

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

* * * * *

IN RE: LICENSE RENEWAL HEARING; SANDS CASINO

* * * * *

HEARING

* * * * *

BEFORE: LINDA LLOYD, Presiding Officer

Dante Santoni, Jr., Member

Kathy M. Manderino, Member

Merritt C. Reitzel, Member

HEARING: Thursday, April 5, 2018

10:00 a.m.

LOCATION: Bethlehem Town Hall

10 East Church Street

Bethlehem, PA 18018

WITNESSES: Brian Carr, Steven Yanchis, Gerald Stoll,

William Sulon, Lynn Cunningham, Katherine Hilgert,

Sonia Vazquez, Mary Colon, Roger Hurdak, Donna Taggart

Reporter: Brian D. O'Hare

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

A P P E A R A N C E S

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

MICHAEL R. ROLAND, ESQUIRE
Pennsylvania Gaming Control Board
P.O. Box 69060
Harrisburg, PA 17106-9060
Counsel for Office of Enforcement Counsel

MICHAEL A. MAGAZZU, ESQUIRE
Sands Bethworks Gaming, LLC
77 Sands Boulevard
Bethlehem, PA 18015
Counsel for Sands Bethworks Gaming, LLC

I N D E X

1		
2		
3	OPENING REMARKS	
4	By Presiding Officer	6 - 8
5	PRESENTATION	
6	By Mr. Carr	8 - 25
7	QUESTIONS	
8	By Attorney Roland	25 - 37
9	QUESTIONS	
10	By Board	37 - 49
11	PRESENTATION	
12	By Attorney Roland	50 - 51
13	<u>WITNESS:</u> STEVEN YANCHIS	
14	DIRECT EXAMINATION	
15	By Attorney Roland	51 - 58
16	QUESTIONS	
17	By Board	58 - 63
18	<u>WITNESS:</u> GERALD STOLL	
19	DIRECT EXAMINATION	
20	By Attorney Roland	63 - 69
21	EXAMINATION	
22	By Board	69 - 73
23	<u>WITNESS:</u> WILLIAM SULON	
24	DIRECT EXAMINATION	
25	By Attorney Roland	74 - 78

I N D E X (cont.)

1		
2		
3	<u>WITNESS:</u> WILLIAM SULON (cont.)	
4	EXAMINATION	
5	By Board	78 - 79
6	DISCUSSION AMONG PARTIES	79 - 84
7	PUBLIC COMMENT	
8	By Ms. Cunningham	84 - 87
9	By Ms. Hilgert	87 - 91
10	By Ms. Vasquez	91 - 94
11	By Ms. Colon	95 - 99
12	By Mr. Hurdak	99 - 103
13	By Ms. Taggart	103 - 107
14	CLOSING REMARKS	
15	By Presiding Officer	107 - 108
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

E X H I B I T S

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

<u>Number</u>	<u>Description</u>	<u>Page Offered</u>	<u>Page Admitted</u>
---------------	--------------------	---------------------	----------------------

Sands Exhibits:

1	PowerPoint Presentation	25	--*
---	-------------------------	----	-----

OEC Exhibits:

1	PA State Police Uniform		
	Crime Report	80	82*
2	3/1/18 Department of Revenue		
	Letter	80	82*
3	3/12/18 Office of Compulsive		
	& Problem Gambling Memo	80	82*
4	2/23/18 Enforcement History	81	82*
5	Consent Agreements	81	83*
6	Memorandums	81	83**
7	49 OEC Warning Letters		
	& Sands' Responses	82	83**

*Exhibits Not Attached

**Confidential

P R O C E E D I N G S

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

PRESIDING OFFICER: My name is Linda Lloyd and I'm the Presiding Officer assigned by the Board today to conduct this portion of the license renewal hearing for Sands Bethworks Gaming, LLC, referred to as Sands Bethlehem or the Sands. Before we begin, if we could all please turn off or to vibrate our cell phones and other electronic devices.

And I would like to remind everyone that this proceeding is being recorded today by a court stenographer, as well as being recorded on video and being streamed live right now on our Board's website.

As the Presiding Officer, I call this hearing to order. The date is Thursday, April 5th. The time is ten o'clock and the location is the Bethlehem Town Hall at 10 East Church Street, Bethlehem, PA, 18018. The Pennsylvania Racehorse Development and Gaming Act, as amended, requires, at Section 1326, that an operator's license shall be renewed by the Board every five years.

This public license renewal hearing is conveyed by the Board pursuant to the mandate found in Section 1205.B1 of the Gaming Act that requires, as

1 part of the renewal process, that a public hearing be
2 held in a municipality where the licensed facility is
3 located. This public hearing was advertised on the
4 Board's website, announced by the Board at public
5 Board meetings and advertised in local newspapers.

6 We have three Board members present
7 with us today. To my right is Commissioner Dante
8 Santoni and to my left is Commissioner Kathy Manderino
9 and Commissioner Merritt Reitzel.

10 A hearing will begin with the
11 presentation of Sands, with the opportunity of the
12 Board and Office of Enforcement Counsel (OEC) to ask
13 questions of Sands and any witnesses. After the Sands
14 conducts its presentation, the OEC will make a
15 presentation and Board and representatives from Sands
16 will have an opportunity to ask questions of
17 Enforcement Counsel witnesses.

18 After the close of testimony and
19 evidence from both parties, those individuals who have
20 registered to speak at today's hearing during the
21 public comment period will be heard as their name is
22 called.

23 Representatives from community groups
24 have five minutes and individuals have three.
25 Following the close of public comment, the Sands and

1 OEC will have an opportunity to provide a short
2 closing statement.

3 This is an official administrative
4 hearing, so please treat this as if you were attending
5 a court proceeding. All witnesses please speak loudly
6 and clearly into your microphone as provided, so our
7 court reporter and others can hear what you have to
8 say.

9 So, let's begin by having all
10 witnesses from Sands and the OEC who will testify
11 during the hearing today, if you could please stand
12 and raise your right hand to be sworn by our court
13 reporter.

14 ---
15 (WHEREUPON, WITNESSES WERE SWORN EN MASSE.)

16 ---
17 COURT REPORTER: The witnesses have
18 been duly sworn in.

19 PRESIDING OFFICER: Thank you. When
20 you speak for the first time, if you could please
21 state your name and spell that for the court reporter.

22 And Sands, if you're ready, please
23 begin.

24 MR. CARR: Thank you very much. My
25 name is Brian Carr, C-A-R-R. I am the President and

1 Chief Operating Officer of Sands Bethlehem. It is an
2 honor to be here today. I want to thank PGCB, the
3 Commissioners and the staff for coming out today and
4 for participating in this procedure.

5 To start, I'll give a little bit of a
6 history, and then I'll take you through the property,
7 and we can kind of talk about the overall impact that
8 the - that the property has made on the area.

9 So, we all know that the Sands sits on
10 the original property from Bethlehem Steel, 124 acres
11 that were developed for this property. At the time of
12 us taking it over in 2007, it was the largest private
13 brownfield site in the United States.

14 Over the course of the last almost
15 nine years we've invested about a billion dollars in
16 the property, which is significantly larger than the
17 original license obligation of \$600 million. We
18 average between \$25 and \$40 million annually in
19 maintenance capital.

20 And I'll just take a couple of minutes
21 and take you through the building permits. The casino
22 floor opened in 2009. We currently have in the
23 process as we're finishing some renovations now -. We
24 have just over 3,000 slot machines, 189 table games
25 and 26 poker tables. We got a high limit slot area,

1 we have a high limit table game salon area, palazzo,
2 which is currently being renovated and won't be open
3 until later this summer.

4 The poker room that we just renovated
5 and - and moved into a new area just opened up and has
6 been incredibly successful and well-received by our
7 guests. We have two Black Jack - two ETG stadiums,
8 one Black Jack and one that focuses on Roulette and
9 Baccarat.

10 This is the largest number of
11 electronic table games in the United States in any one
12 casino. We're very proud about that and it has
13 performed very well. It also brings \$5 table games to
14 the - to the gaming market here, which is something
15 that has not been offered much in the state.

16 In total we have over 150,000 square
17 feet of gaming space on the floor. From a parking
18 point of view, we have over 3,000 covered parking
19 spaces in our garage. We have about 1,600 parking
20 spaces in the surface lot. We offer valet service 24
21 hours a day.

22 We have 14 bus bays and onsite parking
23 with a waiting area. We do over 29,000 buses a year
24 and welcome almost 1.5 million visitors via our bus
25 lines.

1 In working with the city and the local
2 governments, we were able to help with PennDOT for
3 over \$100 million for better access to the property
4 via 412 coming from 78.

5 Just going to spend a little time
6 taking you through some of the non-gaming amenities we
7 have on the property. Obviously, we have four
8 in-house restaurants, we've got four third parties,
9 we've got some bars, we got outlet malls and just
10 spend a little time taking you through what these ones
11 look like.

12 Emeril's Chophouse, which is from the
13 acclaimed Chef Emeril Lagasse, and this was his first
14 Emeril-branded restaurant in the Northeast region in
15 the United States. It was so successful that he's got
16 several more with us, which we'll get into in a little
17 bit.

18 This restaurant's been visited by over
19 77,000 guests in the last year. We opened it
20 originally in 2009, but we just finished a renovation
21 on it last fall, so very pleased with that.

22 Emeril's Fish House, which originally
23 opened in 2016 and we finished a complete renovation
24 of the room in 2017 - 55,000 guests that have visited
25 this - this facility. This is his, Chef Emeril

1 Lagasse's twist on Louisiana's Classic Creole dishes.
2 Very popular and probably the best seafood in Lehigh
3 Valley, but I might be impartial - a little bit
4 partial on that.

5 Page ten just takes you through
6 quickly BAM, which is a great burger restaurant that -
7 it's his first gourmet BAM - his first gourmet
8 restaurant for hamburgers. It accommodates about 90
9 guests, but it has serviced over 150,000 guests in the
10 last year. So, clearly our most popular restaurant
11 that we have on the property.

12 Carlo's Bake Shop you may recognize
13 from the Cake Boss, from his TV reality show. We
14 opened that in January of 2017. It's a wonderful
15 thing. And I visit it a little bit too often, but I
16 would highly recommend that other people try it out
17 because the lobster claws are amazing.

18 Buddy V's is his restaurant. This is
19 only his second restaurant concept. He's got one in
20 Vegas and the second one opened up here.

21 It has been incredibly successful and
22 his first restaurant I'm close to where his original
23 Cake Boss bakery is located. And it has been visited
24 by over 100,000 guests in the last year. So, again,
25 another very popular restaurant.

1 Other restaurants we offer, which are
2 some of our third parties is Steelworks both the
3 buffet and grill. This is a restaurant which is -
4 which is a combo sitdown versus a buffet, seats over
5 300 guests.

6 We got The Market Place, which is a
7 food court and Chopsticks, which is our authentic
8 Asian restaurant, with a third-party deal with the
9 restaurateur out of New York.

10 Molten is our free live entertainment
11 lounge. We own the floor. We offer free
12 entertainment seven nights a week every single night
13 of the year. Definitely very popular with our guests
14 and really helps build that vibe on the floor of the
15 excitement factor.

16 Coil is our main bar on the floor. It
17 really acts as a meeting point for most of our guests
18 when they come to visit us. We offer a full gift
19 shop, and of course, the outlets at Sands, which is 30
20 stores, a 200,000 square foot outlet center with the
21 most successful in the building being Coach and
22 Under Armour. It's been a wonderful added benefit to
23 our guests.

24 Steel Magnolia, which is almost a
25 4,500 square foot spa offers ten treatment rooms and

1 full services. Our banquet meeting space, which is
2 something we're very proud of, over 12,000 square feet
3 of modern meeting space with over 3,000 of
4 pre-function space, has professional event planner and
5 catering service.

6 Last year we hosted 198 events and
7 over 25,000 guests for various events we had in that
8 area. The Sands event center, which is a 50,000
9 square foot venue offering A-list entertainment -. We
10 typically do about 80 shows a year.

11 We've had everything from Rod Stewart
12 to Cirque du Soleil and we've got Brittany Spears and
13 Steven Tyler coming up soon. So, this is really a
14 great way for us to bring first rate A-list talent to
15 the Lehigh Valley area.

16 Our hotel, which opened up in May of
17 2011, was renovated in 2016. It's 282 rooms, there's
18 four Chairman suites, which really compete with
19 anything that you would see at the high-end suite
20 product in Atlantic City and it's really given us an
21 upper edge in our performance in our tables over the
22 years, which we'll get to later on in the
23 presentation.

24 We have six Presidential suites and 16
25 Executive Suites. And we have achieved the AAA four

1 diamond rating for going on four years now.

2 You know, Sands has really made a big
3 push not only to be first rate when we're inside the
4 building, but also what we do when it comes to our
5 involvement within the community. We're very proud of
6 what that is. And that really started back when Sands
7 was first granted the license and we started doing
8 various things to - to reach out to the community and
9 just want to take a little time and go through what
10 some of those ones are.

11 So, the SteelStacks, Sands Bethlehem
12 donated approximately four acres to ArtsQuest in the
13 fall of 2009 to build the SteelStacks campus. There's
14 really two parts of it, one the performing arts center
15 and then, of course, the music pavilion, which hosts
16 over 53 concerts a year.

