

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

\* \* \* \* \*

PUBLIC MEETING

\* \* \* \* \*

BEFORE: MEMBERS OF THE BOARD:

DAVID M. BARASCH, CHAIRMAN

Richard G. Jewell

Obra S. Kernodle, IV

Sean Logan

Kathy M. Manderino

Merritt C. Reitzel

Dante Santoni, Jr.

EX-OFFICIO MEMBERS/DESIGNEES IN ATTENDANCE:

Fred Strathmeyer, Designee, Department of  
Agriculture

Suzanne Leighton, Designee, Department of  
Revenue

Jennifer Langan, Designee, Department of  
Treasury

HEARING: Wednesday, June 27, 2018

10:00 a.m.

Reporter: Cynthia Piro-Simpson

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

LOCATION: Pennsylvania Gaming Control Board  
Strawberry Square Complex  
2nd Floor  
Harrisburg, PA 17101

## A P P E A R A N C E S

PA GAMING CONTROL BOARD EXECUTIVE STAFF WHO APPEARED  
BEFORE THE BOARD:

DANETTE BIXLER-GEORGE, Director, Human Resources

SUSAN HENSEL, Director, Bureau of Licensing

OFFICE OF CHIEF COUNSEL - ALSO PRESENTING:

R. DOUGLAS SHERMAN, ESQUIRE, Chief Counsel

STEPHEN COOK, ESQUIRE, Deputy Chief Counsel

PA Gaming Control Board

P.O. Box 69060

Harrisburg, PA 17106-9060

Counsel for the Pennsylvania Gaming Control Board

OFFICE OF ENFORCEMENT COUNSEL - ALSO PRESENTING:

CYRUS PITRE, ESQUIRE

Chief Enforcement Counsel

DUSTIN MILLER, ESQUIRE

Senior Enforcement Counsel

BETH MANIFESTO, ESQUIRE

Senior Enforcement Counsel

JOHN CROHE, ESQUIRE

Assistant Enforcement Counsel

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

A P P E A R A N C E S (cont.)

OFFICE OF ENFORCEMENT COUNSEL - ALSO PRESENTING:

TAMARA HAKEN, ESQUIRE  
Assistant Enforcement Counsel

SARAH KOLESAR, ESQUIRE  
Assistant Enforcement Counsel

ASHLEY GABRIELLE, ESQUIRE  
Assistant Enforcement Counsel

DAVID TEPPER, ESQUIRE  
Assistant Enforcement Counsel

BENJAMIN FERRELL, ESQUIRE  
Assistant Enforcement Counsel

PA Gaming Control Board  
P.O. Box 69060  
Harrisburg, PA 17106-9060  
Counsel for the Pennsylvania Gaming Control Board

MICHAEL D. FABIUS, ESQUIRE  
Ballard Spahr, LLP  
1735 Market Street, 51st Floor  
Philadelphia, PA 19103  
Counsel for Valley Forge Convention Center  
Partners, LP

1 A P P E A R A N C E S (cont.)

2

3 KEVIN GREENBERG, ESQUIRE

4 Greenberg Traurig

5 2700 Two Commerce Square

6 2001 Market Street

7 Philadelphia, PA 19103

8 Counsel for Ditronics Financial Services, LLC

9

10 FRANK A. DIGIACOMO, ESQUIRE

11 Duane Morris, LLP

12 1940 Route 70 East, Suite 100

13 Cherry Hill, NJ 08003

14 Counsel for AGS, LLC

15

16 ALSO PRESENT:

17 Eric Pearson, CEO, Valley Forge Convention Center

18 Partners, LP

19 Dave Zerfing, CFO, Valley Forge Convention Center

20 Partners, LP

21 Ronald Laduca, President, In Bet Gaming, Inc.

22

23

24

25

## I N D E X

1		
2		
3	OPENING REMARKS	
4	By Chairman	7 - 8
5	PRESENTATION	
6	By Ms. Bixler-George	8 - 9
7	By Attorney Sherman	9 - 42
8	By Ms. Hensel	42 - 50
9	By Attorney Pitre	50 - 51
10	By Attorney Miller	52 - 65
11	By Attorney Manifesto	65 - 93
12	By Attorney Crohe	94 - 95
13	By Attorney Kolesar	95 - 96
14	By Attorney Haken	96 - 97
15	By Attorney Gabrielle	97 - 98
16	By Attorney Tepper	98 - 99
17	By Attorney Ferrell	99 - 102
18	By Attorney Miller	103 - 104
19	By Attorney Haken	104 - 105
20	By Attorney Miller	105 - 106
21	By Attorney Gabrielle	106 - 107
22	CLOSING REMARKS	
23	By Chairman	107 - 108
24		
25		

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

-----

CHAIRMAN DAVID M. BARASCH: Good morning, everyone. I'm David Barasch, Pennsylvania Gaming Control Board Chairman.

If you haven't already, please turn off the sound on your electronic devices.

With us today is Fred Strathmeyer, representing Russ Redding, Secretary of Agriculture; Jen Langan, representing Joe Torsella, State Treasurer; and Sue Leighton, representing Revenue Secretary Dan Hassel.

Thank you all for coming.

A quorum are present.

I'll call the proceedings to order.

First order of business, the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE RECITED

CHAIRMAN: By way of announcements, the Board held an Executive Session yesterday, Tuesday, June 26th, to discuss personnel matters and to conduct quasi-judicial deliberations relating to matters that are going to be discussed and voted on today.

Next, I'd like the consideration of a

1 motion to approve the April 4th and May 2nd meeting  
2 transcripts.

3 May I have such a motion?

4 MR. KERNODLE: Mr. Chairman, I move  
5 that the Board approve the April 4th and May 2nd, 2018  
6 meeting transcripts.

7 MR. LOGAN: Second.

8 CHAIRMAN: All in favor?

9 AYES RESPOND

10 CHAIRMAN: All opposed?

11 The motion is adopted.

12 Danette Bixler-George, HR Director.

13 Good morning.

14 MS. BIXLER-GEORGE: Good morning.

15 Good morning, Chairman. Good morning, Board Members.

16 The Office of Human Resources has one  
17 motion for your consideration today relative to the  
18 hiring of two individuals.

19 First, Connor Line has been selected  
20 as an Assistant Enforcement Counsel I under the Office  
21 of Chief Enforcement Counsel. He has completed the  
22 interview process, background checks, drug screening  
23 and is recommended for hire by Chief Enforcement  
24 Counsel Cyrus Pitre.

25 Second is Thomas Monaghan, who has

1 also been selected as an Assistant Enforcement Counsel  
2 I in the Office of Chief Enforcement Counsel. He too  
3 has completed the necessary background processes and  
4 is also recommended for hire by Chief Enforcement  
5 Counsel Cyrus Pitre.

6 Unless you have any questions, I would  
7 ask that the Board consider a motion to approve the  
8 hiring actions as indicated.

9 CHAIRMAN: Thank you.

10 Any questions or comments from the  
11 Board?

12 Hearing none, may I have a motion?

13 MR. LOGAN: Mr. Chairman, I move the  
14 Board approve the Applicants for hire as proposed by  
15 the Human Resource Director.

16 MS. MANDERINO: Second.

17 CHAIRMAN: All in favor?

18 AYES RESPOND

19 CHAIRMAN: All opposed?

20 The motion is adopted.

21 MS. BIXLER-GEORGE: Thank you.

22 CHAIRMAN: Doug Sherman, Chief  
23 Counsel.

24 ATTORNEY SHERMAN: Good morning,  
25 Chairman and Members of the Board.

1                   Our first Agenda item is a Temporary  
2 Regulation relating to Sports Wagering. This is  
3 Temporary Regulation 125-217. It includes two  
4 distinct parts.

5                   The first is Section 1401.5, Conduct  
6 of Sports Wagering generally, which addresses some  
7 broad rules regarding the implementation of Sports  
8 Wagering, including but not limited to requiring that  
9 Sports Wagering Certificate Holders may only employ  
10 the services of one Sports Wagering Operator, and that  
11 Sports Wagering Certificate Holders or Sports Wagering  
12 Operators on behalf - operating on behalf of a  
13 Certificate Holder, may only offer one co-branded  
14 Sports Wagering interactive website or mobile  
15 application at this time.

16                   It also provides that integrity  
17 monitoring of Sports Wagering must be conducted by an  
18 independent third party on behalf of the Certificate  
19 Holder or Operator.

20                   Future detailed regulations will be  
21 coming, hopefully, at the next meeting regarding more  
22 aspects of the integrity monitoring.

23                   Sports Wagering Certificate Holders or  
24 Sports Wagering Operators must also have the server  
25 located in the Commonwealth, which is receiving the

1 actual wager, and that's in order to comply with the  
2 Federal Wire Act.

3           The other aspect of that regulation is  
4 to squarely and plainly place the burden on each of  
5 the Certificate Holders and Operators for compliance  
6 with the Wire Act and other applicable federal laws.

7           The second topic of the regulation  
8 before you contains Sections 1402 through 1406. These  
9 rules consist of licensing provisions covering Sports  
10 Wagering Operators, Sports Wagering Manufacturers,  
11 Sports Wagering Suppliers, Sports Wagering Gaming  
12 Service Providers, and all categories of individuals  
13 seeking to participate within the Sports Wagering  
14 industry.

15           If there are no questions, I'd ask for  
16 a motion to approve Temporary Regulation 125-217.

17           CHAIRMAN: Are there any questions or  
18 comments from the Board Members?

19           Hearing none, may I have a motion?

20           MS. REITZEL: Mr. Chairman, I move  
21 that the Board adopt Temporary Regulation #125-217 as  
22 read by the Office of Chief Counsel (OCC).

23           MR. SANTONI: Second.

24           CHAIRMAN: All in favor?

25 AYES RESPOND

1                    CHAIRMAN: All opposed?

2                    The motion is adopted.

3                    ATTORNEY SHERMAN: The next matter  
4 relates to an Office of Enforcement Counsel (OEC)  
5 Omnibus Petition for an Administrative Order.

6                    Specifically, the OEC is asking to  
7 remove 116 individuals from the Board's Involuntary  
8 Exclusion List.

9                    Each of these individuals have been  
10 found to have attempted to enter a casino or did enter  
11 a casino while under the age of 21. They were brought  
12 before the Board. In each case, the Board has issued  
13 an Order to place them on the Exclusion List until  
14 their 22nd birthday, or for one year, whichever is  
15 later.

16                    All 116 individuals have far surpassed  
17 that date and are eligible to come off the list. It  
18 was determined that for the sake of efficiency and  
19 making the list as effective as we can, the persons  
20 who have committed acts that still require them to be  
21 on the list, removing these individuals will kind of  
22 help shave the list and promote the attractiveness of  
23 it.

24                    Therefore, based on that, it would be  
25 an appropriate consideration to clean that list up and

1 remove those people.

2 CHAIRMAN: Any questions, comments  
3 from the Board in this matter?

4 May I have a motion?

5 MR. SANTONI: Mr. Chairman, I move  
6 that the Board approve the OEC's Omnibus Petition for  
7 removal of individuals from the PGCB Involuntary  
8 Exclusion List, as described by the OCC.

9 MR. JEWELL: Second.

10 CHAIRMAN: All in favor?

11 AYES RESPOND

12 CHAIRMAN: All opposed? The motion is  
13 adopted.

14 ATTORNEY SHERMAN: Next, the Board has  
15 five other Petitions before it for consideration. All  
16 of the Petitions will be decided on the record by  
17 agreement of the parties.

18 In each of the matters, the Board has,  
19 in advance of this meeting, been provided with all of  
20 the documents of record.

21 The first Petition is that of  
22 Mountainview Thoroughbred Racing Association, and it's  
23 Request Seeking an Extension of Time to file its  
24 Category 4 Slot Machine License Application.

25 On January 10th, 2018, Mountainview

1 won the first Category 4 Auction, with a winning bid  
2 of \$50,100,000, which was paid on January 12th, 2018.

3 Pursuant to the Act, absent Board  
4 approval giving it a two-month extension,  
5 Mountainview's Application is due to be filed by July  
6 12th.

7 Mountainview has asked for the  
8 two-month extension as provided in the Act, and avers  
9 that since winning the auction, it's been working on  
10 identifying a specific location to place the Category  
11 4 facility and evaluating multiple locations, for the  
12 - to find the best one.

13 The OEC has no objection to the  
14 request and, if granted, Mountainview's Application  
15 will be due by September 12th of this year.

16 CHAIRMAN: Any questions or comments  
17 from the Board?

18 May I have a motion?

19 MR. JEWELL: Mr. Chairman, I move that  
20 the Board approve Mountainview Thoroughbred Racing  
21 Association, LLC's Petition for an Extension of Time  
22 to file its Category 4 License Application as  
23 described by the OCC.

24 MR. KERNODLE: Second.

25 CHAIRMAN: All in favor?

1 AYES RESPOND

2 CHAIRMAN: All opposed?

3 The motion is adopted.

4 ATTORNEY SHERMAN: Next before the  
5 Board is Downs Racing's Request to Transfer and  
6 Promote an employee who is currently employed in the  
7 Surveillance Department of Mohegan Sun Pocono to a  
8 position of Compliance Administrator at the property.

9 The Board's Regulations require  
10 segregation of employees of a casino's Surveillance  
11 Department from certain other casino staff and  
12 operations. This is done to limit the risk of  
13 collusion and malfeasance between various areas that  
14 are tied into surveillance.

15 As a result, persons employed in  
16 surveillance are not free to simply change positions  
17 outside of that department without the Board having  
18 reviewed and given approval.

19 In this case, a Downs Racing employee  
20 is currently employed as a Surveillance Supervisor.  
21 His duties include conducting surveillance of gaming  
22 operations and coordinating with the Security  
23 Department and training - as well as training  
24 surveillance officers.

25 The position of Casino Compliance

1 Administrator has recently become available and the  
2 individual applied for that job. Mohegan avers that  
3 they would like to offer the position to this  
4 individual and that they have perceived no conflict  
5 with his service in the Surveillance Department.

6 As the Compliance Administrator, he  
7 will be developing and overseeing compliance programs,  
8 managing internal controls, maintaining department  
9 policies and procedures, and reviewing employment  
10 documents for compliance and regulatory reporting.

