

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC MEETING

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BEFORE: GREGORY C. FAJT, CHAIRMAN
Raymond S. Angeli, James B. Ginty,
Keith R. McCall, Anthony C. Moscato,
Gary A. Sojka, Kenneth I. Trujillo; Members
Christopher Craig, Representing State
Treasurer, Robert M. McCord; Robert Coyne,
Representing Acting Secretary of the
Department of Revenue, Daniel Meuser;
Daniel Tufano, Representing Acting
Secretary of Agriculture, George Greig;
Ex-Officio Members

MEETING: Wednesday, March 9, 2011
10:05 a.m.

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

Reporter: Cynthia Piro Simpson

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A P P E A R A N C E S

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CHAIRMAN:

Good morning, everybody. I'm Greg Fajt, Chairman of the Pennsylvania Gaming Control Board. And as is our normal practice, I'd just like to ask everybody to turn off their cell phones, PDAs. We're not trying to get romantic up here, but it's about 20 degrees warmer up here than it is down in the audience, so we're trying to do a little climate and light control.

Joining us today is Christopher Craig, representing Treasurer Rob McCord. Bob Coyne is representing Acting Secretary for the Department of Revenue, Dan Meuser. And Dan Tufano is here, representing Secretary of Agriculture --- Acting Secretary of Agriculture, George Greig. Welcome, gentlemen.

A quorum of the members is present. I'd like to call today's meeting to order. And as the first order of business, please join me in the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE RECITED

CHAIRMAN:

By way of announcements, since our last

1 meeting, the Board held an Executive Session
2 yesterday, March the 8th. The purpose of the
3 Executive Session was to discuss personnel matters,
4 pending litigation and to conduct quasi-judicial
5 deliberations relating to matters being considered by
6 the Board today.

7 Moving on, the next matter on the agenda
8 is consideration of the approval of the Board's
9 minutes and transcript for the February 10th, 2011
10 meeting. May I have a motion?

11 MR. TRUJILLO:

12 Mr. Chairman, I move that the Board adopt
13 --- approve the transcript and minutes of the February
14 10th, 2011 meeting.

15 MR. ANGELI:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 AYES RESPOND

20 CHAIRMAN:

21 Opposed? Motion passes. Our next item
22 of business is our Executive Director's Report, Kevin
23 O'Toole. Welcome, Kevin.

24 MR. O'TOOLE:

25 Good morning, Chairman, members of the

1 Board. I would like to begin my report with an update
2 on the continued growth of slots revenue at the
3 Pennsylvania casinos. The recently-released February
4 slot revenue figures show a double-digit increase of
5 nearly 18 percent in gross terminal revenue from slot
6 machines for February 2011 as compared to February
7 2010. Tax revenue to the Commonwealth from the casino
8 slot operations for this February was slightly over
9 \$108 million. February's table games gross revenue
10 figures will be reported on next week, but I can
11 assure you that the figures will be outstanding for a
12 28-day month. Better weather, especially on the
13 weekends, throughout the month of February will result
14 in the third month in a row showing table games
15 revenues over \$40 million for the ten operating
16 casinos.

17 The second topic that I would like to
18 update the Board on pertains to the audio and visual
19 services performed by the Board at our public
20 meetings. At the previous public meeting of January
21 6th, 2011, I requested and the Board authorized an
22 emergency procurement to secure the services of JP
23 Lilley Company to take over the audio and visual
24 setups for our public meetings from Commonwealth Media
25 Services. Subsequent to that meeting, the Board's

1 Director of Office Services, who is designated as our
2 issuing officer under the Procurement Code, conducted
3 a search for existing statewide approved contracts for
4 audio-visual services. Such a statewide contract was
5 located with two approved authorized vendors. One of
6 those approved vendors is JP Lilley Company. We
7 requested price lists from both of the approved State
8 vendors. The more economical vendor for our needs is
9 JP Lilley Company, and they are continuing to do our
10 public meetings. The availability of the statewide
11 contract eliminated the necessity to issue an RFP to
12 award a contract for these services, and it is no
13 longer necessary for the Board to follow through on a
14 short-term Emergency Purchase Order. Thank you. If
15 you have any questions, I'd be glad to answer them.

16 CHAIRMAN:

17 Thank you, Kevin. Do you have a
18 question? Gary?

19 MR. SOJKA:

20 Just one very quick question and it's on
21 the audio services. Is the expense now larger than it
22 was when we were using Commonwealth Services or is it
23 about the same?

24 MR. O'TOOLE:

25 It's about the same.

1 MR. SOJKA:

2 Thank you.

3 CHAIRMAN:

4 Any other questions? Okay. Thank you
5 very much, Kevin. Next up we have Joe Bott, who is
6 going to give us a Human Resources report. Welcome,
7 Joe.

8 MR. BOTT:

9 Good morning, Chairman, Board members.
10 The Office of Human Resources has before you today a
11 motion to hire two individuals. First, William Sulon,
12 Jr., has been selected for the position of
13 investigator for the Bureau of Investigations and
14 Enforcement (BIE) in the Central Region. Mr. Sulon is
15 recommended for hire by Deputy Director of
16 Investigations, Paul Mauro.

17 Second, we have Mary Lou Paul, who has
18 been selected for the position of Executive Secretary
19 to the Board. Insomuch as both individuals have
20 completed the PGCB background investigation and drug
21 screening, we ask the Board to consider a motion to
22 hire these individuals as indicated.

23 CHAIRMAN:

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

1 MR. ANGELI:

2 Mr. Chairman, I move that the Board
3 approve the applicants as proposed, on the condition
4 that the necessary background investigations and drug
5 testing are completed.

6 CHAIRMAN:

7 Second?

8 MR. SOJKA:

9 Second.

10 CHAIRMAN:

11 All in favor?

12 AYES RESPOND

13 CHAIRMAN:

14 Opposed? Motion passes. Thank you, Joe.
15 Next up is Dave Rhen to provide the Agency's monthly
16 financial report. Welcome, Dave.

17 MR. RHEN:

18 Good morning. I'm here today to report
19 on expenses through February. Through February, total
20 expenses for the Board were \$21.4 million. This
21 includes personnel expenses of \$16.96 million and
22 operating expenses of \$4.46 million. For February,
23 expenses totaled \$2.5 million. Payroll expenses were
24 \$2 million for the month's two payrolls, and operating
25 expenses for the month were \$494,000. The largest

1 operating expense category for February was rentals
2 and leases, with expenditures totaling \$161,000. The
3 second largest category, at \$128,000, was for other
4 operating expenses. This was primarily for
5 ChoicePoint Investigative Services. The third largest
6 category of operating expenses was \$116,000 for
7 services, including \$63,000 to the State Police for
8 October and November fingerprint fees and \$46,000 for
9 legal services. For the year, rentals and leases
10 continues to be the largest operating expense at \$1.4
11 million or 32 percent of operating expenses, followed
12 by services at \$1.1 million or 24 percent of operating
13 expenses, other operating expenses at \$1.1 million or
14 24 percent of operating expenses, and
15 telecommunications at \$457,000 or ten percent of
16 operating expenses. That concludes my report.