17 So, I'm very pleased with the
18 partnership we have there. For PBS 39 at SteelStacks
19 we donated over one acre of land to PBS 39 in 2010.
20 And that 29,000 square foot public broadcasting center
21 anchors the Lehigh Valley's 21st Century Town Square.

22 Donated two-and-a-half acres in June
23 of 2011 containing the industrial Stock House, which
24 is one of the original buildings from 1863 for
25 Bethlehem Steel. And that was used to - to create the

1 Lehigh Valley Convention and Visitors Bureau. We also
2 entered into an Easement Agreement with the
3 Development Authority of Bethlehem in September of
4 2013, to help pave the way for the Hoover Mason
5 Trestle. If you haven't had a chance to go on that, I
6 highly recommend it. It tells a tremendous story of
7 exactly how the steel process works start to finish
8 and it's a great walking tour probably not so much on
9 today.

10 Steelworker archives. We have always
11 historically given some space to the Steelworkers
12 Association, so that they could display their
13 artifacts, have a meeting place for themselves. It
14 used to be in a back house area not easily accessible.

15 We moved it to the mall, so it had a
16 little more public access and built them a much nicer
17 space for that. As you can see here an example of
18 what that is.

19 Very pleased with our partnership with
20 that group. And then also cross marketing with Lehigh
21 Valley to promote tourism.

22 So, working with Discover Lehigh
23 Valley, working with ArtsQuest and Historic Bethlehem
24 Association to make sure that we are good partners in
25 helping out. Musikfest, obviously, being one of the

1 biggest things that we participate in. For community
2 involvement and outreach Sands Bethlehem supports lots
3 of local non - nonprofits both through fundraising
4 events, food drives, charitable donations from our
5 team members and from the company.

6 We do adopted families at the - at
7 Christmastime, we have volunteer services and
8 participate in numerous 5K walks and city cleanup
9 events. In 2017 we donated over \$600,000 to these
10 types of events and since we've opened we've - we've
11 donated more than \$3 million to these types of events.

12 Sands Bethlehem is particularly
13 involved with Donegan Elementary. It's something
14 that's near and dear to my heart.

15 We do a lot of great work with them.
16 And it's great to see the benefit. And that's also an
17 area where we have a lot of employees that live on the
18 south side of Bethlehem whose children go to Donegan,
19 which makes it especially close to our hearts.

20 We also participate in numerous
21 boards. We won't worry about going through all of
22 them, but there's how many boards in this area that we
23 don't have at least one of our team members that's a
24 member of. And we're very involved with Northampton
25 Community College.

1 There's a real opportunity for us to
2 continue to prepare and build for the futures of young
3 people in this area, by helping prepare for a great
4 job with an opportunity to get advanced education.

5 We're also huge supporters of the food
6 and wine festival and get Emeril Lagasse to come
7 almost every single year the last few years here, to
8 help support this tremendous event and - and help
9 raise money, as it's one of the major fundraisers for
10 NCC.

11 From an employment point of view - and
12 this is something that - that really goes a long way
13 with me and something I'm very proud of being a member
14 of this industry, as we employed almost 2,500 team
15 members as of the end of 2017. The average total
16 annual compensation for a Sands employee in 2017 was
17 almost \$45,000. Lifetime employee compensation will
18 be paid since we've opened is coming up on \$700
19 million.

20 We have tremendous career development
21 opportunities. One of the things that's great about
22 this industry is it's very common for people to come
23 in as a frontline team member and get an opportunity
24 to take - take a step up to a lead role, to a dual
25 rate, to a supervisor, to a shift manager. And we can

1 literally go walk that floor right now and I can find
2 you 15 stories at this time of day without even
3 trying, just because it's so common that you see
4 people really build careers. We had 135 internal
5 promotions in 2017.

6 Ninety-two (92) percent of our
7 employees are PA residents, 92 percent of my employees
8 are full-time employees. So, they're eligible for
9 benefits to getting good paid - good jobs, good
10 benefits.

11 Our third-party tenants also employ
12 about 700 other people. So, when you add it all up
13 we've got nearly 3,200 jobs on that site as a result
14 of this casino.

15 From a demographics point of view,
16 Sands is committed to diversity and making sure that
17 we're a leader in this field. Sands Bethlehem exceeds
18 statewide averages in both percent of female and
19 minority in the workforce, both for the entire
20 workforce and also for leadership roles, such as the
21 management, professional and salary.

22 We also have a lot of employment
23 resources. So, in addition to an excellent training
24 for our team members onsite, we also provide offsite
25 training and outside training opportunities.

1 Responsible gaming courses, of course, CPR for dealers
2 and security, Northampton Community College for
3 training and ongoing. A lot of that is culinary.
4 English as a second language classes and employment
5 tours for the Bethlehem Area School District.

6 We're very excited about this. And
7 we've - we've made some end roads of it, but we've got
8 some real positive - the future looks very strong from
9 that side. And the fact of what we're looking for is
10 students that are graduating who - who maybe are not
11 going to college or they're going to a college locally
12 the opportunity to get them into this industry and get
13 them some exposure and some really great work
14 experience is something that I'm very excited about.

15 And I think it's huge potential,
16 especially when you can see that we've got
17 high-paying jobs that are very comparable if not well
18 above what the averages in this area are.

19 Dealer school is another thing that we
20 brought inhouse. In February 2017 we opened up our
21 own dealer school, which is free to attend. Since
22 we've opened it up, we've had 178 people graduate from
23 there. And 152 of them have stayed with us, so we've
24 got over an 85 percent retention rate, which if you're
25 not from the industry that might not sound amazing.

1 In dealers that's insanely high.
2 Fifty (50) percent retention would be off the charts,
3 so 85 we're extremely pleased with.

4 And the other thing is these are local
5 people. These are people who live here, who live
6 within a few miles of the property and are setting up
7 their families here. So, it's - it's good for the
8 area, too.

9 We also want to really thank - in the
10 process of getting this set up being we really want to
11 thank CareerLink, Hispanic Center of Southside
12 Bethlehem and our job fair partners. Because without
13 them we could not find these candidates to make sure
14 that we continue to build our workforce.

15 From a regulatory compliance point of
16 view, you know, we are committed to being a first-rate
17 organization. We are often recognized by the PGCB as
18 a leader in the Commonwealth for the regulatory
19 compliance standards.

20 One of the things that I think you
21 always struggle with, especially in a town like this,
22 where there's a lot of local colleges and people who
23 are under the age of 21 -. That you have to make sure
24 that you're diligent when it comes to IDing and making
25 sure that the people that are over 21 are actually

1 getting in and anyone that's under is not. Over the
2 last year we spent \$200,000 reinforcing our processes
3 where we installed fencing, beer docks system checks.

4 We put up a lot of signage. We did
5 additional training when it comes to our security and
6 our beverage teams, which are - actually are two major
7 places where we can catch individuals that are
8 underage if they make it to the floor.

9 You know, in 2017 we had over 9
10 million patrons, which means we average 25,000 people
11 a day. And that's a lot of people for the security
12 team to keep an eye on.

13 We had over almost 900,000 challenges
14 at the entrance. That's where we ask somebody for ID,
15 because they appear to be under the age of 30.

16 Since the installation of a new system
17 our fake IDs caught and turned away has increased by
18 58 percent. And the number of underage incidences
19 where people have made it to the floor has plummeted
20 from 29 the year before we started the process to six
21 since then.

22 Another thing that we focused on is
23 the mitigation of compulsive gambling. Sands provides
24 level one and level two problem gambling treatment
25 training for the community through the PA Council and

1 Compulsive Gambling. We've conducted this training
2 every year since 2006. Over 3,500 people have
3 received training and certification through this
4 process.

5 From a financial point of view, you
6 know, Sands really has made a real push since 2014 to
7 continue to grow the table games side where we've seen
8 our biggest growth, but we've also grown slots. And
9 it's been a very strong performance and we've outpaced
10 every other casino in the State of Pennsylvania since
11 2014.

12 And really what that turns into is
13 generating additional gaming revenue, or you know,
14 additional gaming revenue for us, but additional
15 gaming taxes for - for the state.

16 So, generating more than \$200 million
17 in gaming taxes in both 2016 and 2017 and generating
18 \$1.5 billion in gaming taxes since we opened and \$1.6
19 billion in total taxes and fees that we've paid since
20 opening.

21 And then also, like I said, continuing
22 to grow in years six, seven and eight is a - is a real
23 achievement in this market. And what we've been able
24 to do is both grow top line, but also grow bottom line
25 taxes we're paying into the Commonwealth to help the

1 Commonwealth by almost \$23 million. We're almost at
2 13 percent right now.

3 And that benefits the local area, too.
4 You know, we've - since opening we've paid \$143
5 million in taxes. That has gone to the Greater Lehigh
6 Valley area and has really benefited -. But you know,
7 - it's not just the story of just gaming taxes.
8 There's a lot of other things that we've done in the
9 fact between property taxes, sales taxes, unemployment
10 taxes, local income taxes.

11 We paid the hotel occupancy we've paid
12 another \$140 - \$110 million in additional taxes. So,
13 when you put that all in, placing this license in this
14 area has generated \$1.7 billion in taxes for this -
15 for the city, for the Greater Lehigh Valley area and
16 for the Commonwealth of Pennsylvania.

17 So, just to recap my comments before I
18 come to conclusion. You know, we've invested over a
19 billion dollars in the facility. We have \$1.7 billion
20 in taxes we've been able to pay. We employ more than
21 3,000 people on our site. We've paid nearly \$700
22 million in payroll, we have donated more than \$3
23 million in charitable donations.

24 Las Vegas Sands is pleased and proud
25 of what we've accomplished over the last nine years.

1 We're very - we look forward to the
2 future and we greatly appreciate the opportunity to
3 apply for this renewal and look forward to your
4 questions. Thank you.

5 PRESIDING OFFICER: Your PowerPoint
6 presentation, would you like to move that into the
7 record?

8 MR. CARR: Yes, please.

9 PRESIDING OFFICER: Okay.

10 OEC any objection?

11 ATTORNEY ROLAND: No objection.

12 PRESIDING OFFICER: So we'll mark that
13 as Sands Exhibit 1 for today's hearing.

14 ---

15 (Whereupon, Sands Exhibit 1, PowerPoint
16 Presentation, was marked for identification.)

17 ---

18 PRESIDING OFFICER: I'll turn to
19 Enforcement Counsel.

20 Do you have any questions for -

21 ATTORNEY ROLAND: Yes, please.

22 PRESIDING OFFICER: - Mr. Carr?

23 ATTORNEY ROLAND: Yes, please. Good
24 morning, Director Lloyd, members of the Board.
25 Michael Roland, R-O-L-A-N-D, Assistant Enforcement

1 Counsel with the OEC. Mr. Carr, if I can, I'm going
2 to start towards the beginning of your presentation -

3 MR. CARR: Sure.

4 ATTORNEY ROLAND: - and kind of work
5 forward and I'm going to ask you about slide five
6 first.

7 MR. CARR: Yes.

8 ATTORNEY ROLAND: The second bullet
9 point there you indicate in May of 2018. And it's
10 kind of unusual that you're looking forwards towards
11 what you might have and all the numbers that are
12 reflected on this slide are the slot machines, square
13 footage.

14 Is it safe for us to assume that all
15 of those are tied to what is known as Operational Plan
16 23, which was approved by this Board in February of
17 this year?

18 MR. CARR: Correct. Yes.

19 ATTORNEY ROLAND: So, once that plan
20 is complete, those are the numbers -?

21 MR. CARR: These will be the numbers
22 in place, yes.

23 ATTORNEY ROLAND: Thank you. I'm
24 going to ask next to look at slide 19.

25 I know you mentioned that the outlets

1 have been tremendously successful for you. And I
2 believe you said today that there are actually 30
3 storefronts that are in the outlets.

4 Have they all been rented at this
5 point in time?

6 MR. CARR: They are not, but it's
7 fairly common for a retail outlet like that to have
8 certain spaces that are open. We actually have two
9 that are downstairs. They're a little tough to rent
10 sometimes and we actually use them for promotional
11 events like - like we just did the big candy giveaway
12 in February.

13 ATTORNEY ROLAND: Okay.
14 How about slide 33, please?

15 MR. CARR: Yes.

16 ATTORNEY ROLAND: And here we're
17 looking at employment. You mentioned you have 2,473
18 employees and that's at the close of 2017. Now in
19 2018 we're almost at the end of the first quarter or
20 we're at the end of the first quarter.

21 Has there been a significant change in
22 that employee count at all?

23 MR. CARR: It has crept a little
24 closer to 2,500, but it's - it's like 2,491 I believe
25 when I looked at it the last time.

1 ATTORNEY ROLAND: And are 92 percent
2 of the positions still what you would consider full
3 time, even with that little bit of a creep?

4 MR. CARR: Yes.

5 ATTORNEY ROLAND: And you mentioned
6 that the full-time positions are eligible for benefit
7 packages.

8 Does that mean all full-time employees
9 get benefit packages with healthcare?

10 MR. CARR: Correct.

11 ATTORNEY ROLAND: And at this point do
12 you see any significant changes going into the future,
13 as far as the number of employees Sands is going to be
14 required to have to operate?