11 His duties will not be conducted on  
12 the gaming floor, and therefore, the knowledge of  
13 surveillance would not be a possible impediment to  
14 this position.

15 OEC does not - also does not believe a  
16 conflict exists, and therefore, has no objection to  
17 this request.

18 And we would request a motion to  
19 approve it.

20 CHAIRMAN: Questions or comments from  
21 the Board?

22 May I have a motion?

23 MR. KERNODLE: Mr. Chairman, I move  
24 that the Board approves Downs Racing, LP's Petition to  
25 Permit Gavin Southworth to be employed as a Compliance

1 Administrator as described by the OCC.

2 MR. LOGAN: Second.

3 CHAIRMAN: All in favor?

4 AYES RESPOND

5 CHAIRMAN: All opposed?

6 The motion is adopted.

7 ATTORNEY SHERMAN: Next is the Joint  
8 Petition of Eldorado Resorts & Presque Isle Downs  
9 requesting approval of an Amended Corporate Fee and  
10 Shared Service Agreement.

11 Eldorado is the ultimate parent  
12 company of Category 1 Licensee, Presque Isle Downs.  
13 The parties currently operate under a Corporate Fee  
14 and Shared Service Agreement that was approved by this  
15 Board in June of 2017.

16 There are two material changes to the  
17 parties' current agreement for which they seek  
18 approval.

19 The first amendment changes the  
20 formula for calculation of the Corporate Fee, which  
21 has the effect of increasing the Corporate Fee for -  
22 on Presque Isle by removing the income of  
23 low-performing Eldorado properties from the  
24 calculation.

25 The second change sets a floor and a

1 ceiling as to the Shared Service Fee to be paid by  
2 Presque Isle. Presently, there is no floor. There's  
3 also no ceiling. This amendment creates a fee of at  
4 least \$800,000 annually, but no more than \$1.5  
5 million.

6 The OEC does not oppose the granting  
7 of the Petition, subject to conditions outlined in  
8 their Amended Answer which assured compliance by the  
9 parties of the agreement.

10 Additionally, the Petitioners have  
11 filed a motion to protect certain confidential  
12 information contained in their exhibits attached to  
13 the Petition. OEC has no objection to that request.

14 The matter is now ready for the  
15 Board's consideration.

16 CHAIRMAN: Questions or comments from  
17 the Board?

18 May I have a motion?

19 MR. LOGAN: Mr. Chairman, I move that  
20 the Board approve the Joint Petition of Eldorado  
21 Resorts and Presque Isle Downs, Inc. for an Amended  
22 Corporate Fee and Shared Services Agreement, with the  
23 conditions requested by the OEC.

24 MS. MANDERINO: Second.

25 CHAIRMAN: All in favor?

1 AYES RESPOND

2 CHAIRMAN: All opposed?

3 The motion is adopted.

4 ATTORNEY SHERMAN: The next Petition  
5 before the Board is Jianming Li's Petition for Removal  
6 from the Board's Involuntary Exclusion List.

7 By way of background, in October of  
8 2013, Mr. Li left his two children, a 15-year-old and  
9 a 2-year-old, in his car in the garage at Harrah's  
10 Philadelphia, while he gamed inside for approximately  
11 25 minutes. Thereafter, the OEC filed a Petition to  
12 place Mr. Li on the Exclusion List.

13 A hearing was held, and ultimately  
14 this Board placed Mr. Li on the Involuntary Exclusion  
15 List on September 17th, 2014 for a period of six  
16 months, after which he could petition to be removed  
17 from the list.

18 It has now been over three years since  
19 Mr. Li was placed on the Exclusion List, well past the  
20 six-month period. There's no indication of any  
21 violation - any other violations by Mr. Li, and he is  
22 requesting to be removed from the list.

23 OEC has no objection to it, and we  
24 would suggest it would be appropriate for a motion to  
25 approve.

1                    CHAIRMAN: Questions or comments from  
2 the Board?

3                    May I have a motion?

4                    MS. MANDERINO: Mr. Chairman, I move  
5 the Board approve Jianming Li's Petition - Jianming  
6 Li's Petition to be removed from the PGCB Involuntary  
7 Exclusion List as described by the OCC.

8                    MS. REITZEL: Second.

9                    CHAIRMAN: All in favor?

10 AYES RESPOND

11                    CHAIRMAN: All opposed?

12                    The motion is adopted.

13                    ATTORNEY SHERMAN: The final Petition  
14 before you today was filed by the OEC and requests  
15 that Awatif Kennedy be placed on the Board's  
16 Involuntary Exclusion List due to two separate  
17 incidents at casinos.

18                    Specifically, in the first incident in  
19 August of 2017, while patronizing Parx Casino, Ms.  
20 Kennedy entered the food court and took several  
21 cookies valued at about \$20 and then left the casino.  
22 Upon Parx discovering the theft, they have permanently  
23 evicted her from the Parx Casino.

24                    The second incident took place about  
25 four months later, in December of '17, while she was

1 at SugarHouse Casino. While there, she went to a  
2 corner off the - out of the gaming area but still  
3 within the area of the gaming floor and relieved  
4 herself on the carpet.

5 She was permanently banned from  
6 SugarHouse Casino.

7 Ms. Kennedy filed an Answer to the OEC  
8 Petition in the matter admitting to her actions, but  
9 expressing concern that she'd started a new job and is  
10 concerned that placement on the public Exclusion List  
11 will affect her career.

12 The matter is now ready, based on that  
13 record, for the Board to consider a motion.

14 CHAIRMAN: Any questions or comments  
15 from the Board?

16 MR. LOGAN: Mr. Chairman?

17 CHAIRMAN: Yes?

18 MR. SANTONI: I'm just wondering if  
19 you could explain the criteria that was utilized for  
20 what - OEC to be put on the list?

21 ATTORNEY SHERMAN: Yes. OEC has  
22 suggested that I - she could be placed on the list on  
23 two different grounds. It would be a person whose  
24 presence at a licensed facility would be inimical to  
25 the interests of the Commonwealth or of licensed

1 gaming therein, which would include this specific  
2 provision; persons with a history of conducting - of  
3 conduct involving the disruption of gaming operations  
4 within a licensed facility or persons who have  
5 performed an act or having notorious or unsavory  
6 reputation that would adversely affect public  
7 confidence and trust in gaming.

8                   Those are the two provisions.

9                   MR. SANTONI: Okay.

10                   I think it's a bit of a stretch.

11                   Now, she also indicated that she has a  
12 - is starting a new job and will lose her job over  
13 this.

14                   Is that what she -?

15                   ATTORNEY SHERMAN: That was her  
16 concern expressed at the hearing that she attended,  
17 yes.

18                   MR. SANTONI: And she has been  
19 permanently evicted from both Parx and SugarHouse?

20                   ATTORNEY SHERMAN: That's correct.

21                   MR. SANTONI: So, if we put her on  
22 this list, she's going to lose her job?

23                   ATTORNEY SHERMAN: It's a possibility.  
24 We don't know. That was her concern.

25                   MR. SANTONI: Okay.

1                   ATTORNEY SHERMAN: Yes.

2                   CHAIRMAN: Any more questions, other  
3 comments?

4                   MR. KERNODLE: Chairman, I got one.  
5 When you said that - well, she relieved herself, but  
6 that was not on the gaming - was that on the gaming -?

7                   ATTORNEY SHERMAN: It was in the -  
8 within the walls of the SugarHouse facility. It  
9 wasn't necessarily in the gaming area.

10                   The Petition said she went to a corner  
11 by - presumably away from the machines and the other  
12 people that were gaming.

13                   MR. KERNODLE: Okay. That's it, Mr.  
14 Chairman.

15                   MS. MANDERINO: And there were no  
16 criminal charges for the theft?

17                   ATTORNEY SHERMAN: There were no  
18 criminal charges for the theft. There was a  
19 disorderly conduct summary citation and one other  
20 summary that were filed because of the relieving. But  
21 those charges were then withdrawn, so she ended up  
22 with no criminal charges.

23                   CHAIRMAN: Do we know more about why  
24 they were withdrawn, why those charges were withdrawn?

25                   ATTORNEY SHERMAN: All we have is on -

1 that we know that they were withdrawn, nothing  
2 further.

3 CHAIRMAN: So, local law enforcement  
4 didn't see this as serious enough to press - it wasn't  
5 like - she didn't get ADR or anything like that?

6 ATTORNEY SHERMAN: We have no  
7 indication that there was any diversionary program.

8 CHAIRMAN: And did she offer any  
9 explanation or excuse or anything -

10 ATTORNEY SHERMAN: The record -.

11 CHAIRMAN: - for the behavior at the  
12 casino, whether with the cookies or the other matter?

13 ATTORNEY SHERMAN: The record  
14 reflected - her testimony was that she had been on  
15 some type of medication. I don't know that publicly  
16 we want to really talk about what the condition was,  
17 but that the medication had affected her judgment.

18 To our knowledge there were these two  
19 isolated incidents that were not consistent in - with  
20 each other.

21 CHAIRMAN: It does seem like a bit of  
22 a stretch. I tend to agree with Commissioner Santoni.

23 Okay. Any other questions or  
24 comments?

25 MR. LOGAN: What kind of cookies were

1 they?

2 ATTORNEY SHERMAN: Not in the record.

3 CHAIRMAN: What was the question?

4 MR. LOGAN: What kind of cookies were  
5 they?

6 CHAIRMAN: Oh, what kind of cookies.  
7 That's an important point. Okay.

8 Having no further comments, is there a  
9 motion?

10 MS. REITZEL: Mr. Chairman, I move  
11 that the Board deny the OEC's Petition to place Awatif  
12 Kennedy on the PGCB Involuntary Exclusion List.

13 CHAIRMAN: Is there a second?

14 MR. SANTONI: Second

15 MR. JEWELL: Second.

16 CHAIRMAN: All in favor of denying the  
17 motion -

18 AYES RESPOND

19 CHAIRMAN: - not denying the motion,  
20 denying the recommendation?

21 AYES RESPOND

22 CHAIRMAN: All opposed?

23 OPPOSED RESPOND

24 CHAIRMAN: The motion is defeated.

25 Thank you.

1                   MS. MANDERINO: The motion was  
2 approved.

3                   CHAIRMAN: No.

4                   MS. MANDERINO: Oh, defeated. Got  
5 you.

6                   CHAIRMAN: Let me clarify.

7                   MS. MANDERINO: Yeah.

8                   CHAIRMAN: The motion was to reject  
9 the recommendation.

10                   MS. MANDERINO: Got you.

11                   CHAIRMAN: And I'm not sure if it was  
12 - whether that was a 6/1 or a 5/2 but the point is, it  
13 was -.

14                   MS. MANDERINO: It was rejected.

15                   CHAIRMAN: Or at least one -.

16                   MS. MANDERINO: Okay.

17                   ATTORNEY SHERMAN: All right. To be  
18 clear, because it was the request of Enforcement  
19 Counsel to place her on the Exclusion List, the motion  
20 was denied at - there was no qualified majority. So,  
21 she neither gets put on the list - doesn't get put on  
22 the list. I was, I think, a little backwards here but  
23 we - the result is she is not on the list.

24                   CHAIRMAN: Is that right? I think we  
25 have tiny piece of confusion here -

1                   ATTORNEY SHERMAN: Yes.

2                   CHAIRMAN: - about this. Why don't we  
3 just take small moment - come over here, Doug. Let's  
4 make sure we have the law right.

5                   ---

6                   (WHEREUPON, AN OFF RECORD DISCUSSION WAS HELD.)

7                   ---

8                   CHAIRMAN: Pardon us for engaging in a  
9 grammatic understanding of what a triple negative  
10 means. But perhaps for the record you'd clarify where  
11 we are?

12                   ATTORNEY SHERMAN: Yes, because there  
13 was no motion to place her on the list which passed by  
14 a qualified majority of - she will not be placed on  
15 the list.

16                   CHAIRMAN: Thank you.

17                   All right.

18                   ATTORNEY SHERMAN: Next before the  
19 Board are five Reports or Recommendations received  
20 from the Office of Hearings and Appeals (OHA). The  
21 Reports or Recommendations, along with the evidentiary  
22 record for each hearing, have been provided to the  
23 Board in advance of the meeting.

24                   And additionally, the persons involved  
25 have been notified that the Board is considering their

1 matter today and they have the right to be present and  
2 briefly address the Board.

3           If any of these persons are present  
4 today when their name is announced, they should come  
5 forward to be sworn and briefly address the Board.

6           The first matter is Cicero Cadell, Jr.  
7 On January 12, 2018, the OEC filed a Petition  
8 requesting that Mr. Cadell be placed on the Board  
9 Involuntary Exclusion List alleging that in March  
10 2017, while patronizing Parx Casino, Mr. Cadell took a  
11 money clip he found on the floor of the casino and  
12 placed it in his pocket.

13           Later that day, another patron  
14 reported that he had lost the money clip.  
15 Surveillance showed Mr. Cadell picking it up.  
16 Apparently, he did not return it.

17           He was arrested and charged with  
18 retail theft and ultimately pled guilty to one count  
19 of receiving stolen property. He was sentenced to six  
20 months' probation and ordered to pay \$625 in  
21 restitution.

22           Mr. Cadell requested a hearing which  
23 was held on March 15th of this year. OEC appeared at  
24 the hearing, provided testimony and documentary  
25 evidence. Mr. Cadell appeared and testified on his

1 own behalf. He did admit to his actions but asked  
2 that he not be placed on the Exclusion List.

3 After hearing the evidence and  
4 testimony presented, the Report and Recommendation  
5 issued by the Hearing Officer is that he should be  
6 placed on the Board's Exclusion List and that's the  
7 matter ready for the Board's decision.

8 CHAIRMAN: Any questions or comments  
9 from the Board?

10 Hearing none, may I have a motion?

11 MS. SANTONI: Mr. Chairman, I move  
12 that the Board adopt the Report and Recommendation  
13 issued by the OHA regarding the placement of Cicero  
14 Cadell, Jr. on the PGCB Involuntary Exclusion List as  
15 described by the OCC.

