

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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PUBLIC MEETING

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  
Robert Coyne, Representing Daniel P.  
Meuser, Secretary of Revenue  
Jorge Augusto, Representing George Greig,  
Secretary of Agriculture

MEETING: Wednesday, May 11, 2011  
1:49 p.m.

LOCATION: Hearing Room One  
PUC - Keystone Building  
400 North Street  
Harrisburg, PA 17120

WITNESSES: Susan Hensel, David Rhen, Robert Coyne,  
Scott Frederick, Eric Olsen, Stacie Amsler, Tim Allue

Reporter: Cynthia Piro Simpson

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A P P E A R A N C E S

1  
2  
3  
4  
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10  
11  
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14  
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OFFICE OF CHIEF COUNSEL

R. DOUGLAS SHERMAN, ESQUIRE

Chief Counsel

STEVE COOK, ESQUIRE

Deputy Chief Counsel

SUSAN YOCUM, ESQUIRE

Assistant Chief Counsel

OFFICE OF ENFORCEMENT COUNSEL

CYRUS PITRE, ESQUIRE

Chief Enforcement Counsel

DUSTIN MILLER, ESQUIRE

Assistant Counsel

CASSANDRA FENSTERMAKER, ESQUIRE

Assistant Counsel

Pennsylvania Gaming Control Board

P.O. Box 69060

Harrisburg, PA 17106-9060

Counsel for the Pennsylvania Gaming Control Board

I N D E X

1  
2  
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4  
5  
6  
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10  
11  
12  
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14  
15  
16  
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18  
19  
20  
21  
22  
23  
24  
25

OPENING REMARKS

By Chairperson Fajt

5

PRESENTATION

By Ms. Hensel

5 - 12

By Mr. Rhen

12 - 16

By Mr. Coyne

16 - 17

QUESTIONS BY BOARD

18 - 19

STATEMENT

By Ms. Amsler

19

PRESENTATION

By Mr. Frederick

20 - 21

QUESTIONS BY BOARD

21 - 25

STATEMENT

By Mr. Allue

25 - 27

PRESENTATION

By Mr. Olsen

28 - 29

By Ms. Yocum

29 - 30

By Mr. Sherman

31 - 35

QUESTIONS BY BOARD

35 - 37

PRESENTATION

By Mr. Sherman

37 - 38

By Mr. Cook

39 - 46

By Attorney Pitre

46 - 47

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

I N D E X (continued)

QUESTIONS BY BOARD	47 - 53
PRESENTATION	
By Mr. Cassano	54
QUESTIONS BY BOARD	55 - 59
DISCUSSION AMONG PARTIES	59 - 63
PRESENTATION	
By Attorney Fenstermaker	63 - 64
By Attorney Miller	64 - 65
DISCUSSION AMONG PARTIES	65 - 66

## P R O C E E D I N G S

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
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CHAIRMAN:

Folks, we're going to jump out of order and let me offer my apologies for being too liberal with our break time. Did anybody need that much time? In the interest of moving the day along, I know some people here have to travel, we're going to get started. And I think Susan, what we'd like to do is jump to the Bureau of Licensing and I'm probably going to need Cyrus for this. We're going to do the Bureau of Licensing matters. So for Commissioners, we're on the next section of the agenda.

Yeah, that does not involve any of the hearings that we had earlier. This is just kind of a routine licensing matter. So welcome, Susan, and we're ready to begin.

MS. HENSEL:

Thank you, Chairman Fajt and members of the Board. The first matter for your consideration is the approval of a Principal License. Prior to this meeting, the Bureau of Licensing provided you with a Proposed Order for a Principal License for Washington Trotting Association and related entity, Cannery Casino Resorts Finance Corporation. I ask that the

1 Board consider an Order approving this license.

2 CHAIRMAN:

3 Questions or comments from Enforcement  
4 Counsel?

5 ATTORNEY PITRE:

6 Enforcement Counsel has no objection.

7 CHAIRMAN:

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

10 MR. MOSCATO:

11 Mr. Chairman?

12 CHAIRMAN:

13 I'm sorry.

14 MR. MOSCATO:

15 Mr. Chairman, I move the Board approve  
16 the issuance of a Principal License described by the  
17 Bureau of Licensing.

18 CHAIRMAN:

19 Second?

20 MR. SOKJA:

21 Seconded.

22 CHAIRMAN:

23 All in favor?

24 ALL SAY AYE

25 CHAIRMAN:

1 Opposed? Motion passes.

2 MS. HENSEL:

3 Next for your consideration are Temporary  
4 Principle and Key Employee Licenses. Prior to this  
5 meeting, the Bureau of Licensing provided you with an  
6 Order regarding the issuance of Temporary Licenses for  
7 two Principals and seven Key Employees. I ask that  
8 the Board consider the Order approving these licenses.

9 CHAIRMAN:

10 Enforcement Counsel have any questions or  
11 objections?

12 ATTORNEY PITRE:

13 Enforcement Counsel has no objection.

14 CHAIRMAN:

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

17 MR. MOSCATO:

18 Chairman, I move the Board approve the  
19 issuance of Temporary Principal and Key Employee  
20 Credentials as described by the Bureau of Licensing.

21 CHAIRMAN:

22 Second?

23 MR. SOJKA:

24 Seconded.

25 CHAIRMAN:

1 All in favor?

2 ALL SAY AYE

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 311 individuals  
9 who the Bureau has granted temporary or full  
10 occupation permits to and 145 individuals who the  
11 Bureau has granted registrations to under the  
12 authority of the Director's Bureau of Licensing. I  
13 ask that the Board adopt a motion approving the Order.

14 CHAIRMAN:

15 Questions or comments from Enforcement  
16 Counsel?

17 ATTORNEY PITRE:

18 Enforcement Counsel has no objections.

19 CHAIRMAN:

20 Thank you. Questions from the Board?

21 Can I have a motion, please?

22 MR. SOJKA:

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

1 Bureau of Licensing.

2 CHAIRMAN:

3 Second?

4 MR. TRUJILLO:

5 Seconded.

6 CHAIRMAN:

7 All in favor?

8 ALL SAY AYE

9 CHAIRMAN:

10 Opposed? The motion passes.

11 MS. HENSEL:

12 In addition, we have as well requests for  
13 withdrawals for Key Employee, Gaming and Non-Gaming  
14 Employees. In each case the licensed permit or  
15 registration is no longer required. For today's  
16 meeting, I have provided the Board with a list of 21  
17 Key Employee, 8 Gaming and 2 Non-Gaming Withdrawals  
18 for approval. And I ask the Board to consider the  
19 Orders approving this list of withdrawals.

20 CHAIRMAN:

21 Enforcement Counsel have any comments?

22 ATTORNEY PITRE:

23 Enforcement Counsel has no objection.

24 CHAIRMAN:

25 Any questions from the Board? Do we have

1 a motion?

2 MR. TRUJILLO:

3 Mr. Chairman, I move for the Board  
4 approve the issuance to approve the withdrawals as  
5 described by the Bureau of Licensing?

6 MR. ANGELI:

7 Seconded.

8 CHAIRMAN:

9 All in favor?

10 ALL SAY AYE

11 CHAIRMAN:

12 Opposed? Motion passes.

13 MS. HENSEL:

14 In addition, we have an Order to certify  
15 the following Gaming Service Providers, Maines Paper  
16 and Food Services, Inc., Giesecke and Devrient  
17 America, Inc., Sentry Mechanical, LLC, and Tozour  
18 Energy Systems, Inc. I ask that the Board consider  
19 the Order approving these Gaming Service Providers for  
20 certification.

21 CHAIRMAN:

22 Enforcement Counsel have any questions?

23 ATTORNEY PITRE:

24 Enforcement Counsel has no objections.

25 CHAIRMAN:

1 Thank you. Comments from the Board? Can  
2 I have a motion, please?

3 MR. ANGELI:

4 So moved.

5 CHAIRMAN:

6 Second?

7 MR. GINTY:

8 Second.

9 CHAIRMAN:

10 All in favor?

11 ALL SAY AYE

12 CHAIRMAN:

13 Opposed? Motion passes.

14 MS. HENSEL:

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

21 CHAIRMAN:

22 Any objection from Enforcement Counsel?

23 ATTORNEY PITRE:

24 No objection.

25 CHAIRMAN:

1 Questions from the Board? Can I have a  
2 motion, please?

3 MR. ANGELI:

4 So moved.

5 MR. MCCALL:

6 Second.

7 CHAIRMAN:

8 All in favor?

9 ALL SAY AYE

10 CHAIRMAN:

11 Opposed? Motion passes.

12 MS. HENSEL:

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

15 CHAIRMAN:

16 Thank you very much, Susan. Next up we  
17 will go back to the agenda. I see Dave Rhen has  
18 joined us today. Can you come up and initially before  
19 we go over the budgets for our partners in the Gaming  
20 industry, if you could give us our report for the  
21 Gaming Board's monthly report?

