRE
Levine, Staller, Sklar, Chan, Brown & Donnelly, PA
3030 Atlantic Avenue
Atlantic City, NJ 08401-6380

I N D E X

1			
2			
3	OPENING COMMENTS		
4	By Chairman Fajt	6 -	7
5	PRESENTATION		
6	By Mr. O'Toole	7 -	16
7	QUESTIONS FROM BOARD	16 -	17
8	PRESENTATION		
9	By Ms. Yantis	17 -	21
10	By Attorney Yocum	22 -	23
11	By Attorney Sherman	24 -	31
12	QUESTIONS FROM BOARD	31 -	37
13	PRESENTATION		
14	By Attorney Cook	37 -	42
15	TESTIMONY		
16	By Mr. McCann	43 -	44
17	QUESTIONS FROM BOARD	44 -	60
18	CONTINUED PRESENTATION		
19	By Attorney Cook	60 -	68
20	TESTIMONY		
21	By Mr. Ibrahim	69 -	70
22	QUESTIONS FROM BOARD	70 -	78
23	DISCUSSION AMONG PARTIES	78 -	80
24	PRESENTATION		
25	By Ms. Hensel	80 -	87

1	I N D E X (continued)	
2		
3	DISCUSSION AMONG PARTIES	87 - 89
4	PRESENTATION	
5	By Attorney Powers	89 - 90
6	By Attorney Sklar	91 - 92
7	TESTIMONY	
8	By Ms. Gilchrist	92 - 94
9	QUESTIONS FROM BOARD	94 - 107
10	PRESENTATION	
11	By Attorney Davenport	108 - 111
12	QUESTIONS FROM BOARD	111 - 114
13	DISCUSSION AMONG PARTIES	114 - 116
14	PRESENTATION	
15	By Attorney Matelevich-Hoang	116
16	By Attorney Miller	117 - 118
17	By Attorney Matelevich-Hoang	118 - 119
18	By Attorney Miller	120
19	QUESTIONS FROM BOARD	120 - 121
20	CONCLUDING REMARKS	
21	By Chairman Fajt	121 - 123
22		
23		
24		
25		

P R O C E E D I N G S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CHAIRMAN FAJT:

By way of announcements, I mentioned just a minute ago the Board held an executive session yesterday. The purpose of yesterday's executive session was to discuss personnel matters, pending litigation with its Counsel, as well as to conduct quasi-judicial deliberations relating to matters pending before the Board, including matters coming before the Board today. Having made all the announcements, our next item of business is the approval of minutes and the transcript. May I have a motion, please?

MR. ANGELI:

Mr. Chairman, I move that the Board adopt the minutes and transcript of the December 16th, 2010 meeting.

MR. COY:

Second.

CHAIRMAN:

All in favor?

AYES RESPOND

CHAIRMAN:

Opposed? The motion passes. Moving on

1 to new business, we have a report from our Executive
2 Director, Kevin O'Toole. Welcome, Kevin.

3 MR. O'TOOLE:

4 I do have a few items that I'd like to
5 cover at today's public meeting. I'd like to begin my
6 report with an update on the continued growth of
7 Pennsylvania casinos from both a revenue and a tax
8 perspective as well as from a perspective of job
9 creation.

10 The recently-released December slot
11 revenue figures show a double-digit increase of 12.72
12 percent in gross terminal revenue for December of 2010
13 as compared to December of 2009. This continues a
14 trend, as the chart depicts in our PowerPoint
15 presentation. During the entire year of 2010, which
16 is the yellow --- I'm sorry, which is the red columns,
17 every single month exceeded the previous year's
18 figures. Moreover, during the four years of legalized
19 gaming in Pennsylvania, we have seen revenue growth
20 each year.

21 The casinos have now experienced five and
22 a half months of table games at their respective
23 facilities. I am confident to say at this point in
24 time that the table games operations have facilitated
25 an increase in slot play that should continue for the

1 foreseeable future. This bodes well for the
2 horseracing industry, as they benefit directly from
3 slot tax revenues.

4 As to tax revenue collected by the
5 Commonwealth from the slots and the table games that I
6 just described, in just over four years, Pennsylvania
7 has collected over \$3.9 billion in tax revenue. And
8 those first five and a half months of table games
9 operations certainly leave us encouraged that that
10 will continue to grow.

11 Job creation has been equally remarkable.
12 With most of the casinos continuing to expand their
13 gaming operations, both with bank table games as well
14 as with poker tables, total employment at the ten
15 operating casinos has reached almost 13,500 jobs. Not
16 surprisingly, table games operations have contributed
17 5,600 of those new jobs.

18 It is truly exciting to see this
19 fantastic economic development in Pennsylvania, and
20 I'm very proud of every Pennsylvania Gaming Control
21 Board employee because they have all contributed to
22 the firm but fair regulatory oversight of the casino
23 industry here in Pennsylvania.

24 I would now like to shift my focus and
25 address a few additional items. First, pursuant to a

1 previously-approved competitively-bid procurement
2 contract, the Board hired Mr. George Joseph, an expert
3 in table games operations and scams, to provide
4 training to Board personnel. Mr. Joseph recently
5 provided an additional week of training from November
6 30th through December the 3rd. In addition to a
7 significant number of Board personnel, we invited
8 representatives from the various county District
9 Attorney's offices and from the Office of the Attorney
10 General. There was very good participation from both
11 the DA offices and the Attorney General's Office, and
12 there were many positive comments regarding the
13 benefits of that training.

14 Secondly, I would like to discuss briefly
15 the audio and visual services that are provided to the
16 Board for our public meetings. We don't own these
17 microphones, nor does the museum, as far as I know,
18 but the Commonwealth Media Services, otherwise known
19 as CMS, recently notified the Board that it will not
20 be providing audio and visual services to the Board,
21 effective at the Board's next meeting, which is
22 scheduled for January 26th, 2011. This is pursuant to
23 their own scope of responsibility for the
24 Commonwealth, and we certainly appreciate or like to
25 thank CMS for the outstanding work that they have

1 provided to the Board over the past four years.
2 They've done an excellent job.

3 But it is necessary for us now to look at
4 an alternate provider of those services. As a result
5 and due to the urgency of this changeover, an
6 emergency procurement is requested for a six-month
7 period to engage the services of J.P. Lilley Company
8 at the cost of approximately \$1,500 per public meeting
9 to provide the same audio and visual services that we
10 presently obtain from CMS. J.P. Lilley is a local
11 Harrisburg-based company.

12 During the effective period of the
13 emergency procurement, the Board's Director of Office
14 Services will prepare a competitive bid proposal for
15 these services, while at the same time, we will also
16 explore the feasibility of securing equipment and
17 manpower to possibly perform these services
18 internally.

19 If you have any questions, I'd be glad to
20 answer them. If not, I would request that the Board
21 entertain a motion to authorize an emergency
22 procurement for the purposes just described.

23 CHAIRMAN:

24 Any questions or comments from the Board?
25 Commissioner Sojka?

1 MR. SOJKA:

2 One very quick one, Kevin. Obviously,
3 then, our next meeting, there's no choice. We will be
4 spending that amount of money and we have to do it in
5 order to develop the appropriate record and to remain
6 as transparent as we would like. That means we're
7 going to be spending more money than we expected to.
8 The source of that money, however, is not from the
9 taxpayers of Pennsylvania; is that correct?

10 MR. O'TOOLE:

11 That is correct. The budget of the
12 Pennsylvania Gaming Control Board is funded through
13 assessments against the casino operators.

14 MR. SOJKA:

15 Thank you.

16 CHAIRMAN:

17 Thank you. Commissioner Trujillo?

18 MR. TRUJILLO:

19 Mr. Chairman, I have a comment, although
20 it's not relating to the proposed emergency
21 procurement, but to his earlier comments. Would you
22 like me to reserve those?

23 CHAIRMAN:

24 No. Go ahead and make your comment.

25 MR. TRUJILLO:

1 Thank you. Mr. Chairman, I'm --- and
2 this relates to your first comments, Mr. O'Toole, as
3 to the economic benefits of gaming in Pennsylvania.
4 And I think the final number that we saw is the
5 \$3.9 billion that have gone to the taxpayers. I'm
6 mindful that the \$3.9 billion, and therefore, a little
7 bit more than that, almost double that amount, has
8 been --- has come into Pennsylvania casinos is not a
9 zero-sum game and that there is no question that that
10 money has to come from someplace. And largely, it
11 comes from Pennsylvanians. And consequently, we have
12 --- I have no doubt, and the numbers are clear that
13 gaming has been an economic boon for Pennsylvania.

14 But I'm also mindful that our very first
15 responsibility as a Gaming Board is --- and I quote
16 from the Gaming Act, the primary objective of this
17 part, to which all other objectives and purposes are
18 secondary, is to protect the public through the
19 regulation and policing of all activity involving
20 gaming and practices that continue to be unlawful.

21 So, Mr. Chairman, I do think that over
22 --- and I would just ask my colleagues to join me over
23 the next several months. I think it's becoming an
24 appropriate time for us to take a look not simply at
25 the economics of gaming, which I think, without

1 question, have been a great boon to this Commonwealth,
2 but also to look at the social costs of gaming and any
3 other associated impact that gaming may have. I've
4 talked occasionally about unintended consequences, and
5 so I very much would like our Board to be the lead in
6 looking at how we do this. And this has become, for
7 Pennsylvania, I believe, a very important part of our
8 --- not just our economy, but even as we look at
9 continued expansion, I think we have to continue to be
10 vigilant in looking at both the social impacts and
11 looking at the additional potential economic benefits
12 that may further accrue to the Commonwealth.

13 So, I would just ask my colleagues in the
14 future --- I don't have a particular motion to make
15 now, but simply that we give some thought to how we
16 can look to make sure that we are fulfilling our
17 responsibilities to protect the public.

18 CHAIRMAN:

19 Thank you. I have just a couple comments
20 on your presentation, Kevin. First of all, your point
21 about table games increasing slots is well noted. I
22 know that, you know, as we brought table games in,
23 there was serious concern in the horseracing industry
24 about their cannibalization, if you will, of table
25 games versus slots, and since they don't get any money

1 from the table games pie, that their amount of money
2 from the slots pie would be reduced because of table
3 games. And that clearly has not happened. And your
4 comments that you think slots will continue to
5 increase is duly noted.

6 I would also like to say that the
7 chart --- the 13,400 and I think it was 18 jobs does
8 not include what Secretary Russell Redding pointed out
9 to us at our last meeting, that in the agriculture
10 industry, it was somewhere in the neighborhood of
11 44,000 to 45,000 additional jobs have been created.

12 Also, your comments about our staff, I
13 again want to reiterate we have a great staff and you
14 do a great job for us. And lastly, my personal thanks
15 to CMS. You guys have been here every step of the way
16 with the Gaming Board, from our very first meeting
17 here, as a matter of fact, in this building, and
18 you've always risen to the occasion, and thank you
19 very much. And please let your staff know that we
20 appreciate what they've done. Having said that,
21 Commissioner Sojka?

22 MR. SOJKA:

23 Just one quick comment, Mr. Chairman, to
24 piggyback on the excellent point you've made about the
25 table games not in any way cannibalizing the

1 horseracing industry. At the expense of stating the
2 obvious, it also has not hurt in any way property tax
3 relief either.

4 CHAIRMAN:

5 Correct. Having said all that, could I
6 have a motion on Kevin's emergency procurement for
7 audiovisual services?

8 MR. COY:

9 Mr. Chairman, I move the Board approve
10 the issuance of an emergency procurement and obtain
11 the services of J.P. Lilley Company for a period of
12 six months, as described by the Executive Director.

13 CHAIRMAN:

14 Second?

15 MR. SOJKA:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 AYES RESPOND

20 CHAIRMAN:

21 Opposed? The motion passes.

22 MR. O'TOOLE:

23 Mr. Chairman, I would also like to ask
24 the Board to authorize the processing of a request for
25 proposal for background screening services.

1 Background screening services are relied upon
2 significantly by the Bureau of Investigations and
3 Enforcement (BIE) in the context of obtaining relevant
4 information needed as part of a background
5 investigation. Background screening services are
6 provided primarily through computer-based access and
7 retrieval processes. ChoicePoint is the service
8 provider that BIE presently utilizes pursuant to a
9 previously-approved Gaming Control Board sole-source
10 procurement contract. However, with the proliferation
11 of gaming jurisdictions throughout the country, more
12 companies have entered this field and there is
13 presently more competition among those companies to
14 provide this type of service.

15 Our staff has prepared the necessary
16 requests for proposals pursuant to the Commonwealth's
17 procurement code, and I request that the Board
18 authorize the issuance of this RFP to solicit bids for
19 background screening services.

20 CHAIRMAN:

21 Any questions or comments from the Board?
22 Kevin, just real quick, what's the approximate value
23 annually of what we pay ChoicePoint?

24 MR. O'TOOLE:

25 It is over \$500,000 and less than a

1 million.

2 CHAIRMAN:

3 Thank you. Could I have a motion,
4 please?

5 MR. MCCABE:

6 Yes, Mr. Chair. I move that the Board
7 approve the issuance of a request for proposals for
8 background screening services as described by the
9 Executive Director.

10 CHAIRMAN:

11 Second?

12 MR. TRUJILLO:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 AYES RESPOND

17 CHAIRMAN:

18 Opposed? Motion passes. Thank you very
19 much, Kevin.

20 MR. O'TOOLE:

21 You're welcome.

22 CHAIRMAN:

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

25 MS. YANTIS:

1 Good morning, Chairman, Board members.
2 The Office of Human Resources has two motions for your
3 consideration today. The first issue for your
4 consideration seeks to amend the Executive Director's
5 employment contract. Effective October 1st, 2010,
6 Governor Rendell increased the salaries of all
7 management employees by one percent in order to offset
8 the one-percent increase in employee health benefit
9 contributions, so as not to reduce employees'
10 take-home pay. Recognizing the policy applied to
11 other Commonwealth employees, the Board also approved
12 the same increase for all PGCB management staff that
13 was applied to similar employees under the Governor's
14 jurisdiction.

15 I'm before you today to ask that a
16 similar adjustment be made to the employment contract
17 for Executive Director O'Toole. Like all other
18 Commonwealth employees, Mr. O'Toole saw an increase in
19 his health benefit contribution effective October 1st,
20 2010. In order to apply the same benefit offset
21 afforded to other employees, the Board must approve
22 the amendment of Mr. O'Toole's employment contract.
23 The continued outstanding and successful work of the
24 PGCB would not be possible without the leadership and
25 direction provided by Executive Director O'Toole.

