

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

\* \* \* \* \*

PUBLIC MEETING

\* \* \* \* \*

BEFORE: WILLIAM H. RYAN, JR., CHAIRMAN  
Gregory C. Fajt, James B. Ginty,  
Keith R. McCall, Anthony C. Moscato,  
Gary A. Sojka, Kenneth I. Trujillo; Members  
Jennifer Langan, Representing Robert M.  
McCord, State Treasurer  
Robert Coyne, Representing Daniel P.  
Meuser, Secretary of Agriculture

MEETING: Wednesday, May 23, 2012  
10:00 a.m.

LOCATION: Strawberry Square Complex  
Second Floor  
Harrisburg, PA 17101

WITNESSES: Robert DeSalvio, James Dougherty, Anthony  
DiLacqua, Joseph O'Hala

Reporter: Kayla Bolze

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P R O C E E D I N G S

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CHAIRMAN:

Ladies and gentlemen, everyone is here, including the court reporter. We will now begin our regularly scheduled meeting. Under announcements, the Board held an Executive Session yesterday, May 22nd. The Executive Session was to discuss personnel matters and to conduct quasi judicial deliberation relating to matters being heard and considered by the Board today. Next will be the minutes and the transcript of the April 11th, 2012 meeting. May I have a motion to approve the transcript and minutes of that meeting?

MR. TRUJILLO:

So moved, Mr. Chairman.

MR. SOJKA:

Second.

CHAIRMAN:

All in favor?

ALL SAY AYE

CHAIRMAN:

Opposed? The motion carries. Next, we'll hear from Claire Yantis, our Director of Human Resources. Clair?

MS. YANTIS:

1                   Good morning, Chairman, Board members.  
2 The Office of Human Resources has one motion for you  
3 today. Mr. Shawn Peranteau has been selected for the  
4 position of Casino Compliance Representative at  
5 Sugarhouse Casino. Mr. Peranteau has completed the  
6 PGCB interview process, background investigation, and  
7 drug screening and is being recommended for hire by  
8 Director of Casino Compliance, Jerry Stoll. As such,  
9 unless you have any questions, I ask the Board  
10 consider a motion to hire Mr. Peranteau as indicated.

11                   CHAIRMAN:

12                   Questions or comments from the Board?  
13 Ex-officio members? May I have a motion?

14                   MR. SOJKA:

15                   Yes, Mr. Chairman. I'll move that the  
16 Board hire the applicant as described by the Director  
17 of Human Resources.

18                   MR. GINTY:

19                   Second.

20                   CHAIRMAN:

21                   All in favor?

22 ALL SAY AYE

23                   CHAIRMAN:

24                   Opposed? The motion carries. Thank you,  
25 Clair. Next will be Office of Chief Counsel (OCC).

1 Doug Sherman.

2 ATTORNEY SHERMAN:

3 Good morning, Chairman, members of the  
4 Board. Our first agenda item relates to a Final-form  
5 Regulation, which Assistant Chief Counsel Susan Yocum  
6 is here to present.

7 ATTORNEY YOCUM:

8 Good morning, Chairman, Commissioners. I  
9 have one Final-Form Rulemaking for your consideration  
10 today. It is Rulemaking 125-144, a copy of which has  
11 been provided to you in advance of the meeting. This  
12 is an omnibus revision package. The prior revision  
13 contained in this Rulemaking will amend the  
14 restrictions on wagering for those persons under the  
15 jurisdiction of the gaming floor.

16 Currently, any person who has a license,  
17 permit or registration held in association not only  
18 with casino operators, but also with manufacturers,  
19 suppliers, gaming service providers, and gaming  
20 related gaming service providers are prohibited from  
21 wagering in any licensed facility in the Commonwealth.  
22 The revisions contained in this Rulemaking will  
23 instead prohibit employees of slot machines licenses  
24 from wagering only in a facility in which they  
25 currently work, and for a period of 30 days following

1 employment. Employees of manufacturers, suppliers,  
2 and gaming related gaming service providers will be  
3 prohibited from wagering while on duty installing  
4 table games, table game devices and slot machines in  
5 the licensed facility. There will be no wagering  
6 restrictions for gaming service providers because by  
7 their very nature they're not providing gaming related  
8 service.

9           In addition to the wagering restrictions,  
10 this Rulemaking will also amend the chapter on  
11 horsemen's organizations for clarity to codify an  
12 existing statement of policy and to reflect amendments  
13 to the physical code regarding the mandatory audit of  
14 racehorse development funds. I'd be more than happy  
15 to answer any questions you may have.

16           CHAIRMAN:

17           Questions or comments from the Board?

18           MR. SOJKA:

19           I want to ask again about this  
20 restriction of dealers, particularly.

21           ATTORNEY YOCUM:

22           Sure.

23           MR. SOJKA:

24           Does this make us in any way more  
25 flexible or more lenient than any other jurisdiction

1 that you're aware of?

2 ATTORNEY YOCUM:

3 This actually brings us more in line with  
4 several gaming jurisdictions, including Mississippi,  
5 Michigan, Nevada, New Jersey, Missouri. They either  
6 don't have wagering restrictions at all or their  
7 wagering restrictions are pieced with the amendments  
8 contained in this Rulemaking.

9 MR. SOJKA:

10 Thank you.

11 CHAIRMAN:

12 Any other questions from the Board?  
13 Ex-officio members of the Board? May I have a motion?

14 MR. GINTY:

15 Mr. Chairman, I move that the Board adopt  
16 Final-Form Regulation 125-144 as proposed. The  
17 regulation shall be posted on the agency's website for  
18 30 days.

19 MR. FAJT:

20 Second.

21 CHAIRMAN:

22 All in favor?

23 ALL SAY AYE

24 CHAIRMAN:

25 Opposed? The motion carries.

1                   ATTORNEY YOCUM:

2                   Thank you.

3                   CHAIRMAN:

4                   Thank you, Susan. Mr. Sherman?

5                   ATTORNEY SHERMAN:

6                   Yes. Today the Board has one petition  
7 before it for consideration and vote. That Petition  
8 is to be considered on the documents. The Petition is  
9 that of Vincent Procopio. It's a Petition for a Stay  
10 of a prior Board Order pending an Appeal. He filed  
11 his Petition for the Stay on May 11th in advance of  
12 this meeting, where it's been provided both the  
13 Petition along with OEC's response.

14                   As you will recall, at the last Board  
15 meeting the Board voted to place Mr. Procopio on the  
16 Exclusion List pursuant to a vote taken during the  
17 public meeting there on May 2nd. Mr. Procopio has now  
18 filed the Petition for a Stay, requesting that the  
19 Board remove him from the list, and essentially a Stay  
20 placement on the list until such time as he appeals  
21 the Board's action to the Commonwealth Court. I do  
22 note that an appeal has not yet been filed, but his  
23 Counsel has indicated intent to file one, which would  
24 be done about the next two weeks.

25                   OEC has filed an Answer objecting to Mr.

1 Procopio's Petition and request that he continue to  
2 remain on the Board's Exclusion List. In considering  
3 whether a Stay is appropriate the Board has to  
4 consider four separate prongs of the test. That is,  
5 first Mr. Procopio must show that he's likely to  
6 prevail on the merits of the Appeal. Second, that  
7 without a Stay he will suffer irreparable harm.  
8 Third, that no other party interested in the  
9 proceedings will be harmed by the Board's issuance of  
10 the Stay. And fourth, that the issuance of the Stay  
11 will not adversely affect the public interest.

12           Having reviewed the documents filed and  
13 the applicable law, it's the position of the OCC that  
14 Mr. Procopio does not satisfy any of these criteria,  
15 let alone his obligation to satisfy all of the  
16 criteria. As a result, we would recommend to the  
17 Board that the Petition be denied. It is now  
18 appropriate for your vote.

19           CHAIRMAN:

20           Questions or comments from the Board?

21           MR. SOJKA:

22           One quick question. What is the source  
23 of that four part test?

24           ATTORNEY SHERMAN:

25           The test has been developed through case

1 law by the Pennsylvania Supreme Court in determining  
2 equities of whether or not to grant the Stay of a  
3 lower, in this case agent --- the agency's decision or  
4 the Court's decision.

5 MR. SOJKA:

6 Thank you.

7 CHAIRMAN:

8 Any other questions from the Board?  
9 Questions or comments from ex-officio members? May I  
10 have a motion?

11 MR. MOSCATO:

12 Mr. Chairman, I move that the Board issue  
13 an Order to deny Vincent Procopio's Petition for a  
14 Stay Pending Appeal as described by the OCC.

15 MR. SOJKA:

16 Second.

17 CHAIRMAN:

18 All in favor?

19 ALL SAY AYE

20 CHAIRMAN:

21 Opposed? The motion carries.

22 ATTORNEY SHERMAN:

23 Next, presenting Withdrawals and Reports  
24 and Recommendations, Deputy Chief Counsel Steve Cook.

25 ATTORNEY COOK:

1           Good morning. The Board has received ten  
2 unopposed petitions to withdraw applications or  
3 surrender the credentials of 19 individuals or  
4 businesses. The persons or entities subject to these  
5 Petitions are as follows: Armenco Holdings, LLC,  
6 Alejandro Yemenidjian, The Yemenidjian Living Trust,  
7 Arda Yemenidjian, Noelle Y. Galstian, Bayshore Rebar,  
8 Inc., Joseph N. Merlino, Phyllis Merlino, Brookstone  
9 Stores, Inc., E.B.C Carpet Services Corporation, E&G  
10 Services, Inc., Genesis Landscape Development, Inc.,  
11 Daniel Tamminga, Sr., David Heap, L3, LLC, doing  
12 business as Fine Retail Consultants, Maplevale Farms,  
13 Inc., South Jersey Window Tinting and Robert Kemly.

14           The OEC has no objections to these  
15 withdrawals. As such, if the Board were inclined to  
16 grant same it would do so without prejudice.

17           CHAIRMAN:

18           Questions or comments from the Board?  
19 Ex-officio members of the Board? May I have a motion?

20           MR. FAJT:

21           Mr. Chairman, I move that the Board issue  
22 Orders to approve the withdrawals and surrender as  
23 described by the OCC.

24           MR. MCCALL:

25           Second.

1                   CHAIRMAN:

2                   All in favor?

3 ALL SAY AYE

4                   CHAIRMAN:

5                   Opposed? The motion carries.

6                   ATTORNEY COOK:

7                   Next before the Board for consideration  
8 is a Report and Recommendation received from the  
9 Office of Hearings and Appeals (OHA) relative to Doel  
10 Socorro Medina's Gaming Employee Permit. This Report  
11 and Recommendation, along with the evidentiary record  
12 related to the same have been provided to the Board in  
13 advance of this meeting. Additionally, Mr. Medina's  
14 been notified that the Board is taking the matter up  
15 today and that he had the right to come forward to  
16 briefly address the Board. If Mr. Medina is present  
17 in the room today I'd ask him to come forward.

18                   Mr. Medina was issued a Gaming Employee  
19 Permit on June 22nd, 2010 and was employed as a Total  
20 Reel Rewards Program Representative for Harrah's  
21 Chester Casino & Racetrack. During September 2011,  
22 after a review of that program's records it was  
23 discovered that three patrons who were all members of  
24 the same family were issued Reward Coupons by Mr.  
25 Medina when in fact the level of play of each of them

1 didn't call for any rewards. The Reward Coupons given  
2 away to these three individuals by Mr. Medina totaled  
3 \$46,665 in free play.

4                   On September 20th, 2011 the Pennsylvania  
5 State Police interviewed Mr. Medina, who admitted to  
6 wrongly giving these free play coupons. Mr. Medina  
7 was thereafter charged with theft by deception, theft  
8 my unlawful taking, and receiving stolen property, all  
9 which were felony charges. He subsequently appeared  
10 in court and was placed in the Delaware County ARD  
11 Program on the charges of theft by unlawful taking.  
12 All the other charges were withdrawn.

13                   Mr. Medina requested a hearing before our  
14 OHA relative to the enforcement actions seeking  
15 revocation of his Gaming Permit. And that hearing was  
16 held on March 22nd --- I'm sorry, March 20th, 2012.  
17 However, Mr. Medina did not appear at the hearing  
18 despite receiving notice. Nevertheless, the hearing  
19 was held in his absence and the Report and  
20 Recommendation was issued by the hearing officer,  
21 which recommends that the Gaming Employee Permit of  
22 this individual be revoked. And it's that report that  
23 is before the Board today.

24                   CHAIRMAN:

25                   Questions or comments from the Board?

1                   MR. SOJKA:

2                   One very quick question. These coupons  
3 are essentially for what we would consider promotional  
4 play; is that right?

5                   ATTORNEY COOK:

6                   That's correct.

7                   MR. SOJKA:

8                   So if I understand correctly, then there  
9 is absolutely no impact in any way on money owed  
10 through taxes in Pennsylvania as a result of any of  
11 them. The problem is entirely between Mr. Medina and  
12 his employer?

13                   ATTORNEY COOK:

14                   That's true, yes.

15                   MR. SOJKA:

16                   Thank you.

17                   CHAIRMAN:

18                   Any other questions? Any questions from  
19 ex-officio members? May I have a motion?

20                   MR. MCCALL:

21                   Mr. Chairman, I move that the Board  
22 approve the Report and Recommendation of the OHA  
23 regarding the Gaming Employee Permit of Doel Socorro  
24 Medina as described by the OCC.