15 MR. CARR: We have a - we have a list
16 that's associated with - with the latest OP. Off the
17 top of my head I'm not remembering the exact number
18 that we've got from - from that, but we can certainly
19 provide that.

20 I want to say conservatively it was
21 like 50 net bodies of what it was going to be from
22 that one, but I do - there are no additional changes
23 for significant increase at this time.

24 ATTORNEY ROLAND: Thank you. Slide
25 37.

1 And I believe you mentioned today that
2 Veridocs scanning technology that Sands is utilizing.

3 Correct?

4 MR. CARR: Yes, it is.

5 ATTORNEY ROLAND: Is that software or
6 hardware updated, improved upon? And if so, how
7 frequently does it happen?

8 MR. CARR: So there's - you check for
9 verification every week. And then there's a - there's
10 a - a larger update that happens every month, which is
11 just where you constantly go out and just update the
12 database with the outside company that it bounces
13 against to verify the identification, to double-check
14 for validity and that process.

15 ATTORNEY ROLAND: Okay.

16 And this new system, one of the things
17 that I think plagued the industry years ago was an
18 inability to process or scan passports?

19 MR. CARR: Correct.

20 ATTORNEY ROLAND: Do you now have that
21 ability? And is it part of Veridocs or is there
22 something else that is in place?

23 MR. CARR: It is part of Veridocs and
24 it does - it does process.

25 ATTORNEY ROLAND: On slide 37 you

1 mention approximately nine million patrons.

2 How do you arrive at that number?

3 MR. CARR: Out from the little
4 clicker. No, actually, you know, we've got the -
5 we've got technology that does the counting. You've
6 got the bus counts as they come in.

7 You're able - you're able to arrive at
8 the number roughly. And then it's also via the entry
9 points where you're able to get accurate counts. And
10 also unique transactions on the floor.

11 ATTORNEY ROLAND: And this one may not
12 be a fair question, because you not know as you sit
13 here. But you mentioned the increase of 58 percent of
14 fake identifications that are caught.

15 That's kind of hard to quantify when
16 you don't have a starting or an end point, but if you
17 wanted to give everyone a little flavor what kind of
18 number is that?

19 MR. CARR: Oh, you mean like -?

20 ATTORNEY ROLAND: Like actually how
21 many, ballpark of course.

22 MR. CARR: You know, off the top of my
23 head I don't have that number from there. We can
24 easily do that, but it's 58 percent increase in the
25 number of turnaways and - and - and IDs that we've

1 caught from that point. So, that's a - that's a hard
2 - that's an easy one to get the actual number.

3 ATTORNEY ROLAND: Thank you. How
4 about wristbands? Is Sands still utilizing the
5 wristband procedure?

6 MR. CARR: We do.

7 ATTORNEY ROLAND: At this point do you
8 still feel it's effective and you plan on continuing
9 its use in the future?

10 MR. CARR: We plan to continue to use
11 it. And then we encourage all of our employees no
12 matter what, if you feel that the individual that's
13 standing in front of you when you're on the floor -.
14 I don't care if they have a wristband on their - on
15 their hand, if you think that they don't seem to be of
16 age, then you should challenge. And they do.

17 ATTORNEY ROLAND: Next I'd like to ask
18 you about your underage pathway. Sands is one of the
19 properties that has the underage pathway that goes
20 around the perimeter of the gaming floor.

21 Correct?

22 You still have that?

23 MR. CARR: Correct.

24 ATTORNEY ROLAND: When it's used by an
25 underage patron, is a security escort always provided?

1 MR. CARR: Yes.

2 ATTORNEY ROLAND: Can you explain for
3 the Board and for everyone today exactly how that
4 process works if an -

5 MR. CARR: Sure.

6 ATTORNEY ROLAND: - underage patron
7 approaches?

8 MR. CARR: So, assuming that they're
9 with a parent when they're coming - a parent comes up
10 who has an individual or a minor who's under 21 and
11 notifies the officers. There's always at least one,
12 for the most part there's at least two security
13 officers stationed at every single one of the entry
14 points.

15 They'll radio in to dispatch and say
16 that they've got an escort. One of the rovers will
17 come to that area and escort the guest to the other
18 side of the building, whether they're going to food
19 court, whether they're going to one of the
20 restaurants, whatever it is from there.

21 ATTORNEY ROLAND: Okay.

22 And let's assume that one of the
23 underage patrons and their family is - is going to one
24 of the restaurants to dine. Once they arrive at that
25 location, does security then stay there with them or

1 does the responsibility pass over to the restaurant
2 establishment?

3 MR. CARR: Some of the responsibility
4 falls to the restaurant, but an officer stays outside
5 of the restaurant while the underage person is in the
6 building.

7 ATTORNEY ROLAND: Until they leave?

8 MR. CARR: Yes, until they leave.

9 ATTORNEY ROLAND: Next I'd like to ask
10 you a little bit about the liquor management on the
11 property and the Liquor Licenses that are involved.

12 How many licenses are associated with
13 the property right now?

14 MR. CARR: Off the top of my head it's
15 three.

16 ATTORNEY ROLAND: Okay.

17 Have there been any liquor control
18 violations for the Liquor License awarded to Sands
19 Bethlehem Gaming, LLC during this period?

20 MR. CARR: No.

21 ATTORNEY ROLAND: Have there been any
22 violations that you're aware of for the other two
23 licenses that are on the property?

24 MR. CARR: No.

25 ATTORNEY MAGAZZU: Can I clarify that

1 for the record?

2 ATTORNEY ROLAND: You can.

3 ATTORNEY MAGAZZU: For the record -.

4 PRESIDING OFFICER: Introduce
5 yourself.

6 ATTORNEY MAGAZZU: First name is
7 Michael, M-I-C-H-A-E-L. Last name Magazzu,
8 M-A-G-A-Z-Z-U, Vice President and General Counsel of
9 Sands Bethworks Gaming, LLC.

10 Mr. Roland, we are aware of at least
11 one violation that was issued to Vision - I don't have
12 the exact entity name. Vision Entertainment Group,
13 LLC, I believe. I believe there was a Notice of
14 Violation issued by the Liquor Control Board to
15 Vision.

16 Vision is entirely a third-party
17 operation. They lease space for us for the event
18 center and for the Vision bar and nightclub. So, I
19 just want to clarify for the record that was not
20 issued to Sands Bethworks.

21 ATTORNEY ROLAND: And again, that is
22 not Sands' license? They do not own that license?

23 ATTORNEY MAGAZZU: That is correct.
24 There - as Mr. Carr noted, there are three. One is
25 for Sands Bethworks, one is for Vision Entertainment

1 Group. And the third is for Villa, which is the
2 tenant that operates the Steelworks' buffet that was
3 part of our presentation as well as the food court and
4 the market outlets.

5 But their - their Alcohol License
6 applies only to the buffet since there is no alcohol
7 sold in the market. It's only for three licenses.

8 ATTORNEY ROLAND: Okay.

9 And regarding that one citation, do
10 you know is it completely resolved at this time?

11 ATTORNEY MAGAZZU: To my knowledge, it
12 is.

13 ATTORNEY ROLAND: Okay.

14 Does Sands participate with the
15 Commonwealth's Responsible Alcohol Management Program,
16 what they call RAMP traditionally?

17 MR. CARR: Yes.

18 ATTORNEY ROLAND: Do you know what
19 percentage of your alcohol service employees are
20 RAMP-certified? Again, a ballpark.

21 MR. CARR: It's -.

22 ATTORNEY MAGAZZU: I don't have a
23 percentage. We know the types of roles that they
24 typically are required to undergo the training and
25 certification, but I could not sit here today and tell

1 you a percentage of the employees.

2 ATTORNEY ROLAND: Is it - is it part
3 of every alcohol server's training or is it select
4 ones that are put through the training?

5 ATTORNEY MAGAZZU: Every person who
6 would serve alcohol has to undergo the training.

7 ATTORNEY ROLAND: Okay.

8 PRESIDING OFFICER: Could you,
9 please -?

10 ATTORNEY MAGAZZU: Yes, move closer.

11 PRESIDING OFFICER: Yes, if you could
12 when you're answering a question.

13 Our court reporter is having a
14 difficult time hearing you. Thank you.

15 ATTORNEY ROLAND: Okay.

16 I think as we mentioned already, the
17 gaming floor at Sands is going - undergoing some
18 changes and that's part of Operational Plan 23.

19 Do you have any plans at this point
20 beyond Operational Plan 23 that's going to either
21 increase or decrease the number of slot machines or
22 table games?

23 MR. CARR: We're always looking at
24 opportunities that we think we could, but we don't
25 have anything for the Board at this time, no.

1 ATTORNEY ROLAND: And how about the
2 amenities for the facility? Do you have any plans at
3 this point to either remove or add any amenities in
4 the near future?

5 MR. CARR: I have no plans to remove
6 anything, but there - again, similar to this - my
7 previous answer. We're always looking at new
8 opportunities, but not anything for the Board at this
9 time.

10 ATTORNEY ROLAND: I believe that's all
11 the questions I have. Thank you.

12 PRESIDING OFFICER: Thank you.

13 ATTORNEY MAGAZZU: I'd like to clarify
14 one point for the record.

15 PRESIDING OFFICER: Yes.

16 ATTORNEY MAGAZZU: On page 33 - this
17 is a very minor issue, but Mr. Roland asked about
18 number of full-time employees.

19 Because we noted that 92 percent of
20 our team members are full time. And then the
21 question, I believe verbatim, was whether all of those
22 92 percent of team members get benefits. I think to
23 clarify the record, we can safely say that not all 92
24 percent of those team members actually get benefits.

25 They're offered those benefits. And

1 so there are some team members who opt not to take
2 them because, you know, they may get benefits through
3 a spouse or - or someone else.

4 I just wanted to make that
5 clarification.

6 PRESIDING OFFICER: Thank you. And I
7 will turn to Board members if we have any members have
8 any questions.

9 Mr. Santoni?

10 MR. SANTONI: Yeah, I have - I'm on?

11 Okay.

12 Thank you. It's great being here,
13 great presentation. You have a great facility, a lot
14 of great things. Many people from my community from
15 Berks County and Reading come up and visit the Sands,
16 including my dad who's here a lot. He - he loves - he
17 loves the Sands.

18 And I know that you've been involved a
19 lot with your community, but I'd be remiss if I didn't
20 just have a question about not that long ago the
21 Supreme Court ruled against the local share. It was
22 unconstitutional.

23 I know with the new legislation, the
24 issue is pretty moot, but -. And I know legally you
25 didn't have to do it, but other operators came into

1 agreement with some of the local groups. And I was -
2 and I know that Sands, along with I guess it was Mount
3 Airy, did not do that.

4 And I was just wondering the thought
5 process behind that, why you decided not to do that?

6 MR. CARR: Well, I think it's a
7 difficult thing, but I would say this. We're a
8 publicly-traded company. We have a fiduciary
9 responsibility to our shareholders and there was not a
10 tax on the - on the books that required us to make the
11 payment. The thing I will say is this, we never said
12 we were not going to pay it.

13 We actually accrued it the entire time
14 while it had been ruled unconstitutional and the
15 second that the Legislature got it fixed and got the -
16 the law back on the books it was paid.

17 COMMISSIONER SANTONI: I appreciate
18 that. My second question, last question.

19 The General Assembly passed a big - I
20 think it was Act 42 at the end of last year. And I
21 was just wondering with a lot of the - a lot of the
22 aspects of that Act if the Sands had thought about
23 getting involved in any one of those number of the
24 aspects, you know, gaming, the Category 4. What -
25 what - what the thought was there from - from your

1 perspective?

2 MR. CARR: We always look for ways to
3 partner with the Commonwealth in any way and - and you
4 know, we - we took a look at satellites. I think it's
5 very public about what our Chairman stance on online
6 gaming is, so it's pretty clear that we wouldn't be
7 participating in something like that.

8 You know, sports betting is definitely
9 something that's interesting that the entire, you
10 know, industry is looking at for the - for the
11 expansion what the Supreme Court's going to do. But
12 yeah, we will always continue to look at ways that we
13 think that we could better our offer in the state and
14 also work with the Commonwealth whenever possible.

15 COMMISSIONER SANTONI: Okay.

16 Thank you.

17 PRESIDING OFFICER: Commissioner
18 Manderino?

19 MS. MANDERINO: Thank you. Good
20 morning. Thank you for your presentation.

21 A couple areas I just want to talk
22 about. With regard to employee training, you
23 mentioned, you know, ongoing training for your staff.

24 Could you be a little bit more
25 specific about what your staff training with regard to

1 responsible gaming looks like, how - how often folks
2 get it, what the duration is, if and when there are
3 any retraining requirements, et cetera?

4 MR. CARR: Mike, you want to take this
5 one?

6 ATTORNEY MAGAZZU: Sure. We - the
7 training is offered annually. So, when team members
8 are first brought on Board, they are given - just up
9 until today they've been given the full training that
10 every other employee would get annually as a
11 refresher.