1 Therefore, I ask that you consider a motion to amend
2 Mr. O'Toole's contract to allow for the same
3 one-percent increase in salary provided to other PGCB
4 and Commonwealth staff. This matter is now ready for
5 your consideration.

6 CHAIRMAN:

7 Any questions or comments from the Board?
8 Could I have a motion, please?

9 MR. COY:

10 Yes, Mr. Chairman. I move the Board
11 amend the Executive Director's Employment Agreement,
12 increasing his salary by one percent, consistent with
13 the presentation of the Director of the Office of
14 Human Resources.

15 MR. MCCABE:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 AYES RESPOND

20 CHAIRMAN:

21 Opposed? Motion passes.

22 MS. YANTIS:

23 The second issue for your consideration
24 is the approval of an amended PGCB classification and
25 compensation structure. As many of you recall, the

1 Board previously approved a motion to procure a Hay
2 evaluation of the PGCB classification and compensation
3 structure. This evaluation was a lengthy process that
4 included a full assessment and evaluation of all PGCB
5 positions and the training of agency human resources
6 staff to maintain and update the classification and
7 compensation structure.

8 Shortly after the conclusion of the Hay
9 evaluation, the agency was faced with the
10 implementation of table games implementation and
11 negotiation of an agreement with AFSCME. While we
12 began almost immediately using the Hay Group's market
13 data analysis to assess the compensation of jobs that
14 had experienced turnover, we recognized there would be
15 an impact from both table games and union negotiations
16 on the overall classification and compensation
17 structure. As such, the overall structure was not
18 finalized until recently.

19 As you will see, consistent with the Hay
20 Group's analysis, this revised classification and
21 compensation structure has changed the pay ranges of
22 many PGCB classifications, and those ranges are now
23 more consistent and equitable when compared to the
24 classification structure used for an administrative
25 agency under the Governor's jurisdiction.

1 Furthermore, the final structure before
2 you includes the market analysis completed by the Hay
3 Group and is also reflective of the agreement reached
4 between the PGCB and AFSCME. Should the Board approve
5 these amendments, the revised structure will be posted
6 on the PGCB website, as required by the Gaming Act.

7 I ask that you consider a motion to
8 approve the amended PGCB classification and
9 compensation structure with the understanding that,
10 upon approval, this new structure will be posted on
11 the agency's website. I would be happy to answer any
12 questions you may have about this amended structure.
13 If not, the matter is ready for your consideration.

14 CHAIRMAN:

15 Thank you. Any questions or comments
16 from the Board? Could I have a motion, please?

17 MR. TRUJILLO:

18 Mr. Chairman, I move that the Board
19 approve the amendment to the Board's classification
20 and compensation structure for employees as presented
21 by the Director of the Office of Human Resources, that
22 it be published in the Pennsylvania Bulletin and that
23 it be posted on the Board's website.

24 MR. GINTY:

25 Second.

1 CHAIRMAN:

2 All in favor?

3 AYES RESPOND

4 CHAIRMAN:

5 Opposed? The motion passes.

6 MS. YANTIS:

7 Thank you.

8 CHAIRMAN:

9 Thank you, Claire. Next up is our Chief
10 Counsel, Doug Sherman, and Susan Yocum. Welcome.

11 ATTORNEY SHERMAN:

12 Good morning, Chairman and members of the
13 Board. Our first agenda matter relates to the
14 proposed regulation to be presented by Assistant Chief
15 Counsel Susan Yocum.

16 ATTORNEY YOCUM:

17 Good morning, Chairman Fajt,
18 Commissioners. I have one rulemaking for you today.
19 It is Proposed Rulemaking 125-141, which will amend
20 Chapters 401 on preliminary provision and Chapter 405,
21 on the BIE. This proposed rulemaking will amend the
22 agency's existing body of regulations regarding ex
23 parte communications and the separation between the
24 Board and the BIE. These changes are being made for
25 consistency with the Gaming Act, as amended in January

1 of 2010.

2 Since its inception, the PGCB has had
3 internal policies and procedures in place, which were
4 guided by case law, to ensure the separation between
5 adjudicatory functions of the Board and the
6 prosecutorial and investigatory functions of the BIE
7 and the Office of Enforcement Counsel (OEC).
8 Additionally, we've had regulations in place for
9 several years now regarding oversight and
10 communications between the Board and BIE staff. I'd
11 be happy to answer any questions you may have
12 regarding this.

13 CHAIRMAN:

14 Thank you. Any questions or comments
15 from the Board? Could I have a motion, please?

16 MR. COY:

17 Yes, Mr. Chairman. I move the Board
18 adopt Proposed Regulation 125-141, that the Board
19 establish a public comment period of 30 days for the
20 proposed regulation, and that the regulation be posted
21 on the Board's website.

22 MR. MCCABE:

23 Second.

24 CHAIRMAN:

25 All in favor?

1 AYES RESPOND

2 CHAIRMAN:

3 Opposed? The motion passes. Thank you,
4 Susan.

5 ATTORNEY SHERMAN:

6 Chairman, today the Board has two
7 petitions before it for consideration. These
8 petitions will both be considered based upon the
9 documentary records. In each of the matters, the
10 Board has, in advance of today's meeting, been
11 provided with each of the petitions, any responsive
12 pleadings, as well as any other supporting evidentiary
13 materials or memorandums. I'll briefly summarize each
14 of the petitions before the Board for consideration.

15 The first petition is Mason-Dixon's
16 petition to reopen the record in the Category 3 Slot
17 Machine License proceedings. By way of background, on
18 December 6th, 2010, Mason-Dixon attempted to file at
19 the Office of Hearings and Appeals (OHA) a
20 supplemental letter and exhibits, with the apparent
21 intent to advise the Board of facts and providing
22 argument pertaining to the financial suitability of
23 Isle of Capri Casinos, the proposed gaming facility
24 operator and financier of Category 3 Applicant
25 Woodlands Fayette. The letter and exhibits addressed

1 Isle of Capri's recent award of a license in Missouri
2 and the possible financial impact of that on the
3 Nemacolin project.

4 Upon receipt of that letter, the OHA
5 informed Mason-Dixon that the letter would not be
6 accepted for filing, as it was received after the
7 November 29th, 2010 deadline for filing in the matter
8 of the Category 3 Licensees. Mason-Dixon thereafter
9 filed the current petition which is before the Board,
10 requesting that the record in the matter be reopened
11 so that they can then introduce additional
12 information, as was outlined in the December 6th
13 letter.

14 Thereafter, Penn Harris Gaming and
15 Washington Trotting Association, an intervener in the
16 Category 3 proceedings, joined in the Mason-Dixon
17 petition. Woodlands Fayette has also jumped into this
18 and defended itself against the proposed reopening,
19 arguing that there have been no material changes of
20 fact or law regarding its application since the close
21 of the record. They've indicated that the Board was
22 fully aware of Isle of Capri's pursuit of a gaming
23 license in Missouri, as well as the financial analysis
24 attendant to those ventures. And Woodlands avers that
25 if the Board should decide to reopen the record, they

1 should do so only to accept and review the factual
2 information and not to accept the additional argument
3 provided by Mason-Dixon, as to do so only creates a
4 spiral in which then Nemaocolin and Isle of Capri would
5 want to again respond. I guess the point of that is
6 they're trying to avoid a reopening which will create
7 an endless cycle of responses and try to maintain
8 finality to the record that's been provided.

9 I do want to note, though, for the record
10 that the information which Mason-Dixon sought to have
11 put into the record, that is, concerning the award of
12 a license to Isle of Capri in Missouri, had been
13 provided to the BIE's Financial Investigation Unit for
14 a review and analysis as the suitability of an
15 applicant is an ongoing process which BIE always, and
16 OEC, have the obligation to continue to review.

17 As a result of the receipt of that
18 information, the Financial Investigation Unit did
19 conduct an additional investigation of the Isle of
20 Capri's financial fitness and wherewithal to deliver
21 on the project and provided to the Board on December
22 28th a suitability report addendum addressing the
23 facts. So, those matters are before the Board, as
24 analyzed by the Financial Investigation Unit.

25 The petition before the Board to reopen

1 is what is before this Board, not an analysis today of
2 the underlying facts. I know that Mr. O'Neill from
3 the Financial Investigation Unit is present if the
4 Board had any questions for him concerning the FIU's
5 ability to analyze those facts. Representatives of
6 various parties are also here if the Board had any
7 questions for them. Otherwise, the matter is
8 appropriate for the Board's consideration.

9 CHAIRMAN:

10 Thank you. And just let me repeat for
11 the record what Doug has said, and that is that our
12 Chief Counsel, after reviewing the information at
13 issue from Mason-Dixon, forwarded it to the BIE'S
14 Financial Investigation Unit. That unit, in turn,
15 evaluated the fact that Isle of Capri has now been
16 awarded a license --- a casino license in Missouri and
17 the effect of that on the Isle of Capri here. After
18 updating its investigation, the Financial
19 Investigation Unit updated its report to the Board as
20 an addendum to Nemacolin's suitability report dated
21 December 29, 2010. That updated report has been
22 provided to each member of the Board and is now in the
23 record for the Category 3 proceedings. This can be
24 done because the record, as Counsel stated, always
25 remains open to the BIE since applicants and licensees

1 are under ongoing investigation.

2 So, the long and short of this, because I
3 know there's been some confusion, is that the relief
4 requested in the petition is to reopen the record to
5 the parties in the Category 3 proceedings to allow
6 Mason-Dixon the ability to put directly into evidence
7 information about Isle of Capri's ability to fund
8 simultaneous projects in both Missouri and
9 Pennsylvania. Regardless of how the Board votes on
10 the petition, an evaluation of the situation has
11 already been submitted into the record and provided to
12 the Board by the Financial Investigations Unit. I
13 hope that's clear. And with that being said, are
14 there any other questions or comments from the Board?
15 Commissioner Ginty?

16 MR. GINTY:

17 I would just make the point that
18 Nemacolin and Isle of Capri, as do all of the
19 applicants, have a continuing responsibility to advise
20 us whether there is any changes in their financial
21 status; is that true?

22 ATTORNEY SHERMAN:

23 Absolutely correct.

24 MR. GINTY:

25 And that our investigation will be

1 ongoing with respect to all of the applicants. And I
2 assume we, you know, read newspapers and SEC
3 statements and so forth so that, you know, we are
4 keeping abreast of the, again, financial situation of
5 these companies. And that's true?

6 ATTORNEY SHERMAN:

7 That's true, yes.

8 CHAIRMAN:

9 Thank you. With that, could I have a
10 motion, please?

11 MR. MCCABE:

12 Yes. Mr. Chair, I move that the Board
13 deny Mason-Dixon's petition to reopen the record, as
14 described by the Office of Chief Counsel (OCC).

15 MR. SOJKA:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 AYES RESPOND

20 CHAIRMAN:

21 Opposed? The motion is denied. The
22 motion passes, but the ability to open the record is
23 denied.

24 ATTORNEY SHERMAN:

25 The next matter before the Board is

1 Greenwood Gaming's petition for a waiver related to
2 Section 523.8(a) of the Board's Temporary Table Games
3 Regulation. That regulation requires one set of
4 approved value gaming chips be used as backup for the
5 \$25, \$100 and \$500 value gaming chips in active use,
6 in other words, to have a secondary set. This
7 requirement is to assure that in the case of suspected
8 counterfeit chip activity at a table, a backup set of
9 chips can be swapped in with a different logo on for
10 security purposes.

11 Greenwood is proposing utilizing
12 radiofrequency identification technology, often
13 referred to as RFID chips, in their \$25 and higher
14 chips, and the regulations allow for the Board to
15 consider a waiver of the requirement for the second
16 set of backup chips if RFID technology is utilized.
17 Greenwood has provided details of the RFID technology
18 and devices to be used at Parx Casino, how the RFID
19 and related equipment will be used and how the use of
20 the technology will reduce or eliminate the potential
21 use of counterfeit gaming chips. The OEC has not
22 objected to the Board granting the waiver so long as
23 certain conditions are met, and those conditions
24 outlined in the Answer include that the RFID systems
25 be properly inspected by the PGCB's Bureau of Gaming

1 and Laboratory Operations, and that any necessary
2 internal control amendments are submitted for
3 approval. The matter is now appropriate for the
4 Board's consideration.

5 CHAIRMAN:

6 Any questions or comments from the Board?
7 Commissioner Sojka?

8 MR. SOJKA:

9 Just a few. First of all, would
10 Greenwood be the first operator in the State of
11 Pennsylvania then to employ this technology?

12 ATTORNEY SHERMAN:

13 No, Commissioner. The Meadows,
14 Washington Trotting Association, also use the RFID
15 technology. Essentially, there's a reader --- my
16 limited understanding of the technology, there's a
17 sensor reader that's installed at every table that can
18 track and monitor the chips being used on that table.

19 MR. SOJKA:

20 But in that situation where that RFID
21 technology is working, that operator is still
22 maintaining a secondary set of chips?

23 ATTORNEY SHERMAN:

24 Not something within my personal
25 knowledge. I'm told that WTA does have a backup set.

1 MR. SOJKA:

2 Well, that connects then with my concern
3 here, which is, at the moment, if we do grant this
4 waiver, it, of course, will have the condition that
5 this does not come into effect, as you just say, until
6 the appropriate reading devices are in place and our
7 gaming laboratory gives us the okay that this system
8 is up and working. Now, if that's the case, these
9 folks at Greenwood do, at the moment, have a backup
10 set; is that not correct?

11 ATTORNEY SHERMAN:

12 They do have a backup set of the regular
13 chips. They're not the RFID technology.

14 MR. SOJKA:

15 Do we have any concern --- and again,
16 this gets to the details of how some of these things
17 are done. Do we have a concern that if they have a
18 backup set and it is now superfluous, will we need to
19 generate some kind of rulemaking for the destruction
20 of backup sets or will they be allowed to keep those
21 or ---?

22 ATTORNEY SHERMAN:

23 The enforcement on this part is probably
24 better left to Mr. Pitre, ---

25 MR. SOJKA:

1 Yes.

2 ATTORNEY SHERMAN:

3 --- have him answer.

4 CHAIRMAN:

5 And Cyrus, just before you begin, I also
6 see that Counsel for Greenwood Gaming is here if we
7 want to bring them to the table.