25                   CHAIRMAN:

1 Second?

2 MR. MOSCATO:

3 Second.

4 CHAIRMAN:

5 All in favor?

6 ALL SAY AYE

7 CHAIRMAN:

8 Opposed? The motion carries.

9 ATTORNEY SHERMAN:

10 That concludes all matters of the OCC.

11 CHAIRMAN:

12 Thank you both. Next will be Susan  
13 Hensel, Director of Licensing.

14 MS. HENSEL:

15 Thank you, Chairman Ryan, members of the  
16 Board. Before the Board today will be motions  
17 regarding 650 Principal and Key Gaming and Non-Gaming  
18 Employees. In addition, there will be consideration  
19 of 16 Gaming Service Provider Applications. The first  
20 matter for your consideration is the approval of  
21 Principal and Key Employee Licenses. Prior to this  
22 meeting, the Bureau of Licensing provided you with a  
23 Proposed Order for seven Principal and five Key  
24 Employee Licenses for Category 1 and Category 2  
25 Licensees. I ask that the Board consider the Order

1 approving these licenses.

2 CHAIRMAN:

3 Any comments from Enforcement Counsel?

4 ATTORNEY PITRE:

5 No objection.

6 CHAIRMAN:

7 Any questions or comments from the Board?

8 Ex-officio members? May I have a motion?

9 MR. SOJKA:

10 Yes, Mr. Chairman. I'll move that the  
11 Board approve the issuance of Principal and Key  
12 Employee Licenses as described by the Bureau of  
13 Licensing.

14 CHAIRMAN:

15 Second?

16 MR. TRUJILLO:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 ALL SAY AYE

21 CHAIRMAN:

22 Opposed? The motion carries.

23 MS. HENSEL:

24 Also for your consideration are Temporary  
25 Principal and Key Employee Licenses. Prior to this

1 meeting the Bureau of Licensing provided you with an  
2 Order regarding the Issuance of Temporary Licenses for  
3 one Principal and nine Key Employees. I ask that the  
4 Board consider the Order approving these licenses.

5 CHAIRMAN:

6 Any comments from Enforcement Counsel?

7 ATTORNEY PITRE:

8 We have no objection.

9 CHAIRMAN:

10 Questions or comments from the Board?

11 Ex-officio members? May I have a motion?

12 MR. TRUJILLO:

13 Mr. Chairman, I move the Board approve  
14 the issuance of Temporary Principal and Key Employee  
15 Licenses as described by the Bureau of Licensing.

16 MR. FAJT:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 ALL SAY AYE

21 CHAIRMAN:

22 Opposed? The motion carries.

23 MS. HENSEL:

24 Next are Gaming Permits and Non-Gaming  
25 Registrations. Prior to this meeting the Bureau of

1 Licensing provided you with a list of 488 individuals  
2 who the Bureau has granted temporary or full  
3 occupation permits to and 117 individuals who the  
4 Bureau has granted registrations to. I ask that the  
5 Board consider a motion approving the Order.

6 CHAIRMAN:

7 Any comments from Enforcement Counsel?

8 ATTORNEY PITRE:

9 No objection.

10 CHAIRMAN:

11 Questions or comments from the Board?

12 Ex-officio members? May I have a motion?

13 MR. FAJT:

14 Mr. Chairman, I move that the Board  
15 approve the issuance of Gaming Employee Permits and  
16 Non-Gaming Employee Registrations as described by the  
17 Bureau of Licensing.

18 MR. GINTY:

19 Second.

20 CHAIRMAN:

21 All in favor?

22 ALL SAY AYE

23 CHAIRMAN:

24 Opposed? The motion carries.

25 MS. HENSEL:

1           In addition, we have a recommendation of  
2 denial for one Gaming Employee Applicant. Prior to  
3 this meeting the Bureau of Licensing provided you with  
4 an Order addressing Sereka Davis, who the OEC has  
5 recommended for denial. The applicant failed to  
6 request a hearing within the specified time period. I  
7 ask that the Board consider the Order denying Sereka  
8 Davis' Gaming Employee Application.

9           CHAIRMAN:

10           Any comments from Enforcement Counsel?

11           ATTORNEY PITRE:

12           We continue to request denial of the  
13 application.

14           CHAIRMAN:

15           Any questions or comments from the Board?  
16 Ex-officio members? May I have a motion?

17           MR. GINTY:

18           Mr. Chairman, I move that the Board  
19 approve the denial of Sereka Davis' Gaming Employee  
20 Application as described by the Bureau of Licensing.

21           MR. MCCALL:

22           Second.

23           CHAIRMAN:

24           All in favor?

25 ALL SAY AYE

1                   CHAIRMAN:

2                   Opposed? The motion carries.

3                   MS. HENSEL:

4                   We also have for your consideration  
5 withdrawal requests for Gaming and Non-Gaming  
6 Employees. In each case the permit or registration is  
7 no longer required due to such circumstances as the  
8 job offer being extended. For today's meeting I have  
9 provided the Board with a list of 5 Gaming and 17  
10 Non-Gaming Employee Withdrawals for approval. I ask  
11 that the Board consider the Order approving the list  
12 of withdrawals.

13                   CHAIRMAN:

14                   Comments from Enforcement Counsel?

15                   ATTORNEY PITRE:

16                   We have no objection.

17                   CHAIRMAN:

18                   Questions or comments from the Board?

19 Ex-officio members? May I have a motion?

20                   MR. MCCALL:

21                   Mr. Chairman, I move that the Board  
22 approve the withdrawals as described by the Bureau of  
23 Licensing.

24                   CHAIRMAN:

25                   Second?

1                   MR. MOSCATO:

2                   Second.

3                   CHAIRMAN:

4                   All in favor?

5 ALL SAY AYE

6                   CHAIRMAN:

7                   Opposed? The motion carries.

8                   MS. HENSEL:

9                   In addition, we have an Order to certify  
10 the following Gaming Service Providers: Edmunds Direct  
11 Mail, Inc. and John V. Potero Enterprises, Inc., which  
12 are applicants for renewal, and Southampton Window  
13 Cleaning and Janitorial Services, Inc. and Synectic  
14 Systems, Inc., which are applicants for initial  
15 certification. I ask that the Board consider the  
16 Order approving these applicants for certification.

17                   CHAIRMAN:

18                   Comments from Enforcement Counsel?

19                   ATTORNEY PITRE:

20                   We have no objection.

21                   CHAIRMAN:

22                   Questions or comments from the Board?

23 Ex-officio members? May I have a motion?

24                   MR. MOSCATO:

25                   Mr. Chairman, I move that the Board issue

1 an Order to approve the applications for Gaming  
2 Service Providers Certification as described by the  
3 Bureau of Licensing.

4 MR. SOJKA:

5 Second.

6 CHAIRMAN:

7 All in favor?

8 ALL SAY AYE

9 CHAIRMAN:

10 Opposed? The motion carries.

11 MS. HENSEL:

12 Next we have an Order regarding Gaming  
13 Service Provider Registrations. The Bureau of  
14 Licensing provided you with an Order and an attached  
15 list of nine registered Gaming Service Providers. I  
16 ask that the Board consider a motion approving those  
17 Gaming Service Providers for registration.

18 CHAIRMAN:

19 Any comments from Enforcement Counsel?

20 ATTORNEY PITRE:

21 We have no objection.

22 CHAIRMAN:

23 Questions or comments from the Board?

24 Ex-officio members? May I have a motion?

25 MR. SOJKA:

1           Mr. Chairman, I move that the Board issue  
2 an Order to approve the applications for Gaming  
3 Service Provider Registrations as described by the  
4 Bureau of Licensing.

5           CHAIRMAN:

6           Second?

7           MR. TRUJILLO:

8           Second.

9           CHAIRMAN:

10          All in favor?

11 ALL SAY AYE

12          CHAIRMAN:

13          Opposed? The motion carries.

14          MS. HENSEL:

15                 In addition, we have a recommendation of  
16 denial for a Gaming Service Provider Applicant. Prior  
17 to this meeting the Bureau of Licensing provided you  
18 with an Order addressing E&R Erectors, Inc., which the  
19 OEC has recommended for denial. In this case, the  
20 applicant failed to request a hearing within the  
21 specified time period. I ask that the Board consider  
22 the Order denying E&R Erectors, Inc.'s Gaming Service  
23 Provider Application.

24          CHAIRMAN:

25          Any comments from Enforcement Counsel?

1                   ATTORNEY PITRE:

2                   We would request that the Board deny the  
3 application.

4                   CHAIRMAN:

5                   Any questions or comments from the Board?  
6 Ex-officio members? May I have a motion?

7                   MR. TRUJILLO:

8                   Mr. Chairman, I move that the Board issue  
9 an Order to deny E&R Erectors, Inc.'s Gaming Service  
10 Provider application as described by the Bureau of  
11 Licensing.

12                   MR. FAJT:

13                   Second.

14                   CHAIRMAN:

15                   All in favor?

16 ALL SAY AYE

17                   CHAIRMAN:

18                   Opposed? The motion carries.

19                   MS. HENSEL:

20                   The Bureau of Licensing also provided you  
21 with an Order regarding the Gaming Service Provider,  
22 Killian Digital, LLC that is recommended for the  
23 Prohibited Gaming Service Provider List. This company  
24 conducted business with Slot Machine Licensees, but  
25 failed to complete its certification process. Once

1 added to the Prohibited Gaming Service Provided List,  
2 no Slot Machine Licensee can do business with the  
3 company. I ask that the Board consider the Order  
4 adding Killian Digital, LLC to the Prohibited Gaming  
5 Service Provider list.

6 CHAIRMAN:

7 Any comments from Enforcement Counsel?

8 ATTORNEY PITRE:

9 We have no objection.

10 CHAIRMAN:

11 Questions or comments from the Board?

12 Ex-officio members? May I have a motion?

13 MR. FAJT:

14 Mr. Chairman, I move that the Board issue  
15 and Order to approve the addition of a Gaming Service  
16 Provider to the Prohibited Gaming Service Provider  
17 List as described by the Bureau of Licensing.

18 CHAIRMAN:

19 Second?

20 MR. GINTY:

21 Second.

22 CHAIRMAN:

23 All in favor?

24 ALL SAY AYE

25 CHAIRMAN:

1                   Opposed? The motion carries.

2                   MS. HENSEL:

3                   Finally, the Gaming Service Provider  
4 Application for Monarch Industries, Inc. is being  
5 recommended for abandonment. This company filed an  
6 application with the Board but is no longer in  
7 business. Under our regulations, the Board has the  
8 authority to declare an application abandoned. I ask  
9 that the Board consider the Order declaring Monarch  
10 Industries, Inc.'s application abandoned.

11                   CHAIRMAN:

12                   Any comments from Enforcement Counsel?

13                   ATTORNEY PITRE:

14                   We have no objection.

15                   CHAIRMAN:

16                   Questions or comments from the Board?  
17 Ex-officio members? May I have a motion?

18                   MR. GINTY:

19                   Mr. Chairman, I move that the Board issue  
20 an Order to approve the abandonment of Monarch  
21 Industries Gaming Service Provider Application as  
22 described.

23                   MR. MCCALL:

24                   Second.

25                   CHAIRMAN:

1 All in favor?

2 ALL SAY AYE

3 CHAIRMAN:

4 Opposed? The motion carries.

5 MS. HENSEL:

6 That concludes the matters of the Bureau  
7 of Licensing.

8 CHAIRMAN:

9 Thank you, Susan. Next we'll have Mr.  
10 Pitre, Chief Enforcement Counsel.

11 ATTORNEY PITRE:

12 We have 17 matters for the Board's  
13 consideration today. The first is a Consent Agreement  
14 between the OEC and Sands Bethworks Gaming. I ask  
15 that representatives from Sands come to the table.  
16 Mr. Michael Roland, Assistant Enforcement Counsel,  
17 will present the matter on behalf of the OEC.

18 CHAIRMAN:

19 Thank you. As we begin with these items  
20 I'll ask anyone addressing the Board to please state  
21 and spell your name for the court reporter. Also,  
22 anyone other than attorneys must remember they have to  
23 be sworn before speaking.

24 The first item is the proposed Consent  
25 Agreement between OEC and Sands Bethworks Gaming.

1                   ATTORNEY ROLAND:

2                   Good morning, Mr. Chairman. Michael  
3 Roland, R-O-L-A-N-D, with the OEC. As you've already  
4 stated, the first matter is the Consent Agreement  
5 between OEC and Sands Bethworks Gaming. The agreement  
6 actually involves four separate incidents. All are  
7 underage gaming. I'd like to take just a brief moment  
8 to address each of those four incidents. The first  
9 one, on July 21st, 2011 at approximately 6:00 p.m. an  
10 underage male gained access to Sands Casino gaming  
11 floor after entering through the licensed facility's  
12 main entrance. He walked without question past two  
13 uniformed Sands security officers. Upon entering the  
14 gaming floor the underage male played at 15 slot  
15 machines during a two hour and 14 minute period.

16                   Upon his attempt to obtain a Sands  
17 players card it was discovered that he was only 20  
18 years of age. He was in possession of a voucher in  
19 the amount of \$41.56, which was confiscated, and the  
20 Pennsylvania State Police did not file charges in this  
21 case. The underage male did not engage in any table  
22 game activity, nor did he consume any alcoholic  
23 beverages while on the casino floor.

24                   The second incident took place on August  
25 9th, 2011 at approximately 2:39 p.m. An 18 year old

1 male gained access to the Sands Casino gaming floor  
2 after entering through the licensed facility's bus  
3 entrance. He also walked without question past two  
4 uniformed Sands security officers. Upon entering the  
5 gaming floor he remained there for one hour and 20  
6 minutes. During this time he played three different  
7 slot machines before being approached by security.