16 MR. JEWELL: Second.

17 CHAIRMAN: All in favor.

18 AYES RESPOND

19 CHAIRMAN: Opposed?

20 The motion is adopted.

21 ATTORNEY SHERMAN: The next matter to  
22 be heard is the Report and Recommendation regarding  
23 Tashuna Davis.

24 By way of background, in June 2015,  
25 Ms. Davis submitted a Renewal Application for her

1 Gaming Employee Occupation Permit. The OEC issued a  
2 Notice recommending denial based on the fact that she  
3 has an outstanding obligation owed to the Commonwealth  
4 in the amount of \$745 resulting from an overpayment of  
5 Unemployment Compensation benefits.

6 A hearing was held in May of 2016 -  
7 I'm sorry. A hearing was held in that matter on the  
8 recommendation of denial. And on May 25th of 2016,  
9 the Board issued an Order renewing her Permit which  
10 allowed her to continue to work as a Table Game Dealer  
11 at Presque Isle Downs.

12 However, the Board placed a special  
13 condition on her requiring her to make monthly  
14 payments towards the satisfaction of the obligation.

15 In August of 2017, OEC filed a  
16 complaint to revoke her Permit due to her failure to  
17 satisfy the obligation. She requested a hearing,  
18 which was held in February of this year. And both OEC  
19 and Ms. Davis appeared offering testimony and  
20 documentary evidence. The evidence presented showed  
21 that she had made two payments towards the lien.  
22 However, due to penalties and interest accumulating,  
23 the debt was now over \$900.

24 A Report and Recommendation has been  
25 issued recommending that Ms. Davis' Permit not be

1 revoked as requested, but be suspended until such time  
2 as she provides proof that the obligation has been  
3 satisfied. And that is the recommendation ready for  
4 the Board's consideration.

5 CHAIRMAN: Questions or comments from  
6 the Board?

7 Do we have a motion?

8 MR. JEWELL: Mr. Chairman, I move that  
9 the Board adopt the Report and Recommendation issued  
10 by the OHA regarding Tashuna Davis' Gaming Employee  
11 Occupational Permit in part.

12 Specifically I move that Ms. Davis'  
13 Permit be suspended, but that the suspension be  
14 deferred for 30 days during which she is provided a  
15 final opportunity to make a payment to the Department  
16 of Labor and Industry of at least \$100 and to submit  
17 evidence of the payment - any payment plan resulting  
18 in full payment of the outstanding litigation.

19 Failure of Ms. Davis to submit this  
20 information to the Board by July 27th, 2018 shall  
21 result in a suspension taking effect on Monday, July  
22 30th, 2018.

23 MR. KERNODLE: Second.

24 CHAIRMAN: All in favor?

25 AYES RESPOND

1                    CHAIRMAN: All opposed?

2                    The motion is adopted.

3                    ATTORNEY SHERMAN: Taylor Ferko's  
4 matter is the next Report and Recommendation before  
5 the Board.

6                    In June 2017, Ms. Ferko was issued a  
7 Permit to work as a Table Game Dealer at Downs Racing.  
8 She is not currently employed with any licensed  
9 facility in the Commonwealth.

10                   On December 27th of 2017, the OEC  
11 filed a Complaint to suspend her Permit after being  
12 notified that in September 2017, Ms. Ferko was  
13 arrested and charged with drug and theft related  
14 offenses. Specifically, she was alleged to have  
15 stolen and sold some of her mother's jewelry.

16                   A hearing on the matter was held on  
17 March 14th of this year. OEC appeared and offered  
18 testimony and evidence, and Ms. Ferko also appeared at  
19 the hearing, testifying on her own behalf and  
20 providing documentary evidence.

21                   Ms. Ferko admitted to the actions,  
22 expressed gratefulness to her mother for calling the  
23 police on the matter and stated that Ms. Ferko was  
24 dealing with a drug dependency issue at the time and  
25 would not have been able to get sober on her own

1 without having law enforcement become involved.

2 She testified that she's been placed  
3 into Drug Court program and is complying with all  
4 necessary requirements. She also said she'd been  
5 sober for about ten months and has obtained a full-  
6 time job.

7 If she successfully completes the Drug  
8 Court program, she'll - which she would graduate in  
9 November of this year, she would be able to petition  
10 to have all of the charges expunged from her record.

11 Notwithstanding her testimony, the  
12 Hearing Officer recommends that her Permit be  
13 suspended until at least resolution of those criminal  
14 charges, at which point she can request to have the  
15 suspension lifted, and that is the recommendation  
16 that's awaiting the Board's consideration.

17 CHAIRMAN: Questions or comments from  
18 the Board?

19 Do I have a motion?

20 MR. KERNODLE: Mr. Chairman, I move  
21 that the Board adopts the Report and Recommendation  
22 issued by the OHA regarding the suspension of Taylor  
23 Ferko's Gaming Employee Occupation Permit from the  
24 OCC.

25 MR. LOGAN: Seconded.

1                    CHAIRMAN: All in favor?

2 AYES RESPOND

3                    CHAIRMAN: All opposed?

4                    Motion is adopted.

5                    ATTORNEY SHERMAN: The next Report and  
6 Recommendation before the Board stems from Samantha  
7 Kline's request to lift the suspension of her Gaming  
8 Employee Occupation Permit.

9                    Ms. Kline was issued a Permit in June  
10 2017 (sic) and worked as a security officer at  
11 SugarHouse Casino. On July of 2016, the OEC filed a  
12 request for an Emergency Suspension of her Permit  
13 after receiving notice that she'd been arrested and  
14 charged with several offenses, including a felony  
15 charge for aggravated assault on a police officer who  
16 was conducting a welfare check on her at the request  
17 of her mother.

18                    The Emergency Order suspending Ms.  
19 Kline's Permit was signed by the Board's Executive  
20 Director on July 5th of 2016, and after a hearing, was  
21 upheld by this Board in October of '16.

22                    In November of 2017, Ms. Kline filed a  
23 Petition to lift the suspension of her Permit  
24 indicating that the pending felony charge had been  
25 nolle prossed. OEC filed an Answer objecting to the

1 Petition and a hearing was held in January of 2018  
2 with a second hearing February 20th of 2018.

3 Evidence presented at the hearing  
4 showed that Ms. Kline has entered into a two-year  
5 accelerated rehabilitative disposition program. The  
6 aggravated assault charge was nolle prossed upon her  
7 acceptance into the ARD program, and to date she has  
8 been compliant with the terms of the ARD program.

9 Subsequently, a Report and  
10 Recommendation was issued recommending that the  
11 suspension of her Gaming Employee Occupation Permit be  
12 lifted as the prerequisite felony charge, upon which  
13 it was based, has been nolle prossed. And that is the  
14 Recommendation for the Board's consideration.

15 CHAIRMAN: Any questions or comments  
16 from the Board?

17 May I have a motion?

18 MR. LOGAN: Mr. Chairman, I move the  
19 Board adopt the Report and Recommendation issued by  
20 the OHA regarding Samantha Kline's request to Lift the  
21 Suspension of her Gaming Employee Occupation Permit as  
22 described by the OCC.

23 MS. MANDERINO: Second.

24 CHAIRMAN: All in favor?

25 AYES RESPOND

1                    CHAIRMAN: Those opposed?

2                    Motion is adopted.

3                    ATTORNEY SHERMAN: And the final  
4 Report and Recommendation before the Board today  
5 pertains to Megan Spanbauer.

6                    In June 2016, Ms. Spanbauer submitted  
7 a Renewal Application for her Gaming Employee  
8 Occupation Permit to allow her to continue working as  
9 a Slots Attendant at Lady Luck Casino.

10                   In May 2017, the OEC recommended  
11 denial of the application based on her being  
12 noncompliant with federal and state tax obligations,  
13 suitability issues and her failure to cooperate with a  
14 background investigation.

15                   BIE had contacted Ms. Spanbauer on  
16 numerous occasions, giving her the opportunity to  
17 resolve the issues.

18                   There were four hearings held in the  
19 matter between July 11th, 2017 and March 1st, 2018.  
20 Following the original hearing, each additional  
21 hearing was scheduled to allow Ms. Spanbauer time to  
22 gather evidence showing her compliance with federal  
23 and state tax obligations.

24                   OEC appeared to offer - appeared each  
25 time offering testimony and documentary evidence as to

1 the noncompliance. Ms. Spanbauer appeared and  
2 testified on her own behalf in the first three  
3 hearings, and in fact, had provided evidence at one  
4 point that she had come into compliance with her  
5 federal tax obligations.

6 At the hearing, though, she also  
7 testified that her state tax issue remained unresolved  
8 - resulted from the sale of a vehicle in 2010 or 2011  
9 for which she was required to remit sales tax to the  
10 Department of Revenue but that had not been done.

11 During the third hearing held, Ms.  
12 Spanbauer indicated that she was in the process of  
13 making arrangements to satisfy that sales tax owed, so  
14 I - unfortunately, she did not attend the fourth  
15 hearing in the matter, and the records reflect that  
16 she remains noncompliant with her state tax issues.

17 A Report and Recommendation was issued  
18 recommending that her Renewal Application be approved  
19 subject to a condition that she make monthly payments  
20 to the Department of Revenue and that she satisfy the  
21 debt within 18 months.

22 The OEC has filed exceptions to the  
23 Report and Recommendation, arguing that Ms.  
24 Spanbauer's application is incomplete due to her  
25 inability to show compliance with the Department of

1 Revenue requirements and that she failed to comply  
2 with the Board's Order throughout the investigation  
3 and the hearing process, and therefore, is not  
4 suitable.

5 I would note that our statute provides  
6 that an application cannot be considered by the Board  
7 if it is incomplete and that an application or an  
8 Applicant that is noncompliant is incomplete.

9 So, therefore, I would suggest it's  
10 mandatory that the Board deny the Report and  
11 Recommendation and deny her the renewal at this time  
12 because there is no complete application before the  
13 Board.

14 CHAIRMAN: Any questions or comments  
15 from the Board?

16 MS. MANDERINO: Yes, thank you.

17 Counsel, if - we just had a matter a  
18 few instances ago where we imposed a suspension or a -  
19 I guess you would call a suspension, that was  
20 suspended giving persons time to come into compliance.

21 How is this either same or different  
22 from that instance?

23 ATTORNEY SHERMAN: This is different  
24 in that it's a Recommendation for denial of renewal.  
25 It's not a matter of suspending or revoking an

1 existing license. Her existing license is expired.  
2 She is here for - to renew it or in essence to grant a  
3 license for the next five year period.

4 In this case because she's  
5 noncompliant, she doesn't even have a completed  
6 application for the - before the Board.

7 MS. MANDERINO: If - if the Board  
8 denies her Renewal Application because it is  
9 incomplete, immediately upon the denial she can no  
10 longer work.

11 Is that correct?

12 ATTORNEY SHERMAN: That is correct.

13 MS. MANDERINO: If she then makes  
14 payment of those tax delinquencies, then what happens?

15 ATTORNEY SHERMAN: She could then come  
16 back to the Board.

17 MS. MANDERINO: And reapply?

18 ATTORNEY SHERMAN: She would have -  
19 normally if you're denied a license, you are forbidden  
20 for a period of time from reapplying. But we - there  
21 is precedent with this Board that if somebody remedies  
22 the deficiency in a prompt manner, which normally a  
23 denial like this will be great incentive to remedy  
24 those problems. The Board does have the discretion to  
25 accept the application early and allow her to remedy

1 it.

2 The point here being she's been given  
3 over a year and four hearings and nothing else has  
4 seemed to get her attention.

5 MS. MANDERINO: And does anything in  
6 the - do we have anything in the record that reflects  
7 any - I don't know what word to use to characterize it  
8 - any indication of what her current employer would or  
9 wouldn't do depending on approval or denial?

10 ATTORNEY SHERMAN: Well -.

11 MS. MANDERINO: I mean, they would  
12 have to - with the denial, they would have to suspend  
13 her, I guess.

14 ATTORNEY SHERMAN: Well, no, they  
15 would - they would terminate her.

16 MS. MANDERINO: They would terminate  
17 her employer - employment? Okay.

18 ATTORNEY SHERMAN: Other than the no  
19 indication from the employer -.

20 CHAIRMAN: Just a tiny point. I just  
21 want to make sure we're clear on this. In the here  
22 and now, Revenue still clear that she has not met  
23 these obligations?

24 MS. LEIGHTON: She is still  
25 noncompliant.

1                    CHAIRMAN: Thank you.

2                    Any other questions or comments from  
3 the Board?

4                    Hearing none, do we have a motion?

5                    MS. MANDERINO: Mr. Chairman, I move  
6 the Board approve - we're approving the Report and  
7 Recommendation if we're denying - we're denying.

8                    I move the Board - I'm very confused.

9                    ATTORNEY SHERMAN: I'm sorry. The  
10 Report and Recommendation is that she be approved for  
11 a licensure.

12                    MS. MANDERINO: Okay.

13                    So, if it's incomplete - and I want to  
14 say it's incomplete. And so she can't get a Permit  
15 right now -.

16                    ATTORNEY SHERMAN: That would be -

17                    MS. MANDERINO: I'm moving to deny.

18                    ATTORNEY SHERMAN: - to reject the  
19 Report and Recommendation?

20                    MS. MANDERINO: To reject. Okay. I  
21 wanted to make sure I had that -.

22                    Mr. Chairman, I move that the Board  
23 reject the Report and Recommendation issued by the OHA  
24 regarding Megan Spanbauer's Gaming Employee  
25 Occupational Permit as described by the OCC.

1                   MS. REITZEL: Second.

2                   CHAIRMAN: All in favor?

3 AYES RESPOND

4                   CHAIRMAN: All opposed?

5                   The motion is adopted.

6                   ATTORNEY SHERMAN: That concludes the  
7 matters of the OCC.

8                   CHAIRMAN: Sue Hensel, Director of  
9 Bureau of Licensing. You're not going to hit us with  
10 any triple negatives this morning?

11                   MS. HENSEL: I hope not. We'll see  
12 how it goes. Thank you, Chairman Barasch and Members  
13 of the Board.

14                   Before the Board today will be one  
15 Video Gaming Terminal Operator, two Video Gaming  
16 Terminal Manufacturers and 782 Principal, Key, Gaming  
17 and Non-Gaming Employee applicants. In addition,  
18 there will be the consideration of two Gaming Service  
19 Provider applicants.