8 ATTORNEY PITRE:

9 The inventory of the chips are maintained
10 and are controlled by the casino and are tracked by
11 --- I'm not going to --- by the Board's staff. So, we
12 know what's there and we know when something is
13 missing. If Mr. Kohler wants to speak more on
14 that ---. But I mean, those chips --- if they choose
15 to get rid of those chips, then they will have to be
16 destroyed as per our regulations, under the
17 supervision of Board staff.

18 CHAIRMAN:

19 Can you ask, just to kind of quantify
20 this discussion --- I don't want this spinning out of
21 control, but can you ask your question again,
22 Commissioner?

23 MR. SOJKA:

24 Yes. I want to know if --- when this
25 situation --- this petition in front of us, if it's

1 granted and you're up to speed to use the RFID chips
2 --- let me put it this way. Do you have any plans
3 then to retire or destroy your backup chips?

4 ATTORNEY KOHLER:

5 Good morning, Board members. I'm Alan
6 Kohler with Eckert Seamans. I have with me this
7 morning Brian Schroeder, who is an Assistant General
8 Counsel at Parx Casino, who's very familiar with the
9 technology, et cetera.

10 To straighten out the record on the
11 preliminary issue, Parx does not have backup chips.
12 And the reason for that is we implemented the RFID
13 technology, which was permitted by the regulations.
14 Under the regulations, there was a 90-day lag period
15 before they became effective in order to seek a
16 waiver. We filed for our waiver within that period,
17 and therefore had no obligation to acquire backup
18 chips.

19 I know in the past the Board has been
20 reluctant to grant waivers. In particular, I've heard
21 Commissioner Ginty speak to that many times. But I
22 would point out that this particular waiver is
23 specifically envisioned by the regulation. The
24 regulation itself says, if you use RFID technology,
25 we'll consider a waiver if you provide us with the

1 following information, and there's a checklist of
2 information that has to be provided. We essentially
3 have followed the regulation to the T. We're seeking
4 waiver based on the current operative utilization of
5 that technology and the fact that that technology is
6 designed to avoid the problems that the backup chips
7 are designed to cure and we think in a more effective
8 manner. Again, Mr. Schroeder can speak to more
9 details.

10 MR. SOJKA:

11 Again, before we do spin totally out of
12 control, my concern was at the level of detail. And
13 please don't assume that I'm opposed to the concept of
14 the use of RFID chips. In fact, I see that as a
15 potential benefit to all parties at some point. But
16 do we have --- it's irrelevant because you don't have
17 a backup set. And you've explained, at least for me,
18 adequately that, even though you do not have it,
19 you're not out of compliance because you're within the
20 time limits based on this situation.

21 That does leave for me, though, a
22 question about the other operator using the RFID
23 chips. And I would simply hope that we'll clarify
24 that for the benefit of the Board, make sure we know
25 what's going on there, if they do have backup chips,

1 don't have backup chips and so on.

2 ATTORNEY KOHLER:

3 And Commissioner, I can't speak for the
4 Meadows. But if they already have backup chips, they
5 may see no need to seek such a waiver. That's what
6 distinguished us in the situation.

7 CHAIRMAN:

8 Any other questions? Seeing none, can
9 I ---? Commissioner Ginty?

10 MR. GINTY:

11 Yes. Mr. Kohler raised my ongoing
12 concerns. This happens to be one regulation that I
13 think is correctly written. It clearly provides. So,
14 this would not be an ad hoc determination.

15 CHAIRMAN:

16 Could I have a motion, please?

17 MR. SOJKA:

18 Yes, you may. Mr. Chairman, I move that
19 the Board grant Greenwood Gaming & Entertainment,
20 Inc.'s Petition, as described by the OCC.

21 CHAIRMAN:

22 Second?

23 MR. TRUJILLO:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 AYES RESPOND

3 CHAIRMAN:

4 Opposed? Motion passes.

5 ATTORNEY SHERMAN:

6 Next, presenting Withdrawals and Reports
7 and Recommendations is Deputy Chief Counsel Steve
8 Cook.

9 CHAIRMAN:

10 Thank you, Doug. Welcome, Steve. Thank
11 you, gentlemen.

12 ATTORNEY COOK:

13 Hello. Good afternoon. I believe that's
14 accurate at this point. The Board has received six
15 unopposed Petitions for Withdrawal of Applications of
16 seven individuals. The individuals subject to these
17 petitions are as follows: Robert F. Griffin, David R.
18 Hughes, Sean Evans, Robert Caller, Franklin E.
19 Cantwell, Marilyn Malerba and Steven Allen Marsh.
20 The OEC has no objections to these withdrawals. We
21 would request a vote of the Board or a motion to
22 approve the withdrawals. Each would be granted
23 without prejudice.

24 CHAIRMAN:

25 Any questions or comments from the Board?

1 Could I have a motion, please?

2 MR. SOJKA:

3 Mr. Chairman, I move that the Board issue
4 an Order to approve the withdrawals and surrenders, as
5 described by the OCC.

6 MR. COY:

7 Second.

8 CHAIRMAN:

9 All in favor?

10 AYES RESPOND

11 CHAIRMAN:

12 Opposed? Motion passes.

13 ATTORNEY COOK:

14 Next before the Board for consideration
15 are five Reports and Recommendations received from the
16 OHA relative to four Gaming employees and one
17 Non-Gaming employee. These Reports and
18 Recommendations, along with the evidentiary record for
19 each matter, has been provided to the Board in advance
20 of this meeting. Additionally, each of the
21 individuals who are the subject of these Reports and
22 Recommendations have been notified that these matters
23 were listed on the Board agenda for today and that
24 they have the right to come forward and briefly
25 address the Board. If any of these individuals are

1 present, I would ask that they come forward when their
2 name is announced.

3 The first Report and Recommendation
4 before the Board pertains to James Fallon. On August
5 24th ---.

6 CHAIRMAN:

7 Hold on one second. Yes, Commissioner?

8 MR. TRUJILLO:

9 Mr. Chairman, I informed the Board
10 yesterday that I and other lawyers from my law firm
11 had represented the City of Philadelphia in connection
12 with some civil litigation arising out of a matter
13 relating to Mr. Fallon. Accordingly, I recused myself
14 from any deliberations yesterday, and I would like to
15 recuse myself now.

16 CHAIRMAN:

17 Thank you. Go ahead, Mr. Cook.

18 ATTORNEY COOK:

19 On August 24th, 2010, Mr. Fallon
20 submitted a Gaming Employee Occupation Application to
21 work as a security officer at Parx Casino. The OEC
22 issued a Notice of Recommendation of Denial on
23 September 29th, 2010 based on Mr. Fallon's criminal
24 history. Specifically, during November 2003 Mr.
25 Fallon pled guilty to simple assault, indecent assault

1 and official oppression. The conduct leading to these
2 charges occurred while Mr. Fallon was on duty as a
3 City of Philadelphia police officer. Mr. Fallon was
4 terminated from his employment with the City of
5 Philadelphia as a result of these convictions.

6 After receiving the Notice of
7 Recommendation of Denial, Mr. Fallon requested a
8 hearing, which was held on November 9th, 2010. At
9 that hearing, both the OEC and Mr. Fallon appeared and
10 offered testimony and other evidence. Subsequent to
11 the hearing, a Report and Recommendation was issued by
12 the OHA recommending the denial of Mr. Fallon's Gaming
13 Permit Application based on his criminal history.
14 That Report and Recommendation is presently before the
15 Board for consideration.

16 CHAIRMAN:

17 Thank you. Is Mr. Fallon here? Okay.
18 Could I have a motion, please?

19 MR. ANGELI:

20 Mr. Chairman, I move that the Board issue
21 an Order to adopt the Report and Recommendation of the
22 OHA regarding the Gaming Employee Permit of James
23 Fallon, as described by the OCC.

24 MR. COY:

25 Second.

1 CHAIRMAN:

2 All in favor?

3 AYES RESPOND

4 CHAIRMAN:

5 Opposed? Motion passes. Mickey, could
6 you please have Commissioner Trujillo come back in?

7 We'll take a five-minute break while we find

8 Commissioner Trujillo. We'll be right back.

9 BRIEF RECESS TAKEN

10 CHAIRMAN:

11 If I could ask everybody to please take
12 their seats, we'll get started again. Steve?

13 ATTORNEY COOK:

14 I believe the next matter on the agenda
15 is Malcolm McCann, a Report and Recommendation
16 relating to Mr. McCann, who I believe may be present.
17 If Mr. McCann is present, I'd ask him to come forward.
18 Mr. McCann submitted a Gaming Employee Application to
19 work at the Parx Casino as a table games supervisor.
20 Mr. McCann had disclosed in his application one
21 arrest. However, upon further inquiry from the BIE,
22 additional arrests and charges for motor-vehicle
23 violations and a charge relating to carrying a Taser
24 without a permit were also disclosed. The OEC issued
25 a Notice of Recommendation of Denial based on these

1 charges.

2 And subsequently, Mr. McCann requested a
3 hearing on the recommended Denial, which was held on
4 October 28th, 2010. Both the OEC and Mr. McCann
5 appeared at the hearing and proffered testimony and
6 exhibits. Mr. McCann testified that he had a Gaming
7 Employee License issued by the Indiana Gaming
8 Commission, which expired in August of 2010. He had
9 allowed this license to expire, as he had moved to
10 Philadelphia to gain employment at the Parx Casino.
11 Mr. McCann testified that he has ten years experience
12 in gaming, and he's worked at the Horseshoe Casino in
13 Hammond, Indiana in the security department as a table
14 games dealer, and most recently as a table games
15 supervisor.

16 After hearing all the evidence presented,
17 at the conclusion of the hearing, the Hearing Officer
18 issued a Report and Recommendation recommending that
19 Mr. McCann's Gaming Permit Application be approved.
20 This Report and Recommendation is now ripe for the
21 Board's consideration. As indicated, Mr. McCann is
22 present, as is Dustin Miller from the OEC.

23 CHAIRMAN:

24 Mr. Miller, do you have any additional
25 comments before I turn it over to Mr. McCann?

1 ATTORNEY MILLER:

2 No, not at this time.

3 CHAIRMAN:

4 Okay. Thank you. Mr. McCann, do you
5 want to make a brief statement to the Board, please?
6 Could you please stand to be sworn in by the
7 stenographer?

8 -----

9 MALCOLM MCCANN, HAVING FIRST BEEN DULY SWORN,
10 TESTIFIED AS FOLLOWS:

11 -----

12 CHAIRMAN:

13 Thank you. You may begin.

14 A. My name is Malcolm McCann. Good morning, Board.
15 I just came to ask that you --- that I be granted a
16 license due to the simple fact that I've been in this
17 business for approximately ten and a half years now.
18 My suitability, my credentials, as he said, I worked
19 in security for a year upon gaining employment with
20 the industry. I've been a dealer for approximately
21 three years. And then the most recent --- up until
22 the finish of ten years, I supervised in this
23 industry, dealing with some of the most prestigious
24 people, millionaires and all. And I had a lot of
25 written reports from these people, as I did my job

1 with exemplary service. I moved to Pennsylvania
2 basically to get a better life for my son and me,
3 myself, for better opportunities. And I ask that you
4 just grant me that wish.

5 CHAIRMAN:

6 Questions from the Board? Commissioner
7 McCabe?

8 MR. MCCABE:

9 What happened with the charge in Chicago
10 about you carrying a Taser?

11 A. Upon the Taser being found in the car by the
12 Chicago Police --- I was with a friend. We were on
13 our way to a social gathering, and she was sitting in
14 the backseat. And I guess for her own protection,
15 upon speaking with her, she left it in my backseat.
16 And I had no clue that it was in my backseat until the
17 police pulled me over.

18 MR. MCCABE:

19 I have a concern because part --- one of
20 the things that we're looking for in suitability is
21 integrity and maintaining integrity and truthfulness.

22 A. Yes, sir.

23 MR. MCCABE:

24 And your failure to indicate the true
25 nature of your involvement with law enforcement

1 concerns me, your lack of candor. And can you explain
2 why you didn't go into a little bit more detail? Why
3 do we have to go back and ask you again to update it
4 after we had already found the information that you
5 had been arrested?

6 A. Okay. Well, I guess the original application, as
7 I stated in the hearing that I had previously, I
8 wasn't fully aware of --- most of my arrests --- my
9 arrests was traffic violations. I've never been in
10 the type of trouble where I needed a lawyer to justify
11 anything for them. So, it was a misunderstanding on
12 my part as far as what a conviction was. And I later
13 understood that if you get arrested, then it's
14 considered an arrest. I've never been in the type of
15 trouble where I had to have a lawyer. So, if I went
16 to --- if I got arrested for a suspended license,
17 which I had to carry SR22 insurance and I let it
18 lapse, not fully aware that my license was suspended
19 whenever they pulled me over, finding out that my
20 license is suspended, I wasn't aware that that was
21 considered an arrest. Because when you go back to
22 court, they just tell you, did you get your license
23 straight? I tell them yes, and then they let me go.

24 MR. MCCABE:

25 I noticed from the record that we have

1 that you had a Gaming License in Indiana at the time
2 of all these incidences.

3 A. Yes, sir.

4 MR. MCCABE:

5 Did you report them to the Gaming
6 Commission there?

7 A. Yes, sir.

8 MR. MCCABE:

9 And what was their reaction? What did
10 they do?

11 A. I still obtained my license. I just ---.

12 MR. MCCABE:

13 No suspension, no ---?

14 A. No.

15 MR. MCCABE:

16 And then why did you let that license
17 lapse?

18 A. Because I moved to Pennsylvania to gain employment
19 here.

20 MR. MCCABE:

21 Are you currently working?

22 A. No. I've been here since June 5th, I believe. I
23 moved to Pennsylvania not fully aware --- my original
24 intentions when I did the application, I had --- I
25 listed the arrests in additional comments. Because

1 when I originally did the application, I couldn't put
2 it in because the application wouldn't let me go
3 forward. So, the lady in human resources, she told me
4 write the rest in additional comments, and that's what
5 I did.

6 MR. MCCABE:

7 You're married?

8 A. I'm separated, sir.

9 MR. MCCABE:

10 Separated. Who has custody of the ---
11 how many children do you have? You said you at least
12 have a son.

13 A. Right. My son lives with me in Pennsylvania, in
14 Bensalem.

15 MR. MCCABE:

16 What are you doing to support him?

17 A. Well, I'm on unemployment right now. Fortunately,
18 my mom helps me out because I'm on a year lease.

19 MR. MCCABE:

20 Your mother lives here?

21 A. No. She lives in Chicago.

22 MR. MCCABE:

23 No other questions at this time.

24 CHAIRMAN:

25 Commissioner Sojka?

1 MR. SOJKA:

2 Just a couple very quick ones. One, were
3 you specifically recruited by a Pennsylvania operator
4 to come here to be employed?