22 MR. RHEN:

23 Good afternoon. First I'd like to start  
24 with my report of monthly expenses. This report  
25 covering expenses through April. Total fiscal year

1 expenses through April were \$27.7 million. This total  
2 included payroll expenses of \$22.2 million and  
3 operating expenses of \$5.4 million. The largest  
4 operating expenses to the fiscal year by category are  
5 rentals and leases with total expenses of \$1.7  
6 million, services at \$1.4 million, other operating  
7 expenses including background and database searches,  
8 using investigations at \$1.1 million, and data and  
9 voice telecommunications at \$568,000.

10 For the month of April alone, expenses  
11 totaled \$3.5 million with payroll totaling \$3.2  
12 million and operating expenses --- expenditures  
13 totaling \$383,000.

14 The largest operating expenditures in  
15 April were \$157,000 for rentals and leases, \$68,000  
16 for IT software and equipment purchases, \$50,000 for  
17 services and \$48,000 for telecommunications. That  
18 concludes my monthly expense report.

19 CHAIRMAN:

20 Thank you, Dave. Any questions from  
21 anybody on the Board? Okay. Before we call up the  
22 other agencies and Regulation Gaming, I'll just make a  
23 couple of announcements. Since our last meeting, the  
24 Board held an Executive Session yesterday and again,  
25 just prior to this meeting. The purpose of

1 yesterday's Executive Session was to discuss personnel  
2 matters, pending litigation and to conduct quasi  
3 judicial deliberations relating to matters being  
4 considered by the Board today. And in one instance,  
5 something that will be placed on the agenda at our May  
6 25th meeting, the Executive Session which just ended  
7 was held to conduct quasi judicial deliberations  
8 relative to the three hearings that we held earlier  
9 today.

10 I would also like to announce that we  
11 scheduled a license renewal hearing of Sugar House  
12 Casino on Thursday, June 16th. The hearing will be in  
13 Room 119-A/B of the Pennsylvania Convention Center,  
14 located at 1101 Park Street in Philadelphia. The  
15 deadline for the public to register to speak at that  
16 hearing is June 14th, 2011. The public can get more  
17 information on how to register to speak by going to  
18 the Board's website or by contacting our Board  
19 Secretary, Mickey Kane, at 717-346-8300.

20 And again, those of you who just came  
21 back, I apologize to you. We took a little bit more  
22 time and called for a little more time than we really  
23 needed. As opposed to keeping the Commissioners and  
24 the rest of the people here for an undue length of  
25 time, I decided to start the meeting a little early.

1 What we did was, we did some mundane regular  
2 not-out-of-the-ordinary licensing issues involving the  
3 Bureau of Licensing and the Bureau of --- OEC. And  
4 now, we'll be moving into reviewing our agency or  
5 agencies' findings. So, David, if you could have  
6 folks from the State. I don't know how you want to do  
7 this, whether you want to bring them all at once or by  
8 agency. But it's your call.

9 MR. RHEN:

10 I'm going to bring them up by agency.  
11 And just to give a little bit of background first. So  
12 that they're attendance today is to present their 2011  
13 agency budgets, the gaming budgets, so you can prepare  
14 an analysis and recommendations to the Appropriations  
15 Committee as required by the Gaming Act.

16 CHAIRMAN:

17 Just to add a little bit more  
18 clarification to that, in the past the Gaming Control  
19 Board had to sign off and approve the gaming budgets  
20 for the Pennsylvania State Police, Department of  
21 Revenue and the Office of Attorney General. And with  
22 the passage of the table games legislation, that is no  
23 longer required. We do not have to approve those  
24 budgets, per se, but we do have to make a  
25 recommendation to the Gaming Oversight Committee. So,

1 we felt that it made a lot of sense to have our sister  
2 agencies come before the Gaming Control Board just to  
3 present the budgets in a public forum so that any of  
4 the Board members have questions regarding those  
5 budgets, they can ask them in a public setting. After  
6 that, assuming that we're finding those budgets, I  
7 will send those over to the Chair of the Oversight  
8 Committee recommending their approval. So, with that  
9 being said, Dave, call whoever you want.

10 MR. RHEN:

11 Okay. We're going to start with the  
12 Department of Revenue. We have Bob Coyne, Deputy  
13 Secretary of Compliance and Collections and Stacie  
14 Amsler, Director of Fiscal Management of the  
15 Department of Revenue.

16 MR. COYNE:

17 Good afternoon, Chairman Fajt and members  
18 of the Board. As you know, my name is Rob Coyne and  
19 I'm the Deputy Secretary of Compliance and Collections  
20 of the Department of Revenue. With me is Stacie  
21 Amsler. She is the Director of Fiscal Management.  
22 Thank you for allowing us to present the Department's  
23 budget request for fiscal year 2011 and 2012.

24 As you know, under Act 71, the Department  
25 was tasked with procurement and operation of central

1 control systems, as well as collections and  
2 distribution of taxes and assessments proposed by the  
3 Act. Additionally, we perform audits of the vendors  
4 to assure proper taxes and assessments are collected  
5 and provide the Board with tax clearances.

6           In order to complete these tasks, we are  
7 requesting total funding for the fiscal year of \$9.501  
8 million. This is a reduction of \$441,000 from our  
9 2010-2011 budget. Our funding is distributed as  
10 follows, \$1.6 million to fund salaries, benefits for  
11 25 people --- for salaries and benefits for 25 people.  
12 And \$7.851 million for operating costs. Currently we  
13 have 19 filled positions and 6 vacancies. Many of  
14 these vacancies will not be needed until we have a  
15 full build out of the additional casinos. And that's  
16 why those vacancies are currently there. Our  
17 operating costs include costs for the central control  
18 systems which is estimated to be \$7.7 million.  
19 Travel, bank fees, comptroller billings, computer  
20 costs, supplies make up the additional \$151,000.  
21 Thank you for the opportunity to present the  
22 Department's budget. And we would be happy to answer  
23 any questions.

24           CHAIRMAN:

25           Thank you. Questions from the Board?

1 Commissioner Sokjka?

2 MR. SOJKA:

3 One that I hope we'll never have to  
4 address, but of those 19 persons employed at the  
5 moment --- I remember back a couple years ago in a  
6 moment of great stress on the Commonwealth, we had to  
7 reach in and determine which employees might be  
8 essential. Is there any way to tag anybody in those  
9 19 people that might be an essential person?

10 MR. COYNE:

11 Right now the Department is undergoing a  
12 who's essential in the operations of the Department  
13 and I'm not sure whether or not we have this one  
14 filled out yet as far as the 19 positions that work  
15 for --- in support of the Gaming Control Board. I'll  
16 have to get back to you on that.

17 MR. SOKJA:

18 Well, I don't really need to have you get  
19 back. I just like --- it's something for you to be  
20 thinking about. Heaven forbid, we should ever need to  
21 know that.

22 MR. COYNE:

23 Very good.

24 MR. MCCALL:

25 I have one quick question. The reduction

1 in the operating expenses, you had mentioned the cost  
2 of about 4.4 percent. The majority of that is in the  
3 operating line items \$526,000 reduction. What is that  
4 the result of? If you said it, I missed it. I  
5 apologize.

6 MS. AMSLER:

7 There was funding built in there for  
8 comptroller billings that never materialized. And  
9 there were a couple years that we've been doing this,  
10 so we dropped out and then I have, oh, two or three  
11 years of actual expenditures. Money that we would  
12 have lapsed back anyway. So there's no need to ---  
13 the money would have been lapsed. We did not spend  
14 it. It was built into the budget and we haven't  
15 received those higher billings that we called for.