8           Security was actually alerted to this by  
9 a slot tech who was out on the floor I believe  
10 checking machines noticed that he may be underage and  
11 brought it to their attention. That's why they came  
12 over to inquire about his age. He was unable to  
13 produce identification and security informed him that  
14 he'd be not permitted to remain in the casino. While  
15 escorting the underage patron from the gaming floor he  
16 advised security that he was 18 years of age. PSP  
17 issued a citation for trespass in this case. He did  
18 not engage in any table game play nor consume alcohol  
19 while he was on the gaming floor.

20           The third incident took place on August  
21 17th, 2011 at approximately 9:08 a.m. And this time a  
22 female underage patron gained access to the Sands  
23 Casino floor after entering through the bus entrance.  
24 Despite speaking with two uniformed Sands security  
25 officers at that entrance, she was not asked for

1 identification and she was permitted to enter the  
2 casino floor. Upon entering the gaming floor the  
3 underage female played the slot machine continuously  
4 for 33 minutes. She then exited the casino to the bus  
5 lounge. Upon her attempt to reenter the casino she  
6 was challenged by security. She produced an out of  
7 state driver's license which indicated she was only 20  
8 years of age. The underage female did not engage in  
9 any table game play, nor did she consume alcoholic  
10 beverages while on the floor, and the Pennsylvania  
11 State Police did not file charges in this case.

12           The last one took place on December 2nd,  
13 2011. At approximately 1:10 in the morning an  
14 underage male gained access to Sands Casino gaming  
15 floor after entering through the main entrance. He  
16 was approached by Sands security officers and used his  
17 Lehigh University identification to gain access to the  
18 gaming floor. He remained on the gaming floor for  
19 approximately two hours after he entered the casino,  
20 and during that time he played blackjack for 45  
21 minutes and was served two alcoholic beverages.

22           The underage male exited via the hotel  
23 entrance into the hotel crossover hallway and was  
24 approached by security because he was staggering and  
25 had slurred speech. He told security he was only 20

1 years old and he just came for the casino.

2 Pennsylvania State Police filed a summary purchase of  
3 alcohol by a minor and a summary defiant trespass in  
4 this case.

5 I'd like it to be noted that all four of  
6 these incidents were self reported by Sands, and Sands  
7 has taken multiple steps to address the incidents.  
8 That includes additional training for its staff. It  
9 also involves disciplinary action against the  
10 employees that were involved in each of these  
11 incidents. I'm sure Sands will be more than happy to  
12 expand on that if you have specific questions.

13 In addition, the parties have agreed that  
14 within five days of the Board's Order, Sands shall pay  
15 a fine in the amount of \$48,000. The fine is  
16 consistent with the fines levied against other  
17 licensed facilities in the past, and if approved would  
18 be the second fine levied against Sands for underage  
19 violations. The first fine that was levied was also  
20 through a Consent Agreement. The Order that came from  
21 this Board was on June the 10th, 2010. That also was  
22 for \$48,000, but that incident involved six incidents.  
23 This incident only involves four --- or this Consent  
24 Agreement, I should say only involves four incidents.  
25 The OEC recommends that the Board approve this Consent

1 Agreement as presented today.

2 CHAIRMAN:

3 Any comments from Sands?

4 ATTORNEY EICHER:

5 Yes. Good morning, Chairman Ryan and  
6 members of the Board. I'm Holly Eicher, E-I-C-H-E-R,  
7 Vice-President and General Counsel for Sands Casino  
8 Resort in Bethlehem. With me today I have Robert  
9 DeSalvio, our president, and Jim Dougherty, our  
10 Director of Security, who wish to address the Board.

11 MR. DESALVIO:

12 Good morning --- or I guess just about  
13 afternoon. I think we should get sworn in.

14 CHAIRMAN:

15 I think so. Gentlemen, please stand.

16 -----

17 WITNESSES SWORN EN MASSE:

18 -----

19 MR. DESALVIO:

20 And would it be okay if we approached to  
21 hand out a couple documents?

22 CHAIRMAN:

23 Yes.

24 MR. DESALVIO:

25 Thank you for the help with the

1 distribution. Robert DeSalvio, D-E capital  
2 S-A-L-V-I-O, President of Sands Casino and Resort in  
3 Bethlehem. Again, thank you for the opportunity to  
4 speak on this issue. The last time we were here was  
5 for a gaming floor operating plan renew and we  
6 expanded the --- asked for expansion of the underage  
7 pathway at the Sands. And we spent quite a bit of  
8 time talking about the issue of underage. And I want  
9 to first of all update you from a couple items that  
10 you asked about at the previous meeting and then go  
11 over some stats. And then I want to introduce our new  
12 Director of Security, who has a few comments about our  
13 new event center and how we're handling that.

14           The first thing was at the last meeting  
15 we discussed about the younger folks that are entering  
16 the casino and resisting to our wristband program.  
17 And I think a recommendation was made that we come up  
18 with something else. I think it was Board Member  
19 Sojka that recommended it. After doing some  
20 investigation we have found something else that we're  
21 in the process of purchasing. We think after  
22 consultation with some younger members of staff and  
23 around the property that would be more amenable and  
24 we'd get people to wear these, which really helps us  
25 out when we get folks to wear them. So we've gone

1 through the process and I wanted to let you know that  
2 we did not forget that. We're going ahead to  
3 introduce a program that will help hopefully on the  
4 wristband issue.

5           The other item that we discussed at the  
6 last meeting was improving the signage as you approach  
7 the entrance to the casino. And I mentioned to you  
8 about --- we were coming up with a very simple three  
9 word or two words and a number. The reason I handed  
10 out the photo was to present both the current signs.  
11 On the left side of the photo is the required sign ---  
12 the Board required sign. What we added --- and you  
13 see next to one of our security officers is the must  
14 be 21 very clearly printed. And it's now actually on  
15 both sides of each of our entrances.

16           A lot of folks come in and don't  
17 understand that we may be different than other  
18 jurisdictions, whereas in Nevada or New Jersey where  
19 you're able to pass through the floor, be underage, as  
20 long as you don't game. In our case it is different,  
21 you need an escort if you're going to go on the  
22 underage pathway. With the amount of volume that  
23 comes through those entrances, our average day now is  
24 running anywhere between 17,000 and 25,000 visitors a  
25 day. You can imagine how quickly they come through

1 the entrances.

2           So we feel that these newly installed  
3 signs give a clear indication that you must be 21 and  
4 you must stop at the gate. Or at least make somebody  
5 think twice about it before they go in. So we did  
6 order those signs and they've been placed at all the  
7 entrances, and I wanted to update you on that as well.  
8 The other update has to do with the stats. The last  
9 time we were here we provided you with the stats as it  
10 relates to underage gaming or those that are escorted  
11 from the floor. We didn't have the fourth quarter  
12 totals the last time for 2011. We've now added those  
13 fourth quarter totals to complete the year, and also  
14 put in some stats for the first quarter of 2012.

15           And I want to highlight a couple issues.  
16 The number of challenges that we do at the door  
17 continues to increase. You can see as you look from  
18 the first quarter all the way through the fourth  
19 quarter of '11 ending with 138,000 in the fourth  
20 quarter of '11. In the first quarter of 2012 we  
21 challenged 157,000 people at the door. Also, the  
22 number that get turned away. You know, you can see  
23 that steadily rose through last year. And of course,  
24 the quarters depend on the traffic flow. But in  
25 particular, I would note that when you look at the

1 turn away of the first quarter of '11 versus the first  
2 quarter of '12, see the applicable periods, the number  
3 of turned away at the door rose from 737 in 2011 to  
4 1,141. So we're continually trying to turn away more  
5 at the door.

6           The other issue has gone the other way,  
7 and that's the wristband issue and hence the change in  
8 the program. So we continue to struggle with getting  
9 young people to accept the wristband idea. So we  
10 thought about the good idea that you had and we're  
11 going --- as soon as these come in we're going to  
12 implement that program. We're continually facing, in  
13 a good way, a spike in number of visitors that are  
14 coming to the property now that we've opened the hotel  
15 and the retail mall and we have an expanded gaming  
16 floor and the event center, which Jim will talk about  
17 in a moment.

18           We also continue to increase the amount  
19 of our security force. We're now up to --- and you  
20 can see the column on the far right of the chart talks  
21 about the average number of officers on the floor.  
22 You can see from the first quarter of 2011 we were at  
23 89. The first quarter of 2012 we're at 124. It shows  
24 that we're taking this very seriously and continuing  
25 to try to add members.

1           I didn't print out a paper, but I also  
2 want to mention we take the issue of the discipline  
3 very seriously as well. And not that I like to report  
4 on this, but I think you should know anyway, we've had  
5 four officers since we've been open that have been  
6 terminated because they had a second offense for  
7 letting a minor get through one of the checkpoints.  
8 We have a two strikes and you're out rule. The first  
9 incident you get a written warning, you get a  
10 retraining. And the second incident, you're out the  
11 door. So four officers have been terminated. And we  
12 have a number of others that are on that first  
13 warning, so if they were to have another incident they  
14 would be asked to leave. So we do take this extremely  
15 seriously. We did do a retraining program in August  
16 of '11, and then we're continuing to do retraining at  
17 our bi-weekly musters.

18           We did add a third backup position at the  
19 main entrance for peak periods because as I mentioned,  
20 as our traffic count climbs the complications at the  
21 entrances become more difficult. And it's great to  
22 have more business, but more business and the fact  
23 that we've expanded this facility to now include  
24 things like a hotel, more restaurants, a mall, and an  
25 event center obviously are going to pose challenges

1 because more younger people are actually coming into  
2 the building. Of course, number seven on here, we are  
3 --- Jim, and I'll introduce Jim in a second.

4                   And last is to just look at the continual  
5 escalation of our visitor counts from '10, 5.2  
6 million, 2011 up to 6.8 million. And we're estimating  
7 this year about 7.3 million visitors to the Sands.  
8 And just by evidence of that, if you look at the first  
9 quarter of '11 we have 1.5 million verse the 1.9  
10 million in the first quarter of '12. We had about 22  
11 percent increase in visitor traffic.

12                   I'd now like to introduce Jim Dougherty,  
13 who is our new --- relatively new Director of  
14 Security. And I wanted him to chat a little bit about  
15 how he's handling the new event center. We did open  
16 the event center last week. We had four almost sold  
17 out shows in the first week. But again, with the  
18 positives come the challenges of how to handle more  
19 young people that are in the building. So I'd like to  
20 introduce Jim Dougherty.

21                   MR. DOUGHERTY:

22                   Thank you very much. James Dougherty,  
23 D as in David O-U-G-H-E-R-T-Y, Director of Security.  
24 Good afternoon. I came on board in late August of  
25 this past summer, and one of the first challenges

1 probably was control of the underage minors that came  
2 on the gaming floor. As Bob outlined a number of  
3 things that we put into play. In addition to myself  
4 on board we also increased the number of management  
5 staff. We added a shift manager and we added three  
6 supervisors, which allow us to make sure we have  
7 presence on the floor at all times following up with  
8 the officers. As the business has changed with the  
9 hotel and with the retail mall and now the event  
10 center we're seeing the demographics change coming on  
11 the property and we're seeing people enter the  
12 property from different perspectives and different  
13 areas. So we've been monitoring that on an ongoing  
14 basis.

15                   As Bob mentioned, this past Wednesday,  
16 the 16th, we had our first show. It was a rather  
17 younger crowd than what we've seen with the three  
18 shows after that. We usually average on a busy  
19 Saturday about 3,000 challenges on the property. That  
20 particular Wednesday we did over 5,300. So we saw a  
21 lot more people come to the property. We moved our  
22 officers around to be in the right place at the right  
23 time. Fortunately, we had no incident with minors  
24 getting on the floor. And we will continue that going  
25 forward depending on the show and the demographics

1 they're bringing in. We'll adjust our staffing  
2 accordingly and put them in the right spots to monitor  
3 the people coming to the casino.

4 MR. DESALVIO:

5 And with that, Holly did you want to say  
6 anything?

7 ATTORNEY EICHER:

8 No comments.

9 MR. DESALVIO:

10 We'll take any questions from the Board.

11 CHAIRMAN:

12 Any questions, comments from the Board?

13 MR. SOJKA:

14 I've got one, too. Half of the underage  
15 violations on this particular Consent Agreement seem  
16 to come in through the bus entrance. Can we make the  
17 assumption that if you're coming through the bus  
18 entrance you come in on a bus or can anybody just walk  
19 around if they think that's an easier way to get in?

20 MR. DOUGHERTY:

21 The bus entrance is for all the bus  
22 traffic that comes in, but there's also three  
23 elevators from our self park garage, so a variety of  
24 people will be coming in from that area.

25 MR. SOJKA:

1           Okay. Because some of the bus patrons  
2 will be underage; right?

3           MR. DOUGHERTY:

4           Minimal.

5           MR. SOJKA:

6           Minimal?

7           MR. DOUGHERTY:

8           Most of them coming in are of age.

9           MR. SOJKA:

10           Okay. So this is probably then a place  
11 that underage people are trying to get in because of  
12 the people getting off a bus and that sort of thing?

13           MR. DOUGHERTY:

14           Or the sheer volume of people coming in,  
15 correct.

16           MR. SOJKA:

17           Okay. Thank you.

18           MR. FAJT:

19           All right. Thank you, Bill. I have a  
20 similar question to Gary. I would expect, just  
21 because of the hotel and the mall and the pool and I  
22 know where all that is, that you would get more  
23 underage challenges at that checkpoint, you know, near  
24 your food court. And then obviously that's not the  
25 case. I guess I should say are you getting more

1 challenges there, that you're catching them versus the  
2 main entrance? I mean two of the four were at the  
3 main entrance I think, and then the other two appears  
4 were at the bus entrance, which I would not expect. I  
5 would have thought they would have been, you know, at  
6 the food court checkpoint.

