

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

\* \* \* \* \*

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 Robert M.  
McCord, State Treasurer  
Daniel Tufano, representing Acting  
Secretary of Agriculture, George Greig  
Robert Coyne, representing Acting Secretary  
of Revenue, Daniel Meuser

MEETING: Wednesday, March 23, 2011, 12:59 p.m.

LOCATION: Public Utility Commission  
Keystone Building  
400 North Street, Hearing Room 1  
Harrisburg, PA 17120

WITNESSES: Cassandra Fenstermaker, Fred Buro, Joseph  
Smith, Billie Jo Matelevich-Hoang,  
Joseph Bott, Susan Hensel

Reporter: Cynthia Piro Simpson

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

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CHAIRMAN:

And again, just prior to this meeting, the purpose of yesterday's Executive Session was to discuss personnel matters and conduct quasi judicial deliberations relating to matters being considered by the Board today. The Executive Session, which just ended, was held to conduct quasi judicial deliberations relative to the public hearings that we held earlier today.

I would also like to announce that the Pennsylvania Gaming Control Board will hold three public input hearings on May 3rd, 4th and 5th. The first hearing will be held on Tuesday, May 3rd for the purpose of gathering evidence, including public comment on the application submitted by Presque Isle Downs to renew their slot operator license. The hearing will begin at 10:00 a.m. at the Summit Township Building located at 8900 Old French Road, Erie, PA 16509.

The second hearing will be held on Wednesday, May 4th for the purpose of gathering evidence, including public comment, on the application submitted by Washington Trotting Association,

1 operators of the Meadows, to renew their slot  
2 operator's license. That hearing will also begin at  
3 10:00 a.m. at the City Hall Council Chambers, 55 West  
4 Main Street, Washington, PA 15301.

5 And the third hearing will be held on  
6 Thursday, May 5th for Holdings Acquisition Company,  
7 LP, operators of the Rivers Casino. The hearing will  
8 begin at 10:00 a.m. at the Allegheny County  
9 Courthouse, Room 410, 436 Grant Street, Pittsburgh,  
10 Pennsylvania.

11 And the deadline for registration and  
12 receipt of written comments for each of these hearings  
13 is noon on Friday, April 29th. And again, I'll repeat  
14 that. The deadline for registration and receipt of  
15 written comments for each of these hearings is noon,  
16 Friday, April 29th. All comments can be mailed to the  
17 Pennsylvania Gaming Control Board, P.O. Box 69060,  
18 Harrisburg, PA 17106, Attention Board Secretary, or  
19 the comments can be faxed to 717-346-8350.

20 Anyone wishing to present oral or written  
21 testimony at any of those hearings, which will become  
22 part of the evidentiary record in the matter, can  
23 register on our website at [www.pgcb.state.pa.us](http://www.pgcb.state.pa.us). And  
24 again, that deadline's April 29th at noon.

25 Moving on, the next matter on the agenda,

1 is consideration of approval of the Board's minutes  
2 and transcript for the February 24th, 2011 meeting. I  
3 believe Commissioner Sojka has a comment on that  
4 first?

5 MR. SOJKA:

6 Yes. Mr. Chairman, I think we have ---.  
7 We have an inaccuracy in terms of the members in  
8 attendance. We still have Jeffrey W. Coy and Kenneth  
9 T. McCabe listed as members present, and that should  
10 be updated to our two new Commissioners.

11 CHAIRMAN:

12 I think they were probably here in  
13 spirit, though.

14 MR. SOJKA:

15 I believe they were.

16 CHAIRMAN:

17 Yes. All right. With that correction,  
18 any others? If not, I'll have a motion, please?

19 MR. TRUJILLO:

20 Yes, Mr. Chairman. I'll move that the  
21 Board approve the transcript and --- or I'm sorry.

22 MR. SOJKA:

23 Rectified, modified.

24 MR. TRUJILLO:

25 Transcript and minutes of the February

1 24th, 2011 meeting.

2 MR. MOSCATO :

3 Second.

4 CHAIRMAN:

5 All in favor?

6 ALL RESPOND AYE

7 CHAIRMAN:

8 Opposed? Motion passes. Our next item  
9 of business, we have Joe Bott, presenting the Human  
10 Resource items. Joe?

11 MR. BOTT:

12 Deputy Chairman, Board members, the  
13 Office of Human Resources set before you a motion to  
14 hire two individuals, first, Bruce McClanahan, III for  
15 the position of Legislative Assistant in the Office of  
16 Legislative Affairs; and second, Kathryn Griffith,  
17 position of Applications Developer in the Office of  
18 Information Technology. Insomuch as both individuals  
19 have completed the PGCB background investigation and  
20 drug screening, we ask the Board to consider a motion  
21 to hire these individuals as indicated.

22 CHAIRMAN:

23 Thanks, Joe. Any questions or comments  
24 from the Board? Can I have a motion, please?

25 MR. ANGELI:

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

5 MR. GINTY:

6 Second.

7 CHAIRMAN:

8 All in favor?

9 ALL RESPOND AYE

10 CHAIRMAN:

11 Opposed? Motion passes. Thank you, Joe.  
12 Next up is our Chief Counsel, Doug Sherman. Welcome,  
13 Doug, and welcome, Susan.

14 ATTORNEY SHERMAN:

15 Good afternoon, Chairman and members of  
16 the Board. Our first two agenda items relate both to  
17 a proposed regulation and a temporary regulation,  
18 which Assistant Chief Counsel Susan Yocum is  
19 presenting.

20 ATTORNEY YOCUM:

21 That Susan Yocum, Y-O-C-U-M as in Mary.  
22 Good afternoon Chairman Fajt, Commissioners. I have  
23 two regulations for your consideration today. The  
24 first is a proposed rulemaking, 125-145. This will  
25 amend the chapters in existing regulations on

1 preliminary provisions and accounting of internal  
2 controls and the commencement of slot and table game  
3 operations. Change will be made throughout these  
4 chapters, so the requirements for slot operations will  
5 now also be equivalent to table game operations.

6           In this rulemaking, subtle reports  
7 related to the annual audit have been removed. The  
8 operator will no longer have to submit these reports.  
9 Some of them were regarding a separate opinion, which  
10 is actually contained in the audit and financial  
11 statement itself.

12           We've also reduced the retention period  
13 for claimed gaming vouchers from six months to 30  
14 days. This information is readily attained through  
15 the computer system, so it's no longer retaining those  
16 actual pieces of paper for six months. We've also  
17 added provisions requiring operators to submit  
18 internal controls on complimentary cash and non-cash  
19 gifts for reimbursement and matrix specifying which  
20 employees are authorized to provide comp and at what  
21 levels.

22           We have removed a materiality standard  
23 from the internal control submission. The Bureau of  
24 Gaming Operations may now return the internal control  
25 feature if the insufficiency is likely to negatively

1 affect the integrity of gaming operations.

2           We've also altered the Board access to  
3 the central control computer system. The Department  
4 of Revenue and the system operator, which is currently  
5 GTEC, now gives --- now will have the authority to  
6 give Board approval to go in and do that. That system  
7 is controlled by the Department of Revenue and GTEC,  
8 so their involvement is necessary.