20                   The first matter for the Board today  
21 is a Conditional Video Gaming Terminal or VGT Operator  
22 License. The VGT Operator applicant is Marquee by  
23 Penn, LLC, doing business as Marquee by Penn National  
24 Gaming, Incorporated.

25                   Under the Gaming Act, the Board may

1 issue a Conditional License to a VGT terminal  
2 operator. The Bureau of Licensing, OEC and Bureau of  
3 Investigations and Enforcement (BIE) have reviewed the  
4 application, and I have provided you with the results  
5 of those reviews

6 I ask that the Board consider a motion  
7 to approve a Conditional VGT Operator License for  
8 Marquee by Penn, LLC.

9 ATTORNEY PITRE: Enforcement Counsel  
10 has no objection.

11 CHAIRMAN: Questions or comments from  
12 the Board?

13 Do we have a motion?

14 MR. SANTONI: Mr. Chairman, I move  
15 that the Board grant the Video Gaming Terminal  
16 Operator Conditional License as per the Bureau of  
17 Licensing.

18 MR. JEWELL: Seconded.

19 CHAIRMAN: All in favor?

20 AYES RESPOND

21 CHAIRMAN: All opposed?

22 Motion is adopted.

23 MS. HENSEL: Next for your  
24 consideration are two VGT Manufacturer License  
25 applicants. The first is Valley Gaming, Incorporated

1 and the second is Konami Gaming, Incorporated. Each  
2 company is currently licensed in good standing with  
3 the Board.

4 Under the Gaming Act, the Board may  
5 use an abbreviated process to consider the application  
6 of an already licensed manufacturer. The Bureau of  
7 Licensing, OEC and BIE have reviewed the applications  
8 and the status of the companies as licensees. And I  
9 have provided you with the results of those reviews.

10 I have provided you with draft orders  
11 for the applicants and ask that you consider the  
12 companies for licensure as VGT manufacturers.

13 ATTORNEY PITRE: Enforcement Counsel  
14 has no objection.

15 CHAIRMAN: Questions or comments from  
16 the Board?

17 MR. LOGAN: Mr. Chairman, can we just  
18 hold for a second?

19 CHAIRMAN: Sure.

20 ---

21 (WHEREUPON, AN OFF RECORD DISCUSSION WAS HELD.)

22 ---

23 CHAIRMAN: Where were we?

24 MR. LOGAN: Okay. Sorry.

25 CHAIRMAN: Yes. I asked if there were

1 any questions or comments from the Board. Hearing  
2 none, do we have a motion?

3 MR. JEWELL: Mr. Chairman, I move that  
4 the Board grant the Video Gaming Terminal Manufacturer  
5 Abbreviated Licenses as described by the Bureau of  
6 Licensing.

7 MR. KERNODLE: Second.

8 CHAIRMAN: All in favor?

9 AYES RESPOND

10 CHAIRMAN: All opposed?

11 The motion is adopted.

12 MS. HENSEL: In addition there is the  
13 approval of Principal and Key Employee Licenses.  
14 Prior to this evening, the Bureau of Licensing  
15 provided you with a Proposed Order for four Principals  
16 and six Key Employees. I ask that the Board consider  
17 the Order approving these licenses.

18 ATTORNEY PITRE: Enforcement Counsel  
19 has no objection.

20 CHAIRMAN: Any questions or comments  
21 from the Board?

22 Hearing none, is there a motion?

23 MR. KERNODLE: Mr. Chairman, we of the  
24 Board grant the Principal and Key Employee Licensing  
25 as described by the Bureau of Licensing.

1                   MR. LOGAN:    Second.

2                   CHAIRMAN:   All in favor.

3 AYES RESPOND

4                   CHAIRMAN:   All opposed?

5                   The motion is adopted.

6                   MS. HENSEL:   There are also Temporary  
7 Principal and Key Employee Licenses.

8                   Prior to this meeting, the Bureau of  
9 Licensing provided you with an Order regarding the  
10 issuance of Temporary Licenses for three Principals  
11 and six Key Employees. I ask that the Board consider  
12 the Order approving these licenses.

13                   ATTORNEY PITRE: Enforcement Counsel  
14 has no objection.

15                   CHAIRMAN:   Questions or comments from  
16 the Board?

17                   Do we have a motion?

18                   MR. LOGAN:   Mr. Chairman, I move that  
19 the Board grant the Temporary Principal and Key  
20 Employee Credentials as described by the Bureau of  
21 Licensing.

22                   MS. MANDERINO: Second.

23                   CHAIRMAN:   All in favor?

24 AYES RESPOND

25                   CHAIRMAN:   All opposed?

1 The motion is adopted.

2 MS. HENSEL: In addition, there are  
3 Gaming Permits and Non-Gaming Registrations.

4 Prior to this meeting, the Bureau of  
5 Licensing provided you with a list of 566 individuals  
6 to whom the Bureau has granted Temporary or Full  
7 Occupation Permits and 151 individuals to whom the  
8 Bureau has granted Registrations under the authority  
9 delegated to the Bureau of Licensing.

10 I ask that the Board consider a motion  
11 approving the Order.

12 ATTORNEY PITRE: Enforcement Counsel  
13 has no objection.

14 CHAIRMAN: Questions or comments from  
15 the Board?

16 Do I have a motion?

17 MS. MANDERINO: Mr. Chairman, I move  
18 the Board grant the Gaming Employee Occupational  
19 Permits and Non-Gaming Employee Registration as  
20 described by the Bureau of Licensing.

21 MS. REITZEL: Second.

22 CHAIRMAN: All in favor?

23 AYES RESPOND

24 CHAIRMAN: All opposed?

25 The motion is adopted.

1                   MS. HENSEL: There are also  
2 Recommendations of Denial for four Gaming Employee  
3 applicants and four Non-Gaming Employee applicants.  
4 In each case, the applicant was notified that he or  
5 she was being recommended for denial and failed to  
6 request a hearing within the specified timeframe.

7                   The Bureau of Licensing has provided  
8 you with Orders addressing the applicants that the OEC  
9 has recommended for denial. And I ask that the Board  
10 consider a motion agreeing with the denials.

11                   ATTORNEY PITRE: Enforcement Counsel  
12 continues to request denial in each instance.

13                   CHAIRMAN: Questions or comments from  
14 the Board?

15                   Do we have a motion?

16                   MS. REITZEL: Mr. Chairman, I move  
17 that the Board deny the Gaming and Non-Gaming Employee  
18 applications as described by the Bureau of Licensing.

19                   MR. SANTONI: Second.

20                   CHAIRMAN: All in favor?

21 AYES RESPOND

22                   CHAIRMAN: All opposed?

23                   The motion is adopted.

24                   MS. HENSEL: Next for your  
25 consideration are Withdrawal Requests for Gaming and

1 Non-Gaming Employees. In each case, the Permit or  
2 Registration is no longer required.

3 For today's meeting, I have provided  
4 the Board with a list of 31 Gaming and 7 Non-Gaming  
5 Employee Withdrawals for approval. I ask that the  
6 Board consider the Order approving the list of  
7 withdrawals.

8 ATTORNEY PITRE: Enforcement Counsel  
9 has no objection.

10 CHAIRMAN: Questions or comments from  
11 the Board?

12 May I have a motion?

13 MR. SANTONI: Mr. Chairman, I move  
14 that the Board grant the withdrawal of Gaming and Non-  
15 Gaming Employee applications as described by the  
16 Bureau of Licensing.

17 MR. JEWELL: Second.

18 CHAIRMAN: All in favor?

19 AYES RESPOND

20 CHAIRMAN: All opposed?

21 The motion is adopted.

22 MR. HENSEL: Finally, for your  
23 consideration are Gaming Service Provider  
24 Registrations.

25 The Bureau of Licensing provided you

1 with an Order and an attached list of two Registered  
2 Gaming Service Provider applicants. I ask that the  
3 Board consider the Order registering these Gaming  
4 Service Providers.

5 ATTORNEY PITRE: Enforcement Counsel  
6 has no objection.

7 CHAIRMAN: Any questions or comments  
8 from the Board?

9 May I have a motion?

10 MR. JEWELL: Mr. Chairman, I move that  
11 the Board grant the applications for Gaming Service  
12 Provider Registration as described by the Bureau of  
13 Licensing.

14 MR. KERNODLE: Second.

15 CHAIRMAN: All in favor?

16 AYES RESPOND

17 CHAIRMAN: Opposed?

18 The motion is adopted.

19 MS. HENSEL: That concludes the  
20 matters of the Bureau of Licensing.

21 CHAIRMAN: Thank you.

22 The OEC.

23 ATTORNEY PITRE: The OEC will present  
24 16 matters today for the Board's consideration  
25 consisting of five Consent Agreements, four



1 to his left is Dave Zerfing, Chief Financial Officer  
2 and his last name is spelled Z-E-R-F-I-N-G. Thank  
3 you.

4 CHAIRMAN: Thank you.

5 ATTORNEY MILLER: Good morning.  
6 Dustin Miler, on behalf of the OEC.

7 This Consent Agreement arises from an  
8 investigation by the BIE into the awarding of free  
9 slot play at Valley Forge. The investigation focused  
10 on the authorization and issuance of discretionary  
11 free slot play at Valley Forge Casino Resort in 2015  
12 and 2016.

13 BIE's investigation revealed that  
14 discretionary free slot play was being issued by  
15 employees who could not authorize free slot play or  
16 were authorizing free slot play in an amount greater  
17 than they were authorized by Valley Forge's approved  
18 comp matrix.

19 The investigation identified 557 free  
20 slot play transactions that may have violated Valley  
21 Forge's approved comp matrix by issuing \$410,860 worth  
22 of free slot play in excess of what was authorized by  
23 Valley Forge's approved comp matrix.

24 BIE's review found 355 instances where  
25 the employee issuing the complimentary could not

1 authorize the amount of free slot play that was issued  
2 and 202 instances where the employee issuing the  
3 complementary could not authorize free slot play under  
4 the comp matrix.

5                   BIE's review also found that Valley  
6 Forge did not have standard operating procedures in  
7 place for its player development department during the  
8 time of BIE's review.

9                   Valley Forge believes that many of the  
10 identified transactions that did not comply with the  
11 approved comp matrix were the result of free slot play  
12 being issued by a lower level employee after the free  
13 slot play was previously authorized by a higher level  
14 employee. However, Valley Forge is unable to verify  
15 this contention because its computer system did not  
16 allow for two employee names to be associated with the  
17 transaction.

18                   Also, Valley Forge contends that all  
19 free slot play transactions are reviewed on a weekly  
20 basis by the finance, marketing and player development  
21 departments, as well as the Chief Executive Officer to  
22 ensure that all discretionary free play is being  
23 issued at an appropriate level.

24                   However, Valley Forge could not  
25 provide documentation of such review taking place.

1 Nonetheless, the free slot play transactions reviewed  
2 by BIE were in violation of Valley Forge's comp matrix  
3 as approved by the Board.

4 Valley Forge restructured its player  
5 development department in January of 2017 by  
6 terminating the department leadership and reorganizing  
7 it under the Vice President of gaming and player  
8 development.

9 The comp matrix is part of Valley  
10 Forge's approved internal controls. Board regulations  
11 - regulations and Valley Forge's executed statement of  
12 conditions require Valley Forge to adhere to the  
13 procedures outlined in its approved internal controls.

14 On June 5th, 2018, the parties entered  
15 into a Consent Agreement to settle this outstanding  
16 compliance matter. The terms of this agreement  
17 include a provision that Valley Forge Convention  
18 Center Partners, LP shall reinforce existing policies  
19 to minimize the opportunity for similar incidents to  
20 occur in the future.

21 Further, Valley Forge Convention  
22 Center Partners, LP shall pay a total fine of \$50,000,  
23 and an administrative fee of \$2,500. The fine and  
24 administrative fee shall be paid within five days of  
25 the Consent Agreement being approved by the Board.

1                   Counsel for Valley Forge Convention  
2 Center Partners, LP is in attendance today to answer  
3 any questions you may have. Otherwise, the OEC asks  
4 the Board to entertain a motion to approve the Consent  
5 Agreement.

6                   CHAIRMAN: Thank you, Dustin.

7                   Any comment from Valley Forge?

8                   ATTORNEY FABIOUS: Yes, briefly - just  
9 - first, we have no material disagreements with the  
10 presentation of the facts by the OEC. We thought it  
11 would be helpful to speak briefly to how this  
12 occurred, the nature of the review and the remedial  
13 measure real quickly.

14                   One, the OEC explained that the issue  
15 with the way that the system was at, it would record  
16 one name, the employee at the computer issuing the  
17 free slot play at the time the customer was there.

18                   And in - in many - in some instances  
19 that issue was not the person who was exercising the  
20 discretionary authority to issue the free slot play.  
21 Where that occurred commonly was with customers who  
22 had repeat offers.

23                   So, the high value repeat customers  
24 that came time and again and got X dollars of free  
25 slot play every time, they were authorized once, but

1 the authorizer may or may not be there on property  
2 when the customer came back for repeat visits. So,  
3 there'd be another employee exercising the  
4 nondiscretionary role of actually issuing the free  
5 slot play and the system simply did not record the  
6 second employee who had previously authorized it.

7           To give a sense of scale with the  
8 transactions and issues, there were 170 customers  
9 involved. Eighty (80) percent of the free slot play  
10 at issue was awarded to the top 20 individuals on that  
11 list. Ninety (90) percent of the free slot play at  
12 issue was issued to the top 40 individuals on that  
13 list of customers. So, it's really the individuals  
14 that kept coming back and back and back where this  
15 issue just happened with their one offer over and over  
16 again.

17           Both the Chief Executive Officer and  
18 Chief Financial Officer were personally involved with  
19 the weekly review to make sure that the level of play  
20 of the customers involved warranted the free slot play  
21 at issue. We wanted - we want to note that that's  
22 important both from the business perspective, to make  
23 sure that the return on investment is there, but  
24 obviously also in terms of fraud detection. These  
25 were real customers.

1                   And because of the high level  
2 involvement of the Chief Executive Officer and the  
3 Chief Financial Officer and the leadership at Valley  
4 Forge, we have absolute confidence that every one of  
5 these free play transactions was issued to a real  
6 customer with a real business reason.