5 A. Yes, sir.

6 MR. SOJKA:

7 Which one was that?

8 A. It was Dave Coyne.

9 MR. SOJKA:

10 That's with which operator?

11 A. Oh, with Parx Casino.

12 MR. SOJKA:

13 Parx, okay. And they're aware of the
14 fact that you're here, and it's assumed --- can we
15 assume that if you do get a license, then they will
16 immediately employ you?

17 A. Yes, sir.

18 MR. SOJKA:

19 Okay.

20 MR. MCCABE:

21 Can I have a follow-up ---

22 CHAIRMAN:

23 Sure.

24 MR. MCCABE:

25 --- to one of my questions again? Do you

1 have a Pennsylvania Driver's License?

2 A. No, sir. I have an Illinois Driver's License.

3 MR. MCCABE:

4 Do you have a valid Driver's License
5 right now?

6 A. Yes, I do.

7 MR. MCCABE:

8 From which state?

9 A. Illinois.

10 MR. MCCABE:

11 You've lived here since June. You
12 realize that the law is that if you've been living
13 here six months, you have to get a Pennsylvania
14 Driver's License?

15 A. I wasn't fully aware of that, sir.

16 MR. MCCABE:

17 To get a --- if you're going to live and
18 work in Pennsylvania, you've got to get a Pennsylvania
19 Driver's License.

20 A. I didn't want to interrupt you. As soon as
21 possible, I was, but I wasn't sure how long I was
22 going to be here, because I haven't had the license.

23 MR. MCCABE:

24 Do you have a vehicle?

25 A. Yes, I do.

1 MR. MCCABE:

2 Do you have insurance on that vehicle?

3 A. Yes, I do.

4 MR. MCCABE:

5 With who?

6 A. With American Insurance in Illinois.

7 MR. MCCABE:

8 That was just some of my other ---. I'm
9 still a little bit concerned about --- this really
10 wasn't a firearm.

11 A. No.

12 MR. MCCABE:

13 It was a Taser.

14 A. It was a Taser.

15 MR. MCCABE:

16 Did this female passenger come forward
17 and admit that it was hers?

18 A. Yes, she did.

19 MR. MCCABE:

20 She did that in court?

21 A. No. She told me. The police took it. The police
22 took it. She didn't have to go to court.

23 MR. MCCABE:

24 Oh, the police took the Taser?

25 A. Yeah, they took the Taser.

1 MR. MCCABE:

2 But you were arrested for the possession
3 of it?

4 A. Yes.

5 MR. MCCABE:

6 And then they didn't nolle pros?

7 A. There was no follow-up to it, because basically
8 they dismissed those charges. From what I understand,
9 the charge was for the traffic, for my license being
10 suspended.

11 MR. MCCABE:

12 And they dismissed them because she said
13 it was hers or ---?

14 A. No, they didn't dismiss them because she said it
15 was hers, but there was no follow-up to the Taser,
16 period.

17 MR. COY:

18 You mean there was no arrest?

19 A. No. I was arrested for the suspended license, and
20 the Taser was in the car. The charges after I went to
21 court, there was no follow-up to it.

22 MR. COY:

23 I'm not sure I understand what that
24 means.

25 ATTORNEY COOK:

1 I'll try to clarify the record, and maybe
2 Dustin can help me, but according to the record I
3 have, the arrest was March 10th, 2010 for illegal
4 possession of ammunition, driving on a suspended
5 license and carrying a firearm. And he was found
6 guilty of carrying/possessing a firearm and sentenced
7 to ten days' confinement, which was later reduced to
8 two days. The other charges were either nolle prossed
9 or we don't have a disposition for. So, there was at
10 least one conviction.

11 MR. COY:

12 For a non-traffic offense?

13 ATTORNEY COOK:

14 For a firearms --- well, a Taser.

15 MR. COY:

16 I'm just trying to determine when --- he
17 said that all of his convictions or problems were
18 traffic-related, and they apparently weren't.

19 A. As far as what he was referring to.

20 MR. COY:

21 Okay.

22 A. That was the question that he referred to, as far
23 as the traffic.

24 CHAIRMAN:

25 Commissioner Trujillo?

1 MR. TRUJILLO:

2 As I understand the record, you pled
3 guilty; right? It was not a trial?

4 A. Right, it wasn't a trial.

5 MR. TRUJILLO:

6 So they arrested you. There was a
7 combination of both the traffic and the Taser?

8 A. Right.

9 MR. TRUJILLO:

10 And so then did you have a lawyer when
11 you pled guilty?

12 A. No.

13 MR. TRUJILLO:

14 So you pled guilty, and as far as you
15 were concerned, whatever charges were there were
16 disposed of?

17 A. That's what I thought, yeah.

18 MR. TRUJILLO:

19 I understand. In my experience as a
20 federal prosecutor, I've seen lots of instances where
21 you have multiple charges, and people want to dispose
22 of them at one time, and very often people don't have
23 a full understanding of whether --- which one. They
24 say, okay, plead guilty to one. So, I understand what
25 happened.

1 CHAIRMAN:

2 I have a question. And to follow-up on
3 the guilty plea, I mean, you --- again, as I
4 understand the record, you pled guilty to the firearm
5 violation; correct?

6 A. Right.

7 CHAIRMAN:

8 And the firearm in question was the Taser
9 that was left in the backseat by your girlfriend or
10 the woman that was in your car?

11 A. By the woman that was in my car.

12 CHAIRMAN:

13 Why would you do that?

14 A. It was in my car, and I should have ---.

15 CHAIRMAN:

16 But it wasn't yours. Did the prosecutor
17 interview the woman who left it there?

18 A. No. They didn't interview --- well, see, to my
19 understanding, when they said a firearm, I had to ---
20 I'm wondering where a firearm charge came from when it
21 was a Taser. That's what I was wondering from in the
22 first place.

23 CHAIRMAN:

24 I understand that. But the Taser wasn't
25 yours?

1 A. It was not mine.

2 CHAIRMAN:

3 Then why would you plead guilty to
4 something that you weren't guilty of?

5 A. It was in my vehicle. So, without having a lawyer
6 representing me, I figured what was I going to do
7 anyway, because it was in my vehicle and I was driving
8 it.

9 CHAIRMAN:

10 I understand. Is there anything,
11 Enforcement Counsel, before I move to other questions,
12 anything that's been said to date that you guys
13 disagree with?

14 ATTORNEY MILLER:

15 Everything you said so far has been
16 accurate.

17 CHAIRMAN:

18 Thank you. Other questions from the
19 Board? Commissioner McCabe?

20 MR. MCCABE:

21 You said that you left Chicago and
22 employment to get a better life for your child. Why
23 did you leave your job at the Horseshoe Casino?

24 A. Well, previously to leaving, I had a motorcycle
25 accident last August, and I was off of work for an

1 approximate amount of time. And when I returned to
2 work, I had returned for approximately two weeks, and
3 I had injured my back again. So, upon me having to
4 take another leave, my medical benefits exhausted, so
5 I would have had to reapply.

6 MR. MCCABE:

7 So, you left because your benefits ---?

8 A. My benefits had exhausted at my previous job,
9 because I was off for approximately four months on a
10 motorcycle accident.

11 MR. MCCABE:

12 Were they willing to rehire you?

13 A. Yes, sir.

14 MR. MCCABE:

15 Okay.

16 CHAIRMAN:

17 Other questions? Okay.

18 MR. COY:

19 I have a question I expect. Do our
20 Enforcement folks have a recommendation here?

21 ATTORNEY PITRE:

22 Well, we didn't file exceptions to it.
23 It's one of those cases where it doesn't seem like it
24 would be totally outrageous to license him. My
25 recommendation would be to take the Hearing Officer's

1 recommendation and give him a chance. Look, if he
2 messes up, we'll revoke him. But I mean, based on
3 what the Hearing Officer had to say in his Report and
4 Recommendation, I wouldn't have a problem with it now
5 that we know all the details of it.

6 MR. GINTY:

7 Could I ask something? Could we make a
8 condition on it that he notify us as soon as he has a
9 Pennsylvania license and Pennsylvania insurance?

10 ATTORNEY PITRE:

11 I'm sure we'd be following up on that
12 anyway, but yes.

13 CHAIRMAN:

14 Okay.

15 A. Can I just say one more thing, too?

16 CHAIRMAN:

17 Yes. Go ahead, Mr. ---.

18 A. Anything that I have to do, any followings or
19 proceedings that I need to do, I'm more than willing
20 to do, because I've tried to my best of my ability to
21 cooperate with the investigators on whatever I've had
22 to do. So by your recommendation, I'm more than
23 willing to proceed with whatever you need me to do.

24 CHAIRMAN:

25 Thank you.

1 MR. TRUJILLO:

2 Mr. Chairman?

3 CHAIRMAN:

4 Yes, Commissioner Trujillo?

5 MR. TRUJILLO:

6 Can I just say that I have --- the
7 underlying conduct itself is not the worst kind of
8 conduct we've seen by any stretch of the imagination.
9 And I'll tell you, like I said, I've seen many, many,
10 many instances where people are confused by what
11 they're doing and why they're pleading guilty to a
12 particular issue. So based on the conduct I've seen
13 here and what I seem to see as candor, I'd have no
14 issue whatsoever with him having a license.

15 CHAIRMAN:

16 Thank you. Commissioner McCabe?

17 MR. MCCABE:

18 Is Parx still willing to hire you?

19 A. Yes, sir.

20 MR. MCCABE:

21 If we issue your license today, you can
22 start tomorrow at five o'clock?

23 A. Today.

24 MR. MCCABE:

25 What is the job?

1 A. Yes, sir.

2 MR. MCCABE:

3 What job? What are you going to be doing
4 for Parx?

5 A. Floor supervisor.

6 MR. MCCABE:

7 Floor supervisor for table games?

8 A. Yes, sir.

9 MR. MCCABE:

10 Okay.

11 CHAIRMAN:

12 Okay. Could I have a motion, please?

13 MR. COY:

14 Yes, Mr. Chairman. I move the Board
15 issue an Order to adopt the Report and Recommendation
16 of the OHA regarding the Gaming Employee Permit of
17 Malcolm McCann, as described by the OCC.

18 CHAIRMAN:

19 Can I have a second?

20 MR. GINTY:

21 I'm happy to join my colleague,
22 Commissioner Trujillo, and I will second the motion.

23 CHAIRMAN:

24 Thank you. All in favor? Yes, before we
25 vote on the motion, the conditions about the Driver's

1 License and employment and other things should be part
2 of that motion.

3 ATTORNEY PITRE:

4 That will be forwarded to the Bureau of
5 Licensing, and it will be a condition of his license.
6 And I'm sure Mr. McCann wouldn't have a problem with
7 that.

8 A. No, I do not.

9 CHAIRMAN:

10 Okay. Thank you. Having stated all
11 that, all in favor of the motion, say aye.

12 AYES RESPOND

13 CHAIRMAN:

14 Opposed? Motion passes. Thank you, Mr.
15 McCann.

16 A. Thank you, Board.

17 CHAIRMAN:

18 Good luck to you.

19 ATTORNEY COOK:

20 The next Report and Recommendation before
21 the Board for consideration pertains to Stephen
22 Westbrook. Mr. Westbrook submitted an application for
23 a Gaming Employee Permit on August 13th, 2010, seeking
24 work as a table games dealer at the Sugarhouse Casino.
25 In the application process, Mr. Westbrook disclosed

1 that he had been arrested eight times, resulting in
2 three convictions. During the BIE's background
3 investigation, it was found that Mr. Westbrook failed
4 to disclose his complete criminal history, including
5 but not limited to the fact that he was on parole at
6 the time he submitted his application. He also failed
7 to amend his application to disclose a current felony
8 arrest for aggravated assault and felony criminal
9 conspiracy that occurred after he submitted the
10 original application. That matter is still pending.
11 To date, Mr. Westbrook has been arrested 12 times,
12 resulting in seven convictions.

13 As a result of Mr. Westbrook's
14 nondisclosure, the OEC issued a Notice of
15 Recommendation of Denial on August 24th, 2010. Mr.
16 Westbrook requested a hearing, which was held in his
17 absence, as he did not appear, on October 21st, 2010.
18 Subsequent thereto, a Report and Recommendation was
19 issued by the OHA, recommending the denial of Mr.
20 Westbrook's application. That matter is presently
21 before the Board for consideration.

22 CHAIRMAN:

23 Thank you. Is Mr. Westbrook here? Okay.
24 Any questions or comments from the Board? Seeing
25 none, could I have a motion, please?

1 MR. GINTY:

2 Mr. Chairman, I move that the Board issue
3 an Order to adopt the Report and Recommendation of the
4 OHA regarding the Gaming Employee Permit of Stephen
5 Westbrook, as described by the OCC.

6 MR. MCCABE:

7 Second.

8 CHAIRMAN:

9 All in favor?

10 AYES RESPOND

11 CHAIRMAN:

12 Opposed? Motion passes.

13 ATTORNEY COOK:

14 Next for the Board's consideration is a
15 Report and Recommendation relating to Jonathan Huhn.
16 Mr. Huhn submitted a Gaming Employee Application to
17 work as a table games dealer at the Parx Casino.
18 During the BIE's investigation, it was found that Mr.
19 Huhn has delinquent tax conditions with the
20 Pennsylvania Department of Revenue. The OEC notified
21 Mr. Huhn of the tax issues and gave him the
22 information necessary to take steps to resolve the
23 issue. Mr. Huhn failed to resolve the issue, and
24 therefore, the OEC issued a Notice of Recommendation
25 of Denial.

1 Thereafter, Mr. Huhn requested a hearing
2 and was notified of the hearing, which was scheduled
3 for November 23rd, 2010. Mr. Huhn didn't appear at
4 the hearing, however, and it was held in his absence.
5 Subsequent thereto, the Hearing Officer issued a
6 Report and Recommendation, recommending that Mr.
7 Huhn's application be denied, given his tax issues.
8 That matter is now ripe for the Board's consideration.

9 CHAIRMAN:

10 Is Mr. Huhn here? Any questions or
11 comments from the Board? Seeing none, could I have a
12 motion, please?

13 MR. MCCABE:

14 Yes, Mr. Chair. I move that the Board
15 issue an Order to adopt the Report and Recommendation
16 of the OHA regarding the Gaming Employee Permit of
17 Jonathan Huhn, as described by the OCC.