7 MR. DESALVIO:

8 Well, the food court is now going to  
9 become much more pronounced because of the opening of  
10 the event center. And what Jim did for the shows last  
11 week, where we normally have two officers and a third  
12 as a backup to kind of look when the crowd surges I  
13 think he put five or six.

14 MR. DOUGHERTY:

15 Five on the marketplace and six on the  
16 food court.

17 MR. DESALVIO:

18 So what Jim's doing now is let's say we  
19 know what a show's going to bring. He put five or six  
20 people there. We handed them a handheld device for  
21 the ID check and they literally as they approached,  
22 the officers would just say let me see your ID,  
23 please, and we had five or six people swiping. So  
24 those entrances by Emeril's Italian Table and the food  
25 court are probably going to be the most heavily

1 challenged right after a show.

2                   The bus entrance is difficult because not  
3 only do we get 2,000 to 3,000 people a day on the bus,  
4 but half of the entire garage comes in on it. I think  
5 why some of the underage might like that entrance is  
6 because you get so many people through it I think they  
7 believe that they can probably hide better there.  
8 When they see a surge of people coming off the bus  
9 they'll try to get in the middle and see if they can  
10 slip right by.

11                   And it gets very challenging as those,  
12 you know, --- it's a lot less challenging when two or  
13 three are coming through, but when a wave comes  
14 through. So we have to be vigilant at that entrance  
15 as well. But I think in the future we're going to  
16 have to really staff up at the end of a show to watch  
17 for people coming on the floor.

18                   And I think the first couple shows we  
19 really tried to set an example about presence, and we  
20 want the word to get out via social media that it's  
21 tough to get through there. And we wanted to make  
22 sure that message got through loud and clear on the  
23 first four shows. And Jim did a real good job with  
24 that. Thank God we didn't have any incidents. It's  
25 going to be a challenge. We're going to have probably

1 over a hundred shows there.

2 MR. FAJT:

3 I've been struggling with whether I was  
4 going to ask this or not, but you mentioned the social  
5 media issue. One of your underage cases showed a  
6 Lehigh University ID, which obviously one that  
7 indicated that he was underage. Do you have any  
8 formal or informal feedback to Lehigh, which is a very  
9 close neighbor of yours, when you pick up one of their  
10 kids and they're underage?

11 MR. DESALVIO:

12 Well, we have formal discussions with  
13 Lehigh on a regular basis with Dale Kochard, who's  
14 their community liaison. We have a hands off  
15 agreement as it relates to casino advertising in and  
16 around the campus of not only Lehigh, but Moravian or  
17 any of the other colleges. We've met with their  
18 association with independent colleges to let them know  
19 that we were not going to go around the campuses and  
20 try to ---. Because unfortunately, you've only got  
21 maybe half of the juniors and seniors that are  
22 actually 21, so if we went and visited the campus,  
23 unfortunately, half the audience would be underage.  
24 So we've taken a hands off approach. We don't  
25 actively promote. But yes, we meet with them

1 regularly and we don't want to have instances of  
2 underage ---. As a matter of fact, this Lehigh  
3 student I think might have been the first student ---

4 MR. DOUGHERTY:

5 That I'm aware of.

6 MR. DESALVIO:

7 --- that I'm aware of in the three years  
8 we've been open that actually got through. So I think  
9 for the most part we've done a good job. But also,  
10 the universities are telling their kids don't waste  
11 your time, the Sands has very strict security, at the  
12 gate they're going to check the IDs. So they're  
13 trying to promote it from their end and we're trying  
14 to do a hands off approach for college promotion.

15 MR. FAJT:

16 Thank you.

17 CHAIRMAN:

18 Any other questions from the Board?  
19 Ex-officio members? Thank you all very much. May I  
20 have a motion?

21 MR. MCCALL:

22 Mr. Chairman, I move that the Board issue  
23 an Order to approve the Consent Agreement with the OEC  
24 and Sands Bethworks Gaming as described by the OEC.

25 CHAIRMAN:

1 Second?

2 MR. MOSCATO:

3 Second.

4 CHAIRMAN:

5 All in favor?

6 ALL SAY AYE

7 CHAIRMAN:

8 Opposed? The motion carries. Thank you  
9 all.

10 MR. DESALVIO:

11 Thank you.

12 ATTORNEY EICHER:

13 Thank you.

14 ATTORNEY PITRE:

15 The next matter we have for the Board's  
16 consideration is a motion to consider a Consent  
17 Agreement between our office and HSP Gaming, LP, known  
18 as SugarHouse. I ask representatives from HSP to come  
19 forward. The first matter is a self-exclusion  
20 violation Consent Agreement. The matter will be  
21 presented by Assistant Enforcement Counsel Jim  
22 Armstrong.

23 ATTORNEY ARMSTRONG:

24 Good afternoon Chairman, Commissioners.

25 CHAIRMAN:

1                   Mr. Armstrong, before you begin I just  
2 note for the record that Mr. Trujillo had to leave.  
3 He had another commitment. However, we have a quorum  
4 of the Board and will continue.

5                   ATTORNEY ARMSTRONG:

6                   Thank you. James Armstrong, Assistant  
7 Enforcement Counsel, from OEC. Chairman,  
8 Commissioners, before you this afternoon is a Consent  
9 Agreement between OEC and SugarHouse Casino regarding  
10 violations by SugarHouse of the Board's Self-Exclusion  
11 List. Chairman and Commissions, Section 1516 of the  
12 Pennsylvania Race Horse Development and Gaming Act  
13 charges the Board with developing and maintaining a  
14 list of persons who wish to exclude themselves from  
15 Pennsylvania's casinos.

16                   The Board has done this and maintains  
17 this list pursuant to regulations. Board Regulation  
18 503a.4 places on slot machine licensees such as the  
19 SugarHouse Casino, the duty to implement and carry out  
20 internal controls designed to comply with the Board's  
21 Self-Exclusion List and to keep those individuals on  
22 the Self-Exclusion List from violating it. Since  
23 opening in 2010 SugarHouse has had two reported  
24 violations of Self-Exclusion List individuals being  
25 allowed to gamble at SugarHouse.

1                   The first violation reported occurred on  
2 November 5th, 2010. A Casino Compliance  
3 Representative assigned to the Bureau of Casino  
4 Compliance and the SugarHouse Casino responded to a  
5 request from SugarHouse personnel to assist a  
6 SugarHouse patron who wished to be placed on the  
7 Board's Self-Exclusion List. During the intake  
8 interview the subject advised the Casino Compliance  
9 Representative that she was already excluded at two  
10 other Pennsylvania casinos. An investigation into the  
11 claim by the Casino Compliance Representative revealed  
12 that the patron had been on the Board's Self-Exclusion  
13 List since February 12th of 2007, and that she had  
14 requested a lifetime exclusion.

15                   Further inquiry by the Casino Compliance  
16 Representative revealed that this self-excluded patron  
17 was permitted to obtain the SugarHouse Rush Rewards  
18 Card on October 23rd, 2010 and SugarHouse records  
19 revealed that she gambled at SugarHouse on October  
20 23rd, October 26th and November 5th, 2010. The Rush  
21 Rewards Card records for her revealed she played slot  
22 machines at SugarHouse on 104 occasions over the three  
23 days and she wagered a total of \$4,713.05, ultimately  
24 losing \$867.17. The State Police were notified, but  
25 did not charge the patron with any offense. The

1 Player Services Representative who issued the Rush  
2 Rewards Card was disciplined with a written warning.

3           The second violation was reported on  
4 March the 2nd, 2011. The Casino Compliance  
5 Representative assigned to SugarHouse was advised by  
6 security personnel that a patron who asked to replace  
7 her Rush Rewards Card may be on the Board's  
8 Self-Exclusion List. The patron reportedly requested  
9 a second duplicate Rush Rewards Card from the  
10 SugarHouse employee at the Rush Rewards Card desk in  
11 the casino. She advised the employee that she had  
12 left her Rush Rewards Card at home.

13           During the process of issuing the second  
14 card the SugarHouse employee at the Rewards Card desk  
15 became concerned that the patron was on the Board's  
16 Self-Exclusion List. SugarHouse security was notified  
17 and the patron was escorted to the Board's offices to  
18 speak with the Casino Compliance Representative.  
19 During her interview with the representative the  
20 patron advised that she excluded herself from Parx  
21 approximately five years before for a one-year ban.  
22 She also advised that she never made a request to the  
23 Board to be removed from the Self-Exclusion List.

24           Investigation by the Casino Compliance  
25 Representative revealed that the patron had been on

1 the Board's Self-Exclusion List since August 8th of  
2 2007. Further investigation revealed that the patron  
3 was issued a SugarHouse Rush Rewards Card on February  
4 8th, 2011 by a SugarHouse Player Services  
5 Representative. This should not have happened.

6           As part of the investigation, the Casino  
7 Compliance Representative checked the patron's name  
8 and SugarHouse's casino management system. Her name  
9 came up twice in the system as a self-excluded person  
10 and as an active Rush Rewards Card holder. The  
11 patron, being in the system as a self-excluded person,  
12 should have alerted the SugarHouse Player Services  
13 Representative that she should not be issued a Rush  
14 Rewards Card. However, SugarHouse Player Services  
15 management advised the Casino Compliance  
16 Representative that on February 2nd and 3rd of 2011 an  
17 update of the casino management system disabled the  
18 system's duplication notice for one week, duplication  
19 registry results when the name is entered into a  
20 system that has already been in the casino management  
21 system.

22           The SugarHouse IT Department corrected  
23 the problem and checked their system to confirm that  
24 no other subjects on the Board's Self-Exclusion List  
25 were able to obtain a Rush Rewards Card except for

1 this patron. SugarHouse records showed that between  
2 February 8th and March 2nd of 2011 this  
3 self-excluded person visited SugarHouse Casino on  
4 seven occasions. She gambled on 181 different times  
5 over the seven days, wagering a total of \$9,790.29,  
6 ultimately losing \$647.57.

7           The State Police were notified of this  
8 incident, but did not charge the patron with any  
9 offense. The Player Services Representative who  
10 issued the Rush Rewards Card was disciplined with a  
11 written warning. In addition, the SugarHouse Player  
12 Services shift managers were instructed to reinforce  
13 their Player Services employees of SugarHouse's policy  
14 that no one on the Board's Self-Exclusion List is to  
15 be allowed to apply for a Rush Rewards Card.

16           Commissioners, the OEC asks the Board to  
17 approve the Consent Agreement as to the settlement  
18 entered into between the parties. The terms of the  
19 settlement include provisions that SugarHouse shall  
20 institute policies and provide training, guidance, and  
21 reinforcements to its employees which will minimize  
22 opportunity for a self-excluded person from entering  
23 SugarHouse and gamble, and SugarHouse shall pay a  
24 civil penalty of \$10,000 for its self-exclusion  
25 violation.

1                   Mr. Sklar is here on behalf of  
2 SugarHouse. He and I will be glad to answer any  
3 questions that you may have. We ask you to approve  
4 the Consent Agreement.

5                   CHAIRMAN:

6                   Mr. Sklar?

7                   ATTORNEY SKLAR:

8                   I really don't have anything to add to  
9 what Mr. Armstrong already stated, other than just to  
10 say SugarHouse obviously understands what the  
11 requirements are. And in these two instances and the  
12 first instance it was just simply a failure on the  
13 Player Services Representative. That individual was  
14 issued a final warning. And in the second incident it  
15 was a software issue. Again, there's no excuse. It  
16 shouldn't have happened. And the second incident  
17 occurred in March of 2011 and no other incidents have  
18 occurred since.

19                   CHAIRMAN:

20                   Okay. Any questions or comments from the  
21 Board? Ex-officio members? May I have a motion?

22                   MR. MOSCATO:

23                   Mr. Chairman, I move that the Board enter  
24 an Order to approve the Consent Agreement between the  
25 OEC and HSP Gaming, LP as described by the OEC.

1                   MR. SOJKA:

2                   Second.

3                   CHAIRMAN:

4                   All in favor?

5 ALL SAY AYE

6                   CHAIRMAN:

7                   Opposed? The motion carries. Thank you.

8                   ATTORNEY ARMSTRONG:

9                   Thank you, Chairman, Commissioners. The  
10 next matter on the agenda is a Consent Agreement  
11 between the OEC and SugarHouse Casino in regard to  
12 seven incidents in which SugarHouse permitted underage  
13 patrons to gamble. Section 1518(a) and 1321 of the  
14 Pennsylvania Gaming Act make it a violation to allow a  
15 person under 21 to enter and remain on a Slot Machine  
16 Licensee's gaming floor and unlawful for that underage  
17 person to gamble. The Board's regulations at 513a.3  
18 charge a Slot Machine Licensee with the duty of and  
19 acting internal controls and policies to ensure it  
20 does not violate the Act or the regulations in regard  
21 to underage patrons gambling.

22                   Between February 4th of 2011 through  
23 March 27th of this year SugarHouse Casino had seven  
24 incidents where underage patrons gained access to the  
25 gaming floor and were able to gamble. I'll briefly

1 describe each one of those incidents for the record.  
2 The first one. On February 4th of 2011 at 12:32 a.m.  
3 a 19 year old former employee of SugarHouse, Jessica  
4 Nichols was permitted entry into SugarHouse casino by  
5 security officers and was issued a security band which  
6 indicated that she was at least 21 years old and  
7 permitted to gamble. Ms. Nichols proceeded to a craps  
8 game at 12:45 a.m. and began placing wages on a craps  
9 game.