16 CHAIRMAN:

17 Thank you. Questions? Okay. Thank you  
18 very much. Next agency?

19 MR. RHEN:

20 Next up is State Police, represented by  
21 Tim Allue, Director of Gaming Enforcement Office and  
22 Scott Frederick, Director of Fiscal.

23 CHAIRMAN:

24 I know that you guys were here before and  
25 I just repeat it, if you could speak directly into the

1 microphone. This room is not real conducive to  
2 sounds.

3 MR. FREDERICK:

4 Good morning --- or actually good  
5 afternoon, Chairman Fajt and members of the Board. My  
6 name is Scott Frederick. I'm the Fiscal Director for  
7 the Pennsylvania State Police. With me today is Tim  
8 Allue, Director of Gaming Enforcement Office. I'm  
9 obviously here today to discuss and present to you our  
10 Pennsylvania State Police fiscal year '11/'12 budget.  
11 The Gaming Enforcement Office's personnel costs are  
12 budgeted at \$18,702,000 and our operating and fixed  
13 costs are budgeted at \$566,000 for total budget of  
14 \$19.268 million. This is supports the operation of  
15 the headquarters unit and 12 casino sites. Currently  
16 each casino site is adequately staffed to ensure the  
17 safety of the patrons and the security of casino  
18 operations. These staffing levels are previously  
19 approved by the Governor's Office, members of the  
20 General Assembly and the Gaming Control Board.  
21 Additional coverage is also provided to casinos by the  
22 local police barracks, State Police Barracks at times  
23 when Gaming Enforcement personnel are not on the site.  
24 This coverage is provided on an as-needed basis and  
25 is not being reimbursed or included in our budget. At

1 this time, that concludes my presentation. If you  
2 have any questions, we'll answer them.

3 CHAIRMAN:

4 Thank you very much, Scott. Questions  
5 from the Board? Yes, Commissioner McCall?

6 MR. MCCALL:

7 Mr. Frederick, just on your, you know,  
8 personnel operating --- if you could just maybe  
9 describe to the Board. Your personnel costs have gone  
10 up pretty substantially, 30 percent from prior year.  
11 But your operating costs have dropped very  
12 substantially, down 77 percent. Could you explain  
13 those two changes as far as personnel? Did you change  
14 your complement for that increase in personnel costs  
15 and/or --- tell us what that difference is. And on  
16 the operating side, maybe could explain the  
17 significant drop in operating costs as well.

18 MR. FREDERICK:

19 Absolutely. With regards to the  
20 personnel costs, one of the things that we had to do  
21 is we have to actually budget the opening of casinos.  
22 Last year we were scheduled to open up --- at the top  
23 the two Category 3 casinos were scheduled to open up  
24 July 1st. So, we have to anticipate what our salary  
25 would be for our troopers assigned to those locations.

1 And so the increase in the salary is basically just  
2 that. It's a projection of what the cost will be for  
3 those Category 3 facilities. Obviously as the year  
4 continue to go on, they're getting pushed back and  
5 pushed back. That cost will decrease --- or actual  
6 cost will decrease and bounce back to the Gaming  
7 Corporation. With regards to operating, the operating  
8 costs were --- with the ongoing historical  
9 information, with the sites being up and running for a  
10 while, we anticipated again some costs that really  
11 haven't come to fruition with regards to operating  
12 costs. Things like different enterprise network,  
13 computer IT relating costs, things like that. So,  
14 we've been able to take historical information and try  
15 to get it as accurate as possible for operating. So,  
16 that's why you see such a large increase.

17 MR. MCCALL:

18 The \$14,362,000 for 2010/2011, that's an  
19 actual number?

20 MR. FREDERICK:

21 Yes.

22 MR. MCCALL:

23 The year --- prior year, the \$14,362,000,  
24 that's actual? The \$14,362,000 on you personnel  
25 report, 2010/2011, that was an actual number that you

1 spent in 2010/2011?

2 CHAIRMAN:

3 Maybe can you show him what ---  
4 Commissioner McCall?

5 MR. FREDERICK:

6 Yes. Yes.

7 MR. MCCALL:

8 This is actual? And did you lapse any  
9 money?

10 MR. FREDERICK:

11 Are we anticipating lapsing any money?

12 MR. MCCALL:

13 Yes, anticipating lapsing ---

14 MR. FREDERICK:

15 Yes.

16 MR. MCCALL:

17 --- against that \$14,362,000?

18 MR. FREDERICK:

19 Yes, we're actually probably --- we just  
20 did the calculation this week. There will probably be  
21 a lapse of about \$3.7 million this year. So, just  
22 depends on how our personnel costs come out here in  
23 the next month --- within the next month.

24 MR. MCCALL:

25 So, ---.

1                   MR. FREDERICK:

2                   But you're looking at our total  
3 appropriation for '10/'11 was \$18,283,000. So, you're  
4 looking at roughly about \$3.7 million lapsing. And  
5 again, with regards to the upcoming '11/'12 fiscal  
6 year, we're probably looking at --- just based on some  
7 of the scheduled openings with the Category 3, we're  
8 probably looking at about a million, a million and a  
9 half just in personnel costs alone. Because the  
10 Category 3s won't be open in July. So, again based on  
11 when they open up.

12                   MR. MCCALL:

13                   The \$3 million lapse though for 2010,  
14 when you're taking into account 2010, your actual  
15 number is \$11 million, and now you're going to go up  
16 to an \$18 million request, which would be basically a  
17 \$7 million difference against the actual.

18                   MR. FREDERICK:

19                   But now the \$3.7 million is not all  
20 personnel money. That's going to be the problem with  
21 regards to our 2011 money, you're looking at our  
22 operating funds were \$2.3 million. They'll probably  
23 come in around \$450,000 to \$500,000 in operating. So,  
24 I'm looking at almost \$1.8 in operating lapsing this  
25 year.

1                   MR. MCCALL:

2                   And one last question, just when you look  
3 at Department of Revenue, the Attorney General, even  
4 the Pennsylvania Gaming Control Board, just when you  
5 do very raw math, you take the number of employees  
6 divided by your personnel costs, we come up with a  
7 number. It averages anywhere from \$66,000 for  
8 employees. Yours is the highest at \$133,000 per  
9 employee. Can you kind of explain that cost a little  
10 bit to the Board, why it's so high?

11                   MR. FREDERICK:

12                   The majority of our costs, I guess, is  
13 the personnel costs you're looking at. Ninety-seven  
14 (97) percent of our total operating costs comes from  
15 personnel. These are all State Police Troopers. And  
16 in the casinos, you have, you know, eight. We have  
17 eight civilians which are namely clerks and management  
18 technicians and things. The rest are all State Police  
19 Troopers. So, you're looking at their normal  
20 salaries, the contractual raises, things like that. I  
21 mean, it's all ---. I don't what else to say, it's  
22 all contractual salaries.

23                   MR. ALLUE:

24                   If I may add to that? Really are all of  
25 our calculations for the sites, you'll notice they

1 vary somewhat from site to site in personnel costs.  
2 And the reason for that is that we used the actual  
3 numbers, because a ten-year trooper makes less than a  
4 20-year trooper. So, we actually used the actual  
5 expense figures for --- to track the expenses, actual  
6 expenses. And we used those same figures for  
7 projecting out into the future. And the high figure  
8 per person really is a matter of salary and all the  
9 benefits that go along with it. I think our salary  
10 packet, our benefit package is something close to 67  
11 percent of what the salary is. So, that when you add  
12 the salary and the benefit package together, that's  
13 where that number comes from. Our troopers do not  
14 make \$130,000 a year. But the salary packages and  
15 because it's a total actual expense reimbursement  
16 through the 1401 account, that's why the number's what  
17 it is. Those are actual --- we actually tried to  
18 calculate up per person what the expenses will be.  
19 And with 97 percent of our expenses being personnel  
20 related, there's a dramatic impact when we have delays  
21 from casino site to casino site, when the resorts are  
22 delayed. There's development of casinos for a  
23 multitude of reasons and very legitimate reasons,  
24 there have been delays really throughout this whole  
25 process. I think we all thought 14 casinos would have

1 been opened years ago. So, that when we are  
2 submitting a budget, many, many months out and we're  
3 looking at the projected opening dates of casinos, and  
4 those targets aren't hit for many, many reasons, I  
5 think we have resorts on our budget, and now this is  
6 the third year in a row, but yet we have never had any  
7 expenses for those resorts, because they never opened.