18 CHAIRMAN:

19 Second?

20 MR. SOJKA:

21 Second.

22 CHAIRMAN:

23 All in favor?

24 AYES RESPOND

25 CHAIRMAN:

1 Opposed? The motion passes.

2 ATTORNEY COOK:

3 The final Report and Recommendation
4 before the Board today pertains to Jeffrey King. Mr.
5 King submitted his application for a Non-Gaming
6 Employee Registration on August 23rd, 2010, seeking
7 work as a valet at the SugarHouse Casino. After being
8 notified by the OEC that information was uncovered in
9 Mr. King's criminal history check, Mr. King amended
10 his application on September 1st, 2010. Specifically,
11 Mr. King reported on his amended application that he
12 had been arrested in Florida on October 14th, 2008 and
13 charged with two counts of aiding escape, two counts
14 of contributing to the delinquency or dependency of a
15 child, two counts of interference with custody, and
16 two counts of child neglect. Mr. King later pleaded
17 guilty --- or I'm sorry, pleaded nolo, no contest, to
18 the child neglect and aiding escape charges, while the
19 remaining charges were dropped. He was thereafter
20 sentenced to prison for a period of one year and four
21 months, and he was released approximately one and a
22 half months early for good behavior.

23 Mr. King requested a hearing after the
24 OEC recommended his license be denied. That hearing
25 was held on November 3rd, 2010. Both the OEC and Mr.

1 King appeared for the hearing and offered testimony
2 and documentary evidence. While under oath, Mr. King
3 testified to the circumstances surrounding his arrest,
4 indicating that he unwittingly picked up two female
5 teenage hitchhikers, who, unbeknownst to him, had
6 escaped from a juvenile detention facility. That same
7 evening, while the juveniles were in his vehicle, Mr.
8 King was pulled over for a traffic violation, the
9 juveniles were identified, and he was taken into
10 custody. After reviewing the entire evidentiary
11 record, the Hearing Officer issued a Report and
12 Recommendation finding that Mr. King was suitable for
13 a Non-Gaming Registration.

14 Notwithstanding this Recommendation, the
15 OCC believes that, due to Mr. King's nondisclosures
16 and the nature and recency of the conviction, as well
17 as his incarceration, that the Board should consider a
18 motion denying the --- not adopting the report and
19 Recommendation and denying this individual's
20 application.

21 CHAIRMAN:

22 Thank you. Is Mr. King here? Any
23 questions or comments from the Board? Commissioner
24 Sojka?

25 MR. SOJKA:

1 I'm curious. Do we have any reason to
2 think that Mr. King's testimony taken under oath was
3 not accurate?

4 ATTORNEY COOK:

5 That is possibly a true statement, yes.

6 MR. SOJKA:

7 There could be action related to that?

8 ATTORNEY COOK:

9 There could be, but it would be outside
10 the record of these proceedings.

11 MR. SOJKA:

12 Thank you. I'm willing to offer a
13 motion.

14 CHAIRMAN:

15 Okay. Any other questions or comments
16 from the Board? Seeing none, Commissioner Sojka?

17 MR. SOJKA:

18 Mr. Chairman, I move that the Board issue
19 an Order to reject the Report and Recommendation of
20 the OHA regarding the Non-Gaming Employee Registration
21 of Jeffrey King, as described by the OCC.

22 CHAIRMAN:

23 Second?

24 MR. TRUJILLO:

25 Second.

1 CHAIRMAN:

2 All in favor?

3 AYES RESPOND

4 CHAIRMAN:

5 Opposed? The motion passes.

6 ATTORNEY COOK:

7 The final OCC matter before the Board
8 today pertains to Faisal Ibrahim, who I believe is
9 present. If Mr. Ibrahim could come forward. At the
10 Board's December 16th meeting, the BIE requested the
11 Board to enter default judgment and suspend the Non-
12 Gaming Registration of Mr. Ibrahim for a period of one
13 month. Mr. Ibrahim is currently employed as a parking
14 attendant at Presque Isle Downs. At that time, that
15 being December 16th, the Board rejected the proposed
16 default judgment and issued a Rule to Show Cause why
17 a more serious sanction, up to and including
18 revocation, should not be imposed upon Mr. Ibrahim.
19 That rule, which was returnable today, was personally
20 served upon Mr. Ibrahim at Presque Isle Downs.

21 The facts surrounding the situation are
22 as follows. On January 6th, 2010, the Board's Bureau
23 of Casino Compliance received an arrest notification
24 from the Pennsylvania State Police indicating that Mr.
25 Ibrahim had been arrested and charged with retail

1 theft on December 19th, 2009. Mr. Ibrahim was advised
2 that he is required to inform the Board of any
3 arrests, and after being informed of that, he amended
4 his application with the Board. The Bureau of Casino
5 Compliance also requested Mr. Ibrahim to provide
6 documentation related to his arrest. And although Mr.
7 Ibrahim, as I noted, did amend his application, he
8 never did provide the paperwork associated with his
9 arrest. In his amendment to his application, Mr.
10 Ibrahim indicated that the retail theft arrest in
11 question involved a misunderstanding involving his
12 opening a soft drink at a Walmart store and then, upon
13 reaching the cashier to pay for the soft drink,
14 realizing that he had no money in his pocket.

15 On February 5th, 2010, the Bureau of
16 Casino Compliance obtained a copy of the citation
17 issued to Mr. Ibrahim. The citation, in fact,
18 indicated that Mr. Ibrahim was charged with stealing
19 several audio cables, valued at \$13.66, from a
20 Walmart, and also that during the course of the arrest
21 or charging, he provided a false name on numerous
22 occasions to the arresting authority. Mr. Ibrahim is
23 present today to address the Board, as well as to
24 answer any questions of the Board relative to this
25 matter.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CHAIRMAN:

Mr. Ibrahim, the Board called you here today because, quite frankly, we have some serious concerns, concerns about allowing you to continue to work at a casino after you were charged with theft, failed to immediately report it to the Board staff, and then when you did report it, you weren't forthright about what happened. Now that you're here, because, although the OEC felt that you --- what you did was worthy --- was only worthy of a 30-day suspension of your credentials, at least some of the members of this Board believe your credentials should be revoked. So with that, I would like you, Mr. Ibrahim, to tell us exactly what happened. And before you do that, if you could please stand to be sworn in.

FAISAL IBRAHIM, HAVING FIRST BEEN DULY SWORN,
TESTIFIED AS FOLLOWS:

CHAIRMAN:

Thank you.

A. When I got arrested, I didn't know it was an arrest. I asked the officer, and he said it's a non-traffic ticket. So I didn't know if I should report it or not. And the officer also told me that

1 he would report because I told him where I worked, and
2 he said he'll report it to the casino. So, I
3 didn't --- at that point, I'm like, okay, and I didn't
4 know if I was supposed to report, too. And then I did
5 try several times to provide paperwork to a security
6 officer, who asked me for the paperwork, and I gave
7 him the file number. And that's how they were able to
8 prove --- to get the citation note.

9 CHAIRMAN:

10 Okay. Questions from Board members.
11 Commissioner McCabe?

12 MR. MCCABE:

13 I've got a few here. Part of the record
14 that we have shows that you provided four different
15 names to the authorities when you were arrested. What
16 were the four names that you gave?

17 A. I don't really remember.

18 MR. MCCABE:

19 Why did you give four different names?

20 A. I was really scared. That was my first time ever
21 dealing with police. And part of growing up in Syria,
22 you just --- I didn't have like --- like, I've seen
23 police beat my dad and stuff like that, so I've never
24 been --- like, I've never really had a good, positive
25 view from police.

1 MR. MCCABE:

2 Were you born in the United States?

3 A. No.

4 MR. MCCABE:

5 Where were you born?

6 A. In Iraq. And then as soon as I was born, we moved
7 to a refugee camp in Syria.

8 MR. MCCABE:

9 And when did you come to the United
10 States?

11 A. When I was about 14 years old.

12 MR. MCCABE:

13 So you graduated from --- did you
14 graduate from a U.S. high school?

15 A. Yes. As soon as I came to the United States, I
16 attended high school. And right now I'm again ---.

17 MR. MCCABE:

18 Part of why I was asking the four
19 different names --- is this your whole name? Because
20 I do know ---

21 A. Yes.

22 MR. MCCABE:

23 --- you have your mother's ---

24 A. Faisal.

25 MR. MCCABE:

1 --- maiden name and there's different
2 variations.

3 A. Faisal Ahmed Ibrahim, that's my full name.

4 MR. MCCABE:

5 Okay.

6 A. I also have a letter from one of my supervisors if
7 you guys would like to see it.

8 MR. MCCABE:

9 Are you a U.S. citizen?

10 A. Yes, I am.

11 MR. MCCABE:

12 You're naturalized or ---?

13 A. Yes, I'm a U.S. citizen.

14 MR. MCCABE:

15 Okay. I have no other questions.

16 CHAIRMAN:

17 Commissioner Sojka?

18 MR. SOJKA:

19 I'm concerned a little bit about the ---
20 not only the multiple names. Is it the same reason
21 that you gave us the fabricated story about opening
22 the soft drink and not finding any money?

23 A. No. I was really embarrassed, so I don't know.

24 MR. SOJKA:

25 You didn't want to put on the form that

1 you were arrested for shoplifting?

2 A. Yes. I was really embarrassed by that, and I
3 don't know why I did that.

4 MR. SOJKA:

5 So the two issues of lack of veracity
6 are --- your comments are that one was based on fear
7 and the other was based on embarrassment?

8 A. Yes. It is true that I didn't have my wallet at
9 the time. And I did take the stuff to buy, but I
10 didn't have my wallet, and then, I don't know ---.

11 MR. SOJKA:

12 Oh, I'm sorry. So, the not having the
13 wallet is back in the story? You're saying that you
14 did take the power cables but then found you didn't
15 have a wallet. So, you really weren't intending to
16 shoplift?

17 A. Yes.

18 MR. SOJKA:

19 Well, what did you do with them? Did
20 you, like, put them in your shirt or did you try to
21 ---?

22 A. Yes. Because I didn't have my wallet. Otherwise,
23 they would have my identification.

24 MR. SOJKA:

25 I see. But the business of the soft

1 drink can and all that, that's a pure fabrication?

2 A. Yes.

3 MR. SOJKA:

4 That's all.

5 CHAIRMAN:

6 Commissioner?

7 MR. MCCABE:

8 I'd like to clarify or go a little bit
9 more in depth in one of the questions I asked you.
10 Were any of the four names that you provided to the
11 police any names that you are known by?

12 A. No.

13 MR. MCCABE:

14 Okay. Thank you.

15 CHAIRMAN:

16 Other questions? Commissioner Ginty?

17 MR. GINTY:

18 I have a couple of questions. What was
19 the ultimate disposition of the --- I guess basically
20 the shoplifting of the cables?

21 A. I'm sorry. Can you ---?

22 MR. GINTY:

23 What happened --- you were ultimately
24 charged with theft of \$13.66 of power cables.

25 A. Uh-huh (yes).

1 MR. GINTY:

2 What happened to those charges?

3 A. Oh, they got --- the charges? I pled guilty to it
4 and I paid the fine.

5 ATTORNEY PITRE:

6 It was a summary offense, so he paid a
7 fine.

8 CHAIRMAN:

9 Go ahead, Cyrus.

10 ATTORNEY PITRE:

11 It was a summary offense.

12 MR. GINTY:

13 Cyrus, this is for you. Help us out
14 here. You know, we've had a lot of cases --- you've
15 got a failure to disclose here, which, you know,
16 because of some maybe cultural adjustments that are
17 taking place, might be understandable. You do have a
18 theft. And the gentleman parks cars, where, you know,
19 one leaves change and other things in cars. And what
20 do you see as the extenuating circumstances here?

21 ATTORNEY PITRE:

22 His age, the cultural differences with
23 regard to the police, and also the fact that it was a
24 summary offense, \$13. Now, with that said, he did
25 bring a letter from his supervisor.

1 MR. GINTY:

2 Can we read that into the record?

3 ATTORNEY SHERMAN:

4 The letter is from Debra Kolesar
5 (phonetic), identified on the letter as transportation
6 supervisor at Presque Isle Downs, and is dated January
7 5th, 2011, which was yesterday. It states, to whom it
8 may concern, Faisal Ibrahim has worked for Presque
9 isle Downs and Casino's Transportation Department for
10 almost two years. Faisal has a good attendance record
11 and can be relied upon to successfully complete all
12 assignments in a timely manner. He is also very
13 cooperative and gets along well with other staff
14 members. He is a very hard-working person and is
15 respectful to everyone. Throughout the time I worked
16 with him, Faisal always stayed overtime when I asked
17 him and helped out. Faisal is a pleasure to work
18 with.

19 CHAIRMAN:

20 Commissioner McCabe?

21 MR. MCCABE:

22 I'm sorry, but --- I'm trying to help
23 you, believe it or not. Prior to this occasion, did
24 you ever have any other involvement with law
25 enforcement, police?

1 A. No.

2 MR. MCCABE:

3 So this was your first time?

4 A. Yes.

5 MR. MCCABE:

6 Did you ever have any involvement with
7 law enforcement in your native country of Syria?

8 A. No, not really. Just like I've seen them beat up
9 my dad for no reason.

10 MR. MCCABE:

11 I couldn't understand.

12 MR. SOJKA:

13 Beat up his father.

14 MR. MCCABE:

15 They what?

16 MR. SOJKA:

17 They beat up his father.

18 MR. MCCABE:

19 That's where I was going with this
20 question. Cultural. So, you have had family ---.

21 Who allegedly beat up your father? Was it here in the
22 United States or over in Syria?

23 A. No. Over in Syria.

24 MR. MCCABE:

25 So that's your experience with the

1 authorities?

2 A. Yes.

3 MR. MCCABE:

4 Okay.

5 CHAIRMAN:

6 Commissioner Trujillo?

7 MR. TRUJILLO:

8 Mr. Ibrahim, does your supervisor that
9 wrote the letter know that you were arrested for these
10 offenses?

11 A. I am not sure because --- I don't know. That's a
12 department thing. I'm not sure.

13 CHAIRMAN:

14 Cyrus?

15 ATTORNEY PITRE:

16 He informed Presque Isle, what, a week
17 later? A week later after the arrest, so they're
18 aware of it.

19 MR. TRUJILLO:

20 Okay. Thank you.

21 CHAIRMAN:

22 Okay. Having heard all that, could I
23 have a motion from Commissioner Ginty, please?

24 MR. GINTY:

25 I'm going to go with Cyrus here, I got to

1 tell you. Mr. Faisal (sic), you owe our Enforcement
2 Counsel here a debt of gratitude, but I move that the
3 Board issue an Order to suspend, as provided by the
4 OCC, the Non-Gaming Employee Registration of Faisal
5 Ibrahim.