9           Regarding table games internal controls,  
10 the temporary checker that was checker 525 on table  
11 games internal controls was incorporated into this  
12 proposed rulemaking. This covers everything from the  
13 procedures of opening and closing table games,  
14 procedures for bills and credits, personnel assigned  
15 to table games, as well as table game floor plan  
16 changes and surveillance requirements were all  
17 incorporated into this rulemaking.

18           Lastly, the drop and count procedure has  
19 been updated. We have paired the slot drop and count  
20 with the fully automated electronic gaming tables  
21 since the fully automated electronic gaming tables  
22 have a lot of the same characteristics as slot  
23 machines. We do have one more.

24           Jackpot credit meter payouts, that  
25 regulation is also updated. Because of reporting

1 requirements for winnings, they are to complete a W2-G  
2 form, they're slightly different between slot  
3 operations and table game operations. Slot operations  
4 are required to fill out --- a player is required to  
5 fill out a W2-G if the slot pays a \$1,200 payout.

6 On the table game side, if the winnings  
7 are \$600 or more and at least three different times  
8 the amount wagered, that will trigger a W2-G finding.  
9 So, we had to update the jackpot payout provisions to  
10 accommodate that. If you have any questions, you may  
11 ask.

12 CHAIRMAN:

13 Thank you. And questions from the Board?  
14 If not, could I have a motion, please?

15 MR. GINTY:

16 Now, Mr. Chairman, I move that the Board  
17 adopt the proposed Regulation 125-145, as described by  
18 the Office Chief Counsel (OCC), and that the Board  
19 establish a public comment period of 30 days in this  
20 Regulation and that the proposed Regulation be posted  
21 on the Board's website.

22 CHAIRMAN:

23 Second?

24 MR. MCCALL:

25 Second.

1                   CHAIRMAN:

2                   All in favor?

3 ALL RESPOND AYE

4                   CHAIRMAN:

5                   Opposed? Motion passes.

6                   ATTORNEY YOCUM:

7                   Next is a temporary table game  
8 regulation. It's 125-146. This will allow the table  
9 person to verify the number of table game drop boxes  
10 removed from the game floor during the drop instead of  
11 requiring a drop team supervisor to do that.

12                   This rulemaking will add two additional  
13 side wagers to the game of blackjack. It is the Bet  
14 to Set 21 wager and the King's Bounty wager. Bet to  
15 Set wins when the first two cards of a patron are a  
16 pair. And the King's Bounty wager wins when the first  
17 two cards of the player equal 20. Both of these are  
18 proprietary side wagers and requested by the  
19 operators.

20                   Lastly, we are also adding a high hand  
21 jackpot payout to the game of Poker. Essentially, a  
22 player will win if they have the highest Poker hand  
23 during a qualified period, which is usually a two or  
24 three-hour period. They win 100 percent of  
25 contributions amount that are --- contribution amounts

1 that are collected from a pot during that qualifying  
2 period. I'll be happy to answer any questions you  
3 have.

4 CHAIRMAN:

5 Any questions from the Board? Could I  
6 have a motion, please?

7 MR. MCCALL:

8 Mr. Chairman, I move that the Board adopt  
9 temporary Regulation 125-146 as described by the OCC,  
10 and that the Board establish a public comment period  
11 of 30 days of this Regulation, and the temporary  
12 Regulation be posted on the Board's website.

13 CHAIRMAN:

14 Second?

15 MR. MOSCATO:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 ALL RESPOND AYE

20 CHAIRMAN:

21 Opposed? Motion passes. Thank you,  
22 Susan.

23 ATTORNEY SHERMAN:

24 The next matter before the Board relates  
25 to Harrah's Chester Downs request for approval to use

1 a portion of its ballroom, which is not on the  
2 approved gaming floor, to conduct a World Series of  
3 Poker event at its facilities. Also is a request to  
4 delegate certain authority to the Executive Director  
5 to approve changes consistent with our regulations,  
6 the statute and internal controls, which may be needed  
7 to accommodate the tournament between today and the  
8 conclusion of that tournament. And the Board has  
9 heard the presentation of Chester and reviewed the  
10 materials, and it's now appropriate for a motion.

11 CHAIRMAN:

12 Thank you. Any questions from the Board?  
13 Could I have a motion please?

14 MR. TRUJILLO:

15 Mr. Chairman, I move that the Board  
16 approve the World Series of Poker event that Harrah's  
17 Chester requested by the Licensee and described by the  
18 OCC, and that being our Executive Director be  
19 delegated authority to approve any changes to the  
20 event between today and conclusion of the tournament.

21 CHAIRMAN:

22 Second?

23 MR. SOJKA:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 ALL RESPOND AYE

3 CHAIRMAN:

4 Opposed? Motion passes.

5 ATTORNEY SHERMAN:

6 Next the Board has three petitions before  
7 it for consideration. One of these matters was heard  
8 by the Board earlier during the public hearing, that  
9 being the US Playing Card Petition for a Waiver of  
10 certain Principal Licensing Requirements. The  
11 remaining two petitions involve Aristocrat  
12 Technologies and Konami Gaming's petitions seeking to  
13 modify the table game manufacturer license fee.

14 These two matters will be considered  
15 based upon the documentary record before the Board  
16 today, as well as the evidence that was presented by  
17 the parties at their October 27th, 2010 hearings on  
18 the petitions. I also note that both parties are  
19 represented by Counsel today in the event there were  
20 any other questions.

21 In all three of the matters, the Board  
22 has, in advance of the meeting, been provided with the  
23 petitions and in response to pleadings, all supporting  
24 evidentiary materials submitted prior to today. In  
25 the first matter, that being US Playing Cards, the

1 petition filed seeks a Waiver of the Principal  
2 Licensing Requirement of Michael Gross, Douglas Huehme  
3 and Robert Wood. Those are individuals serving on the  
4 Audit Committee of the parent company, Jarden  
5 Corporation.

6           The matter was heard by the Board earlier  
7 today and the record is now closed. In addition to  
8 that matter, however, we should note that there are  
9 --- there was a motion to protect the confidentiality  
10 of certain information in the Petition, and that  
11 matter, also, is before the Board.

12                   CHAIRMAN:

13           Thank you. And I'm not sure ---. Tony,  
14 I know you have this motion, but let me just make an  
15 editorial comment before the motion. And that is that  
16 we did discuss this in Executive Session. There was  
17 some concern, I think, that US Playing Cards heard  
18 Board during our question and answer session earlier.  
19 I think that you heard what we said.

20           We're going to table this matter today,  
21 but I think that there is a path out of the woods, so  
22 to speak, and we'd like you to work with our staff to  
23 try to find that path, based on some of the comments  
24 that we heard today. So Commissioner Moscato, without  
25 taking your thunder, but I wanted to put that on the

1 record. And we're now open for a motion.

2 MR. MOSCATO:

3 Thank you, Mr. Chairman. Mr. Chairman, I  
4 move that the Board table US Playing Cards' petition  
5 until such time as they amend their restructuring to  
6 address the concerns expressed by the Board here  
7 today.