10 Ms. Nichols was observed by a Casino  
11 Compliance Representative who recognized Ms. Nichols  
12 as a SugarHouse employee. The Casino Compliance  
13 Representative confirmed the age of Ms. Nichols and  
14 that she was no longer employed by SugarHouse and had  
15 been separated for more than 30 days. Ms. Nichols was  
16 confronted by two Casino Compliance Representatives  
17 and SugarHouse security personnel. After a heated  
18 discussion Ms. Nichols left the SugarHouse Casino with  
19 a companion. She was subsequently cited by the State  
20 Police for underage gambling.

21 On March 11th of 2011 she failed to  
22 appear in court in regard to that citation and a bench  
23 warrant was issued for her arrest. A bench warrant  
24 remains active in regard to the incident. The  
25 security officers were disciplined with written

1 warnings. The OEC filed a Revocation Complaint and a  
2 Petition for placement on the Exclusion List against  
3 Ms. Nichols. Those matters are currently pending  
4 final Board action in regard to requests for judgments  
5 by default recently filed by the OEC.

6           The second incident. On June 19th of  
7 2011 two patrons later determined to be less than 21  
8 years old were unable to show that they were at least  
9 21 years old were admitted into SugarHouse Casino  
10 without being asked for identification by security  
11 personnel. Surveillance evidence showed both patrons  
12 playing slot machines from 10:45 to 10:51 p.m. At  
13 10:55 p.m. the two patrons took seats at a three card  
14 poker table, one patron playing three card poker.  
15 When asked for identification by the floor person the  
16 patron not playing provided a New York identification  
17 which showed he was only 20 years old. The patron who  
18 was playing failed to present any identification.  
19 Security was called and the patrons were escorted from  
20 the SugarHouse Casino without the State Police or the  
21 Casino Compliance Bureau being notified of the  
22 incident.

23           The third incident. On July 23rd, 2011  
24 at 8:46 a.m. an underage patron, Tan Huynh was  
25 admitted into the SugarHouse Casino by a security

1 officer after presenting his relative's  
2 identification. After playing a number of hands of  
3 blackjack Mr. Huynh was confronted by a different  
4 security officer and determined to be underage. Mr.  
5 Huynh admitted he was only 20 years old and had used  
6 his relative's identification to gain admittance into  
7 SugarHouse.

8           Mr. Huynh was cited by the State Police  
9 and escorted from SugarHouse Casino. The initial  
10 security officer received a written warning for  
11 admitting the patron with false identification. Mr.  
12 Huynh was convicted on February 2nd, 2011 of the  
13 offense and fined and assessed cost totaling \$393.50  
14 in regard to the underage gambling offense. The OEC  
15 petitioned the Board to place Mr. Huynh on the  
16 Exclusion List. The Board granted the request and  
17 placed Mr. Huynh on the Board's Exclusion List on May  
18 2nd of 2012 for a one year period.

19           The fourth incident. On August the 25th,  
20 2011 at 3:30 a.m. an off-duty Philadelphia police  
21 officer reported to SugarHouse security and  
22 Philadelphia Police he was missing a firearm, a 20  
23 caliber Beretta handgun. The officer reported that he  
24 had placed the weapon in the console of his vehicle  
25 which was parked in SugarHouse's parking lot. The

1 officer further reported that he suspected three  
2 acquaintances he was with earlier in the night may  
3 have taken it and that the three acquaintances were in  
4 the SugarHouse Casino.

5           When the police and SugarHouse security  
6 located the three individuals one of them, a Mr.  
7 Christopher Cavalli, was discovered to be in  
8 possession of the off-duty officer's handgun. Mr.  
9 Cavalli was also discovered to be only 19 years old  
10 and admitted to police that he used another person's  
11 identification to gain admittance into SugarHouse  
12 Casino and gamble.

13           Surveillance evidence of Mr. Cavalli  
14 showed that he played craps, roulette and blackjack.  
15 He was charged with a violation of the Uniform  
16 Firearms Act by the Philadelphia Police and underage  
17 gambling along with carrying a false identification  
18 card by the State Police. On January 30th of 2012 Mr.  
19 Cavalli was convicted of the underage gambling offense  
20 and the carrying a false identification card offense.  
21 He was assessed fines and costs totaling \$463.50. The  
22 OEC petitioned the Board to place Mr. Cavalli on the  
23 Board's Exclusion List. The Board granted the request  
24 and placed Mr. Cavalli on the Board's Exclusion List  
25 on May 2nd of 2012.

1                   The fifth incident occurred on March  
2 23rd, 2011 at 2:11 a.m. An underage patron named Mr.  
3 Joseph Curtis was permitted to enter the SugarHouse  
4 Casino by a security officer after another security  
5 officer had denied admission just moments earlier.  
6 Mr. Curtis was initially denied entry by SugarHouse  
7 security at the casino's main entrance after he  
8 presented identification that showed he was only 20  
9 years old. After being turned away Mr. Curtis  
10 immediately tried to enter the casino through the  
11 valet entrance. The second security officer asked Mr.  
12 Curtis for identification but allowed him to enter the  
13 SugarHouse Casino just the same.

14                   Surveillance evidence showed that after  
15 being admitted into the casino Mr. Curtis bought in at  
16 a blackjack game and was able to play 14 hands of  
17 blackjack before the first security officer observed  
18 him and removed him from the game. Surveillance  
19 evidence showed that he won ten games and lost four.  
20 A Casino Compliance Representative involved in the  
21 investigation confiscated \$300 in chips from Mr.  
22 Curtis as part of the investigation.

23                   Mr. Curtis was also cited by the  
24 Pennsylvania State Police with defiant trespass and  
25 escorted from the SugarHouse Casino. The second

1 security officer received a written warning for  
2 admitting an underage patron to the casino. On  
3 January 17th, 2012 Mr. Curtis was convicted in  
4 Philadelphia Municipal Court and assessed fines and  
5 costs totaling \$463.50. The OEC petitioned the Board  
6 to place Mr. Curtis on the Board's Exclusion List.  
7 The Board granted that request and placed Mr. Curtis  
8 on the Exclusion List on May 2nd, 2012.

9           The sixth incident occurred on October  
10 12th, 2011 at 3:12 p.m. An underage patron, Ms. Ngoc  
11 Chau was admitted to SugarHouse after presenting a  
12 Pennsylvania identification card to a SugarHouse that  
13 indicated that she was only 20 years old. The  
14 identification card should have alerted the security  
15 officer that the patron was less than 21 years old.  
16 After gaining admittance to the SugarHouse Gaming  
17 floor Ms. Chau proceeded to a blackjack game. At 4:30  
18 p.m. Ms. Chau bought into the blackjack game for \$100  
19 and played blackjack for 30 minutes. At five o'clock  
20 p.m. Ms. Chau attempted to buy in for an additional  
21 \$50 into the blackjack game and she was asked by the  
22 dealer for identification. Ms. Chau was able to play  
23 23 hands total before being asked for identification.  
24 When she presented the card, it indicated that she was  
25 only 20 years old and she was removed from the game.

1 Ms. Chau was subsequently cited by the  
2 Pennsylvania State Police for underage gambling and  
3 escorted from the SugarHouse Casino. Ms. Chau was  
4 also served with a formal eviction by Sugarhouse  
5 Casino personnel. The security officer received a  
6 written warning for admitting Ms. Chau into the  
7 SugarHouse Casino. On March 8th of 2012 the underage  
8 gambling charge filed against Ms. Chau was dismissed  
9 in Philadelphia Municipal Court. However, OEC  
10 petitioned the Board to place Ms. Chau on the Board's  
11 Exclusion List. The Board granted the request and  
12 placed Ms. Chau on the Board's Exclusion List for a  
13 one year period on May 2nd of 2012.

14 The last episode or incident occurred on  
15 March 27th of 2012. At 12:31 a.m. an underage patron,  
16 a 17 year old juvenile was admitted into SugarHouse  
17 Casino after presenting an expired Massachusetts  
18 driver's license to a SugarHouse security officer.  
19 The expired Massachusetts driver's license belonged  
20 to a George Armani, a companion of the juvenile. The  
21 license had a picture of Mr. Armani and indicated his  
22 birth date to be September 25th, 1990. The driver's  
23 license expired on September 25th, 2011. The  
24 SugarHouse security officer accepted the expired  
25 driver's license presented by the juvenile.

1                   At 12:40 a.m. the juvenile and his three  
2 companions, who included George Armani, the owner of  
3 the expired Massachusetts driver's license, were  
4 served alcoholic drinks at the Lucky Red bar in the  
5 SugarHouse Casino. Neither the juvenile nor any of  
6 his companions were asked for identification by the  
7 bartender at the Lucky Red bar. At 1:23 a.m. the  
8 juvenile inserted currency into a slot machine and  
9 began gambling. At 1:28 a.m. the juvenile and his  
10 companions were served more alcoholic drinks at the  
11 Lucky Red bar in the SugarHouse Casino. At 1:35 a.m.  
12 the juvenile inserted more money into the slot machine  
13 he was playing earlier and continued to gamble. He  
14 also began to consume an alcoholic drink he received  
15 from his companion, George Armani. The juvenile  
16 continued to play the slot machine he was playing  
17 earlier until 2:00 a.m.

18                   At 2:19 a.m. the juvenile was back in the  
19 Lucky Red bar when he got into a confrontation with  
20 another patron and assaulted the other patron with a  
21 beer bottle. The juvenile attempted to flee the  
22 SugarHouse after he assaulted the patron, but was  
23 stopped and detained by security until the  
24 Pennsylvania State Police arrived and arrested him.  
25 In addition to being charged with aggravated assault,

1 simple assault, recklessly endangering another person,  
2 possession of an instrument of a crime, and underage  
3 drinking the juvenile was charged by the Pennsylvania  
4 State Police with underage gambling.

5           The juvenile was also served with a  
6 formal eviction notice as well as Mr. George Armani in  
7 regard to his conduct in assisting the juvenile to  
8 gaining entrance into the SugarHouse Casino and also  
9 gambling and drinking once inside. The security  
10 officer received a written warning for admitting the  
11 underage patron into SugarHouse, as did the bartender  
12 at the Lucky Red bar also received a written warning.

13           The juvenile was petitioned to juvenile  
14 court, therefore there's no public record of  
15 disposition of charges filed against him. The OEC  
16 intends to petition the Board to place the juvenile's  
17 companion, George Armani, on the Board's Exclusion  
18 List based on his conduct in this incident, assisting  
19 not only someone underage, but a juvenile to gain  
20 entrance and gamble and drink underage.

21           Commissioners, the OEC asks the Board to  
22 approve the Consent Agreement and stipulation of the  
23 settlement entered into between the parties. The  
24 terms of the settlement include a provision that  
25 SugarHouse shall institute policies and provide

1 training, guidance and reinforcements to its  
2 employees, which will minimize the opportunity for  
3 underage persons to enter SugarHouse and go in on the  
4 gaming floor. In addition, SugarHouse shall also pay  
5 a \$70,000 civil penalty for the underage gaming  
6 violations.

7                   Mr. Sklar, here on behalf of SugarHouse,  
8 as well as I will be glad to answer any questions you  
9 may have or Mr. Sklar might want to put on a witness.

10                   CHAIRMAN:

11                   Mr. Sklar?

12                   ATTORNEY SKLAR:

13                   Thank you, Mr. Chairman. With me today  
14 is Tony Dilacqua, who is the Director of Security at  
15 SugarHouse. Just let me say briefly the SugarHouse  
16 has a zero tolerance policy for underage gamers. We  
17 don't want them in our casino, we don't want their  
18 business. And Tony will get into their carrot and  
19 stick procedures and policies in place for security.  
20 Other personnel understand that they're also  
21 responsible for ensuring no underage ---.

22                   And this is not an excuse. I've been  
23 here before and made the same speech, but I think  
24 really the most effective thing that could happen is  
25 for the legislature to enact something in the criminal

1 code to make it so there is a real disincentive for  
2 underage kids to come into the casino. And I  
3 expressed to you before in New Jersey it's the loss of  
4 the driver's license. That seems to really get  
5 people's attention. Mr. Armstrong went through some  
6 of the fines. And fines --- I don't think that that  
7 really is a hammer that it needs.

8                   And again, I'm not suggesting for a  
9 second that there's not a responsibility on behalf of  
10 the licensees, but I think in conjunction with a  
11 penalty --- I think that's really what's going to  
12 cause the underage offenses to dramatically go down.  
13 With that I'll turn it over to Tony.

14 -----  
15 ANTHONY DILACQUA, HAVING FIRST BEEN DULY SWORN,  
16 TESTIFIED AS FOLLOWS:

17 -----

18                   MR. DILACQUA:

19                   My name is Anthony DiLacqua,  
20 D-I capital L-A-C-Q-U-A, Director of Security at  
21 SugarHouse Casino. We have attacked this problem.  
22 First let me say, as you've heard from Mr. Armstrong,  
23 a lot of the problems we face were the fault of  
24 security officers. We don't know if the bus entrance  
25 and some of those geographic design problems as much

1 as maybe some other places. So having said that,  
2 we've attacked this problem in five different ways, in  
3 no particular order.

4           Through some new equipment. We have new  
5 handheld scanners. I would expect a date of arrival  
6 of May 28th. We had opened, we had scanners to swipe  
7 cards. And truthfully, I was very displeased with  
8 them. They were great for a Pennsylvania license  
9 where it would read a magnetic strip. But for a New  
10 Jersey license, for example, that has a barcode it  
11 makes shining a laser beam and catching the bar code  
12 just right --- after a minute or three I give up,  
13 myself. They also didn't hold the charge. There was  
14 a lot of mechanical problems with them. So I have  
15 what I believe is going to be a much better product  
16 and expect a date of delivery of May 28th.