6 ATTORNEY COOK:

7 For the record, the suspension
8 recommended was a 30-day suspension.

9 MR. GINTY:

10 Thirty (30) day suspension.

11 CHAIRMAN:

12 Correct.

13 MR. MCCABE:

14 And he has not served that?

15 ATTORNEY COOK:

16 He has not, no.

17 CHAIRMAN:

18 Okay. The motion on the floor is to
19 adopt the recommendation for a 30-day suspension.

20 MR. MCCABE:

21 I'll second that.

22 CHAIRMAN:

23 Any other questions? Could I have votes
24 in favor of that?

25 AYES RESPOND

1 CHAIRMAN:

2 Any opposed? Motion passes. Thank you,
3 Mr. Ibrahim. Again, this is a break for you. Please
4 take note of that. And I understand the cultural
5 differences, but when the police stop you in this
6 country, you have to be truthful with them.

7 A. Okay. I appreciate it. Thank you.

8 CHAIRMAN:

9 Thank you.

10 ATTORNEY SHERMAN:

11 That concludes the matters of the OCC.

12 CHAIRMAN:

13 Thank you, Enforcement Counsel. Thank
14 you, Chief Counsel. Next up is our Director of
15 Licensing, Susan Hensel. Welcome, Susan.

16 MS. HENSEL:

17 Thank you, Chairman Fajt and members of
18 the Board. The first matter for your consideration is
19 the renewal of a Slot Machine Manufacturer License for
20 MicroFirst Associates, Inc. The BIE has completed its
21 investigation, and the Bureau of Licensing has
22 provided you with a background investigation and
23 suitability report for this licensee. No issues were
24 identified by either the BIE or Licensing that would
25 preclude renewal of this license. I've provided you

1 with a draft order and ask that the Board consider the
2 renewal of MicroFirst Associates, Inc.

3 CHAIRMAN:

4 Enforcement Counsel?

5 ATTORNEY PITRE:

6 No objection.

7 CHAIRMAN:

8 Thank you. Questions from the Board?

9 Could I have a motion, please?

10 MR. TRUJILLO:

11 Mr. Chairman, I move that the Board
12 approve MicroFirst Associates, Inc.'s Slot Machine
13 Manufacturing License, as described by the Bureau of
14 Licensing.

15 MR. ANGELI:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 AYES RESPOND

20 CHAIRMAN:

21 Opposed? Motion passes.

22 MS. HENSEL:

23 Next is the approval of Principal and Key
24 Employee Licenses. Prior to this meeting, the Bureau
25 of Licensing provided you with proposed orders for

1 four Principals and 15 Key Employee Licenses for
2 Chester Downs, Greenwood Gaming, Mountain View
3 Thoroughbred Racing Association, Presque Isle,
4 Washington Trotting Association, Holdings Acquisition
5 Co., Mount Airy and Sands Bethworks. I ask that the
6 Board consider the Order approving these licenses.

7 ATTORNEY PITRE:

8 No objection.

9 CHAIRMAN:

10 Thank you. Questions from the Board?
11 Could I have a motion, please?

12 MR. ANGELI:

13 So moved.

14 CHAIRMAN:

15 Second?

16 MR. COY:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 AYES RESPOND

21 CHAIRMAN:

22 Opposed? Motion passes.

23 MS. HENSEL:

24 We also have for your consideration the
25 issuance of Temporary Principal and Key Employee

1 Licenses. Prior to this meeting, the Bureau of
2 Licensing provided you with an Order regarding the
3 issuance of Temporary Licenses for three Principal and
4 16 Key Employees. I ask that the Board consider the
5 Order approving these credentials.

6 ATTORNEY PITRE:

7 No objection.

8 CHAIRMAN:

9 Questions from the Board? Could I have a
10 motion?

11 MR. COY:

12 So moved.

13 CHAIRMAN:

14 Second?

15 MR. GINTY:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 AYES RESPOND

20 CHAIRMAN:

21 Opposed? Motion passes.

22 MS. HENSEL:

23 Next are Gaming Permits and Non-Gaming
24 Registrations. Prior to this meeting, the Bureau of
25 Licensing provided you with a list of 410 individuals

1 who the Bureau has granted Occupation Permits to and
2 110 individuals who the Bureau has granted
3 Registrations to under the authority delegated to the
4 Bureau of Licensing. I ask that the Board adopt a
5 motion approving the order.

6 ATTORNEY PITRE:

7 No objection.

8 CHAIRMAN:

9 Questions from the Board? Could I have a
10 motion?

11 MR. GINTY:

12 So moved.

13 MR. MCCABE:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 AYES RESPOND

18 CHAIRMAN:

19 Opposed? Motion passes.

20 MS. HENSEL:

21 In addition, we have withdrawal requests
22 for Key Employees and Gaming and Non-Gaming Employees.
23 In each case, the license, permit or registration is
24 no longer required due to such circumstances as the
25 employee failing to report to work. For today's

1 meeting, I have provided the Board with a list of 22
2 Key Employee, 27 Gaming and 13 Non-Gaming Withdrawals
3 for approval. I ask that the Board consider the Order
4 approving these lists of withdrawals.

5 ATTORNEY PITRE:

6 No objection.

7 CHAIRMAN:

8 Questions from the Board? Could I have a
9 motion?

10 MR. MCCABE:

11 So moved.

12 MR. SOJKA:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 AYES RESPOND

17 CHAIRMAN:

18 Opposed? Motion passes.

19 MS. HENSEL:

20 In addition, we have two Orders regarding
21 Gaming Service Providers. The first is to certify the
22 following Gaming Service Providers: Exterior Erecting
23 Services, Inc. and Steel Fab of Virginia, Inc. I ask
24 that the Board consider the Order approving these
25 Gaming Service Providers for Certification.

1 ATTORNEY PITRE:

2 OEC recommends certification.

3 CHAIRMAN:

4 Thank you. Questions from the Board?

5 Could I have a motion?

6 MR. SOJKA:

7 So moved.

8 CHAIRMAN:

9 Second?

10 MR. TRUJILLO:

11 Second.

12 CHAIRMAN:

13 All in favor?

14 AYES RESPOND

15 CHAIRMAN:

16 Opposed? Motion passes.

17 MS. HENSEL:

18 Finally, we have an Order regarding
19 Gaming Service Provider Registrations. The Bureau of
20 Licensing provided you with an Order and an attached
21 list of nine registered Gaming Service Providers. I
22 ask that the Board adopt a motion approving the Order
23 registering these Gaming Service Providers.

24 ATTORNEY PITRE:

25 No objection.

1 CHAIRMAN:

2 Questions from the Board? Could I have a
3 motion?

4 MR. TRUJILLO:

5 So moved.

6 MR. ANGELI:

7 Second.

8 CHAIRMAN:

9 All in favor?

10 AYES RESPOND

11 CHAIRMAN:

12 Opposed? Motion passes.

13 MS. HENSEL:

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

16 CHAIRMAN:

17 Thank you very much, Susan. Next up is
18 our Chief Enforcement Counsel and his staff.

19 ATTORNEY PITRE:

20 The first matter is a Consent Agreement
21 between the OEC and Rivers Casino.

22 CHAIRMAN:

23 Are there representatives from
24 Holdings ---

25 ATTORNEY PITRE:

1 Yes, they're here.

2 CHAIRMAN:

3 --- Acquisition Company?

4 ATTORNEY PITRE:

5 Michael Sklar is here, representing
6 Holdings Acquisition. Ms. Gilchrist is joining him.

7 CHAIRMAN:

8 Okay.

9 ATTORNEY PITRE:

10 Melissa Powers will present the matter to
11 the Board.

12 CHAIRMAN:

13 Great. Before we start, Ms. Gilchrist,
14 if you could stay standing and be sworn in, please.

15 -----

16 RHONDA GILCHRIST, HAVING FIRST BEEN DULY SWORN,
17 TESTIFIED AS FOLLOWS:

18 -----

19 CHAIRMAN:

20 Thank you.

21 ATTORNEY PITRE:

22 I'm just going to say before we start, we
23 attempted to be creative in this Consent Agreement, so
24 it's just there for the Board's consideration. And
25 with that, Melissa will take over.

1 CHAIRMAN:

2 Thank you. Welcome, Melissa.

3 ATTORNEY POWERS:

4 Thank you, Chairman Fajt, members of the
5 Board.

6 CHAIRMAN:

7 And again, just for the stenographer,
8 before you speak, if you could please spell your name.

9 ATTORNEY POWERS:

10 Melissa Powers, P-O-W-E-R-S.

11 CHAIRMAN:

12 Thank you.

13 ATTORNEY POWERS:

14 The Consent Agreement today between the
15 OEC and Holdings Acquisition Company, doing business
16 as Rivers Casino, involves six separate incidents
17 where an underage patron entered the gaming floor and
18 placed wagers at Rivers. On June 13th --- I'm sorry,
19 June 3rd, June 13th, August 21st, September 11th and
20 September 26th, five different patrons under the age
21 of 21 entered the casino and gamed at various slot
22 machines. On August 18th, 2010, a 20-year-old patron
23 entered the gaming floor and gamed at two blackjack
24 tables. Following a series of discussions between the
25 Rivers, the Bureau of Casino Compliance and the OEC,

1 Rivers and OEC have agreed that Rivers shall invest a
2 minimum of \$250,000 to construct a partial wall at the
3 main entrance of the casino and a partial wall at the
4 elevator entrance in order to narrow the entrances so
5 that they can better control the flow of patrons
6 entering the gaming floor. If approved, this will be
7 the second penalty assessed against Rivers for a
8 violation of the Act or the Regulations.

9 January of 2010, the Board approved a
10 Consent Agreement wherein Rivers agreed to pay a
11 penalty in the amount of \$16,000 for two incidents of
12 underage gaming. In addition, OEC, Bureau of Casino
13 Compliance and Rivers participated in a Compliance
14 Conference on October 20th, 2010, where five separate
15 --- five additional incidents of underage gaming were
16 addressed. Those incidents occurred between June 4th
17 and August 19th of this year.

18 In addition to the construction project,
19 Rivers shall also immediately provide training,
20 guidance and reinforcement to its employees, which
21 will also minimize the opportunity for similar
22 incidents to occur in the future.

23 CHAIRMAN:

24 Thank you. Any questions or comments
25 from Holdings Acquisition?

1 ATTORNEY SKLAR:

2 Good afternoon. Michael Sklar,
3 S-K-L-A-R, on behalf of Rivers Casino. I just want to
4 be clear. I think that our interests are clearly
5 aligned with the Gaming Board's. We have no interests
6 in having minors on the gaming floor in our facility,
7 gaming. There's absolutely no benefit to us. We do
8 not want them in our facility, period, and it's not
9 appropriate for them to be there.

10 But I think that the goal here has to be
11 prevention, to prevent these incidents from happening
12 in the future. And Cyrus described it as creative. I
13 think that it's --- the construction of the half
14 walls, what we're proposing, I think, will go a very
15 long way to addressing some of the deficiencies,
16 frankly, of the security at the Rivers.

17 Just to give you an idea of what the half
18 walls will do, currently at the main entrance, the
19 entrance is a minimum of 80 feet wide. With the
20 construction of the half wall at the main entrance,
21 that entranceway will be funneled down to 11 and a
22 half feet. And then at the garage elevator area,
23 currently it's 40 feet wide, the entranceway. With
24 the construction of the half wall, it will be brought
25 down to 22 and a half feet. And really, it's even

1 smaller because there's going to be two podiums, two
2 security podiums, which is going to bring that
3 entranceway down to 16 to 17 feet. And in the Consent
4 Agreement, we've agreed to a minimum of \$250,000. In
5 actuality, it's probably going to be closer to
6 \$350,000 to \$400,000. So, we think that the
7 construction of these half walls is really going to go
8 a long way, and the property is willing to spend a
9 significant amount of money to make that happen.

10 Now, I certainly recognize that several
11 of the incidents that are in this --- the subject of
12 this Consent Agreement would not be obviated by the
13 construction of the half walls. And Rhonda can
14 address the training that has been implemented
15 already. All of the security officers have gone
16 through this, because essentially, the three incidents
17 that didn't --- that the half wall would not have
18 prevented involves the checking of IDs. So Rhonda, if
19 you could describe that training, please.

20 A. So, one of the things --- Rhonda Gilchrist,
21 R-H-O-N-D-A, G-I-L-C-H-R-I-S-T. So one of the
22 challenges that has been before us at Rivers Casino
23 has been the ID that's presented that's a valid ID and
24 it's not belonging to the person who's presenting it.
25 So, in an effort to further educate our guards and

1 others, we contracted with a company called AllRegs,
2 and they came to the facility and they did a three-
3 hour intense training with our security team on not
4 just how to spot a fake ID, but how to actually
5 visually identify a person to a picture to better
6 enable them to limit that opportunity for those
7 underage individuals. Every security officer has had
8 that training and signed off as of December 13th. And
9 we have seen so far an increase in the number of
10 individuals that we're able to turn over to PSP
11 because we're actually catching them now at the door
12 with a legitimate ID that doesn't belong to them. So,
13 you know, we feel confident that that is helping the
14 team.

15 Additionally, we have a new officer
16 training program that we are now, with the turnover in
17 security --- it's a 40 to 50-hour training that each
18 security officer has to go through. It's a paid
19 training, and they have to attend that before they can
20 be scheduled to work anywhere inside the casino.

21 ATTORNEY SKLAR:

22 And one other thing, Rhonda. If you
23 could describe the measures that have been put in
24 place during high-volume days when there's Steelers
25 games or concerts and the like.

1 A. One of our challenges in particular has been our
2 proximity to Heinz Field and the other events that
3 cause a lot of people to enter our casino at one time.
4 So within the past month and a half, what we do now is
5 we put up plastic barriers on the length of the
6 sidewalk that is the sidewalk between Heinz Field and
7 the casino. And what it does effectively is it causes
8 all of the patrons that are coming into our casino to
9 be inside those barriers. So, when they get to the
10 casino, there are approximately six people in line,
11 IDing the folks in line on the outside of the casino,
12 and we still maintain the minimum staffing on the
13 inside of the casino. So, it's kind of like a stop
14 gap, that this is the point you can't get beyond the
15 secondary layer within the casino.