7                   In terms of remedial measures, this  
8 system is going to be adjusted so that the person at  
9 the computer has to have the capacity pursuant to the  
10 comp matrix to issue and authorize.

11                   So, no one - the system will only  
12 record one name and only one name will be sufficient  
13 going forward. That does mean that we need to make  
14 sure that someone on property is eligible to issue the  
15 maximum offer that we have.

16                   So, we've put through an amendment to  
17 increase the free slot play and comp matrix so that  
18 there's always going to be a supervisor that has  
19 sufficient capacity in the comp matrix for any offer  
20 that they would - that we would put through. That way  
21 we have the ability to meet the customer's demand at  
22 any hour of the day.

23                   With that, we're here for any  
24 questions that you may have.

25                   CHAIRMAN: Are there any questions or

1 comments from the Board on this?

2 Hearing none, do we have a motion?

3 MR. KERNODLE: Mr. Chairman, I move  
4 that the Board approve the Consent Agreement between  
5 the OEC and Valley Forge Convention Partners, LP as  
6 described by the OEC.

7 MR. LOGAN: Second.

8 CHAIRMAN: All in favor?

9 AYES RESPOND

10 CHAIRMAN: All opposed?

11 The motion passes.

12 Thank you for coming.

13 ATTORNEY FABIUS: Thank you very much.

14 MR. PEARSON: Thank you.

15 MR. ZERFING: Thank you.

16 ATTORNEY PITRE: The next matter on  
17 the agenda for the Board's consideration is a Consent  
18 Agreement between the OEC and manufacturer or licensee  
19 Ditronics Financial Services, LLC.

20 The Consent Agreement will be  
21 presented once again by Deputy Enforcement Counsel  
22 Dustin Miller. Representatives for Ditronics are  
23 present at this time. And I request that those - that  
24 this individual introduce himself for the record and  
25 state his name and his position.

1                    ATTORNEY GREENBERG: Thank you,  
2 members of the Board. My name is Kevin Greenberg of  
3 Greenberg Traurig here for Ditronics. I'll also  
4 communicate the apologies from Chief Executive Officer  
5 George Vasilakos, who's dealing with a family medical  
6 crisis, that he's had to go to California today, you  
7 know, but who did come back to meet with Enforcement  
8 Counsel in an attempt to address these issues.

9                    ATTORNEY MILLER: Good morning.  
10 Dustin Miller again on behalf of the OEC.

11                    On May 11th, 2017, the Bureau of  
12 Licensing made a violation referral to the OEC  
13 regarding Ditronics for failing to timely file its  
14 audited financial statements.

15                    Ditronics is a licensed slot machine  
16 manufacturer whose license was last renewed by the  
17 Board on January 13th, 2016.

18                    Pursuant to Section 1207, subparagraph  
19 4 of the Act, each licensed entity shall provide its  
20 audited annual financial statements to the Board no  
21 later than 90 days after the end of the Licensee's  
22 fiscal year. Also in Ditronics' statement of  
23 conditions, Ditronics agreed to submit its audited  
24 financial statements no later than 90 days after the  
25 end of its fiscal year.

1                   Ditronics' fiscal year coincides with  
2 the calendar year, thus Ditronics' 2016 audited  
3 financial - annual financial statements were due to be  
4 submitted to the Board by April 3rd, 2017. Ditronics  
5 did not file its 2016 audited financial statements  
6 with the Board until November 1st, 2017. Ditronics'  
7 2016 audited annual financial statements were 213 days  
8 late and therefore, Ditronics was in violation of the  
9 Act.

10                   Subsequently, while this matter was  
11 still pending, Ditronics' 2017 audited financial  
12 statement became due on April 2nd, 2018. Once again,  
13 Ditronics did not file its 2017 audited financial  
14 statements in a timely manner. Ditronics 2017 audited  
15 financial statements were received by the Bureau of  
16 Licensing on April 30th, 2018, 28 days late.

17                   Ditronics' audited financials were  
18 also late in 2015 and 2016 as well. Warning letters  
19 were issued to Ditronics by the OEC for those  
20 violations.

21                   Following a filing of an enforcement  
22 complaint to resolve these matters, the OEC and  
23 Ditronics entered into negotiations regarding the  
24 violations.

25                   On June 4th, 2018, the parties

1 executed the Instant Consent Agreement to settle both  
2 matters. The terms of the agreement include a  
3 provision that Ditronics Financial Services, LLC shall  
4 institute policies and controls and provide training  
5 and guidance to its employees who engage in audit and  
6 compliance functions which will minimize the  
7 opportunity for a similar incident to occur in the  
8 future.

9 Further, Ditronics Financial Services,  
10 LLC shall pay a total fine of \$24,100 which represents  
11 a \$100 per day civil penalty for each day that  
12 Ditronics' audited financial statements were late in  
13 2017 and 2018. They shall also pay an administrative  
14 fee of \$2,500.

15 Counsel for Ditronics Financial  
16 Services, LLC is attendance today to answer any  
17 questions you may have. Otherwise, the OEC will ask  
18 that the Board entertain a motion to approve the  
19 Consent Agreement.

20 CHAIRMAN: Do you have any comments at  
21 this time?

22 ATTORNEY GREENBERG: No, Your Honor -  
23 members of the Board. Mr. Miller did an adequate job  
24 of stating the facts.

25 Mr. Vasilakos asked me to convey to

1 you his apologies. He knows this is unacceptable.  
2 They've changed the auditors. They've changed the -  
3 the warehouse manager which is responsible for the  
4 inventory problems that led to these delays. And  
5 they're committed to do better in the future.

6 They'll be before the Board in the  
7 next few months on renewal anyway. And so, they'll be  
8 back before you shortly. And they know that they have  
9 to convince the Board that they're worthy to continue  
10 their role in the Commonwealth.

11 CHAIRMAN: Any questions or comments  
12 from the Board?

13 COURT REPORTER: Excuse me. Could you  
14 spell that gentleman's last name for the court  
15 reporter?

16 ATTORNEY GREENBERG: Vasilakos,  
17 V-A-S-I-L-A-K-O-S, first name George.

18 COURT REPORTER: Thank you.

19 ATTORNEY GREENBERG: He's Chief  
20 Executive Officer, cofounder and primary owner of the  
21 company.

22 CHAIRMAN: If you could - I'd just  
23 like to ask, as I understand this, there were warnings  
24 in prior years and apparently he never took them very  
25 seriously. I don't want to characterize it, but

1 that's what it appears, whatever - just several months  
2 late and then yet again.

3                   And the current - in the one that  
4 would have been due in April of this year, can you  
5 give me any insight into he's taking - how many  
6 warnings does a company need to realize they have a  
7 problem?

8                   ATTORNEY GREENBERG: So, I think it's  
9 safe to say that they did not take the earlier year  
10 warnings sufficiently seriously. They certainly did  
11 not get to Mr. Vasilakos' attention.

12                   The 2017 filing delay did. At that  
13 point, he made changes to the operations and then to  
14 his great embarrassment those changes did not  
15 effectuate what had needed to be done. And that was  
16 only 28 days late. And if it was not for the past  
17 history, I suspect a warning letter would have  
18 sufficed and it would have been done. That's not good  
19 enough. And he knows that and we know that.

20                   And we're not - the changes have been  
21 made. The new people are in place. They are up to  
22 speed. The audit will start January 1 of next year as  
23 opposed to sometime in March. And they will get it  
24 done as - you know, at the end of quarters things get  
25 ugly and that just happened at the end of the quarter

1 this year.

2 It's - I want to say it's an excuse  
3 but it's not really an - it's not a good excuse.

4 CHAIRMAN: I don't need an excuse. An  
5 explanation is sufficient.

6 ATTORNEY GREENBERG: So, the answer -  
7 the answer is they didn't do a good job of letting him  
8 know in '15 and '16. In '17 they did. We made  
9 changes and it just took some time for those to run  
10 through. And that's why we got it done albeit 28 days  
11 late this year.

12 CHAIRMAN: Well, 28 days is better  
13 than where we were. Hopefully, we'll see no more -.

14 ATTORNEY GREENBERG: It's small  
15 progress, yes.

16 CHAIRMAN: Thank you very much.

17 Is there a motion?

18 MR. LOGAN: Mr. Chairman, I move that  
19 the Board approve the Consent Agreement between the  
20 OEC and Ditronics Financial Services as described by  
21 the OEC.

22 MS. MANDERINO: Second.

23 CHAIRMAN: All in favor?

24 AYES RESPOND

25 CHAIRMAN: Opposed?

1 The motion is adopted.

2 Thank you for coming.

3 ATTORNEY GREENBERG: Thank you.

4 ATTORNEY PITRE: The next matter on  
5 the agenda for the Board's consideration is a Consent  
6 Agreement between the OEC and Gaming Level Two  
7 Permittee and Key Employee licensed applicant William  
8 Gregory.

9 The Consent Agreement will be  
10 presented by Senior Enforcement Counsel Beth  
11 Manifesto.

12 ATTORNEY MANIFESTO: Good morning.  
13 Beth Manifesto, M-A-N-I-F-E-S-T-O, on behalf of OEC.  
14 This matter involves William Gregory.

15 Mr. Gregory applied for and received a  
16 Gaming Level Two Permit from the Board in May of 2012  
17 and applied for the renewal of the Gaming Level Two  
18 Permit in September of 2015.

19 Mr. Gregory was promoted to the  
20 Director of Table Games and in July of 2016 he applied  
21 for a license as a Key Employee.

22 The OEC considered information  
23 obtained by the BIE during Mr. Gregory's Key Employee,  
24 as well as his G-2 Permit background investigations, a  
25 compliance report issued by the Bureau of Casino

1 Compliance and a sworn interview of Mr. Gregory  
2 conducted by the OEC to assess his suitability.

3 Subsequently the OEC issued a  
4 Recommendation of Denial to Mr. Gregory regarding his  
5 Key Employee application.

6 On or about May 25th of 2018, the OEC  
7 and Mr. Gregory entered into a Consent Agreement  
8 wherein Mr. Gregory admitted to the following. First,  
9 that he knowingly instructed employees at Presque Isle  
10 Downs and Casino to not remove the first card from the  
11 table shoe when a new dealer tapped into the game, in  
12 violation of Section 633(a).7 of the Board-approved  
13 regulations.

14 The Bureau of Casino Compliance  
15 documented 16 violations of this regulation, and these  
16 incidents were part of a Consent Agreement with  
17 Presque Isle Downs, Inc. which was previously approved  
18 by the Board.

19 During his sworn interview, Mr.  
20 Gregory admitted that at the time he was aware that  
21 his instruction to the Table Games Dealers would  
22 result in a violation of the regulations.

23 Second, Mr. Gregory failed to provide  
24 copies of his federal tax returns for the years 2011  
25 and 2012 to BIE during his background investigation.

1                   And third, Mr. Gregory has an  
2 outstanding tax liability of approximately \$14,000 to  
3 the United States through the Internal Revenue  
4 Service.

5                   Mr. Gregory provided a copy of a  
6 payment plan for the outstanding tax obligation during  
7 his 2015 background investigation. However, he failed  
8 to provide proof of any payment pursuant to the plan,  
9 apart from one payment made two days prior to his  
10 sworn interview with OEC in December of 2017.  
11 Documentation obtained during Mr. Gregory's background  
12 investigation revealed that no other payments had been  
13 made towards that debt.

14                   Mr. Gregory resigned from his position  
15 at Presque Isle effective May 22nd, 2018, and entered  
16 into this Consent Agreement. The terms of this  
17 Consent Agreement require Mr. Gregory to surrender his  
18 Gaming Level Two Permit with prejudice, that his  
19 application for Key Employee Licensure be withdrawn  
20 with prejudice, and that he be prohibited from  
21 applying for or holding any credential or  
22 authorization for a minimum of five years from the  
23 date of the Board's Order in this matter.

24                   Mr. Gregory informed me that he would  
25 not be present today and he desired the Consent

1 Agreement move forward without his being present.

2 As a result, the OEC requests that the  
3 Board approve the proposed Consent Agreement. And we  
4 would be happy to answer any questions.

5 CHAIRMAN: Thank you.

6 Any questions or comments from the  
7 Board?

8 Hearing none, may I have a motion?

9 MS. MANDERINO: Mr. Chairman, I move  
10 the Board approve the Consent Agreement between the  
11 OEC and Mr. William Gregory as described by the OEC.

12 MS. REITZEL: Second.

13 CHAIRMAN: All in favor?

14 AYES RESPOND

15 CHAIRMAN: All opposed?

16 The motion is adopted.

17 ATTORNEY PITRE: The next two matters  
18 on the agenda for the Board's consideration arise out  
19 of the same fact pattern. As a result, I would ask  
20 that those parties to both of those Consent Agreements  
21 come forward.

22 The first Consent Agreement is between  
23 the OEC and gaming related Gaming Service Provider  
24 Licensee In Bet Gaming, Inc. And the second is a  
25 Consent Agreement between the OEC and manufacturer

1 applicant American Gaming Systems.

2 Both Consent Agreements will be  
3 presented by Senior Enforcement Counsel Beth  
4 Manifesto. Representatives for In Bet Gaming and AGS,  
5 LLC, doing business as American Gaming Systems are  
6 present at this time.

7 I request that those individuals  
8 introduce themselves for the record. And anyone who's  
9 here and not an attorney please stand and be sworn.

10 MR. LADUCA: Good morning. My name is  
11 Ronald Laduca. I'm the President of In Bet Gaming.

12 CHAIRMAN: I can't hear you.

13 MR. LADUCA: I'm sorry.

14 COURT REPORTER: Can you spell your  
15 last name?

16 MR. LADUCA: My last name is  
17 L-A-D-U-C-A, Ronald Laduca. I'm the President of In  
18 Bet Gaming, Incorporated.

19 CHAIRMAN: Thank you.

20 ---

21 RONALD LADUCA,  
22 CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING, AND  
23 HAVING FIRST BEEN DULY SWORN, TESTIFIED AND SAID AS  
24 FOLLOWS:

25 ---

1                   ATTORNEY DIGIACOMO: Good morning, Mr.  
2 Chairman. Frank Digiacomo, D-I-G-I-A-C-O-M-O, from  
3 Duane Morris on behalf of AGS, LLC.