12 We have had conversations with Board
13 staff recently about offering something different in
14 person and then still requiring those new team members
15 in their first year to get the - the full training
16 that everyone else gets.

17 But I think to best answer your
18 question, the training is offered annually and it's
19 offered through a video course that I think is
20 prescribed -. You know, there are different options.

21 I believe we could get one authorized
22 if we wanted to do it on our own, if that were
23 approved by - by the Board. But we choose to use the
24 prescribed version, which is a video training that's
25 offered annually.

1 MS. MANDERINO: Okay.

2 And same thing with regard to
3 identification of underage - well, I guess - I was
4 going to say underage drinkers as well as gamblers,
5 but I guess they kind of are one in the same because
6 it starts at the front door. So, -.

7 ATTORNEY MAGAZZU: You're asking about
8 training -

9 MS. MANDERINO: Yes.

10 ATTORNEY MAGAZZU: - for that purpose?
11 Well, first our policy is that we require or ask for
12 ID of anyone who appears to be under the age of 30.
13 And that goes for not only security at the four
14 entrance points, but also really anyone who's on the
15 floor, the perimeter of the floor, including the two
16 of us.

17 But - but mainly as it - as it happens
18 it's, you know, your frontline employees like dealers
19 and other table game staff, slot attendants, a lot of
20 times beverage servers.

21 They go through extensive training
22 from day one and they go through refreshers. I
23 couldn't tell you how many times a year, but
24 constantly and when I say constantly what I mean is
25 they pre-shift these things almost every day. You

1 know, to be as vigilant as possible, looking for
2 anyone appearing to be under the age of 30.

3 And that's at the entrance points,
4 whether they're sitting in a slot machine, at a table
5 game, just walking the floor asking for a beverage.
6 We do train mainly security and the beverage staff on
7 what to look for on different types of identification,
8 mainly state identifications, drivers' licenses.

9 And you know, the system that Mr. Carr
10 noted and - and Mr. Roland asked about has really
11 worked wonders for us, because you know, you can do an
12 eye test and we do train on that constantly. But that
13 system is, I would submit, almost as failproof as
14 anything I've ever seen in - in that type of industry,
15 and you know, that - that technology.

16 And it really has worked wonders for
17 us. So, I think that's really bolstered our security
18 team and their confidence in terms of not only
19 recognizing fake IDs, but asking people for IDs. And
20 so that - that is something - you saw the statistics.
21 That's something that really has worked fantastically
22 for us.

23 MR. CARR: And if I can just add to
24 that. You know, the one thing that the Veridocs
25 system I think does to - all the training, you get up

1 to the point is great, but that system comes up green
2 if it's good, and the screen goes red if there's
3 something wrong.

4 And wrong can also be this is a good
5 ID, but I just saw this ID two minutes ago, you know.
6 Which might be a case of somebody who came in the
7 door, walked out and came right back in, but it could
8 also be a case where somebody's passing an ID. And
9 that really is why you're seeing the success we're
10 seeing as a result of it.

11 MS. MANDERINO: Okay.

12 Thank you. My next area perhaps may
13 be more of a comment and recommendation or suggestion.
14 You don't have to feel like you have to - to answer or
15 comment on it, but I appreciated hearing about your
16 partnerships with regard to employment resources with
17 community, such as Northampton Community College's
18 training programs, the CareerLink, the Hispanic
19 Center, Southside Bethlehem, et cetera.

20 I would be remiss in my passion for
21 employment opportunities for people with disabilities
22 to also recommend that folks with disabilities,
23 whether physical or intellectual, often make very good
24 employees. And are among the most dedicated employers
25 who make commitment to employ and train folks with

1 disabilities. And Pennsylvania operates an Office of
2 Vocational Rehabilitation that - that provides lots of
3 potential partnerships for employers in Pennsylvania
4 with prequalification, with job coaches, with even
5 wage reimbursement while in training for folks with
6 disabilities.

7 So, if you haven't found your local
8 Office of Vocational Rehabilitation office you might
9 want to pass that on to your Human Resources
10 Department.

11 And with that, my - my questions are
12 done. And thanks for being here.

13 ATTORNEY MAGAZZU: And Commissioner,
14 I'm glad you brought that up. And I think maybe we
15 didn't take credit for our involvement with - is it
16 Lehigh Valley? I don't think that organization was
17 noted in our presentation, but we do work closely and
18 often with them.

19 And I know firsthand from going - you
20 know, walking throughout the building and particularly
21 in our team dining room, that we do have folks who
22 have been brought on board through our collaboration
23 with the folks with disabilities who work every day in
24 our establishment.

25 So, I appreciate your comment. We'll

1 look for more - more of those opportunities.

2 MS. MANDERINO: Thank you.

3 MR. CARR: Again, it's also that and
4 we also host their annual basketball benefit that they
5 do, which just happened last week.

6 MS. MANDERINO: Thank you.

7 MS. REITZEL: You had mentioned there
8 are one or two security officers at each of the
9 entrances. Are those armed -

10 MR. CARR: No, they are not. No.

11 MS. REITZEL: - officers?

12 Okay.

13 Do you have - do you train your
14 officers -

15 MR. CARR: We do not.

16 MS. REITZEL: - on active shooter? Do
17 you have a policy?

18 MR. CARR: We train on active shooter,
19 we train on disaster recovery, various things along
20 those lines, but we do not arm our security officers.
21 No.

22 MS. REITZEL: You train all your
23 employees on the active shooter or just the security?

24 MR. CARR: The security team right
25 now, but the company is actually going through a

1 larger exercise now, which will be rolled out in later
2 this year.

3 MS. REITZEL: Okay.

4 Thank you.

5 MR. CARR: You're welcome.

6 PRESIDING OFFICER: And I have one
7 question. In - in the past the Board has heard about
8 the Kids Quest that is -

9 MR. CARR: Yes.

10 PRESIDING OFFICER: - in your outlet
11 mall. How is the Kids Quest area working for you and
12 for Kids Quest?

13 MR. CARR: I think it seems - I don't
14 have any complaints coming out of Kids Quest. I know
15 that Mike has used it for his kids, so I'll let him
16 speak to it.

17 MS. MANDERINO: What is Kids Quest?

18 ATTORNEY MAGAZZU: Kids Quest is a -
19 it's an outlet in the mall on the first floor and it's
20 - there are a few parts to it. One is called Kids
21 Quest, one's called Cyber Quest.

22 It's essentially a glorified arcade
23 and there's - and you know, gymnasium-type equipment.
24 And you know, you often see parents in there with
25 their kids. But there's also an area where if you

1 wanted to you could drop your kids in - in the Kids
2 Quest area, which is sort of in the back.

3 And it really is a remarkable - call
4 it a babysitting sort of function. And I really could
5 not - thanks, Brian, for informing everyone. But I
6 did use it once and I really was blown away by how
7 secure I felt when I - when I dropped my kids there.

8 And I think from a business standpoint
9 it seems to do really well. So, it's a really
10 well-run organization. I think we're happy with them
11 as the tenant.

12 PRESIDING OFFICER: And I know the
13 Board had some concern with that when - and there was
14 a hearing before then at a public meeting on that
15 particular vendor. I'm glad to hear that it's worked
16 well.

17 ATTORNEY MAGAZZU: Do you mean with
18 the notion of having children -

19 PRESIDING OFFICER: Yes.

20 ATTORNEY MAGAZZU: - that close to
21 the -?

22 PRESIDING OFFICER: Well, not
23 necessarily that close, but just how it was - the
24 security and how - how that was going to work.

25 ATTORNEY MAGAZZU: Yeah. Well, that

1 outlet itself I could -. Again, I can tell you
2 firsthand it's very secure, especially with that area
3 in the back where you could drop your kids.

4 And the other thing I'll say is that
5 it's right underneath the food court. And you know, I
6 often get teased at work because I comb the security
7 reports every day and really scrutinize them.

8 And often what I find is that our
9 security team is incredibly vigilant when they see
10 minors in the food court area. So, before they even
11 come, you know, really close to the entrance to the
12 casino, if they see a minor who - you know, perhaps
13 their parent might have gotten into a food line or
14 walked away a few feet, they're all over it.

15 And so, you know, we'll often see
16 reports of minors unattended and - and our security
17 officers will quickly approach them and ask the right
18 questions. And make sure that they are placed back
19 with their parents or guardians or whomever it is very
20 quickly.

21 So, I guess to answer your question, I
22 - I personally have not seen any problems arising out
23 of Kids Quest in that regard.

24 PRESIDING OFFICER: Good. We have any
25 further follow-up, Mr. Roland?

1 ATTORNEY ROLAND: No additional
2 questions.

3 PRESIDING OFFICER: Okay.

4 ATTORNEY ROLAND: Thank you.

5 PRESIDING OFFICER: Then we will move
6 to our OEC and their presentation.

7 ATTORNEY ROLAND: Thank you very much.
8 Director Lloyd, members of the Board, the OEC was
9 established by the Pennsylvania Race Horse Development
10 and Gaming Act within the Board's Bureau of
11 Investigations and Enforcement to advise the Bureau of
12 all matters, including background investigations,
13 audits, inspections, violations of the Gaming Act,
14 violations of the Board's regulations and violations
15 of facility internal controls.

16 The OEC also files recommendations and
17 objections relating to the issuance of licenses,
18 permits and registrations on behalf of the Bureau,
19 including renewal of Slot Machine Licenses.

20 Sands Bethworks Gaming, LLC was issued
21 a Category 2 Slot Machine License on August 8th, 2007.
22 That license was successfully renewed on April 7th,
23 2010 and April 30th of 2014.

24 Additionally, Sands was issued a Table
25 Games Certificate on July 18th, 2010, which was

1 employed, sir?

2 A. I'm employed by the Pennsylvania State
3 Police, the Bureau of Gaming Enforcement and the
4 Office Commander at the Sands Casino.

5 Q. And can you please tell the Board how long
6 you've been in that position?

7 A. Since February of last year.

8 Q. And how about with the State Police, how
9 long have you been a trooper?

10 A. Since March of '95.

11 Q. Can you give us a brief description of
12 what your responsibilities as the Commander of the
13 Bureau Gaming Enforcement at Sands are?

14 A. I'm responsible for the supervision and
15 operation of the Sands Gaming office within the Bureau
16 of Gaming Enforcement through the Pennsylvania State
17 Police.

18 Q. And how about the role of the Pennsylvania
19 State Police, can you tell us what they do at the
20 facilities?

21 A. Our role is to provide law-enforcement
22 service to the licensed facilities, to include
23 fingerprinting, responding to calls for service, any
24 type of incident where police involvement would be
25 necessary.

1 Q. And for a moment since that's where you're
2 located I'm going to ask you to focus on Sands.

3 How many troopers do you have at the Sands
4 facility?

5 A. We're allotted eight, eight troopers, two
6 corporals and myself.

7 Q. And over the course of a given year, how
8 many cases will those troopers be involved with,
9 approximately?

10 A. When you say cases, do you mean respond to
11 calls, actual -

12 Q. That's exactly what I mean.

13 A. - crimes?

14 Q. How many times not with just what are
15 determined to be actual crimes at the end, but how
16 many calls do you receive in a given year, where you
17 put time in, investigation, some sort of effort?

18 A. Over a thousand, easily.

19 Q. And what's the local police department
20 that the Sands Casino sits in? Who oversees?

21 A. Bethlehem City Police Department.

22 Q. Can you describe a little bit for the
23 Board the relationship between the State Police and
24 the Bethlehem City Police Department in regards to
25 Sands?

1 A. We enjoy a close working relationship,
2 exchanging advice, discussing problems as they arise.

3 Q. So, it's not unusual that the two of you
4 would work together?

5 A. Correct.

6 Q. As you know, the Board also has Bureau of
7 Casino Compliance.

8 Can you explain the relationship you have
9 with those representatives at the facility?

10 A. It's very similar. I - I have reached out
11 to the members of the Board for different questions
12 when I was new in the position. Again, it's a close
13 working relationship. We could pick up the phone and
14 talk to one another very easily.

15 Q. And last regarding relationship. How
16 about the members of Sands and their staff, how have
17 they been with the State Police presence?

18 A. Again, very similar, very close working
19 relationship, exchanging information and advice. Very
20 - very cooperative, I would describe it.

21 Q. Okay.

22 Next I'm going to ask you about the
23 Uniform Crime Report. Are you familiar with what that
24 might be?

25 A. I am.

1 Q. Can you just give us a very brief
2 description of what the Uniform Crime Report is?

3 A. It's the classification and scoring of
4 criminal offenses as they occur in a jurisdiction.

5 Q. Okay.

6 And did you prepare one of those reports
7 for the Sands' property for use in today's hearing?

8 A. I have.

9 Q. Tell us a little bit about how the
10 information in that report is collected.

11 A. Each time a criminal offense is reported
12 to us, we generate a report. A supervisor reviews the
13 report and then classifies each offense according to
14 the UCR standards.

15 Q. Okay.

16 And that information, is that subject to
17 editing or - or some type of updating and who are the
18 types of individuals that can do that?

19 A. Only an authorized user that has a - a
20 password and a log in information to the PA UCR
21 website can access this information, or update it or
22 enter it.

