

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

\* \* \* \* \*

PUBLIC MEETING

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BEFORE: MEMBERS OF THE BOARD:

DAVID M. BARASCH, CHAIRMAN

Richard G. Jewell

Obra S. Kernodle, IV

Sean Logan

Kathy M. Manderino

Merritt C. Reitzel (via teleconference)

Dante Santoni, Jr.

EX-OFFICIO MEMBERS/DESIGNEES IN ATTENDANCE:

Jorge M. Augusto, Designee, Department of  
Agriculture

Jennifer Langan, Designee, Pennsylvania  
Treasury

Radee Skipworth, Representative, Department  
of Revenue

MEETING: Wednesday, August 15, 2018

11:50 a.m.

Reporter: Rhonda K. Thorpe

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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:

KEVIN O'TOOLE, Executive Director - Casino Marketing  
and Capital Development Grant Program and Update  
concerning Petitions for Interactive Gaming  
Certificates

DANETTE BIXLER-GEORGE, Director, Human Resources - New  
Hires

DAVID RHEN, Director, Office of Financial Management -  
Final FY 2017/18 Budget Report

LAURA BURD, Esquire, Senior Enforcement Counsel -  
Regulation

R. DOUGLAS SHERMAN, Esquire, Chief Counsel - Statement  
of Policy and Petitions

STEPHEN COOK, Esquire, Deputy Chief Counsel -  
Withdrawals/Surrenders and Report and Recommendations

SEAN HANNON, Manager, Enterprise Unit, Bureau of  
Licensing - Licensing Matters

CYRUS PITRE, Chief Enforcement Counsel - Enforcement  
Actions

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

OFFICE OF ENFORCEMENT COUNSEL - ALSO PRESENTING:

JAMES ARMSTRONG, BENJAMIN FERRELL,  
ASHLEY GABRIELLE, TAMARA HAKEN, SARAH KOLESAR,  
BETH MANIFESTO, DUSTIN MILLER, MICHAEL ROLAND,  
DAVID TEPPER

## ALSO, PRESENT WERE:

*Representatives listed below also participated in  
the public hearings that were held prior to the  
Board's regularly scheduled public meeting.*

PRESQUE ISLE DOWNS, INC., ELDORADO RESORTS, INC.,AND CHURCHILL DOWNS INCORPORATED:

KEVIN HAYES, ESQUIRE, Doherty Hayes  
BRAD BLACKWELL, Senior Vice President and General  
Counsel - Churchill Downs Incorporated  
AUSTIN MILLER, Senior Vice President, Gaming  
Operations  
CRAIG ROBINSON, Vice President, Casino Finance  
CHUCK KENYON, SVP Human Resources

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

2

3 CHESTER DOWNS AND MARINA, LLC (Harrah's  
4 Philadelphia):

5 WILLIAM DOWNEY, ESQUIRE, Fox Rothschild LLP

6 MELANIE GROSS, Vice President, Caesar's Online  
7 Gaming & Interactive Entertainment

8 CHRIS ALBRECHT, Senior Vice President and General  
9 Counsel, Harrah's Philadelphia

10 LYNNE HUGHES, ESQUIRE, Vice President of Legal  
11 Affairs, Harrah's Philadelphia

12 ZARA ALAYAN, Vice President, Director of Finance

13

14 GREENWOOD GAMING & ENTERTAINMENT, INC. (Parx  
15 Casino):

16 THOMAS BONNER, ESQUIRE, Greenwood Gaming &  
17 Entertainment, Inc., Legal and General Counsel

18 MARK STEWART, ESQUIRE, Eckert Seamans

19 MATTHEW CULLEN, Senior Vice President, Interactive  
20 Gaming & Sports Wagering

21 JOHN DIXON, Chief Technology Officer

22 BRYAN SCHROEDER, Vice President of Regulatory  
23 Affairs & Chief Compliance Officer

24

25

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

MOUNT AIRY #1, LLC (Mount Airy Casino Resort):

MICHAEL SKLAR, ESQUIRE, Levin, Staller, Sklar, Chan  
& Brown, P.A.

Vincent Jordan, Vice President, Marketing & Gaming  
Operations, Mt. Airy

MATT PRIMEAUX, Senior Vice President, Strategy &  
Operation USA, The Stars Group

MARIE JONES, ESQUIRE, The Stars Group

LLOYD LEVENSON, ESQUIRE, 888

NRT TECHNOLOGY CORPORATION AND NRT TECHNOLOGIES,  
INC.:

LLOYD LEVENSON, ESQUIRE, Counsel

VALLEY FORGE CONVENTION CENTER PARTNERS, LP (Valley  
Forge Casino Resort):

ERIC PEARSON, President & CEO, Valley Forge Casino

ADRIAN KING, ESQUIRE, Ballard, Counsel for Valley  
Forge Casino

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

WASHINGTON TROTting ASSOCIATION, INC. (Meadows  
Casino):

MICHAEL KEELON, Director of Compliance, Meadows

BRIAN BEINHAUER, Director of IT, Meadows

MATTHEW HANSELL, Petition for Reconsideration of  
Denial of Gaming Employee Occupation Permit  
Application.

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NONE OFFERED

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CHAIRMAN: I'm David Barasch, Chairman of the Pennsylvania Gaming Control Board. As always, please turn your electronic devices on silence, so we're not disrupting things today.

With us is Jorge Augusto representing Russ Redding, Secretary of Agriculture. Jen Langan, representing Joe Torsella, State Treasurer and Radee Skipworth, representing the Secretary of Revenue, Dan Hassell.

Commissioner Reitzel will be participating today by telephone. Good morning, Merritt. Are you there?

COMMISSIONER REITZEL: I can hear you. Can you hear me?

CHAIRMAN: Yes, great. Wonderful. All the Board being present, I call today's proceedings to order. First order of business is the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE RECITED

CHAIRMAN: By way of announcements, the Board held Executive Session yesterday, Tuesday, August 14th, to discuss personnel matters and conduct a quasi-judicial deliberations related to matters

1 today. Today we have several public hearings, the  
2 first of which pertains to a Joint Petition for  
3 Preliminary Approval of a Change of Ownership of  
4 Presque Isle Downs and Casino.

5 Can I have the Commissioners come  
6 forward, please? Before we begin, I ask that whoever  
7 is going to speak today please state and spell your  
8 name for the court reporter prior to the presentation.  
9 In addition, I would ask that all the nonattorney  
10 witnesses, please stand at this time to be sworn.

11 ---

12 WITNESSES SWORN EN MASSE

13 ---

14 (WHEREUPON, PUBLIC HEARINGS WERE HELD.)

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

16 ---

17 CHAIRMAN: Next we have Kevin O'Toole,  
18 Executive Director.

19 MR. O'TOOLE: Good morning, Chairman.  
20 Good morning members of the Board. Today for my  
21 Executive Director's Report I have two matters that I  
22 would like to present to you. The first matter will  
23 require a Board vote to adopt a policy.

24 The second matter is to inform the  
25 public as to how the Board intends to move forward

1 with remaining Interactive Gaming Certificates.

2                   So the first matter relates to the  
3 Casino Marketing and Capital Development Grant  
4 Program. Act 42 created the Casino Marketing and  
5 Capital Development Account, which is funded by an  
6 assessment on gross terminal revenue against all  
7 operating casinos in Pennsylvania.

8                   Each fiscal year the Board is to  
9 distribute the monies accumulated in that account,  
10 first to lower-performing casinos and then to other  
11 casinos applying for grants, if sufficient funding  
12 exists.

13                   Important to today's matter, the Board  
14 is directed to establish procedures and guidelines for  
15 the funds' distribution and for the Grant Program.

16                   You have been presented with a  
17 document entitled Casino Marketing and Capital  
18 Development Grant Program-Program Guidelines.

19                   This document sets forth the mechanism  
20 by which the Board will administer the program  
21 beginning at some point early this fall. To be clear,  
22 this document announces the Board's intent as to how  
23 it will move forward to implement the program in the  
24 near future.

25                   I ask at this time for a motion from

1 the Board to approve the document described above for  
2 publication on the Board's website.

3 CHAIRMAN: Can we have a motion -  
4 questions or comments from the Board?

5 Hearing none may I have a motion?

6 MR. SANTONI: Mr. Chairman, I move  
7 that the Board approve the Casino Marketing and  
8 Capital Development Grant Program for publication for  
9 the website as proposed by the Executive Director.

10 MR. JEWELL: Second.

11 CHAIRMAN: All in favor?

12 AYES RESPOND

13 CHAIRMAN: Opposed? Motion's adopted.

14 MR. O'TOOLE: Thank you.

15 Secondly I would like to provide an  
16 update concerning the Petitioners for Interactive  
17 Gaming Certificates. Earlier today we have heard from  
18 three of the casino Licensees who have submitted their  
19 iGaming Petition, and they all sought three types of  
20 Certificates.

21 All in all we have received nine such  
22 petitions in that first 90-day period for filing  
23 petitions for iGaming Certificate authorization.

24 Since those nine were filed, we have  
25 received two additional petitions. Presque Isle Downs

1 has sought a Table Game and a Slot Machine Interactive  
2 Gaming Certificate and Mohegan Sun Pocono has  
3 petitioned for all three categories of games.

4                   So, at the beginning of this process  
5 there were 13, and still are 13, Slot Machine  
6 Licensees, each eligible for three Certificates, which  
7 totals 39 total Certificates. At this point, with  
8 these 11 filings, 32 of those Certificates have been  
9 spoken for.

10                   So, as of today there are two  
11 Certificates for non-peer-to-peer table games, two  
12 Certificates for non-peer-to-peer slot-like games and  
13 three Certificates for peer-to-peer or poker games.

14                   So, after the initial 120 days, which  
15 has now expired, a Qualified Gaming Entity, which is  
16 defined in the Act as a gaming entity licensed in  
17 another jurisdiction, may file a petition with the  
18 Board for an Interactive Gaming Certificate in  
19 whatever categories of interactive games are still  
20 available.

21                   The Act does not, however, define the  
22 process by which the Board is to proceed in selecting  
23 how such entities can apply for the available  
24 Certificates.

25                   Today we are announcing that we will

1 be presenting, for Board approval, at the  
2 September 12th, 2018 Board meeting, the process by  
3 which the Board will proceed with accepting  
4 applications and processing these applications for the  
5 available Interactive Gaming Certificates.

6           The process will set forth who is  
7 qualified to petition for a Certificate, what  
8 information that entity or those entities must submit  
9 to the Board in connection with a petition. And the  
10 process by which the Board will select which entities  
11 will be eligible for vetting to receive a Certificate,  
12 if more petitions are filed than Certificates are  
13 available.

14           At that time, September the 12th, I  
15 will be asking for a motion to adopt the process. And  
16 if approved, that process will be posted to our  
17 Board's website.