17 CHAIRMAN:

18 Thanks, Dave. Any questions from
19 anybody? Just as a housekeeping matter and in the
20 interest of informing the public, the Gaming Control
21 Board will have our budget hearing in the House on
22 March 15th, and we will then have our budget hearing
23 in the Senate on March 30th. Yesterday, Governor
24 Corbett announced that the Gaming Control Board budget
25 would be about \$36.44 million, which is a slight

1 increase over our current budget of \$35.8 million.
2 So, again, just in the interest of transparency and to
3 notify the public of those upcoming budget hearing
4 dates. Thank you very much, Dave.

5 Next up is our Chief Counsel, Doug
6 Sherman. And with him is Susan Yocum. Welcome.

7 ATTORNEY SHERMAN:

8 Good morning, Chairman and members of the
9 Board. We only have a few agenda items today, the
10 first of which is proposed regulations to be presented
11 by Assistant Chief Counsel, Susan Yocum.

12 ATTORNEY YOCUM:

13 Good morning, Chairman Fajt,
14 Commissioners. I have one regulation for your
15 consideration today. It's a Proposed Rulemaking,
16 125-144. This is a miscellaneous amendment package,
17 which will alter --- in Chapter 423, on applications,
18 it's going to alter the procedure for declaring an
19 application abandoned. It will allow the Bureau of
20 Licensing to close an application that was started but
21 never completed. These are not applications that are
22 recommended for denial but are simply applications
23 that were opened typically through the Slots Link
24 system but were never completed. In Chapter 435, this
25 will amend the wagering restrictions for individuals

1 who hold licenses, permits or registrations. It
2 clarifies that permitted persons who are no longer
3 employed but have retained their permit can wager once
4 they leave their employment. This will also reduce
5 the number of copies of applications for keys, permits
6 and registrations required from three down to one.
7 This will also allow for the issuance of temporary
8 credentials to gaming employees. Temporary
9 credentials are currently permitted for Principals and
10 Key Employees. This will extend it to Gaming
11 Employees as well.

12 This is going to amend the Chapter 436
13 for the Horsemen's organizations. The amendments in
14 here provide some clarity. A lot of the repeated
15 language throughout the body of the regulation was
16 moved into the definition section. We also moved all
17 of the reporting requirements into one section instead
18 of spread throughout that chapter.

19 Lastly, this is going to amend Chapter
20 513 on underage gaming, restricting individuals
21 allowed on the gaming floor from 18 to 21, unless
22 they're authorized to be there, for instance, they're
23 employed by the Slot Machine Licensee as an employee.
24 This is in conformity with amendments to the Gaming
25 Act. I'd be happy to answer any questions.

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CHAIRMAN:

Thank you, Susan. Any questions?

MR. SOJKA:

A quickie.

CHAIRMAN:

Yes.

MR. SOJKA:

The very first one about applications, and I certainly understand the reason for wanting to clear that, could you give me just a rough idea of what the load of those partial applications are? Are we talking about hundreds or thousands of things?

ATTORNEY YOCUM:

Yes. There are currently over 200 applications that are pending out there that are stale. Again, these are not applications that are recommended for denial. They're typically ones where, you know, a person started the application process, they decided not to take employment, and then they didn't get fingerprinted, so ---.

MR. SOJKA:

But the question is there's a couple hundred, and so those will go away. Will we have any record at all that those people ever applied?

ATTORNEY YOCUM:

1 Absolutely. Yes. We retain the records.

2 MR. SOJKA:

3 We'll keep a name, but the record ---?

4 ATTORNEY YOCUM:

5 Yes. And abandoned applicants are free
6 to apply any time in the future.

7 MR. SOJKA:

8 Okay. That's helpful. Thank you.

9 CHAIRMAN:

10 Thank you. Okay. Any other questions?
11 Commissioner Trujillo?

12 MR. TRUJILLO:

13 Just one. I don't know if you can give
14 me the exact number, but what's the ballpark number of
15 applications that are processed annually of employees?

16 ATTORNEY YOCUM:

17 I don't have that number for you, but I'd
18 be more than happy to get it.

19 MR. TRUJILLO:

20 Maybe Susan will have that for us.

21 MS. HENSEL:

22 Thousands.

23 MR. TRUJILLO:

24 I know it's a lot, but I'm curious.
25 Thank you.

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CHAIRMAN:

Thank you. Could I have a motion,
please?

MR. GINTY:

Mr. Chairman, I move that the Board adopt
Proposed Regulation 125-144, as described by the
Office of Chief Counsel (OCC) and that the Board
establish a public comment period of 30 days for the
regulation that is proposed before the Board.

CHAIRMAN:

Second?

MR. MCCALL:

Second.

CHAIRMAN:

All in favor?

AYES RESPOND

CHAIRMAN:

Opposed? Motion passes. Thank you,
Susan.

ATTORNEY YOCUM:

Thank you.

ATTORNEY SHERMAN:

Next presenting Withdrawals and Reports
and Recommendations is Deputy Chief Counsel Steve
Cook.

1 CHAIRMAN:

2 Hi, Steve.

3 ATTORNEY COOK:

4 Good morning. The Board has received two
5 unopposed petitions withdrawing applications of
6 individuals who have left the employment --- or who
7 have left employment. The first is Robert Norton, who
8 has left employment as MTR Gaming Group's Chief
9 Operating Officer. And the second is Robert Aiken,
10 who is no longer employed as the Gaming Service
11 Provider U.S. Foodservice's Chief Executive Officer.
12 The Office of Enforcement Counsel (OEC) has no
13 objections to these withdrawals. As such, a motion to
14 grant them would be to do so without prejudice.

15 CHAIRMAN:

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

18 MR. MOSCATO:

19 Mr. Chairman, I move that the Board issue
20 Orders to approve the withdrawal as described by the
21 OCC.

22 CHAIRMAN:

23 Second?

24 MR. TRUJILLO:

25 Second.

1 CHAIRMAN:

2 All in favor?

3 AYES RESPOND

4 CHAIRMAN:

5 Opposed? Motion passes.

6 ATTORNEY COOK:

7 Next before the Board for consideration
8 are two Reports and Recommendations from the Office of
9 Hearings and Appeals (OHA) relative to one Non-Gaming
10 Employee Registration Application and one Petition to
11 be Removed from the Self-Exclusion List. These
12 Reports and Recommendations, along with the
13 evidentiary record, have been provided to the Board in
14 advance of this meeting. And additionally, in each
15 case, the person implicated has been advised the Board
16 was taking this matter under consideration today and
17 that they had the right to be present and briefly
18 address the Board. If either of these people are
19 present, they should come forward when their matter is
20 announced.