8 CHAIRMAN:

9 Second?

10 MR. SOJKA:

11 Second.

12 CHAIRMAN:

13 All in favor?

14 ALL RESPOND AYE

15 CHAIRMAN:

16 Opposed? Motion passes.

17 ATTORNEY SHERMAN:

18 The next Petition relates to ---.

19 CHAIRMAN:

20 Do we need to have another motion on the  
21 confidentiality?

22 ATTORNEY SHERMAN:

23 Yes, that would be appropriate.

24 CHAIRMAN:

25 Okay.

1                   ATTORNEY SHERMAN:

2                   I'm sorry.

3                   CHAIRMAN:

4                   Do you want to make a motion?

5                   MR. MOSCATO:

6                   So moved.

7                   MR. SOJKA:

8                   Second.

9                   CHAIRMAN:

10                  All in favor?

11 ALL RESPOND AYE

12                  CHAIRMAN:

13                  Opposed? Just again, for the record, the  
14 information that was presented today by US Playing  
15 Cards and the Jarden representatives will remain  
16 confidential, as requested by them, to that portion of  
17 that material that they asked to remain confidential.  
18 Okay? Okay?

19                  ATTORNEY SHERMAN:

20                  And the next matter is of Aristocratic  
21 Technologies, and the Petition to modify the Table  
22 Games Manufacturer License Fee. The matter was  
23 initially heard by the Board at a public hearing on  
24 October 27th, 2010. At that time the Board tabled the  
25 matter after the hearing and asked the Bureau of

1 Licensing to create a policy and formula that would  
2 standardize the process for reducing Manufacturer and  
3 Supplier Licensing Fees. That policy was presented to  
4 the Board at the February 10th, 2011 public meeting.

5           And by way of background, prior to  
6 commencement of operations of Presque Isle Downs and  
7 Casino, Aristocrat had sold its Oasis slot account and  
8 slot player tracking system to Presque Isle. Included  
9 in that was the PittBOSS add-on module at no extra  
10 cost. PitBOSS provides the ability to track cage and  
11 table game activity through manual entry of table game  
12 data and player information.

13           Prior to the authorization of table  
14 gaming in the Commonwealth, Presque Isle only utilized  
15 limited slot machine-related functions of PitBOSS.  
16 They now plan on utilizing the full functionality of  
17 the system, given the placement of table games at the  
18 licensed facility. Under the Bureau of Licensing's  
19 policy, Aristocrat's income from maintenance of the  
20 PitBOSS system at Presque Isle would support a reduced  
21 license fee of \$5,000.

22           In addition, Aristocrat has filed with  
23 their Petition a motion to protect certain  
24 confidential information, which is of a proprietary  
25 nature. And that specifically is set forth in

1 paragraphs five and six of their Petition for  
2 confidentiality. OEC has no objection to that motion,  
3 and both matters would be appropriate for the Board's  
4 consideration at this time.

5 CHAIRMAN:

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

8 MR. TRUJILLO:

9 Mr. Chairman, I move that the Board grant  
10 the Petition of Aristocrat Technologies, Inc. as  
11 described by the OCC.

12 CHAIRMAN:

13 Second?

14 MR. MCCALL:

15 Second.

16 CHAIRMAN:

17 All in favor?

18 ALL RESPOND AYE

19 CHAIRMAN:

20 Aye. Opposed? Motion passes.

21 ATTORNEY SHERMAN:

22 And the final Petition before the Board  
23 is that of Konami Gaming. Konami has also requested  
24 that the Board reduce the Manufacturer License Fee.  
25 Again, this matter was heard on October 27th, 2010 and

1 tabled during the development of the Bureau of  
2 Licensing's policy. Konami has contracted to provide  
3 its Table Management module Holdings Acquisition and  
4 HSP. Based upon the income received from those two  
5 transactions, Konami's initial licensing fee, under  
6 the BOL policy, would be \$10,000.

7                   Additionally, like Aristocrat, Konami is  
8 filing a Petition maintaining certain information as  
9 confidential, and they're requesting that the Board  
10 keep paragraphs five, six and seven of their Petition  
11 confidential. OEC has no objection to that request in  
12 both matters, so now we're ready for the Board's  
13 consideration.

14                   CHAIRMAN:

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

17                   MR. ANGELI:

18                   Mr. Chairman, I move that the Board grant  
19 the Petition of Konami Gaming as described by the OCC.

20                   CHAIRMAN:

21                   Second? Second?

22                   MR. GINTY:

23                   Second.

24                   CHAIRMAN:

25                   All in favor?

1 ALL RESPOND AYE

2 CHAIRMAN:

3 Opposed? Motion passes.

4 ATTORNEY SHERMAN:

5 Next, presenting Withdrawals and  
6 Emergency Suspensions is Steve Cook, Deputy Chief  
7 Counsel.

8 CHAIRMAN:

9 Thank you, Doug. You may proceed.

10 ATTORNEY COOK:

11 Good afternoon. The Board has received  
12 four unopposed Petitions to Withdraw the Applications  
13 of six individuals or businesses. The persons or  
14 entities subject to these Petitions are as follows:  
15 Harold Bach; Duggan and Rhodes, LLC; Barbara Lange;  
16 Robert Peloquin; Bradford Smith and Brooks Pierce.  
17 The OEC has no objection to these Withdrawals. As  
18 such, it would be appropriate for the Board to have a  
19 motion to grant the Withdrawals without prejudice.

20 CHAIRMAN:

21 Any questions from the Board? Could I  
22 have a motion?

23 MR. GINTY:

24 Mr. Chairman, I move that the Board issue  
25 Orders to approve the Withdrawals as described by the

1 OCC.

2 CHAIRMAN:

3 Second?

4 MR. MCCALL:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 ALL RESPOND AYE

9 CHAIRMAN:

10 Opposed? Motion passes.

11 ATTORNEY COOK:

12 Next for the Board's consideration is the  
13 Emergency Suspension of Kayla Davis, who was issued a  
14 Gaming Employee Permit on December 16th, 2010 and was  
15 employed as a Security Officer at Harrah's --- I'm  
16 sorry, at Hollywood Casino. Ms. Davis had been  
17 charged with two felony accounts of institutional  
18 sexual assault.

19 Under the facts alleged in the criminal  
20 complaint, during 2010 Ms. Davis was a college intern  
21 at the York County Prison and engaged in sexual acts  
22 with one of the prisoners. As a result of these  
23 charges, OEC filed a request for an Emergency Order of  
24 Suspension of Ms. Davis's Gaming Employee Permit,  
25 which the Executive Director signed on March 18th,

1 2011.

2 Board regulations now require that the  
3 temporary Emergency Order be presented to the Board  
4 for a full evidentiary hearing or that this matter be  
5 referred to the Office of Hearings and Appeals (OHA)  
6 for such a hearing and thereafter, be followed by an  
7 issuance of a Report and Recommendation. In this  
8 case, the OCC recommends that the Board consider a  
9 motion to refer the matter to Hearings and Appeals for  
10 the full hearing and issuance of a Report and  
11 Recommendation and an addendum to maintain the  
12 Emergency Order of Suspension in place. Thank you.