18           So, thereafter, pursuant to the  
19 process to be presented by the Board, I do anticipate  
20 that the period for submitting petitions will not be  
21 earlier than mid-October. In all likelihood it will  
22 cover a certain period of time subsequent to the  
23 middle of October 2018.

24           If you have any questions at this  
25 time, I would be glad to answer those questions.

1                    CHAIRMAN: Questions from the Board?

2 Thank you.

3                    Danette Bixler-George. Good morning.

4                    MS. BIXLER-GEORGE: Good morning.

5                    Good morning, Chairman, Board members.

6 The Office of Human Resources has one motion for your  
7 consideration today relevant to the hiring of two  
8 individuals.

9                    First, Michael Nolan has been selected  
10 as a Statistician under the Office of Gaming and  
11 Laboratory. He has completed the interview process,  
12 background check and drug screening and is recommended  
13 for hire by Gaming Laboratory Director  
14 Heather Worner.

15                    Second, Joseph Sherrick has completed  
16 - has been selected as a Casino Compliance  
17 Representative for Hollywood Casino under the Bureau  
18 of Casino Compliance.

19                    He, too, has completed the interview  
20 process, background investigation and drug screening.  
21 And is recommended for hire by Director of Casino  
22 Compliance, Jerry Stoll.

23                    Unless you have questions, I ask the  
24 Board to consider a motion to approve the hiring  
25 options as indicated.

1                    CHAIRMAN: Any questions at this time?  
2 Hearing none, may we have a motion?

3                    MR. JEWELL: Mr. Chairman, I move that  
4 the Board approve the Applicants for hire as proposed  
5 by Human Resources Director.

6                    MR. KERNODLE: Second.

7                    CHAIRMAN: All in favor?

8 AYES RESPOND

9                    CHAIRMAN: Opposed? Motion's adopted.  
10 Thank you.

11                    MS. BIXLER-GEORGE: Thank you.

12                    CHAIRMAN: Thank you. Dave Rhen,  
13 Office of Financial Management.

14                    MR. RHEN: Good morning, Chairman and  
15 Board members. Today I will provide a final  
16 accounting of expenses for fiscal year 2017-'18, which  
17 was completed June 30th.

18                    Although the year's completed, there  
19 are still a few final invoices that are being  
20 processed. So, I do include accounts payable in the  
21 figures today.

22                    For fiscal year '17-'18 the Board's  
23 appropriation was \$41.7 million, expenditures for the  
24 year \$39.6 million. And this leaves us with a year  
25 end surplus of approximately \$2.1 million.

1           The surplus is essentially all due to  
2 savings in personnel. Much of it due to significant  
3 reductions to our health benefit rates, which were set  
4 or changed after the budget was passed.

5           We carried fewer people than  
6 anticipated. And we also realized savings through  
7 attrition by hiring people for lower salaries than the  
8 ones that went out.

9           For the year overall expenses  
10 increased by about one percent or - or \$497,000.  
11 Personnel expenses accounted for 87 percent of all  
12 expenses, at \$34.3 million.

13           This was an increase of \$900,000 over  
14 the prior year, mostly due to contractual and salary  
15 increases. And the benefit rate for the year was \$69  
16 million. Health benefits for the benefit - employee  
17 benefit rate for the year was 69 percent for employee  
18 salaries, which was unchanged from the prior year.

19           And final operating fixed asset  
20 expenses totaled \$5.3 million or approximately 13  
21 percent of the overall budget. This is down \$409,000,  
22 due to the elimination of some nonrecurring expenses,  
23 which occurred during the prior year.

24           For the current year we have received  
25 an appropriation for \$46.2 million. If there are any

1 questions, I'd be happy to take them.

2                    CHAIRMAN: Thanks, Dave. Is there any  
3 questions for Dave at this time?

4                    Hearing none, we're taking a brief  
5 recess/executive session. Thank you very much.

6                    ---

7 (WHEREUPON, A SHORT BREAK WAS TAKEN.)

8 (WHEREUPON, EXECUTIVE SESSION WAS HELD.)

9                    ---

10                   CHAIRMAN: All right.

11                   Office of Chief Counsel (OCC), I  
12 believe you have business for us today?

13                   ATTORNEY SHERMAN: Oh, a little bit.  
14 And normally I get to say good morning, but good  
15 afternoon today.

16                   I - our first agenda items relate to a  
17 temporary regulation, a statement of policy and  
18 technical standards, which have been provided to the  
19 Board in advance of today's meeting.

20                   Senior Counsel, Laura Burd, will  
21 present the temporary regulations, which pertains to a  
22 portion of sports wagering for your consideration.

23                   ATTORNEY BURD: Good afternoon,  
24 Chairman, members of the Board. The OCC presents for  
25 the Board's consideration Temporary Regulation Number

1 125-220.

2                   This temporary rulemaking provides  
3 rules necessary for Petitioners and Applicants to file  
4 the necessary documents for Board review and  
5 ultimately to move towards commencement as far as  
6 wagering operations in the Commonwealth.

7                   More specifically this packet contains  
8 rules regarding permitted and prohibited activities  
9 related to the sports wagering activity on the part of  
10 individuals and Licensees. Sports-wagering equipment  
11 testing rules, internal control, compulsive and  
12 problem gaming, exclusion provisions, as well as rules  
13 regarding advertising and promotions of sports  
14 wagering operations.

15                   I'd be happy to answer any questions  
16 you may have on this packet of regulatory material.

17                   If not, I'd ask for a motion to  
18 approve Temporary Regulation Number 125-220.

19                   CHAIRMAN: Questions or comments from  
20 the Board?

21                   Hearing none, may I have a motion?

22                   MR. KERNODLE: Mr. Chairman, I move  
23 the Board adopt Temporary Regulation Number 125-220,  
24 described by the OCC.

25                   MR. LOGAN: Second.

1                    CHAIRMAN: All in favor?

2 AYES RESPOND

3                    CHAIRMAN: All opposed? Motion's  
4 adopted.

5                    ATTORNEY BURD: Thank you.

6                    ATTORNEY SHERMAN: The next matter  
7 before the Board's consideration is Statement of  
8 Policy 125-221, which will amend the existing chapter  
9 on Midibaccarat by modifying the current card reveal  
10 procedure to permit an alternative card reveal  
11 procedure.

12                    The alternative reveal provides that  
13 the dealer should place the banker's hand face up and  
14 then hand the player's hand to the player with the  
15 highest wager for the reveal of the player's hand.

16                    This is a - by background we often  
17 receive requests from the industry to modify rules, to  
18 add excitement or enhance the games. This is one of  
19 those such modifications.

20                    We've reviewed it and feel it's  
21 appropriate. And therefore, I ask for a motion to  
22 approve.

23                    CHAIRMAN: Questions or comments from  
24 the Board?

25                    Hearing none, may I have a motion?

1                   MR. LOGAN: Mr. Chairman, I move the  
2 Board adopt Statement Policy 125-221, as described by  
3 the OCC.

4                   MS. MANDERINO: Second.

5                   CHAIRMAN: All in favor?

6 AYES RESPOND

7                   CHAIRMAN: All opposed? The motion's  
8 adopted.

9                   ATTORNEY SHERMAN: Next for the  
10 Board's consideration are Technical Standards  
11 pertaining to geolocation of individuals.

12                   These standards describe the Board's  
13 expectations for geolocating systems, which will  
14 ensure that iGaming and sports wagering will only be  
15 conducted by persons located within the Commonwealth  
16 of Pennsylvania. And that iGaming will not occur on  
17 the gaming floor of casinos, which is a requirement of  
18 the statute.

19                   I'd ask for a motion to approve the  
20 Technical Standards.

21                   CHAIRMAN: Questions or comments from  
22 the Board?

23                   Hearing none, may I have a motion?

24                   MS. MANDERINO: Mr. Chairman, I move  
25 the Board adopt Technical Standards for geolocating

1 services as described by the OCC.

2 MR. SANTONI: Second.

3 CHAIRMAN: All in favor?

4 AYES RESPOND

5 CHAIRMAN: All opposed? The motion's  
6 adopted.

7 ATTORNEY SHERMAN: Okay.

8 Next the Board has ten petitions for  
9 consideration, five of those matters were heard  
10 earlier today during four public hearings and one oral  
11 argument.

12 The remaining petitions may be decided  
13 on the record by agreement of the parties. And - and  
14 I want to note that the Board has, in advance of this  
15 meeting, been provided with all the documents filed of  
16 record.

17 The first petition before the Board  
18 today is the Joint Petition of Presque Isle Downs,  
19 Incorporated, Eldorado Resorts, Incorporated,  
20 Churchill Downs, Incorporated and PID, LLC, seeking  
21 preliminary approval of a 100 percent Change of  
22 Control of Presque Isle and Casino. This matter was  
23 heard by the Board during a public hearing earlier  
24 today.

25 The OEC has no objection to the Change

1 of Control, so long as it is subject to conditions  
2 primarily related to the Change of Control transaction  
3 and the ongoing vetting of Churchill Downs.

4 Churchill Downs has also requested  
5 that some of the information submitted with this  
6 petition be maintained as confidential. We believe  
7 that would be appropriate.

8 The - the matter of the approval of  
9 the transaction and the confidentiality is now ready  
10 for the Board's consideration.

11 CHAIRMAN: Questions or comments from  
12 the Board?

13 Hearing none, may I have a motion?

14 MR. SANTONI: Mr. Chairman, I move  
15 that the Board approve the Joint Petition for  
16 Preliminary Approval of Change of Control as described  
17 by the OCC. And the Board impose a \$3.75 million  
18 Change of Control Fee related thereto.

19 I further move their request for  
20 confidentiality of certain parts of the record be  
21 granted.

22 MR. JEWELL: Second.

23 CHAIRMAN: All in favor?

24 AYES RESPOND

25 CHAIRMAN: All opposed? The motion is

1 granted.

2 ATTORNEY SHERMAN: Three of the next  
3 four matters are petitions seeking approval of  
4 Interactive Gaming Certificates.

5 Should the Board approve the  
6 petitions, I want to make it clear that the Board will  
7 not be authorizing Licensee to commence the operation  
8 of interactive gaming at this time. Rather the Board  
9 will be approving the issuance of a Certificate upon a  
10 determination that the current Licensee is suitable to  
11 conduct the interactive gaming.

12 This is the first step for the  
13 Licensee to move toward operation. Yet to be  
14 completed are licensing of sports wagering - I'm  
15 sorry, of interactive gaming operators, any gaming  
16 service providers as well as approval of the internal  
17 controls and testing of the applicable equipment.

18 In each case the OEC has outlined a  
19 number of conditions the casinos and their operators  
20 will need to fulfill prior to commencing operations.