8 And that answers the question in terms of why do we  
9 have so much lapse money each year, it's because we  
10 never brought those people in. And that's why with 97  
11 percent of our expenses being payroll, when you don't  
12 bring those people in, you have a very significant  
13 amount of money that lapses back. Once we are up and  
14 running, and after any given site is established and  
15 we put in the fingerprint devices, which are rather  
16 pricey, and some of the technical equipment, there's  
17 very little overhead and that's why our operating  
18 expenses are so low and our personnel expenses are so  
19 high. Because generally speaking, our personnel  
20 expenses are the only things that we incur and that's  
21 --- will be only to pass onto the casinos for  
22 reimbursement through the 1409 account. Now I hope I  
23 didn't digress.

24 MR. MCCALL

25 Thank you.

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CHAIRMAN:

Any other questions? You know, just as a follow-up, I mean, we run into those same issues when we budget the personnel for opening the Category 3s specifically and you know, they don't open. We get those things. Thank you very much. Appreciate it.

MR. RHEN:

From the Office of Attorney General, we have Erik Olsen, Chief Deputy Attorney General Organized Crime Section and Jim Ingalzo, Acting Director of Managing Services Division.

CHAIRMAN:

Welcome, gentlemen.

MR. OLSEN:

Thank you. Erik, E-R-I-K. Olsen is O-L-S-E-N. And Jim Ingalzo is I-N-G-A-L-Z-O.

MR. INGALZO:

Correct.

MR. OLSEN:

First of all, good afternoon. Thank you for having us. We're here to present our proposed budget for 2011/12. Our total request is \$926,000. That's actually a total of about \$18,000 decrease from last year. That represents \$736,000 in personnel costs, \$240,000 in operating costs. We're asking to

1 keep the current compliment. There are five special  
2 agents --- four special agents and one supervisory  
3 agent, total of five, one secretarial position and  
4 essentially half an attorney position. Currently that  
5 workload is spread out amongst several attorneys,  
6 myself being one of them. So, we're asking for  
7 basically the current staff. I'm open for any  
8 questions you might have.

9 CHAIRMAN:

10 Okay. Questions? Okay. Thank you very  
11 much. Dave, any final comments from you?

12 MR. RHEN:

13 That concludes our remarks.

14 CHAIRMAN:

15 Okay. Thank you. Moving right along,  
16 next up is our Office of Chief Counsel, Doug Sherman.

17 MR. SHERMAN:

18 Good afternoon, Chairman, members of the  
19 Board. Our first agenda item relates to an adoption  
20 of a Proposed Regulation, which Assistant Chief  
21 Counsel, Susan Yocum, will present.

22 MS. YOCUM:

23 Good afternoon, Chairman Fajt,  
24 Commissioners. I have one Proposed Regulation for you  
25 today. It is 125-151. It is a transition free --- of

1 our temporary table game chapters into the proposed  
2 permits, the baccarat, mini baccarat and midi  
3 baccarat. Included in this Rulemaking are the layout  
4 requirements, the dealing procedures and the payout  
5 option amounts for all compensable wagers. I'll be  
6 more than happy to answer any questions you may have.

7 CHAIRMAN:

8 Any questions or comments from the Board?  
9 May I have a motion, please?

10 MR. GINTY:

11 Chairman, I move that the Board adopt  
12 Proposed Regulation 125-151 as described by the OCC.  
13 And that the Board establish a public comment period  
14 of 30 days for this regulation and that the Proposed  
15 Regulation be posted on the Board's website.

16 MR. MCCALL:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 ALL SAY AYE

21 CHAIRMAN:

22 Opposed? The motion passes.

23 MS. YOCUM:

24 Thank you.

25 CHAIRMAN:

1 Thank you.

2 MR. SHERMAN:

3 Next the Board has four petitions before  
4 it for consideration. Three of these matters were  
5 heard by the Board earlier during public hearing. The  
6 remaining petition, which is being considered from the  
7 documentary record involves a petition to reapply for  
8 gaming permit after previously having an application  
9 denied. In all four of the matters, the Board has, in  
10 advance of the meeting, been provided with all  
11 petitions and responsive pleadings and any other  
12 supporting evidentiary materials or documentary  
13 submissions.

14 The first petition before the Board is  
15 HSP Gaming, LP and Holdings Acquisition Company's  
16 Joint Petition for Approval of an Inter-property  
17 Employee Allocation Schedule. As the Board heard  
18 earlier today, HSP Gaming and Holdings is requesting  
19 that the Board approve the allocation schedule to  
20 permit the sharing of several employees between the  
21 two casino properties. If the Board is inclined to  
22 grant the relief requested, the OEC has recommended  
23 six conditions relating largely to licensing and  
24 keeping the Board staff up to date on the  
25 implementation of the organizational changes. The OEC

1 concurs in these recommended conditions, as well as  
2 the Petitioner's request that certain exhibits to the  
3 Petition be made as confidential. The matter is now  
4 appropriate for a motion.

5 CHAIRMAN:

6 Any questions or comments from the Board?  
7 Can I have a motion, please?

8 MR. MCCALL:

9 Mr. Chairman, I move that the Board grant  
10 the Petition of HSP Gaming, LP and Holdings  
11 Acquisition Company regarding the employee allocation  
12 as described by the OCC.

13 CHAIRMAN:

14 Second?

15 MR. MOSCATO:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 ALL SAY AYE

20 CHAIRMAN:

21 Opposed? The motion passes.

22 MR. SHERMAN:

23 The second Petition is HSP's Petition to  
24 Modify its gaming floor plan. As we heard earlier,  
25 HSP is requesting to reconfigure the gaming floor plan

1 to increase the floor by approximately 777 square feet  
 2 and to add an additional ten table games. This will  
 3 require a redesign of the pathways of the gaming  
 4 floor, reconfiguration of the existing slot machines  
 5 and table games and will require the conversion of a  
 6 portion of The Refinery Restaurant to gaming floor  
 7 space. Along with the Petition, HSP has filed a  
 8 Motion to Protect Certain Confidential Information in  
 9 the Petition. The OEC has no objection to the Motion  
 10 for Confidentiality. However, after further  
 11 discussion of all parties, it is agreed that only  
 12 Exhibit A to the Petition should be kept confidential,  
 13 that is the detailed gaming floor plan. The remaining  
 14 attachments, I think, by all parties' agreement are  
 15 not truly confidential and should not be maintained as  
 16 such. The record is closed. If the Board is inclined  
 17 to grant the Petition, OEC has recommended that 12  
 18 conditions, which were provided to the Board in  
 19 advance of the meeting be imposed. We would agree  
 20 that those conditions would be appropriate and ready  
 21 for motion.

22 CHAIRMAN:

23 Any questions or comments from the Board?  
 24 Can I have a motion?

25 MR. MOSCATO:

1 Mr. Chairman, I move that the Board grant  
2 the Petition for HSP Gaming, LP as described by the  
3 OCC and is subject to the conditions requested by the  
4 OEC.

5 CHAIRMAN:

6 Second?

7 MR. SOJKA:

8 Second.

9 CHAIRMAN:

10 All in favor?

11 ALL SAY AYE

12 CHAIRMAN:

13 Opposed? The motion passes.

14 MR. SHERMAN:

15 The third Petition is that of Keystone  
16 Gaming Technologies. It is a Petition for  
17 Authorization to Continue to Utilize and Employ  
18 Certain Persons as Technicians. We heard a lot of  
19 testimony and argument earlier today. And based on  
20 that presentation and answers to questions, I suggest  
21 that the Board order Keystone to produce a copy of all  
22 written contracts or other agreements between Keystone  
23 and Cummins to the Board Secretary and OEC Counsel by  
24 close of business on Friday, May 13, 2011. I further  
25 suggest that the Board take the matter under

1 advisement and schedule a vote on the Petition for the  
2 next Board meeting, which is on May 25th, 2011. At  
3 such time as the Board has had the full opportunity to  
4 review and consider the evidence and argument  
5 presented today as well as any contracts or other  
6 agreements which are provided by this Friday. To be  
7 clear, it is not contemplated that there will be any  
8 further argument or further testimony or evidence  
9 presented on that day, but rather the matter will be  
10 called for a vote based upon everything that the Board  
11 has heard during the hearing earlier.