17           And we had also ordered some little  
18 handheld about the size of a miniature, like a  
19 standard flashlight, a black light to look for  
20 watermarks and ultraviolet lights. And they are also  
21 being replaced. They burned out in like a day or two.  
22 So we had some equipment problems that we are  
23 replacing. And I'm not blaming our problems on the  
24 equipment, I'm just trying to get the best equipment I  
25 can in the hands of the security officers so that they

1 can do a better job.

2           We're handling this underage problem  
3 through training. In quarter one and again in quarter  
4 three we have a company coming in, All Reds  
5 (phonetic). They do a lot of work in the title  
6 insurance industry and mortgage industry --- phony  
7 document experts. They conducted a class on facial  
8 recognition techniques, what to look for in a  
9 counterfeit license, doctored license, actually some  
10 questions and investigative techniques. They taught  
11 the security officers some questions to ask. We're  
12 repeating that again in quarter three.

13           Actually, right after the training we had  
14 someone coming in with a phony passport and one of our  
15 security officers who'd been taking the course went  
16 through exactly what he was taught and caught the  
17 phony passport. So I took the class myself and think  
18 real highly of it, and we're repeating that in quarter  
19 three.

20           And as also was said, we have increased  
21 staffing and we're continuing to increase staffing.  
22 We've actually created with the Board's approval a new  
23 classification of security officer, a Class 2 officer.  
24 They work in either business attire or business casual  
25 attire. The compendium requires formal law

1 enforcement experience. I hire them. I have two  
2 former homicide detectives that'll be brought on  
3 board, I have a former member of --- well I had a  
4 former member of the highway patrol unit in Philly PD.  
5 I have a corporal in narcotics who's about to retire  
6 coming in for an interview next week.

7                   And they come in with what I call cop  
8 signs. You know, they're used to the same things that  
9 are unusual. You know, they've been through their  
10 police careers, years of training through --- and  
11 Police Officer Education Training Commission required  
12 training over the years, as well as their captain  
13 training and all their accreditations. So they bring  
14 that to the table, of course. And they provide an  
15 added level over and above the PGCB required minimum  
16 staffing at the doors and for workers in shift work.  
17 They, for the most part, roam the floor freely and  
18 handle problems and look for, in addition to underage,  
19 other problems they encounter, especially in the large  
20 urban setting.

21                   Also, a side of staffing. One problem I  
22 did notice at our valet doors. I want to say we've  
23 had underage enter through all three public entrances  
24 and different doors at times of the day. So I haven't  
25 been able to narrow it down to one particular entrance

1 or one particular tour of duty, as you will. But I  
2 noticed a problem in our valet entrance. Our valet  
3 entrance is two doors coming in from the outside and  
4 it leads you into a natural checkpoint, a narrow  
5 hallway. And especially on weekends we get  
6 overwhelmed with crowds here. It get crowded, it's  
7 easy to get lost in the crowd.

8           So what we've done is anyone working that  
9 valet door --- it's normally one security officer,  
10 which honestly for most times is sufficient. It's a  
11 narrower area and a natural checkpoint. But when we  
12 have crowds of people we supplement that person at the  
13 door with either the zone rover in that area or the  
14 free rover to handle that influx of people. You see  
15 that Friday, Saturday nights late at night. It's not  
16 that often, but when the need arrives we assign  
17 personnel to assist them.

18           And the last two things are personnel  
19 related. As Mr. Sklar said, we do the carrot and the  
20 stick. We do positive reinforcement. For example,  
21 the security officer who caught that phony passport  
22 was rewarded. We run a sweet rewards program. You  
23 earn credits and shifts for online purchases. We do  
24 these things publicly, we do them in our daily roll  
25 calls or pre-shift sessions. It's a cause for

1 celebration if we catch a bad license. Other  
2 departments, by the way, do the same thing. Our  
3 player service agents at times have bought dinners for  
4 their employees who caught somebody with a bad  
5 license. So there is a reward for that heads up  
6 behavior, for that good behavior.

7           And the other side of that coin, there's  
8 negative discipline as Mr. Armstrong talked about. We  
9 use a progressive discipline system; verbal  
10 counseling, first warning, second warning, so on and  
11 so forth. And for an underage, the officers face  
12 accelerated discipline. They may go right to a fine  
13 or they may go from nothing to a second or to a fine.  
14 And again, a lot of that is based on the totality of  
15 the circumstances of how the underage got in. And  
16 we've also terminated one employee, and I have a case  
17 now being reviewed for a possible termination. So  
18 they get rewarded if they do a good job, and they  
19 certainly get disciplined to a point costing them  
20 their employment if they don't do a good job.

21           That's really kind of how we've attacked  
22 this problem. We've certainly remained vigilant. The  
23 lawful legal age, the date of birth to be legally  
24 admitted, is posted every day on a white board in our  
25 roll call room, in the pre-shift room. And the

1 individual security officers have a schedule showing  
2 where they're to be at any given time of the day.  
3 That date is also down at the bottom of that.

4           We run a wristband program. We rotate  
5 the wristbands every day in a different color. It's  
6 done randomly so Sunday isn't always red. We have an  
7 odd number of wristbands that gets rotated. We also  
8 alert food and beverage and player services the color  
9 of the day of that wristband, so they know what to  
10 look for. With the wristbands, anyone entering the  
11 casino with a wristband is carded and that wristband  
12 becomes meaningless. Security officers have been told  
13 just because of the possibility going outside and  
14 slipping it off, giving it to a friend, that means  
15 stopping them if you're coming in the door whether you  
16 were carded before and have a wristband or not. And  
17 that has proven successful.

18           The last thing I want to talk about. The  
19 portable is something we have just started as a  
20 practice. We had a couple incidents with vertical IDs  
21 indicating that the person may be under the age of 21.  
22 As you well know, you can be 21 and have a vertical ID  
23 in the State of Pennsylvania, as well as New Jersey, I  
24 believe doesn't issue a new license until the old one  
25 expires. So I can be 21 and still have mine vertical.

1                   But to eliminate any confusion I put an  
2 order out a few days ago. Anyone encountering a  
3 vertical license, even though the person may be 21 if  
4 it's a vertical they're not to be admitted until  
5 another security officer or Class 2 officer or shift  
6 manager confirms the birth date, that that person is  
7 21. We put that in place hopefully to prevent any  
8 confusion that we had before with a couple of the  
9 problems. And that pretty much is where we're at and  
10 what we're doing.

11                   CHAIRMAN:

12                   Okay. Any questions, comments from the  
13 Board?

14                   MR. SOJKA:

15                   One quick one. First of all, that's a  
16 commendable list of things you're trying to do, but  
17 I'm concerned about LCB issues. Are you facing any  
18 problems there? You indicated a couple just in this  
19 Consent Agreement.

20                   ATTORNEY SKLAR:

21                   Not that I'm aware of.

22                   MR. SOJKA:

23                   That one Red Bar guy was back in there a  
24 lot of times.

25                   CHAIRMAN:

1                   Any other questions or comments from the  
2 Board? Ex-officio members? May I have a motion?

3                   MR. SOJKA:

4                   Yes, Mr. Chairman. I move that the Board  
5 issue an Order to approve the Consent Agreement  
6 between the OEC and HSP Gaming, LP as described by the  
7 OEC.

8                   CHAIRMAN:

9                   Second?

10                  MR. MOSCATO:

11                  Second.

12                  CHAIRMAN:

13                  All in favor?

14 ALL SAY AYE

15                  CHAIRMAN:

16                  Opposed? The motion carries. Thank you,  
17 gentlemen.

18                  ATTORNEY SKLAR:

19                  Thank you.

20                  ATTORNEY ARMSTRONG:

21                  Chairman and Commissioners, the next  
22 matter is also mine. For you now is a motion to  
23 revoke the Gaming Employee Permit of Trung Thai.  
24 On January 27th of 2012 the OEC filed a Complaint with  
25 the Board seeking the revocation of Mr. Thai's Gaming

1 Employee Permit. The basis for the Complaint was that  
2 Mr. Thai was arrested by the Pennsylvania State Police  
3 on March 23rd of 2011 for his alleged involvement in a  
4 dealer/patron cheating conspiracy at SugarHouse  
5 Casino. Mr. Thai was employed as a blackjack dealer  
6 at the SugarHouse. Pennsylvania State Police were  
7 advised by SugarHouse personnel that they suspected  
8 Mr. Thai had been involved with three other patrons in  
9 conspiring to cheat at blackjack. Surveillance  
10 evidence of Mr. Thai dealing blackjack showed that he  
11 was deliberately showing his hold card, that being his  
12 facedown card when dealing blackjack to a particular  
13 patron later identified as Sam Lau. Mr. Lau would in  
14 turn signal the two other patrons at the game on how  
15 they should bet for a particular hand that Mr. Thai  
16 had just dealt.

17 All four individuals were charged with  
18 criminal conspiracy, theft by deception, and cheating  
19 sleight of hand or scheme under Pennsylvania's Gaming  
20 Act. On January 13th of 2012 Mr. Thai pled guilty to  
21 conspiracy and cheating at blackjack. The theft by  
22 deception charge was dismissed at his preliminary  
23 hearing in October. Mr. Thai was sentenced to 12  
24 months probation and assessed fines and costs totaling  
25 \$2,829.50. Based upon his criminal conduct and

1 conviction Mr. Thai has violated the Gaming Act and  
2 has failed to maintain his suitability to hold a  
3 Gaming Employee Permit. Mr. Thai has been properly  
4 served with both the Revocation Complaint and this  
5 request for a judgment to be entered upon default. At  
6 this time ask that the Board enter an Order revoking  
7 his credential. Thank you.

8 CHAIRMAN:

9 Is Trung Thai present in the hearing  
10 room? Any questions or comments from the Board?  
11 Ex-officio members? May I have a motion?

12 MR. MOSCATO:

13 Mr. Chairman, I move that the Board issue  
14 an Order to approve the revocation of Trung Thai's  
15 Gaming Employee Permit as described by the OEC.

16 MR. FAJT:

17 Second.

18 CHAIRMAN:

19 All in favor?

20 ALL SAY AYE

21 CHAIRMAN:

22 Opposed? The motion carries.

23 ATTORNEY FENSTERMAKER:

24 Good afternoon, Chairman Ryan,  
25 Commissioners. My name is Cassandra Fenstermaker.

1 That's F-E-N-S-T-E-R-M-A-K-E-R. Assistant Enforcement  
2 Counsel. Today the Bureau seeks the revocation of  
3 Dwanda James' Non-Gaming Employee Registration. A  
4 former host/cashier at what's now Harrah's  
5 Philadelphia Casino & Racetrack.

6 On February 17th, 2012 the OEC filed a  
7 Complaint for Revocation against Dwanda James as a  
8 result of an alleged theft at Harrah's. On July 19th,  
9 2011 Ms. James had a variance in the amount of  
10 \$268.93. Harrah's surveillance conducted a review of  
11 all of Ms. James's transactions on that date and was  
12 able to determine that all transactions were conducted  
13 accurately. The totality of the review conducted by  
14 surveillance indicated that Ms. James removed cash  
15 from the deposit on her way to the cage to make the  
16 deposit.

17 Ms. James was charged with theft by  
18 unlawful taking by the Pennsylvania State Police, and  
19 that charge is still pending. The Complaint was  
20 served upon Ms. James by both Certified and First  
21 Class mail. Ms. James has failed to respond to the  
22 Complaint in any way, and therefore pursuant to Board  
23 Regulations, all facts alleged in the Complaint are  
24 deemed admitted.

25 The OEC filed a Request for Default

1 Judgment on April 18th, 2012 and at this time requests  
2 that Dwanda James' Non-Gaming Registration be revoked.

3 CHAIRMAN:

4 Is Dwanda James in the hearing room? Any  
5 questions or comments from the Board? Ex-officio  
6 members? May I have a motion?

7 MR. FAJT:

8 Mr. Chairman, I move that the Board issue  
9 an Order to approve the revocation of Dwanda James'  
10 Non-Gaming Employee Registration as described by the  
11 OEC.

12 MR. GINTY:

13 Second.

14 CHAIRMAN:

15 All in favor?

16 ALL SAY AYE

17 CHAIRMAN:

18 Opposed? The motion carries.

19 ATTORNEY FENSTERMAKER:

20 Thank you.

21 CHAIRMAN:

22 Thank you.

23 ATTORNEY MATELEVICH-HOANG:

24 Good afternoon, Chairman Ryan, members of  
25 the Board. I'm Billie Matelevich-Hoang,

1 M-A-T-E-L-E-V-I-C-H, hyphen, H-O-A-N-G, on behalf of  
2 the OEC. This matter involves the OEC's request to  
3 revoke Tajuana Gooden's Gaming Permit. On January  
4 3rd, 2012 the OEC filed a Complaint for Revocation of  
5 Ms. Gooden's Gaming Permit due to her theft at  
6 Harrah's. Ms. Gooden worked as a Cage Cashier 3 at  
7 Harrah's, and on March 27th, 2011 Ms. Gooden overpaid  
8 a patron on two occasions, totaling \$300.