21 And upon approval, the Licensee will  
22 be subject to those conditions, as directed in the  
23 Board's Order.

24 CHAIRMAN: Not to hold you to this,  
25 but just for the public, the general idea, assuming

1 things proceed a pace, when we might actually see any  
2 of this gaming happening in Pennsylvania?

3 ATTORNEY SHERMAN: I couldn't even  
4 begin to take a guess, because the interactive gaming  
5 operators have to be vetted. That's really up to BIE  
6 and OEC and other Bureaus to review the materials  
7 submitted.

8 Bring them before the Board and, you  
9 know, do all the testing and internal control review.  
10 I would not say that it would be imminent, but in the  
11 not too distant future, I would think those matters  
12 would be coming before the Board.

13 CHAIRMAN: Thank you. Are there any  
14 questions, other questions or comments?

15 If not, may I have a motion?

16 ATTORNEY SHERMAN: Mr. Chairman, I  
17 need to present the first one.

18 CHAIRMAN: I thought you did.

19 ATTORNEY SHERMAN: The first matter  
20 before the Board is Chester Downs and Marina, LLC's  
21 petition for the issuance of its Interactive Gaming  
22 Certificate, and a request for confidential treatment  
23 of certain documents filed of record.

24 That matter is now ready for a motion.

25 CHAIRMAN: Thank you very much.

1 Questions or comments on the first matter?

2 Hearing none, may I have a motion?

3 MS. MANDERINO: Mr. Chairman, I move  
4 the Board approve Chester Downs and Marina, LLC's  
5 petition for an Interactive Gaming Certificate and  
6 confidentiality motion, as described by the OCC. And  
7 with certain conditions requested by the OEC.

8 MR. LOGAN: Second.

9 CHAIRMAN: All in favor?

10 AYES RESPOND

11 CHAIRMAN: All opposed? Motion's  
12 adopted.

13 ATTORNEY SHERMAN: The next petition -

14 CHAIRMAN: Chester Downs becomes the  
15 first to cross that hurdle.

16 ATTORNEY SHERMAN: - the next petition  
17 for issuance of an Interactive Gaming Certificate is  
18 that of Greenwood Gaming & Entertainment. Again, I  
19 say my - I preface remarks about the - the  
20 commencement of operation will apply to all of these.

21 They also have asked that certain  
22 information be treated as confidential. We would  
23 support that and ask for a motion to approve.

24 CHAIRMAN: Questions or comments from  
25 the Board?

1                   Hearing none, may I have a motion?

2                   MR. SANTONI: Mr. Chairman, I move  
3 that the Board approve Greenwood Gaming &  
4 Entertainment's petition for an Interactive Gaming  
5 Certificate and confidentiality motion, as described  
6 by the OCC, and with certain conditions requested by  
7 the OEC.

8                   MR. JEWELL: Second.

9                   CHAIRMAN: All in favor?

10 AYES RESPOND

11                   CHAIRMAN: Opposed? Motion's adopted.

12                   ATTORNEY SHERMAN: Jumping to another  
13 Greenwood matter before the Board. Before we hit the  
14 final interactive gaming petition.

15                   The Board has before it consideration  
16 Greenwood Gaming & Entertainment's petition for an  
17 Extension of Time to File its Category 4 Slot Machine  
18 License Application. This matter can be heard based  
19 upon the documents filed of record.

20                   On February 22nd of this year,  
21 Greenwood won the 4 - Category 4 Slot Machine License  
22 auction, with a winning bid of \$8,111,000, which was  
23 paid on February 23rd.

24                   Pursuant to the Act, absent Board  
25 approval, the application of Greenwood would have to

1 be filed by August 23rd. They have asked for the  
2 Gaming Act's authorized two month extension, which  
3 would move the due date of the application to  
4 October 23rd.

5 There's no objection and it would be  
6 appropriate for the Board now to consider a motion to  
7 grant that two month extension.

8 CHAIRMAN: Questions or comments from  
9 the Board?

10 Hearing none, may I have a motion?

11 MR. JEWELL: Mr. Chairman, I move that  
12 the Board approve Greenwood Gaming & Entertainment,  
13 Inc.'s Petition for Extension of Time to File a  
14 Category 4 Application, as described by the OCC.

15 MR. KERNODLE: Second.

16 CHAIRMAN: All in favor?

17 AYES RESPOND

18 CHAIRMAN: All opposed? Motion's  
19 adopted.

20 ATTORNEY SHERMAN: Mount Airy #1,  
21 LLC's Petition regarding approval for an Interactive  
22 Gaming Certificate and a request for confidentiality  
23 is the next matter before the Board. Of course we  
24 heard from Mount Airy a short time ago and their  
25 motion also.

1                   It's appropriate for the Board's  
2 consideration at this time.

3                   CHAIRMAN: Questions or comments from  
4 the Board?

5                   Hearing none, may I have a motion?

6                   MR. KERNODLE: Mr. Chairman, I move  
7 that the Board approve Mount Airy #1, LLC's petition  
8 for Interactive Gaming Certificate and confidentiality  
9 motion, as described by the OCC, and with certain  
10 conditions provided by the OEC.

11                   MR. LOGAN: Second.

12                   CHAIRMAN: All in favor?

13 AYES RESPOND

14                   CHAIRMAN: All opposed? Motion's  
15 adopted.

16                   ATTORNEY SHERMAN: Next is the Joint  
17 Petition for Relief of NRT Technology Corp. and NRT  
18 Technologies.

19                   The Board heard this argument on this  
20 matter a short time ago. As the NRT entities are  
21 seeking waiver of the Board's regulations, which would  
22 otherwise require the holder of a one percent or  
23 greater in direct interest in a newly-formed  
24 privately-held Manufacturer to be deemed the Principal  
25 to be licensed by the Board.

1                   Specifically the Petitioners are  
2 asking that Fifth Third Financial and Fifth Third  
3 Bancorp, parent companies of Fifth Third Capital, are  
4 not required to file Principal-Entity Applications.  
5 As Fifth Third Capital, their wholly-owned subsidiary,  
6 which directly owns 8.4 percent of NRT Sight Line  
7 Corp. will be licensed by the Board.

8                   There was some discussion earlier  
9 today about the distinction between Principals here  
10 and what the statute provides, what the regulations  
11 provide and I think it's important to note that while  
12 technically the entities would meet the definition of  
13 Principal, when you look at the definition of  
14 Principal in the statute, there is a provision that  
15 for indirect owners, the licensing can be rebutted by  
16 demonstration clear and convincing evidence that these  
17 other groups did not have a controlling interest in  
18 the - in this case to the Manufacturer.

19                   And based on that it's the argument of  
20 the NRT. I heard it - I'm sorry.

21                   The Fifth Third two entities that  
22 their indirect interest is such that they don't have a  
23 controlling interest. And that the requirement for  
24 Principal licensure should be waived.

25                   That's the matter that's appropriate

1 for the Board's consideration.

2 CHAIRMAN: Thank you. Is there any  
3 questions or comments from the Board?

4 Hearing none, may I have a motion?

5 MS. MANDERINO: Mr. Chairman, I move  
6 that under the unique circumstances of this case the  
7 Board approve the Joint Petition for Relief for NRT  
8 Technology Corporation and NRT Technologies, Inc., as  
9 described by the OCC.

10 MR. SANTONI: Second.

11 CHAIRMAN: All in favor?

12 AYES RESPOND

13 CHAIRMAN: All opposed? The motion's  
14 adopted.

15 ATTORNEY SHERMAN: Novomatic AG and  
16 Novomatic Gaming Industries GmbH's Joint Petition is  
17 the next matter before the Board.

18 Novomatic AG is contemplating a merger  
19 in its corporate structure, which will result in all  
20 rights obligations, assets and liabilities being  
21 transferred from Novomatic Gaming Industries GmbH to  
22 Novomatic AG, its parent company.

23 The request states that this  
24 reorganization is meant to establish a more efficient  
25 and simplified structure. Presently the GmbH entity

1 holds a Pennsylvania Manufacturer License for table  
2 games, slot machines and video gaming terminals.

3                   None of the Novomatic AG ownership  
4 structure will be changing by way of the merger. And  
5 therefore, its Petitioner's request that the GmbH  
6 Entities Manufacturer License be assigned upward to  
7 the Novomatic AG entity.

8                   The OEC has no objection to the  
9 petition and it's now ready for the Board's  
10 consideration.

11                   CHAIRMAN: Questions or comments from  
12 the Board?

13                   Hearing none, may I have a motion?

14                   MR. LOGAN: Mr. Chairman, I move that  
15 the Board approve the petition to reassign Novomatic  
16 Gaming Industries GmbH's License as described by the  
17 OCC.

18                   MS. MANDERINO: Second.

19                   CHAIRMAN: All in favor?

20 AYES RESPOND

21                   CHAIRMAN: All opposed? Motion's  
22 adopted.

23                   ATTORNEY SHERMAN: Next before the  
24 Board is Matthew Hansell's request for reconsideration  
25 of the Board's previous denial of his Gaming Employee

1 Occupation Permit Renewal Application.

2 My understanding is Mr. Hansell is in  
3 the room and has brought a number of documents  
4 concerning the status of his taxes.

5 They are both taxes related to  
6 Pennsylvania Department of Revenue, as well as the  
7 IRS. And while I think we have confirmed that he is  
8 now tax-compliant with Department of Revenue, I - I  
9 don't know that that same verification has occurred.

10 CHAIRMAN: Let's just establish, for  
11 the record, the substitute representative for the  
12 Department of Revenue, can you confirm that he is  
13 currently compliant with state taxes as of today?

14 MR. SKIPWORTH: Yes, Mr. Chairman, the  
15 Department of Revenue can confirm that Mr. Hansell is  
16 compliant with his taxes.

17 CHAIRMAN: Now, as to the federal,  
18 what were you saying, Doug?

19 ATTORNEY SHERMAN: I - and I have  
20 not seen the materials. I don't know that the OEC  
21 has had the opportunity to review materials for  
22 compliance. So, on the state of the record there is  
23 still a question regarding the IRS compliance.

24 CHAIRMAN: Well, what I would  
25 propose, Mr. Hansell I'm pleased that you are here

1 [No, that's OK] but I think the smart thing here  
2 would be to table this, until such time, as the  
3 Office of Enforcement Counsel can look at the  
4 materials you showed up with here today. Don't want  
5 to make a decision that might be prejudicing you in  
6 any way and so we've had a chance to look at that.  
7 So, with the concurrence of the fellow board  
8 members, I table this matter and put it on for  
9 September 12th, by which time Office of Enforcement  
10 Counsel can look at your documents, ask you  
11 questions, that we can see if we had the federal  
12 issue resolved.

13 ATTORNEY COOK: But just so we're  
14 clear Mr. Chairman, Mr. Hansell has presented to OEC  
15 and the Bureau of Licensing Federal tax returns.  
16 The issue really is whether they were filed.