23 Q. Okay.

24 Are those typically troopers that are -

25 A. It's usually -

1 Q. - assigned that role?

2 A. - a corporal, a supervisor within the
3 State Police.

4 Q. You may have answered this. I apologize.
5 Do you know how frequently the information is updated?

6 A. It's monthly.

7 Q. And is that report in some fashion
8 available to the general public?

9 A. It is.

10 Q. Where can they find it?

11 A. [Www.paucrs.pa.gov](http://www.paucrs.pa.gov).

12 Q. Okay.

13 I'm going to ask you now to give us an
14 overall description of the information contained in
15 the Uniform Crime Report you put together for the
16 Sands since their last renewal in 2014.

17 Just generally, what have you noticed?
18 What got your attention?

19 A. It's been pretty uniform across the board
20 as far as the type of incidents that we respond to,
21 counterfeit money, theft, vandalism, disorderly
22 conduct.

23 Q. And you say it's been pretty uniform or
24 pretty consistent. Do you mean consistent with
25 previous renewals of Sands? Do you mean with other

1 facilities, other jurisdictions?

2 A. Specifically within the Sands that's the
3 information that I have here. As far as year to year
4 there hasn't been like a huge difference as far as
5 crimes being reported.

6 Q. Okay.

7 How about the most common criminal offense
8 that appears for Sands in that report, what would it
9 be?

10 A. Counterfeit U.S. currency.

11 Q. And when you're comparing this report to
12 previous reports, did you find that to be a spike, a
13 decrease, relatively consistent with previous years or
14 previous renewals?

15 A. Relatively consistent.

16 Q. Looking at the report, did you discover or
17 see any significant number of what would be labeled as
18 violent crimes?

19 A. No.

20 Q. And looking at the report, did you see
21 a -? Keeping in mind we're dealing with facilities
22 and - and - and underage patrons who attempt to get
23 in.

24 Did you see what would be labeled as a
25 significant spike or - or an unreasonably high number

1 in crimes involving individuals who are under the age
2 of 21?

3 A. No. And I would have to agree with Mr.
4 Carr and Mr. Magazzu, that the implementation of
5 Veridocs greatly reduced that number.

6 Q. And when you say implementation, do you
7 mean since March of 2017, I believe, when they
8 upgraded it?

9 A. Correct.

10 Q. And just in general, looking at that
11 Uniform Crime Report, has there been a noticeable
12 increase in overall crime or any specific area of
13 crime that causes you concern or really caught your
14 attention?

15 A. There hasn't.

16 ATTORNEY ROLAND: I believe those are
17 all the questions I have.

18 PRESIDING OFFICER: Thank you. Sands,
19 do you have any questions for the witness?

20 MR. CARR: Not at this time.

21 ATTORNEY MAGAZZU: No.

22 PRESIDING OFFICER: Any questions from
23 our Board members?

24 MR. SANTONI: I have one. Thank you.
25 I just have one - one question on the process. If -

1 when a crime occurs, say somebody leaves their kid in
2 the car and they're not supposed to, do you -? I
3 mean, I want to get back to your relationship with the
4 local police force.

5 Do you handle the investigations? Do
6 they come in and provide support? Do they do - could
7 you explain quickly the process there that - how
8 that's handled?

9 THE WITNESS: Well, the frontline
10 people that the crime might be reported to is the
11 Sands security

12 MR. SANTONI: Okay.

13 THE WITNESS: And then generally they
14 - they'll decide on what law-enforcement entity should
15 be responsible for investigating that crime. Like if
16 it's in the mall area, Bethlehem City would respond.

17 But again, we - there's monthly crime
18 meetings and conversations that happen all the time to
19 see if any patterns, any criminal behavior exists
20 between the state and the local department.

21 MR. SANTONI: Okay.

22 Thank you.

23 PRESIDING OFFICER: Commissioner
24 Manderino.

25 MS. MANDERINO: Thank you. Thank you

1 for your testimony. I was actually, I guess,
2 surprised by - to hear your testimony that you - that
3 kind of the biggest issue or the most frequent issue
4 you deal with is counterfeit money, because of course,
5 we don't really end up seeing that at the Board level.

6 We see things that end up coming to
7 the Board, such as what Commissioner Santoni
8 mentioned, the people leaving their underage children
9 in their car or what we talked about earlier, the
10 underage kids getting on the casino floor and then
11 both the kids and the casino get in trouble, lack of a
12 better way to say it.

13 But what I'm interested in, if you
14 feel that you could - could comment or give some input
15 is - whether kind of where you sit in terms of, you
16 know, State Police, on - onsite. The purpose of which
17 in the original Act was to make sure that both the
18 patrons were safe and the community was safe. And
19 that these were law-abiding - law - lawful activity
20 was going on in the casino.

21 If there is anything that you see in
22 what we do from a regulatory point of view that either
23 gets in your way of doing what it is you think you
24 need to do as a law-enforcement entity or that could
25 be improved that would make it easier for you to keep

1 the location and the community safe?

2 THE WITNESS: Specifically dealing
3 with counterfeits?

4 MS. MANDERINO: Well, just, no,
5 generally. In your doing your job day to day onsite
6 at that location you've been out in the community, now
7 you're here for a year.

8 Is there anything that you have
9 encountered that you think we should be able to do
10 this to keep the community safer, or we should be able
11 to do this to keep the location and its patrons safer.
12 That you felt like you were hampered in doing, because
13 someone told you, oh, the regulations don't allow you
14 to do that or - or you're - that's not your
15 jurisdiction or whatever? That's kind of what I'm
16 asking.

17 THE WITNESS: No, I don't - I don't
18 feel that way at all. Quite honestly, you know, the
19 ability for us to go to the casino and see any kind of
20 record or any type of report that they have and how
21 that actually enhances my investigation has been
22 extremely helpful.

23 MS. MANDERINO: I don't know if this
24 is kosher, but I'm going to turn to Mr. Carr and say -
25 ask you a question, too.

1 With regard to how the regulations
2 are, the - the fact that we have State Police on
3 presence, the fact that we have local law enforcement
4 involved, too -? Is there anything the way you see
5 it, from a casino operation point of view, that is how
6 we have structured this in Pennsylvania and what we
7 have in place with regard to presence or - or lack
8 thereof regulation or - or lack thereof that you think
9 is - could be improved with regard to both community
10 safety and safety and law enforcement for your - your
11 patrons?

12 MR. CARR: Well, I think it's always
13 an evolving thing. It's one of those - it's - it's
14 difficult because times change and the challenges that
15 face you change.

16 But I would say where we are right
17 now, I think the relationship that we've got with PSP,
18 that we've got with the Bethlehem PD and the - the -
19 the three of us kind of working together to ensure the
20 safety I feel very strong about where we are right
21 now.

22 MS. MANDERINO: Okay.

23 Thank you. Thank you.

24 PRESIDING OFFICER: Commissioner
25 Reitzel?

1 MS. REITZEL: No questions. Thank
2 you.

3 ATTORNEY ROLAND: May this witness be
4 excused?

5 PRESIDING OFFICER: Yes.

6 THE WITNESS: Thank you.

7 ATTORNEY ROLAND: As our next witness
8 the OEC calls Gerald Stoll. He's the Director for the
9 Bureau of Casino Compliance.

10 ---

11 GERALD STOLL,
12 CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING, AND
13 HAVING BEEN PREVIOUSLY SWORN, TESTIFIED AND SAID AS
14 FOLLOWS:

15 ---

16 THE WITNESS: Good morning.

17 PRESIDING OFFICER: Good morning.

18 ---

19 DIRECT EXAMINATION

20 ---

21 BY ATTORNEY ROLAND:

22 Q. Mr. Stoll, I'm going to ask you to please
23 state your name and spell it for the record.

24 A. My name is Gerald Stoll, S-T-O-L-L.

25 Q. And where are you employed, sir?

1 A. I'm employed for the Pennsylvania Gaming
2 Control Board.

3 Q. And your position?

4 A. My position is the Director of Compliance.

5 Q. And how long have you held that position,
6 sir?

7 A. I've been Director since December of 2010.

8 Q. And how about with the Board? What's the
9 total time you've been with the Board?

10 A. I've been with the Board in the
11 neighborhood of 12 years. Started at - in 2006 as a
12 BIE agent, migrated to the Office of Professional
13 Responsibility for a period of time.

14 From there I went to the Bureau of
15 Compliance as a supervisor, subsequently a senior
16 supervisor and in 2010 as Director.

17 Q. Okay.

18 Can you please now tell us a little bit
19 about your responsibilities as the Director?

20 A. As a Director of responsibilities, my - my
21 responsibilities are for 12 casino locations within
22 the Commonwealth of Pennsylvania. We man them 24/7,
23 365 days a year.

24 We are responsible for many, many things
25 across the Commonwealth. In addition to the CCRs, I

1 have technical field representatives also under our
2 control. We maintain an accounting of all the slot
3 machines, table games, shuffling equipment within the
4 Commonwealth.

5 We receive deliveries of all slot
6 machines, all table-game equipment. We maintain
7 records of, you know, cards and dice, their
8 destruction, their inventory.

9 We are responsible for, you know, assuring
10 that the revenue accounted from the table games is
11 collected and counted correctly. It's a very
12 labor-intensive activity that we do on a daily basis.

13 We enroll people in the Self-Excluded
14 Program 24/7. I believe that we are an impartial
15 third party to assure that the Commonwealth, the
16 patrons and the casinos all are treated fairly and
17 with equity.

18 We are integral in the Up Plan
19 implementation. That is a very labor-intensive
20 performance of our - slot machines, table games,
21 moving, increasing, decreasing. And there's a lot of
22 ancillary responsibility that goes along with that.

23 That's really just the tip of the iceberg
24 what we do. We as well operate with - in conjunction
25 with, you know, other Bureaus within the Board. We

1 you know, meet with PSP, local PDs and actually
2 jurisdictions outside the Commonwealth, kind of to get
3 an indication of what we should expect here.

4 You know, the gaming industry is a small
5 world and things that are happening elsewhere will
6 sooner or later come to Pennsylvania. So, we like to
7 be prepared when possible.

8 Q. What kind of access in the facility do
9 your representatives have at Sands?

10 A. We have unfettered access. But with
11 unfettered access we have to be considerate with when
12 we exercise that.

13 It's always easier to ask for, you know,
14 access and for that access to be given to us, because
15 we are visitors in someone else's home. You know,
16 we're - you know, we could be an interloper if we
17 operated, you know, outside of bounds of, you know,
18 what I think we should.

19 But we try to be a good neighbor, and you
20 know, be compassionate, considerate to the casinos.
21 Rather than demand we would, you know, ask them, you
22 know, to give us the information and I've never been
23 refused information from Sands.

24 Q. And unfettered access literally means
25 everything, count room, surveillance, back of the

1 house, anywhere you need to go to -

2 A. Yes.

3 Q. - fulfill your duties? Tell me a little
4 bit about your Bureau's interaction with the patrons
5 that attend Sands.

6 A. Our - you know, we're available 24/7. We
7 field patron complaints, you know, daily, and you
8 know, we receive them in person, we - we get
9 referrals. We receive them through our website.

10 And every complaint that we receive we do
11 investigate thoroughly. When we walk the floor, we're
12 generally engaged in conversation with patrons on a
13 daily basis.

14 Yeah, we're just - we just try to be
15 available to assist where possible to any issue that a
16 patron has at that point in time.

17 Q. Now, are all of the findings or the
18 investigations regarding those patrons' complaints or
19 interactions, are they typically reduced to some type
20 of writing?

21 A. Yes. Every patron complaint we
22 investigate creates a report. And you know, just
23 anecdotally from the - January 1st this year to
24 yesterday, the Sands office generated 1,030 reports,
25 investigations or - and really they - they go from

1 patron contacts, to gaming floor monitors, to ram
2 clears, to slot machine deliveries to table
3 deliveries. It, you know, runs the gamut of
4 everything that can occur at a casino.

5 Q. Okay.

6 Next I'd like to focus on the interaction
7 you have with some of the - the other departments that
8 are there.

9 First of all, with Pennsylvania State
10 Police. Can you explain how your relationship is with
11 them?

12 A. Yeah, our relationship is very
13 professional and cordial. You know, we - we are
14 partners in this endeavor to regulate the casinos.
15 And you know, we share information that's, you know,
16 relative to each other.

17 Q. Same question for the City of Bethlehem
18 Police Department.

19 A. Less frequently, but we do share
20 information with Bethlehem PD and they're
21 professional.

22 Q. And last, how about the relationship and
23 interaction you have with Sands' staff members?

24 A. Our relationship is professional and
25 cooperative. And you know, Sands - you know, I've

1 been involved with Sands since 1983, from Atlantic
2 City to Pennsylvania. And they've always been a - you
3 know, a company that has been cooperative, and you
4 know, in their performance as well as their
5 relationship with regulatory bodies.