12 CHAIRMAN:

13 Okay. Do we need a motion to ---?

14 MR. SHERMAN:

15 We should have a motion to take the  
16 matter under advisement and to direct that Keystone  
17 Gaming Technologies provide those written documents by  
18 this close of business Friday.

19 CHAIRMAN:

20 Okay. Any questions from the Board?

21 ATTORNEY PITRE:

22 Yeah, one quick one. Obviously  
23 Keystone's principals and Counsel are here today and  
24 they've heard this and will hear it. But will there  
25 also be a written statement to them specifying clearly

1 what it is that we need in order to proceed?

2 MR. SHERMAN:

3 We will make sure an Order gets out to  
4 that effect today as well. And then obviously in two  
5 weeks, whatever the Board's vote is, there will be an  
6 Order providing that vote, which comes out after that  
7 meeting.

8 ATTORNEY PITRE:

9 Thank you.

10 CHAIRMAN:

11 Commissioner Trujillo?

12 MR. TRUJILLO:

13 Mr. Chairman, just by way of  
14 clarification and then I do have a motion. But I  
15 assume then that the record will remain open until  
16 such time until close of business day on Friday?

17 MR. SHERMAN:

18 That's correct.

19 MR. TRUJILLO:

20 So moved, Mr. Chairman.

21 CHAIRMAN:

22 Okay. And I think Mr. Sojka has a motion  
23 and I think you have the second.

24 MR. SOJKA:

25 I tell you what, I'll accept that motion

1 and I'll second it.

2 CHAIRMAN:

3 All in favor of that?

4 ALL SAY AYE

5 CHAIRMAN:

6 Opposed? The motion passes.

7 MR. SHERMAN:

8 The last Petition before the Board today  
9 is that of Virgo Kidd. The Board approved Virgo  
10 Kidd's initial Application for a Gaming Employee  
11 Permit on September 4th, 2007. Thereafter, he filed a  
12 timely Renewal Application in August of 2008. And on  
13 the Renewal Application, Mr. Kidd indicated that he  
14 did not have any issues impacting his suitability,  
15 however, it was later discovered that he had an  
16 outstanding tax liability. BIE provided Mr. Kidd of  
17 the opportunity to remedy the tax issue, however he  
18 failed to do so and on March 26, 2009, the Board  
19 issued an Order denying the Renewal Application.

20 Mr. Kidd since that time has filed a  
21 Petition in which he states that he has corrected the  
22 outstanding tax issue and has, in fact, provided to  
23 the Board a copy of his tax returns.

24 OEC has not objected to Mr. Kidd's  
25 request of the Board to grant permission to reapply

1 for a Gaming Permit before the expiration of the  
2 five-year prohibition period, based on what now  
3 appears to be his full compliance with the tax laws.  
4 For the record, if the Board grants the Petition, you  
5 are not granting his Renewal Application, but rather  
6 you are giving him permission to reapply. The matter  
7 is ready for the Board's consideration.

8 CHAIRMAN:

9 Okay. Any questions or comments from the  
10 Board? Can I have a motion, please?

11 MR. MOSCATO:

12 Mr. Chairman, I move that the Board grant  
13 the Petition as described by the OCC and allow him to  
14 make application for a Gaming Employee Permit.

15 MR. GINTY:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 ALL SAY AYE

20 CHAIRMAN:

21 Opposed? The motion passes.

22 MR. SHERMAN:

23 And next presenting Withdrawals, Reports  
24 and Recommendations and Rule to Show Cause is Deputy  
25 Chief Counsel Steve Cook.

1                   MR. COOK:

2                   Good afternoon. The Board has received  
3 11 unopposed Petitions to Withdraw the Applications of  
4 14 individuals or businesses. The persons or entities  
5 subject to these Petitions are as follows, Doctor  
6 Anthony Ceddia, U.S. Playing Cards Mexico, Electronic  
7 Systems, Inc., Electrosonic Holdings Limited, Scott  
8 Meyer, Kyle Carpenter, Libby Lamm, Patrick McGlinchey,  
9 James Metcalfe, James Trask, John Walsh, Joseph  
10 Stewart, Philip W. Roizin and Stacy E. Ross. The OEC  
11 has no objections to these withdrawals. As such, the  
12 Board granting the same would be to do so without  
13 prejudice.

14                   CHAIRMAN:

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

17                   MR. GINTY:

18                   Chairman, I move that the Board issue  
19 Orders approving the withdrawals as described by the  
20 OEC.

21                   MR. MCCALL:

22                   Second.

23                   CHAIRMAN:

24                   All in favor?

25 ALL SAY AYE

1                   CHAIRMAN:

2                   Opposed?   The motion passes.

3                   MR. COOK:

4                   Next before the Board for consideration  
5 are five Reports and Recommendations received from the  
6 Office of Hearings and Appeals relative to one  
7 Petition for Placement on the Exclusion List, three  
8 Gaming Employee Permits and one Non-Gaming  
9 Registration. Each of these Requests and  
10 Recommendations along with the evidentiary record for  
11 each of these proceedings have been supplied to the  
12 Board prior to this meeting.

13                   Additionally, each person implicated in  
14 the various Reports and Recommendations have been  
15 notified that the matter was going to be called today  
16 and that they had the right to come forward and to  
17 personally address the Board if they so choose.

18                   The First Report and Recommendation  
19 before the Board pertains to Karren Earl. In July  
20 2010, Ms. Earl was accused of leaving a child  
21 unattended in her car at the Parx Casino parking lot  
22 while she gamed inside of that facility. Upon  
23 learning of the incident, the OEC filed a petition on  
24 October 14th, 2010 requesting that Ms. Earl be placed  
25 on the Board's Exclusion List.

1           A hearing before the OHA was held on  
2 February 23rd, 2011. Ms. Earl appeared at that  
3 hearing with Counsel and offered testimony. She  
4 admitted that on February 14th, she had pled guilty to  
5 Endangering the Welfare of a Child and as a result  
6 received a two-year term of probation, including a  
7 probation condition that she not enter the Parx  
8 Casino. During the course of the hearing, Ms. Earl's  
9 Counsel argued that she should only be placed on the  
10 Board's Exclusion List for a two-year period to  
11 coincide with the probation term. And the OEC took  
12 the position that since the Board regulations require  
13 that you can't ask for removal from the Exclusion List  
14 until five years run, that the Board had no authority  
15 to the two year term on the Exclusion List.

16           The Hearing Officer thereafter issued a  
17 Report and Recommendation that the Board grant the  
18 OEC's petition and place Karren Earl on the Board's  
19 Exclusion List as is the normal practice. And this  
20 matter and Court recommendation is presently before  
21 the Board.

22                   CHAIRMAN:

23           Is Ms. Earl here today? Any questions or  
24 comments from the Board? Can I have a motion, please?

25                   MR. MCCALL:

1           Mr. Chairman, I move that the Board issue  
2 an Order to adopt the Report and Recommendation of the  
3 OHA regarding the Petition for Placing Karren Earl on  
4 the Pennsylvania Gaming Control Board's Exclusion List  
5 as described by the OCC.

6           CHAIRMAN:

7           Second?

8           MR. MOSCATO:

9           Second.

10          CHAIRMAN:

11          All in favor?

12 ALL SAY AYE

13          CHAIRMAN:

14          Opposed? The motion passes.

15          MR. COOK:

16                 Kyle Danielle Davis --- I'm sorry Kayla  
17 Danielle Davis is the next Report and Recommendation  
18 before the Board. Ms. Davis was issued a Gaming  
19 Employee Permit and was employed as a Security Officer  
20 at the Hollywood Casino.

21                 Ms. Davis has been charged with two  
22 felony counts of Institutional Sexual Assault. Under  
23 the facts alleged in the criminal complaint, during  
24 2010, Ms. Davis was a college intern with the York  
25 County Prison and engaged in sexual acts with one of

1 the prisoners.

2                   As a result of these charges, the OEC  
3 filed a Request for Emergency Order of Suspension  
4 which the Executive Director signed on March 18th,  
5 2011.

6                   On March 23rd, 2011, this Board referred  
7 the matter to the OHA for a full evidentiary record  
8 --- or a full hearing and production of a Report and  
9 Recommendation to come before the Board. That's  
10 presently before the Board today.