17 CHAIRMAN: Yes, I understand.

18 ATTORNEY COOK: But, so he, I'm not  
19 even sure if he has possession of those documents.  
20 So as he leaves here today, I would ask that he get  
21 confirmation that the requested or the required  
22 federal returns haven been filed, get written  
23 confirmation of that which he could present to the  
24 Bureau of Licensing and OEC.

25 CHAIRMAN: You follow that Mr.

1 Hansell? So, then we will table this 'til September  
2 12th. And hopefully between now and then the  
3 appropriate paperwork will be available to share  
4 with our Enforcement Counsel, so we can make a  
5 decision about whether or not to consider  
6 reinstating your License.

7 MR. HANSELL: Yes, sir.

8 CHAIRMAN: Thank you very much.

9 ATTORNEY SHERMAN: The next matter is  
10 Brian Robinson, his request for reconsideration of the  
11 Board's denial of his application for a Non-Gaming  
12 Employee Registration.

13 In August 2017, Mr. Robinson filed his  
14 Non-Gaming Employee Registration Application to be  
15 employed in a patrol position at SugarHouse Casino.

16 During his background investigation,  
17 it was discovered that he had a Warrant filed against  
18 him for failure to pay child support in - in an amount  
19 over \$12,000.

20 As a result the Board did issue an  
21 Order denying his application. On May 31st of this  
22 year, Mr. Robinson filed his request asking for  
23 reconsideration of the denial of his Non-Gaming  
24 Application.

25 Along with the request, Mr. Robinson

1 provided a copy of an Order rescinding the Warrant and  
2 showing that he had paid \$1,000 toward the outstanding  
3 child support obligations.

4                   Should the Board grant Mr. Robinson's  
5 request, we would recommend that he be directed to  
6 provide ongoing documentation to show that he is  
7 continuing to make payments to satisfy that  
8 obligation. And that's the - the request now before  
9 the Board.

10                   CHAIRMAN: Questions or comments from  
11 the Board?

12                   Hearing none, may I have a motion?

13                   MR. SANTONI: Mr. Chairman, I move  
14 that the Board approve Brian Robinson's Petition for  
15 Reconsideration regarding the denial of his Non-Gaming  
16 Employee Registration Application, the conditions  
17 requested by the OCC.

18                   MR. JEWELL: Second.

19                   CHAIRMAN: All in favor?

20 AYES RESPOND

21                   CHAIRMAN: All opposed? The motion's  
22 adopted.

23                   ATTORNEY SHERMAN: The final petition  
24 before the Board is Sonya Rudolph's request to lift  
25 the suspension of her Gaming Employee Occupation

1 Permit.

2 Ms. Rudolph had been issued a Gaming  
3 Employee Permit in December 2016 to work as a Security  
4 Officer at the Rivers Casino. In August of 2017 the  
5 OEC was notified that Ms. Rudolph had been arrested  
6 and charged with numerous crimes, including felony  
7 graded criminal offenses stemming from a fight while  
8 attending a wedding.

9 An Emergency Order suspending her  
10 Permit was signed by the Board's Executive Director.  
11 And a hearing was held at the Board's Office of  
12 Hearings and Appeals (OHA), ultimately resulting in  
13 the Board issuing an Order, in November of 2017,  
14 directing that the suspension remain in effect.

15 On June 29th of this year, Ms.  
16 Rudolph's attorney sent correspondence indicating that  
17 her charges had been resolved and specifically that  
18 her felony charge was dismissed. She was then  
19 convicted of disorderly conduct and harassment and  
20 sentenced to probation.

21 At this time the OEC has no objection  
22 to the request to lift the suspension, as the basis of  
23 that suspension, i.e. the felony, no longer exists and  
24 that's - the request to lift that's now before the  
25 Board.

1                    CHAIRMAN: Questions or comments from  
2 the Board?

3                    Hearing none, may I have a motion?

4                    MR. KERNODLE: Mr. Chairman, I move  
5 the Board approve Sonya Rudolph's Petition to Lift the  
6 Suspension of her Gaming Employee Application Permit  
7 as described by the OCC.

8                    MR. LOGAN: Second.

9                    CHAIRMAN: Favor?

10 AYES RESPOND

11                   CHAIRMAN: Opposed? The motion's  
12 adopted.

13                   ATTORNEY SHERMAN: And next presenting  
14 Withdrawals, and Reports and Recommendations is Deputy  
15 Chief Counsel Steve Cook.

16                   ATTORNEY COOK: Good afternoon. The  
17 Board has received several unopposed petitions to  
18 withdraw applications or surrender their credentials  
19 of the following individuals or entities.

20                   Elaine A. Hodgson 2008 Special Trust;  
21 Antonia Korsanos; Juliet Ann Lim; Gerard Pierre  
22 Charlier; Albert Geldres; Yuji Taniguchi; 2017 Kostner  
23 Venture Trust; the West Churchill Irrevocable Trust;  
24 Aruze Gaming America, Inc. Voting Trust; Paolo Ceretti  
25 and FastPick, LLC.

1                   The OEC has no objection to any of  
2 these Withdrawals or Surrenders. And as a result if  
3 the Board grants each of these matters, they'd be  
4 doing so without prejudice to each of the requestors.

5                   CHAIRMAN: Questions or comments from  
6 the Board?

7                   May I have a motion?

8                   MR. LOGAN: Mr. Chairman, I move that  
9 the Board issue Orders to approve Withdrawals and  
10 Surrenders as described by the OCC.

11                   MS. MANDERINO: Second.

12                   CHAIRMAN: All in favor?

13 AYES RESPOND

14                   CHAIRMAN: All opposed? Motion's  
15 adopted.

16                   ATTORNEY COOK: Next before the Board  
17 for consideration are three Reports and  
18 Recommendations received from the OHA. In each of  
19 these cases the Board received in advance of this  
20 meeting the entire evidentiary record as well as the  
21 Report and Recommendation.

22                   Additionally each of these three  
23 persons have been notified that the matter would be  
24 called by the Board today and - which they had the  
25 right to briefly address the Board. If any of these

1 persons are present, I'd ask them to come forward when  
2 their matter is called.

3                   The first Report and Recommendation  
4 pertains to Brandon Keister. On February 5th, 2018  
5 the OEC filed a petition requesting that Mr. Keister  
6 be placed on the Board's Involuntary Exclusion List,  
7 alleging that in November of 2017 Mr. Keister stole  
8 items belonging to another patron at the Hollywood  
9 Casino.

10                   Specifically Mr. Keister picked up a  
11 shopping bag left on the gaming floor by another  
12 patron. The bag was from the casino's gift shop. It  
13 contained various items, including three bracelets.

14                   Mr. Keister took the bag into the  
15 men's restroom. Thereafter left the restroom and  
16 attempted to return the items minus the three  
17 bracelets at the gift shop.

18                   He ultimately was charged with theft  
19 for this conduct, in particular the theft of the three  
20 bracelets. He was also excluded from the Penn  
21 National property for one year.

22                   A hearing was held in this matter in  
23 December of - I'm sorry, May of 2018. Enforcement  
24 Counsel appeared presenting testimony, documentary  
25 evidence supporting the facts as I just outlined.

1 Mr. Keister also appeared and  
2 testified that, despite ultimately pleading guilty to  
3 the theft charges, he was actually attempting to do  
4 the right thing by returning most of what was in the  
5 bag to the gift shop.

6 After hearing all the evidence  
7 presented, a Report and Recommendation -  
8 Recommendation was issued by the Hearing Officer,  
9 Recommending that he, in fact, be placed on the  
10 Excluded Persons List.

11 CHAIRMAN: Questions or comments from  
12 the Board?

13 Hearing none, may I have a motion?

14 MS. MANDERINO: Mr. Chairman, I move  
15 the Board adopt the Report and Recommendation issued  
16 by the OHA, regarding the placement of Brandon Keister  
17 on the PGCB Involuntary Exclusion List as described by  
18 the OCC.

19 MR. SANTONI: Second.

20 CHAIRMAN: All in favor?

21 AYES RESPOND

22 CHAIRMAN: All opposed? Motion's  
23 adopted.

24 ATTORNEY COOK: Anthony Arnone's  
25 matter is the next Report and Recommendation before

1 the Board today.

2 In June of 2010, Mr. Arnone was issued  
3 a permit to work as a Table Games Dealer at Presque  
4 Isle Downs and Casino. Mr. Arnone continues to hold  
5 that position today.

6 On November 14th, 2017, the OEC filed  
7 a complaint to suspend Mr. Arnone's Gaming Employee  
8 Occupation Permit, after being notified that he had  
9 been arrested by the Erie City Police on a Warrant  
10 issued by the State of Ohio.

11 In Ohio the police charged Mr. Arnone  
12 with two felony offenses after he previously attempted  
13 to flee from the police following receiving a signal  
14 to stop during a police stop - during this period -  
15 this action. Mr. Arnone had been drinking.

16 Mr. Arnone reported his charges to the  
17 Presque Isle Human Resources Department. And being -  
18 and upon being contacted by the Erie Police regarding  
19 the outstanding Warrant, he immediately responded to  
20 the Erie Police, did not fight extradition and went  
21 back to Ohio.

22 Ultimately a hearing was held in this  
23 matter on May 8th, 2018. The OEC appeared offering  
24 evidence outlining the facts as I just described.

25 Mr. Arnone appeared and testified on

1 his own behalf. During the hearing Mr. Arnone  
2 admitted to his conduct, apologized for it and  
3 indicated that the felony charges that he had been  
4 facing were dismissed. And he was - ultimately pled  
5 guilty to one misdemeanor count.

6 Subsequent to the hearing, the Hearing  
7 Officer issued a Report and Recommendation,  
8 recommending that the suspension, in fact, not occur,  
9 as Mr. Arnone had owned up to the criminal charges and  
10 faced what he needed to do in Ohio.

11 CHAIRMAN: Questions or comments from  
12 the Board?

13 Hearing none, may I have a motion?

14 MR. SANTONI: Mr. Chairman, I move  
15 that the Board adopt the Report and Recommendation  
16 issued by the OHA regarding the suspension of Anthony  
17 Arnone's Gaming Employee Occupational Permit as  
18 described by the OCC.

19 MR. JEWELL: Second.

20 CHAIRMAN: Favor?

21 AYES RESPOND

22 CHAIRMAN: Opposed? The motion's  
23 adopted.

24 ATTORNEY COOK: The final Report and  
25 Recommendation before the Board today pertains to

1 Nijaz Hasanagic. Mr. Hasanagic's request for recovery  
2 of \$520 confiscated from him by SugarHouse and turned  
3 over to the Board.

4 By way of background, on April 27,  
5 2016, Mr. Hasanagic was placed on the Board's  
6 Involuntary Exclusion List, due to his actions in  
7 SugarHouse, Harrah's, Parx and Valley Forge, which  
8 included several incidents of cheating.