13 CHAIRMAN:

14 Questions from the Board? Could I have a  
15 motion, please?

16 MR. TRUJILLO:

17 Mr. Chairman, I move that the Board issue  
18 an Order to Extend the Emergency Suspension of Kayla  
19 Davis's Gaming Employee Permit, and the matter before  
20 the OHA for a hearing to determine the validity of the  
21 Emergency Suspension Order.

22 MR. ANGELI:

23 Second.

24 CHAIRMAN:

25 All in favor?

1 ALL RESPOND AYE

2 CHAIRMAN:

3 Opposed? Motion passes.

4 ATTORNEY SHERMAN:

5 And with that, the matters of the OCC are  
6 concluded.

7 CHAIRMAN:

8 Thank you, Doug. Thank you, Steve. Next  
9 up is our Director of Licensing, Susan Hensel.  
10 Welcome, Susan.

11 MS. HENSEL:

12 Thank you, Chairman Fajt and members of  
13 the Board. The first matter for your consideration is  
14 the approval of a Principal License and some Key  
15 Employee Licenses. Prior to this meeting, the Bureau  
16 of Licensing provided you with a proposed order for  
17 one Principal and four Key Employee Licenses for  
18 SugarHouse HSP Gaming, Greenwood Gaming and  
19 Entertainment, Holdings Acquisition Co. and Sands  
20 Bethworks, Inc. I ask that the Board consider the  
21 Order approving these licenses.

22 CHAIRMAN:

23 Any questions or comments from  
24 Enforcement Counsel?

25 ATTORNEY PITRE:

1 OCC has no objection to these requests.

2 CHAIRMAN:

3 Thank you. Comments from the Board?

4 Could I have a motion, please?

5 MR. MOSCATO:

6 Mr. Chairman, I move that the Board  
7 approve the issuance of the Principal and Key Employee  
8 Licenses as described by the Bureau of Licensing.

9 CHAIRMAN:

10 Second?

11 MR. SOJKA:

12 Second.

13 CHAIRMAN:

14 All in favor?

15 ALL RESPOND AYE?

16 CHAIRMAN:

17 Opposed? Motion passes.

18 MS. HENSEL:

19 Also for your consideration are temporary  
20 Principal and Key Employee Licenses. Prior to this  
21 meeting the Bureau of Licensing provided you with an  
22 Order regarding the issuance of temporary licenses  
23 with three Principals and 16 Key Employees. I ask  
24 that the Board consider the order approving these  
25 Licenses.

1                   CHAIRMAN:

2                   Enforcement Counsel, any comments?

3                   ATTORNEY PITRE:

4                   OEC has no objection to the motion.

5                   CHAIRMAN:

6                   Thank you. Questions from the Board?

7 Could I have a motion, please?

8                   MR. SOJKA:

9                   So moved.

10                  CHAIRMAN:

11                  Second?

12                  MR. GINTY:

13                  Second.

14                  CHAIRMAN:

15                  All in favor?

16 ALL RESPOND AYE

17                  CHAIRMAN:

18                  Opposed? Motion passes.

19                  MS. HENSEL:

20                  Next are Gaming Permits and Non-Gaming  
21 Registrations. Prior to this meeting the Bureau of  
22 Licensing provided you with a list of 390 individuals  
23 who the Bureau has granted temporary or full  
24 Occupation Permits to, and 115 individuals who the  
25 Bureau has granted Registrations to under the

1 authority delegated to the Bureau of Licensing. I ask  
2 that the Board adopt a motion approving the Order.

3 CHAIRMAN:

4 OEC?

5 ATTORNEY PITRE:

6 OEC has no objection to the motion.

7 CHAIRMAN:

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

10 MR. ANGELI:

11 So moved.

12 MR. MOSCATO:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL RESPOND AYE

17 CHAIRMAN:

18 Opposed? Motion passes.

19 MS. HENSEL:

20 In addition we have Recommendations of  
21 Denial for five Gaming Employees or Non-Gaming  
22 Employees and one Gaming Service Provider. Prior to  
23 this meeting the Bureau of Licensing provided you with  
24 Orders addressing these applicants, who the Bureau of  
25 Investigations and Enforcement (BIE) has recommended

1 for denial. In each case, the applicant failed to  
2 request a hearing within the specified time period. I  
3 ask that the Board consider the Orders denying the  
4 Gaming, Non-Gaming and Gaming Service Provider  
5 Applicants.

6 ATTORNEY PITRE:

7 On behalf of BIE, OEC would request the  
8 denials be approved.

9 CHAIRMAN:

10 Thank you. Comments from the Board?  
11 Could I have a motion?

12 MR. SOJKA:

13 So moved.

14 CHAIRMAN:

15 Second?

16 MR. GINTY:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 ALL RESPOND AYE

21 CHAIRMAN:

22 Opposed? Motion passes.

23 MS. HENSEL:

24 In addition we have Withdrawal requests  
25 of Key Employees, Gaming and Non-Gaming Employees. In

1 each case the license, permit or registration is no  
2 longer required, due to a change in circumstances such  
3 as the employee failing to report to work or a job  
4 offer being extended. For today's meeting I have  
5 provided the Board with a list of 18 Key Employees,  
6 nine Gaming and six Non-Gaming Withdrawals for  
7 approval. I ask that the Board consider the Orders  
8 approving these withdrawals.

9 CHAIRMAN:

10 Enforcement Counsel have any questions?

11 ATTORNEY PITRE:

12 Office of Enforcement Counsel has no  
13 objection to the motion.

14 CHAIRMAN:

15 Thank you. Questions from the Board?  
16 Could I have a motion, please?

17 MR. GINTY:

18 So moved.

19 CHAIRMAN:

20 Second?

21 MR. MCCALL:

22 Second.

23 CHAIRMAN:

24 All in favor?

25 ALL RESPOND AYE

1                   CHAIRMAN:

2                   Opposed? Motion passes.

3                   MS. HENSEL:

4                   In addition we have an Order to certify  
5 the following date of Service Provider, Chips Group  
6 Service, Inc. I ask that the Board consider the Order  
7 approving this Gaming Service Provider and  
8 Certification.

9                   MR. MCCALL:

10                  So moved.

11                  CHAIRMAN:

12                  Any questions or comments from  
13 Enforcement Counsel?

14                  ATTORNEY PITRE:

15                  We have no objection to the motion.

16                  CHAIRMAN:

17                  Is the motion on the table?

18                  MR. MCCALL:

19                  So moved.

20                  CHAIRMAN:

21                  Second?

22                  MR. GINTY:

23                  Second.

24                  CHAIRMAN:

25                  All in favor?

1 ALL RESPOND AYE

2 CHAIRMAN:

3 Opposed? Motion passes.

4 MS. HENSEL:

5 Next we have two Orders regarding the  
6 abandonment of applications. The first is to declare  
7 Gaming and Non-Gaming applications abandoned. The  
8 Bureau of Licensing provided you with an Order and an  
9 attached list of 43 Gaming and 192 Non-Gaming Employee  
10 Applications.