16 CHAIRMAN:

17 Thank you. Questions from the Board?
18 Commissioner Sojka?

19 MR. SOJKA:

20 I'm afraid I have numerous questions.

21 MR. MCCABE:

22 Don't take all mine.

23 MR. SOJKA:

24 Okay. I won't take all yours, Ken. You
25 come from a different background, so you'll have your

1 own. But first of all, I do agree with Mr. Sklar that
2 we are on the same side of the table. No one here
3 wants underage gamers. The difference will, I think,
4 arise in how we're going to address that issue. I
5 appreciate, Mr. Pitre, that this is an effort to be
6 creative. And I am usually in favor of creativity,
7 but you have to remember when you break new ground,
8 you face new critics. And there are several aspects
9 of the nature of this Consent Agreement that I simply,
10 at this point, can't support.

11 First of all, as a regulatory body, we
12 could be on the same side of the table without in any
13 way colluding. Okay. I think our rule here is to
14 observe what's being done, to get the reports. And if
15 I understand it, this may be a more egregious problem
16 than we even knew when we looked at the documentation.
17 Because is it correct that there have been yet
18 additional cases beyond what we see here? So, we are
19 in agreement that this is a very large problem that
20 has very serious consequences.

21 This Consent Agreement has put on the
22 table a very large amount of money, a willingness to
23 maybe spend as much as \$350,000 to resolve the
24 problem. I'm uncomfortable with this kind of
25 creativity where we make --- where we essentially

1 forego what I think is our obligation to fine as a
2 penalty, okay, for failure to meet the requirements of
3 the statute. I'm much more comfortable with our doing
4 that and making it very clear that that situation will
5 become extraordinarily expensive, and then leaving it
6 to the operator to figure out how they're going to
7 avoid that expense in the future.

8 I'm also very uncomfortable in using a
9 Consent Agreement to start talking about crowd
10 management control, funneling people, because, good
11 heavens, should the unthinkable occur that something
12 happened in the casino and people have to exit in a
13 hurry and everything and all the stuff that comes out
14 about exits and half walls and this and that, it's
15 okay if we do that through the normal procedures, but
16 to put that in the record as part of a Consent
17 Agreement having to do with underage drinking --- or
18 underage gaming strikes me as the wrong way to
19 proceed. So, I think you can see that, for a variety
20 of reasons, and not even touching the ones that my
21 colleague is going to bring up, I'm sure, about
22 non-half-wall kinds of solutions, I am not likely to
23 vote for this Consent Agreement.

24 CHAIRMAN:

25 Commissioner McCabe?

1 MR. MCCABE:

2 Thank you. Rhonda, as you and Mike know,
3 I'm very familiar with your procedures. And the
4 casino as a whole, the management does a good job. I
5 agree with Commissioner Sojka. This solution is not a
6 solution. From what I see on paper and I see
7 personally by going there, these are individuals that
8 aren't doing their job. Security officers are letting
9 people walk by. They're doing half of their job.
10 They're looking at it and not scanning it. I know you
11 have the book there for the false ID. I know they
12 have the scanners. And you have the stanchions coming
13 out of the elevator.

14 Early on, when we saw a lot of these
15 underage gaming getting on the floor, it was the
16 casino's problem. The casinos didn't have enough
17 security in certain locations. They had vulnerable
18 points where people could get in that weren't
19 protected. And slowly over the years here, they ---
20 either by us fining them or they finally agreed that,
21 yeah, I have to build a wall here or, yeah, I got to
22 put more security guards here, or I got to --- this
23 has to be the main entrance point.

24 I don't see this as being a management --
25 - casino --- your problem overall. You're doing a

1 good job. It's individual, some of your security
2 officers. The training is good, to hear that you've
3 done the training. But when did you do the training,
4 before or after these incidents?

5 A. Well, one of our problems, sir, has been
6 individuals that show up at the casino with a valid
7 ID. It just so happens it might be their older
8 brother and not them. So, now the guards have a
9 specific training in how to do that visual inspection
10 with, yeah, it's a legitimate ID. The punishment has
11 fit the crime. At the end of the day, many of these
12 instances, you can't fire a security guard if he had
13 the ID and it was a valid ID.

14 MR. MCCABE:

15 And I'll defend you on that, if you do
16 everything that is correct and right. But part of
17 their job and training is to look at the picture and,
18 you know, if they have a different picture on there,
19 they need to be looking at that. That's one of the
20 nice things. You scan it. It comes up. It has the
21 date of birth. Then they can just take all their time
22 looking at the picture versus trying to find the date
23 of birth, which is what most of them do first, and a
24 lot of them don't look at the picture. But the
25 question was the training was done after these

1 incidents?

2 A. Yes, sir.

3 MR. MCCABE:

4 Okay. But what kind of supervision is
5 going on, making sure your security guards are doing
6 all this? I know at times, I've been there, I've seen
7 younger people that look, to me, going through, where
8 I, you know, have grabbed the security guard at the
9 entrance and said, check her ID for me, please, and
10 found out, yes, she or he --- mostly it was she, was
11 21 or the kids were old enough.

12 But I don't know if you need to put a
13 policy in. And we don't want to tell you how to run
14 the casino. I think that's part of Commissioner
15 Sojka's point, is we don't want to have to dictate,
16 regulate, mandate how you guys should run your casino.
17 That's up to you. You got a problem, you got to fix
18 it. You tell us how you fix it. If it works, good.
19 If it doesn't, you'll be back before us. I lost my
20 train of thought. I'm getting that age. And I'm not
21 as old as these guys.

22 But the supervision, you've got to have
23 the supervision there and a policy. Going back to my
24 policy, is if it's --- you've got to card everybody
25 --- swipe everybody under 40. You may have to do

1 something like that. But where are the supervisors?
2 Are the supervisors watching what the security guards
3 are doing, either normal or also during the rush time?
4 Because I know how inundated you get before and after
5 a game or an event down there. The place is packed.
6 And you've closed off certain entrances to stop people
7 from trying to sneak in and maybe come around.

8 So, the casino, as a whole, I think, and
9 the management --- and like you said, Mike, we're on
10 the same side. I think it's now individuals that are
11 not doing their job. And it's some of the security
12 guards and the lack of supervision on that --- on the
13 supervisor's part on certain guards.

14 MS. SOJKA:

15 Can I say one more thing to clarify an
16 issue? And that is I do agree that we shouldn't be
17 telling a casino how to run its casino business, but I
18 do think we reserve the right to look at the way the
19 gaming floor is configured, at the way choke points
20 are constructed and so on. I'm not saying we should
21 stay out of that. I'm saying we should stay out of it
22 in the form of a Consent Agreement done in this way.
23 It's very reasonable that you may come back to us at
24 some point with a proposal to do precisely that, and I
25 probably would not be opposed to that, but I don't

1 like a Consent Agreement getting into these areas,
2 even though I realize we do have control ultimately
3 over how the gaming floor and access to it is
4 configured.

5 CHAIRMAN:

6 Commissioner Coy?

7 MR. COY:

8 Thank you, Mr. Chairman. Call me curious
9 if you want, but I just wonder, do you have any idea,
10 if the Board does not issue this Order, if you'll go
11 ahead with the project?

12 ATTORNEY SKLAR:

13 The answer is I'm not sure. You know, it
14 depends on if there's going to be a fine levied.
15 There's only so much money that can be allocated to
16 the fine and to the construction of the half wall, and
17 you know, that's --- our hope, I guess, was that we
18 expected this would be a preventative measure to
19 prevent it from --- these incidents from happening ---
20 or a number of the incidents from happening, coupled
21 with the training for the scanning of --- recognition
22 of IDs. And from an operating point of view, we think
23 that the dollars are better spent, and we're willing
24 to spend a significant amount of money to have it as a
25 preventative measure on a going-forward basis.

1 MR. COY:

2 But you're not ready to indicate that
3 this would happen if the Board doesn't order it?

4 ATTORNEY SKLAR:

5 I cannot say that at this point.

6 ATTORNEY PITRE:

7 It might be an uglier wall.

8 MR. COY:

9 I'm sorry?

10 ATTORNEY PITRE:

11 It might be an uglier wall, cheaper.

12 MR. MCCABE:

13 It could also be just the Disneyland
14 stanchions with the ropes to funnel the people in.

15 ATTORNEY PITRE:

16 That's what you presently have now.

17 ATTORNEY SKLAR:

18 That's what we presently have. The
19 problem is it's very easy for people just to sneak
20 under.

21 MR. MCCABE:

22 Well, then somebody should be watching
23 when it got that crowded.

24 ATTORNEY SKLAR:

25 The problem, Commissioner McCabe, is that

1 on the high-volume days, there's only so many security
2 people that you have. And if they're engaged in
3 checking people already, because the --- you know, the
4 front entrance, for example, is 80 feet and you have
5 stanchions where people can duck under, it's
6 difficult.

7 MR. MCCABE:

8 But one of the things that ingratiated me
9 to all the security directors across Pennsylvania is I
10 come out and I say security is everybody's
11 responsibility. It's just not that security guard
12 checking. It's the supervisors. It's the slot
13 attendants. It's the bartenders. It's the dealers.
14 So, I know what you're saying, but I'm also saying
15 somebody should be paying attention.

16 ATTORNEY SKLAR:

17 I think that, for the most part, with
18 these incidents, the backup measures, what you're
19 saying, I do think that there was a --- the other
20 personnel did catch these individuals. In no instance
21 was it a CCR. It was always Rivers employees who
22 ultimately identified these underage people. And I
23 don't think they were on the floor that, you know,
24 long.

25 CHAIRMAN:

1 Other questions? I've got a --- do you
2 have another question?

3 MR. MCCABE:

4 No, sir.

5 CHAIRMAN:

6 I just have a couple of comments and
7 actually a question. I am very troubled, actually, by
8 the half wall. I think that, you know, if something
9 happens inside that casino, to follow up on, it was
10 either Commissioner McCabe or Sojka said, that's a
11 disaster waiting to happen. I could just see the rush
12 of people coming out and now you have an 80-foot, you
13 know, window. And I understand the doors are there,
14 they still have to get through the doors, but that
15 half wall, in my mind, would be a disaster if there
16 was a rush for the front door. So, I'm not willing to
17 vote for the Consent Agreement today just on that
18 issue alone.

19 I have a question for Enforcement
20 Counsel. Ms. Gilchrist testified on the swipe cards,
21 that in most of the instances, the swipe cards were
22 used and that they were somebody else's card. Do we
23 know how many out of the six incidents were actually
24 --- how many of those cards were actually swiped
25 versus just kind of visual ID, looking at the birthday

1 or whatever and letting them through?

2 ATTORNEY PITRE:

3 Just one. Oh, wait a minute. Since it's
4 apparent that this Consent Agreement will likely not
5 be approved, I'm sure we'll be back before the Board
6 with another Consent Agreement or an enforcement
7 action, and we'll have that information for you at
8 that time.

9 CHAIRMAN:

10 Okay. And where I'm going with this is,
11 I agree wholeheartedly with Commissioner McCabe. And
12 I was happy to hear about the 40 to 50 hours. But we
13 are very aware on this Board of the turnover in the
14 casinos. And it appears to me that, while, you know,
15 you have this in-depth training now --- and again, I
16 get that it's ongoing. But in a lot of cases, it's
17 not. So, there's a problem. You're going to get
18 fined. You come to the Board and say, you know, we've
19 redoubled our training and our people are, you know,
20 now told exactly what needs to happen. And that's
21 great for the subset of people that are your casino
22 today. And then six months from now, 20 percent of
23 those people aren't there anymore. Twenty (20)
24 percent are new. They are not trained or they don't
25 get the same message that the hundred percent of the

1 people got today with this intensive training. And so
2 it's just a breakdown of procedures over time, that
3 these people get lazy, nobody is looking over their
4 shoulder, and these incidents continue to happen.

5 And it's not just the Rivers. It is happening all
6 over the Commonwealth. And we struggle with that as
7 the Board, and we've made comments before that,
8 obviously, you know, \$30,000 per incident isn't
9 getting your attention. Maybe it needs to be \$50,000.
10 Maybe it needs to be \$100,000. But it doesn't seem to
11 be having the desired effect of stopping underage
12 gaming. And so when we see the breakdown in the
13 procedures, it's frustrating. And again, I know
14 intuitively it's because of the turnover, but there is
15 just not this redoubling of effort with your security
16 folks, and so that's frustrating. But I'll get off my
17 horse here, and if anybody else has any comments ---
18 if not ---.

19 MR. ANGELI:

20 Just one final ---. Again, I think the
21 company, the casino, the institution is trying to do
22 the right thing, doing a good job. It's now down
23 where you have individuals, either the supervisors not
24 thoroughly supervising or individual security guards
25 not doing their job.

1 MR. SOJKA:

2 And I would just stick in that please
3 don't take my comments as a general discouragement
4 from being creative. Creative solutions are going to
5 be welcome when they hit the nail on the head. It's
6 this one that I'm having trouble with.

7 CHAIRMAN:

8 Could I have a motion, please?

9 MR. ANGELI:

10 Mr. Chairman, I just want to make some
11 comments before I ---

12 CHAIRMAN:

13 Yes. I'm sorry, Mr. Angeli.

14 MR. ANGELI:

15 --- make my motion here because you heard
16 a lot here. But in the final analysis, it's a real
17 simple thing. The responsibility of solving this
18 problem is yours. And it's not a physical --- I mean,
19 if you decide it's a physical change you have to make
20 or whatever, a training change you have to make,
21 that's your decision, your responsibility, but you
22 know, it really rests on you to solve this. And you
23 can see how critical it is. And I don't believe that
24 the motion that we have --- or the solution we have
25 right now addresses that issue. So, Mr. Chairman, I

1 move that the Board issue an Order to deny the Consent
2 Agreement between the OEC and Holdings Acquisition,
3 LP, as described by the OEC.