9 On June 9th, 2017, Mr. Hasanagic was  
10 present at SugarHouse Casino in violation of the  
11 Board's Order. SugarHouse security detained him,  
12 confiscated \$520 in game - confiscated \$520 in gaming  
13 chips from him as winnings.

14 As the Board is aware, the Act  
15 authorizes winnings to be taken from excluded persons  
16 found on gaming floors in Pennsylvania casinos.

17 In February of 2018, Mr. Hasanagic  
18 filed a request to the Board to return the \$520 that  
19 was confiscated from him. The Office of Enforcement  
20 Counsel filed an Answer objecting to this request.

21 A hearing in this matter was held on  
22 May 6th, 2018. OEC attended the hearing, but Mr.  
23 Hasanagic failed to appear and the hearing was held in  
24 his absence.

25 Subsequently the Report and

1 Recommendation issued by the Hearing Officer is that  
2 his request be denied and the funds remain  
3 confiscated.

4 CHAIRMAN: Questions or comments from  
5 the Board?

6 May I have a motion?

7 MR. JEWELL: Mr. Chairman, I move that  
8 the Board adopt the Report and Recommendation issued  
9 by the OHA regarding Nijaz Hasanagic's Petition to  
10 Recover Funds while on the PGCB Involuntary Exclusion  
11 List as described by the OCC.

12 MR. KERNODLE: Second.

13 CHAIRMAN: Favor?

14 AYES RESPOND

15 CHAIRMAN: Opposed? The motion's  
16 adopted.

17 ATTORNEY COOK: And that concludes the  
18 lengthy list of materials for the OCC.

19 CHAIRMAN: Thank you very much. The  
20 Bureau of Licensing.

21 MR. HANNON: Good afternoon, Chairman,  
22 members of the Board. Before the Board today will be  
23 seven Video Game Terminal Establishments, 763  
24 Principal and Key, Gaming and Non-Gaming Employee  
25 Applicants. In addition there will be consideration

1 of five Gaming Service Provider Applicants.

2 The first matter for your  
3 consideration are Conditional VGT Establishment  
4 Licenses for Raj Pike Management, Bald Eagle Truck  
5 Stop, Inc., DRT C-Store, Inc., 6406 Truck Plaza, LLC,  
6 LeoMart, LLC, Jiffy Mini Mart, Inc. and Gary L.  
7 Gerasimek.

8 Under the Gaming Act, the Board may  
9 issue a Conditional License provided certain criteria  
10 are met, including that the Applicant has never been  
11 convicted of a felony, is current on state taxes, has  
12 submitted a completed application and has not been  
13 convicted of a gaming law violation.

14 A preliminary review of these  
15 applicants indicates they have all met this criteria.  
16 I ask that the Board consider a motion to approve the  
17 Conditional VGT Establishment Licenses.

18 ATTORNEY PITRE: Enforcement Counsel  
19 has no objection.

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 grant the Video Gaming Terminal  
25 Establishment Conditional Licensees described by the

1 Bureau of Licensing.

2 MR. LOGAN: Second.

3 CHAIRMAN: All in favor?

4 AYES RESPOND

5 CHAIRMAN: All opposed? Motion's  
6 adopted.

7 MR. HANNON: Next there is the  
8 approval of Principal and Key Employee Licenses.  
9 Prior to this meeting, the Bureau of Licensing  
10 provided you with a Proposed Order for five Principal  
11 and three Key employees. I ask that the Board  
12 consider the Order approving these licenses.

13 ATTORNEY PITRE: Enforcement Counsel  
14 has no objection.

15 CHAIRMAN: Questions or comments from  
16 the Board?

17 Hearing none, may I have a motion?

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

21 MS. MANDERINO: Second.

22 CHAIRMAN: All in favor?

23 AYES RESPOND

24 CHAIRMAN: Opposed? Motion's adopted.

25 MR. HANNON: There are also Temporary

1 Principal and Key Employee Licenses. Prior to this  
2 meeting, the Bureau of Licensing provided you with the  
3 Order regarding the issuance of Temporary Licenses for  
4 5 Principals and 12 Key Employees.

5 I ask the Board to consider the Order  
6 approving these Licenses.

7 ATTORNEY PITRE: Enforcement Counsel  
8 has no objection.

9 CHAIRMAN: Questions or comments from  
10 the Board?

11 May I have a motion?

12 MS. MANDERINO: Mr. Chairman, I move  
13 the Board grant the Temporary Principal and Key  
14 Employee Credentials as described by the Bureau of  
15 Licensing.

16 MR. SANTONI: Second.

17 CHAIRMAN: All in favor?

18 AYES RESPOND

19 CHAIRMAN: Opposed? The motion's  
20 adopted.

21 MR. HANNON: Also there are Gaming  
22 Permits and Non-Gaming Registrations.

23 Prior to this meeting the Bureau of  
24 Licensing provided you with a list of 558 individuals  
25 to whom the Bureau has granted Temporary or Full

1 Occupation Permits and 157 individuals to whom the  
2 Bureau has granted Registrations under the authority  
3 delegated to the Bureau of Licensing.

4 Ask that the Board consider a motion  
5 approving this Order.

6 ATTORNEY PITRE: Enforcement Counsel  
7 has no objection.

8 CHAIRMAN: Questions or comments from  
9 the Board?

10 May I have a motion?

11 MR. SANTONI: Mr. Chairman, I move the  
12 Board grant the Gaming Employee Occupation Permits and  
13 Non-Gaming Employee Registrations as described by the  
14 Bureau of Licensing.

15 MR. JEWELL: Second.

16 CHAIRMAN: All in favor?

17 AYES RESPOND

18 CHAIRMAN: All opposed? The motion's  
19 adopted.

20 MR. HANNON: In addition there is a  
21 recommendation of denial for two Non-Gaming Employee  
22 Applicants.

23 In each case the Applicants were  
24 notified that he or she was being recommended for  
25 denial, and failed to request a hearing within the

1 specified time frame.

2                   The Bureau of Licensing has provided  
3 you with the Orders addressing the Applicants, who the  
4 OEC has recommended for denial.

5                   I ask that the Board consider a motion  
6 approving the denials.

7                   ATTORNEY PITRE: Enforcement Counsel  
8 continues to request denial in each instance.

9                   CHAIRMAN: Questions or comments from  
10 the Board?

11                   May I have a motion?

12                   MR. JEWELL: Mr. Chairman, I move that  
13 the Board deny the Non-Gaming Employee Applications as  
14 described by the Bureau of Licensing.

15                   MR. KERNODLE: Second.

16                   CHAIRMAN: All in favor?

17 AYES RESPOND

18                   CHAIRMAN: All opposed? The motion's  
19 adopted.

20                   MR. HANNON: Next for your  
21 consideration are Withdrawal Requests for Gaming and  
22 Non-Gaming Employees.

23                   In each case, the License, Permit or  
24 Registration is no longer required.

25                   For today's meeting I have provided

1 the Board with a list of 18 Gaming and 1 Non-Gaming  
2 Employee Withdrawals for approval. I ask that the  
3 Board consider the Orders approving the list of  
4 Withdrawals.

5 ATTORNEY PITRE: Enforcement Counsel  
6 has no objection.

7 CHAIRMAN: Questions or comments from  
8 the Board? May I have a motion?

9 MR. KERNODLE: Mr. Chairman, I move  
10 the Board grant the Gaming and Non-Gaming Employee  
11 Applications described by the Bureau of Licensing.

12 MR. LOGAN: Second.

13 CHAIRMAN: All in favor?

14 AYES RESPOND

15 CHAIRMAN: Opposed? Motion's adopted.

16 MR. HANNON: Additionally we have an  
17 Order to certify Guthrie Glass and Mirror, Inc. and  
18 Dugan & Marcon, Inc.

19 I ask that the Board consider the  
20 Order approving both Gaming Service Provider  
21 Applicants for certification.

22 ATTORNEY PITRE: Enforcement Counsel  
23 has no objection.

24 CHAIRMAN: Questions or comments from  
25 the Board?

1 May I have a motion?

2 MR. LOGAN: Mr. Chairman, I move that  
3 the Board grant the Application for Gaming Service  
4 Provider Certification as described by the Bureau of  
5 Licensing.

6 MS. MANDERINO: Second.

7 CHAIRMAN: All in favor?

8 AYES RESPOND

9 CHAIRMAN: Opposed? The motion's  
10 adopted.

11 MR. HANNON: Finally, for your  
12 consideration are Gaming Service Provider  
13 Registrations. The Bureau of Licensing provided you  
14 with an Order and an attached list of three registered  
15 Gaming Service Provider Applicants.

16 I ask that the Board consider the  
17 Order registering these Gaming Service Providers.

18 ATTORNEY PITRE: Enforcement Counsel  
19 has no objection.

20 CHAIRMAN: Questions or comments from  
21 the Board?

22 Motion?

23 MS. MANDERINO: Mr. Chairman, I move  
24 the Board grant the Applications for Gaming Service  
25 Provider Registration as described by the Bureau of

1 Licensing.

2 MR. SANTONI: Second.

3 CHAIRMAN: All in favor?

4 AYES RESPOND

5 CHAIRMAN: Opposed? The motion's  
6 adopted.

7 MR. HANNON: That concludes the Bureau  
8 of Licensing's petitions.

9 CHAIRMAN: OEC.

10 ATTORNEY PITRE: Okay.

11 The OEC will present 13 matters today  
12 for the Board's consideration, which we will request  
13 the Board's approval of three Consent Agreements and  
14 ten default judgments, which will result in four  
15 revocations, two suspensions and five involuntary  
16 exclusions.

17 The next two matters on the agenda  
18 for the Board's consideration are Consent Agreements  
19 between the OEC and Category 3 Licensee Valley Forge  
20 Convention Center Partners, LP, doing business as  
21 Valley Forge Casino Resort.

22 The first Consent Agreement will be  
23 presented by Deputy Enforcement Counsel Dustin Miller.  
24 Representatives for Valley Forge Casino are present  
25 and at this time. I would request that those

1 individuals introduce themselves for the record and  
2 anyone not here as an attorney, please stand and be  
3 sworn.

4 MR. PEARSON: Craig Pearson, President  
5 and CEO of Valley Forge Casino Resort. E-R-I-C, last  
6 name P-E-A-R-S-O-N.

7 COURT REPORTER: Can you raise your  
8 right hand, please?

9

---

10 ERIC PEARSON,  
11 CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING, AND  
12 HAVING FIRST BEEN DULY SWORN, TESTIFIED AND SAID AS  
13 FOLLOWS:

14

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15 ATTORNEY MILLER: Good afternoon,  
16 Chairman Barasch, members of the Board. Dustin Miller  
17 on behalf of the OEC.