4                   CHAIRMAN: Thank you.

5                   ATTORNEY PITRE: Before we get  
6 started, a housekeeping matter.

7                   In both Consent Agreements we found a  
8 typo paragraph that may have caused some confusion.  
9 On page 11 of the In Bet Gaming Consent Agreement and  
10 page 11 of the AGS Consent - or page 9 - 11 on both  
11 Consent Agreements. The last two paragraphs before  
12 terms of the agreement have been deleted.

13                   We have new executed Consent  
14 Agreements deleting those paragraphs. That would cause  
15 all the figures to be correct. The figures in the  
16 table are correct. As a result I can provide the  
17 Board a copy of the new Consent Agreement with that  
18 page.

19                   CHAIRMAN: Thank you.

20                   ATTORNEY PITRE: Once again, that  
21 would be page 11. The last two paragraphs before the  
22 terms of the agreement have been deleted.

23                   CHAIRMAN: Okay.

24                   Beth, you can go.

25                   ATTORNEY MANIFESTO: Good morning.

1 Beth Manifesto on behalf of OEC.

2 And was there no objection to one fact  
3 pattern being read? That's fine? Okay.

4 In Bet has been a certified gaming  
5 related Gaming Service Provider since February of 2012  
6 with its certification renewed by the Board in October  
7 of 2016.

8 In Bet creates card games and  
9 modifications to existing games. In Bet leased its  
10 games to casinos in exchange for a monthly fee and had  
11 games in use at licensed Pennsylvania facilities.

12 AGS is a manufacturer and distributor  
13 of slot machines, table games and table game products.  
14 AGS has never received authorization, certification,  
15 registration or licensure from this Board.

16 On September 26th, 2014, AGS entered  
17 an intellectual property purchase agreement and  
18 acquired all right, title and interest in the patents  
19 of various In Bet games, as well as all related assets  
20 including all future revenue from games already placed  
21 in Pennsylvania casinos.

22 On October 31st of 2014, AGS executed  
23 a Distribution Agreement wherein In Bet would promote,  
24 market and distribute AGS's products in jurisdictions  
25 including Pennsylvania. In exchange, In Bet would -

1 excuse me, earn an annual fee and a commission.

2                   On November 2nd of 2015, AGS filed  
3 applications with the Board for licensure as a slot  
4 and table games manufacturer. The submitted  
5 applications did not make it known that they had a  
6 business relationship between - I'm sorry. They did  
7 not have a business relationship noted between AGS and  
8 In Bet, nor was it disclosed during the background  
9 investigation.

10                   On August 29th, 2017, the parties  
11 entered an Asset Purchase Agreement for the right,  
12 title and interest to previously purchased games as  
13 well as new games. This agreement also sold the  
14 physical and intellectual property assets related to  
15 the games, which included the contracts In Bet had  
16 with Pennsylvania casinos.

17                   For all three agreements, In Bet  
18 invoiced, collected and deposited funds from  
19 Pennsylvania casinos into its account. In Bet would  
20 determine what it was owed and it would then issue a  
21 check for the remainder of the funds to AGS.

22                   This process occurred until May of  
23 2017 when PGCB staff independently discovered that an  
24 unlicensed and unauthorized entity was receiving  
25 gaming related compensation through a certified Gaming

1 Service Provider.

2                   The OEC was informed and issued  
3 correspondence on August 29th, 2017 requiring that all  
4 future funds owed to AGS received by In Bet be placed  
5 in escrow until further notice.

6                   As of September 7th, 2017, floor games  
7 owned by AGS were released to ten Pennsylvania  
8 casinos. The total amount invoiced by In Bet in  
9 Pennsylvania was approximately \$407,016. Of this  
10 \$351,271.40 was owed to AGS. Under the agreements, In  
11 Bet was owed \$55,744.60 in Pennsylvania-generated  
12 revenue.

13                   Both AGS and In Bet have been  
14 cooperative in the resolution of this matter. In  
15 regard to AGS, the described activity resulted in  
16 AGS's violation of Section 437(a).1 and (a).2 of the  
17 regulations, as it had not applied to the Board for  
18 certification as a gaming-related Gaming Service  
19 Provider prior to engaging in business with In Bet.

20                   AGS did not disclose its relationship  
21 with In Bet, and although it was not authorized or  
22 certified, AGS was able to profit from the  
23 Commonwealth's gaming industry.

24                   The OEC asks the Board to adopt the  
25 submitted Consent Agreement and impose a civil penalty

1 of \$351,000. I'm not going to be able to get this  
2 number out, I apologize, \$351,271.40 and an  
3 administrative fee related to the preparation of this  
4 agreement in the amount of \$2,500.

5 As to In Bet, its statement of  
6 conditions were violated and it failed to comply with  
7 the Act and regulations when In Bet did not notify the  
8 Pennsylvania Gaming Control Board regarding its  
9 business relationship with AGS and through its role in  
10 assisting a company which was not authorized or  
11 certified or registered to receive gaming revenue.

12 The OEC requests the Board approve the  
13 Consent Agreement negotiated with In Bet Gaming and  
14 impose a civil penalty of \$55,744.60, as well as the  
15 administrative fee of \$2,500 for staff expenses  
16 related to the agreement. And we are all happy to  
17 answer any questions you may have.

18 CHAIRMAN: Thank you.

19 Are there any comments from In Bet on  
20 this matter?

21 MR. LADUCA: Mr. Chairman, I would  
22 just like to apologize to the Board. It was just an  
23 honest mistake.

24 I've been licensed with Pennsylvania  
25 for over six years. I comply with all the regulations

1 - licenses over a dozen other jurisdictions throughout  
2 the country and it was just an honest mistake. And I  
3 apologize.

4 CHAIRMAN: American Gaming Systems, do  
5 you have any comments at this moment?

6 ATTORNEY DIGIACOMO: Yes, Mr.  
7 Chairman. Thank you. I agree with Mr. Laduca.  
8 Mistakes were made and mistakes were made by AGS as  
9 well.

10 In July of 2014, AGS began a table  
11 games business. And at that time entered into - or  
12 shortly thereafter entered into an agreement within  
13 that gaming -.

14 MR. LOGAN: What was the time? I'm  
15 sorry. You said July of -?

16 ATTORNEY DIGIACOMO: July 2014, AGS,  
17 which up to that date was a gaming equipment - a slot  
18 machine manufacturer, expanded into table games.

19 They entered into a series of  
20 agreements as Ms. Manifesto set forth within that  
21 gaming - to acquire the intellectual property  
22 interests of certain game themes that Mr. Laduca had  
23 developed over the years. Those - those agreements  
24 were multi-jurisdictional.

25 We acquired the intellectual property

1 for existing games on the casino floors in over a  
2 dozen jurisdictions including Pennsylvania. So, those  
3 games that Mr. Laduca had distributed and had IP  
4 agreements with Pennsylvania casinos were in existence  
5 at the time AGS entered into this agreement.

6           The agreement inartfully, and in  
7 hindsight in error, tried to make accommodations for  
8 those jurisdictions where AGS was not licensed.  
9 Admittedly, the accommodation with respect to  
10 Pennsylvania was not sufficient. What AGS should have  
11 done at that time -.

12           CHAIRMAN: Try to keep your voice up.  
13 We're having trouble -.

14           ATTORNEY DIGIACOMO: I'm sorry.

15           What AGS should have done at that time  
16 was the agreement should have been clear the funds  
17 from the Pennsylvania casinos should not have flown  
18 through, albeit through In Bet to AGS.

19           Thereafter, in 2015, as Ms. Manifesto  
20 stated, AGS did file an application for a slot machine  
21 manufacturer license and a table games manufacturer  
22 license, neither of which, by the way, were necessary  
23 for the arrangement, for the intellectual property  
24 arrangement for these games.

25           During the course of the

1 investigation, there were disclosures made.  
2 Admittedly, the relationship between In Bet with  
3 respect to those agreements was not clearly disclosed.  
4 The game themes themselves were -.

5 CHAIRMAN: Can I stop you there as  
6 you're going through this. I don't mean to be picky  
7 here. You said not clearly disclosed. Were they  
8 disclosed in any fashion at all?

9 ATTORNEY DIGIACOMO: Well, I would  
10 submit - and I don't want to parse - parse words, but  
11 I have an exhibit for the manufacturer license which  
12 set forth the game themes.

13 So, for example, Crisscross Poker is  
14 one of the game themes. Crisscross Poker was  
15 identified as - as a game theme and supplemental  
16 information with respect to that was - was disclosed.

17 What was not disclosed was the - was  
18 the contract with In Bet Gaming. And that was done in  
19 error. It was not clearly disclosed. And there were  
20 other supplemental requests for, for example,  
21 software, third party software, license agreements.  
22 But this was not a - a software license agreement, so  
23 again the disclosure was not made, again in error.  
24 Mistakes were made. That's - that our main point  
25 here. This certainly fell between the cracks.

1                   And then once we were made aware of it  
2 by Gaming Control Board staff in the course of our  
3 suitability investigation, we immediately provided all  
4 the information. We've been, we think, cooperative  
5 with BIE since then and with Mr. Pitre's staff in  
6 providing all the information.

7                   And again the company - the company  
8 admits mistakes were made and that's why we are in  
9 agreeance to pay the significant civil penalty.

10                   CHAIRMAN: One second. Do you have  
11 any response to what the gentleman from American  
12 Gaming Systems just said?

13                   ATTORNEY PITRE: I think that's - I  
14 think he's - he's been fairly - he's been pretty  
15 accurate in the assessment of everything.

16                   It was discovered through Gaming  
17 Operations going through the AGS website the listed  
18 games. The games were on the application but we  
19 didn't know that they were the same games -.

20                   CHAIRMAN: You didn't know the  
21 contractual arrangement.

22                   ATTORNEY PITRE: Exactly.

23                   So, immediately upon finding out, we  
24 requested that they place all future monies in an  
25 escrow account and give us monthly statements with

1 regard to the escrow account. I have the latest  
2 statement right here.

3                   Based upon the - the findings based  
4 upon the activity that was done when we had no idea  
5 that the activity was going on. And also based upon  
6 the time that it took to complete the investigation to  
7 verify everything that occurred. That went until  
8 December 31, 2017, so that's what the fine is based  
9 on.

10                   There are additional monies that have  
11 been placed in escrow. AGS was, I believe last  
12 summer, scheduled to come to be licensed by the Board  
13 at a - I think a July meeting of 2017. We pulled that  
14 licensure back when this was discovered. And so,  
15 they're waiting to be licensed. So, everything  
16 depends - the timing of everything is going to  
17 basically depend upon how the Board rules in this  
18 matter.

19                   The other thing, all these game  
20 themes are presently in Pennsylvania casinos. They're  
21 very popular. So, we didn't want to interrupt or  
22 disrupt the gaming operations and have the casinos  
23 harmed by removing those games. So, we allowed those  
24 games to stay in place because In Bet is licensed and  
25 the revenue from those games have been - that were

1 supposed to go to AGS are now sitting in an escrow  
2 account.

3 ATTORNEY DIGIACOMO: Mr. Chairman, I  
4 think -.

5 CHAIRMAN: I think if I could - go  
6 ahead, Mr. Laduca.

7 MR. LADUCA: I just wanted to note,  
8 let the Board know that all the casinos were notified  
9 that AGS did take over the games. So, it was  
10 disclosed to the casinos. It was just unfortunately,  
11 mistakenly it wasn't to the Commission.

12 CHAIRMAN: Okay. Thank you.

13 ATTORNEY DIGIACOMO: I would also note  
14 that AGS has bolstered its compliance staff.  
15 Internally, there's a new head of regulatory  
16 compliance. Procedures are now in place to assure  
17 that this does not happen again.

18 I believe that the company has been  
19 very responsive to all requests and did our own  
20 investigations as to the circumstances that led to  
21 this failure to clearly disclose what obviously should  
22 have been disclosed.

23 ATTORNEY PITRE: And the fine is  
24 reflective on those operations that occurred. So,  
25 basically the Commonwealth has, for lack of a better

1 word, taken ownership of those games for those - those  
2 years they were in operation in the Commonwealth  
3 without authorization by this Board.

4 So, we're going to get the revenue  
5 that was generated during those unauthorized years.

6 CHAIRMAN: Okay.

7 Other questions and comments from the  
8 Board on either of these matters?

9 MS. LEIGHTON: Excuse me. Are both of  
10 the fines and fees for both entities due in five days?

11 ATTORNEY MANIFESTO: Yes.

12 MS. LEIGHTON: Okay.

13 MR. LOGAN: Nobody from AGS is here?

14 ATTORNEY DIGIACOMO: Unfortunately,  
15 General Counsel Vic Gallo and head of regulatory  
16 compliance Amy Lawrence are out of the county on a  
17 previously scheduled matter.

18 It was our preference to get this  
19 matter before the Board as soon as possible. And they  
20 had committed themselves to travel internationally on  
21 other matters. And they do extend their apologies.  
22 But they believe - that's the circumstances of why  
23 they're not here.

24 CHAIRMAN: Anything else? Commission?

25 ATTORNEY DIGIACOMO: Commissioner, I

1 would add that we have repeatedly offered to make Vic  
2 Gallo, General Counsel, Amy Lawrence, anyone at the  
3 company, available to BIE to explain the situation in  
4 greater detail. We continue - we do have a pending  
5 license application - pending before this Board. So,  
6 they remain available to answer any and all questions  
7 with regard to this matter and the company more  
8 broadly.

9 CHAIRMAN: Thank you.

10 MR. JEWELL: A couple comments. One,  
11 I view this very seriously - very seriously in my  
12 years that I've sat on this Board, because the entire  
13 implication of the regulatory structure within this  
14 Commonwealth is to make sure that we know who we're  
15 doing business with, who's behind it, what's it all  
16 about, in order to ensure the fairness and integrity  
17 of the gaming process within the Commonwealth and  
18 who's involved with ownership interests.

19 So, this is a very fundamental breach  
20 in my judgment. And the word mistake, I'd be really  
21 interested because I assume our regulations are clear  
22 about the transparency of who is supplying goods and  
23 services into our casinos.

24 And so I'm just concerned. This has  
25 implications for going behind the back - and defeats

1 the purpose of what we are about and the original Act  
2 in '04 is about and the regulations thereto.