6 ATTORNEY ROLAND: Okay.

7 I don't believe I have anything
8 additional.

9 PRESIDING OFFICER: Does Sands have
10 any questions for Mr. Stoll?

11 ATTORNEY MAGAZZU: No.

12 PRESIDING OFFICER: How about
13 Commissioners?

14 MS. MANDERINO: Thank you for your
15 testimony. So, how does a patron at Sands find you?

16 I want to -. How do I even know that
17 you're there if I think I have a gambling problem and
18 I - and I want to exclude myself?

19 THE WITNESS: Well, there's many ways.
20 First of all, if - if a patron would approach any -
21 any employee of Sands, a security officer or a
22 cocktail server, a slot machine technician or a slot
23 host and ask the location of the Gaming Board, they
24 would be provided -.

25 MS. MANDERINO: But how would I even

1 know that the Gaming Board was there to ask that
2 question?

3 THE WITNESS: There's signage on the
4 entrances that, you know, if you pay attention you
5 would realize that we do have an office here and we're
6 available for patrons. Our office is located directly
7 next to the -.

8 MS. MANDERINO: So - so, let me be -.
9 So, if I said to a cocktail waitress at Sands, man, I
10 just dropped another \$500 that I couldn't afford to
11 drop, I really got to quit coming here, what happens?
12 Does anything happen with that?

13 THE WITNESS: Potentially, you know,
14 positive things could happen. You know, if the
15 cocktail server is paying attention there are - you
16 know, there's forms and folders that are available to
17 patrons that may have a - a gaming problem at the
18 security desk.

19 And you know, if - if - if someone
20 would notice someone being there for an extended
21 amount of time, it would raise bells and whistles, you
22 know.

23 It could be surveillance could see a
24 patron there for an extended period of time. Security
25 also. It's - it's like forced multiplication.

1 And it's like welcoming somebody into your
2 house. You know what is expected activity, but when
3 you see a deviation, I would suspect that, you know,
4 they'd be directed to our office or some brochures
5 that may identify help with that.

6 MS. MANDERINO: So do you think that
7 the staff at Sands is adequately trained or prepared
8 if a patron said something like that to them to say,
9 hey, stop by our such and such a - desk because they
10 have some information about that?

11 THE WITNESS: I believe that would
12 occur, ma'am.

13 MS. MANDERINO: How about same thing -
14 like how do a patron complaint get - get to you? I
15 would think if a patron complained to someone, they'd
16 avoid getting it to you.

17 THE WITNESS: No, contrary. Most of
18 the times -

19 MS. MANDERINO: Okay.

20 THE WITNESS: - we're the convenient
21 acceptor of complaints. You know, if - you know, if
22 the property cannot satisfy a patron, they will
23 generally say, well, listen, the Gaming Board is
24 onsite and they're an impartial third party. They may
25 be able to help you.

1 And we will investigate the complaint.
2 And 90 percent - well, a hundred percent of the time,
3 you know, if - if the casino is in the wrong, you
4 know, we have a conversation with the casino.

5 If the patron is confused with, you
6 know, the parameters of the game, the slot machine,
7 we'll explain it to them as well and document all the
8 conversations.

9 We make the patron happy at times and
10 not so happy at others, but you know, we - we kind of
11 solve and identify what the issue is.

12 MS. MANDERINO: So - so, based on your
13 answer to those questions, am I correct in kind of
14 assuming that you - you - you don't think there's any
15 kind of barrier -? Either barrier because the
16 customers and consumers don't know that you're there
17 or even if they don't know that you're there if - if
18 something arises that would - I would call either a
19 complaint or a request for help you think -.

20 You don't think there's any barriers
21 at Sands that prevent them from - from getting to you
22 and getting the information that they need?

23 THE WITNESS: No, I think complaints
24 to us are encouraged.

25 MS. MANDERINO: Okay.

1 Thank you.

2 THE WITNESS: You're welcome.

3 PRESIDING OFFICER: And Mr. Carr, do
4 you have anything you'd like to add to Mr. Stoll's
5 response?

6 MR. CARR: No, thank you.

7 PRESIDING OFFICER: Okay. Okay.

8 ATTORNEY ROLAND: I have nothing else.

9 THE WITNESS: Thank you.

10 ATTORNEY ROLAND: This witness may be
11 excused?

12 PRESIDING OFFICER: Sure.

13 THE WITNESS: Thank you, sir.

14 ATTORNEY ROLAND: And as our final -
15 as our final witness, the OEC calls William Sulon.
16 He's the case agent with the BIE, who's assigned to
17 the Sands' property.

18 ---

19 WILLIAM SULON,
20 CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING, AND
21 HAVING BEEN PREVIOUSLY SWORN, TESTIFIED AND SAID AS
22 FOLLOWS:

23 ---

24 A. Good morning.

25 PRESIDING OFFICER: Good morning.

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

DIRECT EXAMINATION

BY ATTORNEY ROLAND:

Q. Mr. Sulon, to start, could you please state your name and spell it for the record?

A. William Sulon, W-I-L-L-I-A-M, S-U-L-O-N.

Q. And where are you employed?

A. The Pennsylvania Gaming Control Board's BIE.

Q. And what's your position there?

A. I'm a case agent handling Sands Casino.

Q. And how long have you held the position of case agent?

A. Seven years.

Q. How about the Board in total, how long have you worked with the Board?

A. I've been with the Board for eight years and a case agent for a prior Applicant.

Q. Okay.

As case agent what are your primary responsibilities?

A. I oversee the application process from beginning to end, reviewing the applications as they come in and making sure that they're handled in a

1 timely manner and all processes associated with it are
2 investigated. Also miscellaneous cases that come up
3 along the way.

4 Q. Okay.

5 And were you involved with the
6 investigation into the Sands' Renewal Application, the
7 reason we're here today?

8 A. I was and I am.

9 Q. And was that application timely filed?

10 A. It was.

11 Q. Okay.

12 When an application for renewal was filed
13 I think there might be a misconception that it's a
14 single application. Is that the case or is it a
15 little bit more involved?

16 A. Little bit more involved than that.
17 There's a variety of applications that come in with
18 the entities and for the individuals and they come in
19 on an ongoing basis, even as recently as weeks ago
20 they come in - they have come in.

21 Q. Do you have any idea of approximately what
22 number of applications are involved in the renewal
23 process?

24 A. Eleven (11) entities and that would
25 include several trusts, 28 Principals from Sheldon

1 Adelson on down, 32 Key Employees and hundreds of
2 individual applicants who work at the casino.

3 Q. And do all of those, the review of all of
4 those impact and reflect upon the suitability of Sands
5 Bethworks for their renewal?

6 A. It does.

7 Q. I realize this could be a very lengthy
8 answer, but just to give us a flavor. What's the
9 scope of the investigation?

10 A. Well, again, we review the applications
11 when they come in, to make sure that all the materials
12 are there. We have various databases we check. We do
13 face-to-face interviews.

14 With regard to Sands, we have contacts in
15 other gaming jurisdictions. We communicate with them,
16 share information. We communicate regularly with law
17 enforcement, we review court filings, litigation,
18 credit history for individuals and the companies.

19 Q. Would you say during the course of your
20 investigation that Sands and all the representatives
21 involved have been cooperative with you?

22 A. I would say they've been extremely
23 cooperative. In many cases some of the information we
24 come up with during the investigation may not be
25 positive, it may be negative. It's issues that they

1 have to address. And without fail they've addressed
2 it consistently and efficiently and promptly.

3 Q. And today is your portion of the
4 investigation, would you consider that complete?

5 A. The bulk of it is complete. Again,
6 there's some back and forth between our OEC, which
7 writes its own report and my reports, to make sure
8 everything is clarified and up-to-date, but it is
9 complete.

10 Q. You mentioned reports. Can you tell us
11 just briefly a little bit about those reports? How
12 are they formed, what do they contain?

13 A. They contain the information we uncovered
14 during the investigations. They can range from a
15 dozen pages long to the ultimate report on Sands
16 Bethworks Gaming, which is over 50 pages long. It
17 includes litigation, the interview results.

18 Q. And one of those is completed for every
19 application or sub application that comes in?

20 A. That's correct.

21 Q. Although it may be a bit more limited to
22 have your interactions with State Police or Bureau of
23 Casino Compliance involved in - well, I don't want to
24 put a word in your mouth. How have they been?

25 A. They've been cooperative. We work with

1 the State Police when needed without stepping on each
2 other's toes. If there's investigation going on, we
3 work very efficiently with our Casino Compliance
4 Regulator's Office.

5 We review their background reports, share
6 information when we're doing background investigations
7 on individuals, especially when miscellaneous cases
8 come up that may involve issues that may have taken
9 place at the casino. They would - the casino
10 compliance representatives are the ones we would go to
11 first to review their reports.

12 ATTORNEY ROLAND: I don't think I have
13 anything additional.

14 PRESIDING OFFICER: Does Sands have
15 any questions for this witness?

16 ATTORNEY MAGAZZU: No, thank you.

17 MR. CARR: No.

18 PRESIDING OFFICER: Any Commissioner
19 question?

20 MR. SANTONI: I have one quick
21 question. I think I know the answer, but I'll ask it
22 anyway.

23 This is a renewal, obviously. Is
24 there - I don't know if easier is the right word or
25 less cumbersome process that you have to go through on

1 a renewal rather than when they - when they had their
2 initial application or do you have to essentially
3 start from scratch?

4 THE WITNESS: With renewals we do
5 start from scratch because we want to review
6 everything even - even if things happened years
7 prior that we weren't aware of. But it is a little
8 easier with the renewal process, because we've been
9 there before.

10 I handled the Renewal Application for
11 Sands in 2014, so we have a lot of background that
12 we can build on. So, it is a little easier with the
13 renewal process than an initial applicant.

14 And again, Sands has been in the
15 business for a long time, so they know what we want
16 and they provide it.

17 MR. SANTONI: Thank you.

18 PRESIDING OFFICER: Any questions?
19 No?

20 ATTORNEY ROLAND: No additional
21 questions and may this witness be excused?

22 PRESIDING OFFICER: Yes.

23 THE WITNESS: Thank you.

24 PRESIDING OFFICER: Thank you.

25 ATTORNEY ROLAND: That's actually our

1 - our last witness. Regarding the exhibits, if I
2 could just make a real brief statement. The OEC would
3 like to introduce seven exhibits.

4 I believe they've been provided prior
5 to today. I know Sands already has a copy and they
6 were in a binder marked the OEC exhibits. Exhibit 1
7 is the Pennsylvania State Police Uniform Crime Report.

8 ---

9 (Whereupon, OEC Exhibit 1, PA State Police
10 Uniform Crime Report, was marked for
11 identification.)

12 ---

13 ATTORNEY ROLAND: Exhibit Number 2 is
14 a letter from the Department of Revenue, dated March
15 the 1st of 2018.

16 ---

17 (Whereupon, OEC Exhibit 2, 3/1/18 Department of
18 Revenue Letter, was marked for identification.)

19 ---

20 ATTORNEY ROLAND: Exhibit 3 is a memo
21 from the Board's Office of Compulsive and Problem
22 Gambling, dated March 12th, 2018.

23 ---

24 (Whereupon, OEC Exhibit 3, 3/12/18 Office of
25 Compulsive & Problem Gambling Memo, was marked

1 for identification.)

2 ---

3 ATTORNEY ROLAND: Exhibit 4 is an
4 enforcement history from the Bureau of Liquor Control
5 Enforcement, dated February 23rd, 2018.

6 ---

7 (Whereupon, OEC Exhibit 4, 2/23/18 Enforcement
8 History, was marked for identification.)

9 ---

10 ATTORNEY ROLAND: Exhibit 5 contains
11 five Consent Agreements entered into between the OEC
12 and Sands that have been approved by the Board.

13 ---

14 (Whereupon, OEC Exhibit 5, Consent Agreements, was
15 marked for identification.)

16 ---

17 ATTORNEY ROLAND: Exhibit Number 6
18 contains four memorandums by the, OEC which
19 memorialize four compliance conferences that took
20 place at the Sands.

21 ---

22 (Whereupon, OEC Exhibit 6, Memorandums, was marked
23 for identification.)

24 ---

25 ATTORNEY ROLAND: Exhibit 7 contains

1 49 warning letters issued by the OEC and the required
2 responses by Sands to each of those letters.

3 ---

4 (Whereupon, OEC Exhibit 7, 49 OEC Warning Letters
5 & Sands' Responses, was marked for
6 identification.)

7 ---

8 ATTORNEY ROLAND: At this time the OEC
9 would respectfully request that Exhibits 6 and 7
10 remain confidential, and we ask that they be moved
11 into the record.

12 PRESIDING OFFICER: Does Sands have
13 any objection or comment?

14 ATTORNEY MAGAZZU: No objection or
15 comment.

16 PRESIDING OFFICER: And they will be
17 so moved.

18 ---

19 (Whereupon, OEC Exhibit 1, PA State Police Uniform
20 Crime Report, was admitted.)

21 (Whereupon, OEC Exhibit 2, 3/1/18 Department of
22 Revenue Letter, was admitted.)

23 (Whereupon, OEC Exhibit 3, 3/12/18 Office of
24 Compulsive & Problem Gambling Memo, was admitted.)