4 MR. COY:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 AYES RESPOND

9 CHAIRMAN:

10 Opposed? The motion passes. Thank you.

11 Are representatives from Mount Airy present today?

12 And if so, would you please come forward?

13 ATTORNEY PITRE:

14 Nan Davenport will present the matter for
15 OEC. This one is a more conventional Consent
16 Agreement.

17 CHAIRMAN:

18 You're learning on the fly, Cyrus.

19 That's impressive.

20 ATTORNEY DAVENPORT:

21 No creativity here. Good afternoon, Mr.
22 Chairman and Commissioners. My name is Nan Davenport,
23 D-A-V-E-N-P-O-R-T, Deputy Chief Enforcement Counsel
24 for the OEC. Today we have for the Board's
25 consideration a Consent Agreement between the OEC and

1 Mount Airy #1, LLC.

2 This Consent Agreement involves two
3 incidents whereby individuals under 21 years of age
4 gained access to the gaming floor and played slot
5 machines before being apprehended, in violation of 4
6 Pa.C.S. Sections 1518(a)(13), 1518(a)(13.1) and 58
7 Pa.C.S. 513a.2(b). Specifically, on February 28th,
8 2010, a 16-year-old female accessed Mount Airy's
9 gaming floor, using an elevator by the hotel lobby
10 entrance and walked past a Mount Airy security
11 officer, who failed to check her identification. The
12 minor was accompanied by her mother and was a guest at
13 Mount Airy's hotel. The minor walked through the
14 gaming floor, unescorted, and entered Mount Airy's
15 buffet. The minor subsequently left the buffet and
16 entered the gaming floor, where she actively played
17 several slot machines for approximately 53 minutes
18 before being apprehended by a Mount Airy security
19 officer. Mount Airy self-reported this incident to
20 the Board.

21 On August 22nd, 2010, a 15-year-old
22 female accessed Mount Airy's gaming floor at the bus
23 lobby entrance after walking past a Mount Airy
24 security officer, who was distracted by the minor's
25 uncle. The minor sat at several slot machines and

1 actively gamed at one slot machine for approximately
2 seven minutes. The minor sat at three different table
3 games, and on two occasions, the minor and her aunt
4 were the only two patrons seated at a blackjack table.
5 The minor was on the gaming floor approximately three
6 hours and ten minutes before being apprehended by a
7 Casino Compliance representative.

8 Following a series of meetings between
9 Mount Airy, the Bureau of Casino Compliance and the
10 OEC to discuss underage incidents, Mount Airy agreed
11 to implement additional corrective measures, including
12 implementing a curfew for underage access to the
13 dining areas and amenities off the gaming floor,
14 implementing a wristband procedure to signify that an
15 underage individual needs an escort in order to access
16 Mount Airy's amenities, and posting additional signage
17 in Spanish and Mandarin, indicating that the patrons
18 must be 21 to enter the gaming floor.

19 As set forth in the Consent Agreement,
20 the parties have agreed that Mount Airy shall pay a
21 civil penalty in the amount of \$70,000, half of which
22 is payable within 20 days after the date of approval
23 by this Board, and the remainder of the balance due
24 and owing 30 days thereafter. If approved, this will
25 be the second penalty assessed by the Board against

1 Mount airy for underage incidents.

2 On March 3rd, 2010, the Board approved a
3 Consent Agreement in the amount of \$100,000 regarding
4 six incidents of underage gaming at Mount Airy. In
5 four of those incidents, Mount Airy's security
6 director and security supervisors failed to notify the
7 surveillance department, the Board's Casino Compliance
8 representatives or Pennsylvania State Police stationed
9 at the facility of the presence of those underage
10 individuals. The OEC recommends that the Board
11 approve this Consent Agreement.

12 CHAIRMAN:

13 Thank you. Any questions? Any comments
14 from Mount Airy first?

15 ATTORNEY SKLAR:

16 No.

17 CHAIRMAN:

18 Thank you. Questions from the Board?

19 MR. SOJKA:

20 I got one quickie, and that is at the
21 previous meeting of this Commission, Mount Airy was in
22 front of us with issues unrelated but having to do
23 with slot machines around that now mentioned elevator
24 again. Would the move of the slot machines that we
25 agreed to at that time help or at least ameliorate

1 some of this problem?

2 ATTORNEY DAVENPORT:

3 These incidents that we discussed did not
4 happen in that particular area. However, OEC believes
5 that it's a bad idea to have those slots off towards
6 the elevators and kind of out of sight, direct line of
7 sight of the security officers.

8 CHAIRMAN:

9 Commissioner Angeli?

10 MR. ANGELI:

11 How can someone stay on the floor for
12 three and a half hours without somebody noticing?

13 ATTORNEY SKLAR:

14 There is no explanation. It's
15 unacceptable.

16 MR. ANGELI:

17 It certainly is. The other issue is has
18 anybody talked to the State Police about uncles and
19 aunts and they're bringing these people in, in
20 violation of the law to begin with, isn't that a
21 trespassing of some kind? Is there ---?

22 ATTORNEY DAVENPORT:

23 It is. And in some cases, the
24 individuals --- the adults have been charged.

25 MR. ANGELI:

1 In this case, did we do that?

2 ATTORNEY SKLAR:

3 I can check. I'm not sure.

4 ATTORNEY DAVENPORT:

5 I don't have that off the top of my head.

6 I can get back to the Board with that.

7 MR. GINTY:

8 I mean, that would be contributing to the
9 delinquency of a minor. Those are serious charges.

10 ATTORNEY DAVENPORT:

11 Correct.

12 MR. GINTY:

13 And you know, just as in the case of
14 children being left in cars, I think the --- you know,
15 charging the adults and the publicity resulting from
16 that is a very good prophylactic.

17 ATTORNEY PITRE:

18 Two things. The State Police were
19 notified in both of those incidents. Now, whether or
20 not they pursued charges against those individuals,
21 we're not sure, but we will find that out.

22 The second thing that was mentioned but
23 not in any great detail, with regard to the escorting
24 of families to the restaurants, we've authorized Mount
25 Airy, and I think they were supposed to --- I don't

1 know, did you submit the internal controls with regard
2 to that --- the escort?

3 ATTORNEY SKLAR:

4 I believe they have.

5 ATTORNEY PITRE:

6 And we recommended that they did, and
7 they were supposed to have submitted those internal
8 controls, was to authorize all gaming personnel with
9 the authority to escort people. Because what's
10 happening is security was short of hand, and families
11 were not waiting and were just leaving. So we've
12 authorized all --- I think you have to be licensed at
13 least gaming level and above to escort individuals on
14 the gaming floor.

15 MR. ANGELI:

16 That's a good recommendation. You are
17 especially challenged the way your --- the hotel
18 configuration and that walkway is to where the food
19 is. You know, I really know --- I think you really
20 need to sit down with somebody and figure out how
21 you're going to solve that or else it's going to get
22 worse. And you have the responsibility not to have
23 this happen again.

24 ATTORNEY SKLAR:

25 Understood.

1 CHAIRMAN:

2 Other questions? Could I have a motion,
3 please?

4 MR. COY:

5 Yes, Mr. Chairman. I move the Board
6 issue an Order to approve the Consent Agreement
7 between the OEC and Mount Airy #1, LCC, as described
8 by the OEC.

9 MR. GINTY:

10 Second.

11 CHAIRMAN:

12 All in favor?

13 AYES RESPOND

14 CHAIRMAN:

15 Opposed? Motion passes. Thank you.

16 ATTORNEY SKLAR:

17 Thank you.

18 ATTORNEY DAVENPORT:

19 Thank you.

20 ATTORNEY PITRE:

21 Next for the Board's consideration is a
22 revocation complaint. I believe it's a default
23 judgment. Billie Jo will present the matter.

24 ATTORNEY MATELEVICH-HOANG:

25 Thank you.

1 CHAIRMAN:

2 You're welcome.

3 ATTORNEY MATELEVICH-HOANG:

4 Good afternoon, Chairman Fajt, members of
5 the Board. My name is Billie Matelevich-Hoang.
6 That's B-I-L-L-I-E, M-A-T-E-L-E-V-I-C-H, hyphen,
7 H-O-A-N-G. On November 5th, 2010, the OEC filed a
8 Complaint for Revocation of Ms. Huber's Non-Gaming
9 Registration due to her theft at Hollywood Casino.
10 The enforcement complaint was properly served upon Ms.
11 Huber by certified and first-class mail. Ms. Huber
12 did not respond to the complaint within 30 days,
13 therefore, pursuant to Board Regulations, all facts
14 alleged in the complaint are deemed admitted. The OEC
15 filed a request for default judgment on December 15th,
16 2010. And at this time, the OEC asks that Ms. Huber's
17 Non-Gaming Registration be revoked.

18 CHAIRMAN:

19 Thank you. Is Ms. Huber here? Any
20 questions or comments from the Board? Could I have a
21 motion, please?

22 MR. GINTY:

23 Mr. Chairman, I move that the Board issue
24 an Order to approve the revocation of Brandi Huber's
25 Non-Gaming Employee Registration, as described by the

1 OEC.

2 CHAIRMAN:

3 Second?

4 MR. MCCABE:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 AYES RESPOND

9 CHAIRMAN:

10 Opposed? Motion passes.

11 ATTORNEY PITRE:

12 Next, we have three candidates for the
13 Exclusion List. Dustin and Billie Jo will present
14 those matters to the Board.

15 ATTORNEY MILLER:

16 Good afternoon. The next matter is a
17 request for placement on the Board's Excluded Persons
18 List involving Fajiao Sun. The OEC filed a petition
19 to place Mr. Sun on the Exclusion List for leaving his
20 child outside the building unattended while he went
21 into the casino and played slot machines at Parx
22 Casino. The petition was filed on October 21st, 2010.
23 The petition was properly served upon Mr. Sun to the
24 address listed on the criminal complaint filed against
25 him by both certified and first-class mail.

1 Mr. Sun did not respond to the petition
2 in any way. Due to Mr. Sun's failure to respond, the
3 averments in the petition are deemed to be admitted as
4 fact, and his right to a hearing has been waived. On
5 December 2nd, 2010, the OEC filed a request to enter
6 judgment upon default. The matter is now before the
7 Board to consider the placement of Mr. Sun on the
8 Board's Excluded Persons List.

9 CHAIRMAN:

10 Thank you. Is Mr. Sun present? Any
11 questions from the Board? Could I have a motion,
12 please?

13 MR. MCCABE:

14 Yes, Mr. Chair. I move that the Board
15 issue an Order to approve the addition of Fajiao Sun
16 to the PGCB Exclusion List, as described by the OEC.

17 MR. SOJKA:

18 Second.

19 CHAIRMAN:

20 All in favor?

21 AYES RESPOND

22 CHAIRMAN:

23 Opposed? Motion passes.

24 ATTORNEY MATELEVICH-HOANG:

25 The next issue involves Claudie Kenion.

1 On October 4th, 2010, the OEC filed a petition to
2 place Claudie Kermit Kenion, III on the Board's
3 Exclusion List due to his bet capping that occurred at
4 Hollywood Casino on July 14th, 2010. The Enforcement
5 complaint was properly served upon Mr. Kenion by both
6 certified and first-class mail. Mr. Kenion did not
7 respond to the complaint within 30 days. Therefore,
8 pursuant to the Board Regulations, all facts alleged
9 in the complaint are deemed admitted. The OEC filed a
10 request for default judgment on November 29th, 2010.
11 And at this time, the OEC asks that Mr. Kenion be
12 placed on the Board's Excluded Persons List.

13 CHAIRMAN:

14 Is Mr. Kenion present? Any questions
15 from the Board? Could I have a motion, please?

16 MR. SOJKA:

17 Yes, Mr. Chairman. I move that the Board
18 issue an Order to approve the addition of Claudie
19 Kenion to the PGCB Exclusion List, as described by the
20 OEC.

21 CHAIRMAN:

22 Second?

23 MR. TRUJILLO:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 AYES RESPOND

3 CHAIRMAN:

4 Opposed? Motion passes.

5 ATTORNEY MILLER:

6 The final request for placement on the
7 Board's Excluded Persons List today involves Xin Li.
8 The OEC filed a petition to place Mr. Li on the
9 Exclusion List for leaving his children outside the
10 building unattended while he went into the casino and
11 played slot machines at Parx Casino. The petition was
12 filed on October 21st, 2010. The petition was
13 properly served upon Mr. Li to the address listed on
14 the criminal complaint filed against him by both
15 first-class and certified mail. Mr. Li did not
16 respond to the filing in any way. Due to Mr. Li's
17 failure to respond, the averments in the petition are
18 deemed to be admitted as fact, and his right to a
19 hearing has been waived. On December 2nd, 2010, the
20 OEC filed a request to enter judgment upon default.
21 The matter is now before the Board to consider the
22 placement of Mr. Li on the Board's Excluded Persons
23 List.

24 CHAIRMAN:

25 Is Mr. Li present? Any questions from

1 the Board?

2 MR. TRUJILLO:

3 Just one, Mr. Chairman.

4 CHAIRMAN:

5 Yes, Commissioner Trujillo.

6 MR. TRUJILLO:

7 When people are placed on the Exclusion
8 List, who's notified and how?

9 ATTORNEY MILLER:

10 The notification is put on the Board's
11 website by the Office of Compulsive and Problem
12 Gambling. They give all the physical characteristics
13 as well as a picture of the individual. And all of
14 the casinos are notified as well that that person is
15 excluded from any facility in Pennsylvania.

16 MR. TRUJILLO:

17 And I assume the excluded person is also
18 notified?

19 ATTORNEY MILLER:

20 Certainly.

21 MR. TRUJILLO:

22 Thank you.

23 CHAIRMAN:

24 Okay. Could I have a motion, please?

25 MR. TRUJILLO:

1 Mr. Chairman, I move that the Board issue
2 an Order to approve the addition of Xin Li to the PGCB
3 Exclusion List, as described by the OEC.

4 MR. ANGELI:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 AYES RESPOND

9 CHAIRMAN:

10 Opposed? Motion passes. Thank you,
11 Cyrus.

12 ATTORNEY PITRE:

13 Thank you.

14 CHAIRMAN:

15 Thank you, Billie Jo and Dustin. That
16 will conclude today's business. In closing, our next
17 scheduled public meeting will be held on Wednesday,
18 January 26th, 2011, in the PUC Keystone Building. The
19 meeting will be held at 10:00 a.m. Any final comments
20 from the Board? Could I have a motion to adjourn?

21 MR. ANGELI:

22 So moved.

23 MR. COY:

24 Second.

25 CHAIRMAN:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Thank you. Meeting is adjourned.

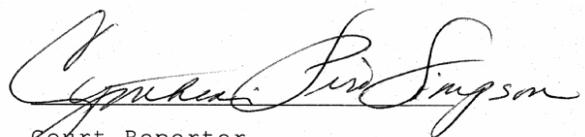
* * * * *

MEETING CONCLUDED 1:35 P.M.

* * * * *

CERTIFICATE

I hereby certify that the foregoing proceedings, public meeting held before Chairman Fajt, was reported by me on 01/06/2011 and that I Cynthia Piro Simpson read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.


Cynthia Piro Simpson
Court Reporter