21 The first Report and Recommendation
22 before the Board today pertains to Dontez Fitzgerald.
23 Mr. Fitzgerald submitted an application for a
24 Non-Gaming Employee Registration on September 8th,
25 2010, seeking work as an Engineer 1 at HSP Gaming,

1 Inc. Engineers for HSP generally perform
2 miscellaneous maintenance and repairs around the
3 SugarHouse Casino property and are not involved in
4 gaming activities or working with gaming-related
5 equipment. The OEC issued a Notice of Recommendation
6 of Denial on September 21st, 2010, based upon Mr.
7 Fitzgerald having pleaded guilty to two felony
8 offenses, the nature and recency of the offenses,
9 which were drug offenses, and the fact that his
10 probation does not end until June 13th, 2011. OEC
11 also recommended denial based upon Mr. Fitzgerald
12 being less than fully forthright in that, when
13 disclosing his criminal history, he indicated that he
14 was sentenced simply to probation when, in fact, he
15 was sentenced to a term of incarceration as well. The
16 drug charges at issue here involved possession of ten
17 bags of marijuana. As a result of these convictions,
18 Mr. Fitzgerald was sentenced to 6 to 12 months
19 incarceration, followed by the 12 months of probation
20 that he is presently on, plus costs.

21 After receiving the Notice of
22 Recommendation of Denial, Mr. Fitzgerald requested a
23 hearing, which was held on January 11th, 2011, before
24 the OHA. Both OEC and Mr. Fitzgerald appeared and
25 offered evidence. Specifically, Mr. Fitzgerald

1 provided testimony as to his efforts to rehabilitate
2 himself, including evidence that, while in prison, he
3 worked in the laundry room and attended drug
4 rehabilitation services, that he was granted early
5 release, that he volunteered at the YMCA working with
6 children and helping staff members with general tasks,
7 and has completed Philadelphia Opportunities
8 Industrialization Center's Hospitality Training
9 Institute Program. Mr. Fitzgerald also produced
10 several letters of recommendation, including from his
11 probation officer and representatives of these other
12 organizations that I just mentioned.

13 Notwithstanding his positive testimony
14 and the evidence presented, given the nature and
15 recency of his criminal conduct, the Hearing Officer
16 recommended that his application be denied, as I said,
17 given the nature and recency of his offenses, as well
18 as the fact that he remains on probation. This Report
19 and Recommendation is presently before the Board.

20 CHAIRMAN:

21 Thank you, Steve. Is Mr. Fitzgerald
22 here? Okay. Any questions or comments from the
23 Board?

24 MR. GINTY:

25 I have a couple questions.

1 CHAIRMAN:

2 Yes, Commissioner Ginty.

3 MR. GINTY:

4 Was Mr. Fitzgerald given notice of
5 today's hearing ---

6 ATTORNEY COOK:

7 Yes, he was.

8 MR. GINTY:

9 --- for consideration? Is there anything
10 in the record that would explain his misstatement of
11 his conviction?

12 ATTORNEY COOK:

13 Not that I'm aware of.

14 MR. GINTY:

15 That's all I have.

16 CHAIRMAN:

17 Okay. Any other questions? Could I have
18 a motion, please?

19 MR. TRUJILLO:

20 Mr. Chairman, I move that the Board issue
21 an Order to adopt the Report and Recommendation of the
22 OHA regarding the Non-Gaming Employee Registration of
23 Dontez Fitzgerald, as described by the OCC.

24 CHAIRMAN:

25 Second?

1 MR. SOJKA:

2 Second.

3 CHAIRMAN:

4 All in favor?

5 AYES RESPOND

6 CHAIRMAN:

7 Opposed? Motion passes.

8 ATTORNEY COOK:

9 The second and final Report and
10 Recommendation before the Board today pertains to a
11 request to be removed from the Voluntary
12 Self-Exclusion List. On August 14th, 2010, an
13 individual with the initials C.W. entered the Parx
14 Casino and filed a Request for Voluntary Self-
15 Exclusion from Gaming Activities Form, thereby placing
16 himself on the Self-Exclusion List for a five-year
17 period. On that date, a Casino Compliance
18 representative met with C.W., conducted a mandatory
19 interview and completed all the required procedures
20 regarding the self-exclusion process before C.W.'s
21 decision became finalized.

22 During the interview, C.W. indicated that
23 he wished to sign up for the Self-Exclusion List
24 because he had a gambling problem and needed the
25 assistance of the Board's Self-Exclusion Program. The

1 Casino Compliance representative also gave C.W. a copy
2 of the Board Request for Voluntary Self-Exclusion
3 Process Checklist and the Request for Voluntary
4 Self-Exclusion and explained to C.W. that he may not
5 request to be removed from the Self-Exclusion List
6 until the time requested had expired. Notwithstanding
7 these facts, on November 12th, 2010, about three
8 months later, C.W. filed a Request to be Removed from
9 the Self-Exclusion List. On December 13th, 2010, the
10 OEC filed an Answer to C.W.'s request, objecting to
11 the relief requested in that the time had not expired
12 on the requested self-exclusion.

13 A hearing in this matter was held on
14 January 25th, 2011. Both OEC and C.W. appeared at the
15 hearing and offered evidence. C.W.'s evidence
16 summarized just simply that he was exhausted and
17 fatigued after working an extensive work shift when he
18 signed on to the list and made an unintelligent
19 decision because of his state of mind.

20 The Report and Recommendation issued by
21 the Hearing Officer found C.W.'s testimony
22 unconvincing and recommends to the Board that his
23 petition be denied and that he remain on the Self-
24 Exclusion List. That Recommendation is presently
25 before the Board.

1 CHAIRMAN:

2 Thank you. Is the individual who goes by
3 C.W. in the audience? Any questions from the Board?
4 Could I have a motion, please?

5 MR. SOJKA:

6 Yes, Mr. Chairman. I move that the Board
7 issue an Order to adopt the Report and Recommendation
8 of the OHA regarding the petition of C.W. for removal
9 from the List of Self-Excluded Persons, as just
10 described by the OCC.

11 CHAIRMAN:

12 Second?

13 MR. ANGELI:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 AYES RESPOND

18 CHAIRMAN:

19 Opposed? Motion passes. I'm sorry.

20 Yes, Commissioner Ginty?

21 MS. GINTY:

22 I'm going to vote present. I continue to
23 be troubled by the process involved here.

24 CHAIRMAN:

25 Okay. Let the record reflect that

1 Commissioner Ginty is voting present, so neither yea
2 or nay, and the rest of us are voting in the
3 affirmative. Thank you. The motion passes. Thank
4 you, Doug. Thank you, Steve. Next up is the Director
5 of Licensing, Susan Hensel. Welcome, Susan.