25 (Whereupon, OEC Exhibit 4, 2/23/18 Enforcement

1 History, was admitted.)
2 (Whereupon, OEC Exhibit 5, Consent Agreements, was
3 admitted.)
4 (Whereupon, OEC Exhibit 6, Memorandums, was
5 admitted.)
6 (Whereupon, OEC Exhibit 7, 49 OEC Warning Letters
7 & Sands' Responses, was admitted.)

8

9 ATTORNEY ROLAND: Thank you. And
10 that's the end of our presentation.

11 PRESIDING OFFICER: Okay.

12 We will now move on to our public
13 comment portion of the hearing.

14 The Board has received three written
15 comments before today's hearing. One is from Mayor
16 Robert Donchez. He had hoped to be here, but is not
17 able to come to speak in person, so he has submitted
18 written comments.

19 And we have two from members of the
20 public. And they have been provided to OEC and the
21 Sands.

22 Is there any objection to these being
23 entered into the record?

24 ATTORNEY MAGAZZU: No.

25 ATTORNEY ROLAND: Enforcement Counsel

1 has no objection.

2 PRESIDING OFFICER: Okay.

3 So they will be made part of the
4 record for the Board's consideration.

5 And we will move on to speakers that
6 have registered to speak today. And we have no
7 legislators. And with Mr. Donchez's unavailability,
8 today we will move on to our community groups.

9 If you are here to speak and have - to
10 sign up to speak, if you could just stand up to be
11 sworn by our - our court reporter.

12 COURT REPORTER: Please raise your
13 right hand.

14

15 (WHEREUPON WITNESSES WERE SWORN EN MASSE.)

16

17 COURT REPORTER: The witnesses have
18 been duly sworn in.

19 PRESIDING OFFICER: Thank you. We
20 will begin with our community groups. And I have
21 first Lynn Cunningham from Bethlehem Chamber of
22 Commerce.

23 And you can - to our podium right here
24 in the middle. Thank you.

25 MS. CUNNINGHAM: Good morning. As the

1 Senior Vice President of Bethlehem for the Greater
2 Lehigh Valley Chamber of Commerce, I run the Bethlehem
3 Chamber. And that means I am in constant search of
4 volunteers and constant search for funds.

5 I - what I do is I oversee events for
6 the City of Bethlehem and also marketing efforts for
7 the City of Bethlehem. I have seen upfront the energy
8 that the Sands Bethlehem team puts into being good
9 neighbors and partners.

10 My role with the Chamber aside, I was
11 born and raised here, so I'm deeply invested in the
12 saying that not only do our businesses thrive, but
13 that the community thrives as well. I sit on many
14 nonprofit Boards and committees throughout the city
15 and the Sands Bethlehem is there in one form or
16 another.

17 Their \$900 plus million investment
18 that was put into the form of Bethlehem Steel site -.

19 Okay.

20 So that was very welcome. And the
21 fact that they've given the community great event
22 space and new shopping, dining options, that's great.

23 But what their significant impact is
24 that they're 90 percent of their - almost 2,500
25 employees are local and that's very important to us.

1 And there are also many local businesses that thrive
2 because those businesses provide the Sands Bethlehem
3 with their goods and services.

4 Sand - oh, also the Sands also
5 provides a great entertaining night every Thursday
6 night for my 89-year-old mom.

7 So, Sands Bethlehem is a frequent
8 sponsor of our Chamber's larger events and this helps
9 us continue our work with the Lehigh Valley
10 businesses. But they also are eager to volunteer
11 their time and their sweat and their energy for
12 community efforts such as neighborhood spring
13 cleanups. They've even been outside with us hanging
14 chimes and ornaments to help us raise funds for
15 Christmas decorations.

16 They've sponsored the Christmas city
17 trolley, they've provided pastries and cookies for
18 free for our tree lighting ceremony.

19 They are a true partner for our
20 community. There's a culture of giving at the Sands
21 Bethlehem and their team and they're a part of the
22 fabric of this community.

23 And we are better off than - we are
24 better off having elected to bring the Sands here
25 years ago. And I highly recommend that they be

1 relicensed. Thank you.

2 PRESIDING OFFICER: Thank you.

3 Our next speaker Katherine Hilgert
4 from ArtsQuest.

5 MS. HILGERT: Good morning and thank
6 you for allowing me this opportunity. I go by Kassie,
7 so if anyone asks me questions, last name is Hilgert,
8 H-I-L-G-E-R-T. President and CEO of ArtsQuest, which
9 is a Bethlehem based nonprofit.

10 We do year-round programming. We
11 offer about 4,000 camps, classes and concerts a year.
12 About 40 percent of that is free. I want to give you
13 just a short history lesson with our involvement with
14 the Sands, because I think it's important to
15 understand.

16 You heard mentioned that there was a
17 donation of land to ArtsQuest for the SteelStacks
18 division, which we've been working on for several
19 years at that time.

20 And while it was a dynamic use, we
21 were excited about it, we had a great visual, but
22 really horrible timing. Because we launched our
23 capital campaign in September of 2008. And that was
24 not a great time to go out and raise money.

25 We had a \$26 million project which we

1 also needed to acquire the land for that. That would
2 have added another \$3 to \$6 million to the project,
3 which really would not have made it feasible.

4 The Sands donating that land and
5 making that a reality is no short order for us to say
6 that without that donation. And certainly the
7 partnership of the city TIFFF funds after that, that I
8 don't think we would be open today. There's a good
9 chance we'd still be raising funds.

10 So, the Sands has been there from the
11 beginning understanding that vision. First coming in
12 as a major sponsor to Musikfest, which is today the
13 nation's largest nongated festival in the country.

14 They are still one of our most
15 significant investors and sponsors for that event.
16 And what I think is important to understand there is,
17 the philosophy that the Sands understands we have to
18 build out a tourist destination.

19 They run an event center, which is
20 also a concert venue just like we do. So, we are
21 friendly competitors on - on one day and we are best
22 friend and sponsors the next day. And I think they
23 have understood completely from day one that they need
24 to build a tourist destination down here and together
25 we can do those things. And each partner brings

1 something different to the table and they have fully
2 embraced that.

3 Since that time, though, our
4 partnership has grown to a more year-round
5 partnership. We work very closely with them on
6 special packages for folks that either come - are
7 going to come to the casino or any of our programs
8 down the street.

9 They offer security to us, so their
10 security team is constantly driving around our campus,
11 which adds a - a greater sense of safety for those
12 that are coming to visit us. Unfortunately it has
13 been an extended process this year of snow removal,
14 but they have provided significant support there,
15 which is critical to us as a nonprofit.

16 And much of our programming over the
17 last six and seven years has grown much like the
18 visitors with Sands. So, the demand on the parking
19 lots can be an interesting proposition. But they have
20 always been willing to lease us those properties and
21 turn over some of their parking lots for some of our
22 major events.

23 For example, we've got what's called
24 Cars and Coffee coming up on April 22nd. Very popular
25 free program. And we have 10,000 people registered

1 online for that morning. And the Sands works with us
2 to coordinate traffic flow and parking for that.

3 You - you mentioned before the talk
4 about emergency management and training. We regularly
5 meet with all city officials, fire, police. And the
6 Sands is at all those meetings as we train for safety
7 and security issues at either Musikfest or all of the
8 large venues. So, they are a willing participant
9 there.

10 And then the blast furnaces, the
11 lighting event, the Sands technically lights those
12 blast furnaces. But they work with us oftentimes when
13 we have - a Girl Scouts fundraiser who's going to have
14 a fundraising dinner at the ArtsQuest Center and they
15 lighted up the glass furnaces green. Just one small
16 demonstration of - of connecting to your community.

17 And then most recently we've been
18 working with them to create a way finding map and a
19 website that aggregates all the activities and
20 attractions of Bethlehem way beyond the Sands' doors.

21 So, there's a new Christmascity.org
22 website, which they were a primary funder for, and
23 then also some printed maps that we'll be distributing
24 in the Convention and Visitors Bureau in the
25 Stockhouse as you saw earlier.

1 I will close by saying that in my
2 previous job - I've been with ArtsQuest since 2008.
3 Prior to that I was the manager of Government
4 Relations and Philanthropy for Air Products. So, I
5 was very used to being on the other side of the table
6 and understanding how tricky community relationships
7 can be and how important that is.

8 And I can tell you from being on both
9 sides of the table, I think they're exemplary when it
10 comes to open communications, support and building
11 trust, which is really how you get things down and -
12 and continue to build on a site. So, we are
13 enthusiastic supporters of the license renewal. Thank
14 you.

15 PRESIDING OFFICER: Thank you. Sonia
16 Vasquez, Donegan Elementary School.

17 MS. VASQUEZ: Good morning. Thank you
18 for having me. My name is Sonia Vasquez, Principal of
19 Donegan Elementary School. It's a community school.

20 The school is located less than one
21 mile from the Sands Casino, in a community that has
22 been affected by poverty. Our children's future was
23 questionable.

24 I requested to be transferred to
25 Donegan seven years ago, with the sole intention of

1 leading Donegan to a level of achievement that I knew
2 it could reach.

3 As a south sider, born and raised, I
4 knew that this would not be an easy task. I also knew
5 that if we were to be successful, it would take the
6 community to embrace us and help us move forward.

7 To reach the expectations as directed
8 by our Superintendent in the district road map to
9 excellence, things had to be done differently. To be
10 able to achieve the level of stretch learning, to be
11 able to have children experience student engagement,
12 to have our children achieve the levels of core
13 learning as well as develop the personal skills in
14 each child -. To move them to a level of competence
15 that would create well-rounded and competitive
16 citizens, we needed a great deal of support.

17 The Sands has adopted Donegan and has
18 provided continuous support, regardless of the
19 demands. To name a few, they have provided warm
20 breakfast and lunch for every child during our summer
21 programs for the last five years. Although it sounds
22 trivial, how often do children that you know come to
23 school hungry?

24 The team members have run school
25 supply drives for the last five years, providing our

1 children with the necessary tools. This is something
2 many take for granted.

3 The teams have assisted our teachers
4 in providing our children with a Thanksgiving meal.
5 How many children do you know have to receive this in
6 their schools?

7 They have consistently provided food
8 for our family events, which are now drawing in over
9 400 family members. Seven years ago I was lucky to
10 get 30.

11 They have provided countless volunteer
12 hours to help run our math nights, as well as reading
13 to our classes during Dr. Seuss day. Filling in the
14 educational gaps that many take for granted, many
15 teens jump - many of your teens have jumped at the
16 opportunity to help serve, whether in the kitchen,
17 work alongside our families -. Assist in providing
18 countless programs to our children, providing gifts
19 during the holidays, and even help provide jobs to our
20 parents, allowing stability to begin.

21 Our children now experience true
22 equity when they are able to participate in school
23 trips, countless programs onsite as well as offsite,
24 and participate in many of the activities that you and
25 I sometimes take for granted with our own children.

1 Brian and his team at the Sands
2 responded to the need of this most impoverished school
3 and have worked side by side to raise the hopes,
4 dreams and leadership potential of every child at
5 Donegan.

6 Cultural differences are nonexistent,
7 but the love and care that is being provided regularly
8 is making a difference in a community plagued with the
9 ugliness of poverty.

10 Change is happening. Are we where we
11 want to be? Not yet, but we are moving in the right
12 direction.

13 Our community will rise above this one
14 child at a time. Your support has allowed us to live
15 the true meaning of it takes a village to raise a
16 child. Thank you.

17 PRESIDING OFFICER: Yes.

18 MS. MANDERINO: I want to just make a
19 comment. Thank you very much, Principal Vasquez, for
20 coming and sharing that. That was very inspiring.

21 And - and since you're taking it to
22 all different levels, I just want to make another
23 suggestion, for what it's worth.

24 The Governor is very vested in and has
25 been doing a lot of work in teachers in the workplace,

1 and really trying to encourage community businesses
2 and schools to - to partner together and get the
3 teachers inside the workplace during different
4 opportunities, so that they can see what jobs are in
5 their communities and connect it back to the
6 classroom, in terms of what they are teaching them and
7 preparing their students for.

8 So, just another suggestion with all
9 this great partnership you have going on with Sands,
10 whether or not you want to think about whether there
11 is some sort of summer program for your - for your
12 teachers to get a - a sense of all the kinds of skills
13 and job opportunities that - that happen at the Sands
14 that might have classroom connections as you move
15 forward in your great partnership. So, just thought
16 I'd throw that out.

17 PRESIDING OFFICER: Thank you. Mary
18 Colon from Hispanic Center of Lehigh Valley.

19 MR. COLON: Good morning. I'm Mary
20 Colon from the Hispanic Center of Lehigh Valley, the
21 interim Executive Director.

22 Back in 2016, the - the Hispanic
23 Center of Lehigh Valley submitted a proposal to the
24 State, the Neighborhood Assistance Program, the NAP
25 grant. It was here where really the relationship with

1 the Sands Casino really flourished, when they
2 committed to \$100,000 to - to that proposal, which was
3 a tax credit for the Sands.

4 It cultivated our relationship for
5 this nonprofit, that led us to have more English
6 classes, computer classes and also job preparation
7 skills.

8 At the same time CareerLink, which
9 Brian had mentioned earlier, was onsite and was the
10 satellite. And there is where we also partnered and
11 we began more conversations of what we could do for
12 our members of our community. Since then we've had
13 several job fairs that Sands Casino has been on
14 Hispanic Center site.