18 This particular Consent Agreement  
19 arises from an investigation by the BIE in the Spanish  
20 21 game play at Valley Forge. On July 24th, 2017, the  
21 patron made a complaint to the Board regarding the way  
22 that Spanish 21 was being played at various Eastern  
23 Pennsylvania casinos.

24 Subsequently BIE opened an  
25 investigation into the patron's complaints. Although

1 the patron's complaints were largely unsubstantiated,  
2 BIE did discover that there were a number of  
3 discrepancies between the Board-approved version of  
4 Spanish 21 and the version of Spanish 21 that was  
5 being played at Valley Forge Casino and Resort.

6           The first discrepancy found by BIE was  
7 that Valley Forge's Board approved Rule Submission and  
8 Gaming Guide stated that patrons were permitted to  
9 play a maximum of three hands and were entitled to  
10 unlimited hits after splitting aces.

11           However, Valley Forge's onsite  
12 physical Gaming Guide available to patrons stated that  
13 patrons were only entitled to one hit after on each  
14 hand after splitting aces. And Valley Forge's online  
15 Gaming Guide stated that players were limited to  
16 playing two hands and only one hit on each hand.

17           Further, BIE interviewed 21 Valley  
18 Forge table games staff members, which also revealed  
19 that Spanish 21 was not being played the same way  
20 universally by all dealers.

21           The second discrepancy discovered by  
22 BIE was that although permitted by Board regulations,  
23 Valley Forge was not allowing patrons to place a  
24 double-down wager after splitting aces.

25           BIE's investigation revealed that this

1 practice was in place since at least April 18 of 2015,  
2 even though the prohibition did not appear in Valley  
3 Forge's approved Gaming Guide, nor was it addressed in  
4 Valley Forge's Spanish 21 Rules Submission.

5                   Further, BIE's investigation revealed  
6 that Valley Forge table games staff were not  
7 universally applying the same rules for Spanish 21,  
8 with the majority of dealers prohibiting double-down  
9 wagers on split aces while others were allowing  
10 double-down wagers.

11                   On June 1st, 2018 Valley Forge came  
12 into compliance with Board regulations and allowed  
13 players to - to place double-down wagers on split  
14 aces.

15                   Valley Forge amended its Table Games  
16 Training Manual reflecting this change of procedure,  
17 which was approved on June 21st, 2018. The rule  
18 submission for Spanish 21 Gaming Guide and Table Games  
19 Dealer Training Manual are all part of Valley Forge's  
20 proved internal controls.

21                   Further Board regulations outline the  
22 procedure for the play of Spanish 21 in Pennsylvania  
23 casinos.

24                   On July 2nd, 2018 the parties entered  
25 into a Consent Agreement to settle this outstanding

1 compliance matter.

2                   The terms of this - of this agreement  
3 include a provision that Valley Forge Convention  
4 Center Partners, LP shall reinforce existing policies  
5 to minimize the opportunity for similar incidents to  
6 occur in the future.

7                   Further, Valley Forge Convention  
8 Center Partners, LP shall pay a total fine of \$30,000  
9 and an administrative fee of \$2,500.

10                   The fine and administrative fee shall  
11 be paid within five days of the Consent Agreement  
12 being approved by the Board.

13                   As Cyrus stated earlier, Counsel for  
14 Valley Forge Convention Center Partners, LP is in  
15 attendance today to answer any questions you may have.

16                   Otherwise, the OEC asks the Board to  
17 entertain a motion to approve the Consent Agreement.

18                   CHAIRMAN: Does Counsel for Valley  
19 Forge have anything to offer?

20                   ATTORNEY KING: Very briefly. Good  
21 afternoon to everyone, Adrian King, Ballard Spahr, on  
22 behalf of Valley Forge.

23                   This is an unfortunate set of facts.  
24 Operating any casino is a large involved business. We  
25 offer about 50 different table games. We accept the

1 findings of OEC.

2                   This was an oversight. We accepted  
3 the Consent Agreement, as it was presented to us, we  
4 engaged in new training, gone over our procedures and  
5 we have nothing more to add, I'm going to apologize  
6 and we're going to do better.

7                   CHAIRMAN: Thank you. Any questions  
8 or comments from the Board in this matter?

9                   Hearing none, do we have a motion?

10                  MR. SANTONI: Mr. Chairman, I move  
11 that the Board approve the Consent Agreement between  
12 the OEC and Valley Forge Convention Center Partners,  
13 LP, as described by the OEC.

14                  MR. JEWELL: Second.

15                  CHAIRMAN: All in favor?

16 AYES RESPOND

17                  CHAIRMAN: Opposed? Motion is  
18 adopted.

19                  ATTORNEY MILLER: Thank you.

20                  ATTORNEY PITRE: The next matter on  
21 the agenda - agenda is a second Consent Agreement with  
22 Valley Forge Casino and Resorts, which will be  
23 presented by Assistant Enforcement Counsel Ashley  
24 Gabrielle.

25                  ATTORNEY GABRIELLE: Good afternoon,

1 Mr. Chairman and members of the Board. Ashley  
2 Gabrielle, G-A-B-R-I-E-L-L-E.

3 This - this Proposed Consent Agreement  
4 involves a failure of Category 3 Licensee Valley Forge  
5 Convention Center Partners, LP to safeguard and  
6 protect its assets and revenue.

7 On or around June 21st, 2018 the BIE  
8 initiated an investigation into a competitive shopping  
9 program at Valley Forge, particularly as it related to  
10 Christopher Camp, a former Slot Manager at Valley  
11 Forge and his fraudulent activity performed through  
12 the program.

13 BIE's investigation found that Valley  
14 Forge established the program in May 2013 as part of  
15 Valley Forge's ongoing market research. Selected  
16 employees were to join various casino Reward Clubs  
17 principally located in Pennsylvania, New Jersey, New  
18 York and Delaware, to enable Valley Forge to review  
19 and compare its regional competitors.

20 Participating Valley Forge employees  
21 were required to gamble at various casinos with a set  
22 amount of money to be established prior to each  
23 gambling session in accordance with program policies  
24 and procedures and to join the Rewards Programs at the  
25 various competitor casinos.

1                   BIE's investigation found that Mr.  
2 Camp was terminated in March 2018, after Valley Forge  
3 discovered that he had been stealing from the program  
4 by using fraudulently-prepared documentation from the  
5 program to request \$3,700 each month for 29 months,  
6 beginning in October 2015 and ending in February of  
7 2018.

8                   During this time Mr. Camp signed out a  
9 total of \$107,300 in 29 separate transactions.

10                   Valley Forge determined that \$92,390  
11 in funds were retained by Mr. Camp, although he only  
12 admitted to 17 fraudulent transactions totaling  
13 \$62,900.

14                   Mr. Camp was criminally charged as a  
15 result of his actions. It was determined that Mr.  
16 Camp was able to perpetrate the fraud over a time span  
17 of more than four years.

18                   From May 2013 to October 2017, Mr.  
19 Camp perpetrated his fraud during periods of time that  
20 he - that he was a part of the active period during  
21 periods of time that the program was inactive and  
22 during periods of time that he was not part of the  
23 active program.

24                   BIE's investigation revealed that the  
25 Marketing Department and Program Leader did not

1 adequately oversee, administer or analyze the program.

2                   There was no reconciliation between  
3 the Program Leader, Finance Department, Cage and  
4 Marketing Department to review the monthly activity of  
5 the program.

6                   BIE's investigation also found that  
7 Valley Forge's Internal Audit Director participated in  
8 nine gambling trips in the program, which, in OEC's  
9 opinion, poses as a potential conflict of interest  
10 with a job responsibilities of an Internal Audit  
11 Director and violates the segregation of duties  
12 envisioned by the Act.

13                   OEC requests that the Board approve  
14 this Consent Agreement and Stipulation of Settlement.  
15 The terms of the Settlement include a provision that  
16 Valley Forge shall reinforce existing policies and  
17 provide training, guidance and reinforcement to its  
18 employees, which will minimize the opportunity for a  
19 similar incident to occur in the future.

20                   That Valley Forge shall pay a fine of  
21 \$50,000 for the violation within five days of the  
22 Board's approval. And that Valley Forge shall pay a  
23 \$2,500 administrative fee for costs incurred by OEC,  
24 BIE and other Board staff, which will also be paid  
25 within five days of the Board's approval of the

1 Consent Agreement.

2                   At this time the OEC is available for  
3 any questions the Board may have.

4                   CHAIRMAN: Any comments, questions?

5                   ATTORNEY KING: Very briefly. It's a  
6 very unfortunate circumstance where a licensed and  
7 trusted employee known to his fellow employees took  
8 advantage of these relationships.

9                   I just want to put this briefly in  
10 context. The Marketing Department, on an annual  
11 basis, has about a \$4 to \$5 million budget for the  
12 casino facility. What this gentleman successfully did  
13 was steal very small amounts of money every month.

14                   Let me rephrase that in the sense of  
15 we're talking about \$3,000, \$4,000. So I know it's  
16 not small to everyone, but in the overall context of  
17 the operation of a casino.

18                   This gentleman is also a Slots Manager  
19 who regularly routinely oversees slot machines were  
20 tested and things of that nature. But by taking out  
21 the small amounts of money over a lengthy period of  
22 time was basically able to, you know, sneak under the  
23 radar.

24                   What the event clearly uncovered was a  
25 discrepancy and a failure to communicate, I think as

1 OEC has explained, between the Marketing Department in  
2 particular, Finance Department to a lesser extent but  
3 also to the cage.

4                   But I did want to make - take steps to  
5 ensure that never happens again, but what I - I want  
6 to make clear is, at least to our opinion, this did  
7 not put at risk any revenue in the sense of tax  
8 revenue going to the Commonwealth, effectively.

9                   What he stole was the casino's money,  
10 not - not the Commonwealth money. But be that as it  
11 may, we've obviously accepted findings in the Consent  
12 Agreement.

13                   We thank OEC for working with us  
14 closely to ensure the facts were accurately portrayed.  
15 We took steps to correct the deficiencies that we have  
16 found.

17                   And as you can imagine, we've  
18 cooperated with Montgomery County District Attorney's  
19 Office in connection with this gentleman being  
20 criminally prosecuted.

21                   If you have any questions, I'm happy  
22 to answer those.

23                   MR. JEWELL: Yeah, I'd like -. This  
24 goes under the rubric of who's minding the store?

25                   And as I looked at the facts in the

1 case, it appears as though for a substantial period of  
2 time this individual was relying on signature  
3 authority of an employee who was long gone from  
4 working at Valley Forge to which I said, holy  
5 mackerel.

6                   No matter the - the size of the amount  
7 of money, just that - that lapse and confidence in a  
8 signature of - which was being copied of someone no  
9 longer there, who had that authority, causes me to  
10 scratch my head.

11                   MR. PEARSON: There's - your point is  
12 - is definitely very well taken. There - I don't have  
13 really an excuse for what did happen.