6 MS. HENSEL:

7 Thank you, Chairman Fajt and members of
8 the Board. The first matter for your consideration is
9 the renewal of both the Slot Manufacturer and Table
10 Games Manufacturer Licenses for IGT. The BIE has
11 completed its investigation, and the Bureau of
12 Licensing has provided you with the Renewal Background
13 Investigation and Suitability Report for this
14 Licensee, which was originally presented to you in
15 November of last year. At that time, the Board asked
16 some questions about IGT's regulatory history, and the
17 renewal motion was deferred to give IGT an opportunity
18 to respond to the Board's questions. IGT has
19 responded in writing and also has representatives
20 available today to answer any questions.

21 CHAIRMAN:

22 Thank you, Susan. Could I --- before we
23 get too far along here, the individuals who are here
24 from IGT, if there are any non-lawyers who will be
25 speaking, could I ask that you stand to be sworn in.

1 If there are any non-lawyers, why don't you just
2 stand. And whether you're speaking or not, we'll take
3 care of this. Go ahead.

4 -----

5 WITNESSES SWORN EN MASSE

6 -----

7 CHAIRMAN:

8 Thank you very much.

9 ATTORNEY MICHAEL:

10 Chairman, members of the --- I'm sorry,
11 should we begin?

12 CHAIRMAN:

13 Yes. Yes.

14 ATTORNEY MICHAEL:

15 Chairman, members of the Board, my name
16 is Guy Michael of Michael & Carroll, on behalf of IGT.
17 With me today, my law partner, Robert J. Carroll,
18 LaVonne Withey, who is the Director of Regulatory
19 Compliance for the company, and B.R. Lane, who is the
20 Manager of Regulatory Compliance for the company.

21 CHAIRMAN:

22 Thank you.

23 ATTORNEY MICHAEL:

24 And we thank you ---.

25 CHAIRMAN:

1 I'm sorry. One second, Mr. Michael. Go
2 ahead, Commissioner Ginty.

3 MR. GINTY:

4 Before we get into it, Mr. Michael, I
5 understand you are not a member of the Pennsylvania
6 Bar?

7 ATTORNEY MICHAEL:

8 Not a member, no. We have been admitted
9 pro hac vice, and we have a pro hac vice number under
10 which we have been appearing.

11 MR. GINTY:

12 In my view, pro hac vice is not a
13 perpetual license to appear before the Commonwealth
14 Board. So, I hope, before you appear before us again,
15 you will address that issue.

16 ATTORNEY MICHAEL:

17 That should not be a problem. We are
18 also of counsel and associated with a firm that has
19 Pennsylvania counsel, so that would not be a problem
20 for us in the future.

21 CHAIRMAN:

22 Thank you. And thank you, Commissioner
23 Ginty, for bringing that up. I mean, this is an issue
24 that has arisen recently and, you know, it's the
25 Board's position that, you know, we will grant pro hac

1 vice when it's warranted and on a very, very limited
2 basis. But because it applies to one matter doesn't
3 mean you can continue to appear before the Board, even
4 in that individual matter, in perpetuity. So, we have
5 a lot of qualified lawyers in Pennsylvania, and again,
6 not to beat a dead horse, but you get the message.
7 And you know, from now on, we expect to see somebody
8 with Pennsylvania credentials representing you.

9 ATTORNEY MICHAEL:

10 Absolutely.

11 CHAIRMAN:

12 Okay. Thank you.

13 ATTORNEY MICHAEL:

14 And the presentation today is about
15 compliance. We will certainly comply with your rules.

16 CHAIRMAN:

17 Continue on.

18 ATTORNEY MICHAEL:

19 And we do thank you for the opportunity
20 to appear before you to address the licensing --- the
21 renewal licensing of IGT as a slot manufacturer.

22 As I'm sure you know, IGT has been
23 licensed before this Board since 2006. And I'm
24 relying on memory now, which is dangerous, but it is
25 my recollection that IGT received, if not the first,

1 one of the first licenses that was ever granted by the
2 Board.

3 On January 17th we submitted to you
4 correspondence addressing the qualifications of IGT
5 for renewal, and we rely on that and do not want to
6 belabor the points that we made there and take up too
7 much time. But we would like to focus just for a
8 minute on the regulatory compliance aspects of what
9 was presented in that correspondence.

10 While we don't want to be dull and boring
11 here with a bunch of numbers, in this context we think
12 numbers might tell a story. And those numbers are the
13 numbers that IGT --- the number of transactions that
14 IGT is involved in over the course of any given year.
15 IGT holds nearly 400 different gaming licenses
16 worldwide and does business in 500 different
17 jurisdictions. Each jurisdiction, obviously, has its
18 own unique set of rules and its own unique regulatory
19 obligations. In just 2010 IGT filed over 5,400
20 corporate and individual applications. That works out
21 to about 15 a day. It received approval for 31,200
22 different products and filed nearly 15,000 shipment
23 notices, and with those shipment notices shipped
24 nearly 70,000 different gaming devices. Now, it's
25 very difficult to accomplish all of that, but they do,

1 and they do it very carefully. And regulatory
2 compliance is at the heart of how they do it. IGT
3 understands that if they do not maintain their
4 compliance with regulations and if they lose their
5 licenses, the complexes that IGT has been able to
6 build will become parking lots, and they don't want
7 that.

8 The company, in fact, was the first
9 gaming company to dedicate full-time resources to
10 regulatory compliance. There are now 90 full-time
11 employees who do nothing but work on making sure that
12 IGT complies with the regulations in the various
13 jurisdictions. And even in these somewhat difficult
14 economic times, when there have been cutbacks in other
15 areas, there have not been any cutbacks in the
16 regulatory compliance staff and the regulatory
17 compliance budgets. They have maintained a very
18 important part of the company's operation.

19 IGT has a code of corporate conduct that
20 is taken very seriously. It is distributed to all
21 employees. It is described to all employees at their
22 orientation, posted on the internal website and
23 expected to be followed. In fact, expected to be
24 followed not only by the employees but with principal
25 third parties that they do business with. They

1 distribute the Code of Conduct to them, and they hold
2 those people to it. So, when you combine the
3 thousands and thousands of regulatory obligations with
4 this overarching philosophy that the company has to
5 comply, the company feels that it's justifiably proud
6 of the results. Obviously, we'd love to have those
7 results be perfect, and we'd like every one of the
8 transactions that they engage in work out without any
9 flaws and any SNAFUs whatsoever. But given the 15,000
10 different shipping notices and the numbers of other
11 transactions that I've outlined, we think we're
12 getting pretty close to that goal but haven't yet
13 reached it. When there are some slip-ups, and there
14 are because human beings are human beings, the company
15 inquires into them, investigates them, and on
16 occasion, when necessary, revises its policies to make
17 sure that those kind of slip-ups don't happen again.

18 The company tries to do its business
19 correctly. It believes that it is doing it as best it
20 can. And on the record placed before you, both in the
21 letter and we hope here today --- we hope that we've
22 satisfied you of that. We, again, take those
23 regulatory concerns very seriously. We understand
24 your concern and that's why, you know, we welcome the
25 opportunity to be here to address it to you. We hope

1 that our letter again and our presentation today does
2 that and that the license be renewed. Again, we're
3 all here to answer any questions that you have.