11 The applicants filed applications but  
12 failed to be fingerprinted, as required by the Act and  
13 the Board's regulations. It has been six months or  
14 more since there has been any activity on these  
15 applications. Periodically, the Bureau of Licensing  
16 reviews its files to identify incomplete and inactive  
17 applications and recommends those applications for  
18 abandonment.

19 Under our regulations, the Board has the  
20 authority to declare an application abandoned if an  
21 applicant fails to provide information necessary to  
22 cure application deficiencies. An abandoned applicant  
23 is free to reapply at any time. I ask that the Board  
24 consider the Order declaring these applications  
25 abandoned.

1                   CHAIRMAN:

2                   Any comments from Enforcement Counsel?

3                   ATTORNEY PITRE:

4                   OEC has no objection.

5                   CHAIRMAN:

6                   Questions from the Board?   Could I have a  
7 motion, please?

8                   MR. MOSCATO:

9                   So moved.

10                  CHAIRMAN:

11                  Second?

12                  MR. SOJKA:

13                  Second.

14                  CHAIRMAN:

15                  All in favor?

16 ALL RESPOND AYE

17                  CHAIRMAN:

18                  Opposed?   Motion passes.

19                  MS. HENSEL:

20                  Finally, we have an Order regarding the  
21 abandonment of the applications for Gaming Service  
22 Providers Drugstore-Direct, Inc. and J.H. Brandt and  
23 Associates, Inc.   These companies filed applications  
24 but failed to complete them.

25                  We have made numerous unsuccessful

1 attempts to contact these companies, and to the best  
2 of our knowledge, these companies are no longer in  
3 business. Under the regulations, the Board has the  
4 authority to declare applications abandoned, and I ask  
5 that the Board consider the Order declaring Drugstore-  
6 Direct, Inc. and J.H. Brandt and Associates'  
7 applications abandoned.

8 CHAIRMAN:

9 Enforcement Counsel, any comments?

10 ATTORNEY PITRE:

11 Office of Enforcement Counsel has no  
12 objection.

13 CHAIRMAN:

14 Questions from the Board? Could I have a  
15 motion, please?

16 MR. SOJKA:

17 Yes, Mr. Chairman, I move that the Board  
18 issue the Orders to approve the abandonment of Gaming  
19 Service Provider Applications as described by the  
20 Bureau of Licensing.

21 CHAIRMAN:

22 Second?

23 MR. TRUJILLO:

24 Second.

25 CHAIRMAN:

1 All in favor?

2 ALL RESPOND AYE

3 CHAIRMAN:

4 Opposed? Motion passes.

5 MS. HENSEL:

6 That concludes the Bureau of Licensing's  
7 presentation.

8 CHAIRMAN:

9 Thank you very much, Susan. Next up is  
10 Chief Counsel Cyrus Pitre, and I see Dustin Miller is  
11 with you today. Please proceed.

12 ATTORNEY PITRE:

13 OEC has three Consent Agreements for the  
14 Board's consideration today. Dustin Miller will  
15 present Greenwood Gaming Consent Agreement.

16 ATTORNEY MILLER:

17 Good afternoon. I'm Dustin Miller on  
18 behalf of the OEC. At this time the OEC has a Consent  
19 Agreement prepared for the Board's approval. The  
20 Consent Agreement is between OEC and Greenwood Gaming  
21 Entertainment, doing business as Parx Casino. This  
22 Consent Agreement arises from the discovery of  
23 unauthorized changes to the gaming floor at Parx  
24 Casino.

25 On August 27, 2010 Greenwood Gaming and

1 Entertainment filed a Petition to change the gaming  
2 floor of Parx Casino. The wording of this Petition  
3 entitled OP 14(a) atoned that work had already been  
4 completed on the gaming floor, including a unilateral  
5 removal of slot machines. Subsequently, on September  
6 9th of 2010, Executive Director O'Toole sent a letter  
7 to Greenwood, asking for an explanation of the  
8 language in Greenwood's OP 14(a) plan.

9           On September 13th, 2010, Greenwood  
10 responded by admitting that they had previously taken  
11 action to modify their gaming floor without  
12 authorization of the Board or the Executive Director.  
13 The investigation of this matter revealed that nine  
14 slot machines were removed from the gaming floor by  
15 Parx without authorization.

16           On December 15th, 2010 a slot machine on  
17 Parx gaming floor was removed from the gaming floor  
18 without acquiring verification or authorizations by  
19 the Board. The Bureau of Casino Compliance was  
20 notified by GTEC, the administrator of the central  
21 computer systems which all slot machines in the  
22 Commonwealth are connected to, that a slot machine at  
23 Parx had not been responding for a period of 24 hours.

24           Further investigation by the Bureau of  
25 Casino Compliance revealed that the slot machine had

1 been removed by Parx's Slot Tech Department for the  
2 purpose of lamination. The machine was removed on  
3 December 15, 2010 and returned to the gaming floor on  
4 December 17, 2010.

5 Parx stated the machine was mistakenly  
6 not included on the e-mail notifying the Board that  
7 the machine was going to be removed from the floor for  
8 lamination. BIE has confirmed that the total number  
9 of slot machines moved by Parx without authorization  
10 is ten for the two aforementioned incidents.

11 On March 8, 2011 the parties entered into  
12 a Consent Agreement to settle these outstanding  
13 compliance matters. The terms of the agreement  
14 include a provision that Greenwood shall institute  
15 policies and provide training, guidance and  
16 reinforcement to employees to prevent similar  
17 incidents of this nature from occurring in the future.

18 And also, Greenwood shall pay a total  
19 fine of \$20,000, representing a \$2,000 fine for each  
20 machine of the ten machines removed from the gaming  
21 floor without authorization by the Board or the  
22 Executive Director. Tom Bonner, General Counsel for  
23 Greenwood Gaming and Entertainment, Inc., is in  
24 attendance today to provide more details regarding  
25 Parx's response to these incidents and to answer any

1 questions you may have. And Alan Kohler is here, as  
2 well.

3 CHAIRMAN:

4 Thank you. Do the folks from Parx ---?  
5 Do you guys want to make a comment before we have  
6 questions from the Board?

7 MR. BONNER:

8 We would like to, Mr. Chairman. Thank  
9 you. Good afternoon, Chairman. Good afternoon,  
10 Commissioners. And a welcome to Commissioners McCall  
11 and Moscato. This is my first appearance before you,  
12 perhaps unfortunately. But I'm here to address a  
13 matter of importance from a regulatory perspective.

14 As outlined by Mr. Miller --- well, Mr.  
15 Miller has accurately outlined what happened. There  
16 were two incidents. I'd like to try to place these in  
17 context for you so that as you deliberate, you can  
18 understand the facts and circumstances that surround  
19 it.

20 I'd like to address that one machine  
21 removal that occurred in December. The machine was  
22 removed for about 24 hours, and we agree that we did  
23 not provide notice. The typical practice is to submit  
24 an e-mail to GTEC and BOR and the Gaming Board,  
25 advising that certain machines will be taken off the

1 floor or at least disconnected from the GTEC  
2 communication system for relatively short periods  
3 while maintenance is performed.