3 ATTORNEY PITRE: And Commissioner  
4 Jewell, I might add that this is not the first time  
5 something like this has happened. This Board dealt  
6 with a similar situation in 2012 in which multiple  
7 Consent Agreements were entered into.

8 MR. JEWELL: I think I had the same  
9 comments.

10 ATTORNEY DIGIACOMO: Mr. Commissioner,  
11 if I may address your concern? And I wholeheartedly  
12 agree.

13 The - and Mr. Laduca can support this.  
14 These games were put in Pennsylvania casinos under Mr.  
15 Laduca's license properly so. When we acquired the  
16 intellectual property to the games, that's where the  
17 breakdown in the regulatory process occurred.

18 At that time notification should have  
19 been provided. And - and AGS should have moved  
20 forward with perhaps a gaming related Gaming Service  
21 Provider application at that point, even though it was  
22 not prepared to make the full manufacturer's license  
23 application, which it did several months later.

24 So, I'm not making an excuse. I'm  
25 just kind of explaining the circumstances. And again,

1 mistakes were made admittedly so.

2 MR. JEWELL: Thank you, Counsel.

3 MS. MANDERINO: I have a comment I  
4 guess directed to AGS and then some questions for the  
5 OEC.

6 I just want to echo what Commissioner  
7 Jewell just said. It kind of boggles my mind that  
8 this was some simple oversight when this Board  
9 regulates and registers and licenses everyone from the  
10 janitor on a gaming floor. And I sit here month after  
11 month and suspend people making less than \$10 an hour  
12 for acts that are described by the Act as requiring  
13 action - but I think the - the impact to the integrity  
14 of gaming in Pennsylvania are miniscule compared to  
15 the potential impact of the integrity of gaming and a  
16 strong regulatory structure here are from the - from  
17 the acts here. So, I just wanted to echo that.

18 To the OEC, I believe it is the  
19 Chairman's intent - and I will specifically say I need  
20 to have a discussion before I'm ready to vote on this,  
21 and particularly, I - I will want to review what you  
22 just gave to us with regard to changes.

23 However, when I was reviewing this  
24 matter prior to this meeting, I was having a real  
25 problem with the penalties that were being recommended

1 by this Consent Agreement, vis-à-vis the actions that  
2 were taken. And my blush, which may have been  
3 inaccurate or may have been accurate but being  
4 corrected by what you're giving me, was that for what  
5 I was viewing as a very egregious issue, the penalty  
6 seemed to basically be what I'll call a give back to  
7 ground zero, if nothing better.

8                   Okay. Whatever we would have gotten  
9 beforehand we will now get now - collect now by this  
10 Consent Agreement as - and I didn't see anything that  
11 went beyond that that indicated the seriousness of the  
12 violation of our regulatory process.

13                   So, could you explain to me again the  
14 money and the fines, vis-à-vis the gains of the - of  
15 the actors here, AGS and In Bet, and then what it is  
16 that you're recommending above or beyond that?

17                   ATTORNEY PITRE: Okay.

18                   So, the games were in play at  
19 Pennsylvania casinos from 2014 through 2017 and  
20 they're currently in play. The money for after the  
21 2017 period are sitting in escrow. And some of the  
22 money from the 2017 is also in escrow from August  
23 through December.

24                   The total amount of money made through  
25 December 31, 2017 was \$407,016.

1                   MS. MANDERINO: That is profit to  
2 whom?

3                   ATTORNEY PITRE: That is profit to In  
4 Bet and AGS.

5                   MS. MANDERINO: So, combined profit -?

6                   ATTORNEY PITRE: Of \$407 - if you turn  
7 to page 10 of the Consent Agreement - that table -  
8 \$407,000 -.

9                   MS. MANDERINO: That's the new -?

10                  ATTORNEY PITRE: Right.

11                  MS. MANDERINO: We're at a  
12 disadvantage. We don't have that. David has one  
13 copy.

14                  ATTORNEY PITRE: Okay.

15                               Well, it's - it's in your old one  
16 also. But it's \$407,016.

17                               The panel will take in the revenue  
18 that AGS would have earned during that period of  
19 \$351,271.40. We're also taking the revenue that In  
20 Bet earned during that period of \$55,744.60.

21                               The casinos are making revenue from  
22 these games. The casinos knew nothing about this so  
23 we're not removing the games from operation. We're  
24 not punishing the casinos. What we're saying is,  
25 since you're not licensed and you didn't do what

1 you're supposed to do, we are going to take the  
2 revenue from those games operating in our state.

3           The punishment is that they lose their  
4 revenue and they gave us those games for operation for  
5 free and we get the revenue from those games. Because  
6 they did generate significant revenue during that -  
7 during that time period. So, that -.

8           MS. MANDERINO: Okay.

9           So, you're saying the 406 - the 351  
10 plus the 55 which adds up to 406, 407, was their  
11 profit that had they been properly licensed and  
12 registered, the Commonwealth wouldn't have gotten it,  
13 they would have gotten it?

14           ATTORNEY PITRE: Exactly.

15           MS. MANDERINO: Okay.

16           ATTORNEY PITRE: And In-Bet  
17 realistically was licensed properly and was entitled  
18 to that \$407,000, but because they entered into this  
19 agreement with AGS, we're taking their revenue also.

20           MS. MANDERINO: Okay.

21           That makes - clarifies things for me.  
22 Thank you, Mr. Chairman.

23           CHAIRMAN: So, any other questions up  
24 here at the moment? Yes?

25           ATTORNEY DIGIACOMO: Mr. Chairman, if

1 I may address Commissioner Manderino's -

2 CHAIRMAN: Please.

3 ATTORNEY DIGIACOMO: - excellent point  
4 with respect to integrity. AGS is licensed in over  
5 250 jurisdictions, gaming jurisdictions worldwide. It  
6 understands its regulatory obligation.

7 I want it to be clear though that the  
8 integrity of these games was not compromised. Right?  
9 The players had a fair game and the games were  
10 approved by the Pennsylvania regulators. It was the  
11 funds that flew - that flowed from the casinos  
12 previously to In Bet, and albeit improperly to AGS for  
13 a period of time, is really a question. And  
14 admittedly so through a series of mistakes by AGS  
15 which they fully accept responsibility for.

16 MR. JEWELL: Counsel, I think your  
17 point is fine as far as it goes but under the  
18 regulatory process and structure, we still have to  
19 know who the companies are and who's behind those  
20 companies.

21 ATTORNEY DIGIACOMO: Understood.

22 MR. JEWELL: Without the ability to  
23 know that, the entire matrix is not completed of  
24 regulation.

25 ATTORNEY DIGIACOMO: Understood.

1                   And a consequence of operating in  
2 multiple jurisdictions is - are regulatory  
3 requirements. Of no moment to this Commission, I am  
4 sure the structure did not violate the requirements of  
5 many regulations, the contractual structure that was  
6 in place. Unfortunately, it violated the regulations  
7 and statutes of this Gaming Control Board, though.

8                   CHAIRMAN: If I could, I think I could  
9 bring this to a head, bring this to an end at the  
10 moment, the integrity of the game itself is a red  
11 herring. Now, the integrity of what we do for a  
12 living is - and I second the comments that Mr. Jewell  
13 made 15 minutes ago. It goes to the heart of the  
14 integrity of what we're here to do. If we don't know  
15 who the heck owns what and where the money is flowing,  
16 we are in no position to assure the public of what is  
17 going on financially in the Commonwealth. That's a  
18 different kind of integrity we're talking about here.

19                   ATTORNEY DIGIACOMO: I stand corrected  
20 then. But I would add that AGS filed an application  
21 for a slot machine manufacturer in, I believe it was  
22 October of 2015, well before we were made aware of  
23 this mistake. We were availing ourselves of the  
24 regulatory process in Pennsylvania in hopes of  
25 eventually being licensed.

1           Again, there was no attempt here to  
2 circumvent the regulatory obligation or the integrity  
3 of that process. Mistakes were made. Once those  
4 mistakes were discovered, we made every effort, at  
5 least in our opinion, to cooperate with the  
6 regulators, to get to the bottom of this and are  
7 willing to pay what I would characterize this as a  
8 significant financial -.

9           CHAIRMAN: If you didn't have the  
10 appropriate approval to have this arrangement, then by  
11 definition, you wouldn't have the approval to collect  
12 revenues.

13           ATTORNEY DIGIACOMO: Correct.

14           CHAIRMAN: Forgive me, but I used to  
15 be a federal prosecutor and if we caught people  
16 stealing money, we didn't just make them give the  
17 money back. That's my comments.

18           It appears that what this settlement  
19 involves is depriving them of the result of the  
20 consequence of the money that they improperly were  
21 allowed to earn in the Commonwealth. That certainly  
22 is not to me - I for one am not sure that's an  
23 adequate resolution because that's not what we do.  
24 This is really not a fine. It's a disgorgement and  
25 that troubles me.

1                   With that said, if there's other  
2 comments - go ahead.

3                   MS. MANDERINO: A further question for  
4 OEC. I understood you to say earlier that AGS has a  
5 pending application for a license but it's all kind of  
6 wound up in this.

7                   Is this correct?

8                   ATTORNEY PITRE: Yes. Last summer,  
9 AGS was scheduled to be licensed by the Board. We  
10 pulled that licensure back in order for us to further  
11 investigate this matter. Other than this matter,  
12 they're suitable.

13                   MS. MANDERINO: Okay.

14                   Well, that's - so, where I was going  
15 with this is I know when we review applications for  
16 licensure and suitability of all of the Principals and  
17 Key Employees, there are significant background checks  
18 that happen as a regard to that.

19                   My question is to the extent that you  
20 can disclose at this point because that matter isn't  
21 necessarily before us, but in your doing that, have  
22 your reviews gone back as far as everyone involved  
23 when they first started this relationship in the  
24 Commonwealth in 2014 and if not, I would suggest that  
25 they should.

1                    ATTORNEY PITRE: Yes. Those reviews  
2 are - have been updated.

3                    MS. MANDERINO: Thank you.

4                    CHAIRMAN: I'd like to take a brief  
5 recess. We'll be back.

6                    ---

7                    (WHEREUPON, A SHORT BREAK WAS TAKEN.)

8                    ---

9                    CHAIRMAN: Thank you for your  
10 patience. Before we proceed, it should be obvious  
11 hopefully to everybody in the room this is a matter of  
12 great significance to us that we take extremely  
13 seriously. An awful lot of time has been spent on  
14 this matter up here.

15                    Having said that, do I have any  
16 motions?

17                    MS. REITZEL: Mr. Chairman, I move  
18 that the Board approve the Consent Agreement between  
19 the OEC and In Bet Gaming, Inc. as described by the  
20 OEC.

21                    MR. SANTONI: Second.

22                    CHAIRMAN: All in favor?

23 AYES RESPOND

24                    CHAIRMAN: All opposed?

25                    The motion is adopted.

1                   Is there another motion on American  
2 Gaming Systems?

3                   MR. SANTONI: Mr. Chairman, I move  
4 that the Board approve the Consent Agreement between  
5 the OEC and American Gaming Systems as described by  
6 the OEC.

7                   MR. JEWELL: Second.

8                   CHAIRMAN: All in favor?

9 AYES RESPOND

10                  CHAIRMAN: All opposed? The motion is  
11 adopted.

12                  ATTORNEY DIGIACOMO: Thank you, Mr.  
13 Chairman. Thank you, Commissioners.

14                  ATTORNEY PITRE: The next six matters  
15 on the agenda consist of enforcement actions in which  
16 the OEC filed complaints seeking the revocation of  
17 three Non-Gaming Employee Registrations, one Gaming  
18 Permit and one - and the suspension of two Non-Gaming  
19 Employee Registration which were issued by the Board.

20                         Each complaint has been filed with the  
21 Board's OHA and properly served upon the person named  
22 in each complaint. The person named in each complaint  
23 failed to respond within 30 days as required by Board  
24 regulation.

25                         As a result, the OEC filed a Request

1 for Default Judgment and properly served the same upon  
2 each named individual.

3                   Therefore, the facts in each complaint  
4 are deemed admitted. All filed documents have been  
5 provided to the Board and the matters are presently  
6 ripe for the Board's consideration. In each instance,  
7 we'll provide a brief summary of the facts and request  
8 the appropriate Board action.

9                   ATTORNEY CROHE: Good morning,  
10 Chairman, members of the Board, John Crohe, C-R-O-H-E,  
11 for the OEC.

12                   The next matter for the Board's  
13 consideration is the suspension of the Non-Gaming  
14 Employee Registration held by Christine Cromer. Ms.  
15 Cromer has been charged with two counts of filing a  
16 false police report. These charges are currently  
17 active and listed as awaiting trial.

18                   The OEC now requests that the Board  
19 suspend the Non-Gaming Employee Registration held by  
20 Christine Cromer.

21                   CHAIRMAN: Motions or comments from  
22 the Board? Hearing none, may I have a motion?

23                   MR. JEWELL: Mr. Chairman, I move that  
24 the Board approve the suspension of Christine Cromer's  
25 Non-Gaming Employee Registration as described by the

1 OEC.

2 MR. KERNODLE: Second.

3 CHAIRMAN: All in favor?

4 AYES RESPOND

5 CHAIRMAN: Opposed?

6 Motion's adopted.

7 ATTORNEY KOLESAR: Good morning,  
8 Chairman, members of the Board, Sarah Kolesar,  
9 K-O-L-E-S-A-R, Assistant Enforcement Counsel with the  
10 OEC.

11 The next matter on the agenda for the  
12 Board's consideration is the revocation of the Non-  
13 Gaming Registration issued to Rachel Molish for  
14 stealing approximately \$150 from a cash drawer while  
15 working as a cashier host at the Meadows. Ms. Molish  
16 completed a team member voluntary statement form in  
17 which she admitted that she stole the money.  
18 Subsequently, Ms. Molish was terminated from her  
19 position with the Meadows.

20 At this time, the OEC requests that  
21 the Board revoke the Non-Gaming Registration issued to  
22 Ms. Molish.

23 CHAIRMAN: Questions or comments from  
24 the Board? May I have a motion?

25 MR. KERNODLE: Mr. Chairman, I move

1 the Board approve the revocation of Rachel Molish's  
2 Non-Gaming Employee Registration described by the OEC.