4 CHAIRMAN:

5 Thank you, Mr. Michael. Before we
6 entertain questions from the Board, are there
7 questions from Enforcement Counsel?

8 ATTORNEY ARMSTRONG:

9 No, there are not, Mr. Chairman.

10 CHAIRMAN:

11 There are not? Okay. Thank you.
12 Questions from the Board? Commissioner Sojka?

13 MR. SOJKA:

14 First of all, there are three of you
15 here, right, from IGT, or four?

16 ATTORNEY MICHAEL:

17 Four.

18 MR. SOJKA:

19 And you've traveled some considerable
20 distance, I take it?

21 ATTORNEY MICHAEL:

22 Yes. The IGT individuals came from Las
23 Vegas.

24 MR. SOJKA:

25 Okay. That provides for us, as we begin

1 to work toward responding to your situation, an
2 opportunity to do something that's always important to
3 us, and that's to benchmark our own practices. I'm
4 impressed by the numbers that you've presented about
5 how many jurisdictions you're in, how long you've been
6 doing this and how many people are employed. I just
7 want to ask you a couple of questions about us to help
8 us to get our arms around this. How would you
9 describe the Pennsylvania regulatory environment
10 compared to other jurisdictions? And I'll just give
11 you some choices. Are we more restrictive, about in
12 the middle, or less restrictive than some of the other
13 jurisdictions?

14 ATTORNEY MICHAEL:

15 Well, let me take the first crack at
16 that, then I'll defer to the actual IGT people who do
17 it on a day-to-day basis. Because the company is in
18 so many different jurisdictions, obviously there's a
19 wide variety of different types of regulatory systems.
20 A lot of those jurisdictions are, for example, Native
21 American tribes where the regulatory structure can
22 vary from fairly rigid to fairly nonexistent. And so
23 in that respect, we --- you know, there's a great
24 degree of variation.

25 I think if you --- my impression is if

1 you compare the Pennsylvania regulatory system to
2 other statewide regulatory systems that it falls very
3 much in the mainstream of what the company has to deal
4 with. I'm sure they don't want to be put in a
5 position where they start criticizing other
6 jurisdictions here on the record, ---

7 MR. SOJKA:

8 Correct. Yes.

9 ATTORNEY MICHAEL:

10 --- and so we'd defer doing that if there
11 were any other jurisdictions to criticize. But I
12 think the mainstream, you know, is an accurate
13 description. If the personnel has anything more to
14 add here ---? This is LaVonne Withey.

15 -----
16 LAVONNE WITHEY, HAVING BEEN PREVIOUSLY SWORN,
17 TESTIFIED AS FOLLOWS:

18 -----
19 MS. WITHEY:

20 First of all, I'd like to just say thank
21 you for letting us appear before you today. I would
22 just like to add to Mr. Michael's presentation in
23 answer to your question that we find the staff of the
24 Pennsylvania Gaming Control Board to be very, very
25 thorough. Again, I think we have a wonderful working

1 relationship with the Agency. I do think that there's
2 also opportunity, though, as we move forward, to maybe
3 collaborate with the agencies in trying to have some
4 reform of the regulatory environment when it comes to
5 kind of things like shipping and things of that
6 nature. We do --- because we have so many laws that
7 we have to comply with, every jurisdiction has a
8 different set, and so I think there's, you know,
9 opportunity for --- in some areas for us to maybe have
10 some standardization. But with regard to the Agency,
11 we find them very thorough, and we have a great
12 working relationship and we enjoy working with them.

13 MR. SOJKA:

14 Could I ask, related to that, because we
15 are still relatively new and have had to model on
16 other regulatory agencies, in your opinion, are the
17 questions that we --- or the requirements that we put
18 on you --- and this is just an opinion I'm asking you
19 for, are we getting to the relevant issues or do we
20 drift toward the somewhat bureaucratic?

21 MS. WITHEY:

22 I would say that they are relevant. I
23 think gaming is an environment that is a privilege
24 environment, and we support strong compliance. It is
25 a barrier to entry to those who can't comply with the

1 regulations of a jurisdiction. So, I think we're very
2 much a proponent of having strict regulation.

3 MR. SOJKA:

4 Okay. And again, that suggests then that
5 you think we are reasonably strict and that we're
6 asking the right questions?

7 MS. WITHEY:

8 Correct.

9 MR. SOJKA:

10 Okay. Good. That's all I have on the
11 matter.

12 CHAIRMAN:

13 Thank you. Other questions?
14 Commissioner Ginty?

15 MR. GINTY:

16 I actually just want to acknowledge the
17 seriousness with which you address this issue and, you
18 know, commend you for the time and effort and the
19 progress you have made over the years in getting your
20 processes in order. So, I thank you very much for
21 making the trip to the gaming Mecca of the east,
22 so ---.

23 MS. WITHEY:

24 We're glad to be here.

25 MR. GINTY:

1 Thank you.

2 MS. WITHEY:

3 Thank you.

4 CHAIRMAN:

5 Commissioner Trujillo?

6 MR. TRUJILLO:

7 Thank you. And this is for Enforcement
8 Counsel. Of any violations over the past year, were
9 there any findings negatively found as to IGT's good
10 character, honesty or integrity?

11 ATTORNEY ARMSTRONG:

12 The regulatory violations?

13 MR. TRUJILLO:

14 Yes.

15 ATTORNEY ARMSTRONG:

16 Nothing of that nature, no.

17 MR. TRUJILLO:

18 All right. That's all I have. Thank
19 you.

20 CHAIRMAN:

21 Just while we have you here, and Susan, I
22 know I asked you this question before about IGT, and I
23 think it's good to put on the record, what percentage
24 of slot machines --- we have, give or take, 26,000
25 slot machines operating in Pennsylvania. What

1 percentage of those are IGT-manufactured machines?

2 MS. HENSEL:

3 They would have the majority of the slot
4 machines that are in our casinos.

5 CHAIRMAN:

6 I think the number you had given me in
7 the past was about 55 percent.

8 MS. HENSEL:

9 That sounds correct.

10 CHAIRMAN:

11 And Mr. Michael, a question to you, if
12 you have the answer. What percentage of slot machines
13 do you guys supply nationwide?

14 MR. MICHAEL:

15 I believe it's in the 60 percent range.

16 CHAIRMAN:

17 Okay.

18 MR. MICHAEL:

19 In the low 60s.

20 CHAIRMAN:

21 Thank you. And again, my reason for
22 doing that is, you know, this is a major player ---
23 obviously, in the industry, major player here in
24 Pennsylvania, and we do appreciate --- we appreciate
25 your being here. I joked to Gary earlier privately

1 when he was asking those questions. I said, what do
2 you expect them to say when their license renewal is
3 hanging in the balance?