9           When Harrah's discovered the discrepancy  
10 an internal investigation occurred. Ms. Gooden  
11 admitted to Harrah's that she purposely overpaid a  
12 friend in this amount. Ms. Gooden was terminated on  
13 March 30th, 2011 and was arrested on April 7th, 2011.  
14 Ms. Gooden was charged with one count of theft by  
15 unlawful taking and one count of receiving stolen  
16 property, both misdemeanors. On September 26, 2011  
17 Ms. Gooden pled guilty to one count of theft by  
18 unlawful taking and was sentenced to 18 months  
19 probation.

20           The Enforcement Complaint was properly  
21 served upon Ms. Gooden. Ms. Gooden did not respond to  
22 the Complaint within 30 days, therefore pursuant to  
23 Board Regulations, all facts alleged in the Complaint  
24 are deemed admitted. The OEC filed a Request for  
25 Default Judgment on April 16th, 2012 and at this time

1 the OEC requests that Ms. Gooden's Gaming Permit be  
2 revoked.

3 CHAIRMAN:

4 Is Tajwana Gooden in the hearing room?  
5 Any questions or comments from the Board? Ex-officio  
6 members? May I have a motion?

7 MR. GINTY:

8 Mr. Chairman, I move that the Board issue  
9 an Order to approve the revocation of Ms. Gooden's  
10 Gaming Employee Permit as described by the OEC.

11 MR. MCCALL:

12 Second.

13 CHAIRMAN:

14 All in favor?

15 ALL SAY AYE

16 CHAIRMAN:

17 Opposed? The motion carries.

18 ATTORNEY MATELEVICH-HOANG:

19 Thank you.

20 CHAIRMAN:

21 Thank you.

22 ATTORNEY HIGGENS:

23 Chairman Ryan, members of the Board. My  
24 name is Katie Higgins, H-I-G-G-I-N-S, Assistant  
25 Enforcement Counsel. The next matter before you is

1 that of Megan Wilson. On March 9, 2012 the OEC filed  
2 a Complaint for Revocation of Ms. Wilson's Non-Gaming  
3 Registration due to her admitting to a Board Casino  
4 Compliance Representative that during four different  
5 shifts working as a cashier at the Terrace Café at the  
6 Meadows she stole a total of approximately \$800 in  
7 cash.

8           The incident of the theft took place on  
9 October 10th, 13th, 14th, and 19th of 2011.  
10 Surveillance footage shows that on each occasion Ms.  
11 Wilson would wrap cash in a white piece of paper and  
12 then place it into her pants pocket. On October 28th,  
13 2011 Ms. Wilson was terminated by the Meadows and she  
14 was charged with theft by unlawful taking, for which  
15 she was admitted into the Washington County ARD  
16 Program.

17           The Complaint was served upon Ms. Wilson  
18 via Certified Mail on March 12th, 2012. Ms. Wilson  
19 did not respond to the Complaint within 30 days and  
20 therefore pursuant to Board Regulation, all facts  
21 alleged in the Complaint are deemed admitted. Due to  
22 Ms. Wilson's failure to respond to the Complaint, on  
23 April 24th, 2012 the OEC filed a Request for Default  
24 Judgment. And at this time we would ask that the  
25 Board revoke Ms. Wilson's

1 Non-Gaming Registration.

2 CHAIRMAN:

3 Is Megan Wilson in the hearing room? Any  
4 questions or comments from the Board? Ex-officio  
5 members? May I have a motion?

6 MR. MCCALL:

7 Mr. Chairman, I move that the Board issue  
8 an Order to approve revocation of Megan Wilson's  
9 Non-Gaming Employee Registration as described by the  
10 OEC.

11 CHAIRMAN:

12 Second?

13 MR. MOSCATO:

14 Second.

15 CHAIRMAN:

16 All in favor?

17 ALL SAY AYE

18 CHAIRMAN:

19 Opposed? The motion carries.

20 ATTORNEY HIGGENS:

21 Thank you.

22 ATTORNEY MILLER:

23 Good afternoon, Chairman Ryan, members of  
24 the Board. Dustin Miller, Assistant Enforcement  
25 Counsel on behalf of the OEC. The next matter today

1 is a Request for Revocation involving Sherria Hughes.  
2 Ms. Hughes was employed as a cage cashier at Parx  
3 Casino and permitted as a Gaming Employee. The OEC  
4 filed an Enforcement Complaint to revoke Ms. Hughes'  
5 Gaming Employee Permit for failing to maintain her  
6 suitability on January 18th, 2012. Ms. Hughes was  
7 terminated from Parx Casino on August 25th, 2011 for  
8 an incident of theft.

9 Ms. Hughes was caught trying to steal the  
10 property of a co-worker inside the employee locker  
11 room of Parx Casino. Ms. Hughes was charged with  
12 theft and receiving stolen property for her actions.  
13 The Enforcement Complaint was properly served upon Ms.  
14 Hughes to the address listed on her application by  
15 both Certified and First Class mail. Ms. Hughes did  
16 not respond to the filing in any way.

17 Due to Ms. Hughes' failure to respond,  
18 the averments in the Enforcement Complaint are deemed  
19 to be admitted as fact and her right to a hearing has  
20 been waived. On May 1st, 2012 the OEC filed a Request  
21 to Enter Judgment upon Default. The matter is not  
22 before the Board to consider the revocation of Ms.  
23 Hughes' Gaming Employee Permit.

24 CHAIRMAN:

25 Is Sherria Hughes present in the hearing

1 room? Any questions or comments from the Board?

2 Ex-officio members? May I have a motion?

3 MR. MOSCATO:

4 Mr. Chairman, I move that the Board issue  
5 an Order to approve the revocation of Sherria Hughes'  
6 Gaming Employee Permit as described by the OEC.

7 MR. SOJKA:

8 Second.

9 CHAIRMAN:

10 All in favor?

11 ALL SAY AYE

12 CHAIRMAN:

13 Opposed? The motion carries.

14 ATTORNEY MILLER:

15 The next matter is a Request for  
16 Revocation today involving Brigette Staples. Ms.  
17 Staples was employed as a food court counter attendant  
18 at Parx Casino and registered as a Non-Gaming  
19 Employee. The OEC filed an Enforcement Complaint to  
20 revoke Ms. Staples' Non-Gaming Employee Registration  
21 for failing to maintain her suitability to hold a  
22 Non-Gaming Employee Registration on December 20th,  
23 2011.

24 Ms. Staples was observed by Parx Casino  
25 surveillance committing theft at Parx Casino during

1 her work shifts on June 29th, 2011 and July 2nd, 2011.  
2 Ms. Staples would conduct transactions at the food  
3 court and then void the transactions out of her cash  
4 register and steal the corresponding amount to the  
5 cash transaction she had previously voided. Ms.  
6 Staples stole approximately \$569 from Parx Casino over  
7 the course of these two work shifts.

8 Ms. Staples was charged with theft by  
9 Bensalem Township Police and pleaded guilty to that  
10 charge on December 6th, 2011. The Enforcement  
11 Complaint was property served upon Ms. Staples to the  
12 address listed on her application by both Certified  
13 and First-Class mail. Ms. Staples did not respond to  
14 the filing in any way. Due to Ms. Staples' failure to  
15 respond, the averments in the Enforcement Complaint  
16 are deemed to be admitted as fact and her right to a  
17 hearing has been waived.

18 On April 16th, 2012 the OEC filed a  
19 Request to Enter Judgment upon Default. The matter is  
20 now before the Board to consider the revocation of Ms.  
21 Staples' Non-Gaming Employee Registration.

22 CHAIRMAN:

23 Is Brigitte Staples present in the  
24 hearing room? Any questions or comments from the  
25 Board? Ex-officio members? May I have a motion?

1                   MR. SOJKA:

2                   Yes. Mr. Chairman, I move that the Board  
3 issue an Order to approve the revocation of Brigette  
4 Staples' Non-Gaming Employee Registration as described  
5 by the OEC.

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 carries.

15                  ATTORNEY MILLER:

16                  The next matter today is a Request for  
17 placement on the Board's Excluded Persons List today  
18 involving Emmanuel Mathis. The OEC filed a Petition  
19 to place Mr. Mathis on the Exclusion List for  
20 committing a multitude of crimes, including burglary,  
21 theft, attempted theft, criminal trespass, and  
22 receiving stolen property at Parx Casino and Parx East  
23 over the course of seven hours stretching from October  
24 2nd to October 3rd, 2011.

25                  A short list of Mr. Mathis' deeds include

1 entering an office in Parx East and stealing a laptop  
2 computer, entering a bar area inside Parx Casino and  
3 stealing four bottles of liquor, attempting to break  
4 into seven different table games in an effort to steal  
5 gaming chips, and successfully breaking into a float  
6 cover of a roulette game in Parx Casino and stealing  
7 \$6,500 worth of playing chips. Further, on November  
8 24th, 2011 Mr. Mathis went to Harrah's Chester Downs  
9 Casino & Racetrack and exhibited similar behavior.  
10 Mr. Mathis was criminally charged by the Pennsylvania  
11 State Police for his actions at Parx Casino, Parx  
12 East, and Harrah's Chester Casino. He pleaded guilty  
13 to burglary, criminal trespass, theft, receiving  
14 stolen property, and attempted theft in the Court of  
15 Common Pleas of Bucks County on January 24th, 2012.

16           The Petition was filed on February 27th,  
17 2012. The Petition was property served upon Mr.  
18 Mathis to the address listed on the Criminal Complaint  
19 filed against him by both Certified and First-Class  
20 mail. Mr. Mathis did not respond to the filing in any  
21 way. Due to Mr. Mathis' failure to respond the  
22 averments in the Petition are deemed to be admitted as  
23 fact and his right to a hearing has been waived.

24           On January 27th, 2012 the OEC filed a  
25 Request to Enter Judgment upon Default. The matter is

1 now before the Board to consider the placement of  
2 Emmanuel Mathis on the Board's Excluded Persons List.  
3 Also today we have personnel from Parx Casino as well  
4 as Harrah's Chester Casino if the Board would have any  
5 questions regarding this matter for those facilities.

6 CHAIRMAN:

7 Is Emmanuel Mathis present in the hearing  
8 room? Do any members of the Board have any questions  
9 for the casinos involved?

10 MR. FAJT:

11 Yes, I do.

12 CHAIRMAN:

13 Will the representatives from the casinos  
14 involved come forward, please? Who wants to be the  
15 spokesperson? Is there an attorney among you?

16 ATTORNEY SCHROEDER:

17 Bryan Schroeder. I'm General Counsel for  
18 Parx Casino. B-R-Y-A-N, S-C-H-R-O-E-D-E-R. With me  
19 is Joseph O'Hala, our Director of Security.

20 CHAIRMAN:

21 And will just you be handling this or  
22 will he also ---?

23 ATTORNEY SCHROEDER:

24 He's here if you ask any questions I  
25 can't answer.

1                   ATTORNEY PITRE:

2                   The other individual also, he's the  
3 Director of Security at Harrah's.

4                   CHAIRMAN:

5                   Okay. Are you going to present, sir?  
6 Both of them stand and be sworn.

7 -----

8 WITNESSES SWORN EN MASSE:

9 -----

10                  CHAIRMAN:

11                  Okay.

12                  MR. FAJT:

13                  Thank you, Mr. Chairman. I guess Mr.  
14 Schroeder, I'll start with you. Obviously, the nature  
15 of Mr. Mathis' free reign I guess if you will  
16 throughout the backside of your casino struggled, and  
17 to a lesser extent if you want to respond on behalf of  
18 Harrah's that's fine, too. But can you tell us, you  
19 know, how this happened and what precautions you have  
20 taken to prevent someone from doing --- I've been to  
21 the casino. Swipe cards are generally necessary to  
22 get into some of the places that this individual got  
23 to. And to have somebody, you know, in the back of  
24 the house like this is --- it's troubling to me.

25                  ATTORNEY SCHROEDER:

1                   Yes, Commissioner. In terms of the back  
2 of the house entry, it was all --- it was in Parx  
3 East, the old casino. And the elevators brought him  
4 from the first floor to the fifth floor. And on the  
5 even floors, two and four, are administrative offices.  
6 The regular elevators let off there. That's how it's  
7 always been. So when this person got off the elevator  
8 in these areas it was I believe after midnight. There  
9 was no staff in the areas and he kind of wandered  
10 around. And most of the hallways aren't secure. Some  
11 of the office doors are.

12                   So to address the situation, the one  
13 hallway he entered and the one office where he stole a  
14 laptop, all of those doors are now required to be  
15 locked and the hallway door had a swipe card  
16 installed. It was an administrative office area, so  
17 that's now secure. Another door was required to be  
18 locked and closed at all times. And then on the Parx  
19 Casino side where he got to a liquor store area we  
20 removed most of the bottles from that area, required  
21 that the door be locked, and a swipe card ---. And  
22 the most important thing I think we did is  
23 surveillance changed its monitoring of back of house  
24 non-casino areas as well as closed pit areas.

25                   I forgot to go into detail in the public

1 settings with how they changed it, but they changed it  
2 so they're much more aware of these non-casino back of  
3 the house areas as well as closed table games pits.  
4 And to mention the table floats real quickly, we  
5 modified the one type of float that he was able to  
6 enter into to make sure it was more secure. And  
7 that's that aspect of it. I can address each of them  
8 individually in more detail if that's ---.

9 MR. FAJT:

10 Can I hear from you, sir?

11 MR. O'HALA:

12 Yes, sir. I'm Joseph O'Hala, Director of  
13 Security. O, apostrophe, H-A-L-A. With regard to  
14 these activities on our property --- the majority of  
15 those --- to answer the question, which was how did it  
16 happen. I think it's complacency on the employees.  
17 They were a little bit overly trusting when somebody  
18 says I'm here by accident at the locations where  
19 employees encountered the individual and redirected  
20 him out of the area.