4           It has been our procedure to do that ever  
5 since this was brought to our attention by our onsite  
6 compliance representative, and in the seven months  
7 that have passed since this or the five --- four  
8 months that have passed since December, we've had no  
9 recurrences. The individual responsible for the  
10 communication was fully aware that the communication  
11 should be made, as outline by Mr. Miller.

12           We just missed it. It was one that  
13 slipped through the cracks of many, many machines that  
14 are taken out of service for short periods of time for  
15 maintenance. So that's the background concerning that  
16 one machine.

17           The next is a group of nine machines that  
18 were removed from the floor prior to having received  
19 authorization from the Gaming Board. The removal of  
20 these machines was shown on an OP Number 14 plan that  
21 had been submitted for approval, but the removal was  
22 done prior to the Board's approval, either directly or  
23 by delegated authorities, as Mr. Miller had indicated.

24           The reason the machines were removed was  
25 to get them out of the way of some preliminary

1 construction work that had to be done for the Phase 2  
2 expansion, which is now underway. And as Dustin  
3 indicated, this had occurred back in August of last  
4 year.

5           The person at the helm at that time was a  
6 relatively new slots director who had come to us from  
7 another jurisdiction. He was under the mistaken  
8 belief that removal of machines did not require Board  
9 approval so long as it was shown on a plan that had  
10 been submitted to the Board. So in his mind, adding  
11 machines required that we wait until we get approval,  
12 but a deletion of machines did not.

13           I personally met with him and with the IT  
14 vice-president once this came to light to reinstruct  
15 him or to instruct him as to the requirements of  
16 Pennsylvania. So with respect to the part of the  
17 consent agreement, it says, we will undertake  
18 appropriate measures to train people. I personally  
19 interacted with the two senior members of our staff  
20 who are responsible for putting the things in motion  
21 to remove machines from the floor.

22           With respect to these in machines,  
23 another important factor, I think, in the mind of our  
24 slots director, he did make all of the required e-mail  
25 notifications to the various agencies that are

1 involved, GTEC and the Gaming Board. So those notices  
2 were made in this case. And he believed, mistakenly,  
3 that on giving those notices and receiving a reply,  
4 which he did receive, that it had been received, we  
5 could go ahead and remove them.

6           We've had no additional incidents in the  
7 seven months that have passed since this August  
8 removal, and I'm confident that our staff understands  
9 what is required before machines can be either added  
10 to or taken off of the floor. And I just wanted to  
11 present this in context as you deliberate. And of  
12 course we'll be happy to answer any questions that you  
13 have.

14           CHAIRMAN:

15           Thanks, Mr. Bonner. Questions from the  
16 Board? Do you have any questions? Okay. Could I  
17 have a motion, please?

18           MR. TRUJILLO:

19           Mr. Chairman, I move that the Board issue  
20 an Order to approve the Consent Agreement between the  
21 OEC and Greenwood Gaming and Entertainment, Inc. as  
22 described by the OEC.

23           MR. ANGELI:

24           I second that.

25           CHAIRMAN:

1 All in favor?

2 ALL RESPOND AYE

3 CHAIRMAN:

4 Opposed? Motion passes.

5 MR. BONNER:

6 Thank you.

7 CHAIRMAN:

8 Thank you.

9 ATTORNEY MILLER:

10 Thank you.

11 CHAIRMAN:

12 Thank you, Dustin. The next two items  
13 are Consent Agreements between the OEC and Presque  
14 Isle Downs. We will address each of these matters  
15 separately. And again, to Presque Isle, if any of  
16 your witnesses are non-lawyers and they'll be  
17 answering questions today, if I could just have them  
18 remain standing or stand and then be sworn in by our  
19 stenographer.

20 -----

21 WITNESSES SWORN EN MASSE

22 -----

23 CHAIRMAN:

24 Thank you. The first Consent Agreement,  
25 as I understand it, deals with self-excluded --- a

1 self-excluded person being allowed to gamble and was  
2 in fact paid a jackpot. Enforcement Counsel, could  
3 you please introduce yourself and spell your name for  
4 the stenographer, and then you may begin.

5 ATTORNEY FENSTERMAKER:

6 Thank you. Good afternoon, Chairman  
7 Fajt, members of the Board. I'm Cassandra  
8 Fenstermaker on behalf of the OEC.  
9 F-E-N-S-T-E-R-M-A-K-E-R. We have today for the  
10 Board's consideration two Consent Agreements between  
11 the OEC and Presque Isle Downs, Incorporated, doing  
12 business as Presque Isle Downs Casino.

13 The first Consent Agreement involves a  
14 self-exclusion violation. On October 22nd, 2009, TEB  
15 requested voluntary exclusion from gaming activity in  
16 the Commonwealth of Pennsylvania for a period of one  
17 year. On April 23rd, 2009, Presque Isle Downs was  
18 notified by the PGCB's Director of Compulsive and  
19 Problem Gambling that TEB requested to be placed on  
20 the voluntarily exclusion list.

21 On May 21st, 2010 Presque Isle Downs'  
22 self-reported that self-excluded patron, TEB was paid  
23 a jackpot in the amount of \$2,001.20 while still on  
24 the self-exclusion list. TEB's license and Social  
25 Security card were obtained by a cage cashier.

1 However, when she processed the jackpot, she failed to  
2 notice the self-exclusion notification. As a result  
3 of this incident, the cage cashier was issued a  
4 three-day suspension and a final warning by Presque  
5 Isle Downs for failing to follow procedure.

6 Parties have agreed that within five days  
7 of the Board's order, Presque Isle Downs shall pay a  
8 civil penalty in the amount of \$5,000. This fine is  
9 consistent with fines levied against other licensed  
10 facilities in the past, and if approved, will be the  
11 first fine for Presque Isle Downs regarding  
12 self-excluding violations.

13 The OEC asks that the Board approve the  
14 Consent Agreement as presented today. The OEC and/or  
15 representatives from Presque Isle Downs would be happy  
16 to answer any questions you may have.

17 CHAIRMAN:

18 Thank you, Cassandra. Any comments from  
19 Presque Isle?

20 ATTORNEY MILLER:

21 Chairman Fajt, honorable members of the  
22 Board, before I respond, let me introduce Fred Buro,  
23 who's the President and General Manager of Presque  
24 Isle Downs; and Joe Smith, Director of Security; and  
25 Mr. Steve Danowski, the Director of Surveillance. The

1 facts as presented by OEC are accurate.

2 By way of remedial measures, Presque Isle  
3 has responded to this incident. There has been no  
4 other incident of a self-excluded patron being paid,  
5 and in response to this incident, changed the way and  
6 the designation for self-exclusion, so it is readily  
7 visible to any cashier making her payout.

8 CHAIRMAN:

9 Any questions from the Board? I have one  
10 quick question, just, again, so I understand. Tell me  
11 what your procedures were or what showed up on the  
12 cashier screen whenever the individual was allowed to  
13 be cashed out previously, and then what shows up now  
14 so that in your opinion it won't happen again?

15 ATTORNEY MILLER:

16 Yes, sir.

17 MR. BURO:

18 Thank you. Mr. Chairman, there's an  
19 asterisk on the screen, by the --- the white screen by  
20 the patron's name brought up, and maybe she'd notice  
21 the asterisk and therefore, know that it was an  
22 excluded patron. In this particular case they did not  
23 notice the asterisk.