4 MR. SOJKA:

5 But they're under oath.

6 CHAIRMAN:

7 We get the symbolism of that. Any other
8 questions? Seeing none, could I have a motion,
9 please?

10 MR. ANGELI:

11 Mr. Chairman, I move that the Board
12 approve the renewal of IGT's Slot Machine and Table
13 Games Manufacturer License.

14 CHAIRMAN:

15 Second?

16 MR. GINTY:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 AYES RESPOND

21 CHAIRMAN:

22 Opposed? Motion passes. Thank you again
23 for ---.

24 ATTORNEY MICHAEL:

25 Thank you very much.

1 CHAIRMAN:

2 Move on to other licensing matters.

3 MS. HENSEL:

4 Next we have for your consideration the
5 issuance of Temporary, Principal and Key Employee
6 Licenses. Prior to this meeting, the Bureau of
7 Licensing provided you with an Order regarding the
8 issuance of Temporary Licenses for one Principal and
9 nine Key Employees. I ask that the Board consider the
10 Order approving these licenses.

11 CHAIRMAN:

12 Any questions or comments from
13 Enforcement Counsel?

14 ATTORNEY PITRE:

15 Enforcement Counsel has no objection.

16 CHAIRMAN:

17 Thank you. Questions or comments from
18 the Board? Could I have a motion, please?

19 MR. GINTY:

20 So moved.

21 CHAIRMAN:

22 Second?

23 MR. MCCALL:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 AYES RESPOND

3 CHAIRMAN:

4 Opposed? Motion passes.

5 MS. HENSEL:

6 Next are Gaming Permits and Non-Gaming
7 Registrations. Prior to this meeting, the Bureau of
8 Licensing provided you with a list of 248 individuals
9 who the Bureau has granted Occupation Permits to and
10 73 individuals who the Bureau has granted
11 Registrations to under the authority delegated to the
12 Bureau of Licensing. I ask that the Board adopt a
13 motion approving the Order.

14 CHAIRMAN:

15 Any questions from Enforcement Counsel?

16 ATTORNEY PITRE:

17 No questions. And Enforcement Counsel
18 has no objection.

19 CHAIRMAN:

20 Thank you. Comments from the Board?

21 Could I have a motion, please?

22 MR. MCCALL:

23 Mr. Chairman, I move that the Board
24 approve the issuance of Gaming Employee Permits and
25 Non-Gaming Employee Registration, as described by the

1 Bureau of Licensing.

2 CHAIRMAN:

3 Second?

4 MR. MOSCATO:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 AYES RESPOND

9 CHAIRMAN:

10 Opposed? Motion passes.

11 MS. HENSEL:

12 In addition, we have Recommendations of
13 Denial for a Key Employee, a Gaming Employee, and a
14 Gaming Service Provider. Prior to this meeting, the
15 Bureau of Licensing provided you with Orders
16 addressing these applicants who the BIE has
17 recommended for denial. In each case, the applicant
18 failed to request a hearing in the specified time
19 period. I ask that the Board consider the Orders
20 denying the Key Employee, Gaming Level Two Employee
21 and Gaming Service Provider.

22 CHAIRMAN:

23 Any questions or comments from
24 Enforcement Counsel?

25 ATTORNEY PITRE:

1 The Office of Enforcement Counsel would
2 request that the Board deny each one of these
3 applications.

4 CHAIRMAN:

5 Thank you. Questions from the Board?
6 Commissioner Sojka?

7 MR. SOJKA:

8 Are these denials with prejudice?

9 ATTORNEY PITRE:

10 They're denials from applicants who have
11 applied for licensing, and we're recommending denial
12 of their application.

13 MR. SOJKA:

14 So they're not with us at all?

15 ATTORNEY PITRE:

16 Well, they're basically banned for five
17 years from reapplying.

18 MR. ANGELI:

19 So we're approving them?

20 ATTORNEY PITRE:

21 Right.

22 CHAIRMAN:

23 Okay. Any other questions? Could I have
24 a motion, please?

25 MR. MOSCATO:

1 Mr. Chairman, I move that the Board
2 approve the denials, as described by the Bureau of
3 Licensing.

4 CHAIRMAN:

5 Second?

6 MR. SOJKA:

7 Second.

8 CHAIRMAN:

9 All in favor?

10 AYES RESPOND

11 CHAIRMAN:

12 Opposed? Motion passes.

13 MS. HENSEL:

14 In addition, we have Orders regarding
15 Gaming Service Providers. The first is to certify the
16 following Gaming Service Providers: Air Distribution
17 Systems, Inc., Core BTS, Inc., and Sysco Food Services
18 of Pittsburgh, LLC. I ask that the Board consider the
19 Order approving these Gaming Service Providers for
20 certification.

21 CHAIRMAN:

22 Questions and comments from the
23 Enforcement Counsel?

24 ATTORNEY PITRE:

25 Enforcement Counsel has no objection to

1 the motion.

2 CHAIRMAN:

3 Thank you. Questions from the Board?
4 Could I have a motion, please?

5 MR. SOJKA:

6 Yes, Mr. Chairman. I move that the Board
7 issue the Order to approve the applications for Gaming
8 Service Provider Certification, as described by the
9 Bureau of Licensing.

10 CHAIRMAN:

11 Second?

12 MR. TRUJILLO:

13 Second.

14 CHAIRMAN:

15 All in favor, aye.

16 AYES RESPOND

17 CHAIRMAN:

18 Opposed? The motion passes.

19 MS. HENSEL:

20 Next we have an Order regarding Gaming
21 Service Provider Registrations. The Bureau of
22 Licensing provided you with an Order and an attached
23 list of 12 registered Gaming Service Providers. I ask
24 that the Board adopt a motion approving the Order
25 registering these Gaming Service Providers.

1 CHAIRMAN:

2 Any questions or comments from
3 Enforcement Counsel?

4 ATTORNEY PITRE:

5 Enforcement Counsel has no objection to
6 the motion.

7 CHAIRMAN:

8 Thank you. Questions from the Board?
9 Seeing none, could I have a motion, please?

10 MR. TRUJILLO:

11 Mr. Chairman, I move that the Board issue
12 the Order to approve the applications for Gaming
13 Service Provider Registration, as described by the
14 Bureau of 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 Finally, we have an Order regarding the
24 abandonment of an application for Gaming Service
25 Provider Norwin Construction Company. This company

1 filed an application but failed to complete its
2 application. We have made several unsuccessful
3 attempts to contact this company, and to the best of
4 our knowledge, this company is out of business. Under
5 our regulations, the Board has the authority to
6 declare an application abandoned if an applicant fails
7 to provide the information necessary to cure its
8 deficiencies. I ask that the Board consider an Order
9 declaring Norwin Construction Company's application
10 abandoned.