21 So, with that said, we've been doing a  
22 back of the house code change. So our back of the  
23 house entry doors are electronic and codes punched  
24 into a keypad were changed in the back. We're  
25 changing the code every two months, every six weeks.

1 That's actually happening again tomorrow. That  
2 communication goes out onto the property and reaffirms  
3 the need to monitor all employees for --- the security  
4 is dispatched immediately in the event that somebody  
5 doesn't have proper identification on them in the back  
6 of the house area. Dispatchers are also covering the  
7 cashier's cage and monitoring the back of the house.  
8 So we have about four terminals that are preset on all  
9 the various back of the house areas. And they watch  
10 them at all times. They will occasionally peruse the  
11 grounds and the garages, but they stay in back of the  
12 house areas at all times.

13           The other case is that you encounter  
14 somebody at the back of the house. The security staff  
15 now will detain the individual until a full backtrack  
16 is completed. So this way we're not relying on I'm  
17 accidentally here, I've made a wrong turn, where's the  
18 bathroom. They're being detained until we can do a  
19 backtrack.

20           MR. FAJT:

21           Thank you. And just one last question or  
22 comment for Cyrus and maybe even Kevin. I mean  
23 obviously this is the staff of two casinos, and I  
24 suspect it could happen to all the casinos. I may be  
25 wrong on that, but that's my suspicion. Is there

1 anything that we can do, should do proactively with  
2 these other casinos to say hey, just a heads up, this  
3 has happened before, you know, maybe your cameras, or  
4 you know, the review process is down or it's not done  
5 as often in closed pits or back of house areas and  
6 maybe that's not such a good idea? Are we doing  
7 anything proactively --- should be doing anything  
8 proactively at the other casinos?

9 ATTORNEY PITRE:

10 Well, we've dealt with these on a case by  
11 case scenario. And proactively with the other  
12 casinos, no, because we really don't have that much of  
13 a problem with regard to the other casinos.

14 MR. FAJT:

15 And I hear what you're saying. And maybe  
16 I'm hassling you to do this, but just a heads up to  
17 the other casinos to say hey, we've seen this at at  
18 least two casinos. Just be aware that, you know,  
19 we've seen some good practices put into place. I'd  
20 like the process of detaining somebody and not just  
21 assuming that he got lost on the way to the bathroom.  
22 I'd probably review the tape and see how many other  
23 times he got lost in that given hour. I would like,  
24 Kevin, if we could just maybe send something out to  
25 the other casinos to say keep an eye on this issue

1 that we've seen in these two instances.

2 MR. O'TOOLE:

3 Certainly, Commissioner. We'll  
4 coordinate that with the Bureau of Casino Compliance.

5 ATTORNEY PITRE:

6 And we'll send out an advisory letter as  
7 we've done in the past where there's been widespread  
8 incidents have occurred.

9 CHAIRMAN:

10 Thank you. Anything else, Greg?

11 MR. FAJT:

12 No, that's it.

13 CHAIRMAN:

14 Anyone else? Ex-officio members? Thank  
15 you all. May I have a motion?

16 MR. MOSCATO:

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

21 MR. FAJT:

22 Second.

23 CHAIRMAN:

24 All in favor?

25 ALL SAY AYE

1                   CHAIRMAN:

2                   Opposed? The motion carries. Thank you  
3 all.

4                   ATTORNEY MILLER:

5                   The next matter today is a Request for  
6 placement on the Board's Excluded Persons List today  
7 involving Philip Roberts. The OEC filed a Petition to  
8 place Mr. Roberts on the Exclusion List for cheating  
9 while playing blackjack at Parx Casino on August 14,  
10 2011. Over the course of 45 minutes of play Mr.  
11 Roberts capped six bets for a total loss of Parx  
12 Casino \$175. Mr. Roberts play was reviewed by the  
13 Parx Casino surveillance and his bet capping was  
14 detected.

15                   Mr. Roberts was arrested by the  
16 Pennsylvania State Police and charged with theft. Mr.  
17 Roberts made a full restitution to Parx Casino. Mr.  
18 Roberts's was placed in the Accelerated Rehabilitator  
19 Disposition Program on December 20th, 2011. A  
20 Petition was filed on January 9th, 2012. The Petition  
21 was properly served upon Mr. Roberts to the address  
22 listed on the Criminal Complaint filed against him by  
23 both Certified and First-Class mail. Mr. Roberts did  
24 not respond to the filing in any way. Due to Mr.  
25 Roberts's failure to respond the averments in the

1 petition are deemed to be admitted as fact and his  
2 right to a hearing has been waived.

3           On May 1st, 2012 the OEC filed a Request  
4 to Enter Judgment upon Default. The matter is now  
5 before the Board to consider the placement of Philip  
6 A. Roberts on the Board's Excluded Persons List.

7           CHAIRMAN:

8           Is Philip Roberts present in the hearing  
9 room? Any questions or comments from the Board?  
10 Ex-officio members? May I have a motion?

11           MR. FAJT:

12           Mr. Chairman, I move that the Board issue  
13 an Order to approve the addition of Philip Roberts to  
14 the PGCB Involuntary Exclusion List as described by  
15 the OEC.

16           MR. GINTY:

17           Second.

18           CHAIRMAN:

19           All in favor?

20 ALL SAY AYE

21           CHAIRMAN:

22           Opposed? The motion carries.

23           ATTORNEY MILLER:

24           Thank you.

25           CHAIRMAN:

1 Thank you. Mr. Armstrong?

2 ATTORNEY ARMSTRONG:

3 Chairman, Commissioners. I have the  
4 remaining six items on the agenda. With permission  
5 I'll take the next two together. The next two matters  
6 relating to the Petitions. They're related in the  
7 sense that Mr. Jerry Miguel and Ms. Fatima Thompson  
8 are grandparents together. On September 19th, 2011 at  
9 7:48 p.m. Mr. Miguel and Ms. Thompson visited the  
10 SugarHouse Casino with their three grandchildren, ages  
11 2, 6, and 12. They left their grandchildren in their  
12 vehicle in the SugarHouse parking lot while they went  
13 into the SugarHouse Casino and gambled for  
14 approximately 30 minutes.

15 While they were in the casino a passerby  
16 noticed the grandchildren and notified a Philadelphia  
17 Police Officer. When Mr. Miguel and Ms. Thompson  
18 returned to their vehicle they were arrested for  
19 leaving their grandchildren unattended. The three  
20 grandchildren were turned over to the police  
21 department's Special Victims Unit. However, after the  
22 police officer took Mr. Miguel and Ms. Thompson to the  
23 Philadelphia District Attorney's charging unit, the  
24 Assistant District Attorney in charge at that time  
25 decided that they should not be charged with any

1 criminal offense.

2           Commissioners, on November 17th of 2011  
3 the OEC filed a Petition to place Mr. Miguel and Ms.  
4 Thompson on the Board's Exclusion List. After some  
5 difficulties with their exact address and the post  
6 office delivering the Certified mail, on March 8th of  
7 2012 Mr. Miguel and Ms. Thompson were effectively  
8 served with copies of the Petition to place them on  
9 the Board's Exclusion List. Neither responded to the  
10 Petition in any way, nor did they respond to the  
11 Request filed by the OEC on April 25th to have the  
12 Board enter judgments against them upon default.

13           Based on their conduct in leaving their  
14 grandchildren in the vehicle unattended while they  
15 went into a Pennsylvania casino and gambled indicates  
16 that their presence in Pennsylvania casinos would be a  
17 detriment to the interest of the Commonwealth and to  
18 licensed gaming therein. At this time I ask the Board  
19 to vote on whether Mr. Miguel should be placed on the  
20 Board's Exclusion List.

21           CHAIRMAN:

22           Is Jerry Miguel in the hearing room? Is  
23 Fatima Thompson in the hearing room? Any questions or  
24 comments from the Board? May I have a motion?

25           MR. GINTY:

1                   Yes, Mr. Chairman. I move that the Board  
2 issue an Order to approve the addition of Jerry Miguel  
3 and Fatima Thompson to the PGCB Involuntary Exclusion  
4 List as described by the OEC today.

5                   MR. MCCALL:

6                   Second.

7                   CHAIRMAN:

8                   All in favor?

9 ALL SAY AYE

10                  CHAIRMAN:

11                  Opposed? The motion carries.

12                  ATTRONEY ARMSTRONG:

13                  Thank you, Commissioners. Chairman and  
14 Commissioners, the next four items are also related.  
15 If you recall, Mr. Thai, you revoked his Gaming  
16 Employee Permit earlier. He was the blackjack dealer  
17 at SugarHouse involved in the cheating scam. So we  
18 will handle all four of these matters together. Mr.  
19 Trung Thai, Mr. Sam Lau, Mr. Zeming Huang, and Yuan  
20 Fang Yang were all alleged to be involved in the  
21 blackjack cheating scam conspiracy at the SugarHouse  
22 in March of 2011. Mr. Thai was employed as a  
23 blackjack dealer at the SugarHouse and the  
24 Pennsylvania State Police were advised by SugarHouse  
25 personnel that they suspected Mr. Thai being involved

1 with the three other patrons in conspiring to cheat at  
2 blackjack. The surveillance evidence showed that Mr.  
3 Thai --- showed that he was deliberately showing his  
4 hold card when dealing blackjack to the patron  
5 identified as Sam Lau, who would in turn signal the  
6 two other patrons identified as Yuan Yang and Zeming  
7 Huang on how they should bet.

8           On March 23rd of 2011 all four of them  
9 were arrested by the Pennsylvania State Police and  
10 charged with theft by deception, criminal conspiracy,  
11 and cheating at blackjack sleight of hand or scheme.  
12 The total amount stolen through the cheating scheme  
13 was \$4,800. However, the charge of theft by deception  
14 was withdrawn by the Philadelphia DA's office at their  
15 preliminary hearing on October the 17th, 2011. All  
16 four of the subjects were properly served by the OEC  
17 Petitions for placement on the Board's Exclusion List  
18 as well as the Request for the Judgment upon Default.  
19 None of them responded to these pleadings in any way.

20           On January 11th of 2012 as previously  
21 stated, Mr. Thai pled guilty to the charges of  
22 criminal conspiracy and cheating at blackjack sleight  
23 of hand or scheme. Mr. Thai was sentenced to 12  
24 months probation and assessed fines and costs totaling  
25 \$2,829.50. As alleged in the OEC's petition, Mr.

1 Thai's arrest and conviction for being involved in the  
2 cheating conspiracy at SugarHouse indicates that his  
3 continued presence in the Pennsylvania casinos would  
4 be a detriment to the interest of the Commonwealth and  
5 licensed gaming therein.

6           The OEC requests at this time that the  
7 Board grant our Petition and enter an Order placing  
8 Mr. Thai on the Board's Exclusion List.

9           CHAIRMAN:

10           Is Mr. Trung Thai in the hearing room?  
11 Any questions or comments from the Board? Ex-officio  
12 members? May I have a motion?

13           MR. MOSCATO:

14           Mr. Chairman, I move that the Board issue  
15 an Order to approve the admission of Trung Thai to the  
16 PCGB Involuntary Exclusion List as described by the  
17 OEC.

18           MR. SOJKA:

19           Second. Mr. Chairman, before I second  
20 this could I suggest that we simply add the names of  
21 Lau, Huang, and Yang to this motion?

22           CHAIRMAN:

23           I guess I would have no objection if  
24 nobody else does.

25           ATTORNEY ARMSTRONG:

1 I have no objection, Commissioner,  
2 obviously. But I was going to detail the disposition  
3 of the criminal charges filed against each individual  
4 as a matter of housekeeping, but yeah, the motion to  
5 place each one on the Exclusion List. But if that's  
6 not necessary that's fine.

7 CHAIRMAN:

8 I don't think that's necessary.

9 MR. SOJKA:

10 All right. In which case, then I will  
11 second the motion assuming that all four names are on  
12 it.

13 CHAIRMAN:

14 The second is done by Mr. Sojka. All in  
15 favor? I'm sorry?

16 MR. SOJKA:

17 Are any of the others here?

18 CHAIRMAN:

19 Oh, yes. That's a good idea. Is Sam Lau  
20 in the hearing room? Is Zeming Huang in the hearing  
21 room? Is Yuan Fang Yang in the hearing room?

22 MR. SOJKA:

23 Now we're set.

24 CHAIRMAN:

25 All in favor?

1 ALL SAY AYE

2 CHAIRMAN:

3 Opposed? The motion carries.

4 ATTRONEY ARMSTRONG:

5 Thank you.

6 CHAIRMAN:

7 I believe that concludes today's meeting.  
8 Our next scheduled public meeting will be held here on  
9 Wednesday, June 13th at 10:00 a.m. Any final comments  
10 from the Board of ex-officio members of the Board?

11 MR. FAJT:

12 Yes. Personal privilege. I just want to  
13 wish the Chairman a happy birthday today.

14 CHAIRMAN:

15 May I have a motion to adjourn the  
16 meeting?

17 MR. GINTY:

18 So moved.

19 MR. MCCALL:

20 Second.

21 CHAIRMAN:

22 The meeting is adjourned. Thank you all.

23 \* \* \* \*

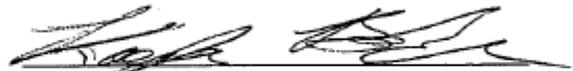
24 MEETING CONCLUDED AT 1:18 P.M.

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CERTIFICATE

I hereby certify that the foregoing proceedings, meeting held before Chairman Ryan, was reported by me on 05/23/2012 and that I Kayla Bolze read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.

  
Court Reporter