15 For those job fairs we've had quite a
16 number of interviews that have occurred. And we at
17 the present time have 20 employees at the Sands Casino
18 from those job fairs and about five in the pipeline.
19 Those folks are waiting now for their background
20 checks and things to be approved.

21 From that also stems that - that we
22 have also cultivated a - a - a discussion where we
23 have also visited each other's site.

24 So, much of what you just said. Our -
25 our folks in the Hispanic Center have been able to

1 visit the Sands Casino and visit with the HR folks on
2 - on their ground and - and learn more about the
3 casino. And it was very enlightening to see how happy
4 people are that work there and how engaged all
5 employees are there. Which also is something that we
6 can take back to our clients at the Hispanic Center to
7 say, this is a great place to work.

8 With the conversations we've had also
9 we've also established conversations that the - that
10 Sands has provided additional funding to the center.
11 And in those conversations that we've had we are
12 looking at ESL curriculums that will provide
13 vocabulary, the jargon necessary for the folks that
14 come to the Sands to interview, to be able to get them
15 those interviews.

16 Keep in mind, that many of our clients
17 are second-language folks, so that they are learning
18 English. They're here, they're new to the community.
19 And so we want to make sure that they get through the
20 process of the interviews when they go to the Sands
21 and meet the success that we've been meeting so far.

22 We're neighbors. We've - we've
23 established a relationship where we have a food
24 pantry. And the Sands has also been a great
25 contributor to our food pantry. Not only have they

1 had food drives, but they've also come - some of their
2 - their employees have come to volunteer at our food
3 pantry, to see what we are doing in the community.

4 Together we've also been able to
5 support many other initiatives besides the employment,
6 but we've also have been able to support each other's
7 initiatives. If we have events, we are there for each
8 other.

9 Also we look forward to also
10 continuing that, but in the recent months with the
11 devastation of Hurricane Maria, many of the folks
12 coming in from Puerto Rico that - are evacuees that
13 are coming into our area.

14 The Sands has also been very committed
15 to that, with food drives, with clothing drives. And
16 additionally, also helping us with funding, so that we
17 could have more ESL classes, and in return have those
18 folks work for them.

19 So, as we look forward we - we want to
20 look forward to the relationship growing. I think we
21 - we - we have the commitment of each other that says
22 we want our - our community to grow, we want our folks
23 to be self-sustained.

24 And I have to really reiterate, I was
25 the former principal for the Bethlehem Area School

1 District. So, I know what the Sands Casino has done
2 for the school district and in reference to Donegan
3 Elementary School.

4 So, I would say that we certainly
5 encourage that they stay on board with us and our
6 community. Thank you.

7 PRESIDING OFFICER: Thank you. Roger
8 Hurdak, from the South Side Task Force.

9 MR. HURDAK: Sitting too long. My
10 knees, ancient knees.

11 I'm Roger Hurdak, Chairman of the
12 Mayor's South Side Task Force, so I'm currently the
13 Mayor of the South Side, I might add an unpaid Mayor
14 of the South Side.

15 Before I do this, I want to make sure
16 that you all realize there's a story that goes behind
17 with Sonia. It goes way back to one of these hearings
18 that we had when we were vying for the license to
19 begin with.

20 And Bob DeSalvio was the CEO at that
21 time, the President at that time. And the one thing
22 he remembered is one of the speakers - and in Donegan
23 if you're familiar where Donegan - if you look right
24 in front of the Sands and look up, you'll see Donegan.

25 From the top floor of Donegan's

1 library, you can see the Sands. I mean, it's right
2 there.

3 One of the speakers said something
4 about, I don't want my kids to be able to look down
5 there and see, you know, people -. Well, Bob
6 remembered that. And when it came time to reach out
7 to partners, he asked me about partnerships. And I
8 said, you know, Sonia.

9 So, I took Sonia down there for a
10 brief interview and that's how it all started, but -.
11 And it seems like only yesterday that many of us
12 appeared before this Board to argue why Las Vegas
13 Sands should be awarded a Gaming License for Bethlehem
14 in the first place.

15 It is with great pleasure to come
16 before you again to help establish a renewal of that
17 license for another stint. Beyond a shadow of a doubt
18 that Bethlehem you saw at that time, for those of you
19 who are here, is not the same Bethlehem of 2018.

20 The steel mill has been replaced by
21 phenomenal arts and historic venue just across the
22 river from here. Those iconic blast furnaces are the
23 emblem of Bethlehem's past and future. And there is
24 more work to be done in that area with the old plants.

25 Yet just east of Sands Bethlehem, on

1 the other side, lies Lehigh Heavy Forge. Lehigh Heavy
2 Forge is a manufacturer of generator axles, and it's
3 the only one in the world. So, they must be doing
4 something right.

5 The remaining acres of the now full
6 LVI P7 now full and a close to full majestic site
7 bordering I-78 along with a newly completed 412
8 expansion are bustling with energy.

9 The number of jobs that this
10 renaissance has accomplished is huge, with more to
11 come. Bethlehem would be - would have most certainly
12 gone into bankruptcy without the time and money
13 provided by the Sands to offset the huge losses of
14 taxes and jobs that Bethlehem Steel had once provided.

15 Our South Side business district is in
16 a tremendous renewal and with the help of Lehigh
17 University it continues to grow. It is a great place
18 to live. It is no longer the place where those people
19 live.

20 I'm one of those people, by the way.
21 If I look out my front window, then I can see the
22 Sands. And it's not just South Bethlehem that has
23 been enveloped in this renaissance. North Bethlehem
24 is beautiful historic business district and is a
25 fantastic tourism site as well.

1 The iconic hotel that was supposed to
2 be closed and shuttered at the Broad and Main site
3 completely disseminated by the coming of gambling to
4 Bethlehem a decade ago is actually now planning an
5 expansion to that - their hotel.

6 Needless to say, it is doing well
7 enough to even think about such an expansion.
8 Bethlehem is thriving community with great partners
9 and jobs, jobs, jobs. None of this could have
10 happened without the vision of the partners in this
11 renaissance and included Sands - the Sands project.

12 Las Vegas Sands has been a stellar
13 partner, providing Bethlehem with the money and
14 prestige that lured other investors to the city. And
15 I have never worked with a more straightforward, no
16 machinations, no nonsense, no bull crap organization
17 than Las Vegas Sands.

18 Fred Crouse - Fred's touring the
19 world what I'm told. He should be back already. A
20 trip around the world. He's retired. Andy Abbud, Bob
21 DeSalvio, personal friends of mine who have never,
22 ever misled me or lied to me. In a business
23 organization that's something.

24 Sands has always been - never promise
25 more than you can deliver, but always deliver more

1 than you promise. And I fully recommend that they be
2 afforded the opportunity to continue to do that with a
3 renewal of the Gaming License, and allowing us to
4 continue with our renaissance of a city that was once
5 condemned to death under rust pile of American
6 history. Thank you.

7 PRESIDING OFFICER: Thank you. We'll
8 move to our individuals. Donna Taggart.

9 MS. TAGGART: Good morning. My name
10 is Donna Taggart. I'm President of Taggart
11 Associates. We are a woman-owned business, certified
12 by the Commonwealth of Pennsylvania through the
13 Unified Certification Program and Department of
14 General Services.

15 Our offices are located right here in
16 South Bethlehem at 26 East 3rd Street. I've been
17 fortunate to serve as the community outreach liaison
18 for Sands Bethlehem since 2006. The Las Vegas Sands
19 Corporation originally contracted our services prior
20 to being awarded one of the licenses, recognizing the
21 importance of building strong partnerships in the
22 community.

23 I appreciate the opportunity to speak
24 with you this morning. I think you've heard a lot
25 from Brian. A lot of our community partners have

1 already talked about, you know, the help and support
2 that they give the community, while at the same time
3 helping the Sands accomplish their goal.

4 But the partnerships have been
5 established over the 11 - over the last 11 years and
6 they're really creating positive results in our
7 community. Many of the relationships were actually
8 established very early on, as the Sands contributed
9 \$118,000 to 15 local nonprofits as part of the test
10 days prior to opening the casino.

11 The Sands continues to support various
12 local nonprofits. And we've heard about, you know,
13 the monetary contributions that they're giving on an
14 annual basis, as well as all the team members on their
15 Boards, participating in lots of community events,
16 such as walks, clean ups, building community gardens,
17 reading, serving breakfast, providing gift certificate
18 donations for silent auctions at fundraising events.

19 Always very, very welcome. Providing
20 meeting space in their hotels or restaurants for
21 nonprofit events. Sands' employees organized food,
22 book, school supply, clothing drives, provide speakers
23 at various events.

24 One of the largest local fundraising
25 events, and Brian referred to this as well, the annual

1 food and wine festival that was established as a
2 partnership between the Sands and Northampton
3 Community College nine years ago. That's hosted at
4 the - on the Sands' property. And it's raised over
5 \$1.5 million towards scholarships at our local
6 community college.

7 In the past few years, as part of the
8 Sands Eco 360 Program, it regularly repurposes many of
9 its items, mainly from its hotel and restaurant
10 operations.

11 Last year alone we repurposed more
12 than 11,000 partial rolls of toilet paper and nearly
13 9,000 linens from their hotel operations. And these
14 donations were welcomed monthly by local
15 organizations, including the Hispanic Center's food
16 pantry, New Bethany Ministries, Victory House, 6th
17 Street Shelter.

18 An organization by the name of Simple
19 Quilts takes all of our donated linens and recycles
20 them into hand-knotted quilts and donates them to
21 local shelters.

22 The Sands has also invested a
23 significant amount of time and resources in the area
24 of responsible gaming, not only to train their team
25 members, but also to train the community. To

1 accomplish this we've established a strong partnership
2 with the Pennsylvania Council on Compulsive Gambling,
3 which provides all the professional trainers for the
4 seminars that are offered by the Sands.

5 The only cost to the attendees is for
6 continuing education credits through the Pennsylvania
7 chapter of the National Association for Social Workers
8 or the Lehigh Valley chapter of the National
9 Psychological and Counseling Association.

10 My firm coordinates this training on
11 behalf of the Sands. And, again, we began offering
12 these series in 2006, prior to the license being
13 awarded to the Sands. And the level one and two
14 series has been offered on an annual basis since then.

15 We've modified it a little bit over
16 the last five years, in response to attendee feedback,
17 so that it only - it doesn't only include the level
18 one and two. We also offer specialized trainings for
19 the more at-risk populations of youth and older adults
20 and specialized training on problem gambling ethics
21 online gambling. But to date over 3,500 individuals
22 have been involved in these courses.

23 Most of the professionals are based in
24 Lehigh Valley. But we do have folks traveling from
25 the Philadelphia area and Northeast Pennsylvania to

1 attend these trainings.

2 The Sands has been an extraordinary
3 partner in the 11 years since they joined our
4 community. When gaming was first approved in
5 Pennsylvania, I witnessed firsthand the concern many
6 citizens had about the negative impact a casino might
7 have in our community.

8 In response, the Sands has both
9 reactively and proactively responded, alleviating most
10 of those initial concerns by forging strong, strategic
11 partnerships and creating over 2,500 jobs for our
12 community. They've become a model corporation for
13 community involvement and employment practices in the
14 Lehigh Valley. And I thank you for your time.

15 PRESIDING OFFICER: Thank you. Hung
16 Tran.

17 Okay.

18 That is the list that I was given that
19 signed up on our website.

20 Is there anyone here that thought they
21 registered to speak and I've not called your name?
22 Seeing no hands -.

23 At this point, if either party feels
24 the burning need to file any kind of memorandum after
25 this hearing, you can do so by the close of business

1 Thursday, April 12th. The record will remain open
2 until the Board hears the matter at a later public
3 Board meeting.

4 I will prepare a report based upon the
5 testimony and evidence received today and a
6 suitability report that will be filed from the Bureau
7 of Licensing with the Office of Hearings and Appeals
8 (OHA). And that report as well as all of the exhibits
9 from today's hearing and the transcript will be
10 forwarded to the Board - the full Board for its
11 consideration.

12 And the Board, at its convenience,
13 will schedule this matter to be heard at a future
14 public Board meeting in Harrisburg. And with that, I
15 want to thank the City of Bethlehem for hosting us
16 today, and specifically Diane, who is my contact here.

17 And I want to thank you all for coming
18 and for your cooperation. And this hearing is
19 adjourned. Thank you.

20 MS. MANDERINO: All right.

21 Good job.

22 * * * * *

23 HEARING CONCLUDED AT 11:52 A.M.

24 * * * * *

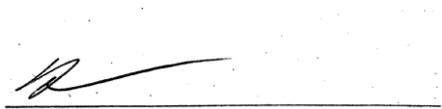
25

CERTIFICATE

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

I hereby certify that the foregoing proceedings,
hearing held before Officer Lloyd was reported by me
on 04/05/2018 and that I, Brian D. O'Hare, read this
transcript and that I attest that this transcript is a
true and accurate record of the proceeding.

Dated the 27th day of April 2018



Brian D. O'Hare
Court Reporter