3 MR. LOGAN: Second.

4 CHAIRMAN: All in favor?

5 AYES RESPOND

6 CHAIRMAN: Opposed?

7 The motion's adopted.

8 ATTORNEY HAKEN: Good morning,

9 Chairman, members of the Board, Tamara Haken, H-A-K-E-N  
10 from the OEC.

11 The next matter on the agenda for the  
12 Board's consideration is the revocation of the Non-  
13 Gaming Employee Registration issued to Samantha  
14 Nicholson. Ms. Nicholson was previously employed at  
15 Lady Luck Casino. On December 22nd, 2017, Ms.  
16 Nicholson was terminated from her employment after  
17 admitting to taking \$100 in gift cards that belonged  
18 to another employee who had won them through an  
19 employee promotion.

20 OEC requests that the Non-Gaming  
21 Employee Registration issued to Samantha Nicholson be  
22 revoked.

23 CHAIRMAN: Questions or comments from  
24 the Board?

25 May I have a motion?

1                   MR. LOGAN: Mr. Chairman, I move that  
2 the Board approve the revocation of Samantha  
3 Nicholson's Non-Gaming Employee Registration as  
4 described by the OEC.

5                   MS. MANDERINO: Second.

6                   CHAIRMAN: All in favor?

7 AYES RESPOND

8                   CHAIRMAN: All opposed?

9 The motion's adopted.

10                   ATTORNEY GABRIELLE: Good morning, Mr.  
11 Chairman, and members of the Board. My name is Ashley  
12 Gabrielle, G-A-B-R-I-E-L-L-E, with the OEC.

13                   Next on the agenda for the Board's  
14 consideration is a complaint seeking the revocation of  
15 a Non-Gaming Employee Registration issued to Jonathan  
16 Sampson. Mr. Sampson was previously employed as a  
17 Bartender at Valley Forge Casino Resort, King of  
18 Prussia, Pennsylvania. A review of the transactions  
19 completed by Mr. Sampson in August of 2017 revealed  
20 that he took cash belonging to Valley Forge in  
21 approximately 53 transactions between July 17, 2017  
22 and August 17 of 2017. Mr. Sampson was terminated  
23 from Valley Forge on August 18, 2017, for altering  
24 checks for personal monetary gain.

25                   At this time, the OEC requests that

1 the Board revoke the Non-Gaming Employee Registration  
2 issued to Jonathan Sampson.

3 CHAIRMAN: Questions or comments from  
4 the Board?

5 May I have a motion?

6 MS. MANDERINO: Mr. Chairman, I move  
7 the Board approve the revocation of Jonathan Sampson's  
8 Non-Gaming Employee Registration as described by the  
9 OEC.

10 MS. REITZEL: Second.

11 CHAIRMAN: All in favor?

12 AYES RESPOND

13 CHAIRMAN: Opposed?

14 Motion's adopted.

15 ATTORNEY TEPPER: Good morning,  
16 Chairman Barasch, members of the Board, David Tepper,  
17 T-E-P-P-E-R, on behalf of the OEC.

18 Next on the agenda is a request to  
19 suspend Keisha Williams' Non-Gaming Employee  
20 Registration. Ms. Williams was charged with  
21 conspiracy, endangering the welfare of a child,  
22 possession with intent to deliver controlled  
23 substance, forgery, possession of instrument of a  
24 crime, and related offenses related to her alleged  
25 felony and conspiracy to distributing cocaine and

1 forged credit cards. These charges are currently  
2 pending before the Court of Common Pleas of Monroe  
3 County.

4 And at this time the OEC requests that  
5 the Board revoke the Non-Gaming Employee Registration  
6 of Keisha Williams.

7 CHAIRMAN: Questions or comments from  
8 the Board?

9 May I have a motion?

10 MS. REITZEL: Mr. Chairman, I move  
11 that the Board approve the suspension Keisha Williams'  
12 Non-Gaming Employee Registration as described by the  
13 OEC.

14 MR. SANTONI: Second.

15 CHAIRMAN: All in favor?

16 AYES RESPOND

17 CHAIRMAN: All opposed?

18 Motion's adopted.

19 ATTORNEY FERRELL: Good morning,  
20 Chairman, members of the Board, Benjamin Ferrell,  
21 F-E-R-R-E-L-L.

22 The next matter for your consideration  
23 is the complaint for revocation of the G-2 Employee  
24 Permit issued to James Smith. Between March 1st, 2018  
25 and March 7th, 2018, Mr. Smith stole a total of \$5,000

1 in gaming chips from Harrah's Philadelphia while on  
2 the shift as a Table Game Supervisor for Harrah's  
3 Philadelphia. On March 7, 2018, Harrah's Philadelphia  
4 terminated Mr. Smith's employment.

5 At this time OEC requests that the  
6 Board issue an Order revoking the G-2 Employee Permit  
7 issued to James Smith.

8 CHAIRMAN: Questions or comments by  
9 the Board?

10 May I have a motion?

11 MR. SANTONI: Mr. Chairman, I move  
12 that the Board approve the revocation of James Smith's  
13 G-2 Employee Occupation Permit as described by the  
14 OEC.

15 MR. JEWELL: Second.

16 CHAIRMAN: All in favor?

17 AYES RESPOND

18 CHAIRMAN: Opposed?

19 The motion's adopted.

20 ATTORNEY PITRE: The remaining matters  
21 on the agenda consist of enforcement actions in which  
22 the OEC -.

23 CHAIRAN: One second, please.

24 ATTORNEY PITRE: Yes, Mr. Tepper  
25 misspoke. And yes, the motion's fine. The motion's

1 fine. The vote is fine, the motion's fine. He  
2 misspoke.

3 CHAIRMAN: Thank you very much,  
4 Merritt, for straightening that out.

5 Where were we?

6 ATTORNEY PITRE: The remaining matters  
7 on the agenda consist of enforcement actions in which  
8 the OEC filed Petitions seeking the involuntary  
9 exclusion of individuals whose presence in a licensed  
10 facility are inimical to the interests of the  
11 Commonwealth and/or licensed gaming therein.

12 In each instance, the Petition for  
13 exclusion has been filed with the Board's OHA and  
14 properly served upon the individual named in the  
15 Petition. The individual named in the Petition failed  
16 to respond within 30 days as required by Board  
17 regulation. As a result, the OEC filed a Request for  
18 Default Judgement in each instance and properly served  
19 the same upon each named individual.

20 Therefore, all the facts in each  
21 Petition are deemed admitted. All filed documents  
22 have been provided to the Board and the matters are  
23 presently ripe for the Board's consideration. In each  
24 instance, if the Board orders the proposed exclusion,  
25 the individual's photo, personal identifiers and a

1 summary of the inimical conduct will be placed on the  
2 Board's public website.

3 ATTORNEY FERRELL: The next matter for  
4 consideration is a Petition to place James Smith on  
5 the Board's Involuntary Exclusion List. As previously  
6 stated, between March 1st, 2018 and March 7, 2018, Mr.  
7 Smith stole a total of \$5,000 in gaming chips from  
8 Harrah's Philadelphia while on a shift as a Table Game  
9 Supervisor for Harrah's Philadelphia.

10 At this time, OEC requests that the  
11 Board issue an Order placing James Smith on the  
12 Involuntary Exclusion List.

13 CHAIRMAN: Questions or comments from  
14 the Board?

15 May I have a motion?

16 MR. JEWELL: Mr. Chairman, I move that  
17 the Board approve the addition of James Smith to the  
18 PGCB Involuntary Exclusion List as described by the  
19 OEC.

20 MR. KERNODLE: Second.

21 CHAIRMAN: All in favor?

22 AYES RESPOND

23 CHAIRMAN: All opposed?

24 Motion's adopted.

25 ATTORNEY MILLER: Dustin Miller, once

1 again, on behalf of the OEC. The next matter today is  
2 a request for placement of Max Patterson on the  
3 Board's Excluded Persons List.

4 The OEC filed a Petition to place Mr.  
5 Patterson on the Exclusion List due to an incident  
6 that occurred on November 21st, 2017. On that date,  
7 Mr. Patterson entered the back of the house secured  
8 area of Parx Casino with an underage individual  
9 through a construction entrance after twice being  
10 denied entry into Parx Casino through the employee  
11 entrance and the west entrance. Mr. Patterson was  
12 cited by Pennsylvania State Police for defiant  
13 trespass for his actions.

14 Based upon the foregoing, the OEC asks  
15 that the Board place Max Patterson on the Board's  
16 Excluded Persons List.

17 CHAIRMAN: Questions or comments from  
18 the Board?

19 May I have a motion?

20 MR. KERNODLE: Mr. Chairman, I move  
21 that the Board approve the addition of Max Patterson  
22 to the PGCB's Involuntary Exclusion List as described  
23 as the OEC.

24 MR. LOGAN: Second.

25 CHAIRMAN: All in favor?

1 AYES RESPOND

2 CHAIRMAN: Opposed?

3 Motion's adopted.

4 ATTORNEY HAKEN: Tamara Haken, once  
5 again, with the OEC.

6 The next matter on the agenda for the  
7 Board's consideration is the involuntary exclusion of  
8 James Zerphy.

9 On December 31st, 2017, Mr. Zerphy  
10 grabbed a voucher valued at \$851.15 directly from the  
11 hand of another patron and ran away with it, returning  
12 later to attempt to redeem the voucher. The  
13 redemption attempt was not successful and the victim  
14 was made whole by the casino.

15 As a result, OEC requests that the  
16 Board issue an Order placing James Zerphy on the  
17 Involuntary Exclusion List.

18 CHAIRMAN: Questions or comments from  
19 the Board?

20 May I have a motion?

21 MR. LOGAN: Mr. Chairman, I move this  
22 Board approve the addition of James Zerphy to the  
23 PGCB's Involuntary Exclusion List as described by the  
24 OEC.

25 MS. MANDERINO: Second.

1                   CHAIRMAN: All in favor?

2 AYES RESPOND

3                   CHAIRMAN: Opposed?

4                   Motion's adopted.

5                   ATTORNEY MILLER: Next on the agenda  
6 for the Board's consideration is a request to place  
7 Eric Barnett on the Exclusion List as a result of his  
8 arrest for robbery. Mr. Barnett assaulted and robbed  
9 a patron of \$1,115 and his car keys in a restroom at  
10 Sugarhouse Casino. The charges remain pending in the  
11 Court of Common Pleas for Philadelphia and he is  
12 currently scheduled for trial on December 10th, 2018.

13                   Accordingly, the OEC requests that the  
14 Board place Mr. Barnett on the Board's Involuntary  
15 Exclusion List.

16                   CHAIRMAN: Questions or comments from  
17 the Board?

18                   May I have a motion?

19                   MR. MANDERINO: Mr. Chairman, I move  
20 the Board approve the addition of Eric Barnett to the  
21 PGCB's Involuntary Exclusion List as described by the  
22 OEC.

23                   MS. REITZEL: Second.

24                   CHAIRMAN: All in favor?

25 AYES RESPOND

1                    CHAIRMAN: All opposed?

2                    The motion's adopted.

3                    ATTORNEY GABRIELLE: Ashley Gabrielle  
4 again from the OEC.

5                    The next matter on the agenda for the  
6 Board's consideration is the Petition for the  
7 exclusion of Steven Byrd.

8                    While on the Sands Casino gaming  
9 floor, Mr. Byrd attempted to take beverages from the  
10 beverage service tray without placing an order, cursed  
11 at the beverage server, cursed at and was  
12 argumentative with security staff, and refused to  
13 leave the property when asked a couple times.

14                    Additionally, after Sands' staff  
15 ejected him from the casino, Mr. Byrd engaged in  
16 sexual activity with a patron in the parking lot in  
17 full view of the public. Mr. Byrd then attempted to  
18 elude Bethlehem's police during his arrest. Mr. Byrd  
19 is currently evicted from Sands as a result. He was  
20 charged with defiant trespass, actual communication to  
21 the actor, disorderly conduct, obscene language or  
22 gesture, and public drunkenness and similar  
23 misconduct. Those charges are pending.

24                    At this time the OEC requests that the  
25 Board excludes Steven Byrd.

1                   CHAIRMAN: Thank you.

2                   Any questions or comments from the  
3 Board?

4                   Hearing none, may I have a motion?

5                   MS. REITZEL: Mr. Chairman, I move  
6 that the Board approve the addition of Steven Byrd to  
7 the PGCB Involuntary Exclusion List as described by  
8 the OEC.

9                   MR. SANTONI: Second.

10                  CHAIRMAN: All in favor?

11 AYES RESPOND

12                  CHAIRMAN: Opposed?

13                  Motion's adopted.

14                  ATTORNEY PITRE: Thank you.

15                  That concludes our business.

16                  CHAIRMAN: Thank you all.

17                  Next, we have a public comment period.

18                  As I understand it, we do not have  
19 anybody registered to speak today. Is there anyone  
20 here today in the audience who wishes to make public  
21 comment?

22                  Hearing none, that concludes today's  
23 meeting. Our next scheduled meeting will be held on  
24 Wednesday, July 18 at 10:00 a.m. in this room.

25                  May I have a motion to adjourn the

1 meeting?

2 MR. SANTONI: Mr. Chairman, I move we  
3 adjourn.

4 MR. JEWELL: Second.

5 CHAIRMAN: All in favor?

6 AYES RESPOND

7 CHAIRMAN: All opposed?

8 The meeting is adjourned.

9 \* \* \* \* \*

10 MEETING CONCLUDED AT 12:15 P.M.

11 \* \* \* \* \*

12

13

14

15

16

17

18

19

20

21

22

23

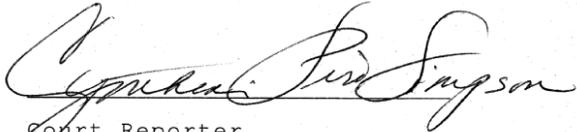
24

25

CERTIFICATE

1 I hereby certify that the foregoing proceedings,  
2 meeting before Chairman Barasch was reported by me on  
3 6/27/2018 and that I, Cynthia Piro Simpson, read this  
4 transcript, and that I attest that this transcript is  
5 a true and accurate record of the proceeding.

6 Dated the 19 day of July, 2018

7 

8 Court Reporter  
9 Cynthia Piro Simpson

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25