11                   Briefly, the hearing in this matter was  
12 held on March 30th, 2011, and was attended by both the  
13 OEC and Ms. Davis. The OEC took the position that  
14 since this woman has felony charges pending against  
15 her, the Board regulations require that she be  
16 suspended from her role as a Gaming Employee. Ms.  
17 Davis' position was that she did not realize that her  
18 conduct was criminal in nature, let alone a felony.  
19 And testified further that she was unaware she had to  
20 notify the Board of these charges.

21                   The Report and Recommendation presently  
22 before the Board takes the position that due to the  
23 felony charges facing this woman, that her Emergency  
24 Suspension must remain in place pursuant to the Board  
25 regulations. The matter is presently before the

1 Board.

2 CHAIRMAN:

3 Thank you. Is Ms. Davis here today? Any  
4 questions or comments from the Board? Can I have a  
5 motion, please?

6 MR. MOSCATO:

7 Mr. Chairman, I move that the Board issue  
8 an Order to adopt the Report and Recommendation from  
9 the OHA regarding the Gaming Employee Permit of Kayla  
10 Davis as described by the OEC.

11 CHAIRMAN:

12 Second?

13 MR. SOJKA:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 ALL SAY AYE

18 CHAIRMAN:

19 Opposed? The motion passes.

20 MR. COOK:

21 The next Report and Recommendation  
22 pertains to Kristina Marie Ragan. Ms. Ragan submitted  
23 an Application to work as a Table Games Dealer for  
24 Hollywood Casino on July 6th, 2010.

25 Subsequent to receipt of her application,

1 the OEC issued a Notice of Recommendation of Denial on  
2 July 26th, 2010 based on a number of theft related  
3 convictions of this woman, as well as her failure to  
4 disclose certain other personal information.

5           After receiving the Notice of  
6 Recommendation of Denial, Ms. Ragan requested a  
7 hearing. On September 30th, 2010, she requested a  
8 subsequent continuance. And the hearing was  
9 thereafter scheduled for March 10th, 2011. Despite  
10 receiving notice, Ms. Ragan failed to attend the  
11 hearing and it was held in her absence. Subsequently,  
12 the Report and Recommendation presently before the  
13 Board was issued, recommending to the Board that this  
14 woman's application be denied based upon a finding of  
15 unsuitability.

16           CHAIRMAN:

17           Is Ms. Ragan here today? Any questions  
18 or comments from the Board? Can I have a motion,  
19 please?

20           MR. MCCALL:

21           Mr. Chairman, I move that the Board issue  
22 an Order to adopt the Report and Recommendation of the  
23 OHA regarding Gaming Employee Permit proceeding on Ms.  
24 Ragan as described by the OCC.

25           MR. ANGELI:

1 Second.

2 CHAIRMAN:

3 All in favor?

4 ALL SAY AYE

5 CHAIRMAN:

6 Opposed? The motion passes.

7 MR. COOK:

8 The next Report and Recommendation before  
9 the Board pertains to Neal Rodemoyer. I believe Mr.  
10 Pitre had planned to address this matter.

11 CHAIRMAN:

12 Welcome, Cyrus.

13 ATTORNEY PITRE:

14 Good afternoon. I don't give  
15 Recommendations and Reports, but there's always the  
16 first.

17 CHAIRMAN:

18 We had a couple of those today.

19 ATTORNEY PITRE:

20 Yeah. I reviewed --- I had a chance to  
21 review the Report and Recommendation of the Hearing  
22 Officer and reviewed the evidentiary record last  
23 night. And I want to withdraw my office's, I guess,  
24 position with regard to the revocation and place on  
25 the record that I don't even believe that this

1 individual should be suspended. By my review, it  
2 seems unclear as to whether or not Mr. Rodemoyer was  
3 ever sufficiently notified that it is --- of the  
4 violation that caused him to lose his license for him  
5 playing table games at another licensed facility.

6 So, it would be my recommendation to the  
7 Board that you would have --- that there be no  
8 suspension and that the revocation complaint be  
9 withdrawn against Mr. Rodemoyer.

10 CHAIRMAN:

11 Do we have to make a motion to do that or  
12 is his ---?

13 ATTORNEY PITRE:

14 I believe the withdrawal is sufficient.  
15 The Board doesn't need to make a motion.

16 CHAIRMAN:

17 So, we do not need to make a motion?

18 ATTORNEY PITRE:

19 Correct.

20 CHAIRMAN:

21 Okay. Thank you. Questions or comments  
22 from the Board? Mr. Ginty, questions?

23 MR. GINTY:

24 When you reviewed the records, Cyrus, you  
25 should know that there was at least some ambiguity in

1 the Employee Manual at Meadows. It's always seen as  
2 looking into that as a potential mind reading.

3 ATTORNEY PITRE:

4 Well, I can't fully blame The Meadows  
5 because there's also some ambiguity in some of our  
6 language. And so with regard to that, we addressed  
7 the procedural fixes that we need to make. When I say  
8 that, it's with other Bureaus within the whole ---.  
9 I'm going to have conversations with certain Bureau  
10 heads and within the --- I've already talked with The  
11 Meadows and The Meadows does have a change in place.  
12 But I need to get things straight in house before I  
13 can hold anybody accountable for it.

14 MR. GINTY:

15 And I would just suggest in doing that,  
16 we also look at other obligations that we place on  
17 employees such as, you know, reporting arrests and so  
18 forth and make sure that all of those are included in  
19 Employee Manuals and in our own material, just so that  
20 they're properly noted as to what the revocations are  
21 in Pennsylvania.

22 ATTORNEY PITRE:

23 I'll make note of that.

24 MR. GINTY:

25 Thank you.

1                   CHAIRMAN:

2                   Commissioner Sojka?

3                   MR. SOJKA:

4                   I have one concern with regard to this  
5 recommendation. I don't have a problem with this  
6 recommendation, per se. But I want to make sure that  
7 my recollection of something is correct. I know in  
8 the past, we have, indeed, suspended or taken away  
9 licensure from someone who gambled in another  
10 facility. But I take it that was not table games or  
11 that was slot machines and therefore the prohibition  
12 to do so was more clear in that case? Is that  
13 correct?

14                   ATTORNEY PITRE:

15                   That's correct. I think the notices need  
16 to be more reflective of the changes in the Act as  
17 they relate to table games. The notices reflected ---  
18 that are handed out basically refer to slot machines,  
19 wager of slots. And that's what we have to make ---  
20 rather than affect this young man's life with regard  
21 to this decision, I think it's just safer to make sure  
22 that all the notices are proper.

23                   MR. SOJKA:

24                   I just want them to be uniform.

25                   CHAIRMAN:

1                   Any other questions or comments? Okay.  
2 Thank you. Next matter?

3                   MR. COOK:

4                   The last Report and Recommendation before  
5 the Board today pertains to Quincy Tiant Rodriguez.  
6 Mr. Rodriguez submitted his application on December  
7 3rd, 2010 seeking work as a cook at the Parx Casino.

8                   On January 14th, 2011, the OEC issued a  
9 Notice of Recommendation of Denial of Mr. Rodriguez's  
10 Non-Gaming Employee Registration based on the nature  
11 of Mr. Rodriguez's criminal history. Specifically, on  
12 March 25th, 1996, Mr. Rodriguez was convicted of  
13 Aggravated Manslaughter and Manufacturing or  
14 Distributing a Controlled Dangerous Substance. He was  
15 thereafter sentenced to a prison term of 12 to 25  
16 years. Mr. Rodriguez was released from prison and  
17 placed on parole in December 2009. His parole was  
18 terminated or completed on September 28, 2010.

19                   And although Mr. Rodriguez requested a  
20 hearing on the Recommendation of Denial, he failed to  
21 appear at the hearing which was held on March 2nd,  
22 2011 and resulted in the Report and Recommendation  
23 being issued recommending that his application be  
24 denied due to general unsuitability. This Report and  
25 Recommendation is presently before the Board.

1                   CHAIRMAN:

2                   Thank you. Is Mr. Rodriguez here? Any  
3 questions or comments from the Board? Can I have a  
4 motion, please?

5                   MR. GINTY:

6                   Mr. Chairman, I move that the Board issue  
7 an Order to adopt the Report and Recommendation of the  
8 OHA regarding Non-Gaming Employee Registration of Mr.  
9 Rodriguez as described by the OCC.