14                   In the scope of the cage cashiers that  
15 are processing those transactions, it's thousands of  
16 transactions a day and - and as Adrian said, this -  
17 this was the head of our Slot Department.

18                   He was - he was a very senior member  
19 of the team and trusted. And, you know, if - if - you  
20 know, really a low ranking member of the team had just  
21 come up to pass this along, there probably would have  
22 been more scrutiny.

23                   Because this was our top executive in  
24 slots. And there's - there's several points where I  
25 wish we had acted differently and done everything -.

1                   We ended the program well before this  
2 was even caught, you know. It's - it's certainly  
3 unfortunate and we're pretty devastated at the  
4 property, but -.

5                   MR. JEWELL: Keep in mind the manner  
6 of the management level in recent - we just had  
7 Mohegan Sun at the very highest level in the - it was  
8 serious, so -.

9                   MR. PEARSON: Absolutely. Understood.

10                  CHAIRMAN: I have just one question.  
11 I'm not sure who it's directed to. What is the status  
12 of the perpetrator as we know it?

13                  MS. GABRIELLE: I printed out the  
14 Docket Sheet. He was charged with 17 counts of felony  
15 grade A offense, theft by deception, false impression.  
16 And also I believe 17 of forgery, unauthorized action  
17 writing. The charges are pending.

18                  CHAIRMAN: There hasn't been a  
19 decision yet?

20                  ATTORNEY GABRIELLE: No.

21                  CHAIRMAN: Okay.

22                               Thank you very much. Questions and -  
23 other questions or comments from the Board.

24                               Hearing none, may I have a motion?

25                  MR. JEWELL: Mr. Chairman, I move that

1 the Board approve the Consent Agreement between the  
2 OEC and Valley Forge Convention Center Partners, LP as  
3 described by the OEC.

4 MR. KERNODLE: Second.

5 CHAIRMAN: All in favor?

6 AYES RESPOND

7 CHAIRMAN: Opposed? Motion adopted.

8 MR. PEARSON: Thank you.

9 ATTORNEY PITRE: Next matter on the  
10 agenda for the Board's consideration is a Consent  
11 Agreement between the OEC and Category 1 Licensee  
12 Washington Trotting Association, Inc., doing business  
13 as The Meadows Casino.

14 The Consent Agreement will be  
15 presented by Assistant Enforcement Counsel Sarah  
16 Kolesar. Representatives for The Meadows Casino are  
17 present. At this time I would request that those  
18 individuals introduce themselves for the record and  
19 that anyone not - well, attorneys -.

20 Okay.

21 And that's it.

22 MR. KEELON: Mike Keelon. I'm the  
23 Director of Compliance for Washington Trotting  
24 Association.

25 MR. BEINHAUER: Brian Beinhauer. I'm

1 the Director of Information Technology for the  
2 Washington Trotting Association.

3 COURT REPORTER: Spell your last name.

4 MR. BEINHAUER: Sure. It's B, as in  
5 Boy, E-I-N-H-A-U-E-R.

6 COURT REPORTER: Thank you.

7 MR. KEELON: And Keelon, K-E-E-L-O-N.

8 CHAIRMAN: You may swear them.

9 COURT REPORTER: Raise your right  
10 hand.

11 ---

12 WITNESSES SWORN EN MASSE

13 ---

14 COURT REPORTER: Thank you.

15 ATTORNEY KOLESAR: Good afternoon.

16 Sarah Kolesar, K-O-L-E-S-A-R, Assistant Enforcement  
17 Counsel with the OEC.

18 This Proposed Consent Agreement  
19 involves Internal Control Violations regarding the  
20 issuance of unauthorized costs, which occurred at The  
21 Meadows Casino.

22 In April of 2017, The Meadows  
23 self-reported an incident where four employees working  
24 in the position of casino Host were found to be  
25 issuing unauthorized comps to the Basaka Restaurant

1 and the casino gift shop in violation of the Act, the  
2 Board's regulations and The Meadows' internal  
3 controls.

4                   Approximately \$834,744.60 in comps  
5 were issued for use at Basaka and the casino gift shop  
6 from 2009 to 2017, in violation of the comp matrix.

7                   Approximately \$541,099.77 in comps  
8 were issued for use at Basake, and approximately  
9 \$293,644.89 in comps were issued for use at the casino  
10 gift shop.

11                   The employees that issued these comps  
12 were not authorized to do so under the Board-approved  
13 comp matrix.

14                   From 2009 through January of 2018, The  
15 Meadows utilized IGT Advantage as their main casino-  
16 management system. One of the tasks for which the  
17 system was utilized for was the issuance of comps.

18                   Under the IGT Advantage System an  
19 authorized employee could issue a comp via the IGT  
20 patron manager app or by self-administering comps via  
21 their assigned comp number. In the IGT patron manager  
22 app system employees are broken up into patron manager  
23 groups based on their employment position.

24 Limitations for the issuance of comps in the IGT  
25 patron manager app system were configured based on the

1 patron manager group the employees were a part of in  
2 this system.

3                   In 2007 limitations in regards to  
4 casino Host positions ability to issue discretionary  
5 comps were set in the IGT patron manager app system.  
6 At that time the correct limitations were not set in  
7 the system. A casino Host had the ability to issue  
8 comps to Basaka and the gift shop, in violation of the  
9 Board-approved comp matrix. These limitations were  
10 not updated until May of 2017.

11                   On January 23rd, 2018 The Meadows  
12 replaced their IGT system with Aristocrat Oasis Gaming  
13 System and incorporated the pinnacle universal card  
14 system named Halo. The Halo system now manages all  
15 discretionary comping. And all associated permissions  
16 regarding discretionary comping have been set in  
17 accordance with the comp matrix.

18                   On July 5th, 2018 The Meadows  
19 submitted an update to The Meadows internal control  
20 Section 465.7, in associated comp major to the Bureau  
21 of Gaming Operations for approval, which is currently  
22 pending.

23                   At this time the OEC requests that the  
24 Board approve this Consent Agreement between the  
25 parties. The terms of the settlement include that

1 within five days of the Board's Order approving this  
2 Consent Agreement, The Meadows shall pay a civil  
3 penalty of \$80,000.

4 Also within five days of the Board's  
5 order approving this Consent Agreement, The Meadows  
6 shall pay the Board an administrative fee in the  
7 amount of \$2,500.

8 If you have any questions, I would be  
9 happy to address them at this time.

10 CHAIRMAN: Any comments from  
11 Washington Trotting Association?

12 MR. KEELON: Good afternoon, Mr.  
13 Chairman, members of the Board. Briefly. Washington  
14 Trotting Association does not contest any of the facts  
15 as stated by OEC.

16 In trying to determine where the  
17 breakdown occurred, it's difficult to ascertain,  
18 because the time that's elapsed since this occurred  
19 back in 2009.

20 The - the person who would have made  
21 the request for this casino Host position, General  
22 Manager who would have thrown it off to the corporate  
23 principal, who would have reviewed it, printed it and  
24 sent it back down to the then Director of Accounting,  
25 who would then provide it to me for submission to the

1 Board internal control revision.

2 And then subsequent to the Director of  
3 IT presentation in the IGT system -. All those people  
4 are gone. None of those people are still with The  
5 Meadows.

6 So it is difficult to know where the  
7 breakdown process occurred. Moving forward to ensure  
8 that something like this doesn't happen again, the  
9 implementation of Aristocrat Oasis overseeing Halo  
10 program provides tight controls over who can comp  
11 where and how much.

12 Those limits are established. They've  
13 been recently reviewed.

14 In addition, prior to this occurrence,  
15 the audit of our comp matrix was not an audit that was  
16 conducted by our Internal Audit Department. We have  
17 since implemented that.

18 So, they're looking at that as well.

19 CHAIRMAN: Thank you. Any questions  
20 from the Board?

21 Hearing none, may I have a motion?

22 MR. KERNODLE: Mr. Chairman, I move  
23 the Board approve the Consent Agreement between the  
24 OEC and Washington Trotting Association, Inc., as  
25 described by the OEC.

1                   MR. LOGAN:    Second.

2                   CHAIRMAN:   All in favor?

3 AYES RESPOND

4                   CHAIRMAN:   All opposed?   Motion's  
5 adopted.

6                   MR. KEELON:   Thank you.

7                   ATTORNEY PITRE:   Next I have five  
8 matters on the agenda consist of enforcement actions  
9 in which the OEC filed complaints seeking the  
10 revocation of three Non-Gaming Employee Registrations  
11 and one Gaming Employee Occupation Permit, and the  
12 suspension of two Non-Gaming Employee Registrations,  
13 which were issued by the Board.

14                   Each complaint has been filed with the  
15 Board's OHA, and properly served upon the person named  
16 in each complaint.   The person named in each complaint  
17 failed to respond within 30 days, as required by Board  
18 regulation.

19                   As a result, the OEC filed a request  
20 for default judgment and properly served the same upon  
21 each named person.   Therefore, the facts in each  
22 complaint are deemed admitted.

23                   All filed documents have been provided to  
24 the Board and the matters are presently ripe for the  
25 Board's consideration.   In each instance we will

1 provide a brief summary of the facts and request the  
2 appropriate Board action.

3 ATTORNEY HAKEN: Good afternoon,  
4 Chairman, members of the Board. Tamara Haken,  
5 H-A-K-E-N, with the OEC.

6 The next matter on the agenda for the  
7 Board's consideration is the suspension of the Non-  
8 Gaming Employee Registration issued to Andrew Schmick.

9 On April 11th, 2018 Mr. Schmick was  
10 charged with multiple gambling misdemeanors, resulting  
11 in his role in an organization that used illegal video  
12 gambling devices.

13 Mr. Schmick has entered ARD for the  
14 charges. OEC requests that the Non-Gaming Employee  
15 Registration issued to Andrew Schmick be suspended.

16 CHAIRMAN: Questions or comments from  
17 the Board?

18 Hearing none, may I have a motion?

19 MR. LOGAN: Mr. Chairman, I move that  
20 the Board approve the suspension of Andrew Schmick's  
21 Non-Gaming Employee Registration as described by the  
22 OEC.

23 MS. MANDERINO: Second.

24 CHAIRMAN: All in favor?

25 AYES RESPOND

1                    CHAIRMAN: Opposed? Motion's adopted.

2                    ATTORNEY TEPPER: Good afternoon,  
3 Chairman Barasch, members of the Board. Next on the  
4 agenda is a request to revoke Cole Davis' Non-Gaming  
5 Employee Registration.

6                    Mr. Davis was charged with theft by  
7 unlawful taking and receiving stolen property after he  
8 was found to be removing money from check fulfillments  
9 and voiding checks, while working as a beverage  
10 supervisor at Mount Airy Casino.

11                   Mr. Davis has pled guilty to these  
12 charges and at this time the OEC requests that the  
13 Board revoke the Non-Gaming Employee Registration of  
14 Cole Davis.