24 And in fact, I'm not exactly positive,  
25 but I think that in the credit screen it's a little

1 bit different than the player's club screen, and the  
2 asterisk may have fallen below a visible portion.  
3 Since then we've made adjustments to that, and now in  
4 bold --- everything that's on the screen for an  
5 excluded patron. So that when it comes up,  
6 everything's highlighted now, so it's impossible to  
7 miss.

8 CHAIRMAN:

9 Okay. Thank you. Any other questions?

10 OFF RECORD DISCUSSION

11 MR. BURO:

12 Fred Buro, B-U-R-O.

13 CHAIRMAN:

14 Could I have a motion, please?

15 MR. ANGELI:

16 Mr. Chairman, I move that the Board issue  
17 an Order to approve the Consent Agreement between the  
18 OEC and Presque Isle Downs as described by Enforcement  
19 Counsel.

20 MR. GINTY:

21 Second.

22 CHAIRMAN:

23 All in favor?

24 ALL RESPOND AYE

25 CHAIRMAN:

1                   Opposed? Motion passes. Okay. Let's  
2 move directly to the next Consent Agreement,  
3 Cassandra.

4                   ATTORNEY FENSTERMAKER:

5                   The second Consent Agreement involves  
6 three incidents of underage gaming. On August 7th,  
7 2010 a 20-year-old male patron gained access to the  
8 gaming floor. The underage patron operated  
9 approximately eight slot machines during the 35  
10 minutes that he was on the gaming floor.

11                   Thereafter, the underage patron left the  
12 gaming floor for a period of time and attempted to  
13 reenter the gaming floor. At that time he was stopped  
14 by Presque Isle Downs Security. He was subsequently  
15 charged by Pennsylvania State Police for violating  
16 Section 1518(a)(13)(1) of the Gaming Act.

17                   On October 13th, 2010 a 20-year-old  
18 female patron accessed the gaming floor through the  
19 north entrance of the casino. The underage patron  
20 wagered at floor slot machines during the two hours  
21 and 32 minutes that she was on the gaming floor.

22                   The underage patron was approached by  
23 security after she and a female companion attempted to  
24 cash out a voucher at the cashier's cage. The voucher  
25 was subsequently forfeited by the patron. She was

1 charged with violating 1518(a)(13) of the Gaming Act.

2           On November 24th, 2010 a 19-year-old male  
3 patron entered the south entrance of the casino with  
4 an of-age male patron. When asked for identification,  
5 the underage patron left the casino. However, he  
6 later entered the casino through a different entrance.

7           The underage patron was on the gaming  
8 floor for approximately 75 minutes, and during that  
9 time, he operated approximately 18 slot machines.  
10 Additionally, he was served an alcoholic beverage at a  
11 casino bar. The underage patron left the casino  
12 property undetected. However, a subsequent  
13 investigation resulted in the underage patron being  
14 charged by PSC of violating Section 1518(a)(13),  
15 1518(a)(13)(1) and 1518(a)(15) of the Gaming Act.

16           As a result of the incident, Presque Isle  
17 Downs terminated four security officers. Two other  
18 security officers were issued final warnings and  
19 provided with remedial training. The parties have  
20 agreed that within five days of the Board's Order,  
21 Presque Isle Downs shall pay a civil penalty in the  
22 amount of \$47,000.

23           This fine is consistent with fines levied  
24 against other licensed facilities in the past, and if  
25 approved, will be the second fine for Presque Isle

1 Downs regarding underage patrons operating slot  
2 machines. The OEC asks that the Board approve the  
3 Consent Agreement as presented today. The OEC and  
4 other representatives from Presque Isle Downs would be  
5 happy to answer any questions you may have.

6 CHAIRMAN:

7 Thank you. Any comments from Presque  
8 Isle?

9 ATTORNEY MILLER:

10 Again, Chairman, members of the Board,  
11 instead of making explanations and making excuses to  
12 provide to this Board, we've accepted full  
13 responsibility for this matter, and we've taken  
14 remedial action to prevent these accidents --- or  
15 these incidents from occurring again. Mr. Smith is  
16 here to provide testimony should this Board need some  
17 additional information regarding those remedial  
18 actions. We'll leave that to the Board's discretion.

19 CHAIRMAN:

20 Okay. Mr. Smith, could you tell us what  
21 remedial actions you've taken? I know you're recently  
22 --- a new hire there, and --- what have you taken  
23 since then to make sure these things don't repeat  
24 themselves?

25 MR. SMITH:

1 Well, absolutely. I'd like to start by  
2 saying in 2010 we had a total of 97 turn-aways at the  
3 casino entrances. That's for the entire year. The  
4 first quarter --- actually, just the first 3 months of  
5 2011, we've had a total of 74, and we've also caught 9  
6 fake IDs of minors attempting to gain access.

7 Some of the things that we've taken, I  
8 think, that controlled access, we reduced the number  
9 of doors a patron can enter from 16 down to 4. We now  
10 funnel all of the entrances into one choke point,  
11 where they have to encounter an officer. I have very  
12 clearly defined my expectations of engaging in what  
13 those expectations are, as when a guest comes within  
14 ten feet of you, you make eye contact. Within 5 feet  
15 you speak.

16 I've increased the threshold which would  
17 cue an automatic response to requesting ID from the  
18 age of 30 to 40, and that's actually evidenced by the  
19 amount of turn-aways that we've had just in the first  
20 3 months of this year. The automatic feedback from  
21 management's engagement with the officers, which  
22 thereby up to 16 cage men, of the officers with our  
23 patrons. It's a systematic approach, and it's been  
24 one that's ---. I've been successful in several  
25 jurisdictions.

1                   CHAIRMAN:

2                   Thank you. Any questions or comments  
3 from the Board? Commissioner Trujillo?

4                   MR. TRUJILLO:

5                   I just had one question. Were the three  
6 --- all these incidents self-reported?

7                   MR. SMITH:

8                   Yes, sir, they've all been self-reported.

9                   MR. TRUJILLO:

10                  Thank you.

11                  CHAIRMAN:

12                  Commissioner Sojka?

13                  MR. SOJKA:

14                  Just a quick note. And we appreciate  
15 your updates. I wonder if you're aware something  
16 chilling showed up in the press just yesterday, and  
17 that is the now availability over the Internet of  
18 false IDs that apparently pass undetected through the  
19 scanners. Are you guys aware of that?

20                  MR. SMITH:

21                  Yes, we are aware of that. Actually, we  
22 had an incident last week where the information  
23 presented on the ID passed through the scanner, but  
24 the physical description and other things didn't match  
25 the presenter, so we got PSP's involvement. They

1 weren't exactly sure, so we denied them entry.

2 MR. SOJKA:

3 Okay. Well, I'm asking this primarily  
4 just as information for us. Is it going to be  
5 possible to alter the scanners in some way and then  
6 --- and just sort of spy versus spy, one jump ahead of  
7 the perpetrators so that we can catch these things if  
8 they're altered? Because obviously, you know, this is  
9 going to become a new kind of industry.