10                  MR. MCCALL:

11                  Second.

12                  CHAIRMAN:

13                  All in favor?

14 ALL SAY AYE

15                  CHAIRMAN:

16                  Opposed? The motion passes.

17                  MR. COOK:

18                  The final OCC matter before the Board  
19 Pertains to a Rule to Show Cause issued upon Joseph  
20 Cassano, which I believe Mr. Cassano is present and is  
21 currently here.

22                  CHAIRMAN:

23                  Mr. Cassano, if you could come up and why  
24 don't you take a seat next to Mr. Cook over here?

25                  MR. COOK:

1                   By way of background, at the Board's  
2 April 28th, 2011 meeting, the BIE requested that the  
3 Board enter a Default Judgement and suspend the Gaming  
4 Permit of Joseph Cassano until he provided  
5 documentation requested by BIE relative to the  
6 disposition of a retail theft charge pending against  
7 Mr. Cassno at the time of his application. At the  
8 meeting, the Board issued an Order of Suspension and  
9 further ordered that Mr. Cassano appear before the  
10 Board today showing cause why a more serious penalty  
11 shouldn't be imposed.

12                   The facts surrounding the situation are  
13 as follows: On August 17th, 2010, Mr. Cassano applied  
14 for a Gaming Employee Permit to work as a Security  
15 Guard at Downs Racing. During BIE's background  
16 investigation, it was discovered that the Applicant  
17 failed to reveal a retail theft charge from July 2nd,  
18 2010. After Mr. Cassano and BIE discussed the matter,  
19 it was decided that Mr. Cassano be permitted to amend  
20 his Application and provide BIE with paperwork  
21 indicating that the retail theft charge was to be  
22 dismissed, which Mr. Cassano stated to be the --- the  
23 dismissal of the matter.

24                   After failing to provide the  
25 documentation requested, BIE and OEC reached out to

1 Mr. Cassano numerous times inquiring about the  
2 paperwork. Mr. Cassano acknowledged that he failed to  
3 send the paperwork and stated that he would submit it  
4 immediately. However, this wasn't done until --- I  
5 understand, recently he did, in fact, submit paperwork  
6 indicating that these charges have been dismissed.

7 Mr. Cassano is present today to address  
8 the Board. The issue before the Board is whether Mr.  
9 Cassano's license which is presently suspended should  
10 be extended --- an extended suspension for a further  
11 period of time, reinstated or based on his  
12 noncompliance be revoked.

13 CHAIRMAN:

14 Thank you. Mr. Cassano, do you have  
15 anything in a brief statement?

16 MR. CASSANO:

17 Yeah, I just wanted to say ---.

18 CHAIRMAN:

19 Could you please state and spell your  
20 name for the stenographer?

21 MR. CASSANO:

22 Yeah, Joseph Cassano, C-A-S-S-A-N-O.

23 CHAIRMAN:

24 And one last thing, could you please  
25 stand, I'm going to swear you in?

1 -----  
2 JOSEPH CASSANO, HAVING FIRST BEEN DULY SWORN,  
3 TESTIFIED AS FOLLOWS:  
4 -----

5 CHAIRMAN:

6 Thank you.

7 MR. CASSANO:

8 Yeah, I have two documents here that I  
9 tried to fax. I tried to fax it to the Board maybe  
10 three times and I guess the Department head she said  
11 she never received it. So, I just, you know, went  
12 over to the Municipal Building and had them fax it,  
13 too. They just faxed it. It shows their fax machine.  
14 And she said she never got it. So, then I got a paper  
15 in the mail stating that comments were made. And I  
16 just never showed up because she said --- I called the  
17 Pennsylvania Gaming Control Board, the head office,  
18 and I said, hey, do I need to show up. And she said  
19 --- she's like, no, just fax me that paper that they  
20 sent you. I said okay and I faxed it to her. And  
21 then I just never got a call back. And then I got  
22 another paper in the mail that said show today. So, I  
23 just showed up today with these two papers that I  
24 have.

25 CHAIRMAN:

1 Questions from the Board? Mr. Ginty?  
2 Mr. McCall?

3 MR. MCCALL:

4 What are the papers? What do the papers  
5 indicate?

6 MR. MCCALL:

7 Yeah, this is the outcome of the hearing.  
8 It just says that ---.

9 MR. MCCALL:

10 What's the outcome of the hearing?

11 MR. SHERMAN:

12 It's a not guilty finding.

13 MR. GINTY:

14 Was there ---?

15 CHAIRMAN:

16 Mr. Ginty?

17 MR. GINTY:

18 Yeah. I mean one of the things  
19 concerning me was on the record it was your apparent  
20 ignoring of the request by this Commission. I guess  
21 your testimony is that you sought to comply by sending  
22 in these faxes and for some reason or other, they  
23 never got to us. Do you know whether or not the  
24 sending fax machine so that you get a confirmation  
25 back that, in fact, it was faxed?

1                   MR. CASSANO:

2                   Yeah. I did, but I never really checked  
3 anything that was sent. I apologize for me not  
4 sending it to you guys.

5                   MR. GINTY:

6                   Did you get an interim --- called back?  
7 Did you get something back from the fax machine saying  
8 this was faxed?

9                   MR. CASSANO:

10                  Well, when I had went to the Municipal  
11 Building and they faxed it, I didn't get a return fax  
12 or I never got one.

13                  MR. GINTY:

14                  And had you shared with OEC the fax  
15 numbers that you used?

16                  MR. CASSANO:

17                  No, that's negative.

18                  MR. GINTY:

19                  What does OEC have to say about this?

20                  ATTORNEY PITRE:

21                  I'll take care of this first also. First  
22 of all, Mr. Cassano, the condition should have never  
23 been placed on him. It was a pending charge. And  
24 that's something --- another thing that I'm going to  
25 have to handle in house with the Deputy Director

1 tomorrow so that we have a failsafe to make sure this  
2 never happens again.

3           Second of all, it was confirmed that the  
4 charges were dismissed. So, whether or not he faxed  
5 it, we did confirm independent of anything that he  
6 produced those charges were dismissed or he was not  
7 found guilty --- found guilty of that crime. So, I  
8 can't blame Mr. Cassano because he should have never  
9 been in the system to begin with until those charges  
10 were resolved. Like I said, that's something I'm  
11 going to handle in house with Deputy Director tomorrow  
12 morning to make sure it doesn't happen again.  
13 So, if this Board doesn't see to take any action  
14 against him, I would not have any problem with that  
15 because he shouldn't have been in the system, but now  
16 he is suitable based on the dismissal or not guilty of  
17 those charges.

18           CHAIRMAN:

19           Any other questions? Commissioner Ginty?

20           MR. GINTY:

21           I'm fine. Thank you, Cyrus?

22           CHAIRMAN:

23           Commissioner McCall? Anybody else? I  
24 have two comments. One to BIE and I don't know if  
25 anybody's here from BIE. But Cyrus, I'm glad to hear

1 you say you're going to have a discussion with them.  
2 I, too, was troubled and I mentioned this in Executive  
3 Session yesterday that somebody is tentatively  
4 approved pending production of documents and then is  
5 permitted and without having those documents ever been  
6 produced. And you know, this is a case where, you  
7 know, it's retail theft. It's not murder. But I am  
8 troubled just because of the breakdown in the process.  
9 So, you can voice my concerns to BIE when you have  
10 that discussion.

11                   Second comment to Mr. Cassano, there's a  
12 life lesson. And the lesson is that you need to take  
13 things under your own control. And you know,  
14 somebody, a regulatory board might do this or anybody  
15 else, send you documentation and you need to follow  
16 through. And simply passing something through a fax  
17 machine and walking away and thinking it's taken care  
18 of, doesn't mean so. And you know, there should have  
19 been follow-up on your part, a phone call back to the  
20 office again. You talked to them once. Did you get  
21 it, I faxed it today, here's the fax number, here's  
22 the municipality. That's what responsible people do.  
23 And you're a young man. You're going to get a break  
24 today. And I hope that you, you know, take the lesson  
25 that we're trying to show today and you know, put it

1 in your memory bank. So, with that, any other  
2 comments? Can I have a motion?

3 MR. ANGELI:

4 Just so I'm clear, the motion is  
5 presently suspension in place if the Board is inclined  
6 to lift the suspension, we'd get a motion to dissolve  
7 the suspension previously ordered?