15                   CHAIRMAN: Questions from the Board?  
16 May I have a motion?

17                   MS. MANDERINO: Mr. Chairman, I move  
18 the Board approve the revocation of Cole Davis'  
19 Non-Gaming Employee Registration as described by the  
20 OEC.

21                   MR. SANTONI: Second.

22                   CHAIRMAN: All in favor?

23 AYES RESPOND

24                   CHAIRMAN: All opposed? The motion's  
25 adopted.

1                    ATTORNEY ARMSTRONG: Good morning,  
2 Commission. James Armstrong from the OEC.

3                    Next on the agenda for the Board's  
4 consideration is a complaint to revoke Yu Long Chen's  
5 Non-Gaming Employee Registration.

6                    He engaged in criminal behavior by not  
7 ringing up alcohol sales and taking money that  
8 belonged to SugarHouse Casino while employed there as  
9 a Fast Food Cashier. Mr. Chen was terminated from  
10 SugarHouse.

11                   He is not presently an employee of the  
12 Pennsylvania gaming industry.

13                   The OEC requests the Board revoke Mr.  
14 Chen's Non-Gaming Employee Registration.

15                   CHAIRMAN: Questions or comments from  
16 the Board?

17                   May I have a motion?

18                   MR. SANTONI: Mr. Chairman, I move  
19 that the Board approve the revocation of Yu Long  
20 Chen's Non-Gaming Employee Registration as described  
21 by the OEC.

22                   MR. JEWELL: Second.

23                   CHAIRMAN: All in favor?

24 AYES RESPOND

25                   CHAIRMAN: Opposed? The motion's

1 adopted.

2 ATTORNEY ARMSTRONG: Thank you. Next  
3 on the agenda for the Board's consideration is a  
4 complaint to suspend Isiah Stark's Non-Gaming Employee  
5 Registration, based on Mr. Starks being charged with  
6 multiple felonies, which are presently pending against  
7 him.

8 He was terminated from SugarHouse  
9 Casino and is not presently an employee in  
10 Pennsylvania's gaming industry. Accordingly OEC  
11 requests the Board suspend Non-Gaming Employee  
12 Registration issued to Isiah Sparks.

13 CHAIRMAN: Questions or comments from  
14 the Board?

15 Hearing none, may I have a motion?

16 MR. JEWELL: Mr. Chairman, I move the  
17 Board approve the suspension of Isiah Stark's, Non-  
18 Gaming Employee Registration as described by the OEC.

19 MR. KERNODLE: Second.

20 CHAIRMAN: All in favor?

21 AYES RESPOND

22 CHAIRMAN: All opposed? Motion's  
23 adopted.

24 ATTORNEY ARMSTRONG: Thank you. Next  
25 on the agenda for the Board's agenda is a complaint to

1 revoke the Non-Gaming Employee Registration and the  
2 Gaming Employee Occupation Permit issued to Shaun  
3 Thomas, for his unsuitable conduct while employed as a  
4 Security Officer at SugarHouse Casino.

5 He found money lost by a patron and  
6 intended to keep it rather than return it. Mr. Thomas  
7 was terminated at SugarHouse, is not presently  
8 employed in Pennsylvania's gaming industry.

9 Accordingly, OEC requests that the  
10 Board revoke Mr. Thomas' Non-Gaming Employee  
11 Registration and Gaming Employee Occupation Permit.

12 CHAIRMAN: Questions or comments from  
13 the Board? Hearing none, may I have a motion?

14 MR. KERNODLE: Mr. Chairman, I move  
15 the Board approve the revocation of Shaun Thomas' Non-  
16 Gaming Employee Registration and Gaming Employee  
17 Occupation Permit described by the OEC.

18 MR. LOGAN: Second.

19 CHAIRMAN: All in favor?

20 AYES RESPOND

21 CHAIRMAN: Opposed? Motion's adopted.

22 ATTORNEY PITRE: The remaining matters  
23 on the agenda consist of enforcement actions in which  
24 the OEC filed petitions seeking the involuntary  
25 exclusion of individuals whose presence in a licensed

1 facility are inimical to the interests of the  
2 Commonwealth and their - and their licensed gaming  
3 therein.

4 In each instance the petition for  
5 exclusion has been filed with the Board's OHA and  
6 properly served upon an individual named in the  
7 complaint.

8 Individual named in each complaint  
9 failed to respond within 30 days as required by Board  
10 regulation. As a result, the OEC filed a request for  
11 default judgment in each instance and properly served  
12 the same upon each named individual.

13 Therefore, all facts in each petition  
14 are deemed admitted. All filed documents have been  
15 provided to the Board and the matters are presently  
16 ripe for the Board's consideration.

17 In each instances the Board orders the  
18 proposed exclusion each individual's photo, personal  
19 identifiers and the summary of inimical conduct will  
20 be placed on the Board's public website.

21 ATTORNEY ARMSTRONG: Chairman,  
22 Commissioners, it's James Armstrong again, with the  
23 OEC.

24 Next on the agenda for the Board's  
25 consideration is the request to place Ly Nguyen on the

1 Exclusion List, because of his involvement in a  
2 cheating conspiracy at Minibaccarat at SugarHouse  
3 Casino.

4                   The investigation revealed that Nguyen  
5 intentionally failed to collect \$8,000 at SugarHouse  
6 -.

7                   Accordingly, OEC requests that the  
8 Board enter a judgment of default and place Mr. Nguyen  
9 on the Board's Involuntary Exclusion List.

10                   CHAIRMAN: Questions or comments from  
11 the Board?

12                   May I have a motion?

13                   MR. LOGAN: Mr. Chairman, I move that  
14 the Board approve the addition of Ly Nguyen to the  
15 PGCB Involuntary Exclusion List, as described by the  
16 OEC.

17                   MS. MANDERINO: Second.

18                   CHAIRMAN: All in favor?

19 AYES RESPOND

20                   CHAIRMAN: Opposed? Motion's adopted.

21                   ATTORNEY ARMSTRONG: Next for your  
22 consideration is petition to place Towanda Bruce on  
23 the Board's Involuntary Exclusion List.

24                   Ms. Bruce colluded with another patron  
25 at Harrah's Philadelphia, a Dealer, cheating during

1 Blackjack. During table game play the Dealer would  
2 pay losing hands as winning hands, expose cards prior  
3 to dealing and not collect losing wagers.

4 Ms. Bruce stole \$12,156.50 as a result  
5 of her illegal activity.

6 Pennsylvania State Police criminally  
7 charged Ms. Bruce and she pleaded guilty to felony  
8 theft by unlawful taking. Ms. Bruce is set to serve  
9 three years of probation, pay full restitution and not  
10 have any contact with Harrah's Philadelphia.

11 At this time OEC requests the Board  
12 issue an Order placing Towanda Bruce on the  
13 Involuntary Exclusion List.

14 CHAIRMAN: Questions or comments from  
15 the Board?

16 Hearing none, may I have a motion?

17 MS. MANDERINO: Mr. Chairman, I move  
18 the Board approve the addition of Towanda Bruce to the  
19 PGCB Involuntary Exclusion List as described by the  
20 OEC.

21 MR. SANTONI: Second.

22 CHAIRMAN: All in favor?

23 AYES RESPOND

24 CHAIRMAN: Opposed? Motion's adopted.

25 ATTORNEY ROLAND: Good afternoon, Mr.

1 Chairman and members of the Board. Michael Roland,  
2 R-O-L-A-N-D, with the OEC.

3 The last three matters on the agenda  
4 arise from the same fact pattern. And each involves a  
5 request to place the individual on an Involuntary  
6 Exclusion List.

7 Patrons Gebbran Raghbeer, Shaun Khan  
8 and Faawaz Rahaman were caught engaging in a  
9 conspiracy in which they switched cards with one  
10 another and capped wagers while playing three card  
11 poker at Sands Casino to unlawfully gain \$2,645.

12 Shaun Khan, Gebbran Raghbeer and  
13 Faawaz Rahaman were all criminally charged by the  
14 Pennsylvania State Police.

15 The matter is now before the Board to  
16 consider the placement of Shaun Khan on the Board's  
17 Involuntary Exclusion List.

18 CHAIRMAN: Questions, comments from  
19 the Board?

20 May I have a motion?

21 MR. SANTONI: Mr. Chairman, I move for  
22 the Board to approve the addition of Shaun Khan to the  
23 PGCB Involuntary Exclusion List as described by the  
24 OEC.

25 MR. JEWELL: Second.

1                    CHAIRMAN: All in favor?

2 AYES RESPOND

3                    CHAIRMAN: Opposed? Motion's adopted.

4                    ATTORNEY ROLAND: The matter's now  
5 before the Board to consider the placement of Gebbran  
6 Raghbeer on the Board's Involuntary Exclusion List.

7                    CHAIRMAN: Questions or comments from  
8 the Board?

9                    May I have a motion?

10                   MR. JEWELL: Mr. Chairman, I move the  
11 Board approve the addition of Gebbran Raghbeer to the  
12 PGCB Involuntary Exclusion List as described by the  
13 OEC.

14                   MR. KERNODLE: Second.

15                   CHAIRMAN: All in favor?

16 AYES RESPOND

17                   CHAIRMAN: Opposed? Motion's adopted.

18                   ATTORNEY ROLAND: And the matter's now  
19 before the Board to consider the placement of Faawaz  
20 Rahaman on the Board's Involuntary Exclusion List.

21                   CHAIRMAN: Questions or comments from  
22 the Board?

23                   May I have a motion?

24                   MR. KERNODLE: Chairman, I move that  
25 the Board approve the addition of Faawaz Rahaman to

1 the PGCB Involuntary Exclusion List described by the  
2 OEC.

3 MR. LOGAN: Second.

4 CHAIRMAN: All in favor?

5 AYES RESPOND

6 CHAIRMAN: Opposed? Motion's adopted.

7 ATTORNEY ROLAND: Thank you. That  
8 concludes our business.

9 CHAIRMAN: Yes, it does. That  
10 concludes today's public meeting. Our next public  
11 meeting will be held on Wednesday, September 12th, in  
12 this room.

13 May I have a motion to adjourn?

14 MR. LOGAN: So moved.

15 MS. MANDERINO: Second.

16 CHAIRMAN: All in favor?

17 AYES RESPOND

18 CHAIRMAN: All opposed? The motion's  
19 adopted.

20 \* \* \* \* \*

21 MEETING CONCLUDED AT 1:10 P.M.

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## CERTIFICATE

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I hereby certify that the foregoing proceedings, the public meeting held before Chairman Barasch, was reported by me on 08-15-18 and that I, Rhonda K. Thorpe, read this transcript, and that I attest that this transcript is a true and accurate record of the proceeding.

Dated the 12th day of September, 2018

  
**Court Reporter**  
Rhonda K. Thorpe