11 CHAIRMAN:

12 Any questions or comments from
13 Enforcement Counsel?

14 ATTORNEY PITRE:

15 Enforcement Counsel has no objection.

16 CHAIRMAN:

17 Any questions or comments from the Board?
18 Could I have a motion?

19 MR. ANGELI:

20 Mr. Chairman, I move that the Board issue
21 an Order to approve the abandonment of the Gaming
22 Service Provider Application, as described by the
23 Bureau of Licensing.

24 MR. GINTY:

25 Second.

1 CHAIRMAN:
2 All in favor?

3 AYES RESPOND

4 CHAIRMAN:
5 Opposed? The motion passes.

6 MS. HENSEL:
7 That concludes the Bureau of Licensing's
8 presentation.

9 CHAIRMAN:
10 Thank you, Susan. Next up is our OEC.

11 ATTORNEY PITRE:
12 Mr. Chairman, the first matter is a
13 motion to consider a Consent Agreement between the OEC
14 and Presque Isle. The OEC would respectfully request
15 that the Board table this matter for a future Board
16 meeting.

17 CHAIRMAN:
18 Okay. Could I have a motion to table?

19 MR. GINTY:
20 So moved.

21 CHAIRMAN:
22 Second?

23 MR. MCCALL:
24 Second.

25 CHAIRMAN:

1 All in favor?

2 AYES RESPOND

3 CHAIRMAN:

4 Opposed? We'll table the motion --- or
5 table the matter.

6 ATTORNEY PITRE:

7 The second motion will be handled by
8 Cassandra Fenstermaker of the OEC.

9 CHAIRMAN:

10 Welcome, Cassandra.

11 ATTORNEY FENSTERMAKER:

12 Good morning, Chairman Fajt and members
13 of the Board. I'm Cassandra Fenstermaker on behalf of
14 the OEC.

15 This matter involves the request to
16 revoke Thelma Moore's Non-Gaming Employee
17 Registration. We've received correspondence, though
18 not a hearing request, from Thelma Moore regarding
19 this matter. It is our understanding that there is a
20 dispute with respect to the record in this matter.
21 And in order to clarify the facts, we request that
22 this matter be remanded to the OHA.

23 CHAIRMAN:

24 Is Ms. Moore present today? Okay. Any
25 questions from the Board? Could I have a motion to

1 refer this to OHA?

2 MR. MCCALL:

3 Mr. Chairman, I move that the Board issue
4 an Order to remand this matter to the OHA to conduct a
5 hearing on Enforcement Counsel's request for
6 revocation.

7 CHAIRMAN:

8 Second?

9 MR. MOSCATO:

10 Second.

11 CHAIRMAN:

12 All in favor?

13 AYES RESPOND

14 CHAIRMAN:

15 Opposed? The motion passes.

16 ATTORNEY FENSTERMAKER:

17 This next matter involves the request to
18 revoke London Murray's Gaming Employee Occupation
19 Permit. On December 29th of 2010, the OEC filed a
20 Complaint for Revocation of London Murray's Gaming
21 Permit. The revocation complaint was filed after
22 surveillance footage revealed that London Murray, a
23 cage cashier at Rivers Casino, removed money from her
24 drawer and placed it in her tip jar in an attempt to
25 force balance her drawer. The Enforcement complaint

1 was properly served upon London Murray by first-class
2 mail. Ms. Murray did not respond to the complaint
3 within 30 days. Therefore, pursuant to Board
4 Regulations, all facts alleged in the complaint are
5 deemed admitted. The OEC filed a Request for Default
6 Judgment on February 25th, 2011. At this time, the
7 OEC asks that London Murray's Gaming Permit be
8 revoked.

9 CHAIRMAN:

10 Thank you. Is Ms. Murray present today?
11 Okay. Any questions or comments from the Board?
12 Commissioner Sojka?

13 MR. SOJKA:

14 Again, having looked at the details of
15 this case, it strikes me as a peculiar form of
16 behavior in that the money that apparently was
17 misappropriated ended up in a tip jar that would be
18 shared by a significant number of persons, including
19 Ms. Murray. It seems like a very low yield for a
20 high-risk, potentially criminal act and raises my
21 suspicion level that this person may not be operating
22 alone. And I just want it on the record that the
23 casino and other casinos might wish to examine even
24 more carefully surveillance footage relating to what's
25 going on at this point to see if, in fact, there might

1 not be other people associated with this kind of
2 activity and that maybe Ms. Murray was just a little
3 less careful or a little more clumsy and was the one
4 that was detected. It's only a suspicion, but I think
5 it's appropriate to put it into the record here as a
6 kind of cautionary statement to the casinos.

7 CHAIRMAN:

8 Thank you. Any other questions or
9 comments? Could I have a motion, please?

10 MR. MOSCATO:

11 Mr. Chairman, I move that the Board issue
12 an Order to approve the revocation of London Murray's
13 Gaming Employee Permit, as described by the OEC.

14 CHAIRMAN:

15 Second?

16 MR. SOJKA:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 AYES RESPOND

21 CHAIRMAN:

22 Opposed? Motion passes.

23 ATTORNEY FENSTERMAKER:

24 Thank you.

25 ATTORNEY PITRE:

1 The next matter before the Board will be
2 handled by Billie Jo Matelevich-Hoang.

3 CHAIRMAN:

4 Welcome, Billie Jo.

5 ATTORNEY PITRE:

6 I ask Billie Jo to give her card to the
7 stenographer.

8 CHAIRMAN:

9 I think she probably has that name down
10 by now.

11 ATTORNEY MATELEVICH-HOANG:

12 Thank you. Good morning, Chairman Fajt,
13 members of the Board. I'm Billie Matelevich-Hoang, on
14 behalf of the OEC. This matter involves an exclusion
15 request. On November 9th, 2010, the OEC filed a
16 petition to place Mr. Faraone on the Board's Exclusion
17 List due to his post betting that occurred at
18 Hollywood Casino on July 19th, 2010. The petition was
19 refiled and served upon Petitioner on January 19th,
20 2011, to ensure that Mr. Faraone received his Hearing
21 Rights Form.

22 The Enforcement Complaint was properly
23 served upon Mr. Faraone by both certified and
24 first-class mail. Mr. Faraone did not respond to the
25 complaint within 30 days. Therefore, pursuant to

1 Board Regulations, all facts alleged in the complaint
2 are deemed admitted. The OEC filed a Request for
3 Default Judgment on February 24th, 2011. And at this
4 time, the OEC asks that Mr. Faraone be placed on the
5 Board's Excluded Person List.

6 CHAIRMAN:

7 Is Mr. Faraone present today? Any
8 questions or comments from the Board?

9 MR. GINTY:

10 I have a question. Sorry.

11 CHAIRMAN:

12 Commissioner Ginty?

13 MR. GINTY:

14 Do we work with other jurisdictions with
15 respect to Exclusions Lists or lists of people to be
16 excluded?

17 ATTORNEY PITRE:

18 If there are individuals who appear on
19 the Exclusion Lists of other jurisdictions, we do
20 monitor it to make sure that those individuals, if
21 they do frequent the Pennsylvania casinos, that we are
22 aware of that and that we monitor their activities
23 within the casino. We don't move to place someone on
24 the Exclusion List until they actually have done ---
25 committed some action that is inimical to the

1 operation --- the gaming operations in Pennsylvania.