8 CHAIRMAN:

9 I'm sorry? Ray, did you ---?

10 MR. ANGELI:

11 I was just confused because I thought we  
12 didn't need one from the Board.

13 ATTORNEY PITRE:

14 But there's a suspension in place. We  
15 have to lift the suspension.

16 MR. SHERMAN:

17 The motion is to lift the suspension.

18 CHAIRMAN:

19 Okay.

20 MR. ANGELI:

21 Motion to lift the suspension.

22 CHAIRMAN:

23 We have a motion to lift the suspension.  
24 Okay. Thank you for clearing that up.

25 MR. MCCALL:

1           Mr. Chairman, I move that the Board issue  
2 an Order to lift the suspension of the Gaming Employee  
3 Permit --- Gaming Employee Permit of Joseph Cassano.

4           CHAIRMAN:

5           Second?

6           MR. MOSCATO:

7           Second.

8           CHAIRMAN:

9           All in favor?

10 ALL SAY AYE

11          CHAIRMAN:

12          Opposed? The motion passes.

13          MR. SHERMAN:

14          And that concludes that matter of the  
15 OCC.

16          CHAIRMAN:

17          Thank you very much, all of you. Before  
18 --- we're out of order here a little bit, but let me  
19 take a second to --- I got one matter to deal with.  
20 Two matters actually. In our agenda today, we have  
21 listed an Executive Director's Report. In the  
22 interest of time, Kevin decided to hold off on his  
23 Executive Director's Report, so thank you for that.  
24 And then secondly, we have a --- we need a motion to  
25 approve the minutes and transcripts of the March 23rd

1 and April 14th minutes. And I believe Mr. Trujillo  
2 and Commissioner Angeli were involved in that. So, if  
3 I could --- first of all, does anybody have any  
4 questions on the transcript or minutes of the March  
5 23rd and April 14th minutes? Can I have a motion to  
6 approve those?

7 MR. TRUJILLO:

8 Mr. Chairman, I move that the Board  
9 approve the transcripts and minutes of the March 13  
10 and April 14th, 2011 meetings.

11 CHAIRMAN:

12 March 23rd

13 MR. TRUJILLO:

14 March 23rd and April 14th.

15 CHAIRMAN:

16 Thank you. Seconded by Commissioner  
17 Angeli. Any questions or comments? All in favor say  
18 aye.

19 ALL SAY AYE

20 CHAIRMAN:

21 Opposed? The motion passes. Now, we  
22 will move to the OEC. And Cyrus, I understand you  
23 have a couple of items to present today?

24 ATTORNEY PITRE:

25 That's correct. Mr. Sklar is still here?

1                   CHAIRMAN:

2                   I believe he left.

3                   ATTORNEY PITRE:

4                   He left. We will be tabling the Consent  
5 Agreement. Request that the Board table the Consent  
6 Agreement. We have some discussions that we need to  
7 have regarding the Consent Agreement before we can  
8 move forward on it.

9                   CHAIRMAN:

10                  And that was as to the Rivers Casino?

11                  ATTORNEY PITRE:

12                  The Rivers Casino.

13                  CHAIRMAN:

14                  Okay.

15                  ATTORNEY PITRE:

16                  The first matter that OEC --- if the  
17 Board is so inclined to table that?

18                  CHAIRMAN:

19                  Yes, we are so inclined.

20                  ATTORNEY PITRE:

21                  The first matter then that the OEC will  
22 be presenting is a motion to consider the Board Order  
23 to add Jessica Wasson with Pennsylvania Gaming Control  
24 Board's Exclusion List. Cassandra Fenstermaker will  
25 present that matter to the Board for consideration.

1                   CHAIRMAN:

2                   Welcome, Cassandra.

3                   ATTORNEY FENSTERMAKER:

4                   Good afternoon Chairman and members of  
5 the Board. On February 24th, 2011, the OEC filed a  
6 Petition to Place Jessica Wasson on the Board's  
7 Exclusion List due to her alleged use of fraudulent  
8 checks on August 12th, 2010 while gaming at Rivers  
9 Casino. Her Gaming License was revoked by Board Order  
10 on February 24th, 2011, as a result of the same  
11 incident. The Petition for Exclusion was properly  
12 served upon Ms. Wasson by both certified and first  
13 class mail. Ms. Wasson did not respond to the  
14 complaints in 30 days. Therefore, pursuant to Board  
15 regulations, all facts alleged to the complaint are  
16 deemed admitted.

17                   The OEC filed a Request for Default  
18 Judgement on April 20th, 2011. And at this time, the  
19 OEC asks that Ms. Wasson be placed on the Board's  
20 Excluded List.

21                   CHAIRMAN:

22                   Is Ms. Wasson here today? Any questions  
23 or comments from the Board? Can I have motion,  
24 please?

25                   MR. MOSCATO:

1           Mr. Chairman, I move the Board issue an  
2 Order to approve the addition of Jessica Wasson to the  
3 Pennsylvania Gaming Control Board Exclusion List as  
4 described by the OEC.

5           CHAIRMAN:

6           Second?

7           MR. SOJKA:

8           Second.

9           CHAIRMAN:

10          All in favor?

11 ALL SAY AYE

12          CHAIRMAN:

13          Opposed? The motion passes.

14          MR. TRUJILLO:

15          The next matter is a Motion to Consider a  
16 Board Order to add Man Zheng to the Pennsylvania  
17 Gaming Control Board's Exclusion List. Dustin Miller  
18 will present the matter to the Board.

19          CHAIRMAN:

20          Dustin?

21          ATTORNEY MILLER:

22          Good afternoon, Chairman Fajt, members of  
23 the Board. The next matter is a request for placement  
24 on the Board's Exclusion Persons List today involving  
25 Man Zheng. The OEC filed a Petition to place Mr.

1 Zheng on the Exclusion List for marking cards at Parx  
2 Casino. The Petition was filed on February 24th,  
3 2011. The Petition was properly served upon Mr. Zheng  
4 to the address on the criminal complaint filed against  
5 him by both certified and first class mail. Mr. Zheng  
6 did not respond to the filing in any way. Due to Mr.  
7 Zheng's failure to respond, the averments in the  
8 Petition are deemed to be admitted as fact and his  
9 right to a hearing has been waived.

10 On April 29th, 2011, the OEC filed a  
11 Request to Enter Judgement Upon Default. The matter  
12 is now before the Board to consider the placement of  
13 Mr. Zheng on the Board's Excluded Persons List.

14 CHAIRMAN:

15 Thank you. Is Mr. Zheng here today? Any  
16 questions or comments from the Board? Could I have a  
17 motion, please?

18 MR. MUSCATO:

19 Yes, Mr. Chairman. I'll move that the  
20 Board issue an Order to approve the addition or Man  
21 Zheng to the PGC Exclusion List as described by the  
22 OEC.

23 CHAIRMAN:

24 Second?

25 MR. ANGELI:

1 Second.

2 MR. SOJKA:

3 All in favor?

4 ALL SAY AYE

5 CHAIRMAN:

6 Opposed? The motion passes.

7 ATTORNEY MILLER:

8 Thank you.

9 CHAIRMAN:

10 Thank you, Mr. Miller. That concludes  
11 our normal business. I'll close by announcing that  
12 our next scheduled public meeting will be held  
13 Wednesday, May 25th in the same location, PUC  
14 Building, Hearing Room 1. The meeting will begin at  
15 10:00 a.m. Any final comments from the Board? Can I  
16 have a motion to adjourn?

17 MR. SOJKA:

18 So moved.

19 MR. ANGELI:

20 Second.

21 CHAIRMAN:

22 All right. The meeting is adjourned.

23 \* \* \* \* \*

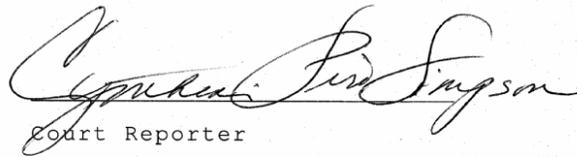
24 MEETING CONCLUDED AT 2:55 P.M.

25 \* \* \* \* \*

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CERTIFICATE

I hereby certify that the foregoing proceedings, meeting held before Chairman Fajt, was reported by me on 05/11/2011 and that I Cynthia Piro Simpson read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.



Cynthia Piro Simpson  
Court Reporter