10 MR. SMITH:

11 The technology that currently exists,  
12 it's constantly evolving, basically on a daily basis.  
13 I'm speaking with a vendor right now, which is one  
14 that I've used in the past, that their information  
15 updates on a daily basis. It catches much more  
16 information than a lot of the scanners that are  
17 currently in use. And I don't think anything is going  
18 to --- any kind of scanner or anything like that is  
19 really going to take the place of that conscientious  
20 engaged employee paying attention to the duties in  
21 which they're employed.

22 MR. SOJKA:

23 Thank you.

24 CHAIRMAN:

25 Commissioner Trujillo?

1                   MR. TRUJILLO:

2                   One more question on this line. In your  
3 experience, is there anything that would work as a  
4 deterrence to young individuals that --- because  
5 understanding ---. In fining you, you know, it makes  
6 sense if you guys are asleep on the job. But if you  
7 guys are doing your job and then they still are  
8 wanting to get through. So if you could speak to what  
9 might be good deterrents that we're not electricians,  
10 that would be helpful for us to know.

11                   MR. CAYO:

12                   Commissioner Trujillo, you bring up an  
13 interesting subject that we've dealt with quite a bit.  
14 I think the best deterrent is prosecution. And as you  
15 well know, if a minor in this Commonwealth is caught  
16 drinking under the age of 21, you lose your license.  
17 Unfortunately, all too often the minors that are  
18 caught on the floor become quite a fish in gaming,  
19 catch and release, you know, without penalty. There  
20 is no prosecution, and that's going to become  
21 problematic to us, because they're breaking the law  
22 and we're paying the ticket.

23                   MR. TRUJILLO:

24                   Thank you.

25                   MR. CAYO:

1 Thank you.

2 CHAIRMAN:

3 Okay. Any other questions? Could I have  
4 a motion, please?

5 MR. GINTY:

6 Mr. Chairman, I move that the Board issue  
7 an Order to approve the Consent Agreement between the  
8 OEC and Presque Isle Downs as described by Chief  
9 Counsel.

10 CHAIRMAN:

11 Second?

12 MR. MCCALL:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL RESPOND AYE

17 CHAIRMAN:

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

20 Next is a motion to consider the  
21 revocation of John Celesti's Non-Gaming Registration.  
22 Is Mr. Celesti here today? Enforcement Counsel, you  
23 may begin.

24 ATTORNEY FENSTERMAKER:

25 Thank you. This matter involves the

1 request to revoke John Celesti's Non-Gaming Employee  
2 Registration. On November 23rd, 2010 the OEC filed a  
3 complaint for revocation of John Celesti's Non-Gaming  
4 Employee Registration. The revocation complaint was  
5 filed after the Pennsylvania State Police charged Mr.  
6 Celesti, a bartender at Rivers Casino, for stealing  
7 approximately \$801 from the cash register located in  
8 the bar where he worked.

9           The enforcement complaint properly served  
10 upon John Celesti had been certified as First-Class  
11 Mail. Mr. Celesti did not respond to the complaint  
12 within 30 days. Therefore, pursuant to Board  
13 regulation, all facts alleged in the complaint are  
14 deemed admitted. The OEC filed a request for default  
15 judgment on February 28th, 2011. At this time, the  
16 OEC asks that John Celesti's Non-Gaming Employer  
17 Registration be revoked.

18           CHAIRMAN:

19           I note for the record that Mr. Celesti is  
20 not here today. Any questions from the Board? Could  
21 I have a motion, please?

22           MR. MCCALL:

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

1 OEC.

2 CHAIRMAN:

3 All those in favor?

4 ALL RESPOND AYE

5 MR. MOSCATO:

6 Second.

7 CHAIRMAN:

8 I'm sorry. Second? Sorry. Second?

9 MR. MOSCATO:

10 Second.

11 CHAIRMAN:

12 Thank you. Now, all those in favor?

13 ALL RESPOND AYE

14 CHAIRMAN:

15 Opposed? Motion passes. Finally, we  
16 have a request, place Arthur Gardner on the exclusion  
17 list. Is Mr. Gardner present today? Note for the  
18 record that he is not. Enforcement Counsel, please  
19 introduce yourself for the stenographer and you may  
20 begin.

21 ATTORNEY MATELEVICH-HOANG:

22 Thank you. Good afternoon, Chairman  
23 Fajt, members of the Board. I'm Billie Matelevich-  
24 Hoang on behalf of the OEC. That's  
25 M-A-T-E-L-E-V-I-C-H, hyphen, H-O-A-N-G. And this

1 matter involves an exclusion request.

2           On December 23rd, 2010, the OEC filed a  
3 Petition to place Mr. Garner on the Board's Exclusion  
4 List due to a theft that had occurred at Chester Downs  
5 & Marina on November 23rd, 2010. The Petition was  
6 served upon Mr. Garner on December 23rd by Certified  
7 Mail. The Petition was re-served upon the Petitioner  
8 on January 27th, 2011 to ensure that Mr. Garner  
9 received the Petition by both First-Class and  
10 Certified Mail.

11           The Enforcement complaint was finally  
12 served upon Mr. Garner by the First-Class Mail, and he  
13 did not respond to the complaint within 30 days.  
14 Therefore, pursuant to Board regulations, all facts  
15 alleged in the complaint are deemed admitted. The OEC  
16 filed a request for default judgment on March 3rd,  
17 2011, and at this time, the OEC asks that Mr. Garner  
18 be placed on the Board's Excluded Person List.

19           CHAIRMAN:

20           Thank you. Any questions or comments of  
21 the Board? Could I have a motion, please?

22           MR. MOSCATO:

23           Mr. Chairman, I move the Board issue an  
24 Order to approve the addition of Arthur Garner,  
25 Pennsylvania Gaming Control Board's Exclusion List as

1 described by the OEC.

2 CHAIRMAN:

3 Second?

4 MR. SOJKA:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 ALL RESPOND AYE

9 CHAIRMAN:

10 Opposed? Motion passes. Thank you very  
11 much. That concludes all our normal business for  
12 today. This is a meeting which has been advertised as  
13 one which we open up the floor for public comment. As  
14 I understand it, we did not have anyone register to  
15 speak today. However, if there's anyone in the  
16 audience who wants three minutes to address the Board  
17 on a matter that will not --- is not pending before  
18 the Board or come before the Board, they can feel free  
19 to do so. Richard, this is your chance.

20 Okay. There being no speakers, I'll  
21 close the meeting by announcing that our next  
22 scheduled public meeting will be held Thursday, April  
23 14th. That meeting will begin at 9:30 a.m. Any final  
24 comments from the Board? Could I have a motion to  
25 adjourn?

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MR. ANGELI:

I move for adjournment.

CHAIRMAN:

Second?

MR. TRUJILLO:

Second.

CHAIRMAN:

All in favor?

ALL RESPOND AYE

CHAIRMAN:

The meeting's adjourned. Thank you.

\* \* \* \* \*

MEETING CONCLUDED AT 1:50 P.M.

\* \* \* \* \*

CERTIFICATE

I hereby certify that the foregoing proceedings, meeting held before the Pennsylvania Gaming Control Board, was reported by me on 03/23/2011 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