2 MR. GINTY:

3 And is that pretty standard among ---?

4 ATTORNEY PITRE:

5 Yeah. It's an evidentiary-approved
6 standard that has to be presented to the Board.

7 MR. GINTY:

8 Okay. I understand.

9 CHAIRMAN:

10 Commissioner Sojka?

11 MR. SOJKA:

12 Again, in this situation, what's in front
13 of us is simply our capacity to ban this person from
14 any licensed operators in Pennsylvania. And the real
15 penalty there would be, if you did, it would be
16 criminal trespass, and it could --- hopefully, would
17 not be allowed to win any sort of jackpot, okay. Were
18 there other criminal charges pressed here, and do we
19 know the outcome of that?

20 ATTORNEY MATELEVICH-HOANG:

21 We actually do. He was charged with four
22 different issues. One was a felony. He had a
23 preliminary hearing in November of 2010, and during
24 that time two were reduced. So, the only items that
25 were remaining for him were the defiant trespass,

1 which is a summary offense, and providing false ID to
2 law enforcement, which is a misdemeanor. He actually
3 came back into the casino July 23rd, and at that time
4 the State Police were able to stop him. And also, he
5 is on our Self-Excluded Persons List. He excluded
6 himself for a period of five years. So, right now we
7 have two charges that are still pending. And it looks
8 like he might be able to enter into the ARD program,
9 but that's all the information we have at this point.

10 MR. SOJKA:

11 So interestingly, he's already on our
12 Self-Exclusion List. So, by our excluding him, we
13 simply double down, but the penalties are no
14 different. We're doubling down.

15 MR. GINTY:

16 But we do give him a bit of due process,
17 however.

18 MR. SOJKA:

19 That's right. That will improve Mr.
20 Ginty's view of this whole process.

21 ATTORNEY PITRE:

22 Well, the difference, also, Commissioner,
23 is that, once we place him on the Exclusion List, it's
24 there for the public to see. His picture is posted on
25 our website. We have information showing why he's

1 excluded. So, it's --- where the Self-Exclusion List
2 is confidential, this Exclusion List is open for the
3 public to view.

4 MR. SOJKA:

5 That's an important distinction. Thank
6 you.

7 CHAIRMAN:

8 Any other questions?

9 MR. MOSCATO:

10 Mr. Chairman, ---

11 CHAIRMAN:

12 Yes, Mr. Moscato?

13 MR. MOSCATO:

14 So just for me to understand this a
15 little bit better, the penalty really isn't anything
16 beyond what he had already penalized himself, more or
17 less, in excluding himself for five years; correct?

18 ATTORNEY PITRE:

19 Basically, as far as he is concerned
20 personally ---

21 MR. MOSCATO:

22 Uh-huh (yes).

23 ATTORNEY PITRE:

24 --- and with regard to the Board, yes.
25 And you know, he's now posted on our website. But

1 you're right. The penalty is not much different. I
2 don't --- I don't think --- it would be up to whoever
3 enforces the criminal aspect of the Act to be a little
4 bit more aggressive in pursuing him if he should
5 frequent the casinos, but we're only in charge of the
6 regulatory aspect. And we're also addressing this
7 matter with Penn National because he was on the
8 Self-Exclusion List when he committed these acts.

9 MR. MOSCATO:

10 And that is the extent of what we're able
11 to do, the five years?

12 ATTORNEY PITRE:

13 That's the extent of our powers.

14 MR. MOSCATO:

15 Thank you very much. Thank you, Mr.
16 Chairman.

17 MR. SOJKA:

18 But to clarify on that, we're more than
19 five years; right?

20 ATTORNEY PITRE:

21 He's excluded for life.

22 MR. SOJKA:

23 He is permanently excluded.

24 ATTORNEY PITRE:

25 He would have to petition this Board to

1 be removed from that Exclusion List.

2 MR. SOJKA:

3 And it is public?

4 ATTORNEY PITRE:

5 It is public.

6 MR. SOJKA:

7 For some persons that may not be of any
8 consequence. For others, that's a penalty.

9 ATTORNEY PITRE:

10 Yes. The Exclusion List is a permanent
11 list. And the only way you can get off the list is if
12 the Board says, okay, you can get off the list.

13 MR. MOSCATO:

14 Thank you. That was --- I read the
15 recommendation wrong, and it says that the gentleman
16 may only request removal from the Exclusion List after
17 five years have passed. But that's from the
18 Self-Exclusion List.

19 ATTORNEY PITRE:

20 And that's for him to request that you
21 remove him from the Exclusion List. It doesn't mean
22 he's removed from the Exclusion List. Five years has
23 to pass before he can even request that you remove him
24 from the list.

25 MR. MOSCATO:

1 Thank you for the clarification.

2 MR. SOJKA:

3 That's good. That means that Chairman
4 Fajt's comment about doubling down is indeed accurate.

5 CHAIRMAN:

6 Any other questions? Can I have a
7 motion, please?

8 MR. SOJKA:

9 Yes. Mr. Chairman, I move that the Board
10 issue an Order to approve the addition of Giampiero
11 Faraone to the PGCB Exclusion List, as described by
12 the OEC.

13 CHAIRMAN:

14 Second?

15 MR. TRUJILLO:

16 I'll second it twice.

17 CHAIRMAN:

18 Okay. All in favor?

19 AYES RESPOND

20 CHAIRMAN:

21 Opposed? The motion passes. Thank you.

22 Thank you, both.

23 That concludes today's business. In
24 closing, our next scheduled public meeting will be
25 held on Wednesday, March 23rd, in the PUC Keystone

1 Building, Hearing Room One. That meeting will start
2 at 10:00 a.m. Any final comments from the Board?
3 Seeing none, could I have a motion to adjourn?

4 MR. TRUJILLO:

5 So moved.

6 CHAIRMAN:

7 Second?

8 MR. ANGELI:

9 Second.

10 CHAIRMAN:

11 All in favor?

12 AYES RESPOND

13 CHAIRMAN:

14 The meeting is adjourned. Thank you.

15 * * * * *

16 MEETING CONCLUDED AT 11:00 A.M.

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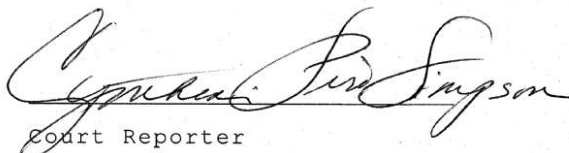
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CERTIFICATE

I hereby certify that the foregoing proceedings, meeting held before the Pennsylvania Gaming Control Board, was reported by me on 03/09/2011 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.


Court Reporter